

**RESOLUTION OF THE CITY OF FREEPORT, ILLINOIS AUTHORIZING AND APPROVING AN AGREEMENT WITH THE GREATER FREEPORT PARTNERSHIP**

**RESOLUTION NO. R-2018-35**

*WHEREAS*, the City of Freeport is a Municipal Corporation and a Home Rule Unit of Local Government of the State of Illinois, pursuant to Section 6 of Article VII of the Illinois Constitution of 1970, as amended (hereinafter referred to as the "City"); and

*WHEREAS*, the City acknowledges the value of having The Greater Freeport Partnership ("Partnership") serve as the lead economic agency on behalf of the City; and

*WHEREAS*, the City recognizes the importance of area businesses and their investment in The Partnership as a means of enhancing and leveraging prosperity and economic development in Northwest Illinois; and

*WHEREAS*, the City recognizes that an effective public/private partnership is the best means of facilitating the City's priorities of job growth, enhanced retail development, a skilled work force, tourism promotions and a diversified economic base; and

*WHEREAS*, the City is, and remains, a valued partner in molding the strategic vision of The Partnership and providing the infrastructure for sound economic development and tourism promotions; and

*WHEREAS*, the City and the Partnership have reached an accord as to the terms and conditions on which the Partnership will provide, among other things, retail development services, work force enhancement services, tourism promotions services and economic development services on behalf of the City and have memorialized such terms and conditions in the Agreement attached hereto as Exhibit A and incorporated herein; and

*WHEREAS*, the City finds it to be in the best interest of the health, safety, morals and general welfare of its citizens to enter into the Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, ILLINOIS as follows:

Section 1. The foregoing recitals shall be and are hereby incorporated in this Section 1 as if said recitals were fully set forth.

Section 2. The City Council hereby authorizes and approves the Agreement attached hereto as Exhibit A, or ones in substantially similar form, and further authorizes the City Manager to execute such Agreement and any other documents necessary to

effectuate the Agreement.

Section 3. If any section, paragraph, clause or provision of this Resolution shall be held invalid, said invalidity shall not affect any other provision of this Resolution.

Section 4. This Resolution shall be in full force and effect upon its passage and approval in the manner provided by law.

Section 5. That this Resolution is being passed pursuant to the Home Rule Authority of the City of Freeport as given by Section 6 of Article VII of the Illinois Constitution of 1970, as amended.

RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT,  
ILLINOIS this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Dovie L. Anderson, City Clerk

APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Jodi Miller, Mayor

**CITY OF FREEPORT / GREATER FREEPORT PARTNERSHIP  
AGREEMENT FOR ECONOMIC DEVELOPMENT, PLANNING &  
DEVELOPMENT, MAIN STREET, TOURISM & MARKETING,  
AND B-TO-B SERVICES**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between the **CITY OF FREEPORT**, a municipal corporation (hereinafter referred to as "City") and the **GREATER FREEPORT PARTNERSHIP**, an Illinois not-for-profit corporation (hereinafter referred to as the "The Partnership").

**RECITALS:**

**WHEREAS**, the City acknowledges the value of having The Partnership as the lead economic agency for the City; and

**WHEREAS**, the City recognizes the importance of area businesses and their investment in The Partnership as a means of enhancing and leveraging prosperity and economic development in Northwest Illinois; and

**WHEREAS**, the City recognizes that an effective public/private partnership is the best means of facilitating the City's priorities of job growth, enhanced retail development, a skilled work force, tourism promotions and a diversified economic base; and

**WHEREAS**, the City is, and remains, a valued partner in molding the strategic vision of The Partnership and providing the infrastructure for sound economic development and tourism promotions.

