

## GRANT AGREEMENT

BETWEEN: City of Newport,  
a municipal corporation of the State of Oregon, (City)

AND: Pacific Communities Health District Foundation  
a nonprofit corporation incorporated in the State of Oregon (PCHDF)

EFFECTIVE DATE: The latest date signed by the parties.

### RECITALS

- A. The City of Newport (City) is a municipal corporation with Home Rule authority pursuant to its Charter and the constitution of the State of Oregon.
- B. The Pacific Communities Health District Foundation (PCHDF) is a nonprofit corporation organized under section 501(c)(3) of the Internal Revenue Code and the Laws of the State of Oregon.
- C. Pursuant to state law and the Newport Municipal Code, the City collects transient room tax revenues from the occupants of transient lodging facilities located within the City.
- D. The City has created the Tourism Facilities Grant Program to facilitate grants of local transient room tax revenues (Grant Funds) to fund Tourism-Related Facilities.
- E. Tourism-Related Facilities are defined as a conference center, convention center or visitor information center, or other improved real property that has a useful life of 10 or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.
- F. PCHDF submitted application materials to the City and was selected for an award of Grant Funds to be used by the PCHDF for the Center for Health Education, as described in the application materials attached to this Agreement as Exhibit A (Project).
- G. The Project is a Tourism-Related Facility because it is improved real property that has a useful life of ten or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.
- H. The City wishes to grant, and PCHDF wishes to accept, Grant Funds totaling \$50,000 to be used for the project.

- I. PCHDF wishes to proceed with the project immediately. A description of the overall project timeline is contained in Exhibit and attached to this Agreement.

## AGREEMENT

1. The City agrees to grant and the PCHDF agrees to accept, Grant Funds in the amount of \$50,000 to be used to fund the Project described in the application materials attached as Exhibit A to this Agreement, subject to the terms and conditions of this Agreement.

### 2. DEFINITIONS.

- A. "Match" is any contribution to the Project made up of funds other than Grant Funds. Match may include:

- i. Cash on hand or cash that is pledged to be on hand prior to commencement of the project;
- ii. Secured funding commitments from other sources;
- iii. Pending or potential commitments of funding from other sources. In such instances, Tourism Grant Program funding will not be released prior to secured commitment of the other funds. Pending commitments of the funding must be secured within the time provided in this Agreement;
- iv. In-kind contributions (such as labor or materials) approved by the City; or
- v. Subject to approval by the City, monies expended by PCHDF on the Project prior to the effective date of this Agreement.

### 3. TERM.

This Agreement takes effect on the date it is signed by all the parties, and expires June 30, 2016, unless earlier terminated pursuant to the terms of this Agreement.

### 4. PCHDF OBLIGATIONS.

- A. PCHDF will perform all work on the Project.
- B. PCHDF will obtain all required city, state, and federal permits prior to beginning work on the Project.
- C. PCHDF represents that the Project constitutes a Tourism-Related Facility as defined in the City's Tourism Facilities Grant Program Policies, attached to this Agreement as Exhibit B.

- D. PCHDF acknowledges and agrees that Grant Funds received by PCHDF from the City pursuant to this Agreement will be used exclusively to perform work on the Project as described in Exhibit A. PCHDF further acknowledges and agrees that Grant Funds may not be used to refinance existing debt.
- E. PCHDF acknowledges and agrees that PCHDF is responsible for all the expenses of operation and maintenance of the Project, including but not limited to adequate insurance and any taxes or special assessments applicable to the Project.
- F. PCHDF will comply with all federal, state, and local laws and regulations applicable to the Project, including but not limited to the City's Tourism Facilities Grant Program Policies and workers' compensation laws.
- G. PCHDF will provide, upon the City's request, any documents or information identified or referenced in PCHDF's application materials. This information may include, but is not limited to, information pertaining to Project schedule, budget and cash flow, feasibility, readiness to construct, permits, likelihood of completion within a planned time frame, agreement for loan of the propeller from the Port of Newport, and other items related to completion of proposed Project elements.
- H. PCHDF has provided documentation acceptable to the City which shows that PCHDF has secured, at a minimum, a dollar for dollar Match of the \$50,000 of Grant Funds (Matching Funds) which will be available and committed for the duration of the Project.
- I. During the term of this Agreement, PCHDF will maintain its status as a tax-exempt nonprofit corporation, duly organized and validly existing under the laws of the State of Oregon.
- J. PCHDF will indemnify, defend, save, and hold harmless the City and its officers, employees, and agents from any and all claims, suits, or actions of any nature arising out of the activities and due to the negligence and/or fault of PCHDF, its officers, employees, agents, contractors, and subcontractors pursuant to this Agreement.
- K. Notwithstanding PCHDF's defense obligations described in paragraph I of this section, neither PCHDF nor any attorney engaged by PCHDF shall defend any claim in the name of the City, nor purport to act as a legal representative of the City, without the prior written consent of the City's attorney. The City may, at any time, elect to assume its own defense and settlement. The City reserves all rights to pursue any claims it may have against PCHDF if the City elects to assume its own defense.
- L. PCHDF acknowledges and agrees that the City shall have reasonable access to PCHDF's books, documents, papers and records related to this Agreement during the term of this Agreement and for a period of six years after termination of this

Agreement. PCHDF will make copies of applicable records available to the City upon request.

- M. PCHDF acknowledges and agrees that this Agreement does not create an employment relationship between the City and PCHDF, its officials, employees, agents, or contractors. PCHDF further agrees that PCHDF is exclusively responsible for all costs and expenses related to PCHDF's employment of individuals to perform work related to the Project, including but not limited to retirement contributions, workers' compensation, unemployment taxes, and state and federal income tax withholdings.
- N. PCHDF will keep an accounting of Grant Funds received pursuant to this Agreement to ensure that the Grant Funds are used as required by this Agreement. PCHDF will provide the accounting required by this paragraph to the City annually during the term of this Agreement, as well as upon request by the City.
- O. Within 60 days of completion of the Project, PCHDF will submit a final project report to the City detailing each expenditure of Grant Funds, and requesting payment of the remaining Grant Funds. In the event that PCHDF completes the Project without using all of the Grant Funds provided by the City, any unexpended Grant Funds will be returned to the City with the final project report, and the final project report will not include a request for payment of the remaining Grant Funds. The obligation to return unused Grant Funds upon completion of the Project survives the expiration or earlier termination of this Agreement.
- P. In the event of default by PCHDF under section 6 of this Agreement, PCHDF agrees, upon the City's demand, to return any unexpended Grant Funds to the City and to repay to the City any Grant Funds expended in violation of the terms and conditions of this Agreement or of the Tourism Facilities Grant Program Policies.

## 5. CITY OBLIGATIONS.

- A. Upon receipt of documentation satisfactory to the City showing that the Matching Funds required by section 4, paragraph H of this Agreement have been obtained for the Project, and that a building permit has been issued, the City agrees to pay PCHDF a lump sum payment of \$50,000 upon approval of the final project report by the City, as provided in paragraph B of this section.
- B. Within 30 days of the date the final project report is submitted to the City as provided in section 4, paragraph O of this Agreement, the City will either approve the report or notify PCHDF of any concerns that must be addressed or information that must be submitted before the report is considered complete. Once the final project report has been accepted by the City, the Grant Funds will be promptly paid to PCHDF.

C. Notwithstanding paragraphs A and B of this section, the City's payment obligations under this Agreement are contingent upon the availability of funds in the Tourism Grant Facilities Program.

6. DEFAULT.

A. The following constitute default by PCHDF under this Agreement:

- i. Failure to obtain the Matching Funds required by section 4, paragraph H of this Agreement by the time the request for funding is made;
- ii. Failure to substantially commence work on the Project within one year of the effective date of this Agreement;
- iii. Failure to complete the Project by June 30, 2016;
- iv. A determination by the City that material statements, information, or representations in the application materials attached as Exhibit A to this Agreement are false, misleading, fraudulent, or misrepresentations;
- v. A change in circumstances such that material information provided in the application materials attached as Exhibit A and relied upon by the City in making the decision to award Grant Funds to PCHDF is no longer true or accurate;
- vi. Failure of the Project to meet the definition of a Tourism-Related Facility;
- vii. Violation of any of the terms or conditions of this Agreement;
- viii. Dissolution of PCHDF; and
- ix. Appointment of a receiver, trustee, liquidator, or conservator for PCHDF or to take possession of all or substantially all of PCHDF's property; or the filing of a petition for bankruptcy, insolvency, dissolution, liquidation, or reorganization, or order for relief in which PCHDF is named as debtor, by, against, or with respect to PCHDF pursuant to any federal or state statute, regulation or law for the protection of debtors; and, with respect to any such appointment or filing, failure of PCHDF to secure a stay or discharge thereof within 45 days after such appointment or filing.

