



7505 South Holden Street
Midvale, UT 84047
801- 567-7200
Midvale.Utah.gov

**REDEVELOPMENT AGENCY OF MIDVALE CITY
MEETING AGENDA
JANUARY 2, 2024**

PUBLIC NOTICE IS HEREBY GIVEN that the **Redevelopment Agency of Midvale City** will hold an electronic and in-person meeting on the **2nd day of January 2024** as follows:

Electronic & In-Person City Council Meeting

This meeting will be held electronically and in-person. **Public comments may be submitted electronically to the Board for consideration at www.Midvalecity.org/government/contact-us by 5:00pm on January 1st and will be included in the meeting record.**

The meeting will be broadcast on the following: **You Tube: Midvale.Utah.gov/YouTube**

6:30 PM OR IMMEDIATELY FOLLOWING THE CITY COUNCIL MEETING

I. GENERAL BUSINESS

A. WELCOME AND ROLL CALL

II. PUBLIC COMMENTS

Any person wishing to comment on any item not otherwise scheduled for public hearing on the agenda may address the Redevelopment Agency of Midvale City Board at this point by stepping to the microphone and giving his or her name for the record. **Comments should be limited to not more than three (3) minutes unless additional time is authorized by the Redevelopment Agency of Midvale City Board.** Citizen groups will be asked to appoint a spokesperson. This is the time and place for any person who wishes to comment on non-hearing items. Items brought forward to the attention of the Redevelopment Agency of Midvale City will be turned over to staff to provide a response outside of the Redevelopment Agency meeting.

III. CONSENT AGENDA

A. Consider Minutes of December 6, 2023 [*Rori Andreason, HR Director/City Recorder*]

IV. DISCUSSION ITEM

A. Discussion Regarding Amendments to the Midvale Main Business Loan Program [*Kate Andrus, RDA Program Manager*]

V. ADJOURN

In accordance with the Americans with Disabilities Act, Midvale City will make reasonable accommodations for participation in the meeting. Request assistance by contacting the City Recorder at 801-567-7207, providing at least three working days' notice of the meeting. TTY 711

A copy of the foregoing agenda was provided to the news media by email and/or fax. The agenda was also posted at the following locations on the date and time as posted above: City Hall Lobby, on the City's website at Midvale.Utah.gov and the State Public Notice Website at <http://pmn.utah.gov>. Board Members may participate in the meeting via electronic communications. Board Members' participation via electronic communication will be broadcast and amplified so other Board Members and all other persons present in the Council Chambers will be able to hear or see the communication.

DATE POSTED: DECEMBER 28, 2023

**RORI L. ANDREASON, MMC
CITY RECORDER**



REDEVELOPMENT AGENCY MEETING

Minutes

Tuesday December 6, 2023

Council Chambers
7505 S Holden Street
Midvale, Utah 84047

CHAIR: Marcus Stevenson

BOARD MEMBERS: Board Member Paul Glover
Board Member Quinn Sperry
Board Member Dustin Gettel
Board Member Bryant Brown - Excused
Board Member Heidi Robinson

STAFF: Matt Dahl, City Manager; Nate Rockwood, Assistant City Manager; Rori Andreason, City Recorder; Garrett Wilcox, City Attorney; Mariah Hill, Administrative Services Director; Adam Olsen, Community Development Director; Laura Magness, Communications Director; Meggie Troili, RDA Project Manager; Cody Hill, Economic Development Director; Wendelin Knobloch, Planning Director; Chief Randy Thomas, UPD; and Matt Pierce, IT Director.

Chair Stevenson called the meeting to order at 9:20 p.m.

I. GENERAL BUSINESS

A. Roll Call - Board Members Dustin Gettel, Quinn Sperry, Heidi Robinson, and Paul Glover were present at roll call. Board Member Bryant Brown was excused.

II. PUBLIC COMMENTS

There was no one who desired to speak.

III. CONSENT AGENDA

A. CONSIDER MINUTES OF NOVEMBER 14, 2023

B. CONSIDER RESOLUTION NO. 2023-18RDA ESTABLISHING A TIME AND PLACE TO HOLD THE REDEVELOPMENT AGENCY OF MIDVALE CITY MEETINGS FOR THE 2024 CALENDAR YEAR

MOTION: Board Member Paul Glover **MOVED** to approve the consent agenda. The motion was **SECONDED** by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	Absent
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Heidi Robinson	Aye

The motion passed unanimously.

IV. ACTION ITEMS

A. CONSIDER REOLUTION NO. 2023-19RDA CONSENT TO ENTER INTO A PASS-THROUGH AGREEMENT WITH MIDVALE CITY FOR COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING TO SUPPORT THE REDEVELOPMENT AGENCY'S HOME REPAIR LOAN PROGRAM

Meggie Troili said Midvale City applied for and was awarded \$100,000 in Community Development Block Grant funding from Salt Lake County to support the Redevelopment Agency's Home Repair Loan Program. **Resolution No. 2023-19RDA** will provide consent for Midvale City to pass Community Development Block Grant funding to the Redevelopment Agency of Midvale City to support the Home Repair Loan Program.

Salt Lake County distributes CDBG funding through a reimbursement process. Therefore, the RDA will fund the HRLP program upfront with restricted affordable housing funds and request reimbursement from Midvale City, who will request reimbursement from Salt Lake County.

FISCAL IMPACT:

\$0

STAFF RECOMMENDATION: RDA staff recommended suspending the rules in consideration of **Resolution No. 2023-19RDA** Consent to Enter into a Pass-Through Agreement With Midvale City for Community Development Block Grant Funding to Support the Redevelopment Agency's Home Repair Loan Program.

MOTION: Board Member Dustin Gettel **MOVED** to suspend the rules and pass **Resolution No. 2023-19RDA** Consent to enter into a Pass-Through Agreement with Midvale City for Community Development Block Grant Funding to support the Redevelopment Agency's Home Repair Loan Program. The motion was **SECONDED** by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	Absent
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Heidi Robinson	Aye

The motion passed unanimously.

B. CONSIDER RESOLUTION NO. 2023-20RDA CONSENT TO AMEND THE FIRST AMENDED AND RESTATED AGREEMENT WITH NEIGHBOR WORKS SALT LAKE TO ADMINISTER BOTH THE HOME REPAIR LOAN AND DOWN PAYMENT ASSISTANCE PROGRAMS

Meggie Troili said on September 19, 2023, the Redevelopment Agency of Midvale City passed Resolution No. 2023-11RDA entering into a First Amended and Restated Service Agreement with NeighborWorks Salt Lake (NWSL) to administer both the Down Payment Assistance and Home Repair Loan programs (HRLP). This agreement has been amended to comply with Community Development Block Grant (CDBG) requirements to fund the HRLP program with CDBG funds up to \$100,000 through Salt Lake County.

