



December 16, 2020

Mr. Brian Wagner, City Manager
City of Tipton

The proposed fee to complete an FAA review of one property appraisal completed by Dennis Cronk is \$1,500.00 inclusive of travel. The estimated turn time is two weeks or less from receiving a report from Mr. Cronk.

Respectfully,

Brian Linnemeyer, MAI

RESOLUTION NO. 122120A

RESOLUTION ACCEPTING THE FISCAL YEAR 19/20 ANNUAL AUDIT

WHEREAS, annually the City of Tipton is required by the Iowa Code to conduct an audit by an independent accounting firm; and

WHEREAS, Clifton Larson Allen LLP has prepared the FY 19/20 audit; and

WHEREAS, the City Council of the City of Tipton has reviewed the audit report for FY 19/20 as presented by Clifton Larson Allen LLP; and

WHEREAS, the City Council of the City of Tipton accepts the audit for FY 19/20.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tipton, Iowa, that the audit report for fiscal year 19/20 for the City of Tipton, Iowa, on file in the Finance Director's office and the Tipton Public Library, is hereby accepted and approved.

Passed and approved this 21st day of December 2020.

Bryan Carney, Mayor

ATTEST: _____
Amy Lenz, City Clerk

CERTIFICATION

I, Amy Lenz, City Clerk, do hereby certify the above is a true and correct copy of Resolution _____ which was passed by the Tipton City Council this 21st day of December 2020.

Amy Lenz, City Clerk



CliftonLarsonAllen LLP
CLAAconnect.com

Honorable Mayor and
Members of the City Council
City of Tipton, Iowa

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tipton, Iowa (the City) of and for the year ended June 30, 2020, and have issued our report thereon dated November 18, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Tipton, Iowa, are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2020.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was Note 3 regarding bonds and notes payable.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 18, 2020.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other information in documents containing audited financial statements

With respect to the supplementary information in Schedules 1 through 13 (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 18, 2020.

Honorable Mayor and
Members of the City Council
City of Tipton, Iowa
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The budgetary comparison information, schedule of City's proportionate share of net pension liability, and schedule of City contributions (collectively, other information) accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

This communication is intended solely for the information and use of the Honorable Mayor and members of the City Council and management of the City of Tipton, Iowa, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Cedar Rapids, Iowa
November 18, 2020

November 18, 2020

CliftonLarsonAllen LLP
600 3rd Avenue, Suite 300
Cedar Rapids, IA 52401

This representation letter is provided in connection with your audit of the financial statements of the City of Tipton, Iowa (the City) which comprise the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2020, and the respective changes in cash-basis financial position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with the cash receipts and disbursements basis of accounting.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of November 18, 2020, the following representations made to you during your audit of the financial statements as of and for the year ended June 30, 2020.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 9, 2020, for the preparation and fair presentation of the financial statements in accordance with the cash receipts and disbursements. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by the cash receipts and disbursements basis to be included in the financial reporting City.
- We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates are reasonable.
- Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of cash receipts and disbursements basis of accounting.

- No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and responses.
- We have not identified or been notified of any uncorrected financial statement misstatements.
- You have proposed adjusting journal entries that have been posted to the City's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
- We have no plans or intentions that may materially affect the carrying value or classification of assets or equity.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be disclosed in the financial statements in accordance with the cash basis of accounting, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
 - Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with, or deficiencies in, financial reporting practices.
 - All communications from regulatory agencies, grantors, lenders, and other funding sources concerning noncompliance with the provisions of laws, regulations, contracts, and grant agreements.
 - Access to all audit or relevant monitoring reports, if any, received from funding sources.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the City and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with the cash basis of accounting, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with cash receipts and disbursements basis of accounting.
- We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
- The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
- We have a process to track the status of audit findings and recommendations.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the City, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts.

or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.

- There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- The City has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have complied with all restrictions on resources and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
- We are responsible for determining whether we have received, expended, or otherwise been the beneficiary of any federal awards during the period of this audit. No federal award, received directly from federal agencies or indirectly as a subrecipient, was expended in an amount that cumulatively totals from all sources \$750,000 or more. For this representation, "award" means financial assistance and federal cost-reimbursement contracts that non-federal entities receive directly from federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, user grants, or contracts used to buy goods or services from vendors.
- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
- The financial statements properly classify all funds and activities.
- All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (nonspendable, restricted and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues and general revenues or contributions to permanent fund principal.

- Interfund, internal, and intra-entity activity has been appropriately classified and reported.
- Deposits are properly classified as to risk and are properly valued and disclosed.
- We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- We acknowledge our responsibility for the management's discussion and analysis, budgetary comparison information, schedule of City's proportionate share of net pension liability, and schedule of City contributions (collectively, other information). The other information is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the other information.
- We acknowledge our responsibility for presenting Schedules 1 through 13 (the supplementary information) in accordance with cash receipts and disbursements basis of accounting, and we believe the supplementary information, including its form and content, is fairly presented in accordance with cash receipts and disbursements basis of accounting. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
- As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes. We have also ensured that the entity's data and records are complete and received sufficient information to oversee the service.
- In regards to any other nonattest services performed by you, we have:
 - Made all management judgments and decisions and assumed all management responsibilities.
 - Designated an individual who possesses suitable skill, knowledge, or and/or experience to understand and oversee the services.
 - Evaluated the adequacy and results of the services performed.
 - Accepted responsibility for the results of the services.

Signature: Brian Wagner Title: City Manager

Signature: Murphy Title: Finance Director

RESOLUTION NO. 122120B

RESOLUTION AUTHORIZING APPROVAL OF AN IOWA ECONOMIC DEVELOPMENT
AUTHORITY (IEDA) CDBG PROGRAM CONTRACT (#20-WS-045) FOR THE
NORTH AVENUE WATER MAIN PROJECT

WHEREAS, the Iowa Economic Development Authority (IEDA) administers the
Community Development Block Grant (CDBG) which includes a program that funds eligible water
and sanitary sewer projects; and

WHEREAS, the City of Tipton was awarded a grant of up to \$189,185 for a project with an
estimated construction cost of \$315,185 (not including engineering) to replace the water main on
North Avenue.

NOW, THEREFORE, Be It Resolved, the City Council of the City of Tipton does hereby
authorize approval of the IEDA's CDBG Program Contract for the North Avenue Water Main Project and
further authorizes the Mayor and City Clerk to execute documents related to the scope of this Resolution.

PASSED AND APPROVED this 21st day of December 2020.

Bryan Carney, Mayor

ATTEST:

Amy Lenz, City Clerk

CERTIFICATION

I, Amy Lenz, City Clerk, do hereby certify the above is a true and correct copy of Resolution
_____ which was passed by the Tipton City Council this 21st day of December 2020.

Amy Lenz, City Clerk

December 11, 2020

Honorable Bryan Carney
City of Tipton
407 Lynn Street
Tipton, Iowa 52772

SUBJECT: 2020 CDBG Water/Sewer Award (20-WS-045)

Dear Mayor Carney:

I am pleased to inform you the Iowa Economic Development Authority (IEDA) has awarded the City of Tipton a Community Development Block Grant (CDBG) in an amount not to exceed \$189,185.

Your contract with respect to this award (the "Contract") will have a start date of December 3, 2020 pending successful contract negotiation and complete execution. Enclosed is the Contract between the City of Tipton and IEDA. Please review the document thoroughly. Once signed, please return the original signed copy to Hayley Crozier at IEDA. Upon receipt of your signed contract, we will execute and upload a copy to IowaGrants.gov for your records.

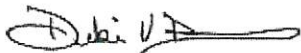
No HUD Funds or non-HUD funds may be committed to the project until the applicant has secured environmental approval from the State, as provided in HUD regulation 24 CFR Part 58. In addition, pending environmental approval and pursuant to 24 CFR Part 58.22(a), no grant recipient or participant in the development process, including contractors or sub-contractors, may undertake an activity that may limit the choice of reasonable alternatives. Such choice limiting actions include real property acquisition, conducting a competitive sealed bid process for the project, signing a construction contract, leasing, rehabilitation, repair, demolition, conversion, and construction.

IF ANY CONDITIONS CONTAINED IN THIS LETTER ARE NOT SATISFIED IN THE SOLE DISCRETION OF IEDA, OR THE CONTRACT IS NOT FULLY EXECUTED BY February 16, 2021, THIS AWARD OF FUNDS SHALL BE RESCINDED, AND NO REIMBURSEMENT IS AVAILABLE FOR ANY COSTS INCURRED BY THE CONTRACT RECIPIENT WITH RESPECT TO THIS AWARD.

If you have any questions, please contact your project manager, Dan Narber, at 515.348.6214 or by e-mail at dan.narber@iowaEDA.com.

IEDA looks forward to working with the City of Tipton on its CDBG Water/Sewer project **once all conditions to the award have been met and the contract is fully executed.**

Sincerely,



Deborah V. Durham
Director

cc: Mark Schneider, East Central Intergovernmental Association
Representative Bobby Kaufmann, House District 73
Senator Zack Wahls, Senate District 37
File: IowaGrants.gov

PROJECT INFORMATION

PROJECT TITLE: Tipton (CDBG Water/Sewer)
TOTAL FEDERAL FUNDS AWARD TO RECIPIENT: \$189,185
GRANT AWARD PERIOD: December 3, 2020 to October 31, 2023
FEDERAL AWARD PROJECT DESCRIPTION: CDBG Water/Sewer Project

SUBRECIPIENT INFORMATION

AGENCY NAME: City of Tipton
ADDRESS: 407 Lynn Street, Tipton, 52772
DUNS # (UNIQUE ENTITY IDENTIFIER): 051100113
SUBRECIPIENT'S INDIRECT COST RATE: N/A

FEDERAL FUNDS INFORMATION

FEDERAL FUNDING ENTITY: U.S. Department of Housing and Urban Development
FEDERAL PROGRAM NAME: Community Development Block Grant
FEDERAL AWARD NUMBER: B-20-DC-19-0001
FEDERAL AWARD DATE: 05/20/2020
CATALOGUE OF FEDERAL DOMESTIC ASSISTANCE: 14.228
TOTAL FEDERAL AWARD AMOUNT: \$24,878,250
AWARD FOR RESEARCH AND DEVELOPMENT: NO

IOWA ECONOMIC DEVELOPMENT AUTHORITY**COMMUNITY DEVELOPMENT DIVISION INFORMATION**

CONTACT PERSON: Tim Waddell
E-MAIL ADDRESS: Tim.Waddell@iowaEDA.com
TELEPHONE NUMBER: 515.348.6205

This information is provided as a requirement of 2 CFR 200.331 Requirements for pass-through entities. All requirements imposed by the Federal entity and passed on to IEDA. In turn IEDA passes on to the subrecipient all requirements imposed by the Federal entity and that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

**IOWA ECONOMIC DEVELOPMENT AUTHORITY
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
CONTRACT**

RECIPIENT: Tipton
CONTRACT NUMBER: 20-WS-045
EFFECTIVE DATE: December 3, 2020
AWARD AMOUNT: \$189,185
END DATE: October 31, 2023

THIS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ("CDBG") CONTRACT is made by and between the IOWA ECONOMIC DEVELOPMENT AUTHORITY, 1963 Bell Ave, Suite 200, Des Moines, Iowa 50315 ("Authority") and "Recipient", effective as of the date stated above.

