

HUD SECTION 108 LOAN GUARANTEE PROGRAM
APPLICATION FOR FUNDING
CITY OF MEMPHIS, TN

DRAFT

August 26, 2025

Prepared by: City of Memphis Division of Housing and Community
Development

APPLICANT INFORMATION

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Memphis, TN 38103
(901) 636-6980
<https://www.memphistn.gov/hcd/>

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ADMINISTERING AGENCY

The City of Memphis currently receives Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA) funding on an annual entitlement basis from the U.S. Department of Housing and Urban Development (HUD). The City is governed by a Mayor-Council form of government. There is a full-time elected Mayor and 13-member City Council, who are elected to a four-year term. The Mayor has administrative and executive responsibility whereas the City Council has legislative responsibility. Together they approve all HUD-funded projects. The Division of Housing and Community Development Division (HCD) also reviews and approves proposed projects prior to review by the Mayor. HCD is the designated department administering HUD funds on behalf of the City of Memphis.

The Division of Housing and Community Development is dedicated to developing quality and affordable housing and giving business owners access to the region's economic growth and prosperity.

SECTION 108 LOAN GUARANTEE PROGRAM

The City of Memphis is seeking \$6 million in funding under the Section 108 Loan Guarantee Program administered by the U.S. Department of Housing and Urban Development (HUD) under 24 CFR 570. If approved, these funds will be utilized to assist with the redevelopment of the area surrounding 100 N. Main, the tallest building in downtown Memphis, TN (Project). This iconic and historic 37-story office building will be transformed into a vibrant mixed-use development that will include apartments, a hotel, office and retail space, restaurants, event space and public parking. The City's Section 108 funds will be used for a parking garage to support this redevelopment effort and downtown area businesses and venues (see Appendix – Project).

PROJECT DESCRIPTION

The 100 North Main building can be clearly seen on the Memphis skyline and historically was the tallest and the largest office building in the city. Built in 1965 by developer Harry Bloomfield, the structure was a symbol of Memphis' economic growth. This iconic structure was comprised of 37 floors of office space and a revolving restaurant on the 38th floor which provided sweeping views of the city and the Mississippi River. The 37-story main tower building is approximately 579,000 square feet in gross area. As an office building, the net rentable area was approximately 429,000 square feet.

As downtown Memphis faced economic downturns and urban deterioration during the 1980s and 1990s, numerous tenants vacated the premises in favor of newer, more affordable options in the suburbs or other cities. Two separate developers attempted to transform this building during the early 2000's without success, leaving the structure unoccupied and in a state of decline.

The structure has remained vacant since June 2014 and by 2015, the city condemned the structure due to safety concerns. In April 2015, the building was added to the National Register of Historic Places.

In March 2021, the Downtown Mobility Authority (DMA), an affiliate of the Downtown Memphis Commission (DMC), tasked with spurring investment in the city's downtown, purchased the building and adjacent buildings located on the same block.

In 2021, DMC issued a Request for Proposals to identify a developer partner for this project and an experienced developer with an extensive and successful track record of completing large scale, multi-sourced redevelopment and ground-up projects was selected. The development team has the following planned for the redevelopment of 100 N. Main:

- 190 apartments;
- Full-service hotel with 160 rooms and meeting space;
- 38,000 sq. ft. retail historic building (retail, restaurant, roof top amenities);
- 80,000 sq. ft. office space with lease from City of Memphis;
- Parking Garage - new construction of 700 new parking spaces

The 38-story building, which is on the National Register of Historic places, will be restored per the United States Department of the Interior NPS Historic Preservation Standards and Guidelines. This restoration will include the exterior repairs to the building as well as public spaces within the interior. The development plan is to create a new mixed-use project that will include retail, restaurants, office

space, hotel, apartments along with the amenity spaces to support these functions. The signature space age rotating restaurant on the 38th floor will be renovated and become once again a destination for the best views in the city. The rooftop will be transformed into a landscaped amenity that will include a rooftop pool and deck, an outdoor bar and lounge and events lawn. Once complete, the 100 North Main Building will be reborn and once again be a hub of activity and a beacon for the city.

