

**THE REDEVELOPMENT AGENCY OF MIDVALE CITY  
RESOLUTION NO. 2024-03RDA**

**A RESOLUTION APPROVING THE TERM SHEET FOR A LOAN AGREEMENT  
BETWEEN REDEVELOPMENT AGENCY OF MIDVALE CITY AND MIDVALE  
MAIN PARTNERS II, LLC.**

**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 Midvale Main Business Loan Program (the “Program”); and

**WHEREAS**, on January 16, 2024, the Agency adopted Resolution 2024-RDA, approving Amendments to the Midvale Main Business Loan 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**, 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 businesses and upon completion of the program, will be repaid to the Bingham Junction Project Area; and

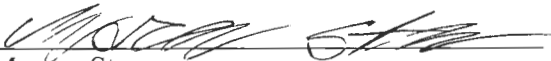
**WHEREAS**, the Midvale Main Partners II, LLC applied for a loan through the Program in the amount of \$250,000 for planned renovations which include structural upgrades, new framing and stair access, updated HVAC systems, new plumbing, drywall installation, electrical upgrades, flooring enhancements, and modernized bathrooms; and


**WHEREAS**, the Agency reviewed the application and supporting submitted and believes that the funds loaned to the Midvale Main Partners II, LLC will contribute to the revitalization of the Midvale Main Street CDA Project Area; and

**NOW THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF MIDVALE CITY**, that the Board of Directors does hereby approve the Term Sheet for a Loan Agreement with Midvale Main Partners II, LLC and authorizes the Chief Administrative Officer and Executive Director to execute the loan agreement and other required documents based on the Term Sheet, subject to such other terms and conditions as recommended by Agency’s legal counsel.

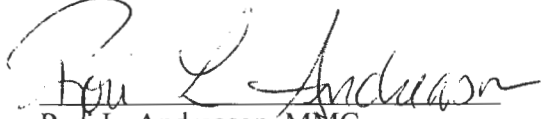
**Passed and Adopted by the Board of Directors of the Redevelopment Agency of Midvale City, State of Utah, this 10th day of FEBRUARY, 2024.**



  
Marcus Stevenson,  
Chief Administrative Officer

  
Matt Dahl  
Executive Director

ATTEST:

  
Rolf 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"/>

Midvale City Redevelopment Agency  
 PROPOSED Term Sheet for Loan Agreement  
 (Midvale Main Partners II LLC)

Borrower:	Midvale Main Partners II LLC (Borrower)
Lender:	Redevelopment Agency of Midvale City (Lender)
Loan Amount:	\$250,000.00
Interest Rate:	0% Interest
Term:	7 Years
Payments:	1. Borrower shall pay to RDA equal monthly payments of principal and interest based on the outstanding Loan Amount.
First Payment	2. The first payment shall be the sooner of: a) The first day of the first full month following obtaining the certificate of occupancy for any portion of the building located at 7696 S. Main Street or b) November 1, 2024.
Security:	3. Borrower pledges the equity from property located at 7696 S. Main Street as collateral with a loan ratio of 100%. The lender agrees that this loan will be subordinate to borrower's additional financing for this project. Additional loans shall not exceed maximum equity of building including the lender's equity share in the property
Late Fee:	4. Borrower agrees to pay a late payment fee equal to five percent (5%) of the late amount, if payment is received after the 15 <sup>th</sup> day of in which the payment is due. All sums in default will accrue interest at the rate of 18% per annum, compounded monthly, before and after judgment, until paid in full.
Prepayment:	5. Prepayment of the outstanding balance of the Loan, in whole or in part, may be made prior to the Maturity Date without a prepayment penalty.
Personal Guarantee	6. The Loan must have a personal guarantee from the borrower.
Use of Proceeds	7. Borrower shall use the proceeds of the Loan for the permitted uses which includes structural upgrades, new framing and stair access, updated HVAC systems, new plumbing, drywall installation, electrical upgrades, flooring enhancements, and modernized bathrooms.

<p>Default</p>	<p>8. Borrower agrees to submit receipts, invoices, or other reasonable evidence as requested by the RDA to verify that the Loan is being used for the permitted use.</p> <p>9. Defaulting on the Loan will result in the loss of collateral.</p>
<p>Miscellaneous</p>	<p>10. The Borrower shall maintain a diverse and active tenancy comprising retail, food, and event-based businesses within the secured property during the term of this Loan. The composition of tenants should reasonably align with the originally approved business types.</p> <p>11. In the event that the Borrower loses a tenant during the term of this Loan, the Borrower shall diligently make efforts to secure a replacement tenant of the same business type within a period of one (1) year from the date of vacancy.</p> <p>12. In the event that the Borrower fails to maintain a tenant of the agreed-upon business types, the interest rate on the loan shall be adjusted. Specifically, if any of the tenants deviate from the specified business types, the interest rate will revert to prime rate + 1.5%.</p> <p>13. Borrower shall have executed and delivered to Lender the Loan documents in a form satisfactory to Lender. The personal guarantee shall have executed and delivered to Lender the Guaranty in a form satisfactory to Lender.</p> <p>14. Borrower's personal guarantee shall pay any outstanding balance of the loan amount in the event that the collateral is no longer viable.</p> <p>15. Borrower shall comply with all other terms outlined in the Midvale Main Adaptive Reuse Loan Program guidelines.</p>

