

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC) Board of Directors
From: DMC Staff
Date: November 20, 2019
RE: Exterior Improvement Grant (EIG) Application – 399 S Second

The enclosed Exterior Improvement Grant applications have been submitted for consideration at the November 20, 2019, CCDC Board of Directors Meeting.

Project: **399 S Second St.**

Applicant: Rick Mroch & Jennifer Rudolph
1062 New York St.
Memphis, TN 38104

Owner: Rick Mroch
1062 New York St.
Memphis, TN 38104

Applicant's Request: Exterior Improvement Grant at 399 S Second in an amount up to \$60,000.

Project Description: The subject property is located on the north side of Huling Ave. and in the block between St. Martin St. and S Second St. The building presently has boarded up windows and was most recently used as studio space.

The owner plans a full interior and exterior renovation to open a business called Upourium Social and Tap Haus. The business will be a concept similar to the regional chain, Pour Taproom, where customers can pour beer and pay by the ounce. Upourium will serve a variety of local craft beer, wine, cider, and kombucha. The space will also have a kitchen, live music, games, and karaoke rooms.

The applicant proposes to use the EIG grant to make the following high-impact exterior changes to their building:

- Repairing and restoring existing windows along the west and south elevations
- Exterior lighting on all four elevations
- Exterior overhead doors on the east and north elevation
- New doors
- Canopy at the front entrance
- Concrete sidewalk & patio repair
- New signage

Most of the exterior work will be concentrated on the south and east elevations. The entrance to the business will be on east façade, where the overhead doors will replace the glass block windows and a small outdoor patio will be added.

Subject to CCDC grant approval, this project will be submitted for review and approval at the December meeting of the Design Review Board (DRB).

Budget:

The Exterior Improvement Grant program 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 program allows a maximum grant of \$60,000 for a property located in the CBID.

The following scope items are potentially eligible:

Uses:

Mobilization, Demo & Cleanup	\$4,500
Exterior Overhead Doors	\$16,850
New Doors (West, south & east elevations)	\$12,000
Exterior Lighting	\$5,500
Awning	\$3,850
Signage	\$16,300
Concrete sidewalk and patio repair	\$17,750
Window Repair	\$68,000
Design Fees	\$4,250
Total Uses:	\$149,000

Sources:

Owner funding	\$89,000
EIG from CCDC	\$60,000
Total Sources:	\$149,000

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 **\$37,250**.

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.

Staff believes the proposed project is consistent with these priorities and improves the curb appeal with high-impact improvements, while supporting a new business Downtown.

Secondly, the DMC's Retail Action Plan identifies South Main as one of the three main retail nodes to concentrate retail Downtown. Although this property is just outside of the boundaries, it will contribute to the compact critical mass of South Main by filling gaps and adding new ground-floor activity.

The proposed scope of work will significantly improve commercial vibrancy and walkability surrounding the National Civil Rights Museum, Central BBQ, Wiseacre (under construction) and Museum Lofts (under construction), directly across the street from the subject property.

Staff Recommendation:

Staff recommends approval of an Exterior Improvement Grant in an amount up to \$60,000 for 399 S Second, based on approved receipts and subject to all standard closing requirements and conditions.