



STAFF REPORT

MEETING DATE: September 17, 2024

TITLE:

Consider and act on Resolution R-2024-121, Approving changes to the Bastrop Economic Development Corporation's Revolving Loan Fund (RLF) Program; repealing all resolutions in conflict; and providing an effective date.

AGENDA ITEM SUBMITTED BY:

Submitted by: Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, BEDC Interim Executive Director and City Manager

BACKGROUND/HISTORY:

The BEDC board recently adopted a small business loan program made possible by the generous donation of Roscoe Bank. The program, known as the Revolving Loan Fund (RLF), assists with business retention and business expansion, core principles of the BEDC.

The revised program seeks to remove the BEDC from the actual loan originator to a loan guarantor. With assistance from Roscoe Bank, the staff seeks to change the RLF policy to have the applicant first apply with Roscoe Bank, and if necessary (due to credit or other limitations) the BEDC may then guarantee the loan by moving the loan funds to a restricted account that would pay Roscoe in the event of applicant default.

Roscoe Bank is agreeable and has worked with board member Frank Urbanek on the basic terms sheet included in the agenda packet.

Lastly, the program description is modified to show a guarantee, and not a loan, as well as removing the application packet itself.

The BEDC Board approved the changes to the program via Resolution R-2024-0009 at their August 26, 2024, board meeting. Those changes now require City Council approval.

FISCAL IMPACT:

None

RECOMMENDATION:

Approve the partnership with Roscoe Bank and approve the RLF documents as submitted.

ATTACHMENTS:

1. Draft City Council Resolution R-2024-121
2. Approved BEDC Resolution R-2024-0009
3. RLF redlined document
4. Proposed Roscoe Bank terms