

businesses as possible. Mr. Steele stated he can provide information regarding the total number of businesses in the RDA or CDA. Mr. Bovero stated that the maximum loan amount can be adjusted based upon a determination made by the Board.

Boardmember Savage stated he is comfortable with the \$30,000 loan amount recommendation, but suggested that the loan amount be scaled based upon the number of employees an applicant has.

Discussion then shifted to the type of loan agreement and parameters the City will utilize to manage these loans, which will be considered 'high risk' and the process for considering loan applications and making funding decisions. Mayor Gailey asked all Boardmembers if they are willing to serve in that type of capacity, to which all answered yes. Mayor Gailey stated he will make an assignment to two Boardmembers following the meeting. Mr. Bovero stated that City Administration can develop an application form and process for business owners to use to pursue funding.

Boardmember Maughan stated he wants to help as many businesses as possible, but he would like for the program to include criteria requiring an applicant to be an established business in the community. Boardmember Bolduc stated that could be done by requiring financial data from an applicant to ensure they were operating responsibly for a defined period months before the COVID-19 situation. City Attorney Roberts read from criteria for a State bridge loan program which requires that applicants were established before January 1 of 2020, have a defined number of employees for which the business pays payroll taxes, and can provide six months proforma.

Mr. Steele asked if the Board only wants to offer funding to brick and mortar businesses or if funds should be available to home based businesses that may be located in the RDA. The Board discussed and determined the funding should be considered on a case by case basis; if a home-based business in an RDA or CDA area could meet the terms of the loan program, funding may be considered for them.

Continued high level discussion centered on appropriate criteria for the loan applicants for the purposes of formulating a motion regarding approval of the program.

BOARDMEMBER MAUGHAN MADE A MOTION TO AUTHORIZE ADMINISTRATION TO IMPLEMENT COVID-19 EMERGENCY BUSINESS LOAN PROGRAM, UTILIZING THE CRITERIA INCLUDED IN THE STAFF MEMO AS WELL AS CRITERIA FROM THE STATE OF UTAH BRIDGE LOAN PROGRAM, AND RECOMMENDING THREE FUNDING TIERS:

- \$10,000 FOR BUSINESSES WITH LESS THAN 10 EMPLOYEES;
- UP TO \$20,000 FOR BUSINESSES WITH UP TO 20 EMPLOYEES; AND
- UP TO \$30,000 FOR BUSINESSES WITH OVER 20 EMPLOYEES.

Boardmember Bingham stated she is hesitant to restrict funding based upon the number of employees. There are some businesses that have incredibly high operating costs and debt even if they have just a few employees. She would rather consider each applicant on a case by case basis rather than be restricted by mandated tiers. Boardmember Teague stated the only problem with that is that one of the main eligible expenses is payroll for employees. Boardmember Bingham stated that the State's bridge loan program also provides several other eligible expenses, which are generally categorized as expenses that occur in the ordinary course of operations. Some businesses have higher operational costs than others. Considering each application on a case by case basis gives more flexibility to the City as well as the business owner. She believes most responsible business owners will not access funding unless they absolutely need it to continue operating. Boardmember Savage agreed. He noted the tiers could be provided as a general guideline, but that exceptions are allowed when deemed necessary if a case for providing an exception is presented.

Mayor Gailey asked for a second to Boardmember Maughan's motion.

BOARDMEMBER SAVAGE OFFERED A FRIENDLY AMENDMENT FOR THE MOTION THAT EXCEPTIONS TO THE TIERS BE ALLOWED IF A STRONG CASE FOR AN EXCEPTION IS PRESENTED. BOARDMEMBER MAUGHAN ACCEPTED THE AMENDMENT AND ASKED THAT ALL CONDITIONS PRESENTED TO WARRANT AN EXCEPTION BE REPORTED BACK TO THE ENTIRE BOARD.

Continued discussion of the implications of the motion centered on the manner in which a report of funding decisions will be provided to the Board. Mr. Roberts stated sensitive financial information will be protected from public view, but can be shared with the entire Board.

BOARDMEMBER MAUGHAN RESTATED THE AMENDED MOTION TO AUTHORIZE ADMINISTRATION TO IMPLEMENT COVID-19 EMERGENCY BUSINESS LOAN PROGRAM, UTILIZING THE CRITERIA INCLUDED IN THE STAFF MEMO AS WELL AS CRITERIA FROM THE STATE OF UTAH BRIDGE LOAN PROGRAM, AND RECOMMENDING THREE FUNDING TIERS:

- \$10,000 FOR BUSINESSES WITH LESS THAN 10 EMPLOYEES;
- UP TO \$20,000 FOR BUSINESSES WITH UP TO 20 EMPLOYEES; AND
- UP TO \$30,000 FOR BUSINESSES WITH OVER 20 EMPLOYEES.

EXCEPTIONS TO THE FUNDING TIERS MAY BE CONSIDERED WHEN VALID CASES FOR AN EXCEPTION ARE PRESENTED. ALL FUNDING DECISIONS WILL BE REPORTED BACK TO THE ENTIRE BOARD WITHIN 30 DAYS OF THE LOANS BEING MADE. BOARDMEMBER SAVAGE AFFIRMED HIS SECOND OF THE MOTION; ALL VOTED AYE.

Redevelopment Agency Special Meeting
March 31, 2020

At 8:58 p.m. BOARDMEMBER TEAGUE MADE A MOTION TO ADJOURN. BOARDMEMBER BINGHAM SECONDED THE MOTION; ALL VOTED IN FAVOR.

Mike Gailey
Mayor

Cassie Z. Brown, MMC
City Recorder

Date approved: May 12, 2020