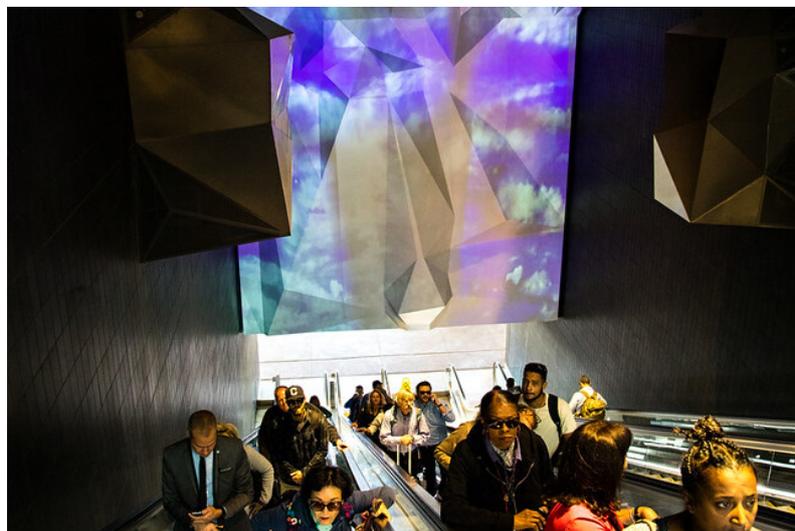
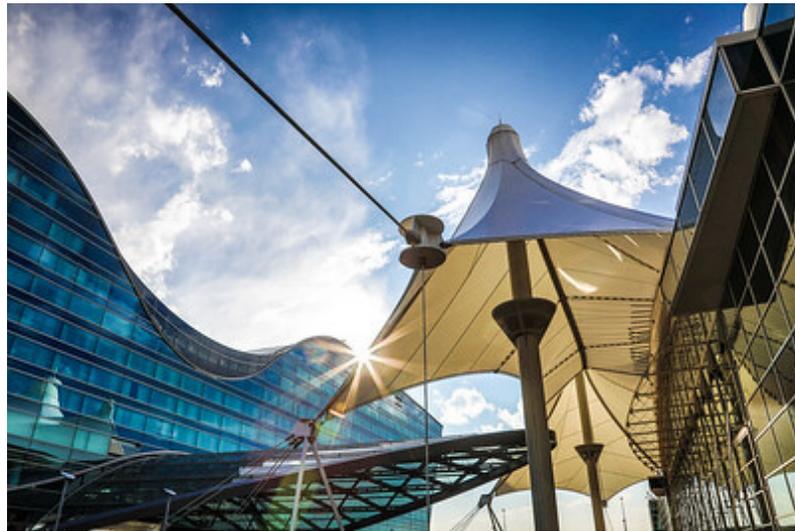


# Airport Concessions Disadvantaged Business Enterprise (ACDBE) Resources

NAVIGATE AND RECOVER FROM THE COVID-19 CRISIS



**Prepared by**

DEN COMMERCE HUB

JULY 8, 2020

## Helping ACDBEs navigate through the COVID-19 health crisis.



The Denver International Airport (DEN) Commerce Hub and the Airport Minority Advisory Council (AMAC) have partnered to provide resources and guidance to assist ACDBEs impacted by the COVID-19 pandemic. This guide is intended to help ACDBEs navigate through the Main Street Lending Program administered by the Treasury Department and the Federal Reserve. If you are interested in additional relief programs, please visit our [ACDBE COVID Help resource page](#).

The Commerce Hub team is available to answer your questions. If you need assistance, we encourage you to contact our office at [DENCommerceHub@flydenver.com](mailto:DENCommerceHub@flydenver.com) to submit a question or schedule a call.

	Page
Main Street Loan Program Overview .....	3
Eligibility .....	4
How to Apply .....	5

### Partner Objectives

#### **DEN Commerce Hub**

Empowering minority-owned, women-owned and small enterprises to grow their business at DEN by providing guidance and a supportive environment.

#### **The Airport Minority Advisory Council (AMAC)**

The only national, non-profit trade association dedicated to advance the full participation of minorities and women in employment and contracting opportunities throughout the aviation and aerospace industries.

The DEN Commerce Hub prepared this resource guide for ACDBEs to provide general information on the financial relief programs made available through the CARES Act for small businesses impacted by the COVID-19 health crisis. The information below summarizes publicly available information and in no way represents advice or an assertion of authority on these matters by DEN or the City and County of Denver. For complete up-to-date information and guidance regarding the Main Street Lending Program, visit the website for the [Federal Reserve Bank of Boston](#), as well as the [Board of Governors of the Federal Reserve System](#).

# Main Street Lending Program

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## What you need to know

The Federal Reserve established a Main Street Lending Program (the Program) to provide additional lending options to small and medium sized businesses that were unable to access the Paycheck Protection Program (PPP) or that require additional financial support after receiving a PPP loan. The Federal Reserve may purchase up to \$600 billion of participations in eligible loans. The Program will operate through three facilities: the Main Street New Loan Facility (MSNLF), the Main Street Priority Loan Facility (MSPLF), and the Main Street Expanded Loan Facility (MSELF).

Financial institutions may register to participate as lenders in the Main Street Loan Program and are encouraged to start making loans immediately. Interested businesses should contact a lender to discuss applying for a loan that would meet their needs. A list of lenders participating in the Main Street Lending Program who are currently accepting applications from new business customers and also elect to be listed can be found on the [Federal Reserve Bank of Boston's](#) website.

