

**AGREEMENT AMENDMENT BETWEEN THE COUNTY OF CHAMPAIGN AND
THE CHAMPAIGN COUNTY CHAMBER OF COMMERCE FOR MICROLOAN
PROGRAM ASSISTANCE**

THIS AGREEMENT AMENDMENT is made and entered by and among the County of Champaign (“County”) with an address of 1776 E. Washington Street, Urbana, IL 61802, and the Champaign County Chamber of Commerce (“Chamber”) with an address of 303 W. Kirby Avenue, Champaign, IL 61820 (herein after collectively referred to as “the Parties”), effective as of October 10, 2024.

WHEREAS, the Parties entered into an Agreement including Attachment 1 as of September 26, 2022, which is attached to this Agreement Amendment as Appendix A; and

WHEREAS, the Parties would like to extend the Agreement timeline, and the Chamber would like to update the estimated budget details.

NOW, THEREFORE, the Parties further agree as follows:

The Agreement between the Parties is hereby amended as follows:

1. The Agreement is amended to extend to June 30, 2026 and Section 1.a. of the Agreement is amended to now read that “The Chamber will conduct activities between June 24, 2022 and June 30, 2026.”
2. The estimated budget is revised as indicated in the attached Attachment 2 in Appendix A such that the Chamber may allocate ARPA funds it has remaining and still will receive from the County toward the loan pool.

The Agreement with Attachments 1 and 2 are attached to this Amendment Agreement as Appendix A.

The Parties agree to the terms and conditions set forth above as demonstrated by their signatures as follows:

THE COUNTY OF CHAMPAIGN



Steve Summers, County Executive

**CHAMPAIGN COUNTY
CHAMBER OF COMMERCE**



Laura Weis, President & CEO

APPENDIX A

AGREEMENT BETWEEN THE COUNTY OF CHAMPAIGN AND THE CHAMPAIGN COUNTY CHAMBER OF COMMERCE FOR MICROLOAN PROGRAM ASSISTANCE

This Agreement is entered as of September 26, 2022, by and between the County of Champaign, Illinois (“County”), with an address of 1776 E. Washington Street, Urbana, IL 61802 and the Champaign County Chamber of Commerce (“Chamber”), with an address of 303 W. Kirby Avenue, Champaign, IL 61820; collectively “the Parties.”

WHEREAS, The County is in receipt of funds pursuant to the American Rescue Plan Act of 2021, P.L. 117-2 (“ARPA Funds”); and

WHEREAS, The County is authorized by Section 603 of the Social Security Act and the United States Department of Treasury Interim and Final Rule 31 CFR Part 35 to respond to the negative economic impacts of COVID-19, including transferring ARPA funds to provide assistance to small businesses to mitigate those negative economic impacts, and

WHEREAS, the Chamber is a non-profit corporation and member focused business association whose mission is to facilitate business growth and improve the quality of life in order to have an economically thriving community, and;

WHEREAS, the Parties desire to enter into this Agreement to recognize the roles and responsibilities for each Party in assisting with program costs of establishing and operating a Microloan Program to help disadvantaged Champaign County entrepreneurs, hereby named “Microloan Program.”

NOW THEREFORE, the Parties agree as follows:

1. **Purpose and Scope.** The Parties intend for this Agreement to provide the foundation and structure for assisting Microloan Program costs through the following understanding:
 - a. **Microloan Program:** The Chamber will conduct activities between June 24, 2022 and December 31, 2024 directly related to costs of establishing and operating a Microloan Program with community partners to help disadvantaged entrepreneurs in Champaign County gain access to affordable financial services; with proposed program details and budget included in Attachment 1.
 - b. **Funding:** The County will transfer ARPA funds to the Chamber in an amount of up to \$186,000 in support of this assistance beginning in County fiscal year 2022, according to the projected budget in Attachment 1. The transfer of funds shall be made in quarterly installments as needed of \$18,600. Installments may be paid more frequently pending documentation of the program being successfully implemented. In order for funds to be released, the Chamber must submit a Risk Assessment Form as provided by the County for the first installment; followed by documentation of funding and a Reporting Form as provided by the County for each of the remaining installments prior to release of funds. The Risk Assessment

Form and Reporting Form shall be made available by the County to the Chamber in a fillable format.

