



Agenda Sheet for City Council Meeting of:
08/01/2022

Date Rec'd	7/21/2022
Clerk's File #	ORD C36246
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	CITY COUNCIL
Contact Name/Phone	BREEAN BEGGS 6254
Contact E-Mail	BBEGGS@SPOKANECITY.ORG
Agenda Item Type	Special Budget Ordinance
Agenda Item Name	0320 - ALLOCATING 3RD ROUND OF ARPA PROGRAM FUNDS

Agenda Wording

An ordinance amending Ordinance C36161 adopting the annual budget for the City of Spokane, allocating funding for the third round of programs from the American Rescue Plan Act.

Summary (Background)

This SBO allocates fund for the third round of programs funded via ARPA dollars. Brief descriptions of each item are attached to the SBO for informational purposes.

Lease? NO Grant related? NO Public Works? NO
Fiscal Impact **Budget Account**

Neutral	\$	#
Select	\$	#
Select	\$	#
Select	\$	#

Approvals

Dept Head	ALLERS, HANNAHLEE
Division Director	
Finance	
Legal	
For the Mayor	

Council Notifications

Study Session\Other	Study Session - 6/9, 7/14 and 7/28
Council Sponsor	CP Beggs; CM Wilkerson; CM Zappone

Distribution List

Additional Approvals

Purchasing	

ORDINANCE NO C36246

An ordinance amending Ordinance No. C-36161, passed by the City Council December 13, 2021, and entitled, "An ordinance adopting the Annual Budget of the City of Spokane for 2022, making appropriations to the various funds of the City of Spokane government for the fiscal year ending December 31, 2022, and providing it shall take effect immediately upon passage," and declaring an emergency.

WHEREAS, subsequent to the adoption of the 2022 budget Ordinance No. C-36161, as above entitled, and which passed the City Council December 13, 2021, it is necessary to make changes in the appropriations of the American Rescue Plan Fund, which changes could not have been anticipated or known at the time of making such budget ordinance; and

WHEREAS, this ordinance has been on file in the City Clerk's Office for five days; - Now, Therefore,

The City of Spokane does ordain:

Section 1. That in the budget of the American Rescue Plan Fund, and the budget annexed thereto with reference to the American Rescue Plan Fund, the following changes be made:

- 1) Increase appropriation by \$27,750,000, funded from the city's direct allocation of the State and Local Fiscal Recovery Fund of the American Rescue Plan Act.
 - A) Of the increased appropriation, \$1,500,000 is provided for the purpose of funding capital expenditures on City owned property leased to Community Centers.
 - B) Of the increased appropriation, \$2,400,000 is provided for the purpose of funding the add to pay for the collective bargaining agreements.
 - C) Of the increased appropriation, \$5,000,000 is provided for the purpose of funding higher education success for local high school students.
 - D) Of the increased appropriation, \$5,000,000 is provided for the grants to not-for-profit entities in order to recover from the impact created by the COVID pandemic.
 - E) Of the increased appropriation, \$5,000,000 is provided for the grants to small business entities in order to recover from the impact created by the COVID pandemic.
 - F) Of the increased appropriation, \$5,000,000 is provided for the capital cost of a municipal justice center.
 - G) Of the increased appropriation, \$2,500,000 is provided Neighborhood Business District Support.
 - H) Of the increased appropriation, \$1,000,000 is provided for support for multicultural centers.
 - I) Of the increased appropriation, \$350,000 is provided for additional administrative support related to distributing ARPA funds.

Section 2. It is, therefore, by the City Council declared that an urgency and emergency exists for making the changes set forth herein, such urgency and emergency arising from the need to provide appropriation authority for funding supporting small business and not-for-profit organizations, future education, and a COVID-19 safe community, and because of such need, an urgency and emergency exists for the passage of this ordinance, and also, because the same makes an appropriation, it shall take effect and be in force immediately upon its passage.

