

JUN 2 - 2005

RESOLUTION NO. ____ OF 2005
(ACCEPTING THE STUDY PERFORMED
IN COMPLIANCE WITH *UTAH CODE* SECTION 10-8-2;
APPROVING THE APPROPRIATION OF \$8,000,000 FOR
THE EXPANSION OF THE SALT PALACE CONVENTION CENTER.)

WHEREAS, the City Council has received and reviewed a study prepared by the City's Department of Management Services in compliance with the requirements of *Utah Code* Section 10-8-2, and public notice has been given at least 14 days prior hereto in a newspaper of general circulation within the City; and in consideration of that study, the City Council hereby finds:

1. The Salt Palace Convention Center ("Salt Palace") is an important facility for tourism and economic development within the Salt Lake City.
2. In order to accommodate the needs of large conventions, such as the Outdoor Retailers Convention, the Salt Palace will need to be expanded.
3. Salt Lake County, who owns and operates the Salt Palace, has proposed to build an expansion to that facility, which expansion would cost approximately \$62,000,000.
4. The City's studies have indicated that the expansion of the Salt Palace would generate approximately \$589,000 each year from increased sales tax revenues for Salt Lake City.
5. The City, Salt Lake County, State Legislative Leadership and the Governor have held extensive discussions as to how the proposed expansion of the Salt Palace should be funded.
6. In April 2005, the City and the County negotiated and executed an Interlocal Agreement in which the City agreed to contribute \$8,000,000 toward the cost of the Salt Palace expansion, subject to receiving additional financing from the State of Utah, and subject to the County's commitment to build the expansion.
7. At the 2005 special session of the Utah State Legislature, the State Legislature passed House Bill 1011, entitled "Funding for Convention Facilities," in which the State of Utah appropriated \$4,000,000 towards the expansion of the Salt Palace, subject to Salt Lake City's contribution of \$8,000,000 towards that project.
8. The City has determined that the net value to be received by the City from the expanded Salt Palace facility, through the projected increase in sales tax revenues, will constitute adequate consideration, or equivalent value, for the contribution being provided by the City.
9. In the judgment of the City Council, this appropriation will provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of Salt Lake City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

1. The study prepared by the City's Department of Management Services and provided to this City Council in compliance with the requirements of *Utah Code* Section 10-8-2 be, and is hereby, accepted;
2. That an appropriation for Fiscal Year 2004-2005 in the sum of \$8,000,000 to be paid to Salt Lake County, pursuant to the terms of the Interlocal Agreement executed between the City and the County for the expansion of the Salt Palace, shall be and is hereby approved.

Passed by the City Council of Salt Lake City, Utah, this _____ day of May, 2005.

SALT LAKE CITY COUNCIL

By _____
CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 6-2-05
By [Signature]

1

MAY 11 2005

RESOLUTION NO. _____ OF 2005
(ACCEPTING THE STUDY PERFORMED
IN COMPLIANCE WITH *UTAH CODE* SECTION 10-8-2
AND AUTHORIZING A \$64,000.00 CONTRIBUTION
TO THE ROAD HOME TO SUPPORT
THE EMERGENCY WINTER OVERFLOW SHELTER)

WHEREAS, the City Administration has recommended a contribution of \$64,000.00 from the City's Non-Departmental Budget to The Road Home to support the Emergency Winter Overflow Shelter located in Midvale, Utah; and

WHEREAS, the Emergency Winter Overflow Shelter began operations to assure that no one would be turned away from shelter during the months from November to April; the shelter is prepared to open as soon as the weather turns cold in the fall; during the past winter, the Emergency Winter Overflow Shelter served 2, 291 people; of that total, 1,065 (46.5%) said they were from Salt Lake City; the Winter Overflow Shelter provided 43,098 individual nights of shelter during the 2004-2005 winter; the Road Home Shelter and the Overflow Shelter combined were able to accommodate everyone seeking shelter during the winter months; to gain access to the shelter in Midvale, an individual or family must go to the shelter downtown at 210 South Rio Grande Street; when that shelter is full, a bus transports people to the overflow shelter; people do not go directly to the overflow shelter; therefore, all of the people spending the night in the Midvale shelter come from the streets of Salt Lake City; and

