

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: November 14, 2019
RE: Retail Tenant Improvement (TI) Grant Request – We Care tlc, LLC

The enclosed Retail Tenant Improvement Grant has been submitted for consideration at the November 20, 2019, CCDC Board of Directors Meeting.

Project: We Care tlc, LLC. 119 South Main, Suite 280.

Applicant: Raegan Garber Le Douaron
 Chief of Business Acquisition
 We Care tlc, LLC
 120 International Drive Suite 220
 Lake Mary, FL 32746

Owner: Belz Enterprises
 100 Peabody Place, Suite 100
 Memphis, TN 38103

Applicant's Request: Retail Tenant Improvement Grant in an amount up to \$30,000.

Project Description: The proposed project will occupy a Front Street facing bay in 119 South Main. It is positioned on the south-west block of the Gayoso Building, positioned between Front Street and Main Street.

We-Care tlc, LLC is an employer based, collaborative health & wellness center designed to offer primary care that will reduce the overall cost of healthcare being incurred by employers and their employees.

The applicant is planning a complete interior build out for the vacant bay and requests a Retail Tenant Improvement Grant to assist with the permanent interior improvements. This 6,730 sq. ft bay will house as small patient reception area, administrative offices, exam rooms, lab room and a councilor's office.

Following CCDC approval of a Retail TI Grant, the applicant intends to sign a 10-year lease and start construction in November 2019.

Scope of Work:

The Retail Tenant Improvement Grant program is designed to encourage new businesses to open ground-floor locations along priority corridors and within targeted retail nodes. The Retail Tenant Improvement Grant is for interior work only and requires the applicant to provide receipts of approved, completed work before the applicant can be reimbursed.

The applicant plans to use the Retail TI Grant to make the following permanent interior improvements:

- Interior Demolition
- Install permanent lighting wiring and fixtures
- Install plumbing and electrical systems
- Interior firewalls
- Install mechanical and HVAC system

Overall Project Budget:

The overall project budget includes the following sources:

CCDC Retail TI Grant	\$ 30,000	(4%)
<u>Operator Capital</u>	<u>\$652,252</u>	<u>(96%)</u>
Total	\$682,252	(100%)

Work Eligible for TI Grant:

Permanent improvements that are potentially-eligible for reimbursement under the Retail TI Grant program include the following:

Mechanical/Plumbing/Fire	\$264,139	(73%)
Electrical/Fire Alarm/HVAC	\$ 92,848	(26%)
<u>Select Interior Demolition</u>	<u>\$ 3,090</u>	<u>(1%)</u>
Total	\$360,077	(100%)

Design Review:

DRB review will be required for signage and any other exterior improvements.

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.** With an estimated

buildout budget of \$682,252, a 25% level of MWBE inclusion for that work is approximately **\$170,563**.

Grant Amount:

For this program, the maximum grant amount is based on the size of the retail space and length of the lease. Larger spaces with longer leases will qualify for larger grants. **The Retail TI Grant program is capped at \$30,000 per project, regardless of size or length of lease.**

The following formula is used to determine the maximum amount:

$$\$4.00 \times \underline{6,730 \text{ sq. ft.}} \times \underline{10 \text{ Years}} = \$269,200 \text{ (max grant capped at } \$30,000)$$

Staff Evaluation:

For purposes of this grant program, the project is located within the Main Street Target Area.

Approving a Retail TI Grant for this project supports several key DMC goals. Its approval brings new services to Front Street, within a high priority area that has several pending improvements planned for the near future. This will also help fill gaps in ground-floor activity along Front Street, which has been a strategic priority.

This amenity increases activity within the core while also activating a long vacant commercial storefront with new health services and assists in the recruitment of businesses Downtown. These factors will lead to more density and commercial activity.

Staff Recommendation:

Staff recommends approval of a Retail Tenant Improvement Grant in an amount up to \$30,000, based on approved receipts and subject to all standard closing requirements.