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# MEMORANDUM

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**To:** Mayor and City Councilors  
**From:** Rich Olson, City Manager  
**Date:** February 3, 2015  
**Re:** Consideration – Call for a Public Hearing re Hugh Cale Resource Center Sub-recipient Agreement with River City CDC

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***BACKGROUND:***

In July 2014, the Boys and Girls Club vacated the Hugh Cale Resource Center and moved to the Middle School building. Since they were the only occupant of the Hugh Cale Center, the Center was left unoccupied. City staff sent out a Request for Proposals (RFP) for another qualifying agency to locate into the Center. The RFP was due on September 15, 2014. No proposals were received by the published deadline. Subsequently, City staff started meeting with several non-profits that would be qualified to occupy the Center.

On January 6, 2015, Mayor Peel met with 20 non-profits that are qualified to occupy the facility. After the meeting, 14 of the organizations expressed an interest; and it now appears that we will need to have several non-profits utilize the facility to maximize use of the Center. City staff began looking for a lead agency that would be responsible for insuring the Hugh Cale facility is managed appropriately and the Food Bank of the Albemarle has been identified to serve as such an agency. The Food Bank of the Albemarle will oversee the operation of the Center and will utilize four offices within the Hugh Cale Center.

On January 27, 2015, ten organizations met at the Hugh Cale Center to discuss the allocation of space that was remaining in the Center. One of those organizations was River City Community Development Corporation. Since they propose to offer services on a permanent basis, they will be required to enter into a Sub-recipient Agreement with the City. Attached is Exhibit #1, which identifies the space they will be using.

***ANALYSIS:***

River City CDC is a qualified 501c3 organization, which the City Council has previously supported using Community Support Grant funding.

The attached proposed Sub-recipient Agreement is the same document we have used in the past and the general conditions are the same. The difference is contained within the Statement of Work. The agreement will begin on March 1, 2015 and will end on March 1, 2016. If either the City or the River City CDC wants to renew the agreement, they must submit a letter to that effect by August 1, 2015. The cost of utilities for the Center will be paid by the City. This cost has been approximately \$7,800 annually in the past. River City CDC will pay their pro-rata share of phone, alarm and internet expenses. The three spaces proposed to be occupied are identified on the attached floorplan map as "River City CDC".

You will note that the Statement of Work as detailed in the Sub-recipient Agreement includes coordinating leadership development and entrepreneurship training to youths and young adults aged 16-30, services which fulfill HUD national objectives to benefit persons of low to moderate income. These services will incorporate training programs including mentoring, leadership development, financial literacy and personal values. Optional programs may be offered by River City CDC with approval from the City.

***STAFF RECOMMENDATION:***

By motion, call for a Public Hearing to be held on February 23, 2015 at 7:30 p.m. in City Council Chambers of the Municipal Administration Building, 306 E. Colonial Avenue to receive comment regarding the City entering into a Sub-recipient Agreement with River City CDC for use of the Hugh Cale Resource Center.

RCO/vdw

**SUB-RECIPIENT AGREEMENT  
BETWEEN  
THE CITY OF ELIZABETH CITY  
AND  
RIVER CITY COMMUNITY DEVELOPMENT CORPORATION  
FOR PROVIDING SERVICES IN  
HUGH CALE RESOURCE CENTER**

**THIS AGREEMENT** entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015 by and between the City of Elizabeth City and River City Community Development Corporation, hereafter also referred to as Sub-recipient.

**WHEREAS**, the Hugh Cale Resource Center was built with U.S. Department of Housing and Urban Development CDBG funds distributed to the City of Elizabeth City by North Carolina Department of Commerce, Division of Community Assistance (DCA); and

**WHEREAS**, the City of Elizabeth City wishes to engage River City Community Development Corporation, in order that Sub-recipient implement approved activities listed below to help low-income members of the community;

**NOW, THEREFORE**, it is agreed between the parties hereto that:

**I. Statement of Work**

River City Community Development Corporation will be responsible for coordinating leadership development and entrepreneurship training to youths and young adults at the Hugh Cale Resource Center (524 South Road Street) for the period March 1, 2015 to March 1, 2016. River City Community Development Corporation will receive no direct financial compensation from the City for the services provided in Hugh Cale Resource Center. The occupation of the Hugh Cale Resource Center requires the occupants to provide these services, free of charge, for the period mentioned above. The programs and services will include the following activities eligible under the Community Development Block Grant Program. It is understood and acknowledged that Hugh Cale Resource Center will have multiple tenants.