The developer is in the process of completing the first phase of this project which includes cleaning out and demolishing the interior of the 37-story office tower. The work also includes removal of lead paint and asbestos. The City is requesting a Section 108 loan to support the construction of a new public parking garage, adjacent to this property, that will support this redevelopment effort for the benefit of the Memphis community.

The estimated development cost for the parking garage is \$23,555,550.

In addition to supporting 100 N. Main building, the parking garage will add needed parking to the downtown area to support other businesses, venues and development.

This document, which includes a narrative along with the required attachments, serves as the official application to HUD for Section 108 Loan Guarantee funds.

PROJECT STRUCTURE AND FINANCING

Borrower:	Memphis, TN
Section 108 Loan Amount:	\$6,000,000
Proposed Term:	Expires in 2045
Interest Rate:	HUD Section 108 13-week Treasury Bill rate plus 35 basis points.
Entity to Undertake the Project:	Downtown Memphis Commission
Principal Developer:	100 N. Main Development Partners
Additional Sources of Capital:	See Appendix – Financial Summary

USE OF GUARANTEE LOAN PROCEEDS

Proceeds from Section 108 Loan will be used to fund architectural and engineering costs, construction management, other soft costs, and HUD closing costs. The loan may also be used to pay construction costs. This loan will be repaid from revenue generated from the new 100 N. Main development and parking garage over a 20 Year program period. Nominal revenues are projected until 2027 and then increase as the development begins generating revenues, which are pledged to this redevelopment effort.

INFORMATION ON ORGANZATIONAL ARRANGEMENTS

The property is owned by the City of Memphis and DMC. The Developer is 100 N. Main Partners. Plans are to convey the 100 N. Main building to the developer after completion of interior demolition and abatement. The parking garage will stay under City ownership.

The principals of 100 North Main Development Partners are Kevin Woods, Orgel Family, L.P., Jay Lindy, Adam Slovis, and Michael McLaughlin. The team has a proven track record with award winning historic rehabilitation developments that have been transformative, serving as catalysts for changing downtown neighborhoods from fringe locations into vibrant, populated urban nodes.

IMPLEMENTATION SCHEDULE

[See EXHIBIT A]

STATEMENT OF SOURCES AND USES

The Sources and Uses table identify the estimated \$23,555,550 in development costs and the sources available for the parking garage of the 100 N. Main project. The Section 108 loan will be used for the construction including soft costs of the parking garage, as well as Loan fees. [See EXHIBIT B – Financial Summary]

PROPOSED COSTS

While a developer has been selected, DMC does not yet have cost estimates confirmed by a general contractor's guaranteed maximum price contract. Instead, DMC has estimated costs based on previous experience.

The final development budget will contain various contingencies to guard against any cost overruns. DMC will reserve a construction contingency of 5% after bids and soft cost contingency of 5%, both of which are consistent with customary underwriting requirements for new construction projects.

REPAYMENT SOURCE

Primary Source of Repayment

The Project is anticipated to take 2 years for development and 1 year for stabilization. During construction, debt service on the 108 Loan will be paid by appropriations from the City of Memphis. Memphis's CDBG Entitlement will fund interim interest on the HUD 108 loan until development occurs, and increased revenues begin.

The City will pay no more than half of the Section 108 loan amount back using federal entitlement funds. Following construction, the primary source of loan repayment for the 108 Loan will be revenue generated by commercial tenants and parking garage fees.

Secondary Source of Repayment

The secondary source of repayment is a pledge of the City's CDBG Entitlement.

REPAYMENT SCHEDULE

Principal on the Section 108 Loan will be amortized over the loan term in the following amounts):

Projected HUD Section 108 Loan Repayment Schedule

Year	108 Principal Payments (Rounded to \$1,000's)	Year	108 Principal Payments (Rounded to \$1,000's)
2026	189,000	2036	297,000
2027	198,000	2037	310,000
2028	207,000	2038	325,000
2029	216,000	2039	340,000
2030	226,000	2040	355,000
2031	237,000	2041	372,000
2032	248,000	2042	389,000
2033	259,000	2043	407,000
2034	271,000	2044	425,000
2035	284,000	2045	445,000

TOTAL \$ 6,000,000

Additional Security Collateral

The City currently owns the 100 N. Main building. City ownership will be senior to all other liens and will be available to liquidate, if necessary, to repay the 108 loan.

