



# MEMORANDUM

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**To:** Mayor and Members of the City Council

**From:** Richard Hicks, Interim City Manager

**Date:** April 8, 2022

**Re:** Consideration – Renewal of Food Bank of the Albemarle Hugh Cale Resource Center Sub-Recipient Agreement

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***BACKGROUND:***

During the February 23, 2015 Regular Meeting, the City Council held a public hearing to consider entering into an agreement with the Food Bank of the Albemarle to allow their use of the Hugh Cale Resource Center. Following the public hearing, the City Council authorized the Mayor to execute a one-year agreement with the Food Bank. The Sub-Recipient Agreement has been renewed yearly each year since.

***ANALYSIS:***

The Food Bank of the Albemarle is a qualified 501c3 organization and their services are offered primarily to individuals classified as of low and moderate income (LMI). 71% of the households served by the Food Bank have incomes below the federal poverty level. The City of Elizabeth City has had a long-standing relationship with the Food Bank and annually provides Community Support Grant funding to them. As proposed in 2015, the Food Bank located four staff persons at the site, including a grant writer, special event/community food resourcing and temporary disaster relief coordinators. They have occupied the southeast corner of the building, which consists of three offices and the receptionist's desk. They have used the flex space for monthly training sessions. This accounts for roughly 600 square feet out of the 5,500 square foot facility.

Over the past years, Food Bank of the Albemarle has held several project planning meetings and regular meetings of their Board of Directors. Food Bank on-site staff has held In-Service Days at the Center on a quarterly basis as well. Use of the facility has proved beneficial to Food Bank staff and their clients.

Food Bank personnel have overseen the use of the entire facility, coordinating use of shared space with the three additional tenants the City has authorized to operate within the building. Each organization has a Sub-Recipient Agreement with the City. The Food Bank has been responsible for scheduling the use of all flex space and has insured that all rules are followed by the multiple tenants. Their job has not been to enforce the rules, just to notify the City of problems. To date, the City has not been made aware of any problems aside from usual and customary building maintenance.

The attached proposed Sub-Recipient Agreement for Food Bank of the Albemarle is the same document we have used in the past with this organization and others. The general conditions are the same. The agreement will begin in April 2022 and will end in April 2023. The cost of utilities for the Center will be paid by the City; and historically, this cost has been approximately \$7,800 annually.

***STAFF RECOMMENDATION:***

By motion, authorize Mayor Bettie J. Parker to execute the attached Sub-Recipient Agreement with the Food Bank of the Albemarle for use of the Hugh Cale Resource Center.

**SUB-RECIPIENT AGREEMENT  
BETWEEN  
THE CITY OF ELIZABETH CITY  
AND  
FOOD BANK OF THE ALBEMARLE  
FOR PROVIDING SERVICES IN  
HUGH CALE RESOURCE CENTER**

**THIS AGREEMENT** entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2022 by and between the City of Elizabeth City and Food Bank of the Albemarle, hereafter also referred to as Sub-recipient.

**WHEREAS**, the Hugh Cale Resource Center was built with U.S. Department of Housing and Urban Development CDBG funds distributed to the City of Elizabeth City by North Carolina Department of Commerce, Division of Community Assistance (DCA); and

**WHEREAS**, the City of Elizabeth City wishes to engage Food Bank of the Albemarle, in order that Sub-recipient implement approved activities listed below to help low-income members of the community;

**NOW, THEREFORE**, it is agreed between the parties hereto that:

**I. Statement of Work**

Food Bank of the Albemarle will be responsible for providing food assistance to hungry people and for providing outreach, education, and information about hunger issues in the community at the Hugh Cale Resource Center (524 South Road Street) for the period April 24, 2022 to April 24, 2023. Food Bank of the Albemarle will receive no direct financial compensation from the City for the services provided in Hugh Cale Resource Center. The occupation of the Hugh Cale Resource Center requires the occupants to provide these services, free of charge, for the period mentioned above. The programs and services will include the following activities eligible under the Community Development Block Grant Program. It is understood and acknowledged that Hugh Cale Resource Center will have multiple tenants.

Program Delivery

The Food Bank of the Albemarle will provide assistance to hungry people in Elizabeth City, North Carolina. These services shall include outreach, education and information to low-and moderate-income families regarding hunger issues. These services shall be offered Monday through Friday between 8 a.m. and 5 p.m. at the Hugh Cale Resource Center, Food Bank of the Albemarle will be the primary occupant of the building during the aforementioned hours and will have

exclusive right to the area so noted in Exhibit No. 1. The Food Bank of the Albemarle may provide optional programs with approval from the City.

