

SUBRECIPIENT DEVELOPMENT AGREEMENT

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BETWEEN

CITY OF MARQUETTE, MICHIGAN and THE NORTHERN MICHIGAN UNIVERSITY FOUNDATION

This Subrecipient Development Agreement (the “**Agreement**”), dated as April 24 2023 (“**Effective Date**”), is entered into between the CITY OF MARQUETTE, MICHIGAN, a Michigan municipal corporation (“**City**,”) and THE NORTHERN MICHIGAN UNIVERSITY FOUNDATION a Michigan nonprofit corporation (“**Foundation**”).

RECITALS

A. The Foundation has proposed its demolition of a collection of buildings (“**Obsolete Buildings**”) located at the common address of 420 West Magnetic Street, Marquette, Michigan, which are part of what is colloquially known as the former Marquette General Hospital (all such real property, the “**Property**” and/or “**Project Site**”). The Obsolete Buildings are a part of a collection of 11 buildings spread over 17.05 acres that served as the regional hospital for the central Upper Peninsula until 2019. The specific project area in which the Obsolete Buildings are located encompasses a city block, bounded by N. Seventh St. to the west, W. College Ave. to the north, Hebard Ct. to the east, and W. Magnetic St. to the south. The following buildings, as depicted and identified in the map attached as *Schedule 1*, attached hereto, comprise the Obsolete Buildings: West, 1981, JCM, 1969, 1984, MRI, St. Luke’s, Wallace, and the Boiler Plant. Demolition of the Obsolete Buildings is referred to in this Agreement as the “**Demolition Project**”.

B. The Foundation also has plans for future development of the Property which includes development of residential and retail property (the Demolition Project and further development of the Property, the “**Long Term Redevelopment Project**”). Though the Foundation may engage in a partnership for the future development of the Property, it will not engage in any partnership in connection with the Demolition Project, and the Foundation will be the entity engaging and contracting with the general contractor to perform the Demolition Project (such general contractor engaged to perform the Demolition Project, “**Contractor**”).

C. The City and the Fund Manager of the Michigan Strategic Fund (“**Grantor**”), in connection with the proposed Project, have entered into that certain State of Michigan Economic Development Grant Agreement Between the Michigan Strategic Fund and the Community Development Block Grant Program for GRANT NO. MSC 222028-ESB (“**CDBG Agreement**”) which is attached hereto as *Schedule 2*. The CDBG Agreement obligates the Foundation to comply with all the provisions, requirements and obligations imposed on the City by the CDBG Agreement, and the Foundation has agreed to accept such requirements and obligations.

D. The CDBG Agreement is intended to facilitate and fund the Demolition Project by

providing up to \$8,000,000 in reimbursement of qualified costs for the Demolition Project (such funds, “**Designated CDBG Funds**”). If the Foundation complies with all the terms of this Agreement, the City will disburse to the Foundation, to the extent such funds are delivered to the City by the Grantor, the Designated CDBG Funds as a reimbursement for the Foundation’s qualified costs.

E. The City and the Foundation now wish to enter into this Agreement to establish those obligations of the Foundation with respect to the Demolition Project and the terms pursuant to which any Grant Funds shall be provided to the Foundation by the City.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements, the parties agree as follows:

1. DEFINITIONS

Those capitalized terms which are not defined within this Agreement shall be deemed to have the definitions provided in the CDBG Agreement.

2. CERTIFICATIONS

The Foundation certifies to the City that:

(a). There has been no known adverse material change in the business, property, financial or other conditions of the Foundation since the date of the grant application, unless expressly acknowledged by the Foundation in writing to the City and Grantor, and should there be an adverse material change in the business, property (taking into account the intended impact of the Property given this is a Demolition Project), financial or other conditions of the Foundation occurring on or after the date of this certification, the Foundation shall inform the City and Grantor immediately in writing of such material change.

(b). The Designated CDBG Funds will be used only as set forth in the Grant Agreement, including Section A(2) of the Grant Agreement and the attached Special and General Terms and Conditions, for the Demolition Project.

(c). The Foundation has provided to the City a copy of the complete and accurate **Environmental Review Record** (including the **Environmental Assessment**), as such terms are defined in the Grant Agreement.

(d). Any submission of a Request of Release of Funds and Certification is a representation and certification by the Foundation of the local completion of the environmental review procedures and requirements as set forth 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.