The current appraised value of the Project based on Shelby County Assessor of Property records is \$4,437,700. The City owns additional property adjacent to the Project valued at \$1,150,400. The total value of all properties is \$5,588,100. The City will use these assets plus an additional \$1,911,900 in other local funds and/or personal guarantee from the developer to meet HUD's preferred 80% loan to value requirement. LTV: \$6,000,000 (loan amount)/ \$7,500,000 (Project value, value of adjacent city owned property, and personal guarantee) = 80%. An as-completed appraisal will be provided prior to the submission of the Section 108 application to HUD.

PUBLIC BENEFIT AND REGULATORY COMPLIANCE

CDBG NATIONAL OBJECTIVE

Any project funded under the Section 108 program must meet one of three CDBG National Objectives pursuant to 24 CFR 570.200(a)(2) and 570.208:

1. Benefit to low- and moderate-income families.
2. Aid in the prevention or elimination of slums or blight.
3. Activities meeting community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and where other financial resources are not available to meet such needs.

The Section 108 Loan funds will be used to construct the parking garage adjacent to the 100 N. Main building. Funds will assist in financing development costs for the Project.

The Project meets the National Objective of Activities Benefiting Low-and Moderate-Income Persons under 24 CFR 570.208(a)(i) which requires a service area containing at least 51% low and moderate

income persons. The services to be provided to the community will be a parking garage for use by the public. The service area is city-wide and includes all census tracts within the city of Memphis.

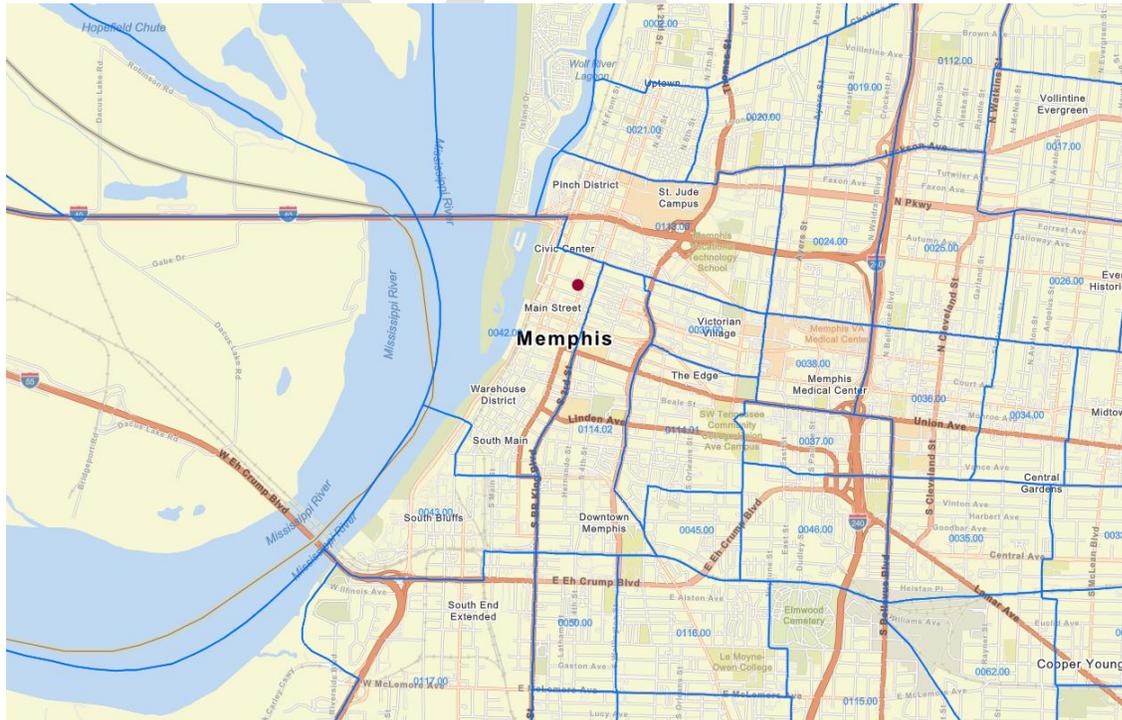
The Project is located in Census Tract 471570042001. The most recent census data from the 2024 ACS Low-Mod-Summarized Data shows 42% are low to moderate income and 9.93% of households are at or below the poverty level. However, as the service area for this project includes all census tracts within the city of Memphis, the overall percentage of low to moderate income persons is 55.58%.