WHEREAS, the City Council has received and reviewed a study prepared by the City's Department of Management Services in compliance with the requirements of *Utah Code* Section 10-8-2, and public notice has been given at least 14 days prior hereto in a newspaper of general circulation within the City; and in consideration of that study, the City Council hereby finds:

1. The City benefits directly from reduced police and paramedic calls and indirectly from the positive perception that Salt Lake City cares for its people and from an increased perception of safety. The City further benefits because people who enter the shelter are offered a wide range of services that provide an opportunity to gain stability and improve the quality of life. Children are entered into the school system, adults are offered temporary jobs, and everyone is screened for tuberculosis and other communicable diseases. The City clearly benefits when all those within the City's borders are safe and protected and able to improve their quality of life.

2. The net value to be received by the City by making this grant will constitute adequate consideration, or equivalent value, for the benefit being provided by the proposed contribution.

3. In the judgment of the City Council, this appropriation will provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of Salt Lake City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

That \$64,000.00 be and is hereby appropriated to The Road Home to support the Emergency Winter Overflow Shelter located in Midvale, Utah as described herein above.

Passed by the City Council of Salt Lake City, Utah, this _____ day of June, 2005.

SALT LAKE CITY COUNCIL

By _____
CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorneys Office
Date 5/11/2005
By TV Spindler

RESOLUTION NO. _____ OF 2005
(ACCEPTING THE STUDY PERFORMED
IN COMPLIANCE WITH *UTAH CODE* SECTION 10-8-2
AND AUTHORIZING A \$15,000 CONTRIBUTION
TO THE DOWNTOWN ALLIANCE
FOR FIRST NIGHT CELEBRATION)

MAY 11 2005

WHEREAS, the Downtown Alliance, a subsidiary of the Salt Lake Chamber of Commerce, a Utah nonprofit corporation, has requested a \$15,000 grant from Salt Lake City Corporation to be used to support First Night, a New Year's Eve celebration that takes place in eighteen downtown venues and offers activities and entertainment for people of all ages; and

WHEREAS, the City Council has received and reviewed a study prepared by the City's Department of Management Services in compliance with the requirements of *Utah Code* Section 10-8-2, and public notice has been given at least 14 days prior hereto in a newspaper of general circulation within the City; and in consideration of that study, the City Council hereby finds:

1. There are quantifiable monetary benefits that accrue to Salt Lake City as a result of the First Night celebration, and that celebration is made possible, in part, by the City's \$15,000 contribution. The celebration brings between 45,000 and 90,000 people downtown, depending on the weather. The City is featured and listed as a sponsor in the \$150,000 in advertising done to promote the event. Police overtime costs associated directly with the event are \$6,803. The following is a summary of estimated benefits associated with the 2005 First Night event:

Total estimated attendance	45,000
Estimated television viewers	75,000
Trax ridership (inbound & outbound)	30,000
Performing arts groups	120
Number of performers	600 +
Downtown venues	18
Media purchased/in-kind	\$150,000
Estimated value of free media (press coverage)	\$250,000
Direct expenditures	\$700,000
Economic impact (multiplier)	\$2,100,000
Estimated sales tax generated	\$45,500
Estimated City sales tax generated	\$7,000

2. There are also numerous intangible benefits to the City. The event attracts thousands of people downtown who might not otherwise visit. Once they experience what the City has to offer, they will be much more likely to come back again to shop or recreate and to bring their wallets with them. The existence of such events is important to prospective businesses who might be considering locating downtown. It is important to show that the City can attract large crowds and that the customer base is expansive.

