

MEMORANDUM

Agenda Item No. 3(B)(1)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: June 21, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution authorizing the County Mayor to apply for, receive and expend funds from the 2015-2016 State of Florida Cultural Facilities Grant Program in the amount of \$500,000.00 with a County match of \$1,000,000.00 to be funded from Building Better Communities General Obligation Bond Program funds for the African Heritage Cultural Arts Center, to execute all necessary agreements including grant agreement and restrictive covenant, including recordation of restrictive covenant, and to exercise all provisions contained in such agreements

The accompanying resolution was prepared by the Cultural Affairs Department and placed on the agenda at the request of Prime Sponsor Commissioner Audrey M. Edmonson.



Abigail Price-Williams
County Attorney

APW/lmp

Memorandum



Date: June 21, 2016

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

A handwritten signature in black ink, appearing to read "Carlos A. Gimenez", written over a horizontal line.

Subject: Resolution Authorizing the County Mayor or the County Mayor's Designee to Apply for, Receive and Expend Funds from the 2015-2016 State of Florida Cultural Facilities Grant Program in the Amount of \$500,000.00 for the African Heritage Cultural Arts Center with a County match of \$1,000,000.00 to be funded from Building Better Communities General Obligation Bond Program Project No. 253, and to Execute all Necessary Agreements, Including the Execution and Recordation of a Restrictive Covenant

Recommendation

It is recommended that the Board of County Commissioners (Board) authorize the County Mayor or the County Mayor's designee to apply for, receive, and expend a grant in the amount of \$500,000.00 from the Florida Department of State 2015-16 Cultural Facilities Program for the African Heritage Cultural Arts Center (AHCAC) with a County match of \$1,000,000.00 to be funded from Building Better Communities General Obligation Bond (Bond) Program Project No. 253, and to execute all necessary agreements. This includes the authority to execute a Restrictive Covenant on the AHCAC that ensures that grant-supported renovations and improvements to the AHCAC will result in the facility's use for cultural purposes for ten (10) years.

Scope

The African Heritage Cultural Arts Center (AHCAC) is located at 6161 NW 22 Avenue, Miami, Florida, 33142 in District 3, represented by Commissioner Audrey Edmonson.

Fiscal Impact/Funding Source

The State Cultural Facilities Program grant will be matched by \$1,000,000.00 of Bond Program funds for the AHCAC (Project No. 253). The State grant will be used to support securing the building's envelope with new energy-efficient roofing materials, upgrading the HVAC systems, and equipping the Center with much needed arts-specific equipment. No additional operating cost will be incurred from completion of this project. These more energy-efficient building improvements will decrease the utility bills and maintenance costs.

Delegation of Authority

Authority for receiving and expending this grant and executing the Restrictive Covenant for the grant resides with the County Mayor or Mayor's designee.

Track Record/Monitor

Lisa D'Andrea-Thompson, Construction Projects Manager at the Department of Cultural Affairs (Department), manages all contracts related to the project's design and construction,

and Marshall Davis, AHCAC Director, manages the ongoing operations of the AHCAC. The Department team has a track record of successfully implementing state capital grants and managing design and construction projects.

Background

The African Heritage Cultural Arts Center was formerly the Model City Cultural Arts Center, which opened in 1975 with funding support from the Model City Program initiated by President Lyndon B. Johnson. This regional facility has served Liberty City and the adjacent communities for 40 years. Its campus of buildings includes a music building, a dance studio, a visual arts/classroom building, an art gallery, and a black box theater, along with a complement of offices and necessary support spaces, reception area, and storage spaces, all of which are connected by a central courtyard area.

The Department applied for and received from the State of Florida, Division of Cultural Affairs a FY 2015-16 Cultural Facilities Program grant in the amount of \$500,000.00. These grant funds will be used to address the Center's most pressing needs: securing the buildings' envelope with new energy efficient roofing; upgrading to energy efficient heating, ventilating, and air conditioning (HVAC) systems and lighting systems; and equipping the Center with much needed arts-specific equipment. Upgrades to the HVAC systems, including new ductwork and energy efficient units, will be coordinated with the roofing work so that proper detailing can be ensured, avoiding future issues of water penetration.

A requirement of the Cultural Facilities Program grant is that a restrictive covenant (Attachment 1) be executed and recorded on the AHCAC's property, requiring that the facility be used for cultural purposes for a period of ten (10) years following the execution of the grant award agreement. As an alternate to the restrictive covenant (per Section 21 of the Grant Agreement) the Grantee (the County) may purchase a Surety Bond. Both options require that the County repay the Grant if the facility were to cease to be used as a "Cultural Facility" during the 10 years following the Grant Award. The Surety Bond is not recommended because of both the upfront costs and the higher amortization schedule. Furthermore, the County intends to use this facility for Cultural purposes beyond the 10 year requirement of the Grant.

On July 15, 2014 the Board, by Resolution R-656-14, approved a Professional Services Agreement (PSA) with architect Rodriguez & Quiroga (R&Q) to facilitate a capital assessment of the AHCAC and to develop a bid package for prioritized improvements to the facility based on the \$1,000,000.00 of Bond Program Project No. 253 funds approved for the AHCAC. R&Q is currently in the design development phase for the work at the AHCAC. When the PSA with R&Q was approved, it was anticipated that there would be improvements to the AHCAC that would need additional funding to implement and that part of the architectural and engineering work would be awarded for implementation, subject to securing additional funding. With the acceptance of these State grant funds, more of the list of necessary improvements and renovations that have been prioritized through the work of R&Q can be accomplished.

The \$500,000.00 State grant funds are being matched with \$1,000,000.00 of Bond Program Project No. 253 funds approved for renovations to the AHCAC which are currently part of the bid package being prepared by R&Q. These improvements ensure much needed upgrades of the AHCAC, enabling it to continue to host educational and cultural programming and services to the community. Refer to Attachment 2 for the Grant Agreement.

The planned improvements to the AHCAC are designed not only to secure the integrity and efficiency of the buildings and their systems, but also to equip the AHCAC with modern, arts-specific equipment that will inspire and promote creativity and provide visible upgrades that will ensure the community's continued pride of place.

A handwritten signature in black ink, appearing to read "Michael Spring", written over a horizontal line.

Michael Spring
Senior Advisor, Office of the Mayor



MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: June 21, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 3(B)(1)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 3(B)(1)
6-21-16

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR THE MAYOR'S DESIGNEE TO APPLY FOR, RECEIVE AND EXPEND FUNDS FROM THE 2015-2016 STATE OF FLORIDA CULTURAL FACILITIES GRANT PROGRAM IN THE AMOUNT OF \$500,000.00 WITH A COUNTY MATCH OF \$1,000,000.00 TO BE FUNDED FROM BUILDING BETTER COMMUNITIES GENERAL OBLIGATION BOND PROGRAM FUNDS FOR THE AFRICAN HERITAGE CULTURAL ARTS CENTER, TO EXECUTE ALL NECESSARY AGREEMENTS INCLUDING GRANT AGREEMENT AND RESTRICTIVE COVENANT, INCLUDING RECORDATION OF RESTRICTIVE COVENANT, AND TO EXERCISE ALL PROVISIONS CONTAINED IN SUCH AGREEMENTS

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. This Board authorizes the County Mayor the Mayor's designee to: (a) apply for, receive and expend funds from the Florida Department of State 2015-16 Cultural Facilities Grant Program in the amount of \$500,000.00 with a County match of \$1,000,000.00 to be funded from Building Better Communities General Obligation Bond Program funds for the African Heritage Cultural Arts Center; (b) execute all necessary agreements including the grant agreement (Attachment 2) and the restrictive covenant (Attachment 1) in substantially the form attached to the Mayor's memorandum and made a part hereof.

