



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY



INNER CITY ECONOMIC DEVELOPMENT (ICED) FORGIVABLE LOAN APPLICATION 2014 Trial Program

The City of Memphis Inner City Economic Development program (ICED) is designed to spur economic development in distressed neighborhoods by improving the quality of inner city commercial corridors and neighborhood serving businesses, especially existing neighborhood retail locations and established businesses that have served residents for a long time and are part of the fabric of a community. The ICED program is also intended to grow local businesses by getting buildings along inner city commercial corridors tenant ready. Clusters of buildings will be given preference, so as to maximize the program's impact. This program will be developed in two phases.

Phase 1: Program Testing and Refinement

Working with The Mayor's Innovation Delivery Team (MIDT), EDGE will allocate an initial \$175,000 from the ICED fund to test and refine the types of investments that could occur within the ICED program. These test investments will be made along key corridors in the MIDT's South Memphis and Binghampton focus areas (maps attached). This allocation will be leveraged with a contribution of \$50,000 from the MIDT for a total of \$225,000 available to eligible borrowers. The program will test low-cost strategies with the potential for high-return on investment improvements to businesses such as corner stores, restaurants, general merchandise, and other neighborhood serving businesses.

ICED funds may be used for building facade and interior improvements, building expansion, streetscape improvements, street furniture and improved signage. A minimum of eight businesses / eligible borrowers will be assisted. Program testing will be completed no later than October 2014 and unused funds reallocated to the general ICED program.

- » Eligible applicants include both property owners and business lessees with a minimum of five-years remaining on the lease and written authorization of the property owner.
- » Applicants are encouraged to submit a letter of support from area Community Development Corporation (CDC) or from the Community Development Council of Greater Memphis with their application.
- » Applicants for an ICED Loan are eligible to borrow up to \$25,000 for eligible project costs (contingent on funds) but must provide a match of one (\$1) dollar for every two (\$2) dollars 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. This match may be in cash but the value of a business owner's "sweat equity," i.e. the portion of the work done by the owner himself or herself may also be counted toward the matching requirement at the discretion of EDGE. Recent improvements made to the property or business may, at the discretion of the EDGE Finance Committee, be considered as part of the required match and

should be included as part of the application. EDGE will require any cash match committed to a project be invested before any ICED funds are drawn down.

- » Completed applications will be submitted to EDGE for review by staff and approval by the EDGE Finance Committee.
- » Improvement loans granted to businesses are forgivable at rate of 33 percent per year from the close of the loan. Should the applicant default on the loan agreement before the entire loan is forgiven, the remaining amount will convert to a term loan. EDGE reserves the right to foreclose on the remainder of any defaulted loan.
- » At the discretion of the EDGE/MIDT architect an applicant may be required to submit a sealed engineering report stating that the applicant's building is structurally sound or what must be done to make the building structurally sound. ICED funds may be used to address structural issues with a building. ICED funds may not be used to correct property damaged by collision, acts of nature or occurrences covered by insurance.
- » To be eligible for the program the property must be current on both its City of Memphis and Shelby County property taxes or in an approved payment program with the taxing authorities.

To apply, the applicant will first meet with EDGE staff to discuss the project and review program requirements. Once the property tax status is confirmed, an architect retained by EDGE/MIDT will work with the applicant to prepare elevation and budget estimates for presentation to the EDGE Finance Committee as part of the application process.

- » Once a loan is approved the EDGE/MIDT architect will develop bid documents. The applicant, working with the EDGE/MIDT architect, must submit bids to EDGE staff, select a contractor from a list of approved contractors provided by EDGE or the applicant may choose to work with an area CDC provided that the CDC is also a licensed general contractor. The applicant must obtain all necessary permits. All contracts will be between the applicant and the contractor(s) selected. Upon receipt of a commitment letter from EDGE/MIDT, construction may begin.
- » Applicant shall submit draw requests as work continues. Prior to disbursing any funds, the draw request will be reviewed to ensure the work is in compliance with the plans and letter of commitment.
- » Businesses receiving forgivable loans will also receive up to 24 hours of business development consulting services and retail trends assistance.
- » ICED funds may be used for business façade and interior improvements, building renovation or expansion; streetscape improvements; furniture, fixtures and equipment; and associated direct soft costs.
- » The majority of exterior work must be done on a street facing front or side of an existing building (e.g.: storefronts, gutters and downspouts, cornices, signs, graphics, exterior lighting, canopies, awnings, and masonry cleaning). Landscape improvements and outdoor patios are

eligible as long as they are tied to a building façade improvement. The cost of permits is an eligible expense for the matching grant.

