



901-679-4352

hello@shoppaperandclay.com

486 N Hollywood St,

CCDC Board

114 North Main Street

Memphis, TN 38103

Board Members,

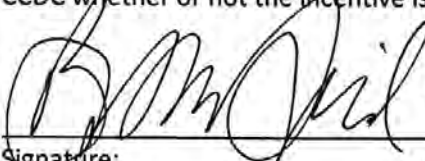
Thank you for taking the time to review our application for the Downtown Memphis Commission Tenant Improvement Grant. We are excited for the opportunity to relocate to South Main and be a part of the diverse community there. We already have so many existing business relationships in the area (namely our ceramics at Arrive Hotel), the location seems to be a natural fit. A home for Paper & Clay amongst the beautiful historic architecture of Downtown Memphis has been a dream of mine since starting this company 7 years ago, and receiving this grant would make that vision possible. I wanted to take a moment to express that in making plans for the proposed location we have taken into account future tenants of the space, not just our own needs. We want to make the most out of the city's investment and we truly care about being a part of growth and development here. When we found 525 S. Main we really couldn't believe what a perfect fit it was for our unique mix of micro-manufacturing and retail— the room the rear of the property is perfect for our kilns, already having concrete walls, an industrial exhaust and electrical in the space is really amazing. It feels really good to make plans for the best use of this historic space, and we hope that we can bring some additional foot traffic to the area that would help lift other businesses as well.

Excitedly,

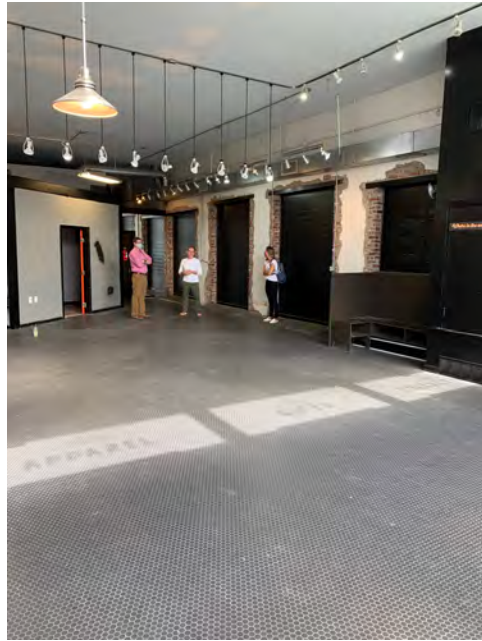
Brit McDaniel

APPENDIX I: GRANT APPLICATION

Date of Application:	July 31, 2020	
Building/Property Address:	525 South Main, 38103	
Applicant's Name:	Brit McDaniel	
Name of the Business:	Paper & Clay	
Ownership Status:	<input type="checkbox"/> I own the property <input type="checkbox"/> I am purchasing the property <input checked="" type="checkbox"/> I will lease the property <input type="checkbox"/> Other _____	
Exact size of the space to be leased (sq. ft.)	1875sqft	
Describe the length and monthly rent of your proposed lease:	5 Year Term	
Primary Project Contact:	Name: Brit McDaniel	
	Phone: 9016794352	Email: hello@shoppaperandclay.com
	Mailing Address: 486 N Hollywood Memphis, TN 38112	
Proposed Improvements: (check all that apply)	<input type="checkbox"/> Hazardous material abatement <input checked="" type="checkbox"/> Interior demolition <input checked="" type="checkbox"/> ADA Compliance <input checked="" type="checkbox"/> Plumbing <input checked="" type="checkbox"/> Electrical <input type="checkbox"/> Mechanical/HVAC <input checked="" type="checkbox"/> Permanent Lighting	<input checked="" type="checkbox"/> Flooring <input checked="" type="checkbox"/> Windows/Doors <input checked="" type="checkbox"/> Permanent interior walls <input checked="" type="checkbox"/> Historic restoration <input checked="" type="checkbox"/> Cash wrap/bar/counter <input checked="" type="checkbox"/> Other (describe below)
If you listed <i>Other</i> above, Please briefly describe	The electrical panel and HVAC are located in the front of retail area in the building. In our proposal you'll find a plan for a permanent custom cabinet to disguise/hide the HVAC & electrical while still allowing easy access when needed. We think this will be one of the most important aesthetic improvements to the space.	
Architect (if applicable)	Name: Trey Kirk Company: TAXA	Phone: 901.626.0064
Total Project Budget:	\$46,000	
Total Grant Requested:	\$30,000	
Property Owner: (If not the applicant)	Name: Phil Woodard	
	Phone: 901.351.8199	Email: phil.woodard@comcast.net
	Mailing Address: 509 South Main St. Memphis, TN 38103	

Legal Disclosure:	<p><i>Disclose in writing whether any applicant, guarantor, or any other person involved with the project is currently engaged in any civil or criminal proceeding or ever filed for bankruptcy. Also, disclose whether any individual involved with the project has ever been charged or convicted of any felony or currently is under indictment.</i></p> <p>NO</p>
Board Relationship Disclosure:	<p><i>Disclose in writing whether the applicant or any guarantor has any previous or ongoing relationship with any Board member or legal counsel of the Board.</i></p> <p>NO</p>
Applicant's Certification:	<p>This application is made in order to induce the CCDC to grant financial incentives to the applicant. The applicant hereby represents that all statements contained herein are true and correct. All information materially significant to the CCDC in its consideration of the application is included. The applicant acknowledges that it has reviewed the descriptions of the CCDC financial program for which it is applying and agrees to comply with those policies. The applicant shall also be required to show best faith efforts with regard to the employment of minority and/or women contractors and subcontractors in the project development. The applicant specifically agrees to pay all reasonable costs, fees and expenses incurred by the CCDC whether or not the incentive is granted or project completed.</p> <p>  July 31st, 2020 </p> <p>Signature: _____ Date: _____</p>

525 South Main Current Images:



Proposed Construction Budget

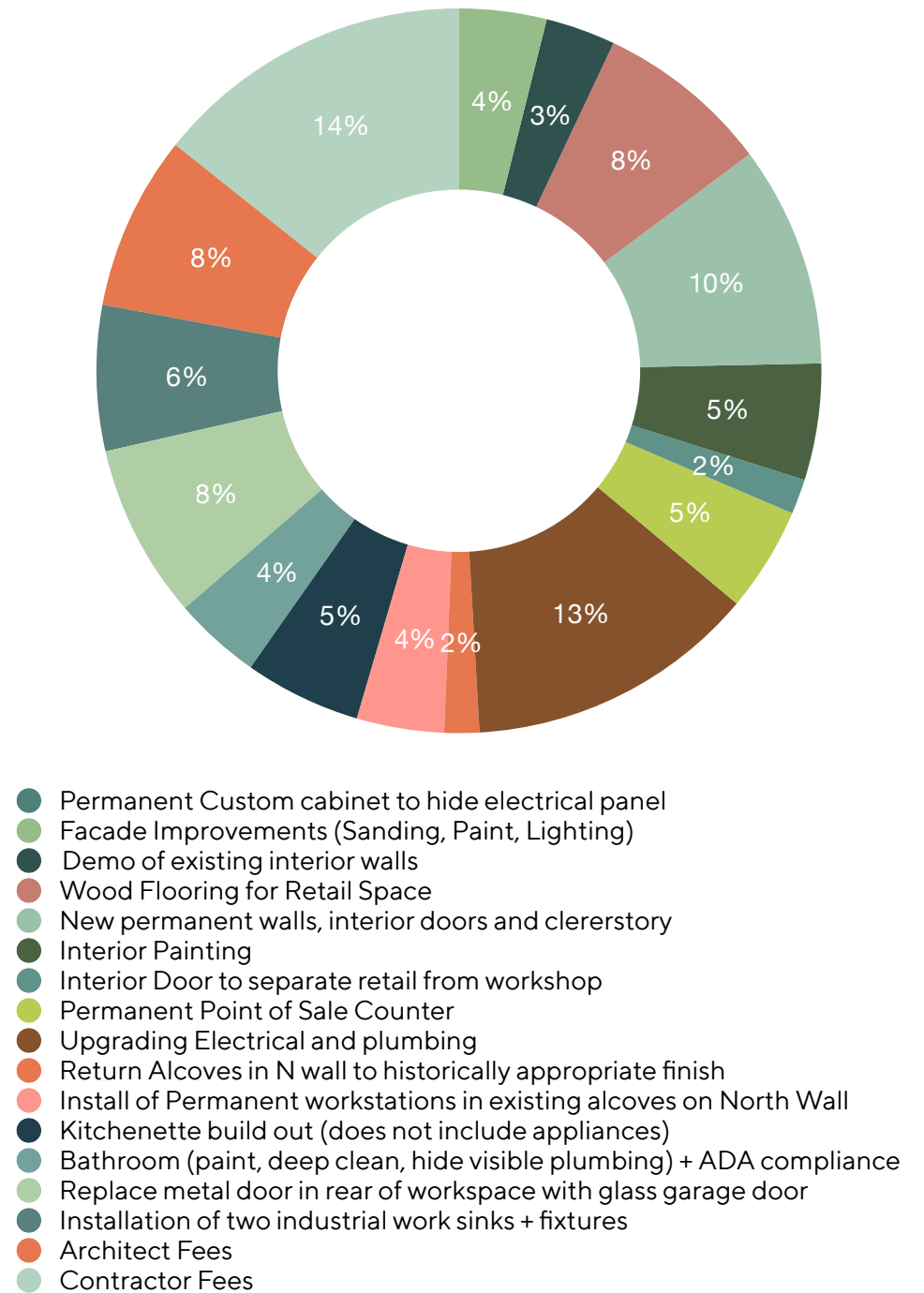
Paper & Clay / 525 South Main

Funding	
P&C's Allocation for Improvements	\$12,000
DMC TI GRANT	\$30,000
Total Budget	\$42,000