Updates through the amendment now include the incorporation of all provisions of the CDBG agreement which include but are not limited to; documentation and record-keeping, licensing requirements, grantor recognition, administration standards, financial management, cost principles, audits and inspections, progress reports, procurement, environmental conditions, personnel and participant conditions, and subcontractor management.

STAFF RECOMMENDATION: RDA staff recommended suspending the rules and passing Resolution No. 2023-20RDA Consent to Amend the First Amended and Restated Agreement with NeighborWorks Salt Lake to administer both the Home Repair Loan and Down Payment Assistance Programs.

MOTION: Board Member Dustin Gettel **MOVED** to suspend the rules and adopt Resolution No. 2023-20RDA Consent to Amend the First Amended and Restated Agreement with NeighborWorks Salt Lake to administer both the Home Repair Loan and Down Payment Assistance Programs. The motion was **SECONDED** by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	Absent
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Heidi Robinson	Aye

The motion passed unanimously.

C. CONSIDER REOLUTION NO. 2023-21DA APPROVING THE TERM SHEET BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND 7718 MAIN STREET LLC FOR PARTICIPATION IN THE MAIN STREET FAÇADE IMPROVEMENT PROGRAM

Kate Andrus said on December 6, 2022, the RDA Board approved the Main Street Façade Improvement Program ("Program"). The Program aims to enhance the exterior of buildings within the Main Street area to attract new businesses, retain existing ones, and make Main Street an appealing place to work, live, and shop. In response to limited interest, the RDA Board approved amendments to the Program on October 3, 2023, based on feedback provided by potential applicants.

Following these amendments, 7718 Main Street LLC submitted an application for funding through the Program. Agency staff assessed the application for completion and presented it to the Main Street Façade Improvement Advisory Board ("Advisory Board") for review and recommendations. The Advisory Board's recommendations are now presented to the RDA Board for approval.

The Advisory Board's review of 7718 Main Street LLC's proposal determined that the project meets the basic eligibility requirements of the Program. Given the impact of the improvements and the budget required, the Advisory Board recommends funding the maximum award amount of \$75,000, not to exceed 50% of the total project cost. Additionally, the Advisory Board recommends conveying an easement to the Redevelopment Agency of Midvale City for a term of 10 years.

Agency staff is now seeking authorization from the RDA Board to execute the agreement based on the attached term sheet.

FISCAL IMPACT:

The overall program budget allocated for funding grants under the Main Street Façade Improvement Grant Program is \$175,000. If approved, the RDA will provide funds up to \$75,000 as a reimbursement to 7718 Main Street LLC. This will bring the overall budget for the Main Street Façade Improvement Program to \$100,000 for FY 2024.

MOTION: Board Member Dustin Gettel **MOVED** to suspend the rules and adopt Resolution No. 2023-21RDA approving the term sheet for a grant agreement between the Redevelopment Agency of Midvale City and 7718 Main Street LLC for participation in the Main Street Façade Improvement Program. The motion was **SECONDED** by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	Absent
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Heidi Robinson	Aye

The motion passed unanimously.

D. CONSIDER RESOLUTION NO. 2023-22RDA AUTHORIZING THE CHIEF ADMINISTRATIVE OFFICER TO ENTER INTO AN AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF MIDVALE CITY AND LEMONDE STUDIO INC. FOR THE DESIGN AND CONSTRUCTION OF FESTIVAL LIGHTING ON MIDVALE MAIN

Kate Andrus said in March of 2023, the Redevelopment Agency received grant funding for the installation of festival lighting along Midvale Main through the Salt Lake County Tourism, Recreation, Culture and Convention (TRCC) Support Program. On October 17, 2023, the RDA Board adopted the findings and recommendations of the Urban Streetscape and Lighting Design Study, which provided a 10% concept design for festival lighting.

On October 2, 2023, a request for proposals was posted on the U3P website with a deadline of October 19, 2023, to submit. The request went out to over 4,000 vendors, and a total of 6 vendors attended the mandatory pre-bid meeting. Unfortunately, staff did not receive any proposals due to concerns over inadequate funding to cover the cost of routing the required power supply to Main Street, in addition to the cost of design and installation of the festival lights.

After speaking with Rocky Mountain Power, Agency staff has decided to work with Rocky Mountain Power independently of this funding source to provide the needed power supply. As a result, the selected vendor will only be responsible for providing the coordination services needed with Rocky Mountain Power, as required for this project.

On October 19, 2023, a new request for proposals was posted on U3P for a period of ten days, as required by Midvale Municipal Code 3.02.120. Due to the short turnaround time for proposals, no proposals were submitted. As a result, staff entered into an informal bidding procedure whereby 4 quotes were obtained.

After reviewing the qualifications, past work, budget and schedule, Agency staff recommends entering into the attached design-build agreement with LeMonde Studio Inc. Agency Staff believes that Le Monde Studio Inc. provides the required expertise to design and fabricate the desired festival lighting along Midvale Main while infusing their unique flair for interactive art and sustainable energy solutions. In addition, LeMonde Studio Inc.'s proposal includes a cost breakdown within budget and provided the shortest timeline with a start date of December 7, 2023 and a completion date of April 6, 2024.

LeMonde Studio Inc. as part of the attached design-build agreement will be responsible for providing the following services:

- Shall maintain an overall budget of \$387,700 for the cost of the project. This shall include all labor, materials, equipment and services provided to complete the design and build of the festival lights on Midvale Main.
- Shall develop a visually captivating and creative lighting design plan for the festival

lights that shall be submitted to the Agency for approval. Upon approval the Agency and LeMonde Studio Inc. shall execute an amendment to the agreement setting forth the terms of the agreement based on the design.

- Upon the execution of the Design-Build Amendment, LeMonde Studio Inc. shall prepare Construction Documents and provide the service required for the fabrications, procurement and installation of the festival lights.
- LeMonde Studio Inc. shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the work under the Contract.
- LeMonde Studio Inc. shall provide regular inspections and quality control checks conducted to ensure the highest standards of workmanship.
- LeMonde Studio Inc. shall have all work completed and funds expended prior to July 1, 2024.