American Community Survey 5-Year 2016-2020 Low- and Moderate-Income Summary Data (HUD FY24)								
UOGID	Name	State	Type	Low Mod Univ	Low	Low Mod	LMMI	Low Mod_Pct
471242	Memphis	TN	Principal City	635,655	234,270	353,295	458,765	55.58%

Source: <https://www.hudexchange.info/programs/acs-low-mod-summary-data/acs-low-mod-summary-data-overall/>

The Project is also in a federally designated Empower Zone as confirmed utilizing the Empowerment Zone and Enterprise Communities mapping tool and is adjacent to an Opportunity Zone.

Address 100 N Main St, Memphis, Tennessee, 38103
 MSA/MD Code 32820
 State Code 47
 County Code 157
 Tract Code 0042.00
 MSA/MD Name MEMPHIS, TN-MS-AR
 State Name TENNESSEE
 County Name SHELBY COUNTY



ELIGIBLE SECTION 108 ACTIVITY

In addition to meeting a National Objective, projects funded under the Section 108 Loan Guarantee Program must meet an eligible activity. The Project will be eligible under 570.703:

- 24 CFR 570.703 (l) Acquisition, construction, reconstruction, rehabilitation or historic preservation, or installation of public facilities (except for buildings for the general conduct of government) to the extent eligible under § 570.201(c), including public streets, sidewalks, other site improvements and public utilities, and remediation of known or suspected environmental contamination in conjunction with these activities. Remediation may include project-specific environmental assessment costs not otherwise eligible under § 570.205; and
- 24 CFR 570.703(g) Payment of issuance, underwriting, servicing, trust administration and other costs associated with private sector financing of debt obligations under this subpart.

The City will use proceeds of the 108 loan for development costs, including soft costs related to the parking garage and the financial closing costs of HUD. The City has acquired the properties, so the eligible activities relate to property owned by the public.

ANNUAL ACTION PLAN

This application will provide funding for a parking garage for public use to support the redevelopment of the 100 N. Main building. The goal of this redevelopment project is to transform a large, vacant structure in disrepair into a productive and vibrant mixed-used development to spur economic development in the area and create jobs for Memphis' low- and moderate-income households.

The project responds to the following City of Memphis CDBG Annual Action Plan goals:

- Stimulate local economies

Additional community development goals that were adopted for the Project include:

1. Encourage and assist economic development to create jobs
2. Eliminate environmental deficiencies
3. Generate additional sales and property tax revenue
4. Create a catalyst for improvement in the downtown Memphis area
5. Provide additional housing in downtown Memphis

CITIZEN PARTICIPATION

This application was developed in accordance with City of Memphis' Citizen Participation Plan, which facilitates public input and comment for all HUD-funded programming. Citizens were afforded opportunities to participate in the application process by means of web outreach, published notices and a public hearing. The public had the opportunity to provide input at the public hearing and through written comments. Following is a summary of the citizen participation process:

- Notice of Substantial Amendment and Public Hearing published in newspaper and on city website – 8/31/2025

- Copy of Substantial Amendment to Annual Action Plan and Draft Application posted to City's website
- Date of Public Hearing: September 8, 2025, from 6:00-7:00 p.m.
- Date of City Council Action for Substantial Amendment: To be determined
- Summary of Comments received from Public Hearing

DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING

The Project and any existing buildings are currently vacant. There are no businesses or residential homes that exist in the Project.