WHEREAS, the Authority is designated to receive, administer, and disburse CDBG funds; and

WHEREAS, the Authority desires to disburse grant funds to the Recipient for eligible purposes primarily benefiting low and moderate income persons, eliminating slums and blight, or meeting community development needs having particular urgency; and

WHEREAS, the Recipient submitted an Application for funding to the Authority and the Authority has approved the Application; and

WHEREAS, in approving the Application the Authority has relied upon the Recipient's representations of proposed Project activities, management and financial condition of the Recipient, investment of other Project funds, and other material information contained therein; and

WHEREAS, the Recipient has certified to the Authority that the primary purpose for obtaining CDBG funds is to primarily benefit low and moderate income persons, eliminate slums and blight, or meet community development needs having a particular urgency;

NOW, THEREFORE, the Recipient accepts this grant upon the terms and conditions set forth in this Contract. In consideration of the mutual promises contained in this Contract and other good and valuable consideration, it is agreed as follows:

ARTICLE 1
DEFINITIONS

As used in this Contract, the following terms shall apply:

1.1 **ACT.** Act means Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 et seq.).

1.2 **ACTIVITY.** "Activity" means the description of eligible work, services, and other accomplishments, as authorized by Section 105 of the "Act" and as further defined in 24 CFR 570.482, as revised April 1, 1997. Activities are found in the line items in the Recipient's "Budget Activity" in IowaGrants.gov account and have specific performance targets.

1.3 **ADMINISTRATIVE CODE.** "Administrative Code" means 261 Iowa Administrative Code, Chapter 23 and 25. Iowa Administrative Code is the composite of all rules adopted and administered by the executive branch to implement state law and policy.

1.4 **ALLOWABLE COSTS.** "Allowable Costs" are those costs which are identified in the "Budget Activity", Application, and consistent with Federal regulations and guidelines applicable to the CDBG program.

1.5 **APPLICATION.** "Application" is the Application the Recipient submitted in IowaGrants.gov.

1.6 **BUDGET.** "Budget" means the "Budget Activity" as found in the Recipient's IowaGrants.gov account.

1.7 **COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG).** "Community Development Block Grant Program" means the grant program authorized by Title I of the Housing and Community Development Act of 1974, as amended.

1.8 **CONTRACT.** "Contract" means this Contract and all of the notes, leases, assignments, mortgages, and similar

documents referred to in the Contract and all other instruments or documents executed by the Recipient or otherwise required in connection with the Contract, including the CDBG grant Application together with any related submittal documents.

1.9 **END DATE.** "End Date" means the date the Contract ceases to be in force and effect. The Contract expires upon the occurrence of one of the following: a) the Recipient fulfills the conditions and Project activities agreed to herein as of the end date stated above; or b) the Contract is terminated by the Authority due to any default under Article 9.1; or c) the Contract is terminated in accordance with provisions set forth in Sections 8 and 9 of the General Provisions, Attachment A of this Contract.

1.10 **GRANT.** "Grant" means the award of CDBG funds to the Recipient for Project activities.

1.11 **HUD.** "HUD" means the U.S. Department of Housing and Urban Development.

1.12 **IOWAGRANTS.GOV.** "Iowa Grants.gov" means Iowa's Funding Opportunity Search and Grant Management System. This system allows you to electronically apply for and manage grants received by the state of Iowa. Persons accessing the system for this purpose are required to register online at www.IowaGrants.gov.

1.13 **LOW- AND MODERATE-INCOME FAMILIES.** "Low- and Moderate-Income Families" means those families earning no more than 80 percent of the higher of the median family income of the county or the statewide nonmetropolitan area as determined by the latest U.S. Department of Housing and Urban Development, Section 8 income guidelines. Unrelated individuals living together shall be considered as one-person families for this purpose.

1.14 **LOW- AND MODERATE-INCOME PERSONS.** "Low and Moderate Income Person" means a member of a low- and moderate-income family as defined above.

1.15 **PROJECT.** "Project" means the totality of "Activity", to be performed by the Recipient as described in the application the Recipient submitted in IowaGrants.gov and approved by the Authority.

1.16 **RECIPIENT.** "Recipient" means the entity identified above that has been selected to receive Program funds to undertake the funded Project and agrees to comply with all applicable CDBG requirements, including those found in Title I of the Housing and Community Development Act of 1974 (42 USC 5302 et seq.), the CDBG program regulations at 24 CFR part 570, and any other HUD funded program as applicable. For purposes of this agreement the "Recipient" shall also be considered to meet the definition and qualifications as a "Subrecipient" as defined in 2 CFR 200.93 and 2 CFR 200.330 and agrees to receive this "Subaward" as defined in 2 CFR 200.92.

ARTICLE 2 **FUNDING**

2.1 **FUNDING SOURCE.** The source of funding for the Grant is a Federal appropriation for the Community Development Block Grant (CDBG) Program.

2.2 **RECEIPT OF FUNDS.** All payments under this Contract are subject to receipt by the Authority of sufficient Federal funds for the CDBG program. Any termination, reduction or delay of CDBG funds to the Authority shall, at the option of the Authority, result in the termination, reduction or delay of CDBG funds to the Recipient.

2.3 **PRIOR COSTS.** If any Recipient has received written approval from the Authority to incur certain costs prior to the Effective Date of this Contract, then said written approval and the terms and conditions therein are incorporated herein and made a part of this Contract by this reference as if fully set forth. Any such costs incurred prior to the Effective Date of this Contract are subject to the Special Conditions and General Conditions of this Contract.

2.4 **DISBURSEMENT OF LESS THAN THE TOTAL AWARD AMOUNT.** If the total award amount has not been requested by the Recipient within sixty (60) days after the End Date, then the Authority shall be under no obligation for further disbursement. The Authority may allow access to funds after this time for allowable costs associated with the conduct of the audits required in Article 2.0 of the General Provisions, Attachment A to this Contract.

ARTICLE 3
TERMS OF GRANT

3.1 **TIME OF PERFORMANCE.** The services of the Recipient are to commence as of the Effective Date and shall be undertaken in such a manner as to assure their expeditious completion. All of the services required hereunder shall be completed on or before the End Date.

3.2 **MAXIMUM PAYMENTS.** It is expressly understood and agreed that the maximum amounts to be paid to the Recipient by the Authority for any item of work or service shall conform to the "Budget Activity" as found in the Recipient's IowaGrants.gov account. It is further understood and agreed that the total of all payments to the Recipient by the Authority for all work and services required under this Contract shall not exceed the Award Amount unless modified by written amendment of this Contract as provided for in Section 1.0 of the General Provisions, Attachment A.

3.3 **LOCAL EFFORT REQUIREMENTS.** The Recipient agrees to provide local contribution to the Project as defined in the "Local" column of the "Budget Activity". Expenditures above this level, necessary to complete the "Budget Activity", shall be paid with local funds. Reports of the local funds expended shall be included in the Request for Payment/Activity Status Report specified in Article 8.1(b), "Reports." The Authority does not agree to allow a delay in the contribution of local cash. When a delay is allowed, the delay shall be until the specified date or until two-thirds of the grant amount has been drawn down, whichever come first, at which time no further Federal funds may be drawn down until sufficient local cash has been expended to attain the ratio of Federal to local funds specified in the Budget.

3.4 **ADMINISTRATION.** This Contract shall be administered in accordance with "Administrative Code" and all applicable State and Federal laws and regulations, including the Iowa Community Development Block Grant Management Guide, which has been distributed by the Authority to the Recipient.

3.5 **SATISFACTORY PERFORMANCE.** For all projects requiring approval of final plans and specifications by the Iowa Department of Natural Resources, said approval shall be completed within eighteen (18) months of the Effective Date of this contract.

ARTICLE 4
PERFORMANCE TARGET ACHIEVEMENT

4.1 **PERFORMANCE TARGETS.** By the End Date, the Recipient shall have accomplished the activities and performance targets as described in the "Budget Activity", and as further elaborated in the Application, as approved by the Authority.

4.2 **DETERMINATION OF CONTRACT PERFORMANCE.** The Authority has the final authority to assess whether the Recipient has met their performance targets by the End Date. The Authority shall determine completion according to the performance targets set forth in the "Budget Activity". The Authority reserves the right to monitor and measure at any time during and after the Contract term the achievement of the performance targets.

ARTICLE 5
USE OF FUNDS

5.1 **GENERAL.** The Recipient shall perform in a satisfactory and proper manner, as determined by the Authority, the work activities and services as written and described in the approved grant proposal (Application) as summarized in the Recipient's approved Community Development Block Grant "Budget Activity".

5.2 **PROGRAM INCOME.** Proceeds generated from the use of CDBG funds are considered program income when the total amount received by the Recipient in a fiscal year exceeds \$35,000, at which time the entire \$35,000 and excess are considered program income. Prior to the End Date, all program income shall be expended prior to requesting additional CDBG funds. Program income received by the Recipient after the End Date shall be returned to the Authority unless the Recipient has submitted, and the Authority has approved, a re-use plan. If applicable, any CDBG proceeds derived from an approved Revolving Loan Fund are considered program income, regardless of the amount received in any year.

5.3 **BUDGET REVISIONS.** Budget revisions shall be subject to prior approval of the Authority through the contract amendment process. Budget revisions shall be compatible with the terms of this Contract and of such a nature as to qualify as an allowable cost. Budget revisions requested during the final ninety (90) days of the Contract period will be approved by the Authority only if it determines that the revisions are necessary to complete the Project.

5.4 **GENERAL ADMINISTRATIVE COST LIMITATIONS.** Federal funds used for reasonable administrative costs, as allowed under Federal and State regulations, shall be limited to ten percent (10%) of the total CDBG funds as specified in the "Budget Activity". Total administrative costs (Federal plus local) on the Project shall not exceed ten percent (10%) of total Project "Budget Activity". Program income received by the Recipient during the Contract period is subject to the ten percent (10%) administrative cost limitation.

