



**ECONOMIC DEVELOPMENT  
GROWTH ENGINE**  
FOR MEMPHIS & SHELBY COUNTY

## EDGE NEED GRANT AGREEMENT

Grant from EDGE to Smyrtle's Management dba Midtown Mirror Beauty Bar ("Grantee") in the amount of \$5,000 ("Grant") from June 5, 2020 ("Effective Date") through July 31, 2023 (the "Effective Period").

This Grant Agreement ("Agreement") is entered into as of the Effective Date by and between the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee ("EDGE") and Grantee, with respect to the following:

### PRELIMINARY STATEMENTS

A. EDGE has made available funding for economic development initiatives in response to the COVID-19 pandemic that impose significant financial hardships on the city of Memphis and especially in the areas containing property that qualify as Federal New Markets Tax Credit Eligible Tracts.

B. Grantee is a small business (defined as having less than \$1,000,000.00 in annual gross revenue) that has suffered at least a 25% reduction in gross revenue due to the COVID-19 pandemic.

C. EDGE has determined that the Grant to Grantee, for the purposes and on the terms and conditions stated below in this Agreement, will further EDGE's economic development purposes by funding the activities described in the Grantee's grant application and evaluation memo presented to the Economic Development Finance Committee attached and incorporated as Attachment A.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations created hereby, EDGE and Grantee agree as follows:

1. **Grant Amount, Disbursement and Time Period.** Upon Grantee's execution and delivery of this Agreement to EDGE, EDGE shall disburse the Grant to Grantee in the form of a check or wire transfer. The effective period for this grant is for the Effective Period.

2. **Purpose and Specific Uses of Grant.** EDGE is making this grant in furtherance of the economic development initiative set forth in Attachment A. Any changes in the purposes or use for which grant funds are spent must be approved in writing by EDGE before implementation.

3. **Reporting by Grantee.** Starting December 31, 2020 from the Effective Date, and continuing on each June 30 and December 31 until thirty-six (36) months after the grant funds are expended in full or the grant is otherwise terminated, Grantee shall submit a full and complete report to EDGE within

five (5) days after the close of such period. The report shall be in the form attached hereto as Attachment B. Such report shall describe the progress that Grantee has made toward achieving the purposes for which this grant was made both for the period and over the term of the grant, including: all expenditures made from the granted funds and the associated matching funds; grant-related activities; metrics achieved as outlined in the grant application (e.g., retained jobs, salaries, and capital investments); and shall report on the Grantee's compliance with the terms of this grant during that fiscal year. Each such report shall be signed and certified by an authorized officer or director.

4. **Recordkeeping and Accounting.** Grantee shall keep records and receipts to substantiate such expenditures as well as expenditures made with maturing funds. Grantee shall make such books and records available to EDGE at reasonable times, as requested by EDGE. Grantee shall keep copies of all books and records and all reports to EDGE for at least four years after completion of the use of the grant funds. EDGE is hereby authorized to conduct an audit of Grantee's books and records, and Grantee shall cooperate fully with any such audit authorized or conducted by EDGE.

5. **Prohibited Uses.** Grantee shall not use any portion of the funds granted herein, or any income therefrom:

a. To undertake any of the following activities:

- Liquor and tobacco stores
- Adult entertainment and product stores
- Pawnshop, Payday loans, Title loan establishments
- Car dealerships
- Ministorage
- Gas Stations
- Financial businesses primarily engaged in lending
- Real estate development or rental businesses
- Insurance companies
- Private clubs
- Non-profit agencies
- Home-based businesses
- Others at the discretion of the Economic Development Finance Committee

b. To violate any state, federal or local law or regulation.

6. **Notice of Changes.** Grantee shall notify EDGE immediately of any change in Grantee's status, personnel, or funding that may impair the ability of the Grantee to fulfill its obligations under this Agreement.

7. **Indemnification.** Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless EDGE, its officers, directors, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable

attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission of Grantee, its directors, officers, employees, or agents, in applying for or accepting the grant, in expending or applying the funds furnished pursuant to the grant or in carrying out the program or project to be funded or financed by the grant, except to the extent that such claims, liabilities, losses, or expenses arise from or in connection with any act or omission of EDGE, its officers, directors, employees or agents.

8. **Remedies.** In the event that Grantee violates or fails to carry out any provision of this Agreement, EDGE may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee, and EDGE may demand the return of all or part of the unexpended grant funds, which the Grantee shall immediately repay to EDGE.

