



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 07/27/2021a

REQUESTER: Anthony Francisco, Finance Director

PRESENTER: Anthony Francisco, Finance Director

ITEM TITLE: CONSIDERATION OF ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF RESOLUTION R-2021-128 OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, APPROPRIATING \$9,500,000 OF AMERICAN RESCUE PLAN ACT OF 2021 (ARPA) FUNDING FROM THE SPECIAL GRANTS FUND BALANCE TO SUPPLEMENT AVAILABLE PUBLIC SAFETY SALES TAX FUNDS FOR THE CONSTRUCTION OF THE EMERGENCY OPERATIONS AND COMMUNICATIONS CENTER (EOCC)

BACKGROUND: On April 1, 2014, the voters of Norman approved Ordinance 1314-33, extending the dedicated Public Safety Sales Tax permanently ("PSST II", effective October 1, 2015). Among other things, the PSST II Ordinance directed the implementation of a program to replace or acquire "Critical Capital Needs", including the construction of a new Emergency Operations/Dispatch Center (EOC), with a budget of \$6,500,000.

On March 10, 2015, the Council, acting as the Norman Municipal Authority (NMA) approved the issuance of \$22,825,000 in Sales Tax Revenue Notes to finance the acquisition of the PSST II Critical Capital Needs, including the EOC.

On December 13, 2016, the Council/NMA approved Contract K-1617-69 with Architects Design Group (ADG) of Winter Park, Florida, for architectural and engineering services to design and oversee bidding and construction processes for the EOC. ADG has completed preliminary design processes for the EOC, in consultation with the Norman Police Department. The most recent estimates for completion of the EOC facility are approximately \$9,500,000 in excess of the budgeted PSST II funds.

On March 11, 2021, the United States Federal Government enacted the \$1,900,000,000,000 American Rescue Plan Act of 2021 (ARPA), "to speed up the United States' recovery from the economic and health effects of the COVID-19 pandemic and the ongoing economic recession". Specific funding of approximately \$350,000,000,000 was made available in the ARP Act to state, county and city governments and tribal nations in "Coronavirus State and Local Fiscal Recovery Funds". As a Community Development Block Grant entitlement city, Norman will receive approximately \$22,225,000 in ARPA funding in two payments. The City of Norman applied for and received its first ARPA payment, of \$11,122,771, on May 19, 2021 (a second entitlement payment can be expected in approximately 12 months).

In the May 13, 2021 meeting of the Citizen's Public Safety Sales Tax (PSST) Oversight Committee, unanimous approval was given by the Committee to recommend to the City Council that \$9,500,000 in ARPA funds be used to supplement available PSST funds (on deposit with the Norman Municipal Authority Trustee) for the construction of the Emergency Operations and Communications Center (EOCC) at its full scope (see attached recommendation).

In the May 20th Council Finance Committee meeting, discussion was held about the ARPA entitlement funds, eligible uses of the funds, and City priorities. By consensus, the Committee directed staff to prepare an agenda item for consideration of the full Council to appropriate sufficient ARPA entitlement funding to complete the EOCC at its full scope.

DISCUSSION: The United States Department of the Treasury has issued guidelines for eligible uses of American Rescue Plan Act funds in an "Interim Final Rule". Five categories of eligible expenditures are discussed in the guidelines:

- Support Public Health Response
- Replace Public Sector Revenue Loss
- Water, Sewer and Broadband Infrastructure
- Address Negative Economic Impacts
- Premium Pay for Essential Workers

In the Interim Final Rule's guidelines for eligible uses of ARPA funds for Supporting Public Health Response, specific mention is made of "capital investments in public facilities to meet pandemic operational needs, such as physical plant improvements or adaptations to public buildings to implement COVID-19 mitigation tactics." Construction of the EOCC building, in its critical capacity of providing emergency medical response services during and after the COVID-19 pandemic, is deemed to be an eligible use of ARPA funds under the Council's discretion.

To enact Council's direction to use ARPA entitlement funds for the EOCC building, \$9,500,000 would be appropriated from the Special Grants Fund, ARPA (22-11017) to Emergency Operations Center, Construction (Account 22796648-46101; Project BG0029).

RECOMMENDATION: It is recommended that the Resolution be adopted, appropriating \$9,500,000 in City of Norman ARPA entitlement funds to supplement PSST II funding for the Emergency Operations and Communications Facility.