



# COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

**TO:** City Council Members

**FROM:** Allison Rowland  
Budget & Policy Analyst

**DATE:** April 12, 2022

**RE: ORDINANCE: ECONOMIC DEVELOPMENT LOAN FUND TO THE CURRENT EXCHANGE, 1159 S. RICHARD STREET**

Item Schedule:

Briefing: April 12, 2022

Public Hearing: N/A

Potential Action: April 19, 2022

## ISSUE AT-A-GLANCE

The Council will consider approving a loan from the City's Economic Development Loan Fund (EDLF) to a business called The Current Exchange, at 1159 S. Richard Street. This retail business restores and modifies "high-quality desirable classic automobiles," replacing the internal combustion engines with modern, pre-engineered electric motors. The EDLF recommends the Council approve a \$100,000 loan at 7.25% interest over seven years to this business for inventory. This loan will assist in the creation of one new job in the next year, and the retention of three current jobs in five years.

The Current Exchange's application meets the following EDLF program goals:

- Stimulates business development;
- Encourages private investment;
- Enhances neighborhood vitality; and,
- Boosts commercial enterprise.

The EDLF is a program administered by the Department of Economic Development. Each loan application is pre-screened, and an underwriting analysis and economic impact statement are completed before an application may be recommended for Loan Committee (see below) review. Information on successful applications is transmitted to the Council for final approval.

***Goal of the briefing:*** Consider a potential \$100,000 loan from the Economic Development Loan Fund to a business called The Current Exchange, at 1159 S. Richard Street.

## ADDITIONAL AND BACKGROUND INFORMATION



- A. **EDLF available balance and amount of outstanding loans.** The Finance Department reported the available fund balance at \$12,100,205 on March 25, 2022. The amount of outstanding loans totals was \$3,129,051. *(Staff Note: The Department of Economic Development suggested that the figure provided for available fund balance be reviewed. Council staff is following up for more information.)*
- B. **EDLF Committee Membership.** The Department of Economic Development listed nine members of the EDLF Committee as follows:

**City Employees**

1. Finance Director, Community and Neighborhoods Department
2. Representative of the Mayor's Office
3. Salt Lake City employee at large
4. Representative of the Division of Housing Stability
5. Director, Department of Economic Development

**Community Volunteers**

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

**POLICY QUESTIONS**

1. The Council may wish to ask the Administration whether the EDLF Committee considered any other unique information about this business that would help Council Members with their own evaluations of how this application compares to others. For example, are there risk factors that are evaluated for each company, like outstanding loans, years in business, etc.?
2. What outreach does the Department do to ensure a diverse pool of businesses successfully applies to the EDLF? Are applications from diverse owners, particularly those whose businesses are located on the Westside, offered additional support through the application process? Does EDLF staff have ideas for improving access that would benefit from program changes or additional funding?
3. The Council may wish to request a more general update on EDLF use and processes. This could include clarification of the available EDLF fund balance, as well as the number of applications, review criteria used, loan program goals, etc. This could be done in conjunction with the Department's annual budget briefing in the coming months.