



## **DOWNSTATE SMALL BUSINESS STABILIZATION PROGRAM**

## **FUNDING OPPORTUNITY INFORMATION**

In 2019, the Department of Commerce and Economic Opportunity allocated \$4,000,000 for Economic Development funding from the U.S. Department of Housing and Urban Development's Community Development Block Grant Program. With the outbreak of the COVID-19 virus and its detrimental impact on small businesses, the State is invoking its option to adjust allocations to address specific needs to benefit Illinois' non-entitlement communities in case of unforeseen circumstances, as included in the Consolidated and Action Plans. This allocation, along with unspent and recaptured funds from previous allocations will be made eligible in a total of \$20,000,000 for the DOWNSSTATE SMALL BUSINESS STABILIZATION PROGRAM.

This Application is for the use of federal Community Development Block Grant (CDBG) Funds through the State of Illinois' Department of Commerce and Economic Opportunity (DCEO), Office of Community Development.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER: 14.228

CFDA TITLE: COMMUNITY DEVELOPMENT BLOCK GRANTS/STATES

CATALOG OF STATE FINANCIAL ASSISTANCE (CSFA) NUMBER: 420-75-2398

CSFA TITLE: DOWNSSTATE SMALL BUSINESS STABILIZATION PROGRAM

DCEO FUNDING OPPORTUNITY NUMBER: 24-4

DCEO FUNDING OPPORTUNITY TITLE: CDBG ECONOMIC DEVELOPMENT DOWNSSTATE SMALL BUSINESS STABILIZATION PROGRAM

Applications may be submitted based on the published Guidebook and awarded until the allocated funds are exhausted. The Guidebook and required supporting documentation for the application can be found at: [www.Illinois.gov/DCEO](http://www.Illinois.gov/DCEO).

## **ECONOMIC DEVELOPMENT** **DOWNSSTATE SMALL BUSINESS STABILIZATION** **COMPONENT REQUIREMENTS**

### **A. FEDERAL AND STATE PROGRAM OBJECTIVES**

The Community Development Block Grant (CDBG) Program was established by the federal Housing and Community Development Act of 1974 (Act). Administered nationally by the U.S. Department of Housing and Urban Development (HUD), the Act combined eight existing categorical programs into a single block grant program. In 1981, Congress amended the Act to allow states to directly administer the block grant for small cities. At the designation of the Governor, the Department of Commerce and Economic Opportunity (Department) assumed operation of the State of Illinois CDBG – Small Cities Program in the same year. Through this program, funds are available to assist Illinois communities to meet their greatest economic and community development needs, with an emphasis on helping persons of low-to-moderate income.

To ensure that the State-administered program meets the intent of the federal Housing and Community Development Act of 1974, as amended, Economic Development Small Business Stabilization Grantees must meet the national objective of Urgent Need.

The Economic Development Downstate Small Business Stabilization component has been established to provide working capital funds to community's businesses economically impacted by the COVID-19 virus. The program component makes funds available for 60 days of verifiable working capital up to a grant ceiling of \$25,000 and is available for businesses that employ 50 people or less. Number of employees includes the business owner(s).

CDBG Economic Development funds may be used to assist private for-profit small retail and service businesses, or businesses considered non-essential by the Governor's Executive Order without the ability for employees to work remotely.

Funds are available to all eligible applicants meeting program component requirements until all funds allocated to this component have been distributed. All awards in this category are predicated upon a demonstrated need for funds. This will include a review of all sources and uses of funds, an analysis of the recipient's ability to comply with the terms of the program, and a determination that CDBG participation is appropriate.

Only applicants that can demonstrate an Urgent Need in relation to the COVID-19 emergency will be funded. Projects should have solid commitments to retain permanent jobs.

CDBG grant funds are granted to communities to be provided as financial assistance to a private for-profit entity which must document the need for grant assistance.

Businesses must enter into a financial assistance agreement, referred to as the "Participation Agreement", at agreed upon terms. The Department has provided a boilerplate of the agreement in the application forms. The agreement language can be altered but must be pre-approved prior to the application.

## **B. ELIGIBLE APPLICANTS**

Only units of local government recognized by the Illinois Constitution and able to support economic development activities on a sufficient scale are eligible to apply for Economic Development grant funding. This includes cities, villages, and counties. Municipalities must not be a HUD direct Entitlement community or be located in an urban county that receives "entitlement" funds.

Under the Grant Accountability & Transparency Act (GATA), all applicants must register with the State of Illinois via the "Grantee Portal" at [www.grants.illinois.gov](http://www.grants.illinois.gov) and be pre-qualified prior to application. **Failure to register prior to application will result in a determination of "Do Not Fund"**. The applicant is required to complete the Internal Controls Questionnaire (ICQ) for Fiscal Year 2020. If the ICQ is not completed prior to application, it must be completed before the grant can be awarded.

**C. INELIGIBLE COMMUNITIES**

Communities receiving an annual allocation directly from HUD on an entitlement (formula) basis are not eligible to apply for the State's CDBG funding. In 2019, Illinois had 33 metropolitan cities and eight urban counties named as Entitlements. They are:

**Urban Counties**

Cook County	Madison County
DuPage County	McHenry County
Kane County	St. Clair County
Lake County	Will County

**Metropolitan Cities**

Arlington Heights	DeKalb	Mount Prospect	Rantoul
Aurora	Des Plaines	Naperville	Rockford
Berwyn	Elgin	Normal	Rock Island
Bloomington	Evanston	Oak Lawn	Schaumburg
Champaign	Hoffman Estates	Oak Park	Skokie
Chicago	Joliet	Palatine	Springfield
Cicero	Kankakee	Pekin	Urbana
Danville	Moline	Peoria	Waukegan
Decatur			

**D. ELIGIBLE ACTIVITIES**

The business may use funds for working capital expenses (employee salaries, general operating expenses, inventory and advertising/marketing expenses).

**E. INELIGIBLE ACTIVITIES**

Only Working Capital Expenses are eligible grant activities. No other activities are eligible. As this grant is federally funded, businesses that involve the use of cannabis for medical and/or recreational purposes are not eligible to apply.

**F. REQUIREMENTS, DISCLAIMERS, FEDERAL AND STATE COMPLIANCE AREAS**

The following requirements apply to all applications submitted for consideration under the CDBG Program.

1. Costs incurred prior to the date of grant award are not reimbursable under this grant program.
2. The Department reserves the right to reject any or all applications received and/or negotiate or cancel in part or in entirety grants resulting from application awards if it is in the Department's best interest to do so.

