

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: October 14, 2020
RE: Exterior Improvement Grant Request, 371 S. Main St.

The enclosed Exterior Improvement Grant application has been submitted for consideration at the October 21, 2020, CCDC Board Meeting.

Project: **371 S. Main St.**

Property Owner: Miguel Gomez
371 S. Main St.
Memphis, TN 38013

Representative: Steve Carter
Gimbal & Company, LLC
PO Box 172063
Memphis, TN 38187

Applicant's Request: Exterior Improvement Grant in an amount up to \$80,000.

Project Description: The subject property is located at the southwest corner of Talbot Ave. and South Main St. The 0.13-acre site contains a 5,176 sq. ft. 2-story historic commercial building.

The differing masonry types indicate that the current structure was built in 3 different phases of construction. In the mid-1800's, much of Main St. was still under development, therefore, the building was originally designed to front Talbot Ave. The western portion of the building was constructed around 1850, with a balcony facing Talbot Avenue and is believed to have functioned as a two story brothel.

In the mid 1870's, the buildings eastern façade was brought up to the newly defined Main Street sidewalk. The addition consisted of a downstairs retail or common area, with residential space above. The building continued operations as a brothel until the 1930's, and then a boarding house until the 1950's. The remains of stove flues and original demising

walls remain throughout the entire upstairs and western downstairs areas.

From the 1950's to the 1990's, the building was owned by a couple of different individuals. The property was used as a warehouse to support an adjacent retail store (the current location of Spindini) and then suffered a partial collapse during renovation work in 1993.

The Gomez family purchased the damaged building in 1993, stabilized the structure, and have routinely repaired and maintained the integrity of the original building since that time. The property will be fully restored and renovated to accommodate commercial use on the first and second floors. An additional exterior staircase will be added to provide external access to the second floor, allowing for multiple tenants to occupy separate spaces of the renovated building.

Contingent upon CCDC and DRB approvals, construction is expected to begin in spring 2021.

EIG Budget:

The Exterior Improvement Grant (EIG) is designed to help Downtown commercial property owners and businesses make high-quality cosmetic 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 grant for this location (South Main Target Area) is \$80,000. The following budget describes the EIG scope:

Sources:

Owner's match	\$202,883	(61%)
CCDC EIG	\$ 80,000	(39%)
Total Sources	\$282,883	(100%)

Uses:

New Windows	\$102,084	(36%)
New Doors & Frames	\$ 39,835	(14%)
New Architectural Lighting	\$ 19,260	(7%)
Clean Exterior Brick	\$ 3,950	(1%)
Landscaping & Patio	\$ 8,643	(3%)
Demolition of Fence	\$ 6,000	(2%)
Paving & Concrete	\$ 83,851	(30%)

Iron Fence	\$ 19,260	(7%)
Total Uses	\$282,883	(100%)

Design Review: This project will be submitted for review and approval at an upcoming 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 (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.**

Outreach & Inclusion Plan: The specific steps required for each applicant to be compliant with the DMC's EBO Program takes into consideration the size, scope of work, and development costs associated with the project. At the time of incentive application, it is typically too early to identify specific contractors or sub-contractors that will ultimately be involved in the construction. However, the applicant has a clear understanding of the EBO Program and has worked with DMC staff to identify the following key steps that will be included in their Outreach & Inclusion Plan:

- The applicant will use the City of Memphis Business Diversity & Compliance Registry and the resources at the Shelby County Office of Equal Opportunity Compliance to identify qualified tradespeople to perform the needed work.
- The applicant will contact a minimum of 3 certified MWBE businesses for each trade or type of subcontractor needed, and provide each a fair opportunity to submit a bid and be considered for the work.
- Once the service providers have been identified, the applicant will submit the form titled "Proposed Utilization Plan" to DMC staff for review and approval. The applicant will also be asked to provide a full record of the outreach steps taken and the results thus far. This documentation can include items such as a phone call log, copies of emails, meeting notes, and similar materials.

- After construction has started, the applicant will provide monthly updates to DMC staff detailing the project status and level of MWBE involvement at each major phase of the project.

Minimum MWBE Goal: With an estimated EIG budget of \$282,883, a 25% level of MWBE inclusion for that work is approximately **\$70,721**.

Staff Evaluation: Staff is supportive of approving an Exterior Improvement Grant for this project. 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. This project will put a vacant historic building back into productive use within a key retail node.

The applicant is proposing significant, high-quality exterior improvements that enhance the pedestrian experience along South Main and that are consistent in character with other historic buildings in the South Main district. This project will join other recently approved, exciting projects on this same block of South Main, 372 S. Main, 376 S. Main, and 400 S. Main.

Recommendation: **Staff recommends approval of an Exterior Improvement Grant in an amount up to \$80,000, based on approved receipts and subject to all standard closing requirements and conditions.**