

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: April 8, 2020
RE: Exterior Improvement Grant (EIG) Application – 343 Madison Ave.

The enclosed Exterior Improvement Grant has been submitted for consideration at the April 15, 2020, CCDC Board of Directors Meeting.

Project: **343 Madison Ave. (Craft Axe Throwing)**

Applicant/Tenant: Jake Jensen – Craft Axe
343 Madison Ave.
Memphis, TN 38103

Property Owner: George (Mike) Todd – Monroe Associates, LLC
629 Monroe Ave.
Memphis, TN 38103

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

Project Description: The subject property is a 1-story commercial building on the south side of Madison Avenue, in the block between Fourth Street and Danny Thomas Blvd. The building is under renovation in accordance with the approved DMC Development Loan application from August 2019. Work is currently underway to remove and replace the entire roof system, to install HVAC units and duct work, new plumbing and electrical relocation, removal of plaster ceiling, masonry tuck-pointing, and entrance improvements. All DMC Development Loan related renovations are slated to be finished in the next two weeks.

For the last 12 years, 343 Madison has been used as a warehouse and commercial space for Tad Pierson of American Dream Safari. Prior to that use, the building operated as a body shop since the 1960s, and is believed to have originally been built as a cotton-grading facility. Craft Axe Throwing has signed a lease with the property owner to take control of the building, which began April 1, 2020. The lease agreement has a ten-year term with the first several months set aside for tenant improvement.

The property owner has made substantial improvements to the building under the Development Loan scope of work and plans to continue the momentum on the eastern and southern facades through the assistance of the EIG. Approval of the EIG would also cover additional glass paneling and a rollup door on the northern façade.

The applicant plans to create a new entrance to the building on the southern façade, off Floyd Alley, as well as provide ADA access on the eastern façade, facing Danny Thomas Blvd. The entrance on Floyd Alley would become the new primary entrance, allowing accessibility to the parking provided at the corner of Danny Thomas and Monroe, as well as further activate Floyd Alley and allow for greater visibility from Danny Thomas. Exterior renovations to the southern façade will include a patio with functional storage underneath, industrial style LED goose neck lighting, signage to be reviewed at DRB, a double paned glass entry door and additional transom windows.

The eastern façade renovations include an ADA entry porch and new door, transom windows, exterior lighting, new paneled glass rolling door, regrading and repaving of the eastern parking lot, dumpster enclosure, signage and a new artistic mural. The tenant, Craft Axe Throwing, requested this entry be added for flexibility to one day add a patio on the Eastern elevation. This entrance will open up the opportunity for future development.

The DMC's Design Review Board (DRB) will review the project following CCDC approval.

EIG 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 Exterior Improvement Grant would coincide with the approved Development Loan to aid in significant exterior renovations needed to accommodate long term use of the building.

The addition of an Exterior Improvement Grant would allow for the applicant to continue the momentum made on the

overall permanent building improvements and Northern façade, to the Southern and Eastern facades.

Sources:

DMC / CCDC EIG Grant	\$ 60,000	50%
Owner's Contribution	\$ 60,000	50%
Total	\$120,000	100%

Eligible EIG Uses:

Demo of brick & new openings	\$ 9,702	8%
Brick removal, prep, disposal	\$ 5,544	5%
Dumpster Rental	\$ 1,575	1%
Steel Work	\$ 9,765	8%
Brick Work	\$ 13,188	11%
Entry landing & rear patio	\$ 17,325	14%
Exterior Framing	\$ 5,670	5%
Windows & Doors	\$ 12,075	10%
Hardware	\$ 1,417	1%
Garage Doors	\$ 12,390	10%
Electrical (entry & porch lighting)	\$ 6,142	5%
Supervisory labor	\$ 3,675	3%
Profit, Insurance, O/H	\$ 9,846	8%
Signage/Mural	\$ 7,000	5%
Architectural design fees	\$ 5,000	6%
Total	\$120,314	100%

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's) 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, CCDC will cancel the incentive.** Based on the total budget, a 25% level of MWBE inclusion is approximately **\$30,078**.

Staff Evaluation:

Staff recommends approval of an Exterior Improvement Grant in addition to the previously approved Development Loan for the full renovation of 343 Madison Ave. Although the DMC is currently no longer layering CCDC incentives for a single project in most cases, at the time of the Development Loan Application (August 2019), the applicant would have been eligible to apply for both the Development Loan and an EIG. The applicant is now requesting further assistance to renovate the Southern and Eastern exterior facades to accommodate the long-term tenant, Craft Axe Throwing. Full renovation of existing buildings is an important goal of the CCDC and the

Downtown Memphis Commission (DMC). The project is situated along Madison Avenue, an important gateway into Downtown from the east. Supporting investment at this location is consistent with the DMC's special focus on the Edge District. This project will transform a vacant building into a unique and fun experience for Memphians, and will only add to the significant development momentum of the Edge District, Union Row, and the Bakery project.

Staff Recommendation:

Staff recommends approval of an Exterior Improvement Grant (EIG) in an amount up to \$60,000 based on approved receipts and subject to all standard closing requirements.