

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: July 14, 2021
RE: Exterior Improvement Grant (EIG) Application – 77 S. Front St.

The enclosed Exterior Improvement Grant has been submitted for consideration at the July 21, 2021, CCDC Board of Directors Meeting.

Project: 77 S. Front St., 81 S. Front St., 85 S. Front St.

Applicant: Mike McCullough
6552 Green Shadows Ln.
Memphis, TN 38119

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

Project Description: The subject property is located on the south west corner of Union Ave. and S. Front St. The 4,500 sq. ft. building is located within the Cotton Row historic district and was built in 1943. The structure currently houses 3 separate tenants, 2 commercial (FIVE ONE Architects & Front Street Deli) on the ground floor, and a one-bedroom apartment on the second floor. The use of these commercial spaces will remain the same post-renovations.

The applicant plans a full renovation of the exterior to upgrade the building, while keeping the integrity of the building intact. The brick will be tuck-pointed and repaired along with the stucco. The deteriorating wood will be replaced, the doors and windows will be replaced in like-kind. New high-quality awnings will be installed with new signage and exterior lighting. The existing window A/C units will be removed from the Front St. façade of the building and relocated. All exterior cables and wires will be concealed.

Design Review: This project will be reviewed at the August meeting of the Design Review Board (DRB)

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	\$ 80,000	35%
Owner's Contribution	\$151,950	65%
Total	\$231,950	100%

Eligible EIG Uses:

New Exterior Lighting	\$ 4,000	2%
New Signage	\$ 8,000	4%
New Awnings	\$ 52,000	22%
Exterior Paint	\$ 15,550	7%
Rotten Wood Replacement	\$ 12,525	5%
Stucco, Brick Repair, Tuck-point	\$ 20,000	9%
Windows, Doors, Hardware	\$ 96,000	41%
Demo & Removal	\$ 5,200	2%
Structural Engineer Fees	\$ 1,200	.05%
Architectural Fees	\$ 17,250	7%
Permits	\$ 225	.05%
Total	\$231,950	100%

EBO Program:

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 \$231,950 a 25% level of MWBE inclusion for that work is approximately **\$57,988.**

Staff Evaluation: Staff recommends approval of an Exterior Improvement Grant for the exterior renovation of 77 S. Front St., 81 S. Front St., and 85 S. Front St. The highly-visible structure is located along a major corridor connecting Downtown to our Riverfront.

The EIG program is designed to improve the aesthetics of buildings and commercial storefronts, increase commercial property values, and to enhance the pedestrian experience.

The proposed renovations accomplish these goals through the use of additional exterior lighting, new transparent windows, new awnings, and the relocation of the A/C units from the front façade. The improvements do not diminish or obscure the historic details of the building. The applicant will apply for a Certificate of Appropriateness (COA) following CCDC approval, and all changes must be approved by the Memphis Landmarks Commission.

Staff Recommendation:

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