3. The Department reserves the right to establish the amount of grant funds awarded, raise the individual grant ceilings, and to award funds to the next highest rated applicant(s) should funds become available due to de-obligations, etc.
4. The Department reserves the right to deny funding when submitted applications involve eligible units of government with serious unresolved audit or monitoring findings related to performance.
5. A grant agreement will be issued for a contract period of twelve months. All grants must have met the National Objective of retaining permanent jobs primarily benefiting low-to-moderate income persons by the end of the twelve-month grant term. If circumstances beyond a grantee's control are apparent and impact the project, a grantee may apply for an extension, which may, or may not be granted. No more than one six-month extension may be considered. Requests for Modifications must be presented to the Department and approved prior to any changes.
6. If the National Objective is not met by the benefiting business, then the grantee (unit of local government) will be required to repay the entire amount of the grant to the State. With enforcement of the Participation Agreement, the benefiting business will be required to repay the entire amount of the grant to the unit of local government.
7. Each applicant must agree to comply with all applicable federal and state requirements. **This includes 2 CFR 200, 24 CFR 570, Part 85, and the Grantee Accountability & Transparency Act (GATA).**
8. Equal Opportunity and Fair Housing Accessibility Laws require that CDBG grantees administer their project in a manner that affirmatively furthers equal opportunity and fair housing. All CDBG grantees will be required to undertake specific activities to further fair housing. CDBG grantees must assure all activities and services are accessible to persons with disabilities.
9. A HUD Exempt/Categorically Excluded not subject to 58.5 Environmental Review form, signed and dated by the community's environmental review preparer and chief elected official must be included with the application.
10. A copy of the current FEMA FIRMeTette obtained from FEMA's Map Service Center (<https://msc.fema.gov.portal.home>) with the proposed business's location clearly marked must be included with the application. If the business is located in a denoted prohibited Floodway, then the business would be ineligible for assistance unless the business is a functionally dependent use of the floodway (e.g., a riverside marina or boat repair shop).
11. A Certificate of Good Standing from the Illinois Secretary of State and the Illinois Department of Revenue must accompany the application.

**G. SPECIAL REQUIREMENTS FOR ECONOMIC DEVELOPMENT**

The following requirements, in addition to those listed in above, apply to applications submitted for consideration under the CDBG-Economic Development component.

1. Grant Costs and Funding Information. All applications are assessed to determine whether CDBG funding is appropriate. The business must submit supporting financial data as indicated in Section K. The Department will review each cost element to determine whether funding is appropriate and whether the activity complies with the guidelines for evaluating project costs and financial feasibility set forth in 24 CFR 570.209(a). A financial review will be conducted to ensure that CDBG funds are not being substituted for available private debt financing or equity capital.
2. The amount of CDBG grant assistance provided to a business will be limited to the amount, with appropriate terms and conditions, sufficient to allow continuity of the business for 60 days or the grant ceiling, whichever is less, without substituting CDBG funds for available private debt or cash equity.
3. The Department will conduct an analysis of the assisted company in relation to the grant request and assess the risk. The Department may approve the project if it determines that the risk is reasonable.
4. The following will be required for all businesses as a condition of a CDBG grant award:
  - The business must identify their net income for the last three fiscal years ending December 31, 2019. Net income can be obtained from the Profit and Loss statement, generally the last item on that statement. In the event that Profit and Loss statements cannot be found, net income can be derived from total sales minus total expenses. In addition, cash balances must be provided. This will be either the first line item on the balance sheet or bank statements as of the last day of each fiscal year. Three years of ending cash balances must be provided for each fiscal year.
  - A copy of the most current bank statement for the business.
  - If available, other forms of documentation to demonstrate the lack of permanent working capital in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, denied loan applications, etc.
  - A listing of all employees as of January 1, 2020, employees hired since then, and their current status.
  - A Participation Agreement between the unit of local government and the business that will receive funding.

## H. RESIDENT PARTICIPATION

A public hearing must be held prior to submission of an application and prior to passage of a local council resolution of support by the local governing body.

**NOTE: To reduce the potential for spread of COVID-19, public hearings may be held via web-based applications that allow for call-in, or via a conference call number. This information must be part of the Public Notice. A roll call may be taken or some other remote method of obtaining the names of those in attendance may replace a sign-in sheet.**

### Public Participation

- ◆ All applicants **must** provide for public participation. All residents must be given reasonable access to the community's application and reasonable time to review the application prior to the public hearing.

### Public Notice

- ◆ A Notice of Public Hearing **must** be published at least once in a newspaper of general circulation at least seven calendar days (excluding the date of publication *and* the date of the hearing) prior to the public hearing.
- ◆ All project information must be available for viewing on the first date of publication at a location within the community.

### Conducting the Public Hearing

- ◆ Public Hearings must be facilitated by the applicant's governing body authorized official and certified by the authorized official or clerk.
- ◆ Efforts must be made to assure reasonable access to the public hearing by persons with disabilities; as well as be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate.
- ◆ Those attending the public hearing must be informed of where and how to access a copy of the application.
- ◆ A sign-in sheet must be provided to document attendance. It is suggested that each person attending the public hearing provide his address and identify his role of participation (e.g., resident, elected or appointed official, municipal employee, contractor, grant administrator, business owner, etc.).
- ◆ The public hearing must cover:
  1. The amount of funds available;
  2. The project activities that will be undertaken with grant funding, including amount;
  3. The project activities that will be undertaken with additional project funding, including amount;
  4. Plans for minimizing displacement as a result of the grant-assisted activities and to assist persons actually displaced, if applicable;
  5. A detailed, prioritized list of community development and housing needs; and

6. A narrative discussion of the scope of the project including the proposed improvements, costs, benefit area, impact on community finances, etc.

- ◆ The minutes of the public hearing must be certified by the chief elected official or other authorized local officials, such as county clerk, city clerk, etc.

#### Documenting Resident Participation

The following documents must be submitted with the application.

- ◆ 7-day Notice
- ◆ Newspaper Clipping
- ◆ Publisher's Certification
- ◆ Certified Minutes
- ◆ Attendance Sheet

**As the opportunity for resident participation is a federal requirement, if the publication guideline or public hearing requirements are not met, the application will not be reviewed further nor considered for funding.**

**A sample of a public hearing notice is contained in the Application Forms section.**

#### **I. INITIAL GRANTEE RESPONSIBILITY**

Successful applicants will receive a **Notice of State Award (NOSA)** which includes information regarding your entity, grant funding, grant terms and conditions, and specific conditions assigned to the grant based on the risk assessments. In order to receive the formal Grant Agreement, the Grantee must indicate agreement to the contents of the NOSA by remitting its acceptance through the grants portal.

#### **J. REPORTING**

Grantees will be responsible to complete multiple reports during the term of the grant, and potentially after the grant has closed. This will include but is not limited to quarterly financial and performance reports, closeout report, and documentation of the project's impact including job creation.

#### **K. APPLICATION NARRATIVE RESPONSES and INCLUSIONS**

All applications must include the following narrative responses and requested documentation. Please utilize the Submission Checklist contained in the Application Forms section to ensure all required application components are included and for placement in the application submission.

