

About the Galveston Business Recovery Fund

The Galveston Business Recovery Fund (Fund) has been designed to serve as a resource to the Galveston business community devastated by the impacts of Hurricane IKE. Available through the Fund are low interest loans to viable Galveston businesses that were located in Galveston prior to Hurricane Ike and who are committed to rebuilding/reopening on Galveston Island. This initiative has been created as a perpetual revolving loan fund for the Galveston business community.

Created by the Galveston Economic Development Partnership (GEDP), this fund has been initiated through a strong partnership with the Houston-Galveston Area Council (HGAC). HGAC utilized an existing 501(c)(3) organization, the Corporation for Regional Excellence, in which to act as the fiscal agent for this Fund.

This initiative is an extension of the GEDP Hurricane Recovery Task Force. As a result of these efforts, the GEDP realized that “gap” financing would be essential at the local level if our community were to succeed in rebuilding. This gap is defined as the period of time between the landfall of the storm and the receipt of insurance or federal financial assistance being received by the affected businesses.

GEDP Business Recovery Program

Immediately following Ike, the GEDP facilitated the implementation of a Business Recovery program that to date has now resulted in two phases of implementation.

The first phase was through the creation of the **Hurricane Ike Recovery Loans**. Thanks to the foresight, vision and willingness of our local lenders, a structure was quickly adopted in which viable businesses on the island prior to Ike could access gap financing through a low interest (5%) single pay note, short term (180 days) loan. Between September 13th and December 31st of 2008 – our local banks reinvested over \$50 million dollars back into the Galveston business community.

The second phase is the **Galveston Business Recovery Fund**. This program has been developed in cooperation with the Houston Galveston Area Council. Parameters of this program are similar to the Hurricane Ike Recovery Loans, however this is a low interest (5%), mid-term (up to 10 years) loan for viable businesses on the island prior to Ike and to which they have committed to reopening on this island.

Loan Criteria

Loans are available for Viable For-Profit Businesses in operation on Galveston Island prior to Hurricane Ike with a stated commitment of rebuilding/re-opening on Galveston Island.

Loan Amounts range between \$20,000 - \$40,000 on a case-by-case basis.

Loan Proceeds can be used for Working Capital; Fixtures/Furniture/Equipment; Facility Repairs; Utility Fees and others.

Loan Terms include a fixed 5% interest rate with a term up to 10 years. There are no other closing or servicing fees associated with these loans.

FAQ's

1. **How do Businesses participate?** Call the GEDP office (409/502-7757) and staff will walk you through the one-page application.
2. **How can additional contributions be made to this fund?** Contact the GEDP staff for additional information. Contributions may be sent to the HGAC Corporation for Regional Excellence (a 501(c)(3) organization)- with GBRF highlighted on the memo line of the Check
3. **How many of the dollars that are contributed to this fund are actually lent out to the Business Community?** - 100%.
4. **How have applicants been identified for this program?** - We have been keeping track of businesses as we met them from the first week of the storm through today. Essentially this is a first-come, first-served transparent process. We will make loans as long as loan funds are available and that will always be our major hurdle as we know there is much more need than available resources.
5. **Is this program filled with red tape?** - NO -- These loans are designed as character loans with a one-page application form for viable businesses that were in operation prior to Hurricane Ike.

The Galveston Economic Development Partnership (GEDP) is a private, non-profit 501(c)(6) organization that is membership based. The mission of the GEDP is to utilize broad-based community support for the expansion of Galveston Island's economic and tax bases. Founded in 1999, the GEDP works to facilitate new projects and investments across the Island.

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For More Information Contact:

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