Other key terms of the attached design-build agreement include:

- The Agency shall compensate LeMonde Studio Inc. for their work in monthly progress payments based on project completion, not to exceed \$387,700.
- All work shall be performed in compliance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities.
- LeMonde Studio Inc. warrants to the Agency that materials and equipment furnished under the Contract will be of good quality and new unless the Design-Build Documents require or permit otherwise.

Timeline

- TRCC Grant Awarded Funding
- Notification of award 03/2023
- The RDA was awarded \$200,000 in grant funds for the installation of festival lighting
- RDA is expected to provide funding in the amount of \$187,700 as part of this project
- Midvale Main Urban Streetscape design study
- Approved 10/17/2023
- Provided the preliminary design of festival lighting on Midvale Main
- Vendor Selection Process
- 10/02/2023-11/21/2023
- Authorization of Agreement
- Design Process
- Kick off starts 12/07/23
- Final Design approval due 01/08/2024
- Construction Begins
- Production of materials will begin 01/12/2024
- Installation will take place in late winter-early spring
- Project Complete
- Expected date of completion is 04/06/2024*
- The completion date is expected to be later than the TRCC Grant deadline

- RDA Staff will be returning with an amendment to extend the deadline to 07/01/2024

LeMonde Studio Inc Proposal

Project Budget: \$387,700

Project Timeline: 12/07/22-04/06/2024

Provides over 10 years of experience with over 700 projects that have fused light technology with placemaking and interactive art across North America.

Past work includes both permanent and temporary installations at:

- NYC's Hudson yard and Garment District
- Montreal Formula 1 Grand Prix
- ArtBre at Montreal International Airport
- Montreal's Escapade Pour La Vie Experience
- Montreal's Le Jam du Nord
- Gilbert AZ, Harvest District
- Houston TX, Theater District

Key Terms of the Agreement

LeMonde Studio Inc. as part of the design-build agreement will be responsible for providing the following:

- Shall maintain an overall budget of \$387,700 for the cost of the project. This includes all labor, materials, equipment and services provided to complete the design and build of the festival lights on Midvale Main.
-
- Shall develop a visually captivating and creative lighting design plan for the festival lights that shall be submitted to the Agency for approval. Upon approval the Agency and LeMonde Studio Inc. shall execute an amendment to the agreement setting forth the terms of the agreement based on the design.
-
- Shall prepare Construction documents and provide the service required for the fabrications, procurement and installation of the festival lights.
-
- Shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the work under the Contract.
-
- LeMonde Studio Inc. shall have all work completed and funds expended prior to July 1, 2024.

Final Impact

The overall budget for this project is \$387,700. The TRCC Support Program is providing \$200,000 as a reimbursement grant. The remaining \$187,700 will be funded by the Main Street CDA budget.

Board Member Paul Glover said to make sure there is a warranty on the lights and identify who is responsible to fix them.

Board Member Dustin Gettel would like this brought back to Council for design approval.

MOTION: Board Member Dustin Gettel **MOVED** to suspend the rules and pass Resolution No. 2023-22RDA authorizing the Chief Administrative Officer to enter into an Agreement between the Redevelopment Agency of Midvale City and Le Monde Studio Inc for the design and construction of festival lighting on Midvale Main. The motion was **SECONDED** by Board Member Heidi Robinson. Chair Stevenson called for discussion on the motion. There being none he called for a roll call vote. The voting was as follows:

Board Member Bryant Brown	Absent
Board Member Dustin Gettel	Aye
Board Member Paul Glover	Aye
Board Member Quinn Sperry	Aye
Board Member Heidi Robinson	Aye

The motion passed unanimously.

V. ADJOURN

MOTION: Board Member Paul Glover **MOVED** to adjourn the meeting. Board Member Dustin Gettel **SECONDED** the motion. Chair Stevenson called for discussion on the motion. There being none, he called for a vote. The motion passed unanimously.

The meeting adjourned at 9:42 p.m.

Rori L. Andreason, MMC
City Recorder

Approved this 2nd day of January, 2024.



REDEVELOPMENT AGENCY OF MIDVALE SUMMARY REPORT

January 2, 2023

ITEM TYPE: Discussion

SUBJECT: Discussion Regarding Amendments to the Midvale Main Business Loan Program

SUBMITTED BY: Kate Andrus, RDA Program Manager

CITIZEN'S REPORT: The Redevelopment Agency of Midvale City Board of Directors will have a discussion on proposed amendments to the Midvale Main Revolving Business Loan Program.

SUBMITTED BY:

Kate Andrus, RDA Program Manager

SUMMARY:

Purpose:

The Main Street Area Revolving Loan Program stands as a pivotal funding tool in the Main Street redevelopment toolkit, boasting a wide range of potential uses and remarkable flexibility in incentivizing the right developments or improvements to activate the street. The primary role of the Main Street Area Revolving Loan Program is to attract, support, and promote the growth and improvement of businesses within the Main Street Area. The program's overarching goal is to stimulate business development and expansion, thereby enhancing the area's economic vitality.

History:

Since its adoption in 2021, only one loan has been processed under this program. Unfortunately, due to higher interest rates implemented to mitigate inflation, the development and business industry has experienced a significant slowdown. Despite the program's offering of a rate reduction based on a set of public benefit criteria, the final reduction in the interest rate fell short of incentivizing the desired improvements and businesses along the street. Furthermore, upon closer inspection of the program, it became evident that it was not distinctly tailored for businesses or property owners. As a staff, we acknowledge the necessity for funding to facilitate tenant improvements in most of the buildings along Midvale Main. We also recognize the need for gap funding by property owners to address the substantial costs associated with the adaptive reuse of many historical

buildings, transforming them into usable shells for tenants. Its due to these identified issues staff is now bringing before the Board three significant changes to the existing program.

