

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: April 14, 2021
RE: Exterior Improvement Grant Request, Big River Market – 516 Tennessee St.

The enclosed Exterior Improvement Grant application has been submitted for consideration at the April 21, 2021, CCDC Board Meeting.

Project: **Big River Market – 516 Tennessee St.**

Applicant: Nick Barbian
533 Rienzi Dr.
Memphis, TN 38103

Consultant/Advisor: Craig Staley
Royal Blue Grocery
craig@royalbluegrocery.com

Architect: Ryan Morris
UrbanARCH
498 S. Main St.
Memphis, TN 38103

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

Project Description: The applicant is the owner of Big River Market, a new boutique market store that will serve the south end of downtown. The 2,000 sq. ft. space, located within the Emerge Building, has a storefront that faces G.E. Patterson.

The applicant is proposing exterior improvements to meet the owner's programmatic needs of a new concrete patio and stair entrance for direct street access from G.E. Patterson. The store will house food, groceries, drinks, and coffee for residents, workers, and visitors to the South Main Neighborhood. The changes to the pedestrian view will include: a new patio with stairs and handrails, a new main entrance, a new storefront, exterior signage, and rework of the existing sidewalk.

EIG Budget:

The Exterior Improvement Grant (EIG) is designed to help Downtown commercial property owners make high-quality improvements to the exteriors of Downtown buildings. These improvements help businesses draw customers by enhancing curb appeal, increase walkability by adding street-level interest, and increase neighborhood property values.

The Exterior Improvement Grant is for exterior work only and requires a 1 to 1 match from the applicant. The maximum grant for this location (CBID) is \$60,000.

The following budget describes the EIG scope:

Sources:

Applicant's Equity	\$61,940	(50%)
CCDC EIG	\$60,000	(50%)
Total Sources	\$121,940	(100%)

Uses:

Mobilization & Cleanup	\$2,500	(2%)
Earthwork	\$7,500	(6%)
Traffic Control	\$1,500	(1%)
Permit	\$1,500	(1%)
General Conditions	\$16,500	(13.5%)
Temporary Utilities	\$2,500	(2.5%)
New Storefront	\$11,500	(9.5%)
Selective Demolition	\$2,500	(2%)
Metal Handrail	\$8,500	(7%)
Exterior Signage	\$5,500	(4.5%)
Concrete Patio & Stair	\$30,500	(21%)
Louver	\$2,500	(2%)
Painting	\$2,000	(2%)
Caulking & Sealants	\$500	(0.5%)
Civil Design Fees	\$10,440	(8.5%)
Civil Hourly	\$3,500	(2.5%)
<u>Design/Mech Fees</u>	<u>\$12,500</u>	<u>(10%)</u>
Total Uses	\$121,940	(100%)

Design Review:

The applicant will submit design plans to the DRB in the coming months.

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 general contractors and tradespeople to perform the needed work.
- The applicant will contact a minimum of 3 certified MWBE general contractors and proactively invite them to submit a bid.
- Once a general contractor is identified, 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 \$121,940, a 25% level of MWBE inclusion for that work is approximately **\$30,485**

Staff Evaluation: The goals of the Exterior Improvement Grant are to enhance the pedestrian experience Downtown by improving the exterior appearance of buildings and commercial storefronts and to help new and existing businesses succeed.

Since the renovations at the Tennessee Brewery, this corner of G.E. Patterson and Tennessee St. has experienced an increase in retail activity and foot traffic. The applicant is excited to join the newly announced South Point Grocery in bringing food accessibility to the southern end of Downtown. The applicant views this market not in competition with the grocer, but as a small market option for those who live or work within a 0.3-mile radius of the site. The business model is built upon having an established consumer base within walking distance. The location especially provides convenience for the South Bluff neighborhood, residents of the Lofts, and the Tennessee Brewery residents.

The compact urban market style is designed for pedestrians and residents looking for high-quality products, grab-and-go foods, a quick coffee, an outdoor dining area for lunch, or to grab a few essential ingredients for dinner, within a short walk or bike-ride.

The proposed improvements to 516 Tennessee Street bring activation to a corner of local emerging retail businesses and enhances the existing curb appeal of the Emerge Building. Staff is supportive of this application because a compact grocery model complements the on-going development in the South Main neighborhood, promotes walkability and outdoor dining, and increases the appeal of living, working, and playing downtown.

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