Program Delivery

The River City Community Development Corporation's shall provide training and development programming for youth and young adults aged 16-30 in Elizabeth City, North Carolina. These services shall incorporate personal development and entrepreneurship training programs, including mentoring, leadership development, financial literacy, and personal values. These services shall be offered Monday through Friday between 8 a.m. and 5 p.m. or when otherwise

scheduled, including Saturdays, at the Hugh Cale Resource Center. The River City Community Development Corporation shall be a tenant of the building during the aforementioned hours and will have exclusive right to the area so noted in Exhibit No. 1. The River City Community Development Corporation may provide optional programs with approval from the City.

## **II. Limitations in programs/services and use of the Hugh Cale Resource Center**

The Hugh Cale Resource Center may not be used at any time, including weekends, for any activity that is not listed above without written permission of the Office of City Manager. It is understood and acknowledged that Hugh Cale Resource Center will have multiple tenants. River City Community Development Corporation may not rent or lease any part of the building. The Hugh Cale Resource Center may not be used for any religious activity at any time. The City of Elizabeth City will sign sub-recipient agreements with other organizations to provide services in the Hugh Cale Resource Center and requires that River City Community Development Corporation communicate and coordinate its activities with the City and other organizations that use the building, specially, during hours not mentioned in the Program Delivery Section (above).

The City will provide the River City Community Development Corporation with keys to the offices/rooms that have been assigned to them. Keys to the perimeter doors and common area will not be provided to the River City Community Development Corporation; use of the common areas must be coordinated with the lead agency, Food Bank of the Albemarle. River City Community Development Corporation shall equally share the cost of the alarm system, telephone utility, and internet access with other sub-recipients; each will be provided access codes to the alarm system. If the City utilizes the facilities after the River City Community Development Corporation normal hours of responsibility, the City shall assume the responsibility for opening/securing/closing the facility.

## **III. Service Schedule**

River City Community Development Corporation shall provide a letter to the City which outlines their schedule of operations within the Hugh Cale Resource Center.

## **IV. National Objectives/regulations**

River City Community Development Corporation certifies that the activities carried out with funds provided under this Agreement will meet the CDBG National Objective under 24 CFR 570.200 - 24 CFR 570.913:

- 1) Benefit low/moderate income persons

The Sub-recipient will be responsible for maintaining performance records to show the levels of accomplishment and meeting the CDBG program regulations and National Objective.

## **V. Budget/Finance**

The River City Community Development Corporation will provide an annual audit report or financial statement report to the City prepared by a certified public accountant on or before March 31<sup>st</sup> of each year. The River City Community Development Corporation will provide an annual budget which will cover the programs that will be offered in the Center by July 1<sup>st</sup> of each year.

## **VI. Reports**

The River City Community Development Corporation will be required to submit a monthly progress report to the City by the 15<sup>th</sup> of every month outlining accomplishments and number of individuals served. The report should include the names of individuals and the types of services provided to these individuals with a brief explanation. The City may change the format and content of the report according to changing requirements of the City Council or North Carolina Department of Commerce. The programs and activities inside the Hugh Cale Resource Center will be monitored by the City of Elizabeth City. All disputes will be settled by the City, with the City's decision to be final as to all such disputes.

If River City Community Development Corporation is suspended/terminated by any federal or State agency, the Sub-recipient must inform the City within ten (10) days of date of the suspension/termination notice, and such suspension or termination would be grounds for City's immediate termination of this sub-recipient Agreement.

## **VII. Program Income**

The River City Community Development Corporation may not charge the individuals that receive services in the Hugh Cale Resource Center, but may charge for services rendered outside of the facility. The programs provided in the Hugh Cale Resource Center should generate no income, excluding grants from outside agencies.

## VIII. Reversion of Assets

Hugh Cale Resource Center will be returned to the City at the end of this agreement unless the City of Elizabeth City decides to extend the agreement. All assets including the building must be returned to the City in good condition.

## IX. Other Conditions

The River City Community Development Corporation recognizes the City of Elizabeth City as the only legitimate owner of the Hugh Cale Resource Center. As long as River City Community Development Corporation occupies the Hugh Cale Resource Center it will make no request directly or indirectly to assume ownership of the building, and it will not support such a request by others.

## X. Notices

Communication and details concerning this contract shall be directed to the following contract representatives:

City of Elizabeth City  
Richard C. Olson  
City Manager  
City of Elizabeth City  
P.O. Box 347  
Elizabeth City, NC 27907  
Phone: (252) 337-6864  
Fax: (252) 335-2503

River City Community Development Corporation/Sub-  
Recipient/Coordinator  
Lenora Jarvis Mackey  
Executive Director  
501 E Main Street  
Elizabeth City, NC 27906  
Phone: (252) 331-2925

## XI. General Conditions

### A. General Compliance

The Sub-recipient agrees to comply with the requirements of Title 24 of the Code of the Federal Regulations, Part 570 (the Housing and Urban Development Regulations concerning Community Development Block Grants (CDBG)). The Sub-recipient, also, agrees to comply with all other applicable Federal, State and Local laws, regulations and policies governing the funds provided under this contract.