1. **Letter of Transmittal** – must be dated, include the amount requested, a brief project description, and additional funding amount and source; and certify that the application has been approved by the unit of local government named in the application. A sample letter of transmittal is available in the Application Forms section.



2. **State of Illinois-DCEO Uniform Grant Application** The Uniform Grant Application can be found in the Downstate Small Business Stabilization section at: <https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/default.aspx>
3. **Project Information** Basic details concerning the project (see Application Forms section for form.)
4. **Uniform GATA Budget** The Uniform GATA Budget can be found in the Downstate Small Business Stabilization section at: <https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/default.aspx>
5. **Project Summary** – Provide a summary of the business’ present situation. This should include a brief description of the company, e.g., type of firm, its product or service, and how long they have been in business. Describe how the CDBG funds will be used and reasons why they are needed in order for the company to be in a position to retain jobs. Specific needs need to be identified. Explain what circumstances make this project necessary, in maintaining adequate permanent working capital to sustain operating needs.
6. **Net Income Verification** (form is found in the Application Forms section)
7. **Employment Documentation** (form is found in the Application Forms section). A listing of all employees as of January 1, 2020, employees hired since then, and their current status.
8. **Council Resolution of Support**, required for all CDBG funded grant applications. An example can be found in the Application Forms section.
9. **Resident Participation Public Hearing Documentation** (see Application Checklist for a listing of **all required documentation** and a sample Public Hearing Notice).
10. **Minority Benefit/Affirmative Housing Statement** (form is found in the Application Forms section).
11. **Local Government Certifications** as required for all grants. (see Application Forms)
12. **Business Certifications** required for CDBG funded Economic Development grants.
13. **Mandatory Disclosures** as required for all grants. (see Application Forms)
14. **Conflict of Interest Disclosure** as required for all grants. (see Application Forms)
15. **REQUIRED ATTACHMENTS from the Local Government** The following items must be attached to the Application:
  - ◆ **Fair Housing Resolution** A copy of the unit of local government’s Fair Housing Resolution.
  - ◆ **W-9**
  - ◆ **SAM Registration (CAGE #)** All grantees are required to be registered in the System for Award Management (SAM) at [www.sam.gov](http://www.sam.gov) for the purpose of

obtaining a Commercial or Government Entity (CAGE) Code. The CAGE Code is a unique identifier assigned to government agencies and various organizations. CAGE codes provide a standardized method of identifying a given facility at a specific location. **This documentation must be available at the time of grant award if not submitted with the application.**

- ◆ **IRS Certification Letter** Include in the application “Letter 147c” or “Letter 4158c” provided by the IRS to verify the Taxpayer Identification Number (TIN) or Federal Employer Identification Number (FEIN) for the applicant. If you do not have a current (dated within five years) copy of an IRS certification letter on file, please call the IRS Business line, **1-800-829-0115**, to request a “**Letter 147C**”, or call **1-877-829-5500** to request a “**Letter 4158c.**” Only the applicant is authorized to request a copy of this letter.
- ◆ A HUD Exempt/Categorically Excluded not subject to 58.5 **Environmental Review form**, signed and dated by the community’s environmental review preparer and chief elected official must be included with the application.
- ◆ A copy of the current **FEMA FIRMette** obtained from FEMA’s Map Service Center (<https://msc.fema.gov.portal.home>) with the business’s location clearly marked must be included with the application. If the business is located in a denoted prohibited floodway, then the business would be ineligible for assistance unless the business is a functionally dependent use of the floodway (e.g., a riverside marina or boat repair shop).
- ◆ A **Participation Agreement** between the unit of local government and the business that will receive funding.

**16. REQUIRED ATTACHMENTS from the benefiting Business** The following items must be included with the Application:

- ◆ **Certificates of Good Standing** for the benefiting business from the Illinois Secretary of State and the Illinois Department of Revenue must accompany the application.
- ◆ **Most Recent Bank Statement** to verify cash balance.
- ◆ If available, other forms of **documentation to demonstrate the lack of permanent working capital** in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, denied loan applications, etc.

**L. APPLICATION REVIEW AND EVALUATION PROCESS**

The screening and review process for the program is designed to ensure that limited CDBG program funds are awarded to communities for the use of businesses that demonstrate the need for financial assistance and meet the qualifications. The actual number and types of awards will be subject to funding availability. All recommendations are forwarded to the Director's Office, for final funding decisions.

The criteria noted below will be used to evaluate all applications requesting funding under the CDBG Economic Development Downstate Small Business Stabilization component, as well as determine the appropriate level of financial assistance:

1. Project Benefit
2. CDBG National Objectives
3. CDBG Dollars

1. **Project Benefit** (information to be provided in Project Summary)

Three factors will be considered under this criterion:

- a. **Project Need** – Project need is defined as the inability of the company to maintain sufficient permanent funding to sustain normal operating working capital needs. Describe in sufficient detail the need for the assistance and the specific role of CDBG funding, including any other options which have been pursued.  
  
Evidence of need is demonstrated through a well-developed justification for public financing demonstrating a financial gap argument. The discussion should also address why other financing options could not be obtained or are not feasible and repercussions if funding is denied.
- b. **Financial Feasibility** – Determination must be made as to how CDBG funds can address the company's need to provide adequate permanent working capital in addressing current and future working capital needs, like payroll, operating needs and short-term liabilities. A comparison must be provided as to the existing payroll that existed prior to the outbreak of the COVID-19 virus in January and current payroll. In addition to payroll, the effect of the COVID-19 virus on current and long- term liabilities.
- c. **Commitments for Job Retention** - Provide firm assurances from the borrower (employer) regarding the number of permanent jobs to be retained for low-to-moderate income persons, types of positions, not to exceed 12 months.

2. **National Objective – Urgent Need**

The Urgent Need National Objective is defined as assistance to a business designed to alleviate existing conditions. The grant recipient certifies that such conditions pose a serious and immediate threat to the health or welfare of the community, they are of recent origin or recently became urgent, the grant recipient is unable to finance the activity on its own, and other sources of funds are not available. Applicant must demonstrate through information in the Project Summary, financial documentation and employee status that they meet this objective.

3. **CDBG Dollars to Full-time Equivalent (FTE) Jobs Ratio**

Funding will not exceed the grant ceiling and may be less depending on business need.

### **Application Denial**

For applications that are not funded, denial reasons may include, but are not limited to, the following:

- No justification of the need for funds;
- Projected financial need data, is not documented;
- Evidence that program funds replace sources of capital available to the business and/or community;
- CDBG Economic Development Small Business Stabilization funding has been exhausted.

### **M. SUBMISSION INFORMATION**

Under the Grant Accountability & Transparency Act (GATA), all applicants must register with the State of Illinois via the “Grantee Portal” at [www.grants.illinois.gov](http://www.grants.illinois.gov) and be pre-qualified prior to application. **Failure to register prior to application will result in a determination of “Do Not Fund”**. The applicant is required to complete the Internal Controls Questionnaire (ICQ) for Fiscal Year 2020. If the ICQ is not completed prior to application, it must be completed before the grant can be awarded.

