

Watertown Economic Development AuthorityJune 9th, 2022**Agenda Item: CGPI Grant Agreement – Watertown Warehouses****Request for Action: Motion to approve and execute CGPI Grant Agreements****Department: Jake Foster, City Administrator****Background:**

Earlier this year the Watertown Economic Development Authority (“the EDA”) applied for and was successful in award of grant funds from the Carver County Community Development Authority’s (“the CDA”) Community Growth Partnership Initiative Grant program (“CPIG”) for the Watertown Warehouses economic development projects at 709 Jefferson Ave.

The CGPI program makes funds available for city use to support affordable housing, job creation, economic development, and planning in communities throughout the County; and up to \$100,000 is available to a city in each annual round of applications.

The EDA applied for funds on behalf of the economic development and job creation projects proposed to commence in the community.

The Watertown Warehouses are planning to convert the existing building at 701-709 Jefferson Ave. SW to become 25 individual spaces that will be leased to small to medium sized businesses that work in the light industrial space. This site will have extensive work done externally through grading, stormwater upgrades, paving, etc. As the interior spaces will also be converted to the aforementioned separate 25 units, there will also be extensive interior work done. The total development cost is estimated to be \$4,500,000 including property acquisition. The exterior work and much of the interior work is reimbursable activity through the CGPI program.

The Watertown Warehouses will be required to create two full-time jobs with 12 months of the first disbursement, or the City is able to claw-back any disbursed funds.

The EDA and CDA will enter into a grant agreement for the CGPI program, and the EDA and Watertown Warehouses will enter into a sub-recipient grant agreement to memorialize the disbursement of funds. All agreements have been reviewed or drafted by the City Attorney.

Staff recommends approval of the grant agreement and sub-recipient grant agreement for the Watertown Warehouses.

Funding Source:

EDA Operating>Grant Funds & Loan Funds

Attachments:

CDA CGPI Grant Agreement-Watertown Warehouses

EDA Sub-Recipient Grant Agreement – Watertown Warehouses

CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY
COMMUNITY GROWTH PARTNERSHIP INITIATIVE GRANT PROGRAM
COMMUNITY DEVELOPMENT GRANT AGREEMENT

THIS GRANT AGREEMENT entered into this 18th day of February, 2022 by and between the Carver County Community Development Agency, a public body corporate and politic (the "Agency"), and the City of **Watertown**, a political subdivision of the State of Minnesota (the "Grantee").

WHEREAS, pursuant to Resolution No. 15-15 the Agency established the Community Growth Partnership Initiative Grant Program (the "Program") to improve the tax base and quality of life in Carver County by assisting municipal redevelopment efforts and promoting the development of living wage jobs and affordable housing; and

WHEREAS, the activities to be undertaken under the Program are all activities that the Agency could undertake directly pursuant to *Minnesota Statutes*, §§469.001 to 469.047 and 469.090 to 469.1082; and

WHEREAS, this Agreement shall constitute a cooperation agreement between the parties, as contemplated by *Minnesota Statutes*, §§469.041, clause (8) and 469.101, subdivisions 5 and 14; and

WHEREAS, the Grantee submitted an application for a Community Development Grant (the "Application") in response to a request for proposals issued by the Agency and will use the grant funds made available under this Agreement to help fund the project identified in Attachment A (the "Project"); and

WHEREAS, the Agency has concluded that the Grantee has the necessary expertise, skill and ability to successfully complete the Project and that the Project is in the best interests of the Agency and will positively contribute to meeting the goals of the Program; and

WHEREAS, the Grantee is a municipality of Carver County that is supportive of the Agency's mission and of the development of affordable housing; and

WHEREAS, the Agency agrees to provide grant funds to the Grantee pursuant to the Program and Resolution No. 22-05, subject to the terms, conditions, and clarifications hereof.

NOW THEREFORE, in consideration of the mutual covenants and agreement contained herein, the Agency and the Grantee agree as follows:

ARTICLE 1: TERMS OF GRANT

1.01 Grant Amount: The Agency agrees to provide a grant to the Grantee in the amount of **One Hundred Thousand (\$100,000)** (the "Grant") from the Program upon the terms and conditions and for the purposes set forth in this Agreement.

