



To: Center City Development Corporation (CCDC) Board of Directors
From: DMC Staff
Date: July 13, 2022
RE: Pre-Development Grant Update & Funding Request: FY 2023

Background:

The CCDC created the Downtown Pre-Development Grant Program in August 2020 with \$50,000 in funding for the first year. A second round of funding was approved in October 2021 to extend the program into the second fiscal year. To date, 22 pre-development grants have been approved. With a maximum grant of \$5,000 per project, it was originally expected that 20 projects would receive funding in the first two years. However, four of the projects needed less than the maximum grant. Staff was able to combine the balance of funding with department operating budget to approve two additional projects for a total of 22 projects and \$104,200 in total grant funding.

This grant program, while relatively modest in budget, is having the desired impact. The DMC intends to remain proactive in efforts to attract new development and investment in commercial property Downtown. Moreover, an aggressive pre-development program was a key recommendation of the BuildDowntown Master Plan. This grant lowers the barrier to entry for aspiring developers and reduces front-end risk, giving property owners and emerging developers a solid road map toward development. Growing and diversifying the ecosystem of local developers is integral to achieving the DMC's overall goal of building a Downtown for everyone.

Encouraging growth within the urban core is another important goal of the Pre-Development Grant in order to build compact critical mass and increase density. Over a third of the projects are located within the Downtown Core. The remaining projects are evenly distributed across the Central Business Improvement District (CBID), including neighborhoods and areas that have historically seen disinvestment, property blight, and high commercial vacancy.

Approved projects by location:

- 3 Projects in South Main (14%)
- 4 Projects in Medical District/Edge (18%)
- 3 Projects in South City (14%)
- 4 Projects in Uptown/North CBID (18%)
- 8 Projects in Downtown Core (36%)

Focus on Diversity, Equity, & Inclusion:

Although many property owners could benefit from pre-development assistance, staff has found this program particularly useful to support the growing community of emerging and minority developers in Downtown Memphis who often have fewer resources to draw on during the crucial pre-development phase.

Staff administered the program with a special focus on supporting emerging developers, especially women and people of color. **81% of the total grant budget was spent with MWBE developers and/or MWBE service providers.** 68% of the 22 grant projects are led by a MWBE developer or owner. Moreover, almost half of the projects (45%) utilized a MWBE service provider.

The following tables summarize the pre-development work funded or committed in the first two years.

FY21: August 2020 – June 30, 2021

Project/Address	Location	Scope of Grant	Grant
114 G. E. Patterson*	South Main	Architectural Design**	\$5,000
1338 Union (URBN)*	Medical District	Parking Study**	\$4,000
660 S. BB King*	South City	Phase I Environmental	\$4,200
9 N. Main (ground floor vacancy)	Downtown Core	Marketing & Window Graphics**	\$5,000
502 S. Second St.*	South City	Architectural Design**	\$5,000
1292 Beauregard Place	Medical District	Architectural Design**	\$5,000
612 N. Main*	Uptown	Architectural Design	\$5,000
562-574 S. Main	South Main	Site Planning & Environmental	\$5,000
337 S. Fourth*	South City	Architectural Design**	\$5,000
238-242 Poplar Ave.*	Downtown Core	Development Feasibility	\$5,000
47 S. Main	Downtown Core	Development Feasibility	\$5,000
<i>SUBTOTAL</i>			<i>\$53,200***</i>

FY22: July 1, 2021 – June 30, 2022

Project/Address	Location	Scope of Grant	Grant
339 Madison	Edge/Medical	Development Feasibility	\$5,000
Q-Sweets, 97 N. Main*	Downtown Core	Architectural Design**	\$2,500
Spotlight Prod., 649 N. Second*	Uptown	Architectural Design**	\$5,000

78 G.E. Patterson	South Main	Development Feasibility	\$5,000
183 Chelsea	Uptown	Architectural Design**	\$5,000
119 Madison Ave.*	Downtown Core	Development Feasibility	\$5,000
602 Looney*	Uptown	Development Feasibility	\$5,000
0 Madison & 0 Monroe*	Edge/Medical	Architectural Design	\$5,000
Barboro Alley Public Realm*	Downtown Core	Architectural Design**	\$3,500
383 Union Ave.*	Downtown Core	Architectural Design	\$5,000
Picture Perfect, 10 N. Main*	Downtown Core	Architectural Design**	\$5,000
<i>SUBTOTAL</i>			<i>\$51,000***</i>

**MWBE Developer (15 of 22; 68%)*

*** MWBE Service Provider (10 of 22; 45%)*

**** Total Spend with MWBE Developers and/or MWBE Service Providers (\$84,200 of \$104,200; 81%)*

Staff Recommendation:

Staff requests that the CCDC reauthorize the program with a new budget of \$50,000 for the current fiscal year, ending June 30, 2023.

No changes to the program are recommended at this time. The following summary describes the basic program details and requirements:

Downtown Pre-Development Assistance Grant:

- A maximum grant of \$5,000 per project.
- A program cap of \$50,000 per fiscal year.
- Examples of eligible pre-development work:
 - Market studies
 - Financial modeling
 - Professional design work
 - Site assessment
- Applications will be administratively approved by DMC staff.
- Priority will be given to historic properties and locations within established retail nodes.
- Invoices from consultants hired to perform pre-development work can be submitted directly to the DMC for reimbursement.
- The DMC will retain rights to any materials created using grant funds.