



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: SEPTEMBER 7, 2021

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL
DEPARTMENT

SUBJECT: SHUTTERED VENUE OPERATOR GRANT APPLICATION AND AWARD FROM
THE UNITED STATES SMALL BUSINESS ADMINISTRATION FOR THE FOX
PERFORMING ARTS CENTER - SUPPLEMENTAL APPROPRIATION

ISSUE:

Ratify a grant application to the United States Small Business Administration for a Shuttered Venue Operators Grant to pay costs related to the Fox Performing Arts Center; authorize the acceptance of a grant award in the amount of \$3,214,842.77; and authorize a supplemental appropriation in the same amount to the Grants and Restricted Programs Fund, Shuttered Venue Operator grant project accounts.

RECOMMENDATIONS:

That the City Council:

1. Ratify a grant application to the United States Small Business Administration for a Shuttered Venue Operators Grant to pay direct costs related to the Fox Performing Arts Center;
2. Accept a grant award from the United States Small Business Administration (SBA) in the amount of \$3,214,842.77 for the City to pay direct costs related to the Fox Performing Arts Center;
3. By at least five affirmative votes, upon receipt of the grant award, authorize an increase in revenue and supplemental appropriation in the amount of \$3,214,842.77 to the Grants and Restricted Programs Fund, Shuttered Venue Operator grant project accounts; and
4. Authorize the City Manager, or his designee, to execute any necessary, financial, or legal documents, including making minor and non-substantive changes in order to execute the United States Small Business Shuttered Venue Operator Grant.

BACKGROUND:

The Shuttered Venue Operators Grant (SVOG) program was established in Section 324 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act) (15 U.S.C. 9009a) signed into law on December 27, 2020, as part of H.R. 133 Consolidated

Appropriations Act, 2021 (Public Law No. 116-260). Section 324 of the Economic Aid Act was amended by Section 5005 of the American Rescue Plan Act (Public Law No. 117-2) signed into law on March 11, 2021.

Eligible entities that are able to apply for the grant include live venue operators or promoters, theatrical producers, live performing arts organization operators, museum operators, motion picture theatre operators or owners, and talent representatives, per the Economic Aid Act. Additionally, entities of these types owned by state or local governments (for example, museums or historic homes) are eligible to apply if the government owned entity acts solely as a venue operator, museum, etc. and does not engage in other types of activities. For example, a city parks and recreation department that operates a bandstand and separately operates various nature parks could apply as an eligible entity for the bandstand but could not include the nature park entities. The City of Riverside is qualified to apply since it is the owner of the Fox Performing Arts Center.

The Americans for the Arts collected data over the course of a year that highlights the financial loss to the creative economy. In California, alone it is at \$119,446,977 for 1,156 organizations. This SBA grant helps to support live venue operators that did not qualify for other types of financial support, when the focus and priority was on food, shelter, and health & safety.

DISCUSSION:

On May 4, 2020, the City completed an application for the Shuttered Venue Operator Grant (Grant) for the Fox Performing Arts Center. Over 14,000 entities applied through this round of funding. On July 29, 2021, the Community & Economic Development Department was notified by the SBA of the notice to award to the City of Riverside \$2,143,228.51 for direct costs related to the Fox Performing Arts Center. This is the maximum amount of funding the City is eligible to receive under the Grant in the first round of funding. **On August 28, 2021, we were notified of a supplemental amount that was awarded of \$1,071,614.26.** Each applicant could only apply for one performing venue. The City will have approximately **18 months** from the date of receipt of the funds to expend all monies. It is anticipated that the money will primarily be spent on operating costs for the City to own and operate the Fox Performing Arts Center.