Section 2. Pursuant to Resolution No. R-974-09, this Board: (a) directs the County Mayor or the Mayor's designee to record the restrictive covenant in the Public Records of Miami-Dade County and to provide a recorded copy of the instrument to the Clerk of the Board within 30 days of execution of said instrument; and (b) directs the Clerk of the Board to attach and permanently store a recorded copy of the instrument together with this resolution.

The foregoing resolution was offered by Commissioner ,
who moved its adoption. The motion was seconded by Commissioner
and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman	
Esteban L. Bovo, Jr., Vice Chairman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Audrey M. Edmonson
Sally A. Heyman	Barbara J. Jordan
Dennis C. Moss	Rebeca Sosa
Sen. Javier D. Souto	Xavier L. Suarez
Juan C. Zapata	

The Chairperson thereupon declared the resolution duly passed and adopted this 21st day of June, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

MAG

Miguel A. Gonzalez

RESTRICTIVE COVENANT

(Grantee owns land and building.)

THIS RESTRICTIVE COVENANT is hereby entered into this _____ day of _____, 20____, by **Miami-Dade County Florida**, hereinafter referred to as "the Grantee;" and the State of Florida, Department of State, Division of Cultural Affairs, hereinafter referred to as the "Division".

WHEREAS, the Grantee is the fee simple title holder of the land and the building(s) to be used as a cultural facility located at **6161 NW 22nd Avenue, Miami, Florida 33142** . A legal description of the subject property is attached as Exhibit A and is made a part of this covenant.

WHEREAS, the Grantee has been approved to receive a Cultural Facilities Grant in the amount of **\$500,000**, to be administered by the Division and used only for the acquisition, renovation, and construction of the cultural facility, as required by Section 265.701(1), Florida Statutes. "Facility" is used herein to refer to the building(s) and associated land that will be used as a "cultural facility," as defined herein.

WHEREAS, the Division has authority under Section 265.701(4), Florida Statutes, to require that this restrictive covenant be recorded to ensure that the facility will be used as "cultural facility," as defined herein, for at least ten (10) years following execution of the grant award agreement.

NOW THEREFORE, in partial consideration for the Cultural Facilities Grant and in accordance with Section 265.701(4), Florida Statutes, the Parties agree to the following:

- 1.) This restrictive covenant shall run with the title to the facility and the associated land, shall encumber them, and shall be binding upon the Grantee and its successors in interest for (10) ten years following execution of the grant award agreement.
- 2.) The grant award shall only be expended for

Project Title: African Heritage Cultural Arts Center: Renovations and Upgrades (16.9.200.585)

3.) For the required duration of this covenant, the Parties agree that the Grantee shall own all improvements made to the facility and the associated land, funded in whole or in part by grant funds.

4.) The Division has the right to inspect the facility at all reasonable times to determine whether the conditions of the grant award agreement and this covenant are being complied with.

5.) The Grantee shall maintain the facility as a "cultural facility," defined as a building which shall be used primarily for the programming, production, presentation, exhibition or any combination of the above functions of any of the cultural disciplines defined in s. 265.283(7), F.S. These disciplines include, but are not limited to music, dance, theatre, creative writing, literature, architecture, painting, sculpture, folk arts, photography, crafts, media arts, visual arts, programs of museums, and other such allied, major art forms.

6.) This restrictive covenant will be violated if the Grantee or its successors in interest if the facility ceases to be used as a cultural facility, as defined above, within ten (10) years following the execution of the grant award agreement as required by Section 265.701(4), Florida Statutes. If the Grantee violates this restrictive covenant, it shall repay the grant funds to Division pursuant to the amortization schedule set forth below:

- a. If the violation occurs within five (5) years following the execution of the grant award agreement, 100% of the grant amount;
- b. If the violation occurs more than five (5) but less than six (6) years following execution of the grant award agreement, 80% of the grant amount;
- c. If the violation occurs more than six (6) but less than seven (7) years following the execution of the grant award agreement, 65% of the grant amount;
- d. If the violation occurs more than seven (7) but less than eight (8) years following execution of the grant award agreement, 50% of the grant amount;
- e. If the violation occurs more than eight (8) but less than nine (9) years following execution of the grant award agreement, 35% of the grant amount;
- and
- f. If the violation occurs more than nine (9) but less than ten (10) years following execution of the grant award agreement, 20% of the grant amount.

7.) Any amount due from the Grantee as a result of a violation of this restrictive covenant shall be due in full within 90 days of the violation, or some other period of time as agreed upon by the parties

8.) If the entire amount due under the provisions of paragraph six (6) is not repaid by the Grantee within the time allotted, the Parties agree that the Division may obtain a stipulated judgment against the Grantee for the amount due plus interest at the current legal rate, and record it in the public records of the

county where the land and cultural facility are located. The Parties further agree that such a judgment shall be a stipulated judgment by virtue of full execution of this restrictive covenant; that it shall not require further approval of the Grantee to obtain; and that no trial or hearing shall be necessary to make such a stipulated judgment legally effective. Such a judgment, when recorded, shall be considered a valid lien upon Grantee's interest in the facility and the associated land, including all improvements funded in whole or part by grant funds.

- 9.) As a condition to receipt of grant funds, the Grantee shall:
 - a. Record this covenant in the public records with the Clerk of the Circuit Court of **Miami-Dade** County, Florida;
 - b. Pay fees associated with its recording; and
 - c. Provide a certified copy of the recorded covenant to the Division.

10.) The Parties agree that the Division shall incur no tax liability as a result of this covenant.

IN WITNESS WHEREOF, the Grantee hereby affirms that he/she has read this restrictive covenant, understands and agrees to its terms, and hereby affixes his/her signature accordingly.

PARTIES and WITNESSES:

GRANTEE SIGNATURE

GRANTEE NAME (print)

First Witness Signature

First Witness Name (print)

Second Witness Signature

Second Witness Name (print)

GRANTEE ADDRESS

City State Zip

11

The State of Florida
County of _____

I certify that on this date before me, an officer duly au-
thorized in the state and county named above to take ac-
knowledgments, that

_____ personally
(Name)

appeared as _____ for _____
(Position) (Name of Qualifying Entity)

known to me to be or proved to my satisfaction that he/she is the person de-
scribed in and who executed the foregoing instrument.

Type of Identification Produced _____

Executed and sealed by me at _____, Florida on _____

Notary Public in and for

The State of _____

My commission expires: _____

[SEAL]

For the Division of Cultural Affairs:

		R.A. Gray Building 500 S. Bronough St. Tallahassee, Florida 32303
Name	Title	

First Witness Signature	First Witness Name (print)

Second Witness Signature	Second Witness Name (print)

The State of Florida
 County of _____

I certify that on this date before me, an officer duly authorized in the state and county named above to take acknowledgments, that

_____ personally
 (Name)

appeared as _____ for the Florida Department of State,
 (Position)

Division of Cultural Affairs known to me to be or proved to my satisfaction that he/she is the person described in and who executed the foregoing instrument.

Type of Identification Produced _____

Executed and sealed by me at _____, Florida on _____

Notary Public in and for
 The State of _____
 My commission expires: _____

[SEAL]

**AGREEMENT BETWEEN
THE STATE OF FLORIDA, DEPARTMENT OF STATE
AND
MIAMI-DADE COUNTY FLORIDA**

This Agreement is by and between the State of Florida, Department of State, Division of Cultural Affairs hereinafter referred to as the "Division," and the Miami-Dade County Florida hereinafter referred to as the "Grantee."