1.02 Match Requirement: The Grantee shall match the total Grant amount received from the Agency based upon the expenditure of two dollars (\$2.00) of Grantee funds for each one dollar (\$1.00) of Grant funding ("Matching Funds"). Such Matching Funds shall (a) constitute the actual expenditure of Grantee funds on the Project described in Attachment A and not "in kind" contributions and (b) be in balance at the time of each Grant disbursement pursuant to Section 1.06 hereof. The source and amount of Matching Funds shall be identified by the Grantee in each Reimbursement Request, as described in Section 1.06.

1.03 Use of Funds: The Grantee agrees to use the proceeds of the Grant solely for the purposes and activities described in Attachment A. A Project summary that identifies eligible uses of Grant proceeds, as approved by the Agency, is contained in Attachment A ("Eligible Uses").

1.04 Grant Term: The Project shall be completed in a timely manner and all Grant funds will be expended upon eighteen (18) months of the date of this Agreement, **August 18, 2023** (the "End Date").

1.05 Term Extension: The End Date may be extended beyond the original End Date at the sole discretion of the Executive Director of the Agency. The Grantee must submit any extension request in writing at least thirty (30) calendar days prior to the End Date (a) stating the reason for the extension request, (b) providing a proposed new End Date and (c) describing in reasonable detail proposed changes to the Project activities and budget, if any. The End Date may be extended only once and the extension shall not exceed one (1) year beyond the original End Date.

1.06 Disbursement of Grant Funds: The Agency will disburse Grant funds in response to written reimbursement requests ("Reimbursement Requests") submitted to the Agency by the Grantee upon forms provided by the Agency and accompanied by (a) copies of bills and invoices from third parties for which Grantee seeks reimbursement and (b) proof of expenditure of Matching Funds in an amount at least equal to two times the amount of the Reimbursement Request. Subject to verification of the facts contained each Reimbursement Request and a determination of compliance with the terms of this Agreement, the Agency will disburse the requested amount to the Grantee within fourteen (14) days after receipt of each Reimbursement Request.

1.07 Release of Unused Grant Funds: Upon the earlier of (a) Completion of the Project or (b) the End Date (the "Grant Release Date"), any Grant funds not previously disbursed to the Grantee for any reason shall be automatically released from the terms of this Agreement.

ARTICLE 2: ACCOUNTING, AUDIT AND REPORTING REQUIREMENTS

2.01 Accounting and Records: The Grantee agrees to accurately and completely establish and maintain detailed accounts and records relating to the receipt and expenditure of all Grant funds received under this Agreement. Such accounts and records shall be kept and maintained by the Grantee for a period of six (6) years following the Grant Release Date. Such financial records shall sufficiently evidence the nature and expenditure of all Match Funds required. Accounting methods shall be in accordance with generally accepted accounting principles.

2.02 Audits: The accounts and records of the Grantee described in Section 2.01 shall be audited in the same manner as all other accounts and records of the Grantee and may, for a period of six (6) years following the Grant Release Date, be inspected on the Grantee's premises by the Agency or individuals or organizations designated by the Agency, upon reasonable notice thereof to the Grantee. The books, records, documents and accounting procedures relevant to this Agreement are subject to examination by the State Auditor in accordance with State law.

2.03 Report Requirements: The Grantee shall periodically report to the Agency regarding the status of Project activities and the expenditures of the Grant funds. Reports are due on each May 31st and November 30th during the Grant term, as defined in Section 1.04. A final report is due sixty (60) days following the Grant Release Date. This reporting requirement and all others required in this Agreement shall survive the termination or expiration of this Agreement.

2.04 Appraisal: The Grantee represents that an appraisal has been or will be carried out to determine the fair market value of any real property to be acquired as a part of Project activities and that any purchase offer and price paid was made based on the appraised value. The Grantee further represents that such appraisal conforms to Uniform Standards of Professional Appraisal Practice (USPAP) requirements and was performed by a qualified appraiser licensed in the State of Minnesota.

2.05 Acquisition and Relocation: The Grantee represents that all Project activities comply with all aspects of *Minnesota Statutes*, §§117.50 to 117.56 and the United States Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, if applicable.

2.06 Environmental Site Assessment: The Grantee represents that a Phase I Environmental Site Assessment or other environmental reviews have been or will be carried out, if such environmental assessment or review is appropriate for the scope and nature of the Project activities funded by this Grant and that any environmental issues have been or will be properly and adequately addressed. Issuance of this Grant neither implies any Agency responsibility for contamination, if any, at the Project site nor imposes any obligation on the Agency to participate in any pollution cleanup of the Project site if such cleanup is undertaken or required.

