



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

INNER CITY ECONOMIC DEVELOPMENT (ICED) FORGIVABLE LOAN APPLICATION

The EDGE Inner City Economic Development Program (ICED) is designed to enhance the quality of commercial corridors and small neighborhood-serving businesses in inner-city and distressed neighborhoods. The program provides small forgivable loans that assist business and property owners in inner-city neighborhood business districts with façade and building improvements. The goal is to bolster existing neighborhood businesses that are part of the community and assist new local businesses through building renovations. Clusters of buildings will be given preference, so as to maximize the program's impact.

Basic Eligibility

All conditions must be met prior to commitment of funds. Work that does not comply with the requirements is subject to reduction or retraction of award.

- » Business/building is located in a New Markets Tax Credit Qualified Census Tract based on <https://www.cohnreznick.com/nmtc-map>
- » Applicant's annual business revenue (gross receipts) is less than \$750,000 and Applicant's personal income is less than \$200,000.
- » Applicant owns a property or has a lease with a minimum of three-years remaining and written authorization of the property owner.
- » All City of Memphis and Shelby County Property Taxes are current or an approved payment plan is in place.
- » Applicant has sufficient capital to complete project without negatively impacting business.
- » Preference will be given to projects that directly benefit the neighborhood.

All retail and commercial uses are eligible except for the following business categories:

- » Liquor and tobacco stores
- » Adult entertainment and product stores
- » Pawnshop, Payday loans, Title loan establishments
- » Car dealerships
- » Mini-storage
- » Gas Stations
- » Home-based businesses
- » Others at the discretion of the Economic Development Finance Committee

Program Provisions

- » The EDGE Economic Development Finance Committee may approve ICED Loans up to \$25,000 for eligible project costs (contingent on funds) for applicants able to provide a match of one dollar (\$1) for every two dollars (\$2) of ICED funds. (*For example, a project totaling \$12,000 would require an Applicant investment of \$4,000 which would leverage an additional \$8,000 in ICED Program funds.*) Proof of ability to match funds must be provided. EDGE will require any cash match committed to a project be invested before any ICED funds are disbursed.
- » To apply, the Applicant must first meet with EDGE staff to discuss the project and review program requirements.
- » To provide more comprehensive assistance to eligible businesses, EDGE is partnering with the Tennessee Small Business Development Center at Southwest Tennessee Community College (TSBDC) which will provide assistance in completing the ICED Loan application and work with the business to identify resources and business survival and recovery strategies. Businesses must register for advising and receive an initial assessment from the TSBDC to apply. (EDGE may accept verification of comparable business assessment and counseling from The City of Memphis Office of Diversity & Compliance, Communities Unlimited, Epicenter or another recognized small business assistance agency.)
- » If necessary, an architect retained by EDGE will work with the Applicant to prepare elevation and budget estimates for presentation to the EDGE Finance Committee as part of the application process.
- » The intention of the ICED program is that funds be used for improving the building façade and/or streetscape (e.g.: storefronts, gutters and downspouts, cornices, exterior lighting, canopies, awnings, and masonry cleaning). EDGE will also consider interior improvements, building expansions, and landscape improvements under certain circumstances. ICED funds may be used to address structural issues with a building. ICED funds may not be used to correct property damaged by collision or acts of nature or occurrences, if covered by insurance.
- » Applicant is required to submit a sealed engineering report stating that the building is structurally sound (or what must be done to make the building structurally sound if required by the EDGE Architect.) The cost of the sealed engineering report is an eligible expense for the matching grant.
- » Applicant is required to submit a letter of support from the nearest Community Development Corporation (CDC). In the event a CDC is not present, a letter of support from an area merchant's association, neighborhood stakeholder, or BLDG Memphis is acceptable.
- » Complete application must be signed by the Applicant and submitted along with a non-refundable \$100.00 application fee to EDGE for review by staff and approval by the EDGE Finance Committee.
- » The Applicant must submit project plans and construction cost estimates to EDGE staff. The Applicant must obtain all necessary permits. All contracts will be between the Applicant and contractor(s) selected. The cost of permits is an eligible expense for the matching grant. Any changes made to approved plans exceeding \$500.00 requires prior approval from EDGE staff.
- » The Applicant must begin construction or renovation work on improvements of the agreed upon project and close on the loan within 120 days of approval of the completed application by the EDGE Finance Committee. If the Applicant is not able to close the loan within 120 days, the Applicant must seek approval from the Finance Committee to extend the benefit.