FEDERAL ENVIRONMENTAL REVIEW

The City has initiated an environmental review of the project with reviews expected to be complete prior to submission of this application to HUD, but no later than final determination of funding by HUD. The parking garage will be a new construction adjacent to 100 N. Main, which has been determined to be eligible for listing on the National Register of Historic Places.

APPENDIX

Project – 100 N. Main St. & Parking Garage



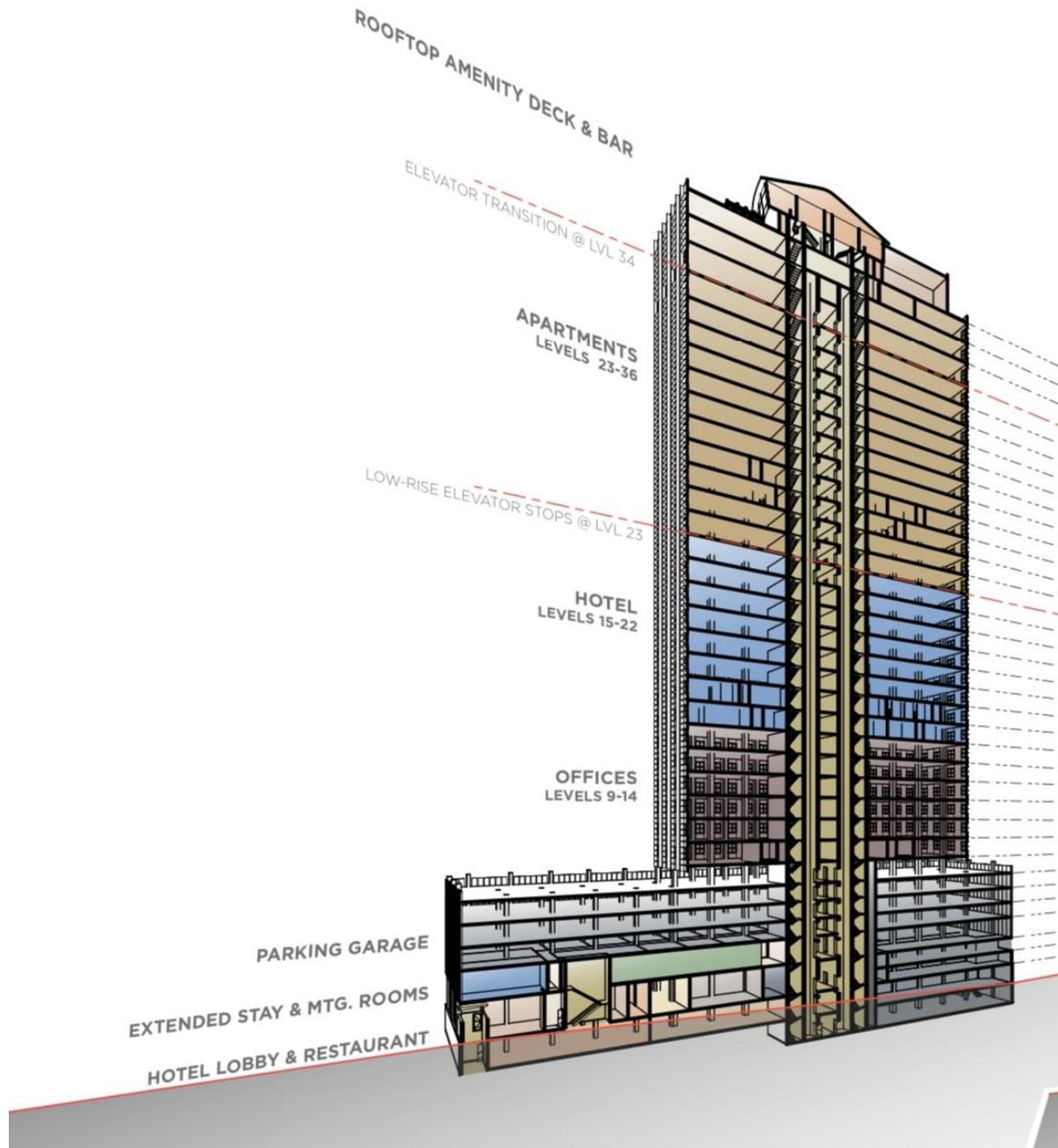


Exhibit A – Implementation Schedule

ID	Task Name	Duration	Start	Finish
1	80-88 North Main	75 days	Wed 10/1/25	Thu 1/22/26
2	Demolition Permit	3 wks	Wed 10/1/25	Tue 10/21/25
3	Utility Disconnect/Cut/Cap/Make-Safe	2 wks	Wed 10/22/25	Tue 11/4/25
4	Abatement/LBP/Universal Waste	3 wks	Wed 11/5/25	Tue 11/25/25
5	Mass Demolition	4 wks	Wed 11/26/25	Tue 12/30/25
6	Backfill	3 wks	Wed 12/31/25	Thu 1/22/26
7	Parking Garage	325 days	Fri 1/23/26	Fri 4/23/27
8	Building Pad	3 wks	Fri 1/23/26	Thu 2/12/26
9	Foundations	8 wks	Fri 2/13/26	Thu 4/9/26
10	Precast Erection	18 wks	Fri 4/10/26	Fri 8/14/26
11	Grouting/Waterproofing/Topping/Ex. Joi	4 wks	Mon 8/17/26	Fri 9/11/26
12	Shafts	4 wks	Mon 9/14/26	Fri 10/9/26
13	Exterior Façade	4 wks	Mon 9/28/26	Fri 10/23/26
14	Site & Hardscapes	3 wks	Mon 10/26/26	Fri 11/13/26
15	Framing	4 wks	Mon 10/12/26	Fri 11/6/26
16	MEP Rough-In	4 wks	Mon 11/9/26	Fri 12/4/26
