

COUNCIL TRANSMITTAL


TO: Rocky J. Fluhart
Chief Administrative Officer

DATE: September 28, 2004

FROM: Alison McFarlane, Senior Advisor for Economic Development

SUBJECT: \$25,000 loan to Equity Broadcasting / Univision

STAFF CONTACT: Alison McFarlane, 535-6306

DOCUMENT TYPE: Resolution

BUDGET IMPACT: \$25,000 from Revolving Loan Fund

BACKGROUND/DISCUSSION: Salt Lake City's Economic Development Department has worked for the past year to assist Equity Broadcasting / Univision television station to find a suitable location within the Central Business District. They presently have 20 employees. Initially, Univision found space on Main Street and were recommended to receive a Main Street grant under the RDA Main Street grant program. They were unable to finalize a lease agreement on Main Street and found suitable space at 215 South State Street. At the State Street location, Univision will create a strong downtown presence as Salt Lake City's largest Spanish-language television station.

The \$25,000 loan at 0% interest is proposed to assist Equity Broadcasting / Univision with operating capital. Repayment of the loan to Salt Lake City would be in in-kind production and air time. Salt Lake City Corporation is prepared to use the air time to conduct public information campaigns targeted to the City's Spanish-language population.

RECOMMENDATION: Adopt the resolution granting a \$25,000 revolving loan at 0% interest which will be re-paid to Salt Lake City with in-kind advertising on Univision television station.

RESOLUTION NO. _____ OF 2004
AUTHORIZING A \$25,000 LOAN FOR EQUITY BROADCASTING / UNIVISION
TELEVISION FROM THE SALT LAKE CITY CORPORATION REVOLVING LOAN
FUND

WHEREAS, Salt Lake City Corporation (the City) has a Revolving Loan Fund to stimulate business development and expansion, promote economic development and enhance neighborhood vitality within the City; and

WHEREAS, Salt Lake City Corporation has been proactive in working to retain Univision Television and their twenty employees within Salt Lake City limits; and

WHEREAS, Univision, a Spanish-language television station and the local affiliate of Equity Broadcasting, which is the top rated Spanish-language television station in the United States, seeks to establish a strong, visible presence in Salt Lake City's Central Business District, and is relocating to 215 South State Street; and

WHEREAS, Salt Lake City's Spanish-language population would benefit from public service campaigns broadcast on Univision which communicate City services and programs;

THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah:

1. It does hereby approve a Salt Lake City Corporation loan in the amount of \$25,000 from the Revolving Loan Fund at 0% interest, and that the entire loan amount shall be repaid in the form of in-kind advertising promotion for Salt Lake City Corporation.

2. The in-kind repayment of the loan shall be calculated on production at cost and on air-time at 60% of cost. The in-kind payments shall be made until the entire \$25,000 debt is repaid. A minimum in-kind payment of at least \$8,000.00 shall be made each year until the entire outstanding balance of the loan is paid in full, which shall be no later than three (3) years from the date of this resolution. There shall be no maximum amount of the in-kind portion of the debt that may be repaid annually. Consistent with the foregoing requirements of this paragraph #2, a schedule establishing the nature of the in-kind advertising services to be repaid shall be determined annually between the City and Univision, with annual review and comment by the City Council, so long as the in-kind balance remains due. Because it is in both parties' best interests that the in-kind services be repaid quickly, every effort shall be made to accommodate each party's needs.

3. Equity Broadcasting / Univision will use the loan proceeds for working capital associated with the television station's relocation to 215 South State Street, Salt Lake City, Utah.

4. Ross C. Anderson, Mayor of Salt Lake City, Utah, following approval of the City Attorney, is hereby authorized to execute the requisite loan assumption agreement documents on behalf of Salt Lake City Corporation and to act in accordance with their terms.

Passed by the City Council of Salt Lake City, Utah, this _____ day of _____, 2004.

SALT LAKE CITY COUNCIL

By: _____
CHAIR

ATTEST:

APPROVED AS TO FORM
SALT LAKE CITY ATTORNEY'S OFFICE
DATE: 9/30/2004
BY: W Spendlove

CHIEF DEPUTY CITY RECORDER