- » All work must comply with city, state and federal regulations and codes. Applicants will be responsible for obtaining necessary regulatory approvals, including those of the Landmarks Commission where applicable, Construction Code Enforcement building permits, Shelby County Health Department Permits and any other necessary permits.
- » Applicant may submit up to four (4) draw requests as work continues. Prior to disbursing any funds, each draw request will be reviewed to ensure the work completed prior to the draw request complies with the plans and letter of commitment. Fourth and final draw will be held until completion of the project, issuance of Certificate of Occupancy and final inspection by EDGE architect.

Application Process

The following outlines the typical process for an Applicant of this program from application through funding of building improvements.

1. Determine if Applicant's business is located in a New Markets Tax Credit Zone.
2. EDGE staff holds a Pre – Submittal Meeting with potential Applicant to discuss ICED program, business and improvement plans.
3. Potential Applicant meets with EDGE staff and EDGE architect to review building and desired improvements and walk through for Structural Engineering Report.
4. Eligible Applicant completes, signs, and submits ICED Program Application along with \$100 non-refundable application fee and required documentation including bid estimates.
5. EDGE architect submits proposed plans to Applicant and EDGE staff.
6. Application is presented to EDGE Finance Committee for approval. The Applicant or representative of the application must be present. The Finance Committee may ask the Applicant to make brief remarks regarding the project at which time the board may ask questions of EDGE staff and Applicants before making a decision. If approved, closing date is scheduled with Applicant who will meet with EDGE Attorneys to finalize closing documents and receive an agreed upon loan disbursement schedule.



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APPLICANT INFORMATION

Please note: It is important to complete the entire application; incomplete forms will not be considered for review until all requested materials are submitted.

Name of Business: _____

Type of Business: _____

Name: _____ **Referred By:** _____

Business Address: _____

City: _____ **State:** _____ **ZIP Code:** _____

Email: _____ **Phone:** _____

Federal Tax ID or Social Security Number: _____

Years Owned: _____

Number of employees: _____

Legal Type: C-Corp ___ S-Corp ___ LLC ___ Partnership ___ LLP ___ Proprietorship ___

Individual ___ **Non – Profit** ___

Date Established: _____

Building Owner: _____ **Tenant:** _____ **If Tenant, Term of Lease:** _____
(Attach copy of lease to application)

List all owners, officers, directors and general partners of the business and stockholders or limited partners owning 20 percent or more of the Applicant's business. All persons or corporations with an ownership interest of 20 percent or more will be considered a co-Applicant and must agree to the terms of the agreement. Attach additional sheet, if necessary.

Name: _____ % of ownership _____

Address: _____

City: _____ State: _____ ZIP Code: _____

Email: _____ Phone: _____

Name: _____ % of ownership _____

Address: _____

If owner, do/will you also occupy the project space?

Yes _____ No _____

BUILDING OWNER, IF NOT APPLICANT

Name: _____

Name of Business: _____

Address: _____

City: _____ State: _____ ZIP Code: _____

Email: _____ Phone: _____

Owner's Signature (if not Applicant) - Indicating Approval of Proposed Improvements, If Applicable

Name

Date

PROJECT INFORMATION (Please check all that apply)

Leased or Purchased Project Address:

City: _____ **State:** _____ **ZIP Code:** _____

Facade: ____ **Interior Tenant Improvements:** ____ **Streetscape:** ____ **Building Expansion:** ____

Mechanical Systems

HVAC _____ **Roof** _____

Short description of the proposed use of funds (If additional space is needed please attach an addendum to this form):

Total square feet in building where project is located: _____ **Number of floors:** _____

Number of tenant spaces in building where project is located: _____

List of current tenants:

Year building was built: _____

If project does not include the entire building, square footage of project space: _____

Describe your business, customers, market area, target market, market competitors, projected sales revenue (or % growth) and how potential receipt of this forgivable loan will benefit the community (If additional space is needed please attach an addendum to this form):

BUILDING IMPROVEMENT PLAN (To be completed in conjunction with EDGE architect)
 Attach elevation and other drawings; detailed budget

Proposed Work Plan	\$ Estimated Cost
Façade Improvements	\$
Structural, Roof and HVAC	\$
Building Expansion	\$
Building Interior Renovation	\$
Furniture, Fixtures & Equipment	\$
Landscape & Streetscape Improvements	\$
Other	\$
Soft Costs	\$
Contingency (%)	\$
TOTAL	\$

PROPOSED SOURCES OF PROJECT FUNDING

Source of Funds	\$ Amount
Applicant Cash	\$
ICED Request	\$
Other – Specify	\$
Other – Specify	\$
Other – Specify	\$
TOTAL	\$

ADDITIONAL QUESTIONS (If additional space is needed please attach an addendum to this form)

How do you anticipate meeting the match requirements of this forgivable loan?

