

To the Mayor and Members of the City Council**September 21, 2021**

Page 1 of 1

**SUBJECT: PROPOSAL TO USE AMERICAN RESCUE PLAN ACT (ARPA) FUNDING TO REINSTATE PUBLIC EVENTS DEPARTMENT CAPITAL IMPROVEMENT PROJECTS THAT WERE ROLLED BACK DUE TO REVENUE SHORTFALLS CAUSED BY THE COVID-19 PANDEMIC**

The purpose of this Informal Report is to provide background on the deferral and suspension of capital projects for the Public Events Department in FY2020 and FY2021 resulting from the loss of Hotel Occupancy Taxes as a direct result of the COVID-19 pandemic.

Due to the impacts of the COVID-19 pandemic on the travel and tourism industry, hospitality tax collection in the Fort Worth market fell to nearly nothing in the last half of March 2020 and remained minimal for remainder of the fiscal year and into the first half of FY2021. As part of the effort to ensure that the Culture and Tourism funds could meet operating expenses and debt service obligations, in FY2020 and thereafter until the economy recovers, selected capital improvements at the Will Rogers Memorial Center and Fort Worth Convention center were suspended or deferred. These projects included:

- FWCC Star Tower Façade Restoration
- WRMC Sprinkler System Upgrade (Barn 4)
- WRMC Richardson Bass Sound System Upgrade
- WRMC Justin Garage Ventilation
- WRMC Amon Carter Door Replacement
- WRMC Security Cameras
- WRMC Electrical Upgrades
- WRMC Auditorium Curtain Replacement
- WRMC Emergency Generator Upgrade
- WRMC Roof Repairs (Auditorium)

On August 25, 2020, M&C 20-0597 took the formal actions necessary to revise appropriations and eliminated the planned budgeted transfer in the amount of \$3,570,294.00 from the HOT 2% Fund to the Public Events Capital funds. All HOT 2% tax revenue collected in FY2020 was instead used to meet debt obligation for the fiscal year. Because HOT collections continued to lag for the first half of FY2021, there will be no transfers again in FY2021 for the Public Events Capital fund from the HOT 2% Fund for capital improvements.

With the receipt of the American Rescue Plan Act (ARPA) funding for the purpose of reviving projects that were deferred or suspended because of the pandemic, and with the subsequent adoption of the ARPA framework by the City Council, the Public Events Department would like to restart those deferred projects.

Due to an increase in costs associated with construction materials and labor the overall cost of these projects have increased since originally projected. The Public Events Department intends to move forward with each of the projects listed above utilizing ARPA funding. PED utilizes various methods for projects depending on business need or value. Upon the restart of the projects, either bidding or utilizing a current IDIQ or another methods will be determined and conveyed in each project M&C brought before the Council for approval. The projected total amount of ARPA funds to be utilized for these projects is not expected to exceed \$4,560,000 at current estimates.

If you have any questions concerning this report or any of the projects to be undertaken, please contact Michael Crum, Director of Public Events.

David Cooke
City Manager