



RESOLUTION No. 98-104 EXHIBIT A

GUIDELINES FOR USE OF THE LOGAN BUSINESS FUND

Use of funds should be subject to the following conditions:

Links to City Objectives

1. Transportation—The project should comply with City objectives to maintain transportation capacity by use of access management, etc.
2. Parking—The loan recipient agrees to sign a binding agreement in favor of supporting city parking policies—most importantly providing adequate parking for employees and reserving parking for customers (including city-owned lots).
3. Preference will be given to projects that most closely fit with City development objectives.
 - Development in specified areas of the City where economic impact will be greatest or redevelopment is most needed, e.g. Downtown and Central Commercial areas, Cache Valley Mall area south of 1400 North, South Main RPA and adjoining the “Y”, 1000 West and 200 North
 - Enhancement of historical themes and preservation or enhancement activities
 - Development of pedestrian-friendly areas
 - Promotion of businesses that are the most beneficial environmentally
 - Promotion of locally owned businesses
 - Creation of jobs within Logan which allow advancement and upward mobility or which pay more than median salaries and wages
 - Retention of businesses in Logan which may need relocation, expansion, or improvement assistance
 - Development of businesses that will act as catalysts for other local business growth

Information Requirements

1. Because the City's lending role is to provide gap financing, the City requires that the applicant first work with a private lending institution before applying for City loans. The City will usually depend on the private lending institution's review of applicants' relevant loan information. Copies of all financial statements and loan documents shall be provided on a confidential/proprietary basis as non-disclosable documents under GRAMA.
2. Tax and Employment Projections—The applicant will provide 3-5 year projections of (1) employment (number of jobs to be created and estimated salaries and benefits) and (2) sales and property tax.
3. Proposed expansion plans, including cost and parking.
4. Application Process Timeline—The City will provide a timeline to ensure that the applicants know the order and timing of steps in the process and to ensure that the City has time to adequately review the materials provided and make well-considered decisions.

Terms of Financing

1. Amount of City loans—loan amounts will be a minimum of \$20,000 to a maximum of \$100,000 representing 25% -50% of the total project cost based on level of conformance with City or Redevelopment Agency objectives.
2. Interest—will be equal to the AAA municipal bond interest rate at the time the Municipal Council approves the loan. The AAA municipal bond rate index lists the current interest rates by number of years of the period.
3. Loan Security—loans shall be secured by a lien against the property or equivalent security.
4. Length of Loan Period—all loans will be short-term loans, with 5 years as the standard length. Considerations of extended terms may include increased interest rates.
5. Payback Terms—may be negotiated according to borrower's circumstances. May include interest-only payment period, balloon payments at end of payment period, payments based on a longer amortization period combined with a balloon payment, or a combination of these.