



**AGENDA REPORT**

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Ken Hibel, City Manager  
DATE: July 14, 2010  
RE: Approval of Grant Agreement: Beech & Fourth Street Streetscape Project

For the Agenda of July 19, 2010

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**Background.** We've received formal notice of award (*copy att'd*) of our requested grant to allow us to construct the proposed Beech & Fourth Street Streetscape Project. The City must now approve the grant agreement (*copy att'd*) to allow us to proceed with the project. The Commission is asked to approve the agreement.

**Issues & Questions Specified.** Should the City Commission approve the offered grant agreement?

**Alternatives.**

1. Approve the agreement.
2. Do not approve the agreement.
3. Set this matter aside for further discussion, consideration, and decision at a future, scheduled meeting.

**Financial Impact.** Approval of the agreement will entitle the City access to a maximum amount of \$87,200 in grant funds to allow us to complete the proposed streetscape project. The local match funds (\$50K) are being provided by the DDA.

**Recommendations.** I recommend that the City Commission approve the offered grant agreement by adoption of the proposed Resolution 2010-074 (*copy attached*).

**Attachments.**

1. Notice of Grant Award.
2. Grant Agreement.
3. Resolution 2010-074.



## MICHIGAN STRATEGIC FUND

July 7, 2010

300 N. WASHINGTON SQ.  
LANSING, MI 48913

The Honorable Patrick Humphrey  
Mayor  
City of Clare  
202 W. Fifth Street  
Clare, Michigan 48617

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Re: Beech & Fourth Street Streetscape Project  
MSC 209157-ICE

Dear Mayor Humphrey:

On behalf of the Michigan Strategic Fund, I am pleased to inform you that a Michigan Community Development Block Grant (CDBG) has been awarded to the City of Clare in the amount of \$87,200. The project will allow for downtown streetscape improvements.

Enclosed are two copies of the grant agreement. The grant agreement governs the performance of an approved grant. Any modification to the grant agreement must have the prior written approval of the Michigan Strategic Fund. I urge you not to make any commitments or enter into negotiations relative to the grant until the grant agreement has been carefully reviewed and executed.

If the grant agreement is acceptable, please sign both copies of the grant offer. Return one set of documents within 30 days from the date of this letter to Lisa Green, Program Administration, 300 North Washington Square, 3rd Floor, Lansing, Michigan 48913. Ms. Green may be contacted at (517) 241-0060. Keep the other set for your files. If you do not return the documents within 30 calendar days, the grant offer may be terminated.

Again, let me congratulate you on the selection of your project for a CDBG program grant. My best wishes for a successful project.

Sincerely,

Michael Pohnl  
Fund Manager  
Michigan Strategic Fund

Enclosures

GRANT NO. MSC 209157-ICE

STATE OF MICHIGAN

ECONOMIC DEVELOPMENT GRANT AGREEMENT

BETWEEN THE

MICHIGAN STRATEGIC FUND

AND THE

CITY OF CLARE

STATE OF MICHIGAN

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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I. GRANT OFFER FOR MICHIGAN CDBG GRANT NO. MSC 209157-ICE

The Fund Manager of the Michigan Strategic Fund (the "Grantor"), acting pursuant to Resolution 2010-049 of the Michigan Strategic Fund Board, hereby offers to the City of Clare (the "Grantee"), grant assistance subject to the Grant Agreement.


The maximum amount of grant assistance hereby offered is \$87,200 (the "Grant"), but in no event shall the amount of the grant assistance exceed more than sixty-four (64) percent of the total actual cost of the public infrastructure portion of the project financed with the Grant and local matching funds. If the actual cost is less than shown in the Total Authorized Budget (See Section II(A)(1)), the amount of the Grant shall be reduced on a proportional basis. The Grantee shall be responsible for any cost overruns.

The term of work performance shall be twenty-four (24) months from May 1, 2010 through April 30, 2012 (the "Term"), plus additional time to meet reporting or other procedural requirements. The Grant will only be made available for the Grantee's eligible expenses, which occur during the Term in accordance with the Grant Agreement. The Grant is dependent upon the Grantor's continued receipt of Community Development Block Grant funds and the availability of adequate funds.

This Grant Offer does not commit the Grantor to approve requests for additional funds during or beyond this grant.