B. In the event of a default by PCHDF, the City will not exercise the remedies provided in paragraph C of this section unless and until the City notifies PCHDF in writing of the default and PCHDF fails to cure the default within 20 days of receipt of the notice; or if the default cannot reasonably be cured within 20 days, PCHDF commences action to cure the default within 10 days of receipt of the notice and diligently pursues the cure to completion. In no event will the time for opportunity to cure exceed 60 days from the date of receipt of notice of default. If the default

is not cured within the time provided in this paragraph, the City may elect to pursue any of the remedies provided in paragraph C of this section.

- C. In the event of default or failure to cure within the time period provided in paragraph B of this section, the City may pursue any one or more of the following remedies:
  - i. Revocation of Grant Funds;
  - ii. Withholding of undispersed grant funds;
  - iii. Return of unexpended grant funds by PCHDF;
  - iv. Repayment of expended grant funds by PCHDF;
  - v. Termination of this Agreement.
- D. The remedies provided by paragraph C of this section are cumulative, not exclusive, and are in addition to any other rights and remedies provided by law or under this Agreement.

## 7. TERMINATION.

- A. The City may terminate this Agreement effective upon delivery of written notice to PCHDF or at such later date as may be determined by the City upon the following conditions:
  - i. Default by PCHDF under this Agreement; or
  - ii. Lack of funding necessary to award Grant Funds to PCHDF.
- B. PCHDF may terminate this Agreement effective upon delivery of written notice to the City if the City fails to make payments due under this Agreement or fails to abide by the terms and conditions of this Agreement.
- C. Termination of this Agreement will not prejudice any rights or obligations of the parties accrued prior to termination.
- D. The City's entitlement to the remedies provided in section 6 of this Agreement survives termination of this Agreement.

## 8. NOTICE.

All notices given pursuant to this Agreement must be in writing and delivered to the parties at the following addresses herein. Notice given pursuant to this section will be deemed to have been received on the date of personal delivery, three calendar days after deposit in the United States mail postage prepaid, or on the date of confirmed delivery by: 1)

facsimile; 2) registered mail, return receipt requested; or 3) overnight delivery. Either party may change its notice address under this section at any time by written notice to the other party.

CITY:  
City of Newport  
Spencer R. Nebel, City Manager  
169 SW Coast Highway  
Newport, Oregon 97365

PCHDF:  
Pacific Communities Health District Foundation  
Ursula Marinelli, Executive Director  
930 SW Abbey Street  
Newport, Oregon 97365

#### 9. ASSIGNMENT.

PCHDF may not assign any of its rights, interests, or obligations under this Agreement without the prior written consent of the City, which may be withheld in the City's sole discretion.

#### 10. MODIFICATION.

No modification of this Agreement will be valid unless it is in writing and signed by both parties.

#### 11. RELATIONSHIP OF PARTIES.

The parties acknowledge and agree that nothing in this Agreement is intended to nor shall be construed to create any form of partnership or joint venture relationship between the parties.

#### 12. NO THIRD PARTY BENEFICIARIES.

This Agreement is entered into for the sole benefit of the City and PCHDF, and nothing contained herein is intended for the benefit of any other person or entity.

#### 13. SEVERABILITY.

If any provision of this Agreement is held by any court of competent jurisdiction to be invalid, such invalidity will not affect any other provisions of this Agreement, and this Agreement will be construed as if the invalid provision had never been included in this Agreement.

#### 14. WAIVER OF BREACH.

The waiver by either the City or PCHDF of a breach of any provision of this Agreement will not operate or be construed as a waiver of any other provision of this Agreement or of any subsequent breach of the same provision of this Agreement.

15. GOVERNING LAW.

This Agreement is to be governed by and construed in accordance with the laws of the state of Oregon, without regard to conflicts of law principles.

16. VENUE.

Any legal action or proceeding arising out of or relating to this Agreement shall be commenced in the Circuit Court of the State of Oregon for Lincoln County. The parties hereby consent to the jurisdiction of that court, waive any objections to venue and waive any claim that the forum is an inconvenient forum.

17. ENTIRE AGREEMENT.

This Agreement and all attached exhibits constitute the entire agreement of the parties relating to the subject matter herein. There are no promises, terms, conditions, or obligations oral or written other than those contained herein. This Agreement supersedes all prior communications, representations or agreements, either oral or written, between the parties relating to the subject matter herein.

18. COUNTERPARTS.

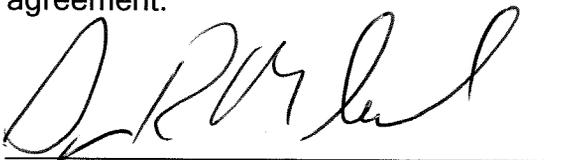
This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same agreement.

19. PARAGRAPH HEADINGS.

Paragraph headings are used solely for convenience and are not to be used in construing or interpreting this Agreement.

20. AUTHORITY TO ENTER INTO AGREEMENT.

Each person executing this agreement on behalf of a party to this agreement hereby covenants that he or she is duly authorized by that party to bind that party to this agreement.



Spencer R. Nebel, City Manager  
City of Newport



Ursula Marinelli, Executive Director  
Pacific Communities Health District  
Foundation

4-14-15  
Date

4/17/15  
Date

# EXHIBIT A

## City of Newport Tourism Grant Application

**Name of Applicant:** Pacific Communities Health District Foundation

**Mailing Address & City:** 930 SW Abbey Street, Newport OR 97365

**Contact Person:** Ursula Marinelli

**Contact Phone:** 541-574-4745      **Contact Fax:** 541-574-4761

**Contact Email:** umarinelli@samhealth.org

**Name of Project:** Center for Health Education

**Total Project Budget:** \$3,764,054

**Amount Requested:** \$50,000

**Authorization Signature:** 

**Title:** Executive Director

### **General:**

Is the project proposed by a non-profit organization? (501(c) organization) Yes

Will the project encourage people to travel to Newport from more than 50 miles away? Yes

Will the project encourage people to spend the night in Newport? Yes

Is the reason the project encourages visitors due to one or more of the following?:

Business

Pleasure

Recreation

Arts

Heritage

Culture

Requesting funding for improved real property with a useful life of at least ten years? Yes

### **Summary Description of the Project:**

We are seeking funding to support construction of the Center for Health Education in Newport, Oregon. The 1.5-story, 10,000 square-foot facility will include a community resource center, a teaching kitchen, labs for ongoing health professional training, and dedicated spaces for support groups, health classes and other community health-related activities. As a community hub for research-based health promotion and wellness activities, the Center will provide programs that help the residents and visitors to Lincoln County prevent or manage chronic illness, ultimately improving health outcomes and quality of life, while lowering health care costs. The Center will also offer training to health professionals from both inside and outside Lincoln County, drawing

health-related conferences and meetings of professional associations throughout the Pacific Northwest. In the first year of operation we anticipate more than 1,000 residents will access health resources through the Center, more than 200 local health professionals will participate in either a professional development or certification program, and at least 1,000 out of area health professionals will participate in conferences and wellness programs hosted by the Center. Utilization of the Center will grow in subsequent years as additional programs are developed and the public becomes more familiar with the services offered. Within five years, we expect health education activities of the Center to give Newport a reputation as a destination for health and wellness conferences and workshops.

**Business Plan and Budget:**

What is the total cost of the project? \$3,764,054

What is the amount requested from the City? \$50,000

What is the ratio of the request to the total cost? 1.33%

What funds have already been raised for the project? \$3,571,542  
 (Include source of funds, i.e., cash on hand, grants awarded, grants committed.)

Source	Goal	Committed	Balance to be raised
Board Allocations	\$260,000	\$280,444	(\$20,444)
Fundraising Events	\$325,000	\$328,061	(\$3,061)
Individuals and Community Groups	\$353,054	\$417,137	(\$64,083)
Foundations and Grants	\$1,506,000	\$1,281,500	\$224,500
Businesses/Corporations/City	\$70,000	\$14,400	\$55,600
Gifts-in-Kind	\$1,250,000	\$1,250,000	0
<b>Total</b>	<b>\$3,764,054</b>	<b>\$3,571,542</b>	<b>\$192,512</b>

**What funds remain to be raised for the project?** \$192,512

**How are the remaining funds to be raised? (Other grants, pledges, etc)**

The remaining funds will be raised through the major gifts campaign initiated by the Pacific Communities Health District Foundation. This campaign includes solicitation of the Northwest Health Foundation and individual donors, including medical providers. We continue to meet with donors who have the capacity to make major gifts and are interested in improving health care in our communities by supporting disease prevention and chronic disease management.

