
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: October 7, 2004

SUBJECT: **Proposed \$25,000 Loan to Univision Television Station
KUTH-TV Channel 58 (Spanish-Language)**

AFFECTED COUNCIL DISTRICTS: District 4 - Downtown

STAFF REPORT BY: Gary Mumford

**ADMINISTRATIVE DEPT.
AND CONTACT PERSON:** Mayor's Office
Alison McFarlane

NOTICE REQUIREMENTS: Not required

KEY ELEMENTS:

Univision, a Spanish-language television station, needs to expand its studios/offices and has been searching for suitable facilities. They presently have 20 employees. Other cities have been actively recruiting the station to move to their cities. Salt Lake City has been working with Univision to keep the station in the Downtown. The station has found space at 215 South State Street and has applied for a \$25,000 no-interest loan to assist with the relocation. The proposed loan is to be repaid with in-kind services.

MATTERS AT ISSUE /POTENTIAL QUESTIONS FOR ADMINISTRATION:

Salt Lake City has a Small Business Revolving Loan Fund program to stimulate business development and expansion and promote economic development and enhance neighborhood vitality. The requested loan from Univision cannot go through the City's regular revolving loan process since the guidelines previously approved by the City Council provide for typical repayment of loans at the prime interest rate.

Univision plans to put signage and a small jumbotron on their 215 South State building to establish a visible presence Downtown. Prior to finding this location, Univision was considering space on Main Street and was approved for a Main Street grant offered by the Redevelopment Agency for \$20,000. Univision's negotiations for a Main Street lease was not successful.

The in-kind services would be calculated on production at cost and airtime at 60% normal rates. This will allow Salt Lake City to provide information campaigns to the City's Latino population regarding the City programs, events and services. A schedule establishing the nature of in-kind services will be determined annually between the City and Univision. A minimum of \$8,000 of in-kind services is to be provided each year until the entire outstanding balance of the loan is paid which shall be no later than three years. Funding for the loan would be from the City's Small Business Revolving Loan Fund.

The Council may wish to ask the Administration about the types of planned services that may be considered in the first year's schedule of in-kind repayments. The Council may also wish to ask whether this loan could have the potential of starting a perceived expectation.

OPTIONS:

The Council may wish to consider the following options:

1. Forward the resolution to a Council Meeting for consideration.
2. Encourage Univision to apply for a regular Small Business Revolving Loan Fund with traditional repayments and interest rate.

cc: Rocky Fluhart, Sam Guevara, Alison McFarlane