

Pub. Imp. _____
Govt. Grnt. _____
Emer. _____
P. Hrngs. _____
Pgs. 6
Filed: 1-19-2010

Sponsored by: Chiles

First Reading: _____

Second Reading: _____

COUNCIL BILL NO. 2010-043

SPECIAL ORDINANCE NO. _____

AN ORDINANCE

1 AUTHORIZING the City Manager, or his designee, on behalf of the City of Springfield,
2 Missouri, to enter into an agreement with the Springfield Finance &
3 Development Corporation (SFDC) to provide loan packaging and loan
4 servicing.
5

6 WHEREAS, the City has provided loan packaging and loan servicing to the
7 Springfield Finance & Development Corporation (SFDC) since 1997 at no cost to the
8 SFDC; and
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10 WHEREAS, as a result of such services, thirty-six (36) loans exceeding
11 \$2,000,000.00 have been closed by the SFDC encouraging small business development
12 within the low/moderate income census tracts within the City of Springfield; and
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14 WHEREAS, continuing such program will be beneficial to the community.
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16 NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF
17 SPRINGFIELD, MISSOURI, as follows, that:
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19 Section 1 - The City Manager, or his designee, on behalf of the City of
20 Springfield, Missouri, is hereby authorized to enter into an agreement with the Springfield
21 Finance & Development Corporation (SFDC) in substantial conformance with "Exhibit A"
22 attached hereto and incorporated herein by reference.
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24 Section 2 - This ordinance shall be in full force and effect from and after
25 passage.
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28 Passed at meeting: _____

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Mayor

Attest: _____, City Clerk

Filed as Ordinance: _____

Approved as to form: *Mary K Yendes* Assistant City Attorney

Approved for Council Action: *Greg Burt* City Manager

Aff. Agcy. Noticed Yes
Emergency Required No
P. Hrngs. Required No
Fiscal Note Required No
Board Rec. Required No
Date: January 7, 2010

EXPLANATION TO COUNCIL BILL NO. 2010 -

ORIGINATING DEPARTMENT: Planning & Development

PURPOSE: To adopt an ordinance to renew and extend Contract #2004-1137 which has lapsed between the City of Springfield and the Springfield Finance & Development Corporation (SFDC) for the period from February 1, 2008 through January 31, 2011 (Staff recommends approval).

BACKGROUND: The City, through the Economic Development Office of the Department of Planning & Development, provides loan packaging and loan servicing for the Springfield Finance & Development Corporation (SFDC). These services have been provided at no cost to the SFDC since 1997. The SFDC is a for-profit Community Development Corporation, comprised of investments from fourteen (14) local banks to provide small business loans to encourage development within the low/moderate income census tracts within the City. The Board consists of representatives from each member investor bank and two small business owners. Since 1998, thirty-six (36) loans exceeding \$2,000,000 have been closed by the SFDC.

The Contract has been executed and renewed annually through contract amendments since 2004. Services have continued, though the annual amendments for the periods February 1, 2008 through January 31, 2009 and February 1, 2009 through January 31, 2010, have not yet been executed.

STAFF COMMENTS: The loan boundaries for SFDC coincide with the City's Small Business Development Loan Program. SFDC was incorporated in 1997 as a partner organization with the Urban Districts Alliance and the purposes of SFDC meet the criteria and expectations of the Community Reinvestment Act (CRA) for the banking industry.

The City has and intends to continue to provide these services to the SFDC at no cost. The SFDC did in 2009 agree to expend \$7,500 for a loan servicing module to be developed for SFDC loans that are serviced by the City. This custom database is a similar version of the City's new loan servicing database and utilized by loan program staff.

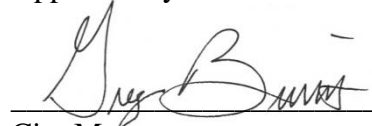
RECOMMENDATION: Staff recommends approval.

Submitted by:



Planning and Development

Approved by:



City Manager

ROUTING ORDER	(1) ORIGINATING DEPT.	(2) CHAMBER
	(4) LAW DEPARTMENT	(5) CITY MANAGER'S OFFICE
EFFECTIVE DATE February 1, 2010	TERMINATION DATE	CONTRACT NUMBER:
CITY		CHAMBER
CITY OF SPRINGFIELD 840 BOONVILLE, P.O. BOX 8368 Springfield, MO 65802 PHONE (417) 864-1094 FAX (417) 864-1030 ATTN: MARY LILLY SMITH DEPT.: PLANNING AND DEVELOPMENT		SPRINGFIELD FINANCE AND DEVELOPMENT CORPORATION C/O PLANNING AND DEVELOPMENT DEPARTMENT 840 BOONVILLE SPRINGFIELD, MO 65802 PHONE (417) 864-1031 FAX (417) 864-1030 ATTN: DAVID WIELAND, REGISTERED AGENT

ADDENDUM

THIS AGREEMENT, made and entered into this ____ day of _____, 20__, by and between the City of Springfield, a municipal corporation of the State of Missouri, hereinafter referred to as "City," and Springfield Finance and Development Corporation, hereinafter referred to as "SFDC."

Whereas, SFDC was incorporated on December 30, 1996 under the General and Business Corporation Law of the State of Missouri; and

Whereas, the Board of SFDC is composed of representatives from fourteen banks and two business owners; and

Whereas, the stated program goal of SFDC is to furnish small business loans and/or equity for businesses to encourage development within the low/moderate income census tracts within the City, according to the following boundaries identified on the map attached as Exhibit A; and

Whereas, the City and SFDC desire to continue an agreement whereby they may cooperate in the processing of economic development loans made by SFDC for the continued benefit of the citizens of Springfield; and

Whereas, such cooperation is authorized by the constitution and laws of the State of Missouri.

NOW, therefore, for the consideration herein expressed and other good and valuable consideration, it is agreed by and between the City and SFDC as follows:

1. **Scope of Services.** The City hereby agrees to provide services of one or more qualified persons in the field of loan packaging and processing, loan servicing, or economic development to the SFDC, to accomplish the following tasks.

- A. Review loan applications for economic feasibility;
- B. Package loans and prepare loan proposals;
- C. Service the loans, including collection of payments, depositing payments into SFDC account, and record keeping;
- D. Attend SFDC Board and Loan Committee meetings;
- E. Prepare loan documents on forms approved by SFDC attorney;
- F. Provide loan closing services; and
- G. Report on status of loans to the SFDC Board, as requested.

It is recognized by SFDC that the City has limitations of the use of its manpower and equipment and therefore the

City reserves the right to schedule the performance of services to most efficiently use the resources available to the City.

2. Time of Performance. The city shall provide the services as described in Paragraph 1 for the period commencing February 1, 2010, and concluding one year later on January 31, 2011. The time for performance of this agreement may be extended by Addendum hereto, containing the signatories of the parties and an identification of the extension period including any other amendments to the original contract document. Absent such addendum, and appropriations for staff to perform City's functions, the agreement shall be deemed renewed for one year, beginning February 1 of each year.

3. Assignment. The City shall not assign any interest in this agreement without the prior written consent of SFDC, nor shall SFDC assign any interest in this agreement without the prior written consent of the City.

4. Confidentiality. All reports, information, data, or other sensitive information given to or prepared for the City shall not be made available to any individual, organization or political subdivision without the prior approval of SFDC, except to the extent that the City has an obligation under the Freedom of Information Act and related Missouri Sunshine Laws to make such information public. SFDC, through the actions of its agents, shall conform to the applicable provisions of the Freedom of Information Act, Missouri Sunshine Laws, and the Privacy Act, as affect the duties and obligations of the City under this agreement.

5. Liability and Indemnity. The parties mutually agree to the following:

- a. SFDC shall defend, indemnify, and hold the City and all individual employees of the City performing work under the Scope of Services, harmless from and against all damages, losses, liabilities, expenses, and costs with respect to all claims, including, but not limited to, claims for personal injuries, wrongful death, and damages to property, which may be asserted against the City by any person or entity as the result of SFDC's violation of statutory law, misrepresentation, copyright infringement, breach of contract, professional negligence or ordinary negligence in the course of the performance of this contract, provided that SFDC is not obligated to indemnify or hold harmless the City from the City's own negligence or wrong doing.
- b. In no event shall the City be liable to SFDC for special, indirect, or consequential damages, except those caused by the City's gross negligence or willful or wanton misconduct arising out of or in any way connected with a breach of this contract. The maximum liability of the City shall be limited to the amount of money to be paid or received by the City under this contract.

6. Termination. Either party may terminate this agreement in its entirety by giving 30 days written notice to the other party.

7. Conflict of Interest. No salaried officer or employee of the City, and no member of the City Council shall have a financial interest, direct or indirect, in this agreement. A violation of this provision renders the agreement void. Applicable federal regulations and provisions of Section 105.450 et. seq. RSMo. Shall not be violated.

8. Entire Agreement. This agreement contains the entire agreement of the parties. No modification, amendment, or waiver of any of the provisions of this agreement shall be effective unless in writing specifically referring hereto, and signed by both parties.

9. Venue. This agreement and every question arising hereunder shall be construed or determined according to the laws of the State of Missouri. Should any part of this agreement be litigated, venue shall be proper only in the Circuit Court of Greene County, Missouri.

10. **Notices.** All notices required or permitted hereinunder and required to be in writing may be given by first class mail addressed to City and Contractor at the addresses shown above. The date of delivery of any notice given by mail shall be the date falling on the third day after the day of its mailing.

11. **Signature Warranty.** The signatories to this agreement warrant and represent that each executes this agreement with the full authority of his respective entity.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the day and year herein stated.

SPRINGFIELD FINANCE AND DEVELOPMENT CORPORATION

CERTIFICATE OF DIRECTOR OF FINANCE

I certify that the expenditure contemplated by this document is within the purpose of the appropriation to which it is to be charged and that there is an unencumbered balance of appropriated and available funds to pay therefor.

Mary Mannix-Decker, Director of Finance

APPROVED AS TO FORM:

Nancy Yendes, Assistant City Attorney

By: _____

_____, President

Attest: _____

Corporate Secretary

CITY OF SPRINGFIELD, MISSOURI

By: _____

Collin Quigley, Assistant City Manager