

**THE REDEVELOPMENT AGENCY OF MIDVALE CITY
RESOLUTION NO. 2024-01RDA**

A RESOLUTION APPROVING THE MIDVALE MAIN BUSINESS LOAN PROGRAM

WHEREAS, the Redevelopment Agency of Midvale City (“Agency”) was created to transact the business and exercise the powers provided for in the Utah Redevelopment Agencies Act; and

WHEREAS, on November 17, 2015, the Agency adopted Resolution 2015-13RDA, approving the CDA Project Area Plan for the Midvale Main Street CDA Project Area; and

WHEREAS, on October 6, 2020, the Agency adopted Resolution 2020-11RDA, adopting the Main Street Community Development Area Budget; and

WHEREAS, on September 7, 2021, the Agency adopted Resolution 2022-17RDA, approving the Main Street Revolving Business Loan Program (the “Program”); and

WHEREAS, the Program seeks to incentivize desired businesses and business improvements through low-interest loans to activate and revitalize Midvale’s Main Street area; and

WHEREAS, Agency staff crafted amendments to the Program to overcome the challenges of high-interest rates and tailor it more closely to the needs of businesses; and

WHEREAS, funds available in the amount of \$1.5 million were loaned from the Bingham Junction Project Area to the Main Street Project Area to be utilized as loans for eligible applicants, and upon completion of the program, will be repaid to the Bingham Junction Project Area; and

WHEREAS, the Agency believes that the Amended Midvale Main Business Loan program will help facilitate the revitalization of the Main Street Project Area.

NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY, that the Board of Directors does hereby authorize the Chief Administrative Officer and Executive Director to implement the amended Midvale Main Business Loan Program to promote and incentivize the redevelopment of Midvale City’s Main Street.

Passed and Adopted by the Board of Directors of the Redevelopment Agency of Midvale City, State of Utah, this 16th day of January, 2024.





Marcus Stevenson,
Chief Administrative Officer



Matt Dahl
Executive Director

ATTEST:



Rofi L. Andreason, MMC
Secretary

Voting by the Council:	"Aye"	"Nay"
Bonnie Billings	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Paul Glover	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Heidi Robinson	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Bryant Brown	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dustin Gettel	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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

~~Project Area~~**Midvale Main Business Loan Program**'s purpose is to support and promote the growth and development of businesses within the Main Street Project Area. The objective is to stimulate business development and expansion of businesses operating within Midvale's Main Street Project Area or are relocating or starting up a new business. These businesses must be committed to creating a sense of place along ~~Main Street project area~~ Midvale Main Street, enhancing arts and culture, preserving and celebrating history, and providing or supporting spaces for recreation.

A business that already exists within Midvale's Main Street Project Area, is relocating to the Area, or is a startup locating within the Area.

~~Business~~business ~~License~~license and special assessments must be current, with no judgments or liens against the applicant(s).

Applicants must provide sufficient evidence of their capabilities to successfully complete the project.

Applicant credit history must demonstrate prompt payment of past obligations.

Eligibility: To be considered for a loan the project must score a minimum score of 25/40 in meeting four key public benefit criteria: Economic Development Impact, Public Amenity, ~~Beautification~~Permanent Job Creation, and Street Revitalization. The criteria are found in the chart below in Section V.

Interest Rate: A reduction to the standard interest rate is available for projects that receive more than the minimum score required in meeting any combination of criteria in the Public Benefit Criteria Chart found in Section V. For every 5-3 points above the minimum score required, a project is eligible to receive a rate reduction of .25% from the standard interest rate. ~~A maximum reduction of 1.00%~~ a minimum interest rate of 1%. For each interest rate reduction received, reporting requirements will be triggered to ensure that public benefit criteria are being met.

0% Interest Loans: Projects that provide a substantial public benefit to the street are eligible for 0% interest loans.

ler \$25,000 must meet the minimum eligibility requirement, have a minimum score of 35 points under the
refit criteria ~~and~~ which must receive a full score in the areas of 1) Economic Impact, 2) Street Activation, 3)
Job Creation ~~Job Creation~~.

r \$25,000 must meet the minimum eligibility requirement, have a minimum score of 60 points under the
refit criteria and must receive a full score in the areas of 1) Economic Impact, 2) Adaptive Reuse ~~or~~
~~Preservation~~, 3) ~~Beautification~~ Permanent Job Creation 4) Street Activation.

Funds

(0-3 years old): Can apply for loans up to \$25,000

(3+ years old): Can apply for loans up to \$250,000

mittee can waive the 3-year requirement if borrower(s) can demonstrate comparable experience within the

o and businesses expansion.

