



SALT LAKE CITY TRANSMITTAL

To:
Salt Lake City Council Chair

Start Date:
11/14/2024

Date Sent to Council:
11/21/2024

From:

Employee Name:
Wright, William

E-mail
william.wright@slc.gov

Department
Economic Development

Department Director Signature

Lorena Rizzo Jensen

Chief Administrator Officer's Signature *

Jill Love

Director Signed Date
11/19/2024

Chief Administrator Officer's Signed Date
11/21/2024

Subject:
Economic Development Revolving Loan Fund (EDLF) - Frontier Fruit, LLC

Additional Staff Contact:
Roberta Reichgelt, roberta.reichgelt@slc.gov

Presenters/Staff Table
Roberta Reichgelt, Business Development Director, Will Wright, Project Manager

Document Type *
Ordinance

Budget Impact *
 Yes
 No

Budget Impact:
\$350,000 from the Economic Development Loan Fund

Recommendation: *
The EDLF Loan Committee recommends approval of a \$350,000 loan to Frontier Fruit, LLC

Background/Discussion (?)
On October 10, 2024, a \$350,000 loan request from Frontier Fruit, LLC was presented to the EDLF Loan Committee for review and discussion. Frontier Fruit, LLC is a taproom offering an eclectic mix of renowned craft beers and artisanal spirits.

Will the City Council need to hold a public hearing for this item? *
 Yes
 No

Public Process (?)
An OPMA compliant loan committee meeting was held to review the loan application. The loan committee recommended the loan for Council approval. Next steps are review and approval by Council.

Chief Administrator Officer's Comments

ERIN MENDENHALL
MAYOR



LORENA RIFFO-JENSON
DIRECTOR

DEPARTMENT of ECONOMIC DEVELOPMENT

CITY COUNCIL TRANSMITTAL

Jill Love, Chief Administrative Officer

Date Received: _____

Date sent to Council: _____

TO: Salt Lake City Council
Victoria Petro, Chair

DATE: November 14, 2024

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

A blue ink signature of Lorena Riffo-Jenson.

SUBJECT: Economic Development Revolving Loan Fund (EDLF) – Frontier Fruit, LLC

STAFF CONTACTS:

Roberta Reichgelt, Business Development Director, Roberta.Reichgelt@slc.gov
Project Manager, Will Wright, William.Wright@slc.gov

DOCUMENT TYPE: Ordinance

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

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

BACKGROUND/DISCUSSION: On October 10, 2024, a loan request from Frontier Fruit, LLC was presented to the EDLF Loan Committee for review and discussion. Frontier Fruit, LLC is a taproom offering an eclectic mix of renowned craft beers, and artisanal spirits.

Basic Loan request

Business Name: Frontier Fruit, LLC

Address: 1388 South 300 West, Salt Lake City, Utah 84115

Loan Amount Requested: \$350,000

Loan Term: 7 years

Interest Rate: 9.5%

Use of Funds: Machinery & Equipment, Furniture & Fixtures, Leasehold Improvements, Contingencies

Loan Type: Start-up, however, Loan Committee is recommending an exception based on owner Trent Fargher's extensive experience owning and operating a taphouse.

Council District: 5

Reasoning behind staff recommendation

Applicants of The Economic Development Loan Fund (EDLF) go through a thorough application process consisting of pre-screening, underwriting analysis and an 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.

- Stimulate business development and expansion,
- Enhance neighborhood vitality,
- Promotes economic development,
- Boost commercial enterprise.

This loan will assist in the creation of 19 new jobs in the next year and retention of 11 current jobs.

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

EDLF Loan Balances

1. As of September 30, 2024, the EDLF available fund balance is approximately \$8,200,000.
2. As of October 31, 2024, the total amount of outstanding loans is: \$4,597,617.49

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:

Ordinance

EDLF Terms Sheet for Frontier Fruit, LLC

SALT LAKE CITY ORDINANCE
No. _____ of 2024

(Ordinance approving a \$350,000 loan for Frontier Fruit, LLC, at 1388 South 300 West, Salt Lake City, Utah 84115 from the Economic Development Loan Fund)

WHEREAS, Salt Lake City Corporation's ("City") Economic Development Loan Fund ("EDLF") is a program to stimulate local business development, encourage private investment, enhance neighborhood vitality, and boost commercial enterprise in Salt Lake City.

WHEREAS, the EDLF is administered by the Department of Economic Development ("DED") and loan applications are first prescreened by DED staff, and then reviewed by the EDLF Loan Committee.

WHEREAS, the EDLF Loan Committee and DED staff recommend the approval of the attached loan term sheet for a \$350,000 loan to Frontier Fruit, LLC, a local business located at 1388 South 300 West, Salt Lake City, Utah 84115

NOW, THEREFORE, be it ordained by the City Council of Salt Lake City, Utah, that:

SECTION 1. Loan Approval. The City Council approves the loan outlined in the Term Sheet attached hereto, subject to revisions that do not materially affect the rights and obligations of the City hereunder. The City Council authorizes the Mayor to negotiate and execute the loan agreement and any other relevant documents consistent with the Term Sheet, and incorporating such other terms and agreements as recommended by the City Attorney's office.

SECTION 2. Effective Date. This ordinance shall become effective on the date of its first publication.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2024.

Victoria Petro, Council Chair

ATTEST AND COUNTERSIGN:

CITY RECORDER

Transmitted to Mayor on _____.

Mayor's Action: _____ Approved. _____ Vetoed.

MAYOR

CITY RECORDER
(SEAL)

Bill No. _____ of 2024.

Published: _____.

APPROVED AS TO FORM
Salt Lake City Attorney's Office

Date: October 30, 2024

Sara Montoya

Sara Montoya, City Attorney

LOAN TERM SHEET

Applicant: Frontier Fruit, LLC

Address: 1388 South 300 West, Salt Lake City, Utah 84115

Proposed Loan Terms

Loan Amount: \$350,000

Loan Terms: 7 Years

Interest Rate Calculation Prime Interest Rate: 8.5% (at the time of application on March 20, 2024)

Plus EDLF Charge: 4%

Less Discount: 1% for each

- Sustainability (SLC Green's e2 Business Program)
- Low to Moderate income business owner LMI
- Priority Area (State Street RDA Project Area)

Final Interest Rate: 9.5%

Use of Funds: Machinery & Equipment, Furniture & Fixtures, Leasehold Improvements, Contingencies

Business Type: Startup Business (Loan Committee approved expansion loan based on owner's 15 years of experience in the industry.)

Collateral: Real Property located at 435 Aspen Drive #19, Park City, Utah 84098

Personal Guarantees: Trent Fargher

Conditions for Closing

- Obtain all City approvals, execute all loan documents as deemed necessary by City legal counsel and DED staff, such other terms as recommended by City legal counsel and DED staff.

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