**Proposed Loan**

Debt Assumptions		
Loan Amount	250,000	
Interest Rate	0.00%	0.00%

Proposed Loan	Amount	Interest	Project Proceeds
Loan #1	\$250,000	\$ -	\$ (250,000)

Loan Amount Issued	\$ 250,000
Costs of Issuance	\$0
<b>Total Amount</b>	<b>\$ 250,000</b>
<b>Total</b>	<b>\$ 250,000</b>

Month	Principal	Interest Rate	Interest	Total P+I
1	\$2,976	0.00%	\$0	\$2,976
2	\$2,976	0.00%	\$0	\$2,976
3	\$2,976	0.00%	\$0	\$2,976
4	\$2,976	0.00%	\$0	\$2,976
5	\$2,976	0.00%	\$0	\$2,976
6	\$2,976	0.00%	\$0	\$2,976
7	\$2,976	0.00%	\$0	\$2,976
8	\$2,976	0.00%	\$0	\$2,976
9	\$2,976	0.00%	\$0	\$2,976
10	\$2,976	0.00%	\$0	\$2,976
11	\$2,976	0.00%	\$0	\$2,976
12	\$2,976	0.00%	\$0	\$2,976
13	\$2,976	0.00%	\$0	\$2,976
14	\$2,976	0.00%	\$0	\$2,976
15	\$2,976	0.00%	\$0	\$2,976
16	\$2,976	0.00%	\$0	\$2,976
17	\$2,976	0.00%	\$0	\$2,976
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69	\$2,976	0.00%	\$0	\$2,976
70	\$2,976	0.00%	\$0	\$2,976
71	\$2,976	0.00%	\$0	\$2,976
72	\$2,976	0.00%	\$0	\$2,976
73	\$2,976	0.00%	\$0	\$2,976
74	\$2,976	0.00%	\$0	\$2,976
75	\$2,976	0.00%	\$0	\$2,976
76	\$2,976	0.00%	\$0	\$2,976
77	\$2,976	0.00%	\$0	\$2,976
78	\$2,976	0.00%	\$0	\$2,976
79	\$2,976	0.00%	\$0	\$2,976
80	\$2,976	0.00%	\$0	\$2,976
81	\$2,976	0.00%	\$0	\$2,976
82	\$2,976	0.00%	\$0	\$2,976

83	\$2,976	0.00%	\$0	\$2,976
84	\$2,976	0.00%	\$0	\$2,976
	\$ 250,000		\$ -	\$ 250,000

## **Vincent Park: Public Impact**

**Economic Impact:** We believe that through rehabilitating the old Vincent Building and retrofitting it for Cactus and tropicals it will have a large economic impact on Main Street Midvale. Cactus and Tropicals is a local and popular retailer along the wasatch front. It is a destination for people and we believe it will drive a lot of traffic to the street which will spill over into other businesses. We also feel it will help other landlords attract much stronger and more interesting tenants because of their presence on Main Street.

**Public Amenities:** We believe that the Vincent Soda Shop, Cactus and Tropicals, the Restaurant, the rooftop dining and the park will all be beautiful and unique amenities on Main Street. The outdoor dining and garden areas will be a beautiful green space that will benefit everyone walking by and every customer that visits any of these spaces.

**Preservation:** We are planning to restore the old Vincent facade. We hope to improve it by adding tasteful finishes that make it look current, while also keeping some of its unique characteristics to preserve the charm and history that it holds for the city. We are also planning to have a soda and candy shop in the first 25 feet of the Vincent building as a throwback to what Vincent was known for and to create a place that people can stop in for a soda and a little nostalgia. We have chosen to remodel, rather than rebuild these buildings, because we believe that restoring old buildings brings an authentic charm to the street that new construction can't replicate.

**Beautification:** We are working with reputable designers and architects and plan to use high end finishes to make the facade look charming and current. The outdoor dining and the courtyard area for Cactus will be a beautiful, unique attraction for the city.

**Educational based Business:** Cactus and tropicals is a retail and events business, but it also hosts classes and lectures to educate their customers on a variety of subjects regarding plants. This will bring an educational element to the space.

**Sustainability:** Remodeling vs. Rebuilding is better for the environment. It creates less waste and uses less resources. We believe because we are remodeling, rather than rebuilding, this is considered a sustainable project

**Street Activation:** Cactus and tropicals sells retail during the day and hosts events at night. This will activate the street for longer hours than an average retail shop. As mentioned above, they are a popular and beloved company, and we believe people will come to Main Street specifically to shop there. This will drive traffic that wouldn't naturally be on Main Street. We believe the design of the park, with the outdoor dining and retail, will activate the street in a unique way. This will be a great experience and a draw that we believe will activate Main Street in a big way.