The signatories below warrant that they are empowered to enter into this Agreement.

Dated this 7<sup>th</sup> day of July, 2010



Michael Pohnl  
Fund Manager  
Michigan Strategic Fund

The foregoing Grant Offer is hereby accepted and it is agreed that the funds made available will be used only as set forth herein and in the attached Special and General Terms and Conditions.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2010

WITNESSED BY:

\_\_\_\_\_

Patrick Humphrey  
Mayor

## II. SPECIAL TERMS AND CONDITIONS

For Michigan CDBG under Title I of  
the Housing and Community Development Act  
of 1974, as amended.  
CFDA #: 14.228

EFFECTIVE DATE: May 1, 2010

GRANT NO.: MSC 209157-ICE

TITLE: Beech & Fourth Street Streetscape Project

GRANTEE / ADDRESS: City of Clare  
202 West Fifth Street  
Clare, Michigan 48617

GRANT ADMINISTRATOR /  
ADDRESS: Grant Administrator  
300 North Washington Square  
Third Floor  
Lansing, Michigan 48913  
Phone: (517) 241-0060

### A. TOTAL AUTHORIZED BUDGET

1. Sources of funds for the project under this Grant Agreement consist of:

State Cash Contributions	\$ 87,200
Local Cash Contributions	<u>\$ 50,000</u>
TOTAL	\$137,200

Application of funds to the project supported under this Grant Agreement consists of:

PLEASE REFER TO ATTACHMENT A FOR THE AUTHORIZED BUDGET FOR THIS PROJECT.

### B. SCOPE OF WORK

The Scope of Work of the Grantee under this grant shall be to undertake and complete the following activities, as furthered detailed in the Grantee's Grant Application received May 24, 2010, subject to the limitations set forth in the Grant Agreement and applicable federal and state laws, rules and regulations:

1. Prior to the commitment of any project funds, incurring any project costs, and Grantor disbursement of the Grant, the Grantee shall submit to the Grant Administrator a copy of the complete Environmental Review Record (including the Environmental Assessment), and secure written approval by the Grant Administrator for the Request for Release of Funds and Certification. The Request for Release of Funds and Certification represents

local completion of the environmental review procedures and requirements as set for in 24 CFR Part 58, "Environmental Review Procedures for Title I Community Development Block Grant Program," issued by the U.S. Department of Housing and Urban Development. Project costs include costs to be paid by the Grant or other local, public or private funds.

2. If the project involves construction activities using the Grant, the Grantee shall provide for approval by the Grant Administrator a copy of all bidding documents or other evidence of compliance with federal labor standards for all construction activities financed in whole or in part with the Grant. Such approval must be secured prior to Grantor disbursement of the Grant for relevant construction activities.
3. If the project involves acquisition of private real estate, permanent easements or right-of-ways, or the relocation of persons, families or farms, the Grantee shall provide for approval by the Grant Administrator documentation of compliance with the Uniform Relocation and Real Property Acquisition Policies Act of 1970. Such approval must be secured prior to Grantor disbursement of the Grant.
4. If the project involves the demolition or conversion of an occupied dwelling unit or a vacant dwelling unit that may be occupied, the Grantee shall provide for approval by the Grant Administrator, documentation of compliance with Section 104(d) of the Housing & Community Development Act of 1974. Such approval must be secured prior to Grantor disbursement of the Grant.
5. If the Grant is used to acquire or improve real property, the Grantee shall provide a Real Property Management Report (RPMR) for approval by the Grant Administrator prior to Grantor disbursement of the Grant, annually, at close out, and when the property is no longer needed for its original purpose.

If the real property acquired or improved with the Grant is no longer needed for its original purpose at any time during the project and up to five years from close out, the Grantee shall request disposition instructions from the Grantor prior to disposing of the real property acquired or improved in whole or in part with the Grant. Depending on the disposition request, the Grantee may be required to return a portion of the Grant to the Grantor.

6. If the Grant is used to acquire personal property, the Grantee shall submit a Personal Property Management Report for approval by the Grant Administrator prior to Grantor disbursement of the Grant, annually, at close out and when the property is no longer needed for its original purpose.

