

ATTACHMENT A

**A RESOLUTION AUTHORIZING THE TOWN OF CARRBORO
TO SERVE AS THE FISCAL AGENT FOR THE GRAPE ARBOR DEVELOPMENT
CORPORATION FEDERAL EDI GRANT # B-04-SP-NC-0575**

Resolution No. 57/2004-05

WHEREAS: the Grape Arbor Development Corporation has received notification that it has been awarded an Economic Development Initiative grant in the amount of \$198,820; and

WHEREAS: the Grape Arbor Development Corporation has requested that the Town of Carrboro serve as the fiscal agent for the grant; and

WHEREAS: the Town of Carrboro has the capacity to serve as the fiscal agent; and

WHEREAS: the proposed project is located at the entryway into Carrboro and the project will provide enrichment and development activities to enhance the academic, personal, and moral development of youth in the Carrboro-Chapel Hill community; and

WHEREAS: the Town of Carrboro would like to support the development of the children of the community and facilitate the redevelopment of a prominent building at the entryway in to Carrboro.

**NOW, THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO
RESOLVES:**

Section 1. The Board of Aldermen authorizes the Town Manager to execute the memorandum of understanding for the Town to serve as the fiscal agent for the grant.

Section 2. This resolution shall become effective upon adoption.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

APR 14 2004

Mr. Larnie Horton, Sr.
President
Grape Arbor Development Corp.
101 North Merritt Mill Road
Chapel Hill, NC 27516-2327

Dear Mr. Horton:

The Consolidated Appropriations Act of 2004 (PL 108-199) (the Act), signed into law by President Bush on January 23, 2004, provided the Department of Housing and Urban Development with Economic Development Initiative (EDI) funds for certain special projects specified in the Conference Report accompanying the Act (H.R. 108-401). The following project was specified in the Conference Report to receive grant funding in the listed amount:

Project Description: To the Grape Arbor Development Corporation for construction and buildout of a Youth Enhancement Center

Grant Amount: \$198,820

Grant Number: B-04-SP-NC-0575

Please note that the Grant Amount shown above is 99.41% of the amount specified in the Conference Report due to the .59% rescission mandated by the Act. All materials necessary to apply for the grant listed above are enclosed and must be completed and returned to the Department as explained in the instructions. Upon receipt of your completed application, we will review it for consistency with the intent of Congress and will notify you regarding any questions we have with respect to your application.

Limitations on Administrative and Operational Expenses

There are several key provisions of the Act of which you should be aware. First, the Act contains the following language with regard to administrative costs payable with the grant funds:

“That unless explicitly provided for under this heading...not to exceed 20 percent of any grant made with funds appropriated under this heading...shall be expended for planning and management development and administration.”

The 20 percent limitation is applicable to the EDI Grant Amount specified in this letter and encompasses general management expenses associated with administration of the grant as well as direct project delivery costs including, but not limited to:

- Project financing fees, expenses, taxes and insurance;
- Development and construction management fees and costs;
- Professional services necessary to implement the project (architectural, engineering, surveying, appraisal, legal, accounting, etc.); and
- On-site services during construction (security, temporary utilities, etc.).

Second, in describing the use of EDI funds, the Act states: **“That none of the [EDI] funds provided under this paragraph may be used for program operations.”** The intent of Congress as expressed by this language is to ensure that EDI grant recipients use the EDI funds for construction, rehabilitation, property acquisition and other “hard cost” activities as opposed to service or program delivery costs.

The Application Kit directions require that you prepare a simple project budget statement identifying the use of the EDI funds. Please keep these administrative and operational cost limitations in mind as you prepare the project budget statement.

Environmental Review Requirements

The Conference Report also specifies that projects receiving funds must comply with certain environmental review requirements and that legislative waivers of such requirements will not be entertained. More detailed information on these environmental requirements is provided in the Application Kit.

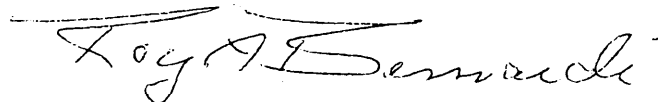
Limitation on Reimbursement of Incurred Costs

The Act requires that funds provided for projects shall not be used for reimbursement of expenses incurred prior to enactment of the Act on January 23, 2004.

If you or your staff have any questions regarding the application package, please contact the Office of Economic Development, Room 7146, U.S. Department of Housing and Urban Development, Washington, DC 20410 at (202) 708-3773.

I look forward to assisting you in the successful implementation of your project.

Sincerely,



Roy A. Bernardi
Assistant Secretary

PERFORMANCE AGREEMENT

THIS AGREEMENT, made and entered into the ____ day of November 2004, by and between the Town of Carrboro, a North Carolina Municipal Corporation, 301 West main Street, Carrboro, North Carolina, hereinafter referred to as "Town", and The Grape Arbor Development Corporation, a North Carolina not-for-profit corporation with an office for the conduct of its business at _____ Carrboro, NC 27510, hereinafter referred to as "Grape Arbor".

WITNESSETH

WHEREAS, Grape Arbor has applied for and received a \$198,820.00 Economic Development Special Projects Grant (the "Grant") from the U.S. Department of Housing and Urban Development; and

WHEREAS, the Board of Directors of Grape Arbor has approved activities for the use of Grant funds; and

WHEREAS, on November __, 2004, the Town of Carrboro Board of Aldermen authorized the Town Manager to enter into a Performance Agreement with Grape Arbor pursuant to which the Town will serve as the fiscal agent for the Economic Development Special Projects Grant from the U.S. Department of Housing and Urban Development and for the implementation of activities under the Grant, and related administrative tasks.

