



Background Paper for Proposed Ordinance

COUNCIL MEETING DATE: September 12, 2022

TO: President Heather Graham and Members of City Council

VIA: Marisa Stoller, City Clerk

CC: Mayor Nicholas A. Gradisar

FROM: Daniel C. Kogovsek, City Attorney

SUBJECT: AN ORDINANCE APPROVING AND AUTHORIZING THE MAYOR TO SIGN A GRANT AGREEMENT BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND ROSEMOUNT MUSEUM, A COLORADO NONPROFIT CORPORATION, AS AUTHORIZED BY SECTION 603 OF THE AMERICAN RESCUE PLAN ACT AND U.S. TREASURY FINAL RULE 31 CFR 35.6 AND AUTHORIZING THE PAYMENT OF TEN THOUSAND DOLLARS (\$10,000) FROM PROJECT NO. CI2113 - AMERICAN RESCUE PLAN ACT, FOR PURPOSES THEREOF

SUMMARY:

This Ordinance approves and authorizes the Mayor to sign a Grant Agreement with Rosemount Museum, a Colorado nonprofit corporation ("Rosemount") to mitigate the financial hardship caused by a decline in visitors and revenue as a result of the COVID-19 pandemic (hereinafter "Project") as authorized by Section 603 of the American Rescue Plan Act and U.S. Treasury Final Rule 31 CFR 35.6. Funds for the project, in the amount of \$10,000.00 will be paid out of Project No. CI2113, the American Rescue Plan Act.

PREVIOUS COUNCIL ACTION:

By Ordinance No. 9931, approved on May 17, 2021, the City Council established Project No. CI2113 and budgeted and appropriated up to \$36.7 million in funds which were expected to be distributed to the City from the American Recovery Plan Act ("ARPA") for covered costs and eligible expenses to be incurred during the period which began on March 3, 2021 until December 31, 2024 (to be expended by December 31, 2026).

BACKGROUND:

Rosemount Museum is a 129-year-old, 24,000 square foot historic home. Utilities for the mansion cost \$4,600 - \$5,200 per month and repair costs tend to be much higher than that of a regular home or more modern building, in most cases. Simple repairs that may cost \$2,500 in other buildings can exceed \$20,000 at Rosemount. The bill to replace one stair on the front porch recently was \$8,800 and a one-unit furnace replacement in the carriage house was \$13,000.

Rosemount Museum was closed March 4 - June 11, 2020. The museum chose to keep staff (five employees) rather than lay anyone off. Three staff members were considered essential in terms of keeping the mansion and property safe and running appropriately. Two staff members worked from home taking care of office needs, such as accounts payable and payroll, among other duties.

Once the museum opened in June, 2020, staff was busy with normal maintenance and care for the mansion, carriage house and grounds. However, visitation was dismal (a loss of about \$19,000 in admissions). Along with that, all museum events were canceled (approximately \$40,000 in lost revenue) for the year and all the events booked in the Carriage House, a small event venue, were lost (approximately \$25,000 in revenue). Museum memberships were also down (\$8,500 loss) and donations fell as well. The museum's number of visitors/tourists fell from 6,608 in 2019 to 1,683 in 2020.

Rosemount is a nonprofit organization disproportionately impacted by the COVID-19 public health emergency, operating in a qualified census tract under 31 CFR 35.6.(b) (3) (C). Rosemount is also a member of the tourism industry eligible for reimbursement of payroll costs and covered benefits for employees, the compensation of returning employees and financial support for operations and maintenance of existing equipment and facilities under 31 CFR 35.6.(b) (3) (D).

FINANCIAL IMPLICATIONS:

Rosemount will receive \$10,000.00 in ARPA funds from Project No.CI2113.

BOARD/COMMISSION RECOMMENDATION:

Not applicable to this Ordinance.

STAKEHOLDER PROCESS:

Not applicable to this Ordinance.

ALTERNATIVES:

City Council could decide not to support the Rosemount Museum.

RECOMMENDATION:

Approval of the Ordinance

Attachments:

Proposed Ordinance

Proposed Grant Agreement

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND AUTHORIZING THE MAYOR TO SIGN A GRANT AGREEMENT BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND ROSEMOUNT MUSEUM, A COLORADO NONPROFIT CORPORATION, AS AUTHORIZED BY SECTION 603 OF THE AMERICAN RESCUE PLAN ACT AND U.S. TREASURY FINAL RULE 31 CFR 35.6 AND AUTHORIZING THE PAYMENT OF TEN THOUSAND DOLLARS (\$10,000) FROM PROJECT NO. CI2113 - AMERICAN RESCUE PLAN ACT, FOR PURPOSES THEREOF

RECITALS

The following recitals are incorporated in and made a part of this Ordinance.

WHEREAS, on March 11, 2021, President Biden signed the U.S. Senate-amended H.R. 1319 (P.L. 117-2) known as the American Rescue Plan Act (hereinafter “ARPA”); and

WHEREAS, on May 10, 2021, the U.S. Treasury issued the Interim Final Rule to implement ARPA in Title 31, Part 35 of the Code of Federal Regulations (“CFR”); and

WHEREAS, on January 6, 2022, the U.S. Treasury issued, with an effective date of April 1, 2022, the Final Rule to implement ARPA in Title 31, Part 35 of the Code of Federal Regulations (“CFR”); and

WHEREAS, under the Final Rule, recipients may use Coronavirus Local Fiscal Recovery Funds (“CLFRF”) to respond to the COVID-19 public health emergency and the negative economic consequences resulting therefrom; and

WHEREAS, under ARPA Section 603 (c)(1)(A) and (3) and the Final Rule 31 CFR 35.6(b)(7) recipients may use CLFR Funds to award grants to nonprofit organizations that are responding to the negative economic impacts of the COVID-19 public health emergency; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF PUEBLO that:

SECTION 1.

The Grant Agreement (“Agreement”) dated September 26, 2022, between the City of Pueblo, a Colorado municipal corporation and the Rosemount Museum, a Colorado nonprofit corporation, a copy of which is attached hereto, having been approved as to form by the City Attorney, is hereby approved:

SECTION 2.

The Mayor is hereby authorized to execute said Agreement for and on behalf of the City and the City Clerk is authorized to affix the seal of the City thereto and attest same.

SECTION 3.

Funds in the amount of \$10,000.00 are hereby authorized to be paid to Rosemount from Project No. CI2113 – American Rescue Plan Act, for purposes of mitigating the financial hardship caused by a decline in visitors and revenue as a result of the COVID-19 pandemic, as described in the attached Agreement.

SECTION 4.

The officers and staff of the City are authorized to perform any and all acts consistent with this Ordinance and the attached Agreement to implement the policies and procedures described herein.

SECTION 5.

This Ordinance shall become effective on the date of final action by the Mayor and City Council.

Action by City Council:

Introduced and initial adoption of Ordinance by City Council on _____.

Final adoption of Ordinance by City Council on _____.

President of City Council

Action by the Mayor:

- Approved on _____.
- Disapproved on _____ based on the following objections:

Mayor

Action by City Council After Disapproval by the Mayor:

- Council did not act to override the Mayor's veto.
- Ordinance re-adopted on a vote of _____, on _____
- Council action on _____ failed to override the Mayor's veto.

President of City Council

ATTEST

City Clerk