If the personal property acquired with the Grant is no longer needed for its original purpose at any time during the project and after project close out, the Grantee shall request disposition instructions from the Grantor prior to disposing of the personal property acquired in whole or in part with the Grant. Depending on the current per unit fair market value of the personal property, the Grantee may be required to return a portion of the Grant to the Grantor.

7. Grantee shall comply with the procurement process required by 24 CFR Part 85. Among other things, this regulation applies to all CDBG funded engineering and consultant contracts as well as all CDBG funded construction contracts.
  - a. For engineering and consultant contracts less than or equal to \$100,000, the Small Purchase Procedures as provided in 24 CFR Part 85 may be used. In accord with this regulation and prior to Grantor disbursement of the Grant, Grantee must provide documentation that price or rate quotations were obtained from an adequate number of qualified sources and a copy of the executed contract.
  - b. For engineering and consultant contracts greater than \$100,000, Grantee must use competitive negotiation through a Request for Proposal (RFP) or Request for Qualifications (RFQ) process as provided in 24 CFR Part 85. In accord with this regulation and prior to Grantor disbursement of the Grant, Grantee must submit a copy of the RFP / RFQ, a list of respondents to the RFP / RFQ, Grantee's evaluation and recommendation for the award of the contract(s), and the executed contract(s).
  - c. For construction related contracts, Grantee must use the procurement by Sealed Bids Process as provided in 24 CFR Part 85. In accord with this regulation and prior to Grantor disbursement of the Grant, Grantee must submit a copy of the advertisement for bids and the bid tabulations.
8. Prior to disbursement of the Grant, the Grantee shall submit:
  - a. A copy of the notice of public hearing published at least five days prior to the public hearing; and
  - b. A description of the public hearing.
9. The Grantee shall expend up to \$87,200 of the Grant for the project activities as further described in Attachment B.
10. The Grantor may, in its sole discretion, after discussion with representatives of the Grantee, modify or reduce the total amount of grant assistance offered under this Agreement or terminate this Agreement and demand full repayment of disbursed grant proceeds if the Grantee violates, fails, or refuses to comply with any term, condition, or provision of this Agreement.
11. The Grantee shall provide Program Progress Reports beginning October 15, 2010, and every six (6) months thereafter.
12. The Grantee shall provide a Final Program Progress Report 60 days after completion of the Term.
13. The Grantee shall provide documentation that at least one public hearing was held after grant award and prior to formal grant closeout. Such documentation shall be provided prior to formal grant closeout.

14. During each of the Grantee's fiscal years in which a disbursement of the Grant is made under this Agreement, the Grantee shall file an Audit Report. This Audit Report must be prepared by an independent auditor, and be in compliance with the requirements of OMB Circular A-133, or as required by the Grant Administrator. This Audit Report shall be filed with the Grant Administrator within 30 days after completion of the audit, but not later than nine months after the close of the Grantee's fiscal year.

### III. GENERAL TERMS AND CONDITIONS

1. Applicability to Sub Recipients and Contractors: Where performance of the grant project is carried out by any sub recipient or contractor of the Grantee, the provisions of the Grant Agreement shall be made binding on such sub recipient or contractor by the Grantee. This shall be accomplished by a written agreement or contract between the Grantee and sub recipient or contractor. Where the term "Grantee" appears in this Grant Agreement it shall be read to include any sub recipient or contractor of the Grantee.

The ultimate legal responsibility for insuring compliance with requirements of the Grant Agreement is that of the Grantee designated in the Grant Offer.

2. Compliance by the Grantee: The Grantee shall comply with all applicable provision of the "Statement of Assurances" as included in the Grant Application.
3. Maintenance of Records: The Grantee shall maintain records which will allow assessment of the extent of Grantee performance of the Scope of Work and which allow for the comparison of actual outlays with budgeted amounts. The Grantee's overall financial management system must ensure effective control over, and accountability for, all funds received. Accounting records must be supported by source documentation such as time sheets and invoices.
4. Retention of Records: The Grantee shall retain all financial records, supporting documents, statistical records, and all other pertinent records for a period of three years, unless otherwise specified in the Grant Agreement. The retention period starts from the date of the Grantee's accepted and approved final audit report.
5. Amendments. The Grantee must obtain prior written approval of the Grant Administrator for grant amendments as follows:
  - a. changes of substance in the Scope of Work including new activities or alterations of existing approved activities;
  - b. extensions to the term of work performance for completion of project activities;
  - c. for Grants of less than \$100,000, cumulative changes amount approved CDBG funded budget items which exceed \$5,000 or five percent (5%) of the Grant, whichever is the lesser amount; and
  - d. for Grants of \$100,000 or more, cumulative changes among approved CDBG funded budget items which exceed \$10,000 or five percent (5%) of the Grant, whichever is the lesser amount.

