



SALT LAKE CITY TRANSMITTAL

To:
Salt Lake City Council Chair
Salt Lake City Redevelopment Agency Chair

Start Date:
08/15/2024

Date Sent to Council:
09/10/2024

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
09/09/2024

Chief Administrator Officer's Signed Date
09/10/2024

Subject:
Economic Development Revolving Loan Fund (EDLF) – City Cakes SLC, LLC

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

Presenters/Staff Table
William Wright: William.Wright@slc.gov
Roberta Reichgelt: Roberta.Reichgelt@slc.gov

Document Type *
Ordinance

Budget Impact *
 Yes
 No

Budget Impact:
\$100,000 from the Economic Development Loan Fund

Recommendation: *
The EDLF Loan Committee recommends approval of \$100,000 loan to City Cakes SLC, LLC

Background/Discussion (?)

Background/Overview Information: On July 18, 2024, a \$100,000 loan request from City Cakes SLC, LLC, was presented to the EDLF Loan Committee for review and discussion. City Cakes SLC, LLC, is a local bakery specializing in vegan and gluten-free options from cookies and cupcakes to wedding cakes.

Basic Loan request

Business Name: City Cakes SLC, LLC

Address: 1860 South 300 West Suite D, Salt Lake City, 84115

Loan Amount Requested: \$100,000

Loan Term: 7 years

Interest Rate: 8.25%

Use of Funds: Acquisition, Working Capital, Machinery and Equipment

Loan Type: Start-up

Council District: District 5

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, is the loan recommended to be reviewed by the Loan Committee members. Upon thorough review by the Loan Committee members, 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, Department of Economic Development staff worked closely with the City Attorney's Office to ensure that applicants' information is protected while following public process.

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.

- Increases employment opportunities
- Stimulate business development and expansion,
- Enhances neighborhood vitality,
- Promotes economic development,
- Boost commercial enterprise.

This loan will assist in the creation of 4 to 6 new jobs in the next year and retention of 8 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 August 7, 2024, the EDLF available fund balance is approximately \$8,300,000.
2. As of July 30, 2024, the amount of outstanding loans total is: \$3,205,765.

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:

1. Business Advisory Board (BAB) member
2. Banker
3. Community lender
4. Business mentor

Will the City Council need to hold a public hearing for this item? *

Public Process

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

Chief Administrator Officer's Comments

LOAN TERM SHEET

Applicant: City Cakes & Café SLC, LLC

Address: 1860 South 300 West D, Salt Lake City, UT 84115

Proposed Loan Terms

Loan Amount: \$100,000

Loan Terms: 7 Years

Interest Rate Calculation Prime Interest Rate: 8.25% (at the time of application on July 18, 2023)

Plus EDLF Charge: 4%

Less Discount: 1% for each

- Sustainability (E2 Business Program)
- Social and Economically Disadvantaged Individual
- Low to Moderate Income Business Owner
- Priority Area (CDBG Low/Moderate Income Census Tract)

Final Interest Rate: 8.25%

Use of Funds: Acquisition, Machinery & Equipment, Working Capital

Business Type: Startup

Collateral: Real Property, Equipment

Personal Guarantees: Tim Rikli

Conditions for Closing

- Enroll in SLC Green's e2 Business Program.
- Enroll in Neighborworks' Financial Education Credit Building course.
- Provide evidence of owner cash equity.
- 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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SALT LAKE CITY ORDINANCE

No. _____ of 2024

(Ordinance approving a \$100,000 loan for City Cakes & Café SLC, LLC, at 1860 South 300 West, Salt Lake City, 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 \$100,000 loan for City Cakes & Café SLC, LLC, at 1860 South 300 West, Salt Lake City, 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: August 1, 2024

Sara Montoya
Sara Montoya, City Attorney

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TRANSMITTAL

Subject/Title: Economic Development Revolving Loan Fund (EDLF) – City Cakes SLC, LLC

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

Who Will Be at The Table: Roberta Reichgelt and Will Wright

Document Type: Resolution

Budget Impact: Yes - \$100,000 from the Economic Development Loan Fund

Recommendation: The EDLF Loan Committee recommends approval of \$100,000 loan to City Cakes SLC, LLC

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7. Banker
8. Community lender
9. Business mentor

Public Hearing Needed: No.

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

Are Any of The Attachments Protected by Utah Code 63g-2-305: No

List Attachments:

1. **EDLF Terms Sheet for City Cakes SLC, LLC**
2. **Ordinance**

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