9. **Governing Law.** This Agreement shall be construed in accordance with, and governed by, the laws of Tennessee. Any action brought to enforce the terms of this Agreement shall be brought in the appropriate state court located in Shelby County, Tennessee. EDGE shall be awarded its attorneys fees and expenses for this Agreement.

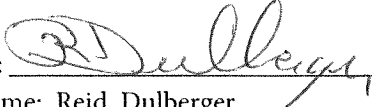
10. **Entire Agreement; Amendments and Waivers.** This Agreement shall supersede any prior oral or written understandings or communications between the parties hereto and constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by both parties hereto.

11. **Counterparts.** This Agreement may be signed in counterparts, meaning that the Agreement is valid if signed by both parties, even if the signatures of the parties appear on separate copies of the same Agreement rather than on a single document.


IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be executed on the dates set forth below.

Economic Development Growth Engine  
Industrial Development Board of the City of  
Memphis and County of Shelby, Tennessee

Date: 6/5/2020

By:   
Name: Reid Dulberger  
Title: President & CEO

Date: 6/5/2020

By:   
Name: Myrtle Toliver  
Title: Owner

Attachment A

Grant Application

EDGE NEED Grant Evaluation Memo to Economic Development Finance Committee

	EDGE Policy Requirement	Applicant
Business:		Smyrtle's Management dba Midtown Mirror Beauty Bar
Location:		16 South Cleveland
Owner:		Myrtle Toliver
MWBE:		Yes Not Certified
Staff Recommendation:		\$5,000
Business Type:	Retail and commercial uses are eligible with exceptions.	Beauty Salon and Barber
Closed or Operational:	Businesses that remain open may qualify for up to \$10,000. Businesses that are temporarily closed may qualify for \$5,000.	Operational
Revenue Loss:	25% or more reduction in revenue.	February 2020 \$6,500 April 2020 \$0 Reduction 100%
Open and Close Dates:	Locally owned and in operation prior to March 1, 2019 and through March 1, 2020.	Opened May 1, 2016 Closed March 21, 2020 Reopened May 12, 2020
NMTC Eligible:	Located in Memphis NMTC Qualified Census Tract.	Yes
Annual Revenue:	Annual revenue less than \$1,000,000.	Yes \$53,100
Tax Payments:	Current on Memphis and Shelby County property taxes.	Memphis Yes Shelby County Yes
ICED Loan Recipient:	EDGE will give preference to and waive the requirement that businesses be operational for at least one year for ICED Loan recipients.	No
Business Planning Assistance:	Registered for TSBDC advising, received an initial assessment, and scheduled follow-up counselling session.	Registered Yes Counseling Yes Follow-Up Yes
COVID-19 Business Impact:	Applicant must describe the impact of COVID-19 on business.	-Business forced to close based on close contact with customers. -Fallen behind on \$2,775 of monthly fixed costs including rent, utilities and supplies. -Five full-time employees unable to work while closed.
Stabilization and Recovery Plan:	Applications will be evaluated on stabilization and recovery plan, the probability that they can survive, and estimated community impact.	-Applied for PPP. -Implemented safety precautions for re-opening. -Staying connected to customers about re-opening schedule and protocols. -NEED Grant funds will be used to offset past losses and supplement rent and utilities moving forward.
Attachments:	EDGE Need Grant Application 90-Day Budget Last Filed Federal Tax Return	Attached Attached Reviewed Separately/No Concerns



# ECONOMIC DEVELOPMENT GROWTH ENGINE FOR MEMPHIS & SHELBY COUNTY

## **EDGE Neighborhood Emergency Economic Development (NEED) Grant Policy & Application**

### **Summary/Purpose/Objectives:**

The Board of Directors of The Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (EDGE) has created an EDGE Neighborhood Emergency Economic Development (NEED) Grant to secure neighborhood-serving businesses and prevent the loss of job generating activities in distressed and vulnerable areas. Grants of up to \$10,000 will be made to businesses located in New Markets Tax Credit Eligible Census Tracts throughout the City of Memphis that have experienced at least a 25% loss in revenue as a result of COVID-19. Funds may be used for essential working capital costs such as rent or mortgage payments, payroll, supplier and vendor payments, insurance and utilities.

