

# Business Retention and Enhancement Program

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CITY OF AUSTIN ECONOMIC DEVELOPMENT DEPARTMENT

OCTOBER 28, 2015



# Business Retention and Enhancement Program Overview

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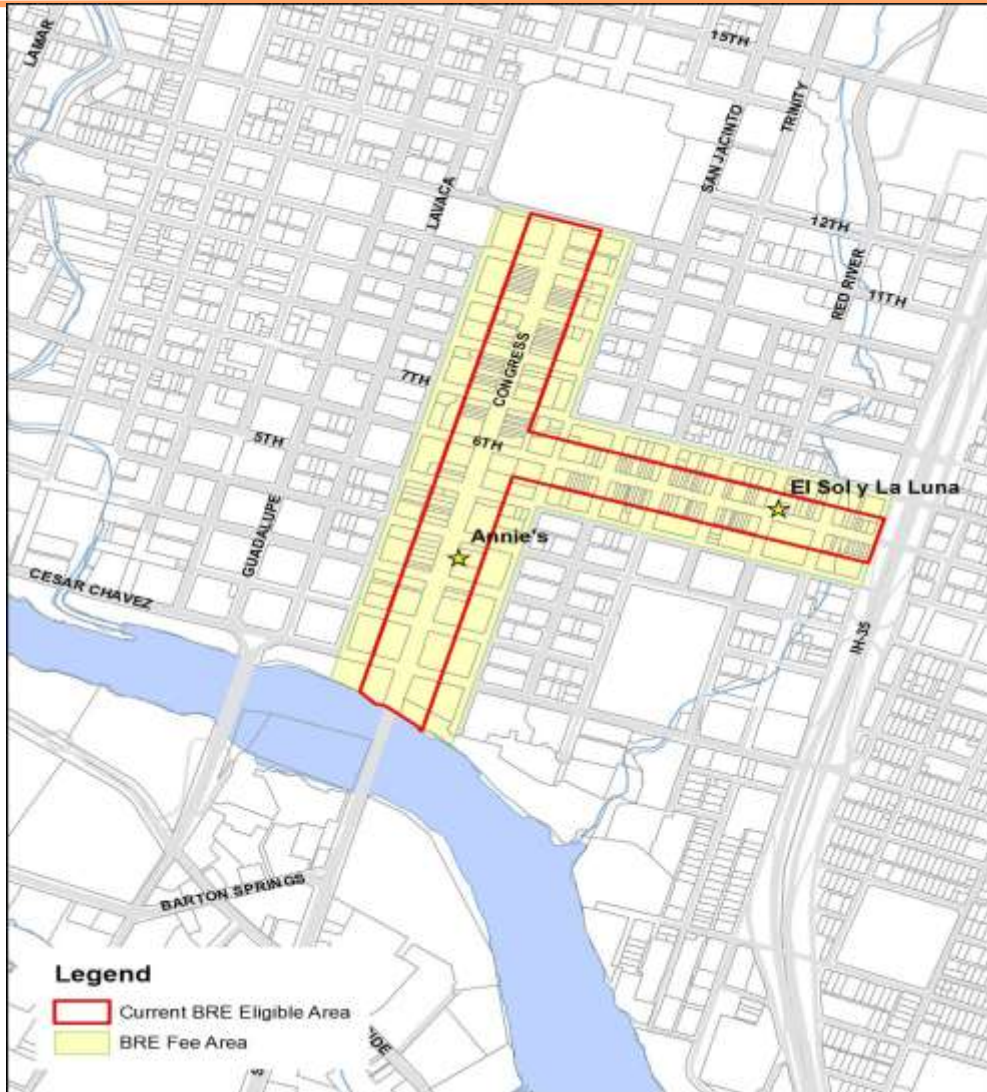
- Created on February 14, 2007 (24 month pilot program)
- Support the re-establishment of Congress Avenue and East 6<sup>th</sup> Street as retail and urban entertainment destinations
- Provide low-interest loans for eligible uses
- Improve the image of Congress Avenue and East 6<sup>th</sup> Street 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
- Active partnerships with Downtown Austin Alliance, EDD-Soul-y Austin, EDD- Small Business Program Red River Cultural District, and Sixth Street PID

# Current Uses

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- Façade Improvements
- Tenant Finish Out
- Business-related equipment
- Restoration of historically significant buildings
- Costs associated with design work
- 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

# Current Eligible Area



**“Eligible Area”** (Red Outlined Area) can be defined as the area of Congress Avenue bounded by 11<sup>th</sup> Street on the north, Town Lake on the south, and the alleys directly east and west of Congress Avenue, and the area of East 6th Street bounded by Congress Avenue on the west, the southbound frontage road of IH-35 on the east, and the alleys directly north and south of East 6th Street, as indicated on the BRE Program map. Businesses within this area are eligible for the BRE Program.

