



STAFF REPORT

MEETING DATE: August 26, 2024

TITLE:

Consideration and possible action on Bastrop Economic Development Corporation (BEDC) Revolving Loan Fund (RLF) and a proposed partnership with Roscoe Bank.

AGENDA ITEM SUBMITTED BY:

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM

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

At the May 20, 2024 meeting, the board clarified the appointment of a RLF review committee who could assist in the review of applications.

Additionally, the revised process sought 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 F. 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.

FISCAL IMPACT:

N/A

RECOMMENDATION:

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

ATTACHMENTS:

1. RLF redlined document
2. Proposed Roscoe Bank terms