5.5 **COST VARIATION.**

(a) In the event that the total Project cost is less than the amount specified in the Agreement and the "Budget Activity", the CDBG participation shall be reduced at the same ratio to the total Project cost reduction as the original ratio of the CDBG funds to the total Project costs. Any disbursed excess above the reduced CDBG participation amount shall be returned immediately to the Authority.

(b) In the event that the total Project cost is greater than the amount specified in the "Budget Activity", the Authority shall, upon request, consider increasing the CDBG participation in the same ratio to the total increase in Project cost as the original ratio of CDBG funds to the total Project costs. The consideration of an increase of CDBG funds for a Project shall be subject to availability of funds, determination of reasonable and allowable costs, and all other applicable program rules.

(c) The Recipient may request the Authority to increase the CDBG participation to an amount that is higher than the proportional ratio. The Authority may permit such a higher increase if, in the Authority's judgment, the Recipient has demonstrated financial hardship.

ARTICLE 6
CONDITIONS TO DISBURSEMENT OF FUNDS

Unless and until the following conditions have been satisfied, the Authority shall be under no obligation to disburse to the Recipient any amounts under this Contract:

6.1 **CONTRACT EXECUTED.** The Contract shall have been properly executed and, where required, acknowledged.

6.2 **COMPLIANCE WITH ENVIRONMENTAL AND HISTORIC PRESERVATION REQUIREMENTS.** Funds shall not be released under this Contract until the Recipient has satisfied the environmental review and release of funds requirements set forth in 24 CFR Part 58, "Environmental Review Procedures for the Community Development Block Grant Program", and summarized in the Iowa CDBG Management Guide. In addition, construction contracts for non-exempt activities shall not be executed and construction shall not begin prior to providing the Authority with documentation of the Recipient's compliance with Section 106 of the National Historic Preservation Act and 36 CFR Part 800, "Protection of Historic Properties." The Recipient shall comply with any programmatic Memorandum of Understanding between the Iowa Economic Development Authority and the Iowa State Historic Preservation Office, applicable to any activities included in this contract.

6.3 **PERMITS AND LICENSES.** The Authority reserves the right to withhold funds until the Authority has reviewed and approved all material, such as permits or licenses from other state or Federal agencies, which may be required prior to Project commencement.

6.4 **EXCESSIVE FORCE POLICY.** The Authority, prior to release of funds under this Contract, shall review and approve the Recipient's policy on protecting individuals engaged in nonviolent civil rights demonstrations from the use of excessive force by law enforcement agencies within its jurisdiction, and enforcing state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstrations within its jurisdiction, consistent with the provisions of Section 906 of the National Affordable Housing Act of 1990 and Subsection 104(l) of the Housing and Community Development Act of 1974, as amended.

6.5 **RESIDENTIAL ANTI/DISPLACEMENT AND RELOCATION ASSISTANCE PLAN APPROVAL.** The Authority, prior to release of funds under this Contract, shall review and approve the Recipient's Residential Anti/Displacement and Relocation Assistance Plan, consistent with the requirements of Section 104(d) of the Housing and Community Development Act of 1974, as amended.

6.6 **EQUAL OPPORTUNITY POLICY.** The Authority, prior to release of funds under this Contract, shall review and approve the Recipient's equal opportunity policy, consistent with Section 109 of the Housing and Community Development Act of 1974 as amended.

6.7 **PROCUREMENT POLICY.** The Authority, prior to release of funds under this Contract, shall review and approve the Recipient's procurement policy, consistent with 2 CFR 200.318.

6.8 **FAIR HOUSING POLICY.** The Authority, prior to release of funds under this Contract, shall review and approve the

Recipient's fair housing policy, consistent with Section 109 of the Housing and Community Development Act of 1974 as amended.

6.9 **CODE OF CONDUCT.** The Authority, prior to release of funds under this Contract, shall review and approve the Recipient's code of conduct, consistent with 2 CFR 200.318.

6.10 **CONDITIONS TO DISBURSEMENT FOR A SPECIFIC ACTIVITY.** For each activity number listed below, the Recipient shall comply with the corresponding applicable conditions prior to release of funds for that activity. If no applicable conditions are identified below, none of the conditions in Article 6.10 shall apply to the activities funded by this Contract.

ACTIVITY NUMBER(S) 35 - Water System Improvements	APPLICABLE CONDITIONS 6.10(a) - DNR Approval - Construction Permit
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(a) **DEPARTMENT OF NATURAL RESOURCES APPROVAL.** Construction shall not begin prior to the written approval of the Iowa Department of Natural Resources.

(b) **REVIEW OF HANDICAPPED ACCESSIBILITY.** Prior to release of funds for construction, the Authority shall receive and review a signed statement from the Project architect that proposed construction will meet all handicapped accessibility and ADA requirements based on approved design plans.

(c) **DEPARTMENT OF HEALTH APPROVAL.** Construction shall not begin prior to receipt of written approval from the Iowa Department of Health.

(d) **FRANCHISE ORDINANCE/28E AGREEMENT.** Prior to the release of funds for construction, the Recipient shall submit, as appropriate, either an ordinance authorizing the franchise or an executed 28E Agreement for the activity for the Authority's review.

(e) **BULK PURCHASE AGREEMENT.** Prior to release of funds for construction, the Recipient shall submit an executed "Bulk Purchase Agreement" for the Authority's review.

(f) **RURAL WATER CONNECTION FEE PROJECTS.** Prior to release of funds for payment of a connection fee, the Authority shall receive and review a copy of the water purchase agreement which outlines the basis for determining the connection fee; a signed letter with the engineer's seal from the project engineer which certifies that construction is complete and water service is available to the Recipient; and a formal invoice from the Subrecipient which requests payment of the connection fee and provides a breakdown of the Federal and local dollar amounts. The Request for Payment/ Activity Status Report for the connection fee will not be processed until the Authority has received the required documentation listed in this Article.

(g) **STATE BUILDING CODE BUREAU APPROVAL.** Bidding for construction shall not be conducted prior to the written approval of the final plans by the State Building Code Bureau of the Iowa Department of Public Safety.

(h) **FAÇADE EASEMENTS.** Prior to release of funds for construction, the Recipient shall submit, as appropriate, signed copies of all recorded façade easements with property owners when required for downtown revitalization.

(i) **STORMWATER DESIGN AND CONSTRUCTION DOCUMENTS.** Prior to bidding, the Recipient shall submit project final design and construction documents for the Authority to review for consistency with the original Application or "Budget Activity" subsequently approved by the Authority. Recipient shall also consult with Iowa Department of Agriculture and Land Stewardship (IDALS) Urban Conservation Program Team on project stormwater management designs at 30, 60, 90 percent, and final design. The Recipient shall then secure and upload to www.iowagrants.gov a letter from IDALS confirming stormwater management designs meet the requirements of the Iowa Green Streets Criteria and the Iowa Stormwater Management Manual.

(j) **IOWA GREEN STREETS CRITERIA CONSTRUCTION DOCUMENTS.** Prior to bidding, the Recipient shall submit final design and construction documents and Iowa Green Streets Criteria Appendix C for the Authority to review for consistency with the original Application subsequently approved by the Authority when required for applicable Community Facilities and Downtown Revitalization projects as identified in their application.

(k) **PERPETUAL RESTRICTIONS.** Prior to release of funds for acquisition, the Recipient shall provide the Authority evidence that appropriate perpetual deed restrictions and agreement for covenants and restrictions as required pursuant to Sections 5.7 and 5.8 of this Contract.

6.11 **CONDITIONS TO DISBURSEMENT NECESSITATING OUTSIDE AGENCY ACTION.** For each activity number listed below, the Recipient shall comply with the corresponding applicable conditions prior to release of funds for that activity. If no applicable conditions are identified below, none of the conditions in Article 6.11 shall apply to the activities funded by this Contract.

ACTIVITY NUMBER(S)	APPLICABLE CONDITIONS	OUTSIDE AGENCY
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(a) **FUNDING.** Funding shall be contingent upon receipt of adequate funds from the identified agency to complete the Project described. The Recipient must submit a copy of the notification of said funding commitment to the Authority before funds can be released to the Recipient. If there is a reduction in the amount of the funds available from this source, the Recipient shall identify an alternative source of funds, and the change in funding sources shall be reflected in an amendment to this Contract. If the funds from the identified agency are rejected, this award is no longer valid. If the other funding is not obligated to the Recipient within 6 months following the announcement of the CDBG award, the CDBG funds shall be considered available to the Authority for allocation to other Projects, and the provisions of the CDBG Administrative Rules concerning contingent awards shall apply.

(b) **SUBRECIPIENT AGREEMENT.** Prior to release of funds under this contract and prior to the Recipient entering in to a Subrecipient Agreement for the administration of this award, the Recipient shall seek and obtain the Authority's review and approval of the Recipient Agreement (as applicable).

(c) **CONTINGENT FUNDING.** The Authority has awarded these funds contingent upon receipt of other funding from the identified agency.

(d) **LONG TERM LEASE AGREEMENT.** Prior to release of funds, the Authority shall review and approve a Long Term Lease Agreement or any other binding agreement deemed appropriate by the Authority between two identified agencies. The agreement shall guarantee that the constructed facility as described in this Contract will be allowed to physically remain and continue to be used for the specified purpose. In the event that the use of the facility changes, the Recipient may be required to repay all or part of the grant award as described in Article 9.4 of this Contract.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES OF RECIPIENT

To induce the Authority to make the Grant referred to in this Contract, the Recipient represents, covenants and warrants that:

7.1 **AUTHORITY.** The Recipient is duly authorized and empowered to execute and deliver the Contract. All required actions on the Recipient's part, such as appropriate resolution of its governing board for the execution and delivery of the Contract, have been effectively taken.

7.2 **FINANCIAL INFORMATION.** All financial statements and related materials concerning the Project provided to the Authority are true and correct in all material respects and completely and accurately represent the subject matter thereof as of the Effective Date of the statements and related materials, and no material adverse change has occurred since that date.

7.3 **APPLICATION.** The contents of the Application the Recipient submitted to the Authority for funding is a complete and accurate representation of the Project as of the date of submission and there has been no material adverse change in the organization, operation, or key personnel of the Recipient since the date the Recipient submitted its Application to the Authority.

