

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: May 8, 2019
RE: Exterior Improvement Grant (EIG) Request, 1340 Madison Ave.

The enclosed Exterior Improvement Grant application has been submitted for consideration at the May 15, 2019, CCDC Board Meeting.

Project: **1340 Madison Ave. (BAM Thrift Store)**

Applicant/Owner: Jonathan Lindberg
Memphis Adult Teen Challenge
BAM Thrift Store
1340 Madison Avenue
Memphis, TN 38104

Applicant's Request: Exterior Improvement Grant in an amount up to \$47,289.

Project Description: The subject property is located on the north side of Madison Avenue, in the block between N. Cleveland Street and N. Claybrook Street. The 0.8-acre site contains a circa 1901 2-story building occupied by the BAM (Business As Ministry) Thrift Store.

Memphis Adult Teen Challenge plans to renovate the exterior of their BAM Thrift Shop to enhance the aesthetics of the building and add a new coffee shop to the BAM Thrift Shop. BAM proposes to use the EIG grant to make the following high-impact exterior changes to their building:

- Remove existing security fencing from the south and west sides of the building
- Add new landscaping and planters along the Madison and Cleveland sidewalk frontages
- Install new exterior signage and gooseneck style lighting
- Add trellis/ pergola framing at coffee shop frontage
- Remove existing large blue plastic awning and replace it with smaller fabric awnings designed to fit each window opening at the southeast corner of building

- Paint and repair second floor window frames
- Add new wall sign and fabric awnings on east side of building

Contingent upon CCDC and DRB approvals, construction is expected to begin in early summer and will likely be complete in Q4 2019.

EIG Budget:

The Exterior Improvement Grant (EIG) is designed to help Downtown commercial property owners and businesses make high-quality cosmetic improvements to the exterior of their property. A secondary goal of the grant is to help new and existing businesses succeed by enhancing their curb appeal in ways that might not be possible without assistance. The Exterior Improvement Grant is for exterior work only and requires minimum leverage of 1 to 1. The maximum grant for this location is \$60,000.

The following budget describes the overall project:

Sources:

MMDC Forgivable Loan	\$28,290	(30%)
CCDC EIG Grant	\$47,289	(50%)
Owner’s Funds	\$19,000	(20%)
Total Sources	\$94,579	(100%)

Uses:

Demolition/Site work	\$7,955	(8%)
Concrete	\$840	(1%)
Masonry	\$2,500	(2%)
Wood & Plastics	\$35,635	(38%)
Thermal/Moisture Protection	\$9,000	(10%)
Exterior Finishes	\$2,630	(3%)
Specialties	\$500	(0.5%)
Exterior Electrical	\$7,600	(8%)
Contractor & Labor	\$27,919	(29.5%)
Total Uses	\$94,579	(100%)

Design Review:

The applicant will submit design plans to the DRB in June.

EBO Program:

Any project that is awarded a financial incentive from the DMC must comply with the Equal Businesses Opportunity (EBO) Program. The EBO program requires that the applicant make a best faith effort to reach no less than 25% participation by minority and women-owned businesses (MWBE) for the portion of the project scope that is eligible

for bidding or subcontracting. The portion of a project subject to meeting the EBO requirements typically involves the hard and soft costs for design & construction.

According to the application estimates, a 25% level of MWBE inclusion for the estimated hard and soft costs will be approximately **\$23,645**.

Staff Evaluation:

The DMC's Strategic Plan encourages facilitating and accelerating real estate development, incentivizing Downtown development when necessary to increase investment and economic development, and fighting blight to improve the visual appearance of the built environment Downtown.

In staff's opinion, the proposed scope of work will be high-impact and noticeably improve the appearance of this commercial property from Madison Avenue, a major gateway into Downtown Memphis from the east.

This emergent neighborhood, now known as Madison Heights, is seeing a noticeable increase in new investment and attention as a commercial anchor for the neighborhood. The DMC's recently completed Retail Action Plan also designated this section of Madison as an area ripe for transformation into a future retail node. This grant application is one of several being contemplated for this area of Downtown Memphis in partnership between the DMC and the Memphis Medical District Collaborative (MMDC).

Recommendation:

Staff recommends approval of an Exterior Improvement Grant in an amount up to \$47,289, based on approved receipts and subject to all standard closing requirements and conditions.