**NOW THEREFORE**, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration the receipt and sufficiency of which is acknowledged, the City and The Partnership do mutually agree as follows:

1. **SCOPE OF SERVICES**. The Partnership shall use its best efforts to:
  - Hire the Partnership's Executive Director – onboard by 6/18/2018.
  - Hire a Planning & Development Director, Member Services Director, Tourism & Marketing Director, Visitors Center Business Manager, Events Coordinator, Executive Assistant, part time Graphic Artist and part-time Administrative Assistant – onboard by July 31, 2018.
  - In collaboration with members, investors, and strategic partners, develop the Greater Freeport Partnership's Economic Development Strategic Plan with annual action plans and quantifiable metrics to position the greater Freeport

area, internally and externally, as the ideal place to locate and grow a business, raise a family and/or spend a weekend – Complete by Sept. 30, 2018.

- In concert with the City leadership and aligned taxing jurisdictions, revisit the City's land use plan, capital infrastructure plan and service delivery platforms (e.g. zoning, code enforcement, building / liquor permits, incentive negotiation, etc.) in parallel with the development of the community's strategic economic development plan to align the economic development plan's growth strategy to focus and leverage their future capital investments and stimulate changes in policies that improve the City's business friendliness – Complete by Sept. 30, 2018.
- In concert with the City's leadership team and the downtown business and property owners, revisit the goal of securing a Main Street Certification to determine its value, cost and implementation requirements/process. Based on the findings of this group, develop an informed course of action that can be jointly funded with City TIF funds and the investment of downtown's business and property owners.
- In parallel with the Main Street effort, The Partnership, the City's leadership team and downtown owners will revisit the City's Façade Program to incorporate best practices from successful facade programs in communities of comparable size and demographics. The goal is to use the Façade Program as a tool to stimulate investment in the downtown's building stock to stabilize/grow EAV. This team will evaluate available funding options (e.g. USDA, EDA, SBA, SSA, bank participation) to grow the funds available in the program – Complete by 4<sup>th</sup> Quarter 2018
- Develop a 3 - 5-year budget, fund-raising campaign and marketing communications plan, including a proposed event sponsorship and co-op advertising component to replace the private investment raised by Collaborate Freeport, to execute the Economic Development Strategic Plan and continuously engage and inform the community, members and investors about their ROI – Complete by Sept 30, 2018 in preparation for kicking off a 3-year Fund-Raising Campaign the first of October 2018.
- In preparation for the launch of the Fund-Raising Campaign, make the internal changes necessary to support annual invoicing of members and investors starting January 2, 2019; use time saved to focus on implementing an annual schedule of lunch and learn brown bag lunch events directed at small business owners and the challenges they face marketing, operating, growing their business, including hiring challenges, training new employees and selecting the right technology. In cooperation with the Community's banks, HCC, CareerTEC, professional service members/investors, SBDC, INCubatoredu, FishTank and Masterminds, develop a pro-active small business support network to assist individuals and students interested in starting a business and existing businesses interested in growing their business – Complete by 3<sup>rd</sup> Quarter 2018.