The Grantee has been awarded a Cultural Facilities Grant (CSFA 45,014) by the Division, grant number 16.9.200.585 for the project "African Heritage Cultural Arts Center: Renovations and Upgrades," in the amount of \$500,000. Funds for this grant have been appropriated in the FY 2015-2016 General Appropriations Act on line 3123A. The Division has the authority to administer this grant in accordance with Section 265.701, *Florida Statutes*.

In consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. Grant Purpose. This grant shall be used exclusively for the "African Heritage Cultural Arts Center: Renovations and Upgrades," project, the public purpose for which these funds were appropriated as described in **Attachment A**, Project Description.

a) The Grantee shall perform the following **Scope of Work**: Grant funds will be used to address the Center's most pressing needs: securing the buildings' envelope with new energy efficient roofing; upgrading to energy efficient heating, ventilating, and air conditioning (HVAC) systems and lighting systems. The roofs throughout the complex have been assessed to have approximately between 1 and 4 years of service left. New energy efficient roofing systems with a high reflectivity coefficient will replace the aging, leaking and inefficient roofs throughout the complex. Upgrades to the HVAC systems, including new ductwork and energy efficient units will be coordinated with the roofing work so that proper detailing can be ensured, avoiding future issues of water penetration.

All tasks associated with the renovation will be performed by June 1, 2017. All project work will be completed under the supervision of a licensed architect or licensed contractor.

b) The Grantee agrees to provide the following **Deliverables** and **Performance Measures** related to the Scope of Work for payments to be awarded.

Payment 1, Deliverable/ Task 1:

- Payment 1 will be cost reimbursement. The Grantee will have completed at least 30 percent of the project prior to this payment. The performance measure documenting satisfactory completion of Deliverables will be a completed Application and Certificate for Payment (AIA Document G702) and Schedule of Contract Values (AIA Document G703), or its equivalent (See Appendix 1) along with a Contractor's Affidavit of Completion, showing at least 30 percent of the project completed.

ATTACHMENT 2

Payment 2, Deliverable/ Task 2:

- Payment 2 will be cost reimbursement. The Grantee will have completed at least 60 percent of the project prior to this payment. The performance measure documenting satisfactory completion of Deliverables will be a completed Application and Certificate for Payment (AIA Document G702) and Schedule of Contract Values (AIA Document G703), or its equivalent (See Appendix 1) along with a Contractor's Affidavit of Completion, showing at least 60 percent of the project completed.

Payment 3, Deliverable/ Task 3:

- Payment 3 will be cost reimbursement. The Grantee will have completed 100 percent of the project prior to this payment. The performance measure documenting satisfactory completion of Deliverables will be a completed Application and Certificate for Payment (AIA Document G702), Schedule of Contract Values (AIA Document G703), and a Certificate of Substantial Completion (AIA Document G704), or its equivalent (See Appendix 1) along with a Contractor's Affidavit of Completion, showing 100 percent of the project completed, including all retainage amounts paid.
- c) The Grantee has provided an Estimated Project Budget (which is incorporated as part of this Agreement and entitled Attachment C). All expenditures for this agreement shall be in accordance with this budget (Attachment C).
- d) **Change Orders.** Should grant expenditures exceed the budgeted grant amount for any work item by more than 20%, the Grantee shall be required to submit a proposal for revision of the Project Budget with a written explanation for the reason(s) for deviation(s) from the original Project Budget to the Division for review and written approval.

2. **Length of Agreement.** This Agreement shall begin on **July 1, 2015**, and shall end **June 1, 2017**, unless terminated in accordance with the provisions of Section 36 of this Agreement. Contract extensions will not be granted unless Grantee is able to provide substantial written justification and the Division approves such extension. The Grantee's written request for such extension must be submitted to the Division no later than thirty (30) days prior to the termination date of this Agreement.
3. **Contract Administration.** The parties are legally bound by the requirements of this agreement. Each party's contract manager, named below, will be responsible for monitoring its performance under this Agreement, and will be the official contact for each party. Any notice(s) or other communications in regard to this agreement shall be directed to or delivered to the other party's contract manager by utilizing the information below. Any change in the contact information below should be submitted in writing to the contract manager within 10 days of the change.

For the Division of Cultural Affairs:

Elsie Rogers, Grants Manager
Florida Department of State
R.A. Gray Building
500 South Bronough Street
Tallahassee, FL 32399
Phone: 850.245.6483
Facsimile: 850.245.6454

Email: Elsie.rogers@dos.myflorida.com

For the Grantee:

Lisa D'Andrea-Thompson, Construction Projects Manager
Miami-Dade County Florida
Miami-Dade County Department of Cultural Affairs
111 N.W. 1st Street, Suite 2550
Miami, Florida 33128
Phone: 305.375.5736
Facsimile: 305.375.3068
Email: Dandrea@miamidade.gov

- 4. Required Information Needed with Return of Signed Agreement.** Prior to the disbursement of funds, the Grantee must provide the following with the return of the signed Agreement.
- a) Signed Grant Award Agreement which details the Scope of Work and Deliverables.
 - b) Legal Description of the Property. The Grantee has provided and attached the legal description of the property on which the cultural facility is or will be located, (which is incorporated as part of this Agreement and entitled Attachment B).
 - c) Choose to Record a Restrictive Covenant or Purchase a Surety Bond. The Grantee has provided documentation that the Restrictive Covenant has been recorded with the Clerk of the Circuit Court of the county where the property is located, or provided a Surety Bond. (See Section 20 and 21)
 - d) Corporate Nonprofit Status. The Grantee must provide a copy of the corporations' not-for-profit status and continue to maintain its not-for-profit eligibility, as a public entity or a tax-exempt Florida corporation, for the duration of the Restrictive Covenant or Surety Bond.
 - e) Historic Preservation Review. The Grantee must submit the confirmation received from the Bureau of Historic Preservation regarding the historical significance of the property. Applies if structures are 50 years or older. (See Section 22)
 - f) Submit a copy of the Grantee's Florida Substitute Form W-9. (See Section 7)
- 5. Grant Payments.** All grant payments are requested by submitting Application and Certificate for Payment (AIA Document G702) and Schedule of Contract Values (AIA Document G703), or its equivalent (See Appendix 1). The total grant award shall not exceed \$500,000 which shall be paid by the Division in consideration for the Grantee's minimum performance as set forth by the terms and conditions of this Agreement. The grant payment schedule is outlined below:
- a) The first payment will be cost reimbursement. Payment will be made in accordance with the completion of Deliverable 1.
 - b) The second payment will be cost reimbursement. Payment will be made in accordance with the completion of Deliverable 2.