The amendment request must be submitted by an authorized local official of the Grantee.

6. Suspension of Grant: When the Grantee has failed to comply with the grant award stipulations, standards, or conditions, the Grantor may, on reasonable notice to the

Grantee, suspend the grant and withhold further payments, or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate in accordance with these Terms and Conditions. The Grantor will allow all necessary and proper costs, which the Grantee could not reasonably avoid during the period of suspension, provided they meet the provisions of OMB Circular A-87.

7. Termination for Cause: The Grantor may terminate this grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant. The Grantor will promptly notify the Grantee in writing of the determination and the reasons for the termination, together with the effective date. Payments made to recipients, or recoveries by the Grantor, will be in accordance with the legal rights and liabilities of the parties.
8. Termination for Convenience: The Grantor or the Grantee may terminate this grant in whole, or in part, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of the Grant. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The Grantee shall not incur new obligation for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Grantor will allow full credit to the Grantee for the Grantor's share of the noncancelable obligations that were properly incurred by the Grantee prior to termination.
9. The Grantee and political subdivisions, agencies, and instrumentalities thereof, when engaged in letting contracts or procuring products or services which involved funds obtained from the Grantor shall ensure that bid specifications, project agreements, other controlling documents, and any other local requirements do not:
  - a. require bidders, offerors, contractors, or subcontractors to enter into or adhere to agreements with one or more labor organizations on the same or related projects;
  - b. discriminate against bidders, offerors, contractors or subcontractors for refusing to become or remain signatories or otherwise adhere to agreements with one or more labor organizations on the same or related construction projects; or
  - c. require any bidder, offeror, contractor, or subcontractor to enter into, adhere to or enforce any agreement that requires its employees as a condition of employment to:
    - i. become members of or become affiliated with a labor organization; or
    - ii. pay dues or fees to a labor organization, over an employee's objection, in excess of the employee's share of labor organization costs relating to collective bargaining, contract administration or grievance adjustment.

**PROJECT BUDGET**  
**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

1. Applicant: Clare City		2. Project Title: Beech & Fourth Street Streetscape Project	
(MSC 209157-ICE)		(Identify all other funding sources)	
3. Project Cost Elements		4. Project Funding Sources	
Activities	CDBG	Local	TOTAL
Construction	\$80,336	\$28,064	\$108,400
Engineering	\$0	\$18,000	\$18,000
Contingency	\$6,864	\$3,936	\$10,800
<b>TOTAL</b>	<b>\$87,200</b>	<b>\$50,000</b>	<b>\$137,200</b>