- Launch a 3-year Fund-Raising Campaign to retain/grow members, retain investors and convert members to investors; in addition, secure input on structuring sponsorship opportunities and a co-op advertising campaign to market and promote The Partnership's destination weekend events regionally, and other community events – Annual Meeting, golf outing, Speaker series, lunch-and-learn brown bag lunches, etc. – Launch the campaign October 1 and close it November 30, 2018.
- Enter into an agreement with the City to develop and manage a Revolving Loan Program and Micro-Loan Program to stimulate the redevelopment of the Downtown TIF Area (**See attached Exhibit I which is incorporated herein**). The goal of this effort is to use gap financing and micro-loans to grow EAV within the Downtown TIF Area. The Partnership will pro-actively market these programs to both developers and the property and business owners in the downtown and provide initial intake – Complete by July 15, 2018.
- Enter into an agreement with the Northwestern Illinois Community Development Corporation to act as The Partnership's Agent to process, underwrite, place, manage and service the Revolving Loans and the Micro-Loans, and invest their capital to supplement the City's investment. The goal is to have the Revolving Loan Program and Micro-Loan Program operational by September 1, 2018.
- In collaboration with the City Manager and his development team, and County Administrator and his/her development team, pursue the submittal of an EDA Technical Assistance Grant application to study the market feasibility of extending the Lamm Road Industrial Corridor/TIF to develop Certified Sites at the Albertus Airport and Mill Race Crossing. If the study has a positive outcome, it is proposed that The Partnership use it to recruit developers to establish industrial/business parks in the Corridor. Given a large share of the land in the Corridor falls in the county EDPA, The Partnership will work with the County to submit a request to the State legislature to extend the life of the TIF. It is proposed that the local match for this project be a shared cost - Submit the application in the 4<sup>th</sup> Quarter of 2018.
- The Partnership will be the City's designated Tourism and Marketing entity; in this capacity, it will be the Fiscal Agent and manager of the City's Tourism Promotion Fund and be charged with the responsibility to annually promote tourism and economic growth in the City and Stephenson County, by:
  1. Publishing promotional material, such as a visitors' guide.
  2. Exploring signage needs, particularly in conjunction with the by-pass.
  3. Participating in regional and state-wide tourism organizations.
  4. Working in collaboration with strategic partners (e.g. Freeport Park District, Freeport Art Museum, Famous Fossil, the community's 3 micro-breweries, Historical Society, Lindo Theatre, Wagner House and other key representatives of the Greater Community's hospitality and entertainment industry), to develop a county-wide

2019 calendar of destination weekends/sponsored events. The goal is to year-after-year grow the number of quality events, visitors and revenue. The Partnership will develop the metrics that will be used to measure the success of these events in attracting out-of-county visitors and positively impacting the community's sales and hospitality tax revenues – Complete by 4<sup>th</sup> Quarter of 2018.

5. Work with the above-referenced strategic partners to finalize the plan to recruit sponsors and secure co-op advertisers to leverage local Hotel/Motel tax revenues, state tourism grants to not-for-profits and an affiliation with the Rockford Area Convention & Visitors Bureau to fund the regional marketing/promotion campaign for the 2019 calendar of events. Input gathered from the 3-year fund raising campaign will be used to fine tune the sponsorship and co-op advertising revenue generating components – Launch the effort to recruit sponsors and co-op advertisers January 2, 2019, close the campaign at the end of February and launch the 2019 events' marketing promotion campaign in May based on funds available.
- The Partnership will maintain, operate (including paying the Mortgage) and staff the Visitors Center to promote tourism in Freeport/Stephenson County. The Visitor Center's Business Manager will develop and execute a 3-year plan to monetize the Visitor Center and property to make the operation of the Visitor Center self-supporting. Currently, \$110,000 of the community's Hotel/Motel Tax revenue is used to fund the Visitor Center's debt, annual operating costs and staffing. The goal is to reduce the use of Hotel/Motel tax revenues for these purposes to \$0.00 by December 31, 2021; assume maintenance, operation and staffing of the Visitor Center by June 1, 2018; by January 2, 2019 execute the plan to become a self-sustaining operation by December 31, 2021.
  - Launch The Partnership's fully-funded first year action plan January 1, 2019 in collaboration with members, investors and strategic partners. Annually, revisit the plan and budget in December and based on emerging market trends and performance outcomes, modify the next year's action plan and budget allocation, and secure its adoption at The Partnership's Annual Meeting in January.
  - In concert with the owners, developers, brokers of high priority commercial buildings and shovel-ready commercial sites, develop and launch a pro-active retail attraction (**See attached Exhibit II which is incorporated herein**) strategy. Develop the promotional materials to support this effort: e.g. social media, website listings of buildings/sites, comprehensive economic, demographic, psycho-graphic data – Launch pro-active recruitment strategy the first quarter of 2019
  - In alignment with the owners, developers, brokers of high priority industrial buildings and shovel-ready industrial sites, develop and launch a proactive effort to inform site location consultants and industrial brokers in the Chicago,

Milwaukee Corridor about the benefits of a Greater Freeport area location and the availability of shovel-ready industrial sites and buildings. Develop the marketing/promotional materials to support this effort. Identify and evaluate joining related associations: AIRE, I-39 Corridor Association – Launch in the first quarter of 2019.