(e). All contractors working on the Demolition Project will be CDBG eligible and properly licensed, bonded, and insured, as required by the Grant Agreement.

(f). Any consultant, supplier, or contractor engaged by the Foundation in connection with the Demolition Project or the Environmental Assessment shall comply with the procurement process required by 2 CFR 200.320, including any applicable requirements in Section B(2) of the Grant Agreement. Without limiting the provisions above, the Foundation represents and warrants to the City that its engagement (or proposed engagement if instead applicable) of the Adamo Group for the Demolition Project has and/or will comply with all processes and requirements established by federal and state statutes and regulations.

(g). Neither the Foundation nor any of its affiliates, subsidiaries, officers, directors, managerial employees, and any person who, directly or indirectly, holds a pecuniary interest in the Foundation of twenty percent (20%) or more (i) has any criminal convictions incident to the application for or performance of a state contract or subcontract; and (ii) has any criminal convictions or has not been held liable in a civil proceeding, that negatively reflects on the person's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal anti-trust statutes.

(h). The Demolition Project will not include any of the following:

- a. construction activities, either on or off private property;
- b. installation of machinery and equipment or any other personal property;
- c. acquisition, including donations, of real estate, permanent easements and/or right-of-ways, or the relocation of persons, families or farms;
- d. demolition or conversion of an occupied dwelling unit or a vacant occupiable dwelling unit, or
- e. any acquisition of real property.

3. ACKNOWLEDGEMENTS

(a). The Foundation acknowledges that the Grant is dependent upon the Grantor's continued receipt of Community Development Block Grant funds and the availability of adequate funds, and that the City is, and will be, in no way responsible to the Foundation if the Grant, or any portion thereof, is not delivered by Grantor to the City. The Grant Offer does not commit the Grantor or the City to approve requests for additional funds during or beyond the Grant.

(b). The Grant Offer executed between the City and Grantor does not commit the Grantor to approve requests for additional funds during or beyond this grant or City to make any request to the Grantor for any extensions or additional time or any additional funds.

(c). Pre-Agreement Costs must be authorized in writing by Grantor. Designated CBDG Funds will only be made available for the Foundation's eligible expenses incurred in

connection with the Demolition Project which are incurred during the Term established in the Grant Agreement and in accordance with the Grant Agreement.

(d). The Grantor and/or the City shall have the right at any time to require the Foundation to provide additional documentation to ensure that the Scope of Work (as defined in the Agreement) can be met.

(e). The Grantor may, in its sole discretion, modify or reduce the total amount of grant assistance offered for the Demolition Project, or modify or termination the Grant Agreement, and the City shall in no way be liable or responsible to the Foundation for any such modification, reduction or termination.

(f). MCL 423.324, the State of Michigan may void any contract if, subsequent to the award of the contract (including the Grant Agreement), the name the Foundation as an employer, or the name of any subcontractor, manufacturer, or supplier of the Foundation appears in the register.

(g). In the event that federal laws, statutes, rules or regulations related to HUD or CDBG funding require a change to the Grant Agreement (and the City then requires a change to this Agreement), the Grant Agreement and this Agreement shall be immediately interpreted, modified, applied and enforced consistent with those changes as though they were in the original Grant Agreement and this Agreement. The Foundation will execute an amendment to this Agreement as soon as possible without unreasonable delay reflecting such changes.

4. INCORPORATION OF OBLIGATIONS OF GRANTEE

(a). Article III of the Grant Agreement states *“Where the term “Grantee” appears in this Grant Agreement it shall be read to include any sub recipient or contractor of the Grantee.”* Thus, as the sub recipient of the Designated CDBG Funds, the Foundation agrees that in each and every instance within the Grant Agreement creating an obligation, responsibility, warranty, and/or representation (“CDBG Obligation” and collectively, “CDBG Obligations”) of the City, such shall be deemed a CDBG Obligation of the Foundation as applicable. Further, the Foundation agrees that it will be bound by such and shall satisfy all such CDBG Obligations, as applicable.

(b). Without in any way limiting the above, this Agreement establishes certain responsibilities, obligations, acknowledgements, representations and warranties of the Foundation (“Agreement Obligations”). In the event that any of the terms or provisions of this Agreement would conflict with, or cause any ambiguity between, the CDBG Obligations and the Agreement Obligations, the Agreement Obligations shall be deemed in addition to the CDBG Obligations to be performed and satisfied by the Foundation, and neither shall be deemed to limit the other.

