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CITY OF SPRINGFIELD

INVESTIGATIVE REPORT

Report prepared by:

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September 19, 2023



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City of Springfield
800 E. Monroe, Room 107
Springfield, IL

Sikich LLP was engaged by the City of Springfield to conduct a review of certain grant and certain TIF funds awarded, and to review the processes to related grant applications, application review, award selection, invoice review and verification of grant-funded services. As agreed, Sikich is providing a report reflecting findings and other issues inconsistent with City policies and best practices, and detailing internal control recommendations.

Attached is an Investigative Report for your review.

Sincerely,

A large black rectangular redaction box covering the signature of the sender.

Mary O'Connor, ASA, CFE
Partner, Forensic and Valuation Services



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INVESTIGATIVE REPORT

Sikich LLP (“Sikich”) was engaged by the City of Springfield (“Springfield” or “the City”) to conduct a review of Cannabis Sales Tax and TIF grant awards and expenditures, specifically processes for grant application, selection, award, and verification of grant-funded services.

GRANT PROGRAMS

The City of Springfield imposes a Cannabis Retailer’s Occupation Tax and has designated 50% of the tax remitted to be used for economic development purposes in the area bounded by Carpenter Street on the North, Ash Street on the South, Dirksen Parkway on the East, and 10th Street on the West.

On June 21, 2022, pursuant to a Cannabis Project Plan, the City’s Office of Planning and Economic Development (“OPED”) submitted an ordinance seeking approval of up to \$622,719 of Cannabis Tax revenue for financial assistance for eligible businesses. The ordinance was approved.

At the same time, also pursuant to an OPED request, the City authorized up to \$404,000 of Far East Tax Increment Financing (“TIF”) funds for small business redevelopment assistance in the Far East TIF area. The enabling ordinance reflected that TIF funds would be used in conjunction with Cannabis funds to help businesses grow on the City’s east side. It should be noted that the Far East TIF District boundaries are not coterminous with the service area boundaries described in the Cannabis Project Plan.

CANNABIS PROJECT PLAN

The City’s Cannabis Project Plan contains the following provisions:

- Cannabis Tax money will be split proportionately between minority-owned businesses and owner-occupied residences, with 78% of the revenue going to minority-owned businesses and 22% going to owner-occupied residences.
- Applications for both programs will be accepted online from February through July, with selection starting at the end of March through the end of August.
- Applicants for both programs will be scored and ranked to determine where the funds are to be allocated and which applications will be awarded funds.
- Applicants must be located within the designated area.
- For the 51% minority-owned business program:
 - “Money will be used for new and the rehabilitation of businesses with at least 51% minority ownership.”
 - Money must be targeted with the goal of creating or sustaining jobs.

- Maximum award is \$100,000 per business.
- Amount awarded requires a 10% match by the owner of the project.
- Money awarded for the project is to be used for specific items such as equipment, inventory, purchase, construction, or renovation of an eligible business.
- Prevailing wage will be paid on any portion of the project on which the funds are used.
- Business must be at least 51% minority owned and located in the designated area for 10 years.
- A 10-year claw-back agreement will be executed to be exercised if the conditions of the program are not met.
- Award can only be granted once.

The Cannabis Project Plan provided to Sikich is included in this Report as **Attachment A**.

MARKETING MATERIALS

At some point, the City (presumably OPED), produced marketing materials for the Cannabis Business Grant Program. These marketing materials, which include a Frequently Asked Questions ("FAQ") section, attempt to define some application and award requirements and also impose conditions not previously listed. Specifically,

- The minority-owned businesses could either reside in or relocate to the designated area.
- Money awarded could be used for "labor costs and prevailing wage."
- Under Eligibility Criteria:
 - Businesses must be 51% minority owned and get certified every 10 years.
 - Taxes must be current and up to date.
 - No outstanding debt to the City of Springfield.
 - Existing businesses must retain 90% of their employees.
 - New businesses must create a minimum of five jobs.
 - These provisions are included in a small section following the preface, "Please Note."
- In the FAQ section:
 - Businesses unable to cover the 10% match requirement are asked to provide the last three months of personal or business financial statements in order to apply for the Justine Petersen Micro-Loan.
 - FAQs include a list of documents needed to submit a grant request:
 - FEIN/SSN
 - Legal structure
 - Year the business was established

- Date of operations in Springfield
- W-9
- Most recent federal tax return, or individual tax return if a new business
- Narrative of current and projected future impact on operations and intended use of funds (i.e. business goals, any jobs you will create / retain and need for assistance).
- Business plan and projections
- Certificate of Good Standing with the State
- If using the grant for construction, two bids for the project are required,
- The FAQs also note:
 - No grant will be awarded if the application is incomplete or lacks proper documentation.
 - Grantees may be required to complete a brief close-out report to outline final use of funds and outcomes from fund utilization. Additional information may be requested per Audit.

The marketing flyer provided to Sikich is included in this Report as **Attachment B**.

CANNABIS BUSINESS GRANT APPLICATION

The Cannabis Business Grant Application, included in this Report as **Attachment C**, includes a preamble reciting the goals of the grant program and many of the program requirements that are similarly reflected in the Cannabis Project Plan and marketing materials. In addition, the introduction to the application lists six business types that are ineligible for assistance under the grant program:

- Home-based businesses
- Nonprofit organizations/businesses
- Private club or business that limits membership for reasons other than capacity.
- Businesses with at least 33% of gross annual revenues from legal gambling activities unless the business is licensed by the City of Springfield to operate gaming terminals.
- A business in which a majority owner or member of the immediate family is an elected official or employee of the City of Springfield.
- An establishment similar to any enumerated above.

It should be noted that the ineligibility of home-based business and non-profits is not mentioned in the Cannabis Project Plan or any marketing materials.

ONLINE CANNABIS GRANT APPLICATION

The City of Springfield's website includes a page describing the Cannabis Business Grant Application (See <https://www.springfield.il.us/CannabisBusinessGrant.aspx>). The Ineligible Businesses section lists nonprofit organizations as ineligible, but notes, "Exceptions may apply. Please call for details." None of the other materials for the Cannabis Grant program indicate that exceptions may apply to this criterion.

TIF PROJECT APPLICATION

Applicants for Cannabis funds were also eligible to receive TIF funds pursuant to the June 21, 2022 ordinance linking grants funded with Cannabis tax revenue and Far East TIF funding, and were not required to fill out the City's TIF Project Application.

The City's TIF Project Application contains more restrictive compliance requirements than the Cannabis Business Grant Application. It is unclear if applicants specifically applied for TIF funding using the Cannabis grant form or if OPED chose to fund rehabilitation projects using TIF funds to increase awards.

The TIF Application includes the following requirements and additions not included on the Cannabis Grant application:

- The TIF application and review process requires a presentation to the Economic and Community Development Commission.
- Payment of prevailing wage on TIF funded projects is monitored through the city's ePrismsoft software.
- The TIF application requires submittal of pictures of the property being rehabilitated.
- The TIF application requires submittal of more detailed property information like ownership status and market value.
- The TIF application has a conflict of interest disclosure not contained on the Cannabis grant application.
- Non-profits can receive TIF funds.

AGREEMENTS

Grant recipients were required to sign a Cannabis Funds Business Grant Assistance Agreement. This agreement, which mimics the Redevelopment Agreement used in the City's TIF program, did not help clarify the confusion that hampered the program.

Specifically, the Cannabis Agreement included assisting with recipient payroll as an objective of the Cannabis Plan, even though payroll was not listed in the Cannabis Plan as an objective. The Cannabis Agreement uses the term Redeveloper instead of grantee or recipient. Also, more like a TIF funded development agreement, the Cannabis Agreement requires progress reports and certificates of completion, both of which are not suitable for the scope of assistance provided to Cannabis grant recipients.

Finally, the Cannabis Agreement included a provision that the Redeveloper shall submit periodic requests for reimbursement in requisitions containing verified bills or statements of suppliers, contractors, or

professionals. As will be discussed below, invoices submitted by recipients, in most instances, were not accompanied by a detailed request for payment or attestation of program compliance from the recipient. As such, recipients did not comply with this requirement, yet invoices, or even quotes and proposals were approved by OPED, creating further confusion and misunderstandings.

A copy of a sample Cannabis Funds Business Grant Assistance Agreement is included in this Report as **Attachment D**.

PROGRAM ISSUES – INTERNAL CONTROL ISSUES AND RISKS

The Cannabis Project Plan; the grant application; and requirements detailed in the enabling ordinance, marketing materials, FAQs and the City’s website were, at times, inconsistent, and created confusion in the application review and award process. Including TIF awards, with varying requirements, only added to the processing issues. These challenges weakened any internal controls intended to monitor the evaluation of applications, propriety of awards, and verification of services funded with Cannabis and TIF funds. The control issues are detailed below. A later section in this report will detail specific award issues.

Based on OPED staff interviews, and reviews of the Cannabis Project Plan, the enabling ordinance, marketing materials, FAQs and grantee files and payment records, the following internal control issues are noted:

1. The grant program, which included \$404,000 in TIF awards to 14 Cannabis Grant applicants, did not require a separate TIF application and did not include the more stringent requirements for TIF awards. This is a critical internal control weakness, especially since TIFs are designed to be closely monitored and have statutory compliance requirements.
2. The boundaries for the Far East TIF are not coterminous with the designated area for Cannabis tax grants.
3. The designated area for Cannabis awards is ill-defined since the North boundary of Carpenter Street does not extend all the way to Dirksen Parkway on the east. The City’s website, however, does contain an interactive map of the designated area with a defined eastern boundary.
4. The Cannabis Plan requires business applicants to be 51% minority owned but does not provide requirements for proving minority ownership.
5. The Cannabis Plan reflects that applications will be ranked to determine where funds will be allocated, but the Plan does not indicate scoring criteria.
6. The Plan indicates applications will be accepted from February through July with selection starting at the end of March, completely negating the ranking process, since selection starts before all applications are due.
7. The Plan does not detail how the goals of creating and sustaining jobs will be measured and monitored and the duration of that compliance requirement.
8. The Plan does not detail how compliance requirements for recipients continuing 51% minority ownership and remaining in the designated area for 10 years will be monitored and reviewed.