ATTACHMENT 2

- c) The third payment will be cost reimbursement. Payment will be made in accordance with the completion of the Deliverable 3.
6. **Electronic Payments.** The Grantee can choose to use electronic funds transfer (EFT) to receive grant payments. All grantees wishing to receive their award through electronic funds transfer must submit a Direct Deposit Authorization form to the Florida Department of Financial Services. If EFT has already been set up for your organization, you do not need to submit another authorization form unless you have changed bank accounts. To download this form visit <http://www.myfloridacfo.com/Division/AA/Forms/DFS-A1-26E.pdf>. This page also includes tools and information that allow you to check on payments.
7. **Florida Substitute Form W-9.** A completed Substitute Form W-9 is required from any entity that receives a payment from the State of Florida that may be subject to 1099 reporting. The Department of Financial Services (DFS) must have the correct Taxpayer Identification Number (TIN) and other related information in order to report accurate tax information to the Internal Revenue Service (IRS). To register or access a Florida Substitute Form W-9 visit <https://flvendor.myfloridacfo.com/>. **A copy of the Grantee's Florida Substitute Form W-9 must be submitted with the executed Agreement.**
8. **Amendment to Contract.** Either party may request modification of the provisions of this Agreement by submitting a Cultural Facilities Grant Amendment Request form to the Division. Changes which are agreed upon shall be valid only when in writing, signed by each of the parties, and attached to the original of this Agreement. If changes are implemented without the Division's written approval, the organization is subject to noncompliance, and the grant award is subject to reduction, partial, or complete refund to the State of Florida and termination of this agreement. The Cultural Facilities Grant Amendment Request form is available on the Division's online grant system. .
9. **Financial Consequences.** The Department shall apply the following financial consequences for failure to perform the minimum level of services required by this Agreement in accordance with Sections 215.971 and 287.058, *Florida Statutes*.
- a) First payment will be withheld if Deliverables are not satisfactorily completed.
- b) Second payment will be withheld if Deliverables are not satisfactorily completed.
- c) Third payment will be withheld if Deliverables are not satisfactorily completed.
10. **Encumbrance of Funds.** Encumbrance Period is between July 1, 2015 and June 30, 2016, during which state dollars must be obligated to pay for project expenses. To encumber means to have a signed contract with an architect or contractor for the expenditure of all grant and matching funds. All grant funds must be encumbered under the terms of a binding contractual agreement by **June 30, 2016**, except as allowed below.
- a) Extension of Encumbrance Deadline: The encumbrance deadline indicated above may be extended by written approval of the Division. To be eligible for this extension, the Grantee must demonstrate to the Division that full encumbrance of grant funding and the required match by binding contract(s) is achievable by the end of the requested extended encumbrance period. The

Grantee's written request for extension of the encumbrance deadline must be submitted to the Department no later than fifteen (15) days prior to the encumbrance deadline indicated above. The maximum extension of the encumbrance period shall be thirty (30) days.

11. Grant Reporting Requirements. The Grantee must submit the following reports to the Division, using the Cultural Facilities Progress Report form. The Cultural Facilities Progress Report form is available on the Division's website at <http://dos.myflorida.com/media/31252/culturalfacilitiesreportform.pdf>

- a) **First Project Progress Report** is due by January 31, 2016, for the period ending December 31, 2015.
- b) **Second Project Progress Report** is due by July 31, 2016, for the period ending June 30, 2016.
- c) **Third Project Progress Report** is due by January 31, 2017, for the period ending December 31, 2016.
- d) **Final Report.** The Grantee must submit a Final Report with photos of completed project to the Division by July 15, 2017.

12. Matching Funds. Matching funds must meet the following requirements:

- a) Be directly related to the specific construction or renovation work described in the Project Description and detailed in the Estimated Project Budget.
- b) May not consist of general operating expenses as described in Section 10 of this agreement.
- c) Be clearly accounted for by documentation maintained at the Grantee's office.
- d) May not consist of any purchases or expenses paid within five (5) years prior to the award of the grant.
- e) May not consist of state dollars from any source.
- f) May not consist of matching funds claimed for any other state grant.
- g) May have been expended prior within the 5 years preceding July 1, 2015, as long as the expenditures are clearly a part of this grant project, as described in the Scope of work and detailed in the Estimated Project Budget.

13. Grant Completion Deadline. The grant completion deadline is **June 1, 2017**. The Grant Completion Deadline is the date when the project is 100% complete and all grant and matching funds have been paid out in accordance with the work described in the Scope of Work, detailed in the Estimated Project Budget. If the Grantee finds it necessary to request an extension of the Grant Completion Deadline, the extension may not exceed 60 days, unless the Grantee can demonstrate extenuating circumstances as described in Section 14 of this Agreement.

14. Extension of the Grant Completion Deadline. An extension of the completion date must be requested at least thirty (30) days prior to the end of the grant period and may not exceed 60 days, unless the Grantee can clearly demonstrate extenuating circumstances. An extenuating circumstance is one that is beyond the control of the Grantee, and one that prevents timely completion of the project such as a natural disaster, death or serious illness of the individual responsible for the completion of the project, litigation related to the project, or failure of the contractor or architect to provide the

services for which they were contracted to provide. An extenuating circumstance does not include failure to read or understand the administrative requirements of a grant or failure to raise sufficient matching funds. Prior written approval is required for extensions.

15. Credit Line(s) to Acknowledge Grant Funding. All construction projects shall display a project identification sign in a prominent location at the Project site and shall maintain said sign while work is in progress. The sign must be a minimum of eight (8) square feet in area, be constructed of plywood or other durable material, and shall contain the following acknowledgment of grant assistance:

- a) "This project is sponsored in part by the Department of State, Division of Cultural Affairs, the Florida Council of Arts and Culture and the State of Florida" (Section 286.25, Florida Statutes).
- b) Any variation in the above specifications must receive prior approval in writing by the Division. The cost of preparation and erection of the project identification sign are allowable project costs. Routine maintenance costs of project signs are not allowable project costs.

16. Non-allowable Grant Expenditures. The Grantee agrees to expend all grant funds received under this agreement solely for the purposes for which they were authorized and appropriated. Expenditures shall be in compliance with the state guidelines for allowable project costs as outlined in the Department of Financial Services' Reference Guide for State Expenditures, which are incorporated by reference and are available online at http://www.myfloridacfo.com/aadir/reference_guide/. In addition, the following are not allowed as grant or matching expenditures:

- a) General operating expenses (including but not limited to salaries, travel, personnel, office supplies, mortgage, rent, operating overhead, indirect costs, etc.).
- b) Costs incurred in writing or submitting this grant application.
- c) Costs for lobbying or attempting to influence federal, state or local legislation, the judicial branch, or any state agency.
- d) Costs for planning, which include those for preliminary and schematic drawings, and design development documents necessary to carry out the project.
- e) Costs for bad debts, contingencies, fines and penalties, interest, and other financial costs.
- f) Costs for travel, private entertainment, food, beverages, plaques, awards, or scholarships.
- g) Projects which are restricted to private or exclusive participation, including restriction of access to programs on the basis of sex, race, religion, creed, national origin, disability, age, or marital status.
- h) Re-granting, contributions, and donations.
- i) Costs that are paid prior to the execution of the Grant Award Agreement and for which reimbursement is requested, or after June 1, 2017.

17. Unobligated and Unearned Funds and Allowable Costs. In accordance with Section 215.971, *Florida Statutes*, the Grantee shall refund to the State of Florida any balance of unobligated funds which has been advanced or paid to the Grantee. In addition, funds paid in excess of the amount to which the recipient is entitled under the terms and conditions of the agreement must be refunded to the state agency. Further, the recipient may expend funds only for allowable costs resulting from obligations incurred during the specified agreement period. Expenditures of state financial assistance

must be in compliance with the laws, rules, and regulations applicable to expenditures of State funds, including, but not limited to, the *Reference Guide for State Expenditures*.