### **Program Provisions**

#### **Eligible Applicants:**

- Businesses must be locally owned and have been in operation with proper licenses and permits prior to March 1, 2019 and in continuous operation through March 1, 2020.
- Business must demonstrate a 25% or greater loss of revenue due to COVID-19 by comparing the month of February 2020 revenue to the revenue in the last full month of operation prior to application as attested to by the Applicant.
- Business must be located in a New Markets Tax Credit Qualified Census Tract within the City of Memphis based on [www.cohnreznick.com/NMTC-Mapping-Tool](http://www.cohnreznick.com/NMTC-Mapping-Tool).
- Annual revenue of Business must be less than \$1,000,000.
- Business must be current on all City of Memphis and Shelby County Property Taxes or have an approved payment plan in place, for which it is current.
- All retail and commercial uses are eligible except:
  - Liquor and tobacco stores
  - Adult entertainment and product stores
  - Pawnshop, Payday loans, Title loan establishments
  - Car dealerships
  - Ministorage
  - Gas Stations
  - Financial businesses primarily engaged in lending
  - Real estate development or rental businesses
  - Insurance companies
  - Private clubs
  - Non-profit agencies

- Home-based businesses
- Others at the discretion of the Economic Development Finance Committee
- In addition, churches and religious institutions, and government entities, are ineligible.
- Businesses that receive other forms of emergency local, state or federal financial assistance may still apply.
- Past participants in EDGE Inner City Economic Development (ICED) Loan program are eligible and EDGE will waive the requirement that businesses be operational for at least one year for ICED Loan recipients.

**Eligible Uses:**

Grant funds may be used for essential working capital such as rent or mortgage payments, payroll, supplier and vendor payments, insurance and utilities based on the budget presented with application based on the following provisions.

**Amount Available:**

Grants will be awarded on a first-come first-served basis as follows:

- Businesses that remain open with a 25% or more reduction in revenue and have a plan for 90 days of continuous future operation may qualify for between \$5,000 and \$10,000.
- Businesses that are temporarily closed due to COVID-19 but have a plan for reopening within 90 days and staying open for at least 90 days thereafter may qualify for \$5,000.

**Evaluation:**

EDGE staff will evaluate applications from operating businesses and make recommendations to the Economic Development Finance Committee based the business's stabilization and recovery plan, the probability of business survival and the estimated impact to the business's neighborhood.

**Application & Approval Process:**

Eligible businesses can initiate the process by emailing an application to [NEED@Growth-Engine.org](mailto:NEED@Growth-Engine.org). Those wishing to discuss the program and review requirements prior to submitting an application should email a request to [NEED@Growth-Engine.org](mailto:NEED@Growth-Engine.org) or call 901-341-2100 and EDGE staff will follow-up to arrange a phone call.

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 NEED Grant application and work with the business to identify resources and business survival and recovery strategies. As part of the NEED Grant application, businesses must: (1) have registered for advising at [www.tsbdc.org/advising/](http://www.tsbdc.org/advising/); (2) received an initial assessment from the TSBDC; and (3) scheduled a follow-up counselling session for no more than 45 days after initial assessment. 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.

Completed applications will be evaluated by the EDGE Economic Development Finance Committee, which will meet electronically on a weekly basis. The Committee will evaluate all applicants based on their stabilization and recovery plan and the probability that they can survive COVID-19 and continue

serving their community, estimated community impact, and compliance with program policies. Preference will be given to past EDGE ICED loan recipients, and to businesses that have not received emergency financial support from other local entities. The Committee will determine which applications are approved or denied.

Once approved, Grant Agreements will be scanned and emailed to the applicant immediately following the meeting. Grant Agreements will also be sent USPS. Applicants will have 21 days from approval to return a fully executed Grant Agreement to EDGE Grant Manager or the approval becomes null and void.

**Fees:**

There are no fees associated with the NEED Grant program.

**Application:**

The application is attached.

**Reporting and Default Recourse:**

All NEED Grant recipients shall be required to report semi-annually to EDGE with reports due on June 30<sup>th</sup> and December 31<sup>st</sup> for a period of three (3) years on their business status, sales, employment, and other data as identified by EDGE. See attached report form.

Should EDGE discover that the Applicant has misrepresented any statements in or associated with the Application process or has intentionally disregarded the Stabilization and Recovery Plan presented, EDGE reserves the right to declare the Applicant in default and collect grant funds disbursed plus attorney's fees and costs of collection.



**Business Information**

Please fill out your information on the lines below.

Business Name Smyrtle's Management dba Midtown Mirror Beauty Bar

Business Address 16 South Cleveland

Business Telephone 901-515-8543

Type of Business Beauty/Barber Salon

Description Complete hair, makeup, facial services

Business Structure (Sole Proprietor, LLC, C-Corp, Partnership, S-Corp) Sole Proprietor

Year Incorporated \_\_\_\_\_ Date opened at current location May 2016

Federal Employer Identification Number (EIN) or Social Security Number if Sole Proprietor

[REDACTED]

Minority or Woman-Owned Firm. Yes  No  If yes, certified? Yes  No   
By which certifying entity? \_\_\_\_\_

Number of full and part-time employees as of 2/1/2020 and their weekly total wages (include the owner(s) if paid by the business). 5 FT/ \$5250/wkly

Describe employee benefits, if any (e.g., medical insurance, dental or vision insurance, retirement plan, etc.)

