

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: June 8, 2022
RE: Retail TI Grant Request – Old Soul Floral Company, 545 S. Main

The enclosed Retail Tenant Improvement Grant has been submitted for consideration at the June 15, 2022, CCDC Board of Directors Meeting.

Project: Old Soul Floral Company, 545 S. Main

Applicant: Old Soul Floral Company
Katie Hunt, owner
505 Tennessee Street, #326
Memphis, TN 38103

Applicant's Request: \$30,000 Retail Tenant Improvement (TI) Grant.

Project Description: The subject property is a vacant ground-floor space on the north side of Central Station, located on the south side of GE Patterson Avenue, just west of the intersection with South Main Street.

While Central Station has been fully renovated to include Bishop Restaurant and a high-quality boutique hotel, a few ground-floor vacancies remain on the north and east frontages of the block. The proposed space is approximately 500 sq. ft. facing GE Patterson Avenue on the north side of the Central Station block.

Full renovation is needed to make the vacant space move-in ready. Contingent on receiving a Retail TI Grant, the applicant proposes to sign a lease and renovate the space for commercial use as a florist shop. This project is eligible for the Retail TI Grant program due to its location within the South Main Retail Node. The applicant plans to fully renovate the space with interior demolition, new drywall and wall framing, new storefront and exterior door, plumbing, electrical, HVAC, fire suppression, and interior painting.

Following CCDC approval of a Retail TI Grant, the applicant intends to sign a lease and start construction. DRB review will be required for any exterior improvements and signage.

Project Budget: The estimated project budget includes the following sources:

CCDC Retail TI Grant	\$30,000	(64%)
Owner's Equity	\$16,600	(36%)
Total	\$46,600	(100%)

Work Eligible for TI Grant: The Retail Tenant Improvement Grant program is designed to encourage new businesses to open ground-floor locations along priority corridors and within targeted retail nodes. The Grant is reimbursable and requires the applicant to provide receipts of completed work.

Permanent improvements that are potentially-eligible for reimbursement under the Retail TI Grant program include the following:

Select Demolition	\$275	(1%)
Drywall & Framing	\$5,000	(15%)
Glass & Glazing	\$5,300	(16%)
HVAC	\$2,600	(8%)
Electrical	\$12,600	(38%)
Plumbing	\$4,700	(14%)
Fire Suppression	\$750	(2%)
Interior Painting	\$2,000	(6%)
Total	\$33,225	(100%)

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 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 information.
- 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 \$46,600, a 25% level of MWBE inclusion is approximately **\$11,650**.

Staff Evaluation: DMC staff is in full support of the applicant’s request. The subject property is a strategically important vacancy in the heart of the South Main district. A key goal of the Downtown Memphis Retail Strategy is to support the growth of local businesses and to build a strong critical mass of stores and activities within existing retail nodes.

Adding commercial vibrancy and new activation along the perimeter of the Central Station property will further enhance walkability and quality of life within the neighborhood and strengthen South Main as a unique retail destination.

Staff Recommendation: Staff recommends approval of a Retail Tenant Improvement Grant in an amount up to \$30,000, based on approved receipts and subject to all standard closing requirements.