

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC)
From: DMC Staff
Date: July 20, 2022
RE: Retail TI Grant Request –10 North Main, Unit C-1 (Picture Perfect Haircuts)

The enclosed Retail Tenant Improvement Grant application has been submitted for consideration at the July 20, 2022, CCDC Board Meeting.

Project: Picture Perfect Haircuts

Applicant: Lugene Bishop
37 South McLean
Memphis, TN 38104

Property Owner: Jon Lovell
8849 Centre Street
Southaven, MS 38671

Applicant's Request: Retail TI Grant in an amount up to \$30,000

Project Description: The subject retail space is a semi-basement commercial condominium unit in the D.T. Porter Building directly south of Court Square. It is 1,671 square feet unit that housed the Down To Earth Barber Shop several years prior. Because of its location within the Main Street retail node, this project is eligible for the Retail TI Grant.

While the space was previously occupied by a barber shop, it has sat vacant and requires major renovation work. Contingent on receiving a Retail TI Grant, the applicant proposes signing the lease and renovating the space to allow for barber shop and salon use. The applicant proposed to fully renovate the interior by demolishing the existing the salon receptacles, installing new half partition walls, painting the interior and exterior, and installing new lighting, flooring, and plumbing.

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

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

The following describes the estimated project budget:

Sources:

| | | |
|----------------------|-----------------|---------------|
| Tenant Contribution | \$11,000 | (26.83%) |
| CCDC Retail TI | \$30,000 | (73.17%) |
| Total Sources | \$41,000 | (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:

| | | |
|------------------------------|-----------------|-----------------|
| Demo and install receptacles | \$900 | (2.20 %) |
| Painting | \$6,100 | (14.88%) |
| Lighting | \$7,200 | (17.56%) |
| Flooring | \$12,700 | (30.98%) |
| <u>Plumbing</u> | <u>\$4,100</u> | <u>(10.00%)</u> |
| Total Uses | \$31,000 | (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 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 sub contractors and tradespeople to perform the needed work.
- The applicant will advertise and host a pre-bid conference to allow MWBE 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 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 budget of \$41,000, a 25% level of MWBE inclusion for that work is approximately **\$10,250.**

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.

The DMC staff is in full support of this grant application. Picture Perfect Haircuts will fill a long-time vacancy in the Main Street Target Area. So, this project clearly aligns with our goals to reduce vacancy and combat blight. Supporting a local minority owned business with a strong client base also supports the overarching goal of building a Downtown for everyone. Adding more commercial offerings along Main Street Mall will increase walkability and security along the backbone of Downtown to enhance vibrancy and ignite further investment in the corridor.

Recommendation:

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