

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: October 10, 2018
RE: Exterior Improvement Grant (EIG) Application – 386 Beale Street

The enclosed Exterior Improvement Grant has been submitted for consideration at the October 17, 2018, CCDC Board of Directors Meeting.

Project: 386 Beale Street (Carpenter Law, PLLC)

Applicant/Owner: Carpenter Law, PLLC
Mr. Charles Carpenter & Mr. Corbin Carpenter
386 Beale Street
Memphis, TN 38013

Applicant's Request: Exterior Improvement Grant in an amount up to \$61,015.

Project Description: The subject property is located on the north side of Beale Street, in the block between Fourth St. and Danny Thomas Blvd. The 0.22-acre site contains a historic 2-story brick building with a fenced and gated surface parking lot to the rear.

The extant building, constructed in the late 1890's, is listed on the National Register of Historic Places. In addition to being home to a variety of prominent African-American businesses over the past 100 years, the building originally served as the headquarters of Tri-State Bank of Memphis. Following the departure of Tri-State Bank from the site in 1971, the building suffered a fire and remained vacant until it was purchased and renovated by the current owner in 1992.

The applicant is now planning exterior improvements to the building and site including the following:

- New signage on primary façade
- Exterior prep & pressure washing
- Exterior tuck-pointing & masonry repair
- Exterior painting & carpentry
- Repair/replace exterior windows
- New exterior lighting
- Resurface & stripe parking area

The applicant plans to begin renovation work by the end of 2018 and be finished in April, 2019.

Estimated Budget:

The Exterior Improvement Grant is designed to help Downtown commercial property owners and businesses make high-quality 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 EIG grant for projects located within the Downtown Core is \$80,000, provided that eligible exterior work totals at least \$160,000.

Sources:

Owner-funded	\$61,015
<u>EIG (CCDC)</u>	<u>\$61,015</u>
Total EIG Sources	\$122,030

Uses:

New signage on primary façade	\$9,625
Exterior tuck-pointing & masonry repair	\$8,450
Exterior painting & carpentry	\$16,920
Exterior prep & pressure washing	\$1,150
Repair/replace exterior windows	\$37,520
Resurface & stripe parking lot	\$17,500
Exterior lighting & electrical	\$7,865
Exterior security cameras	\$3,500
Architectural services (exterior work only)	\$6,800
<u>General contractor (exterior work only)</u>	<u>\$12,700</u>
Total EIG Uses	\$122,030

Design Review:

This project will be reviewed at the November or December meeting of the Design Review Board (DRB).

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 (M/WBE) 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.**

Based on the estimated budget, a 25% level of M/WBE inclusion is approximately **\$30,508**.

Substitute Legal Counsel:

The applicant for this grant request currently serves as attorney for the CCDC. As a Downtown property owner and eligible applicant, current CCDC policy does not prohibit the applicant

from receiving an EIG grant. However, the applicant will not handle the legal closing or administrative duties associated with processing the grant request on behalf of the CCDC.

Mr. James McLaren, attorney for the Center City Revenue Finance Cooperation (CCRFC) and the Downtown Parking Authority (DPA) will act as substitute legal counsel on behalf of the CCDC in handling all legal matters related to this specific grant request and grant closing.

Staff Evaluation:

Staff is in full support of approving an Exterior Improvement Grant for this project. This project is aligned with the DMC's primary goals of improving commercial property values and encouraging investment in Downtown Memphis.

The project location and type are key factors in staff's enthusiastic support for this application. The subject property is listed on the National Register of Historic Places and has significant community, cultural, and historic value. High-quality exterior improvements will enhance the appearance of the property while extending its useful life with needed repairs.

Located just east of the entertainment district, this segment of Beale Street is an area of heightened importance. Extending the commercial vibrancy of Beale Street west towards the Mississippi River and east towards Danny Thomas Blvd. is a well-established community goal. Staff's current approach is to help strengthen existing businesses in the area while working to add new businesses and neighborhood anchors to fill vacancies. Supporting a long-term property owner and stakeholder in efforts to improve the exterior appearance of their property follows that strategy. Moreover, this property is also located within South City, an area of special focus for the DMC in partnership with the City of Memphis and the South City Choice Neighborhood Initiative.

Staff Recommendation:

Staff recommends approval of an Exterior Improvement Grant (EIG) in an amount up to \$61,015 based on approved receipts and subject to all standard closing requirements.