



# City of San Antonio

## Agenda Memorandum

**File Number:**14-820

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**Agenda Item Number:** 19.

**Agenda Date:** 5/1/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Transportation & Capital Improvements

**DEPARTMENT HEAD:** Mike Frisbie

**COUNCIL DISTRICTS IMPACTED:** Council District 1

### **SUBJECT:**

Blanco Road Business Utility Assistance Pilot Program

### **SUMMARY:**

The City of San Antonio has developed a business utility assistance pilot program for businesses experiencing significant business downturn as a result of the construction activity associated with the 2007-2012 Bond Program's Blanco Road Improvements Project. The pilot program would offer eligible businesses an economic development loan to be used for the purpose of paying a portion of the businesses utility bills from April 2014 through the completion of the Project which is estimated to be in August 2014.

### **BACKGROUND INFORMATION:**

The Blanco Road Improvement Project is a \$21.8 million 2007-2012 Bond Program project that is reconstructing and widening Blanco Road from San Francisco to Edison and El Monte to Olmos Creek with curbs, sidewalks, driveway approaches, turn lanes at major intersections, and necessary drainage and traffic signal improvements. The Project commenced in September of 2012 and is anticipated to be completed by August 2014.

There are over 100 businesses located within the Project's boundaries. As a result of the ongoing construction, the businesses have been economically impacted and some have approached the City seeking assistance in maintaining their business within the boundaries of the Project while construction is still ongoing.

## **ISSUE:**

In order to stimulate and retain business and commercial activity in this area, which contributes to the local economy by providing taxes and jobs, City staff has developed the Blanco Road Business Utility Assistance Pilot Program (the “Program”) for businesses immediately adjacent to the Blanco Road Improvement Project that are experiencing significant business downturn as a result of the construction activity.

The Program would offer eligible businesses an economic development loan to be used exclusively for the purposes of paying a portion of the businesses’ utility bill during the Project’s ongoing construction.

In accordance with the criteria of the Program, eligible businesses shall be those that are located on Blanco Road, one block to the east and one block to the west, from San Francisco Street to Lee Hall and from El Monte Boulevard to Olmos Creek. Additional requirements would be that each business is independently owned and operated with only a single location within the defined area. Businesses with additional locations or that are operated under a franchise having other business locations in San Antonio will be reviewed by City staff on a case by case basis.

The City’s Transportation and Capital Improvements (TCI) Department will manage the Program. A TCI employee will make contact with businesses seeking assistance to determine Program eligibility. Upon the determination that a business is qualified under the Program’s criteria, TCI staff will contact the appropriate CPS and SAWS counterpart to inform them of the businesses participation in the Program. Following enrollment and notification to SAWS and CPS, the City will then execute an economic development loan agreement with the business to provide a monthly loan equivalent to a percentage of the businesses utility invoice. The Program’s criteria includes the condition that businesses need to pay some portion of their monthly utility bills. The loan funds can be used only for the purpose of paying utility costs assessed by SAWS or CPS.

Funding for the economic development loan is available within the FY 2014 Transportation & Capital Improvements Department General Fund Budget identified through the consolidation of the former Capital Improvements Services and Public Works Departments.

To determine the effectiveness of the Program, City staff will track the following metrics: 1.) benefit to impacted businesses and its effect on keeping the business in operation through the construction period; 2.) implementation impact on City, CPS, and SAWS staff; 3.) business commitment in adhering to the terms and conditions of the Program; and, 4.) effectiveness of pilot program guidelines and eligibility criteria.

The program would be effective upon approval by the City Council and would be made available to impacted and eligible businesses on May 2, 2014.

## **ALTERNATIVES:**

An alternative is to not offer business utility assistance to these impacted businesses. However, this may lead to the loss of tax revenue, local jobs and commercial activity in the area due to business closings.

## **FISCAL IMPACT:**

It is estimated that an amount of up to \$225,000.00 may be issued in economic development loans to businesses participating in the Program. Such funds are available in the FY 2014 Transportation & Capital Improvements Department General Fund Budget.

**RECOMMENDATION:**

Staff recommends approval of the Blanco Road Business Utility Assistance Pilot Program for businesses meeting the eligibility criteria in order to stimulate and maintain business and commercial activity within the Blanco Road Improvements Project's boundaries.