2.07 Public Bidding: The Grantee, in the expenditure of Grant funds, shall at all times comply with the requirements of *Minnesota Statutes*, §§469.015 and 471.345.

ARTICLE 3: GRANTEE REPRESENTATIONS AND WARRANTIES

3.01 Authority: Grantee warrants that it is duly organized under applicable laws of the State of Minnesota and that it has authority to execute, deliver, and perform its obligations under this Agreement.

3.02 Use of Grant Funds: Grantee warrants that it shall use the proceeds of the Grant solely for Eligible Uses in accordance with Section 1.03 hereof.

3.03 Project Site Acknowledgements: The Grantee shall acknowledge the assistance provided by the Agency and Carver County in promotional materials, press releases, reports and publications relating to the Project activities that are funded in whole or in part with the Grant funds. The acknowledgement should contain the following language: "Financing for this project was provided by Carver County CDA Community Growth Partnership Initiative Grant Program and support from Carver County". Until the Project is completed, the Grantee shall ensure the above acknowledgement language, or alternative language approved by the Executive Director of the Agency, is included on all signs located at Project or construction sites that identify Project funding partners or entities providing financial support for the Project.

3.04 Assignment: Grantee shall not cause or permit any voluntary transfer, assignment, or other conveyance of this Agreement without the written consent of the Agency, which said consent may be withheld at the Agency's sole discretion. Any non-approved transfer, assignment or conveyance shall be void.

3.05 Indemnification: Grantee shall defend, hold harmless and indemnify the Agency and its elected and appointed officials, officers, agents and employees from and against all claims, liability, costs expenses, loss or damages of any nature whatsoever, including reasonable attorney's fees, arising out of or in any way connected with its failure to perform its covenants and obligations under this Agreement and any of its operations or activities related thereto, excluding the willful misconduct or the gross negligence of the person or entity seeking to be defended, indemnified, or held harmless. The provisions of this paragraph shall survive the termination of this Agreement. This indemnification shall not be construed as a waiver on the part of either the Grantee or the Agency of any immunities or limits on liability provided by applicable State law.

ARTICLE IV: DEFAULT AND REMEDIES

4.01 Default Defined: The term "Default" shall mean, whenever it is used in this Agreement (a) any failure by the Grantee to substantially observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed hereunder or (b) any material breach of any representation set forth herein.

4.02 Remedies: Whenever a Default occurs, the Agency may immediately, without notice, suspend its performance under this Agreement. After providing thirty (30) days written notice to Grantee of a Default, but only if the alleged Default has not been cured within said thirty (30) days or, if the alleged Default cannot be cured within said thirty (30) days, within such time as is reasonably determined by the Agency as necessary to cure (assuming Grantee diligently pursues such cure), the Agency may (a) terminate this Agreement by written notice, upon which all non-disbursed Grant Funds shall be released, and/or (b) pursue whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any amounts due under this Agreement or to enforce the performance and observance of any obligation, agreement, or covenant hereof.

4.03 No Remedy Exclusive: No remedy herein conferred upon or reserved to the Agency is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Agency to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as provided in Section 4.02.

4.05 No Additional Waiver Implied by One Waiver: In the event any agreement contained in this Agreement should be breached by the Grantee and thereafter waived by the Agency, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE 5: GENERAL PROVISIONS

5.01 Amendments: The Agency and the Grantee may amend this Agreement by mutual agreement and shall be effective only on the execution of written amendments signed by authorized representatives of the Agency and the Grantee.

5.02 Equal Opportunity: The Grantee agrees it will not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, membership or activity in local civil rights commission, disability, sexual orientation or age and will take affirmative action to insure applicants and employees are treated equally with respect to all aspects of employment, rates of pay and other forms of compensation, and selection for training.

5.03 Conflict of Interest: The members, officers and employees of the Grantee shall comply with all applicable state statutory and regulatory conflict of interest laws and provisions.

5.04 Severability: If one or more provisions of this Agreement are found invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, the remaining provisions shall not in any way be affected, prejudiced, disturbed or impaired thereby, and all other provisions of this Agreement shall remain in full force.

