

# Forgivable Loan Committee Meeting

April 22, 2020 at 9:00 AM

# 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.
- Committee meetings held on 4/13/2020 and 4/17/2020



# 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



# 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     |

Staff is recommending loan amounts below the maximum in most cases due to high demand for limited resources.

# Evaluation & Prioritization

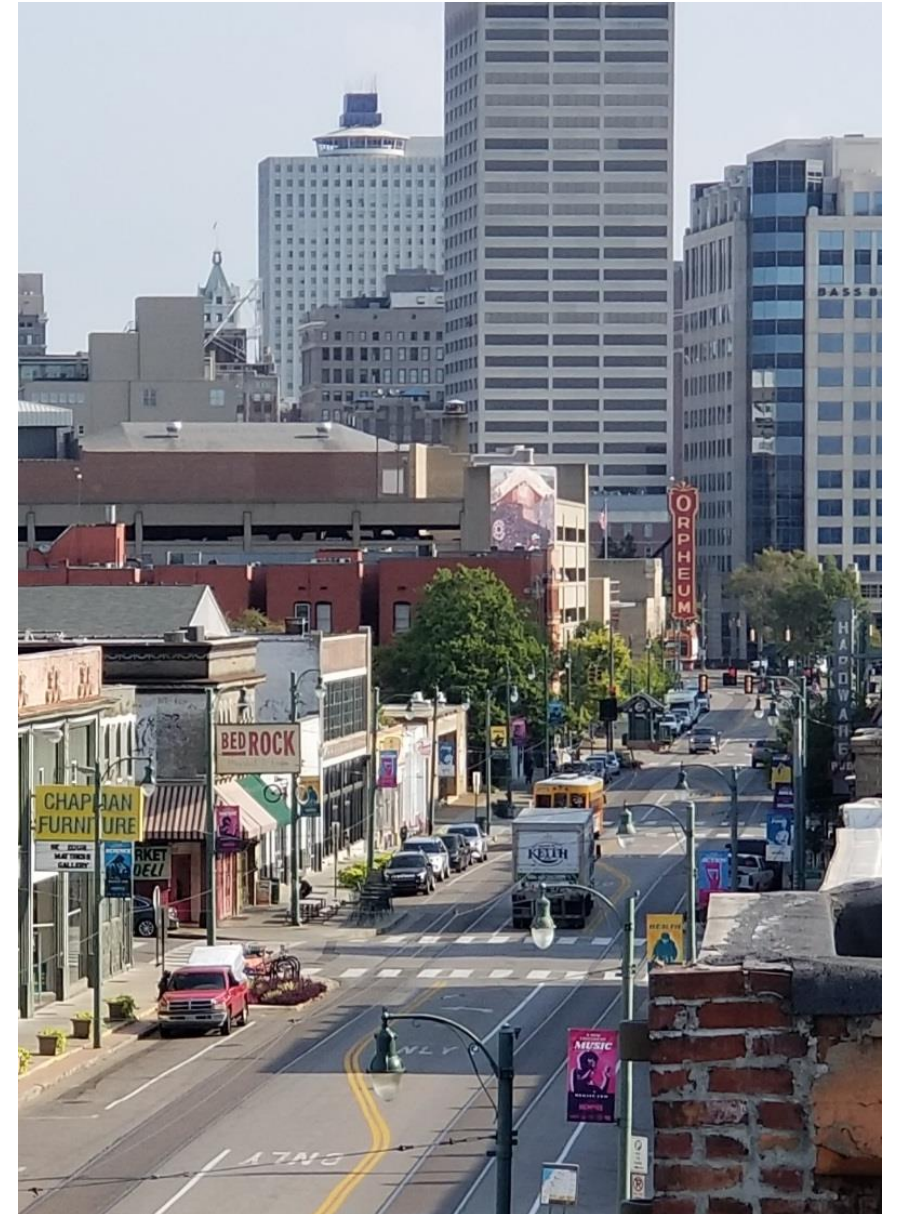
| Tenure Downtown    |                     |                      | Business Type      |                 |                    | Location        |                  |                             |                                    |
|--------------------|---------------------|----------------------|--------------------|-----------------|--------------------|-----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

# April 13, 2020 Committee Approvals

**Total: \$55,100 (8 Businesses)**

- 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.



