



Amendment #2
Contract 20170540

City of Springfield Contract Tracer Document

The purpose of this document is to provide continuous responsibility for the custody of **CONTRACTS** during the processing period.

INSTRUCTIONS: Upon receipt, please initial and write in the date of receipt. When your department has approved and signed the contract, please initial and date in the forwarding section and deliver to the next department.

DEPARTMENT	DATE RECEIVED		DATE FORWARDED TO NEXT DEPT.	
	Initials	Date	Initials	Date
Community Development			MB	8/11/2020
City Comptroller	LL	8.13.20	LL	8.13.20
Law	KB	8/13/20	KB	8/14/20
CAFO	CF	8.14.2020	JMM	8.17.20
Mayor	CF	8/17/20	CF	8/17/20
City Comptroller				
Community Development				

8/12/2020
KB

Vendor No.: 6382 Contract No.: 20170540 Contract Date: 01/17/2017

Contract Amt.: \$0.00 Issue Date: 08/11/2020 Renewal Date:

Appropriation Code1:
Appropriation Code2:
Appropriation Code3:
Appropriation Code4:

Description of Funding Source: CDBG-NDR

Bid No.: Requisition No.: N/A PO No.:

Vendor Name: Develop Springfield

Contract Type: Amendment #2 to City Contract #20170540

Contract Purpose: Subrecipient Partnership Agreement

Originating Dept.: Office of Disaster Recovery & Compliance

Expiration Date: 12/31/2020 Amendment Date: 10/01/2020 Extension Date:

TYPE OF DOCUMENT (Please select at least one):

New Renewal Amendment #2 Extension

CB

AMENDMENT #2 to CITY CONTRACT #20170540

SUBRECIPIENT PARTNERSHIP AGREEMENT
WITH DEVELOPSRINGFIELD
FOR NEW BUSINESS RENTAL SUBSIDY PROGRAM AT THE SPRINGFIELD
INNOVATION CENTER

WHEREAS, on or about January 1, 2017, the City of Springfield, Massachusetts, acting by and through its Office of Community Development and Disaster Recovery & Compliance, with the approval of its Mayor (hereinafter referred to as the "City"), entered into an Agreement referred to as City Contract No. 20170540 ("Agreement") with **DevelopSpringfield**, a not-for-profit corporation with its' principal place of business at *83 Maple Street, Springfield, Massachusetts (hereinafter referred to as "DevelopSpringfield" or "Subrecipient")*; and

WHEREAS, pursuant to the Subrecipient Partnership Agreement DevelopSpringfield will offer subsidized rental space in the Springfield Innovation Center under Contract# 20170540, the , beginning on January 1, 2017 and ending on December 31, 2020; and

NOW, THEREFORE, the parties hereto agree to amend the Agreement on the following terms and conditions:

1. This Amendment #2 is executed pursuant to Article IV, Section (G) of the Agreement, and shall be effective as of October 1, 2020.

2. Article II, Section (A)(3) - Payment, shall be deleted and replaced with the following new Section (A)(3):

"SUBRECIPIENT will invoice the CITY on a quarterly basis for space that is leased by eligible businesses, in accordance with the approved budget in APPENDIX B, and which are reasonable and necessary in order for the start-up businesses to operate within the Springfield Innovation Center. All costs shall be reflected in the budget as described herein and attached hereto as Appendix B. Drawdowns for the payment of eligible expenses shall be made in accordance with performance against the line item budget specified in Appendix B described herein and attached hereto. SUBRECIPIENT is required to provide the CITY a copy of the lease with the tenant. All requests for reimbursement must include source documentation that verifies the expense of requested payment. This shall include certification from the SUBRECIPIENT that the eligible tenant continues to occupy the leased space in accordance with the provided lease, documentation of market rent, percentage due to the tenant and subsidized amount to be paid by the CITY."

3. Article II, Section (A)(4) - Payment, shall be amended to read as follows:

"The City agrees to make quarterly advanced rental subsidy payments to allow for streamlined and continuous operation of the Innovation Center. The CITY

reserves the right to terminate advanced quarterly payments if the SUBRECIPIENT fails to provide timely and accurate quarterly reporting in agreed upon format provided by the CITY. Quarterly reporting shall include all project accomplishments and goals in accordance with this agreement. The City reserves the right to terminate advance payment in the event action is taken by the SUBRECIPIENT that violates the submitted and approved lease with the tenant and results in the tenant vacating the Innovation Center prior to the expiration of the lease."

Appendix B – Scope of Services, shall be deleted and replaced with the attached “(REVISED) APPENDIX B – SCOPE OF SERVICES” which reflects the changes from Amendment #1 as well as this Amendment #2. These changes shall be effective as of October 1, 2020.

IN WITNESS WHEREOF, the Subrecipient and the City have executed this Amendment #2 on this 31st day of July, 2020.