Proposed Amendments:

1. The first change involves the separation of the program into two distinct loan programs: Business Loans and Adaptive Reuse Loans. Each program has its own terms and conditions, but both share the revolving nature of the funds and utilize the same funding source. The terms and conditions for both programs are detailed below:

For Business Loans:

Eligibility:

- The business already exists within Midvale's Main Street Project area, is relocating to the area, or is a startup locating within the area.
- Property taxes, business license and special assessments must be current, with no judgments or liens outstanding against the applicant(s).
- The applicant must provide sufficient evidence of their capabilities to successfully complete the project.
- The applicants' credit history must demonstrate prompt payment of past obligations.
- Minimum Eligibility: To be considered for a loan the project must score a minimum score of 25/40 in meeting four key public benefit criteria of Economic Impact , Public Amenity, Permanent Job Creation, and Street Activation. These criteria are found in Section V of the attached program description.
- Public Benefit Incentive: A reduction to the standard interest rate is available for projects that receive more than the minimum score in meeting any combination of criteria in the Public Benefit Criteria Chart found in Section V. For every 3 points earned over the minimum score required, a project is eligible to receive a rate reduction of .25% from the standard interest rate, with a minimum interest rate of 1%. For each interest rate reduction received, compliance and reporting requirements will be triggered to ensure that public benefit criteria are being met.

Terms:

- **Loans for start-up costs and expansion expenses.**
 - Loan Amount: Loans will provide up to \$25,000.
 - Standard Loan Term: 6 months to 5 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
 - Background Check: Required.
 - Credit Score: No minimum. (Credit scores determine loan amount, interest rate, and collateral %).
 - Collateral: Must have 60%-80% minimum of available collateral.
 - Defaulting on the loan will result in the loss of collateral.
 - Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
- **Loans for Physical Improvement and Real Estate Purchases Under \$25,000**
 - Loan Amount: Loans will provide up to \$25,000.

- Loan Term: 6 months to 5 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
- Background Check: Required.
- Credit Score: No minimum. (Credit scores determine loan amount, interest rate, and collateral %).
- Collateral: Must have 60%-80% minimum of available collateral.
- Default: Defaulting on the loan will result in the loss of collateral.
- Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
- **Loans for Physical Improvement and Real Estate Purchases Over \$25,000**
 - Loan Amount: Loans will provide up to \$250,000.
 - Loan Term: 6 months to 7 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
 - Background Check: Required.
 - Credit Score: Minimum Credit Score of 640 .
 - Collateral: Must have 60%-80% minimum of available collateral.
 - Loan to Value Ratio: 85% of the property value or project expense.
 - Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
 - Must be approved by the Midvale Redevelopment Agency Board.
 - Appraisal and Title report are required prior to loan authorization. Staff may waive this requirement if they find that the provided information is sufficient

For Adaptive Reuse Loans:

Eligibility:

- Applicant's must own property with a historic building within Midvale's Main Street Project Area,
- Property taxes, and special assessments must be current, with no judgments or liens outstanding against the applicant(s).
- The applicant must provide sufficient evidence of their capabilities to successfully complete the project.
- The applicants' credit history must demonstrate prompt payment of past obligations.
- Must demonstrate that the requested loan is necessary for the project to success and that the request is reasonable.
- Minimum Eligibility: To be considered for a loan the project must score a minimum score of 25/40 in meeting four key public benefit criteria of Economic Development, Public Amenity, Beautification, and Street Activation found in Section V.
- Public Benefit Incentive: A reduction to the standard interest rate is available for projects that receive more than the minimum score in meeting any combination of criteria in the Public Benefit Criteria Chart found in Section V. For every 3 points earned over the minimum score required, a project is eligible to receive a rate reduction of .25% from the standard interest rate, with a minimum interest rate of 1%. For each interest rate reduction received, compliance and reporting requirements will be triggered to ensure that public benefit criteria are being met.

Terms:

- **Loans for Physical Improvement and Real Estate Purchases Under \$25,000**
 - Loan Amount: Loans will provide up to \$25,000.
 - Loan Term: 6 months to 5 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
 - Background Check: Required.
 - Credit Score: No minimum. (Credit scores determine loan amount, interest rate, and collateral %).
 - Collateral: Must have 100% minimum of available collateral.
 - Default: Defaulting on the loan will result in the loss of collateral.
 - Easement: An easement will be placed on the property until the loan is paid repaid in full.
 - Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
- **Loans for Physical Improvement and Real Estate Purchases Over \$25,000**
 - Loan Amount: Loans will provide up to \$250,000.
 - Loan Term: 6 months to 7 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
 - Background Check: Required.
 - Credit Score: Minimum Credit Score of 640 .
 - Collateral: Must have 100% available collateral.
 - Default: Defaulting on the loan will result in the loss of collateral.
 - Easement: An easement will be placed on the property until the loan is repaid in full.
 - Loan to Value Ratio: 85% of the property value or project expense.
 - Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
 - Must be approved by the Midvale Redevelopment Agency Board.
 - Appraisal and Title report are required prior to loan authorization. Staff may waive this requirement if they find that the provided information is sufficient

2. The second change sets the base interest rate to Prime Rate.
3. The third and final change offers the opportunity to qualify for an interest-free loan within both programs. This incentive is exclusively available to projects identified as Public Benefit Projects, meaning that the project has demonstrated that the funding provided will contribute to significant and positive impacts to Midvale Main.

For Business Loans, these projects must achieve the following:

- a. Loans under \$25,000 must meet the minimum eligibility requirement, attain a minimum score of 35 points under the public benefit criteria which must include full scores in the areas of 1) Economic Impact, 2) Street Activation, 3) Job Creation.
- b. Loans over \$25,000 must meet the minimum eligibility requirement, attain a minimum score of 60 points under the public benefit criteria which must include score in the areas of 1) Economic Impact, 2) Adaptive Reuse or Historical Preservation, 3) Permanent Job Creation, 4) Street Activation.

For Adaptive Reuse Loans, these projects must achieve:

- a. Loans under \$25,000 must meet the minimum eligibility requirement, attain a minimum score of 35 points under the public benefit criteria which must include score in the areas of 1) Economic Impact and 2) Street Activation.
- b. Loans over \$25,000 must meet the minimum eligibility requirement, attain a minimum score of 55 points under the public benefit criteria which must include score in the areas of 1) Economic Impact, 2) Historical Preservation, 3) Beautification, and 4) Street Activation.

Approval Process:

For both programs, RDA staff will evaluate the loan application based on the public benefit criteria listed under the corresponding programs. The applicant must meet specific thresholds to be considered. Applicants exceeding these thresholds will be eligible for more favorable loan terms. If all terms and requirements are met, all loans under \$25,000 will be administratively processed by RDA Staff. All loans over \$25,000 will be brought before the RDA Board for approval. Any loan with terms negotiated outside standard loan parameters detailed in the program will be brought to the Board for approval.

