



Legislation Details (With Text)

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Title:	Resolution to Amend the Fiscal Year 2021 and Fiscal Year 2022 Council Approved Budgets to Accept and Appropriate the Shuttered Venue Operators Grant awarded by the U. S. Small Business Administration				
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Date	Ver.	Action By	Action	Result
9/8/2021	1	City Council Legislative Session	approved	Pass

Resolution to Amend the Fiscal Year 2021 and Fiscal Year 2022 Council Approved Budgets to Accept and Appropriate the Shuttered Venue Operators Grant awarded by the U. S. Small Business Administration

PURPOSE/BACKGROUND:

The Shuttered Venue Operators (SVO) Grant was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act signed into law on December 27, 2020 and subsequently amended by the American Rescue Plan (ARP) Act. The SVO Grant provides 16.2 billion in Federal grant Funds to eligible live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators, or talent representatives who demonstrate a 25 percent reduction in revenues. Eligible applicants may qualify for grants equal to 45% of their gross earned revenue, with the maximum amount available for a single grant award of \$10 million dollars. The Small Business Administration may make an initial grant of up to \$10 million dollars to an eligible person or entity and a supplemental grant that is equal to 50 percent of the initial grant. Such grants shall be used for specified expenses to include payroll costs, rent, utilities, worker protection expenses, maintenance contracts, insurance, equipment, event production expenses, etc.

Discussion:

Federal assistance to address the financial impact of the unprecedented global health crisis, otherwise known as COVID-19, has been made available to localities in the form of grants. The SVO Grant is one such grant that has been awarded to specifically help offset operating expenses of qualifying venues. The unique attribute of the SVO grant is that it allows for expenses that were incurred from the beginning of the declared pandemic (March 1, 2020) to the end of the current calendar year (December 31, 2021) to be eligible. In essence, this grant offsets eligible operating expenses for fiscal years 2020, 2021 and 2022. The Hampton Coliseum/Arts Commission venue has qualified for the grant and has been awarded \$4,944,206.70 in federal funds with no local cash match required. While fiscal year 2020 has officially closed, fiscal year 2021 has not officially closed.

Therefore, a portion of the grant proceeds will be utilized to offset eligible operating expenses for FY21, thereby precluding the need to transfer funds from the Hampton Coliseum/Arts Commission Fund's retained earnings. The balance of the SVO grant proceeds will be utilized in FY22, prior to the grant expiration date of December 31st. In the absence of the proposed action, the net position of the Hampton Coliseum/Arts Commission Fund will need to be reduced to close out FY21, thus decreasing the Fund's capacity to address any future unplanned financial needs.

Impact:

The City has been awarded a total of \$4,944,206.70 in federal grant funds with no local cash or in-kind match required. For FY21, a total of \$2,731,784.04 from the grant proceeds will be utilized to offset operating expenses and for FY22, a total of \$2,212,422.66 will be utilized. Depending on balance of program funds, the City could receive a supplemental award of up to \$2,472,103.35.

Recommendation:

Approve.

WHEREAS, the U. S. Small Business Administration's Office of Disaster Assistance has awarded the Shuttered Venue Operators Grant in the amount of \$4,994,206.70 in federal funding;

WHEREAS, the Shuttered Venue Operators Grant does not require a local cash or in-kind match;

WHEREAS, the Shuttered Venue Operators Grant award will be used by the Hampton Coliseum/Arts Commission to offset eligible operating expenses for FY21 totaling \$2,731,784.04 and FY22 totaling \$2,212,422.66. The eligible operational expenses include items such as payroll costs; utilities; worker protection expenses; maintenance contracts; insurance; equipment and event production expenses; and

WHEREAS, the grant award is for the period of March 1, 2020 to December 31, 2021.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Hampton, Virginia hereby amends its Fiscal Year 2021 and Fiscal Year 2022 Council Approved Budgets to accept and appropriate the Shuttered Venue Operators Grant award in the amount of \$4,944,206.70 in federal funds, and any supplemental funding, from the U. S. Small Business Administration to the Grant Fund for the purpose of offsetting operating expenses in accordance with the grant agreement. The grant award proceeds will be utilized in each of the fiscal years as follows: \$2,731,784.04 will be utilized for FY21 and \$2,212,422.66 will be utilized for FY22.

BE IT FURTHER RESOLVED, that the City Council authorizes the City Manager, or her designee, to take any and all actions necessary to implement this grant award.