**Does the project provide a service the City currently funds?** Yes \_\_\_ No X

**Does the project require continued support from the City?** Yes \_\_\_ No X

**When do you anticipate completion of the project?**

We anticipate construction to be complete in April 2015. The target date for ground breaking is August 2014 and construction is expected to take nine months, according to the contractor, Quade Commercial Construction

**What is the plan for operations over a 3–5 year period?**

The Pacific Communities Health District will own the Center for Health Education and Samaritan Pacific Health Services (SPHS) will operate it, just as they operate the hospital/clinics.

Founded in 1983, the Pacific Communities Health District (PCHD) Foundation's mission is to assist the Health District, in partnership with SPHS, in acquiring equipment, services, and education to enhance the quality of medical care and health-related programs for the 30,000 community members, plus visitors, in our service area, which extends from Yachats to Depoe Bay and reaches the inland to Toledo and Siletz. SPHS includes clinics and Samaritan Pacific Communities Hospital, a 25-bed federally-designated Critical Access Hospital in Newport.

According to the Centers for Disease Control and Prevention, chronic conditions, such as arthritis and diabetes, are the leading causes of death and disability in the US today. Chronic diseases are also the most expensive, now accounting for 75% of healthcare costs (National Council on Aging website). These diseases, often the result of behavior and lifestyle choices, cannot be addressed through medical intervention alone. We are creating the Center for Health Education in response to this crisis. It will be a 1.5-story, 10,000 square-foot, green building containing a community resource center, teaching kitchen, labs for ongoing health professional training, and tailored spaces for support groups and health-related programs, workshops and conferences. The Center will be built on Health District-owned Hwy. 101 frontage property.

A community hub for research-based health promotion and wellness activities, the Center will provide programs that help people prevent or manage chronic conditions, ultimately improving health outcomes and quality of life, while lowering healthcare costs. In addition to providing programs directly to patients and community members, the Center will offer training to health care professionals from both inside and outside Lincoln County.

The hospital currently does not have the facilities to offer the breadth of ongoing professional certification needed by local health care professionals. As a result, our clinical staff must often leave the community to attend training programs offered elsewhere. With the construction of the Center, we will be able to provide ongoing certification programs needed by our local care providers. Many of these programs will be available not only for our own professionals but for others throughout the Pacific Northwest. Newport is a desirable destination and with the appropriate training facilities, could attract health professionals from across the region. Trainings and conferences that will be offered to attract professionals from outside the community include:

- Annual conferences and meetings of professional associations, such as the Annual Leadership Conference of the Oregon Center for Nursing, Children's Wellness Conference, Central Oregon Occupational Safety and Health Conference, and the Greater Oregon Behavioral Health, Inc's Spring Conference.

- Health professional trainings, such as the two-day intensive training in Clinical Applications in Lactation Care.
- Samaritan Professional Development programs, such as Fetal Monitoring, End of Life Nursing Care, and Oncology Nursing Society Chemotherapy and Biotherapy. These programs are currently offered at the Samaritan Lebanon Community Hospital training center but can be offered here once we have the facilities.
- Workshops and conferences targeted toward practitioners of complimentary therapies such as massage, acupuncture, and qigong.
- Wellness programs, such as yoga retreat weekends, that will attract visitors interested in fitness, health and personal wellness.

We are particularly excited about marketing the Center to regional professional associations so that they choose Newport as the location for annual conferences and meetings. The Center will have the capacity to host conferences and meetings for up to 200 people seated at round tables. These conferences attract highly educated health professionals. When such trainings are held in an appealing location, participants often bring spouses for a ‘multi-day getaway’ trip. We also intend to further develop partnerships with local health care professionals and organizations that are not affiliated with Samaritan, to create and offer conferences that will attract visitors. Programs targeted toward practitioners of complementary therapies such as massage, acupuncture, and qigong are examples of workshops and conferences that will be developed by community members. We plan to offer a minimum of 12 conferences/workshops per year for the life of the Center.

#### **How does the project demonstrate financial stability?**

In 2002, the Health District created a 30-year operating agreement with SPHS to run the hospital. Staffing, furnishings, and equipment needed for the project will be sustained by SPHS, a non-profit entity, with assistance from the Foundation. SPHS will hire an education coordinator to work with community organizations and hospital staff to develop, implement, maintain, and promote health-related activities. The coordinator will be responsible for creating and sustaining partnerships in the community and attracting health-related programs and conferences from out of the area. In addition, a part-time librarian will be hired to maintain the community resource center and oversee volunteers who will staff it. The building will become the property of the Health District, which means it will be owned by the community. The District and SPHS will maintain the physical structure.

#### **How does the project demonstrate a viable business plan?**

State and federal health care reform measures place an increased focus on preventing chronic disease and hospital reentry. The industry is changing toward a more holistic model of mind/body wellness and incentivizes wellness over sick care. For example, reimbursements for hospital reentry for the same condition within a limited timeframe will be denied by Medicare. In order to remain a viable industry, health care must shift its focus from fixing what is wrong to preventing chronic conditions that can be the result of poor lifestyle choices, such as smoking, binge drinking, and maintaining an unhealthy diet. The programs offered by the Center will be an extension of services already being offered by the hospital and clinics but with this shift from illness to wellness.

**Economic Impact:**

**Are project funds to be spent locally on?:**

Planning                    Yes X No     
Design                     Yes X No     
Construction            Yes X No     
Post-Construction      Yes X No   

**How does the project create local jobs in all phases?**

From the ground up, construction of a state of the art 1.5-story, 10,000 square foot facility will result in the creation of the full range of construction-related jobs. Examples include an architect, framers, carpenters, plumbers, electricians, painters, and so forth. In an effort to keep jobs local, we have intentionally enlisted the expertise of Lincoln County architects, Dietmar Goebel and Dustin and Amanda Capri, and contractor Quade Commercial Construction. Once construction is complete and the Center is operating, a full-time education coordinator position and a part-time resource librarian position will be created and supported by Samaritan Pacific Health Services to manage the Center.

**What is the projected economic impact?**

A minimum of 75% of the sub contractors for this project will be based in Lincoln County. Therefore, during the construction, \$1,885,540 will be pumped into the local economy. See “Tourism Spending” for additional impact.

**Will the project create spin-off businesses?**

The Center will encourage local health-related practitioners, organizations, and businesses to develop programs of interest to visitors and locals. For example, local therapist Deborah Lyman and physician David Long provide ongoing couples workshops. They offered a full-day Enneagram Program in the hospital education room, which attracted 50 participants (the room’s capacity) and many were from out of the area. These are the kinds of programs that will be encouraged and can be expanded once the venue is available. Just as the Newport Performing Arts Center provides a venue for entertainment of all kinds, the Center for Health Education offers space for local practitioners to provide a variety of health-related programs and activities.

**Tourism Spending:**

**How does the project encourage overnight stays?**

We expect to provide one- and multi-day health-related conference, drawing between 50 and 200 participants per event. There will be no lodging accommodations in the Center, so participants will need to stay in local hotels. Out-of-area participants attending one-day workshops are also likely to spend the preceding and/or subsequent night in an area hotel. We expect that the high quality of area accommodations in conjunction with the beautiful coast environment will make the Center an attractive venue for organizations looking for a host site for their event. Please see the table for details on the number of overnight stays we anticipate generating in Newport.

**How does the project encourage increased spending at local businesses?**

During conferences and programs, participants will spend between one and three nights in Newport. Visitors will eat meals at area restaurants. There will be the option to cater lunch,

significantly increasing business for local catering companies, and subsequently business for grocers who provide food to catering companies.

Event duration	Participants	Overnight stays*	Dollar value for overnight stays	Meals, catered or eaten out
Two days	200 (full capacity)	1 = 100 rooms	\$7,900	\$10x800 meals = \$8000
	100	1 = 50 rooms	\$3,950	\$10x400 meals = \$4000
Three Days	200 (full capacity)	2 = 200 rooms	\$15,800	\$10 x 1400 meals = \$14,000
	100	2 = 100 rooms	\$7,900	\$10 x 700 meals = \$7000

To be conservative, our calculations assume double occupancy at an average rate of \$79 per night. In addition we've assumed 2 meals the first day of an event (lunch and dinner) and 2 meals the last day of event (breakfast and lunch), although for events starting early, many participants will arrive the night before, adding an extra overnight stay and additional meal. We've assumed a conservative average of \$10 per meal. For events that end late, many participants will opt to stay an additional night, enjoying personal time on the coast, and adding another overnight and additional meals.

Information provided to program participants will highlight Newport's many attractions, such as the Oregon Coast Aquarium, lighthouses, the Newport Performing Arts Center and local art galleries, increasing tourism traffic to local attractions as well as hotels and restaurants.

**How does the project increase the capacity for tourism?**

We anticipate that the health-related conferences and wellness programs hosted at the Center will attract approximately 1000 people to Newport each year. In addition to bringing visitors to Newport on a regular basis, the advertising associated with each event will increase the visibility of Newport in health fields as well as among people seeking healthy lifestyles as organizations conducting the events advertise among their constituents.