5. RESPONSIBILITY FOR CONTRACTORS AND DEMOLITION PROJECT

The Foundation shall ensure that all of the following requirements are fully satisfied:

(a). All contractors and subcontractors or service providers working on the

Demolition Project shall be CDBG eligible and properly licensed, bonded, and insured, as required by the Grant Agreement;

(b). The Foundation, its contractor(s) and their subcontractors shall name the City as an Additional Insured for any work related to the Demolition Project;

(c). All contractors, and all subcontractors shall perform and complete any activities in compliance with all applicable state and local building codes, and shall secure all necessary permits and (if applicable) certificates from City and any other governmental entities with applicable jurisdiction, and

(d). Prior to a disbursement of the Grant, the Foundation shall provide for approval by the Grant Administrator;

- i. Executed prime and subcontractor contracts; and
- ii. Invoice verification of demolition costs being incurred by the prime contractor.

Without limiting the provisions of Section 4 above, The Foundation shall comply and ensure its contractors compliance with prohibitions of Article III, Section 11 and the compliance requirements of Article III, Section 2.

6. NON-DISCRIMINATION – UNFAIR LABOR PRACTICES

(a). In connection with this Agreement and the Demolition Project, the Foundation agrees not to discriminate against any employee or applicant for employment, with respect to its hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex (including sexual orientation and gender identity or expression as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, physical or mental disability, or genetic information (as defined in Executive Directive 2019-09) that is unrelated to the individual's ability to perform the duties of the particular job or position. The Foundation further agrees that every subcontract or sub-recipient agreement entered into for performance of this Agreement will contain a provision requiring nondiscrimination in employment, as specified in this Agreement, binding upon each subcontractor. This covenant is required, as applicable under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and is consistent with Executive Directive 2019-09, and any breach thereof may be regarded as a material breach of this Agreement. The Foundation shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in the register (as updated) of employers failing to correct an unfair labor practice compiled under MCL 423.322. The United States Labor Relations Board compiles this information.

7. FOUNDATIONS OBLIGATIONS FOR REPORTS

(a). The Foundation shall provide Program Progress Reports beginning June 15, 2023 and every six (6) months thereafter

(b). The Foundation shall provide a final Payment Request within 90 days of the expiration of the Term. The Foundation acknowledges that Payment Requests received after this time will not be processed.

(c). The Foundation shall provide a final Program Progress Report and all other required close out documents specified by the MSF within 90 days of the expiration of the Term.

(d). During each of the Foundation's fiscal years in which a disbursement of the Grant is made under this Agreement, the Foundation shall file an Audit Report. This Audit Report must be prepared by an independent auditor, and be in compliance with the requirements of 2 CFR Part 200, or as required by the Grant Administrator. This Audit Report shall be provided to the City within 30 days after completion of the audit, but not later than eight months following the close of the Foundation's fiscal year. To the extent that the Audit Report applies solely to the City, the City shall satisfy and/or cooperate with such portion of the Audit Report.

(e). The Foundation shall maintain records which will allow assessment of the extent of the Foundation's performance of the Scope of Work and which allow for the comparison of actual outlays with budgeted amounts. The Foundation'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. The Foundation shall retain all financial records, supporting documents, statistical records, and all other pertinent records until notified by the Grantor.

(f). The Foundation will cooperate with the Grantor to promote the Grant Activities through one or more of the placement of a sign, plaque, media coverage or other public presentation at the project or other location acceptable to the Grantor and the City.

8. INDEMNITY:

(a). The Foundation hereby release the City and its respective members, officers, directors, employees, agents, and attorneys (hereinafter collectively referred to as "**Indemnified Parties**") and agrees to indemnify, defend and hold harmless the City and the Indemnified Parties from any Claims arising out of or related to the Application, the Grant Agreement, the Grant, the Demolition Project, the Long Term Development Project and the Property and any act or omission of the Foundation in connection with, the performance of this Agreement, and for all losses arising from implementation of this Agreement.

