



# MAIN STREET CHALLENGE

## Participant Overview

The City of Spartanburg, through its Economic Development Department, and with the participation of numerous local businesses, is offering an incentive package in excess of \$12,000 to each of three winning entrepreneurs who will open a store in downtown Spartanburg no later than November 1, 2013, in time for the Holiday retail season.

## OVERVIEW

The Main Street Challenge is an entrepreneurial start up competition which takes place over a period of roughly ten months and is for the purpose of generating additional retail occupancy on Main Street in downtown Spartanburg. At the same time, it provides a means by which local, area, and regional entrepreneurs can advance their desire to expand or open a new business. Business concepts eligible for the competition are:

- New start-up businesses
- Franchises
- An expansion or relocation of an existing location from another community.
- A significant expansion of an existing local business that would branch into an additional business concept.

## Goals

- Innovatively recruit new business that will enhance the business mix on Main Street in Downtown Spartanburg.
- To highlight available downtown properties and to increase downtown retail occupancy.
- Provide entrepreneurial businesses with financial assistance to launch their concepts.
- To create positive buzz about downtown Spartanburg.
- To drive consumer traffic to Spartanburg's Central Business District.
- To create new permanent leases in downtown Spartanburg.
- To generate ideas, leads, and other information to aid our efforts to support job creation and revenue growth.

## **Incentive Package**

- The City of Spartanburg will award up to three cash incentives, each in the amount of \$12,000. These awards represent a potentially forgivable loan, based on the recipient's compliance with certain criteria. Payment of the loan will be delayed for one year and if contingencies are met, the loan can be forgiven.
- Additional in-kind professional services will be provided by local businesses which could include, but not be limited to accounting, architectural, payroll, telephone/internet, website design, signage, office supplies, and advertising.
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## **Winners' Obligation**

- Each winner will be obligated to execute a minimum three-year lease for a street level retail/service/office location on Main Street in downtown Spartanburg, to open to the general public no later than November 1, 2013, and to operate during all normal/customary business hours for the term of the lease.

## **Eligibility**

- The contest is open to all legal U.S. residents, 18 years of age or older at the time of submittal of contest entry application.
- Proposed business can be independent or franchise.
- If the applicant is a current downtown business owner, application must be with the intent to introduce, open and operate a concept which will offer a new element not promoted in the existing location, or expand upon and highlight an element that would be removed from the existing location.
- The applicant must be willing, and demonstrate the financial ability, to commit to a minimum 3-year lease on Main Street in downtown Spartanburg, in one of several properties pre-qualified and selected for this competition.

## Official Rules and Regulations

- Prizes are not transferable and may not be redeemed for cash.
- Prizewinners may not request substitutions.
- Printed business concept proposals submitted for consideration to the contest Selection Committee may not be returned.
- The Selection Committee will judge all business concept plans, business plans, and other supporting documents submitted by any/all applicants. Decisions, judgments, and selections of the committee are at the discretion of the committee and are final.
- By participating in the contest, each applicant agrees to these Official Rules and to all decisions of the Selection Committee which are final and binding.
- The City of Spartanburg reserves the right to use all participants' names, likenesses, pictures, portraits, voice, biographical information, written submissions, and written or oral statements, for advertising and promotional purposes without additional compensation to participants unless required by law.
- By submitting an application for and entering the contest each applicant advancing to the final phase of the program authorizes the City of Spartanburg to conduct a credit check and background/reference check.
- The City of Spartanburg seeks to consider support to any viable business entering the competition whether or not that business wins the Main Street Challenge. All entrants with feasible business plans can be contacted with information about available retail property in downtown Spartanburg.

## Application and Selection Process

- Fill out and submit Main Street Challenge Application Form that includes the narrative describing your business concept, and why it would enhance and contribute to the economic welfare of downtown Spartanburg.
- Application must be received no later than the end of the business day on Friday, February 8. Applications and attachments received past that deadline will not be considered for the Challenge.
- The Selection Committee can choose up to twelve (12) applicants as semi-finalists for additional consideration. All other applicants will be informed of their removal from the competition.
- The semi-finalists can obtain business plan writing assistance from independent third parties, the Spartanburg Area Small Business Development Center an extension office of Clemson University, and SCORE (Service Core of Retired Executives), both partners of the U.S. Small Business Administration.

- The semi-finalists must submit business plans and supporting documents to the City of Spartanburg no later than the end of the business day on Friday, April 19. Necessary documents and attachments received past that deadline will not be considered for continuation in the competition.
- The Selection Committee can choose up to six applicants as finalists for additional consideration.
- Finalists will appear before the Selection Committee at a date to be determined to present their respective business concepts and plans, to demonstrate via product or electronic media how the business might be fixtured, displayed, marketed, etc. During this appearance, the finalists must be prepared to answer questions from the panelist and to demonstrate product and business acumen as well as to discuss financial planning for the purpose of sustaining a minimum three-year commitment to lease.
- Following the above demonstrations/interviews, the City of Spartanburg will conduct credit and reference checks of prospective winners. Upon concurrence of credentials, validity of concept, and applicability of the business to downtown Spartanburg, up to three finalists can be selected and notified of same as Grand Prize Winners (GPW).
- In the event a GPW cannot be reached for notification following a period of fifteen (15) calendar days, that GPW will be eliminated from the program. An alternate could be selected to fulfill the role of a GPW.
- Each GPW must then negotiate with the selected property owners to choose a location and to construct a working lease agreement no later than June 14, 2013. The property owner will convey access of the premises to Tenant no later than August 12, 2013 in order for the respective business to be able to open to the general public no later than November 1, 2013. If the GPW does not achieve a grand opening on or before November 1, 2013, the incentive package is forfeited.
- By accepting the Grand Prize incentive package, each winner releases and discharges the City of Spartanburg, participating sponsors, information providers, content providers, advertisers, advertising agencies, promotional and marketing agencies, and any other legal entity involved with or otherwise providing services related to this competition and all their respective employees, officers, directors, representatives and agents from any liability or damage due in whole or in part to the award, acceptance, possession, use or misuse of the Grand Prize or from participation in this competition.
- Information regarding the GPWs will be posted on [www.cityofspartanburg.org](http://www.cityofspartanburg.org) and [www.mainstreetchallenge.com](http://www.mainstreetchallenge.com), and will be released to the public through media alerts and other written and oral venues.
- In accordance with IRS Code regarding prizes and awards, a Form 1099-MISC might be issued by the City of Spartanburg to the GPWs. Each Grand Prize recipient should consult with his/her tax advisor for additional information.