Applications for the Economic Development components may be submitted on an as-needed basis.

All grant application materials **must** be:

- Typed (except for signatures and preprinted materials such as bank statements)
- All application materials requiring a signature from the applicant must be signed by the Chief Elected Official.

**The complete grant package in the order specified on the Submission Checklist (Application Forms section) must be scanned into one document. The document must be e-mailed as an attachment to: [ceo.ocd@illinois.gov](mailto:ceo.ocd@illinois.gov) with the subject line: SBS Application - Local Government-Business.** For example: SBS Application-Whoville-Pop’s Restaurant

### **N. FOR FURTHER INFORMATION and TECHNICAL ASSISTANCE:**

**Call: 217/785-6174**

**E-Mail: [ceo.ocd@illinois.gov](mailto:ceo.ocd@illinois.gov)**

**DOWNSTATE SMALL BUSINESS STABILIZATION PROGRAM  
APPLICATION FORMS**

### CDBG Application Submission Checklist

All CDBG applications will be screened for completeness. Applicants must complete and submit this checklist with the application. **Please ensure your Application includes all of the listed information.** Use the right-hand column, labeled "Page Number" to indicate the page for each item.

<u>PROJECT INFORMATION</u>	<u>PAGE NUMBER</u>
___ Completed Submission Checklist (This Page)	___
___ Letter of Transmittal from Chief Elected Official	___
___ State of Illinois - DCEO Uniform Grant Application	___
___ Applicant Project Information	___
___ Uniform GATA Budget	___
___ Project Summary	___
___ Net Income Verification	___
___ Copy of Most Recent Bank Statement	___
___ Other Supporting Documentation	___
___ Documentation of Employee Status	___
___ Council Resolution of Support	___
___ Resident Participation:	
7-Day Public Hearing Notice	___
Publisher’s certification	___
Certified minutes	___
Attendance sheet(s)	___
___ Minority Benefit/Affirmative Housing Statement	___
___ Local Government Certifications	___
___ Business Certifications	___
___ Mandatory Disclosures	___
___ Conflict of Interest	___
___ Fair Housing Resolution	___
___ W-9 (for Local Government)	___
___ SAM Registration (CAGE # - for Local Government)	___
___ IRS Certification Letter (for Local Government)	___
___ 58.5 Environmental Review Form	___
___ FEMA FIRMette with business location marked	___
___ Participation Agreement	___
___ Certificate of Good Standing from the Secretary of State of Illinois	___
___ Certificate of Good Standing from the Illinois Department of Revenue	___

## Letter of Transmittal

Date

Director's Office  
Illinois Department of Commerce and Economic Opportunity  
500 East Monroe  
Springfield, Illinois 62701

Dear Director:

The <sup>1</sup>\_\_\_\_\_ is submitting an application for an Economic Development Small Business Stabilization grant under the Community Development Block Grant (CDBG) Program. The grant request is in the amount of <sup>2</sup>\$\_\_\_\_\_ to be used to provide working capital needs of <sup>3</sup>\_\_\_\_\_. The benefit to low-to-moderate income individuals is <sup>4</sup>\_\_\_\_\_ %.

Very truly yours,

5

~~– Delete Key prior to Submission –~~

<sup>1</sup>Unit of Local Government;

<sup>2</sup>Amount Requested;

<sup>3</sup>Benefiting Business

<sup>4</sup>LMI Benefit Percentage;

<sup>5</sup>Signature Block (Chief Elected Official)

***Insert Uniform Grant Application here.***

The Uniform Grant Application can be found in the  
Downstate Small Business Stabilization section on the website.



**CDBG APPLICANT PROJECT INFORMATION  
ECONOMIC DEVELOPMENT COMPONENT**

**I. PRE-APPLICATION REQUIREMENTS**

\_\_\_\_\_ DATE APPLICANT COMPLETED REGISTRATION ON GATA PORTAL (www.grants.illinois.gov)

\_\_\_\_\_ DATE APPLICANT COMPLETED GATA’S “INTERNAL CONTROL QUESTIONNAIRE”  
(ICQ) Does not need to be completed at time of application but must be prior to grant award.

**Council Resolution Information**

Council Resolution Support Date (MM/YY/DD):	
Resolution Number:	

**II. Amount of Funding Request: \$\_\_\_\_\_**

**FINANCING GAP** - For Economic Development Grants, this argument will demonstrate that a business can raise only a portion of the financing necessary to complete the project. Banks and other financial institutions must disclose their legal lending units and other circumstances which would prevent them from financing the project without CDBG assistance. Reference the documentation within the application which supports the argument. Written evidence to include bank statements for a period beginning January 1, 2020 and an explanation of the credits and debits. The Department will consider other forms of documentation to demonstrate the lack of permanent working capital in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, etc.

**III. APPLICATION WRITER**

First Name			
Last Name			
Title			
Agency Name			
Agency Type			
Mailing Address			
Telephone		Email	
Federal Employer Identification Number			

**IV. BENEFITING BUSINESS INFORMATION**

Business Phone Number \_\_\_\_\_

Business E-mail \_\_\_\_\_

Fiscal Year End Date MM / DD \_\_\_\_\_

**Name of Business this application is in support of:**

Supported Company Name of Business: \_\_\_\_\_

Supported Company Address 1: \_\_\_\_\_

Supported Company Address 2: \_\_\_\_\_

Supported Company City: \_\_\_\_\_

Supported Company State: \_\_\_\_\_

Supported Company Zip: 99999-9999: \_\_\_\_\_

Supported Company E-Mail Address: \_\_\_\_\_

Supported Company FEIN: \_\_\_\_\_

Supported Company DUNS: \_\_\_\_\_

Supported Company SIC: \_\_\_\_\_

Supported Company Business Type: \_\_\_\_\_

**Supported Company Authorized Signatory Contact:**

Last Name: \_\_\_\_\_

First Name: \_\_\_\_\_

Title: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_

Home Phone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

**BANKRUPTCY:** Has the firm, officers or principals of the firm ever been involved in bankruptcy insolvency procedures?

<input type="checkbox"/>	No
<input type="checkbox"/>	Yes

If yes, provide details:

**PENDING LAWSUITS:** Is the business or any officers or principals of the business involved in any lawsuits?

<input type="checkbox"/>	No
<input type="checkbox"/>	Yes

If yes, provide details:

***Insert Uniform GATA Budget here.***

The Uniform GATA Budget can be can be found in the  
Downstate Small Business Stabilization section the website.

## *Insert Project Summary here*

Provide a summary of the business' present situation. This should include a brief description of the company, e.g., type of firm, its product or service, and how long they have been in business. Describe how the CDBG funds will be used and reasons why they are needed in order for the company to be in a position to retain jobs. Specific needs need to be identified. Explain what circumstances make this project necessary, in maintaining adequate permanent working capital to sustain operating needs.