## SECTION 3 – PROJECT DESCRIPTION

A. Project Description.

1. During the past 20-year period, the City of Clare has invested heavily in its downtown district to ensure that Clare's downtown has remained the heart and soul of this small, rural community. Investments completed during this period include construction of streetscape throughout a majority of the downtown district; elimination of two large, dilapidated industrial buildings in the heart of the central business district; construction of a new and major rehabilitation of a previously-existing municipal parking lot; construction of a new district library in the downtown district; street and sidewalk improvements; completion of three downtown façade projects; and extension of the Pere Marquette Rail Trail into the downtown district. Concurrently the City has attained Michigan Main Street and Cool Neighborhood certification and has started the process to attain national historic designation. The significant investment the City has made in its downtown district is based on the knowledge that a vibrant, attractive, and pedestrian-friendly downtown has a tremendously important benefit to the entire community – not just those who live and work in this core business and residential district. With the majority of the rehabilitation of the basic infrastructure of the City's downtown district completed, the primary focus is now being concentrated on developing and providing affordable housing options to Clare residents in the downtown district. As reflected in the narrative of Section 1 of this application, the City has a shortfall in its inventory of multi-family housing for its low-to-moderate income senior population and concurrently is lacking in recreational and organized activity facilities for its senior citizens. The construction of the ClareCastle Project and the utilization of the bottom floor of this building as the Clare County Senior Center will alleviate these shortfalls. The proposed Fourth Street and Beech Street Streetscape Project will integrate ClareCastle into the downtown's existing streetscape and concurrently provide a pedestrian-friendly link to City Park, thereby adding to the value of the ClareCastle and Clare Senior Center projects.
2. The entirety of this project will be constructed within City-owned street right-of-way and on City-owned property. The project consists of the construction of 800 linear feet of Type C-4 curb and gutter; construction of 800 linear feet of 14-foot wide, 8-inch thick concrete; laying of 650 linear feet of 6-foot wide areas of brick pavers; the planting of 20 trees protected by tree grates; the installation of 18 decorative street lamps matching the existing lamps of the City's downtown district; electrical work related to the installation of the street lamps; the construction of 1,500 square feet of exposed aggregate sidewalk; the installation of an irrigation system for the trees and green spaces being planted in conjunction with this project; topsoil, seed, and mulch; and removal of existing asphalt that will be converted to green space.
3. The proposed project will directly benefit the low-to-moderate income residents of the 24-unit ClareCastle senior high-rise building because it links this building with the remainder of the downtown commercial district of Clare and concurrently provides these

residents easy access to the adjacent City Park and all the activities that occur at that recreational site. And as the majority of Clare County residents, who will be utilizing the Clare County Senior Center located on the ground floor of ClareCastle will also be low-to-moderate seniors, a similar benefit will be realized for them.

4. The project will be constructed within public street rights-of-way on West Fourth Street and Beech Street and within City Park, a publicly-owned recreational park, within the City of Clare, Michigan. Maps, photos, and preliminary engineering drawings of the proposed work within the project area are enclosed at Tab A.
  5. Project engineering will commence immediately upon approval by MEDC. The City of Clare intends to submit a request to MEDC to allow the City to incur local engineering costs. The project timeline outlined at Tab B is contingent upon approval of the aforementioned request.
  6. No CDBP Program Income from previously awarded CDBG grant will be utilized or included in the proposed project.
  7. Only preliminary engineering drawings and estimates have been completed and are attached at Tab A.
  8. Only local permits (electrical) are required for implementation of the proposed project.
  9. No special fees, assessments, or hook-up charges will be assessed as a result of this project. The City will be responsible for all post-maintenance fees associated with the project.
  10. No proposed project activities will be located in FEMA-designated flood plains.
  11. No property leases, acquisitions, easements, or donations are required or will be asked for as a result of this project; all activities will occur within public rights-of-way of the City of Clare and on City-owned public property.
  12. No relocation, neither temporary nor permanent, of any business; non-profit organization; homeowner; or tenant will occur or result or as a consequence of this project.
- B. National Objective. The proposed project will directly benefit the residents of the 24-unit ClareCastle multi-family, high-rise residential structure. 100% of these residents are low-to-moderate income tenants. Additionally, the project will directly benefit the senior residents who will utilize the Clare County Senior Center; an estimated 52% of these individuals are low-to-moderate income community members.

## RESOLUTION 2010-0074

### A RESOLUTION OF THE CLARE CITY APPROVING A MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AGREEMENT.

WHEREAS, the City applied for and has formally been notified of approval of said application of a Michigan Community Development Block Grant (CDBG) in the amount of \$87,200 to allow the City to construct a streetscape project on Beech Street and West Fourth Street in the City of Clare; and

WHEREAS, the City Commission has reviewed said offered agreement and determined acceptance to be in the best long-term interests of the City.

NOW THEREFORE BE IT RESOLVED THAT the City Commission of the City of Clare hereby approves the offered Michigan Community Development Block Grant in the amount of \$87,200 to allow the City to construct a streetscape project on Beech Street and West Fourth Street in the City of Clare.

BE IT FURTHER RESOLVED THAT the City Commission hereby authorizes its City Manager to execute any and all documents related to the execution of said project.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 19<sup>th</sup> day of July 2010.

\_\_\_\_\_  
Diane Schmidt, City Clerk