### B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Sub-recipient shall at all times be an "independent contractor" with respect to the services to be performed under this Agreement. The City shall be exempt from payment

of all Unemployment Compensation Insurance associated with Sub-recipient's operations, as the Sub-recipient is an independent sub-recipient.

C. Hold Harmless

The Sub-recipient shall hold harmless, defend and indemnify the City of Elizabeth City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Sub-recipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Sub-recipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this contract.

E. Insurance and Bonding

The Sub-recipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees and shall furnish evidence of such insurance coverage to the City.

F. Grantor Recognition

The Sub-recipient shall insure recognition of the role of the City of Elizabeth City in providing services through this contract.

G. Amendments

The City or Sub-recipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both organizations, and their governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the City or Sub-recipient from its obligations under this Agreement.

H. Suspension and termination

The City of Elizabeth City may terminate this agreement without cause after providing the River City Community Development Corporation with a 180 days' notice.

The City of Elizabeth City may immediately terminate this agreement in case of violation of any HUD or State of North Carolina regulations including 24 CFR 570.

The City of Elizabeth City, in accordance with 24 CFR 85.43, reserves the right to suspend or terminate this agreement if the sub-recipient materially fails to comply with

any term of the award and that the Agreement may be terminated for convenience in accordance with 24 CFR 85.44.

The City of Elizabeth City may, in its discretion, amend this Agreement to conform to Federal, State or local government guidelines, and polices. If such amendments result in a change in the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City of Elizabeth City and Sub-recipient.

The River City Community Development Corporation may terminate this agreement after providing 180 days written notice to the City.

#### I. Compliance with Requirements and all Applicable Laws

Sub-recipient shall procure, maintain and comply with all permits, licenses, and other authorizations required for the use of the premises by Sub-recipient for its intended purposes. Sub-recipient shall join in the application for any permit or authorization with respect to any legal requirements if such joinder is necessary.

Sub-recipient shall be responsible for procuring and maintaining all necessary local, state, and federal permits associated with or necessary as a consequence of Sub-recipient's occupation or use of the premises. Additionally, Sub-recipient shall comply with all federal, state, and local laws or ordinances pertaining to the occupation or use of the premises by Sub-recipient during the Agreement term. Any noncompliance by Sub-recipient with any federal, state, or local law or ordinance shall be grounds for the termination of this Agreement by City without any further notice to Sub-recipient. Sub-recipient shall further comply with all provisions of the Unified Development Ordinance in effect within the city limits of the City of Elizabeth City, and any non-compliance by Sub-recipient with the Unified Development Ordinance shall be grounds for the termination of this Agreement by City without any further notice to Sub-recipient.

#### J. Maintenance, Alterations and Additions

Sub-recipient will keep the premises in good order and condition and shall be responsible for the upkeep of the premises. It is the intention of the City and Sub-recipient that Sub-recipient use the premises for the purposes stated herein in "I. Statement of Work" for individuals in the Elizabeth City, North Carolina area.

Except for routine maintenance, Sub-recipient shall not make any additions or improvements to the premises without the expressed written consent of the City. No structural changes to the interior or exterior of the buildings on the premises shall be made without the prior written consent of the City.

Sub-recipient shall not store, or allow to be stored, upon the premises any hazardous, flammable, or toxic materials of any kind, and Sub-recipient's non-compliance with this requirement shall be grounds for immediate termination of this Agreement.



Sub-recipient shall indemnify and hold harmless the City and the City's successors in interest, for any and all loss, including reasonable attorney's fees, occasioned by Sub-recipient's failure to comply with local, state, or federal laws or ordinances associated with the use, storage, or removal of any and all hazardous or dangerous materials and petroleum products on or about the premises. Sub-recipient shall also indemnify and hold harmless the City and the City's successors in interest, for any and all loss, including reasonable attorney's fees, occasion by Sub-recipients use or occupation of the premises

#### K. Insurance

Sub-recipient will maintain with insurers authorized to do business in North Carolina liability insurance associated with the premises, which insurance coverage shall be in a limit of not less than \$500,000.00 per occurrence. Sub-recipient shall provide City with proof of such insurance coverage within thirty (30) days of the commencement of the Agreement term, and Sub-recipient shall further provide proof of such insurance coverage to Sub-recipient by November 15<sup>th</sup> of each year during the term of this Agreement.

Sub-recipient shall indemnify and hold harmless City and City's successors in interest, for any and all claims arising out of or from Sub-recipient's use of the premises.