- » All work must comply with city, state and federal regulations and codes. Participants will be responsible for obtaining necessary regulatory approvals, including those of the Landmarks Commission where applicable, Construction Code Enforcement building permits and any other necessary permits.
- » Forgivable loans for the purpose of façade improvements do not require repayment. In the event that all or a portion of the forgivable loan funds are used for other purposes and the applicant defaults on the terms of the loan, the applicant will be personally liable for the remaining amount of the loan. The loan used for fixtures or other moveable interior improvements will be forgiven at a rate of 33 percent annually.



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APPLICANT INFORMATION

Name: Eric Goode Referred By: Josh Poag

Name of Business: Goode Development

Address: 378 N Perkins

Email: egoode@optimusparts.com Phone: 901-351-8656

Tax ID: _____ Years Owned: 1.5

Description of Business: Urban Development

Legal Type: C-Corp___ S-Corp___ LLC_ Partnership___ LLP___ Proprietorship___ Individual___

Date Established: 9/12/12 Leased or Purchased Project Location: 2519 Broad Ave

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

BUILDING OWNER, IF NOT APPLICANT

Name: _____

Name of Business: _____

Address: _____

Email: _____ Phone: _____

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

Name

Date

PROJECT INFORMATION

Facade: Interior Tenant Improvements: _____ Streetscape: _____ Building Expansion: _____

Total square feet in building where project is located: 4400 Number of floors: 2

Number of tenant spaces in building where project is located: 1

List of current tenants: Jackson Kramer, Michael Tauer, Taylor Berger Bounty

Year building was built: Early 1900's

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

If the applicant also occupies the project space, as either the owner or as a lessee, please provide the following:

Type of business (specify) _____

Area served (market area): _____

Number of employees: _____

List all owners, officers, directors and general partners of business and stockholders or limited partners owning 20 percent or more of the applicant. 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: David Goode % of ownership 50%

Address: 9085 Riveredge Cordova, Tn 38018

Name: Eric Goode % of ownership 50%

Address: 378 N. Perkins Rd Mem, TN 38117

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

Proposed Work Plan	\$ Estimated Cost
Façade Improvements	\$65,000
Structural, Roof and HVAC	\$80,000
Building Expansion	\$
Building Interior Renovation	\$225,000
Furniture, Fixtures & Equipment	\$
Landscape & Streetscape Improvements	\$
Other	\$
Soft Costs	\$
Contingency (%)	\$
TOTAL	\$370,000.00

PROPOSED SOURCES OF PROJECT FUNDING

Source of Funds	\$ Amount
Applicant Cash	\$370,000.00
Applicant In-Kind	\$
ICED Request	\$
Other – Specify	\$
TOTAL	\$370,000.00

If Applicant Is Requesting That Prior Expenditures Be Included in the Determination of an ICED Loan, Please Specify:

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?
Personally

Do you anticipate any new tenants as a result of the improvements?
Yes-The tenants that are referenced above became tenants based on the improvements to the building

Do you anticipate any new employees (full-time / part-time) at the Project site?
Both the tenant and contractors involved will bring new employees

Proposed Timeline:
July 2014

Have there been any recent building or site improvements made to the property that you would like considered as part of your match? If yes, please describe and include value of improvements:

Yes-everything that has been done to the old building should be considered for match. We essentially gutted the entire building except for the western & northern facing facades. The total project will be in excess of \$500K

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:

Eric Goode

5/5/2014

APPLICANT SIGNATURE:

DATE:

APPLICANT SIGNATURE:

DATE:

BUSINESS FINANCIAL INFORMATION FOR APPLICANT AND APPLICANT'S BUSINESS

(1) Please attach business 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) 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?
- 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 state or federal laws?
- 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?
- 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?
- e. Does the business or property owner owe past due federal, state or local taxes of any nature?

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:

Eric Goode

5/5/2014

APPLICANT SIGNATURE:

DATE:

APPLICANT SIGNATURE:

DATE: