

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC) Board of Directors
From: DMC Staff
Date: July 14, 2021
RE: South City Good Neighbor Grant Application – 502 S. Second St.

The enclosed South City Good Neighbor Grant has been submitted for consideration at the July 21, 2021 CCDC Board of Directors Meeting.

Project: **502 S. Second St.**

Applicant/Owner: Nichole Hall
P.O. Box 41095
Memphis, TN 38174

Applicant's Request: South City Good Neighbor Grant up to \$50,000.

Project Description: The subject property is located along historic Film Row, on the east side of S. Second St., between E. Butler Ave. and G.E. Patterson Ave. The site contains a 4,580 sq. ft. single-story masonry building, built in 1930. The structure was formerly occupied by the Metro Goldwyn Mayer (MGM) Warehouse & Corporate Office of the National Theater Supply Company.

The applicant is planning a full interior and exterior renovation of the building. The exterior improvements eligible for the South City Good Neighbor Grant include the following:

- Restore & repair exterior masonry
- Add new clad architectural panels
- Replace doors
- Replace windows with new metal-framed windows
- New signage
- Add landscaping and planters
- New exterior lighting

The applicant plans to begin renovation work immediately following approval of grant funding and DRB approval. The renovations are estimated to be completed late 2021.

Estimated Budget: The South City Good Neighbor Grant is a special program offered by the Downtown Memphis Commission (DMC) and the Center City Development Corporation (CCDC) in partnership with the City of Memphis Division of Housing and Community Development (HCD) and the South City Choice

Neighborhood Initiative (CNI). This grant is designed to help commercial property owners and businesses in the South City Neighborhood make exterior improvements to their property.

The South City Good Neighbor Grant is for exterior work only and provides up to 90% of the total project cost up to \$50,000.

Sources:

Owner-funded	\$69,000
<u>South City Good Neighbor Grant (CCDC)</u>	<u>\$50,000</u>
Total Sources	\$119,000

SCGN Eligible Uses:

Demolition	\$ 6,000
Sitework/Landscaping	\$ 12,000
Concrete	\$ 6,000
Masonry Repairs & Restoration	\$ 14,000
Misc. Steel Canopies & Coping	\$ 28,000
Cement Fiberboard Cladding	\$ 22,000
<u>Storefront Entrances, Doors, & Windows</u>	<u>\$ 31,000</u>
Total Uses	\$119,000

Design Review: This project will be reviewed at the August 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 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 total project budget of \$1,116,820 a 25% level of MWBE inclusion for that work is approximately **\$279,205.**

Staff Evaluation: The South City Good Neighbor Grant was designed to strengthen and restore the character of important places within the community. This application joins two other recently approved Good Neighbor projects located along the formerly active Film Row.

This new Jazz Performance Suite will be a globally renowned platform for local and emerging Jazz talent, situated along a corridor that connects the activity of South Main to the ongoing development in South City. The new Jazz ‘parlor’ is a female minority owned business, making this an exemplary project that reflects the past history and modern future for the area.

The proposed improvements transform an existing building with little to no interaction along the pedestrian realm, into a vibrant, inviting, and active space. The renovated building is set to become an anchor for investment along a corridor that has experienced little activity over the last decade, prior to the CCDC and HCD's joint work with the South City Grant.

The applicant is planning for over \$1.1 million dollars of investment in interior and exterior renovation work. The work eligible for the South City Good Neighbor Grant includes the exterior work along the west and south facades, which is easily seen from the public sidewalk.

Replacement of the existing storefronts, sidewalk repair, and new exterior lighting will add safety and transparency to the building. Added landscaping, signage, and awnings helps to set a design precedence along the corridor that caters to pedestrians. The applicant's goals with this project mirror the CCDC's goals with the South City Good Neighbor grant in encouraging property investment and enhancing curb appeal.

Staff Recommendation:

Staff recommends approval of a South City Good Neighbor Grant in an amount up to \$50,000 based on approved receipts and subject to all standard closing requirements.