Estimated Construction Costs	
Facade Improvements (Sanding, Paint, Lighting)	\$1,500
Demo of existing interior walls	\$1,200
Permanent Custom cabinet to hide electrical panel in that is exposed retail area	\$3,500
Wood Flooring for Retail Space	\$3,000
New permanent walls, interior doors and clerestory	\$3,800
Interior Painting	\$2,000
Interior Door to separate retail from workshop	\$600
Permanent Point of Sale Counter	\$1,800
Upgrading Electrical and plumbing	\$5,000
Return Alcoves in N wall to historically appropriate finish	\$600
Install of Permanent workstations in existing alcoves on North Wall (best use of space)	\$1,500
Kitchenette build out (does not include appliances)	\$2,000
Bathroom re-model (paint, deep clean, hide visible plumbing) + ADA compliance	\$1,500
Replace metal door in rear of workspace with glass garage door to allow for deliveries	\$3,000
Installation of two industrial work sinks + fixtures	\$2,500
Architect Fees	\$3,000
Contractor Fees	\$5,500
Total expenses	\$42,000

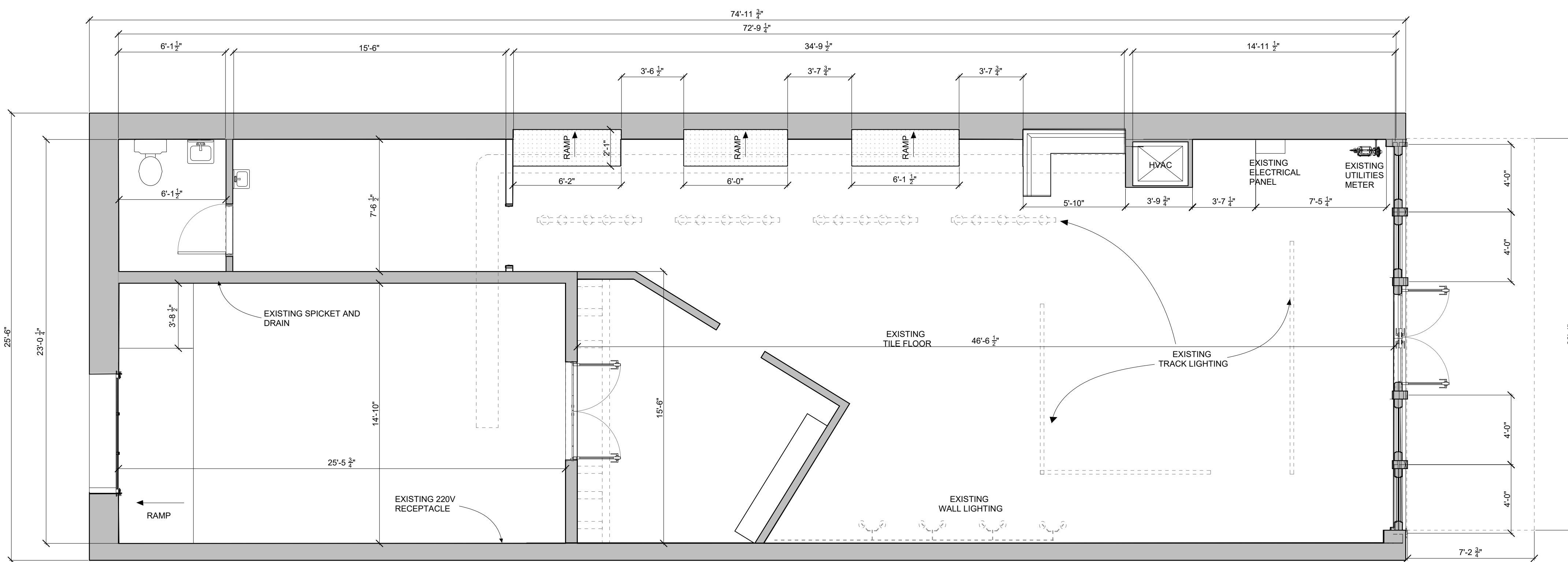
Estimated Cost of Improvements NOT covered by DMC TI	
Fixtures, Furniture, Etc.	\$4,000
Total Investment at 525 S. Main	\$46,000

Budget Breakdown



PAPER CLAY

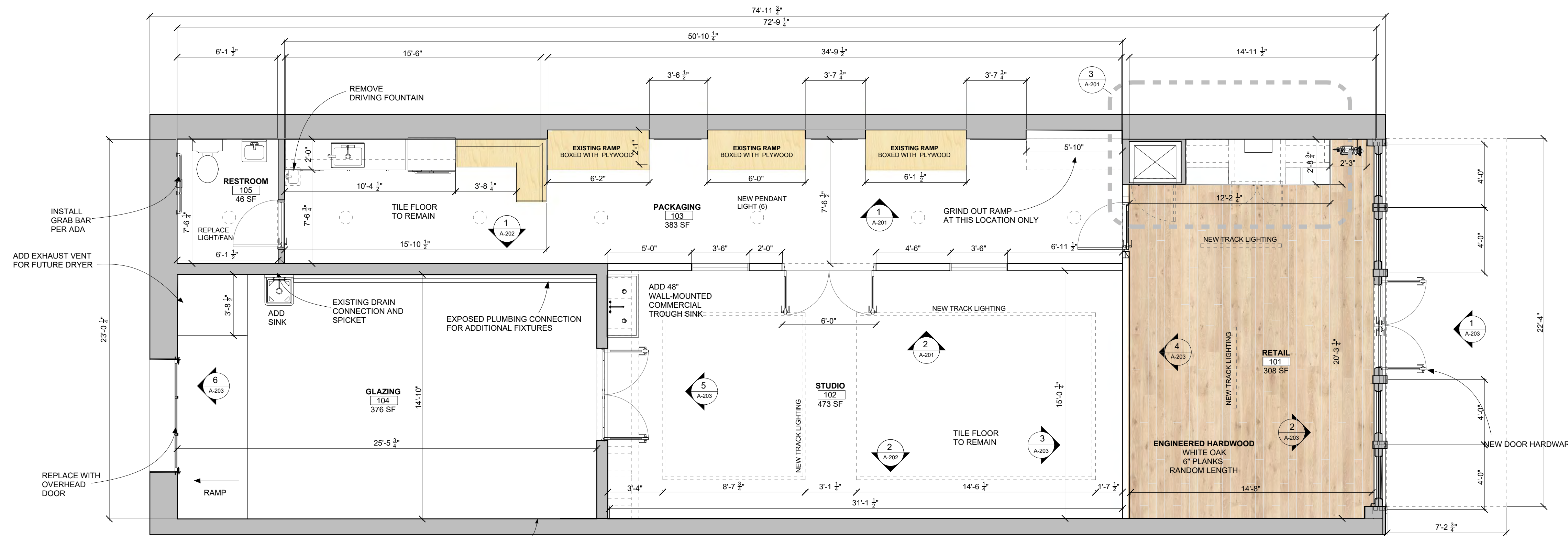




1 EXISTING FLOOR PLAN
SCALE: 1/4" = 1'

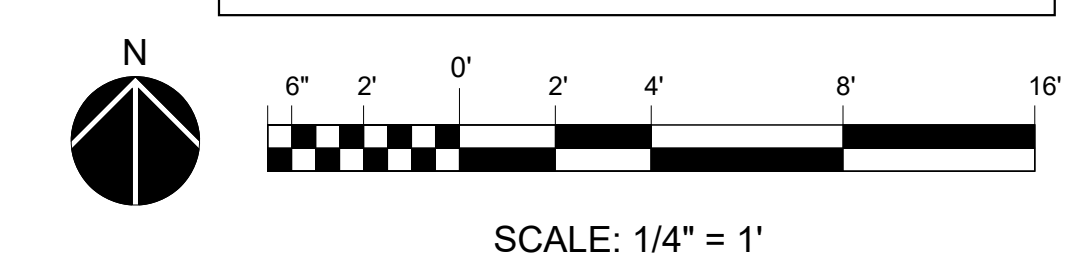
NOTES:

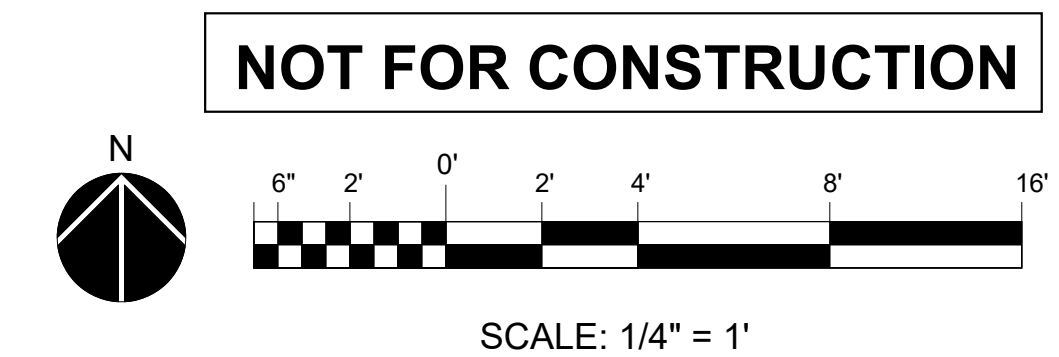
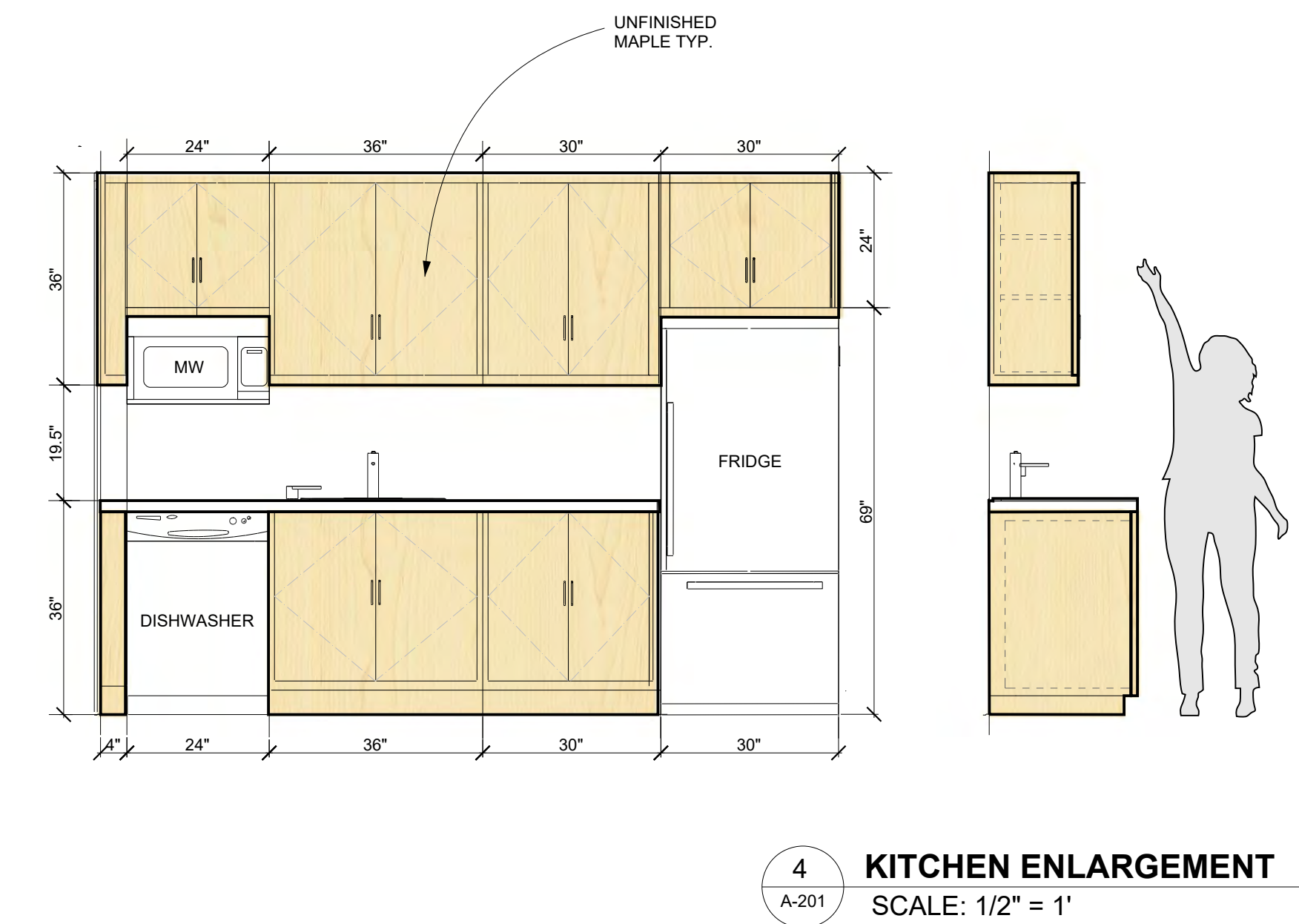
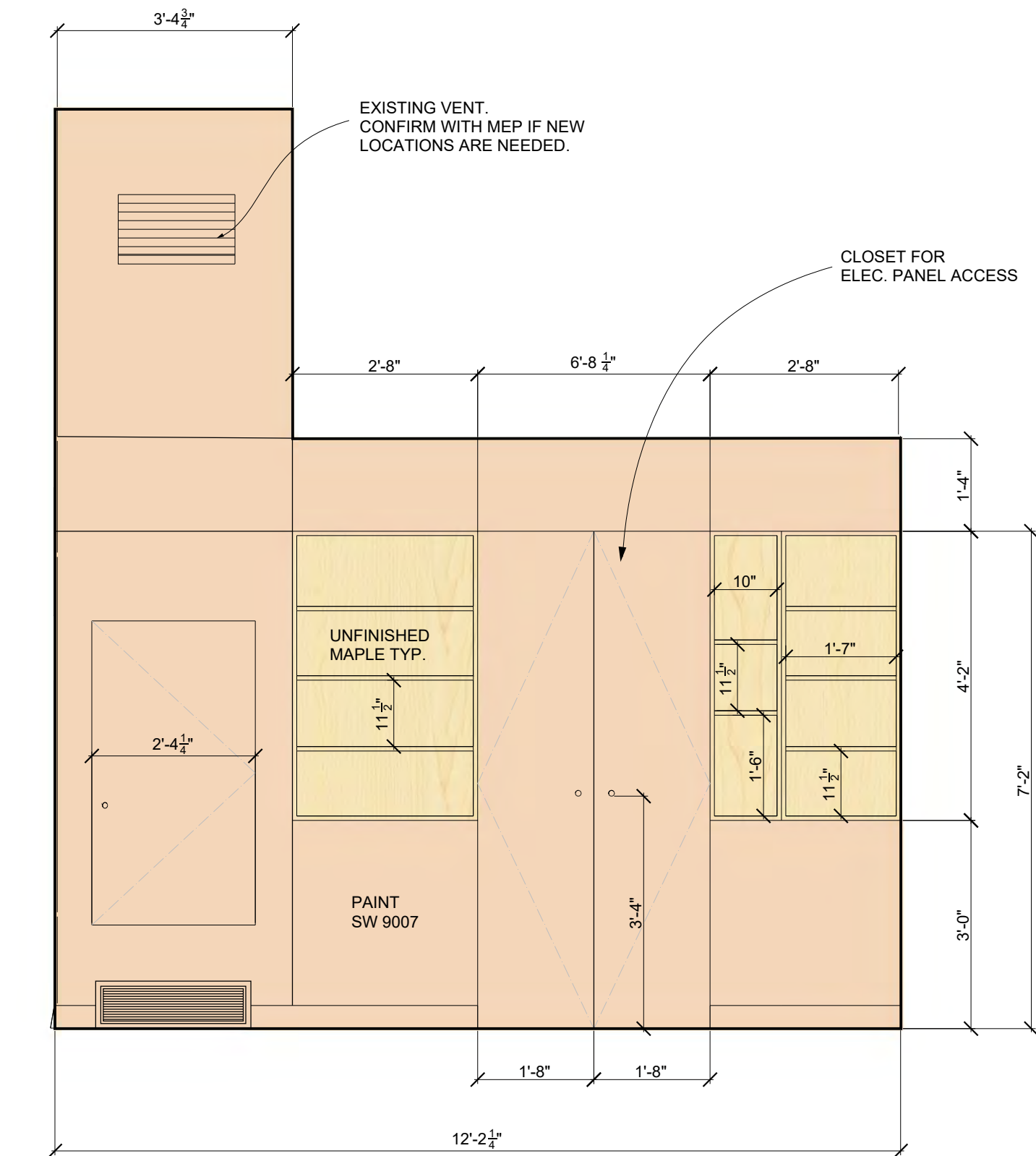
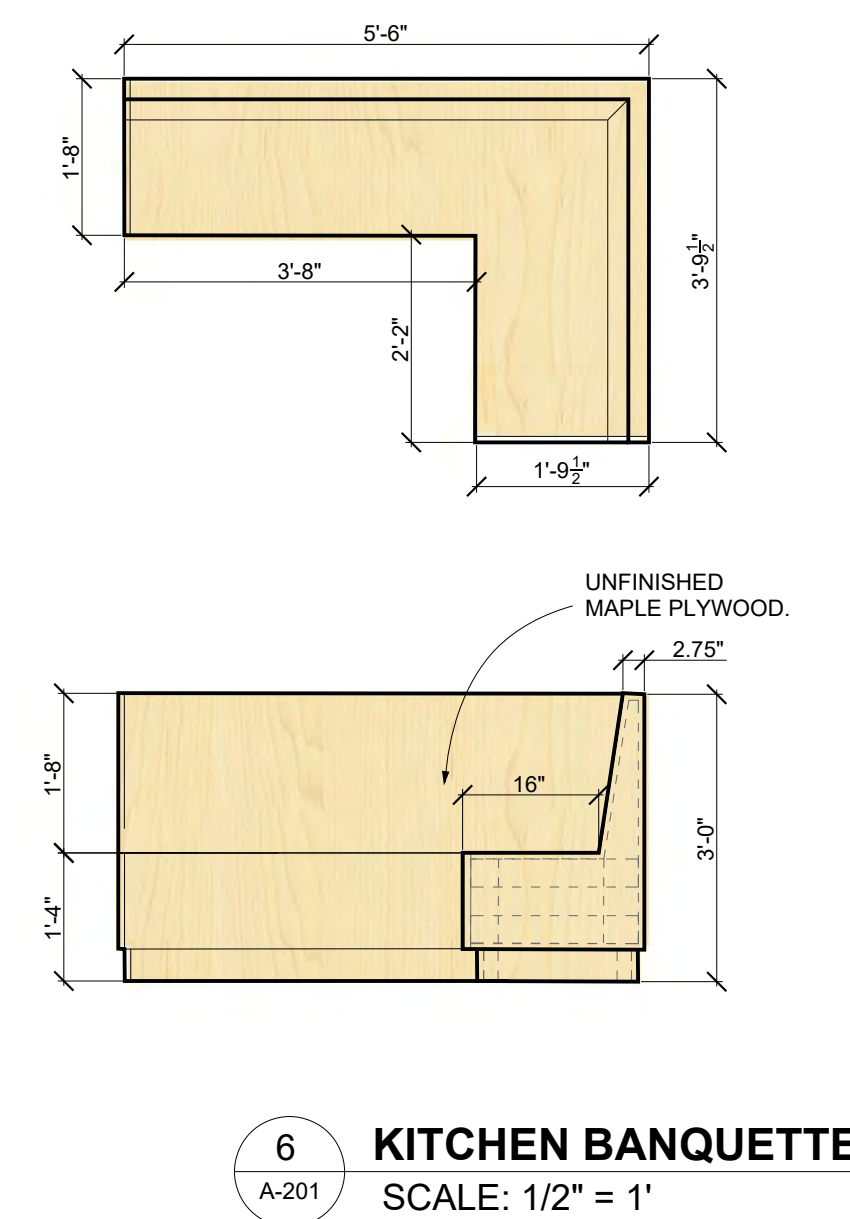
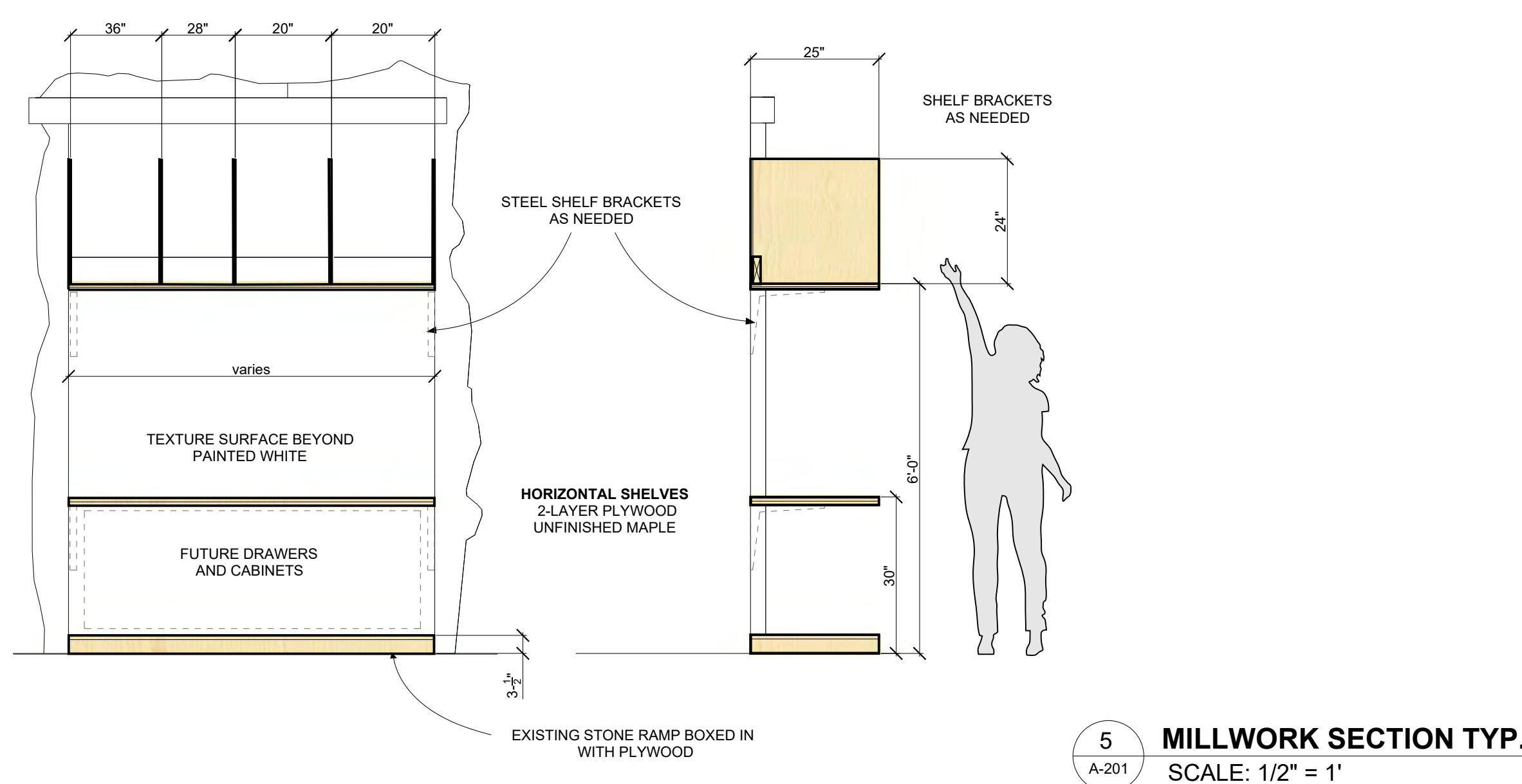
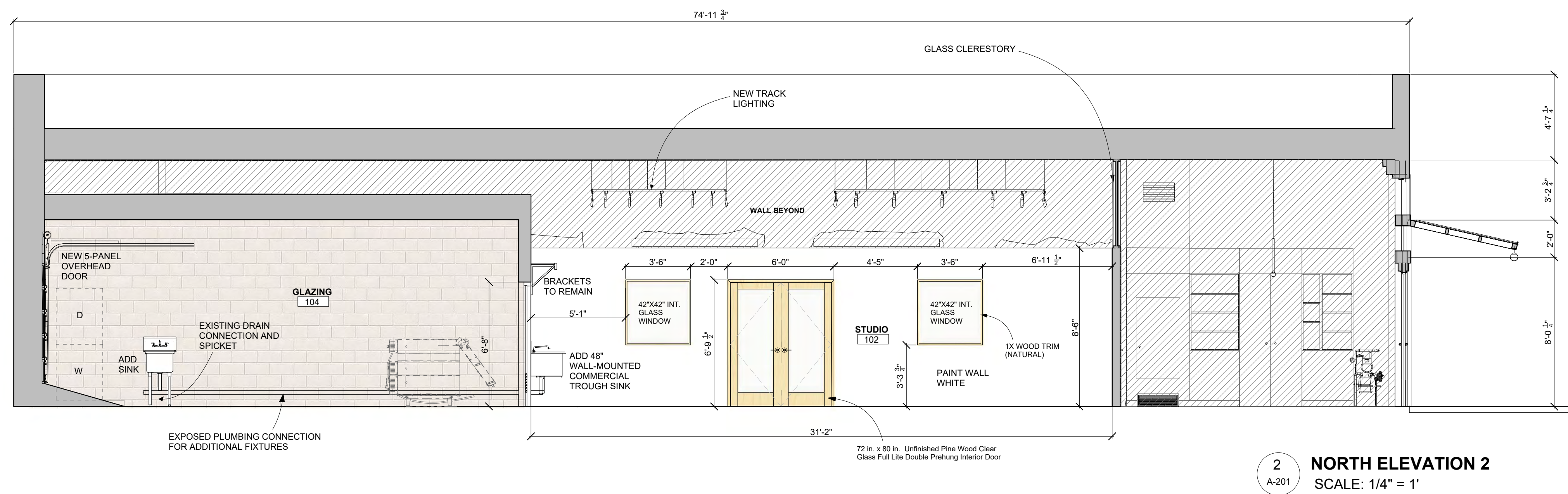
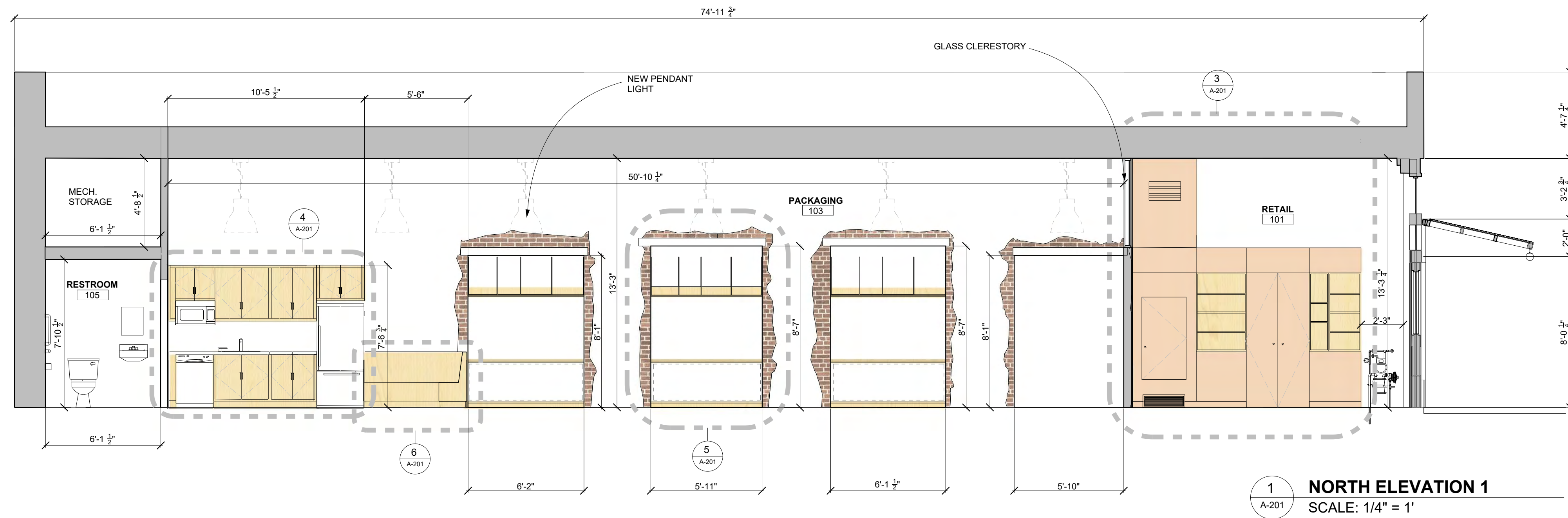
1. ALL DIMENSIONS AND MEASUREMENTS BASED ON AS-BUILT DRAWINGS PROVIDED BY OWNER. CONFIRM ALL DIMENSIONS IN FIELD.
2. EXISTING WALL MATERIALS AND FINISHES ARE TO REMAIN UNLESS OTHERWISE NOTED
3. WHERE APPLICABLE, NON-FUNCTIONING CONDUIT, NAILERS, OR OBSTRUCTIONS ON WALL, FLOOR, OR CEILING SURFACES SHOULD BE REMOVED.
4. MECHANICAL ENGINEER TO CONFIRM HVAC FUNCTIONALITY FOR NEW CONFIGURATION.