2. Roles and Responsibilities of the Chamber.

a. Oversight

- i. The Chamber agrees to cooperate with meetings conducted by Champaign County Board Members and/or County staff, as requested, to review programs in progress.
- ii. The Chamber will adhere to the ARPA Funds fiscal, accounting, and audit procedures that conform to Generally Accepted Accounting Principles (GAAP) and the requirements of federal Uniform Guidance (2 CFR Part 200).
- iii. The Chamber will submit reporting information to the County as required by the Department of Treasury, upon request of the County. Information will include, but is not limited to: program details and purpose, program timeline and status, program impact, expenditure information and status, capital expenditure amounts and details, impacted populations, public health or economic impact experienced due to the pandemic, program response to public health or negative economic impact due to the pandemic, number of businesses served, justification of each loan disbursed in response to negative economic impacts, terms for each loan, reporting of principal and interest repaid for each loan, Davis Bacon and Labor Reporting for capital expenditures over \$10 million. Reporting requirements will be specified by the County.
- iv. The Chamber will provide to the County, upon reasonable notice, access to and the right to examine such books and records of the Chamber related to ARPA funds, and will make such reports to the County as the County may reasonably require so that the County may determine whether there has been compliance with this Agreement.
- v. No person shall be excluded from participation in programs the County is funding, be denied the benefits of such program, or be subjected to discrimination under any program or activity funded in whole or in part with the funds provided under this Agreement on the ground of race, ethnicity, color, national origin, sex, sexual orientation, gender identity or expression, religion, disability, or on any other ground upon which such discrimination is prohibited by law. The Chamber understands that Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, applies to the use of ARPA Funds.
- vi. The Chamber will comply with all applicable statutes, ordinances, and regulations. The Chamber will not use any of these ARPA Funds for

lobbying purposes. If it is determined by the County that any expenditure made with the ARPA Funds provided under this Agreement is prohibited by law, the Chamber will reimburse the County any amount that is determined to have been spent in violation of the law.

- vii. The Chamber will enforce all applicable terms and requirements of this agreement with any subgrantees or partners of this program and is liable for all subgrantee and partner activity related to this specific program agreement.

b. Microloan Program

- i. Services: The Chamber shall conduct activities toward establishment and operation of a Microloan Program under the following requirements:
 - 1. The Chamber shall conduct program costs between June 24, 2022 and December 31, 2024 in the activities of establishing and operating a Microloan Program with community partners to help disadvantaged entrepreneurs in Champaign County gain access to affordable financial services.
 - 2. The Chamber shall conduct program costs in accordance with the proposed budget and details provided in Attachment 1.
- ii. Governance: The Microloan Program activities shall be overseen by the Champaign County Chamber Board of Directors with the following responsibilities:
 - 1. Review reports and program adherence.
 - 2. Approve significant changes in programs prior to implementation.

3. Roles and Responsibilities of the County.

- a. The County shall provide ARPA Funds to the Chamber in the amount of up to \$186,000, divided into quarterly installments of \$18,600 as needed; available beginning in 2022. Installments may be paid more frequently pending documentation of the program being successfully implemented.
- b. The County shall provide oversight as described in this Agreement for the purpose of ensuring that ARPA Funds are spent in compliance with federal law, and in compliance with the intended purpose of the funds as set forth in this Agreement.
- c. The County is not responsible in any way for the operations of the Chamber.

4. **Term.** This Agreement shall commence upon its execution between the Parties.