Passed the City Council _____

Council President

Attest: _____
City Clerk

Approved as to form: _____
Assistant City Attorney

Mayor

Date

Effective Date

ARPA Tranche 3 Descriptions:

Community Center Grants – \$1.5 million

\$500,000 to each Community Center (Northeast, MLK at East Central, and West Central) for capital expenditures on city-owned property in exchange for granting at least 100 square feet of office space and access to common areas, like conference rooms, to grass roots cultural groups (may be shared) at no cost to the group for the balance of the term of the Community Center's lease agreement with the City or five years, whichever is longer.

Local 270 Add to Pay – \$2.4 million

One-time payments made to each member of Local 270 as part of their contract approved by City Council on July 11, 2022.

Higher Education – \$5 million

Supply last dollar scholarship assistance to all high school students residing in the City of Spokane who graduate and attend an institution of secondary learning. This will also supply high school and college success services to city residents, and cover administration costs of the program from September of 2022 through August of 2026. Joint proposals from entities providing these services are encouraged.

Non-Profit Entity Recovery and Resiliency – \$5 million

Many nonprofits helped see vulnerable communities and local institutions through the major damages that the pandemic caused, including providing PPE and other essentials. While they must pay for things like rent and essentials, non-profits mostly rely on volunteer work and are underfunded. A non-profit is defined by RCW 82.04.3651 as an "organization that does not pay its members, stockholders, officers, directors, or trustees any amounts from its gross income, except as compensation to any person for services rendered and does not engage in a substantial amount of political activity." Non-profits need funds to help them continue the good work they are doing in aiding a post pandemic recovery.

This allocation would supply:

- Direct grants to non-profit entities with annual average revenues of less than \$1,000,000 in 2019-2021 serving businesses, non-profit entities, community groups, communities disproportionately impacted by COVID-19 and residents located in qualified distressed census tracts within the City of Spokane.
- Base grants of up to \$40,000 for entities with less than \$500,000 in annual revenues and \$60,000 grants for over \$500,000 in annual revenues.
- Additional grants up to a total of \$50,000 for capital improvements, future pandemic response-related programming or hiring of additional full-time equivalent employees.
- Applicants must disclose any other ARPA relief applied for and/or received.
- Grant funding would be applied first to any City utility arrears.

Small Business Recovery – \$5 million

The Spokane economy is mostly composed of small businesses. RCW 19.85.020 defines a small

business as “including a sole proprietorship, corporation, partnership, or other legal entity, that is owned and operated independently from all other businesses, and that has fifty or fewer employees.” These small businesses have been disproportionately impacted by the pandemic and their communities need help in the post-pandemic recovery. They have mostly relied on programs that were designed to help them through the pandemic that are either currently or about to expire.

This allocation would supply:

- Direct grants to small businesses with annual average revenues of less than \$1,000,000 in 2019-2021 located in economically distressed census tracts within the City of Spokane.
- Base grants of up to \$20,000 for businesses with fewer than \$500,000 in annual revenues and \$30,000 grants for businesses with over \$500,000 in annual revenues.
- Additional grants up to a total of \$50,000 for capital improvements or hiring of additional full-time equivalent employees.
- Applicants must disclose any other ARPA relief applied for and/or received.
- Grant funding would be applied first to any City utility arrears.

Municipal Justice Center – \$5 million

The Municipal Court currently occupies a building that does not meet their administrative and security needs. This funding would be for the City to purchase a building to house a Municipal Justice Center that ideally combines the Municipal Court, Prosecutor Office, Public Defender Office and Community Justice Services Office. This allocation relates to Resolution 2022-0045, which was passed by the City Council on May 2, 2022.

Neighborhood Business District Support – \$2.5 million

Supplies grants to neighborhood business district associations and other independent business associations for capital improvements, business improvement, procurement enhancement, marketing, and branding services, for both associations and individual businesses, etc.

Multicultural Centers – \$1 million

Supplies grants to organizations seeking to remodel, purchase or build multicultural centers within the City of Spokane; including but not limited to: costs for design, building, purchasing, and consulting on fundraising. It is anticipated that these grants will function as seed money or last dollar funding.

Administrative Support - \$350,000

Funding to support administering APRA funding allocations by utilizing project employees at a lower total cost than seeking contracts with third-party entities to accept, review and distribute individual grants. This will free up additional funds for direct distribution to the community.