

Forgivable Loan Committee Meeting

April 13, 2020 at 4:00PM

Background

- Downtown Business Continuity Forgivable Loan program approved by CCDC on March 31, 2020.
- \$200,000 loan pool established by CCDC
- Goal: Assist eligible businesses that are in serious jeopardy of closing due solely to the recent COVID-19 pandemic and associated economic impact.



Program Terms

- Maximum loan up to \$20,000 per business.
- Structured as a **forgivable loan** with low monthly payments and 0% interest.
- Forgivable Loan converts to a **grant** if the business continues to operate for at least 2 years.
- The money can be used for:
 - Operational expenses & rent
 - Restructuring debt
 - Leasehold improvements & equipment



Application Process

1



Submit your application form

Complete the attached application form and e-mail to Brett Roler at roler@downtownmemphis.com



2



Meet with DMC staff to confirm eligibility

After receiving the application, DMC staff will schedule a meeting or call with the applicant to discuss their business needs in more detail and confirm eligibility.



3



Attend approval meeting

A committee appointed by the CCDC Board will need to review and approve your forgivable loan request in a public meeting. Each application will be heard – likely via a public virtual CCDC meeting - as soon as possible, generally within two weeks.



4



Schedule grant closing

Following CCDC Board approval, DMC staff and legal counsel will schedule a grant closing.

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Maximum Forgivable Loan Amount

Average Yearly Gross Sales	Maximum Loan
Below \$250,000	\$5,000
Between \$250,001 - \$1,000,000	\$10,000
Between \$1,000,001 - \$5,000,000	\$20,000

Status Update

- As expected, demand for small business support is far greater than the amount of available funding.
- **+50 forgivable loan requests** received so far.
- Number of requests that CCDC can fund depends on amount of each request.
- **Staff will likely recommend individual grant amounts below the program maximum.**
- Staff developed a simple scoring system to help evaluate applications.

DRAFT - March 30, 2020

DOWNTOWN BUSINESS CONTINUITY FORGIVABLE LOAN PROGRAM



A forgivable loan for assisting existing downtown businesses impacted by the COVID-19 pandemic and related economic impacts.

-  A forgivable loan of up to \$20,000, for eligible existing businesses.
-  Loan is forgiven if the business **stays open** for two years after receiving the loan.
-  Funds can be used for **operational expenses & rent, fixed assets, and debt restructuring.**

Program Administered by the
Center City Development Corporation

114 North Main Street
Memphis, TN 38103

(901) - 575 - 0540
DowntownMemphisCommission.com



Evaluation & Prioritization

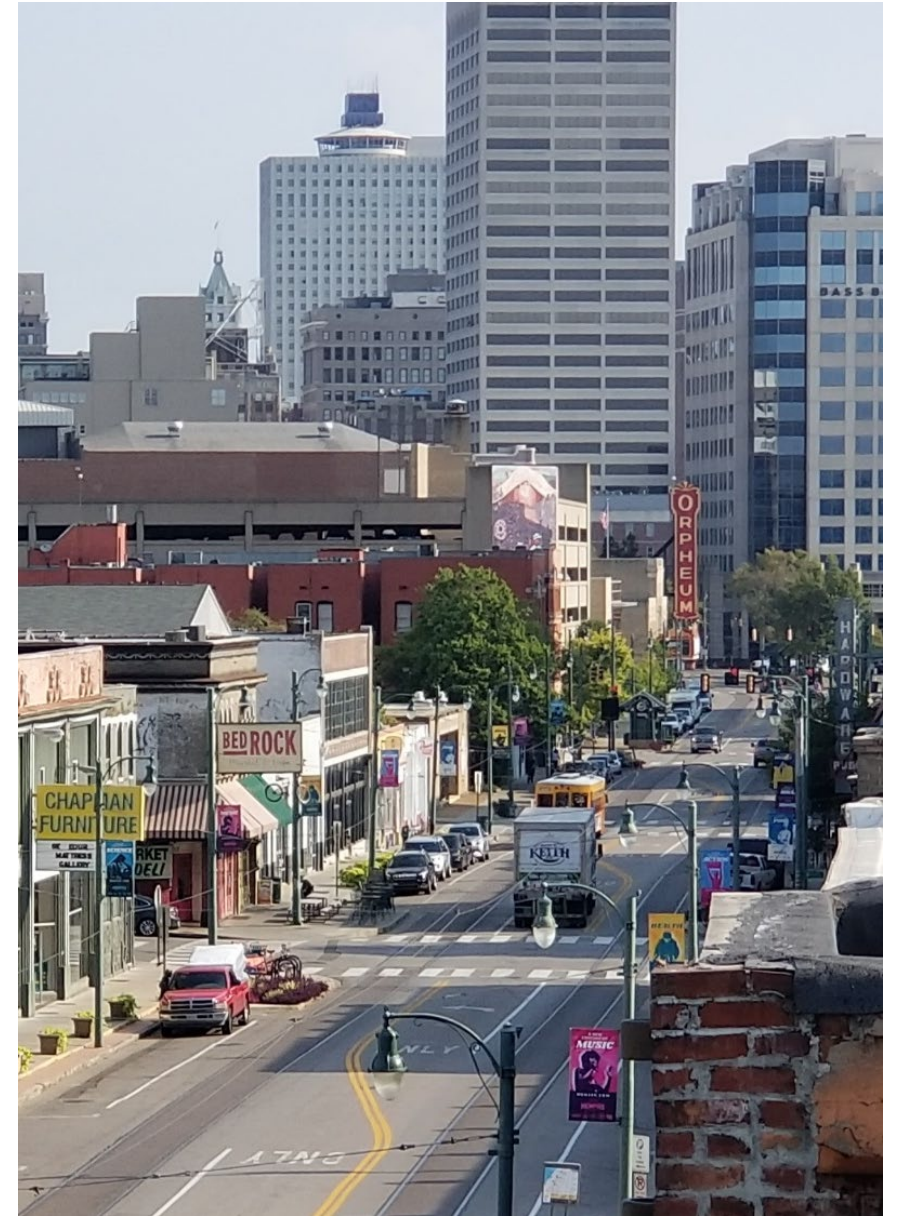
Tenure Downtown			Business Type			Location			
<1 year 1 point	>1 year 2 points	>5 years 3 points	Service 1 point	F&B 2 points	Retail 3 points	CBID 1 point	Core 2 points	Retail Nodes 3 points	Main Street Mall 4 points