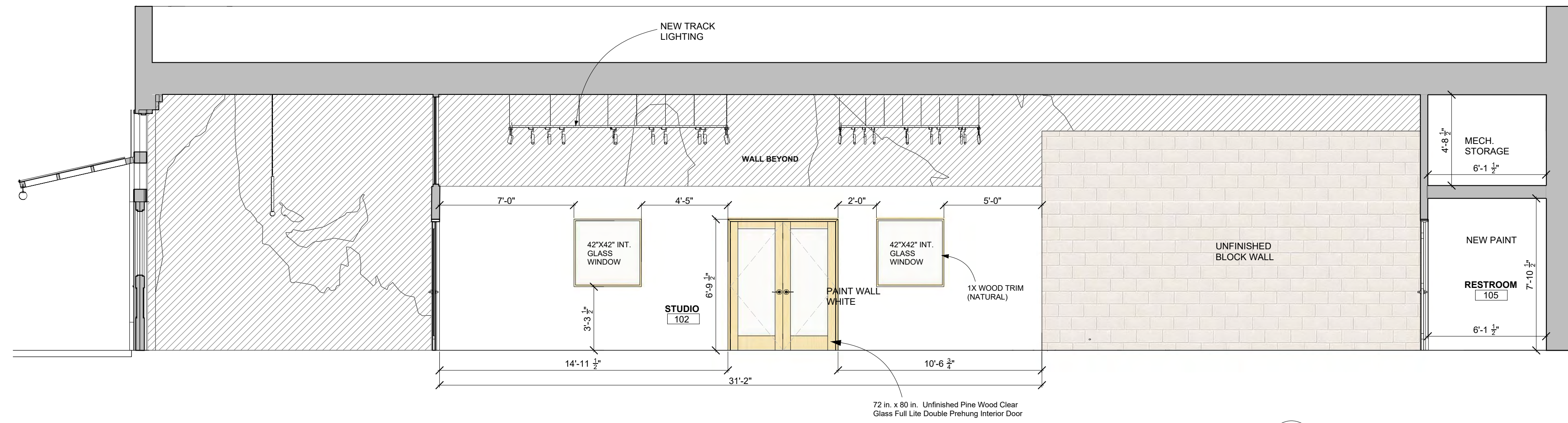


2 PROPOSED FLOOR PLAN
SCALE: 1/4" = 1'

NOT FOR CONSTRUCTION

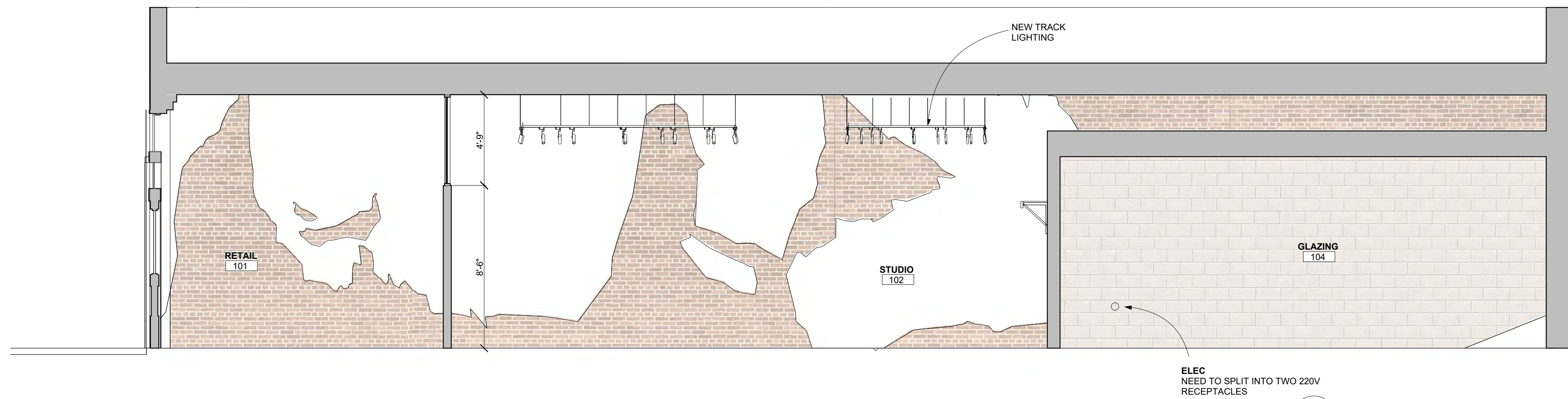




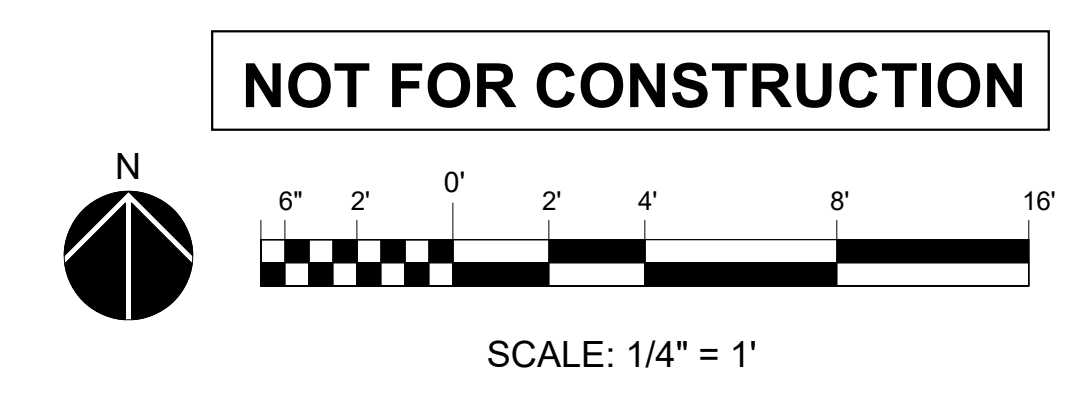


1 SOUTH ELEVATION 1
SCALE: 1/4" = 1'

72 in. x 80 in. Unfinished Pine Wood Clear Glass Full Lite Double Prehung Interior Door



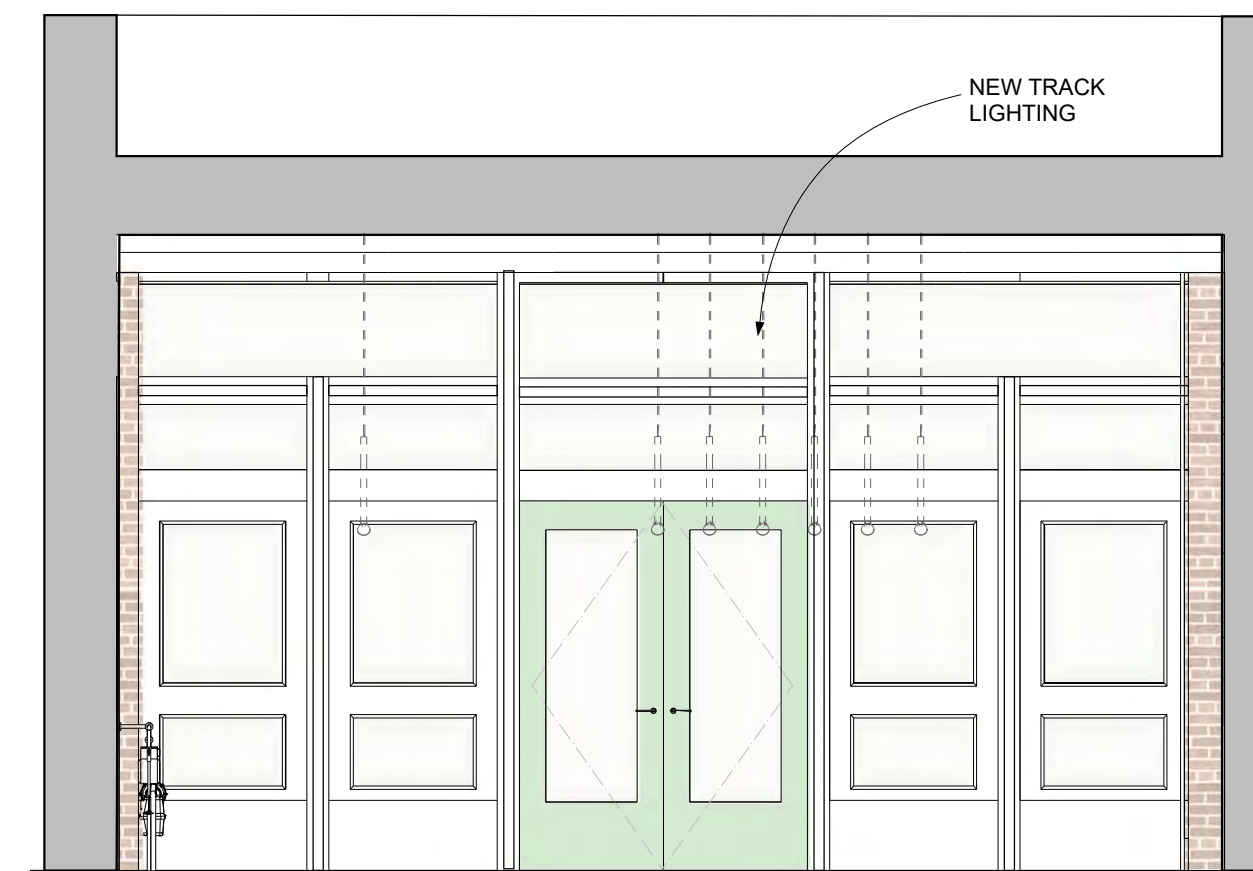
2 SOUTH ELEVATION 2
SCALE: 1/4" = 1'



