



To: CCDC Board of Directors

From: DMC Staff

Date: November 16, 2016

RE: Request to Authorize and Fund Sidewalk Repair Loan (SRL) Program

As part of a strategic focus on the Downtown Core, DMC staff is recommending the creation of a small loan program targeted at improving sidewalk conditions within the heart of Downtown. Well-maintained sidewalks are important to Downtown Memphis. They improve the appearance of a neighborhood, raise property values and are central to pedestrian safety. By City of Memphis Ordinance, property owners are responsible for maintaining the sidewalk(s) on their property. The Downtown Core Sidewalk Repair Loan (SRL) would provide an additional tool to commercial property owners with non-compliant sidewalks. The SRL program will only offer a loan to the extent it is needed for sidewalk repair and replacement.

Staff recommends authorizing the SRL program with initial funding of \$50,000. Loan applications will be processed on a first-come, first-served basis. The program will be available until June 30, 2019, or until all program funding has been allocated.

The following bullet points outline the major features of the loan program:

- SRL program is available to property owners within the Downtown Core only
- Maximum loan of \$5,000 per property; Loan amount based on exact work needed to bring the sidewalk(s) up to compliance with City of Memphis Sidewalk Ordinance.
- Interest rate is 0%
- Loan term ranges from 12 months – 36 months, deepening on loan amount.
- Staff will maintain a list of four (4) or more pre-qualified and insured W/MBE contractors from which the applicant can choose to perform the work.
- If applicant desires to hire a contractor not on the approved list, they must comply with the DMC's Equal Business Opportunity (EBO) program.
- Individual projects will be approved at the staff level by the DMC President. Staff will present periodic updates to the CCDC Board regarding program use and outcomes.
- CCDC will pay the contractor directly once work has been completed and certified.
- CCDC will prepare a promissory note or personal guaranty between applicant and CCDC which outlines the loan payback. In the event of a loan default, CCDC will file a judgement against the applicant. Default includes missed payments.