Fiscal Impact:

Funding in the amount of \$1.5 million was loaned from the Bingham Junction Project Area to the Main Street Project Area. To date, only one loan has been processed for \$250,000. This loan has already started the repayment process. Both programs will utilize the same funding source and share the same revolving nature of the funds.

Staff Recommendations:

N/A

Attachments:

Amended Midvale Main Business Loan Program (with Redlines)
Proposed Midvale Main Adaptive Reuse Loan Program



Redevelopment Agency of Midvale City Midvale Main ~~Street Project Area~~ Business Loan Program

I. Purpose

The (RDA) Main Street Project Area Business Loan Program's purpose is to support and promote the growth and improvement of businesses within the Main Street Project Area. The objective is to stimulate business development and expansion by making loans available to businesses operating within Midvale's Main Street Project Area or are relocating or starting up a business within the Area. These businesses must be committed to creating a sense of place along Main Street project area by shaping redevelopment, enhancing arts and culture, preserving and celebrating history, and providing or supporting spaces for people to gather and recreate.

II. Eligibility

1. The business already exists within Midvale's Main Street Project Area, is relocating to the Area, or is a startup locating within the Area.
2. Property taxes, ~~Business-business~~ License-license and special assessments must be current, with no judgments or liens outstanding against the applicant(s).
3. The applicant must provide sufficient evidence of their capabilities to successfully complete the project.
4. The applicants' credit history must demonstrate prompt payment of past obligations.
5. Minimum Eligibility: To be considered for a loan the project must score a minimum score of 25/40 in meeting four key public benefit criteria of Economic ~~Development~~Impact, Public Amenity, ~~Beautification~~Permanent Job Creation, and Street Activation. These criteria are found in the chart below in Section V.
6. Public Benefit Incentive: A reduction to the standard interest rate is available for projects that receive more than the minimum score in meeting any combination of criteria in the Public Benefit Criteria Chart found in Section V. For every ~~5-3~~ points earned over the minimum score required, a project is eligible to receive a rate reduction of .25% from the standard interest rate, with ~~a maximum reduction~~ a minimum interest rate of 1%. For each interest rate reduction received, compliance and reporting requirements will be triggered to ensure that public benefit criteria are being met.
7. Public Benefit Projects: Projects that provide a substantial public benefit to the street are eligible for 0% interest loans.

- a. Loans under \$25,000 must meet the minimum eligibility requirement, have a minimum score of 35 points under the public benefit criteria ~~and~~ which must receive a full score in the areas of 1) Economic Impact, 2) Street Activation, 3) Job Creation.
- b. Loans over \$25,000 must meet the minimum eligibility requirement, have a minimum score of 60 points under the public benefit criteria and must receive a full score in the areas of 1) Economic Impact, 2) Adaptive Reuse or Historical Preservation, 3) ~~Beautification~~ Permanent Job Creation 4) Street Activation.

III. Loan Types & Use of Funds

- 1. Startup business (0-3 years old): Can apply for loans up to \$25,000
- 2. Existing business (3+ years old): Can apply for loans up to \$250,000
 - a. Loan Committee can waive the 3-year requirement if borrower(s) can demonstrate comparable experience within the industry.
- 1. **Loans for start-up and businesses expansion.**
 - a. Inventory, marketing, materials, space, labor, supplies, and operating maintenance.
- 2. **Loans for Physical Improvement and Real Estate Purchases Under \$25,000**
 - a. Land and building acquisition.
 - b. Building construction and renovation (with restrictions).
 - c. Façade improvements: signage, building, and landscaping (restrictions apply).
 - d. Energy and equipment upgrades and building retrofits.
 - e. To get building/business in compliance with all applicable Midvale City building codes and ordinances.
- 3. **Loans for Physical Improvement and Real Estate Purchases Over \$25,000.**
 - a. Land and building acquisition.
 - b. Building construction and renovation (with restrictions).
 - c. Façade improvements: signage, building, and landscaping (restrictions apply).
 - d. Energy and equipment upgrades and building retrofits.
 - e. To get building/business in compliance with all applicable Midvale City building codes and ordinances.

***RDA funds cannot be used for the refinancing of existing debt.**

IV. Terms

1. Loans for start-up costs and expansion expenses.

- a. Loan Amount: Loans will provide up to \$25,000.
- b. Standard Loan Term: 6 months to 5 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
- c. Background Check: Required.
- d. Credit Score: No minimum. (Credit scores determine loan amount, interest rate, and collateral %).
- e. Collateral: Must have ~~1060%~~80% minimum of available collateral.
- f. Defaulting on the loan will result in the loss of collateral.
- g. Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
- h. Base Interest Rate: US Prime Rate ~~+5%~~ (- Public Benefit Score Reduction, if applicable)

~~h.~~ _____

2. Loans for Physical Improvement and Real Estate Purchases Under \$25,000

- a. Loan Amount: Loans will provide up to \$25,000.
- b. Loan Term: 6 months to 5 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
- c. Background Check: Required.
- d. Credit Score: No minimum. (Credit scores determine loan amount, interest rate, and collateral %).
- e. Collateral: Must have ~~1060%~~80% minimum of available collateral.
- f. Default: Defaulting on the loan will result in the loss of collateral.
- g. Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
- h. Base Interest Rate: US Prime Rate ~~+5%~~ (- Public Benefit Score Reduction, if applicable)

3. Loans for Physical Improvement and Real Estate Purchases Over \$25,000

- a. Loan Amount: Loans will provide up to \$250,000.
- b. Loan Term: 6 months to 7 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
- c. Background Check: Required.
- d. Credit Score: Minimum Credit Score of 640 .

- e. Collateral: Must have ~~10%~~60%-80% minimum of available collateral.
- f. Base Interest Rate: US Prime Rate ~~+.5%~~ (- Public Benefit Score Reduction, if applicable)
- g. Loan to Value Ratio: 85% of the property value or project expense.
- h. Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
- i. Must be approved by the Midvale Redevelopment Agency Board.
- j. Appraisal and Title report are required prior to loan authorization. Staff may waive this requirement if they find that the provided information is sufficient .

* Loan terms are standard; however, they can be negotiated with staff but will require approval by the Redevelopment Agency Board.