9. The Plan does not indicate if the 10% match payment required from recipients is considered part of the award (i.e., is the match 10% of the award or 10% of the award plus the match?) This will be discussed further below when inconsistent adherence of this requirement is discussed.
10. The marketing flyer reflects that money awarded is to be used for, among other things, “labor costs with prevailing wage” without detailing what expenditures require compliance with prevailing wage. The Cannabis Plan also failed to provide a definition of prevailing wage, or for what types of projects prevailing wage applies.
11. For applicants awarded both Cannabis and TIF money, the Plan does not discuss which funds should be paid out first or which projects are best suited to be paid with Cannabis or TIF funding.
12. The Plan does not describe a payout process, the invoice review process, types of invoices or project expenditure requirements. As such, too much discretion and subjectivity were left to the administrative function creating a fraud risk.
13. Requirements discussed for the first time in the marketing materials should have been included in the Cannabis Project Plan and approved by the City Council.
14. The marketing flyer indicates a business must have its minority business status recertified every 10 years without describing where that certification must be obtained and the impact of failing to comply with that requirement 10 years after receiving funding.
15. The marketing flyer reflects an eligibility criterion of “No outstanding debt to the City of Springfield” without detailing if that requirement applies to the entity, all owners, or all employees.
16. The marketing document further muddled the application and review process since the flyer seemingly created additional requirements not previously listed in the enabling ordinance or the Cannabis Project Plan.
17. The Cannabis Grant Application is the first place that mentions which types of businesses are ineligible for awards, specifically prohibiting home-based businesses and non-profit organizations. However, the online application page on the City’s website notes that nonprofits can call, presumably to see if, for some undefined reason, some exception to the prohibition applies. Again, this obviously created confusion, as will be discussed below, since non-profits were among the award recipients. It is also unclear if some nonprofits did not apply for the grant because of other informational material, and the application itself, that notes nonprofits are ineligible.
18. Neither the enabling ordinance nor the Cannabis Project Plan impose any monitoring or audit requirements of recipients by OPED.
19. Contractual provisions requiring that grantees submit requisitions with attached supporting invoices for work performed or commodities ordered were not enforced and, as such, allowed payments to be made to recipients without supporting invoices and, in some instances, before the work was performed or equipment ordered.
20. Although two bids were required for construction projects, there is no evidence showing this requirement was enforced.

21. Some grantees did not receive their full allocation of Cannabis or TIF funding, for various reasons. Neither the Cannabis Plan nor Ordinance address how these funds, allocated for disbursement to grantees but not disbursed, would be utilized.

Grant Awards

AWARDS / PAYMENTS TO DATE

The June 2022 authorization of Cannabis Tax revenue and TIF funds was accompanied by a list of grant recipients. This list is included in this report as **Attachment E**. Twenty-two businesses were awarded a total of \$622,719 of Cannabis funds and 14 of those businesses were awarded a total of \$404,000 of TIF funds. A subsequent Ordinance, number 158-04-23, increased funding for one grantee by \$8,985, bringing the total award of Cannabis funds to \$631,704.

Prior to the June 2022 awards, an earlier ordinance approved \$217,720 of funding for rehabilitation work for The Springfield Project. The December 7, 2021 ordinance, which will be discussed below, approved split funding for the project with one-third of the cost, or \$72,573, paid from TIF and two-thirds, or \$145,146, paid from the Cannabis fund. The detail of the award and payouts to The Springfield Project are reflected below in **Table 1**.

Total awards and payouts of Cannabis and TIF funds are listed in **Table 2** as of August 9, 2023.

TABLE 1
Cannabis / TIF Awards and Payouts – The Springfield Project

Cannabis Award	Cannabis Payout	TIF Award	TIF Payout	Total Awards	Total Payouts
\$ 145,146.67	\$ 57,303.43	\$ 72,573.33	\$ 72,573.33	\$ 217,720.00	\$ 129,876.76

**TABLE 2
Cannabis / TIF Awards and Payouts**

Grant Recipient	Cannabis Award	Cannabis Payout	TIF Award	TIF Payout	Total Awards	Total Payouts
B.O.N.E. LLC	\$ 43,719.00	\$ 43,719.00	\$ -	\$ -	\$ 43,719.00	\$ 43,719.00
Bishop Communications Group LLC	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	\$ 40,000.00	\$ 40,000.00
Boyd's New Generation LLC	\$ 40,000.00	\$ 39,489.72	\$ -	\$ -	\$ 40,000.00	\$ 39,489.72
Carter's Fish Market	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -	\$ 80,000.00	\$ -
Central Lodge #3 Masonic Temple	\$ 17,985.00	\$ 17,985.00	\$ 9,000.00	\$ 9,000.00	\$ 26,985.00	\$ 26,985.00
Clay's Popeyes BBQ of Springfield LLC	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 39,306.21	\$ 80,000.00	\$ 79,306.21
Dirty South Inc	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 50,000.00	\$ 50,000.00
Drake Commercial Cleaning Inc	\$ 20,000.00	\$ 19,999.99	\$ 20,000.00	\$ 20,000.00	\$ 40,000.00	\$ 39,999.99
Environ Pest Elimination Inc	\$ 40,000.00	\$ 39,999.83	\$ -	\$ -	\$ 40,000.00	\$ 39,999.83
Exotic Edible Pineapple Drinks LLC	\$ 25,000.00	\$ 3,500.00	\$ 25,000.00	\$ 3,500.00	\$ 50,000.00	\$ 7,000.00
Freedom in Holiness Mission	\$ 5,000.00	\$ 4,906.21	\$ -	\$ -	\$ 5,000.00	\$ 4,906.21
Genesis Barber and Beauty Shop	\$ 20,000.00	\$ 22,222.22	\$ -	\$ -	\$ 20,000.00	\$ 22,222.22
Haley & Associates	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 40,000.00	\$ 40,000.00
King of Clubs Inc	\$ 40,000.00	\$ 10,647.00	\$ 40,000.00	\$ 19,777.75	\$ 80,000.00	\$ 30,424.75
L&M Gymnastics & Kids Inc	\$ 40,000.00	\$ 1,467.84	\$ 40,000.00	\$ -	\$ 80,000.00	\$ 1,467.84
LathanHarris Inc	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 40,000.00	\$ 40,000.00
Luxe Floral	\$ 25,000.00	\$ 25,000.00	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00
More Scrubs LLC	\$ 40,000.00	\$ 39,661.86	\$ 40,000.00	\$ -	\$ 80,000.00	\$ 39,661.86
Mrs. D's Kitchen Bar & Grill Inc	\$ 40,000.00	\$ 39,921.78	\$ 40,000.00	\$ 1,650.00	\$ 80,000.00	\$ 41,571.78
Ollie Home Care Services LLC	\$ 25,000.00	\$ 11,455.78	\$ 25,000.00	\$ 3,848.67	\$ 50,000.00	\$ 15,304.45
The Fadeologists LLC	\$ 20,000.00	\$ 19,990.48	\$ 20,000.00	\$ 20,000.00	\$ 40,000.00	\$ 39,990.48
The Motherland Gardens Community Project	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00
Totals	\$ 631,704.00	\$ 489,966.71	\$ 404,000.00	\$ 182,082.63	\$ 1,035,704.00	\$ 672,049.34

OBSERVATIONS / ISSUES

As part of this review, Sikich interviewed staff involved in the Cannabis grant application, review, and award processes; analyzed grant applications, awards, requests for payment, and vendor invoices; and reviewed accounts payable files and payment records. Based on this comprehensive analysis, Sikich makes the following general observations.

1. Most importantly, in numerous instances, grantees were allowed to be paid prior to incurring an expense, circumventing the program's objective and contrary to the agreements most grantees signed. The agreement clearly requires payments to be reimbursements for bills approved by the City.
2. Agreements with some recipients were drafted to include ineligible items like payroll. OPED staff were later able to stop any payments for payroll expenses.
3. Matching payments were not required from all grantees. Those recipients that did not make matching payments did not submit the financial information required in the marketing materials. In addition, at least one recipient received a refund of its matching payment.
4. Normal accounts payable processes were not followed since some payouts did not have the required supporting documentation like invoices and some payouts did not have required approvals. Specific details will be provided below.
5. Payments were processed as directed, even though some recipients did not sign an agreement as required.
6. Some payments were made when supporting documents were simply proposals from vendors and not actual invoices for work performed, or where invoices were crudely handwritten receipts. One vendor submitted pictures of a computer screen reflecting an Amazon order as a receipt.
7. It appears some vendors were paid after local politicians intervened and questioned why payments were not made or requested that recipients be paid in advance.
8. Proof of the receipt of equipment or verification of remodeling work were not done before payments were made. Sikich learned that verification of work performed and receipt of equipment is still ongoing.
9. Much reliance was placed on the Accounts Payable team to research award recipients and vendors after OPED approval. By performing the necessary due diligence, the Accounts Payable team was able to stop some non-compliant payouts.
10. Since payments were made to the award recipients and not the vendors used for the purchase of equipment or provision of services, it was necessary for Accounts Payable to catch any intentional or unintentional submission of duplicate invoices.
11. Instances of payments outside the scope of the agreement or the scope of the program were nonetheless approved and forwarded for payment; some were caught by Accounts Payable or later by OPED staff.

