



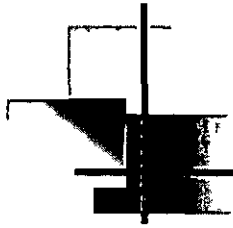
Business Retention and Enhancement Program

A 24 Month Pilot Program
Congress Avenue
&
East 6th Street



Background

- Since 1988 there have been nine individual studies recommending reinvestment in downtown retail
 - Congress Avenue
 - East 6th Street



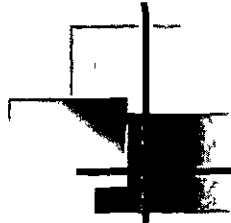
Preserving Downtown Retail

- Local Government Code Chapter 380 Economic Development Program
- Business Retention and Enhancement Program
- 24 month pilot
- Provide low-interest loans for eligible costs to businesses providing specific services
 - Art Galleries
 - Food Sales
 - Indoor Entertainment
 - Retail Sales
 - Restaurants
 - Theaters



Goal

- Restore downtown as an economic engine
- Develop Congress Avenue and East 6th Street as retail destination
- Enhance East 6th Street's live music and entertainment district
- Stimulate private retail investment
- Improve quantity and quality of goods and services
- Create and retain jobs



Loan Applicant

- Meets “special circumstances” definition
 - Business within eligible area required to relocate due to development
 - Agrees to remain in eligible area
 - Loan amount up to \$750,000
 - Outstanding balance forgiven if project operates successfully for period of 5 years after loan closing



Loan Terms

- \$750,000 loan at 6% interest for 20 years forgivable after five years with no default
- \$94,000 equity contribution from borrower
- Deed of trust lien
- Commitment to retain 15 full time permanent employees minimum 5 years

Loan Terms

- Documents prior to closing
 - Hazard insurance
 - Key person life insurance
 - Title policy commitment
 - Appraisal letter
- Proposed improvements submitted for historic preservation review and compliance
- Energy audit

Loan Amortization Schedule

Las Manitas \$750,000 Loan Amortization		Monthly Payment	Five Year Principal and Interest Payments			Five Year Loan Forgiveness
	Escalating Payment	Monthly P&I Payment	Principal	Interest	Total	Principal
20 Year Amortization 6.0% Interest Rate	Year 1 - 5	4,497	52,092	217,705	269,797	697,908
	Year 6 - 10	5,500	192,362	189,730	382,092	505,545
	Year 10 - 15	6,000	416,450	135,912	552,362	89,095
	Year 15 - 20	7,000	89,095	48,398	137,493	-
Total			750,000	591,745	1,341,745	