## **II. Limitations in programs/services and use of the Hugh Cale Resource Center**

The Hugh Cale Resource Center may not be used at any time including weekends for any activity that is not listed above without written permission of the Office of City Manager. It is understood and acknowledged that Hugh Cale Resource Center will have multiple tenants. Food Bank of the Albemarle may not rent or lease any part of the building. The Hugh Cale Resource Center may not be used for any religious activity at any time. The City of Elizabeth City will sign sub-recipient agreements with other organizations to provide services in the Hugh Cale Resource Center and requires that Food Bank of the Albemarle communicate and coordinate its activities with the City and other organizations that use the building, specially, during hours not mentioned in the Program Delivery Section (above). The Food Bank of the Albemarle shall work with the City to provide available times for the Hugh Cale Community to use and have access to the Center.

It shall be the responsibility of the Food Bank of the Albemarle to open/secure/close the Hugh Cale Resource Center during the hours of operation. The City will provide the Food Bank of the Albemarle with keys to all offices/rooms that have been assigned to them. In addition, keys to the perimeter doors and common area shall also be provided. Food Bank of the Albemarle shall equally share the cost of the alarm system, with other sub-recipients; each will be provided access codes to the alarm system. If the City utilizes the facilities after the Food Bank of the Albemarle normal hours of responsibility, the City shall assume the responsibility for opening/securing/closing the facility.

## **III. Service Schedule**

Food Bank of the Albemarle shall staff the Hugh Cale Center Monday – Friday from 8 a.m. to 5 p.m., excluding holidays. If the Food Bank of the Albemarle decides to utilize the Center after 5:00 p.m., it must provide a letter requesting such use one week in advance.

## **IV. National Objectives/Regulations**

Food Bank of the Albemarle certifies that the activities carried out with funds provided under this Agreement will meet the CDBG National Objective under 24 CFR 570.200 - 24 CFR 570.913:

- 1) Benefit low/moderate income persons

The Sub-recipient will be responsible for maintaining performance records to show the levels of accomplishment and meeting the CDBG program regulations and National Objective.

#### **V. Budget/Finance**

The Food Bank of the Albemarle will provide an annual audit report and/or financial compilation report to the City prepared by a certified public accountant on or before March 31<sup>st</sup> of each year. The Food Bank of the Albemarle will provide an annual budget which will cover the programs that will be offered in the Center by July 1<sup>st</sup> of each year.

#### **VI. Reports**

The Food Bank of the Albemarle will be required to submit a monthly progress report to the City by the 15<sup>th</sup> of every month outlining accomplishments. The report should include the number of individual patients and the types of services provided to these individuals with a brief explanation. The City may change the format and content of the report according to changing requirements of the City Council or North Carolina Department of Commerce. The programs and activities inside the Hugh Cale Resource Center will be monitored by the City of Elizabeth City. All disputes will be settled by the City, with the City's decision to be final as to all such disputes.

If Food Bank of the Albemarle is suspended/terminated by any federal or State agency, the Sub-recipient must inform the City within ten (10) days of date of the suspension/termination notice, and such suspension or termination would be grounds for City's immediate termination of this sub-recipient Agreement.

#### **VII. Program Income**

The Food Bank of the Albemarle may not charge the individuals that receive services in the Hugh Cale Resource Center but may charge for services rendered outside of the facility. The programs provided in the Hugh Cale Resource Center should generate no income, excluding grants from outside agencies.

#### **VIII. Reversion of Assets**

Hugh Cale Resource Center will be returned to the City at the end of this agreement unless the City of Elizabeth City decides to extend the agreement. All assets including the building must be returned to the City in good condition.

## **IX. Other Conditions**

The Food Bank of the Albemarle recognizes the City of Elizabeth City as the only legitimate owner of the Hugh Cale Resource Center. As long as Food Bank of the Albemarle occupies the Hugh Cale Resource Center it will make no request directly or indirectly to assume ownership of the building, and it will not support such a request by others.

## **X. Notices**

Communication and details concerning this contract shall be directed to the following contract representatives:

City of Elizabeth City  
Richard Hicks  
Interim City Manager  
City of Elizabeth City  
P.O. Box 347  
Elizabeth City, NC 27907  
Phone: (252) 337-6864  
Fax: (252) 335-2503

Food Bank of the Albemarle/Sub-Recipient/Coordinator  
Liz Reasoner, Executive Director  
P.O. Box 1704  
109 Tidewater Way  
Elizabeth City, NC 27909  
Phone: (252) 335-4035, Extension 110

## **XI. General Conditions**

### **A. General Compliance**

The Sub-recipient agrees to comply with the requirements of Title 24 of the Code of the Federal Regulations, Part 570 (the Housing and Urban Development Regulations concerning Community Development Block Grants (CDBG)). The Sub-recipient, also, agrees to comply with all other applicable Federal, State and Local laws, regulations and policies governing the funds provided under this contract.