Facility Usage: (check all that apply)

Is the project open year round?      Yes   X   No       

If yes:

Daily                      X  

Weekdays              X  

Weekends               X  

Once a week               

Is the project seasonal?      Yes        No   X  

Daily                          

Weekdays                  

Weekends                   

Once a week

Is the project off-season? Yes  X  No \_\_\_\_\_  
Daily  X   
Weekdays  X   
Weekends  X   
Once a week \_\_\_\_\_

Is the project monthly? Yes  X  No \_\_\_\_\_  
Daily \_\_\_\_\_  
Weekdays \_\_\_\_\_  
Weekends \_\_\_\_\_  
Once a week \_\_\_\_\_

Is the project open on holidays? Yes \_\_\_\_\_ No  X  Only \_\_\_\_\_

Other: \_\_\_\_\_

Who is the targeted tourist? (Check all that apply)

Children \_\_\_\_\_  
Families  x   
Adults 21+  x   
Seniors  x   
Groups  x   
Business  x   
Pleasure  x   
Arts \_\_\_\_\_  
Heritage \_\_\_\_\_  
Cultural \_\_\_\_\_  
Sports \_\_\_\_\_  
Other  x  (health care providers)

Will the project attract repeat stays?

During a single stay? Yes  x  No \_\_\_\_\_  
During a single season? Yes  x  No \_\_\_\_\_  
During a single year? Yes  x  No \_\_\_\_\_  
Over multiple years? Yes  x  No \_\_\_\_\_

**What is the potential for repeat business?**

Many health-related associations offer annual conferences and multiple workshops throughout a single year. This community is a haven for complementary therapy and mental health practitioners who can create ongoing programs designed to attract multiple levels of training. Using the Enneagram Workshop example, Deborah Lyman subsequently developed an ongoing series for people who have already taken the introductory course. Samaritan Professional Development offers multiple programs throughout the year. Health care professionals are required to renew certifications and gain new certifications regularly. There is always a need for health related programs.



**Is there a particular new demographic that the project is intended to reach?**

To our knowledge, there is no other facility on the Central Oregon Coast that specifically attracts health care providers to the area. They will be the primary demographic attending medical conferences at the Center.

**Who does the project attract?**

The Center is designed to appeal to, and respond to, the needs of a wide range of people, from those who are very ill and seeking information about their illness to those who are healthy and seeking information to help them remain healthy.

Events hosted at the Center will attract a range of participants, depending on the type of event offered. Health-related conferences, such as the Oregon Society for Anesthesiologists Annual Conference, will attract highly educated health professionals. Trainings and wellness programs will attract visitors from across the region interested in health and fitness.

Health professionals attending conferences often bring their spouses and children so that they can combine business with pleasure and relaxation. Since Newport is a destination location, the likelihood of participants bringing family members is high.

**Other:**

**How does the location relate to the current tourism hubs?**

The location will be sandwiched between the Lucky Thai Elephant Restaurant and the Samaritan Patient Financial Services building on Highway 101, just north of the Yaquina Bay Bridge. This is within walking distance of the Historic Bayfront, shopping in the Deco District and many area hotels. It is just a short drive (or more lengthy walk) to Nye Beach, the Oregon Coast Aquarium, the lighthouses, the Newport Recreation Center, and the Newport Performing Arts Center.

**How is the project energy efficient or environmentally friendly?**

The Center for Health Education will serve as an example of how energy efficiency and sustainability can be achieved in the coastal environment. The building will consider the environment in its layout, material selection, wall assembly, and mechanical systems. To begin, the building was designed as a thin, two story volume accessed by a central hall. Operable windows in the occupied spaces and clerestory windows in the circulation space provide natural light to each room and opportunities for cross ventilation. This will reduce the demand on the electric lighting and HVAC systems simultaneously. Large expanses of glass at each entry allow light to penetrate deep into the two-story circulation corridor, providing daylight from three sides and further reducing the need for electric light at the building's core.

Also featured in this central hall are exposed concrete floors. By protecting the structural floor throughout construction, the building will eliminate the need for a finished floor. In a variety of places, the building will leave the structure exposed, thus reducing the addition of finish materials. Where finish materials are used, low-VOC options will be selected. Wherever possible, materials incorporating recycled content will be used to reduce the embodied energy of the building.

The Center for Health Education must also consider the processes used to create building materials and the distance materials must travel to reach the site. A product's "embodied energy" refers to the energy consumed by the manufacturing and transportation processes in addition to the energy consumed by the raw materials used to make the product. For example, by using locally produced concrete, the energy used to transport the product to the site will be minimized. Where wood and engineered wood products are used, materials from sustainable forests will be used to ensure the availability of wood products in years to come. Further, steel products used on-site will be made of recycled materials. This reduces the overall carbon footprint and embodied energy of the building.

To ensure the building operates efficiently, the building envelope will be carefully detailed. Using high insulation levels and reducing thermal bridging will keep heat in while heating systems are operating or heat out while air conditioning runs. A tight envelope reduces strain on HVAC equipment and enhances the efficiency of these systems. To heat and cool the building, high efficiency HVAC systems will be used. The combination of a heat pump system and gas-powered units will reduce heat loss in ductwork, allow for flexible climate control in the building, and reduce future operating costs. The addition of operable windows will allow building users additional control over their thermal comfort, offsetting the cooling load placed on the mechanical systems.

Electric lighting will use efficient florescent fixtures on occupancy sensors. Additionally, lighting will be zoned to react to the presence of daylight within each room. When natural light is adequate, only half of the fixtures will be illuminated to supplement the daylight, with the other half of the lighting on only when required by building users.

By paying careful attention to how building layout, mechanical equipment, operating costs, embodied energy, and envelop efficiency, the facility incorporates sustainability into nearly every component of the building. As the Center for Health Education brings wellness to our community, it also strives to support the health of our environment.

**What is the effect of the project on local livability components?**

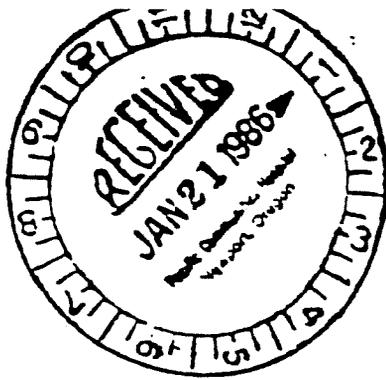
The building will help to beautify that stretch of Highway 101 between the Yaquina Bay Bridge and the Deco District. Just as community centers fortify neighborhoods by serving as gathering places, the Center can strengthen our area by providing a hub for health-related information, classes, workshops, and support groups. The Center for Health Education will offer the community a safe place to gather, learn, maintain wellness, heal, and find support.

**Is there any additional information that you would like the committee to consider?**

More than 2000 community members, organizations, and businesses have contributed to make this project a reality. Notably, the Center received \$25,000 from the Lincoln Economic Development Alliance of Lincoln County Grant Program. This demonstrates that a large segment of our community is supportive of the Center. Its focus on wellness and attracting health care providers to our area is extremely timely considering national and statewide health care reform efforts. It is the right project for the right reasons at the right time.

Internal Revenue Service  
District Director

Department of the Treasury



JAN 17 1986

EP/EO-II (VO)  
Employer Identification Number:

93-0858825  
Accounting Period Ending:

June 30  
Form 990 Required:  Yes  No

Person to Contact:

EO Desk Officer  
Contact Telephone Number:

(206) 442-5106

The Pacific Communities Hospital  
Foundation  
721 SW Ninth Street  
Newport, OR 97365

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(3).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Box checked in the heading of this letter shows whether you must file Form 990, Return of Organization Exempt from Income Tax. If Yes is checked, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

(over)

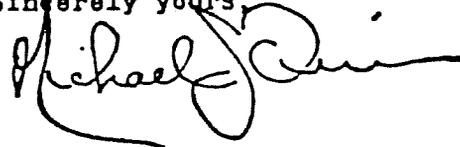
You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-F, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Michael J. Quinn". The signature is fluid and cursive, with a large loop at the end.

District Director

DOCNO:08750:jc

OGDEN UT 84201-0046

In reply refer to: 0423273402  
Mar. 16, 2011 LTR 252C 0  
93-0858825 000000 00  
00007436  
BODC: TE

PACIFIC COMMUNITIES HEALTH DISTRICT  
FOUNDATION  
PO BOX 945  
NEWPORT OR 97365-0072

Taxpayer Identification Number: 93-0858825

Dear Taxpayer:

Thank you for the inquiry dated Jan. 15, 2011.

We have changed the name on your account as requested. The number shown above is valid for use on all tax documents.

If you need forms, schedules, or publications, you may get them by visiting the IRS website at [www.irs.gov](http://www.irs.gov) or by calling toll-free at 1-800-TAX-FORM (1-800-829-3676).