Employees do not have any employee benefits due to the nature of the business

Have you registered for advising with TSBDC? Yes  No

Have you received an initial TSBDC assessment? Yes  No

Have you scheduled a follow-up counseling session with TSBDC? Yes  No

**Owner Information (for all owners of more than 20% of business)**

Owner's Name(s) Myrtle Toliver

Home Address 9138 Dalry Cove, Cordova, TN 38018

Home Telephone 901-515-8543

Email smyrtlesmgmt@gmail.com

Owner's Name(s) \_\_\_\_\_

Home Address \_\_\_\_\_

Home Telephone \_\_\_\_\_

Email \_\_\_\_\_

Owner's Name(s) \_\_\_\_\_

Home Address \_\_\_\_\_

Home Telephone \_\_\_\_\_

Email \_\_\_\_\_

Owner's Name(s) \_\_\_\_\_

Home Address \_\_\_\_\_

Home Telephone \_\_\_\_\_

Email \_\_\_\_\_

Does the business, or any individuals owning more than 20 percent of the business, owe back taxes to the City of Memphis or Shelby County? Yes  No   
If so, attach an explanation of how that is being satisfied along with a copy of the payment plan.

Are any individuals owning more than 20 percent of the business or the business itself involved in any lawsuits? Yes  No  If so, please attach an explanation with a copy of the complaint.

**Economic Injury to Business**

	February 2020	Last Full Month of Operation Prior to Application
Business Revenue	6500.00	February 2020
Part Time Employees		
Full Time Employees	23625.00	February 2020
Total Payroll	23625.00	February 2020

In one page or less describe the impact of COVID-19 on your business including but not limited to:

- Employee or payroll reductions (Number of employees on March 1 vs. at time of application)
- Sales and revenue decreases
- Supplier interruptions
- Customer interruptions
- Ability to satisfy debts and obligations

Due to COVID-19, Midtown Mirror Beauty Bar has been closed causing the employees and sales and revenue to stop; the business has \$0 income. Customer and supplier interruptions are great due to the safety of customers. There has been an inability to satisfy debts and obligations because of the interruption of services causing \$0 income. The State of Tennessee has yet to approve unemployment for my employees. The business has incurred over \$15000 monthly losses and there has not been many avenues for a small businesses to recoup money to assist with employee pay, lease and utilities. An application has been completed for the Paycheck Protection Program, but has yet to be approved. The application was completed prior to the initial funding was depleted. This grant will assist tremendously and thanks for the consideration.

**Stabilization and Recovery Plan**

In one page or less describe steps to be taken to survive and recover from COVID-19 slow-down or interruption including but not limited to:

- Addressing customer interruptions and rebuilding sales, including marketing plans
- Addressing supplier interruptions
- Satisfying any outstanding financial claims, including vendors, bank/other debt, taxes, utility charges, etc.
- Any changes to the way the business operates
- Number and type of employees needed during application period
- Key budget items
- How the EDGE NEED Grant funds will be used
- Other funds to be used for the survival and recovery of the business

Midtown Mirror Beauty Bar will recover from this Pandemic with the grace of GOD and the preservance of its employees. We plan to reopen when the stay is lifted and our customers will come back for services. Our customers are loyal. We have implemented safety precautions for staff and customers. EDGE NEED Grant funds will be used to pay vendors in full and give employees a stipend to assist with their food and bills. The Stabilization and Recovery Plan is as follows:

Employees will receive up to \$200 weekly until stay is lifted = Total of \$1000 wkly

Lease payments = \$1375 monthly/ \$2200 to make current

Utilities = \$1000/monthly

Employees needed during application period = 3 type / service industry

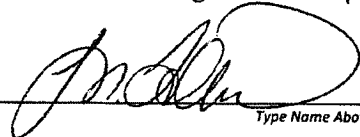
Insurance = \$250/monthly

The EDGE NEED Grant funds will be used for the aforementioned items.