### **B. "Independent Contractor"**

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Sub-recipient shall at all times be an "independent contractor" with respect to the services to be performed under this Agreement. The City shall be exempt from payment of all Unemployment Compensation Insurance associated with Sub-recipient's operations, as the Sub-recipient is an independent sub-recipient.

C. Hold Harmless

The Sub-recipient shall hold harmless, defend and indemnify the City of Elizabeth City from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Sub-recipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Sub-recipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this contract.

E. Insurance and Bonding

The Sub-recipient shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees and shall furnish evidence of such insurance coverage to the City.

F. Grantor Recognition

The Sub-recipient shall insure recognition of the role of the City of Elizabeth City in providing services through this contract.

G. Amendments

The City or Sub-recipient may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of both organizations, and their governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the City or Sub-recipient from its obligations under this Agreement.

H. Suspension and termination

The City of Elizabeth City may terminate this agreement without cause after providing the Food Bank of the Albemarle with a 180 days' notice.

The City of Elizabeth City may immediately terminate this agreement in case of violation of any HUD or State of North Carolina regulations including 24 CFR 570.

The City of Elizabeth City, in accordance with 24 CFR 85.43, reserves the right to suspend or terminate this agreement if the sub-recipient materially fails to comply with any term of the award and that the Agreement may be terminated for convenience in accordance with 24 CFR 85.44.

The City of Elizabeth City may, in its discretion, amend this Agreement to conform to Federal, State or local government guidelines, and polices. If such amendments result in a change in the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both the City of Elizabeth City and Sub-recipient.

The Food Bank of the Albemarle may terminate this agreement after providing 180 days written notice to the City.

#### I. Compliance with Requirements and all Applicable Laws

Sub-recipient shall procure, maintain and comply with all permits, licenses, and other authorizations required for the use of the premises by Sub-recipient for its intended purposes. Sub-recipient shall join in the application for any permit or authorization with respect to any legal requirements if such joinder is necessary.

Sub-recipient shall be responsible for procuring and maintaining all necessary local, state, and federal permits associated with or necessary as a consequence of Sub-recipient's occupation or use of the premises. Additionally, Sub-recipient shall comply with all federal, state, and local laws or ordinances pertaining to the occupation or use of the premises by Sub-recipient during the Agreement term. Any noncompliance by Sub-recipient with any federal, state, or local law or ordinance shall be grounds for the termination of this Agreement by City without any further notice to Sub-recipient. Sub-recipient shall further comply with all provisions of the Unified Development Ordinance in effect within the city limits of the City of Elizabeth City, and any non-compliance by Sub-recipient with the Unified Development Ordinance shall be grounds for the termination of this Agreement by City without any further notice to Sub-recipient.

#### J. Maintenance, Alterations and Additions

Sub-recipient will keep the premises in good order and condition and shall be responsible for the upkeep of their exclusive right areas(s) so noted in Exhibit No. 1. It is the intention of the City and Sub-recipient that Sub-recipient use the premises for the purposes stated herein in "I. Statement of Work" for individuals in the Elizabeth City, North Carolina area.

Except for routine maintenance, Sub-recipient shall not make any additions or improvements to the premises without the expressed written consent of the City. No structural changes to the interior or exterior of the buildings on the premises shall be made without the prior written consent of the City.

Sub-recipient shall not store, or allow to be stored, upon the premises any hazardous, flammable, or toxic materials of any kind, and Sub-recipient's non-compliance with this requirement shall be grounds for immediate termination of this Agreement.

Sub-recipient shall indemnify and hold harmless the City and the City's successors in interest, for any and all loss, including reasonable attorney's fees, occasioned by Sub-recipient's failure to comply with local, state, or federal laws or ordinances associated with



the use, storage, or removal of any and all hazardous or dangerous materials and petroleum products on or about the premises. Sub-recipient shall also indemnify and hold harmless the City and the City's successors in interest, for any and all loss, including reasonable attorney's fees, occasion by Sub-recipients use or occupation of the premises

#### K. Insurance

Sub-recipient will maintain with insurers authorized to do business in North Carolina liability insurance associated with the premises, which insurance coverage shall be in a limit of not less than \$500,000.00 per occurrence. Sub-recipient shall provide City with proof of such insurance coverage within thirty (30) days of the commencement of the Agreement term, and Sub-recipient shall further provide proof of such insurance coverage to Sub-recipient by November 15<sup>th</sup> of each year during the term of this Agreement.

Sub-recipient shall indemnify and hold harmless City and City's successors in interest, for any and all claims arising out of or from Sub-recipient's use of the premises.

#### L. Surrender of Premises

Upon the expiration or earlier termination of this Agreement, Sub-recipient shall return the premises to City in good order and condition, except for ordinary wear and tear, and except for the results of any casualty damage caused through no fault of Sub-recipient. Sub-recipient shall remove from the premises on or prior to such expiration or earlier termination all of Sub-recipient's property situate thereon and shall repair any damage caused by such removal. No hazardous, flammable, or toxic materials of any kind whatsoever shall be left on the premises by Sub-recipient upon the expiration or earlier termination of this Agreement.

