

**City of Fayetteville Staff Review Form**

**2019-0468**

**Legistar File ID**

**8/20/2019**

City Council Meeting Date - Agenda Item Only  
N/A for Non-Agenda Item

Yolanda Fields

8/1/2019

COMMUNITY RESOURCES (642)

**Submitted By**

**Submitted Date**

**Division / Department**

**Action Recommendation:**

Staff recommends approval of the lease with Elizabeth Richardson Center for the property located at 2190 S Razorback Rd.

**Budget Impact:**

NA		NA	
Account Number		Fund	
NA		NA	
Project Number		Project Title	
<b>Budgeted Item?</b>	Yes	Current Budget	\$ -
		Funds Obligated	\$ -
		Current Balance	\$ -
<b>Does item have a cost?</b>	No	Item Cost	
<b>Budget Adjustment Attached?</b>	No	Budget Adjustment	
		Remaining Budget	\$ -

V20180321

**Purchase Order Number:** \_\_\_\_\_

**Previous Ordinance or Resolution #** \_\_\_\_\_

**Change Order Number:** \_\_\_\_\_

**Approval Date:** \_\_\_\_\_

**Original Contract Number:** \_\_\_\_\_

**Comments:**



**MEETING OF AUGUST 20, 2019**

**TO:** Mayor and City Council

**THRU:** Don Marr, Chief of Staff

**FROM:** Yolanda Fields, Community Resources Director

**DATE:** August 1, 2019

**SUBJECT:** Staff recommends approval of the lease with Elizabeth Richardson Center.

A handwritten signature in blue ink, likely belonging to Yolanda Fields, the Community Resources Director.

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**RECOMMENDATION:**

Staff recommends approval of the lease with Elizabeth Richardson Center for the property located at 2190 S Razorback Rd.

**BACKGROUND:**

The property located at 2190 S Razorback Rd 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 nonprofits that provide services to low and moderate income residents in the City of Fayetteville. Elizabeth Richardson Center submitted an application for the property located at 2190 S Razorback Rd. This organization meets all requirements for participation in the program.

Elizabeth Richardson Center (ERC) is a local nonprofit serving the needs of individuals with intellectual or developmental disabilities since 1963. ERC has programs for children and adults.

**DISCUSSION:**

The lease document with Elizabeth Richardson Center for the property located at 2190 S. Razorback Rd is being submitted for approval.

**BUDGET/STAFF IMPACT:**

None.

**Attachments:**

Lease Agreement



Community Development Block Grant  
Public Facility Lease Program

## LEASE AGREEMENT

2190 S Razorback Road

**THIS LEASE AGREEMENT** executed this 20th day of August 2019, by and between the City of Fayetteville, Arkansas and Elizabeth Richardson Center, a nonprofit Arkansas corporation, hereinafter referred to as "ERC".

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

1. **PREMISES.** The City of Fayetteville hereby leases to ERC and ERC 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 August 20, 2019 and shall terminate on August 20, 2020 at 5:00 p.m. This Lease shall be automatically extended each subsequent year on August 20<sup>th</sup> unless written notice of termination is given by the City of Fayetteville or ERC to the other party at least thirty (30) days prior to expiration of the original term of this lease. This notice shall be effective if mailed or delivered to:

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

ERC  
Executive Director  
2190 S Razorback Road  
Fayetteville AR 72701

3. **CONSIDERATION.** In consideration for the use of leased premises ERC agrees to provide its services to the citizens of Fayetteville and Northwest Arkansas with emphasis on low and moderate income clientele in Fayetteville. ERC will provide the services outlined in their Public Facility Lease Program Application – Section IX; included as Attachment A to this document. ERC 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. ERC shall submit a quarterly activity report to the City of Fayetteville Community Resources Division on or before the 15<sup>th</sup> 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 ERC's records during all reasonable hours and shall have the right to inspect and copy said records.



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4. **UTILITIES.** ERC 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 telecommunications bills.
5. **IMPROVEMENTS TO PREMISES.** If previously approved in writing by the Community Resources Division of the City of Fayetteville, ERC may make improvements that are necessary to carry out the services they provide. ERC agrees that it will keep and maintain the leased premises and all improvements thereon in good condition and repair at all times. ERC 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. ERC, 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 ERC's control alone excepted. ERC 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 ERC control. Design for any such improvements shall be approved by the City of Fayetteville Community Resources Division. Upon termination of this lease all improvements shall become the property of the City of Fayetteville.
6. **MAINTENANCE AND REPAIR FUND.** ERC will maintain a Maintenance and Repair Account specific to this property. ERC 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. ERC will provide documentation as requested. 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. **FACILITY DEPOSIT.** ERC 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 the location to determine condition. If repairs are needed to return the premises to good condition the Facility Deposit will be used to make the repairs. Any remaining balance will be refunded to ERC.



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8. **INSURANCE.** ERC agrees to carry liability insurance on the leased premises. ERC agrees to maintain said policy in force throughout the term of the Lease and extension thereof. ERC shall file a copy of said policy and all renewals with the City Clerk of the City of Fayetteville. ERC 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 owned buildings. ERC will receive an annual bill from the City for the property insurance on 2190 S Razorback Road.
9. **MONTHLY FINANCIAL STATEMENTS.** ERC shall maintain complete and accurate monthly financial statements for all activities conducted on the leased premises. ERC shall file a copy of each month's financial statement with the City of Fayetteville's Community Resources Division on or before the 15<sup>th</sup> 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. ERC commits that the leased premises will be used to benefit low and moderate income families.
11. **COMPLIANCE WITH FEDERAL RULES AND REGULATIONS.** ERC 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 ERC's programs or activities.
  - d. ERC will comply with Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24



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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. ERC 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.** ERC will establish safeguards to prohibit employees from using their 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.** ERC will comply with applicable provisions of the Hatch Act.

14. **RIGHT TO INSPECT RECORDS.** ERC 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.** ERC 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.** ERC 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.



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17. **CURE OR TERMINATION.** If the City of Fayetteville determines that ERC has violated a duty, term or condition of this Lease Agreement, it shall so notify ERC in writing at the address listed above in paragraph 2. ERC shall have thirty (30) days after notification to cure the breach. If ERC fails to cure the breach to the 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 ERC, which shall immediately vacate the premises.

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

Elizabeth Richardson Center  
d/b/a ERC

  
Barbara Ludwig  
Co-Executive Director

City of Fayetteville, Arkansas

\_\_\_\_\_  
Lioneld Jordan  
Mayor

ATTEST:

\_\_\_\_\_  
Sondra E. Smith  
City Clerk/Treasurer