5.05 Time: Time is of the essence in the performance of the terms and conditions of this Agreement.

5.06 Contacts: Reimbursement Requests, written reports and correspondence submitted to the Agency pursuant to this Agreement shall be directed to:

Carver County CDA
Attn: Executive Director
705 North Walnut Street
Chaska, MN 55318

Any notice, demand, or other communication under the Agreement to the Grantee shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally to Grantee at:

City of Watertown
Attention: Jake Foster, City Administrator
309 Lewis Avenue S.
Watertown, MN 55388

or at such other address that Grantee may, from time to time, designate in writing. Mailed notices shall be deemed duly delivered two (2) business days after the date of mailing.

5.07 Warranty of Legal Capacity: The individuals signing this Agreement on behalf of the Grantee and on behalf of the Agency represent and warrant on the Grantee's and the Agency's behalf respectively that the individuals are duly authorized to execute this Agreement on the Grantee's and the Agency's behalf, respectively and that this Agreement constitutes the Grantee's and the Agency's valid, binding and enforceable agreements.

5.08 Counterparts: This Agreement may be executed in multiple counterparts, and all such executed counterparts shall constitute the same Agreement. It shall be necessary to account for only one (1) such counterpart executed by each party hereto in proving the existence, validity or content of this Agreement.

IN WITNESS WHEREOF, the Grantee and the Agency have caused this Agreement to be executed by their duly authorized representatives. This Agreement is effective on the date of final execution by the Agency.

Agency: The Carver County Community
Development Agency

Grantee: City of Watertown

By: _____
Julie Frick, Executive Director

By: _____

Its: _____

Dated: _____

Dated: _____

ATTACHMENT A

Community Development Project Name: Jefferson Avenue, LLC	
Location: 701-709 Jefferson Avenue SW, Watertown	
<p>Community Development Project Description: Reuse of the existing 65,000 square foot building located along Highway 25. The project would divide the existing space into 25 spaces of 1,000 to 25,000 square feet each. The spaces would be individually leased to small and mid-sized businesses. The existing Hooked on Classics will remain as the largest user. The vacancy rate of the existing building is between 50 to 80%. Project is anticipated to create at least 30 jobs at a living wage of at least \$17/hours.</p> <p>Eligible activities: acquisition, utilities, lighting, site work, landscaping, stormwater, streetscaping, parking</p>	
Project Activities:	Budget:
Acquisition	\$2,900,000
Utilities	100,000
Lighting	\$20,000
Landscaping	\$20,000
Roadways	\$80,000
Parking	\$50,000
Other site work	\$900,000
Total	\$4,500,000
Funding Sources:	Amounts:
Mortgage	\$3,000,000
General Partner cash/equity	\$1,400,000
CGPI	\$100,000
Total	\$4,500,000

**RECIPIENT OF WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY
COMMUNITY GROWTH PARTNERSHIP INITIATIVE GRANT PROGRAM
SUBRECIPIENT AGREEMENT**

THIS AGREEMENT made and entered into by and between the CITY OF WATERTOWN ECONOMIC DEVELOPMENT AUTHORITY, 309 Lewis Avenue Southwest, a public body corporate and political subdivision of the State of Minnesota (“Recipient”) and JEFFERSON AVE, LLC, 6327 Cambridge St., Minneapolis, MN (“Subrecipient”).

WHEREAS, Recipient applied for a Community Growth Partnership Initiative Grant (“CGPI”) from the Carver County Development Agency (“CCDA”) to assist Subrecipient with repurposing the existing 65,000 square foot building located at 701 Jefferson Avenue Southwest, to build out the building into 25 spaces for lease to small and mid-sized business, as shown on the Project Plans attached as **Exhibit 1** (“Project”);

WHEREAS, Recipient has received a CGPI Grant in the amount of ONE HUNDRED THOUSAND DOLLARS (\$100,000.00) (“CGPI Funds”) to carry out municipal redevelopment efforts in cooperation with Subrecipient in accordance with the Carver County Community Development Agency Community Development Grant Agreement (“CCDA Grant Agreement”) (**Exhibit 2**), and to reimburse Subrecipient for funds expended on the Project; and

WHEREAS, in consideration of the CGPI Funds, the Subrecipient shall add two Full-time equivalent positions, earning a minimum of \$17.00 (SEVENTEEN DOLLARS) per hour; and

WHEREAS, in order to receive CGPI Funds, the Subrecipient agrees to the requirements and conditions of this agreement.

