

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: June 8, 2022
RE: Exterior Improvement Grant Request – 154 GE Patterson

The enclosed Exterior Improvement Grant application has been submitted for consideration at the June 15, 2022, CCDC Board Meeting.

Project: **154 GE Patterson**

Applicant: Brian Bullard, AIA
Urban ARCH
498 South Main St.
Memphis, TN 38103

Property Owner: Same as above

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

Project Description: The subject property is a 3-story commercial building located on the north side of GE Patterson Avenue, in the block between St. Martin and Second Street. Army-Navy Park is located immediately to the east of the property. The ca. 1900 historic building is around 14,000 sq. ft. and most recently served as the home of the Prince Hall Chapter of the Masonic Building Association. Most of the 0.172-acre site is occupied by the building with a small open lot to the rear.

The applicant is planning to fully renovate the building as a mixed-use building. UrbanARCH, a local architecture firm owned by the applicant, would occupy the ground floor as the office space tenant. Up to eight apartment units will be added on the upper floors.

The exterior scope of work will include both deferred maintenance items and cosmetic improvements. Key exterior improvements will include:

- Replace all broken and non-working exterior windows with new aluminum-clad windows
- Add new window on west elevation to an existing opening

- Remove infill brick on the ground floor of the south elevation and add new storefront with steel cantilevered overhang
- Pressure wash and tuck point exterior masonry
- Replace existing sidewalk, where needed
- Clean precast concrete surrounds on south elevation
- New painted signage and exterior lighting
- New tenant signage on ground floor
- New glass door to fill existing opening on south elevation.

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 (South Main Retail Node) is \$60,000.

The following describes the estimated project budget:

Sources:

Owner’s Equity	\$372,000	(86%)
CCDC EIG	\$60,000	(14%)
Total Sources	\$432,000	(100%)

Uses:

General Conditions	\$40,000	(9%)
Mobilization/Permit/Cleanup	\$8,000	(2%)
Tuckpointing	\$47,000	(11%)
Masonry Repairs	\$18,000	(4%)
Demo Rear Canopy	\$5,000	(1%)
Pressure Wash Exterior	\$9,000	(2%)
New Windows	\$75,000	(17%)
New Openings & Storefront	\$55,000	(13%)
Rear Asphalt Parking Lot	\$30,000	(7%)
Secondary Entrance Stair	\$40,000	(9%)
New Fencing & Gate	\$40,000	(9%)
Exterior Lighting	\$10,000	(2.5%)
Exterior Signage	\$10,000	(2.5%)
New Brick Patio	\$20,000	(5%)

Tree Removal	\$10,000	(2.5%)
Replace Sidewalk	\$15,000	(3.5%)
Total Uses	\$432,000	(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 meet and coordinate with minority-owned business assistance organizations such as the Memphis Area Minority Contractors Association (MAMCA) and the Mid-South Minority Business Council Continuum (MMBC) to make their members aware of the project and any contracting and sub-contracting opportunities.
- 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 advertise and host a pre-bid conference to allow MWBE general contractors and subcontractors an opportunity to ask questions and learn

more about the job opportunity. DMC staff will be invited to attend the pre-bid conference to observe.

- The applicant will contact a minimum of 3 certified MWBE general contractors and provide each a fair opportunity to submit a bid and be considered for the work.
- 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 pre-bid conference attendance sheet.
- 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 exterior budget of \$432,000, a 25% level of MWBE inclusion for that work is approximately **\$108,000.**

Staff Evaluation: 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.

DMC staff fully supports this grant application for several reasons. First, this project involves the adaptive reuse and stabilization of a historic building. The DMC proactively encourages adaptive reuse and historic preservation as effective strategies to develop Downtown Memphis in a way that leverages our authenticity and unique sense of place as competitive advantages.

Second, this building sits in a strategically important location linking the South Main neighborhood with the South City neighborhood. Attracting new investment that further supports and strengthens the growing momentum and transformation of South City is a top goal of the DMC.

Lastly, this project will support a successful office tenant in Downtown Memphis. UrbanARCH has occupied office space in South Main for many years. With this project, a well-established local firm is able to purchase a building, become their own landlord at the property, and make a new permanent home in Downtown Memphis.

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.