"**Claims**" is defined as any and all foreseeable or unforeseeable claims, suits, proceedings, actions, liabilities, expenses, losses, costs, deficiencies, fines, penalties, judgments or damages (including consequential or punitive damages) of any kind or nature and out of pocket legal or other expenses including, without limitation reasonable attorneys' fees and expense ("**Release**

and Indemnification”) The above Release and Indemnification shall include without limitation the following:

- i. Grantor determines, in its sole discretion, whether or not accurately and whether or not disputed by the Foundation, that the Foundation has violated, failed, or refused to comply with, any term, condition, or provision of the Grant Agreement.
- ii. The Grantor requires any repayment of the Grant.
- iii. Any contractor, subcontractor, service or other person makes a Claim against the City in connection with the Demolition Project or the Long Term Development Project.

In the event that the Foundation defaults on any CDBG Obligations or Agreement Obligations, the City shall have the right, but not the obligation, to terminate this Agreement and the Grant Agreement and require the Foundation to repay to the Grantor all amounts disbursed under the Grant Agreement by the Grantor. The Foundation shall make all repayments required by the City or the Grantor within 10 days of notice of such repayment requirement.

9. PAYMENT TERMS:

- (a). Prior to the Foundation receiving any tender of proceeds of the Grant, the Foundation must provide a current completed Form W-9.
- (b). The Foundation must provide required documentation pursuant to state and federal guidelines for CDBG program funding.
- (c). The City will use good faith efforts to tender any Grant proceeds to the Foundation within [30] days of its receipt of such funds from Grantor.

10. MISCELLANEOUS:

- a. Amendments. Changes to this Agreement shall not be effective or binding unless in writing and signed by both parties to the Agreement.
- b. Applicable Law. This Agreement shall be interpreted pursuant to the laws of the State of Michigan.
- c. Divisibility. The invalidity of any one or more phrases, sentences, clauses, or paragraphs contained in this Agreement shall not affect the remaining portion of this Agreement, or any part thereof. Further, various headings included in this Agreement exist purely as an aid to locate particular wording, and do not in and of themselves in any way affect the substance of this Agreement.
- d. Counterparts: This Agreement may be executed in counterparts, all of which taken together as a whole, shall constitute one original document. For purposes of facilitating the

execution of this Agreement, an electronic copy (e.g. fax, pdf format or email) of a handwritten signature of either party hereto shall be deemed an original. Electronic copies of this Agreement may be delivered by way of email and Grantee and the Authority agree that electronic or digital signatures by way of digital signature programs such as DocuSign or AdobeSign shall be acceptable and deemed an original signature.

e. Notices. Any communication required or permitted by this Agreement must be in writing. Any communication shall be either delivered overnight by a nationally recognized courier as follows:

If to the Foundation:

Brad Canale, Chief Executive Officer
NMU Foundation
607 Cohodas Hall
1401 Presque Isle Avenue
Marquette, Michigan 49855

If to City:

Karen Kovacs, City Manager
City of Marquette
300 W. Baraga Avenue
Marquette, NMI 49855

IN WITNESS WHEREOF, the parties hereto have executed this SUBRECIPIENT AGREEMENT effective as of the date above.

CITY OF MARQUETTE , MICHIGAN:

By: _____

Title: _____

Date: _____

THE NORTHERN MICHIGAN UNIVERSITY FOUNDATION

By: _____

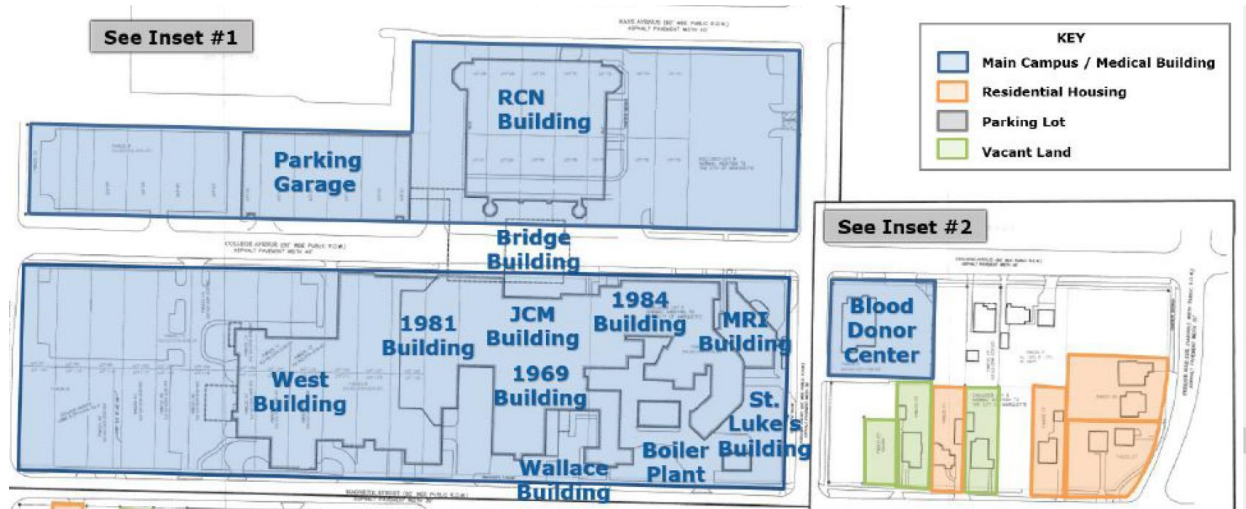
Title: _____

Date: _____

DRAFT

SCHEDULE 1

Depiction of Project Site



SCHEDULE 2
Grant Agreement

DRAFT

GRANT NO. MSC 222028-ESB

STATE OF MICHIGAN

COMMUNITY DEVELOPMENT GRANT AGREEMENT

BETWEEN THE

MICHIGAN STRATEGIC FUND

AND THE

CITY OF MARQUETTE

STATE OF MICHIGAN

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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I. GRANT OFFER FOR MICHIGAN CDBG NO. MSC 222028-ESB

The Fund Manager of the Michigan Strategic Fund (the “Grantor”), acting pursuant to Resolution 2023-021 of the Michigan Strategic Fund Board, hereby offers to the City of Marquette (the “Grantee”), grant assistance subject to the Grant Agreement.

The maximum amount of grant assistance hereby offered for blight elimination and related activities, including environmental review, is \$8,000,000 (the “Grant”). The maximum amount of grant assistance hereby offered for administration is \$30,000. 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. The Grantee shall be responsible for any cost overruns.

The term of work performance shall be twenty-four (24) months from April 1, 2023 through March 31, 2025 (the “Term”), plus additional time to meet reporting or other procedural requirements.

If demolition will not start by July 1, 2023 (the “Commencement Period”), then the Grantee must seek and receive in writing an extension of the Commencement Period from the Grant Administrator prior to the expiration of the Commencement Period, otherwise this Grant Agreement shall terminate and no longer be in effect. In the event this Grant Agreement is terminated as set forth herein, the Grantee must request that the Grant be reapproved by the MSF Board before it may be reinstated.

The Grantee hereby certifies that there has been no known adverse material change in the business, property, financial or other conditions of the Northern Michigan University Foundation (the “Property Owner”) since the date of the grant application, unless expressly acknowledged in writing to the Grantor. Should there be an adverse material change in the business, property, financial or other conditions of the Property Owner occurring on or after the date of this certification, the Grantee shall have an obligation to inform the Grantor immediately in writing of such material change.

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

Dated this ____ day of _____, 2023

Dated this ____ day of _____, 20XX

Valerie Hoag
Fund Manager
Michigan Strategic Fund

Karen Kovacs
City Manager
City of Marquette

Counterparts; Facsimile, Electronic and PDF Signatures; Copies – This Agreement may be executed in any number of counterparts, each of which, when executed shall be deemed an original, and all of which together, shall constitute one and the same agreement. This agreement may be delivered by facsimile, or PDF or other electronic format and in such circumstances, may be relied upon to the same extent as though such copy was an original.

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 Community Development Block Grants / State's Program & Non-Entitlement
Grants in Hawaii

GRANT NO.: MSC 222028-ESB

GRANTEE: City of Marquette
300 W. Baraga Avenue
Marquette, MI 49855
Karen Kovacs, City Manager, 906-225-8102

DUNS NUMBER: DUNS #074776063

GRANT ADMINISTRATOR: Michigan Economic Development Corporation
300 North Washington Square
Lansing, Michigan 48913
Greg West: westg2@michigan.org

FFATA PROJECT DESC.: Marquette site demolition and clearance.

TERM: April 1, 2023 – March 31, 2025

GRANT FUNDING YEAR: 2021

FEDERAL AWARD: FAIN: B-21-DC-26-0001
Date: 08/16/2021
Department of Housing & Urban Development
Assistant Secretary of Community Planning & Development
(202) 708-1112

A. TOTAL AUTHORIZED BUDGET

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

Grantor (CDBG) Cash Contributions	<u>\$8,030,000</u>
TOTAL	<u>\$8,030,000</u>

2. 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.