- 18. Repayment.** All refunds or repayments to be made to the Department under this agreement are to be made payable to the order of the "Department of State" and mailed directly to the following address: Florida Department of State, Attention: Elsie Rogers, Division of Cultural Affairs, 500 South Bronough Street Tallahassee, FL 32399. In accordance with Section 215.34(2), *Florida Statutes*, if a check or other draft is returned to the Department for collection, Recipient shall pay to the Department a service fee of \$15.00 or five percent (5%) of the face amount of the returned check or draft, whichever is greater.
- 19. Unrestricted Use and Access.** The Grantee must maintain Unrestricted Use of the land and buildings associated with the Cultural Facility for a minimum of 10 years following the Grant Award (Grant Award means the date on which the Grant Award Agreement is fully executed).
- a) **Lease of Land and Buildings.** If the land and buildings are leased, the Division may, from time to time, require certification from the Grantee or the property owner that the lease is in full force and effect, that it has not been modified or terminated, and that the Grantee is not in default of the lease (or in the case of an owner, documentation of ownership is required). Failure to provide such certification will constitute a default hereunder, which will give the Division the right to terminate this Agreement and demand the return of all or a part of any funds already delivered, and/or to withhold funds from subsequent grants.
- b) **Retaining Ownership of Land and Buildings.** The owner of land and building(s) must retain ownership of the land and buildings, along with improvements made to the land and building(s), for at least 10 years following the Grant Award. Exception: Land and buildings owned by the State of Florida and leased to an eligible applicant. For the purposes of this program, the applicant must not be a political subdivision of the state.
- 20. Restrictive Covenant.** If the Grantee chooses to record a Restrictive Covenant and the facility ceases to be used as a "Cultural Facility" during the ten (10) years following the Grant Award, the grant funds must be repaid to the Division according to the Restrictive Covenant Amortization Schedule (incorporated into this Agreement and attached as Attachment D).
- 21. Surety Bond instead of a Restrictive Covenant.** If a Surety Bond is selected by the Grantee and the facility ceases to be used as a "Cultural Facility" during the ten (10) years following the Grant Award, the grant funds must be repaid to the Division according to the Surety Bond Amortization Schedule (incorporated into this Agreement and attached as Attachment E).
- 22. Historic Preservation Review.** If the facility that is being renovated with state funds is fifty (50) years old or older, then in accordance with Section 267.061(2)(a) and (b), *Florida Statutes*, the Grantee must submit information about the grant project to the Division of Historical Resources, Bureau of Historic Preservation ("Bureau"), so that it may determine whether the project has historic significance. Should the Bureau deem the facility to have historic significance, grant funds may only be released after the Bureau notifies the Division, in writing, that the Grantee has satisfied the Bureau's requirements. If

the facility is not deemed to be of historic significance, grant funds will be released to Grantee in accordance with Section 5 of this Agreement.

23. **Single Audit Act.** Each grantee, other than a grantee that is a State agency, shall submit to an audit pursuant to Section 215.97, *Florida Statutes*. See Attachment F for additional information regarding this requirement.
24. **Retention of Accounting Records.** Financial records, supporting documents, statistical records, and all other records including electronic storage media pertinent to the Project shall be retained for a period of five (5) years after the close out of the grant. If any litigation or audit is initiated, or claim made, before the expiration of the five-year period, the records shall be retained until the litigation, audit, or claim has been resolved.
25. **Obligation to Provide State Access to Grant Records.** The Grantee must make all grant records of expenditures, copies of reports, books, and related documentation available to the Division or a duly authorized representative of the State of Florida for inspection at reasonable times for the purpose of making audits, examinations, excerpts, and transcripts.
26. **Obligation to Provide Public Access to Grant Records.** The Division reserves the right to unilaterally cancel this Agreement in the event that the Grantee refuses public access to all documents or other materials made or received by the Grantee that are subject to the provisions of Chapter 119, *Florida Statutes*, known as the *Florida Public Records Act*. The Grantee must immediately contact the Division's Contract Manager for assistance if it receives a public records request related to this Agreement.
27. **Noncompliance with Grant Requirements.** Any applicant that has not submitted required reports or satisfied other administrative requirements for other Division of Cultural Affairs grants or grants from any other Office of Cultural, Historical, and Information Programs (OCHIP) Division will be in noncompliance status and subject to the OCHIP Grants Compliance Procedure. (OCHIP Divisions include the Division of Cultural Affairs, the Division of Historical Resources, and the Division of Library and Information Services.) Grant compliance issues must be resolved before a grant award agreement may be executed, and before grant payments for any OCHIP grant may be released.
28. **Accounting Requirements.** The Grantee must maintain an accounting system that provides a complete record of the use of all grant funds as follows:
 - a) The accounting system must be able to specifically identify and provide audit trails that trace the receipt, maintenance, and expenditure of state funds;
 - b) Accounting records must adequately identify the sources and application of funds for all grant activities and must classify and identify grant funds by using the same budget categories that were approved in the grant application. If Grantee's accounting system accumulates data in a different format than the one in the grant application, subsidiary records must document and reconcile the amounts shown in the Grantee's accounting records to those amounts reported to the Division.

- c) An interest-bearing checking account or accounts in a state or federally chartered institution may be used for revenues and expenses described in the Scope of Work and detailed in the Estimated Project Budget.
- d) The name of the account(s) must include the grant award number;
- e) The Grantee's accounting records must have effective control over and accountability for all funds, property, and other assets; and
- f) Accounting records must be supported by source documentation and be in sufficient detail to allow for a proper pre-audit and post-audit (such as invoices, bills, and canceled checks).

29. Availability of State Funds. The State of Florida's performance and obligation to pay under this Agreement are contingent upon an annual appropriation by the Florida Legislature. In the event that the state funds upon which this Agreement is dependent are withdrawn, this Agreement will be automatically terminated and the Division shall have no further liability to the Grantee, beyond those amounts already expended prior to the termination date. Such termination will not affect the responsibility of the Grantee under this Agreement as to those funds previously distributed. In the event of a state revenue shortfall, the total grant may be reduced accordingly.

30. Independent Contractor Status of Grantee. The Grantee, if not a state agency, agrees that its officers, agents and employees, in performance of this Agreement, shall act in the capacity of independent contractors and not as officers, agents, or employees of the state. The Grantee is not entitled to accrue any benefits of state employment, including retirement benefits and any other rights or privileges connected with employment by the State of Florida.

31. Grantee's Subcontractors. The Grantee shall be responsible for all work performed and all expenses incurred in connection with this Agreement. The Grantee may subcontract, as necessary, to perform the services and to provide commodities required by this Agreement. The Division shall not be liable to any subcontractor(s) for any expenses or liabilities incurred under the Grantee's subcontract(s), and the Grantee shall be solely liable to its subcontractor(s) for all expenses and liabilities incurred under its subcontract(s). The Grantee must take the necessary steps to ensure that each of its subcontractors will be deemed to be "independent contractors" and will not be considered or permitted to be an agents, servants, joint venturers, or partners of the Division.

32. Liability. The Division will not assume any liability for the acts, omissions to act, or negligence of, the Grantee, its agents, servants, or employees; nor may the Grantee exclude liability for its own acts, omissions to act, or negligence, to the Division.

- a) The Grantee shall be responsible for claims of any nature, including but not limited to injury, death, and property damage arising out of activities related to this Agreement by the Grantee, its agents, servants, employees, and subcontractors. The Grantee shall indemnify and hold the Division harmless from any and all claims of any nature and shall investigate all such claims at its own expense. If the Grantee is governed by Section 768.28, *Florida Statutes*, it shall only be obligated in accordance with this Section.

ATTACHMENT 2

- b) Neither the state nor any agency or subdivision of the state waives any defense of sovereign immunity, or increases the limits of its liability, by entering into this Agreement.
- c) The Division shall not be liable for attorney fees, interest, late charges or service fees, or cost of collection related to this Agreement.
- d) The Grantee shall be responsible for all work performed and all expenses incurred in connection with the project. The Grantee may subcontract as necessary to perform the services set forth in this Agreement, including entering into subcontracts with vendors for services and commodities; provided that such subcontract has been approved in writing by the Department prior to its execution; and provided that it is understood by the Grantee that the Department shall not be liable to the subcontractor for any expenses or liabilities incurred under the subcontract and that the Grantee shall be solely liable to the subcontractor for all expenses and liabilities incurred under the subcontract.

33. Strict Compliance with Laws. The Grantee shall perform all acts required by this Agreement in strict conformity with all applicable laws and regulations of the local, state and federal law.

