



To: Center City Development Corporation (CCDC) Board
 From: DMC Staff
 Date: July 14, 2021
 RE: Suggested Updates to Exterior Improvement Grant

The Exterior Improvement Grant (EIG) is a program offered by the Center City Development Corporation (CCDC). This matching grant is designed to help commercial property owners and businesses make high-quality exterior improvements to their commercial buildings and property Downtown.

Exterior Improvement Grants approved by the CCDC (2016-2021):

Grant Request Amount	Number of Approvals
\$100,000	3
\$80,000	13
\$79,999 - \$60,001	3
\$60,000	16
Less than \$60,000	19

Existing Program Details:

This grant is designed to help commercial property owners and businesses in the CBID make high-quality exterior improvement to their commercial buildings and property. The grant was created with the intention of encouraging property investment that directly relates to improving the aesthetics of buildings and places in Downtown Memphis. The outcome of each approval should be that the project enhances the pedestrian experience Downtown and enhances the curb appeal of new and existing businesses.

The following describes the current structure and key details of the program:

- To be eligible for this grant, the property must be located within the Central Business Improvement District (CBID). In general, exterior repairs and improvements that are visible from the street or public sidewalk are potentially eligible expenses under the grant. Examples of eligible improvements include the following:
 - Exterior building repairs
 - Exterior painting
 - Tuck-pointing and masonry repair
 - Window & door repair/replacement
 - Storefront repair/replacement
 - Signage, canopies, & awnings
 - High-quality fencing

- Exterior lighting
- Sidewalk repair & landscaping
- Outdoor planters and street furniture
- Removal of razor wire, chain-link fences, window bars, etc.
- Fees for design and permitting
- Public art
- The grant is a one-to-one matching grant up to \$100,000, depending on the location.

(Current Program) Maximum Grant by Location	
Project Location	Maximum Grant
Main Street Mall	\$100,000
Downtown Core & Targeted Areas	\$80,000
Central Business Improvement District (CBID)	\$60,000

- Only exterior improvements and repairs visible from the public right-of-way are eligible.
- Projects located within the Downtown core and target areas are treated as high priority.

Goals in Updating the Exterior Improvement Grant:

The EIG program has been a successful tool in helping commercial property owners and businesses make high-quality exterior improvements to their commercial buildings and property Downtown. Since the program’s start, the DMC has been able to approve 54 EIG applications, with several in the pipeline.

At its inception, the maximum grant amounts were chosen based on the predicted need. In reviewing past applications, staff found that 65% of applications requested **\$60,000 or less** in grant funding, and only 3 applications have requested the maximum amount of \$100,000. The most popular amount of funding requested is less than \$60,000, our lowest funding category.

The maximum grant amount per project location can be altered in order to more appropriately align with the demand Downtown, while remaining one of the largest exterior grants in the surrounding area. In lowering each grant amount, the DMC is still offering a substantial match per project (Atlanta and St. Louis’s highest match for exterior improvements within the CBID is \$20,000 and Knoxville’s is \$50,000). With the adjusted amounts, the DMC staff has added flexibility within the CCDC budget to pilot new incentive programs. Staff would also have the ability to allocate funding to a larger number of projects without decreasing the number of applications.

The program’s requirements and application verbiage should also be updated to reflect current technology and applicant feedback. Some application requirements are outdated and no longer necessary for staff evaluation. In addition, staff is requesting modification to and expansion of the Design Assistance Program, provided to EIG applicants. The available pool of architects will increase from 2 to 11 and streamline communication with our design partners.

Goals in updating the Exterior Improvement Grant include:

- Allows the CCDC to support new incentive programs within their budget, i.e. a potential sidewalk grant, lighting grant, art grant, etc.
- Allows staff to increase the impact of our EIG program Downtown through allocating funding across a higher number of projects.
- Better aligns the program to meet the demand of our Downtown business owners and tenants.

- Streamline communication and improve the structure of our Design Assistance program based on feedback from previous design partners.

Proposed Changes to the Exterior Improvement Grant Program:

Staff recommends re-adopting the EIG program with a new sunset date of August 31, 2023. The revised EIG program will be modified with the below changes.

- **Application deadline to be changed from two weeks to three weeks prior to the CCDC meeting date at 4:00pm.**
- **Removal of “15 hard copies” of final application requirement.**
- **Removal of \$100 non-refundable application fee.**
- **Removal of “three credit references” requirement.**
- **New sources and uses example application attachment.**
- **Adjust the fixed rate of \$2,000 to \$5,000 for designs provided by the Design Assistance Program.**
- **Increase the number of architects providing design assistance from 2 to 11.**
- **Change the role of design assistance client from EIG applicant to DMC staff.**
- **DMC staff suggests making the following modification to the EIG grant amounts:**

(Revised Program) Maximum Grant by Location	
Project Location	Maximum Grant
Main Street Mall	\$80,000
Downtown Core & Targeted Areas	\$60,000
Central Business Improvement District (CBID)	\$40,000

Conclusion:

The EIG program has proven to be a highly successful tool in improving the curb appeal of buildings Downtown. The upcoming sunset date of August 2021 provides staff the opportunity to modify the program to better reflect the needs of our applicants and program partners. All proposed changes are the outcome of valuable feedback and data collected from past projects. A new sunset date of August 31, 2023 will allow staff and the CCDC board to re-evaluate the results of the revised program.