7.4 **CLAIMS AND PROCEEDINGS.** There are no actions, lawsuits or proceedings pending or, to the knowledge of the Recipient, threatened against the Recipient affecting in any manner whatsoever their rights to execute the Contract or the ability of the Recipient to make the payments required under the Contract, or to otherwise comply with the obligations of the Contract. There are no actions, lawsuits or proceedings at law or in equity, or before any governmental or administrative authority pending or, to the knowledge of the Recipient, threatened against or affecting the Recipient or any property involved in the Project.

7.5 **PRIOR AGREEMENTS.** The Recipient has not entered into any verbal or written contracts, agreements or arrangements of any kind which are inconsistent with the Contract.

7.6 **EFFECTIVE DATE.** The covenants, warranties and representations of this Article are made as of the Effective Date of this Contract and shall be deemed to be renewed and restated by the Recipient at the time of each advance or request for disbursement of funds.

ARTICLE 8 **COVENANTS OF THE RECIPIENT**

8.1 **AFFIRMATIVE COVENANTS.** Until the Project has been closed out, audited, and approved by the Authority, the Recipient covenants with the Authority that:

(a) **PROJECT WORK AND SERVICES.** The Recipient shall perform the work and services detailed in the "Budget Activity" by the End Date.

(b) **REPORTS.** The Recipient shall prepare, review and sign the requests and reports as specified below in the form and content specified by the Authority. The Recipient shall review all Requests for Payment and verify that claimed expenditures are allowable costs. The Recipient shall maintain documentation adequate to support the claimed costs. After the Recipient has submitted its 1st Request for Payment the Recipient, shall continue to submit Request for Payment at least semiannually for each "Budget Activity".

The Authority reserves the right to require more frequent submission of the Activity Status Report than as shown below if, in the opinion of the Authority, more frequent submissions would help improve the Recipient's CDBG program.

REPORT

DUE DATE

1. Request for Payment / Activity Status Report	As funds are needed
2. Section 3 Report (if applicable)	Submitted annually
3. Updates to the Applicant/Recipient Disclosure Report	As needed due to changes
4. Iowa Green Streets Criteria Appendices D and E or F (if applicable)	Upon construction completion
5. Final request for Payment / Status Report	Within 30 days of End Date
6. Form 3-D, Final Accomplishments and Equal Opportunity Data (if applicable)	Within 30 days of End Date
7. Single Audit Form (required)	Within 30 days of receipt of Notice to Close letter
8. Audit Report (if applicable)	Within 30 days of audit completion

(c) **RECORDS.** The Recipient shall maintain books, records, documents and other evidence pertaining to all costs and expenses incurred and revenues received under this Contract in sufficient detail to reflect all costs, direct and indirect, of labor, materials, equipment, supplies, services and other costs and expenses of whatever nature, for which payment is claimed under this Contract. The Recipient shall maintain books, records and documents in sufficient detail to demonstrate compliance with the Contract and shall maintain these materials for the greater of **three years after the date the recipient is notified that the state CDBG contract has been closed with HUD**, or the period required by other applicable laws and regulations as described in § 570.487 and § 570.488. Records shall be retained beyond the prescribed period if any litigation or audit is begun or if a claim is instituted involving the grant or agreement covered by the records. In these instances, the records shall be retained until the litigation, audit or claim has been finally resolved.

(d) **ACCESS TO RECORDS/INSPECTIONS.** The Recipient shall, without prior notice and at any time, permit HUD or its representatives, the General Accounting Office or its representatives, and the Authority, its representatives or the State

Auditor, to examine, audit and/or copy (i) any plans and work details pertaining to the Project, (ii) any or all of the Recipient's books, records and accounts, and (iii) all other documentation or materials related to this Contract. The Recipient shall provide proper facilities for making such examination and/or inspection.

(e) USE OF GRANT FUNDS. The Recipient shall expend funds received under the Contract only for the purposes and activities described in its CDBG Application, this Contract and as approved by the Authority.

(f) DOCUMENTATION. The Recipient shall deliver to the Authority, upon request, (i) copies of all contracts or agreements relating to the Project, (ii) invoices, receipts, statements or vouchers relating to the Project, (iii) a list of all unpaid bills for labor and materials in connection with the Project, and (iv) budgets and revisions showing estimated Project costs and funds required at any given time to complete and pay for the Project.

(g) NOTICE OF PROCEEDINGS. The Recipient shall promptly notify the Authority of the initiation of any claims, lawsuits or proceedings brought against the Recipient.

(h) INDEMNIFICATION. The Recipient shall indemnify and hold harmless the Authority, its officers and employees from and against any and all losses in connection with the Project.

(i) NOTICE TO AUTHORITY. In the event the Recipient becomes aware of any material alteration in the Project, initiation of any investigation or proceeding involving the Project, or any other similar occurrence, the Recipient shall promptly notify the Authority.

(j) CERTIFICATIONS. The Recipient certifies and ensures that the Project will be conducted and administered in compliance with all applicable Federal and State laws, regulations and orders. Certain statutes are expressly made applicable to activities assisted under the Act by the Act itself, while other laws not referred to in the Act may be applicable to such activities by their own terms. The Recipient certifies and assures compliance with the applicable orders, laws and implementing regulations, including but not limited to, the following:

(i) Financial Management guidelines issued by the U.S. Office of Management and Budget, OMB 2 CFR part 200, subpart E.

(ii) Title I of the Housing and Community Development Act of 1974 as amended (42 U.S.C. 5301 et seq.), and regulations which implement these laws.

(iii) Title VI of the Civil Rights Act of 1964 as amended (Public Law 88-352; 42 U.S.C. 2000d et seq.); Title VIII of the Civil Rights Act of 1968 as amended (Public Law 90-284; 42 U.S.C. 3601 et seq.); the Iowa Civil Rights Act of 1965; Chapter 19B.7, Code of Iowa, and Iowa Executive Order #34, dated July 22, 1988; Iowa Code Chapter 216, Presidential Executive Order 11063, as amended by Executive Order 12259; Presidential Executive Order 11246, as amended by Presidential Executive Order 11375; Section 504 of the Vocational Rehabilitation Act of 1973 as amended (29 U.S.C. 794); the Age Discrimination Act of 1975 as amended (42 U.S.C. 6101 et seq.); the Americans with Disabilities Act, as applicable, (P. L. 101-336, 42 U.S.C. 12101-12213); and related Civil Rights and Equal Opportunity statutes; and regulations which implement these laws.

(iv) Fair Housing Act, Public Law 90-284. The Fair Housing Act is part of Title VIII of the Civil Rights Act of 1968 as amended (42 U.S.C. 3601 et seq.); Section 109 of the Title I of the Housing and Community Development Act of 1974, as amended; Section 3 of the Housing and Urban Development Act of 1968 as amended (12 U.S.C. 1701u); and regulations which implement these laws.

(v) Department of Housing and Urban Development regulations governing the CDBG program, 24 Code of Federal Regulations, Part 570.

(vi) Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (P.L. 101 235), and implementing regulations.

(vii) Requirements for the Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance; Final Rule (24 CFR Part 35, et al.); Lead Based Paint Poisoning Prevention Act (42 U.S.C. 4821 - 4846), as amended, and implementing regulations.

(viii) Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5), where applicable under Section 110 of the Housing and Community Development Act of 1974, as amended; Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.); the Copeland Anti-Kickback Act (18 U.S.C. 874); and regulations

which implement these laws.

- (ix) National Environmental Policy Act of 1969 and implementing regulations.
- (x) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA)(42 U.S.C. 4601 - 4655) and implementing regulations; Section 104(d) of the Housing and Community Development Act of 1974, as amended, governing the residential antidisplacement and relocation assistance plan; and Section 105(a)(11) of the Housing and Community Development Act of 1974, as amended, governing optional relocation assistance.
- (xi) Administrative rules adopted by the Iowa Economic Development Authority, 261 Iowa Administrative Code.
- (xii) Financial and Program Management guidelines issued by the Iowa Economic Development Authority; the Iowa CDBG Management Guide; and the Authority Audit Guide.
- (xiii) Government-wide Restriction on Lobbying Certification [Section 319 of Public Law 101-121] and implementing regulations.
- (xiv) Fair Labor Standards Act and implementing regulations.
- (xv) Hatch Act (regarding political partisan activity and Federally funded activities) and implementing regulations.
- (xvi) Citizen participation, hearing and access to information requirements found under sections 104(a)(2) and 104(a)(3) of Title I of the Housing and Community Development Act of 1974, as amended.
- (xvii) Subsection 104(l) of Title I of the Housing and Community Development Act of 1974, as amended, regarding the prohibition of the use of excessive force in nonviolent civil rights demonstrations and the enforcement of state and local laws on barring entrance to or exit from facilities subject to such demonstrations.
- (xviii) Drug-Free Workplace Act.

(k) **MAINTENANCE OF ACTIVITY PROPERTY AND INSURANCE.** The following provision shall apply to the project as appropriate. The Recipient and any subrecipient shall maintain the Project property in good repair and condition, ordinary wear and tear excepted, and shall not suffer or commit waste or damage upon the Project property. The Recipient or subrecipient shall pay for and maintain insurance as is customary in its industry. This insurance shall be in an amount not less than the full insurable value of the Project property. The subrecipient shall name the Recipient and Authority as mortgagees and/or an additional loss payees, as appropriate. The Recipient shall name the Authority as a mortgagee and/or an additional loss payee, as appropriate. The Recipient or subrecipient shall maintain copies of the policies as appropriate.

8.2 **NEGATIVE COVENANTS.** During the Contract term the Recipient covenants with the Authority that it shall not, without the prior written disclosure to and prior written consent of the Authority, directly or indirectly:

- (a) **ASSIGNMENT.** Assign its rights and responsibilities under this Contract.
- (b) **ADMINISTRATION.** Discontinue administration activities under the Contract.

ARTICLE 9 **DEFAULT AND REMEDIES**

9.1 **EVENTS OF DEFAULT.** The following shall constitute Events of Default under this Contract:

(a) **MATERIAL MISREPRESENTATION.** If at any time any representation, warranty or statement made or furnished to the Authority by, or on behalf of, the Recipient in connection with this Contract or to induce the Authority to make a grant to the Recipient shall be determined by the Authority to be incorrect, false, misleading or erroneous in any material respect when made or furnished and shall not have been remedied to the Authority's satisfaction within thirty (30) days after written notice by the Authority is given to the Recipient.

(b) **NONCOMPLIANCE.** If there is a failure by the Recipient to comply with any of the covenants, terms or conditions contained in this Contract.

(c) **END DATE.** If the Project, in the sole judgment of the Authority, is not completed on or before the End Date.

(d) **MISSPENDING.** If the Recipient expends Grant proceeds for purposes not described in the Application, this Contract, or as authorized by the Authority.