NOW, THEREFORE, the parties hereunto do hereby agree as follows:

1. **SCOPE OF SERVICES**

- 1.1. The Subrecipient shall be reimbursed from the CGPI Funds to perform the Project, subject to the requirements of this Agreement and the requirements set forth in the CCDA Grant Agreement.
- 1.2. The Subrecipient shall take all necessary actions, not only to comply with the requirements of CCDA Grant Agreement, but to comply with any requests by the Recipient with respect to its compliance with that agreement it being understood that the Recipient is responsible to the CCDA for ensuring compliance with such requirements. The Subrecipient also will promptly notify the Recipient of any changes in the scope or character of the Project.
- 1.3. At the request of the Recipient, on a form to be provided, the Subrecipient shall submit a schedule, corresponding to the term of this Agreement, showing milestones for Project implementation and timely expenditure of funds and will

provide other information as requested to assure compliance with CCDA timeliness requirements and reporting requirements.

2. **TERM OF AGREEMENT**

The effective date of this Agreement is April 1, 2022. The termination date of this Agreement is August 18, 2023, or at such time the Project contemplated in this Agreement is satisfactorily completed prior thereto. Upon expiration, the Recipient shall relinquish to CCDA all CPGI Funds unexpended and uncommitted, attributable to the use of CDBG funds for the activities described in Exhibit 1 (“Grant Release Date”).

3. **THIRD PARTY AGREEMENTS**

The Subrecipient may subcontract the services to be performed pursuant to Exhibit 1, whether in whole or in part, only with the prior consent of the Recipient and only through a written Third Party agreement acceptable to the Recipient. The Subrecipient shall not otherwise assign, transfer, or pledge this Agreement and/or the services to be performed hereunder, whether in whole or in part, without the prior consent of the Recipient and the CCDA

4. **AMENDMENTS TO AGREEMENT**

Any material alterations, variations, modifications or waivers of provisions of this Agreement shall only be valid when reduced to writing as an Amendment to this Agreement signed, approved and properly executed by the authorized representatives of the parties. An exception to this process will be in amending Exhibit 2 to this Agreement. Exhibit 2 shall be deemed amended as necessary, when the parties to that Agreement, execute any amendments thereto.

5. **PAYMENT OF CPGI FUNDS**

5.1 Upon application to the Recipient, the Recipient agrees to provide the Subrecipient with CPGI Funds not to exceed \$100,000.00, to enable the Subrecipient to carry out its Project, as described in Exhibit 2. Disbursement of CPGI Funds to Subrecipient is dependent upon reimbursement of CPGI Funds to Recipient under Section 1.06 of the CCDA Grant Agreement.

5.2 It is understood that the Recipient shall be held accountable to CCDA for the lawful expenditure of CPGI funds under this Agreement. The Recipient shall therefore make no payment of CPGI Funds to the Subrecipient from CPGI Funds provided by the CCDA for the Project, prior to having received a proper documentation from the Subrecipient for the expenses incurred, as well as copies of all documents and records needed to ensure that the Subrecipient has complied with all appropriate regulations and requirements.

6. **JOB CREATION**

The Subrecipient shall add two Full-time equivalent positions, earning at least \$17 per hour within 12 months of first disbursement of CPGI Funds from Recipient to Subrecipient. If the Subrecipient does not create new full-time equivalent position within 12 months of the first disbursement as required herein, the Recipient is entitled a reimbursement of all CPGI Funds disbursed to Subrecipient.

7. **INDEMNITY AND INSURANCE**

7.1. The Subrecipient does hereby agree to defend, indemnify, and hold harmless the Recipient and the CCDA, their elected officials, officers, agents, volunteers and employees from and against all costs, expenses, claims, suits, or judgments arising from or growing out of any injuries, loss or damage sustained by any person or corporation, including employees of Subrecipient and property of Subrecipient, which are caused by or sustained in connection with the tasks carried out by the Subrecipient under this Agreement.