Updates regarding the program will be made available on the [Board's Main Street](#) page.

The Main Street SPV will cease purchasing loan participations on September 30, 2020, unless the Program is extended by the Treasury Department Board.

A business that receives a loan through the SBA's PPP can be an eligible borrower under Main Street. To be eligible, borrower must meet the criteria listed below and included in the applicable loan facility term sheet.

The information provided in this document is a summary of the Program, and additional and most up-to-date program information may be found on the [Federal Reserve website](#).

- [FAQs](#)
- [Term Sheet: Main Street New Loan Facility \(MSNLF\)](#)
- [Term Sheet: Main Street Priority Loan Facility \(MSPLF\)](#)
- [Term Sheet: Main Street Expanded Loan Facility \(MSELF\)](#)

# Main Street Lending Program

## Calculating 2019 Revenues

Businesses may use either of the following methods to calculate 2019 annual revenues for purposes of determining eligibility:

1. A Business may use its (and its affiliates') annual "revenue" per its 2019 Generally Accepted Accounting Principles-based (GAAP) audited financial statements; or
2. A Business may use its (and its affiliates') annual receipts for the fiscal year 2019, as reported to the Internal Revenue Service. For purposes of the Program, the term "receipts" has the same meaning used by the SBA in 13 CFR 121.104(a).

If a potential borrower (or its affiliate) does not yet have audited financial statements or annual receipts for 2019, the borrower (or its affiliate) should use its most recent audited financial statements or annual receipts.

## Loan Forgiveness

Main Street loans are full-recourse loans and are not forgivable and the principal portion of the loan cannot be reduced through loan forgiveness.

## Eligibility

To be eligible to borrow under the Program, a business must satisfy certain eligibility criteria, as set out in the MSNLF, MSPLF, and MSELF term sheets and described further below. The eligible borrower criteria are the same across all three facilities.

1. The business must have been established prior to March 13, 2020.
2. The business must not be an Ineligible Business. Ineligible businesses include businesses listed in 13 CFR 120.110(b)-(j), (m)-(s), as modified and clarified by SBA regulations for purposes of the PPP on or before April 24, 2020. Such modifications and clarifications include the SBA's recent interim final rules available at 85 Fed. Reg. 20811, 85 Fed. Reg. 21747, and 85 Fed. Reg. 23450.
3. The business must meet at least one of the following two conditions: (a) the business has 15,000 employees or fewer, or (b) the business has 2019 annual revenues of \$5 billion or less. Businesses must meet at least one of these conditions, but are not required to meet both. To determine how many employees a business has or a business's 2019 revenues, the employees and revenues of the business must be aggregated with the employees and revenues of its affiliated entities. (See 13 CFR 121.301(f) regarding affiliations.)
4. The business must be a U.S. business.
5. The business may only participate in one of the Main Street facilities (MSNLF, MSPLF, or MSELF) and must not also participate in the Primary Market Corporate Credit Facility (PMCCF).
6. The business must not have received specific support pursuant to the Coronavirus Economic Stabilization Act of 2020 (Subtitle A of Title IV of the CARES Act). A business is not eligible if it has received support pursuant to section 4003(b)(1)-(3) of the CARES Act.
7. The business must be able to make all of the certifications and covenants required under the Program. See the MSNLF, MSPLF, and MSELF term sheets and Section H of the FAQs for more information.

# Main Street Lending Program

## How to Apply

To obtain a loan under the Program, an eligible borrower must submit an application and any other documentation required by an eligible lender. Eligible borrowers should contact an eligible lender for more information on whether the lender plans to participate in the Program and to request more information on the application process.

Eligible lenders are expected to conduct an assessment of each potential borrower’s financial condition at the time of application. Eligible lenders will apply their own underwriting standards in evaluating the financial condition and creditworthiness of a potential borrower. The most current [Main Street Lending Program Forms](#) and Agreements are located on the Main Street website. An eligible lender may require additional information and documentation in making this evaluation and will ultimately determine whether an eligible borrower is approved for a Program loan. It is not guaranteed a business that meets the eligible borrower requirements will be approved for a loan or receive the maximum allowable amount.

Main Street Lending Program Loan Options	New Loans	Priority Loans	Expanded Loans
Term	5 years (previously 4 years)		
Minimum Loan Size	\$250,000 (previously \$500,000)		\$10,000,000
Maximum Loan Size*	The lesser of \$35M, or an amount that, when added to outstanding and undrawn available debt, does not exceed 4.0x adjusted EBITDA (previously \$25M)	The lesser of \$50M, or an amount that, when added to outstanding or undrawn available debt, does not exceed 6.0x adjusted EBITDA (previously \$25M)	The lesser of \$300M, or an amount that, when added to outstanding or undrawn available debt, does not exceed 6.0x adjusted EBITDA (previously \$200M)
Risk Retention	5%	5% (previously 15%)	5%
Principal Repayment	Years 2-4: 33.33% principal deferred for two years, years 3-5: 15%, 15%, 70%  (previously principal deferred for one year and 33.33% repayment due in years 2-4) 33.33% each year	Principal deferred for two years, years 3-5: 15%, 15%, 70%  (previously principal deferred for one year and 15%, 15%, 70% repayment due in years 2, 3, and 4, respectively)	
Interest Payments	Deferred for one year		
Rate	LIBOR + 3%		

EBITDA = Earnings before interest, taxes, depreciation, and amortization