3. Pre-Agreement Costs must be authorized in writing. Unless previously authorized as indicated below, the Grant will only be made available for the Grantee's eligible expenses, which occur during the Term, in accordance with the Grant Agreement.

<u>Date</u>	<u>Source</u>	<u>Activity</u>	<u>Amount</u>
4/6/2023	Grantor (State)	Administration Costs	\$22,500
9/22/2022	Grantor (State)	Environmental Review	\$11,320

B. SCOPE OF WORK

The Scope of Work of the Grantee under this grant shall be to undertake and complete the following activities, as further detailed in the Grantee's Application received August 5, 2022, 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 provide for approval by 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 forth 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 and other local, public and private funds.
2. If the Grantee will be engaging the consultant, supplier, or contractor then the Grantee shall comply with the procurement process required by 2 CFR 200.320. Among other things, this regulation applies to all CDBG funded engineering and consultant contracts as well as all CDBG funded construction contracts.
 - a. For supplies and service contracts such as engineering and consulting less than or equal to \$150,000, the Small Purchase Procedures as provided in 2 CFR 200.320(b) may be used. In accord with this regulation and prior to Grantor disbursement of the Grant, the Grantee shall provide for approval by the Grant Administrator documentation that price or rate quotations were obtained from an adequate number of qualified sources and a copy of the executed contract.
 - b. For supplies and service contracts such as engineering and consulting greater than \$150,000, Grantee must use competitive negotiation through a Request for Proposal (RFP) or Request for Qualifications (RFQ) process as provided in 2 CFR 200.320(d). In accord with this regulation and prior to Grantor disbursement of the Grant, the Grantee shall provide for approval by the Grant Administrator a copy of the locally published 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 2 CFR 200.320(c). In accord with this regulation and prior to Grantor disbursement of the Grant, the Grantee shall provide for approval by the

Grant Administrator a copy of the locally published advertisement for bids and the bid tabulation.

3. If the Grantee will not be engaging any consultant, supplier, or contractor, then the procurement process required by 2 CFR 200.320 shall not apply. The Grantee shall ensure that payment for services, supplies, or materials shall not exceed the amount ordinarily paid for such services, supplies, or materials in the area where the services are rendered or the supplies or materials are furnished.
4. If the project uses the Grant for demolition to be followed by on-site construction activities, 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.
5. If the project involves the installation of machinery and equipment and the installation cost is greater than 20% of the total cost of the machinery and equipment, 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 installation activities financed in whole or in part with CDBG funds. Such approval must be secured prior to Grantor disbursement of the Grant.
6. If the project uses the Grant for construction activities on private property, 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 with any other matching funds on said private property. Such approval must be secured prior to Grantor disbursement of the Grant.
7. If the project involves acquisition, including donations, of real estate, permanent easements and/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.
8. If the project involves the demolition or conversion of an occupied dwelling unit or a vacant occupiable dwelling unit, the Grantee shall provide for approval by the Grant Administrator documentation of compliance with Section 104(d) of the Housing and Community Development Act of 1974. Such approval must be secured prior to Grantor disbursement of the Grant.
9. If the Project involves acquiring real property in whole or in part using Grant funds in excess of \$150,000, the Grantee shall provide for approval by the Grant Administrator a Real Property Management Report (RPMR) 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 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.

10. If the Project involves acquiring personal property in whole or in part using Grant funds in excess of \$150,000, the Grantee shall provide for approval by the Grant Administrator a Personal Property Management Report (PPMR) prior to 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.

