

## **NEWS RELEASE**

Galveston Economic Development Partnership  
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### **GALVESTON BUSINESS RECOVERY FUND**

#### **SMALL BUSINESS LOANS**

#### **PRESENTED TO GALVESTON BUSINESSES**

The Galveston Economic Development Partnership (GEDP) has begun the second phase of its drive to help Island businesses recover from Hurricane Ike, providing working capital loans to four local companies.

Loans were presented Thursday (May 7) to DiBella's Italian Restaurant, Chalmer's Hardware, Island Flowers and El Jardin Mexican Restaurant.

"These loans are the next step in our continuing efforts to expand Galveston's economic and tax base," said GEDP Chairman Richard Ferdinandtsen. "Within days of landfall, the GEDP facilitated an organized initiative with Galveston's local banks to lend millions of dollars to help local businesses with Hurricane Ike cleanup and emergency repairs; this second phase provides an additional resource to further assist the Galveston business community."

The 10-year working capital loans carry a fixed 5% interest rate with no additional fees or closing costs. Funds can be used to purchase inventory, replace equipment, pay employees, improve facilities or for a variety of other purposes.

The loans are funded by private donations to the Galveston Business Recovery Fund, initiated by the GEDP and administered by the Houston-Galveston Area Council (HGAC).

“We have established a strong partnership with the HGAC. This regional organization acted swiftly to lend their assistance to Galveston Island in our recovery of the Galveston business community,” Ferdinandsen said. “HGAC has provided the 501(c)(3) organization (Corporation for Regional Excellence) and acts as the fiscal agent/loan processor for the Galveston Business Recovery Fund. This participation has allowed for the GEDP to create a revolving loan fund with a minimal level of bureaucracy or red-tape.”

“DiBella’s, Chalmer’s, El Jardin and Island Flowers are the kinds of small businesses that are the heart and soul of any local economy,” said GEDP President Jeffrey Sjostrom. “They fit our lending requirements: For-profit companies that were in business on the Island prior to the hurricane and they are committed to coming back.”

“The Galveston Business Recovery Fund and the GEDP have stepped in at the perfect time to assist our company in rebuilding and re-opening on Galveston Island” said Frank Dryden of Island Flowers. “It was like a blessing that this program became available and was able to fill a critical gap in our abilities to reopen and move forward with Island Flowers.”

GEDP is a membership-based, private non-profit organization founded in 1999 whose mission is to utilize broad-based community support for the expansion of Galveston Island’s economic and tax bases. Since the hurricane, it has taken on additional efforts to aid hurricane recovery for existing businesses while continuing its traditional role of facilitating new projects and investments for the Island.

“While most of our work has been behind the scenes and out of the public eye, we feel these first loans from the Business Recovery Fund show we are able to help commerce get back on track,” Sjostrom said.

“We can only lend money we have on hand,” he emphasized, “and we need more contributions. We have verbal commitments of up to \$500,000, and there is so much more that can be done with additional support.”

The Galveston Business Recovery Fund is a revolving loan fund, through which loan payments will be used to fund new loans in a perpetual cycle.

The third phase in the business recovery effort, Sjostrom said, will be a much larger regional revolving loan fund capable of helping larger companies with financing for major projects in the Galveston-Houston area.

Galveston businesses interested in applying for loans from the Galveston Business Recovery Fund, or donors who would like to contribute to the fund, are encouraged to contact the GEDP at (409) 770-0216.