(e) **INSURANCE.** If loss, theft, damage, or destruction of any substantial portion of the property of the Recipient occurs for which there is either no insurance coverage or for which, in the opinion of the Authority, there is insufficient insurance coverage. This provision applies to the project as appropriate.

9.2 **NOTICE OF DEFAULT.** In the event of default, the Authority shall issue a written notice of default providing therein a fifteen (15) day period in which the Recipient shall have an opportunity to cure, provided that cure is possible and feasible.

9.3 **REMEDIES UPON DEFAULT.** If, after opportunity to cure, the default remains, the Authority shall have the right in addition to any rights and remedies specifically to it to do one or more of the following:

- (a) exercise any remedy provided by law,
- (b) require immediate repayment of up to the full amount of funds disbursed to the Recipient under this Contract plus interest.

9.4 **FAILURE TO MEET PERFORMANCE TARGETS.** If the Recipient is determined by the Authority to be in default of this Contract due to meeting less than one hundred percent (100%) of its Performance Targets, the Authority may require full Grant repayment or, at its discretion, the Authority may require partial repayment of Grant proceeds which allows partial credit for the performance targets which have been met, or the Authority may require other remedies that the Authority determines to be appropriate. For Housing rehabilitation projects only, performance targets shall include income targeting and affordability requirements as required in 261 Administrative Code 25.4(1).

ARTICLE 10 **INCORPORATED DOCUMENTS**

10.1 **DOCUMENTS INCORPORATED BY REFERENCE.** The Recipient shall comply with the terms and conditions of the following documents which are hereby incorporated by reference:

- (a) Budget Activity, as found in Recipient's IowaGrants.gov account.
- (b) Application, "CDBG Application", as found in Recipient's IowaGrants.gov account.
- (c) Attachment A, "CDBG Program General Provisions", dated October 3, 2018.
- (d) "Iowa Community Development Block Grant Management Guide", as found on the Authority's website at www.iowaeconomicdevelopment.com/Community/CDBG.

10.2 **ORDER OF PRIORITY.** In the event of a conflict between documents of this Contract, the following order of priority shall govern:

- (a) Articles 1 through 11 herein.
- (b) Attachment A, "CDBG Program General Provisions", dated October 3, 2018.
- (c) Budget Activity, as found in Recipient's IowaGrants.gov account.
- (d) Application, "CDBG Application", as found in Recipient's IowaGrants.gov account.
- (e) "Iowa Community Development Block Grant Management Guide", as found on the Authority's website at www.iowaeconomicdevelopment.com/Community/CDBG.

ARTICLE 11 **MISCELLANEOUS**

11.1 **LIMIT ON GRANT PROCEEDS ON HAND.** The Recipient shall request Project funds only as needed and shall not have more than five hundred dollars (\$500.00) of Grant proceeds, including earned interest, on hand for a period of longer than ten (10) working days, after which time any surplus amount shall be returned to the Authority.

11.2 **BINDING EFFECT.** This Contract shall be binding upon and shall inure to the benefit of the Authority and Recipient and their respective successors, legal representatives and assigns. The obligations, covenants, warranties, acknowledgments, waivers, agreements, terms, provisions and conditions of this Contract shall be jointly and severally enforceable against the parties to this Contract.

11.3 **SURVIVAL OF CONTRACT.** If any portion of this Contract is held to be invalid or unenforceable, the remainder shall be valid and enforceable. The provisions of this Contract shall survive the execution of all instruments herein mentioned and shall continue in full force until the Project is completed as determined by the Authority.

11.4 **GOVERNING LAW.** This Contract shall be interpreted in accordance with the laws of the State of Iowa, and any action relating to the Contract shall only be commenced in the Iowa District Court for Polk County or the United States District Court for the Southern District of Iowa.

11.5 **NOTICES.** Whenever this Contract requires or permits any funding request, notice, report, or written request by one party to another, it shall be in delivered through IowaGrants.gov. Alternately the Authority may rely on the United States Mail as the Authority deems appropriate. Any such notice given hereunder shall be deemed delivered upon the earlier of actual receipt or two (2) business days after posting. The Authority may rely on the address of the Recipient set forth heretofore, as modified from time to time, as being the address of the Recipient.

11.6 **WAIVERS.** No waiver by the Authority of any default hereunder shall operate as a waiver of any other default or of the same default on any future occasion. No delay on the part of the Authority in exercising any right or remedy hereunder shall operate as a waiver thereof. No single or partial exercise of any right or remedy by the Authority shall preclude future exercise thereof or the exercise of any other right or remedy.

11.7 **LIMITATION.** It is agreed by the Recipient that the Authority shall not, under any circumstances, be obligated financially under this Contract except to disburse funds according to the terms of the Contract.

11.8 **HEADINGS.** The headings in this Contract are intended solely for convenience of reference and shall be given no effect in the construction and interpretation of this Contract.

11.9 **INTEGRATION.** This Contract contains the entire understanding between the Recipient and the Authority and any representations that may have been made before or after the signing of this Contract, which are not contained herein, are nonbinding, void and of no effect. None of the parties have relied on any such prior representation in entering into this Contract.

11.10 **COUNTERPARTS.** This Contract may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

11.11 **IOWAGRANTS.GOV.** The Authority reserves the right to require the Recipient to utilize the IowaGrants.gov system to conduct business associated with this Contract.

IN WITNESS WHEREOF, the parties have executed this Contract as of the Effective Date first stated.

RECIPIENT: Tipton

BY:

Mayor
Tipton
407 Lynn Street
Tipton, Iowa 52772

Typed or Printed Name and Title

IOWA ECONOMIC DEVELOPMENT AUTHORITY:

BY:

Timothy R. Waddell, Division Administrator

ATTACHMENT A**GENERAL PROVISIONS
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
October 3, 2018****1.0 AMENDMENT.**

(a) **WRITING REQUIRED.** The Contract will only be amended through written prior approval of the Authority through IowaGrants.gov. Examples of situations where amendments are required include extensions for completion of Project activities, changes to the Project including, but not limited to, alteration of existing approved activities or inclusion of new activities.

(b) **UNILATERAL MODIFICATION.** Notwithstanding paragraph "a" above, the Authority may unilaterally modify the Contract at will in order to accommodate any change in the Act or any change in the interpretation of the Act or any applicable Federal, State or local laws, regulations, rules or policies. A copy of such unilateral modification will be given to the Recipient as an amendment to this Contract.

(c) **AUTHORITY REVIEW.** The Authority will consider whether an amendment request is so substantial as to necessitate reevaluating the Authority's original funding decision on the Project. An amendment will be denied if it substantially alters the circumstances under which the Project funding was originally approved; if it does not meet requirements set forth in Iowa Administrative Code 261-23, as applicable; or if it conflicts with the Program Rules.

2.0 AUDIT REQUIREMENTS.

(a) **SINGLE AUDIT.** The Recipient shall ensure that an audit is performed in accordance with the Single Audit Act Amendment of 1996; OMB 2 CFR part 200, subpart E; and OMB 2 CFR part 200, subpart F, as applicable; and the Iowa CDBG Management Guide.

(b) **ADDITIONAL AUDIT.** As a condition of the grant to the Recipient, the Authority reserves the right to require the Recipient to submit to a post Project completion audit and review in addition to the audit required above.

3.0 COMPLIANCE WITH LAWS AND REGULATIONS. The Recipient shall comply with all applicable State and Federal laws, rules, ordinances, regulations and orders including all Federal laws and regulations described in 24 CFR subpart K.

4.0 UNALLOWABLE COSTS. If the Authority determines at any time, whether through monitoring, audit, closeout procedures or by other means or process, that the Recipient has expended funds which are unallowable, the Recipient will be notified of the questioned costs and given an opportunity to justify questioned costs prior to the Authority's final determination of the disallowance of costs. Appeals of any determinations will be handled in accordance with the provisions of Chapter 17A, Iowa Code. If it is the Authority's final determination that costs previously paid by the Authority are unallowable under the terms of the Contract, the expenditures will be disallowed and the Recipient will repay to the Authority any and all disallowed costs. Real property under the Recipient's control in excess of \$25,000 and equipment that was acquired or improved in whole or in part with CDBG funds shall be used to meet one of the National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of the Agreement. If Recipient fails to use CDBG assisted real property that meets a National Objective during the five (5) year period the Recipient shall pay IEDA an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition or improvement to the real property.

5.0 PROGRAM INCOME. All program income, as defined in 2 CFR part 200, subpart E; 24 CFR 570.489; and Iowa Administrative Code 261-23, if applicable; shall be added to the Project "Budget Activity" and used to further eligible Project objectives as defined in the Contract and the "Budget Activity" in the CDBG Application for funding. Program income not used to further Project objectives will be deducted from the total Project "Budget Activity" for the purpose of determining the amount of reimbursable costs under the Contract. In cases of dispute, final decisions regarding the definition or disposition of program income shall be made by the Authority.

6.0 INTEREST EARNED. To the extent that interest is earned on advances of CDBG funds, this interest shall be returned to the Authority, except that the Recipient may keep interest amounts of up to \$100 per year for administrative expenses.

7.0 SUSPENSION. When the Recipient has failed to comply with the Contract, award conditions or standards, the Authority may, on reasonable notice to the Recipient, suspend the Contract and withhold future payments, or prohibit the Recipient from incurring additional obligations of CDBG funds. Suspension may continue until the Recipient completes the corrective action as required by the Authority. The Authority may allow such necessary and proper costs which the Recipient

could not reasonably avoid during the period of suspension provided the Authority concludes that such costs meet the provisions of HUD regulations issued pursuant to OMB 2 CFR part 200, subpart E.

8.0 TERMINATION.

(a) FOR CAUSE. The Authority may terminate the Contract in whole, or in part, whenever the Authority determines that the Recipient has failed to comply with the terms and conditions of the Contract.

(b) FOR CONVENIENCE. The Parties may terminate the Contract in whole, or in part, when all parties agree that the continuation of the Project would not produce beneficial results commensurate with the future disbursement of funds.

(c) DUE TO REDUCTION OR TERMINATION OF CDBG FUNDING. At the discretion of the Authority, the Contract may be terminated in whole, or in part, if there is a reduction or termination of CDBG Federal block grant funds to the State.

9.0 PROCEDURES UPON TERMINATION.

(a) NOTICE. The Authority shall provide written notice to the Recipient of the decision to terminate, the reason(s) for the termination, and the effective date of the termination. If there is a partial termination due to a reduction in funding, the notice will set forth the change in funding and the changes in the approved "Budget Activity". The Recipient shall not incur new obligations beyond the effective date and shall cancel as many outstanding obligations as possible. The Authority's share of noncancelable obligations which the Authority determines were properly incurred prior to notice of cancellation will be allowable costs.

