

City Council Agenda Items
and
Contracts, Leases or Agreements

11/15/2011

City Council Meeting Date
Agenda Items Only

Yolanda Fields

Submitted By

Community Services

Division

Development Services

Department

Action Required:

Approval of the lease for 2190 S Razorback Road as part of the CDBG Public Facility Lease Program.

None	\$ -	
Cost of this request	Category / Project Budget	Program Category / Project Name
Account Number	\$ -	Program / Project Category Name
Project Number	\$ -	Fund Name
	Funds Used to Date	
	Remaining Balance	

Budgeted Item

Budget Adjustment Attached

Jerry Cole 10-15-2011
Department Director Date

Previous Ordinance or Resolution # _____

[Signature] 10-26-11
City Attorney Date

Original Contract Date: _____

Original Contract Number: _____

Paul A. Bisher 10-21-2011
Finance and Internal Services Director Date

Received in City Clerk's Office 10-25-11 A09:09 RCVD
AW

[Signature] 10-26-11
Chief of Staff Date

Received in Mayor's Office
ENTERED 10/26/11

Ronald Jordan 10/28/11
Mayor Date

Staff recommends approval of lease for 2190 S Razorback Road.

CITY COUNCIL AGENDA MEMO

To: City Council and Mayor

Thru: Jeremy Pate, Director Development Services 

From: Yolanda Fields, Director Community Services 

Date: October 26, 2011

Subject: Public Facility Lease Program – Approval of Lease for 2190 S Razorback Road

PROPOSAL:

The property located at 2190 S Razorback Road was constructed with Community Development Block Grant (CDBG) funds. This property is a part of the CDBG Public Facility Lease Program. Properties constructed with CDBG funds are made available through an application process to non-profits that provide services to low and moderate income residents in the City of Fayetteville. Prism Education Center submitted an application for the property located at 2190 S Razorback Road. Prism Education Center was the only applicant and met all the requirements for the program.

Prism Education Center was incorporated as a 501(c)3 in April 2009. Prism Education Center will provide preschool, after school and summer school tutoring and enrichment programs that will benefit low and moderate income families in Fayetteville and Washington County. Prism Education Center will also provide resources for parents, including court mandated parenting classes.

RECOMMENDATION:

Staff recommends the approval of the lease with Prism Education Center for the property located at 2190 S Razorback Road.

BUDGET IMPACT:

None.

RESOLUTION NO. _____

A RESOLUTION APPROVING A LEASE WITH PRISM EDUCATION CENTER FOR PROPERTY LOCATED AT 2190 SOUTH RAZORBACK ROAD PURSUANT TO THE COMMUNITY DEVELOPMENT BLOCK GRANT PUBLIC FACILITY LEASE PROGRAM

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1. That the City Council of the City of Fayetteville, Arkansas hereby approves a lease with Prism Education Center for property located at 2190 S. Razorback Road pursuant to the Community Development Block Grant Public Facility Lease Program. A copy of the lease is attached as Exhibit "A".

PASSED and APPROVED this 15th day of November, 2011.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

LEASE AGREEMENT

2190 S Razorback Road

THIS LEASE AGREEMENT executed this 15th day of November 2011, by and between the City of Fayetteville, Arkansas and Prism Education Center, a non-profit Arkansas corporation, hereinafter referred to as "Prism Education Center".

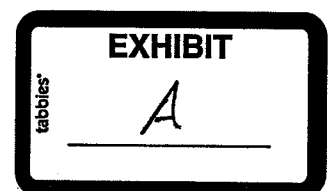
In consideration of the promises, covenants and commitments contained herein, the City of Fayetteville and Prism Education Center hereby agree as follows:

1. **PREMISES.** The City of Fayetteville hereby leases to Prism Education Center and Prism Education Center hereby leases from The City of Fayetteville, the building, parking lot and premises of 2190 S Razorback Road, Fayetteville, AR 72701.
2. **TERM.** The original term of this Lease shall commence on November 15, 2011 and shall terminate on November 1, 2013 at 5:00 p.m. This Lease may be extended past this date, contingent upon the possible sale of the property, unless written notice of termination is given by City of Fayetteville or Prism Education Center to the other party at least thirty (30) days prior to expiration of the original term of this lease. If the lease will be extended, an addendum to the lease agreement will be executed. This notice shall be effective if mailed or delivered to:

City of Fayetteville
Mayor's Office
113 W Mountain
Fayetteville, AR 72701

Prism Education Center
Executive Director
2190 S Razorback Road
Fayetteville, AR 72701

3. **CONSIDERATION.** In consideration for the use of leased premises Prism Education Center agrees to provide its services to the citizens of Fayetteville and Northwest Arkansas with emphasis on low and moderate income children and youth in Fayetteville. Prism Education Center agrees to provide preschool, after school and summer school tutoring and enrichment programs. The project will also provide resources for parents. Prism Education Center shall maintain at all times a current and complete record of all activities conducted on the leased premises in a form specified by the City of Fayetteville. Prism Education Center shall submit a quarterly activity report to the City of Fayetteville Community Services Division on or before the 15th of the month following the end of the quarter. The City of Fayetteville and the United States Department of Housing and Urban Development shall have



complete access to all of Prism Education Center's records during all reasonable hours and shall have the right to inspect and copy said records.