V. Public Benefit Criteria

Public Benefit	Description	Criteria	Score
Economic Impact	To foster redevelopment, neighborhood services, and locally-owned businesses.	The project will catalyze economic impacts through one of the following: • ~~The project will remove blight through the rehabilitation/replacement of a vacant and distressed building, or construct a new building on vacant and underutilized land;~~ • The project ~~will provide~~ serves to provide a space for complementary services ~~and or businesses~~ business that falls under the desired business categories and ~~that~~ are currently lacking in the Main Street Project Area; • The project will <u>serve to</u> provide a venue or useable space for events; or • The project ~~will prioritize space for~~ <u>will provide a space for a</u> locally-owned	___/10

		businesses <u>that falls under the desired business categories.</u> • The project will <u>-provide a space for a provide-</u> new local restaurants or similar businesses. Additional points will be given for projects that provide outdoor/rooftop dining or unique dining experiences.	
Public Amenities	To promote community amenities that provide opportunity for social interaction, support cultural events, promote neighborhood identity, and reinforce neighborhood character.	The project includes one of the following public amenities that reinforces neighborhood character and scale: • The project includes a significant usable open space, public walkways, gathering spaces or other publicly accessible amenity; • ~~The project includes a significant public art amenity; or~~ • ~~The project will provide complementary services and businesses that are currently lacking in the Main Street Project Area.~~	___/10
Adaptive Reuse	To promote the revitalization of underutilized buildings that preserve the character of the Project Area while promoting new land uses.	The project will ~~preserve or repurpose a building through the conversion of existing structures into new land uses via a form-based code (FBC) model.~~ <u>preserve or repurpose a historic building through the conversion of existing structures into new land uses as allowed within the zone.</u>	___/10

Beautification	To promote the beautification and character through strategic improvements that will continue the look and feel that is already established the Main Street Project Area.	The project will promote a sense of place and will help to maintain the desired look and feel of the Main Street Project Area. This will incorporate building improvements that are not historic, including building façade improvements, street or walkway improvements, and art installations or murals, to provide a cohesive, unique and historic feeling.	___/10
Educational or Arts-Based Business	To create social impact by providing residents and guests with educational opportunities and an increase in arts-based programming.	The project will preserve, create, or repurpose a building in order ~~to serve a business that~~ offers arts-based programming and/or a space for educational opportunities.	___/10
Street Activation	To promote businesses that can attract active patronage to the area.	The project can demonstrate their ability to attract (#) number of patrons, visitors, and guests to the Main Street Project Area on a regular basis and has established hours that are patron- and visitor-friendly including weekends and evenings.	___/10
Permanent Job Creation and Retention	To promote the Main Street Project Area with a balanced economy that produces jobs that create a supportive environment for entrepreneurs and innovators.	The project will create or retain at least one job per \$50,000 received in program funding. These jobs need be centered on creating innovative hubs and include <u>those businesses that fall under the desired business categories,</u> ~~retail, food and beverage, service providers, and cultural institutions.~~	___/10

Existing Business in Project Area	To improve or expand existing services to create vibrancy and attract additional foot traffic to the Main Street Project Area.	The business has been a part of Midvale's Main Street Project Area for at least 2 years ~~and is looking to renovate or expand~~ <u>and fits within the desired business categories.</u>	___/10
<u>Sustainability</u>	<u>To promote a built environment that assists with protecting resources and promoting greater resiliency.</u>	<u>The project demonstrates a commitment to an industry-recognized certification program including, but not limited to, Passive House, Energy Star, LEED, and Enterprise Green Communities programs.</u>	___/10

VI. Loan Process

1. Download Part A of the Application and submit the completed application to the Redevelopment Agency Program Manager at ~~kandruschill~~@midvale.com. The preliminary review generally takes 10 business days. A credit check will be conducted during this time. A fee for processing the credit checks will be assessed at the time of submission.
2. If Part A Application is approved, please proceed to Part B of the Application and submit the completed application along with the non-refundable application fee of \$75.00 and the documents listed on page 10 of the Part B Application. *Acceptance of Part B Application does not constitute loan approval.*
3. Email the RDA's Executive Assistant at rda@midvale.com or call 801-567-7211 to set up a time to review the completed application.
4. Once reviewed by the RDA Staff, you will schedule a meeting where you will present about your business and answer any outstanding questions. RDA staff will evaluate the loan application based on Section VII and the following criteria:
 - ☐ Is the request for funds in accordance with RDA Loan Program Guidelines?
 - ☐ Is the project financially feasible to complete development?
 - ☐ Are there any undue financial benefits to the applicant, or is the owner's projected return on equity unreasonably high?
 - ☐ Are the capital sources for financing identified and reasonable?
 - ☐ Are RDA funds necessary and appropriate to the development?
 - ☐ Are the developer's capabilities and strength of collateral identified and reasonable?
5. The RDA will evaluate your loan, and in 5-7 business days you will notified of the decision by email.

*** The loan process can take several months depending on the completeness of the application and the Loan Committee's availability. ***

VII. Loan Evaluation

Evaluation:

The loan evaluation will be based on an applicant's credit history, ability to repay the loan, management ability, business experience, public benefit, the description for use of funds, and factors in Subsection V~~H~~(4). Existing businesses may also be evaluated in terms of any crime issues relating to the business. Based on a Police Department report, a loan may be denied to any business that has crime issues which the RDA is not satisfied with the business's plan of resolution.

Lender Participation:

The RDA encourages participation of private lending institutions and looks favorably at providing funds to fill the gap between the owner's equity and conventional financing. The RDA may subordinate its security interest to the private lender.

Guarantors Required for Loans over \$25,000:

Loans must be guaranteed by the business and personally by the borrower and personal guarantors (all owners with 20% equity or more in the business are required to be a guarantor.) ~~Non-profit organizations are only required to provide corporate guarantees.~~ RDA director may waive personal guarantees in cases of unique corporate structures. *Personal guarantors are liable to pay back the outstanding balance of the loan after the liquidation of collateral to the RDA even if the business fails.* Staff may request additional forms of guarantee depending on the application as deemed reasonable and necessary by RDA staff.

VIII. Required Documents

In addition to the Personal Financial Statement, the following financial documentation is required for loan consideration. Please submit copies electronically and keep the original documents.

1. Business Taxes: Provide corporate federal and state income tax returns for the previous three years or for the length of the entity's existence, whichever is less.
2. Business Financials: For existing or operating businesses, provide audited corporate financial statements comprised of a profit and loss statement, and balance sheet for the last three years or the number of years in operation (whichever is less), as well as the most recent month-end or quarterly financial statements. Please be advised that some applicants may be asked to provide financial statements for related businesses or businesses in which the guarantors also have substantial ownership of, particularly if the business applying for a loan has been in existence for less than three years.