11. Grantee is responsible for ensuring that all contractors working on the project are CDBG eligible and properly licensed, bonded, and insured.
12. The Grantee, all contractors, and all subcontractors shall ensure that any construction or rehabilitation implemented pursuant to the terms and conditions of this Agreement shall meet all applicable state and local building codes.
13. The Grantee, all contractors, and all subcontractors shall secure in a timely manner all necessary certificates and permits from municipal or other public authorities as required in connection with the performance of this Agreement.
14. The Grant must be requested on a reimbursement basis or when there is an immediate cash need for the funds.
15. Vendor Registration. To receive payments under this Agreement, the Grantee must register as a vendor with the State. All required payments will be made via electronic funds transfer.
16. In the event of any adverse material change in the business, property, financial or other conditions of the Property Owner shall immediately notify in writing the Grantee and Grantor. The Grantor reserves the right at any time to request additional documentation to ensure that the Scope of Work can be met.
17. The Grantee shall expend up to \$8,000,000 of the Grant for site demolition related activities. This structure is blighted as defined by Michigan Law, MCL 125.2652. The project activities are further described in Attachment B.
18. The Grantee shall expend up to \$30,000 for administration, including 3rd Party Environmental contracts.
19. The national objective compliance for the acquisition of real property must be based on the use of the property after the acquisition takes place. The initial determination is based on the planned use of the property, but the final determination is based on the actual use.

20. When property is acquired for the purpose of clearance to remove specific conditions of blight or physical decay, the clearance is considered to be the actual use of the property. Any subsequent use made of the property following clearance must comply with Section II(B)(9).
21. Prior to incurring construction costs, the Grantee shall:
 - a. Receive written release of funds for construction activities.
22. Prior to a disbursement of the Grant, the Grantee shall provide for approval by the Grant Administrator:
 - a. Executed prime and subcontractor contracts; and
 - b. Invoice verification of demolition costs being incurred by the prime contractor.
23. 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.
24. The Grantee shall provide Program Progress Reports beginning July 15, 2023 and every six (6) months thereafter.
25. The Grantee shall provide a final Payment Request within 60 days of the expiration of the Term. Payment Requests received after this time will not be processed.
26. The Grantee shall provide a final Program Progress Report and all other required close out documents specified by the MSF within 120 days of the expiration of the Term.
27. 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.
28. 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 2 CFR Part 200, 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.
29. Whenever possible, auditees shall make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises, in procuring audit services as stated in 2 CFR Part 200, as applicable.

30. A risk assessment has been completed for this project. Based on the assessment, it has been determined that no additional grant terms are required./Based on the assessment, the following grant terms are required to minimize identified areas of potential risk:
- a. Execute a Development Agreement with the Property Owner; and
 - b. Contract with a Certified Grant Administrator;
31. Non-Discrimination and Unfair Labor Practices. In connection with this Agreement, the Grantee and the Property Owner agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex (including sexual orientation and gender identity or expression as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, physical or mental disability, or genetic information (as defined in Executive Directive 2019-09) that is unrelated to the individual's ability to perform the duties of the particular job or position. The Grantee and the Property Owner further agrees that every subcontract or sub-recipient agreement entered into for performance of this Agreement will contain a provision requiring nondiscrimination in employment, as specified in this Agreement, binding upon each subcontractor. This covenant is required, as applicable under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and is consistent with Executive Directive 2019-09, and any breach thereof may be regarded as a material breach of this Agreement.

Under 1980 PA 278, MCL 423.321, *et seq.*, the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under MCL 423.322. The United States Labor Relations Board compiles this information. The Company shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Under MCL 423.324, the State may void any contract if, subsequent to the award of the contract, the name of the Company as an employer, or the name of a subcontractor, manufacturer, or supplier of the Company appears in the register.

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 provisions of the following:
 - a. “Statement of Assurances” as included in the Application.
 - b. Compliance with Section 3 of the Housing and Urban Development Act of 1968, as amended.
 - c. Compliance with Title I of the Housing and Community Development Act of 1974, as amended (Fair Housing).
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 until notified by the MSF.
5. Publicity: At the request and expense of the Grantor, the Grantee will cooperate with the Grantor to promote the Grant Activities through one or more of the placement of a sign, plaque, media coverage or other public presentation at the project or other location acceptable to the Parties.
6. Applicability of Federal Regulations: In the event that federal laws, statutes, rules or regulations related to HUD or CDBG funding require a change to this Grant Agreement, this Grant Agreement shall be immediately interpreted, modified, applied and enforced consistent with those changes as though they were in the original Grant Agreement. Those changes shall be incorporated into this Grant Agreement in writing as soon as possible without unreasonable delay by any party.
7. 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 among approved CDBG funded budget items which exceed \$5,000 or five (5) percent 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 (5) percent of the Grant, whichever is the lesser amount.