By signing below, I hereby grant on behalf of my staff, my employees and my company to EDGE, its directors, officers, employees, agents, and designees (collectively "EDGE Parties") non-revocable permission to capture my image and likeness in photographs, videotapes, motion pictures, recordings, or any other media (collectively "Images"). I acknowledge that EDGE will own such Images and further grant EDGE permission to copyright, display, publish, distribute, use, modify, print and reprint such Images in any manner whatsoever related to EDGE business, including without limitation, publications, advertisements, brochures, web site images, or other electronic displays and transmission thereof. I further waive any right to inspect or approve the use of the Image by EDGE prior to its use. I forever release and hold EDGE and the EDGE Parties harmless from any and all liability arising out of the use of the Images in any manner or media whatsoever, and waive any and all claims and causes of action relating to use of the Images, including without limitation, claims for invasion of privacy rights or publicity.

The undersigned hereby certifies that all information contained above and all information contained in attachments which make up this grant 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: \_\_\_\_\_



Type Name Above

Date: \_\_\_\_\_

5/4/2020



MIDTOWN MIRROR  
BEAUTY BAR

**SMYRTLE'S MANAGEMENT dba MIDTOWN MIRROR BEAUTY BAR**

**JUNE / JULY / AUGUST 2020 BUDGET**

INCOME	ACTUAL	BUDGET	DIFFERENCE
<b>Operating Income</b>			
Jun-20 Services		7000	
Jul-20 Services		15500	
Aug-20 Services		25500	
<b>Total Operating Income</b>		48000	
<b>Non-Operating Income</b>			
Credentialing		1400	
<b>Total Non-Operating Income</b>		1400	
<b>TOTAL INCOME</b>		49400	

EXPENSES	ACTUAL	BUDGET	DIFFERENCE
<b>Operating Expenses</b>			
Accounting and Legal		0	
Advertising		0	
Depreciation		0	
Dues and SubscriptiOns		0	
Maintenance and Repairs		300	
Supplies		500	
Rent		4125	
Salaries and Wages		37500	
Taxes and Licenses		300	
Utilities		3000	
Other			
<b>Total Operating Expenses</b>		45725	
<b>Non-Recurring Expenses</b>			
Furniture		0	
Other		0	
<b>Total Non-Recurring Expenses</b>		0	
<b>TOTAL EXPENSES</b>		45725	
<b>NET INCOME</b>		3675	

**Attachment B**

**Report Form**



100 Peabody Place  
Suite 1100  
Memphis, TN 38103-3652  
P 901-341-2100  
F 901-527-9224  
info@growth-engine.org  
www.growth-engine.org

Business Owner  
Address

**RE: REQUIRED NEED GRANT PERFORMANCE REPORT**

Dear NEED Grant Recipient:

As a grantee of Neighborhood Emergency Economic Development (NEED) funds, you are required to submit **semi-annual** reports for the next 3 years. Please take a moment to answer the questions below, sign and return this form to:

EDGE, Economic Development Growth Engine for Memphis & Shelby County  
100 Peabody Place, Suite 1100  
Memphis, Tennessee 38103

Thank you for helping us track program successes and for working so hard to improve our community.

Sincerely,

Tracy Buckley  
Manager, Economic Development Programs

**NEIGHBORHOOD EMERGENCY ECONOMIC DEVELOPMENT GRANT PERFORMANCE REPORT**

Grantee: \_\_\_\_\_ Project: Name, Address \_\_\_\_\_

The NEED grant was approved to secure neighborhood serving businesses and prevent the loss of job generating activities.

Are you still open for business? \_\_\_\_\_

If yes, in the last 6 months, have sales been up, down, or stable? \_\_\_\_\_

How many people are currently employed at this location? Part time \_\_\_\_\_ Full time \_\_\_\_\_

Total payroll over the last 6 months to be either January 1<sup>st</sup> – June 30<sup>th</sup> or July 1<sup>st</sup> to December 31<sup>st</sup>  
\_\_\_\_\_

Are you following the recovery plan included in your NEED Grant application? If yes, what parts have worked-out best for you? If no, please explain why?  
\_\_\_\_\_

Are you working with Tennessee Small Business Development Center (TSBDC) or other acceptable agency?  
\_\_\_\_\_

Signature: \_\_\_\_\_



To the best of my knowledge and belief, I certify the following:

That the information and attachments provided are true and accurate, and except as noted on the previous page(s) or other attachments to this document, \_\_\_\_\_ has complied with all major criteria/components related to the EDGE NEED Grant.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Date: \_\_\_\_\_

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Email

Please submit completed and signed materials electronically to:

[PILOTCompliance@Growth-Engine.org](mailto:PILOTCompliance@Growth-Engine.org)

For assistance call: 901.341.2103

SAMPLE FOR DEMONSTRATION PURPOSES ONLY

