



Metropolitan Nashville and Davidson County, TN

Legislation Text

File #: RS2022-1905, **Version:** 1

A resolution appropriating \$10,000,000 in American Rescue Plan Act funds from Fund #30216 to Fisk University for the renovation and upgrading of Burrus Hall in a public/private partnership with Metro Government to establish a small business entrepreneurship and innovation facility in North Nashville.

WHEREAS, on June 15, 2021, the Metropolitan Council passed Resolution RS2021-966, a resolution which accepted grant funds for local government support from the Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act of 2021 ("ARP Funds") from the U.S. Department of the Treasury to The Metropolitan Government of Nashville and Davidson County, which was subsequently signed into law by Mayor John Cooper on June 16, 2021; and,

WHEREAS, Resolution RS2021-966 established a COVID-19 Financial Oversight Committee ("the Committee") whose role is to collect, consider, and recommend appropriate uses of the ARP Funds as designated by the Metropolitan Council disbursement plan. The Committee will submit its reports and recommendations to the Mayor, the Director of Finance, and the Metropolitan Council not later than June 30, 2025; and,

WHEREAS, there are federal requirements for use of ARP Funds that require that these funds be expended or obligated on or before December 31, 2024; and,

WHEREAS, the Committee recognizes the importance of establishing a small business incubation and innovation center in North Nashville, which, among other things, will serve as a jumping-off point for minority entrepreneurs and innovators to take their ideas and business to the next level; and,

WHEREAS, the Committee recognizes that Fisk University has a plan to establish such a program at Burrus Hall in an academic centered environment, that would be available to the surrounding community and accessibly to the public at large, rivaling similarly successful programs across the United States, as further described in Exhibit A; and,

WHEREAS, the Committee recognizes that such programs, especially those created with a minority-owned business focus, can help create generational wealth for populations that have previously been denied access to critical resources needed to successfully create and scale small businesses including technical support, training, and financing; and

WHEREAS, the Committee recognizes that it is an appropriate use of ARP Funds to make this capital investment towards establishing this space, which will then act as a catalyst for the Fisk University endowment that will establish and sustain this program; and,

WHEREAS, on February 1, 2022, the Metropolitan Council unanimously adopted Resolution RS2022-1395 in support of the establishment of a Fisk University business incubation and innovation center; and

WHEREAS, in furtherance of this objective, Fisk University has pledged that, in the event construction costs should exceed the grant amount of \$10,000,000, Fisk University will guarantee coverage of remaining costs. Conversely, should construction costs and soft costs (including architectural fees, permitting costs, and furniture) total less than \$10,000,000, Fisk University has pledged that any surplus will be applied toward technology infrastructure; and

WHEREAS, it is to the benefit of the citizens of The Metropolitan Government of Nashville and Davidson County that this resolution be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY:

Section 1. The Metropolitan Council accepts this resolution as a recommendation of the COVID-19 Financial Oversight Committee.

Section 2. That \$10,000,000.00 from the Covid-19 American Rescue Plan Fund #30216 is hereby appropriated to Fisk University to be used as described in Exhibit A.

Section 3. This resolution shall take effect from and after its final passage, the welfare of the public requiring it.

Analysis

This resolution appropriates \$10,000,000 in American Rescue Plan Act (“ARP”) funds from Fund #30216 to Fisk University for the renovation and upgrading of Burrus Hall in a public/private partnership with the Metropolitan Government to establish a small business enterprise and innovation facility in North Nashville.

Fisk University plans to establish a small business incubation and innovation center in North Nashville. Fisk University seeks a capital investment toward establishing the space to house the small business incubation and innovation center and act as a catalyst for the Fisk University endowment to establish and sustain this program.

The Council adopted Resolution No. RS2022-1395 on February 1, 2022, a non-binding resolution supporting the establishment of a business incubation and innovation center at Fisk University.

According to Exhibit A, attached to the Resolution, the physical buildout is anticipated to cost between \$7,500,000 and \$8,000,000. Technology infrastructure is estimated to cost an additional \$4,000,000 to \$5,000,000, and Fisk University will pursue additional funds from the federal government and the business community, as well as an operational endowment. Fisk University has pledged that it will cover construction costs in excess of \$10,000,000. If construction costs total less than \$10,000,000, Fisk University has pledged that the surplus funds will be used for technology infrastructure.

Fiscal Note: This \$10,000,000 appropriation, along with the appropriations per Resolution No. RS2022-1903, RS2022-1904, and RS2022-1906 would be the 41st, 42nd, 43rd and 44th resolutions appropriating from the American Recovery Plan Act (ARP) Fund for a cumulative total of \$240,697,030. The total grant award is \$259,810,600. The first half of this amount was received in July 2021 and the second half was received in July 2022. The grant award must be obligated by December 31, 2024 and expended by December 31, 2026.