


# Late Backup



## Business Retention and Enhancement (BRE) Program

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A 24-Month Pilot  
Economic Development Program  
for Congress Avenue and East 6<sup>th</sup> Street

City Council Briefing

January 29, 2009

1



## BRE Program - Purpose

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- Support the re-establishment of Congress Avenue and East 6<sup>th</sup> Street as retail and urban entertainment destinations
- Provide low-interest loans for eligible uses

2

## BRE Program - Goals

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- Improve the image of Congress Avenue and East 6<sup>th</sup> Street as retail destinations
- Enhance East 6<sup>th</sup> Street's live music and entertainment district
- Stimulate private retail investment
- Improve quantity and quality of goods and services
- Create and retain jobs

3

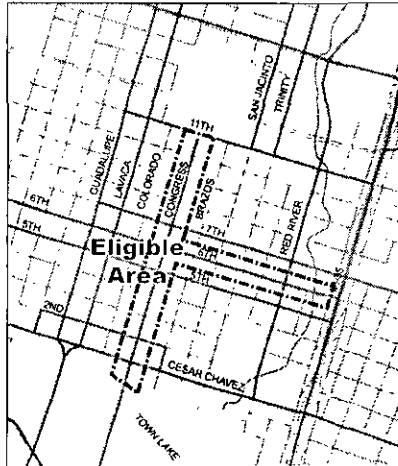
## BRE Program - Implementation

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- 24 month pilot program
  - Created on February 14, 2007
- Program assigned to EGRSO
  - Administer the program
  - Monitor and evaluate the program
  - Return to City Council with a report

4

## BRE Program - Eligible Area



5

## Who is Eligible for the Program?

- Program designed for:
  - Businesses locating to the Eligible Area
  - Existing businesses located within the Eligible Area that are displaced because of development
- Program available to these business types:
  - Art galleries
  - Food sales
  - Retail Sales
  - Restaurants
  - Theaters
  - Indoor entertainment

6




## Eligible Uses for a BRE Loan

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- Façade improvements
- Tenant finish-out
- Business-related equipment

7



## Financial Assistance Provided Through the BRE Program

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- Low-interest loans up to \$250,000
- Special Circumstance Provision: for existing businesses at risk of being displaced
  - City may increase loan amount up to \$750,000
  - City may forgive balance of loan after 5 years if no loan default or late payments

8



## BRE Loan - Apple Annies

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- Purchase and renovate first floor of 319 Congress Avenue
- Retain 23 employee base
- Create 20 new positions
- BRE Loan
  - \$250,000
  - 15 year term
  - 6.0% interest rate

9



## BRE Loan - El Sol y La Luna

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- Lease and remodel first floor of 600 E. 6<sup>th</sup> Street
- Retain 25 employee base
- Create 8 new positions
- BRE Loan
  - \$250,000
  - 5 year term
  - 4.5% interest rate

10

## BRE Program - Funding Sources

- Derived from development on Congress Avenue and East 6<sup>th</sup> Street
  - Alley vacation sales
  - Temporary use of right-of-way (ROW) fees
  - License agreements

11

## BRE Program - Financial Summary

<b>Revenues Collected: February 2007 to December 2008</b>	
Alley Vacation Sales	0
Temporary Use of Right-of-Way	451,889
License Agreements	189,573
Other	20,343
<b>Total Revenues Collected</b>	<b>661,805</b>
<b>Loan Commitments:</b>	
Apple Annies	(250,000)
El Sol y La Luna	(250,000)
<b>Balance as of December 2008</b>	<b>161,805</b>

12

## BRE Program - Scheduled Loan Repayments

Borrower	Amount	Interest Paid Over the Life of the Loan	Total to be Repaid
Apple Annies	250,000	129,736	379,736
El Sol y La Luna	250,000	26,633	276,633
<b>Total</b>	<b>500,000</b>	<b>156,369</b>	<b>656,639</b>

13

## Recommendations for BRE

- Continue the BRE as an ongoing program
- Eliminate the Special Circumstance Provision

14



## Next Step

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- Return to Council on February 12<sup>th</sup> with an ordinance amending the BRE Program guidelines