

Council Letter
City of Knoxville
May 2, 2022

Agenda Item: Approving a Storefront Improvement Grant for 109 S Third Street.

Background: In 2022, City Council approved the creation of the Downtown Façade Grant program, with an initial funding of \$115,000 (viz. money that was transferred from an existing but underused economic development revolving loan fund). City Council subsequently approved a \$50,000 addition to the Downtown Façade Grant program in its FY 23 budget.

Façade grant applications are due on May 31, 2022. They are scheduled to be vetted by the Downtown Façade Grant Review Committee in June with recommended projects being sent to Council for approval in early July.

City staff have received only a small number of applications to date (as of 4-25-22). This includes two applications for the metal façade grants and two storefront improvement applications. While we expect to receive additional applications in May, the prospect of a limited response to the grant program is cause for concern.

One storefront application, i.e. for 109 S Third Street (English Valley Wellness), meets the funding criteria. The building owner has proposed that the existing front door and retail windows (which are not energy efficient and frost up in cold weather) be replaced with modern frost-free, energy-efficient, clear glass. The owners further propose that a transom window be installed above the front door.

The total budget for the work is \$6,440; the City's matching reimbursement grant would be for a maximum of \$,3220.

City staff believe that it would be prudent to approve this application in advance of the May 31, 2022, application deadline. We believe that it would encourage other building owners to complete their applications and submit them by the deadline. Among other things, City staff will work with the owners to install temporary signage on the retail windows informing the public about the Municipal Grant that has been awarded.

Approving this application in advance of the deadline is something that Council has the authority to do. The remaining applications would be evaluated as initially proposed in June following the May 31, 2022, deadline.

Policy Question: Should City Council award a Storefront Improvement Grant to the owners of 109 S Third Street?

Budget Impact: The City has allocated \$165,000 to the Downtown Façade Grant Program. To date no funds have been expended. The first tranche of the program has \$60,000 in it, of which \$10,000 is dedicated to storefront improvements. Sufficient funds exist in the program to make the proposed award.

Recommendations: Staff recommend that Council approve the proposed storefront improvement grant for 109 S Third Street as described in this application.

Supporting Documents: Descriptive Photo (Below)