, marketing, materials, space, labor, supplies, and operating maintenance.

il Improvement and Real Estate Purchases Under \$25,000

building acquisition.

onstruction and renovation (with restrictions).

improvements: signage, building, and landscaping (restrictions apply).

d equipment upgrades and building retrofits.

lding/business in compliance with all applicable Midvale City building codes and ordinances.

il Improvement and Real Estate Purchases Over \$25,000.

building acquisition.

onstruction and renovation (with restrictions).

improvements: signage, building, and landscaping (restrictions apply).

d equipment upgrades and building retrofits.

lding/business in compliance with all applicable Midvale City building codes and ordinances.

sed for the refinancing of existing debt.

o costs and expansion expenses.

ount: 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
e transferred.

nd Check: Required.

re: No minimum. (Credit scores determine loan amount, interest rate, and collateral %).

: Must have ~~10~~60%-80% minimum of available collateral.

g on the loan will result in the loss of collateral.

Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.

est Rate: US Prime Rate ~~+~~5% (- Public Benefit Score Reduction, if applicable)

il Improvement and Real Estate Purchases Under \$25,000

ount: Loans will provide up to \$25,000.

n: 6 months to 5 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be
d.

nd Check: Required.

re: No minimum. (Credit scores determine loan amount, interest rate, and collateral %).

: Must have ~~10~~60%-80% minimum of available collateral.

efaulting on the loan will result in the loss of collateral.

Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project.

est Rate: US Prime Rate ~~+~~5%(- Public Benefit Score Reduction, if applicable)

il Improvement and Real Estate Purchases Over \$25,000

ount: Loans will provide up to \$250,000.

n: 6 months to 7 years. Loan may be prepaid, in part or whole, at any time without penalty but may not be
d.

nd Check: Required.

re: Minimum Credit Score of 640 .

: Must have ~~10~~60%-80% minimum of available collateral.

Interest Rate: US Prime Rate ~~+ .5%~~ (- Public Benefit Score Reduction, if applicable)

Loan-to-Value Ratio: 85% of the property value or project expense.

Guarantee: Must have a personal guarantee from all owners with over 20% equity in the property or project. 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 .

Costs; however, they can be negotiated with staff but will require approval by the Redevelopment Agency

1

Description	Criteria	Score
To foster redevelopment, neighborhood services, and locally-owned businesses.	<p>The project will catalyze economic impacts through one of the following:</p> <ul style="list-style-type: none">• 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 <u>serves to provide a space for complementary services and/or businesses</u> business that falls under the desired business categories* <u>and that are currently lacking in the Main Street Project Area;</u>• 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

	<p>businesses that falls under the desired business categories*.</p> <ul style="list-style-type: none"> • The project will <u>provide a space for a</u> provide new local restaurants or similar businesses. Additional points will be given for projects that provide outdoor/rooftop dining or unique dining experiences. <p>• <u>*The Midvale Main Desired Business Categories is attached as Exhibit A.</u></p>	
To promote community amenities that provide opportunity for social interaction, support cultural events, promote neighborhood identity, and reinforce neighborhood character.	<p>The project includes one of the following public amenities that reinforces neighborhood character and scale:</p> <ul style="list-style-type: none"> • 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
To promote the revitalization of underutilized buildings that preserve the character of the Project Area while promoting new land uses.	<p>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></p>	___/10

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
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
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
To promote the Main Street Project Area with a balanced economy that produces jobs that create a supportive environment for entrepreneurs and innovators.	<p>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.</p> <p><i><u>*The Midvale Main Desired Business Categories is attached as Exhibit A.</u></i></p>	___/10

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> . <i>*The Midvale Main Desired Business Categories is attached as Exhibit A.</i>	___/10
To promote a built environment that assists <u>with protecting resources and promoting greater resiliency.</u>	The project demonstrates a commitment to an <u>industry-recognized certification program including, but not limited to, Passive House, Energy Star, LEED, and Enterprise Green Communities programs.</u>	___/10

of the Application and submit the completed application to the Redevelopment Agency Program Manager midvale.com. The preliminary review generally takes 10 business days. A credit check will be conducted. A fee for processing the credit checks will be assessed at the time of submission.

on is approved, please proceed to Part B of the Application and submit the completed application along with a non-refundable application fee of \$75.00 and the documents listed on page 10 of the Part B Application. *Acceptance of the application does not constitute loan approval.*

Executive Assistant at rda@midvale.com or call 801-567-7211 to set up a time to review the completed application.

By the RDA Staff, you will schedule a meeting where you will present about your business and answer any questions. RDA staff will evaluate the loan application based on Section VII and the following criteria:

- Is the project for funds in accordance with RDA Loan Program Guidelines?
- Is the project financially feasible to complete development?
- Does the project provide any undue financial benefits to the applicant, or is the owner's projected return on equity unreasonably high?
- Are the financial sources for financing identified and reasonable?
- Are the terms necessary and appropriate to the development?
- Are the developer's capabilities and strength of collateral identified and reasonable?

