

# Forgivable Loan Committee Meeting

April 24, 2020 at 2:00 PM

# Background

- \$260,000 loan pool funded 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
  - 4/17/2020
  - 4/22/2020



# 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 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

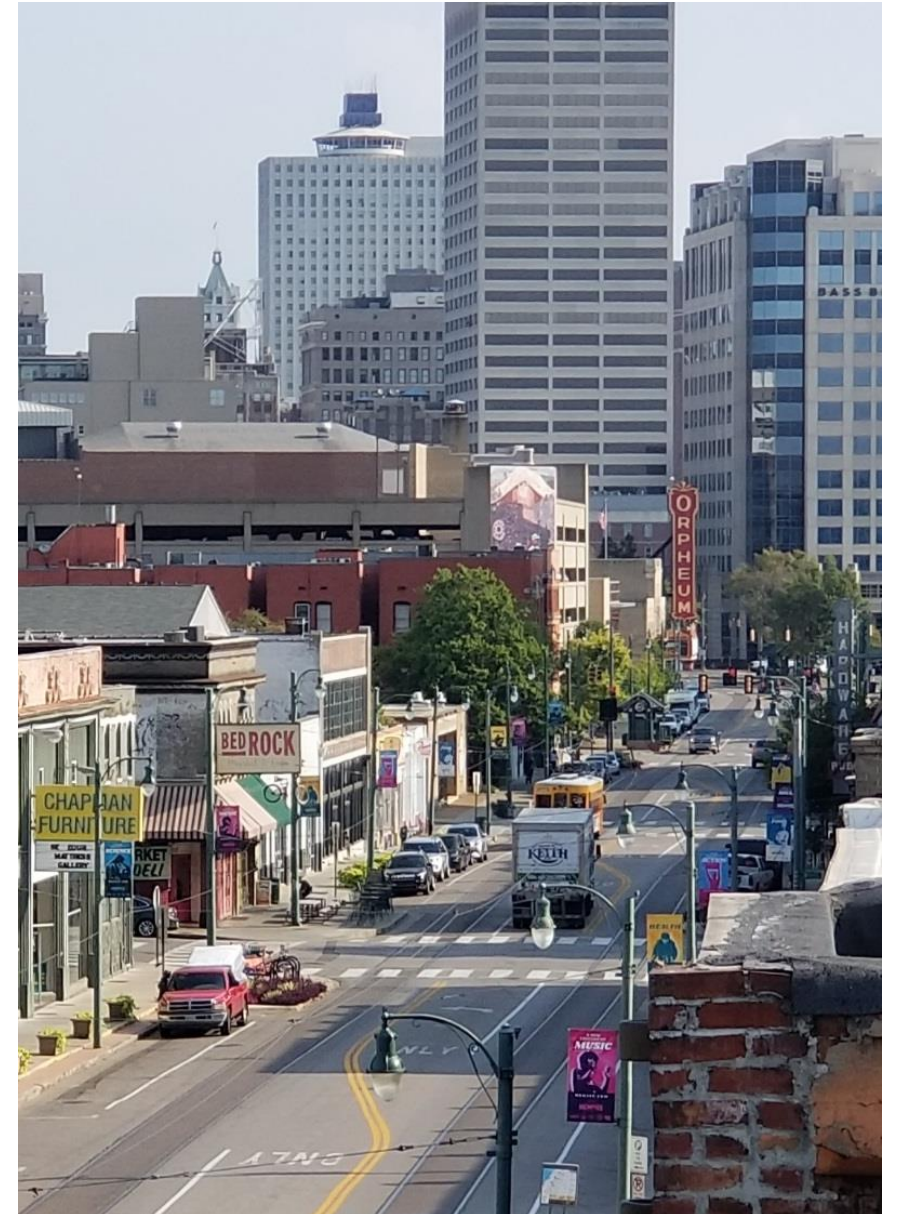
- Total possible scores range from 3 – 10 points.
- Most applications will score within the 6-8 point range.
- Numerical score is only one data point used to evaluate the requests.
- Staff is cognizant of Downtown’s Retail Strategy and the importance of diversity and inclusion as we build a Downtown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



# 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 Committee Approvals

**\$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.



# Today's Request:

**\$60,000 (13 businesses)**

- Botto Jewelry Market, 43 S. Main St.
- Art Village Gallery, 410 S. Main St.
- River Time Deli, 111 S. Court St.
- South Main Sounds, 550 S. Main St.
- High Cotton Brewing Co., 598 Monroe Ave.
- Bogie's Deli, 80 Monroe Ave.
- 117 Prime, 117 Union Ave.
- Blind Bear, 119 S. Main St.
- The Pocket, 115 Union Ave.
- FAM, 149 Madison Ave.
- Kooky Canuck, 87 S. Second St.
- Café Keough, 12 S. Main St.
- The Vault, 124 GE Patterson Ave.