(b) RIGHTS IN PRODUCTS. All finished and unfinished documents, data, reports or other material prepared by the Recipient under the Contract shall, at the Authority's option, become the property of the Authority.

(c) RETURN OF FUNDS. The Recipient shall return to the Authority all unencumbered funds within one week of receipt of the notice of termination. Any costs previously paid by the Authority which are subsequently determined to be unallowable through audit, monitoring, or closeout procedures shall be returned to the Authority within thirty (30) days of the disallowance.

10.0 ENFORCEMENT EXPENSES. The Recipient shall pay upon demand any and all reasonable fees and expenses of the Authority, including the fees and expenses of its attorneys, experts and agents, in connection with the exercise or enforcement of any of the rights of the Authority under this Contract.

11.0 INDEMNIFICATION. The Recipient shall indemnify and hold harmless the Authority, its officers and employees, from and against any and all losses, accruing or resulting from any and all claims subcontractors, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Recipient in the performance of this Contract.

12.0 CONFLICT OF INTEREST.

(a) GENERAL. Except for the use of CDBG funds to pay salaries and other related administrative or personnel costs, no persons identified in paragraph (b) below who exercise or have exercised any functions or responsibilities with respect to CDBG assisted activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities may obtain a personal or financial interest or benefit from a CDBG assisted activity or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(b) PERSONS COVERED. The conflict of interest provisions described above apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the Recipient, or of any designated public agencies, or subrecipients which are receiving CDBG funds.

(c) CONFLICTS OF INTEREST. Chapter 68B, Code of Iowa, the "Iowa Public Officials Act", shall be adhered to by the Recipient, its officials and employees.

13.0 USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS. CDBG funds shall not be used directly or indirectly to employ, award contracts to, or otherwise engage the service of, or fund any contractor or subrecipient during any period of debarment, suspension, or placement in ineligible status under the provisions of 24 CFR Part 24 or any applicable law or regulation of the Department of Labor.

14.0 CIVIL RIGHTS.

(a) **DISCRIMINATION IN EMPLOYMENT.** The Recipient shall not discriminate against any qualified employee or applicant for employment because of race, color, religion, sex, national origin, age, sexual orientation, gender identity, familial status, physical or mental disability. The Recipient may take affirmative action to ensure that applicants are employed and that employees are treated without regard to their race, color, religion, sex, national origin, age, sexual orientation, familial status, gender identity, or physical or mental disability. Such action shall include, but may not be limited to, the following: employment, upgrading, promotion, demotion or transfers; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including an apprenticeship. The Recipient agrees to post notices setting forth the provisions of the nondiscrimination clause in conspicuous places so as to be available to employees. Upon the State's written request, the Recipient shall submit to the State a copy of its affirmative action plan, containing goals and time specifications, and accessibility plans and policies as required under Iowa Administrative Code chapter 11—121.

(b) **CONSIDERATION FOR EMPLOYMENT.** The Recipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Recipient, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, sexual orientation, gender identity, physical or mental disability, or familial status.

(c) **SOLICITATION AND ADVERTISEMENT.** The Recipient shall list all suitable employment openings in the State Employment Service local offices or shall list all suitable employment openings with Iowa Workforce Development's IowaJobs web site found at <https://www1.iowajobs.org/>.

(d) **CIVIL RIGHTS COMPLIANCE IN EMPLOYMENT.** The Recipient shall comply with all relevant provisions of the Iowa Civil Rights Act of 1965 as amended; Chapter 19B.7, and Chapter 216, Code of Iowa; Federal Executive Order 11246, as amended; Title VI of the U.S. Civil Rights Act of 1964 as amended (42 U.S.C. Section 2000d et seq.); the Fair Labor Standards Act (29 U.S.C. Section 201 et seq.); The Americans with Disabilities Act, as applicable, (P.L. 101 336, 42 U.S.C. 12101-12213); Section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. Section 794); and the Age Discrimination Act of 1975 as amended (42 U.S.C. Section 6101 et seq.). The Recipient will furnish all information and reports requested by the State of Iowa or required by or pursuant to the rules and regulations thereof and will permit access to payroll and employment records by the State of Iowa to investigate compliance with these rules and regulations.

(e) **CERTIFICATION REGARDING GOVERNMENT-WIDE RESTRICTION ON LOBBYING.** The Recipient certifies, to the best of his or her knowledge and belief, that:

(i) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with awarding any Federal contract, making any Federal grant, making any Federal loan, entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(ii) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Federal Lobbying" in accordance with its instruction.

(iii) The Recipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

(iv) This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(f) **PROGRAM NONDISCRIMINATION.** The Recipient shall conform with requirements of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and HUD regulations issued pursuant thereto contained in 24 CFR Part 1. No person in the United States shall, on the basis of race, color, national origin, sex or religion or religious affiliation, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available through this Contract. Any prohibition against discrimination on the basis of age under the

Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.) or with respect to an otherwise qualified individual with a disability as provided in the Americans with Disabilities Act, as applicable, (P.L. 101 336, 42 U.S.C. 12101 12213) or Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Section 794) shall also apply to any such program activity, or Project.

(g) FAIR HOUSING. The Recipient shall comply with Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601 et seq.), generally known as the Fair Housing Act, and with HUD regulations found at 24 CFT Part 100 and 24 CFR Part 107, issued in compliance with Federal Executive Order 11063, as amended by Federal Executive Order 12259. The recipient shall also comply with Section 109, Title I of the Housing and Community Development Act of 1974, as amended.

(h) LEAD-BASED PAINT HAZARDS. The Recipient shall comply with requirements of the Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance; Final Rule (24 CFR Part 35, et al.); Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 - 4846), as amended, and implementing regulations.

(i) SECTION 3 COMPLIANCE. The Recipient shall comply with provisions for training, employment, and contracting in accordance with 24 CFR part 135, Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u). All section 3 covered contracts shall include the following clause (referred to as the section 3 clause):

(i) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(ii) The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(iii) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(iv) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

(v) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

(vi) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(vii) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

(j) NONCOMPLIANCE WITH THE CIVIL RIGHTS LAWS. In the event of the Recipient's noncompliance with the nondiscrimination clauses of this Contract or with any of the aforesaid rules, regulations, or requests, this Contract may be

canceled, terminated, or suspended either wholly or in part. In addition, the State of Iowa may take further action, imposing other sanctions and invoking additional remedies as provided by the Iowa Civil Rights Act of 1965 (Chapter 216, Code of Iowa) or as otherwise provided by law.

(k) **INCLUSION IN SUBCONTRACTS.** The Recipient will include the provisions of the preceding paragraphs of Section 14 in every subcontract unless exempt by the State of Iowa, and said provisions will be binding on each subcontractor. The Recipient will take such action with respect to any subcontract as the State of Iowa may direct as a means of enforcing such provisions, including sanctions for noncompliance. In the event the Recipient becomes involved in or is threatened by litigation with a subcontractor or provider as a result of such direction by the State of Iowa, the Recipient may request the State of Iowa to enter into such litigation to protect the interests of the State of Iowa.

15.0 **POLITICAL ACTIVITY.** No portion of program funds shall be used for any partisan political activity or to further the election or defeat of any candidate for public office. Neither the program nor the funds provided therefore, nor the personnel employed in the administration of this Contract, shall be in any way or to any extent engaged in the conduct of political activities in contravention of The Hatch Act (5 U.S.C. 15).

16.0 **LIMIT ON RECOVERY OF CAPITAL COSTS.** The Recipient will not attempt to recover any capital costs of public improvements assisted in whole or part under this Contract by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless (i) funds received under this Contract are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under Title I of the Housing and Community Development Act of 1974, as amended, or (ii) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the Recipient has certified to the Authority that it lacks sufficient funds received under Title I of the Housing and Community Development Act of 1974, as amended, to comply with the requirements of clause (i) above.

17.0 **PROHIBITED ACTIVITIES.** In accordance with 24 CFR 570.207 (a): The following activities may not be assisted with CDBG funds:

(a) **BUILDINGS OR PORTIONS THEREOF, USED FOR THE GENERAL CONDUCT OF GOVERNMENT AS DEFINED AT § 570.3(D) CANNOT BE ASSISTED WITH CDBG FUNDS.** This does not include, however, the removal of architectural barriers under § 570.201(c) involving any such building. Also, where acquisition of real property includes an existing improvement which is to be used in the provision of a building for the general conduct of government, the portion of the acquisition cost attributable to the land is eligible, provided such acquisition meets a national objective described in § 570.208.

(b) **GENERAL GOVERNMENT EXPENSES.** Except as otherwise specifically authorized in this subpart or under 2 CFR part 200, subpart E, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.

(c) **POLITICAL ACTIVITIES.** CDBG funds shall not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any.

18.0 **FEDERAL GOVERNMENT RIGHTS.** If all or a portion of the funding used to pay for the Deliverables is being provided through a grant from the Federal Government, recipient, subrecipient, contractor, subcontractor, or provider acknowledges and agrees that pursuant to applicable federal laws, regulations, circulars and bulletins, the awarding agency of the Federal Government reserves certain rights including, without limitation a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes, the Deliverables developed under this Contract and the copyright in and to such Deliverables.

19.0 **IOWA ECONOMIC DEVELOPMENT AUTHORITY FRAUD AND WASTE POLICY.** The Authority has zero tolerance for the commission or concealment of acts of fraud, waste, or abuse. Allegations of such acts will be investigated and pursued to their logical conclusion, including legal action where warranted.

RESOLUTION NO. 1221200

RESOLUTION APPROVING APPLICATION FOR URBAN REVITALIZATION TAX-
EXEMPTION FILED BY MICHAEL AND DEBRA COOK

WHEREAS, the City Council for the City of Tipton has declared the entire City as an Urban Revitalization Area; and,

WHEREAS, this allows persons who make taxable improvements to multi-residential property of three or more units a ten-year, 100% tax-exemption on the new improvements as long as the work increases the assessed taxable value of the property by at least 15%; and

WHEREAS, this application is for a four-unit multi-residential development.

NOW, THEREFORE, Be It Resolved, the City Council of the City of Tipton does hereby approve the following application for an Urban Revitalization Tax-Exemption, subject to the approval of the Cedar County Assessor.

1. Michael and Debra Cook, 1402 Cedar Street, Tipton, IA 52772

PASSED AND APPROVED this 21st day of December 2020.