34. No Discrimination. The Grantee may not discriminate against any employee employed under this Agreement, or against any applicant for employment because of race, religion, gender, national origin, age, handicap or marital status. The Grantee shall insert a similar provision in all of its subcontracts for services under this Agreement.

35. Breach of Agreement. The Division will demand the return of grant funds already received, will withhold subsequent payments, and/or will terminate this agreement if the Grantee improperly expends and manages grant funds, fails to prepare, preserve or surrender records required by this Agreement, or otherwise violates this Agreement.

36. Termination of Agreement. The Division will terminate or end this Agreement if the Grantee fails to fulfill its obligations herein. In such event, the Division will provide the Grantee a notice of its violation by letter, and shall give the Grantee fifteen (15) calendar days from the date of receipt to cure its violation. If the violation is not cured within the stated period, the Division will terminate this Agreement. The notice of violation letter shall be delivered to the Grantee's Contract Manager, personally, or mailed to his/her specified address by a method that provides proof of receipt. In the event that the Division terminates this Agreement, the Grantee will be compensated for any work completed in accordance with this Agreement, prior to the notification of termination, if the Division deems this reasonable under the circumstances. Grant funds previously advanced and not expended on work completed in accordance with this Agreement shall be returned to the Division, with interest, within thirty (30) days after termination of this Agreement. The Division does not waive any of its rights to additional damages, if grant funds are returned under this Section.

37. Preservation of Remedies. No delay or omission to exercise any right, power, or remedy accruing to either party upon breach or violation by either party under this Agreement, shall impair any such right, power or remedy of either party; nor shall such delay or omission be construed as a waiver of any such breach or default, or any similar breach or default.

- 38. Non-Assignment of Agreement.** The Grantee may not assign, sublicense nor otherwise transfer its rights, duties or obligations under this Agreement without the prior written consent of the Division, which consent shall not unreasonably be withheld. The agreement transferee must demonstrate compliance with the requirements of the project. If the Division approves a transfer of the Grantee's obligations, the Grantee shall remain liable for all work performed and all expenses incurred in connection with this Agreement. In the event the Legislature transfers the rights, duties, and obligations of the Division to another governmental entity pursuant to Section 20.06, *Florida Statutes*, or otherwise, the rights, duties, and obligations under this Agreement shall be transferred to the successor governmental agency as if it was the original party to this Agreement.
- 39. Required Procurement Procedures for Obtaining Goods and Services.** The Grantee shall provide maximum open competition when procuring goods and services related to the grant-assisted project in accordance with Section 287.057, *Florida Statutes*.
- 40. Conflicts of Interest.** The Grantee hereby certifies that it is cognizant of the prohibition of conflicts of interest described in Sections 112.311 through 112.326, *Florida Statutes*, and affirms that it will not enter into or maintain a business or other relationship with any employee of the Department of State that would violate those provisions. The Grantee further agrees to seek authorization from the General Counsel for the Department of State prior to entering into any business or other relationship with a Department of State Employee to avoid a potential violation of those statutes.
- 41. Binding of Successors.** This Agreement shall bind the successors, assigns and legal representatives of the Grantee and of any legal entity that succeeds to the obligations of the Division of Cultural Affairs.
- 42. No Employment of Unauthorized Aliens.** The employment of unauthorized aliens by the Grantee is considered a violation of Section 274A (a) of the Immigration and Nationality Act. If the Grantee knowingly employs unauthorized aliens, such violation shall be cause for unilateral cancellation of this Agreement.
- 43. Severability.** If any term or provision of the Agreement is found to be illegal and unenforceable, the remainder will remain in full force and effect, and such term or provision shall be deemed stricken.
- 44. Americans with Disabilities Act.** All programs and facilities related to this Agreement must meet the standards of Sections 553.501-553.513, *Florida Statutes*, and the Americans with Disabilities Act of 1990.
- 45. Governing Law.** This Agreement shall be construed, performed, and enforced in all respects in accordance with the laws and rules of Florida. Venue or location for any legal action arising under this Agreement will be in Leon County, Florida.
- 46. Entire Agreement.** The entire Agreement of the parties consists of the following documents:
- a) This Agreement
 - b) Project Description (Attachment A)
 - c) Legal Description of the Property (Attachment B)

ATTACHMENT 2

- d) Estimated Project Budget (Attachment C)
- e) Recorded Restrictive Covenant and Amortization Schedule (Attachment D) or Issued Surety Bond and Amortization Schedule (Attachment E)
- f) Single Audit Act Requirements and Exhibit I (Attachment F)
- g) Schedule of Contract Values form (Appendix 1)

In acknowledgment of Grant Number 16.9.200.585 provided for from funds appropriated in the FY 2015-2016 General Appropriation Act in the amount of \$500,000, I hereby certify that I have read this entire Agreement, and will comply with all of its requirements.

Department of State:
By: _____
Sandy Shaughnessy, Division Director

Grantee:
By: _____
Authorizing Official for the Grantee*

Print name and title

Witness

Witness

Date

Date

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ATTACHMENT A

Project Description

The African Heritage Cultural Arts Center was formerly the Model City Cultural Arts Center which opened in 1975 with funding support from the Model City Program initiated by President Lyndon B. Johnson. This regional facility has served Liberty City and the adjacent communities for almost 40 years. Its campus of buildings includes a music building, a dance studio, a visual arts/classroom building, an art gallery and a black box theater, along with a complement of offices and necessary support spaces, reception area, and storage spaces, all of which are connected by a central courtyard area (refer to attachment A-4 and support material titled, "Images of the Center").

Grant funds will be used to address the Center's most pressing needs: securing the buildings' envelope with new energy efficient roofing; upgrading to energy efficient heating, ventilating, and air conditioning (HVAC) systems and lighting systems, and equipping the Center with much needed arts-specific equipment. The roofs throughout the complex have been assessed to have approximately between 1 and 4 years of service left. Many of the air conditioning system components are situated on the roofs of the buildings, where rusting and deteriorating ductwork contribute to the water penetration into the interior spaces. New energy efficient roofing systems with a high reflectivity coefficient will replace the aging, leaking and inefficient roofs throughout the complex. Upgrades to the HVAC systems, including new ductwork and energy efficient units will be coordinated with the roofing work so that proper detailing can be ensured, avoiding future issues of water penetration.

Because the complex has evolved over time and spaces have been adapted for uses other than what they were originally intended for, connectivity throughout the different buildings is an issue that will be addressed with new sound and communications equipment, controls, and data connections. Electrical upgrades will focus on implementing sustainable measures such as upgrades to LED fixtures and installation of motion sensors. Upgrades to the security system will include high-resolution digital cameras. Arts-specific equipment upgrades will include adding a wood-sprung flooring system at the dance studio to replace the current concrete floor and rigid plywood top assembly, and filling a comprehensive list of equipment needs including theatrical lighting and sound systems.

Other improvements planned to be funded with matching funds include: upgrades to the courtyard area to improve accessibility and functionality, including a shading structure; improvements to the layout of spaces to provide better flow and storage capacity; paint and new flooring throughout the complex; and a new artist-designed marquee that will bring renewed attention to the Center. The planned improvements are designed to not only secure the integrity and efficiency of the buildings and their systems, but also to equip the Center with modern, relevant equipment that will inspire and promote creativity and to provide visible upgrades that will renew the community's pride of place. For further detail refer to support material item titled, "project budget detail sheets".

At the end of 2014 the Architectural team provided us with updated order of magnitude costs for all aspects of the project. The result has been an increased estimated amount of construction work for the HVAC work on the project and an updated schedule which projects that construction contract bids are anticipated for late 2015, with award to a General Contractor by early 2016. An approximate construction period of 12-18 months projects completion by late early to mid-2017. No other source of capital grant funding is envisioned for the Center through the grant period. The AHCAC is not eligible to receive funds from the Division of Historical Resources.

