



Applicant: South Memphis Renewal Community Development Corporation
Address: 991 & 0 Mississippi Boulevard, Memphis, TN 38126
Parcel Numbers: 025024 00017, 025024 00018C
Guarantor: South Memphis Renewal Community Development Corporation
Recommendation: \$25,000 ICED Loan
Date: September 4, 2019

Jeffrey Higgs, on behalf of the South Memphis Renewal Community Development Corporation (SMRCDC), is seeking a \$25,000 Inner City Economic Development (ICED) Loan to assist with construction of the 38126 Innovation & Technology Center (The 38126 Center) at 991 and 0 Mississippi Boulevard. Total project costs are expected to exceed \$670,000.

The SMRCDC is a 501(c)(3) Nonprofit Corporation registered in Tennessee. The organization focuses primarily on transforming vacant land into affordable housing. SMRCDC also pursues commercial revitalization along key targeted South Memphis corridors. The organization is the court appointed conservator of the Aretha Franklin birthplace and operates the YouthBuild apprenticeship program to train 70 people ages 16 to 24.

The 38126 Center will convert an existing vacant 3,948 square foot building and add a 6,942 square foot expansion, designed by Self Tucker Architects, to create 10,890 square feet of retail, commercial and office space at the corner of Mississippi and Walker. The center is rooted in the need to fill the digital divide, improve health and wellness services, and close the job-skills gap. Proposed tenants for this technology-training anchored center are:

- Aperion Global – Technology Language Training and Certification Programs
- Brave Dog Games – Gaming Lounge and Video Game Development Center
- Well-Quest Wellness Center – Tele-Health Virtual Patient Care
- 2 Friends & A Chef Coffee – Coffee Chop
- Tri-State Defender Podcast Studio – Broadcast Quality Studio
- Crucial Music Studios – In-Person Interface for Online Music Licensing Service
- Rickey Anderson Entertainment Law Center – Entertainment Industry Training
- Benjamin Crump Social Justice Institute – Leadership Training and Certification Programs
- The Urban Incubator – Small Business Development Space

The applicant is committing \$70,000 of its own cash reserves to this project. Additionally, SMRCDC has received a \$15,000 grant from Community LIFT and a \$30,000 grant from the City of Memphis. A grant application has been submitted to the US Department of Health and Human Services requesting

\$500,000. And, a loan in the amount of \$500,000 is being pursued based on annual potential gross rental income estimates in excess of \$700,000.

In 2014, the EDGE Economic Development Finance Committee approved a \$20,000 ICED Loan to make interior and façade improvements at 991 Mississippi. These improvements were completed but the space was not subsequently occupied. The owner has agreed to sell the property to SMRCDC for this new project. Funds related to this application will be used for the expansion of space, not on the existing building. ICED funds will not be disbursed until the project is complete and a certificate of occupancy is issued.

Contingent upon satisfactory architectural review of final designs, staff recommends approval of an Inner City Economic Development Loan to the South Memphis Renewal Community Development Corporation not to exceed \$25,000, to be distributed when the project is complete, and a certificate of occupancy has been issued for 991 and 0 Mississippi Boulevard.

LOAN DATA	DETAILS
Term	3 years
Interest Rate	0%
Loan Amount	\$25,000
Jobs	20 (New)

PROPOSED USE OF FUNDS	PROPOSED SOURCE OF FUNDS	
	OWNER EQUITY	ICED FUNDS
Façade Improvements	\$65,000	\$0
Structural, Roof, HVAC	\$55,000	\$0
Building Expansion	\$227,000	\$25,000
Interior Renovations	\$155,000	\$0
Furniture, Fixtures, Equipment	\$65,000	\$0
Landscape, Streetscape	\$15,000	\$0
Soft Costs	\$63,000	\$0
Total	\$645,000	\$25,000