



Grand Rapids Economic Development Authority Downtown Entertainment Loan Policy

The Grand Rapids Economic Development Authority (GREDA) recognizes that creative placemaking, arts and culture strengthens our economy by providing engagement opportunities for our residents and tourists, creating places and spaces where people want to live, work and visit. As a community development strategy, community placemaking integrates arts and culture to support, preserve and grow existing community assets, such as our downtown central business district.

Consistent with this understanding and their mission to advance measures that support and grow the Grand Rapids economy, GREDA has taken action to establish a Downtown Entertainment Loan Program to support these creative placemaking events and the positive economic impact they provide to our community.

1. Goals and Objectives

- Establish and administer a revolving loan program to provide short-term, flexible, financing for larger scale entertainment events/cultural programming held in downtown Grand Rapids, as it is geographically defined in the *Grand Rapids Downtown Plan*.
- Allocate \$300,000 in GREDA resources available through a grant received from the Blandin Foundation for this purpose.
- Provide funding to qualified applicants that limits the risk of organizing and hosting entertainment events/cultural programming that benefit the broader community, particularly during the initial years of establishment.
- Support the establishment of sustainable entertainment events/cultural programming in the downtown that provide rich engagement opportunities for residents and visitors.
- Support noteworthy entertainment events/cultural programming in the downtown that draw in a large audience and enhance and promote our community's standing as a highly desirable place to live and work.
- Utilize public spaces in the downtown to host entertainment events/cultural programming which activates the downtown, increases patronage to local businesses and establishes a "sense of place" and community connection to the downtown.

2. Eligible Applicants

- Nonprofit entities leading cross-sector partnerships that involve meaningful engagement of local creatives such as artists, arts nonprofits, creative businesses, local government, and community-based organizations.
- Qualifying nonprofit entities must exhibit the ability to initiate, promote and carry out the project effectively, attract financial and in-kind support from private and public sectors, and manage cross-sector partnerships.

3. Eligible Loan Activities

- Operating capital to assist the applicant with funding the entertainment event/cultural programming that can reasonably expect to attract an audience of at least 1,000. The operating capital can be used for expenses including but not limited to booking and hiring entertainment acts, ticketing service, equipment rental, and marketing cost.

- Other activities having sufficient merit as determined by the GREDA Board of Commissioners on a case-by-case basis.

4. Other Considerations

- Compliance with all government regulations.
- Downtown Entertainment Loan funds will be available for as long as the original allocation of funds or some portion thereof exists.

5. Conflict of Interest

- Any GREDA Commissioner that may indirectly or directly gain financially from loan transactions shall immediately inform the Board of any potential conflict of interest.
- If a potential conflict of interest exists, all necessary steps will be taken to ensure that the loan application is processed in full accordance with GREDA policies, and local and state regulations.

6. Loan Conditions

- Maximum loan amount is \$75,000.00
- Loan interest rate will be set at one percent (1%) annually, with interest prorated as of the payoff.
- Loans will have a maximum term of 9 months.
- Loan repayments can be made at any time during the term.
- There will be no penalty for early repayment.
- If the recipient can provide sufficient evidence that the event did not reach the breakeven point, that portion of the loan required to reach a breakeven point will be forgiven.
- Loans will be serviced by the City of Grand Rapids Finance Department.

7. Application Requirements

- Completed "Downtown Entertainment Loan" application and its required submittals.
- Applications will be reviewed by a minimum of two GREDA Commissioners and the Executive Director and will be acted upon by the full Board of GREDA Commissioners.
- Applications will be evaluated in terms of the following:
 - Event Plan – proposed activities and their projected attendance draw, the likelihood and extent to which the proposed event/activity will achieve the stated goals of this program, timeline and capacity to implement, marketing plan, level of cross-sector engagement, potential risks and competing factors.
 - Financial Feasibility - Availability of other funds, cost effectiveness, event budget and projected cash flow, private involvement.

8. Collateral

- Loans will be secured with a Promissory Note, the form of which will be provided by GREDA.

9. Reporting

- At 10 months following loan disbursement, loan recipients will be required to report on the impact of the loan in areas such as event attendance totals and the ratio of local (<50 miles) to visitor attendance, vendor sales, sponsorship sales and an account of any media coverage of the event.