3. **Personal Taxes/Other Information:** Three years of federal and state income tax returns including all schedules and W-2 forms are required for the member(s) of the legal structure of the business (sole proprietor, partners, and principal officers) who own more than 20% of the business and each guarantor. If real estate is pledged as collateral, the applicant must also provide recent mortgage statements, evidence of the collateral value, and certify that the property has no liens against it.
4. **Business Location Information:** Provide a copy of the existing or proposed lease agreement, a mortgage statement, deed, or evidence of site control.
5. **Business Confidentiality Request Form:** Complete and submit a business confidentiality request form.
6. **Articles of Incorporation:** Provide a copy of the existing Articles of Incorporation to legally document the existence of the business.
7. **Business Plan:** A business plan serves as a company's road map, defining a clear goal of what the company will become and how it is going to get there. The plan should convey a thorough understanding of the purpose of the business, who the target market is, the competitive environment, and how the company will adapt to fulfill its objectives. The business plan should also include a complete analysis of the funds needed to meet its objectives including a current financial snapshot and projections. A business plan is an extremely important and useful tool for a business owner to evaluate strengths and weaknesses, seek out areas of improvement, and find the best way to reach financial objectives. All loan requests over \$10,000 MUST provide a full business plan. Microloans (loan requests under \$10,000) must provide at least an executive summary but may also be required to provide a full business plan at the discretion of the RDA Staff. Your business plan should include the following:
 - ☐ Executive Summary
 - ☐ Design Plan
 - ☐ Description of Product/Services
 - ☐ Target Market & Marketing Strategy
 - ☐ Neighborhood/Human/Environmental Impact
 - ☐ Management Team (bios or resumes)
 - ☐ Financial Structure
 - ☐ Revenue and Expenditure Forecast
 - ☐ Future Plans



Redevelopment Agency of Midvale City Midvale Main Adaptive Reuse Loan Program

I. Purpose

The (RDA) Main Street Project Area Adaptive Reuse Loan Program's purpose is to encourage and promote the reuse and revitalization of existing buildings within the Main Street Project Area. The objective is to facilitate transformative development that preserves the past while contributing to the economic vitality of the Main Street Project Area. This is achieved by making loans available to property owners within Midvale's Main Street Project Area. Eligible property owners must demonstrate their commitment to creating a sense of place within the Main Street project area by shaping redevelopment, enhancing arts and culture, preserving and celebrating history, and providing or supporting spaces for people to gather and recreate.

II. Eligibility

1. Applicant's must own property within Midvale's Main Street Project Area,
2. Property taxes, and special assessments must be current, with no judgments or liens outstanding against the applicant(s).
3. The applicant must provide sufficient evidence of their capabilities to successfully complete the project.
4. The applicants' credit history must demonstrate prompt payment of past obligations.
5. Must demonstrate that the requested loan is necessary for the project to success and that the request is reasonable.
6. Minimum Eligibility: To be considered for a loan the project must score a minimum score of 25/40 in meeting four key public benefit criteria of Economic Development, Public Amenity, Beautification, and Street Activation. These criteria are found in the chart below in Section V.
7. Public Benefit Incentive: A reduction to the standard interest rate is available for projects that receive more than the minimum score in meeting any combination of criteria in the Public Benefit Criteria Chart found in Section V. For every 3 points earned over the minimum score required, a project is eligible to receive a rate reduction of .25% from the standard interest rate, with a minimum interest rate of 1%. For each interest rate reduction received, compliance and reporting requirements will be triggered to ensure that public benefit criteria are being met.
8. Public Benefit Projects: Projects that provide a substantial public benefit to the street are eligible for 0% interest loans.

- a. Loans under \$25,000 must meet the minimum eligibility requirement, have a minimum score of 35 points under the public benefit criteria and must receive a full score in the areas of 1) Economic Impact and 2) Street Activation.
- b. Loans over \$25,000 must meet the minimum eligibility requirement, have a minimum score of 55 points under the public benefit criteria and must receive a full score in the areas of 1) Economic Impact, 2) Historical Preservation, 3) Beautification and 4) Street Activation.

III. Loan Types & Use of Funds

1. Loans for Physical Improvement and Real Estate Purchases Under \$25,000

- a. Land and building acquisition.
- b. Building construction and renovation (with restrictions).
- c. Façade improvements: signage, building, and landscaping (restrictions apply).
- d. Energy and equipment upgrades and building retrofits.
- e. To get building/business in compliance with all applicable Midvale City building codes and ordinances.

2. Loans for Physical Improvement and Real Estate Purchases Over \$25,000.

- a. Land and building acquisition.
- b. Building construction and renovation (with restrictions).
- c. Façade improvements: signage, building, and landscaping (restrictions apply).
- d. Energy and equipment upgrades and building retrofits.
- e. To get building/business in compliance with all applicable Midvale City building codes and ordinances.

***RDA funds cannot be used for the refinancing of existing debt.**

IV. Terms

1. Loans for Physical Improvement and Real Estate Purchases Under \$25,000

- a. Loan Amount: Loans will provide up to \$25,000.
- b. Loan Term: 6 months to 5 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
- c. Background Check: Required.

- d. Credit Score: No minimum. (Credit scores determine loan amount, interest rate, and collateral %).
- e. Collateral: Must have 100% minimum of available collateral.
- f. Default: Defaulting on the loan will result in the loss of collateral.
- g. Easement: An easement will be placed on the property until the loan is paid in full.
- h. Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
- i. Base Interest Rate: US Prime Rate (- Public Benefit Score Reduction, if applicable)

2. Loans for Physical Improvement and Real Estate Purchases Over \$25,000

- a. Loan Amount: Loans will provide up to \$250,000.
- b. Loan Term: 6 months to 7 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be transferred.
- c. Background Check: Required.
- d. Credit Score: Minimum Credit Score of 640 .
- e. Collateral: Must have 100% available collateral.
- f. Default: Defaulting on the loan will result in the loss of collateral.
- g. Easement: An easement will be placed on the property until the loan is paid in full.
- h. Base Interest Rate: US Prime Rate (- Public Benefit Score Reduction, if applicable)
- i. Loan to Value Ratio: 85% of the property value or project expense.
- j. Personal Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.
- k. Must be approved by the Midvale Redevelopment Agency Board.
- l. Appraisal and Title report are required prior to loan authorization. Staff may waive this requirement if they find that the provided information is sufficient .

* Loan terms are standard; however, they can be negotiated with staff but will require approval by the Redevelopment Agency Board.