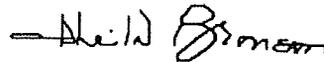
If you have any questions, please call us toll free at 1-877-829-5500.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Also, you may want to keep a copy of this letter for your records.

Telephone Number ( ) \_\_\_\_\_ Hours \_\_\_\_\_

Sincerely yours,



Sheila Bronson  
Dept. Manager, Code & Edit/Entity 3

Enclosure(s):  
Copy of this letter

**Pacific Communities Health District Foundation  
Center for Health Education -- Financial History and Budget**

Revenue Contributions	Total Budget	Cash Budget	In-kind Budget	Actual
Gifts in kind	\$ 1,250,000			\$ 1,250,000
Individual/Community Groups	\$ 353,054			\$ 417,137
Business/Corporation	\$ 70,000			\$ 14,400
Foundations and Grants	\$ 1,506,000			\$ 1,281,500
Event Fundraisers	\$ 325,000			\$ 328,061
Board Allocations	\$ 260,000			\$ 280,444
<b>Total Revenue</b>	<b>\$ 3,764,054</b>			<b>\$ 3,571,542</b>
<b>Capital Costs</b>				
<b>Land</b>			\$ 850,000	\$ 850,000
<b>Hard costs</b>				
General requirements		\$ 12,991		
Sitework and sitework utilities		\$ 70,327		
Concrete		\$ 226,028		
Metals		\$ 41,725		
Carpentry		\$ 139,979		
Thermal-moisture protection		\$ 19,278		
Doors and windows		\$ 145,023		
Roofing		\$ 33,472		
Finishes		\$ 259,544		
Mechanical		\$ 125,070		
Electrical		\$ 378,000		
Plumbing		\$ 116,830		
Management and insurance		\$ 377,269		
General contracting fees		\$ 285,518		
<b>Soft Costs</b>				
Architect and engineer fees		\$ 111,000		\$ 57,635
Permits/other fees		\$ 72,000		
<b>Equipment and Furnishings</b>				
Information technology equipment			\$ 150,000	
Telephone system			\$ 50,000	
Furnishings and other equipment			\$ 200,000	
Kitchen equipment		\$ 100,000		
<b>Total capital costs and non-cash</b>		<b>\$ 2,514,054</b>	<b>\$ 1,250,000</b>	<b>\$ 907,635</b>
<b>Net Revenue/Expenses</b>				<b>\$ 2,856,419</b>

### Attachment III

#### Center for Health Education -- Executive Summary of the Business Plan

Driven and sustained by a payment system that rewards late intervention and expensive procedures, health care today is not designed to effectively prevent or manage the chronic conditions that are overwhelming our health care system nationwide. To provide high-quality, affordable health care for all Oregonians, the State of Oregon passed House Bill 3650 (July 2011), which mandates the implementation of Coordinated Care Organizations (CCO) for Oregon Health Plan (Medicaid and Children's Health Insurance Program) enrollees. Per House Bill 3650, Oregon's payment reform is converting from a fee-for-service model to a system that no longer rewards overutilization of medical services and undervalues preventive services. Chronic conditions account for 75% of health care costs nationally.

The result is a shift in focus to helping healthy people stay that way and helping people with chronic conditions improve their quality of life. Preventive services are becoming an essential component of cost effective care. Samaritan Health Services is now a CCO in our region. As health care payment reform takes root locally, the Center, with its focus on helping patients prevent and manage chronic conditions will result in cost savings for SPHS that will help to offset the operating and staffing costs of the Center. Community members offering programs to participants free of charge (such as support groups) will not be charged to use the facility. Organizations that charge participants will pay rental fees.

Below is a conservative five-year revenue/expense outlook based on conferences offered by SPHS.

		<b>Current Year</b>		<b>Project Year 1</b>	<b>Project Year 2</b>	<b>Project Year 3</b>	<b>Project Year 4</b>
<b>Expense</b>	Labor	0	Labor	\$55,016	\$55,666	\$58,366	\$60,117
	Benefits	0	Benefits	\$18,155	\$18,700	\$19,261	\$19,839
	Utilities	0	Utilities	\$18,300	\$18,850	\$19,414	\$19,997
	Building Maintenance	0	Building Maintenance	\$5,820	\$5,995	\$6,175	\$6,360
	Food	0	Food	\$ 9,800	\$ 15,553	\$20,053	\$21,626
	Housekeeping	0	Housekeeping	\$17,730	\$18,262	\$18,810	\$19,374
	General Supplies	0	General Supplies	\$ 1,400	\$ 1,442	\$1,486	\$ 1,530
	Printing and Forms	0	Printing and Forms	\$ 1,000	\$ 1,030	\$1,090	\$ 1,120
	Travel and Education	0	Travel and Education	\$ 2,500	\$ 2,575	\$2,650	\$ 2,725
	Speakers' Fees	0	Speakers' Fees	\$ 3,000	\$ 6,000	\$9,000	\$12,000
	Depreciation	0	Depreciation	\$42,000	\$42,000	\$42,000	\$42,000
<b>Total</b>				<b>\$174,721</b>	<b>\$186,073</b>	<b>\$198,305</b>	<b>\$206,688</b>
<b>Revenue</b>		<b>Current Year</b>		<b>Project Year 1</b>	<b>Project Year 2</b>	<b>Project Year 3</b>	<b>Project Year 4</b>
	Workshops	0		\$8,000	\$16,480	\$25,462	\$34,962
	Conferences	0		\$45,000	\$92,700	\$143,222	\$147,520
	External Conf.	0		\$15,000	\$23,175	\$23,870	\$24,587
	SPHS Subsidy	0		\$106,721	\$53,718	\$5,751	
<b>Total</b>				<b>\$174,721</b>	<b>\$186,073</b>	<b>\$198,305</b>	<b>\$207,069</b>

## **Attachment IV**

### **Timeframe for Fundraising**

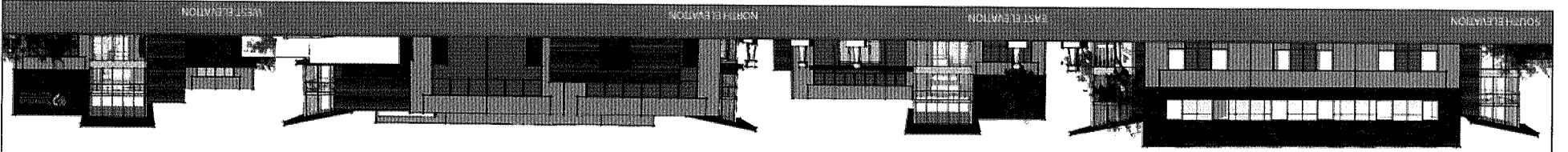
The PCHD Foundation has been raising funds for the Center for Health Education for the past nine years. Thanks to the support of more than 2000 donors, by January 2014, we raised \$2.3 million for construction costs, a level of funding that prompted us to hold a ceremonial groundbreaking and move forward with design and construction drawings. We have hired the architects and contractors and plan to begin excavation and foundation prep on August 1, 2014 (provided we receive our phase 1 permit from the City of Newport). With just \$192,512 left to raise, we are confident we can complete fundraising by the spring of 2015.

The remaining funds needed to complete construction of the Center will be raised through the major gifts campaign administered by the PCHD Foundation. This campaign includes funding requests to the City of Newport, Northwest Health Foundation and solicitation of individual donors who have expressed an interest in disease prevention and health promotion via education.

- City of Newport Tourism Grant (pending): \$50,000
- Northwest Health Foundation (planned): \$50,000
- Individual community members, including physicians (planned): \$42,512