SPECIFIC OBSERVATIONS

Deviations from accepted best practices and circumventing the City's own processes resulted in the following issues:

1. Two entities received awards despite business locations outside Cannabis Occupation Tax Area. (Motherland Gardens, Ollies Home Care Services)
2. Three non-profits received awards, contrary to requirements noted in the Cannabis Grant Application. (Central Lodge #3 Masonic Temple, Freedom in Holiness Mission, Motherland Gardens) One of the aforementioned non-profits also required an ordinance approving payments in excess of its initial award of Cannabis funds. (Central Lodge)
3. Payments to two of the nonprofits, one for signage and the other for gardening supplies, were inconsistent with Cannabis Plan's goal of using money to create and sustain jobs. (Freedom in Holiness Mission, Motherland Gardens)
4. One grantee received payment of the full award prior to ordering any equipment for the business and when ordered, the equipment was purportedly shipped to the owner's home. Sikich has learned that OPED subsequently verified the equipment purchase. (Bishop Communication Group)
5. Another grantee received a downpayment in anticipation of likely expenses. (Clay's Popeyes Barbeque of Springfield)
6. A grantee received payment of \$43,719 despite only submitting one invoice for \$5,345 for equipment repair. (B.O.N.E.)
7. A grantee received the Cannabis grant award following an earlier award of \$100,000 of TIF funding in 2019 and 2020. (Boyd's New Generation)
8. OPED questioned an invoice submitted by a grantee and learned the invoice was fraudulent. Further OPED investigation revealed that an earlier invoice that the grantee had already been paid for was also fraudulent. (Exotic Edible Pineapple Drinks)
9. A grantee submitted invoices for painting work from an accounting and IT company and other invoices from a company created on the same day work was purportedly performed. In addition, this company still operates out of a former residence and was directed to convert to commercial metering for the business. (The Fadeologists)
10. A grantee demanded and received repayment of its matching contribution after payment from Cannabis funds exceeded its original award. This is evidence of the difficulty faced by OPED and Accounts Payable to track payments for work and, also, the inconsistency of matching payment requirements as discussed above. (Genesis Barber and Beauty Shop)
11. A grantee was paid far in excess of the amount of supporting invoices it submitted. Further, the invoices and proof of payments submitted were for payroll expenses or for work on the building the grantees occupied as a tenant. (Haley & Associates)

12. Despite the requirement that it move into the service area, a grantee was paid for equipment prior to moving. (L & M Gymnastics and Kids)
13. A grantee was paid after only submitting quotes for work and not actual invoices. (Lathan Harris)
14. Despite the lack of support submitted by a grantee, Accounts Payable was directed to pay a grantee its full award. Sikich learned that OPED has recently verified the purchase of purported equipment for the business. Sikich was also informed that OPED will exercise the claw back provision of the agreement since the grantee is no longer in business in the designated area. (Luxe Floral)
15. A company awarded funding for remodeling and inventory was reimbursed for iPads, a laptop, and a point-of-sale service. (More Scrubs)
16. Reimbursements for food and liquor were included in funding for a local bar and grill, presumably under the agreed upon inventory category. Since such items are obviously fungible, it would be difficult to verify the purchases. (Ms. D's Kitchen Bar & Grill)
17. The City agreed to reimburse a grantee for property acquisition, yet the company was actually reimbursed for training software, payroll software, and a subscription service. The company also never relocated into the designated area. (Ollie's Home Care Services)

THE SPRINGFIELD PROJECT

In addition to the Cannabis Plan and the 2022 awards, an earlier ordinance approved payment of Cannabis tax revenue and TIF proceeds to the Springfield Project for the rehabilitation of a building. An Ordinance Fact Sheet, presumably prepared by OPED, requested approval of \$217,720 of TIF funding for the rehabilitation project. An ordinance, number 484-12-21, enacted December 7, 2021 approved split funding for the project with one-third of the cost or \$72,573 paid from TIF and two-thirds or \$145,146 paid from the Cannabis fund. It is unclear why the original funding proposal submitted by OPED was changed to split funding. The approval of this project pre-dates the approval of the Cannabis Project Plan and expenditures for the Springfield Project were not later noted when Cannabis funds were awarded in June 2022.

On March 24, 2023, the Springfield Project executed a Cannabis Business Grant Agreement. Sikich has not been provided any TIF agreements that may also have been executed.

Prior to the Cannabis agreement, on March 10, 2023, OPED approved payment of \$129,876.76 to the Springfield Project, with \$57,303.43 coming from Cannabis funds and \$72,573.33 from TIF. The payment was supported by an invoice for work performed in 2022 and a check was issued April 6, 2023.

SPLIT PAYMENTS

It should also be noted that at one point, payments to some grantees were inadvertently split between Cannabis and TIF funds, despite OPED approvals that funding come from only one source. Sikich learned there was a programming error in accounts payable that caused the split payments. Again, an unassuming error brought about by including varying funding sources in the Cannabis program.

GRANT PROGRAM BEST PRACTICES

OPED PROCESSES

OPED created a process map for the Exterior Rehabilitation Program, which also presumably applies to the Business grant program, detailing a 10-step process for reviewing applications, drafting and signing contracts, inspecting property, and paying homeowners. This process map establishes effective controls, but, for various reasons as detailed above, including the rush to get payments out and OPED staffing shortages, these processes were not strictly adhered to, creating the risk of fraud and mismanagement of funds.

FEDERAL GUIDANCE

The Code of Federal Regulations, specifically 2 CRR Part 200 offers guidance for federal grant programs and OPED is familiar with similar guidelines based on federal awards it oversees.

To effectively manage the Cannabis grant program and reduce the risk of fraud and misappropriation of funds, the City should strive to manage a grant program that includes the following processes and controls.

1. Clear, measurable goals and objectives that facilitate the delivery of meaningful results.
2. Reasonable estimate of actual costs.
3. Accountability
4. Consistency in project leadership
5. Periodic reporting
6. Specific, enumerated eligibility requirements.
7. Merit review process for grant applications.
8. An applicant award risk assessment framework.
9. Detailed selection criteria minimizing subjectivity.
10. Strict adherence to reimbursement protocols rather than up-front payments.
11. The right to audit grant recipients.
12. Fraud, waste and abuse reporting availability, like a fraud hotline.

RECOMMENDATIONS

Consistent with federal guidance and other best practices, the following recommendations will assist in establishing a functional, practical, and cost-effective methodology to manage the Cannabis grant program.

1. It is recommended that the Cannabis Tax Grant program be operated independent from TIF awards and payments since the programs may have varying compliance and reporting requirements.
2. If the City decides to continue to pair Cannabis and TIF awards, it should establish clear protocols detailing what work or purchases will be funded with Cannabis funds and what work will be funded with TIF funds.

3. The City should determine what should happen to allocated funds that are not dispersed during a given year, such as whether those funds should be made available in the next year or available for further awards during a Plan year.
4. OPED should review the Cannabis grant program goals and objectives and align applicant eligibility requirements, application evaluation and scoring methodologies, invoice review and approval processes, and the verification of services and any desired monitoring and tracking of grantees and revise the Cannabis Project Plan accordingly. All subsequently produced grant applications and marketing materials should mirror the Cannabis Plan. Most importantly, requirements, evaluations and payment processes should be applied consistently without subjectivity. Specifically, OPED must determine the eligibility of home-based businesses and non-profits.
5. To clarify those issues that created concern in the first year of the Cannabis Grant program, OPED should define specific terms and explain listed requirements to ensure that awards and payments align with project goals, such as:
 - a. minority ownership
 - b. bids
 - c. prevailing wage
 - d. inventory
 - e. equipment
 - f. labor costs
 - g. matching payment
6. Since the Cannabis Plan, applications, marketing materials, or any other documents or notices for the Cannabis program could affect contract terms, it is essential that the Corporation Counsel review and approve all such documents to ensure consistency.
7. During the application and award process, OPED should hold a training session for all prospective grantees and advise them of program requirements, guidelines, processes, and expectations.
8. Although there did not seem to be any confusion of the Cannabis Plan designated area, more clearly defined boundaries would minimize confusion going forward.
9. It is essential that OPED have sufficient staffing to review and evaluate grant applications, execute agreements, train grantees on acceptable practices, accept and review invoices, verify services, process and approve payments, and perform necessary follow-up activity. Segregation of duties is a key internal control and, as Sikich learned, OPED staffing levels during the first year of the grant were inadequate to effectively manage the program.
10. Another key internal control is the ability of stakeholders to report potential fraud, waste, or financial mismanagement. It is recommended that the City establish a fraud hotline for the Cannabis grant program that allows anonymous reporting of suspected fraud and misappropriation of funds. It is also essential that OPED determine a protocol for responding to whistleblower complaints.

11. OPED should stick to a published schedule for accepting applications, evaluating and scoring applicants, and making awards, without making any awards until all applications have been received and evaluated. The program timeline should follow strict adherence to the following:
 - a. Establish specific program requirements.
 - b. Advertise program requirements and the grant application period.
 - c. Accept applications.
 - d. Allow a period for applicants to cure application shortcomings.
 - e. Review and evaluate applications.
 - f. Score and rank applications.
 - g. Make and announce awards.
 - h. Execute grant agreements.
12. To assist with the evaluation of applications, OPED should design a scoring matrix aligning evaluation criteria to program requirements and Cannabis Plan goals. OPED should consider including evaluators from other departments, including the Office of Management and Budget (“OMB”), Accounts Payable, and the Corporation Counsel’s Office.
13. To reduce the risk of excessive payments to grantees, it is recommended that OPED set award limits for grantees eligible for funding across multiple OPED-managed programs and limit the number of programs individuals and grantees can participate in.
14. Since the first year of the program suffered from a critical lack of consistency, a revised Plan should seek to eliminate outside influence into awards and payments and require strict adherence to Plan requirements and processes.
15. All payouts should be reimbursements for incurred expenses and not advances on estimated expenditures. All payments should be for work performed or inventory ordered after the execution of the grant agreement.
16. If matching payments are required in the future, OPED should apply the requirement consistently, either as an upfront payment to the City or as a reduction in payment on invoices.
17. OPED, OMB, and Accounts Payable should also track payments to vendors that are passed through program grantees to protect against double-payment of invoices in the Cannabis grant program and across all OPED-managed grants.
18. OPED and OMB (Accounts Payable) should design a process flowchart for accepting invoices, approving invoices, verifying work performed or inventory purchased, approving payment, submitting required process documents to accounts payable, verifying funding availability and issuing payments.
19. It is recommended that OPED establish monitoring requirements for grantees to evaluate if program goals, like sustaining jobs and continued minority ownership of grantees, have been met and are

sustained over time. This could be done by requiring grantees to submit quarterly or yearly reports for a specified period in which they report on various program goals.

