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MAYOR



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DEPARTMENT of ECONOMIC DEVELOPMENT

CITY COUNCIL TRANSMITTAL


Rachel Otto, Chief of Staff

Date Received: 03/25/2024
Date sent to Council: 03/25/2024

TO: Salt Lake City Council
Victoria Petro, Chair

DATE: March 21, 2024

FROM: Lorena Riffo-Jenson, Director, Department of Economic Development

SUBJECT: Economic Development Revolving Loan Fund (EDLF) – (Parea LLC)

STAFF CONTACTS:

Roberta Reichgelt, Business Development Director, Roberta.reichgelt@slcgov.com
Project Manager, Brian Pantle, Brian.Pantle@slcgov.com

DOCUMENT TYPE: Loan Approval

RECOMMENDATION: The EDLF Loan Committee **recommends approval** of \$350,000 loan to Parea LLC.

BUDGET IMPACT: \$350,000 from the Economic Development Loan Fund

BACKGROUND/DISCUSSION: On February 29th, 2024, a loan request from Parea LLC was presented to the EDLF Loan Committee for review and discussion. A new quick style restaurant/market along the 900 South that will sell Greek Food from award winning Chef Manoli Katsanevas.

Basic Loan request

Business Name: Parea LLC

Address: 320 East 900 South

Loan Amount Requested: \$350,000

Loan Term: 7 Years

Interest Rate: 11.50%

Use of Funds: Buildout of restaurant augmenting Manoli's investment in the build out.

Loan Type: Startup – However an exemption was made given the experience and history Manoli has as a restaurateur in Salt Lake City.

Council District: D5

Reasoning behind staff recommendation

Applicants of The Economic Development Loan Fund (EDLF) go through a thorough application process consisting of a pre-screening, underwriting analysis and economic impact statement. Only after the loan applicant goes through these processes, then the loan is recommended to be reviewed by the Loan Committee members. Upon the thorough review of the Loan Committee members then a recommendation is made before the loan is transmitted to the Mayor for Council to receive the recommendation for final approval. Because the Loan Committee review process must adhere to the Open Meetings Act, DED's staff has worked closely with the City Attorney's Office to ensure that applicants' information is protected and at the same time the public process is followed.

In addition, the EDLF loans must meet the following goals of the Economic Development Loan Fund as stated in the EDLF program guidelines. This loan meets the EDLF program guidelines in the following areas.

- Increasing employment opportunities.
- Stimulating business development.
- Encouraging private investment.
- Promote economic development.
- Enhancing neighborhood vitality.
- Boosting commercial enterprise.

This loan will assist in the creation of 15 new jobs in the next year and retention of 30 current jobs.

This loan was recommended by the EDLF Committee to the City Council for approval.

EDLF Loan Balances

1. As reported from The Finance Department on 3/19/2024, the EDLF available fund balance is: \$8,700,000.
2. As of 3/19/2024 the amount of outstanding loans total is: \$5,612,706.27

EDLF Loan Committee

There is a total of nine (9) EDLF Committee members.

City Employees:

1. Community and Neighborhoods Finance
2. Mayor's Office
3. Employee at large
4. Housing Stability
5. Economic Development

Community Volunteers:

6. Business Advisory Board (BAB) member
7. Banker
8. Community lender
9. Business mentor

Attachments: Terms Sheet and Ordinance