



To: Center City Development Corporation (CCDC) Board of Directors
 From: DMC Staff
 Date: December 12, 2018
 RE: Special Grant Request – The Ravine Park

Background:

Since early 2014, the Downtown Memphis Commission (DMC) and its affiliate Boards have made a concerted effort to help attract private investment to the Edge neighborhood. The Edge is generally defined as the section of Downtown located east of AutoZone Park, west of Health Sciences Park, south of Madison, and north of Union. As illustrated in the list below, the DMC has focused considerable resources on this important neighborhood over the past 5 years.

| Recent DMC Investment in Edge Neighborhood | | |
|--|-------|---|
| Project | Board | Incentive & Approval Date |
| High Cotton Brewing | CCDC | \$50,000 Storefront Grant (April 2014) |
| MEMFix Edge | CCDC | \$25,000 grant (July 2014) |
| Streetscape Improvements (w/MMDC) | CCDC | \$240,000 grant (July 2016) |
| Edge Public Art (w/Collaboratory) | CCDC | \$65,000 grant (July 2016) |
| Arnold’s BBQ & Grill | CCDC | \$29,512 Exterior Improvement Grant (Oct. 2016) |
| The Marshall mixed-use project | CCDC | \$60,000 Exterior Improvement Grant (July 2017) |
| Bakery Apartments Orion FCU Headquarters Leo Events Glass Factory Cycle Shop | CCRFC | 20-Year PILOT (Aug. 2017) |
| Edge Parking Garage, 400 Monroe | DPA | Up to \$6,000,000 to fund construction of a 480-space public parking garage (Aug. 2017) |
| Edge Motor Museum | CCDC | \$60,000 Exterior Improvement Grant (May 2018) |
| Karen Adams Design | CCDC | \$60,000 Exterior Improvement Grant (July 2018) |
| Karen Adams Design | CCDC | \$200,000 Development Loan (September 2018) |
| Century Tree Cider Co. | CCDC | \$60,000 Exterior Improvement Grant (pending) |

With the transformative +\$70MM mixed-use redevelopment of the former Wonder Bread Bakery site well underway by PGK Properties, DMC staff is requesting CCDC funding to help add a significant neighborhood amenity to the district in the form of a linear urban park. The site is an underutilized strip of land formally used as a rail spur.

This proposed park, known currently as The Ravine, will act as an armature and shared public space to better connect new and existing development in this emergent neighborhood. The Ravine will be intentionally designed as a series of five outdoor rooms beginning with a pop-up/food truck retail plaza on the southern end (near Union Ave.) and ending with an event plaza on the northern end (near Madison Ave.). In between those two anchors will be linear park space, restrooms, seating nooks, activity rooms, gardens, and outdoor play space. Please refer to the application materials for an overall site plan and detailed description of the improvements.

Project Phasing:

The overall vision for The Ravine Park will be completed over three phases. The first phase consists of essential elements that will result in a useable neighborhood asset. The second and third phases will add high-quality permanent enhancements. The complete vision for the Ravine Park is ambitious, budgeted at approximately \$5,730,000. A phased approach allows for immediate construction of park fundamentals while providing additional time for stakeholder input and design refinement based on the level of philanthropic support and sponsorship.

Phase I work will begin soon with a targeted completion date of May, 2019. This phase will include grading and site prep, utility infrastructure, power connections for food trucks, essential lighting, perimeter fencing, bathrooms, main irrigation lines, and some hardscaping.

Phase II work will likely begin in late fall 2019 and should take 4-6 months to complete, pending availability of funding. This phase includes completion of all hardscaping, retaining walls, stairs, walkways, paved surfaces, enhanced lighting, tables, chairs, and benches, performance stage, gateway arches, salvaged bakery silos, slides, and additional landscaping.

Phase III could begin as early as winter 2019, subject to successful fundraising efforts. This final phase includes the larger, expensive enhancements that will be generally funded through special gifts and grants by individuals, corporation citizens, and foundations. These items include interactive play structures, fountain splash pad, specially commissioned sculptures and mural art, bridge connections, and additional enhanced lighting.

Staff Request:

Staff requests that CCDC make a significant contribution to the Ravine in the form of a special grant over the first two project phases. To make the project viable and leverage private investment, staff suggests an initial CCDC grant of \$400,000. Alongside this contribution, PGK Properties will contribute \$500,000 and the Ravine property (valued at \$730,000) to the project.

Completing Phase I will create a neighborhood amenity and demonstrate to potential funders the strategic value and potential impact of a fully-realized Ravine Park. PGK Properties will actively seek funding for future phases from local and national foundations, corporations, and individuals. While the development team believes this community project will be very well received by the philanthropic community, further funding is not guaranteed. However, Phase I funding will result in a functional, interesting, and unique public space setting the stage for future phases.

Contingent upon PGK Properties securing a minimum of \$1,700,000 in donations, sponsorships, and grants, DMC staff recommends approval of a second CCDC grant of \$300,000 to complete Phase II. PGK Properties would seek a final round of philanthropic support to complete the third phase of the Ravine Park project.

In total, the proposed CCDC grant over two phases will be a maximum of \$700,000, representing about 12% of the overall development budget. This project will fully comply with the DMC’s Equal Business Opportunity (EBO) program. PGK Properties will work diligently to meet or exceed the 25% MWBE goal.

The following budget describes the overall project and staff’s request for CCDC grant support:

| Development Budget | Phase I | Phase II | Phase III | Total | % |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| Sources | | | | | |
| CCDC Grant | \$400,000 | \$300,000 | - | \$700,000 | 12% |
| PGK Properties, LLC | \$500,000 | - | - | \$500,000 | 9% |
| PGK Properties – land contribution | \$730,000 | | | \$730,000 | 13% |
| Donations, sponsorships, & grants | - | \$1,700,000 | \$2,100,000 | \$3,800,000 | 66% |
| Total Sources | \$1,630,000 | \$2,000,000 | \$2,100,000 | \$5,730,000 | 100% |
| Uses | | | | | |
| Land | \$730,000 | | | \$730,000 | 13% |
| Construction costs | \$750,000 | \$1,500,000 | \$1,000,000 | \$3,250,000 | 57% |
| Furniture, play equipment, & art | \$10,000 | \$320,000 | \$900,000 | \$1,230,000 | 21% |
| Legal | \$30,000 | \$20,000 | \$10,000 | \$60,000 | 1% |
| Design | \$55,000 | \$30,000 | \$50,000 | \$135,000 | 2% |
| Project management | \$20,000 | \$40,000 | \$40,000 | \$100,000 | 2% |
| Contingency | \$25,000 | \$50,000 | \$50,000 | \$125,000 | 2% |
| Operating reserve | \$10,000 | \$40,000 | \$50,000 | \$100,000 | 2% |
| Total Uses | \$1,630,000 | \$2,000,000 | \$2,100,000 | \$5,730,000 | 100% |
| <i>Minimum 25% MWBE Goal</i> | <i>\$225,000</i> | <i>\$500,000</i> | <i>\$525,000</i> | <i>\$1,250,000</i> | |

Ravine Park Ownership & Management:

The ownership and operational structure of the Ravine Park will be modeled after the CCDC’s existing agreement for the Madison Avenue Park, located at 151 Madison. Under the proposed agreement, CCDC will own the property and lease it back to PGK Properties in a long-term lease. In accordance with the Lease Agreement. PGK Properties will be reasonable for expenses associated with the Ravine Park including construction, maintenance, and operations. The CCDC President will participate in management oversight via Board of Directors participation.