# Botto Jewelry Market, 43 S. Main St.

Botto Jewelry Market has been in Downtown Memphis for nearly 3 decades. This retailer is a reliable staple that the community has depended on for retail sales and repair services. Due to the jeweler being classified as non-essential during this COVID-19 pandemic, business operations and sales have been completely stopped.

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

- Rent, utilities, & maintenance
- Staff recommendation: \$2,500 Business Continuity Forgivable Loan

# River Time Deli, 111 S. Court St.

River Time Market & Deli has been located on the south side of Court Square Park for the last 17 months. The business offers a wide variety of soups, salads, daily casseroles, and signature homemade cornbread sandwiches. Nearby office workers, government offices, and law firms are frequent customers of River Time Market & Deli. Since the start of COVID-19, sales have been down considerably.

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

- Rent & utilities
- Insurance & equipment
- Staff recommendation: \$2,500 Business Continuity Forgivable Loan

# South Main Sounds, 550 S. Main St.

South Main Sounds has been located in the Arcade building for the last 5 years. The business functions as a music venue and hub for community gathering in the South Main neighborhood. During the COVID-19 pandemic, places of public gathering like South Main Sounds, are simply unable to operate.

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

- Payroll
- Rent & utilities
- Equipment for live-streaming
- Staff recommendation: \$2,500 Business Continuity Forgivable Loan

# Art Village Gallery, 410 S. Main St.

Art Village Gallery is a locally-owned contemporary art gallery located in the heart of the South Main district. The business has had to close its doors since the start of the COVID-19 pandemic and the safer at home mandate.

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

- Payroll
- Rent & utilities
- Business loan & vendor expenses
  
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan



# High Cotton Brewing Co., 598 Monroe Ave.

High Cotton Brewing Company has become a major attraction in the Edge District. Since COVID-19 protocol and the Safer at Home order, sales have declined by more than 75%.

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

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

# Bogie's Deli, 80 Monroe Ave.

Bogie's Deli, in its 19th year Downtown, is located in the ground floor in the Brinkley Plaza building. The business offers a variety of fresh salads, soups and sandwiches with an emphasis on serving the Downtown office worker. The impact of COVID-19 has caused the business to furlough the staff as sales are down more than 90% during the pandemic.

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

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

# 117 Prime, 117 Union Ave.

117 Prime has been operating Downtown for the past 5 years and is known for providing an elevated steakhouse experience. COVID-19 protocol has brought the operations to a complete halt leaving the business without any source of revenue.

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

- Payroll
  - Utilities
  - Maintenance & operating expenses
- 
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

# Blind Bear, 119 S. Main St.

Blind Bear is an established local bar and restaurant known for its modern atmosphere and old-fashioned food and drinks. COVID-19 has caused the business to stop all dine-in activities but to-go sales have continued. Despite this there has been more than a 60% decline in sales.

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

- Rent & utilities
- Vendor payments & operating expenses
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

# The Pocket, 115 Union Ave.

Over the past 2 years, The Pocket has become a Downtown social hotspot for Memphians and visitors alike. It is known for its upscale ambiance and service. Due to the social nature of the business, COVID-19 protocol has caused a complete stop to the business operations.

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

- Rent & utilities
- Operating expenses
  
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan



# FAM, 149 Madison Ave.

FAM, in just a year and a half, has become one of Downtown Memphis' go-to lunch and dinner locations. Local office workers and residents have grown to count on FAM to provide high quality, food with quick and courteous service. COVID-19 protocol has diminished the small restaurant's ability to provide service by at least 70%.

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

- Rent & utilities
- Operating expenses
  
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

# Café Keough, 12 S. Main St.

Café Keough is a local coffee house, restaurant, and bar in the heart of Downtown Memphis. Located on the Main Street Mall, Café Keough is a popular destination for locals and visitors alike. As a result of COVID-19, the business had to lay off all employees and is not currently generating income.

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

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

# The Vault, 124 GE Patterson Ave.

The Vault has operated in the South Main neighborhood for the last 3 years. The restaurant and bar offers frequent live music and a unique menu for South Main residents and visitors to the nearby National Civil Rights Museum. As a result of COVID-19, the business sales have declined dramatically. Most of the staff has been laid off with only a minimal crew still working to offer to-go orders and brick oven pizza.