- The Partnership will be the point of entry for companies/developers interested in doing a project in the City. Working in close cooperation with the City leadership team, the Partnership will assist in the structure of RDA's, Ezone Incentive Agreements and Sales Tax Rebate Agreements to facilitate new capital investment and jobs.
- When requested, The Partnership will develop site plans, initiate market studies, and TIF, Special Service Area and Business District Feasibility studies to facilitate the growth of the community
- In concert with City, FSD #145, CareerTEC and HCC Leadership, develop a proactive business retention/expansion program to call on the City's existing primary employers/national brand stores once a year. The call team members will meet weekly to develop solutions to identified company needs. This group will work collaboratively to provide one-on-one solutions, as well as develop solutions that can benefit a group of employers – Launch by January 2, 2019.
- Develop, in cooperation with the participating communities, an application to DCEO to secure State certification to establish the Northwest Illinois Enterprise Zone in January of 2020. The application will be submitted by December 2018 and The Partnership will maintain contact with DCEO in 2019 to advocate for the approval of its application. If approved, The Partnership will become the Enterprise Zone Administrator and roll-over City of Freeport/Stephenson County E-Zone application fees, as well as all future application fees, to market/promote and operate the Northwest Illinois E-Zone, in cooperation with the newly established E-Zone Management Committee.
- On a regional level, work with the RPC1 Economic Development Committee and fellow EDO's in Boone and Winnebago counties and the City of Rochelle to develop, brand and fund a regional marketing coalition to market and promote the Region internationally (FDI – Select USA) and nationally to stimulate capital investment, create jobs and recruit new talent to the area. Draw on the RPC1's technical assistance/grant writing capacity to secure funds to facilitate development of Certified Sites in the Lamm Road Industrial Corridor.

2. TERM. The Term of this Agreement shall be retroactive to January 1, 2018 and run through December 31, 2022 with a one-year extension option which will automatically take effect, absent written notice by either party hereto of its intent not to extend, given at least 120 days prior to the expiration of the initial term.

3. PAYMENT.

- a. CITY TO THE PARTNERSHIP. In consideration of the services provided by The Partnership, the City agrees to pay to the Partnership, up to a cumulative amount of Four Hundred Fifty Thousand dollars (\$450,000.00) per year during the term of this Agreement, subject to the annual appropriation of funds by the City Council. Payments shall be on a quarterly basis. Such funding shall be paid from appropriated Tax Increment Financing ("TIF") revenues from various City TIF Districts, the City's Hotel Motel Tax's Tourism Promotion Fund and the City's General Fund. The City reserves the right to terminate or reduce the payment under this Agreement if for any reason beyond its control, insufficient revenues are available from the City's appropriated funding mechanism(s) to pay for the services to be provided by The Partnership.
4. METHOD OF PAYMENT. The Partnership shall submit a draw request for funds payable under this Agreement in a format acceptable to both parties. An acceptable format for payment shall be arranged between the City Manager and The Partnership within thirty (30) days of the execution of this Agreement. The City shall, within twenty (20) days of receipt of approval of Council of a draw request, pay to The Partnership the amount of eligible funds, subject to the maximum amount appropriated by the City Council for The Partnership each year.
5. INFORMATION, COMMITTEES, AND REPORTS. The Partnership shall submit monthly reports on its projects, activities and services, as well as generic information on serious business leads with whom The Partnership is working, to the City Manager and Mayor. In addition, The Partnership's Executive Director shall make quarterly updates to the City Council on its projects and activities.
6. INDEPENDENT CONTRACTOR. It is agreed the City is interested only in the results obtained by The Partnership and for the purposes of this agreement, The Partnership is considered an independent contractor, and neither The Partnership nor The Partnership's employees shall be deemed employees of the City.
7. INDEMNIFICATION OF CITY. The Partnership shall indemnify and hold the City harmless and free from any and all liability of any kind or nature arising out of any act in the performance of this Agreement, except if such act is caused by the willful and wanton conduct of the City.
8. FREEDOM OF INFORMATION ACT. The Partnership acknowledges that the Freedom of Information Act, 5 ILCS 140/1 et seq. (the "Act") may