17	Elevator	7 wks	Mon 12/7/26	Fri 1/22/27
18	Finishes	5 wks	Mon 1/25/27	Fri 2/26/27
19	MEP Trim & Elevator Inspections	3 wks	Mon 3/1/27	Fri 3/19/27
20	Final Inspections	1 wk	Mon 3/22/27	Fri 3/26/27
21	Weather Days	1 mon	Mon 3/29/27	Fri 4/23/27
22	100 North Main	1 day	Mon 4/26/27	Mon 4/26/27
23	Office Turnover	1 day	Mon 4/26/27	Mon 4/26/27

Exhibit B - Financial Summary

100 N MAIN - ADDITIONAL PARKING GARAGE			
Uses Summary			
Land Acquisition	\$	4,000,000	16.98%
Hard Costs	\$	14,254,859	60.52%
Soft Costs	\$	5,300,691	22.50%
Total Project Costs	\$	23,555,550	100.00%
Sources Summary			
Equity	\$	2,804,899	11.91%
Debt	\$	9,750,475	41.39%
Historic Tax Credits	\$	-	0.00%
Accelerate Grant	\$	-	0.00%
Surcharge Bonds	\$	1,000,176	4.25%
Parking Acq. Loan	\$	4,000,000	16.98%
City Loan 1 (HUD 108)	\$	6,000,000	25.47%
City Loan 2.0 (EDGE)	\$	-	0.00%
City Loan 2.1 (EDGE)	\$	-	0.00%
Total Sources	\$	23,555,550	100.00%
Parking Revenue			
		1st Year Revenue	Incremental Tax
Retail Sales	\$	1,680,000	\$ 102,900
Residential Parking	\$	334,338	\$ 20,478
Office Parking	\$	231,750	
Transient	\$	128,750	\$ 7,886
Monthly	\$	77,250	\$ 4,732
Hotel Parking	\$	249,124	\$ 15,259
Total	\$	2,701,212	\$ 151,255

Citizen Participation Documentation & Resolution from City

[In progress]

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CERTIFICATIONS FOR SECTION 108 LOAN

[In progress]

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