



# City of San Antonio

## Agenda Memorandum

**File Number:**15-3654

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**Agenda Item Number:** 3.

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

**In Control:** Westside Development Corporation

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

### POSTING LANGUAGE:

Discussion and possible action on a recommendation to the Board of Directors regarding a loan agreement with Robert R. Jaramillo, Jr., dba Rene Roberts Hair Studio.

### SUMMARY:

Mr. Jaramillo has submitted an application for a loan to move his existing business from 1207 McCullough to 800 Cincinnati. The Committee will review the application and provide a recommendation to the Board of Directors.

### BACKGROUND INFORMATION:

#### General

Mr. Jaramillo Jr., doing business as Rene Roberts Hair Studio, has submitted a loan application to the Westside Development Corporation (WDC) for \$19,000. Mr. Jaramillo, Jr. has been styling individuals' hair for more than 20 years and has owned his own shop located at 1207 McCullough Ave for more than 17 years.

WDC staff reviewed Mr. Jaramillo Jr.'s application which was submitted on June 4, 2015. The \$19,000 in funds will be used as part of the project funds for the clean-up and remodel of a new 10,000 square foot building he is purchasing at Calaveras and Cincinnati. He will be moving his business from its McCullough Ave location to his new Westside location. This move in business is consistent with where most of Mr. Jaramillo Jr.'s clientele resides. The increase in shop size will also allow for additional services to be provided at the salon.

His current building is listed for sale. He is currently under contract to purchase the new building by the middle of June. Mr. Jaramillo Jr. is investing \$25,000 into the purchase of the new property which he is acquiring for \$87,000 and has secured a private loan to finance the remaining \$62,000.

A review of the application indicates that Mr. Jaramillo Jr. 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.

- Up to \$19,000 loan principal
- Interest rate of 3.25%
- Five (5) year (60 month) term
- Any other conditions or terms as outlined by the Project and Finance Committee.

**MRH - 150610 - Project - Item 3** Memo