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

- Rent, utilities, & insurance
- Pizza oven payments
  
- Staff recommendation: \$5,000 Business Continuity Forgivable Loan

# Kooky Canuck, 87 S. Second St.

Kooky Canuck has been a family-friendly fun restaurant, adding a colorful dimension to Downtown for the past 15 years. However, the recent COVID-19 pandemic significantly impacted the business due to the lack of foot traffic and events to draw customers Downtown.

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

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

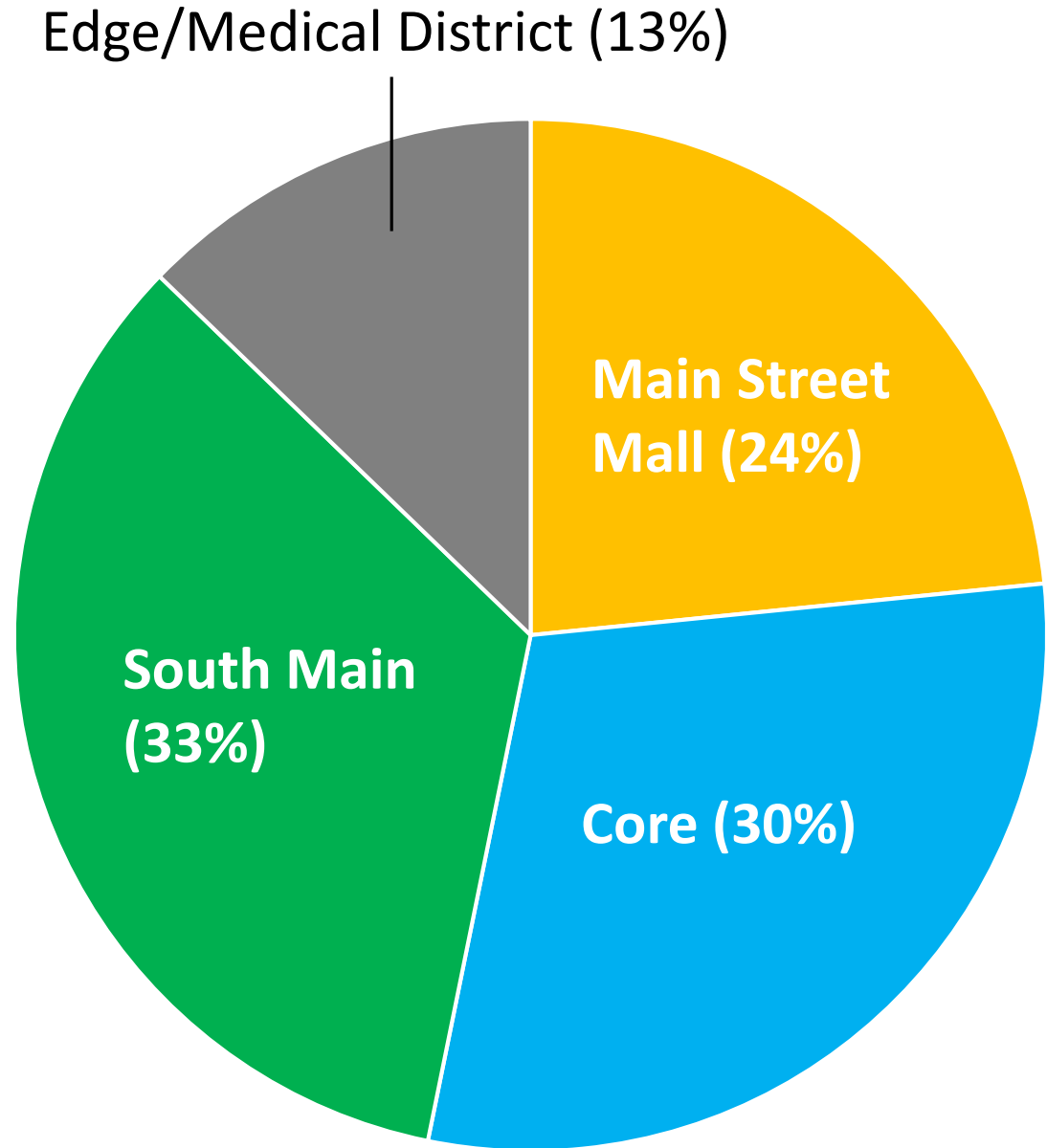
# Overall Budget:

Forgivable Loan Commitments	Amount
April 13 <sup>th</sup> Committee Meeting (8 businesses)	\$55,100
April 17 <sup>th</sup> Committee Meeting (12 businesses)	\$79,900
April 22 <sup>nd</sup> Committee Meeting (13 businesses)	\$65,000
April 24 <sup>th</sup> Committee Meeting (13 businesses)	\$60,000
<b>TOTAL:</b>	<b>\$260,000</b>



# Number Of Loans By Location

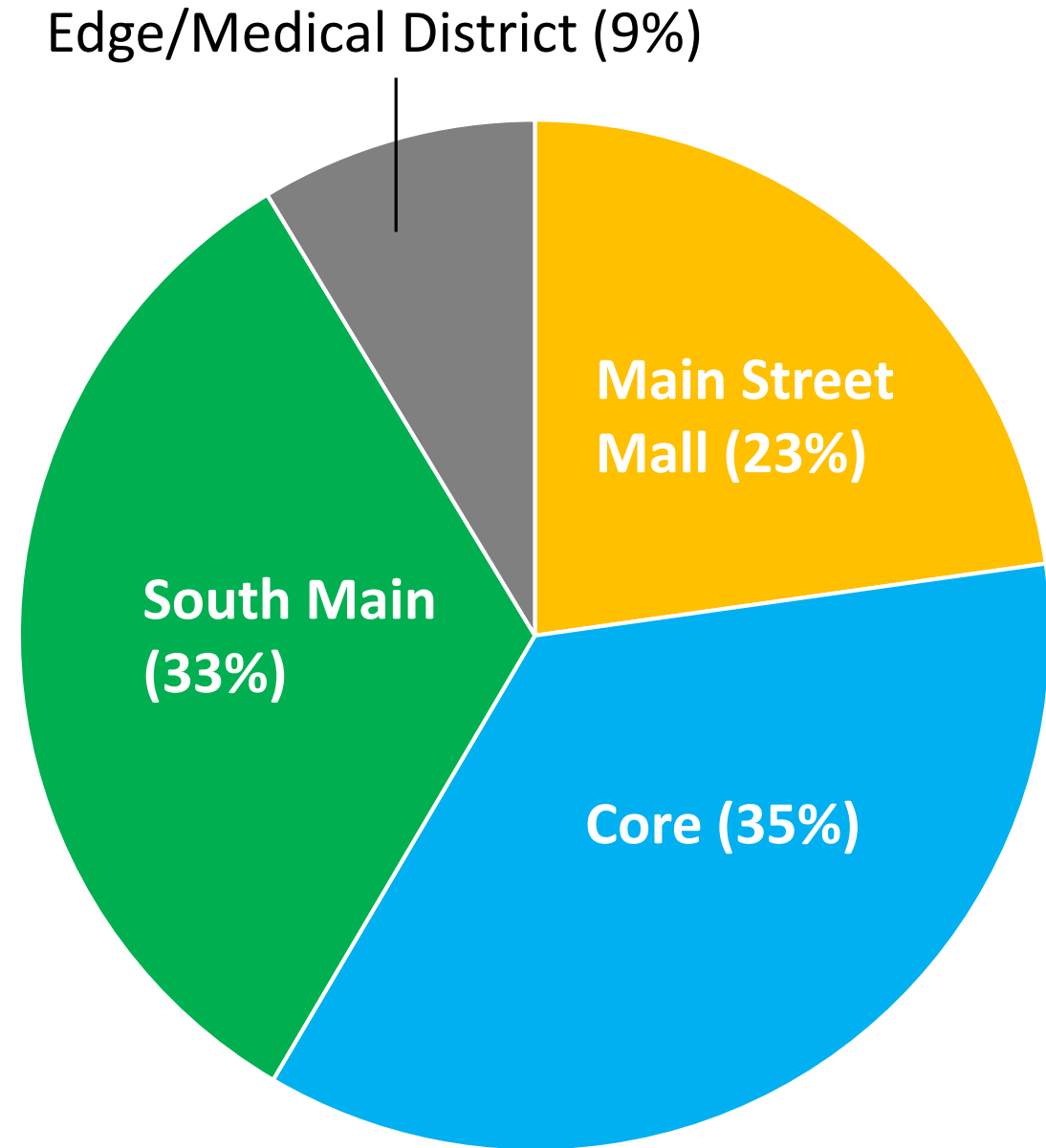
- Main Street Mall (11 loans)
- Downtown Core (14 loans)
- South Main (15 loans)
- Edge/Medical District (6 loans)