SUBRECIPIENT

By: 


Its: Management

Date: 7.31.20

CITY OF SPRINGFIELD


By: 

Timothy Sheehan
Chief Development Officer


Office of Disaster Recovery

SEAN PHAN
8/12/2020

we APPROVED AS TO APPROPRIATION: slu


City Comptroller

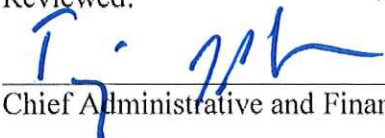
8/13/20

APPROVED AS TO FORM:



Deputy City Solicitor
Law Department

8/13/20

Reviewed:


Chief Administrative and Financial Officer

APPROVED:


Domenic J. Sarno

Mayor
Date Signed

(REVISED) APPENDIX B – SCOPE OF SERVICES

General

DevelopSpringfield will utilize \$300,000 in CDBG-NDR to subsidize rental space in the Springfield Innovation Center to support new and start-up businesses. The preliminary goal of this funding is to increase the number of viable small businesses within Springfield. All funds will be utilized in a manner satisfactory to the City of Springfield and consistent with the regulations required as a condition of these funds.

DevelopSpringfield agrees that they will bill the City on a monthly basis for leased space in accordance with the following:

- The City will provide payment to DevelopSpringfield up to 80% of the leased market rate for the Valley Venture Mentors Business Accelerator Program.
- The City will provide payment to DevelopSpringfield 20% of the leased market rate for office suites on the third floor.

The Valley Ventures Mentor business accelerator program will offer support to emerging entrepreneurs through focused mentorship, education, programming and inter-business collaboration. Discounted office-suites on the third floor of the Springfield Innovation Center will be available to successful new and start-up businesses.

DevelopSpringfield agrees that the Springfield Innovation Center will be open and operating on or before March 1, 2017 and that all CDBG-NDR funding will be expended no later than December 31, 2020.

DevelopSpringfield will procure all goods and services purchased with CDBG-NDR funding in compliance with local, state and federal procurement requirements, including 2 CFR Part 200.

The City agrees to make quarterly advanced rental subsidy payments to allow for streamlined and continuous operation of the Innovation Center. The CITY reserves the right to terminate advanced quarterly payments if the SUBRECIPIENT fails to provide timely and accurate quarterly reporting in agreed upon format provided by the CITY. Quarterly reporting shall include all project accomplishments and goals in accordance with this agreement. The City reserves the right to terminate advance payment in the event action is taken by the SUBRECIPIENT that violates the submitted and approved lease with the tenant and results in the tenant vacating the Innovation Center prior to the expiration of the lease. The City of Springfield will monitor progress in accordance with all local, state and federal regulations. Any changes to the schedule must be approved by the City of Springfield in writing.

Accomplishments, Quarterly Reporting & Leverage

DevelopSpringfield agrees that it will submit quarterly reports throughout the entire duration of the agreement. Quarterly reports no later than the 1st of each quarter, on the following dates for the duration of this agreement:

January 1
April 1
July 1
October 1

Quarterly reports shall be submitted via email to tquagliato@springfieldcityhall.com, spham@springfieldcityhall.com and mgoonan@springfieldcityhall.com.

DevelopSpringfield agrees that it will spend a minimum of \$3,879,414 in leverage funding for the build-out, management and maintenance of the Springfield Innovation Center. Leverage funding must come from a source other than CDBG-NDR funding. DevelopSpringfield agrees to report on expended leverage in each quarterly reporting period.

DevelopSpringfield agrees the Springfield Innovation Center will assist a minimum of 50 start-up businesses. DevelopSpringfield agrees that the Springfield Innovation Center will assist in the creation of 60 new jobs. DevelopSpringfield will also be required to report quarterly on the number of businesses created, the demographics of businesses created, the number, type and salary of jobs created and the income for each business assisted and the decrease/increase in business income for each business assisted with CDBG-NDR funding.

Staffing & Labor

DevelopSpringfield and its' vendors will furnish all oversight, staffing and labor related to the construction, build-out, maintenance and operation of the Springfield Innovation Center. The City will not be responsible for construction, build-out, equipment and or maintenance as related to the Springfield Innovation Center.

BUDGET

Sources of Funds

Leverage Private Funding:	\$1,216,690.00
Leverage State/Quasi-State Agency Funding:	\$2,662,724.00
CDBG-NDR Funding:	\$300,000.00
TOTAL SOURCES:	\$4,179,414.00

USES OF CDBG-NDR FUNDING

Reduced Rental Subsidy:	\$300,000.00
TOTAL USES OF CDBG-NDR FUNDING:	\$300,000.00

USES OF NON CDBG-NDR FUNDING

<u>Hard Costs</u>	
Springfield Innovation Center Build-Out:	\$2,095,160.00
Hard Cost:	\$209,516.00
<u>Soft Costs:</u>	
Loan Interest:	\$8,300.00
Architectural & Engineering:	\$213,968.00
Permits & Fees:	\$23,451.00
Environmental Consultant:	\$5,100.00
Historical Consultant:	\$20,000.00
Legal:	\$28,266.00
Real Estate Taxes:	\$12,170.00
Utilities:	\$20,400.00
Security System:	\$8,380.00
Bidding & Monitoring:	\$41,000.00
Property Management:	\$11,800.00
Accounting, Cost Certification:	\$6,000.00
Developer Fee:	\$390,395.00
Fit-Up:	\$325,000.00
Soft Cost Contingency:	\$41,304.00
TOTAL NON CDBG-NDR FUNDING USES:	\$3,879,414