NOW, THEREFORE, in consideration of the above, the Town and Grape Arbor agree as follows:

1. Distribution of Funds

The Town shall act as the fiscal agent for a \$198,820 Economic Development Initiative Special Project grant. Grape Arbor shall report to the Town on the use of Grant funds as detailed in Section 5 of this Agreement.

The Town does not obligate itself to provide any other support to Grape Arbor during this or any future Town fiscal year.

Grape Arbor shall hold the Town harmless against any claims or actions for damages, injury or death relating to or arising out of the use of Grant funds or (ii) the acts of Grape Arbor's employees or agents.

2. Payment and Documentation

Grape Arbor shall requisition the Town for reimbursement basis of the administrative portion of Grape Arbor's budget as detailed in Section 3 of this Agreement. All requests for reimbursement submitted to the Town shall be reviewed and processed in accordance with the Town's payables procedures.

Each payment is contingent upon receiving satisfactory documentation and accounting and timely receipt of quarterly reports as detailed in the attached Work Statement.

3. Budget

The budget for the programs will be as follows: Acquisition, renovation and/or build out of a youth enhancement center

Total	\$198,820.00
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The budget may not be amended without the Town's prior approval. Grape Arbor must notify the Town in advance and in writing describing any proposed budget amendment. If a budget amendment is greater than twenty-five percent (25%) of the Grant amount, HUD approval is required in addition to Town approval.

4. Time of Performance

Services of the Town of Carrboro shall start on _____, 2004 and end on June , 200___. The term of this Agreement and the provisions herein shall be extended to cover any additional time period that Grape Arbor remains in control of the Economic Development Initiative Grant funds or any other assets, including program income.

5. Reporting Requirements

Grape Arbor agrees to furnish the Town with quarterly progress reports on the use of Grant funds and the status of each approved activity. These reports shall be submitted to the Community and Economic Department by the 5th day of August, November, February and May for the quarters ending June 30, September 30, December 31 and March 31, respectively. Grape Arbor shall also furnish with its quarterly progress reports quarterly financial statements including interest earned and any other program income. In addition, Grape Arbor shall allow the Town to inspect its financial books and records relating to this project upon reasonable notice during normal working hours.

Grape Arbor may use program income during the contract period for activities permitted under this contract. All unused program income shall be returned to the Town at the end of the contract period. Any interest earned on cash advances from the U.S. Treasury is not program income and shall be remitted promptly to the Town.

6. Work Statement

Grape Arbor agrees to provide the services described in the Work Statement attached hereto and incorporated herein by reference to residents of Orange County and to maintain a high level of professionalism in the provision of these services

The Town or Grape Arbor may amend this Agreement at any time provided that such amendments make specified reference to this Agreement, are executed in writing, signed by a duly authorized representative of both organizations, and approved by the Board (if necessary). Such amendments shall not invalidate this Agreement, nor relieve or release the Town or Grape Arbor from its obligations under this Agreement.

This Agreement incorporates by reference all Federal, state, or local governmental rules, regulations and guidelines related to the Grant program, and the Agreement shall be deemed automatically amended without the necessity of any action whatsoever by the parties should those rules, regulations, or guidelines be amended during the term of this Agreement. Notwithstanding the foregoing, if such amendments result in a change in the funding, 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 Town and Grape Arbor.

7. Suspension or Termination

In the event that Grape Arbor shall cease to exist as an organization or shall enter bankruptcy proceedings or be declared insolvent, or liquidate all or substantially all of its assets, or shall significantly reduce its services or accessibility to Orange County residents during the term of this Agreement, or if Grape Arbor materially fails to comply with any term of this Agreement or with any of the rules, regulations or provisions referred to herein, or in the event that Grape Arbor shall fail to render a satisfactory accounting as provided herein, then and in that event, the Town may suspend or terminate that Agreement. The Town shall notify Grape Arbor in writing of the suspension or termination of this Agreement, and the suspension or termination shall be effective as of the date of such notification.

8. Hold Harmless

Grape Arbor hereby agrees to hold the Town harmless against any claims or actions from damage, injury, or death relating to or arising out of the Grape Arbor's use of these funds or due to acts or omissions of Grape Arbor's officers, employees, contractors or agents.

9. Nondiscrimination

The Grape Arbor will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, national origin, sex, disability or other handicap, age marital/familial status, or status with regard to public assistance. The Grape Arbor will take affirmative action to insure that all employment practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Grape Arbor agrees to post such notices in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause.

10. Severability

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

IN WITNESS WHEREOF, the parties hereunto cause this Agreement to be executed in their respective names as of the date first written above.

TOWN OF CARRBORO

By: _____
Steven E. Stewart, Town

Manager

GRAPE ARBOR DEVELOPMENT CORPORATION

By: _____
(name) (Title)

Approved as to form: _____
Town Attorney

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal and Control Act.

Town Finance Director

WORK STATEMENT

1. The Grape Arbor Development Corporation will use all Economic Development Initiative Grant funds according to a proposal submitted to and approved by HUD.
2. The Economic Development Initiative Grant funds will be used for Orange County residents.
3. The Development Corporation will submit quarterly progress reports to the Community and Economic Development Department detailing the progress, expenditures, and other relevant information regarding the grant by the 5th of the month.
4. The Development Corporation will submit quarterly financial statements to the Town.
5. The Development Corporation will follow all applicable federal, state and local guidelines including the federal environmental review regulations.
6. The Development Corporation will submit a copy of its annual audit or review to the Town.

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