ATTACHMENT 2

ATTACHMENT B

ATTACH LEGAL DESCRIPTION OF PROPERTY

ATTACHMENT 2

ATTACHMENT C

Estimated Project Budget

	Budget Category	Total Cost	Match	State
3	Architectural Services	\$ 158,000	\$ 158,000	
	Architects/Surveys			
4	General Requirements			
5	Site Construction	\$ 25,000	\$ 25,000	\$
	Re-sloping & resurfacing of parking area and improved drainage			
6	Concrete			
7	Masonry			
8	Metals			
9	Wood and Plastic	\$ 40,000	\$ 40,000	\$
10	Thermal and Moisture Protection			
	New roofing system throughout	\$ 235,000	\$ -	\$ 235,000
11	Doors and Windows			
12	Finishes	\$ 70,000	\$ 70,000	\$
	Flooring (tile, carpet, wood sprung dance floor)			
	Paint (interior/exterior)			
13	Carpentry/Millwork			
14	Equipment	\$ 200,000	\$ 200,000	
15	Furnishings (permanently affixed)	\$ 30,000	\$ 30,000	
16	Special Construction			
	Marquee - artist designed	\$ 125,000	\$ 125,000	
17	HVAC	\$ 400,000	\$ 135,000	\$265,000
	New ductwork, new AC units			
18	Plumbing			
19	Electrical	\$ 290,000	\$ 290,000	\$
	Light Fixture upgrades, security system upgrade			
20	Exterior Improvements	\$ 52,000	\$ 52,000	\$
	Courtyard improvements to include ADA upgrades and slip resistant flooring, paint building exterior			
A.	TOTAL EXPENSES	\$ 1,625,000	\$ 1,125,000	\$ 500,000

ATTACHMENT D

Restrictive Covenant Provisions and Amortization Schedule

1. If the Grantee chooses to record a Restrictive Covenant, the Grantee, and the property owner(s) (if the land or buildings or both are leased by the grantee), shall execute and file a Restrictive Covenant with the Clerk of the Circuit Court in the county where the property is located, prior to the date that the agreement is executed.

2. The Restrictive Covenant shall include the following provisions:
 - a) That the Restrictive Covenant shall run with title to the building(s) and the associated land and improvements funded by the grant, shall encumber them, and shall be binding upon the Grantee (and the owner(s), if different person(s), and the successors in interest), for (10) ten years from the Grant Award.

 - b) The owner(s) of the improvements made to the building(s) and associated land, funded in whole or in part by grant funds, must also execute the Restrictive Covenant. Exception: Land or buildings or both owned by the State of Florida and leased to an eligible applicant. For the purposes of this program, the applicant must not be a political subdivision of the state.

 - c) The Grantee (and owners, if different persons) shall permit the Division to inspect the Cultural Facility and associated land at all reasonable times to determine whether the Grantee is in compliance with the Grant Award Agreement and the Restrictive Covenant.

 - d) The Grantee must maintain the building(s) as a "Cultural Facility." For the purposes of this program, a "Cultural Facility" is defined as a building which shall be used primarily for the programming, production, presentation, exhibition or any combination of the foregoing for any of the cultural disciplines listed in Section 265.283(7), *Florida Statutes*. These disciplines include, but are not limited to music, dance, theatre, creative writing, literature, architecture, painting, sculpture, folk arts, photography, crafts, media arts, visual arts, programs of museums, and other such allied, major art forms.

 - e) The Restrictive Covenant shall also contain the following amortization schedule for repayment of grant funds, should the Grantee or owners or their successors in interest violate the Restrictive Covenant.
 - a. If the violation occurs within five (5) years following the Grant Award, 100% of the grant amount;
 - b. If the violation occurs more than five (5) but less than six (6) years following the Grant Award, 80% of the grant amount;

ATTACHMENT 2

- c. If the violation occurs more than six (6) but less than seven (7) years following the Grant Award, 65% of the grant amount;
 - d. If the violation occurs more than seven (7) but less than eight (8) years following the Grant Award, 50% of the grant amount;
 - e. If the violation occurs more than eight (8) but less than nine (9) years following the Grant Award, 35% of the grant amount; and
 - f. If the violation occurs more than nine (9) but less than ten (10) years following the Grant Award, 20% of the grant amount.
- f) Other provisions as agreed upon by the Division and the Grantee.

ATTACHMENT E

Surety Bond and Amortization Schedule

1. Any Grantee entering into a Grant Award Agreement with the Division for the acquisition, renovation, or construction of a Cultural Facility that chooses not to record a Restrictive Covenant must purchase a 10-year Surety Bond.
2. A certified copy of the Bond Agreement must be provided to the Division prior to the execution of the Grant Award Agreement.
3. The Bond Agreement must:
 - a) Provide that the facility described in Attachment A: Scope of Work, incorporated by reference in the Grant Award Agreement, will be used as a “Cultural Facility” for (10) ten years following the Grant Award; A Cultural Facility means a building which shall be used primarily for the programming, production, presentation, exhibition or any combination of the above functions of any of the arts and cultural disciplines defined in s. 265.283(7), F.S. These disciplines include, but are not limited to music, dance, theatre, creative writing, literature, architecture, painting, sculpture, folk arts, photography, crafts, media arts, visual arts, programs of museums, and other such allied, major art forms.
 - b) Be purchased from a surety insurer authorized to do business in the Florida as a Surety;
 - c) Provide that there will be a violation of the Bond Agreement if the facility ceases to be used as a “Cultural Facility” as required by Section 265.701(4), *Florida Statutes*, within 10 years following the Grant Award, and that the surety insurer must immediately repay funds to the Division, pursuant to the following amortization schedule:
 1. If the violation occurs within three (3) years following the Grant Award, 100% of the grant amount;
 2. If the violation occurs more than three (3) but less than four (4) years following the Grant Award, 80% of the grant amount;
 3. If the violation occurs more than four (4) but less than five (5) years following the Grant Award, 70% of the grant amount;
 4. If the violation occurs more than five (5) but less than six (6) years following the Grant Award, 60% of the grant amount;
 5. If the violation occurs more than six (6) but less than seven (7) years following the Grant Award, 50% of the grant amount;

ATTACHMENT 2

6. If the violation occurs more than seven (7) but less than eight (8) years following the Grant Award, 40% of the grant amount;
7. If the violation occurs more than eight (8) but less than nine (9) years following the Grant Award, 30% of the grant amount;
8. If the violation occurs more than nine (9) but less than ten (10) years following the Grant Award, 20% of the grant amount.

ATTACHMENT F

FEDERAL AND STATE OF FLORIDA SINGLE AUDIT ACT REQUIREMENTS

AUDIT REQUIREMENTS

The administration of resources awarded by the Department of State to the Grantee may be subject to audits and/or monitoring by the Department of State as described in this Addendum to the Grant Award Agreement.

MONITORING

In addition to reviews of audits conducted in accordance with 2 CFR 2 Subpart F -- Audit Requirements, and Section 215.97, *Florida Statutes*, monitoring procedures may include, but not be limited to, on-site visits by Department of State staff, limited scope audits as defined by 2 CFR 2 §200.328, and/or other procedures. By entering into this agreement, the recipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department of State. In the event the Department of State determines that a limited scope audit of the recipient is appropriate, the recipient agrees to comply with any additional instructions provided by the Department of State staff to the recipient regarding such audit. The recipient further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Chief Financial Officer or Auditor General.

