



**MAIN STREET  
PROGRAM**

## **MEMORANDUM**

**To: Mayor Donna Dodgen and the Seguin City Council  
Steve Parker, City Manager**

**Through: Rick Cortes, Deputy City Manager**

**From: Kyle Kramm, Main Street and CVB Director/HPO**

**Subject: Partial Release of Collateral on Howell Loan**

**Date: September 28, 2021**

In June 2019, the Seguin City Council approved a \$100,000 loan to Jason Howell to rehab the five commercial bays at the Hugo Starcke Building at 1421 North Austin Street. As collateral for the loan, the City filed a lien deed of trust on the 7,843 square foot historic property.

When Mr. Howell began the project and the lien was placed on the property, the building was on one contiguous lot. Since then, Howell has re-platted the property with each store front becoming an individual lot. As some of the tenants have expressed an interest in purchasing their space from Howell, he is requesting the City to approve a partial release of lien to go in effect contingent on sale of property.

The City currently holds a lien on the 7,843 square foot structure. The release of lien would be based on percentage of square feet of the structure sold. For example, if he were to sell a 1200 square foot bay, it would be 15.3% of the square footage the City has a lien against and Mr. Howell would pay 15.3% of his loan balance back at the time of the sale.

Staff respectfully requests Council approval to allow the partial release of lien should Howell sell any of his lots consisting of the Hugo Starcke building.