4. **UTILITIES.** Prism Education Center shall be responsible for prompt and complete payment of all utilities including electric bills, natural gas bills, water and sewer bills, sanitation service bills and telephone bills.
5. **IMPROVEMENTS TO PREMISES.** If previously approved in writing by the Community Services Division of the City of Fayetteville, Prism Education Center may make improvements that are necessary to carry out the services they provide. Prism Education Center agrees that it will keep and maintain the leased premises and all improvements thereon in good condition and repair at all times. Prism Education Center agrees to be responsible for yard maintenance and for the maintenance and replacement of all heating, electrical and air conditioning equipment and plumbing on the premises. Prism Education Center, at its own cost and expense, shall maintain and keep premises in as good repair as when the premises were received or in their highest state of repair during the lease term, ordinary wear and tear and casualties beyond Prism Education Center's control alone are exempted. Prism Education Center shall return the leased premise at the expiration or termination of the Lease in good order and condition excepting only ordinary wear and tear and **casualties** beyond Prism Education Center's control. Design for any such improvements shall be approved in advance by the City of Fayetteville Community Services Division. Upon termination of this lease all improvements shall become the property of the City of Fayetteville.
6. **MAINTENANCE AND REPAIR FUND.** Prism Education Center will establish and maintain a Maintenance and Repair Fund. Prism Education Center shall immediately begin depositing the amount of **\$500.00** per month in a separate savings account in a savings institute acceptable to the City of Fayetteville for the period of time required to establish and maintain a fund total of **\$30,000.00**. These funds may be used only for the maintenance and repair of the premises. At the end of this Lease Agreement, all funds in this account not needed for repair or maintenance to return the premises to good condition and repair shall become the sole property of Prism Education Center.
7. **FACILITY DEPOSIT.** Prism Education Center will provide a **\$5,000.00 Facility Deposit** to the City of Fayetteville prior to move in unless a letter of understanding is attached to this lease agreement. The entire amount will be held by the city for the duration of the lease. Upon notification of intent to vacate the lease the City will inspect location to determine condition. If repairs are needed to return the premises to good condition the Facility Deposit amount will used to make the repairs. Any remaining balance will be refunded to the Prism Education Center.

8. **INSURANCE.** The City of Fayetteville insures all buildings owned by the City. It is more cost effective for the City to bill Public Facility Lease Program tenants than to require them to carry insurance for the building on their own. Prism Education Center agrees to pay the City of Fayetteville for the coverage on the building at 2190 S Razorback Road. Prism Education Center will receive an annual invoice from the City and agrees to remit the invoiced amount to the City of Fayetteville. Prism Education Center understands that the City insurance only covers the actual building and that Prism Education Center is responsible for insuring the contents of the building and procuring liability insurance under a separate policy.

9. **MONTHLY FINANCIAL STATEMENTS.** Prism Education Center shall maintain complete and accurate monthly financial statements for all activities conducted on the leased premises. Prism Education Center shall file a copy of each month's financial statement with the City of Fayetteville's Community Services Division on or before the 15th day of the following month.

10. **BENEFIT TO LOW INCOME FAMILIES.** The Community Development Program has been developed so as to give maximum feasible priority to activities which will benefit low and moderate income families or aid in the prevention or elimination of slums or blight. Prism Education Center commits that the leased premises will be used to benefit low and moderate income families.

11. **COMPLIANCE WITH FEDERAL RULES AND REGULATIONS.** Prism Education Center agrees to comply with all rules and regulations as established by the Department of Housing and Urban Development for programs financed by the Housing and Community Development Act of 1974; and
 - a. Lessee will comply with the regulations, policies, guidelines and requirements of OMB Circular No. A-102, Revised, acceptance and use of Federal funds under 24 CFR 570; and
 - b. Lessee will comply with all requirements imposed by HUD concerning special requirements of law, program requirements, and other administrative requirements, approved in accordance with OMB Circular No. A-102, Revised.
 - c. Lessee will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), and regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any of Prism Education Center's programs or activities.

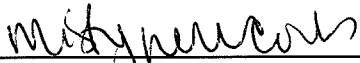
- d. Prism Education Center will comply with Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part 570.601), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under 24 CFR 570.
 - e. Prism Education Center will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that to the greatest extent feasible opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.
12. **PERSONAL GAIN.** Prism Education Center will establish safeguards to prohibit employees from using position for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
13. **HATCH ACT.** Prism Education Center will comply with applicable provisions of the Hatch Act.
14. **RIGHT TO INSPECT RECORDS.** Prism Education Center will give HUD and the Comptroller General, through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the program.
15. **ENVIRONMENTAL PROTECTION.** Prism Education Center will ensure that the facilities under its lease or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
16. **FLOOD DISASTER PROTECTION ACT.** Prism Education Center shall comply with the Flood Disaster Protection Act of 1973, P.L. 93-234, 87stat. 975, approved December 31, 1973. Section 103(a) required, on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area, that

has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phase "Federal financial assistance" shall be included in any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance.

17. CURE OR TERMINATION. If the City of Fayetteville determines that Prism Education Center has violated a duty, term or condition of this Lease Agreement, it shall so notify Prism Education Center in writing at the address listed above in paragraph 2. Prism Education Center shall have thirty (30) days after notification to cure the breach. If Prism Education Center fails to cure the breach to satisfaction of the City of Fayetteville within the allotted period of time, the City of Fayetteville, acting through its Mayor, may declare this Lease Agreement terminated and so notify Prism Education Center which shall immediately vacate the premises.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement on the date first above written.

PRISM EDUCATION CENTER
d/b/a Prism Education Center



Misty Newcomb
Executive Director

CITY OF FAYETTEVILLE, ARKANSAS

Lioneld Jordan
Mayor

ATTEST:

Sondra E. Smith
City Clerk/Treasurer