**“BRE Fee Area”** (Yellow Outlined Area) is the fee collection area for the BRE funding.

**“Fee Sources”** Temporary Use of Right-of-Way, Vacation of Rights-of-Way, License agreements



# Business Retention and Enhancement Program (BRE)

A low-interest loan  
program for small  
businesses

El Sol Y La Luna: \$250,000

- 8 New Full-time jobs

Apple Annie's: \$250,000

- 20 New Full-time jobs

Apple Annie's



El Sol Y La Luna



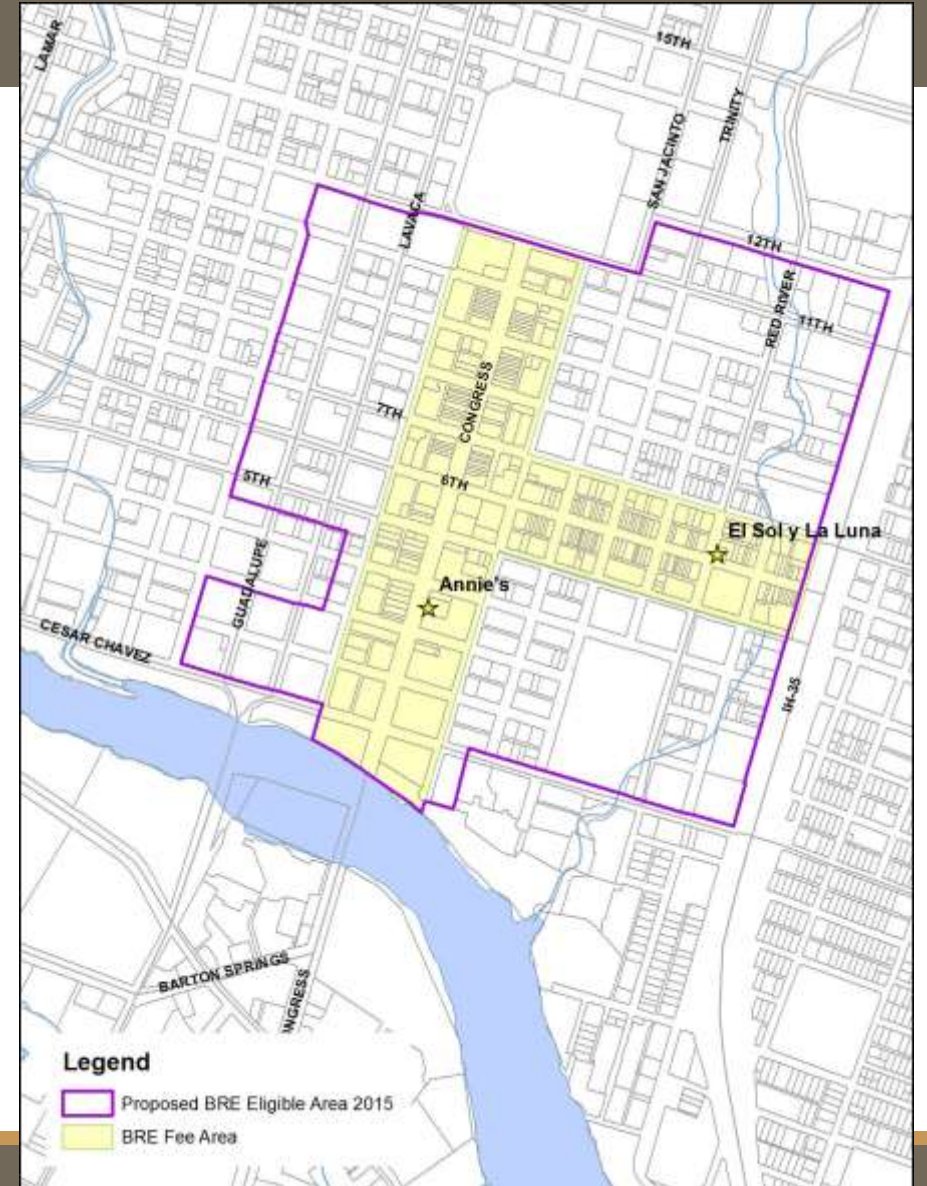
# Program Evaluation

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1. Service Area does not maximize opportunity for downtown businesses to access the program
2. Program has attracted interest, although qualifications, guidelines and timeframe limit opportunity and eligibility
3. Current eligible projects do not comprehensively reflect the needs identified by businesses
4. Cumbersome and not business friendly process as financial documentation is made public

# Program Recommendations

- Expand Service Area (See map) \*not collection area
  - Include the Red River Cultural District, area closet to the Convention Center and business area near the Innovation District
- Expand criteria to include **existing businesses** in the eligible area, **not just new businesses**
- Expand Eligible Business Uses
  - Assist up to three (3) existing music and nightlife venues with improvements
- Align Guidelines to match the Family Business Loan Program



# Program Recommendations

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- Expand eligible project costs to include:
  - Catalyst Spaces – Seed funding for property ownership, Retail Ready Space
  - Upgrading Windows
  - Outdoor experience – sidewalk cafes, patios \*no rooftop patios
  - Expand uses to accommodate live music in business
- Non-loan funding component
  - Matching grant not to exceed \$50,000 per project



# Alternative Funding Recommendations

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- Real Estate Investment Trust:
  - Creative Space Development
  - Mixed Use Development
- Einstein Program
  - Internship Program Summer 2016



Thank you  
City of Austin Economic Development Department  
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