

ORDINANCE NO.

FILE OF CITY COUNCIL

BILL NO. 40 - 2022

June 1, 2022

AN ORDINANCE

Amending the 2022 ARPA Fund Budget to provide for a transfer of One Million Five Hundred Thousand (\$1,500,000) Dollars to Coca Cola Park for COVID-19 Safety Improvements.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That City Council authorizes a supplemental appropriation from the unappropriated balance of the ARPA Fund in the amount of One Million Five Hundred Thousand (\$1,500,000) Dollars as follows:

**ARPA Fund
General and Civic**

019-01-0609-0001-40	Civic Contributions	\$ 1,500,000
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SECTION TWO: That this Ordinance takes effect ten (10) days after final passage.

SECTION THREE: That all Ordinances inconsistent with the above provisions are repealed to the extent of their inconsistency.

LEGISLATIVE TEMPLATE

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

Department of Finance

- **Summary and Facts of the Bill**

Transfers funds from the unappropriated balance of the ARPA Fund to support Coca Cola Park COVID-19 safety improvements and required facility upgrades.

In 2021 Coca Cola Park was informed by Major League Baseball that several improvements are needed to the facility and must be completed by April 2023 in order for Minor League Baseball to continue using the facility. These improvements include both COVID-19 requirements as well as general overall safety improvements.

Among the improvements is a new entrance behind center field to alleviate pedestrian usage on Iron Pigs Way, upgraded air purification system, improved player's clubhouse facilities to allow for better social distancing (original clubhouse accommodation was for 30 players each and the current need is for 55-60 players per clubhouse), cashless points of sale, health and fitness facilities, improved kitchen area, weight room, and accommodations for female coaches and other female personnel.

This bill appropriates \$1,500,000 from ARPA fund balance to the ARPA fund's civic expenditures to support Coca Cola Park COVID-19 Safety Improvements. The appropriation will be transferred to the stadium in the form of a grant, which will be treated as a subrecipient and execute a subrecipient agreement. The aforementioned corporate body will not be required to repay the subaward.

- **Purpose – Please include the following in your explanation:**
 - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
 - **What are the Benefits of doing this/Down-side of doing this**
 - **How does this Bill related to the City's Vision/Mission/Priorities**

This ordinance will appropriate ARPA funds to help fill the funding gap for Major League Baseball required facility upgrades.

Major league baseball recently took governance of minor league baseball. As part of this, MLB is imposing new facility standards on minor league baseball stadiums, creating a massive new capital project requirement.

The capital improvements will improve the clubhouse facilities and create a safer and healthier environment for the players. If Coca-Cola Park cannot meet these standards by 2023, it risks being excluded from minor league baseball and sacrifices its affiliation with the Phillies. It would mean, in essence, the end of the Iron Pigs as we know it.

Coca-Cola Park hosts between 650,000 and 700,000 visitors per year. For many non-residents, this is a primary reason to visit the City. This destination generates hundreds of thousand in tax

revenues receivable to the City annually. If the subrecipient cannot meet this capital requirement, all economic benefits of the operation stand to disappear.

The estimated total cost for the upgrades is approximately \$7 million. Other governmental agencies have already committed funds to assist Coca Cola Park in these endeavors including:

State of Pennsylvania through RCAP funding - \$2 million

Lehigh County ARPA Funds - \$1.5 million

Northampton County various grants totaling \$200,000

Coca Cola Park's plan is to have the renovations completed for the Iron Pigs opening day in 2023.

- **Financial Impact – Please include the following in your explanation:**
 - **Cost (Initial and ongoing)**
 - **Benefits (initial and ongoing)**

From a net present value perspective, the cash in cash out of the investment will deliver a positive return in 7.5 years. This computation does not consider the economic benefit of non-resident visitation to other business locations in the City appurtenant to their visit to Coca-Cola stadium. This computation also assumes the investment and return impact the same fund, which it does not.

This will not affect the General Fund. This contribution falls within the guidelines of The American Rescue Plan Act.

The use of ARPA funds for this purpose fits within the eligible uses described in the final rule 31 C.F.R. 35.6(b)(3)(ii)(B): "Assistance to small business, including: (1) Programs, services, or capital expenditures that respond to the negative economic impacts of the COVID-19 public health emergency, including loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure..." Coca Cola park lost substantial business during the pandemic, when the stadium was closed. Now they are faced with a major new required expenditure, having lost a year's worth of revenue to fund it.

- **Funding Sources – Please include the following in your explanation:**
 - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

Funding will come from the unappropriated balance of the ARPA fund (first tranche).

- **Priority status/Deadlines, if any**

The project must be completed by April 2023 or Major League Baseball will withdraw from using Coca Cola Park; therefore, the earlier this appropriation is approved the sooner we can get the needed funds to the Park.

- **Why should Council unanimously support this bill?**

This project provides the City with the opportunity to provide key funding for an important project.