## NET INCOME VERIFICATION

The business must identify their net income for the last three fiscal years ending December 31, 2019. Net income can be obtained from the Profit and Loss statement, generally the last item on that statement. In the event that the Profit and Loss statements cannot be found, net income can be derived from total sales minus total expenses. In addition, cash balances must be provided. This will be either the first line item on the balance sheet or bank statements as of the last day of each fiscal year. Three years of ending cash balances must be provided for each fiscal year.

<b>Fiscal Year Ending:</b>	<b>Net Income</b>	<b>Net Income derived from Profit/Loss Statement? (Yes/No)</b>	<b>Net Income calculated from total sales – total expenses? (Yes/No)</b>	<b>Cash Balance</b>
December 31, 2017				
December 31, 2018				
December 31, 2019				
<b>Current:</b>				

## JANUARY, 2020 MONTHLY BUDGET

Provide the appropriate information below reflecting your business's monthly budget for January, 2020.

<b>Budget Item</b>	<b>Total Monthly Expenditures</b>	<b>Monthly Net Income Computation</b>
<b>Total Income</b>		
Personnel (Salary & Wages)		
Fringe Benefits		
Equipment		
Inventory		
Supplies		
Occupancy (Rent & Utilities)		
Telecommunications		
Other (Specify)		
Other (Specify)		
Other (Specify)		
<b>Total of All Expenditures</b>		
<b>Monthly Net Income (Total Income – Total of All Expenditures)</b>		

***Insert Most Recent Bank Statement here.***

## *Insert Additional Documentation here.*

If available, other forms of **documentation to demonstrate the lack of permanent working capital** in support of operating expenses. Such evidence may include shutoff utility notices, delinquent bills, denied loan applications, etc.

## DOCUMENTATION of EMPLOYEE STATUS

*Expand as Needed*

Provide a list of all **personnel that were employed as of December 31, 2019 as well as new hires since that date**. Indicate the current status of each employee. Provide the total of employees on 12/31/19

Employee Name	Employee's Last 4 Digits of Social Security #	Status on 12/31/19		Current Status			
		Employed	Hired after 12/31/19	Employed working at business location	Employed working remotely	Temporarily Laid Off	Terminated
<b>TOTAL:</b>							



**COUNCIL RESOLUTION OF SUPPORT**

**Resolution No. \_\_\_\_\_**

**(The Resolution CANNOT be dated prior to the date of the Public Hearing)**

WHEREAS, the (unit of local government) is applying to the State of Illinois for a Community Development Block Grant Program grant, and

WHEREAS, it is necessary that an application be made, and agreements entered with the State of Illinois.

NOW, THEREFORE, BE IT RESOLVED as follows:

- 1) that the (unit of local government) apply for a grant under the terms and conditions of the State of Illinois and shall enter into and agree to the understandings and assurances contained in said application.
- 2) that the Mayor (County Board Chairman) and City Clerk (County Clerk) on behalf of the City (County) execute such documents and all other documents necessary for the carrying out of said application.
- 3) that the Mayor (County Board Chairman) and City Clerk (County Clerk) are authorized to provide such additional information as may be required to accomplish the obtaining of such grant.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_. (date required)

ATTEST: \_\_\_\_\_  
City Clerk (County Clerk)

\_\_\_\_\_  
Mayor (County Board Chairman)

**PUBLIC HEARING NOTICE**

***Reasonable access to all available application materials must be provided where all persons within the community will have reasonable access (e.g., Village or City Hall or a public area such as a post office, web page, community center, bank, etc. located within the same county as the applicant) and shall be available for a reasonable amount of time to allow for response and comment.***

(Applicant) will hold a public hearing on (date), at (time), in (place) to provide interested parties an opportunity to express their views on the proposed Rebuild Illinois Public Infrastructure Grant (RIPI) project. Persons with disabilities or non-English speaking persons who wish to attend the public hearing and need assistance should contact (name, address, and phone #) no later than (date). Every effort will be made to make reasonable accommodations for these persons.

On or about (date of application submission), (Applicant) intends to apply to the Illinois Department of Commerce and Economic Opportunity for a grant from the Rebuild Illinois program. This program is funded by state funds as included in the 2019 Capital Bill. These funds are to be used for a community development project that will include the following activities: (summary of proposed project). The total amount of Rebuild Illinois funds to be requested is \$(Amount requesting). The (Applicant) also proposes to expend \$(amount) in non-Rebuild Illinois funds on the project. These non-Rebuild Illinois funds will be derived from the following sources: (source(s) and amount).

Information related to this project will be available for review prior to the public hearing as of (date) at the office (location) between the hours of (office hours). Interested residents are invited to provide comments regarding these issues either at the public hearing or by prior written statement. Written comments should be submitted to (name and address) no later than (date) in order to ensure placement of such comments in the official record of the public hearing proceedings. A plan to minimize displacement and provide assistance to those displaced has been prepared by (Applicant) and is also available to the public. This project will result in (no displacement of any persons or businesses – or – displacement of the following persons and businesses [name and address]). For additional information concerning the proposed project, please contact (name, telephone number) or write to (person, address).

## ***Insert Seven Day Notice of Hearing here.***

The Notice of Public Hearing **must** be published at least once in a newspaper of general circulation at least seven calendar days (excluding the date of publication *and* the date of the hearing) prior to the public hearing. All project information must be available for viewing on the first date of publication at a location within the community.

***Insert Newspaper Clipping and Publisher's  
Certification here.***

***Insert Certified Minutes here.***

The minutes of the public hearing must be certified by the chief elected official or other authorized local officials, such as county clerk, city clerk, etc.

## *Insert Attendance Sheets here.*

A copy of the public hearing attendance sheet must be included as part of the resident participation documentation. It is suggested that each person attending the public hearing provide his address and identify his role of participation (e.g., resident, elected or appointed official, municipal employee, contractor, grant administrator, business own

**MINORITY BENEFIT/AFFIRMATIVE HOUSING STATEMENT**

a. What is the percentage of the minority group(s) population residing in the community or the community nearest the proposed project service area? \_\_\_\_\_ %

Identify the characteristics of the population of the project area by specific ethnic group. This information may be obtained from the most recent Census Data for the “applicant community.” If submitting an “on behalf of” application for a project in an unincorporated area, use Census Data for the project’s County.

Racial Group	Total Persons	# of Hispanic / Latino Ethnicity
White		
Black/African American		
Asian		
American Indian/Alaskan Native		
Native Hawaiian/Other Pacific Islander		
American Indian/Alaskan Native and White		
Asian and White		
Black/African American and White		
American Indian/Alaskan Native and Black/African American		
Other Individuals Reporting more than One Race		
# of Female Headed Households		

With the exception of "Female Heads of Households", the above numbers should equal the total number of persons to benefit from the project service area.

b. What is the goal for the percentage of CDBG funded contracts to be awarded to minority contractors? \_\_\_\_\_ %

c. If the percentage goal in *b* is substantially less than the percentage of minorities residing in the community, please explain. \_\_\_\_\_

d. The applicant agrees to affirmatively further fair housing by posting Fair Housing Posters and by making HUD Fair Housing Complaint Forms available to the public. In addition, the unit of local government

Already has a Fair Housing Resolution on file. (Indicate Number and Date Passed \_\_\_\_\_)

If funded, will pass a Fair Housing Resolution.