# April 17, 2020 Committee Approvals

## \$79,900 (12 Businesses)

- The Peanut Shoppe, 24 S. Main
- Qahwa Coffee Bar, 109 N. Main
- Chef Tam's Underground Café, 668 Union
- Pontotoc, 314 S. Main St.
- Bluff City Coffee, 505 S. Main
- Havana Mix Cigar Emporium, 250 Peabody Place
- Max's, 115 GE Patterson
- WKND Hang Suite, 115 Vance
- A. Schwab, 163 Beale
- Sam's, 7 N. Main
- Stock and Belle, 387 S. Main
- Rizzo's Diner, 492 S. Main

# April 22, 2020:

## Today's Request: \$65,000 (13 businesses)

- Nine 01 Five 04, 676 Marshall Ave.
- Mollie Fontaine Lounge, 679 Adams Ave.
- Sabor Caribe, 662 Madison Ave.
- Arnold's BBQ, 320 Monroe Ave.
- Phillip Ashley Chocolates, 1200 Madison Ave.
- Winfield's Shoes & Accessories, 2 S. Main St.
- Bar Ware, 276 S. Main St.
- Puck Food Hall, 409 S. Main St.
- Green Beetle, 325 S. Main St.
- Felicia Suzanne's, 80 Monroe Ave.
- South of Beale, 361 S. Main St.
- Bardog Tavern, 73 Monroe Ave.
- City Market, 66 S. Main St.



# Nine 01 Five 04, 676 Marshall Ave.

Nine 01 Five 04 is a local retailer offering women's apparel in the heart of the Edge neighborhood. The business is approaching their first full year in operation. COVID-19 has caused the retailer to shift their strategy to focus on online orders for the current season.

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

- Rent
- Inventory
- Staff recommendation: \$2,500 Business Continuity Forgivable Loan

# Mollie Fontaine Lounge, 679 Adams

Mollie Fontaine Lounge is a unique and lively lounge that has been a magnet for drawing people to the Victorian Village neighborhood. The effects of COVID-19 have completely halted the restaurant and lounge operations. The applicant will also apply for small business emergency grant assistance through the Memphis Medical District Collaborative (MMDC).

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

- Insurance & utilities
- Restock food & beverage and startup payroll
- Staff recommendation: \$2,500 Business Continuity Forgivable Loan

# Sabor Caribe, 662 Madison Ave.

Sabor Caribe has been in business Downtown since 2016, providing authentic Caribbean street food. This business was in the process of repositioning itself for growth immediately before the COVID-19 crisis. The applicant will also apply for small business emergency grant assistance through the Memphis Medical District Collaborative (MMDC).

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

- Rent & utilities
- Payroll & restock key inventory
- Staff recommendation: \$2,500 Business Continuity Forgivable Loan

# Arnold's BBQ, 320 Monroe Ave.

Arnold's BBQ has been a part of the greater Memphis community since 1977. The company opened a Downtown location in 2016. Since the outbreak of the COVID-19 pandemic, Arnold's BBQ, had to close its doors to dine-in and walk-in clientele. The applicant will also apply for small business emergency grant assistance through the Memphis Medical District Collaborative (MMDC).

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

- Rent
- Utilities
- Payroll
  
- Staff recommendation: \$2,500 Business Continuity Forgivable Loan

# Phillip Ashley Chocolates, 1200 Madison

Phillip Ashley Chocolates is a local small business that has garnered national and international attention. In addition to lessening the demand for traditional retail, COVID-19 has significantly impacted revenue coming from large events that have been canceled and hotel business that has slowed dramatically. The applicant will also apply for small business emergency grant assistance through the Memphis Medical District Collaborative (MMDC).