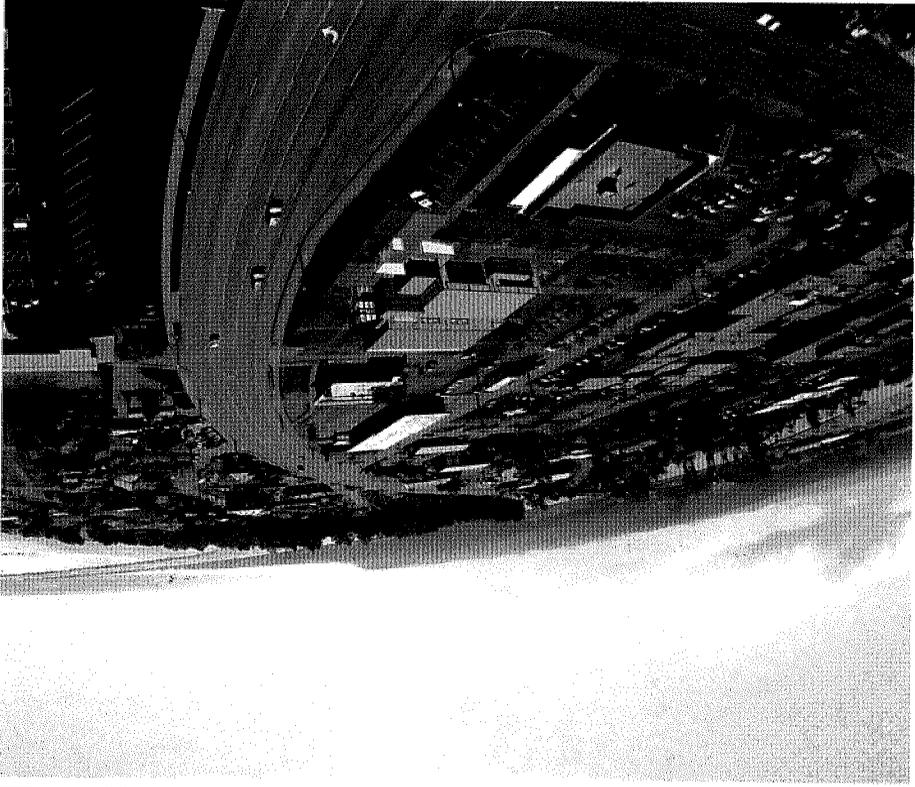
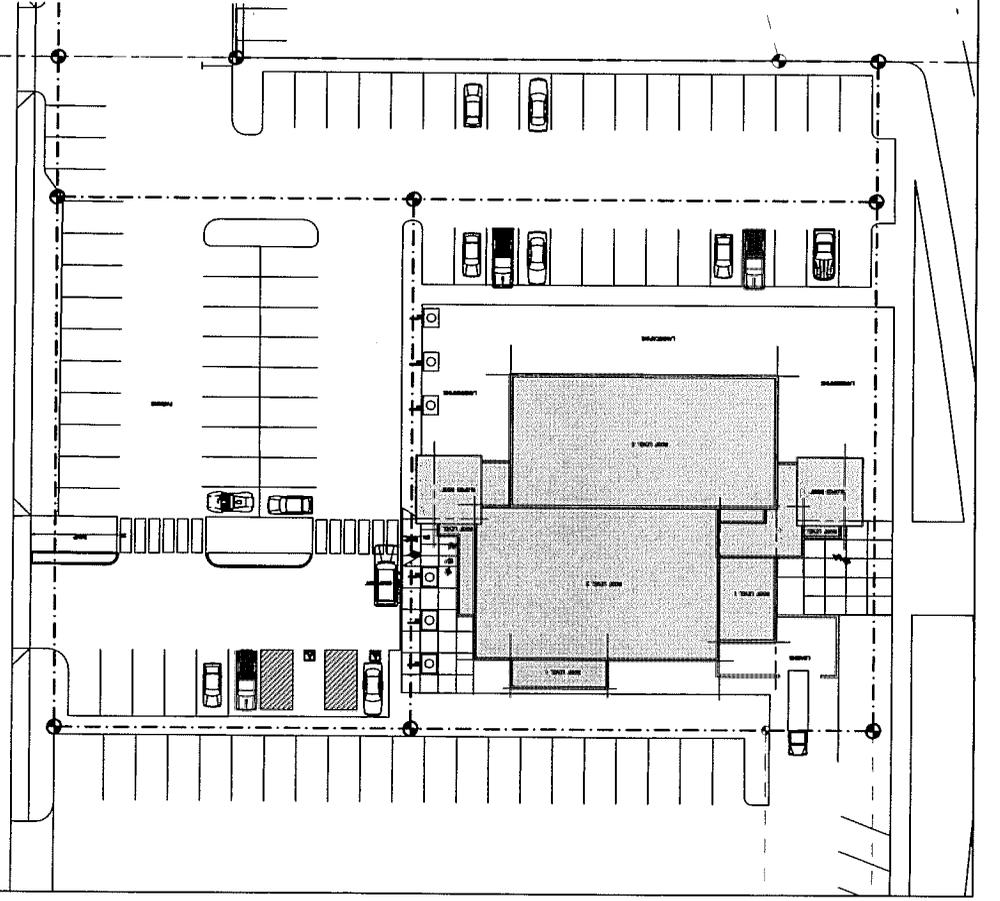
PROJECT SCHEDULE									
for									
PACIFIC COMMUNITIES HOSPITAL									
HEALTH EDUCATION CENTER									
as of JUNE 30, 2014									
week beginning	AUG 2014	SEP 2014	OCT 2014	NOV 2014	DEC 2014	JAN 2015	FEB 2015	MAR 2015	APRIL 2015
DESCRIPTION									
SITE PREP AND EXCAVATE	█								
SITE UTILITIES		█	█						
EXT CONCRETE & PAVING			█	█					
CONCRETE FOUNDATION & SLABS	█	█				█			
TILT UP CONCRETE WALLS		█	█						
STRUCTURAL STEEL			█	█					
ROUGH CARPENTRY & FRAMING			█	█	█				
ARCH. WOODWORK & CASEWORK							█	█	
SIDING SOFFITS & TRIM					█	█			
INSULATION					█	█			
ROOFING					█	█			
DOORS AND HARDWARE					█	█	█		
ALUM. STOREFRONT & WINDOWS					█	█			
GYPSUM WALLBOARD						█	█		
TILE							█	█	
ACOUSTIC CEILING							█	█	
FLOORCOVERINGS							█	█	
PAINTING						█	█	█	
TOILET ACCESS & PARTITIONS							█	█	
KITCHEN EQUIPMENT							█	█	
ELEVATOR							█	█	
FIRE SPRINKLERS	█				█	█			
HVAC					█	█	█		
PLUMBING	█	█			█	█	█		
ELECTRIC	█	█			█	█	█		
SUBSTANTIAL & FINAL COMPLETION									

--- SUBSTANTIAL COMPLETION  
 \*\*\*\*\* FINAL COMPLETION



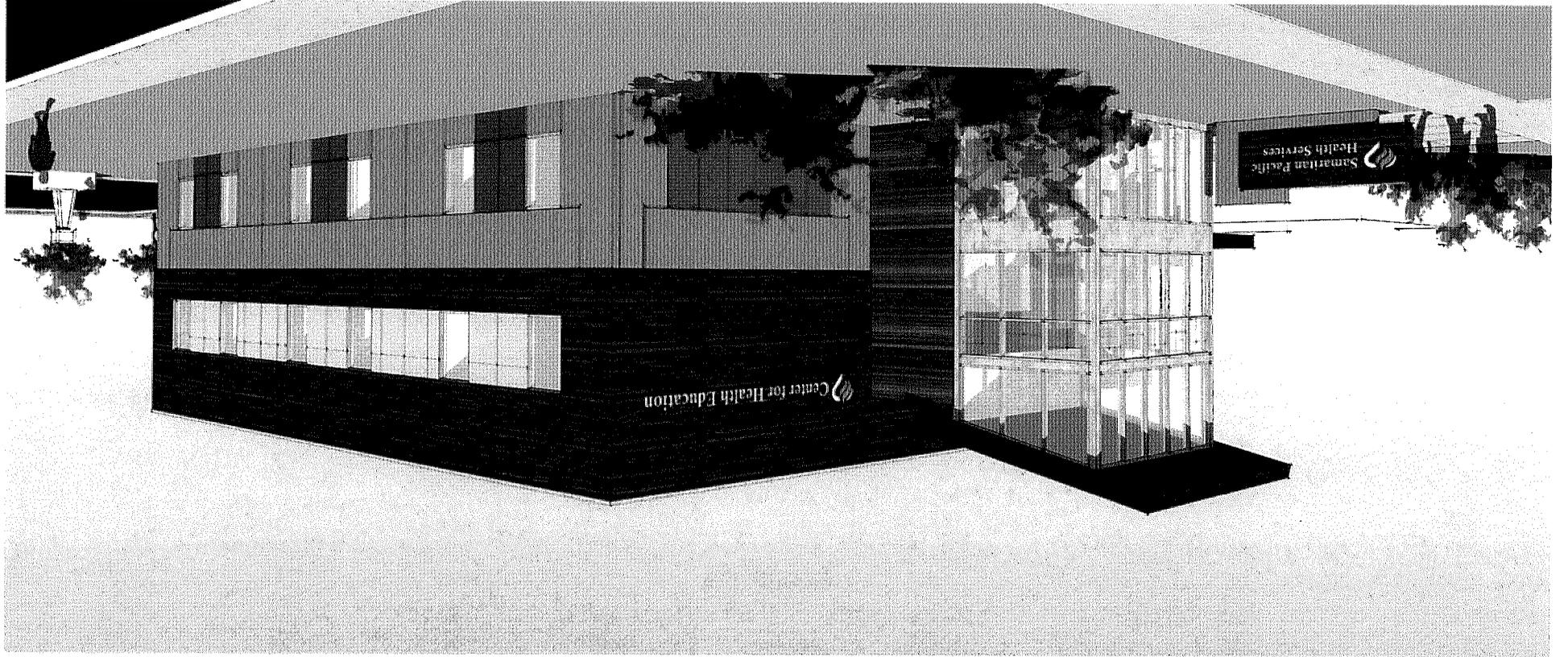
CENTER FOR HEALTH EDUCATION IN CONTEXT

SITE PLAN - 1/16"=1'-0"