Bryan Carney, Mayor

ATTEST:

Amy Lenz, City Clerk

CERTIFICATION

I, Amy Lenz, City Clerk, do hereby certify the above is a true and correct copy of Resolution _____ which was passed by the Tipton City Council this 21st day of December 2020.

Amy Lenz, City Clerk

**Application for Tax Abatement / Tax-Exemption
Urban Revitalization Plan
City of Tipton**

Properties with improvements made after January 1, 2019 are eligible

Feel free to use additional sheets of paper to elaborate on any information requested in the application.

Your contact information...

**Name of Title Holder or
Contract Buyer:**

Mike & Deb Cook

Mailing Address:

203 Sand Trap Circle

Telephone (and Fax:)

319-389-9102

Email Address:

MIKECOOK203.mc@gmail.com

Please tell us about the property for which you are applying.

**Address of Property for
this Application:**

TBD by city of Tipton

**Property's Legal Description or
attach a copy of the deed:**

Included

Existing Property Use:

☐ Residential ☐ Multifamily Residential

☐ Commercial ☐ Industrial ☒ Vacant

Proposed Use of Property:

Construction of 4-plex. Each unit will
be ground level with over 1100 sq. feet

Which are you applying for:

☒ Prior approval of your project.

☐ Approval of a project that's already completed.

**What is the nature of your
proposed taxable improvements?**

☒ New construction? ☐ Addition? ☐ General
Improvements?

Please specify the types of
Improvements:

New Construction 4-plex with off street
Parking. Each unit is ground level 1100 sq. feet.
(Plans included)

Estimated or Actual Date of
Project Completion:

August / 2020

Estimated or Actual Cost of
Improvements:

\$370-\$400 thousand.

About the tax-exemption program...

It is available to property owners that do improvements that increase the taxable value of their properties by at least 10% for residential properties and by at least 15% for multi-residential, commercial, and industrial properties. The program applies to both new and existing buildings. The tax-exemptions apply only to the new improvements. Also, tax-exemptions can't be used incompatibly with TIF.

For which tax-exemption benefit are you applying?

☐ Residential properties: The benefit is a 7-year, 100% tax-exemption on the new taxable improvements.

☒ Multi-residential properties of 3 or more units: The benefit is a 10-year, 100% tax-exemption on the new taxable improvements.

☐ Commercial properties: This 10-year graduated exemption schedule is used on the new taxable improvements:

For the first year, an exemption from taxation on 80% of the actual value added.
For the second year, an exemption from taxation on 70% of the actual value added.
For the third year, an exemption from taxation on 60% of the actual value added.
For the fourth year, an exemption from taxation on 50% of the actual value added.
For the fifth year, an exemption from taxation on 40% of the actual value added.
For the sixth year, an exemption from taxation on 40% of the actual value added.
For the seventh year, an exemption from taxation on 30% of the actual value added.
For the eighth year, an exemption from taxation on 30% of the actual value added.
For the ninth year, an exemption from taxation on 20% of the actual value added.
For the tenth year, an exemption from taxation on 20% of the actual value added.

☐ Industrial properties: There's a choice.

☐ A 3-year, 100% exemption, or...

☐ The same 10-year graduated schedule as used for commercial properties.

Applicant's Certification.

I/We certify that I/we understand and agree with the requirements of this program and that the information submitted herein is true and accurate to the best of my (our) knowledge. I/We also agree to provide additional information if needed for this application process.

IMPORTANT: This application must be filed with the City Council by February 1 (which, in turn, must file it with the Cedar County Assessor by March 1) of the year in which the property claimed for exemption is assessed for taxation.

Signature of Applicant: Michael Cook Date: 1-14-2020

Signature of Co-Applicant: _____ Date: _____

#####

City Council

This application was: _____ Approved _____ Declined.

If declined, what was the reason: _____

Date of Council's decision: _____

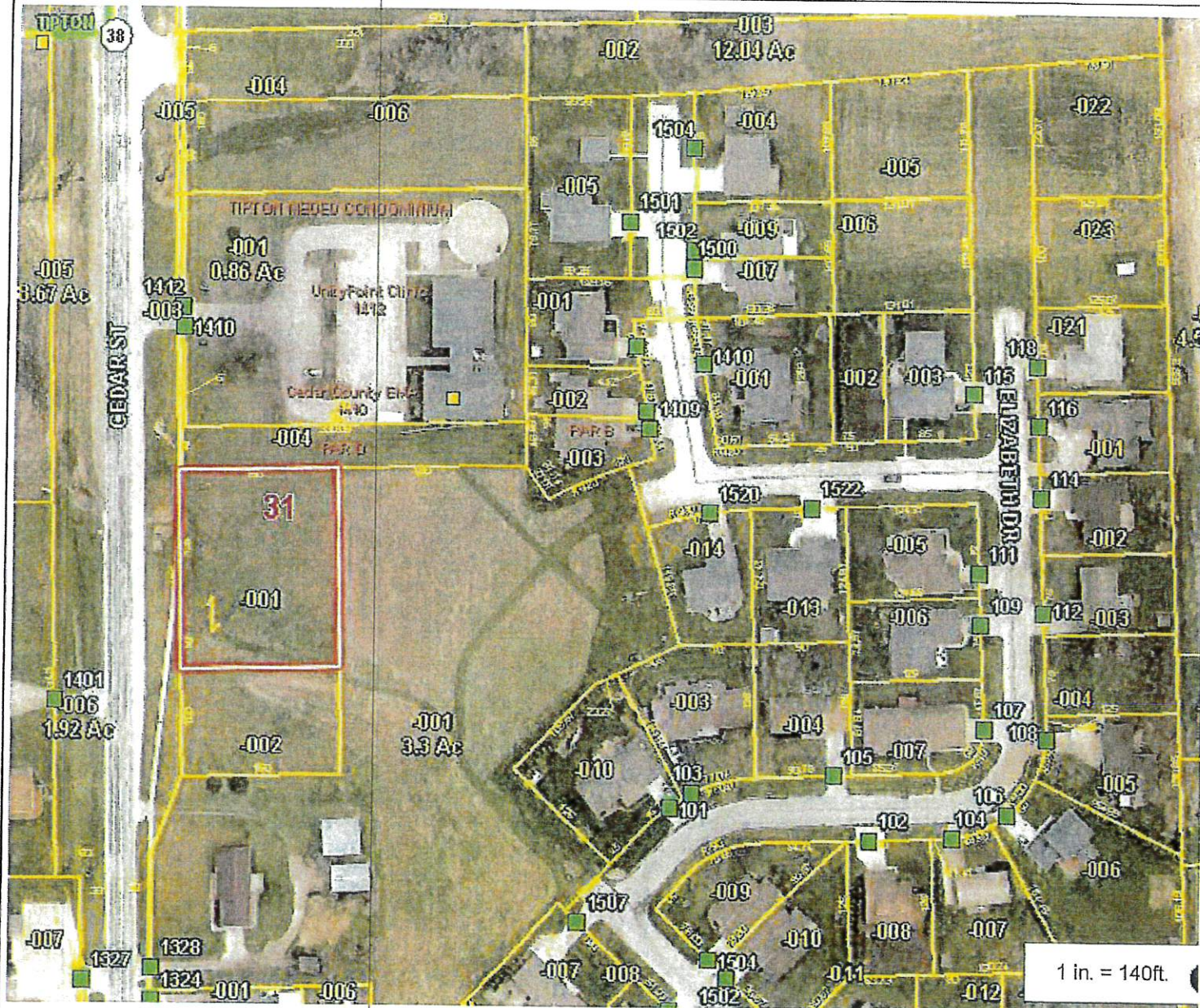
Attested by the City Clerk: _____ Date: _____

Application Timeline

Projects started January 1, 2019 - January 1, 2020 Timeline					
January 1, 2019	January 1, 2020	February 1, 2020	March 1, 2020	April 1, 2020	Fall 2021/Spring 2022
Eligibility for new improvements starts	2020 Tax Assessment	Application deadline to City Council	Deadline to submit applications to County Assessor	Assessor to verify value of new improvements as of	Taxes payable for 2020 Assessment (exemption for new improvements).

*Any application received after February 1, 2020 will not be eligible for the tax-exemption benefit until the 2021 tax assessment that is payable in the Fall 2022/Spring 2023

	Cedar County, IA
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1 in. = 140ft.

280.0	0	140.01	280.0 Feet
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This Cadastral Map is for informational purposes only. It does not represent a property boundary survey of the parcels shown and shall not be used for conveyances or the establishment of property boundaries.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres	Unit Price	T/E/O%
FF Main	185.00	185.00	150.00	150.00	0.00			\$275.00	25/20/0
Sub Total						27,750.00	0.637		
Grand Total*						27,750.00	0.637		

[illegible]

	Bldg	Porch	Ramp	Covered Walkway	Roof	Totl Bldg
Porches						
Ext Wall						
Veneer 1						
Veneer 2						
Bsm't Stalls/Total Garages						
					Total Additions	
					Extras	
					Additions	
					RCN	
					Detached Garages	
					Total Bldg (RND)	

