



MEMORANDUM

To: Finance Committee
From: Rich Olson, City Manager
Date: May 7, 2013
Re: Consideration – Closeout of Golden LEAF grant for Aviation Park

BACKGROUND:

As the Council is aware, City staff has been working for several weeks with the Golden LEAF Foundation to close out the grant we received from them for the Aviation Park project. During the Closed Session held on April 22, 2013, the City Council authorized sending a letter to the Golden LEAF Foundation. This letter provided information regarding job creation at the Park in an effort to determine the amount due as repayment to Golden LEAF for not totally fulfilling the job-creation requirement of the grant.

ANALYSIS:

As authorized, Mayor Peel sent the letter to Golden LEAF on April 23, 2012. Golden LEAF reviewed the City's documentation and has agreed with the City's offer to repay \$556,000 to satisfy the repayment required by the Grant Agreement. (Please refer to the attached letter from Golden LEAF President Dan Gerlach.)

At the present time, the City has \$1,487,374 in the Aviation Park account. Once the City pays back Golden LEAF and the Department of Commerce for the CDBG grant, the balance in the account will be \$801,374.

A Budget Amendment has been prepared (attached) for Council's consideration and approval.

STAFF RECOMMENDATION:

Recommend that the City Council adopt the attached budget amendment to record the repayment to Golden LEAF in the amount of \$556,000 and authorize City staff to proceed with closing out the grant.

RCO/vdw



(LONG-TERM ECONOMIC ADVANCEMENT FOUNDATION)

WILLIAM CLARKE
CHAIRMAN OF THE BOARD

DAN GERLACH
PRESIDENT

April 26, 2013

RECEIVED APR 29 2013

Joseph W. Peel
Mayor
PO Box 347
Elizabeth City, North Carolina 27907-0347

Dear Mayor Peel:

Thank you for your letter dated April 23, 2013, regarding Golden LEAF's grant to the City of Elizabeth City for the project "Elizabeth City Aviation Research and Development Commerce Park." We regret that the job creation anticipated for this project was not realized, but are glad to see the creation of 361 net new jobs at the Aviation Park or directly resulting from work being undertaken at the Aviation Park, especially in this difficult economic climate.

We have reviewed the information in your letter and have had several conversations with City Manager Rich Olson about the outcomes of the project. We agree that the 361 net new jobs that you have identified meet the intent of our Grantee Acknowledgment and Agreement. Therefore, we accept the offer from the City to pay Golden LEAF \$556,000 by June 30, 2013 to satisfy the repayment requirement established in the Grantee Acknowledgment and Agreement.

Please let me know if you have any questions.

Regards,

A handwritten signature in purple ink, appearing to read "Dan Gerlach", is written over a faint circular stamp.

Dan Gerlach

President

BUDGET AMENDMENT

BE IT ORDAINED by the City Council of the City of Elizabeth City that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2013:

SECTION I. That the Fund Balance Appropriated (633990.0000) and the Golden LEAF Foundation Repayment (639008.4000) be increased by \$556,000.

(To record repayment of Golden LEAF grant funds from reserve funds.)

Joseph W. Peel, Mayor

Dianne S. Pierce-Tamplen, MMC, City Clerk