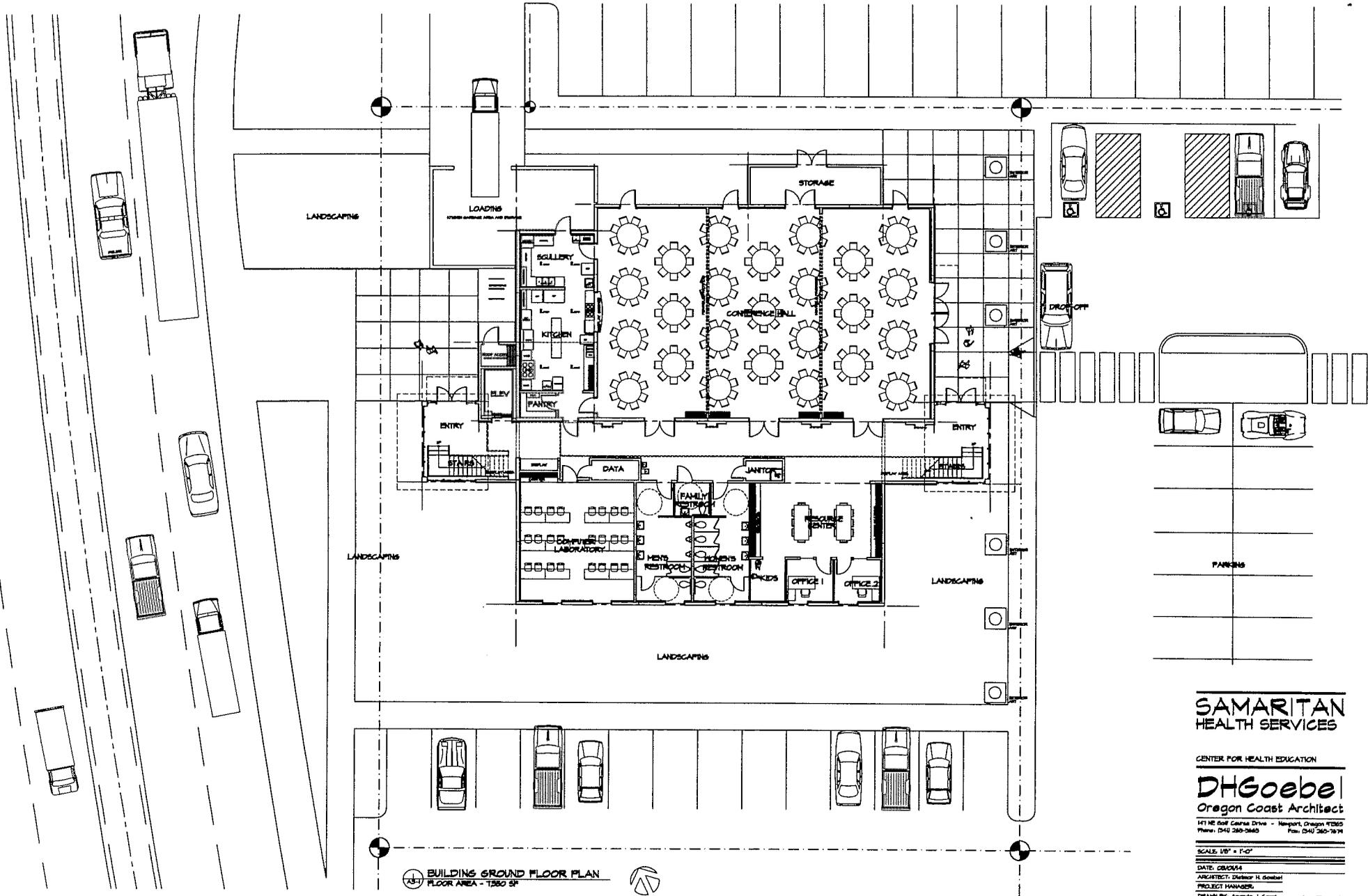


A professional design practice by Marking, Inc. and its affiliates  
 27 DHGebel Architects      capmarchitects  
 1000 15th Street, Suite 1000, San Francisco, CA 94103





D:\PROJECTS\3641\3641\3641-01-01.dwg



**BUILDING GROUND FLOOR PLAN**  
 FLOOR AREA - 1260 SF

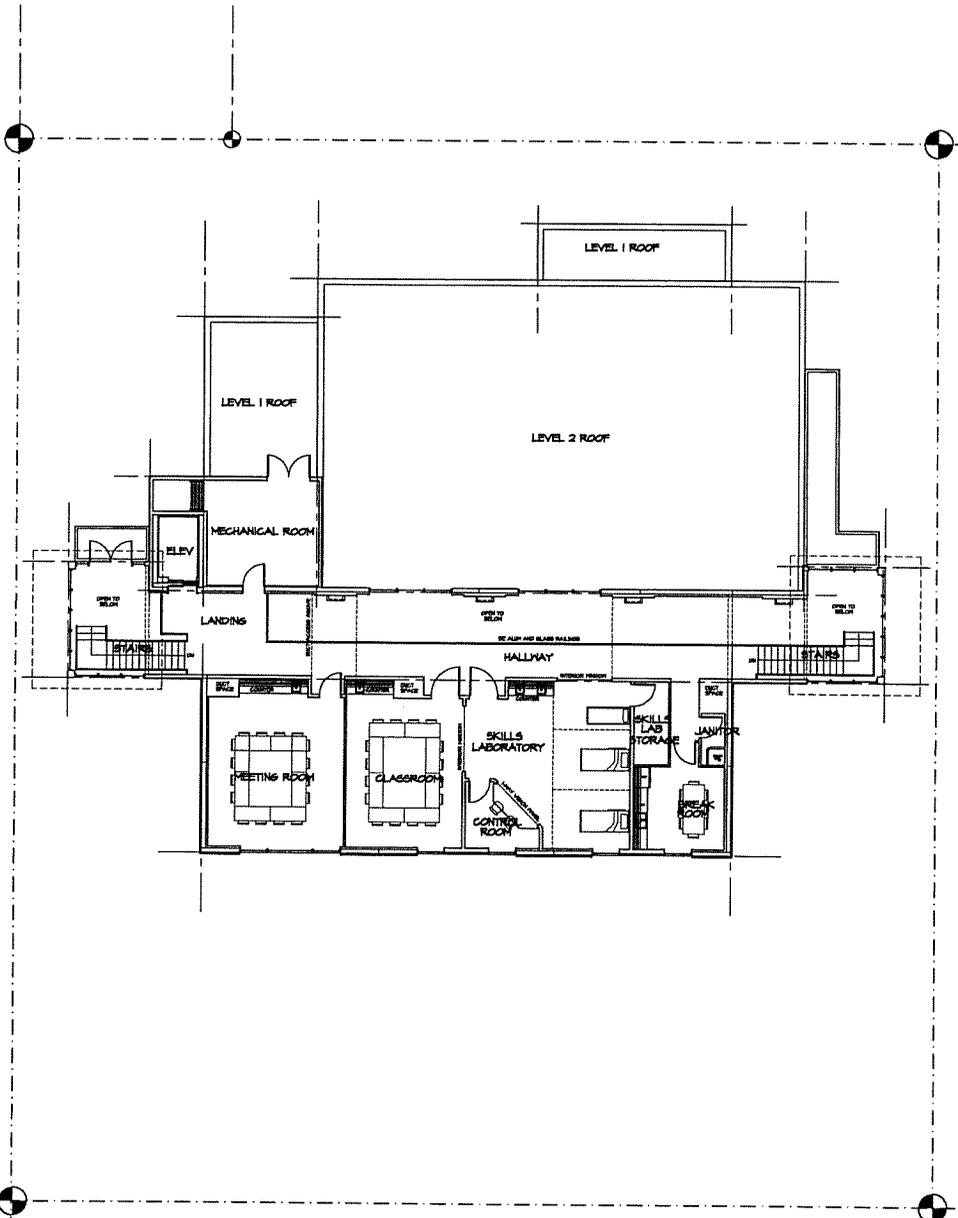
**SAMARITAN  
HEALTH SERVICES**

CENTER FOR HEALTH EDUCATION

**DHGoebe**  
Oregon Coast Architect

141 NE Gulf Course Drive - Newport, Oregon 97135  
 Phone: (541) 260-2640 Fax: (541) 260-1874

SCALE: 1/8" = 1'-0"  
 DATE: 08/04/94  
 ARCHITECT: Dianne H. Goebe  
 PROJECT MANAGER:  
 DRAWN BY: Amanda J. Copt  
 CHECKED BY:



A3-2
**BUILDING SECOND FLOOR PLAN**  
 FLOOR AREA - 2300 SF  
 MECHANICAL - 265 SF



**SAMARITAN  
HEALTH SERVICES**

CENTER FOR HEALTH EDUCATION

**DHGoebel**  
Oregon Coast Architect

141 NE Golf Course Drive - Newport, Oregon 97365  
 Phone: (541) 265-0663 Fax: (541) 265-1674

SCALE: 1/8" = 1'-0"

DATE: 05/01/14  
 ARCHITECT: Diethorn H. Goebel  
 PROJECT MANAGER:  
 DRAWN BY: Amanda J. Coppi  
 CHECKED BY:

**A3-2**

## TOURISM FACILITIES GRANT PROGRAM

### Purpose

This policy is intended to guide the City of Newport in accepting applications and considering grant proposals for funding under the Tourism Facilities Grant Program established by the Newport City Council. The Tourism Facilities Grant Program is funded by local transient room tax revenues, so state law controls the types of projects to which grants may be provided. If a project cannot meet legal requirements, it will not be awarded a grant.