20. It is also recommended that OPED schedule a yearly audit of the Cannabis grant program with a goal or assessing risks, reviewing processes, assessing controls, and recommending control enhancements as necessary.
21. All audit reports should be presented to the City Council and published publicly so the community and its leaders have a complete understanding of the use of public funds and any associated risks.

Attachment A

Attachment to Ordina

EXHIBIT A

Cannabis Project Plan

Plan overview

Cannabis Tax money will be split between two programs – one for at least 51% minority owned businesses and one for owner occupied residences

Cannabis Tax money will be split between the two programs proportionally with 78% going to 51% minority owned businesses program and 22% going to owner occupied residence program. Any money not allocated or used in either program during the year will accumulate from year to year.

Applications for both programs will be accepted online during the months of February through July with selection during starting at the end of March through the end of August.

Applicants for both programs will be scored and ranked to determine where the funds are to be allocated and which applications will be awarded funds. After all funds have been allocated, the online application process for that program will close and no further applications for that program will be allowed until the next year.

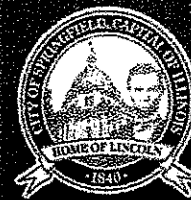
Applicants must be located within the "Designated Area" (Carpenter Street on the North, Ash Street on the South, Dirksen Parkway on the east and 10th Street rail corridor on the west)

All applicable Federal and State laws will apply as well as City of Springfield ordinances.

51% minority owned business program

- ❖ Money will be used for new and the rehabilitation of businesses with at least 51% minority ownership
- ❖ Use of the money must be targeted with the goal of creating or sustaining jobs
- ❖ Maximum amount available is \$100,000 per business
- ❖ Amount awarded requires a 10% match by the owner in the project
- ❖ Money awarded for the project is to be used for specific items such as equipment, inventory, purchase, construction, or renovation of an eligible place of business. Passive real estate investment is not an allowable use.
- ❖ Prevailing wage will be paid on any portion of the project or which these funds are used.
- ❖ Business must continue to be at least 51% minority owned and located in the Designated Area for 10 years.
- ❖ A 10 year claw back agreement will be executed to be exercised if the conditions of the program are not met.
- ❖ Award can only be granted once.

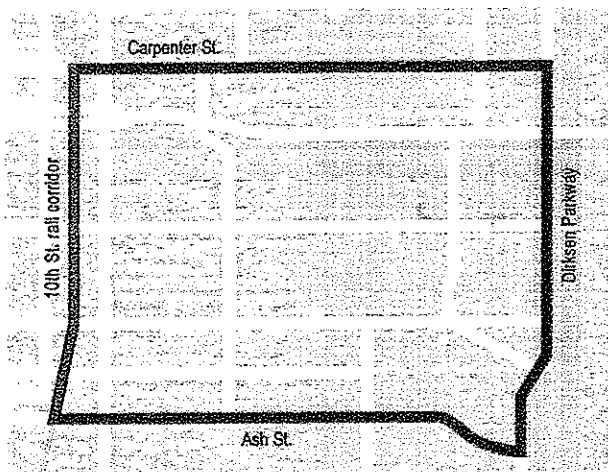
CANNABIS BUSINESS GRANT PROGRAM



A SPECIAL GRANT PROGRAM MADE POSSIBLE BY A PORTION OF THE LOCAL CANNABIS SALES TAX

ATTENTION MINORITY BUSINESS OWNERS

The City of Springfield is announcing a business assistance program through cannabis sales tax revenue. This is available for new and existing businesses with at least 51% minority ownership. The goal of the program is to promote business retention and expansion of Minority Business Enterprises (MBEs). **These MBEs must either reside or relocate in the area bounded by Carpenter Street on the north, Ash Street on the south, Dirksen Parkway on the east, and 10th Street rail corridor on the west, and live within the City corporate limits.**



This grant program will provide up to \$100,000 of assistance to certified MBEs with a 10% match requirement. Money awarded for the project is to be used for specific items including

- Equipment
- Land acquisition
- Inventory purchase
- New construction or renovation
- Labor costs with prevailing wage

ELIGIBILITY CRITERIA

- The business must be 51% minority owned and get recertified every 10 years.
- The business must pay 10% of the entire project cost.
- Taxes must be current and up-to-date.
- No outstanding debt to the City of Springfield including parking tickets, CWLP bill payment, etc.
- If approved for the grant program, every person listed on the deed of the business must sign off on the agreement.

NEXT STEPS?

- Check online to see if your business is within the Cannabis Occupation Tax Area.
- Review the required documents and other program details at www.springfield.il.us/cannabis.
- Apply online.
- After the cannabis business grant application is received, the City of Springfield's Office of Planning & Economic Development will review the submission and contact you for additional information.

PLEASE NOTE: Funding is limited to the amount of cannabis sales tax revenue available. Existing businesses must retain 90% of their employees. New businesses must create a minimum of five jobs. A 10-year claw back agreement will be executed to be exercised if the conditions of the program are not met. Grant will only be awarded once. All applicable Federal and State laws will apply as well as City of Springfield ordinances.

Cannabis Business Grant - Frequently Asked Questions (FAQs)

1) Can you briefly describe what this grant is for?

- This grant is to promote business retention and expansion of minority-owned businesses. It is both for start-up and existing businesses that reside or plan to relocate in the area bounded by Carpenter Street on the north, Ash Street on the south, Dirksen Parkway on the east, and 10th Street rail corridor on the west, and live within the City corporate limits.

2) What is the amount of the business grant?

- Up to \$100K, but 10% match is required

3) If I don't have the 10% match, can I still get additional assistance to meet the match requirement?

- Yes. If you cannot cover 10% of the requested amount, we ask that you provide the last 3 months of personal or business Financial Statements in order to apply for the Justine Petersen Micro-Loan.

4) What can grant funds be used for?

Grant funds can be used to reimburse for:

- Equipment
- Land acquisition
- Inventory purchase
- New construction or renovation
- Rehabilitation Labor costs with prevailing wage

5) What are ineligible expenses?

- Passive real estate is not an allowable use (i.e. stock market or for income streams that are automated)

APPLICATION PORTAL AND ESTIMATED TIMELINES

6) When will the grant application process open?

- The application window opens May 1, 2023

7) How long will the grant application window be open?

- Businesses will be able to apply from May 1 to May 22

8) What is the process for applying?

- Applicants must apply online at <https://www.springfield.il.us/CannabisBusinessGrant.aspx>. However, OPED can provide technical assistance if needed. Once the application window closes (May 22), all applications will be reviewed by staff for completeness. The narrative portion of the application will be evaluated by Staff Members. Applications will be selected for approval based on questions asked and narrative elaboration. Grants will be awarded until all funds are exhausted. The estimated award timeline is mid to late June.

9) Will telephone assistance be available if I have questions about eligibility or required documents for the application?

- Yes; you may call the Office of Planning and Economic Development at (217) 789-2377.

10) Can I save my application and come back to it later?

- Currently, there is no process to save an application and return to it. Please make sure you have the information ready when you begin to fill in your application. Once you hit submit, your application is entered and cannot be changed.

ELIGIBILITY

11) Does the business have to be in the City of Springfield to be eligible?

- Yes; businesses must either reside or relocate in the area bounded by Carpenter Street on the north, Ash Street on the south, Dirksen Parkway on the east, and 10th Street rail corridor on the west, and reside within the City corporate limits.

12) If I have received other funding assistance, can I still receive grant funding through City of Springfield Business Assistance Grant?

- Yes. However, a business can only be awarded once.

13) My business has multiple locations in Springfield. May I apply more than once?

- No; only one grant per Federal Employer Identification Number or Majority Owner.

14) If I own more than one business (including common ownership of several entities among a small number of people), am I allowed to apply for each business individually or should I apply as a group?

- Each entity filing a federal tax return with FEIN/TIN is considered an eligible applicant.

15) Will businesses in operation for less than a year be eligible?

- Yes. Startups and new businesses are encouraged to apply.

APPLICATION INFORMATION

16) What information will I need to gather to submit a grant request?

Please have the following information ready to complete the application:

- ✓ FEIN/SSN number
- ✓ Legal Structure (Corp, LLC, LLP, Sole Proprietorship, Partnership)
- ✓ The year the business was established or estimated business start-date
- ✓ Date of operations in Springfield (may be the same as above)
- ✓ W-9 Form
- ✓ Most recent federal tax return for an established business/Most recent individual federal tax return if new business
- ✓ Narrative of current and projected future impact on operations and intended use of funds (i.e. business goals, any jobs you will create or retain, and the need for assistance)
- ✓ Business Plan and Projections
- ✓ Certificate of Good Standing with the State (if Sole Proprietorship: statement stating they are operating in good standing with no violations)
- ✓ If you are using the grant for construction: we would require two bids for the project

17) Will I receive a grant if my application is incomplete, or contains errors?

- No, a grant will not be awarded if the application is incomplete, not properly executed, contains erroneous information, or lacks proper documentation.

DISBURSEMENT & DOCUMENTATION

18) If I am approved, what type of documentation will be required to receive the funds?

- Required documents include a completed vendor form, final executed grant agreement between the awardee and the City, plus the documentation listed in the application form.

19) If I am approved, how long until I get my award?

- The City intends to announce awards and begin disbursing funds beginning mid-June 2023.

20) After receiving grant funds, will I need to provide documentation to prove that the funds were used for their intended purpose?

- Awardees may be required to complete a brief close-out report to outline final use of funds and outcomes from fund utilization. Additional information may be requested per audit.

Attachment C



Cannabis Business Grant Application

This special grant program is made possible by a portion of the local cannabis sales tax. The City of Springfield is announcing a business assistance program through cannabis sales tax revenue. This is available for new and existing businesses with at least 51% minority ownership. The goal of the program is to promote business retention and expansion of Minority Owned Businesses.

These Minority Owned Businesses must either reside or relocate in the area bounded by Carpenter Street on the north, Ash Street on the south, Dirksen Parkway on the east, and 10th Street rail corridor on the west, and live within the City corporate limits.



