

Center City Development Corporation Board Meeting

To: Center City Development Corporation (CCDC) Forgivable Loan Committee
From: DMC Staff
Date: April 16, 2020
RE: Downtown Business Continuity Forgivable Loan Request – Rizzo’s

The enclosed Business Continuity Forgivable Loan has been submitted for consideration at the April 17, 2020, CCDC Forgivable Loan Committee Meeting.

Project: **Rizzo’s Diner, 492 S. Main St.**

Applicant: Michael Patrick
Rizzo’s Diner
492 S. Main St.
Memphis, TN 38103

Property Owner: Tyronne Burroughs.
492 S. Main St.
Memphis, TN 38103

Project Description: Rizzo’s Diner originally opened Downtown in 2011 in the South Main neighborhood. The upscale diner offers a unique variety of offerings such as lobster pups and cajun and creole entrees. As a result of COVID-19, the business faces significant challenges and had to greatly reduce staff and focus only on carry-out orders.

Use of Loan Funds: Staff has satisfactorily reviewed current financial statements for this business and recommends that the loan proceeds be used for the following immediate expenses:

- Rent
- Payroll
- Restock inventory

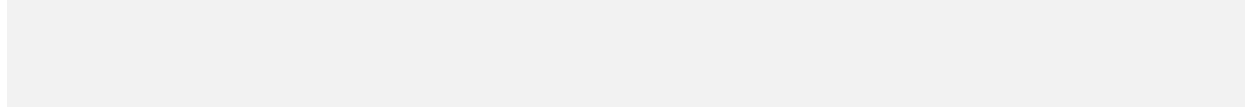
EBO Program: This application will not involve making any physical improvements to the space using the Forgivable Loan proceeds.

Payment Schedule: The initial repayment will be deferred for 6 months. The payments will begin in October, 2020, at a minimum amount of approximately \$126 per month.

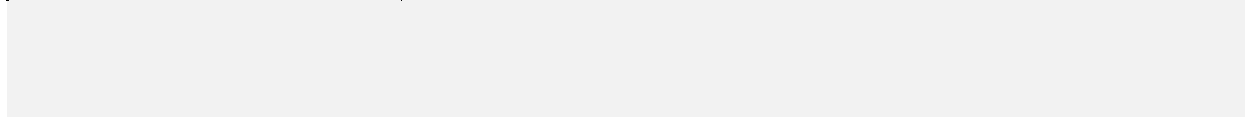
Staff Recommendation: Approve a Business Continuity Forgivable Loan of \$7,500.

APPENDIX I: DOWNTOWN BUSINESS CONTINUITY FORGIVABLE LOAN PROGRAM APPLICATION

Date of Application:	April 6, 2020
Building/Property Address:	492 S Main St Memphis, TN 38103-4443
Applicant's Name:	Michael Patrick
Name of Business:	Rizzo's Diner



How long have you been operating in this location?	5 years
Building Ownership Status:	<input type="checkbox"/> Own <input checked="" type="checkbox"/> Lease <input type="checkbox"/> Other _____
Size of Current Location (Sq. Ft.)	2700
How do you plan to use the grant?	Operational expenses & rent



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>N/A</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>N/A</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>4/6/20 <u>B. Michael Patrick</u> 4/6/20 Signature: Date:</p>

April 6, 2020

Dear Mr. Roler:

Rizzo's Diner originally opened in 2011 and was located on G.E. Patterson. Due to funding from a grant matching opportunity, the upscale diner located to 492 Main Street, offering the thriving downtown district variety such as lobster pups and Cajun/creole entrees. Rizzo's was opened for lunch and dinner and offered the downtown lunch crowd and daily foot traffickers, a place to relax, take a seat and order within 10 minutes at a fair price.

Rizzo's has been operating for 8 years and is locally and minority owned. The diner currently employs 19 along with myself, Chef Michael Patrick, most of which were laid off due to the Covid-19 Pandemic.

Although Rizzo's has been operating successfully with financial stability, the closing of the dine in operation and reduction in carry out orders, has resulted in a heavy financial burden on the diner impacting the lives of the employees and their families. The lack of revenue flow has made it difficult to continue payroll and medical benefits, replenish needed inventory and cover lease payments.

The granting of the loan to Rizzo's will offset the negative impact Covid-19 has had on the diner. The proceeds from the loan would secure payroll for remaining employees and potentially rehire some that were laid off, allow the diner to purchase essential inventory items, cover lease payments and assist with other operational expenses.

As a 22-year resident of downtown, I have seen first-hand the efforts of the DMC, and what it has done to change the landscape of downtown, south main, south bluffs, uptown, and the edge districts. This progress could not be possible without your gracious assistance.

Thank you for reviewing this application and I look forward to your reply.

Kind Regards,

A handwritten signature in blue ink that reads "B. Michael Patrick". The signature is written in a cursive style with a large initial "B" and a stylized "Patrick".

Michael Patrick