#### M. Severability

If any provision of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such provision shall not be affected thereby

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this contract as of the date first written above.

City of Elizabeth City  
A NC Municipal Corporation

By: \_\_\_\_\_  
Bettie J. Parker  
Mayor

ATTEST:

\_\_\_\_\_  
April D. Onley, NCCMC  
City Clerk

[SEAL]

The Food Bank of the Albemarle

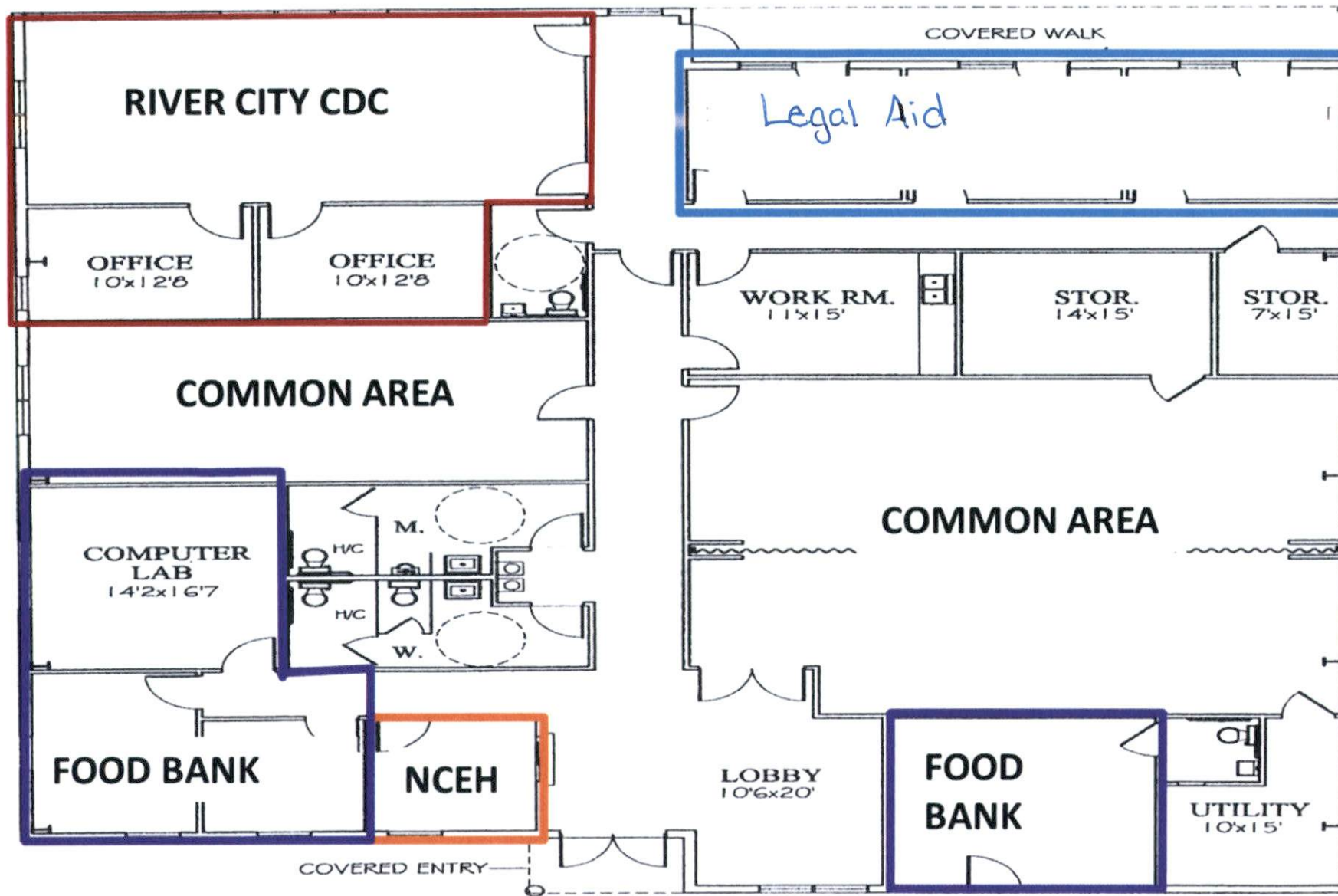
By: \_\_\_\_\_

\_\_\_\_\_  
Witness

By: \_\_\_\_\_

Chairman of the Board

\_\_\_\_\_  
Witness



FLOOR PLAN

**HUGH CALE BUILDING**  
ELIZABETH CITY, NC

**EXHIBIT #1**