



Recommendation for Action

File #: 19-2900, **Agenda Item #:** 21.

9/19/2019

Posting Language

Authorize negotiation and execution of a Section 108 Family Business Loan agreement with Flatbed, Inc. (doing business as Flatbed Press), for relocation expenses, renovation and working capital for a lease space located at 3701 Drossett Drive Suite 190 Austin Texas 78744, in an amount not to exceed \$238,000.00.

Lead Department

Economic Development Department

Fiscal Note

A fiscal note is not required.

Prior Council Action:

May 24, 2012 - Council approved Resolution 20120524-015 creating the Family Business Loan Program and Ordinance 20120524-016 to authorize the Family Business Loan Program's fees; August 29, 2013 - Council approved Resolution 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; February 25, 2016 - Council approved Resolution No. 20160225-013 authorizing issuance of a note and contract with HUD in an amount not to exceed \$3,000,000 to fund the program; August 31, 2017 - Council approved Resolution No. 20170831-010 authorizing issuance of a note and contract with HUD in an amount not to exceed \$5,000,000 to fund the program.

For More Information:

Veronica Briseño, Director, Economic Development (512) 974-2156

Additional Backup Information:

Flatbed, Inc. is seeking to finance relocation expenses, renovation and working capital for a lease space located at 3701 Drossett Drive, Suite 190 Austin Texas 78744, in council District 2. Flatbed, Inc. is a locally owned printmaking studio and gallery space that collaborates with artist to produce limited edition pieces. It also operates a community press for independent printmaker artists to explore printmaking and a gallery showroom.

The project will result in the creation of no less than seven full-time jobs within five years, of which 51% or more will be offered to low-to-moderate income (LTMI) persons; equivalent to approximately one job for every \$34,000 in Family Business Loan Program (FBLP) loan funds, exceeding HUD standards. Per HUD requirements, FBLP borrowers are required to create at least one full-time job for every \$35,000 in loan funds borrowed.

The FBLP loan review committee recommended approval of this loan to Flatbed, Inc. based on the (1) owner's history of creating a successful business enterprise, (2) financial strength of the transaction, and (3) owner's commitment to job creation benefiting low-to-moderate individuals, as defined by HUD. An additional benefit is the loan will assist a business working in creative space. 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 with HUD Section 108 guidelines.