ELIGIBLE IMPROVEMENTS

This grant program will provide up to \$100,000 of assistance to certified Minority Owned Businesses with a 10% match requirement. Money awarded for the project is to be used for specific items including:

- Equipment
- Land acquisition
- Inventory purchase
- New construction or renovation
- Labor costs with prevailing wage

INELIGIBLE BUSINESSES

The following business types are specifically ineligible for assistance under this grant program:

- Home-based businesses
- Nonprofit organizations/businesses
- Private club or business that limits membership for reasons other than capacity
- Businesses with at least 33% of its gross annual revenues from legal gambling activities unless the business is licensed by the City of Springfield to operate gaming terminals
- A business in which a majority owner or member of the immediate family is an elected official or employee of the City of Springfield
- An establishment similar to any enumerated above

ELIGIBILITY CRITERIA

To qualify for this grant, the resident must reside in the area bounded by Carpenter Street on the north, Ash Street on the south, Dirksen Parkway on the east and 10th Street rail corridor on the west, and live within the City corporate limits.

- The business must be 51% minority owned.
- The business must pay 10% of the entire project cost.
- Taxes must be current and up-to-date.

- No outstanding debt to the City of Springfield including parking tickets, CWLP bill payment, etc.
- If approved for the grant program, every person listed on the deed of the business must sign off on the agreement.

NEXT STEPS

1. Check on-line to see if your business is within the Cannabis Occupation Tax Area.
2. Apply on-line below.
3. After the cannabis business grant application is received, the City of Springfield's Office of Planning & Economic Development will review the submission and contact you for additional information.

Please note: Funding is limited to the amount of cannabis sales tax revenue available. A 10-year claw back agreement will be executed to be exercised if the conditions of the program are not met. Grant will only be awarded once. All applicable Federal and State laws will apply as well as City of Springfield ordinances.

See if you qualify below

Is your existing business or prospective business within the Cannabis Area (Blue Boundary) and Corporate Limits (Yellow Shade)?

If you're not sure, you can use the link below. To use the map, you simply enter an address or place in the search bar, and if it lands on green, then it's within the City of Springfield's Cannabis Occupation District.

 Cannabis Occupation District Map (<https://maps.springfield.il.us/portal/apps/webappviewer/index.html?id=f9622f700cde43b1a20ffca328d7844>)

Is your home address within the Corporate Limits (Yellow Shade)?

Is your home address within the Cannabis (Blue Boundary)?

 Please fill out the below form and submit.

Business Cannabis Grant Form

SECTION: APPLICANT INFORMATION

Business Information

Business Name (*Required)

Business Name or DBA (*Required)

Business Street Address (*Required)

Business Suite

City (*Required)

State (*Required)

Zip Code (*Required)

Business Primary Phone Number (*Required)

FEIN or SSN (*Required)

Estimated Request Amount (*Required)

Calculate 10%

10% of request

Can you cover the 10% request amount above? (*Required)

Yes

No

Date of Incorporation/Start of Business (*If existing business: Required)

Start Date of Operations in Springfield (*If existing business: Required)

(mm/dd/yyyy) *Required

Business Owner / Applicant Information

First Name (*Required)

Last Name (*Required)

Title

Business Owner Street Address (*Required)

Suite/Apartment/Lot

City (*Required)

State (*Required)

Zip Code (*Required)

Email Address (*Required)

Phone Number (*Required)

Type of Business (*Required)

- For-Profit Corporation
- Limited Liability Company
- Partnership
- Sole Proprietorship
- Other

Other Business Type

Industry Type

- Accommodation and Food Services
- Administrative and Support and Waste Management and Remediation Services
- Agriculture
- Arts, Entertainment, and Recreation
- Construction
- Educational Services
- Finance and Insurance
- Health Care and Social Assistance
- Information
- Management of Companies and Enterprises
- Manufacturing
- Professional, Scientific, and Technical Services
- Real Estate Rental and Leasing
- Retail Trade
- Transportation and Warehousing
- Utilities
- Wholesale Trade
- Other Services (except Public Administration)

Other Industry Type

Brief Summary of Services or Goods being Sold or Produced:

(*Required)

Number of years in business (*Required)

- 5+ years
- 3 - 5 years
- 1 - 3 years
- Less than 1 year

SECTION: NARRATIVE

**For this section, in 500 words or less, please describe the current state and projection of your business.
Be sure to include the following: 1) discussion of project goals; 2) job creation and retention; 3) the need for assistance.**

(*Required - 500 words or less)

Letter of Support or Further Narrative

No file chosen

SECTION: ATTACHMENTS

Minority Owned Business Certification

A minority business owner is an Asian-Indian, Asian-Pacific, Black, Hispanic, Native American, Veterans, and/or Woman who have at least 51 percent ownership of the business.

No file chosen

Business W9 Form

Choose File No file chosen



Fillable W9 Form

(Docs/W-9%20FormGrants.pdf)

Most recent federal tax return for your business. If new business, provide most recent personal/individual federal tax return. (*Required)

Choose File No file chosen

Business Plan and Projections (*Required)

Discuss your business plan and how the funds will be utilized within the next 3rd, 6th, & 9th year.

Choose File No file chosen

Job Bid Option 1 (*Required upon follow-up)

Choose File No file chosen

Job Bid Option 2 (*Required upon follow-up)

Choose File No file chosen

For information or to obtain a Certificate of Good Standing, please use the provided link. If your business is a sole proprietorship, write a brief statement explaining that and upload in place of a Certificate of Good Standing.

Certificate of Good Standing (*Required)

Choose File No file chosen



Certificate of Good Standing

(https://www.cyberdriveillinois.com/departments/business_services/corp.html)

SECTION: CERTIFICATIONS

Please review the following and check each box:

- I certify that after reviewing the above listing of ineligible business types that the applying business should be considered by the City as eligible for this grant program.
- I certify that I have the authority to apply for this grant on behalf of the business described herein.
- I certify that the applying business is current on its federal, state, and local tax payments.
- I certify that, if awarded a grant, the grant funds will be used for business purposes only and not for household, personal, or consumer usage.

- I certify that the information contained in this application is true, complete and correct to the best of my knowledge.
- I understand that any willful misrepresentation on this statement could result in a fine and/or imprisonment under provision of the United States Criminal Code U.S.C. Title 18, Section 1001 provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies or makes false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000, or imprisoned not more than five years, or both."

All Boxes must be checked in order to Submit Application.

By typing my name below, I certify that my answers are true and complete to the best of my knowledge.

Full Name (*Required)

Date (*Required)

Recaptcha



I'm not a robot

reCAPTCHA
Privacy - Terms

Submit

Cancel (/default.aspx)

City of Springfield



(/Default.aspx)

Quick Links

- Report A Problem (/ReportProblem.aspx)
- Department Contacts (/ContactUs.aspx)
- Terms and Conditions (/TermsAndConditions.aspx)
- FOIA (<http://www.springfieldcityclerk.com/FOIA/FOIADefault.aspx>)
- Employment (<https://sjobs.brassring.com/TGWebHost/home.aspx?partnerid=25117&siteid=5039>)
- Calendar (/Calendar.aspx)
- Newsroom (/Departments/Communications/NewsRoom.aspx)
- City Surplus (<http://www.publicsurplus.com/sms/springfield,il/list/current?orgid=270308>)

Contact

Address: 800 East Monroe, Springfield, IL 62701

Phone: 217.789.2000

Fax: 217.789.2109

Email: communicationsdirector@springfield.il.us (mailto:communicationsdirector@springfield.il.us)

General Office Hours: Monday - Friday, 8:00 a.m. - 4:30 p.m.

CANNABIS FUNDS BUSINESS GRANT ASSISTANCE AGREEMENT

BETWEEN

THE CITY OF SPRINGFIELD, ILLINOIS

AND

THIS AGREEMENT, entered into on or as of the day of _____, 2022, by and between **CITY OF SPRINGFIELD, ILLINOIS**, a municipal corporation, by and through the Office of Planning and Economic Development (which together with any successor municipal corporation or public body hereinafter designated by or pursuant to law, is hereinafter called "City" or "Office of Planning and Economic Development"), exercising its governmental powers pursuant to the 1970 Constitution of the State of Illinois, and having its office at 800 East Monroe Street, Springfield, Illinois 62701, and _____, a corporation, located at _____, Springfield, Illinois 62703, hereinafter called "Redeveloper".

WITNESSETH

WHEREAS, the City has adopted a program (Cannabis Project Plan) for the use of Municipal Cannabis Retailers' Occupation Tax funds to further development or redevelopment in the area bounded by the following: Carpenter Street on the North, Ash Street on the South, Dirksen Parkway on the east and 10th Street rail corridor on the west. (Cannabis Project Area) with the purpose of creating or sustaining jobs; and

WHEREAS, the City, has adopted a Cannabis Project Plan and Cannabis Project Area (hereinafter referred to as the "Plan") pertaining to the redevelopment of the Cannabis Project Area for the purpose of creating and sustaining jobs, a copy of which Ordinance 109-03-21 is on file with the City Clerk of the City of Springfield; and

WHEREAS, the Redeveloper operates a business located at the following address:

in Springfield, Illinois; and

WHEREAS, in order to enable the City to achieve the objectives of the Plan in accordance with the uses set forth therein, the City intends to assist the Redeveloper with purchasing equipment, assisting with payroll and maintaining the property; and

WHEREAS, the City believes that the project is in the best interest of the City and the health, safety, morals and welfare of its residents, and in accordance with the public purposes and provisions of the applicable federal, state, and local laws; and

WHEREAS, the Redeveloper has represented that it possesses the experience and qualifications to undertake this project and the City, therefore, deems it appropriate to enter into this Agreement with Redeveloper; and

WHEREAS, it is contemplated that pursuant to this Agreement, the City shall provide the Redeveloper financial assistance in a total amount not to exceed dollars (\$0.00) with a 10% match required to assist Redeveloper with purchasing equipment, assisting with "sample scope", utilizing Plan financing in accordance with the Plan; and

WHEREAS, the Redeveloper is willing to develop the Site upon the terms set forth herein.

