



# City of San Antonio

## Agenda Memorandum

**File Number:**15-3628

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**Agenda Item Number:** 4.

**Agenda Date:** 6/10/2015

**In Control:** Westside Development Corporation

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**ORGANIZATION:** Westside Development Corporation (WDC) - Finance Committee

### **POSTING LANGUAGE:**

Discussion and possible action on a recommendation to the Board of Directors regarding a loan agreement with Louis Escareno in an amount up to \$70,000.

### **SUMMARY:**

Mr. Escareño has submitted an application for a \$70,000 loan request to expand his law practice at 2717 West Martin Street. The Committee will review the application and provide a recommendation to the Board of Directors.

### **BACKGROUND INFORMATION:**

#### **General**

Mr. Louis R. Escareño has submitted a loan application to the Westside Development Corporation (WDC) for \$70,000. Escareño & Associates is a law firm based in Westside San Antonio with an emphasis in governmental relations and public affairs. Primary clients include corporations and individuals requiring advocacy and representation before government agencies and jurisdictions along the U.S. - Mexico border. The practice has been in existence for 22 years. All employees have in excess of 20 years of experience in delivery of legal service. The firm is in the process of expanding its practice.

WDC staff reviewed Mr. Escareño's application which was submitted on May 7, 2015. The \$70,000 in funds will be used for the remodel of 2717 W. Martin and connecting properties at 112 & 114 Cecelia Street. The remodeling will secure adequate office, meeting and parking space to allow for the business expansion. Specifically the scope of work consists of new employee parking on 112 Cecilia St., remodeling of the entry on 2717 W. Martin and adding 12 feet to the existing building on 114 Cecilia St.

Mr. Escareño made an initial investment into the project in April 2015 when he purchased 112 & 114 Cecelia St. The remaining total cost of the project is estimated at \$216,028.83. Mr. Escareño has applied to two area banks who are currently reviewing his applications for the remainder of the project funds in the amount of \$146,028.83. At the request of one of the banks, Mr. Escareno has begun the process to re-plot

all three properties into a single parcel.

A review of the application indicates that Mr. Escareño has met all WDC underwriting and collateral criteria for funding of the loan.

**FISCAL IMPACT:**

Loan funds are derived from the Project Fund which receives an annual allocation from the City of San Antonio. The WDC Operating Fund will receive interest income throughout the term of the note. Returned principal will be returned to the Project Fund.

**RECOMMENDATION:**

Staff recommends the WDC Project Committee and Finance Committee approve the loan based on the following terms and refer to WDC Board for approval.

- \$70,000.00 loan principal
- Interest rate of 4%
- Seven (7) year (72 month) term
- Any other conditions or terms as outlined by the Project and Finance Committee.

**MRH - 150610 - Finance - Item 4 Memo**