place an obligation on the City to produce certain records that may be in the possession of The Partnership. The Partnership shall comply with the record retention and documentation requirements of the Local Records Retention Act 5 ILCS 160/1 et seq. and the Act and shall maintain all records relating to this Agreement in compliance with the Local records Retention Act and the Act (complying in all respects as if The Partnership was, in fact, the City). The Partnership shall review its records promptly and produce to the City, within two (2) business days of contact from the City, the required documents responsive to a request under the Act. If additional time is necessary to comply with the request, The Partnership may request the City to extend the time to do so, and the City will, if the time and basis for extension under the Act permits, consider such extension(s).

9. NON-ASSIGNABILITY. This Agreement and the monies due for services provided hereunder shall not be assignable, either by action of The Partnership or by operation and execution of this Agreement.

10. SUBCONTRACTORS. The Partnership shall be allowed to subcontract portions of its services, provided:

A. The Partnership will in no way be relieved or excused from its responsibilities and liabilities because of its entering into a subcontract for work to be done pursuant to this Agreement; and

B. The City shall not be liable for the direct payment of any wages, materials, or other expenses to any and all subcontractors.

11. CONFLICT OF INTEREST. The Partnership has adopted Conflict of Interest restrictions in its bylaws, which are attached hereto as Exhibit III, and incorporated herein by reference. The Partnership agrees that should such bylaws be amended in any manner, the City shall be notified at least 30 days prior to the effective date of such amendment and may, at its sole option, choose to incorporate the new provisions as a part of this Agreement or retain those shown in Exhibit III.

12. TERMINATION.

A. Events Causing Termination. This Agreement shall terminate upon any of the following events:

i. Voluntary or involuntary dissolution of the Partnership.

ii. Expiration of the term of this Agreement.

ii. Termination by either party for cause pursuant to subparagraph B of this paragraph.

iv. Failure of the City Council to appropriate funding.

B. Termination for Cause. In the event either party fails to fulfill any of its material obligations under the terms of this Agreement, the other party shall give written notice, which notice shall specify the breach of the Agreement, and the party alleged to have breached the Agreement shall have sixty (60) days from the date of the receipt of the notice to correct or cure the alleged breach or commence to correct or cure, and thereafter diligently pursue to correct or cure the alleged breach (if such breach is not capable of being corrected or cured in a sixty (60) day period. In the event the breach is not cured within said time period, the non-defaulting party shall have the option to declare this Agreement null and void and shall have all other remedies available under Illinois law.

13. ADMINISTRATION. The terms and provision of this Agreement shall be administered on behalf of the City by its City Manager. Unless law otherwise requires, all necessary notices, submissions and approvals shall be given to or by the City Manager.

14. NOTICES. All notices, approvals, demands, requests or other documents required or permitted under this Agreement, other than routine communications necessary for the day-to-day operation of this program, shall be deemed properly given if hand delivered or sent by United States registered mail, postage prepaid, at the following addresses:

AS TO THE CITY:

City Manager  
City of Freeport  
314 W. Stephenson St.  
Freeport, IL 61032

AS TO THE PARTNERSHIP:

Executive Director  
Greater Freeport Partnership  
27 W. Stephenson St.  
Freeport, IL 61032

15. AMENDMENTS. This Agreement may be amended by written instrument executed by the parties hereto, acting therein by their duly authorized representatives.

Any amendment (s) hereto must be approved by the City Council of the City of Freeport by resolution.