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

- Rent, utilities, payroll, materials, & packaging
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

# Winfield's Shoes & Accessories, 2 S. Main St.

Winfield's has been a key provider of men's apparel in the Downtown Core for the past 13 years. Since the COVID-19 crisis, Winfield's has been mandated to close due to its non-essential status.

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

- Mortgage, utilities, COA fees, & insurance
- Payroll
  
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

# Bar Ware, 276 S. Front St.

Bar Ware has become a much-loved craft cocktail bar & neighborhood restaurant in South Main. The business has been forced to shut down completely as a result of COVID-19.

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

- Restock key inventory
- Insurance, equipment leases, & phone/cable/internet
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

# Puck Food Hall, 490 S. Main St.

Puck Food Hall, located at 409 S. Main, is a key amenity in the South Main neighborhood. It provides a place for local food entrepreneurs to provide unique food offerings in a collective setting.

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

- Loan payments
  - Utilities
  - Maintenance & cleaning services
- 
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan



# Green Beetle, 325 S. Main St.

The Green Beetle was first opened in 1939 and is considered one of the oldest taverns in Memphis. The current ownership has owned and operated the business since 2011. On March 21, Green Beetle made the decision to close down completely until they are able to reopen the dining area. To-go only orders could not cover the cost to run the business at this time.

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

- Rent, utilities, & insurance
- Restock inventory for reopening
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

# Felicia Suzanne's, 80 Monroe Ave.

Felicia Suzanne's has been a part of the Downtown Memphis landscape for nearly 20 years. With upscale southern elegance and a unique menu, the restaurant is regarded as a top destination for fine dining. The impacts of COVID-19 have critically impacted the business following the required closure of the dining room.

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

- Rent
- Staff recommendation: \$7,500 Business Continuity Forgivable Loan

# South of Beale (SOB), 361 S. Main St.

South of Beale (SOB) is a restaurant and bar located within the heart of the South Main Retail Node. SOB has been in operation for 11 years and is being substantially impacted by COVID-19, seeing average weekly sales revenue drop by 80%. The owner is also making a substantial investment in redeveloping the adjacent blighted property known as the Ambassador Hotel, 345 S. Main.

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

- Utilities, perishable inventory & dry goods
- Marketing, PR, & accounting services
- Staff recommendation: \$7,500 Business Continuity Forgivable Loan

# Bardog Tavern, 73 Monroe Ave.

Bardog Tavern has been a fixture of the Downtown Core for almost 12 years. This neighborhood bar and restaurant is known for elevated gastropub food, a late-night kitchen, and for hosting a much-loved annual race and block party.

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

- Food & beverage inventory
- Payroll
- Garbage disposal, linens/laundry, & equipment rental
  
- Staff recommendation: \$7,500 Business Continuity Forgivable Loan

# City Market, 66 S. Main St.

City Market is a neighborhood grocer that also offers hot and freshly prepared food options. The business is located at 66 S. Main at the intersection of Union and Main. City Market has been in operation for 10 years and is being directly impacted by the COVID-19 pandemic. The owners have remained open in order to serve the community but sales have declined by 80% since the mandated safer at home order.

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

- Rent, utilities, & payroll
- Loan payments & other operating expenses
- Staff recommendation: \$7,500 Business Continuity Forgivable Loan

# Budget Update:

| Forgivable Loan Commitments                              | Amount           |
|--|------------------|
| April 13th Committee Meeting (8 businesses)              | \$55,100         |
| April 17th Committee Meeting (12 businesses)             | \$79,900         |
| April 22 <sup>nd</sup> Committee Meeting (13 businesses) | \$65,000         |
|  |                  |
| <b>TOTAL:</b>  | <b>\$200,000</b> |
|  |                  |
| Additional Budget Approved by CCDC                       | \$60,000         |

Final Forgivable Loan Committee Meeting scheduled for **Friday, April 24 at 2:00 PM**

# III. Other Business

# IV. Adjournment



# Committee Meeting #4

Friday, April 24, 2020 at 2:00 PM