**Signature of Chief Elected Official:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**LOCAL GOVERNMENT CERTIFICATIONS**

On this (date) of (month), (year), the (title and name of the Chief Elected Official) of (name of the local government) hereby certifies to the Department of Commerce and Economic Opportunity in regard to an application and award of funds through the Community Development Block Grant that:

1. It will comply with the National Environmental Policy Act (NEPA) with the submission of this application and it further certifies that no aspect of the project for assistance has or shall commence prior to the award of funds to the community and the receipt of an environmental clearance.
2. It will comply with the Interagency Wetland Policy Act of 1989 including the development of a plan to minimize adverse impacts on wetlands, or providing written evidence that the proposed project will not have an adverse impact on a wetland.
3. It will comply with the Illinois Endangered Species Protection Act and the Illinois Natural Area Preservation Act by completing the consultation process with the Endangered Species Consultation Program of the Illinois Department of Natural Resources, or providing written evidence that the proposed project is exempt.
4. It will identify and document all appropriate permits necessary to the proposed project, including, but not limited to: building, construction, zoning, subdivision, IEPA and IDOT.
5. No legal actions are underway or being contemplated that would significantly impact the capacity of the (name of local government) to effectively administer the program, and to fulfill the requirements of the CDBG program.
6. It will coordinate with the County Soil and Water Conservation District regarding standards for surface and sub-surface (tile) drainage restoration and erosion control in the fulfillment of any project utilizing CDBG funds and involving construction.
7. It is understood that the obligation of the State will cease immediately without penalty of further payment being required if in any fiscal year the Illinois General Assembly or federal funding source fails to appropriate or otherwise make available sufficient funds for this agreement.
8. It acknowledges the applicability of Davis-Bacon prevailing wage rate requirements to construction projects; a wage rate determination must be obtained prior to commencement of any construction or equipment installation; and, it shall discuss these requirements with the contractor.
9. It will comply with Section 3 of the Housing and Urban Development Act of 1968 to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low and very low income persons and businesses.
10. It certifies that no occupied or vacant occupiable low-to-moderate income dwellings will be demolished or converted to a use other than low-to-moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974, as amended.
11. It will conduct a Section 504 self-evaluation of its policies and practices to determine whether its employment opportunities and services are accessible to persons with disabilities.
12. It will comply with 2 CFR 200, 24 CFR 570, Part 85, and the Illinois' Grant Accountability and Transparency Act (GATA).
13. The area, in whole or in part, in which project activities will take place, **IS** or **IS NOT** (circle one) located in a floodplain.  
**A FEMA Floodplain map is included in the application (as required) and is located on Page \_\_\_\_\_**
14. DUNS Number: (# enter DUNS number here).

\_\_\_\_\_  
Signature of Chief Elected Official

\_\_\_\_\_  
Date



**BUSINESS CERTIFICATIONS**

**The company understands that no aspect of the project proposed for assistance will commence prior to the award of funds to the community and the receipt of environmental clearance.**

The company certifies that it is a company in good standing, authorized to do business in Illinois and has no delinquent tax liabilities. The company further authorizes the Department of Commerce and Economic Opportunity to seek a tax clearance letter from the Illinois Department of Revenue and authorizes the Department of Revenue to provide such a letter stating whether the records of the Department show that Borrower is in compliance with all tax acts administered by the Department of Revenue and to which Borrower is subject.

The company also certifies that no tax liens, including but not limited to, municipal, county, state, or federal, have been filed against the company, any partners of the company, the majority shareholder of the company, or in the name of a related business owned by the recipient.

The company authorizes the Department of Commerce and Economic Opportunity to verify in any manner deemed appropriate any and all items indicated in this application which includes information obtained through the Illinois Department of Employment Security, Consumer Credit Bureau Services, business reporting services such as Dun and Bradstreet and criminal history record check.

The company certifies that all information and documentation contained in this application, is accurate, complete and true to the best of his/her knowledge.

The company certifies that it has read and understands the application guidelines.

\_\_\_\_\_  
Signature of Chief Executive Officer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Typed Name of Chief Executive Officer

\_\_\_\_\_  
Name of Company

\_\_\_\_\_  
FEIN #

\_\_\_\_\_  
Company Address

\_\_\_\_\_  
DUNS #

\_\_\_\_\_  
SIC #

**MANDATORY DISCLOSURES**

Award applicants and recipients of awards from the State of Illinois (collectively referred to herein as “Grantee”) must disclose, in a timely manner and in writing to the State awarding agency, all violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. See 30 ILCS 708/40; 44 Ill. Admin Code § 7000.40(b)(4); 2 CFR § 200.113. Failure to make the required disclosures may result in remedial action.

Please describe all violations of State or federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the awarding of a grant to your organization:

Grantee has a continuing duty to disclose to the Department of Commerce and Economic Opportunity (the “Department”) all violations of criminal law involving fraud, bribery or gratuity violations potentially affecting this grant award.

By signing this document, below, as the duly authorized representative of the Grantee, I hereby certify that:

- All of the statements in this Mandatory Disclosure form are true, complete and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001).
- There is no action, suit or proceeding at law or in equity pending, nor to the best of Grantee’s knowledge, threatened, against or affecting the Grantee, before any court or before any governmental or administrative agency, which will have a material adverse effect on the performance required by the grant award.
- Grantee is not currently operating under or subject to any cease and desist order, or subject to any informal or formal regulatory action, and, to the best of the Grantee’s knowledge, it is not currently the subject of any investigation by any state or federal regulatory, law enforcement or legal authority.
- If Grantee becomes the subject of an action, suit or proceeding at law or in equity that would have a material adverse effect on the performance required by an award, or an investigation by any state or federal regulatory, law enforcement or legal authority, Grantee shall promptly notify the Department in writing.

Grantee Organization: **Company Name**

By: \_\_\_\_\_  
Signature of Authorized Representative

Printed Name: **Authorized Signator Name**

Printed Title: **Authorized Signator Title**

Date:

## CONFLICT OF INTEREST DISCLOSURE

Award applicants and recipients of awards from the State of Illinois (collectively referred to herein as “Grantee”) must disclose in writing to the awarding State agency any actual or potential conflict of interest that could affect the State award for which the Grantee has applied or has received. See 30 ILCS 708/35; 44 Ill. Admin Code § 7000.40(b)(3); 2 CFR § 200.112. A conflict of interest exists if an organization’s officers, directors, agents, employees and/or their spouses or immediate family members use their position(s) for a purpose that is, or gives the appearance of, being motivated by a desire for a personal gain, financial or nonfinancial, whether direct or indirect, for themselves or others, particularly those with whom they have a family business or other close associations. In addition, the following conflict of interest standards apply to governmental and non-governmental entities.

