



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

MEMORANDUM

EXECUTIVE SUMMARY

TO: Patti McLauchlin, City Manager

CC: Todd Stoughton, Assistant City Manager
Christina Bervaldi, Interim Finance Director
Doug Bradshaw, Port and Marine Services Director

FROM: Carolyn Sheldon, Senior Grants Administrator

DATE: February 9, 2022

RE: Approving the attached "Coronavirus Fiscal Recovery Funds Subrecipient Grant Agreement" with the Florida Department of Transportation (FDOT) in the amount of \$5,018,855.00 (FM No. 449492-1-84-01). Authorizing the City Manager to approve and execute the funding agreement and related documents; Authorizing the City Manager to approve and execute subsequent amendments to this funding agreement which may adjust to increase funding allocations to the City or modify the project scope; and authorizing necessary budget amendments and transfers to accept the funding.

ACTION STATEMENT:

This resolution will approve the attached "Coronavirus Fiscal Recovery Funds Subrecipient Grant Agreement" with the Florida Department of Transportation (FDOT) in the amount of \$5,018,855.00 (FM No. 449492-1-84-01). Authorizing the City Manager to approve and execute the funding agreement and related documents; Authorizing the City Manager to approve and execute subsequent amendments to this funding agreement which may adjust to increase funding allocations to the City or modify the project scope; and authorizing necessary budget amendments and transfers to accept the funding.

BACKGROUND:

Florida has fourteen (14) deep-water seaports, geographically disbursed with business operations that generate \$117.6 billion positive economic impact. Since the first case of COVID-19 was discovered in the United States in January 2020, the disease has infected tens of millions and killed hundreds of thousands of Americans. As global social distancing became a necessity, transportation sharply reduced, including the movement of cargo and passengers at both domestic and international seaports. Florida seaports have been affected by required closures lasting from March 2020 through June 2021 and resulting economic fallout both domestically and internationally due to the pandemic creating significant economic harms totaling

\$245.7 million. To address this, FDOT is providing \$250 million of fiscal resources to immediately stabilize seaports and provide working capital to lay the foundation for a strong and equitable recovery.

PURPOSE AND JUSTIFICATION:

Florida seaports revenues are tied to the movement of passengers, cargo, customer service fees, and customer lease agreements. Domestically, from March 2020 through June 2021 (15 months of negative economic impacts), business revenues from the movement of passengers declined nearly -100.0% for some seaports. Using average annual business revenue growth from 2016 to 2019, FDOT calculated the extent of the reduction in business revenue for all 14 seaports which resulted in a negative economic impact of -\$245,677,409.13 for all seaports, -\$5,018,854.94 for Key West.

\$250 million has been allocated among the 14 seaports through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program established by the American Rescue Plan Act (ARPA) of 2021. Key West's allocation is \$5,018,855.00.

Allowable costs include capital expenditures (facility expansions or upgrades) and operating expenses. Table 10 in the attached Subrecipient Grant Agreement lists examples of eligible uses.

STRATEGIC PLAN:

This capital project was planned and was under way prior to the development of the Key West Forward Strategic Plan and its six (6) priorities. Maintaining and improving City assets and infrastructure is continuous and may not be linked to the strategic plan. However, any aspect of the project that through design or engineering can incorporate one or multiple priorities will be implemented.

FINANCIAL IMPACT:

With the approval of the Coronavirus Fiscal Recovery Funds Subrecipient Grant Agreement, the City will receive up to a maximum reimbursement amount of \$5,018,855.00 to be budgeted in revenue Account 0010000 3319000 (General Fund / Revenue / Other Federal Grants). Expenses will be budgeted as projects are developed.

RECOMMENDATION:

Staff recommends that the City Commission approve the attached "Coronavirus Fiscal Recovery Funds Subrecipient Grant Agreement" in the amount of \$5,018,855.00 (FM No. 449492-1-84-01).