### Title

The provisions adopted by this Resolution shall be known as the "Tourism Facilities Grant Program Rules."

### Policy

It is the policy of the city to make grant funds available to qualified applicants without regard to race, color, religion, sex, sexual orientation, national origin, marital status, age, disability, or familial status.

### Definitions

1. "Applicant" means any 501(c) organization or government entity may apply for a grant from the Tourism Grant Program.
2. "City" means the City of Newport.
3. "City Manager" means the City Manager of the City of Newport or the City Manager's designee.
4. "Council" means the City Council of the City of Newport.
5. "Grant Agreement" is the legally binding contract between the city and the grant recipient. The grant agreement consists of the conditions specified in these rules, special conditions enumerated in the agreement, if applicable, and the grant application approved by the City Council.
6. "Grant Funds" means the funds requested by an applicant and/or the funds delivered to a grantee through the Tourism Facilities Grant Program.
7. "Match" is any contribution to a project made up of funds other than grant funds. Match may include:

- a. Cash on hand or cash that is pledged to be on hand prior to commencement of the project;
  - b. Secured funding commitments from other sources; or
  - c. Pending or potential commitments of funding from other sources. In such instances, Tourism Grant Program funding will not be released prior to secured commitment of the other funds. Pending commitments of the funding must be secured within the time provided in the grant agreement.
8. "Tourism Facilities Grant Review Task Force" is a task force, consisting of seven members, appointed by the City Council in accordance with Resolution No. 3553.

#### Definitions for "Tourism-Related Facilities"

1. "Conference center" means a facility that:
  - a. Is owned or partially owned by a unit of local government, a governmental agency, or a nonprofit organization; and
  - b. Meets the current membership criteria of the International Association of Conference Centers.
2. "Convention center" means a new or improved facility that:
  - a. Is capable of attracting and accommodating conventions and trade shows from international, national and regional markets requiring exhibition space, ballroom space, meeting rooms and any other associated space, including but not limited to banquet facilities, loading areas, and lobby and registration areas;
  - b. Has a total meeting room and ballroom space between one-third and one-half of the total size of the center's exhibition space;
  - c. Generates a majority of its business income from tourists;
  - d. Has a room-block relationship with the local lodging industry; and
  - e. Is owned by a unit of local government, a governmental agency or a nonprofit organization.
3. "Tourism" means economic activity resulting from tourists.
4. "Tourism-related facility":
  - a. Means a conference center, convention center or visitor information center;

- b. Means other improved real property that has a useful life of ten or more years and has a substantial purpose of supporting tourism or accommodating tourist activities.
5. "Tourist" means a person who, for business, pleasure, recreation or participation in events related to the arts, heritage or culture, travels from the community in which that person is a resident to a different community that is separate, distinct from and unrelated to the person's community of residence, and that trip:
- a. Requires the person to travel more than 50 miles from the community of residence; or
  - b. Includes an overnight stay.
6. "Visitor information center" means a building, or a portion of a building, the main purpose of which is to distribute or disseminate information to tourists.

#### Application Requirements

1. Applications that do not comply with the requirements in this section will not be considered.
2. Applications must be submitted on a form provided by the city.
3. Applications for the 2014 grant cycle are due in the City Manager's office by 5:00 P.M. on Friday, May 30, 2014. Applicants must submit ten hard copies of the application and one electronic copy on a flash drive or memory stick. Applications submitted by e-mail or fax will not be considered.
4. All applicants shall supply the following information:
  - a. Name of applicant;
  - b. Name, physical and e-mail address, and fax and telephone numbers of the applicant's contact person(s) and, if applicable, the applicant's fiscal officer(s);
  - c. The name and a description of the proposed project;
  - d. Estimated line item budget for the project;
  - e. Identification of specific project elements for which grant funds will be used;
  - f. A list of any non-grant funds, services or materials available or secured for the project and any conditions which may affect the completion of the project;



3. All applicants who submit qualifying applications will be invited to make an oral presentation to the Tourism Facilities Task Force.
4. Based on the application materials submitted and the applicant's oral presentation, the Tourism Facilities Task Force will forward a recommendation to the City Council as to which applicants should be awarded grant funds, as well as the recommended amount of grant funds to be awarded to each applicant.
5. Applicants recommended to the City Council by the Tourism Facilities Task Force will be expected to make an oral presentation before the City Council.
6. The City Council is not bound by the Tourism Facilities Task Force recommendations.
7. The City Council will make its decision as to which applicants should be awarded grant funds, as well as the amount of grant funds to be awarded to each applicant based on the criteria and rating schedule attached as Exhibit A.
8. The city may require additional information from the applicant to aid in evaluating and considering a proposed project.
9. Applicants will be notified in writing of award of a grant or denial of an application. Written notifications will be sent by first class mail to the address provided in the application. Notifications will be deemed received by the applicant three calendar days after deposit by the city in the United States Mail.

#### Grant Agreement Conditions

1. If a grant application is approved, the City Manager, on behalf of the city, will enter into a grant agreement with the grantee.
2. If the grant agreement has not been fully executed by all the parties within one month of City Council approval, funding shall be terminated. The money allocated to the grant shall be available for reallocation by the city.
3. The terms of the grant agreement may be tailored to fit the project for which the grant funds are awarded. Grantees shall comply with all grant agreement conditions.
4. Obligations of the city under the grant agreement are contingent upon the availability of monies for use in the Tourism Facilities Grant Program.
5. The grantee shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under the agreement.
6. Grant funds may not be used to refinance existing debt.

7. The grantee is responsible for all the expenses of the operation and maintenance of the project, including but not limited to adequate insurance, and any taxes or special assessments applicable to the project.
8. The grantee shall comply with all prevailing wage laws if they are applicable to the project.
9. The applicant's total financial resources must be adequate to ensure completion of the project.
10. Upon notice to the grantee in writing, the City Manager may terminate funding for projects not in compliance with the terms of the grant agreement. The money allocated to the project but not used will be available for reallocation by the City Council.
11. The grantee will obtain all required permits and licenses from local, state, or federal government entities.
12. The city may place additional conditions in the grant agreement as necessary to carry out the purpose of the Tourism Facilities Grant Program, including any provisions that the City Manager considers necessary to ensure the expenditure of funds for the purposes set forth in the application.

#### Distribution of Funds

1. The city will not reimburse the grantee for any expenditures incurred prior to the signing of the grant agreement by all parties.
2. Prior to disbursement of grant funds, the grantee must provide proof that the dollar for dollar required match, based on the total grant funds awarded, has been secured.
3. Funds shall not be disbursed until the City Manager receives satisfactory evidence that necessary permits and licenses have been granted and documents required by the city have been submitted.
4. The city shall retain ten percent of the grant funds until the final project report, as required by the grant agreement, has been approved by the city. Final reports are due within 60 days of project completion. Any unexpended grant funds must be returned to the city with the final report. Upon receipt of the final report, the city shall have 90 days to approve the completed report or notify the grantee of any concerns that must be addressed or missing information that must be submitted before the report is considered complete and reviewed for approval. Once the final report has been approved the final payment shall be promptly provided to the grantee.

## Appeals

1. If the Tourism Facilities Task Force or the City Council denies a grant application, the applicant may appeal the denial to the City Council by submitting a written notice of appeal to the City Manager's office within five business days of the receipt of the denial.
2. Within 20 calendar days of the city's receipt of the written appeal, the City Council will review the denial on the record of the application. No new information will be accepted for review.
3. The applicant is not entitled to an appeal hearing.
4. The City Council's decision on the appeal is final.
5. The City Council's decision regarding the appeal will be transmitted to the applicant at the address provided in the application, by first class mail.