- a. Governmental Entity.** If the Grantee is a governmental entity, no officer or employee of the Grantee, member of its governing body or any other public official of the locality in which the award objectives will be carried out shall participate in any decision relating to a State award which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or which affects the personal interest of a spouse or immediate family member, or has any financial interest, direct or indirect, in the work to be performed under the State award.
- b. Non-governmental Entity.** If the Grantee is a non-governmental entity, no officer or employee of the Grantee shall participate in any decision relating to a State award which affects his/her personal interest or the interest of any corporation, partnership or association in which he/she is directly or indirectly interested, or which affects the personal interest of a spouse or immediate family member, or has any financial interest, direct or indirect, in the work to be performed under the State award.

The Grantee shall also establish safeguards, evidenced by policies, rules and/or bylaws, to prohibit employees or officers of Grantee from engaging in actions, which create, or which appear to create a conflict of interest as described herein.

**The Grantee has a continuing duty to immediately notify the Department of Commerce and Economic Opportunity (the “Department”) in writing of any actual or potential conflict of interest, as well as any actions that create or which appear to create a conflict of interest.**

*Please describe all current potential conflict(s) of interest, as well as, any actions that create or which appear to create a conflict of interest related to the State award for which your organization has applied.*

If the Grantee provided information above regarding a current potential conflict of interest or any actions that create or appear to create a conflict of interest, the Grantee must immediately provide documentation to the applicable Department grant manager to support that the potential conflict of interest was appropriately handled by the Grantee’s organization. If at any later time, the Grantee becomes aware of any actual or

potential conflict of interest, the Grantee must notify the Department's grant manager immediately, and provide the same type of supporting documentation that describes how the conflict situation was or is being resolved.

Supporting documentation should include, but is not limited to, the following: the organization's bylaws; a list of board members; board meeting minutes; procedures to safeguard against the appearance of personal gain by the organization's officers, directors, agents, and family members; procedures detailing the proper internal controls in place; timesheets documenting time spent on the award; and bid documents supporting the selection of the contractor involved in the conflict, if applicable.

By signing this document, below, as the duly authorized representative of Grantee, I hereby certify that:

- All of the statements in this Conflict of Interest Disclosure form are true, complete and accurate to the best of my knowledge. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil or administrative penalties. (U.S. Code, Title 18, Section 1001).
- If I become aware of any situation that conflicts with any of the representations herein, or that might indicate a potential conflict of interest or create the appearance of a conflict of interest, I or another representative from my organization will immediately notify the Department's grant manager for this award.
- I have read and I understand the requirements for the Conflict of Interest Disclosure set forth herein, and I acknowledge that my organization is bound by these requirements.

Grantee Organization: **Community Name**

By: \_\_\_\_\_  
Signature of Authorized Representative

Printed Name: **Authorized Signator Name**

Printed Title: **Authorized Signator Title**

Date:

*Insert Copy of Fair Housing Resolution here.*

*Insert W-9 here.*

***Insert SAM Registration (CAGE#) here.***

If not available at time of application, must be received prior to grant award.

*Insert IRS Certification Letter here.*



## *Insert Environmental Review form here.*

A HUD Exempt/Categorically Excluded not subject to 58.5 **Environmental Review form**, signed and dated by the community's environmental review preparer and chief elected official must be included with the application. This can be found in the Downstate Small Business Stabilization section on:

<https://www2.illinois.gov/dceo/CommunityServices/CommunityInfrastructure/Pages/default.aspx>

## *Insert FEMA FIRMette here.*

A copy of the current **FEMA FIRMette** obtained from FEMA's Map Service Center (<https://msc.fema.gov.portal.home>) with the business's location clearly marked must be included with the application. If the business is located in a denoted prohibited floodway, then the business would be ineligible for assistance unless the business is a functionally dependent use of the floodway (e.g., a riverside marina or boat repair shop).

## **PARTICIPATION AGREEMENT**

**THIS AGREEMENT** is made as of the \_\_\_\_ day of \_\_\_\_\_, 2020 by and between the **City** of \_\_\_\_\_ ("Unit of Local Government") and \_\_\_\_\_, Inc., a \_\_\_\_\_ corporation ("Company").

**WHEREAS**, the Unit of Local Government is interested in expanding its economic base with the primary emphasis on creating and retaining jobs primarily for low and moderate-income persons; and

**WHEREAS**, the Unit of Local Government has entered into an agreement with the Illinois Department of Commerce and Economic Opportunity to implement an economic development program that significantly impacts upon the Unit of Local Government's economic base; and

**WHEREAS**, the Company is interested in maintaining and/or expanding its employment base; and

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the parties agree as follows:

### **I. GENERAL DEFINITIONS**

1.1 "Application" shall mean all materials submitted by the Company to the Unit of Local Government or the State of Illinois in connection with this Agreement.

1.2 "DCEO Funds" shall mean the sum of \$\_\_\_\_\_ representing the grant received by the Unit of Local Government pursuant to its agreement with the Illinois Department of Commerce and Economic Opportunity (DCEO).

### **II. PERFORMANCE**

2.1 The Unit of Local Government agrees, subject to the terms and conditions of this Agreement, to complete the Project.

2.2 The project cost shall be paid with Community Development Block Grant funds through DCEO.

2.3 In the event the Unit of Local Government fails to receive the DCEO funds, for any reason, this Agreement shall be terminated, at the sole option of the Unit of Local Government, without fault as to either party.

### **III. COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

3.1 On or prior to the date of this Agreement, all legal matters incident to this Agreement and the transactions contemplated hereby shall be satisfactory to the Unit of Local Government.

3.2 Company represents and warrants that:

(a) Company is a corporation or partnership, as the case may be, duly formed, validly existing and in good standing under the laws of Illinois, is duly licensed and duly qualified as a foreign corporation or partnership, as the case may be, in good standing in all the jurisdictions in which the character of the property owned or leased or the nature of the business conducted by it requires such licensing or qualification and has all corporate or partnership powers, as the case may be, and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted.

(b) The execution, delivery and performance by Company of this Agreement, are within Company's corporate or partnership powers, have been duly authorized by all necessary corporate or partnership action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not contravene any provision of applicable law or regulation or of the Articles of Incorporation or By-Laws or Partnership Agreement of Company, as the case may be.

(c) This Agreement constitutes a valid and binding agreement of Company.

(d) The Application is in all respects true and accurate and there are no omissions or other facts or circumstances which may be material to this Agreement or the Project.

