

# Center City Revenue Finance Corporation Board Meeting

To: Center City Revenue Finance Corporation (CCRFC)  
From: DMC Staff  
Date: March 7, 2023  
RE: Request to Amend Previously-Approved PILOT for 7 Vance (The Oliver)

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The enclosed request for amendment to a previously-approved PILOT has been submitted for consideration at the March 14, 2023 CCRFC Board Meeting.

**Project:** 7 Vance Ave. & 339 S Front St. (The Oliver)

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Applicant/Owner: Mr. Chance Carlisle  
7V Devco, LLC & Carlisle Development Co.  
1 Dr. ML King Jr. Ave. STE 130  
Memphis, TN 38103

Included Parcels: Parcel ID 002075 00001C (7 Vance)  
Parcel ID 002096 00001 (339 S. Front St.)

Original Approval: At its February 9, 2021 meeting, the CCRFC approved a 19.5-year PILOT for new construction of The Oliver, a 210-unit multi-family apartment building with Class A amenities and a 262-space parking garage. At the time of approval, the project had an estimated total development budget of \$52.2M. It should be noted that due to material cost increases and related factors, the estimate for total development cost is now approximately \$65.2M.

Requested Change: Construction for The Oliver is currently underway and the PILOT is now active. The applicant is requesting approval to expand the project site and amend the previously-approved PILOT to include a second phase with an additional adjacent parcel (339 S. Front) that was purchased by the developer. This new parcel will add an additional 63 multi-family apartment units and 63 on-site parking spaces as a second phase of the project phase. The estimated development budget for Phase II is \$21.9M.

Phase II Budget: Sources:

Debt	\$12,074,226	(55%)
Owner Equity - Land	\$1,100,000	(5%)
Owner Equity – Cash	\$8,778,912	(40%)
<b>Phase II Total Sources</b>	<b>\$21,953,138</b>	<b>(100%)</b>

Uses:

Land	\$1,100,000	(5%)
Hard Construction Costs	\$16,042,735	(73%)
Prof. Fees & Soft Costs	\$3,748,797	(17%)
Fin. Fees/Working Capital	\$1,061,606	(5%)
<b>Phase II Total Uses</b>	<b>\$21,953,138</b>	<b>(100%)</b>

Timeline:

Construction for Phase I of The Oliver started in September 2021. Contingent on amended PILOT approval, Phase II is expected to begin construction in July 2023.

Phase I construction is projected to be fully complete in October 2024, with Phase II completion scheduled to follow in January 2025.

Staff Evaluation:

DMC staff is in support of the recommended amendment. No change to the approved and active PILOT length is requested or contemplated. The proposed change will simply yield a larger project with more apartment units and greater positive impact. The expanded project will add new investment in a part of the South Main neighborhood that is experiencing noticeable momentum. Adding an additional +60 new apartment units a block west of South Main Street will help animate neighborhood retail and increase vibrancy throughout the district.

Moreover, new infill development at this vacant site will fill a substantial gap in commercial activity along Vance Avenue, an important connector with the potential to link the riverfront park system to the South City neighborhood. Filling gaps in ground-floor commercial activity is an important strategy for increasing walkability and pedestrian safety Downtown.

**Staff Recommendation:**

**Staff recommends approving the applicant's request to amend the previously-approved PILOT for The Oliver to now include parcels at 7 Vance and 339 S. Front Street.**

Standard approval requirements and conditions such as the DMC's Equal Business Opportunity (EBO) Program, Affordable Housing Policy, PILOT Fee, and Design Review Board (DRB) approval will apply to both project phases.