

EXHIBIT D TO THE ORDINANCE

CITY OF CHICAGO DEPARTMENT OF PLANNING AND DEVELOPMENT SMALL BUSINESS IMPROVEMENT FUND (SBIF)

Amended and Restated Application Intake and Processing Procedures

(a) With the approval of the applicant, DPD may transfer eligible applications from other DPD small grant programs such as CCSA, CDG-S and NOF-S into the SBIF program. If necessary, a lottery will be conducted to establish the order in which the transferred applications will be reviewed. A waiting list may be created as needed.

Applications submitted through the SBIF application process including those on waiting lists, will receive priority over applications submitted through other programs.

Transferred applications will be subject to regular SBIF rules.

(b) Publicity and Application Acceptance. SomerCor shall accept and process applications in the following manner, or as is otherwise determined by the City:

(i) SomerCor shall work with the City and other partners determined by the City to promote the SBIF program and make applications available within each eligible TIF Area (as such eligibility is determined by the City) for a continuous period prior to the first day of the Acceptance Period (as defined below). SomerCor will make applications available on its website or at its office or by phone, mail or e-mail or at specified locations within the TIF Area as agreed to by DPD;

(ii) the application form shall be brief and shall request sufficient information from which SomerCor will be able to determine each applicant's initial eligibility for a Grant;

(iii) SomerCor shall begin accepting completed application forms on a date certain (which date shall be determined in cooperation with DPD and shall be made public) and shall stop receiving completed application forms 30 days later (the "Acceptance Period");

(iv) to be deemed an Application, each completed application must have been received by SomerCor at its office in the form required by ordinance by the close of business on the last day of the Acceptance Period; the City will not accept Applications.

(v) Applications shall be submitted to SomerCor through the City's on-line platform. DPD may accept applications in other formats at its sole discretion.

vi) When accessing the online application platform, SomerCor is only authorized to access data related to the SBIF program. SomerCor shall not access data relating to other programs unless authorized to do so by the City of Chicago.

(vii) The City of Chicago retains all proprietary rights and the sole ownership of all data collected or generated in connection with the Small Business Improvement Fund program. This includes but is not limited to application information, project management data, financial disbursements, compliance monitoring, and any other data related to the SBIF program.

(c) **Stage 1 Applicant Eligibility Review.** Within ten days after the close of the Acceptance Period, SomerCor shall make a preliminary determination of the likelihood of Lottery Eligibility of each Application that was received during the Acceptance Period.

(i) **Lottery and Wait-Listing Procedure.** Each Lottery-Eligible Application shall be deemed to be requesting the amount requested on their application plus an additional 20% contingency.

Within ten days following the close of the Acceptance Period, SomerCor shall arithmetically determine whether there are more Lottery-Eligible Applications than the maximum amount of funds available for the TIF Area as set forth on Exhibit 5 of this Agreement. If the total number of Lottery-Eligible Applications does not exceed the maximum amount of funds available for the TIF Area, then all Lottery-Eligible Applications shall be deemed "Applications Selected for Review."

Within that same time period, if the total number of Lottery-Eligible Applications exceeds the maximum amount of funds available for the TIF Area, then SomerCor shall give each Lottery-Eligible Application a randomly-selected, unique number as generated by a computer process or by such other lottery method as may be approved by the City. The Lottery-Eligible Applications shall be placed in numerical order from the lowest assigned number to the highest, until the number of Applications is reached that does not exceed the maximum amount of funds available for the TIF Area. Those Applications are then deemed "Applications Selected for Review." All other Lottery-Eligible Applications are deemed "Wait-Listed Applications" and shall be wait-listed in numerical order from lowest to highest.

If an Application Selected for Review later is rejected for failure to comply with this Procedure or the Program, then the lowest-number Wait-Listed Application then available shall thereafter be deemed an Application Selected for Review.

If the amount of funds reserved by the total number of available Applications Selected for Review does not meet or exceed the maximum amount of funds available for the TIF Area, or the amount of actual Grant Funds paid for all Projects in the TIF Area does not meet or exceed the maximum amount of funds available for the TIF Area, then the City shall determine whether and how to open a new application acceptance round.

(ii) Within a ten-day period following the lottery, SomerCor shall, for each Application, commence the following, and shall substantially complete these steps within the Stage 1 Resolution Period (as defined below):

(A) obtain and review financial information regarding the applicant and its Project including, but not limited to, calculating the applicant's annual sales, net worth, liquidity and full-time job equivalence as needed and in a manner determined by SomerCor and approved by DPD;

(B) verify any other information presented in the Application including, but not limited to, determining whether the proposed Project is located within the applicable TIF Area and is consistent with the land use plan of the TIF Area, and determining whether the applicant meets the Eligible Applicant criteria set forth in the Agreement.

(C) obtain from the applicant proof of site control for the Property, including a deed or

executed lease agreement.

Within that same ten-day time period, SomerCor shall mail or e-mail each applicant whose Application passes this preliminary determination a "Stage 1 Letter" that (i) clearly identifies all open issues concerning the applicant's Economic Disclosure Statement and Affidavit ("EDS"), applicant ownership issues, or other aspect of the Application; (ii) suggests ways the applicant can resolve those issues; (iii) offers to assist the applicant's resolution of the issues; and (iv) sets a 20-day deadline ("Stage 1 Resolution Period") for resolving all issues mentioned in the Stage 1 letter.

Also, within that same time period, SomerCor shall mail or e-mail each applicant whose Application does not pass the preliminary determination a "Rejection IA Letter" stating, at minimum, the reasons the Application fails and that the Application shall not be eligible for reconsideration.

Each Application that fully resolves its Stage 1 Letter issues within the Stage 1 Resolution Period shall be deemed an "Eligible Application."

(d) **Stage 2 Project Eligibility Review.** Within 10 days following the determination of Eligible Application (whether determined by lottery or by arithmetic calculation that a lottery is not needed), SomerCor shall, for each Eligible Application, commence the following, and shall complete it within the Stage 2 Resolution Period (as defined below):

- (i) obtain scofflaw and child support clearance from the City's Departments of Revenue and Consumer Services for all persons identified on the EDSs to verify that the Project will qualify; and

- (ii) shall perform an initial site visit prior to issuing a "Stage 3 Letter."

Within the same 10-day time period following determination of Eligible Applications, SomerCor shall send a "Stage 2 Letter" to each such applicant stating that:

- (i) their Application has been deemed an Eligible Application;

- (ii) SomerCor has begun the processing of their application as set forth in the paragraph above and that it will contact the applicant if scofflaw or child support clearance issues arise;

- (iii) within the number of days required by ordinance from the date of the letter (the "Stage 2 Resolution Period"), the applicant must complete and provide to SomerCor's satisfaction all the bids, specifications, drawings and draft contracts with contractors regarding the Project;

- (iv) the applicant should provide SomerCor copies of the preliminary general contractor or architectural plans early in the Stage 2 Resolution Period so that SomerCor can assist the applicant's completion of the bid, specifications and contracts requirement;

- (v) if the applicant, following its best efforts to develop the Project as initially proposed, finds during the Stage 2 Resolution Period that the Project is impossible to complete as

initially proposed, then applicant may apply to DPD for approval to revise the Project and, if approval is so granted, then applicant may revise the Project and conform the revised Project to all the requirements of subsection (iii) above;

(vi) Project work that is begun prior to receiving a Stage 3 Letter (as described below) shall not be reimbursed or paid for by the Grant; and

(vii) if all the information requested in the Stage 2 Letter is not completed and submitted to SomerCor in a form satisfactory to SomerCor (including the resolution of any scofflaw or child support clearance issues) by the close of the Stage 2 Resolution Period, then the Eligible Application will thereafter be automatically disqualified from further participation in the Program.

Within five days following the conclusion of each Eligible Application's Stage 2 Resolution Period, SomerCor shall determine whether the Eligible Application has fully resolved each Stage 2 Letter requirement within the Stage 2 Resolution Period. Each applicant that SomerCor finds to have fully resolved its Stage 2 Letter issues within the Stage 2 Resolution Period shall immediately thereafter be deemed a "Grant-Eligible Application."

SomerCor shall promptly mail or e-mail to each applicant whose Eligible Application fails to become a Grant-Eligible Application a "Rejection 2 Letter" stating, at minimum, the reasons the Application fails and that the Application shall not be eligible for reconsideration.

(e) Stage 3 Project Completion Period and Grant Amount Determination. Within 10 days following the determination of a Grant-Eligible Application, SomerCor shall review each Grant-Eligible Application's final contract amount and determine the actual dollar amount of Grant Funds (i.e., half of the projected Eligible Costs) being requested (the "Net Grant Request"). SomerCor shall calculate the "Gross Grant Request" by adding ten percent to the Net Grant Request to allow for contingency. If the Gross Grant Request is less than the Maximum Program Assistance, then the Gross Grant Request shall be deemed the "Grant Amount." If the Gross Grant Request is equal to or greater than Maximum Program Assistance, then the "Grant Amount" shall be deemed to be Maximum Program Assistance permitted.

SomerCor shall then revise the dollar amount originally set aside or reserved for lottery purposes to equal the Grant Amount. Any amount set aside in excess of the Grant Amount shall be aggregated with other excess reserves from other Grant-Eligible Applications. SomerCor shall promptly contact the number of Wait-Listed Applications (in numerical order) that corresponds to the aggregate excess reserves (re-reserving the Maximum Program Assistance to each Wait-Listed Applicant) and deem each to be an Eligible Application. SomerCor shall pursue the procedures for each such Eligible Application set forth beginning at subsection (c) herein.

Within the same 10-day period, SomerCor shall, for each Grant-Eligible Application, send a "Stage 3 Letter" to each such applicant stating:

(i) that their Application is a Grant-Eligible Application;

(ii) the Grant Amount for which the applicant is eligible;

(iii) that Project costs incurred after the date of the Stage 3 Letter are grant-eligible

provided the applicant and the Project meet all Program requirements (including that the applicant continues to meet the definition of Eligible Applicant as set forth in the Agreement;

(iv) that the Project must be completed (as determined by SomerCor and DPD) within time required by ordinance (the "Stage 3 Project Period") after the date of the Stage 3 Letter; and

(v) SomerCor stands ready to help resolve any difficulties the applicant encounters in determining whether a proposed Project cost will be eligible under the Program guidelines.

(f) Final Project Eligibility Determination and Grant Closing. Following the close of the Stage 3 Project Period for each Grant-Eligible Application, SomerCor shall promptly determine whether the Grant-Eligible Application has fully complied with the Project work and all other requirements of the Program and the Stage 3 Letter within the Stage 3 Project Period.

If the Project fully complies except that the Eligible Costs actually incurred are less than were anticipated, then SomerCor shall recalculate the Grant Amount down from the Grant Amount set forth in the Stage 3 Letter and shall deem the revised amount the "Revised Grant Amount."

SomerCor shall then promptly notify each applicant whose Project fully complies with the Stage 3 Letter and all other Program requirements:

(i) that the Project fully complies with the Program requirements;

(ii) that SomerCor, on behalf of the City, will reimburse the Grant-Eligible Applicant the amount of \$XXXXX, which amount is equal to the lesser of the Grant Amount or the Revised Grant Amount;

(iii) of the need to set a closing date for the Grant;

(iv) of the list of documents that the applicant must provide SomerCor at the closing; and

(v) that the Grant Funds for the Project will be disbursed within four to six weeks following the closing.

SomerCor shall attempt to close each Grant within 30 days of the ending date of the Stage 3 Project Period.

For each Grant-Eligible Application that both SomerCor and DPD have made a final determination is no longer eligible for Grant Funds, SomerCor shall as soon as possible after such determination send the applicant a "Rejection 3 Letter" stating, at minimum, the reasons the Application fails and that the Application shall not be eligible for reconsideration.