- Total possible scores range from 3 – 10 points.
- Most applications will score within the 6-8 point range.
- Numerical score is only one data point used to evaluate the requests.
- Staff is cognizant of Downtown's Retail Strategy and the importance of diversity and inclusion as we build a Downtown for everyone.

First Round of Recommendations

- Alcenia's, 317 N. Main St.
- Premier Flowers, 10 N. Second St.
- South Main Book Juggler, 548 S. Main St.
- Fantom Events / The Broom Closet, 546 S. Main
- Rachel's Salon, 10 N. Main St.
- The Brass Door, 152 Madison Ave.
- Wrapzody, 99 N. Main St.
- McEwen's, 120 Monroe Ave.

Total Request Today: \$55,100 (8 Businesses)



Alcenia's, 317 N. Main

Alcenia's is a well known Pinch District restaurant, with national and international acclaim, that specializes in southern cuisine for over 23 years. COVID-19 has caused a decrease in sales revenue of nearly 90%.

What will the forgivable loan be used to help pay for?

- Payroll & inventory
 - Utilities, insurance, and rent
 - Telephone & transportation
 - Pest control & alarm
-
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

Premier Flowers, 10 N. Second St.

Premier Flowers is a locally-owned retail floral shop, within the Core Retail Node. The shop has been operating Downtown for 3 years. The business has suffered a more than 80% decrease in sales revenue since the COVID-19 shutdown.

What will the forgivable loan be used to help pay for?

- Rent
 - Inventory & supplies
 - Marketing
-
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

Book Juggler, 548 S. Main St.

South Main Book Juggler is located in the South Main Retail Node, directly east of the Central Station Hotel. In business for over 6 years, this retailer has seen sales decrease significantly due to the partial closure of S. Main Street during road construction and COVID-19.

What will the forgivable loan be used to help pay for?

- Rent & property expenses
- Staff recommendation: \$2,600 Business Continuity Forgivable Loan

The Broom Closet, 546 S. Main St.

Fantom Events, also known as The Broom Closet, is a retail shop, tour hub, and community meeting location. This business, entering its fourth year, is located immediately south of the Arcade Restaurant. The business has experienced an 80% decrease in sales as a direct result of the COVID-19 crisis.

What will the forgivable loan be used to help pay for?

- Rent & utilities
- Insurance, business services, processing, and software
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

Rachel's Salon, 10 N. Main St.

Rachel's is a salon and retail store that has been in business for nearly 30 years. The salon is located at 10 N. Main in the D.T. Porter building. Rachel's closed completely due to COVID-19 on March 18, 2020.

What will the forgivable loan be used to help pay for?

- Restock key inventory
 - Buiness purchase loan repayment
 - Taxes & HOA fees
-
- Staff recommendation: \$7,500 Business Continuity Forgivable Loan

The Brass Door, 152 Madison Ave.

The Brass Door Irish Pub has been in business for almost 10 years on Madison Avenue. The Brass Door has become a mainstay Downtown and an integral part of 901FC's success as the soccer team's hometown pub.

What will the forgivable loan be used to help pay for?

- Mortgage payments
- Utilities & insurance
- Staff recommendation: \$7,500 Business Continuity Forgivable Loan

Wrapzody Deli, 99 N. Main St.

Wrapzody Gourmet Deli has been serving a variety of salads, wraps, and sandwiches on the Main Street Mall since 2008. The business has been a mainstay of the civic center plaza neighborhood for the last 12 years. Sales revenue has declined over 70% since the start of the COVID-19 crisis.

What will the forgivable loan be used to help pay for?

- Rent & utilities
 - Payroll & staffing
 - Business insurance
-
- Staff recommendation: \$7,500 Business Continuity Forgivable Loan

McEwen's, 120 Monroe Ave.

McEwen's Restaurant is a Downtown mainstay that has been in operation for 23 years, located in the Downtown Core. COVID-19 has caused a complete shutdown of the business.

What will the forgivable loan be used to help pay for?

- Start up inventory
- Payroll and operating expenses
- Staff recommendation: \$15,000 Business Continuity Forgivable Loan

III. Other Business

IV. Adjournment

Next Committee Meeting

Friday, April 17, 2020 at 9:00 AM