

City Council Agenda Items
and
Contracts, Leases or Agreements

5/21/2013

City Council Meeting Date
Agenda Items Only

Yolanda Fields
Submitted By

Community Services
Division

Development Services
Department

Action Required:

Approval of lease for 10 S College

Cost of this request	\$ -	Category / Project Budget	Program Category / Project Name
Account Number	\$ -	Funds Used to Date	Program / Project Category Name
Project Number	\$ -	Remaining Balance	Community Services Fund Name

Budgeted Item

Budget Adjustment Attached

[Signature] 5-21-2013
Department Director Date

Previous Ordinance or Resolution # _____

[Signature] 5-1-13
City Attorney Date

Original Contract Date: _____

Original Contract Number: _____

Paul A. Baulm 5-2-2013
Finance and Internal Services Director Date

Received in City Clerk's Office 1-13 P02:48 RCVD
USB

[Signature] 5-2-13
Chief of Staff Date


Received in Mayor's Office
ENTERED 5/1/13 BCP


[Signature] 5/3/13
Mayor Date

Staff recommends approval of lease.

CITY COUNCIL AGENDA MEMO

To: City Council and Mayor

Thru: Jeremy Pate, Director Development Services 

From: Yolanda Fields, Director Community Services 

Date: May 1, 2013

Subject: Public Facility Lease Program – Approval of Lease for 10 S College

PROPOSAL:

The property located at 10 S College was renovated with Community Development Block Grant (CDBG) funds. This property is a part of the CDBG Public Facility Lease Program. Properties renovated or acquired 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 10 S College. Prism Education Center was the only applicant and met all the requirements for the program.

Prism Education Center was incorporated in 2009 and began offering programs in 2011. They provide education programs and resources to low and moderate income families. Their programs include preschool, after school, private school and summer school tutoring and enrichment programs. The project also provides resources for parents, including parenting classes.

RECOMMENDATION:

Staff recommends the approval of the lease with Prism Education Center for the property located at 10 S College.

BUDGET IMPACT:

None.

RESOLUTION NO. _____

**A RESOLUTION APPROVING A COMMUNITY DEVELOPMENT BLOCK
GRANT PUBLIC FACILITY LEASE AGREEMENT WITH PRISM
EDUCATION CENTER FOR 10 S. COLLEGE AVENUE**

**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 Community Development Block Grant public facility lease agreement with Prism Education Center for 10 S. College Avenue. A copy of the lease agreement is attached to this Resolution as Exhibit "A".

PASSED and APPROVED this 21st day of May, 2013.

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

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

LEASE AGREEMENT

10 S College

THIS LEASE AGREEMENT executed this 4th day of June 2013, by and between the City of Fayetteville, Arkansas and Prism Education Center, a nonprofit Arkansas corporation, hereinafter referred to as "Prism".

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

1. **PREMISES.** The City of Fayetteville hereby leases to Prism and Prism hereby leases from The City of Fayetteville, the CDBG renovated portions of the building (see attached floor plan) at 10 S College, Fayetteville, AR 72701.
2. **TERM.** The original term of this Lease shall commence on June 4, 2013 and shall terminate on June 4, 2014 at 5:00 p.m. This Lease shall be automatically extended each subsequent year on June 4th unless written notice of termination is given by the City of Fayetteville or Prism to the other party at least thirty (30) days prior to expiration of the original term of this lease. This Lease will expire on March 31, 2016. 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
10 S College
Fayetteville AR 72701

3. **CONSIDERATION.** In consideration for the use of leased premises Prism agrees to provide its services to the citizens of Fayetteville and Northwest Arkansas with emphasis on low and moderate income clientele in Fayetteville. Prism agrees to provide educational programs and parent resources for low and moderate income clientele. Prism agrees to begin utilizing the property for these services within 6 months of signing this lease agreement. Prism 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 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's records during all reasonable hours and shall have the right to inspect and copy said records.



4. **UTILITIES.** Prism 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 may make improvements that are necessary to carry out the services they provide. Prism agrees that it will keep and maintain the leased premises and all improvements thereon in good condition and repair at all times. Prism agrees to be responsible for the maintenance and replacement of all heating, electrical and air conditioning equipment and plumbing on the premises. Prism, 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's control alone excepted. Prism 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's control. Design for any such improvements shall be approved by the City of Fayetteville Community Services Division.
6. **MAINTENANCE AND REPAIR FUND.** Prism already maintains a Maintenance and Repair Account for the leased property at 2190 S Razorback Road. Prism will expand this account to include this property. Prism shall be able to show in their operating budget that a maintenance and repair line item with a total of **\$30,000.00** is allocated; and supplies, maintenance crew and other maintenance items for the maintenance and repair of the facility will be charged against this line item for the duration of the lease. Prism will provide documentation as requested. If the lease at either property is vacated the account will continue to be maintained for the remaining property. At the end of this Lease Agreement charges against this account for that property will end and the property will be in as good or better condition as it was found.
7. **INSURANCE.** Prism agrees to carry liability insurance on the leased premises. Prism agrees to maintain said policy in force throughout the term of the Lease and extension thereof. Prism shall file a copy of said policy and all renewals with the City Clerk of the City of Fayetteville. Prism agrees to notify the City of Fayetteville in writing of any amendments to or cancellation of said policy or renewals. The City of Fayetteville carries property insurance on all City leased buildings. Prism will receive an annual bill from the City for the property insurance on 10 S College.
8. **MONTHLY FINANCIAL STATEMENTS.** Prism shall maintain complete and accurate monthly financial statements for all activities conducted on the leased premises. Prism 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.

9. **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 commits that the leased premises will be used to benefit low and moderate income families.
10. **COMPLIANCE WITH FEDERAL RULES AND REGULATIONS.** Prism 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's programs or activities.
 - d. Prism 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 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.

11. **PERSONAL GAIN.** Prism 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.
12. **HATCH ACT.** Prism will comply with applicable provisions of the Hatch Act.
13. **RIGHT TO INSPECT RECORDS.** Prism 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.
14. **ENVIRONMENTAL PROTECTION.** Prism 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.
15. **FLOOD DISASTER PROTECTION ACT.** Prism 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 phrase "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.
16. **CURE OR TERMINATION.** If the City of Fayetteville determines that Prism has violated a duty, term or condition of this Lease Agreement, it shall so notify Prism in writing at the address listed above in paragraph 2. Prism shall have thirty (30) days after notification to cure the breach. If Prism 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 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

City of Fayetteville, Arkansas

Misty Newcomb
Executive Director

Lioneld Jordan
Mayor

ATTEST:

Sondra E. Smith
City Clerk/Treasurer

10 S College

Main Floor



Lease is for the spaces outlined in green and orange.
Lease does not include basement or second floor.