V. Public Benefit Criteria

Public Benefit	Description	Criteria	Score
Economic Impact	To foster redevelopment, neighborhood services, and locally-owned businesses.	The project will catalyze economic impacts through one or more of the following: • The project will remove blight through the rehabilitation/replacement of a vacant and distressed building; • The project will provide a space that caters to complementary service and/or business that falls under the desired business categories and are currently lacking in the Main Street Project Area; • The project will provide a venue or useable space for events; or • The project will prioritize space for locally-owned business that fits within the desired business categories. • The project will provide space for new local restaurants or similar businesses. Additional points will be given for projects that provide outdoor/rooftop dining or unique dining experiences.	___/10
Public Amenities	To promote community amenities that provide opportunity for social interaction, support cultural events, promote neighborhood identity, and reinforce neighborhood character.	• The project includes one or more of the following public amenities that reinforces neighborhood character and scale:	___/10

		• The project includes a significant usable open space, public walkways, gathering spaces or other publicly accessible amenity; • The project includes a significant public art amenity; or • The project will provide complementary service and/or business that fall under the desired business categories and are currently lacking in the Main Street Project Area.	
Historic Preservation	To promote the historic character of the Project Area through preservation of existing and historic buildings.	The project will preserve and rehabilitate architecturally or historically significant buildings or landmarks. Structures must be deemed to be historically significant and rehabilitated as according to historic preservation or equivalent standards.	___/10
Beautification	To promote the beautification and character through strategic improvements that will continue the look and feel that is already established the Main Street Project Area.	The project will promote a sense of place and will help to maintain the desired look and feel of the Main Street Project Area. This will incorporate building improvements that are not historic, including building façade improvements, street or walkway improvements, and art installations or murals, to provide a cohesive, unique and historic feeling.	___/10
Educational or Arts-Based Business	To create social impact by providing residents and guests with educational opportunities and an increase in arts-based programming.	The project will preserve, create, or repurpose a building in order to offer arts-based programming and/or a space for educational opportunities.	___/10

Sustainability	To promote a built environment that assists with protecting resources and promoting greater resiliency.	The project demonstrates a commitment to an industry-recognized certification program including, but not limited to, Passive House, Energy Star, LEED, and Enterprise Green Communities programs.	___/10
Architecture & Urban Design	To promote high quality and enduring architecture, developments, public spaces and neighborhoods.	The project will participate in a more thorough design review allowing the further refinement of design. Design review will promote developments that are constructed with high-quality materials, respond to the surrounding context, and enhance the public realm.	___/10
Affordable Housing: AMI Targets*	To expand the stock of affordable housing to low-income households.	The project meets one of the following standards: • 20% of the units of a project occupied by tenants with annual income of 50% or less of the AMI; or • 40% of the units of a project must be occupied by tenants with annual income of 60% or less of AMI. *This criterion cannot be met if the applicant is participating in the Upper Floor Housing Program.	___/10

V. Loan Process

1. Download Part A of the Application and submit the completed application to the Redevelopment Agency Program Manager at kandrus@midvale.com. The preliminary review generally takes 10 business days. A credit check will be conducted during this time. A fee for processing the credit checks will be assessed at the time of submission.
2. If Part A Application is approved, please proceed to Part B of the Application and submit the completed application along with the non-refundable application fee of \$75.00 and the documents listed on page 10 of the Part B Application. *Acceptance of Part B Application does not constitute loan approval.*

3. Email the RDA's Executive Assistant at rda@midvale.com or call 801-567-7211 to set up a time to review the completed application.
4. Once reviewed by the RDA Staff, you will schedule a meeting where you will present about your business and answer any outstanding questions. RDA staff will evaluate the loan application based on Section VII and the following criteria:
 - ☐ Is the request for funds in accordance with RDA Loan Program Guidelines?
 - ☐ Is the project financially feasible to complete development?
 - ☐ Are there any undue financial benefits to the applicant, or is the owner's projected return on equity unreasonably high?
 - ☐ Are the capital sources for financing identified and reasonable?
 - ☐ Are RDA funds necessary and appropriate to the development?
 - ☐ Are the developer's capabilities and strength of collateral identified and reasonable?
5. The RDA will evaluate your loan, and in 5-7 business days you will notified of the decision by email.

**** The loan process can take several months depending on the completeness of the application and the Loan Committee's availability. ****

VII. Loan Evaluation

Evaluation:

The loan evaluation will be based on an applicant's credit history, ability to repay the loan, management ability, business experience, public benefit, the description for use of funds, and factors in Subsection V.

Lender Participation:

The RDA encourages participation of private lending institutions and looks favorably at providing funds to fill the gap between the owner's equity and conventional financing. The RDA may subordinate its security interest to the private lender.

Guarantors Required for Loans over \$25,000:

Loans must be guaranteed by the business and personally by the borrower and personal guarantors (all owners with 20% equity or more in the business are required to be a guarantor). RDA director may waive personal guarantees in cases of unique corporate structures. *Personal guarantors are liable to pay back the outstanding balance of the loan after the liquidation of collateral to the RDA.* Staff may request additional forms of guarantee depending on the application as deemed reasonable and necessary by RDA staff.

VIII. Required Documents

In addition to the Personal Financial Statement, the following financial documentation is required for loan consideration. Please submit copies electronically and keep the original documents.

Financial Attachments

- Sources and uses
- Detailed development budget based on qualified bids
- Operating pro forma, updated
- Signed credit report authorization form for each owner/loan guarantor
- Signed personal financial statements for each owner/loan guarantor
- Last three years of signed IRS filings for each owner and loan guarantor
- Verification of other financing sources (letter of commitment, etc.)
- Verification of mortgage or trust deeds
- Verification of deposits (if applicable)

Business Attachments:

- Articles of incorporation
- Business License (if applicable)
- Current list of board of directors (if applicable)
- Resume for each owner and loan guarantor
- Letters of interest from prospective tenants (if applicable)
- List of business obligations

Collateral Attachments:

- Collateral Attachments:
- Appraisal report - for real estate proposed as collateral
- Preliminary title report - for real estate proposed as collateral
- Letter of credits proposed as collateral

- Authorized statement of account - for pledge accounts proposed as collateral

Construction Attachments:

- Construction and design documents (include architectural rendering of
- the building, site plan, building elevation, floor plans, and materials list)
- Status of permit/planning process, zoning approval, etc. (if applicable)