

Late Backup

#8

EGRSO/SBDF



MEMORANDUM

**TO:** Mayor and Council

**FROM:** Kevin Johns, Director  
Economic Growth and Redevelopment Services Office

**DATE:** February 27, 2013

**SUBJECT:** Change to February 28 Agenda Item 8

The purpose of this memo is to inform you of a change to Agenda item 8 on this week's Council agenda. This item is a \$199,284 Family Business Loan Program (FBLP) loan to Shady Spring Enterprises, Inc., which will create 12 new jobs in the Saltillo neighborhood.

**The FBLP loan amount remains the same at \$199,284 but the project is larger.** The overall cost of the project has increased since the RCA was published, but this increase only affects the amount of equity the borrower must contribute. The owner of Shady Spring Enterprises has stated that she will provide additional equity to cover this increase, and EGRSO staff has documentation verifying that the owner has the increased equity amount available. The loan documents will also require the owner to cover any future project cost over-runs by providing additional equity.

The revised breakdown of funding sources for this loan is as follows:

<u>Finance Provider</u>	<u>Financing Source</u>	<u>Amount</u>
City of Austin	Family Business Loan Program	\$199,284
ABC Bank	Conventional Financing	\$228,873
Shady Spring Enterprises Owner	Borrower Equity	<u>\$110,263</u>
Total Project Cost		<u>\$538,420</u>

If you have any questions, please contact Rosy Jalifi at 974-7739, or EGRSO Small Business Development Program Manager Vicky Valdez at 974-7620.

cc: Marc Ott, City Manager  
Sue Edwards, Assistant City Manager  
Rosy Jalifi, Assistant Director, EGRSO  
Vicky Valdez, SBDF Manager