

Salt Lake County Office of Regional Development

Wasatch Brownfields Coalition

Revolving Loan Fund (RLF) Board Meeting

Monday, September 12, 2016

12:00 to 1:00 PM

County Government Center, 2001 S. State Street (Room S-2950)

RLF Board Attendees

Sara Meess, Ogden
Matthew Dahl, SLC RDA
Debbie Lyons, SLC RDA
Kimberly Barnett, SLC
Dennis Downs, SLC
Carlton Christensen, SLC

Excused

Brandon Cooper, Ogden

Staff in Attendance

Blake Thomas, SLC
Stephen Barnes, SLC
Stuart Clason, SLC
Susan Lundmark, SLC RDA
Joe Katz, DEQ
Rudi Matthes, SLC
Robert Trujillo, SLC
Peter Corroon, CCM
Brandy Farmer, CCM

Welcome & Introductions: Chair Carlton Christensen welcomed and introductions were made.

Discuss Pending Loan Application: Peter Corroon addressed the Board regarding the Centro Civico Mexicano (CCM) grant application. He provided a brief history of CCM and the property. Multiple environmental assessments have been completed, and contaminants have been found in the soil (PAHs) and in the existing civic center (Asbestos, lead-based paint, mercury thermostat). He informed the Board that CCM has already received a \$200,000 cleanup grant from the EPA, which will be used for the cleanup of the residential portion of the project. CCM is seeking an additional \$200,000 from the Coalition for cleaning up the civic center portion of the project, which is not covered by the EPA grant. Two separate ABCA drafts have been completed, and the project budget comes from those drafts. He informed the Board that the residential portion of the project is also applying for tax-credit financing, the application for which is due October 3, 2016.

Susan asked whether the EPA grant and the RLF grant (\$400,000) would cover all cleanup costs. Peter thought they would. Susan then asked who the environmental consultant on the project would be. Peter stated that a bidding process needs to be completed before a decision will be made. Stephen asked a question about cost-share responsibilities. Peter believes that CCM will be able to cover the cost-share responsibilities, so no burden would be shifted.

Matt asked a question about how the “in-kind personnel oversight” match will be done. Peter and Brandy suggested that their labor, which is currently volunteer, would contribute approximately \$20/hour for project oversight. They are confident that they will be able to meet the cost share requirement.

Susan asked what is required in rebuilding the civic center, since most of the contaminants are in building materials. Peter responded by stating that little soil disturbance will occur, but that demolition of current civic center building will require mitigating the contaminants. Brandy further expounded on the reconstruction aspects of the CCM project, passing around a draft model that shows a gymnasium with a rooftop soccer pitch, a theater, and housing. Carlton asked whether the housing was primarily market rate. Peter stated that it will be mixed-rate housing, with roughly 30% market rate units.

Carlton suggests a motion to approve CCM grant as a project under SLC RDA jurisdiction. Matt moves to approve motion. Sara seconds motion. **Motion approved** with unanimous vote. Carlton congratulates and thanks Peter and Brandy.

Other Business: Rudi introduces proposed alterations to loan policy. He mentions current policy, which states that standard loan interest rates are 2%. The proposed interest schedule would be tiered and time-dependent. The proposed loan interest schedule is: 0-3 years, 0.5%; 4-5 years, 1%; 6-7 years, 2%; 8-10 years, 3%. He also introduces another proposed change, which would eliminate the current \$25 monthly service fee on all loans. Carlton asks whether there is any other means of recouping administrative costs. Stephen and Rudi mention application fee and loan origination fee, but neither of those cover administrative costs. Matt asks if there was a grant the county had received to cover administrative costs. Rudi states that Emily (Farmer) Waterman had applied for and received \$30,000 AMEX grant, which has been used in the past to cover some admin costs. It is unclear how much of that fund is still available.

Stephen and Carlton ask Robert whether there is any difficulty separating administrative costs from loan repayments when those payments arrive. He says that there should be no difficulties. Carlton states that he likes the idea of a tiered interest schedule because it makes the loan more attractive. Matt asks whether this proposed interest rate schedule encumbers applicants wanting longer term loans. Matt wonders whether interest rates are currently a deterrent for potential applicants, or whether it is simply a lack of marketing. Carlton asks whether a tiered schedule or simply low interest rates make the RLF more attractive to outside entities. Stephen suggests that the policies and procedures of the Coalition state that the Board has discretion of changing interest rates on a case-by-case basis. Carlton asks whether our interest rates are more competitive than other funding sources and states that long-term loans should not have 0% interest. Susan asks if RLF funds can be used for anything other than remediation costs. Rudi responds by stating that RLF funds may only be used toward eligible cleanup costs. Joe states that demolition may be an approved cost if cleanup of a site requires demolition first.

Carlton asks the desire of the Board regarding the policy changes. Susan states that a tiered schedule makes sense, but proposes that 1-3 year loans should be at 0% rather than 0.5%. Joe states that once original EPA funds are expended, RLF funds can be used more creatively. Matt makes a motion to change the policy regarding interest rate

schedule to reflect that which was discussed: 0-3 years, 0%; 4-5 years, 1%; 6-7 years, 2%; 8-10 years, 3% and to keep the monthly service fee. Kimi seconded. **Motion approved** with unanimous vote.

Questions were raised about whether Coalition member admin time could be used as cost-share. Also, SLC RDA was asked whether there were other SLC projects in the near future. Nothing substantial right now.

Schedule Next Board Meeting: TBD

Adjourn: 1:03 pm.