# Total Amount By Location

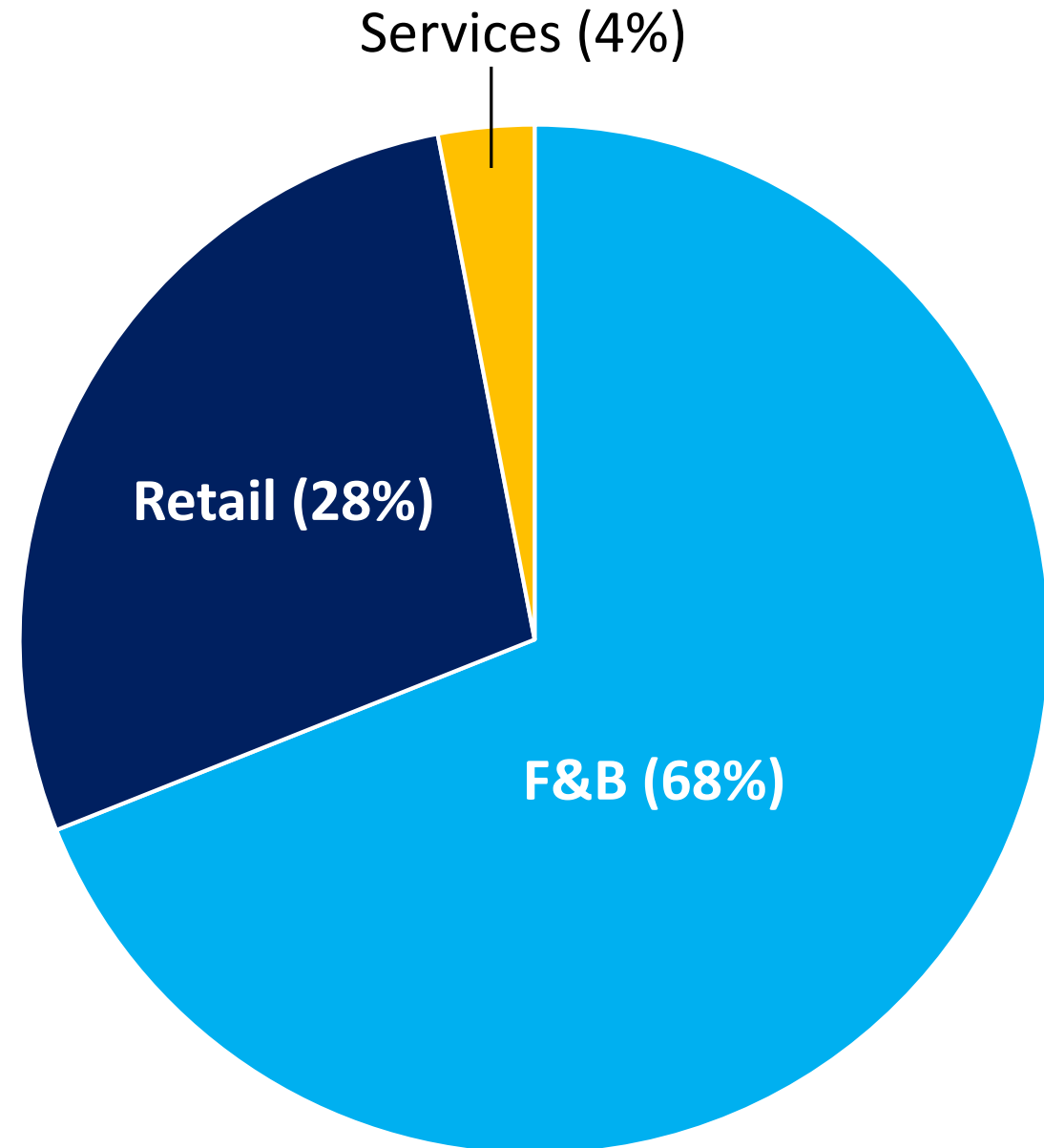
- Main Street Mall (\$59,000)
- Downtown Core (\$92,500)
- South Main (\$85,100)
- Edge/Medical District (\$22,500)

Strategic focus on Main Street Mall  
& Downtown Core (58% of budget)