7.2. In order to protect Recipient and CCDA from liability and to effectuate the indemnification provisions hereinabove, Subrecipient shall secure, maintain, and pay for insurance from an insurance company as will protect against claims or loss which may arise out of the operations of the Subrecipient or by any sub-contractor or by anyone employed by either Subrecipient or any sub-contractor or by anyone for whose acts the Subrecipient or any sub-contractor may be liable for the Project and under this Agreement (“Subrecipient Certificate of Insurance”). The Subrecipient’s Certificate of Insurance shall include, but not be limited to, minimum coverages and limits of liability specified below, or required by law. Unless otherwise specifically waived in writing signed by the Recipient, the required insurance shall not be less than the following:

a. Public Liability, Personal Injury, and Property Damage: \$1,500,000.00 for each occurrence.

b. Worker’s Compensation Insurance and Employer’s Liability Insurance: Shall be secured and maintained as required by the State of Minnesota.

c. Automobile and Truck Public Liability, Personal Injury and Property Damage, Including Owned and Non-Owned Vehicles: \$1,500,000.00 for each occurrence.

d. All Risk and/or Installation Floater: Before commencement of the work, the Subrecipient shall submit written evidence that it has obtained, for the period of this Agreement, builder’s “all-risk” completed value insurance coverage, excluding flood insurance, upon the entire project which is the subject of this Agreement and including completed work and work in progress. Such insurance shall include as additional named insureds the Recipient, and its officers, employees, and agents, and any other persons with an insurable interest designated by the owner as an additional named insured. Such insurance may have a deductible clause but amount of deductible shall not exceed \$5,000.00.

An umbrella or excess policy over primary liability coverages is an acceptable method to provide the required insurance limits. The above subparagraphs establish minimum insurance requirements. It is the sole responsibility of the Contractor to determine the need for and to procure additional insurance that may be needed in connection with the construction of the Project.

e. A copy of the Subrecipient's Certificate of Insurance which evidences compliance with this paragraph must be filed with the Recipient prior to the start of the Project. Each certificate of insurance shall contain as an additional named insured the Recipient and its officers, employees, and agents any other person with an insurable interest designated by the Recipient as an additional named insured. Each certificate of insurance and policy shall contain a clause providing it shall not be cancelled by the insurance company without thirty (30) days written notice to the Recipient of intention to cancel.

7.3. This section shall in no way be intended by the parties hereto as a waiver of the liability limits specified in Minnesota Statutes Section 466.04, as amended.

8. **DATA PRIVACY**

The Subrecipient agrees to abide by the provisions of the Minnesota Government Data Practices Act (Minn. Stat. § 13.01 *et seq*) and all other applicable state and federal laws, rules, and regulations relating to data privacy or confidentiality. The Subrecipient agrees to defend, indemnify and hold the Recipient, its elected officials, officers, agents, volunteers and employees harmless from any claims resulting from the Subrecipient's unlawful disclosure and/or use of such protected data.

9. **SUSPENSION OR TERMINATION**

9.1 If the Subrecipient materially fails to comply with any term of this Agreement or so fails to administer the work as to endanger the performance of this Agreement, this shall constitute noncompliance and default. Unless the Subrecipient's default is excused by the Recipient, the Recipient may immediately cancel this Agreement in its entirety.

9.2 Any representation or warranty made by the Subrecipient in association with this Agreement or the CCDA Grant Agreement, or any other document referred to in such documents, or any financial statement certificate, or report furnished pursuant to this Agreement, or any representation or warranty made in order to induce the Recipient or the CCDA to approve the CPGI Funds or disburse the CPGI Funds, which proves to be untrue in any material respect or materially misleading of the time such representation or warranty was made, shall constitute a default of this Agreement. Unless the Subrecipient's default is excused by the Recipient, the Recipient may immediately cancel this Agreement in its entirety.

- 9.3 The Recipient's failure to insist upon strict performance of any provision or to exercise any right under this Agreement shall not be deemed a relinquishment or waiver of the same. Such consent shall not constitute a general waiver or relinquishment throughout the entire term of the Agreement.
- 9.4 This Agreement may be cancelled with or without cause by either party upon thirty (30) days written notice.
- 9.5 CPGI funds allocated to the Subrecipient under this Agreement may not be obligated or expended by the Subrecipient following such date of termination. Any funds allocated to the Subrecipient under this Agreement which remain unobligated or unspent following such date of termination shall automatically revert to the Recipient for release to the CCDA.

10. **REVERSION OF ASSETS**

Upon expiration or termination of this Agreement, the Subrecipient shall transfer to the Recipient any CPGI funds on hand or in accounts receivable attributable to the use of CPGI funds.

