

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: July 20, 2022
RE: Good Neighbor Grant Request – 825 Jackson Avenue (The Art Incubator)

The enclosed Good Neighbor Grant application has been submitted for consideration at the July 20, 2022, CCDC Board Meeting.

Project: The Art Incubator

Applicant: Ephraim Urevbu
410 South Main Street
Memphis, TN 38103

Property Owner: Same as above

Applicant's Request: Good Neighbor Grant in an amount up to \$25,000.

Project Description: The subject property is a two story commercial building on the southwest corner of Jackson Avenue and North Dunlap Street. This building has laid vacant for years and was most recently an entertainment event venue. It is within the CRA's Uptown TIF District and a focus for the Good Neighbor Grant.

The applicant is planning to fully renovate 825 Jackson Avenue as a mixed-use building with outdoor programming space and large murals. As the Art Incubator, it will be used as studio space for artist residencies and to foster a variety of creative ventures. On the ground floor, the owner-artist will have a studio along with a space for a small restaurant tenant. On the upper level, multi-family units will be developed to support the international artists who will be hosted here. South of the building, thicket has been cleared to provide for common space and a parking lot.

The applicant has made substantial renovation progress on the property by cleaning and gutting the interior, replacing the roof, and clearing the overgrowth. Separate from this application, he has already spent over \$112,000 in stabilization improvements and has more work scheduled to mobilize.

The exterior scope of work will include masonry repair/tuck-pointing, new doors and windows, paint, and lighting. Additionally, the applicant will later design murals for the east and west walls and install outdoor programming space protected with awnings/canopies.

Project Budget:

The estimated project budget includes the following sources:

The following describes the estimated project budget:

Sources:

Owner’s Contribution	\$56,000	(69.14%)
CCDC GNG	\$25,000	(30.86%)
Total Sources	\$81,000	(100%)

Eligible Work:

The Good Neighbor Grant program is designed to help Downtown-adjacent businesses make high-quality exterior building improvements to improve the appearance of property and fight blight. These improvements help draw in customers by making buildings approachable, increase pedestrian activity in neighborhoods, and add vibrancy to once dilapidated property. The Grant is reimbursable and requires the applicant to provide receipts of completed work.

Permanent exterior improvements that are potentially-eligible for reimbursement under the Good Neighbor Grant program include the following:

Demolition	\$15,000	(16.48%)
New Doors & Windows	\$32,000	(35.16%)
Exterior Lighting	\$5,000	(6.17%)
Exterior Paint/Finishes	\$9,000	(11.11%)
Exterior Masonry Repair	\$20,000	(24.69%)
Total Uses	\$81,000	(100%)

EBO Program:

Any project that is awarded financial incentives from the Downtown Memphis Commission (DMC) shall include a best faith effort to reach no less than 25% participation by minority and/or women owned businesses (MWBE) in the project's development cost (design and construction hard costs). Compliance with this Equal Business Opportunity (EBO) Program is a closing requirement. **If the requirements of the EBO Program are not met, the CCDC will cancel the incentive.**

Outreach & Inclusion Plan: The specific steps required for each applicant to be compliant with the DMC's EBO Program takes into consideration the size, scope of work, and development costs associated with the project. At the time of incentive application, it is typically too early to identify specific contractors or sub-contractors that will ultimately be involved in the construction. However, the applicant has a clear understanding of the EBO Program and has worked with DMC staff to identify the following key steps that will be included in their Outreach & Inclusion Plan:

- The applicant will meet and coordinate with minority-owned business assistance organizations such as the Memphis Area Minority Contractors Association (MAMCA) and the Mid-South Minority Business Council Continuum (MMBC) to make their members aware of the project and any contracting and sub-contracting opportunities.
- The applicant will use the City of Memphis Business Diversity & Compliance Registry and the resources at the Shelby County Office of Equal Opportunity Compliance to identify qualified general contractors and tradespeople to perform the needed work.
- The applicant will advertise and host a pre-bid conference to allow MWBE general contractors and subcontractors an opportunity to ask questions and learn more about the job opportunity. DMC staff will be invited to attend the pre-bid conference to observe.
- The applicant will contact a minimum of 3 certified MWBE general contractors and provide each a fair opportunity to submit a bid and be considered for the work.
- Once a general contractor is identified, the applicant will contact a minimum of 3 certified MWBE businesses for each trade or type of subcontractor needed, and provide each a fair opportunity to submit a bid and be considered for the work.
- Once the service providers have been identified, the applicant will submit the form titled "Proposed Utilization Plan" to DMC staff for review and approval. The applicant will also be asked to provide a full record of the outreach steps taken and the results thus far. This documentation can

include items such as a phone call log, copies of emails, meeting notes, and pre-bid conference attendance sheet.

- After construction has started, the applicant will provide monthly updates to DMC staff detailing the project status and level of MWBE involvement at each major phase of the project.

Minimum MWBE Goal: With an estimated budget of \$81,000, a 25% level of MWBE inclusion for that work is approximately **\$20,250.**

Staff Evaluation: DMC staff and our CRA partners are in full support of the applicant's Good Neighbor Grant request. Located on a neglected portion of Jackson Avenue, this project will not only fill a vacancy and combat blight but also create a vibrant mixed-use destination prominently displaying local art.

On a major corridor and gateway to Downtown, this project creates visual appeal, fosters interest in the area, and can ignite further development in the neighborhood. Activating this space stands to increase foot traffic and positively impact adjacent businesses. Moreover, supporting a minority-owned business that will host international artists and incubate a diversity of creative talent furthers the overarching goal of the DMC to build a downtown for everybody.

Recommendation: **Staff recommends approval of a Good Neighbor Grant in an amount up to \$25,000 based on approved receipts and subject to all standard closing requirements and conditions.**