(e) The financial information delivered to Unit of Local Government pursuant to the Application fully and accurately present the financial condition of the Company. No material adverse change in the condition, financial or otherwise, of Company has occurred since the date of the financial statements most recently delivered to the Unit of Local Government.

(f) Neither Company nor, to the best of Company's knowledge, any of Company's employees have been convicted of bribing or attempting to bribe an officer or employee of the Unit of Local Government, nor has the Company made an admission of guilt of such conduct which is a matter of record.

3.3 The company shall keep detailed records of all matters related to this Agreement (including the Exhibits hereto).

3.4 The company shall comply with all applicable state and federal law and regulations promulgated thereunder. Company shall comply with all applicable laws and regulations prohibiting discrimination on the basis of race, sex, religion, national origin, age or handicap, including but not limited to the Illinois Human Rights Act, as now or hereafter amended, and the Equal Employment Opportunity Clause promulgated pursuant thereto.

3.5 Company shall fully and completely indemnify, defend and hold harmless the Unit of Local Government and the State of Illinois and their officers, directors, employees and agents against any liability, judgment, loss, cost, claim, damage (including

consequential damage) or expense (including attorney's fees and disbursements, settlement costs, consultant fees, investigation and laboratory fees) to which any of them may become subject insofar as they may arise out of or are based upon this Agreement or any agreement or document executed by Company and Unit of Local Government as part of the transaction described herein.

- 3.6 The Unit of Local Government shall have the right of access, at all reasonable hours, to Company's premises and books and records for purpose of determining compliance with this Agreement. In addition to the reporting specifically required hereunder, Company shall furnish to the Unit of Local Government such information as the Unit of Local Government may reasonably request with respect to this Agreement.

#### **IV. DEFAULT AND REMEDIES**

- 4.1 If one or more of the following events ("Defaults") occurs and is not timely cured, then, the Unit of Local Government may declare Company in default under this Agreement and seek any of the enumerated remedies described in this Section.
- (a) Company fails to observe or perform any covenant or agreement contained in this Agreement, including the Exhibits hereto, for 10 days after written notice to cure thereof has been given to Company by the Unit of Local Government;
  - (b) Any representation, warranty, certificate or statement made by Company in this Agreement, including the Exhibits hereto, or in any certificate, report, financial statement or other document delivered pursuant to this Agreement shall prove to have been incorrect when made in any material respect;
  - (c) Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing;
  - (d) An involuntary case or other proceeding shall be commenced against Company seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceedings shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against Company under the federal bankruptcy laws as now or hereafter in effect;

- (e) Company ceases the conduct of active trade or business in the Unit of Local Government's community for any reason, including, but not limited to, fire or other casualty;
- 4.2 If a Default occurs and is not timely cured, then the Unit of Local Government shall seek reimbursement from the Company for all funds (including DCEO funds) expended by the Unit of Local Government on or related to the Project, including, but not limited to architectural engineering, construction, administrative, real estate and incidental costs related thereto.
- 4.3 Upon notice of a Default and if said Default is not timely cured, the Unit of Local Government shall notify the Company that reimbursement shall be made to the Unit of Local Government within 30 days after said notice. If the Company fails to reimburse the Unit of Local Government within 30 days after the date of the notice, the Unit of Local Government shall have the right to collect interest on the unpaid balance beginning on the 31<sup>st</sup> day after notice at a rate equal to 12% per annum.
- 4.4 If the Unit of Local Government is successful in any proceeding to enforce the terms of this Agreement, then the Unit of Local Government shall have the right to obtain from the Company, as an additional remedy, attorney fees, costs and expenses, related to the proceeding.

## **V. TERMINATION**

- 5.1 This Agreement may be terminated at any time by written, mutual agreement of the parties, provided the Unit of Local Government has obtained written consent from the Illinois Department of Commerce and Economic Opportunity as to such termination.
- 5.2 This Agreement may be terminated by the Unit of Local Government whenever it issues a notice of Default to the Company and the Company does not timely cure the Default pursuant to Section IV.
- 5.3 This Agreement will terminate when the Project has been completed and when all of the terms and conditions of this Agreement (including the Exhibits thereto) creating duties upon the Company, have been satisfied by the Company.

## **VI. GENERAL PROVISIONS**

- 6.1 Notice required hereunder shall be in writing and shall be deemed to have validly served, given or delivered upon deposit in the United States mail, by registered mail, return receipt requested, at the address set forth on the signature page hereof or to such other address as each party may specify for itself by like notice.
- 6.2 All covenants, agreements, representations and warranties made herein and, in the certificates, delivered pursuant hereto shall survive the execution of the Agreement and shall continue in full force and effect so long as the Agreement shall be in force.

- 6.3 No failure or delay by the Unit of Local Government in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.
- 6.4 Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision shall be invalid under applicable law, such provision shall be ineffective to the extent of such invalidity without invalidating the remaining provisions of this Agreement.
- 6.5 This Agreement represents the full and complete agreement between the parties with respect to the matters addressed herein and there are no oral agreements or understandings between the parties.
- 6.6 This Agreement shall be construed in accordance with and governed by the law of the State of Illinois.
- 6.7 This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.
- 6.8 No modification of or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the parties hereto, and provided further, that the Unit of Local Government shall obtain written consent of the Illinois Department of Commerce and Economic Opportunity prior to executing any such modification or waiver.
- 6.9 The Company certifies that it has not been barred from bidding on or receiving State contracts as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (bid rigging or bid rotating, respectively) (720 ILCS 5/33E-3 and 5/33-4).
- 6.10 The Company certifies that it has not been barred from being awarded a contract or subcontract under Section 50-5 of the Illinois Procurement (Code 30 ILCS 500).
- 6.11 The Company acknowledges that receipt of benefits under this agreement may require compliance with the Prevailing Wage Act (820 ILCS 130). Persons willfully failing to comply with or violating this act may be in violation of the Criminal Code. Questions concerning compliance with the Prevailing Wage Act should be directed to the Illinois Department of Labor.
- 6.12 The Unit of Local Government acknowledges that if the project as proposed by this Agreement is completed in accordance with this Agreement and the Agreement executed between the Unit of Local Government and the Department of Commerce and Economic Opportunity then the provisions cited above in 6.9; 6.10; and 6.11 do not apply to the Company but do apply to the activities to be completed by the Unit of Local Government.

**IN WITNESS WHEREOF**, the parties executed this Agreement the day and year first above written.

(Company Name)

\_\_\_\_\_  
By: (Name of Officer)  
Its: President

\_\_\_\_\_  
By: Honorable (Name of Mayor)  
Its: Mayor

Address:

Address:



***Insert Certificate of Good Standing from  
Secretary of State here.***

Certificates of Good Standing for the benefiting business from the Illinois Secretary of State must accompany the application.

***Insert Certificate of Good Standing from  
Illinois Department of Revenue here.***

Certificates of Good Standing for the benefiting business from the Illinois Department of Revenue must accompany the application.