In accordance with the City Grant Administration Policy 01.006.00, the Department Director evaluated the award to determine the benefit to the customers of the Fox Performing Arts Center along with the City's long and short-term financial implications, feasibility and compatibility with existing City priorities/goals and services and determined the community and City would benefit by accepting this grant.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 1 and Goal No. 1.1 - Strengthen Riverside's portfolio of arts, culture, recreation, senior, and lifelong learning programs and amenities through expanded community partnerships, shared use opportunities, and fund development. This item also contributes to Strategic Priority No. 5 and Goal 5.4 - Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

The item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The SBA grant demonstrates that the City continues to work to support the arts. This grant will ensure the viability of the Fox Theater, a significant live

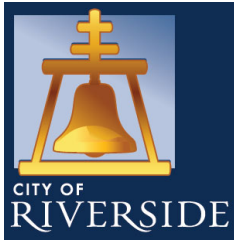
venue that was shuttered due to COVID-19, that would otherwise have a significant impact on the creative economy in the City of Riverside.

2. **Equity** – The Fox Performing Arts Center enhances equitable access to the performing arts and provides diverse experiences that enrich the community. In collaboration with the Fox Foundation the theater provides programs to over 2,500 students per year in person. This funding will help to sustain offering these arts and cultural opportunities that otherwise would not be available.
3. **Fiscal Responsibility** – The purpose of this grant is to support the creative economy of live entertainment venues which were affected greatly by COVID-19. This will allow the Fox Performing Arts Center (City) to meet financial obligations for the facility and programming. The grant award is at the maximum amount that was allowed by the SBA for the budget of the Fox Performing Arts Center.
4. **Innovation** – Due to COVID-19 closures, the City and staff had to adapt, shift, and think outside of the normal processes and procedures for programming and funding. This grant is one example of effort and diligence of staff, elected officials, and the public to support the arts and the creative economy.
5. **Sustainability & Resiliency** – Staff adapted quickly and sought out new opportunities for financial support from the federal and state governments as well as private funders to help support the programs and needs during COVID-19 for our community.

FISCAL IMPACT:

The fiscal impact of this action is **\$3,214,842.77**. Upon Council approval, an increase in revenue in the amount of **\$3,214,842.77** will be recorded in the Grants and Restricted Programs Fund, Shuttered Venue Operator revenue account number 9173600-331100, and an appropriation in the same amount will be recorded in the Shuttered Venue Operator expenditure account number 9173600-440110.

Prepared by: David Welch, Community & Economic Development Director
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney



SHUTTERED VENUE OPERATOR GRANT APPLICATION & AWARD – FOX PERFORMING ARTS CENTER

Community & Economic Development

City Council
September 7, 2021

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BACKGROUND

- Eligible Entities:
 - Live Venue Operators or Promoters
 - Theatrical Producers
 - Live Performing Arts Organizations
 - Museum Operators
 - Motion Picture Theatre Operators and Owners
 - Talent Representatives
 - Government Owned entities (venue, museum)



2

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BACKGROUND (CONT.)

Applications Submitted	Applications Submitted within first 60 days	\$ Requested Funding Submitted	# of Grants Awarded	\$ Grants Awarded	Average Grants Awarded	\$ Grants Disbursed
17,643	14,591	\$13.3 bn	11,321	\$9.0 bn	\$799,000	\$8.4bn



3

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BACKGROUND (CONT.)

Awarded	Declined
Notice of Award Issued	Notice of Decline Issued
10,693	3,337
96%	



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DISCUSSION



- July 29, 2021 - Notified of Grant
- August 28, 2021 – Notified of Supplemental Grant
- 18 months from date of receipt to expend all monies
- Monies to be expended on operating costs of Fox Performing Arts Center

5



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STRATEGIC PLAN ALIGNMENT

Envision Riverside 2025 Strategic Plan Priorities



#1 Arts, Culture and Recreation

Cross-Cutting Threads



Community
Trust



Fiscal
Responsibility



Sustainability &
Resiliency



Equity



Innovation

6



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RECOMMENDATIONS

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7

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3. By at least five affirmative votes, upon receipt of the grant award, authorize an increase in revenue and supplemental appropriation in the amount of \$3,214,842.77 to the Grants and Restricted Programs Fund, Shuttered Venue Operator grant project accounts; and
4. Authorize the City Manager, or his designee, to execute any necessary, financial, or legal documents, including making minor and non-substantive changes in order to execute the United States Small Business Shuttered Venue Operator Grant.



8

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