3. Salt Lake City Corporation has adopted a performance measurement tool called the Balanced Scorecard to assist the City in articulating strategic goals, measures and targets for all departments and divisions within the City. The Balanced Scorecard is divided into eight focus areas, including Community Building/Diversity, and Revitalization of Downtown/Neighborhoods and Economic Development. The accompanying goals include strengthening neighborhoods by investing in quality of life initiatives and celebrating diversity, revitalizing downtown by improving the City's economic base, and increasing the number of people living and working downtown.

4. Therefore, at least three of the City's eight identified focus areas would be positively impacted by a Civic Opportunity Fund contribution to the Downtown Alliance for First Night.

5. The proposed contribution is necessary and appropriate to accomplish Salt Lake City's goal of revitalizing downtown. First Night brings thousands of people to downtown streets, and the City believes that the positive downtown experience created by First Night will almost certainly lead to many future visits, thus assisting in the accomplishment of a major City goal-bringing people downtown to live, work and play.

6. The net value to be received by the City by making this grant will constitute adequate consideration, or equivalent value, for the benefit being provided by the proposed contribution.

7. In the judgment of the City Council, this appropriation will provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of Salt Lake City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

That \$15,000.00 be and is hereby appropriated to the Downtown Alliance to be used to support First Night, a New Year's Eve celebration that takes place in eighteen downtown venues and offers activities and entertainment for people of all ages, as described herein above.

Passed by the City Council of Salt Lake City, Utah, this _____ day of June, 2005.

SALT LAKE CITY COUNCIL

By _____
CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorneys Office
Date 5/11/2005
By [Signature]

RESOLUTION NO. _____ OF 2005
(ACCEPTING THE STUDY PERFORMED
IN COMPLIANCE WITH *UTAH CODE* SECTION 10-8-2
AND AUTHORIZING A \$118,000.00 CONTRIBUTION
TO THE SALT LAKE HOUSING AUTHORITY
FOR TRANSITIONAL HOUSING FOR THE HOMELESS)

MAY 11 2005
MAY 11 2005

WHEREAS, the City's Administration is recommending an appropriation of \$118,000.00 to the Salt Lake Housing Authority to be used for transitional housing for the homeless; and

WHEREAS, this City Council has received and reviewed a study prepared by the City's Department of Management Services in compliance with the requirements of *Utah Code* Section 10-8-2, and public notice has been given at least 14 days prior hereto in a newspaper of general circulation within the City; and in consideration of that study, the City Council hereby finds:

1. The federal law that enabled the creation of nonprofit Housing Authorities mandates that the agencies pay a payment in lieu of taxation (PILOT) or request that the municipality waive the requirement. Salt Lake City has chosen to require the PILOT payment from its Housing Authority, but has historically appropriated the money back to it for transitional housing for the homeless. The most recent appropriation (FY2004-2005) was \$108,500.

2. The goals of the transitional housing are to provide temporary housing and stability enabling residents to receive services regarding substance abuse, spouse abuse, parenting, life skills, budgeting, job training, and education.

3. Salt Lake City appropriates funds to transitional housing annually. The Salt Lake Housing Authority provides 103 units of transitional housing of which 87 are reserved for single men with the remainder allocated to families. The revenue offset for this appropriation is generated by a Payment in Lieu of Taxes (PILOT) agreement with the Housing Authority. The Housing Authority pays the PILOT to the City and the City then appropriates the same amount back for transitional housing. It could be argued that there is zero cost to the City because the nonprofit who receives the appropriation provides the revenue to the City.

4. The Housing Authority uses the appropriation from the City as a partial match for \$668,000 in Veterans Administration per diem. This leveraging provides a benefit to the City far in excess of the appropriation.