After you submit your loan, and in 5-7 business days you will be notified of the decision by email.

take several months depending on the completeness of the application and the Loan Committee's

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

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

Loans over \$25,000:

Loans over \$25,000 are guaranteed by the business and personally by the borrower and personal guarantors (all owners with 20% equity interest are required to be a guarantor). ~~Non-profit organizations are only required to provide corporate guarantees.~~ The RDA staff may waive personal guarantees in cases of unique corporate structures. *Personal guarantors are liable for the outstanding balance of the loan after the liquidation of collateral to the RDA even if the business fails.* Staff may require additional forms of guarantee depending on the application as deemed reasonable and necessary by RDA staff.

Financial Statements: For existing or operating businesses, the following financial documentation is required for loan consideration. Please provide copies and keep the original documents.

Provide corporate federal and state income tax returns for the previous three years or for the length of the business, whichever is less.

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), or the most recent month-end or quarterly financial statements. Please be advised that some applicants may be required to provide financial statements for related businesses or businesses in which the guarantors also have substantial ownership, particularly if the business applying for a loan has been in existence for less than three years.

Further Information: Three years of federal and state income tax returns including all schedules and W-2 forms for the member(s) of the legal structure of the business (sole proprietor, partners, and principal officers) who own 10% of the business and each guarantor. If real estate is pledged as collateral, the applicant must also provide mortgage statements, evidence of the collateral value, and certify that the property has no liens against it.

Lease Information: Provide a copy of the existing or proposed lease agreement, a mortgage statement, deed, or other document showing control.

Confidentiality Request Form: Complete and submit a business confidentiality request form.

Articles of Incorporation: Provide a copy of the existing Articles of Incorporation to legally document the existence of the business.

A business plan serves as a company's road map, defining a clear goal of what the company will become and how it will 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 include a complete analysis of the funds needed to meet its objectives including a current financial snapshot and cash flow statement. A business plan is an extremely important and useful tool for a business owner to evaluate strengths and weaknesses, identify 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. You 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

Description of Product/Services

Market & Marketing Strategy

Environmental/Human/Environmental Impact

Management Team (bios or resumes)

Organizational Structure

Financial Expenditure Forecast

Other

Midvale Main Desired Business Categories

Below is a list of business categories which will play an important role in establishing an arts, food, and culture district. This list is not considered to be an exhaustive list of businesses but should be utilized as a guide when considering which businesses will further the revitalization of Midvale Main. These businesses should attract visitors to the Midvale main on a regular basis and maintain operating hours that are conducive to the public.

1. Art Galleries and Studios:

- Contemporary art galleries
- Studios for local artists
- Co-working spaces for artists

2. Theaters and Performing Arts Spaces:

- Live theaters
- Performance art spaces
- Dance studios and academies

3. Music Venues:

- Concert halls
- Live music venues
- Jazz clubs or lounges

4. Food and Beverage:

- Restaurants
- Breweries
- Supper Clubs
- Bars/Pubs
- Cafes/Luncheonettes
- Gourmet Food Stores
- Grocery/Bodega
- Specialty tea or coffee shop
- Arts inspired confectionery/bakery

5. Museums and Cultural Institutions:

- Art museums
- Cultural heritage centers

6. Artisan and Craft Shops:

- Handmade crafts stores
- Art supply shops
- Specialty boutiques
- Boutiques featuring handmade jewelry, pottery, textiles, soap, and other artisanal products.
- Farmers/Craft markets
- Pop up shops
- Monthly or seasonal art fairs
- Crafting workshops with associated retail spaces
- Rock and Insect Shops

7. Event Spaces:

- Multi-purpose event venues
- Community gathering spaces
- Outdoor event spaces

8. Educational Institutions:

- Art schools
- Cultural studies programs
- Culinary arts schools or workshops
- Workshops and classes

9. Media and Publishing:

Exhibit A

- Independent bookstores
- Literary magazines or publishers

10. Creative Technology Hubs:

- Virtual reality (VR) or augmented reality (AR) studios
- Tech incubators for creative industries
- Digital art galleries
- Gaming Cafes'

11. Community Centers:

- Spaces for community events and meetings
- Workshops and classes for all age groups

12. Vintage and Antique Shops:

- Vintage clothing stores
- Antique furniture and decor shops
- Collectibles and memorabilia stores

13. Fashion Boutiques:

- Boutiques showcasing local designers and fashion artists
- Concept stores with a unique blend of fashion and art
- Clothing stores promoting cultural attire and accessories
- Ethnic and cultural fashion boutiques

14. Home Decor and Design Stores:

- Interior design shops featuring unique and artistic home decor items
- Design studios offering custom pieces

15. Music and Record Stores:

- Vinyl record shops
- Music merchandise stores

16. Lifestyle and Wellness Shops:

- Centers that promote health and wellness
- Spa and Beauty
- Yoga and Meditation Studios

17. Concept Stores:

- Stores with a unique concept that combines art, culture, and retail
- Collaborative spaces hosting various brands and creators

18. Kids and Family-Friendly Shops:

- Educational toy stores
- Family-friendly art and craft shops
- Hobby Shops

19. Tourism and Visitor Centers:

- Information centers promoting local culture
- Walking or biking tour services
- Cultural tourism initiatives