

**THE REDEVELOPMENT AGENCY OF MIDVALE CITY  
RESOLUTION NO. 2024-04RDA**

**A RESOLUTION APPROVING THE TERM SHEET FOR A LOAN AGREEMENT  
BETWEEN REDEVELOPMENT AGENCY OF MIDVALE CITY AND CACTUS AND  
TROPICALS.**

**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 Cactus & Tropicals LLC applied for a loan through the Program in the amount of \$250,000 for planned renovations which include construction features such as skylights, floor coverings, paint, lighting, and plumbing. Additionally, the inventory will include display tables, racks, shelving, cash registers, computers, printers, plumbing fixtures, shopping carts, pallet jacks, tools, and other fixtures crucial to their operational needs; and


**WHEREAS**, the Agency reviewed the application and supporting submitted and believes that the funds loaned to Cactus & Tropicals LLC will contribute to the revitalization of the Midvale Main Street CDA Project Area.

**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 Cactus & Tropicals 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.

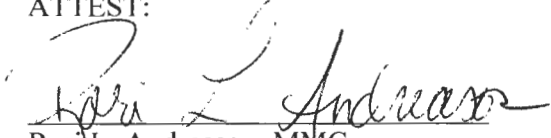
**Passed and Adopted by the Board of Directors of the Redevelopment Agency of Midvale City, State of Utah, this 10<sup>th</sup> day of FEBRUARY, 2024.**



  
\_\_\_\_\_  
Marcus Stevenson,  
Chief Administrative Officer

  
\_\_\_\_\_  
Matt Dahl  
Executive Director

ATTEST:

  
\_\_\_\_\_  
Rori L. Andreason, MMC  
Secretary

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

Midvale City Redevelopment Agency

Term Sheet for Loan Agreement

(Cactus & Tropicals, LLC)

Borrower:	Cactus & Tropicals (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 the opening of the business or b) October 1, 2024.
Security:	3. Borrower pledges 80% equity of one or more currently owned locations as collateral. The Lender will be in last position.
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 all owners with over 20% equity in the property or project.
Use of Proceeds	7. Borrower shall use the proceeds of the Loan for the permitted uses which includes the tenant improvements , inventory, machinery and equipment. This will be in the form of skylights, floor coverings, additional painting, etc. Lighting, display tables, racks, shelving, cash registers, computer and printer, plumbing fixtures, shopping carts, pallet jack, tools, and other fixtures
Default	8. Borrower agrees to submit receipts, invoices, or other reasonable evidence as requested the RDA to verify that the Loan is being used for the permitted use.

<p>Miscellaneous</p>	<ol style="list-style-type: none"><li>9. Defaulting on the loan will result in the loss of collateral.</li><li>10. Borrower shall have executed and delivered to Lender the Loan Documents in a form satisfactory to Lender. Guarantor shall have executed and delivered to Lender the Guaranty in a form satisfactory to Lender.</li><li>11. Personal guarantors are liable to pay back the outstanding balance of the loan after the liquidation of collateral to the RDA even if the business fails.</li><li>12. Borrower shall comply with all other terms outlined in the Midvale Main Business Loan Program guidelines.</li></ol>
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**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
18	\$2,976	0.00%	\$0	\$2,976
19	\$2,976	0.00%	\$0	\$2,976
20	\$2,976	0.00%	\$0	\$2,976
21	\$2,976	0.00%	\$0	\$2,976
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41	\$2,976	0.00%	\$0	\$2,976
42	\$2,976	0.00%	\$0	\$2,976
43	\$2,976	0.00%	\$0	\$2,976
44	\$2,976	0.00%	\$0	\$2,976
45	\$2,976	0.00%	\$0	\$2,976
46	\$2,976	0.00%	\$0	\$2,976
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48	\$2,976	0.00%	\$0	\$2,976
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51	\$2,976	0.00%	\$0	\$2,976
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60	\$2,976	0.00%	\$0	\$2,976
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64	\$2,976	0.00%	\$0	\$2,976
65	\$2,976	0.00%	\$0	\$2,976
66	\$2,976	0.00%	\$0	\$2,976
67	\$2,976	0.00%	\$0	\$2,976
68	\$2,976	0.00%	\$0	\$2,976
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
	<b>\$ 250,000</b>		<b>\$ -</b>	<b>\$ 250,000</b>

## Cactus & Tropicals Economic & Community Impact

Cactus & Tropicals, (C&T) in its two existing locations, has had a significant positive impact on the surrounding business and residential communities.