The City or The Partnership may request changes in the Scope of Services to be performed hereunder. Such changes, including any increase or decrease in amount of compensation for The Partnership which are mutually agreed upon by and between the City and the Partnership shall be incorporated in written amendments to this Agreement.

15. SEVERABILITY. If any term or provision of this Agreement or the application thereof to any person or circumstances, shall to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to person or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each remaining term and provision hereof shall be deemed valid and be enforced to the fullest extent permitted by law.
16. GOVERNING LAW. This Agreement shall be governed by and constructed in accordance with the laws of the State of Illinois and the Ordinances of the City of Freeport.
17. ENTIRETY AND BINDING EFFECT. This Agreement represents the entirety of the agreement between the Parties and shall be binding upon them.
18. COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the main effect as if the signatures thereto and hereto were upon the same instrument.
19. RECITALS. The foregoing recitals are incorporated herein and made a part hereof.

**IN WITNESS WHEREOF**, the City and the Partnership have executed this Agreement on the date above first written.

CITY OF FREEPORT, a Municipal Corporation

BY: \_\_\_\_\_  
Lowell Crow, City Manager

ATTEST:

BY: \_\_\_\_\_  
Dovie Anderson, City Clerk

**GREATER FREEPORT PARTNERSHIP, An Illinois non-for-profit Corporation**

BY: \_\_\_\_\_  
Gary Quinn, Chairman

**EXHIBIT I**  
**REVOLVING LOAN FUND AGREEMENT**

This Revolving Loan Fund Agreement is entered into between the Greater Freeport Partnership (hereinafter referred to as the "GFP"), an Illinois not-for-profit corporation, and the **CITY OF FREEPORT**, a municipal corporation (hereinafter referred to as "City").

**RECITALS**

**WHEREAS**, the City acknowledges the value of having GFP as the lead economic development agency for the City; and

**WHEREAS**, the City recognizes the importance of area businesses and their investment in GFP as a means of enhancing and leveraging prosperity and economic development in Northwest Illinois; and

**WHEREAS**, the City recognizes that an effective public/private partnership is the best means of facilitating the City's priorities of job growth, enhanced retail development, a skilled work force, tourism promotions and a diversified economic base; and

**WHEREAS**, the City is, and remains, a valued partner in molding the strategic vision of GFP and providing the infrastructure for sound economic development and tourism promotions; and

**WHEREAS**, GFP and the City, in collaboration with the Northwestern Illinois Community Development Corporation (NICDC), have developed and approved a Revolving Loan Fund Plan dated \_\_\_\_\_, 2018 (the "Plan"), a copy of which is attached hereto and marked Exhibit A and incorporated herein.

**NOW THEREFORE**, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the City and GFP do mutually agree as follows:

1. The Recitals as hereinabove set forth are a part of this Agreement and enforceable as such.
2. GFP and the City have agreed to establish a Revolving Loan Fund (the "Fund") pursuant to the terms of the Plan. GFP shall establish a Restricted RLF bank account to administer the Plan. Any withdraws from the account shall require the co-signatures of both GFP and the City.
3. All GFP loans to participants in the Plan shall be made from the GFP Restricted Account established pursuant to Paragraph 2.

