
M E M O R A N D U M

DATE: January 15, 2003
TO: Council Members
FROM: Michael Sears, Russell Weeks
RE: KUTV / WASATCH PLAZA Loans

The Council discussed the proposed loans to KUTV Channel 2 and Wasatch Plaza Holdings, LLC during the January 14, 2003 work session. Loan specific information has been submitted by the Redevelopment Agency of Salt Lake (RDA) and is attached for your review.

The Council may wish to note the two changes that have occurred since Council Members were first introduced to the idea of KUTV relocating to the Wells Fargo Building.

- The Redevelopment Agency of Salt Lake loan to Wasatch Plaza Holdings, LLC has been split into two loans. The first RDA loan is a 15-year \$1.5 million loan at 0%. The second RDA loan is a 15-year \$1.3 million loan at 3%.
- A \$1,000 per employee credit applied against interest payments on the second RDA loan.

During the discussion on the proposed loans a Council Member indicated that term lengths for 0% loans need to be shorter than interest earning loans. Another Council Member discussed the in-kind contribution portion of the City's loan to KUTV (\$700,000 of the \$1.2 million loan). It was requested that the Council have prior review and concurrence authority on the annual selection of the proposed in-kind promotions.

ITEMS FOR DISCUSSION

The Council may wish to consider the following points when discussing the proposed City loan to KUTV and RDA loan to Wasatch Plaza Holdings, LLC.

- Does the potential return on the proposed loans warrant the terms by the City and RDA?
- The number and salary levels of KUTV employees are a key justification for the proposed 0% loan from Salt Lake City to KUTV. Are the number and salary levels significant enough to also justify the \$1,000 per employee credit against interest for the RDA to Wasatch Plaza Holdings, LLC loan?
- Does the Council view these proposed loans as unique or might the Council be asked to consider loans for comparable uses in the future?

OPTIONS

Council Members may wish to refer the proposed KUTV loan to a future Council Meeting for adoption and instruct the Administration to include the proposed loan on a future budget opening.

The Council may wish to express support for the City and RDA loans and specify additional terms or conditions that the Council would like included.

cc: Cindy Gust-Jenson, Gary Mumford, Dave Oka, Alison Weyher and Janice Jardine