11. **IMPLEMENTATION**

The Subrecipient shall be responsible for procurement of all supplies, equipment, services, and construction necessary for implementation of its Project. The Recipient shall provide advice and staff assistance, as necessary, to the Subrecipient to carry out its Project and the purposes of this Agreement

12. **AFFIRMATIVE ACTION AND EQUAL OPPORTUNITY**

12.1 During the performance of this Agreement, the Subrecipient agrees to the following: In accordance with the Minnesota Human Rights Act, no person shall be excluded from full employment rights or participation in, or the benefits of, any program, service or activity on the grounds of race, color, creed, religion, age, sex, disability, gender, gender-identity, marital status, sexual orientation, public assistance status, or national origin; and no person who is protected by applicable federal or state laws against discrimination shall be otherwise subjected to discrimination.

12.2 The Subrecipient will furnish all information and reports required to comply with all applicable state and federal laws, rules, and regulations pertaining to discrimination and equal opportunity.

13. **RECORD-KEEPING**

The Subrecipient shall maintain records of the receipt and expenditure of all CPGI Funds. Such accounts and records shall be kept and maintained by the Recipient for a period of

six (6) years following the Grant Release Date. All records shall be made available upon request of the Recipient for inspection/s and audit/s by the Recipient or its representatives. If a financial audit/s determines that the Subrecipient has improperly expended CPGI funds, resulting in the CCDA disallowing such expenditures, the Recipient reserves the right to recover from the Subrecipient such disallowed expenditures from non-CPGI sources.

14. **ACCESS TO RECORDS**

The Recipient shall have authority to review any and all procedures and all materials, notices, documents, etc., prepared by the Subrecipient in implementation of this Agreement, and the Subrecipient agrees to provide all information required by any person authorized by the Recipient to request such information from the Subrecipient for the purpose of reviewing the same.

15. **TIME**

Time is of the essence of the performance of the terms and conditions of this Agreement.

16. **NOTICE**

Reimbursement Requests, written reports and correspondence submitted to the Recipient of Watertown pursuant to this Agreement shall be directed to:

City of Watertown
Attn: City Administrator
309 Lewis Avenue S.
Watertown, MN 55388

Any notice, demand, or other communication under the Agreement to the Recipient shall be sufficiently given if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally to Recipient at the at the address above. Mailed notices shall be deemed duly delivered two (2) business days after the date of mailing.

Any notice, demand, or other communication under the Agreement to the Subrecipient shall be sufficiently given if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally to Recipient at the at the address above. Mailed notices shall be deemed duly delivered two (2) business days after the date of mailing.

Jefferson Ave, LLC
6327 Cambridge St.
Minneapolis, MN 55416

17. **WARRANTY OF LEGAL CAPACITY**

The individuals signing this Agreement on behalf of the Recipient and on behalf of the Subrecipient represent and warrant on the Recipient and Subrecipient's behalf respectively that the individuals are duly authorized to execute this Agreement on the Recipient and Subrecipient's behalf, respectively and that this Agreement constitutes the Recipient and Subrecipient's valid, binding and enforceable agreements.

18. **WARRANTY OF FUNDS**

The Subrecipient warrants that it has sufficient funds to complete the purposes of the Project and sufficient capacity to administer the Project.

19. **INDEPENDENT CONTRACTOR**

At all times and for all purposes herein, the Subrecipient is an independent contractor and not an employee of the Recipient. No statement herein shall be construed so as to find the Subrecipient an employee of the Recipient.

20. **DAMAGES**

In the event of a breach of this Agreement by the Recipient, Subrecipient shall not be entitled to recover punitive, special or consequential damages or damages for loss of business

21. **GOVERNING LAW**

This Agreement shall be controlled by the laws of the State of Minnesota.

22. **SEVERABILITY**

The provisions of this Agreement are severable. If any portion hereof is, for any reason, held by a court of competent jurisdiction to be contrary to law, such decision shall not affect the remaining provisions of this Agreement.

23. **ENTIRE AGREEMENT**

The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.

24. **COUNTERPARTS**

This Agreement may be executed in multiple counterparts, and all such executed counterparts shall constitute the same Agreement.

EXHIBIT 1
PROJECT PLANS

EXHIBIT 2

**COMMUNITY DEVELOPMENT GRANT AGREEMENT BETWEEN CARVER
COUNTY AND THE RECIPIENT OF WATERTOWN**