REDEVELOPMENT AGENCY
OF SALT LAKE CITY

ENVIRONMENTAL ASSESSMENT AND REMEDIATION LOAN CRITERIA

The Redevelopment Agency provides loans at 3% interest for the assessment and remediation of environmentally contaminated properties. The funds will match 50% of costs for site assessment work and remediation activities including site monitoring and cleanup evaluation. Applicants that initially apply for assessment funds can reapply for remediation funds at a later date.

All cleanup and remediation activities must occur in accordance with cleanup agreements arranged between the applicant and the Utah Department of Environmental Quality (UDEQ). Loans are subject to qualifications of the borrower(s) and availability of funds.

Eligible Properties:

1. Environmentally contaminated properties located within a designated Redevelopment Agency (RDA) Project Area.
2. The owner's plan for the property contributes to the RDA's goals for the Project Area and conforms to the neighborhood's master plan. RDA goals are available upon request.

Persons Eligible to Apply:

1. The applicant for a loan must be the title owner to the property.
2. Property taxes and special assessments must be current.
3. No judgments or liens are outstanding against the applicant.
4. Applicant's credit history shall demonstrate prompt payment of past obligations. Applicant shall have income adequate to repay the funds loaned.
5. The Agency shall not discriminate against any applicant for a loan because of race, handicap, age, color, religion, sex, or national origin.

Use of Loan Funds:

1. The Agency will lend a maximum of 50% of costs that include:
    - Site assessment and characterization of contaminants present. If the applicant has already completed initial site assessment and characterization of contaminants present, these costs can be applied toward the property owner's matching portion.
    - Cleanup and/or remediation activities.
    - Site monitoring and cleanup evaluations.
    - Environmental insurance premiums for site remediation.
    - Asbestos abatement, provided the abatement occurs as part of a broader replacement or renovation project.

    Loans are NOT eligible for any application and/or administration fees charged by UDEQ, cleanup of naturally occurring substances, or lead-based paint. Costs associated with application and/or administration fees can be applied towards the property owner's matching portion.

Terms of Loans:

1. The maximum amount of a loan from the Agency for one property shall be the lesser of fifty percent (50%) of eligible costs or an amount, when combined with prior debt secured by the property, which is 95% or less of the appraised value of the property.
2. Loans shall be based on fixed price bids.
3. The loans shall be amortized for a maximum period of twenty (20) years but shall include a ten (10) year call, which may be exercised at the option of the Agency.
4. The interest rate shall be 3%. The default rate shall be 14%. Interest shall begin to accrue with the first draw of funds.
5. All cleanup and/or remediation activities are to occur in accordance with cleanup agreements arranged between the applicant and the Utah Department of Environmental Quality.
6. Certificate of Completion from UDEQ when remediation activities are complete.
7. Phase I site assessment activities are to occur under a work plan prepared in conformance with American Society for Testing and Materials (ASTM) Method E1527 "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process."
8. Phase I and Phase II site assessment activities must be conducted by an environmental consulting company licensed to do such business in the State of Utah.
9. Phase II site assessment activities are to occur under a work plan prepared by a Utah-certified ground water and soil sampler and using a Utah-certified laboratory.
10. Loans shall have safeguards satisfactory to the RDA to assure repayment and meet the RDA's underwriting criteria.
11. The Borrower shall provide a personal guaranty to the Agency guarantying full and unconditional completion of the proposed improvements and repayment of loan.
12. Loans may be prepaid in whole or in part at any time without penalty.
13. Loans made under this program shall be non-assumable and due in full on sale of the property.
14. Loan amount shall include a fee in an amount to cover legal and other expenses related to the Agency's origination, underwriting and loan documentation.
15. Closing costs associated with a loan shall be borne by the applicant including but not limited to the cost of title search and insurance, credit reports, and attorney fees.

Collateral:

All loans will be secured by the property with a standard form RDA Trust Deed in either first or second position. Appraisals must be conducted in conformance with the adopted policy of the Agency. In the case where there is no outstanding debt on the property and the current year Salt Lake County Assessed value is adequate to meet the Agency's 80% loan-to-value ratio requirement, no commercial appraisal will be required. Other acceptable forms of collateral include:

- Standby Letter of Credit. Borrower provides a letter of credit from an approved financial institution. Prior written notice is required for any cancellation or non-renewal.
- Other Real Estate. Borrower provides the Agency with a first or second trust deed priority on property located in Salt Lake County.
- Pledge Account. Borrower enters into an agreement with the Agency to pledge an approved account for the term of the loan. The Agency would require written consent for all fund withdrawals. (Approved types of pledge accounts include: Certificates of deposit, savings accounts, Bonds).

Exceptions to Loan Criteria:

The Board of Directors, by a majority vote of those present, provided that a quorum is present, may waive requirements or make exceptions to the foregoing criteria and procedures with a finding that the goals of this program will be furthered by such waiver or exception. Agency staff will prepare a written statement regarding the waiver or exception and shall place the original statement and a copy of the minutes of the Board of Directors in the loan file.

Loan Document Confidentiality:

While private information will be protected to the greatest extent possible under the law, any documents or records submitted to the Agency may be subject to disclosure pursuant to the Governmental Records Access and Management Act, U.C.A. §63-2-101. If the Applicant believes the information provided to Agency constitutes trade secrets or confidential commercial information, please provide a written claim of business confidentiality and a concise statement of the reasons supporting the claim of business confidentiality in letter form.

SAMPLE LETTER

Re: Business Confidentiality Claim

Ladies and Gentlemen:

The undersigned intends to enter into negotiations with the Redevelopment Agency of Salt Lake City (the "RDA") regarding a possible business transaction (the "Transaction"). The undersigned may be required to disclose certain confidential business information to the RDA as part of the Transaction, including, without limitation, tax returns, financial statements, business or project plans and similar materials. Because the RDA is a governmental agency that may be subject to the provisions of the Utah Government Records Access and Management Act, Utah Code Ann. §63-2-101, et seq. ("GRAMA"), information received by the RDA may be subject to public disclosure.

This letter is sent pursuant to Utah Code Ann. §63-2-305 and notifies the RDA that the undersigned considers the information accompanying this cover letter to be protected records pursuant to Utah Code Ann. §63-2-304 (1) and (2). The undersigned considers this information to be confidential to the undersigned's business operations and a trade secret and the undersigned would consider disclosure of this information to potentially result in unfair competitive injury to the undersigned. Therefore, the undersigned requests that the RDA maintain such information in a confidential nature and that the RDA not disclose such information pursuant to GRAMA or otherwise.