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

- 8. Suspension of Grant: When the Grantee has failed to comply with the grant award stipulations, standards, or conditions, or in the event of an adverse material change as to the Property Owner as provided in Section II(B)(16), 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 2 CFR Part 200.
- 9. 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 or in the event of an adverse material change as to the Property Owner as provided in Section II(B)(16). 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.
- 10. 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.
- 11. 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.
- 12. The MSF, the State of Michigan, its board and its employees shall not in any manner be liable for any loss or damage connected to or resulting from activities conducted under this Agreement; nor for any injury or damages to any person whether an employee of the Grantee or otherwise, or for damage to any materials, equipment, or other property that may be used or employed in connection herewith.
- 13. The parties hereby agree that the invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions thereof.
- 14. Prohibit Use of Grant Disbursements: The Grantee shall not use any Grant Disbursements for the development of a stadium or arena for use by a professional sports team or development of a casino or property associated or affiliated with the operation of a casino as prohibited by the Act (see MCL 125.2088c(3)(a) and (b)), or to induce the Company, a qualified business, or small business to leave the State of Michigan, or to contribute to the violation of internationally recognized workers' rights, of workers in a country other than the US, or to fund an entity incorporated in a tax haven country, as prohibited by the Act (see MCL 125.2088c(4)(c), (d), and (e)).
- 15. Criminal or Civil Matters: The Grantee affirms that to the best of its knowledge that it or its Affiliates, subsidiaries, officers, directors, managerial employees, and any person who, directly or indirectly, holds a pecuniary interest in the Company of Twenty percent (20%) or more: (i) do not have any criminal convictions incident to the application for or performance of a state contract or subcontract; and (ii) do not have any criminal convictions or have not been held liable in a civil proceeding, that negatively reflects on the person's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of state or federal antitrust statutes.

IV. ACKNOWLEDGEMENT AND CERTIFICATION BY PROPERTY OWNER

The Northern Michigan University Foundation (the "Property Owner) acknowledges receipt of a copy of the Grant Agreement MSC 222028-ESB, together with all attachments. It is understood that the CDBG financed portion of the project will provide funding for blight elimination through the complete demolition, including asbestos and environmental contaminant abatement, of the specific buildings identified in Attachment B of this agreement in the project area, that only demolition related costs incurred and invoiced via the prime contractor will be eligible for reimbursement, and only demolition activities identified in Attachment B of this agreement will be completed during the term of work of this agreement prior to written authorization by CDBG staff.

Therefore, the Property Owner agrees to abide by the terms of the Grant Agreement.

In the event of any adverse material change in the business, property, financial or other conditions of the Property Owner agrees to immediately notify in writing the Grantee and Grantor and to provide Grantee and Grantor with any additional documentation reasonably requested. The Property Owner further acknowledges that should the goals for this project not be met, the Grantor may require the repayment of the Grant up to the full amount.

The signatory below warrants that he is empowered to enter into this Agreement.

Dated this _____ day of _____, 2023

Property Owner

Name

Title

Counterparts; Facsimile, Electronic and PDF Signatures; Copies – This Agreement may be executed in any number of counterparts, each of which, when executed shall be deemed an original, and all of which together, shall constitute one and the same agreement. This agreement may be delivered by facsimile, or PDF or other electronic format and in such circumstances, may be relied upon to the same extent as though such copy was an original.

PROJECT BUDGET
MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

1. Applicant: City of Marquette		(Grant No) MSC 222028-ESB		2. Project Title: Blight Clearance Project	
3. Project Cost Elements		4. Project Funding Sources (Identify all other funding sources)			
Activities	CDBG				TOTAL
Administration	\$ 30,000				\$ 30,000
Site Demolition Prime Contract	\$ 3,635,853				\$ 3,635,853
Environmental Review	\$ 14,265				\$ 14,265
Additional Demolition Activities	\$ 4,349,882				\$ 4,349,882
TOTAL	\$ 8,030,000	\$ -			\$ 8,030,000

The specific project area encompasses a city block and is bounded by N. Seventh St. to the west, W. College Ave. to the north, Hebard Ct. to the east, and W. Magnetic St. to the south. The following buildings, as seen in the below map, will be demolished utilizing CDBG funds: West, 1981, JCM, 1969, 1984, MRI, St. Luke's, Wallace, and the Boiler Plant. The project will also include environmental remediation activities related to the clearance project.

The CDBG funds will be wholly dedicated towards blight elimination through the complete demolition, including asbestos and environmental contaminant abatement, of the buildings in the project area.