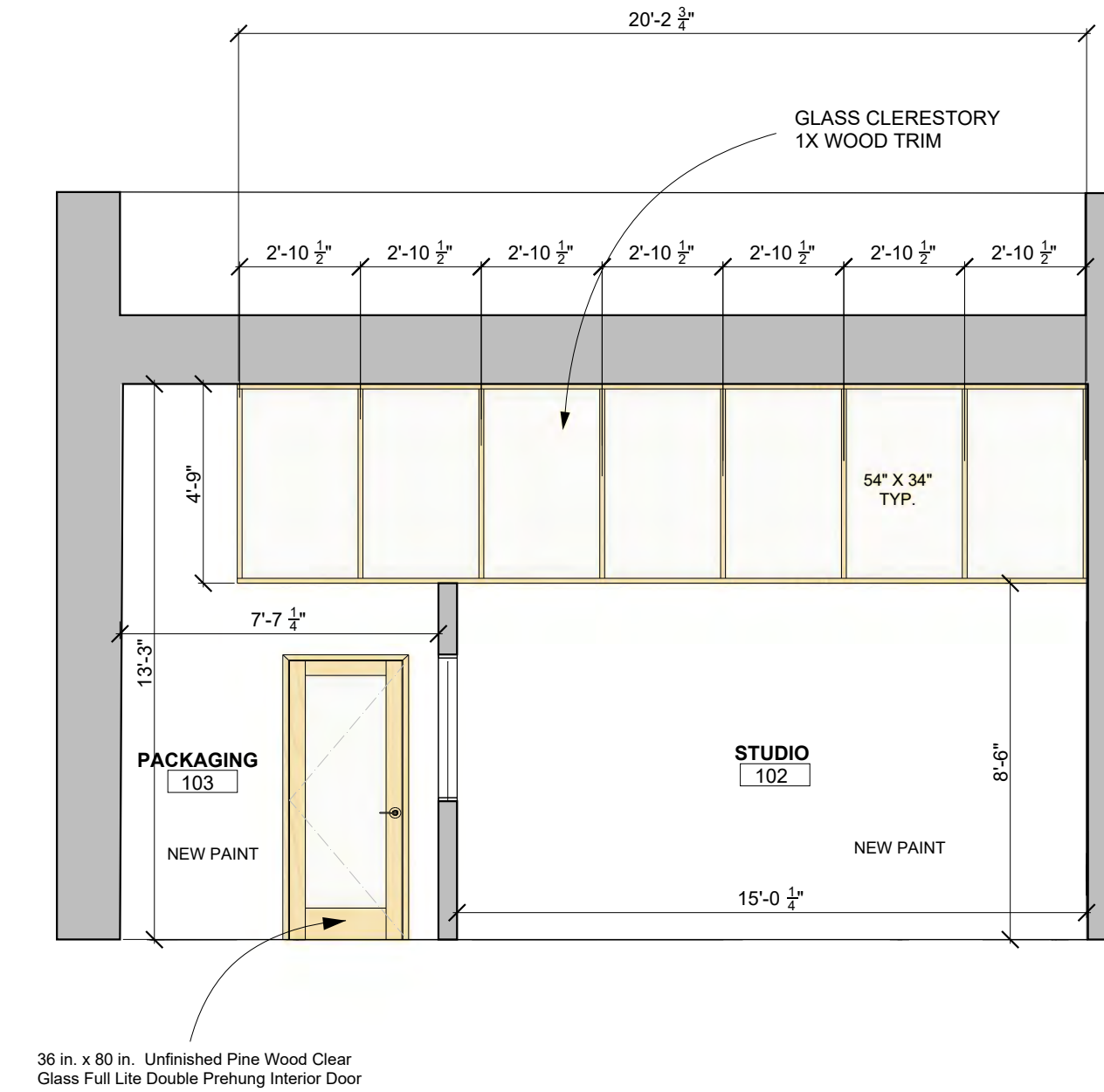


NOTE: PRICE NEW DOORS OR TO SCRAPE AND REPAINT EXISTING

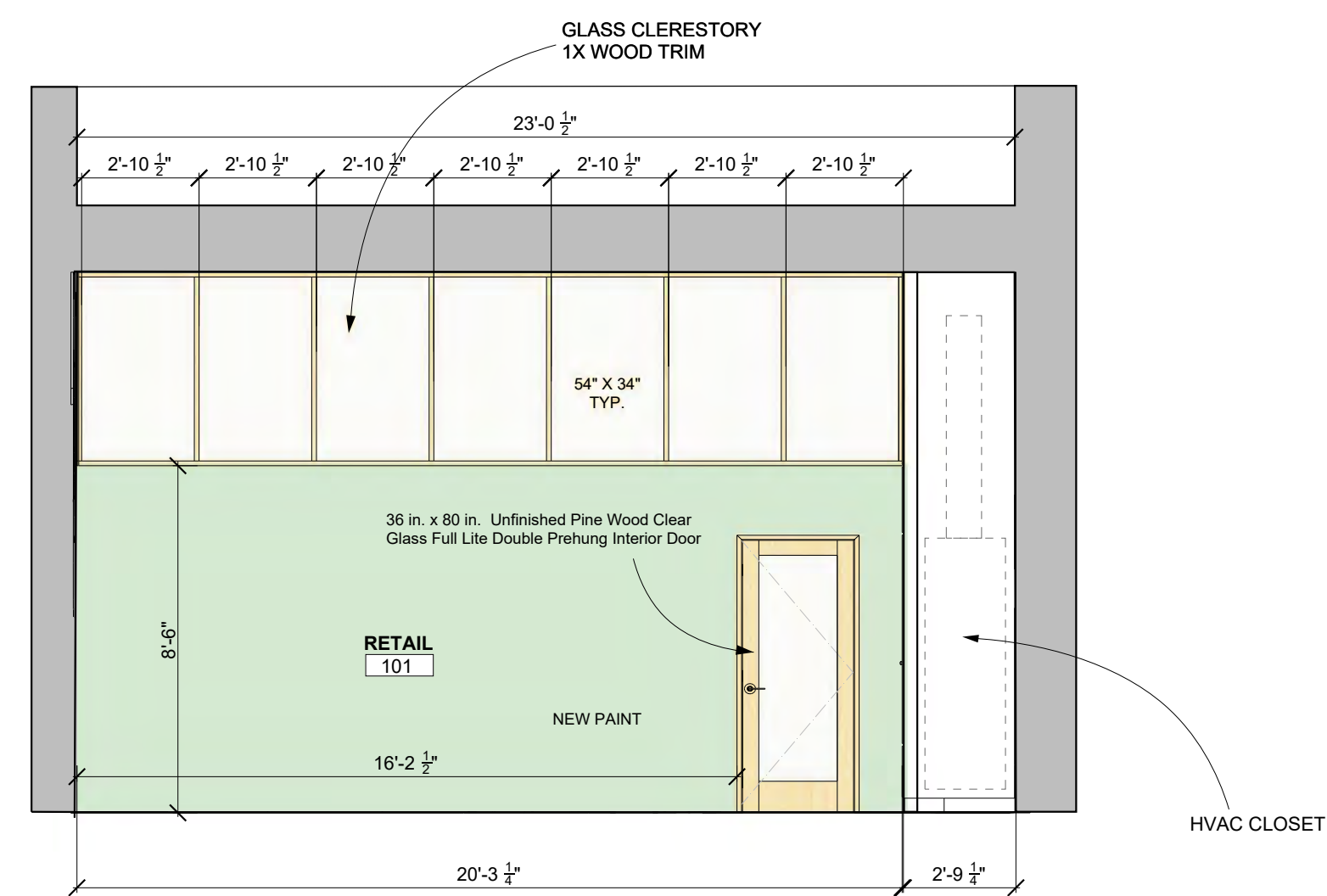
1 ENTRY WALL (EXTERIOR)
SCALE: 1/4" = 1'



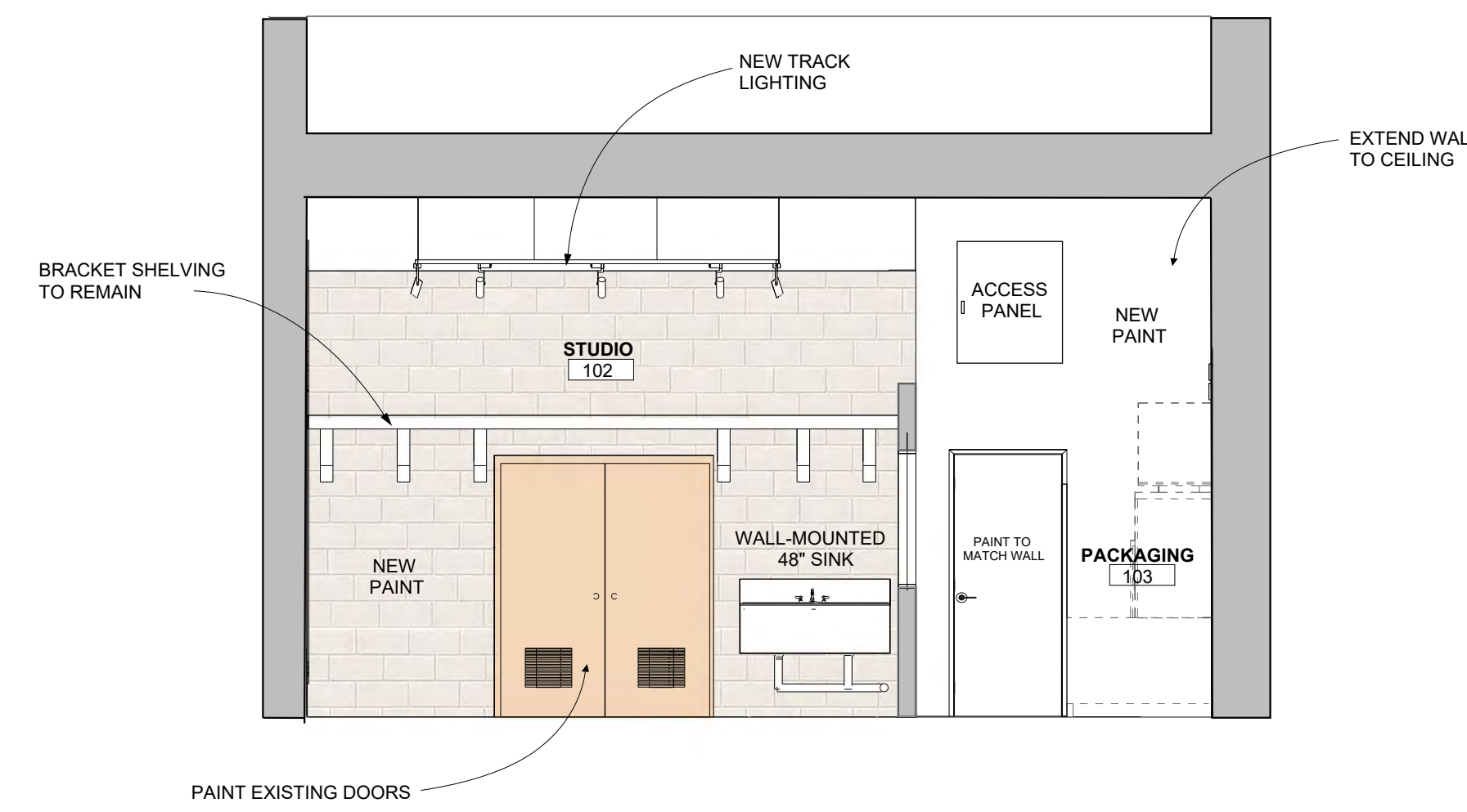
2 ENTRY WALL (INTERIOR)
SCALE: 1/4" = 1'



