

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

AGENDA DATE: 08/01/22

PUBLIC HEARING DATE: N/A

CONTACT PERSON(S) NAME AND PHONE NUMBER: K. Nicole Cote, (915) 212-1092;
Elizabeth Triggs, (915) 212-0092

DISTRICT(S) AFFECTED: All Districts

STRATEGIC GOAL: Goal 1. Cultivate an Environment Conducive to Strong Economic Development

SUBGOAL: Subgoal 1.1 Stabilize and expand El Paso's tax base

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Discussion and action on a resolution authorizing the City Manager or his designee to establish appropriations in the amount of \$3,000,000 to respond to the negative economic impacts caused by COVID-19 and experienced by impacted or disproportionately impacted small businesses in the manufacturing industry sector; and whereas, the City of El Paso is the recipient of the American Rescue Plan Act ("ARPA") grant funds in the amount of \$154,365,135, the City Council approves the appropriation of the grant funds from the Coronavirus State and Local Fiscal Recovery Funds in accordance with the requirements stipulated by the American Rescue Plan Act and federal guidelines in the U.S. Department of Treasury's Final Rule to respond to negative economic impacts caused by the COVID-19 public health crisis.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

On March 11, 2021, the federal government enacted the American Rescue Plan Act ("ARPA") which established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund ("CSLFRF"). The City is a recipient of an ARPA grant in the amount of \$154,365,135. The funding may be used to: 1) fight the pandemic and support families and businesses struggling with its public health and economic impacts; 2) maintain vital public services, even amid declines in revenue; and 3) build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity. On May 9, 2022, City Council appropriated \$14,000,000 in ARPA grant funding to respond to the negative economic impacts of COVID-19, including assistance to impacted and disproportionately impacted small businesses. The action today reallocates a portion of that funding, or \$3,000,000 to assist impacted or disproportionately impacted small businesses in the manufacturing sector, in alignment with the City Council adopted strategic plan and strategic objective to grow existing and attract new target industries, including advanced manufacturing, to foster economic prosperity and create high-paying career pathways.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

On May 9, 2022, City Council appropriated \$115,979,244 in ARPA funding to respond and recover from the COVID-19 public health crisis. Of that, \$14,000,000 was set aside to address the negative economic impacts and provide assistance to impacted or disproportionately impacted small businesses as further defined by the U.S. Department of Treasury's Final Rule.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?


\$3,000,000 American Rescue Plan Act ("ARPA") grant funds.

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? ☒ YES ☐ NO

PRIMARY DEPARTMENT: City Manager’s Office – Office of Management and Budget
SECONDARY DEPARTMENT: Economic and International Development

*******REQUIRED AUTHORIZATION*******

DEPARTMENT HEAD: Elizabeth K. Triggs, Director, Economic & International Development


(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

WHEREAS, on March 13, 2020, the President of the United States declared a national emergency, Governor of the State of Texas declared a state of disaster, and the Mayor of the City of El Paso declared a local state of disaster in relation to Coronavirus Disease 19 (COVID-19); and

WHEREAS, on March 17, 2020, City Council issued an Emergency Ordinance Instituting Emergency Measures due to a Public Health Emergency (“Emergency Ordinance”); and

WHEREAS, on May 11, 2020, City Council approved appropriations for the CARES Act funds received by the City for eligible expenses from March 1, 2020 through August 31, 2021; and

WHEREAS, the City has ongoing COVID-19 related expenditures that have continued into FY 2022; and

WHEREAS, the COVID-19 pandemic is a public health crisis that has required immediate action from the City to relieve the emergency necessity of the municipality’s residents and to protect the health and safety of the community, resulting in expenditures by the City to respond to the COVID-19 public health emergency; and

WHEREAS, on March 11, 2021, the federal government enacted the American Rescue Plan Act (“ARPA”) which established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund (“CSLFRF”); and

WHEREAS, the U.S. Department of Treasury’s Final Rule (“Final Rule”) contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of recovery funds not explicitly listed; and

WHEREAS, the City is a recipient of an ARPA grant in the amount of \$154,365,135 from the fund received in two tranches, with the first received on May 12, 2021 in the amount of \$77,172,567.50, and the second half of equal value received on or about May 12, 2022; and

WHEREAS, on July 27, 2021, the City Council appropriated \$15,000,000 of ARPA grant funds; and

WHEREAS, on January 8, 2022, the City Council appropriated \$7,821,018 of the ARPA grant funds; and

WHEREAS, on March 15, 2022, the City Council appropriated \$6,600,000 of the ARPA grant funds; and

WHEREAS, on May 9, 2022, the City Council appropriated the remaining \$115,979,244 of the ARPA grant funds; and

WHEREAS, of the \$115,979,244 in ARPA grant funds appropriated on May 9, 2022, \$14,000,000 was allocated to respond to the negative economic impacts of the COVID-19 public health emergency; and

WHEREAS, small businesses have faced widespread challenges due to the pandemic, including periods of shutdown, declines in revenue, or increased costs; and

WHEREAS, the City Council has adopted a Strategic Plan which includes the strategic objective of growing existing target industries, including advanced manufacturing to foster economic prosperity and create high-paying career pathways; and

WHEREAS, the City Council desires to reallocate \$3,000,000 of the \$14,000,000 in ARPA grant funds appropriated for the response to the negative economic impacts of the COVID-19 public health emergency to assist impacted or disproportionately impacted small businesses in the manufacturing industry sector; and

WHEREAS, such funding may be used to provide loans or grants to mitigate financial hardship, such as by supporting payroll and benefits, costs to retain employees and mortgage, rent, utility, and other operating costs; and technical assistance, counseling or other services to support business planning; or other assistance as identified in the Final Rule to support impacted and disproportionately impacted small businesses in the manufacturing industry sector.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT, as the recipient of the American Rescue Plan Act (“ARPA”) grant funds in the amount of \$154,365,135, the City Council approves the appropriation of \$3,000,000 of the grant funds from the Coronavirus State and Local Fiscal Recovery Funds to assist impacted or disproportionately impacted small businesses in the manufacturing industry sector in accordance with the requirements stipulated by the American Rescue Plan Act and federal guidelines in the Final Rule to cover expenses incurred to respond and recover from the COVID-19 public health crisis;

THAT, the above appropriation is obligated during the period starting March 3, 2021, and ending December 31, 2024;

THAT, the instant and previous appropriations are made in compliance with the Final Rule; and

THAT, the City Manager, or designee, be authorized to effectuate any budget transfers and execute any contracts and/or related documents necessary to ensure that the American Rescue Plan Act (“ARPA”) grant funds are properly expended to respond and recover from the COVID-19 public health emergency.

[Signatures begin on the following page]

APPROVED this ____ day of _____, 2022.

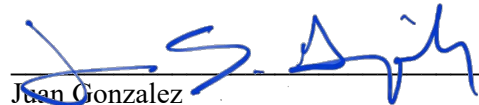
CITY OF EL PASO:

Oscar Leaser
Mayor

ATTEST:

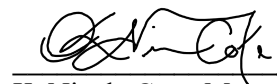
Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Juan Gonzalez
Assistant City Attorney

APPROVED AS TO CONTENT



K. Nicole Cote, Managing Director
Office of Management and Budget