5. It is likely that homeless people create a disproportionate service demand on the public safety agencies because of their vulnerabilities and the life conditions that contribute to their homelessness (e.g. mental health issues, significant health problems, substance abuse, etc.). One of the benefits of transitional housing is, therefore, cost avoidance in the Police and Fire Departments. Most of the medical response calls for "man down" are to the homeless. There are roughly 1,834 "man down" calls per year. The average time spent on a "man down" call is approximately 30 minutes. The average cost for medical response for 30 minutes from the Fire Department is \$183.67. The total cost of "man down" calls for the Fire Department is roughly

\$336,850 annually. To the extent that medical service calls to the Fire Department are avoided because previously homeless people have been placed in transitional housing and are receiving substance abuse treatment rather than experiencing the rigors of street life, \$183.67 in cost is avoided per incident.

6. The Police Department also responded to 1950 "man down" calls in 2004 (226 were women). The Police Department reports that most "man down" calls relate to alcohol or drug use. The call usually involves a response to the scene and providing transportation to a detoxification center. The detoxification centers often have no beds available so the person must then be transported to jail. The average time to accomplish these tasks is 1.3 hours. The cost per hour for police response is \$78. The total cost for "man down" calls for the Police Department was \$202,800 in 2004. The reduction of "man down" calls to the Police Department, because previously homeless people are moved into transitional housing providing the stability to be treated for substance abuse problems, avoids a cost of \$104 per incident.

7. The preliminary estimate of the number of homeless in Salt Lake County prepared by Utah Issues in conjunction with the Salt Lake Homeless Coordinating Committee is 1,800. A very conservative estimate would be that 70%, or 1,260, of the homeless are within Salt Lake City. Approximately 7% of the City's homeless are served by the 87 transitional housing units for single men. If it is assumed that those men in transitional housing would create a proportionate number of "man down" if they were not in transitional housing, an additional 88 man down calls would be generated annually at a combined hourly public safety response cost of \$287.67 per incident. It is projected, therefore, that the Police and Fire Departments avoid roughly \$25,315 in costs annually as a result of transitional housing.

8. Sometimes the homeless are the victims of criminals in the transient population. These crimes create service demands for the Police Department. To the extent that these crimes are reduced because the homeless are taken out of a high risk environment and placed in Transitional Housing, costs are avoided by the Police Department and the City for each incident avoided.

9. According to the Housing Authority, 57% of those participating in the Transitional Housing Program move on to permanent housing. The quality of life for these individuals is clearly enhanced. The overall quality of life for City residents is enhanced because of fewer encounters with the homeless exhibiting symptoms of mental illness and substance abuse.

10. In the judgment of the City Council, this appropriation will provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of Salt Lake City; and

11. The net value to be received by the City will constitute adequate consideration, or equivalent value, for the benefit being provided by the appropriation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

That \$118,000.00 be and is hereby appropriated to The Salt Lake Housing Authority to be used for transitional housing for the homeless.

Passed by the City Council of Salt Lake City, Utah, this _____ day of June, 2005.

SALT LAKE CITY COUNCIL

By _____
CHAIRPERSON

ATTEST: .

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorneys Office
Date 5/11/2005
By [Signature]

RESOLUTION NO. ____ OF 2005
(ACCEPTING THE STUDY PERFORMED
IN COMPLIANCE WITH *UTAH CODE* SECTION 10-8-2;
APPROVING THE APPROPRIATION OF \$1,338,815.66 FOR
THE SMALL BUSINESS REVOLVING LOAN FUND;
AND AMENDING THE LOAN CRITERIA FOR THAT FUND)

WHEREAS this City Council previously approved, by Resolution No. 21 of 2003 as amended by Resolution No. 34 of 2004, certain Loan Criteria in connection with loans to be made from the *Salt Lake City Small Business Revolving Loan Fund*; and

WHEREAS, the City Council has received and reviewed a study prepared by the City's Department of Management Services in compliance with the requirements of *Utah Code* Section 10-8-2, and public notice has been given at least 14 days prior hereto in a newspaper of general circulation within the City; and in consideration of that study, the City Council hereby finds:

1. That historically loans made from the *Salt Lake City Small Business Revolving Loan Fund*, although made to different persons and/or entities for differing amounts and purposes, have demonstrated certain similarities with respect to the benefits derived by the City in making such loans; and

2. That the benefits generally accruing to the City by making such loans have included, in many cases, a tangible benefit in the form of interest income to the City on those loans in which the interest rate charged on the loan exceeded the interest rate the City earned on its pooled investments, as well as intangible benefits including increasing the size and number of businesses operating within the City and thus stimulating further economic development, creating jobs or preserving jobs, increasing property values resulting in increased property tax revenues to the City, increasing sales tax revenues to the City, encouraging private investment, blight elimination, and enhancing neighborhood vitality within the City; and

3. That the net value to be received by the City by making future such loans will constitute adequate consideration, or equivalent value, for the benefit being provided by the proposed appropriation to the City's *Small Business Revolving Loan Fund*; and

4. That in the judgment of the City Council, this appropriation will provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of Salt Lake City; and

5. That by establishing loan criteria in connection with loans to be made from this fund, including a determination of the potential tangible and intangible benefits the City may derive in making a particular loan, the City has set in place a mechanism by which the City's *Small Business Revolving Loan Fund Committee* will insure that the City will obtain adequate consideration, or equivalent value, for the benefit being provided in making loans from this fund;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

1. The study prepared by the City's Department of Management Services and provided to this City Council in compliance with the requirements of *Utah Code* Section 10-8-2 be, and is hereby, accepted;
2. That an appropriation for Fiscal Year 2005-2006 to the *Salt Lake City Small Business Revolving Loan Fund* in the sum of \$1,338,815.66 be and is hereby approved; and
3. That the Loan Criteria previously approved by the City Council in connection with the *Salt Lake City Small Business Revolving Loan Fund* be, and are hereby, reaffirmed as set forth in Exhibit "A" attached hereto; and
4. That before the City's Small Business Loan Committee recommends approval of any loan from the said fund it shall make a determination that those criteria added by this amendment will be met in making such loan so that the City will obtain adequate consideration, or equivalent value, for the benefit being provided in making such loan. The making of said determination by the division in accordance with the criteria set forth herein shall constitute compliance with *Utah Code* Section 10-8-2 with respect to the said loans so recommended for approval to this City Council, which shall include budget adjustments resulting from future budget openings for this fund during FY 2005-2006.

Passed by the City Council of Salt Lake City, Utah, this _____ day of June, 2005.

SALT LAKE CITY COUNCIL

By _____
CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 5/6/2005
By W. Spindler

**Salt Lake City Corporation
Small Business Revolving Loan Fund**

LOAN CRITERIA

Purpose

- The program is intended to stimulate small business development and expansion, encourage private investment, promote economic development, and enhance neighborhood vitality in Salt Lake City by making low-interest loans available to businesses. It is further the purpose of these criteria to establish standards whereby the Department of Community and Economic Development and the City's Small Business Loan Committee may do a study of the factors required by Utah Code Annotated Section 10-8-2 to identify (1) the net benefit the City will derive, including intangible benefits, in making each of such loans, (2) the City's purposes in making the loans; and (3) whether the loan proceeds will be used to accomplish the City's goals set forth herein below. If the study establishes that the net benefits to the City are equivalent to the net monetary benefit of the loan to the recipient business and that the other factors listed herein are met, this City Council finds that loan meets a corporate purpose of the City in providing for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitant's of the City.