NOW, THEREFORE, in consideration of the premises and mutual obligations of the parties hereto, each of them does hereby covenant and agree as follows:

SECTION 1: DEFINITIONS

A. Definition of Terms

Certain terms used in this Agreement shall have the following meanings unless their content or use clearly indicates otherwise. Other terms may also be defined elsewhere in this Agreement.

"Agreement" means this Redevelopment Agreement and all addenda and exhibits hereto.

"Authorized Representative" means such person as from time to time designated to act on behalf of the Redeveloper in a written certificate furnished to the Office of Planning and Economic Development, containing the specimen signature of such person and signed on behalf of the Redeveloper by a corporate officer or partner or other representative, as appropriate. Such certificate may designate an alternate or alternates.

"City" means the City of Springfield, Illinois.

"Plan" shall have the meaning set forth in the preamble to this Agreement.

"Project" means: "Scope of Work") with the terms and conditions of this Agreement and the law:

, Springfield, Illinois.

"Project costs" means only those costs as specified in the particular provision.

"Redeveloper" means "Company", and its successors or assigns hereunder.

“Redevelopment Assistance”, sometimes “Assistance”, means any payments to be made to Redeveloper from available Plan funds for the Project.

“Cannabis Project Area” means the area bounded by the following: Carpenter Street on the North, Ash Street on the South, Dirksen Parkway on the east and 10th Street rail corridor on the west.

“Site” means the following property:

in Springfield, Illinois.

B. Construction of Words

The words “hereof,” “herein,” “hereunder,” and other words of similar import refer to this Agreement as a whole.

Unless otherwise specified, references to articles, sections and other subdivisions of this Agreement are to the designated articles, sections and other subdivisions of this Agreement as originally executed.

The headings of this Agreement are for the convenience of reference only and shall not define or limit the provisions hereof.

SECTION 2: PURPOSE OF AGREEMENT AND REDEVELOPMENT ASSISTANCE

A. Purpose of Agreement

The purpose of this Agreement is to provide funds to Redeveloper in order to develop the Site consistent with the terms and conditions of this Agreement. Only work that is reimbursed with the Redevelopment Assistance shall be governed by this Agreement.

B. Redevelopment Assistance to the Redeveloper

1. The City agrees, upon the terms and conditions in this Agreement, to provide Redevelopment Assistance in an amount not to exceed dollars (\$0.00) with a 10% match to assist Redeveloper with the Project. Redevelopment Assistance shall only be used by Redeveloper for eligible expenses as proscribed in the Plan.

2. The Redevelopment Assistance to be provided to the Redeveloper shall be as follows: reimbursement for “scope of work” for the following listed property, in accordance with the terms and conditions of this Agreement and the law:

in Springfield, Illinois.

3. All Assistance shall only be provided upon City approval of cost receipts and lien waivers submitted to City by the Redeveloper. City shall provide Assistance in progress payment installments as the work is performed by Redeveloper. Redeveloper shall submit periodic requests for reimbursement in requisitions containing verified bills or statements of suppliers, contractors, or professionals together with appropriate lien waivers for the work for which reimbursement is being requested. Within 30 days of receipt of a requisition, City shall either (i) approve the bills for reimbursement, or (ii) notify Redeveloper in writing of any bills disapproved for reimbursement with an explanation provided to Redeveloper so that Redeveloper may cure any defects and resubmit disapproved bills for reimbursement. In the event the City determines Plan Available Funds are insufficient to reimburse all approved projects from the Plan fund due to funds not yet received from expected tax receipts, all reimbursements will resume at such time, in a chronological sequence payable to specific project submission requests that meet the required conditions of each specific applicable redevelopment agreement (such as lien waivers, certified payroll, etc.), as the Plan Fund accumulates fund sufficient to enable reimbursement as determined by the City. Redeveloper shall fulfill all contingencies and request reimbursement within 18 months of the date this Agreement is signed by the City. An extension may be granted upon mutual agreement of the Parties. If funds are not accessed within the 18 month period, or mutually agreed upon extension, the City has the right to terminate or suspend the Assistance and the ordinance. This Agreement does not authorize an expenditure of City funds in excess of the amount authorized by the City Council unless the City Council specifically approves an additional expenditure. Redeveloper agrees and acknowledges that absent such prior approval, it proceeds at its own risk with no guarantee of payment if the amount billed to the City exceeds the amount authorized by the City Council.

C. Undertaking of Redeveloper

The Redeveloper agrees to develop the business situated thereon in accordance with the law and this Agreement

SECTION 3: CONDITIONS PRECEDENT TO RECEIVING DEVELOPMENT ASSISTANCE

Prior to receiving Redevelopment Assistance, the Redeveloper shall furnish to the Office of Planning and Economic Development, the following, all to be satisfactory to the Office of Planning and Economic Development in both form and substance:

- A. All applicable organization documents and filings for the Redeveloper and all resolutions necessary to effect the obligations of the Redeveloper pursuant to this Agreement;
- B. Internal Revenue Service taxpayer identification number for the Redeveloper;
- C. If applicable, a Certificate of Authority to do business in the State of Illinois;
- D. Duly recorded deeds showing that Redeveloper has title to the following properties or a long term lease :

in Springfield, Illinois;

E. Documentation and verification that Redeveloper has paid State Prevailing Wage for the Project;

F. Copies of all contracts, itemized invoices and paid receipts to verify expenses for the Project. All receipts must be separated by specific project;

G. Proof that the business is at least 51% minority owned and located in the Cannabis Project Area.

H. Such other documents, resolutions and other items reasonably required by the City.

Redeveloper shall be entitled to make periodic requests for reimbursement, as long as all conditions precedent are met and Redeveloper is not in breach of any of the terms of this Agreement.

SECTION 4: REDEVELOPER'S OBLIGATIONS AND RIGHTS

A. Conformance to Federal, State and Local Requirement

All work shall conform with all applicable Federal, State and local laws, regulations, and ordinances including but not limited to building codes, prevailing wage laws, subdivision, zoning and life safety codes.

B. Changes in Plans

If, during the course of initial construction, the Redeveloper desires to make any changes in any portion of the Project which materially affects the appearance, function, or implementation of the Project, the Redeveloper shall submit the proposed change to the City Council for its approval. All other changes must be submitted to the Office of Planning and Economic Development for approval under this Agreement, and a response to such changes shall be given to Redeveloper within ten (10) days. Any approval in changes by the City Council or Office of Planning and Economic Development shall not constitute approval of any plans that are already or are required to be approved by the Building and Zoning Department for compliance with life, health, safety, building, and zoning regulations.

C. Time Limitations

The Project shall be commenced no earlier than _____, 2022 and shall be completed no later than _____, 2022, unless otherwise mutually agreed to in writing by the Parties. All invoices and paid receipts shall be submitted to the City within 3 months after completion of the Project, unless otherwise mutually agreed to in writing by the Parties.

D. Commencement and Completion Requirements

The Redeveloper agrees for itself, its successors and assigns, that it shall promptly begin and diligently prosecute the completion of the Project.

E. Progress Reports

Until completion of the Project has been made, the Redeveloper shall make progress reports to the Office of Planning and Economic Development on a bi-monthly basis in such detail as may be reasonably requested by the Office of Planning and Economic Development. Such progress reports may take the form of an AIA Contractor's Affidavit or by any other means approved by the Office of Planning and Economic Development. City acknowledges that Redeveloper intends to assign this task to its architect, however the Redeveloper shall retain the obligation that such progress reports are submitted.

F. Redeveloper's Responsibility

It is expressly understood that the Redeveloper shall bear the sole responsibility of completing the Project in an appropriate manner consistent with the Development Plans and consistent with all other requirements of this Agreement. Redeveloper agrees that all work must be completed in conformity with applicable building and zoning laws of the City.

G. No Obligations of City of Springfield

The Redeveloper acknowledges and understands that the City shall not have any obligation whatsoever with respect to completion of the Project, expressly including any environmental clean-up which may be required under any environmental laws or regulations. The Redeveloper also acknowledges and understands that this Agreement does not result in any contractual obligation by the City for approval of permits, licenses, plans, etc. that may be necessary for completion of the Project.

H. Certificate of Completion

Promptly after completion of the Project, Redeveloper shall provide to the Office of Planning and Economic Development a Certificate of Final Completion executed by Redeveloper, certifying that the Project has been completed in accordance with the approved plans and specifications, and has been performed in a good and workmanlike manner and in accordance with all applicable governmental requirements. Said Certificate may be executed by Redeveloper's designated project architect only if Redeveloper provides to the City written authorization of such designation. If the Office of Planning and Economic Development disputes the sufficiency or accuracy of the Certificate of Final Completion, the Office of Planning and Economic Development shall, within thirty (30) days after receipt of such Certificate, provide Redeveloper with a written statement indicating in what respects Redeveloper has failed to perform the relevant work in accordance with the provisions of this paragraph.

I. Recapture of Grant Funds

If the Redeveloper does not comply with this Agreement, the Redeveloper shall, within sixty (60) days of notice of default by the City, repay to the City the amount of any funds disbursed. The City shall have the right to enforce this Agreement by an action at law or in equity, for any form of relief that may be available under Federal, State or local law including recapture of all grant proceeds disbursed.

SECTION 5: REPRESENTATIONS OF THE REDEVELOPER

The Redeveloper represents, warrants and agrees as the basis for the undertakings on its part herein contained as follows:

A. Organization and Authorization

The Redeveloper represents and warrants that it is qualified to do business in the State of Illinois and has power to enter into and by proper action have been duly authorized to execute and deliver this Agreement.

B. Non-Conflict or Breach

Redeveloper represents and warrants that the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement, do not conflict with or result in a breach of any of the terms, conditions, or provisions of any restrictions, agreement or instrument to which it is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon the Site or upon any assets of it under the terms of any instrument or agreement to which it is now a party or by which it is bound.

C. Non-Impairment of Federal Income Tax Exemption

The Redeveloper will not cause the Plan Funds to be utilized in such a manner as to, or take any action which would impair the exemption from federal income taxation of the interest on outstanding bonds, issued, or to be issued by the City.