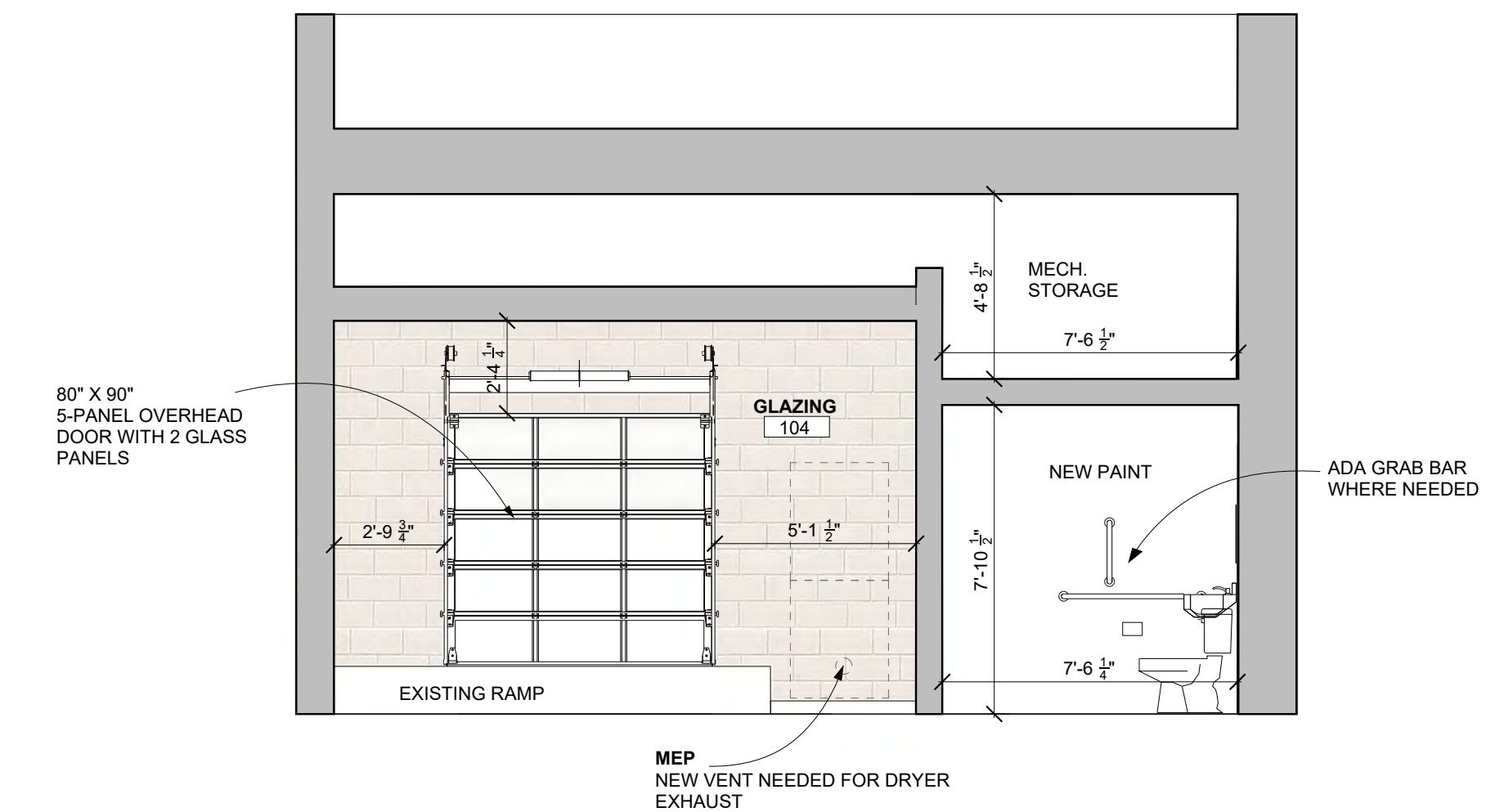
3 STUDIO WALL FACING EAST
SCALE: 1/4" = 1'



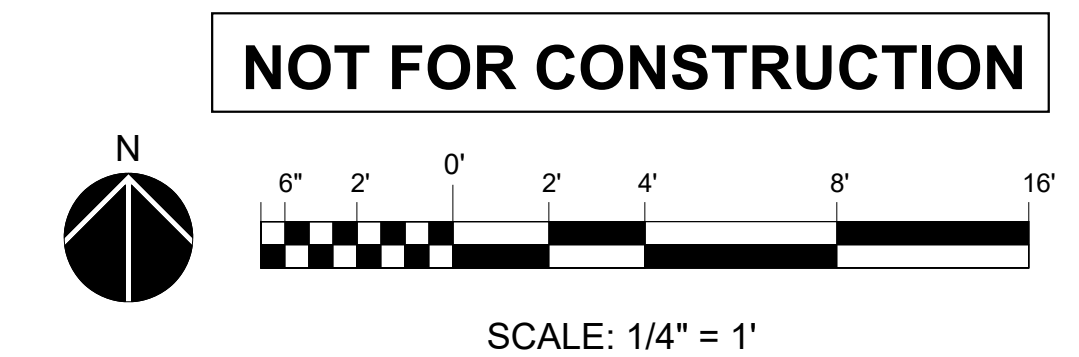
4 RETAIL BACK-WALL FACING WEST
SCALE: 1/4" = 1'



5 STUDIO WALL FACING WEST
SCALE: 1/4" = 1'



6 GLAZING AND BATHROOM
SCALE: 1/4" = 1'





1 AXONOMETRIC PERSPECTIVE
A-901



3 RETAIL ZONE
A-901



4 STUDIO ZONE EAST
A-901



6 STUDIO ZONE WEST
A-901



5 PACKAGING ZONE
A-901



7 GLAZING ZONE
A-901



2 FACADE IMPROVEMENTS
A-901

Paper & Clay

Modern Handmade Ceramics

- **Founded:** 2013
- **Location:** Memphis, TN
- **Founder/CEO:** Brit McDaniel
- **Market Size Handmade Pottery:** \$38 Billion
- **Target Audience:** New Homeowners, Designers, Bloggers and Chefs

QUICK DESCRIPTION:

Paper & Clay is a Memphis based company producing and selling handmade ceramic wares. Our modern design, one-of-a-kind color palette and our reputation for authenticity have defined our brand since 2013.

MISSION:

To make modern, handcrafted ceramics that are both beautiful and usable and to be a small part of making our customers' everyday experiences special through thoughtful design.

ABOUT PAPER & CLAY:

Paper & Clay was founded in 2013 with a small Kickstarter Campaign (\$4k raised) that funded our first kiln and pottery wheel. We started very small with no additional funding and a one hundred square foot studio in Cooper-Young. Over time Brit began to build a presence on social media and her designs began to draw attention from publications such as Design*Sponge, New York Magazine, Anthology and Apartment Therapy.

In late 2014 we landed a partnership with the national retailer Anthropologie, and with our expanded customer base we began to grow. P & C started with Brit making each piece on the pottery wheel, but scaling required a change of process and larger space. As each phase of growth was self-funded, we took a slow and steady approach adjusting process, size of our studio and consistently growing our reach and customer base. In April 2017 we moved into our current space in the Broad Avenue Arts district.

By 2018 it was clear that Brit needed the help of a studio assistant, and after showing continuous growth and tenacity Paper & Clay was awarded a \$12k "Friends and Family" grant from Epicenter. This grant allowed Brit to hire her first employee, who is still with the company today, and that shift created a revenue growth of 69% in 2019, and we are on target for an additional 60% increase in 2020. We believe that the shift to a combined retail and studio space is the most natural move forward for our growth and brand recognition.

Over the past 7 years we have received numerous awards (Garden & Gun Made in the South Awards Runner-Up 2015; Gold at ETSY Open Call), have been included in publications such as Southern Living and HGTV Magazines, and have partnerships with prominent brands like Food52 and West Elm.

Each time we have encountered a growing pain in our company it has been an issue of capacity and space, often struggling to meet demand for our product as we've grown. Everything made at Paper & Clay is made by the hands of **two people**. The enormous growth we've seen over 2019/2020 is allowing us to finally expand into a new space, acquire new equipment and hire additional staff. We've remained true to our commitment to self-funding and sustainable growth that has allowed us to thrive despite the current economic climate. We aren't beholden to investors.

We are currently seeking the Tenant Improvement Grant from Downtown Memphis Commission in the amount of \$30k to renovate and improve the historic property at **525 South Main** that will allow us to thrive, and to do so in an area that is a natural fit for our brand.

ABOUT OR FOUNDER:

Brit McDaniel

Ownership Stake: 100%

- Graduate of Cordova High School 2003
- First Generation College Student
- BFA University of Memphis, Magna Cum Laude 2013
- Memphis Flyer 30<30 2015
- Awarded Gold at ETSY Open Call 2016
- Memphis Business Journal Super Women to Watch 2017
- Epicenter Friends & Family Grant Recipient 2018
- Twice Yearly Lectures on Art as Business at The University of Memphis (2014-Present)
- Co-Founder of Memphis Indie Market with Anna Avant of Hoot & Louise
- Finalist for the FedEx Small Business Grant 2019

CURRENT TEAM SIZE:

Paper & Clay currently employs 2 full time and one part-time team members and will likely hire for an additional position (Retail Associate) if awarded the DMC TI grant.

GIVING BACK:

Paper & Clay financially contributes to organizations supporting minority communities and equitable justice in Memphis. We've raised funds for Latino Memphis, CLTV and The

Southern Poverty Law Center. In addition to financial giving, being active in the growth of our community is something we take very seriously. We often lead in spearheading events to raise awareness of other small businesses (Memphis Indie Market, maker pop-ups and through cross-promotion.)

CERAMICS MARKET OPPORTUNITY:

The global ceramics industry has grown to an impressive \$229.13 (2018) and is expected to exceed \$400 Billion by 2025 (GrandView Research).

