



# City of San Antonio

## Agenda Memorandum

**File Number:**20-3507

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**Agenda Item Number:** 3.

**Agenda Date:** 6/1/2020

**In Control:** Culture and Neighborhood Services Committee

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DEPARTMENT: Department of Arts & Culture

DEPARTMENT HEAD: Debbie Racca-Sittre

COUNCIL DISTRICTS IMPACTED: All Council Districts

SUBJECT: Briefing on Arts & Culture programs

### SUMMARY:

The Department of Arts & Culture continues to manage public art projects, promote the work of our arts delegate agencies and has developed two programs to help non-profit arts delegate agencies impacted by COVID-19.

- a. The **Public Art Program** managed by the Department of Arts & Culture is funded by 1% of eligible capital project allocations and continue to operate and move forward with public engagement, design and construction of multiple projects. This item provides a briefing on projects across the city.
- b. The Department provides operational funding for 46 non-profit **Arts Delegate Agencies**, many of these agencies have pivoted their programming to online offerings as a result of COVID-19. This item provides a briefing on upcoming events.
- c. **"Donate to the Arts"** is a way for the community to donate to all arts agencies contracted by the City through the Arts Funding Guidelines. This item provides a briefing on this new initiative.
- d. **"SA CARES 4 Art"** grant program proposes to utilize \$2.6 million of the City's portion of the Coronavirus Relief Fund to provide grants to non-profit arts agencies to assist with costs of business interruption caused by required closures and costs related to required social distancing. This item provides a briefing on this new initiative.

### BACKGROUND INFORMATION:

On March 16, 2020 Mayor Nirenberg issued the first Emergency Declaration for San Antonio limiting crowd sizes to curtail the spread of the global pandemic of COVID-19. Mayor and City Council have updated and extended those orders seven times to date and most arts organizations remain shuttered. As a result of dwindling Hotel Occupancy Tax (HOT) revenues, the City Manager made the difficult decision to reduce costs to the arts budget; furloughing eleven staff in the Department of Arts & Culture and cutting grants to arts agencies by twenty percent.

The Arts are vital to a healthy, thriving community. Arts and Culture keep us rooted in our history and traditions, but also help us branch out in our critical thinking and problem solving through creativity. Americans for the Arts asserts that arts organizations are resilient and entrepreneurial businesses that employ people locally, purchase goods and services from within our community, and market and promote our City. Arts businesses are rooted locally. These are jobs that cannot be shipped overseas. According to a report by local economist Dr. Steve Nivin, the arts and culture sector had a \$4.8 billion economic impact in 2018. Nationally, the arts and culture industry represents 4.2 percent of the nation's GDP-a larger share of the economy than transportation, tourism, and agriculture.

In a report from our partner, SMU|DataArts, the estimated aggregate -\$6.8 billion net effect of the COVID-19 crisis on the nonprofit arts and culture sector equates to a deficit equivalent to 26% of expenses for the average organization, over the course of a year.

- a. The Public Art Program managed by the Department of Arts & Culture is funded by 1% of eligible capital project allocations and continue to operate and move forward with public engagement, design and construction of multiple projects.
- b. The Department provides operational funding for 46 arts non-profit agencies, many of these agencies have pivoted their programming to online offerings as a result of COVID-19. Museums such as Briscoe, SAMA and Witte have opened. Performing Arts venues are not allowed to open at this time. Department has created a special tab on our website for online/streaming events. Go to [sanantonio.gov/arts](http://sanantonio.gov/arts) for more information.
- c. "Donate to the Arts" is a way for the community to donate to all arts agencies contracted by the City through the Arts Funding Guidelines. All funds raised by this effort will go toward replenishing the funding to the arts agencies that was cut due to shortfalls in HOT revenues. These funds will be included in the agencies' FY21 allocations and will be made proportional to the funding lost by the reductions in the amount received by the proposed budget.

The Department of Arts & Culture, with the assistance of the Finance and Information Technology Services Departments has set up an online portal beginning on April 30, 2020q that allows the public to donate any amount using a credit card. To kick off the donations, the Official City of San Antonio 2020 Fiesta Medal was offered as a gift to those who donate over \$20. To date, \$1,366 has been raised through the "Donate to the Arts" portal. Additionally, San Antonio Area Foundation has agreed to accept any large donations on behalf of the City from philanthropist and corporations that desire a method other than online credit card donation.

- d. "SA CARES 4 Art" grant program proposes to utilize \$2.6 million of the City's portion of the Coronavirus Relief Fund to provide grants to non-profit arts agencies to assist with costs of business interruption caused by required closures and costs related to required social distancing.

In United States Congress passed the federal CARES Act which established the Coronavirus Relief Fund (the "Fund") and appropriated \$269,983,717 to the Fund for San Antonio. The CARES Act provides that payments from the Fund may only be used to cover costs that-

1. are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19);
2. were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the city government; and

3. were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

“SA CARES 4 Art” grant program would focus on funding allocations being distributed based on need and with an equity lens and managed by the Department of Arts & Culture. San Antonio based non-profit arts and cultural organizations meeting the federal size standard as a “small business” and in good standing with all levels of government may apply.

Applicants must show that they experienced a business interruption caused by required closures and/or costs related to required social distancing during the period of March 1, 2020 through December 30, 2020. These costs could be related to additional costs related to equipment necessary for social distancing and sanitization/preparation of facilities. Many agencies that have pivoted their operations to online programming have costs that could be covered by this program. All arts agencies were required to close which resulted in an interruption of their programming as planned, the agencies will be asked to quantify the cost of this disruption through lost/reduced attendance/ticket sales, lost sponsorships, or lost opportunity.

CARES Act Micro Grant Funding for individual artists and for-profit arts entities is proposed to be made available through LiftFund.

#### ISSUE:

The Department of Arts & Culture has developed two programs to help non-profit arts agencies impacted by COVID-19.

- a. The **Public Art Program** managed by the Department of Arts & Culture is funded by 1% of eligible capital project allocations and continue to operate and move forward with public engagement, design and construction of multiple projects. This item provides a briefing on projects across the city.
- b. The Department provides operational funding for 46 non-profit **Arts Delegate Agencies**, many of these agencies have pivoted their programming to online offerings as a result of COVID-19. This item provides a briefing on upcoming events.
- c. **“Donate to the Arts”** is a way for the community to donate to all arts agencies contracted by the City through the Arts Funding Guidelines.
- d. **“SA CARES 4 Art”** grant program proposes to utilize \$2.6 million of the City’s portion of the Coronavirus Relief Fund to provide grants to non-profit arts agencies to assist with costs of business interruption caused by required closures and costs related to required social distancing.

#### ALTERNATIVES:

City Council could choose to not move forward with these funding programs.

#### FISCAL IMPACT:

Public Art Projects are funded with 1% of the Capital Program Budget. Arts Agencies are funded through the Hotel Occupancy Tax. To date, “Donate to the Arts” has raised \$1,366 from 52 donors. All funds raised through the “Donate to the Arts” will be allocated to the agencies with their FY21 contract. “SA CARES 4 Art”

grant program” utilizes \$2.6 million of the City’s portion of the Coronavirus Relief Fund to provide grants to non-profit arts agencies to assist with costs of business interruption caused by required closures and costs related to required social distancing.