4. The City has agreed to contribute \$1,000,000.00 to the Fund, which will be deposited in the GFP Restricted Account to be used exclusively to fund the Fund and the loans made from this Fund.
5. The Fund is to be used by GFP to make loans for the purposes set forth in the Plan and subject to all terms and conditions as set forth in the Plan. The application process for the loans is set forth in the Plan and is agreed to by the City, GFP and the Northwestern Illinois Community Development Corporation (NICDC).
6. GFP and the NICDC, a for profit multi-bank community development corporation created primarily for the purpose of providing financial assistance to local businesses in Freeport, Stephenson County, and northwestern Illinois have entered into separate Management Agreements, a copy of which is attached hereto marked Exhibit B and incorporated herein. Pursuant to the terms of said Management Agreement, the NICDC has agreed to act as the Agent of the GFP, for purposes of providing administrative services and managing the loans that are to be made from the Fund as set forth in the terms and conditions of the Management Agreement.
7. The NICDC has agreed to match the City's commitment of funds to the Fund on a minimum of a 1:1 basis; their commitment of funds will be on a participating loan basis and it will be made by the NICDC's originating bank that underwrites the loan.
8. GFP will be the Lender on their share of the loans made pursuant to the Plan from their restricted RLF fund.
9. GFP and the NICDC shall establish a Loan Committee as required by the Plan. The Loan Committee will have seven members, NICDC shall have 4 members on the Loan Committee and the GFP will have 3. The Loan Committee will follow the application process for all loans as set forth in the Plan.
10. A majority of the members of the Loan Committee shall constitute a quorum for the transaction of business; the act of the majority of the Loan Committee members at a meeting at which a quorum is present shall constitute an act of to the Loan Committee and each member will have one vote.
11. Loans approved by the Loan Committee will be presented at the next regularly scheduled meeting of the Freeport City Council for final approval, which should not be withheld due to loan underwriting concerns.
12. GFP and the City have set forth in this Agreement their rights, duties, and obligations in connection with the Plan and the administration of the Fund.

13. GFP shall be responsible to provide a quarterly accounting each calendar quarter for all receipts (principal & interest repayments, sponsorship revenues) and disbursements (loan disbursements, marketing/promotion expenses, filing fees, professional service expenses) from the GFP Restricted Account established pursuant to Paragraph 2 above.
14. GFP and the City agree that until termination of this Agreement, neither party shall receive any payments from the GFP Restricted Account or the monies received by GFP for loan payments.
15. This Agreement shall terminate December 31, 2022 unless sooner terminated as provided by this paragraph. Either GFP or the City may terminate this Agreement, without cause, upon ninety (90) days written notice to the other party. Upon termination of this Agreement, no further loans shall be made pursuant to the Plan. Upon termination, GFP will continue to service any existing loans. After termination of the Agreement, GFP will make payouts from the account at least semi-annually in amounts to be determined by GFP and the City.
16. Any notice required to be given in connection with this Agreement must be in writing and may be given by (a) personal delivery or (b) certified or registered mail and shall be deemed to have been received 48 hours after a certified or registered letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States Mail and addressed as follows:  

If to GFP:	Attention: Chairman Greater Freeport Partnership 27 W. Stephenson St. Freeport, IL 61032
If to City of Freeport:	Attention: City Manager The City of Freeport 314 W. Stephenson St. Freeport, IL 61032
17. Either party may at any time change the place of receiving notice by written notice to the other party in accordance with the manner of giving notice as set forth above.
18. Neither GFP nor the City shall have the right to assign or transfer this Agreement without the prior written consent of the other party.
19. Nothing in this Agreement shall be construed as making GFP and the City partners or joint ventures.
20. This Agreement sets forth the entire understanding between the parties with respect to the transactions contemplated herein. Neither this Agreement nor any

provision hereof may be modified or changed except by an instrument in writing signed by the parties hereto.

21. This Agreement shall be governed and construed according to the laws of the State of Illinois. The sole venue for enforcement of this Agreement shall be the Circuit Court of the Fifteenth Judicial Circuit, Stephenson County, Illinois.
22. In the event that any of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement.

Dated: \_\_\_\_\_

GREATER FREEPORT PARTNERSHIP

By: \_\_\_\_\_  
Chairman

ATTEST:

\_\_\_\_\_  
Secretary

Dated: \_\_\_\_\_

THE CITY OF FREEPORT

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Secretary



## EXHIBIT II

### Proposed Freeport / GFP Retail Strategy

Retail recruitment and retention/expansion is a relationship business; question is: where do you want to spend your time developing relationships?

