

**THE REDEVELOPMENT AGENCY OF MIDVALE CITY
RESOLUTION NO. 2024-02RDA**

**A RESOLUTION APPROVING THE MIDVALE MAIN ADAPTIVE REUSE 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, the 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 the desired development and improvements through low interest loans to activate and revitalize Midvale’s Main Street area; and

WHEREAS, The Agency acknowledges 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.

WHEREAS, the Agency desires to create a program for the purpose of facilitating the revitalization of Main Street.

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.


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 Midvale Main Adaptive Reuse 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:


Roki 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 Adaptive Reuse Loan Program

I. Purpose

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

II. Eligibility

1. Applicant must own or be purchasing 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 property.
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 succeed and that the requested loan is the best use of funds for the project.
6. Minimum Eligibility: To be considered for a loan the project must score a minimum score of 25/40 in the benefit criteria of Economic Impact, Public Amenity, Beautification, and Street Activation. These criteria are detailed in the chart below in Section V.
7. Public Benefit Incentive: A reduction to the standard interest rate is available for projects that receive a minimum score in meeting any combination of criteria in the Public Benefit Criteria Chart found in Section V. For each point earned over the minimum score required, a project is eligible to receive a rate reduction of .25% interest rate, with a minimum interest rate of 1%. For each interest rate reduction received, compliance 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 a reduction in the standard interest rate.

- a. Loans under \$25,000 must meet the minimum eligibility requirement, have a minimum score on public benefit criteria and must receive a full score in the areas of 1) Economic Impact and 2) Historic Preservation.
- b. Loans over \$25,000 must meet the minimum eligibility requirement, have a minimum score on public benefit criteria and must receive a full score in the areas of 1) Economic Impact, 2) Historic 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: Loan 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.
- 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
 - 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: Loan 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 p 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
 - 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 requir the provided information is sufficient.

All Loan terms in this section are standard; however, they can be negotiated with staff but will require appro Redevelopment Agency Board.

V. Public Benefit Criteria

Public Benefit	Description	Criteria
Economic Impact	To foster redevelopment, neighborhood services, and locally-owned businesses.	<p>The project will catalyze economic i through one or more of the followi</p> <ul style="list-style-type: none"> • The project will remove blight tl rehabilitation/replacement of a distressed building; • The project will provide a space to complementary service and/ that falls under the desired busi categories* and are currently la Main Street Project Area; • The project will provide a venue space for events; or • The project will prioritize space owned business that fits within business categories*. • The project will provide space fo restaurants or similar businesse points will be given for projects provide outdoor/rooftop dining dining experiences. <p><i>*The Midvale Main Desired Busines is attached as Exhibit A</i></p>

Public Amenities	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 or more of the following public amenities that reinforce neighborhood character and scale:</p> <ul style="list-style-type: none"> • The project includes a significant open space, public walkway spaces or other publicly accessible amenity; • The project includes a significant art amenity.
Historic Character	To promote the historic character of the Project Area or the individual building.	<ul style="list-style-type: none"> • The project will introduce significant architectural elements, signage that fit the historic look and Midvale Main. • This project focuses on maintaining and/or recreating internal and external historic characteristics that currently would have existed from the time which the building was built.
Beautification	To promote the beautification and character through strategic improvements that will further the look and feel that is already established within 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 includes incorporating building improvements, not historic, including building facade improvements, street or walkway improvements, and art installations to provide a cohesive, unique and high-quality feeling.
Educational or Arts-Based Business	To create social impact by providing residents and guests with educational opportunities and arts-based programming.	The project will preserve, create, or renovate a building in order to offer arts-based programming.

		programming and/or a space for educational opportunities.
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 host programs that are patron- and visitor-friendly including during the day and evenings.
Sustainability	To promote a built environment that assists with protecting resources and promoting greater resiliency.	The project demonstrates a commitment to industry-recognized certification programs including, but not limited to, Passive House, Energy Star, LEED, and Enterprise Green Communities programs.
Architecture & Urban Design	To promote high quality and enduring architecture, developments, public spaces and neighborhoods.	The project will participate in a mandatory design review allowing the further improvement of design. Design review will promote developments that are constructed with quality materials, respond to the surrounding context, provide a significant architectural contribution, and enhance the public realm.
Affordable Housing: AMI Targets*	To expand the stock of affordable housing to low-income households.	<p>The project meets one of the following standards:</p> <ul style="list-style-type: none"> • 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. <p>*This criterion cannot be applied if the applicant is participating in the Upper Income Housing Program.</p>

V. Loan Process

1. Download Part A of the Application and submit the completed application to the Redevelopment Agency at kandrus@midvale.com. The preliminary review generally takes 10 business days.
2. If Part A Application is approved, please proceed to Part B of the Application and submit the completed application with the non-refundable application fee of \$75.00 and the documents listed on page 10 of the Part B 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 your 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:
 - ☐ 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 reasonable?
 - ☐ 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 be notified of the decision by email.

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

VII. Loan Evaluation

Evaluation:

The loan evaluation will be based on an applicant's credit history, ability to repay the loan, management 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 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 c or more in the business are required to be a guarantor). RDA director may waive personal guarantees in corporate structures. *Personal guarantors are liable to pay back the outstanding balance of the loan after collateral to the RDA.* Staff may request additional forms of guarantee depending on the application as d necessary by RDA staff.

VIII. Required Documents

The following financial documentation is required for loan consideration. Please submit copies electronically 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 deed
- Credit Score Report
- Verification of deposits (if applicable)
- Credit Score Report

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)

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