We have seen Millennials and Gen Z moving away from the fast consumerism of their parents' and grandparents' generations and are more focused on intentional spending, the embrace of small businesses with ethical practices and a return to the hand-made. This is evident in movements like *Slow Fashion*, which has sought to return ethical practices to clothing manufacturing and a focus on supporting local designers and supply chains.

While the market share of handmade pottery, (just a portion of the global ceramics industry), has exploded over the last decade, Paper & Clay is uniquely positioned to succeed in the current climate for the following reasons:

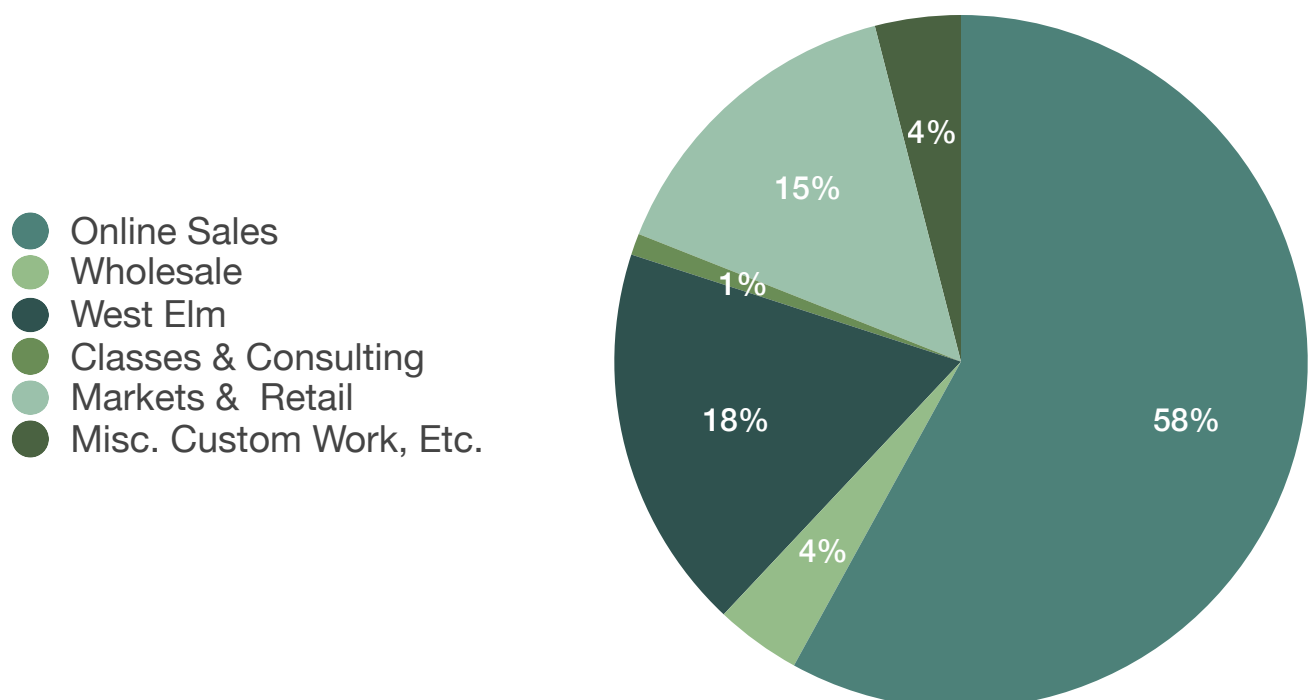
- **From day one we have focused our revenue growth online.** This not only positions us to grow extensively in a physical retail location with our national brand recognition, but also renders us impervious to many of the struggles impacting small businesses responding to Covid-19. We won't be dependent on retail sales for our profitability, but it's a clear and open plan for growth looking forward.
- **We are able to scale Packing, Shipping and Logistics quickly** to meet demand as we pivot to increased online orders. We have been honing this infrastructure for years and are fully prepared for growth and changes.
- **We don't depend on traditional Wholesale relationships.** While we do have some wonderful relationships with retailers across the country we have always viewed wholesale orders as a branch of Marketing rather than a revenue stream. This means that we are not currently dependent on the success of other small businesses for our revenue.
- **We have national name recognition.** Thanks to partnerships like West Elm and national press, some Memphis tourists may already be familiar with our brand. We have a wonderful opportunity to expand our reach through retail, and we think that with it's historic architecture and new boutique hotels, South Main is the perfect location to grow.

ABOUT OUR PRODUCTS:

- **Modern Pottery with Soul.** Our customers love our brand because our pottery is both beautiful and very functional. Our pieces are nice enough dinner parties and Holidays but are durable enough for everyday use. Our mugs are by far our best seller
- **Chefs love our simple design** and unique colors that highlight and showcase their dishes. Our work can be seen locally at Arrive Hotel/Hustle and Dough/Vice & Virtue Coffee, also located on South Main.
- **Our made-in-house satin glazes are a photographer's dream.** Unlike traditional glossy glazes which reflect light, our glazes absorb light making them easy to photograph. For this reason our products are beloved by food and design bloggers (including Memphis' own Cara Greenstein of Caramelized) and Jeni Britton Bauer of Jeni's Splendid Ice Creams to name a couple. This is incredibly beneficial to our growth as we see tons of organic, free marketing for our products and brand through this avenue. The best part is, these supporters are sharing our work because they love it, *not* because we paid them to do so. We do not use paid 'influencers' to promote our brand.
- **Design for Everyone.** While our design and colors are a modern nod to Mid Century designs and have a heavy Scandinavian influence, their simplicity means that our designs are appreciated by collectors with a wide range of tastes, much like the broad appeal of the iconic Scandinavian brand, IKEA.

REVENUE STREAMS:

Online Sales, Wholesale, Events and Markets, Drop-Ship Partners (West Elm), Classes & Consulting, Miscellaneous Projects



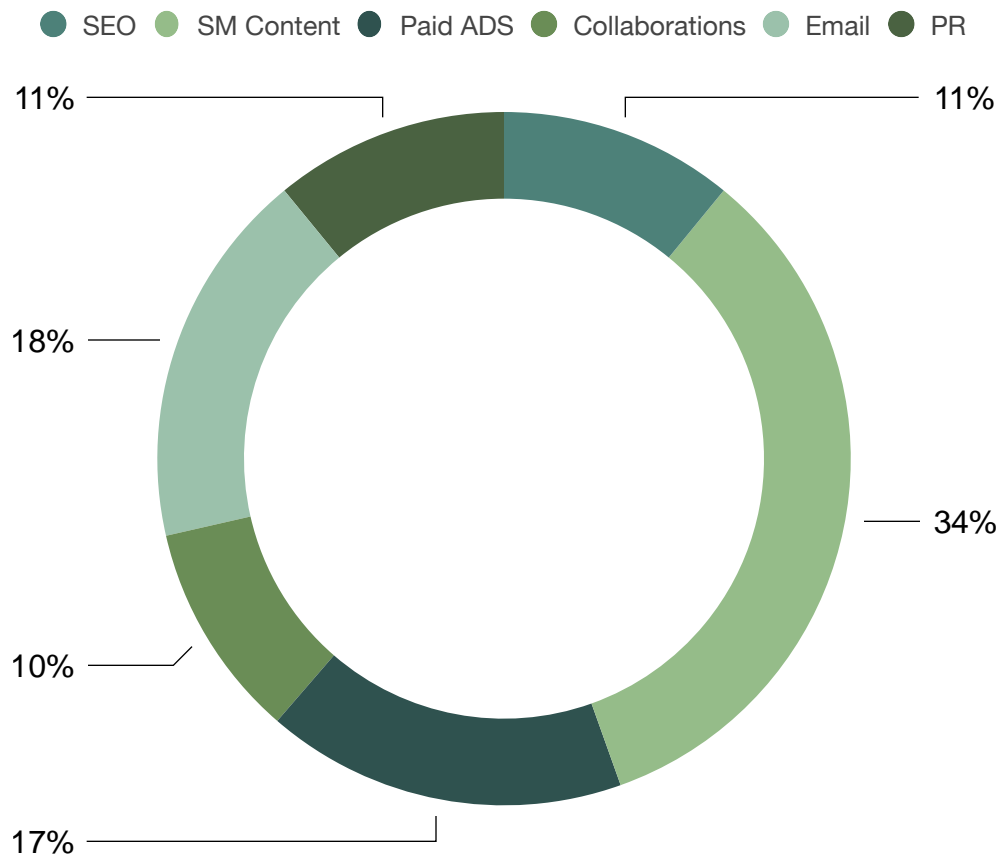
BREAKDOWN:

GROWTH OPPORTUNITY ON SOUTH MAIN:

Based on past retail experience, foot traffic on S. Main and our transactional averages, we expect an annual revenue growth of 18-25% directly attributed to the opening of retail on South Main.

ADS & MARKETING STRATEGY:

From our founding we have relied on quality social media content and engagement with our over 25k Instagram followers, great products and organic marketing (word of mouth and shared posts) for new customer acquisition. We've seen our reach grow as well through publications and features. Social media and Email marketing are used to inform and updated out current customers about new products and promotions. We also use product collaborations and cross-promotion to expand our reach. 2020 is the first year we've implemented paid advertising with a budget. We've already seen out new customer rate grow by approximately 18% in just a few months. There's so much room to grow here, we've just begun to scratch the surface of our marketing potential.



FURTHER GROWTH POTENTIAL:

Much of our future goals revolve around expanding our production using our proven methods of sustainability, adding to our staff as we continue to grow, a greater investment in advertising/marketing and finally, our potential new retail location at 525 South Main. While we have had occasional retail hours at our current location (Saturdays only, not since March 2020) this will be our first true retail location. Based on a breakdown of past in-person sales, we estimate that we will see an 18% increase in revenue based on in-person sales on South Main. This estimate takes into consideration reduced foot traffic due to Covid-19, and should grow substantially as we (hopefully) normalize in 2021 & 2022. We will also see a bump in profitability from in-person retail sales as our margins are significantly higher when our items do not have to be packed and shipped. We also anticipate a significant marketing benefit of our branding and retail frontage on South Main.