

First State Community Loan Fund Market Street Corridor, Emerging and Expanding Business Program: Corridor Revitalization Fund

Program Overview:

The Corridor Revitalization Fund (CRF) is expected to serve as a catalyst to encourage economic revitalization on the Market Street Corridor, facilitate development, and contribute to a vibrant community with retail, entertainment and food service establishments.

Through the CRF, First State Community Loan Fund (CLF) will make available up to \$50,000 per applicant for eligible projects. Eligible applicants include small businesses, landlords and developers with properties located in the areas between the 100 and 1100 blocks of Market Street and the streets that intersect Market Street from King Street to Tatnall Street. Funding Priorities will be placed on businesses located within the 600 and 700 Blocks of Market Street seeking to better serve the City's new residential base, the workforce population, and add synergy to other recent Market Street reinvestment; and on Emerging and Expanding Businesses (which are defined as new or existing businesses that are growing rather than remodeling). Funding can be used for:

- Site acquisition/Business Expansion
- Construction/Renovation
- Working Capital
- Inventory
- Furniture
- Fixtures
- Existing business remodels are eligible for grants up to \$25,000 (provided that funds are available after satisfying Emerging and Expanding applicant needs)

The funding will be structured in the form of a forgivable loan. A security agreement and/or mortgage will be filed on the borrower and/or property at loan closing, for a period not to exceed 5-years. As long as loan covenants and grant conditions are adhered to, there will be no payments due from the borrower during the term of the loan and at maturity, the loan will be forgiven.

As part of the application process, applicant must be able to establish a path to site control (e.g. property ownership, valid lease, or seriously engaged in a lease or purchase discussion regarding the subject property). Applications will be received, reviewed, and approved on a quarterly basis with specific dates to be announced after the program is launched.

Applicants will be required to provide a non-debt, equity-match for funding received through the program. The equity-match could come in the form of cash, equipment, furniture or inventory. Qualifying equity-matches must have been made within 12-months of the application date. Total funding per borrower will not exceed 30% of the total project cost, with a maximum forgivable loan of \$50,000. If the property is separately demised for multiple individual tenants, separate applications

from separate entities will be considered. Grant Recipients cannot receive more than \$50,000 in CRF funds in any given

year. All applications for funding will be reviewed by the CRF Committee to assure compliance with program criteria and goals.

Review criteria will include:

- Consistency with Strategic Merchandising Plan
 - Business use recognized as under-served, complimentary to recent investments serving the new resident base and/or workforce population
 - Provides desirable amenities, goods and services—that will draw visitors to the downtown from the region and beyond
- Compliance with Design Recommendations
- Code Violations Review
- Business Plan Review
- Meeting equity-match requirements
- The applicant has applied for a Downtown Development District grant reservation

The following types of projects and activities will not be eligible through CRF Fund, adult bookstores, adult video shops, other adult entertainment facilities, check cashing facilities, gambling facilities, liquor stores, bars whose primary source of revenue come from the sale of alcoholic beverages, pawn or gun shops, tanning salons, tattoo parlors. First State CLF reserves the right to exclude any business that is not consistent with its mission.

By submitting their application, Applicants acknowledge the competitive nature of this grant opportunity and understand that First State CLF will make final awards based on the applicant's total score and the availability of funds.

Applications for the 2nd Round of CRF grants will be accepted beginning, **August 1, 2017**, and this funding round will close on **November 1, 2017**. Applications should be submitted to Delores Lee, Office Manager, First State CLF, 100 W. 10th Street, Suite 300, Wilmington, DE 19801, dlee@firststateloan.org. Awards announcements will be made by no later than **February 1, 2018**. No applications will be accepted after the closing round date.

There will be two information sessions to review program guidelines and the application process:

- **August 16, 2017 – 9:00 AM**
- **September 21, 2017 – 6:30 PM**
- **Location - Community Service Building, 100 W. 10th Street, Room 6, Wilmington, DE 19801. Confirm your attendance at the information session by contacting Delores Lee at 302-652, ext.111.**

Technical Assistance Resources

If you need assistance with your application package or businesses plan please contact one of the technical assistance providers listed below:

The Women's Business Center at First State CLF
<http://firststateloan.org/womens-business-center/>
302-652-6774, ext. 110

The Delaware Small Business Development Center
<https://delawaresbdc.org/>
302-831-1555

Retail Market Answers, LLC
917-335-1961

Scoring Criteria

Business Planning

Overall Quality of the Plan – up to 10 Points

Comprehensiveness and coverage of all the relevant factors, demonstrating a firm grasp of the opportunity, market realities, and sound data to support assumptions. This is an opportunity to acknowledge a comprehensive understanding of the subject matter of the grant application over-and-above the score achieved in the subsections of the business plan listed below.

Points –

Comments: _____

Marketing Plan - up to 10 Points

Demonstrated understanding of the Wilmington market and quality of plan. The following are examples of the key marketing areas you may want to consider factors such as:

- Demonstrated understanding of target market
- Competition
- Articulates Competitive Advantages/Value Proposition
- Plan to Access/attract a regional customer base in addition to providing for local goods and services
- Plans to serve new resident population
- Marketing budget as a % of annual revenue
- Award Points based on plans to invest 3% of revenue or higher on marketing efforts

Points –

Comments: _____

Operations Management/Experience – up to 10 Points

This pertains to the level of planning and detail regarding:

- Company management structure_____
- Skill level and experience of management and staff_____
- Internal controls_____
- Design and Function_____

Points -

Comments: _____

Financial Planning and Projections – up to 10 Points

- Development - Demonstrated understanding of the costs associated with funding the construction and redevelopment costs of the project and funding sources.
- Operating - Demonstrated vision of realistic Revenue and Expense structures necessary to carry the debt service and operating costs of the proposed business.

Points -

Comments: _____

Is this Project located in the 600 or 700 Block of Market Street – 5 Points

If so, award 5 points

Points –

Comments: _____

Façade and Signage Upgrades/Improvements – 5 Points

Demonstrated commitment to improving Market Street “curb appeal”; elevating the aesthetic and design standards on Market Street.

Points -

Comments: _____

Leveraging: Use of DDD and related incentives – 5 Points

Points -

Comments: _____

Capitalization/Working Capital – 5 Points

Realizing that under-capitalization is a contributor to small business failure you may award additional points above those awarded in the “Financial Planning and Projections” section above in circumstances where you feel a business has specially planned for a working capital reserve.

Points -

Comments: _____

Funding support has been provided by CDFI or related “mission-based” organization or program

If so, award 5 points

Points –

Comments: _____

If the applicant has Additional Locations (with one or more store/business) – 5 Points

If so, award 5 points

Points –

Comments: _____

SCORING SUMMARY

To be successfully considered for this grant opportunity, an applicant must achieve a minimum score of 45. The highest aggregated score will determine the outcomes. First State CLF will make final awards based on the applicant’s total score and the availability of funds.

Criteria	Score	Comments
Overall Quality of the Plan - 10 Points		
Marketing Plan - 10 Points		
Operations, Management & Experience - 10 points		
Financial Planning & Projections - 10 Points		
Located in the 600 or 700 Blocks - 5 Points		
Leveraged use of DDD and other grants – 5 points		
Façade & Signage - 5 Points		
Capitalization/Working Capital - 5 Points		
Multiple Businesses - 5 Points		
Use of CDFI or Mission Driven Lender - 5 points		
Consistency with Strategic Merchandising Plan – 5 points		
Total Overall Score		