Given 45% of the City's annual operating revenues are derived from sales tax, growing the retail sector is key to the City's financial stability. Equally key is the need to generate the community wealth required to attract quality national brands and provide the environment for entrepreneurial shops to open and grow. For this reason, we need to retain, grow, pursue primary jobs that pay a sustainable wage or better. However, in order to be successful in this area, you need to position yourself as a quality community, and high-quality retail is one indicator of quality and key to C-suite spousal recruitment. For these reasons, pursuing a proactive retail strategy in combination with a proactive strategy to retain, grow and attract primary job generators are inextricably linked.

#### **Retail strategy:**

- Develop relationships with the developers that are familiar with Freeport as a retail market and have a positive working relationship the City;
- Develop a relationship with the Brokers that work in the community and have relationships with national brands;
- These Brokers/Developers are looking for partners to help them attract/locate quality retail users in Freeport; they understand the Freeport market, know the available properties, the property owners and the National Brand's decision-makers. We propose that GFP/City of Freeport pro-actively partner with them to grow Freeport's retail base.
- They need to know the available incentives, how to access them and what the RDA/E-Zone application/building permit/zoning requirements/processes are and they need to know there is an advocate that will confidentially work with them to negotiate these processes.
- All the Brokers/Developers belong to ICSC; all go to the Annual Chicago Regional trade show where they learn which store brands are looking to expand, by how many stores, in which geographies, and those users key location criteria and customer demographics. They all attend the Las Vegas ICSC Trade Show where they meet with the store brands' Directors of Real Estate/preferred developers to market the properties/communities they have under contract

#### **Recommendation:**

- What is lacking is a pro-active community relationship management/contact strategy that constantly takes the pulse of the developers/brokers and feeds them the up-to-date/accurate info they need to promote Freeport as the preferred location for the retail users they are constantly courting. Such information includes, but is not limited to:
  1. Demographic information – what companies are growing/what types of jobs are being created, what positive community trends are emerging and who are the key contacts;

2. GIS mapping/city capital plan info; and
  3. Incentive information/contacts.
- The only way brokers/developers make a commission/profit is by closing the deal; there is no stronger incentive to be market savvy/focused. Our role should be to facilitate their success and make them understand we value their role as a partner in growing our community. By pro-actively building a relationship with these multipliers based on trust/respect/shared vision/collaboration/confidentiality, we can be successful.
  - GFP is a logical partner in implementing this strategy because it can employ its investors to volunteer to make deals happen, when necessary.
  - GFP will join ICSC with the intent of participating in the Fall Chicago Regional Trade Show. Given there are usually more Economic Development organizations at these trade shows than users, we will attend to walk the show (market intelligence – i.e. how are other communities marketing themselves), participate in the workshops to keep track of how the market is developing, check out vendors' wares (the Retail/GIS - demographic software consultants) and meet with prospects with our broker/developer partners. The goal is to identify good fits, based on the users' site selection criteria and their customer demographics/psychographics for the Freeport market.

## EXHIBIT III

### ARTICLE XIII CONFLICT OF INTEREST

**Section 1. Purpose.** The purpose of this Article is to protect the Corporation's interest when it is contemplating entering into a transaction that might benefit the private interest of an Officer or Director of the Corporation. This policy is intended to supplement, but not replace any applicable laws of the State of Illinois governing conflicts of interest applicable to not-for-profit Corporations.

**Section 2. Interested Person.** Any Director or Officer, who has a direct or indirect financial interest as defined below, is an "Interested Person."

**Section 3. Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment or family: (a) an ownership or investment interest in an entity with which the Corporation has a transaction or arrangement; (b) a compensation arrangement with the Corporation or with an entity or individual with which the Corporation has a transaction or arrangement; (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Section 5 of this policy, a person who has a financial interest may have a conflict of interest only if Board of Directors decides that a conflict of interest exists.

**Section 4. Duty to Disclose.** In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of his or her financial interest to the Board of Directors.

**Section 5. Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the Interested Person, he or she shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors shall decide if a conflict of interest exists.

**Section 6. Procedures for Addressing Conflict of Interest.** An interested person may make a presentation at the Board of Directors meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.