



PRESS RELEASE

OFFICE of the MAYOR | RALPH BECKER

FOR IMMEDIATE RELEASE

October 25, 2011
Contact: Art Raymond
c. 801-547-2659

Mayor Becker's Letter to Salt Lake City Council Members Regarding KCPW Bridge Loan

Dear Council Members,

KCPW has requested an emergency loan from Salt Lake City for \$220,000. I, like so many people in our community, listen to, admire and enjoy KCPW's superb local, national, and international news coverage, fine reporting staff and owner. Unfortunately, that does not make a City loan to the radio station from Salt Lake City appropriate.

Our taxpayers and residents have not had an opportunity to weigh-in on this decision by Salt Lake City. Salt Lake City does not have a fund, process, or standards for approving these types of loans to non-profit organizations. To grant a loan to one non-profit organization without a fund or fair process for similarly situated non-profit organizations would set a bad fiscal precedent for Salt Lake City. We have not had an opportunity to review carefully many elements of this loan: operational stability, a comparison to other organizations similarly situated and the ability to repay. This concern was also expressed by the Salt Lake City Redevelopment Agency Loan Advisory Committee when the body unanimously dissented on granting the loan after reviewing KCPW's application earlier this month. Salt Lake City has not made the basic decision about whether Salt Lake City should be granting loans in this type of endeavor.

While Salt Lake City has periodically granted loans to non-profit organizations for capital projects, it should not make loans to non-profit organizations without a process that includes a policy for standards, public input and accountability. For example, through Salt Lake City's Community Development Block Grant program, we have a thorough public process, standards and accountability. Salt Lake City made a loan to The Leonardo earlier this year; the loan covered costs associated with a City construction contract for redevelopment of the City's Old Main Library. We have a detailed formal agreement with The Leonardo, have thoroughly reviewed the organization's business plan (and had an independent consultant analyze the business model and plan), and had extensive public input on our involvement with The Leonardo, including a voter-approved referendum.

I invite the Council to join me in engaging our community in this decision, deciding if we should start making loans to non-profit organizations, and if we move in that direction, developing a process and standards for granting such loans. There are serious legal questions about Salt Lake City's ability to make this loan, as evidenced by the Redevelopment Agency's (RDA) decision last week that led to a legal opinion stating the RDA does not have the authority to make the loan.

Regrettably, I cannot support a loan to KCPW at this time and will veto any such action by the Council. Because of my personal commitment to KCPW, I am adding to the contribution that I made in the last fund drive to try to help KCPW stay afloat while the station works through its financial crisis. I invite others in the KCPW and Salt Lake City community to help this valuable organization in our community live another day through personal contributions.

Sincerely,

Ralph Becker
Mayor

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