5. **Termination.** The Agreement may be terminated by either party upon a thirty-day notice in writing to the other party. Upon termination, the Chamber shall provide to the County an accounting of the ARPA Funds and shall remit unspent ARPA Funds to the County. Additionally, if the Chamber does not spend the ARPA Funds in accordance to the

regulations and requirements specified in this Agreement, the Chamber will be required to repay the County in the amount of ARPA funds that were utilized incorrectly.

6. **Amendments.** This Agreement may be amended only by an agreement of the parties executed in the same manner in which this Agreement is executed.
7. **Representations and Warranties.** Both Parties represent that they are fully authorized to enter into this Agreement. The performance and obligations of either Party will not violate or infringe upon the rights of any third-party or violate any other agreement between the Parties, individually, and any other person, organization, or business or any law or governmental regulation.
8. **Indemnity.** The Chamber agrees to indemnify and hold harmless the County, its respective affiliates, officers, agents, employees, and permitted successors and assigns against claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from the breach of this Agreement by, or the negligence of, the Chamber, its respective successors and assigns that occurs in connection with this Agreement. This section remains in full force and effect even after termination of the Agreement by its natural termination or the early termination by either party.
9. **Limitation of Liability.** UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY DAMAGES RESULTING FROM ANY PART OF THIS AGREEMENT SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFIT OR LOST BUSINESS, COSTS OF DELAY OR FAILURE OF DELIVERY, WHICH ARE NOT RELATED TO OR THE DIRECT RESULT OF A PARTY'S NEGLIGENCE OR BREACH.
10. **Severability.** In the event any provision of this Agreement is deemed invalid or unenforceable, in whole or in part, that part shall be severed from the remainder of the Agreement and all other provisions should continue in full force and effect as valid and enforceable.
11. **Waiver.** The failure by either party to exercise any right, power or privilege under the terms of this Agreement will not be construed as a waiver of any subsequent or further exercise of that right, power or privilege or the exercise of any other right, power or privilege.
12. **Conflicts.** In the event of an unresolvable dispute, both parties agree to participate in a mediation process and to split equally any costs associated with such. Any outcomes of mediation shall be in writing and binding on the parties.
13. **Legal and Binding Agreement.** This Agreement is legal and binding between the Parties as stated above. The Parties each represent that they have the authority to enter into this Agreement.

14. **Entire Agreement.** The Parties acknowledge and agree that this Agreement represents the entire agreement between the Parties. In the event that the Parties desire to change, add, or otherwise modify any terms, they shall do so only by an agreement of the parties executed in the same manner in which this Agreement is executed.

The Parties agree to the terms and conditions set forth above as demonstrated by their signatures as follows:

THE COUNTY OF CHAMPAIGN



Darlene A. Kloepfel, County Executive

**CHAMPAIGN COUNTY
CHAMBER OF COMMERCE**



Laura Weis, President & CEO



Mission: The Champaign County Chamber of Commerce is an award winning member-focused association that facilitate business growth and improves the quality of life in the region.

Values: Stewardship, Team, Respect, Integrity, Diversity, Excellence

Our Impact: Champaign County will be an economically thriving community.

About Us: The Champaign County Chamber of Commerce in one of the largest chambers in Illinois. We provide programming, services, workforce training, marketing opportunities, advocacy and resources for the business community. We assist start-ups and second stage companies with business counseling and development. Since 2019, we have helped almost 100 entrepreneurs with their companies consisting of 50 women owners and 52 minority entrepreneurs.

Project: Champaign County Microloan Program

Our Goal: Establish a low-interest, low barrier microloan program for companies that historically have challenges accessing capital.

Strategy: Work with community partners (Champaign County Black Chamber of Commerce, Business Elevator / First Followers and any other appropriate partners) to create an organized loan fund to help disadvantaged entrepreneurs gain access to affordable financial services. Only Champaign County residents will be eligible to apply for funds. Decisions will be made by local people with a vested interest in a growing business community. This local microloan program will provide more flexibility in helping women and minority entrepreneurs achieve their dreams. As part of the program, an online educational component on building credit and wealth will be developed for loan recipients. The goal is to offer the loans at a 2 to 2.5 percent interest rate with reasonable terms making this a low barrier loan option for entrepreneurs. Loan amounts would be capped at \$15K per applicant. We are committed to trying to enhance the loan pool with private dollars through fundraising.

Budget: \$186,000

Ongoing: \$100K Loan Fund – initial funds to be allocated

FY23: \$10K Materials and marketing of the microloan program (contracts, applications, brochures).
\$15K Professional fees including but not limited to legal services and accounting.
\$10K Allocation of staff time to create marketing campaigns, internal accounting and managing the program and miscellaneous expenses.

FY24: \$20K Materials and marketing of the microloan program (contracts, applications, brochures).
\$11K Professional fees including but not limited to legal services and accounting.
\$10K Allocation of staff time to create marketing campaigns, internal accounting and managing the program and miscellaneous expenses.

FY25: \$10K Allocation of staff time to create marketing campaigns, internal accounting and managing the program and miscellaneous expenses.



Executive Summary

The Champaign County Chamber of Commerce requests an amendment to the ARPA Funds Contract for the Microloan Program to extend the contract duration **from December 2024 to June 2026**. This extension will align the program's timeline with the Chamber's fiscal year. The program has a remaining balance of \$51,000 to be disbursed by the county to the Chamber. The original proposal allocated **\$100K** for the loan pool and **\$86K** for marketing, staffing, materials, and professional services. Given that actual costs have been lower than anticipated, the Chamber seeks to reallocate funds to maximize the program's impact. By spreading the existing balance of the funds along with the remaining \$51,500, we can loan \$45K in both the Chamber's FY25 and FY26, increasing the total loan pool from \$100K to \$155,600.

Microloan Program Overview

Purpose: The microloan program supports disadvantaged entrepreneurs in Champaign County by providing affordable financial services to help them launch or grow their businesses. Loans are capped at **\$15K** each.

Eligibility

- Open to Champaign County entrepreneurs, focusing on minority and women-owned businesses.
- Businesses must have a registered EIN, be registered with the Illinois Secretary of State, and have a business plan.
- Loan recipients must demonstrate an ability to repay the loan.

Application Process

- Minimal documentation is required, focusing on the business plan and the borrower's character.
- The loan committee may consider grace periods or loan forgiveness under specific circumstances.

Loan Details

- Maximum loan amount: **\$15K**
- Repayment terms: Up to five years
- Low interest rates to ensure affordability (2.5 to 3 percent)

Support Services

- Business counseling and resources to assist borrowers with business development and loan repayment.

Monitoring and Reporting

- Performance metrics are being tracked to ensure the program meets its goals and allows for adjustments as needed.

Metrics of Success

- Loan Repayment Rates
- Portfolio at Risk
- Average Loan Size
- Borrower Satisfaction
- Impact on Borrowers (e.g., increased income, improved living standards, job creation)

- Operational Efficiency
- Return on Investment

Transparency

- Clear and accessible loan terms and conditions for borrowers.
- Transparent performance reporting to the Chamber and county boards, maintaining borrower confidentiality.

Community Outreach

- Active engagement and promotion to minority and women-owned businesses.
- Partnerships with community organizations and local businesses.

Fairness and Non-Discrimination

- Commitment to non-discriminatory practices, ensuring fairness in loan distribution without bias towards race, gender, religion, national origin, or other protected statuses.

Program Achievements

- \$65,590 in microloans disbursed to eight microbusinesses, with only one \$5K loan in default.
- One loan request for \$15,000 is pending review.

Request: The Chamber requests that the Champaign County Board amend the ARPA Funds Contract for the Microloan Program, extending the contract end date to June 2026 and reallocating funds as proposed to bolster the loan pool. This amendment will allow us to use the remaining funds and maximize the program's impact, providing additional loans and support to disadvantaged entrepreneurs in our community.