D. Certifications

The Redeveloper certifies that no person directly associated with the Project has been convicted of a felony, or, if so convicted, at least five years have passed since completion of sentence as of the effective date of this Agreement, unless no person held responsible by a prosecutorial office for the facts upon which the conviction was based continues to have any involvement with the Redeveloper. 30 ILCS 500/50-10.

The Redeveloper certifies in accordance with 30 ILCS 500/50-10.5 that no officer, director, partner or other managerial agent of the Redeveloper has been convicted of a felony under the

Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of five years prior to the date of the bid contract. The Redeveloper acknowledges that the City shall declare this Agreement void if this certification is false.

The Redeveloper certifies that they are not delinquent in the payment of any tax administered by the Illinois Department of Revenue. If Redeveloper has entered into an agreement with the Department of Revenue for the payment of any taxes that are past due and are in compliance with that agreement, Redeveloper shall so state.

SECTION 6: ADDITIONAL COVENANTS OF THE REDEVELOPER

A. Redeveloper's Existence; Operation of the Site

The Redeveloper and its successors and assigns will at all times operate or continue the operation of the Site so that it constitutes a "Cannabis Project Plan project" within the meaning of the Ordinance and in accordance with the Cannabis Project Plan for at least 10 years. Failure to remain a 51 % minority owned business located in the Cannabis Project Area for 10 years will trigger a payback of all funds granted under this Agreement.

B. Indemnification Covenants

The Redeveloper agrees for themselves, successors and assigns, to indemnify and save the City and its officers and employees harmless against all claims by or on behalf of any person, firm or corporation, arising (i) from the conduct or management of, or from any work or thing done on, or any work or activity connected to the Site; (ii) any breach or default on the part of the Redeveloper or its successors or assigns in the performance of any of its obligations under or in respect of this Agreement; (iii) any act or omission, including negligence, of the Redeveloper or any of its agents, contractors, servants, employees or licensees; (iv) any violation by the Redeveloper or its successors or assigns of any laws, statutes, easements, conditions, restrictions, building regulations, zoning ordinances, environmental statutes and regulations or land use regulations affecting the Site or the Project; (v) any act or omission, including negligence, of any assignee, lessee or sublessee of the Redeveloper, or any agents, contractors, servants, employees or licensees of any assignee, lessee, or sublessee of the Redeveloper; (vi) any violation by the Redeveloper of state or federal securities law in connection with the offer and sale of shares, memberships or partnerships in the Redeveloper or any part of the Site; or (vii) any performance by the City of any act requested by the Redeveloper or its successors and assigns other than willful misconduct of the City. The Redeveloper agrees to indemnify and save the City harmless from and against all costs and expenses incurred in or in connection with any such claim arising as aforesaid or in connection with any action or proceeding brought thereon. In case any such claim shall be made or action brought based upon any such claim in respect of which indemnity may be sought against the Redeveloper, upon receipt of notice in writing from the City setting forth the particulars of such claim or action, the Redeveloper shall assume the defense thereof including the employment of counsel and the payment of all costs and expenses. The City shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees

and expenses of such counsel shall be at the expense of the City unless the employment of the counsel has been specifically authorized by the Redeveloper.

C. Fees

The Redeveloper will pay and keep current all City fees in the nature of sewer user fees, permit fees and the like, that may from time to time apply to the Site, provided, however, said party may, after giving notice to the City, and after posting bond or other security satisfactory to the City in its reasonable judgment, at its own expense, contest in good faith such fees in which event it may permit such fees to remain unpaid during the period of such contest and any appeal therefrom.

D. Use Maintenance

Redeveloper will use the Site consistent with the Plan adopted by the City. The Redeveloper shall also maintain the Project as provided herein.

E. Participate in Hearing

The Redeveloper will participate in any public hearing(s) necessary for the implementation of the Plan as related to this Project.

F. Payment of Taxes

During the term of this Agreement, the Redeveloper shall promptly pay all real estate taxes and sales taxes.

G. Record Memo

The Redeveloper will execute a memorandum of this Agreement to be recorded in the records of the Office of the Recorder of Deeds, Sangamon, County, Illinois, indicating in substance that the Site is subject to the terms and conditions of this Agreement.

H. Insurance

The Redeveloper agrees to maintain all necessary insurance with respect to the site in sufficient amount to protect both the interests of the City and Redeveloper to and on the site. Redeveloper and his insurer shall weigh the risks and determine an amount sufficient to meet this obligation.

I. Maintenance and Repair

The Redeveloper agrees that it shall keep, maintain and repair in good fashion the improvements to be constructed on the Site.

J. No Damages for Delay

The Redeveloper agrees to make no claim for damages for delay in the performance of this Agreement occasioned by any act or omission to act of the City or any of its representatives, or because of any injunction which may be brought against the City or its representatives, and agrees that any such claim shall be fully compensated for by an extension of time to complete performance of the Project as provided herein.

SECTION 7: COMMENCEMENT AND COMPLETION

A. Commencement and Completion

Redeveloper shall cause the Project to be commenced and to be prosecuted with due diligence and in good faith, and without delay. Redeveloper shall cause the Project to be completed in a good and workmanlike manner in accordance with, and in all respects compliant with, all applicable laws, rules, permits, requirements, and regulations of any governmental agency or authorities having or exercising jurisdiction over the Site including all environmental statutes and regulations.

B. Contract Prohibitions

Unless otherwise previously agreed by the City in writing, all contracts let by Redeveloper or Redeveloper contractor in connection with the Project shall contain a prohibition against any material change in the plans without the Office of Planning and Economic Development's prior written consent being had thereto, which consent shall not be unreasonably withheld.

SECTION 8: Intentionally left blank.

SECTION 9: RIGHTS OF INSPECTION: AGENCY

The City or its designee shall have the right at any time and from time to time during business hours upon prior reasonable notice to enter upon the Site for the purposes of inspection provided that the City and its agents shall not interfere with the Project and shall abide by the rules of the Redeveloper or its contractor or subcontractors for the protection of workers or visitors, and to ensure compliance with applicable laws. If the City, in its reasonable judgment, determines that any work and materials are not in conformity with the Plans as the same were theretofore approved in writing by City, or with any applicable laws, regulations, permits, requirements or rules of any governmental authority having or exercising jurisdiction thereover or not otherwise in conformity with sound building practice, City shall promptly notify Redeveloper in writing of same and the Redeveloper shall cause such deficiency to be corrected.

SECTION 10: EVENTS OF DEFAULT AND REMEDIES

A. Events of Default

The following shall constitute Events of Defaults with respect to this Agreement:

I. Representations

If any material representation made by the Redeveloper or the City in this Agreement, or in any certificate, notice, demand or request made by a party hereto, in writing and delivered to another party hereto pursuant to or in connection with any of said documents shall prove to be untrue or incorrect in any material respect as of the date made; or

2. Breach

Default in the performance or breach of any covenant, warranty or obligation of a party in this Agreement or in any other instrument executed by the Redeveloper to the benefit of City and continuance of such default or breach for a period of thirty (30) days after another party hereto has given written notice thereof to such defaulting party hereto unless the other parties hereto shall agree to an extension of such time; or

3. Involuntary Bankruptcy

The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of a party hereto in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of a party hereto for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days; or

4. Voluntary Bankruptcy

The commencement by a party hereto of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by any such entity to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or similar official) of the Redeveloper or of any substantial part of such entity's property, or the making by an such entity of any assignment for the benefit of creditors or the failure of the Redeveloper in furtherance of any of the foregoing.

B. Remedies on Default

1. Specific Performance or Damages

Upon the occurrence of any Event of Default, the City may institute such proceedings as may be necessary or desirable at its option to cure or remedy such default or breach, including but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations. Redeveloper hereby waives any right to claim: consequential, exemplary, equitable, loss of profits, punitive or tort damages.

2. Restore Positions

In case any party hereto shall have proceeded to enforce its right under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the said moving party, then and in every such cause the Redeveloper and the City shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Redeveloper and the City shall continue as though no such proceeding have been taken.

C. Agreement to Pay Attorney's Fees and Expenses

In the event Redeveloper should default under any of the provisions of this Agreement and City incurs expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of my obligation or agreement on the part of the defaulting party herein contained, the Redeveloper agrees that it will on demand therefore pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

D. Non-Payment of Real Estate Taxes or Sales Taxes

In the event that real estate taxes or sales and use taxes owed by the Redeveloper is not paid within thirty (30) days from the date that said taxes are due and owing during the term of this Agreement, the City, may, at its option, (a) make payment to the special tax allocation fund pertaining to the Redevelopment Project Area in which the Site is located a sum in the amount equal to the sum which the special tax allocation fund would have received from the real property taxes or sales and use taxes had the real estate taxes or sales and use taxes been paid, or (b) make payment of the real property taxes due and owing on the Site. The amounts so advanced by the City shall be immediately due and owing from the Redeveloper to the City and shall bear interest from the date of payment at the rate of local prime as stated by Bank of Springfield on a per annum basis until paid. The City shall have a lien against the Site for all amounts paid together with interest and all expenses incurred in the recovery of said amounts. The City may bring such actions as it may deem appropriate to enforce payment and/or foreclose the lien against the Site.

SECTION 11: OTHER RIGHTS AND REMEDIES OF CITY: NO WAIVER BY DELAY

A. No Waiver by Delay

Any delay by either Party in instituting or prosecuting any actions or proceedings or otherwise asserting its right under this Agreement shall not operate to act as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that neither Party shall be constrained so as to avoid the risk of being deprived of or limited in the exercise of the remedy provided in this Section because of concepts of waiver, laches or otherwise) to exercise such remedy at a time when it may still hope to otherwise resolve the problems created by the default involved; nor shall any waiver in fact made by either Party hereto with respect to any specific default under this Section be considered or treated as a waiver of the rights of that Party, with respect to any other defaults under this Section or with respect to any defaults under any

Section in this Agreement or with respect to the particular default, except to the extent specifically waived in writing.

