

STAFF REPORT

Date: December 4, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Staff Report (For Possible Action): Presentation, discussion, and potential direction to staff regarding the reallocation of \$827,373 in State Local Fiscal Recovery Funds received through the American Rescue Plan Act from the repairs and improvements to landscaping and security at the First Church of Christ, Scientist/Lear Theater to other projects including 1) A payroll system consultant (\$250,000); 2) Smart technology applications (\$90,000); 3) Downtown Reno Partnership beautification and activation activities (\$300,000); and 4) Business licensing software (\$187,373); and potential authorization of the Interim City Manager to execute the contracts. (ARPA Fund)

From: Ashley Turney, Assistant City Manager

Department: City Manager's Office

Summary:

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) of 2021, establishing the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). The City of Reno received \$51,519,997 from the SLFRF and began allocating funds to critical projects on August 25, 2021. To date, the City has allocated funding to over 60 projects, which have either begun or completed their activities. All SLFRF funds must be allocated and contracted to specific projects by December 31, 2024.

\$1 million in SLFRF funds were allocated to repairs and improvements to landscaping and security at the First Church of Christ, Scientist/Lear Theater; however, this project faces challenges meeting the federal December 31, 2024 contracting deadline due to delays in receiving bids. To date, \$172,627 has been spent on planning and design, leaving a balance of \$827,373. Despite contractor interest, no bids were received by the November 7, 2024 deadline, and there is no time to rebid the project within federal guidelines.

As a result, the project cannot proceed with SLFRF funding, and the remaining funds must be reallocated. Staff seeks direction on allocating \$827,373 to other projects including 1) A payroll

system consultant (\$250,000); 2) Smart technology applications (\$90,000); 3) Downtown Reno Partnership beautification and activation activities (\$300,000); and 4) Business licensing software (\$187,373.00); and potential authorization of the Interim City Manager to execute the contracts.

Alignment with Strategic Plan:

Economic and Community Development

Fiscal Sustainability

Infrastructure, Climate Change, and Environmental Sustainability

Governance and Organizational Effectiveness

Previous Council Action:

October 9, 2024 – Council approved \$848,337 in SLFRF funding for the repairs and improvements to landscaping and security at the First Church of Christ, Scientist/Lear Theater

January 26, 2022 – Council allocated \$24,499,998.50 across seven priority categories, funding projects such as Wastewater Surveillance of COVID-19, Remote Work Equipment, and Oxbow Park (Ward 1).

August 25, 2021 – Council accepted SLFRF funds, directed a public engagement process to identify potential projects, and allocated \$1,260,000 to urgent projects, including COVID-19 coordination, hybrid meeting technology, and shelter operations.

Background:

ARPA established the SLFRF, providing funding to state, county, and local governments for COVID-19 recovery efforts. Council set priority categories based on Treasury guidelines, community feedback, the City’s Strategic Plan, and Council goals. These categories are:

- Access to Healthcare
- Affordable Housing
- Community Projects
- Pandemic Response
- Parks & Recreation
- Public Safety
- Senior Support

Discussion:

According to the SLFRF Final Rule, all allocated funds must be contracted by December 31, 2024. As this critical deadline approaches, staff is actively monitoring risks that may impact the

timely completion of certain projects. On March 8, 2023, the Council approved the allocation of \$1 million in SLFRF funds for site and security improvements at the Lear Theater. To date, \$172,627 has been spent, comprising \$99,957 for the Historic Structures Report and \$72,670 for design, permitting, and bid documents, leaving a remaining balance of \$827,373 for construction. The project originally included the following improvements:

- Replacement of the concrete steps and terrace landing on the south façade.
- Installation of new ADA-compliant handrails for the south façade steps.
- Replacement of landscaping to reflect historic designs.
- Installation of new exterior lighting to illuminate the building from the landscape.
- Installation of a new irrigation system.
- Construction of a temporary wrought iron perimeter fence and gates.
- To streamline coordination and achieve cost efficiencies, these improvements were planned under a single contract.

The Lear Theater is listed on the National, State, and Local Registers of Historic Places. As a result, the City is required to consult with the State Historic Preservation Office (SHPO) on any modifications. Below is a timeline of key project milestones:

1. Design began: February 2024
2. Initial SHPO submittal: March 2024
3. Subsequent SHPO clarifications: May 13 and June 11, 2024
4. Fence denial letter from SHPO: June 24, 2024
5. Preliminary approval with required revisions: October 4, 2024
6. Bid advertisement (minimum 3 weeks required): October 17, 2024
7. On-site pre-bid meeting: October 31, 2024
8. Bid opening: November 7, 2024 (no bids received)

Despite significant contractor interest during the pre-bid phase, no bids were submitted, and there were no requests to extend the bid period. Due to the federal requirement to advertise bids for at least three weeks, there is insufficient time to rebid and award a contract by the December 31, 2024 ARPA deadline. Consequently, the project cannot proceed with SLFRF funding, and \$827,373 must be reallocated or returned to the federal government.

To ensure effective use of the unspent funds, staff recommends reallocating the \$827,373 to the following projects:

Payroll System Consultant – \$250,000

HR consultant to evaluate the new payroll system, focusing on processing efficiency, user experience, system integration, and areas for improvement.

Smart Technology Applications – \$90,000

AI tools to streamline information access, support data-driven decision-making, and enhance research workflows. The system will serve as a knowledge repository, offering staff access to historical insights, references to past projects, and organizational policies.

Downtown Reno Partnership (DRP) Beautification and Activation Activities – \$300,000

Activation and beautification activities in downtown Reno with murals, streetscape improvements, and events including roller skating and art events to reduce blight, increase foot traffic, enhance local business activity, and foster community engagement.

Business Licensing Software – \$187,373

A digital permit and license guide to simplify business licensing and permitting including step-by-step navigation, zoning checks, and real-time fee calculation to minimize errors and expedite processing.

By reallocating the unspent funds to these projects, the City can ensure compliance with ARPA deadlines and maximize the benefit of federal funding.

Financial Implications:

These projects will be funded through SLFRF. Future funding of projects using these funds will follow standard City purchasing and contracting policies and procedures.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law. Funds will be allocated and spent in compliance with the American Rescue Plan Act, Department of Treasury Final Rule, and City purchasing policies and procedures.

Recommendation:

Staff recommends that Council approve the reallocation of \$827,373 in State Local Fiscal Recovery Funds received through the American Rescue Plan Act from the repairs and improvements to landscaping and security at the First Church of Christ, Scientist/Lear Theater to 1) A payroll system consultant (\$250,000); 2) Smart technology applications (\$90,000); 3) Downtown Reno Partnership beautification and activation activities (\$300,000); and 4) Business licensing software (\$187,373); and authorize the Interim City Manager to execute the contracts.

Proposed Motion:

I move to approve the reallocation of \$827,373 in State Local Fiscal Recovery Funds received through the American Rescue Plan Act from the repairs and improvements to landscaping and security at the First Church of Christ, Scientist/Lear Theater to 1) A payroll system consultant (\$250,000); 2) Smart technology applications (\$90,000); 3) Downtown Reno Partnership

beautification and activation activities (\$300,000); and 4) Business licensing software (\$187,373); and authorize the Interim City Manager to execute the contracts.

Attachments: