

**GRANT AND ADMINISTRATION AGREEMENT  
BETWEEN CITY OF HUDSON, OHIO  
AND  
HUDSON COMMUNITY IMPROVEMENT CORPORATION**

This Grant and Administration Agreement (the “Agreement”) is made and entered into by and between the City of Hudson, an Ohio municipal corporation (the “City”), and the Hudson Community Improvement Corporation, an Ohio not-for-profit corporation (the “HCIC” and together with the City, the “Parties”).

**BACKGROUND INFORMATION**

**A.** The HCIC has been designated by the City as its agency and instrumentality for the industrial, commercial, distribution and research development of the City.

**B.** The HCIC has prepared and approved a plan for the industrial, commercial, distribution and research development of the City (the “Plan”).

**C.** Such Plan has been confirmed by the Council of the City.

**D.** Such Plan grants the HCIC authority to make loans to any person or business, subject to certain terms and conditions, and provided that the person applying for the loan shows that he or she has applied for the loan through ordinary banking or commercial channels and that loan has been refused by at least one bank or financial institution.

**E.** The COVID-19 pandemic has created economic hardship and uncertainty, particularly for small businesses and their employees.

**F.** The City and the HCIC intend to create a COVID-19 Small Business Relief Loan Program (the “Program”) to support the health, safety, morals and general welfare of the inhabitants of the City, assist local small businesses to safely reopen and preserve employment opportunities within the City.

**G.** In order to administer the Program, the HCIC and the City desire to enter into this Agreement for the purposes of providing City funds and administrative support to the HCIC, and setting forth certain program requirements.

**H.** This Grant and Administration Agreement is authorized pursuant to Ordinance No. \_\_\_\_\_ that was adopted by the City.

**NOW, THEREFORE,** in consideration of the mutual covenants contained herein, the parties hereto agree to the following:

## **STATEMENT OF THE AGREEMENT**

### **Section 1. Award of Grant Funds**

The City hereby grants funds to the HCIC in a sum not to exceed the total of **\$300,000.00**, (three hundred thousand dollars and zero cents), (the “Grant Funds”), for the sole and express purpose of providing for the performance of the Loan Fund, as defined in and pursuant to Section 2 of this Agreement and outlined in Exhibit A.

### **Section 2. Purpose of the Loan Fund; Loan Eligibility Requirements and Terms**

Many small businesses located in the City have suffered economic loss and/or been temporarily closed due to the COVID-19 pandemic. The Loan Fund established by the HCIC is intended to provide loans to those local small businesses to assist the borrower in recovering and/or safely reopening their business. Loan eligibility requirements and terms are outlined in Exhibit A, attached hereto, and subject to change, with the approval of the Board of Trustees of the HCIC and the City Manager of the City.

### **Section 3. Responsibilities of HCIC**

The HCIC shall be responsible for receiving and reviewing loan applications, determining eligibility and determining whether to approve a loan, per the guidelines provided in Exhibit A. The HCIC shall maintain all necessary records and supportive documentation for the loans.

### **Section 4. Responsibilities of City**

The City, on behalf of the HCIC, shall be responsible for certain administrative tasks in support of the loan program, including, but not limited to, maintaining access to HCIC funds for the purpose of disbursing funds or issuing checks for the Loan Fund.

### **Section 5. Payment of Grant Funds**

The Grant Funds, as provided in this Agreement, shall be paid by the City to HCIC pursuant and subject to the following requirements and conditions:

- A.** The HCIC shall receive a portion of the monies granted herein as a payment of \$50,000.00 (fifty thousand dollars and zero cents), upon or shortly thereafter the execution of this Agreement.
- B.** The HCIC agrees to submit to the City a financial report of funds received, and the purpose/use for which the funds were expended. If the HCIC determines additional funds are needed to continue to support and fund the Loan Fund, the HCIC, from time to time, may submit a written request for additional funds to the City Manager and Director of Finance. The City, in its sole discretion, may grant up to an additional \$250,000 (two hundred fifty thousand dollars and zero cents) to the HCIC.

## **Section 6. Suspension / Termination**

The City or the HCIC may terminate this Agreement with ninety (90) days' notice to the other party.

## **Section 7. Severability**

Any provisions of this Agreement are severable and in the event that one or more of the provisions are found to be inconsistent with legal requirements upon any party, and therefore unenforceable, the remaining provisions shall remain in full force and effect.

## **Section 8. Amendments or Modifications**

This Agreement constitutes the entire agreement between the parties; however, either party may at any time during the term of this Agreement request amendments or modifications. Requests for amendment or modification of this Agreement shall be in writing and shall specify the requested changes and the justification of such changes. The parties shall review the request for modification in terms of any applicable regulations and goals relating to the Program. Should the parties consent to modification of this Agreement, then an amendment shall be drawn, approved, and executed.

## **Section 9. Extent of Covenants; No Personal Liability**

All covenants, obligations and agreements of the Parties contained in this Agreement shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future member, officer, agent or employee of the City or the HCIC other than in his or her official capacity, and neither the members of the legislative body of the City nor any City or HCIC official executing this Agreement shall be liable personally under this Agreement or be subject to any personal liability or accountability by reason of the execution thereof or by reason of the covenants, obligations or agreements of the City and the HCIC contained in this Agreement.

## **Section 10. Third Party Beneficiaries**

Nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

## **Section 11. Executed Counterparts**

This Agreement may be executed in several counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute but one and the same instrument. It shall not be necessary in proving this Agreement to produce or account for more than one of those counterparts.

**[Signature Page follows]**

**IN WITNESS WHEREOF**, the parties hereto hereby set their hands and seals this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

City of Hudson, Ohio

Hudson Community Improvement  
Corporation

\_\_\_\_\_  
Jane Howington, City Manager

\_\_\_\_\_  
President

Approved as to form:

\_\_\_\_\_  
Matthew J. Vazzana, City Solicitor

#### **FISCAL OFFICER'S CERTIFICATE**

The undersigned, fiscal officer of the City of Hudson (the "City"), hereby certifies that the moneys required to meet the obligations of the City during the year 2020 under the aforesaid Agreement have been lawfully appropriated by the legislative body of the City for such purposes and are in the treasury of the City or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. This Certificate is given in compliance with Sections 5705.41 and 5705.44, Ohio Revised Code.

Dated: \_\_\_\_\_, 2020

\_\_\_\_\_  
Jeff Knoblauch, Director of Finance

## **EXHIBIT A**

### **LOAN ELIGIBILITY AND TERMS**

#### **Program Guidelines**

The City of Hudson has committed \$300,000 to a two-part loan program providing loan proceeds to a limited number of qualifying businesses that have been economically disadvantaged by the COVID-19 pandemic. All contributions of funds to the Program are made for the purpose of furthering economic development, preserving employment opportunities for Hudson residents, and preserving the operations of Hudson's small businesses during a time of need and emergency. The primary objective of the Program is to minimize long-term economic hardship to Hudson businesses that may result from the COVID-19 pandemic.

#### **Overview of Program**

Eligible businesses will be able to receive loan funds secured with a security agreement or promissory note from the program in order to assist those businesses with the financial impact of COVID-19.

The loan program will consist of two parts. Part A of the loan program will provide for perishable restocking with loan amounts not to exceed \$10,000 with a maximum allocation of \$200,000. Part B of the loan program will be for shuttered small business assistance in re-opening requirements with loan amounts not to exceed \$3,000 with a maximum allocation of \$100,000.

All complete applications will be evaluated for eligibility by the Hudson Community Improvement Corporation. The Hudson Community Improvement Corporation will award loans to businesses with completed applications generally based on the fit against the eligibility and additional loan criteria.

All loans made under the program are being made with the intent to provide immediate funding to small businesses to meet their business needs, to keep as many Hudson small businesses as possible in operation, and to retain as many jobs for Hudson residents as possible in light of the severe economic hardships brought by the COVID-19 pandemic.

#### **Eligibility Criteria**

Loans are available to small business located in the City of Hudson. To be eligible for loan proceeds, the applicant must have 20 or fewer full-time employees (or full-time equivalents) and total annual business revenue of \$2,000,000, or less, for the most current fiscal year-end. As an additional condition for eligibility, pursuant to Ohio Revised Code Section 1724, the Hudson Community Improvement Corporation shall not approve any application for a loan pursuant to this Program unless and until the person or entity applying for said loan shows that the person or entity has applied for the loan through ordinary banking or commercial channels and that the loan has been refused by at least one bank or other financial institution.

#### **Loan Details**

1. The loan interest rate is zero percent (0%). The term of the loan is up to 3 years and

payments may be deferred up to 3 years. If the borrower moves their business outside of the City, any outstanding balance becomes due and payable at that time.

### **Application and Award Process**

Businesses that wish to apply for a loan shall submit their application via an online application process provided for the program.

In the event an application is incomplete and/or the applicant fails to include all information required, the Hudson Community Improvement Corporation will notify the applicant by to inform them that they have provided an incomplete submission.

Upon approval by the Hudson Community Improvement Corporation, the business may be awarded a loan of up to \$10,000 if approved for Part A or a loan of up to \$3,000 if approved for Part B. Loans will be funded only to the extent that loan funds are available. Applicants will be notified of loan awards by the Hudson Community Improvement Corporation. Upon announcement of awards, recipients will enter into a loan agreement with the Hudson Community Improvement Corporation. The business must complete and sign the loan agreement and/or promissory note and any requested supporting documentation and return the same to the Hudson Community Improvement Corporation prior to disbursement of loan funds.

Nothing contained herein is intended to or shall act to obligate or bind, nor shall it be construed to obligate or bind, the City of Hudson and/or the Hudson Community Improvement Corporation to the Program, to make, award, or fund any loan to any entity whatsoever, and no entity shall have any claim, action, or cause of action against the City of Hudson for failure to make, award, or fund any loan. All determinations will be made at the discretion of the Hudson Community Improvement Corporation and in the spirit of meeting the objectives of this program. The decisions of the Hudson Community Improvement Corporation are final, not subject to appeal and fully within the discretion of the Hudson Community Improvement Corporation subject to whatever process modifications deemed necessary in the dispatch of their work to meet the guidelines of the program. An applicant who satisfies all requirements and/or conditions precedent to qualification for a loan pursuant to this Program is not guaranteed approval of their loan application and/or disbursement of loan funds. A statement to this effect shall be included in the agreement.