Eligible applicants, loan amounts, collateral requirements, and interest rate

- Businesses located in or relocating to Salt Lake City.
- Start-up businesses and those with less than three years operating history may qualify for loans up to \$100,000 if they provide collateral sufficient to secure at least a minimum of 25% of the loan and make a cash injection of 10% of the City's loan amount.
- Established businesses with at least three years operating history may qualify for loans up to \$100,000 if they present collateral sufficient to secure at least a minimum of 25% of the loan, or loans greater than \$100,000 if they provide a 2-to-1 ratio of other financing to City funds and fully collateralize the loan.
- The interest rate for all loans shall be the current prime rate, fixed for the term of the loan.
- A loan evaluation matrix shall be used by the City's Small Business Loan Committee to rank loan applications based on an applicant's credit history, ability to repay the loan, management ability and business experience, neighborhood impacts of the business, and fiscal impacts of the loan relating to job creation and retention, leverage of public to private funds, and impact on the City's tax structure in addition to the collateral requirements enumerated above. The loan evaluation matrix has a total of 100 points, and a loan application must receive at least 70 points to be recommended to the Mayor for final approval.
- Existing businesses are also evaluated in terms of any crime issues relating to the business. Based on a Police Department report, a loan will be denied to any business that has crime issues which the City is not satisfied that it is working to control.

Use of loan funds, terms, guarantees, and City partnerships with private lenders

- Loan funds may be used for the following: acquisition of land and buildings, new construction, facade and building renovation, landscape and property improvements, machinery and equipment, and working capital. Refinancing of existing business debt will only be considered as part of a business expansion.
- Loan terms are typically 5 years, but can be up to 7 years for equipment and 20 years for acquisition of land and building construction.
- Loans may be prepaid, in part or whole, at any time without penalty.
- Loans shall be guaranteed by the business and personally by the Borrower. In addition, the Borrower shall agree to subordinate all officer debt and defer monthly payments to all officers to the City's loan.
- The City 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 City may subordinate its security interest to the private lender.

Required financial information

- Completed application including a signed personal financial statement, list of business obligations, and a description of assets to secure the loan.
- Business plan including a marketing plan, management plan, and financial plan. The financial plan must provide three years financial projections, the first year by month, including balance sheets, income statements, and cash flow statements. Notes and assumptions are required. The business plan must also include resumes of key management personnel.
- Personal federal and state income tax returns for the previous three years including all schedules and W-2 forms are required. All tax returns must be signed and dated.
- For businesses established three or more years, corporate federal and state income tax returns for the previous three years, and for businesses established for one or two years, corporate federal and state income tax returns for the years of operation. All tax returns must be signed and dated.
- For businesses established three or more years, historical financial statements for the last three years including balance sheets and income statements, and for businesses established for one or two years, historical financial statements for the years of operation including balance sheets and income statements. For all businesses except start-up, a current interim statement less than 60 days old is also required. All financial statements must be signed and dated.
- Site information: If purchasing a building or land, a real estate contract is required. If constructing a facility, the specifications and contractor estimates must be included. If leasing, a copy of the existing or proposed lease agreement must be included.
- Use of funds: A budget outlining the proposed use of funds is required. If working capital is requested, a proposed working capital budget is required. If funds are requested to purchase equipment, two bids are required.
- Organizational: If incorporated, a certificate, articles, by-laws and all minutes reflecting current stockholders and directors must be provided. If a partnership, a partnership agreement must be provided. If a sole-proprietor, proof of registration must be provided.

Insurance requirements

- The Borrower must provide evidence in a form acceptable to Salt Lake City Corporation of (1) comprehensive general liability insurance with a minimum coverage amount of \$1,000,000 per occurrence and \$2,000,000 aggregate, with the City named as an "additional insured"; (2) fire and casualty insurance upon any property, real or personal, owned or used by the Borrower in its operations in an amount at least equal to all indebtedness against the property, with the City named as a "loss payee"; and (3) a certificate of workers compensation insurance sufficient to cover all of the Borrower's employees pursuant to Utah State statutes. All insurance required by the City shall be continuous for the term of the loan.
- For loans greater than \$100,000, key person life insurance shall be required on the company's principal(s) for the amount of the loan. The collateral assignment must be assigned and accepted by the life insurance company and submitted to Salt Lake City Corporation in a form acceptable to the City prior to closing.