#### L. Surrender of Premises

Upon the expiration or earlier termination of this Agreement, Sub-recipient shall return the premises to City in good order and condition, except for ordinary wear and tear, and except for the results of any casualty damage caused through no fault of Sub-recipient. Sub-recipient shall remove from the premises on or prior to such expiration or earlier termination all of Sub-recipient's property situate thereon and shall repair any damage caused by such removal. No hazardous, flammable, or toxic materials of any kind whatsoever shall be left on the premises by Sub-recipient upon the expiration or earlier termination of this Agreement.

#### M. Severability

If any provision of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such provision shall not be affected thereby

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

City of Elizabeth City  
A NC Municipal Corporation

By: \_\_\_\_\_  
Joseph W. Peel  
Mayor

ATTEST:

\_\_\_\_\_  
Vivian D. White, CMC/NCCMC  
City Clerk

[SEAL]

The River City Community Development Corporation

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

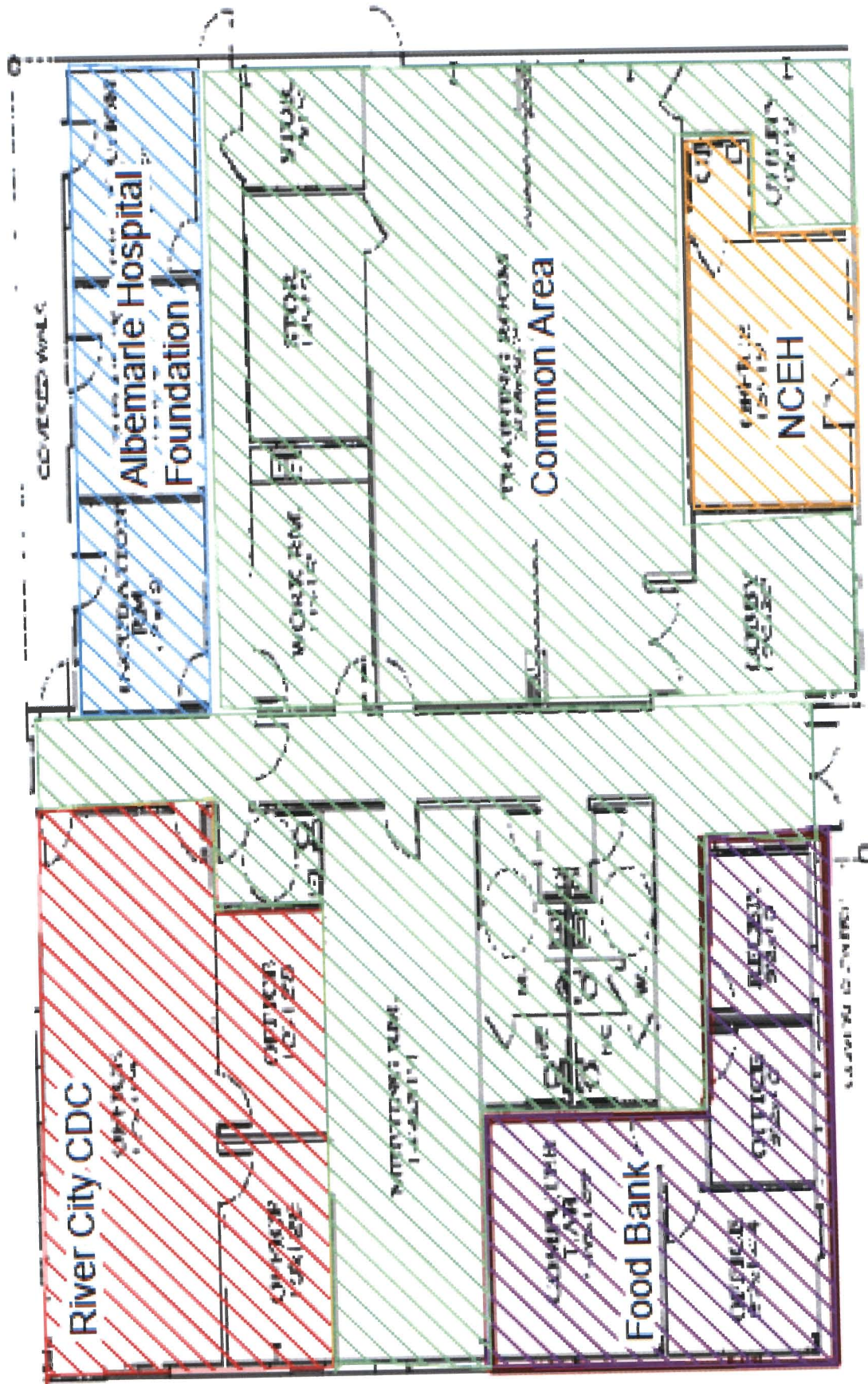
\_\_\_\_\_  
Witness

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

Chairman of the Board

\_\_\_\_\_  
Witness

Exhibit # 1



FLOOR PLAN  
 HUGH CALK BUILDING  
 DUNSMITH CITY, NC