B. Rights and Remedies Cumulative

The rights and remedies of the parties to this Agreement (or their successors in interest) whether provided by law or by this Agreement, shall be cumulative, and the exercise by any party of any one or more of such remedies shall not preclude the exercise by it, at the time or different times, of any other such remedies for the same default or breach by the defaulting party.

SECTION 12: DELAY IN PERFORMANCE

For the purposes of any of the provisions of this Agreement neither the City nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations with respect to the completion of the Project for redevelopment or progress in respect thereof, in the event of enforced delay in the performance of such obligation due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to acts of God, acts of the public enemy, acts of federal, state, or local government, acts of the other party, fires, floods, epidemics, quarantine restrictions, labor disturbances (including strikes or lockouts or concerted activities), embargoes, acts of nature, unusually severe weather or delays of subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Redeveloper with respect to completion of work, shall be extended for the period of the enforced delay. Provided, that the party seeking the benefit of the provisions of this Section within thirty (30) days after the beginning of any such forced delay, shall have first notified the other party therefore in writing, of the cause or causes thereof, and requested an extension of the period of enforced delay. Such extensions of schedule shall be agreed in writing by the parties hereto.

SECTION 13: EQUAL EMPLOYMENT OPPORTUNITY

The Redeveloper, for itself and its successors and assigns, agree that during the completion of work provided for in this agreement that the following will apply:

A. Non-Discrimination

The Redeveloper and/or its contractor will not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, age, ancestry, marital status, sexual orientation, or handicap unrelated to ability or national origin. The Redeveloper and/or its contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, ancestry, marital status, sexual orientation, or handicap unrelated to ability or natural origin. Such action shall include but not limited to, the following: employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship, the Redeveloper and/or its contractor agrees to post in conspicuous places, available to employees and applicants for

employment, notices to be provided by the City setting forth the provisions of this non-discrimination clause.

B. Advertising

The Redeveloper and/or its contractor will in all solicitation or advertisements for employees placed by or on behalf of the Redeveloper or its contractor state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, ancestry, marital status, sexual orientation, or handicap unrelated to ability or national origin.

C. Non-Compliance

In the event of the Redeveloper non-compliance with the non-discrimination clause of this Section, the City may cancel, terminate or suspend this Agreement in whole or in part.

D. Mandatory Inclusions of Provisions

The Redeveloper shall include the provisions of Subsections "A" and "B" of this Section in every contract or purchase order, and will require the inclusions of these provisions in every subcontract entered into by any of its contractors, so that such provisions will be binding upon each such contractor, subcontractor, or vendor as the case may be.

SECTION 14: TITLES OF ARTICLES AND SECTIONS

Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of references only and shall be disregarded in construing or interpreting any of its provisions.

SECTION 15: CONFLICT OF INTEREST

Unless otherwise specifically authorized by the City Council, no member, officer, or employee of the City or its designees or agents and no member of the governing body of the City during his or her tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract or the proceeds thereof, with the respect to which this Agreement shall apply.

SECTION 16: DRAFTS NOT OFFER

No draft of or negotiations regarding this Agreement shall be construed to constitute an offer any party hereto, and no party shall be obligated in connection with the matters stated herein until this Agreement has been executed and delivered by all parties hereto.

SECTION 17: SEVERABILITY

If any provisions of this Agreement are found to be illegal, invalid or unenforceable, the remainder of this Agreement shall not be affected by such finding, and the parties shall negotiate

in good faith to agree upon a substitute provision, which substitute provision shall provide to the extent possible under applicable law, the benefits expected to be derived by the parties under this Agreement.

SECTION 18: WRITTEN AMENDMENT REQUIRED: ENTIRE AGREEMENT

No amendment, alteration, modification of or addition to this Agreement shall be valid or binding unless expressed in writing and signed by the party or parties to be bound by such change. This Agreement and the Exhibit (s) hereto contain the entire agreement between the parties.

SECTION 19: NOTICES

Any notice, request, demand, consent, approval or other communication required or permitted under this Agreement must be in writing and will be deemed to have been given when personally delivered or deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified mail, return receipt requested, addressed to the party for whom it is intended at the following address:

If to City to: Office of Planning and Economic Development
800 East Monroe Street, Room 107
Springfield, Illinois 62701

With a copy to: City's Corporation Counsel at:
Office of Corporation Counsel
Room 313 Municipal Center East
800 East Monroe Street
Springfield, Illinois 62701

If to Redeveloper:

Springfield, IL 62703

Any party may add additional addresses or changes its address for purposes of receipt of any such communication by giving five (5) days written notice of such change to the other parties in the manner prescribed in this Article.

SECTION 20: BINDING EFFECT

The covenants, conditions, representations, warranties and agreements contained in this Agreement will bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

SECTION 21: GOVERNING LAW

This Agreement shall be construed pursuant to the laws of the State of Illinois. The City and Redeveloper voluntarily and freely submit to a court of competent jurisdiction in Sangamon

County, Illinois, should any dispute arise between the City and the Redeveloper. By execution and delivery of this Agreement, each of the parties knowingly, voluntarily and irrevocably (i) waives any right to trial by jury; (ii) agrees that any dispute arising out of this Agreement shall be decided by court trial without a jury; and (iii) agrees that the other party to this Agreement may file an original counterpart or a copy of this Section with any court as written evidence of the consents, waivers and agreement of the parties set forth in this Section.



SECTION 22: COUNTERPARTS


If this Agreement is executed in two or more counterparts, each shall constitute one and the same instrument and shall be recognized as an original instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and caused their respective seals to be affixed and attested thereto as of the date first written above in this Agreement.

ATTEST: -

CITY OF SPRINGFIELD, ILLINOIS
A Municipal Corporation





Frank Lesko, City Clerk

By: 
Mayor James O. Langfelder

STATE OF ILLINOIS)
) SS.
COUNTY OF SANGAMON)

I, the undersigned, a Notary Public, in and for said County, if the State aforesaid, DO HEREBY CERTIFY that James O. Langfelder, personally known to me to be the Mayor of the City of Springfield, and Frank Lesko, personally known to me be the City Clerk of Springfield, whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Mayor and City Clerk, they signed and delivered the said instrument as Mayor and as City Clerk of said Municipal Corporation, and caused the seal of said Municipal Corporation to be affixed thereto, pursuant to authority given by the corporate authorities of the City of Springfield for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 1 day of July 2022.



Notary Public



Attachment E

Cannabis	TIF Amount	Business
\$ 5,000.00		Freedom In Holiness Mission - 1430 Loveland Avenue (non-profit) Sign gallery.
\$ 40,000.00	\$ 40,000.00	Ms. D's Kitchen Bar & Grill Inc. - 1031 S 11th St { } Inventory, 1 employee, and carry out window.
\$ 40,000.00	\$ 40,000.00	Clay's Popeye's BBQ LLC - 1119-1123 S. Grand Ave. E { } 2 Phases: renovation (HVAC and plumbing), then drive-up window.
\$ 40,000.00		Bishop Communications Group LLC - 810 S. 11th street { } Purchase of equipment (sound, broadband).
\$ 43,719.00		B.O.N.E. LLC - 1124 South Grand Ave. East { } Update to bucket truck, equipment, and inventory.
\$ 40,000.00	\$ 40,000.00	More Scrubs, LLC - 2701 Old Rochester Rd. () Lease, remodeling, inventory.
\$ 40,000.00	\$ 40,000.00	L&M Gym & Kids, Inc. - 2717 S. 11th Street - P.O. Box 3141 () Relocation and equipment updates.
\$ 40,000.00		Environ Pest Elimination, Inc. - 1720 E. Spruce St. () Van, new equipment, marketing materials, and two full time positions.
\$ 40,000.00	\$ 40,000.00	King of Clubs Bourbon St Rythmn & Ribs Inc - 1031 South Grand Avenue East { } Repave the parking lot, add additional outdoor seating, and purchase a larger walk-in cooler.
\$ 9,000.00	\$ 9,000.00	Central Lodge #3 - 1310 East Adams St. (non-profit) Repave the parking lot.
\$ 40,000.00	\$ 40,000.00	Carter's Fish Market - 1900 South Grand East () Repave the parking lot, add additional outdoor seating, and purchase a larger walk-in cooler.
\$ 25,000.00	\$ 25,000.00	Exotic Edible Pineapple Drinks LLC- 2164 E. Adams () For employee payroll re-innovating, land development, material, supplies, machinery, and total reconstruction, make a lounge area with tables, and pay contractors and labor.
\$ 25,000.00	\$ 25,000.00	Dirty South Inc. - 1231 E Cook St. { } Existing space, renovations of interior, payroll, equipment, and inventory.
\$ 20,000.00	\$ 20,000.00	LathanHarris, Inc. - 528 South 11th street () Purchase of shed for quipment storage, HVAC, roof, update curb appeal, repaving parking spaces.
\$ 20,000.00	\$ 20,000.00	Drake Commercial Cleaning Inc. - 600 South 11th Street () Update its current building systems.
\$ 5,000.00		The Motherland Gardens Community Project - 2947 Taylor Avenue (non-profit) Site prep grading and leveling, fencing, equipment.
\$ 20,000.00	\$ 20,000.00	Haley & Associates - 801 S. 11th Street () Office equipment and office space renovation.
\$ 20,000.00	\$ 20,000.00	The Fadeologists LLC - 1431 S Grand Ave East { } Equipment and inventory.
\$ 40,000.00		Tammy Calloway - 1831 South Grand Avenue { } Payroll, equipment, infrastructure.
\$ 25,000.00		Luxe Floral - 422 South 11th street () Equipment, inventory, payroll. Needs new flooring and interior work (fixtures, painting, etc.). Has agreement with landlord for long-term lease already.
\$ 25,000.00	\$ 25,000.00	Ollie Home Care Services - 1816 Albert Street () Property acquisition and hiring of employees.
\$ 20,000.00		Genesis Beauty and Barber Shop - 1327 E Cook Street () Roof, payroll, and interior updates.
\$ 622,719.00	\$ 404,000.00	

Spent-C 4906.21
Spent-TIF 3250.
36,799.14
31,437.75
40,000
43,719.
28,913.83

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