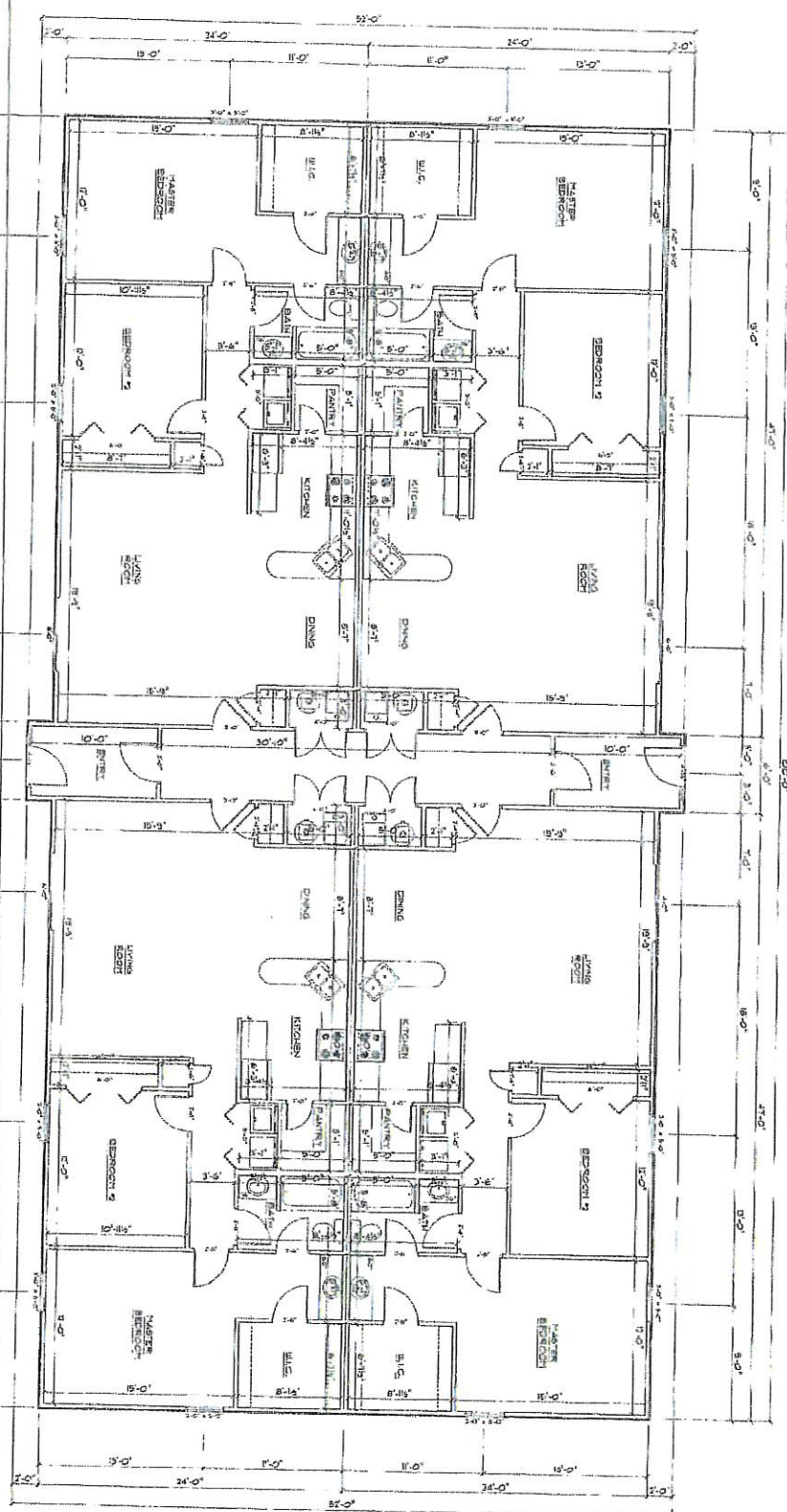
UNIT D
FLOOR PLAN

UNIT C
FLOOR PLAN

MAIN FLOOR
SCALE 1/4" = 1'-0"

UNIT A
FLOOR PLAN

UNIT B
FLOOR PLAN



THIS PLAN IS HEREBY SUBMITTED BY THE ARCHITECT, UNDER A CONTRACT OF AGREEMENT, FOR THE PURPOSE OF OBTAINING PERMITS FROM THE CITY OF TIPTON, INDIANA. THE ARCHITECT HAS CONDUCTED A VISUAL SURVEY OF THE SITE AND HAS FOUND THAT THE PROPOSED CONSTRUCTION IS FEASIBLE. THE ARCHITECT HAS ALSO CONDUCTED A VISUAL SURVEY OF THE SURROUNDING AREA AND HAS FOUND THAT THE PROPOSED CONSTRUCTION IS FEASIBLE. THE ARCHITECT HAS ALSO CONDUCTED A VISUAL SURVEY OF THE SURROUNDING AREA AND HAS FOUND THAT THE PROPOSED CONSTRUCTION IS FEASIBLE.

SCALE 1/4" = 1'-0"
DRAWN BY: JLM
S.A. STUBBS, P.E.

SPANH & ROSE LUMBER - TIPTON, IN
COOK 4-PLEX
MAIN FLOOR

DATE 01/15/03
REVISED 01/15/03
DRAWING 2 OF 2

Mike and Deb Cook
Completed 4-Plex property (Hwy 38)



RESOLUTION NO. 122120D

RESOLUTION APPROVING APPLICATION FOR URBAN REVITALIZATION TAX-
EXEMPTION FILED BY BRYAN AND JILL CARNEY

WHEREAS, the City Council for the City of Tipton has declared the entire City as an Urban Revitalization Area; and,

WHEREAS, this allows persons who make taxable improvements to residential property a seven-year, 100% tax-exemption on the new improvements as long as the work increases the assessed taxable value of the property by at least 10%; and,

WHEREAS, Mayor Carney voluntarily relinquished his mayoral role for this situation in favor of the Mayor Pro-Tem.

NOW, THEREFORE, Be It Resolved, the City Council of the City of Tipton does hereby approve the following application for an Urban Revitalization Tax-Exemption, subject to the approval of the Cedar County Assessor.

1. Bryan and Jill Carney, 116 E 10th Street, Tipton, IA 52772

PASSED AND APPROVED this 21st day of December 2020.

Abby Cummins-VanScoy, Mayor Pro-Tem

ATTEST:

Amy Lenz, City Clerk

CERTIFICATION

I, Amy Lenz, City Clerk, do hereby certify the above is a true and correct copy of Resolution _____ which was passed by the Tipton City Council this 21st day of December 2020.

Amy Lenz, City Clerk



407 Lynn St. Tipton, Iowa

563.886.6187

www.tiptoniowa.org

**Application for Tax Abatement / Tax-Exemption
Urban Revitalization Plan
City of Tipton**

Properties with improvements made after January 1, 2019 are eligible

Feel free to use additional sheets of paper to elaborate on any information requested in the application.

Your contact information...

Name of Title Holder or
Contract Buyer:

Bryan & Jill Carney

Mailing Address:

116 East 10th Tipton IA 52772

Telephone (and Fax:)

317 695 9188

Email Address:

hitanylion64@yahoo.com

Please tell us about the property for which you are applying.

Address of Property for
this Application:

116 East 10th Tipton IA 52772

Property's Legal Description or
attach a copy of the deed:

Existing Property Use:

☒ Residential ☐ Multifamily Residential
☐ Commercial ☐ Industrial ☐ Vacant

Proposed Use of Property:

Residence

Which are you applying for:

☒ Prior approval of your project.
☐ Approval of a project that's already completed.

What is the nature of your
proposed taxable improvements?

☐ New construction? ☐ Addition? ☒ General Improvements?

Please specify the types of
Improvements:

New windows, siding, roof, A/C, Front
Porch

Estimated or Actual Date of
Project Completion:

8/2020

Estimated or Actual Cost of
Improvements:

\$50,000 - \$60,000

About the tax-exemption program...

It is available to property owners that do improvements that increase the taxable value of their properties by at least 10% for residential properties and by at least 15% for multi-residential, commercial, and industrial properties. The program applies to both new and existing buildings. The tax-exemptions apply only to the new improvements. Also, tax-exemptions can't be used incompatibly with TIF.

For which tax-exemption benefit are you applying?

☒ Residential properties: The benefit is a 7-year, 100% tax-exemption on the new taxable improvements.

☐ Multi-residential properties of 3 or more units: The benefit is a 10-year, 100% tax-exemption on the new taxable improvements.

☐ Commercial properties: This 10-year graduated exemption schedule is used on the new taxable improvements:

For the first year, an exemption from taxation on 80% of the actual value added.
For the second year, an exemption from taxation on 70% of the actual value added.
For the third year, an exemption from taxation on 60% of the actual value added.
For the fourth year, an exemption from taxation on 50% of the actual value added.
For the fifth year, an exemption from taxation on 40% of the actual value added.
For the sixth year, an exemption from taxation on 40% of the actual value added.
For the seventh year, an exemption from taxation on 30% of the actual value added.
For the eighth year, an exemption from taxation on 30% of the actual value added.
For the ninth year, an exemption from taxation on 20% of the actual value added.
For the tenth year, an exemption from taxation on 20% of the actual value added.

☐ Industrial properties: There's a choice.

☐ A 3-year, 100% exemption, or...

☐ The same 10-year graduated schedule as used for commercial properties.

Applicant's Certification.

I/We certify that I/we understand and agree with the requirements of this program and that the information submitted herein is true and accurate to the best of my (our) knowledge. I/We also agree to provide additional information if needed for this application process.

IMPORTANT: This application must be filed with the City Council by **February 1** (which, in turn, must file it with the Cedar County Assessor by March 1) of the year in which the property claimed for exemption is assessed for taxation.

Signature of Applicant: _____

[Handwritten Signature]

Date: _____

7/6/2020

Signature of Co-Applicant: _____

Date: _____



City Council

This application was:

_____ Approved _____ Declined.

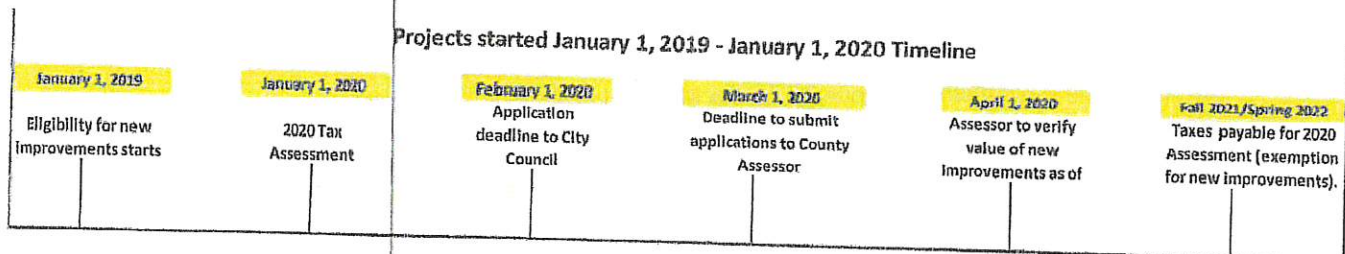
If declined, what was the reason:

Date of Council's decision:

Attested by the City Clerk:

_____ Date: _____

Application Timeline



*Any application received after February 1, 2020 will not be eligible for the tax-exemption benefit until the 2021 tax assessment that is payable in the Fall 2022/Spring 2023

----- Forwarded Message -----

From: Barb Lemburg <barb@cedarcounty.org>

To: Bryan Carney <nittanylion64@yahoo.com>

Sent: Wednesday, June 24, 2020, 10:45:39 AM CDT

Subject: 116 E 10th ST

CULBERTSON'S OUTLOTS SW 70' X 170' LOT 1 BLOCK A (WALTER'S ADDITION), Parcel #
0480-07-31-329-018-0

Barb Lemburg

Deputy Assessor

Cedar County Assessors Office

400 Cedar Street

Tipton, Iowa 52772

563-886-6413 -- phone

563-594-5292 -- fax

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Bryan and Jill Carney
116 East 10th Street



