

AGENDA



Thursday, February 12, 2009

**Economic Growth & Redevelopment Services
RECOMMENDATION FOR COUNCIL ACTION****Item No. 7**

Subject: Approve an ordinance amending Ordinance No 20070215-003 relating to the Business Retention and Enhancement Program, an economic development program for Congress Avenue and East 6th Street, to extend the program, and to amend the program guidelines.

Fiscal Note: There is no unanticipated financial impact.

For More Information: Rodney Gonzales, Acting Director, EGRSO / 974-2313; David Lloyd, Attorney Senior, Legal / 974-2918

Prior Council Action: February 15, 2007, the City Council adopted an ordinance creating the Business Retention and Enhancement (BRE) Program; March 1, 2007, the City Council adopted an ordinance amending the Fiscal Year 2006-07 Operating Budget to create the BRE Fund; January 29, 2009, the City Council received a briefing on the BRE Program.

City Council created the Business Retention and Enhancement (BRE) Program and adopted program guidelines on February 15, 2007. The program is administered by the Economic Growth and Redevelopment Services Office (EGRSO). The purpose of this economic development program is to retain or attract certain types of businesses to support re-establishing Congress Avenue and East 6th Street as retail destinations. The program offers low interest loans for qualifying businesses.

Council created the program to operate as a pilot program for 24 months with a report from EGRSO due to Council at the end of the pilot period. The program is funded by temporary use of right-of-way fees, alley vacation sale revenue, and license agreement fees collected within the area bounded by Brazos and Colorado Streets from Cesar Chavez to 11th Street and within the area bounded by 5th and 7th Streets from Interstate 35 to Congress Avenue.

On January 29, 2009, EGRSO presented Council a report on the BRE Program. The ordinance being considered by Council is to amend the BRE Program guidelines based on the report.

The recommended action would allow the following changes to the program guidelines: 1) to eliminate the "Special Circumstance" provision, which allowed for forgivable loans up to \$750,000; 2) to provide flexibility for EGRSO to determine the need for application requirements for loans for equipment; and 3) to continue the economic development program indefinitely.