**Economic Impact** – We anticipate that in year one, C&T Midvale will generate about \$600,000 in revenue from the sale of retail merchandise and through the hosting of events such as wedding receptions, corporate events, community gatherings and sponsored classes. The “spillover” effect has been positive for the community with the build up of several restaurants (SLC - Feldman’s Deli, Draper – Cliff and Cultivate) as well as several retail stores and residential complexes that did not exist before the establishment of our stores in those areas. Over the span of 6-8 years we hope to grow revenues in our Midvale location to \$1.8 million.

**Public Amenities** – C&T has established as its competitive advantage over big box competitors such as Lowes and Home Depot, a positive customer experience. Fountains and blooming vines as well as arbors and statuary are used to create an environment that suggests a garden lifestyle both in our stores and in our outdoor areas. C&T Midvale will have a greenhouse structure where tropical plants will be planted as well as offered for sale. Because of the gardenlike atmosphere that we create, our two existing locations began offering their spaces to customers for private events in 2006. In addition to paid events, each year, the spaces are provided to charitable organizations and other NFP’s at no charge as a location where they can hold fund raisers and gatherings.

**Adaptive Reuse** – C&T Midvale hopes to be able to open in the old Vincent Drug building. It will attempt to keep much of the charm of that building while adding a greenhouse towards the rear of the property. In addition, the plan is to tentatively have a space up front that is reminiscent of the original soda fountain that was a gathering place at Vincents in days gone by. It will offer customers sodas and light refreshments as well as its wide array of plants and gifts.

**Beautification** – We are working closely with Jeff and Caitlin Beck to create a space that is both charming and that will attract customers from all over the valley. We have retained the services of a designer to help create a beautiful space within the building and will be calling on our own landscape designers to create an attractive outdoor nursery area that will enhance the street and neighborhood. The first line of our mission statement is that we create beautiful spaces – both for our retail stores and for our customers’ homes and businesses.

**Education Based** – C&T offers classes and lectures on a wide variety of topics. Some of these classes and demonstrations are free to the public and some are for a small charge. We advertise these classes on our website and through an extensive mailing email list of over 20,000 recipients. It is our intention to offer those same classes and demonstrations at our Midvale Location.

**Street Activation** – As noted above, we believe that our two locations have been a positive catalyst for activity in their respective geographies. In both our Salt Lake and Draper locations, multiple businesses established themselves after we opened. In both locations we are open Monday through Saturday from 10 am to 6 pm and Sundays from 11 am to 5pm for retail sales. In the evenings we make our space available for private events. In 2023 we hosted 48 private events at our Salt Lake City Store and 86



events in our Draper Store. It is our intent to do the same at C&T Midvale. These numbers do not include donating the space for events for charitable organizations and NFP's.

**Permanent Job Creation and Retention** - During year one, we are estimating that we will employ 5-6 individuals on a permanent basis. Because of seasonal demand, more employees are brought on during the peak months of May, June, November and December. C&T currently employs about 160 individuals in its 2 retail locations and in its large services division.

**Sustainability** -- Because of the green nature of our business, we attempt to use sustainable practices in all of our operations. We have purchased several electric vehicles for deliveries and service personnel. We recycle paper, glass, and green waste whenever possible. We have a sustainability committee that meets regularly to identify ways to reduce waste, conserve, reuse and recycle whenever possible. We attempt to focus our customers on natural solutions for their gardening needs.