If building owner, do you anticipate any new tenants as a result of the improvements? If so, what kind of business?

Do you anticipate any new employees (full-time /part-time) at the Project site? How many?

For building owner, what is the rent amount you will seek for the space(s)?

Proposed Timeline:

Additional Comments:

The undersigned hereby certifies that all information contained above and all information contained in attachments which make up this loan application are true to her/his best knowledge and belief, and are submitted for the purpose of obtaining financial assistance from the Economic Development Growth Engine for Memphis and Shelby County.

APPLICANT SIGNATURE:

DATE:

APPLICANT SIGNATURE:

DATE:

BUSINESS FINANCIAL INFORMATION

(1) Please attach business and owner federal tax returns for the previous three consecutive years. (In the event that the business has been open less than three years please supplement with personal federal tax returns.)

(2) Please include a summary and financial projections for the business. The summary must include the following information:

Business Summary

- i. Description of your background and experience.
- ii. Description of the business.
 1. What is your target market and what do you offer your customers?
 2. Describe the anticipated product mix, if applicable.
 3. What are your anticipated days and hours of operation?
- iii. What business support services might you need?

Financial Projections

- a. Annual costs for your business. Itemized list including but not limited to: advertising, insurance, licenses/permits, office/store supplies, store fixtures, and inventory.
- b. Projected income and operating expenses for 12 months (see sample attached).

(3) If the answer to any of the following questions is “yes,” please furnish details on an attached sheet. Answering yes will not necessarily disqualify you.

- a. Have any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business ever been charged with, or convicted of, any criminal offense, other than minor motor vehicle violations?
Yes ____ **No** ____
- b. Has the business or management of the business been informed of any current or on-going investigation of the business with respect to possible violations of local, state or federal laws?
Yes ____ **No** ____
- c. Has the business or any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business been in receivership or adjudicated as bankrupt?
Yes ____ **No** ____
- d. Is the business or any owners, officers, directors, guarantors, general partners, stockholders or limited partners owning 20% or more of the business involved in any pending lawsuits?
Yes ____ **No** ____
- e. Does the business or property owner owe past due federal, state or local taxes of any nature?
Yes ____ **No** ____

I authorize EDGE/Lender to make inquiries as necessary to verify the accuracy of the statements made and to determine my creditworthiness. I certify the above and the statements contained herein are true and accurate as of the stated date(s). These statements are made for the purpose of obtaining a loan or guarantying a loan. I understand false statements may result in forfeiture of benefits and possible prosecution.

APPLICANT SIGNATURE:

DATE:

APPLICANT SIGNATURE:

DATE:

APPLICANT CHECK LIST:

Documents required to complete the ICED Forgivable Loan Program Application include, but are not limited to:

- Confirmation that location of business is in a New Markets Tax Credit Zone
- Proof of Deed to building or minimum of three – year signed lease
- Organization documents (ex. Sole Proprietorship status, Articles of Incorporation)
- Letter of Support (CDC/Business Association/Merchants Association)
- Proof of current property tax status (City & County)
- Copy of approved desired improvement plan with contractor estimates
- Proof of Matching Funds/Receipts/Invoices/Bank Statements
- Sealed Engineering Report from Tennessee Certified Engineer (if required)
- Financial Statements/Projections for business
- Two forms of identification for Applicant
- Proof of registration with TSBDC or comparable business counseling agency
- Business plan required for start-ups and rapidly expanding businesses
- Verification through tax-return-review conducted by EDGE staff that gross receipts do not exceed \$750,000 and personal income does not exceed \$200,000
- \$100 Application Fee - Check or money order made payable to:
**Economic Development Growth Engine (EDGE) – ICED
Program 100 Peabody Place, Suite 1100
Memphis, TN 38103**
- Other documents required by the EDGE Finance Committee

(ATTACHMENT 2) : MONTHLY PROJECTIONS*

	1	2	3	4	5	6	7	8	9	10	11	12
INCOME												
Total Income												
SALES												
Inventory Purchased												
Total Cost of Sales												
Avg Cost of Goods Sold %												
Gross Margin \$												
Avg Gross Margin %												
EXPENSES												
Banking												
Cable, Phone, Internet												
Insurance												
Merchant Fees (est. ___% of sales)												
Marketing/Promotion												
Rent												
Payroll												
Payroll Taxes												
POS contract/fees												
Security												
Supplies												
Utilities												
Total Operating Expenses												
NET PROFIT (LOSS)												

**Use this table to provide your monthly projections. It is acceptable to provide a similar table from QuickBooks, etc.*