AUDITS

PART I: FEDERALLY FUNDED

This part is applicable if the recipient is a State or local government or a non-profit organization that has received federal funds awarded through the Department of State. EXHIBIT 1 to this attachment indicates whether federal resources have been awarded through the Department of State by this agreement.

2 CFR 2 §200.501 Audit Requirements

(a) *Audit required.* A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

(b) *Single audit.* A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with 2 CFR §200.514 Scope of audit except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

(c) *Program-specific audit election.* When an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with 2 CFR §200.507 Program-specific audits. A program-specific audit may not be elected for R&D unless all of the Federal awards expended were

ATTACHMENT 2

received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of a subrecipient, approves in advance a program-specific audit.

(d) *Exemption when Federal awards expended are less than \$750,000.* A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in 2 CFR §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

(e) *Federally Funded Research and Development Centers (FFRDC).* Management of an auditee that owns or operates a FFRDC may elect to treat the FFRDC as a separate entity for purposes of this part.

(f) *Subrecipients and Contractors.* An auditee may simultaneously be a recipient, a subrecipient, and a contractor. Federal awards expended as a recipient or a subrecipient are subject to audit under this part. The payments received for goods or services provided as a contractor are not Federal awards. Section §200.330 Subrecipient and contractor determinations should be considered in determining whether payments constitute a Federal award or a payment for goods or services provided as a contractor.

(g) *Compliance responsibility for contractors.* In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services comply with Federal statutes, regulations, and the terms and conditions of Federal awards. Federal award compliance requirements normally do not pass through to contractors. However, the auditee is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to determine program compliance. Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.

(h) *For-profit subrecipient.* Since this part does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The agreement with the for-profit subrecipient should describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the agreement, and post-award audits. See also §200.331 Requirements for pass-through entities.

The Internet web addresses listed below will assist recipients in locating documents referenced in the text of this agreement and the interpretation of compliance issues.

U.S. Government Printing Office www.ecfr.gov

PART II: STATE FUNDED

This part is applicable if the recipient is a nonstate entity as defined by Section 215.97(2) (1), *Florida Statutes* and had received state funds awarded by the Department of State. EXHIBIT 1 to this attachment indicates whether state resources have been awarded by the Department of State by this agreement.

Section 215.97 *Florida Statutes* Single Audit Requirements

1. In the event that the recipient expends a total amount of state financial assistance equal to or in excess of \$500,000 in any fiscal year of such recipient, the recipient must have a State single or project-specific audit for such fiscal year in accordance with Section 215.97, *Florida Statutes*; applicable rules of the Executive Office of the Governor and the Chief Financial Officer; and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General. EXHIBIT 1 to this agreement indicates state financial assistance awarded through the Department of State by this agreement. In determining the state financial assistance expended in its fiscal year, the recipient shall consider all sources of state financial assistance, including state financial assistance received from the Department of State, other state agencies, and other nonstate entities. State financial assistance does not include Federal direct or pass-through awards and resources received by a nonstate entity for Federal program matching requirements.
2. In connection with the audit requirements addressed in Part II, paragraph 1, the recipient shall ensure that the audit complies with the requirements of Section 215.97(7), *Florida Statutes*. This includes submission of a financial reporting package as defined by Section 215.97(2) (d), *Florida Statutes*, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General.
3. If the recipient expends less than \$500,000 in state financial assistance in its fiscal year, an audit conducted in accordance with the provisions of Section 215.97, *Florida Statutes*, is not required. In the event that the recipient expends less than \$500,000 in state financial assistance in its fiscal year and elects to have an audit conducted in accordance with the provisions of Section 215.97, *Florida Statutes*, the cost of the audit must be paid from the nonstate entity's resources (i.e., the cost of such an audit must be paid from the recipient's resources obtained from other than State entities).

The Internet web addresses listed below will assist recipients in locating documents referenced in the text of this agreement and the interpretation of compliance issues.

State of Florida Department Financial Services (Chief Financial Officer)

<http://www.fldfs.com/>

State of Florida Legislature (Statutes, Legislation relating to the Florida Single Audit Act)

<http://www.leg.state.fl.us/>

PART III: REPORT SUBMISSION

1. Copies of reporting packages for audits conducted in accordance with 2 CFR 2 §200.512 , and required by PART I of this attachment shall be submitted, when required by 2 CFR 2 §200.512, by or on behalf of the recipient directly to each of the following:

A. The Department of State at the following address:

Office of Inspector General
Florida Department of State
R. A. Gray Building, Room 114A
500 South Bronough St.
Tallahassee, FL 32399-0250

B. The Federal Audit Clearinghouse electronically at *harvester.census.gov/sac/* as designated in 2 CFR 2 §200.512.

C. Other Federal agencies and pass-through entities in accordance with 2 CFR 2 §200.513.

2. In the event that a copy of the reporting package for an audit required by PART I of this attachment and conducted in accordance with 2 CFR 2 §200.501 Audit Requirements, is not required to be submitted to the Department of State for the reasons pursuant to 2 CFR 2 §200.501, the recipient shall submit the required written notification pursuant to 2 CFR 2 §200.501 (d) and a copy of the recipient's audited schedule of expenditures of Federal awards directly to the following:

Office of Inspector General
Florida Department of State
R. A. Gray Building, Room 114A
500 South Bronough St.
Tallahassee, FL 32399-0250

A non-Federal entity that expends less than \$750,000 during the non-Federal entity's fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in 2 CFR §200.503 Relation to other audit requirements, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

3. Copies of financial reporting packages required by PART II of this attachment ~~agreement~~ shall be submitted by or on behalf of the recipient directly to the following:

A. The Department of State at the following address:

Office of Inspector General
Florida Department of State
R. A. Gray Building, Room 114A
500 South Bronough St.
Tallahassee, FL 32399-0250

B. The Auditor General's Office at the following address:

Auditor General's Office
Room 401, Pepper Building
111 West Madison Street
Tallahassee, Florida 32399-1450

4. Any reports, management letter, or other information required to be submitted to the Department of State pursuant to this agreement shall be submitted timely in accordance with 2 CFR 2 Subpart F— Audit Requirements, Section 215.97, *Florida Statutes*, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), *Rules of the Auditor General*, as applicable.
5. Recipients, when submitting financial reporting packages to the Department of State for audits done in accordance with 2 CFR 2 Subpart F or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), *Rules of the Auditor General*, should indicate the date that the reporting package was delivered to the recipient in correspondence accompanying the reporting package.

PART IV: RECORD RETENTION

1. The recipient shall retain sufficient records demonstrating its compliance with the terms of this agreement for a period of five years from the date the audit report is issued, and shall allow the Department of State, or its designee, Chief Financial Officer, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to the Department of State, or its designee, Chief Financial Officer, or Auditor General upon request for a period of three years from the date the audit report is issued, unless extended in writing by the Department of State.

EXHIBIT 1

FEDERAL RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT
CONSIST OF THE FOLLOWING: \$0

Not Applicable.

COMPLIANCE REQUIREMENTS APPLICABLE TO THE FEDERAL RESOURCES
AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS: Not Applicable

Resources may be utilized for items in the basic state arts plan; arts education; arts in underserved communities; programs which provide access to the arts for all Americans; an initiative to make the finest works in our nation's artistic legacy available to a broad cross section of America; and projects which strengthen the infrastructure of support for the folk and traditional arts.

STATE RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT
CONSIST OF THE FOLLOWING: \$500,000

MATCHING RESOURCES FOR FEDERAL PROGRAMS: Not Applicable.

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:

Florida Department of State Cultural Facilities Grants, CSFA Number 45.014

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED
PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

The compliance requirements of this state project may be found in Part Four (State Project Compliance Requirements) of the State Projects Compliance Supplement located at <https://apps.fldfs.com/fsaa/>.