

# AGENDA



## Recommendation for Council Action

Austin City Council	Item ID	51918	Agenda Number	21.
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Meeting Date:	11/19/2015	Department:	Economic Development
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### Subject

Authorize negotiation and execution of a Family Business Loan Program Section 108 to Bouldin Creek Café LLC for the acquisition and expansion of current property located at 1900 South 1st Street in Austin Texas in an amount not to exceed \$220,050.00

### Amount and Source of Funding

\$8,000,000 in loan funds guaranteed by HUD's Section 108 Loan Guarantee Assistance program.

### Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	May 24, 2012 - Council approved Resolution No. 20120524-015 creating the Family Business Loan Program and approved Ordinance No. 20120524-016 authorizing Family Business Loan Program fees. August 29, 2013 - Council approved Resolution No. 20130829-027 authorizing the acceptance of \$8,000,000 in grant funds from the U.S. Department of Housing and Urban Development (HUD) Section 108 Family Business Loan Program.
For More Information:	Kevin Johns, Director, Economic Development Department, (512) 974-7802
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

### Additional Backup Information

Bouldin Creek Café LLC will acquire and expand its existing operations at its current location, 1900 South 1st Street, in order to better serve its customers and the local community.

Bouldin Creek Café LLC is requesting that the City provide a federally-funded HUD Section 108 loan totaling \$220,050 through the Family Business Loan Program (FBLP) to fund inventory, working capital and non-construction related project costs. The total project cost is estimated at \$2,466,500.00

Per HUD requirements, FBLP borrowers are required to create at least one full-time job for every \$35,000 in loan

funds borrowed. The project will create eight full-time jobs within five years, equivalent to one job for every \$27,506 in FBLP loan funds, exceeding HUD standards.

Bouldin Creek Café LLC is an Austin based woman-owned business, originally founded in Austin in May of 2000. The owner leveraged over 26 years of industry experience to build a coffee house into a full scale restaurant, specializing in vegetarian menu items and a commitment to creative spirit of Austin.

The FBLP Loan Review committee recommended approval of this loan to Bouldin Creek Café LLC based on the owner's history of creating a successful business enterprise, financial strength of the transaction and the owner's commitment to job creation benefiting low-to-moderate individuals as defined by HUD. This project is consistent with the FBLP mission as approved by Council Resolution 20120524-015, to fund small business expansion that will create jobs, and is consistent with HUD Section 108 guidelines.