Costs to the Borrower

- The Borrower is responsible for the following costs at the time of closing or they are to be deducted from the loan amount: (a) a loan origination fee of 1.00% of the loan amount, (b) interim interest from the date of closing to the end of the month of closing, (c) closing cost, (d) recording fee, (e) Uniform Commercial Code filing fee, (f) appraisal cost, and (g) letter report cost.

Loans to businesses impacted by road construction

- Businesses impacted by road construction are eligible to apply for loans up to \$20,000 amortized at the current prime interest rate for a term of five years. Businesses must be located on the street under construction or within one-half block of the construction. Repayment of principal and interest will be deferred until three months after the construction is substantially complete as determined by the City's administration.
- Loan proceeds may be used for working capital, refinancing existing business debt including credit card debt the borrower can verify was used for business expenses, and inventory
- Loans will be secured by collateral equal to 25% of the loan amount. This requirement may be waived by the Small Business Revolving Loan Fund Committee based on an evaluation of the applicant's credit history, the period of time the business has been in operation, the impact of the road construction on the business, and the viability of the business.
- Loans shall be guaranteed by the businesses and personally by their owners. Borrowers will be responsible to pay closing costs.
- Borrowers must also provide evidence in a form acceptable to Salt Lake City Corporation of current (1) comprehensive general liability insurance with a minimum coverage amount of \$1,000,000 per occurrence and \$2,000,000 aggregate, with the City named as an "additional insured"; (2) fire and casualty insurance upon any property, real or personal, owned or used by them in their operations in an amount at least equal to all indebtedness against the property, with the City named as a "loss payee"; and (3) workers compensation

insurance sufficient to cover all of their employees pursuant to Utah State statutes. All insurance required by the City shall be continuous for the term of the loan.

- The application process requires: (1) a completed loan application including a personal financial statement and a list of business obligations, and (2) business tax returns for the past three years or since the business was established if less than three years. (3) The financial information must verify the financial viability of the business, and the applicant's credit report must demonstrate payment of past obligations.
- Loan applications shall be reviewed by the City's Small Business Revolving Loan Fund Committee and forwarded to the Mayor for a final decision.

Factors to be determined the City's Small Business Revolving Loan Fund Committee before any loan may be recommended for approval:

- The net value to be received by the City as measured on a project-by-project basis over the life of the project. [What identified benefit will the municipality receive in return for any money or resources appropriated (including all intangible benefits)?; (Must show a net value to the City at least equivalent to the benefit provided to the recipient)]
- The municipality's purpose for the appropriation, including an analysis of the way the appropriation will be used to enhance following:
 - (a) the safety,
 - (b) the health,
 - (c) the prosperity,
 - (d) the moral well-being,
 - (e) the peace,
 - (f) the order,
 - (g) the comfort, or
 - (h) the convenienceof the inhabitants of the municipality; and
- Whether the appropriation is necessary and appropriate to accomplish the reasonable goals and objectives of the municipality in the following areas:
 - (a) economic development,
 - (b) job creation,
 - (c) affordable housing,
 - (d) blight elimination,
 - (e) job preservation,
 - (f) the preservation of historic structures and property, and
 - (g) any other public purpose.

RESOLUTION NO. _____ OF 2005
(ACCEPTING THE STUDY PERFORMED
IN COMPLIANCE WITH *UTAH CODE* SECTION 10-8-2;
APPROVING THE APPROPRIATION OF \$2,682,113.80 FOR
THE HOUSING TRUST FUND; AND
ESTABLISHING LOAN CRITERIA FOR THAT FUND)

WHEREAS, the City Council has received and reviewed a study prepared by the City's Department of Management Services in compliance with the requirements of *Utah Code* Section 10-8-2, and public notice has been given at least 14 days prior hereto in a newspaper of general circulation within the City; and in consideration of that study, the City Council hereby finds:

1. That historically loans made from the *Salt Lake City Housing Trust Fund*, although made to different persons and/or entities for differing amounts and purposes, have demonstrated certain similarities with respect to the benefits derived by the City in making such loans; and
2. That the tangible benefits generally accruing to the City by making such loans have included, in many cases, interest income to the City on those loans in which the interest rate charged on the loan exceeded the interest rate the City earned on its pooled investments as well as increasing property values on the property itself on new construction and remodeling and refurbishing resulting in increased property tax revenues to the City, although for nonprofit owners, no property taxes are paid. Intangible benefits accruing to the City include the addition or retention of affordable housing units and special needs housing units in the City, strengthening the residential component of the community, revitalizing and creating safer and more liveable neighborhoods, encouraging private investment, and eliminating blight; and
3. That the net value to be received by the City by making future such loans will constitute adequate consideration, or equivalent value, for the benefit being provided by the proposed appropriation to the City's Housing Trust Fund; and
4. That in the judgment of the City Council, this appropriation will provide for the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of the inhabitants of Salt Lake City; and
5. That by establishing loan criteria in connection with loans to be made from this fund to include a determination of the potential tangible and intangible benefits the City may derive in making a particular loan the City will establish a mechanism by which the City's Housing and Neighborhood Development Division of the Department of Community Development will insure that the City will obtain adequate consideration, or equivalent value, for the benefit being provided in making loans from this fund;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

1. The study prepared by the City's Department of Management Services and provided to this City Council in compliance with the requirements of *Utah Code* Section 10-8-2 be, and is hereby, accepted;

2. That an appropriation for Fiscal Year 2005-2006 to the *Salt Lake City Housing Trust Fund* in the sum of \$2,682,113.80 be and is hereby approved; and

3. That Loan Criteria in connection with the *Salt Lake City Housing Trust Fund* be, and are hereby, enacted to read as set forth in Exhibit "A" attached hereto; and

4. That before the City's Housing and Neighborhood Development Division recommends approval to the City Council of any loan from the said fund it shall make a determination that those criteria added by this amendment will be met in making such loan so that the City will obtain adequate consideration, or equivalent value, for the benefit being provided in making such loan. The making of said determination by the division in accordance with the criteria set forth herein shall constitute compliance with *Utah Code* Section 10-8-2 with respect to the said loans so recommended for approval to this City Council, which shall include budget adjustments resulting from future budget openings for this fund during FY 2005-2006.

Passed by the City Council of Salt Lake City, Utah, this _____ day of June, 2005.

SALT LAKE CITY COUNCIL

By _____
CHAIRPERSON

ATTEST:

CHIEF DEPUTY CITY RECORDER

APPROVED AS TO FORM
Salt Lake City Attorney's Office
Date 5/6/2005
By JV Spindler

**Salt Lake City Corporation
Housing Trust Fund**

LOAN CRITERIA

Factors to be determined the City's Housing and Neighborhood Development Division before any loan may be recommended to the City Council for approval:

- The net value to be received by the City as measured on a project-by-project basis over the life of the project. [What identified benefit will the municipality receive in return for any money or resources appropriated (including all intangible benefits)?; (Must show a net value to the City at least equivalent to the benefit provided to the recipient)]
- The municipality's purpose for the appropriation, including an analysis of the way the appropriation will be used to enhance following:
 - (a) the safety,
 - (b) the health,
 - (c) the prosperity,
 - (d) the moral well-being,
 - (e) the peace,
 - (f) the order,
 - (g) the comfort, or
 - (h) the convenienceof the inhabitants of the municipality; and
- Whether the appropriation is necessary and appropriate to accomplish the reasonable goals and objectives of the municipality in the following areas:
 - (a) economic development,
 - (b) job creation,
 - (c) affordable housing,
 - (d) blight elimination,
 - (e) job preservation,
 - (f) the preservation of historic structures and property, and
 - (g) any other public purpose.