



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 THE BESSEMER HISTORICAL SOCIETY D/B/A THE STEELWORKS CENTER OF THE WEST, 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 the Bessemer Historical Society d/b/a the Steelworks Center of the West, a Colorado nonprofit corporation ("SCW") 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:

As a result of the COVID-19 pandemic, the Steelworks Center of the West closed March 16, 2020 and remained closed through August 5, 2020 in accordance with local and state COVID-19 mandates. During this time, SCW's Board made the difficult decision to terminate 33% of SCW's staff due to the lack of income.

SCW reopened for a short time beginning August 5, 2020 only to close again to the public on November 16, 2020 when one of SCW's own staff tested positive for the virus. Following this interval, the entire museum facility was deep cleaned by a professional janitorial company. In an abundance of caution, SCW remained closed until April 6, 2021.

In addition to the lack of museum admission fees, gift shop sales, archives fees, donations were also lacking throughout most of 2020. SCW was forced to cancel several of its major fundraising endeavors. SCW's only fundraiser in 2020, the "Faces of CF&I/Hall of Fame" event took place in February, 2020, just before the mandatory closures. SCW raised \$34,716 during that event. SCW was unable to host the "Faces of CF&I/Hall of Fame" evening event in 2021 due to COVID, a potential loss of revenue of \$34,000.

SCW was also unable to host its annual summer fundraiser, "Steel'ebriation" in 2020 and 2021, a potential loss of revenue of \$6,000 each year. SCW was also unable to host its "Saints and Sinners" fundraiser in 2020. In 2021, SCW hosted the event, but on a much smaller scale, a potential loss of revenue of \$1,300.

SCW 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). In addition, SCW is 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:

SCW 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 Steelworks Center of the West.

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 THE BESSEMER HISTORICAL SOCIETY D/B/A THE STEELWORKS CENTER OF THE WEST, 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. CI-2113 - 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 Bessemer Historical Society d/b/a the Steelworks Center of the West, a Colorado nonprofit corporation (“SCW”), 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 SCW 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