# Type of Business

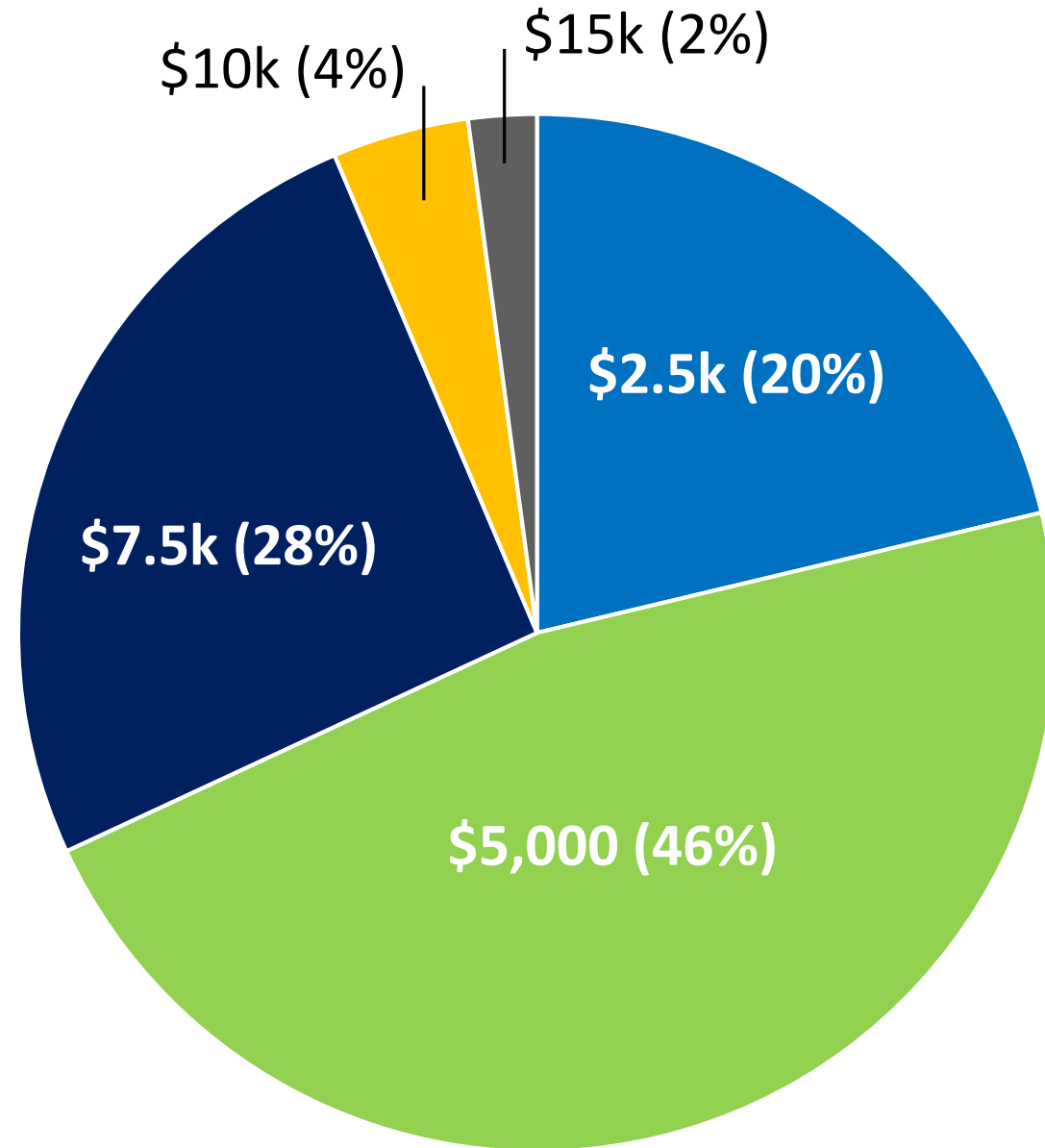
- F&B (31 loans)
- Retail (13 loans)
- Services (2 loans)



# Size of Loans

- \$2,500 (9 loans)
- \$5,000 (21 loans)
- \$7,500 (13 loans)
- \$10,000 (2 loans)
- \$15,000 (1 loan)

66% of the loans are \$5,000 or less



# Program Results

- \$260,000 quickly allocated to support 46 Downtown businesses
- **\$152,500 approved for MWBE businesses (58.6% of total budget)**
- 29 out of the 46 are MWBE businesses (63%)
- Strategic focus on Main Street Mall & Downtown Core (58% of budget)



**Thank You!**



# **III. Other Business**



# **IV. Adjournment**

