



TO: Elizabeth Pauli, City Manager
FROM: Kim Bedier, Director, Tacoma Venues and Events
Amy McBride, Arts Administrator, Office of Arts & Cultural Vitality
COPY: City Council and City Clerk
SUBJECT: COVID-19 Pandemic Cultural Sector Maintenance and Recovery
DATE: April 16, 2020

SUMMARY:

Tacoma’s Cultural Sector has a significant impact on Tacoma’s economy and employs thousands of people, with an economic impact to the community of over \$75 million annually. The sector is particularly challenged by the impact of the COVID-19 pandemic and the directives to cancel events that have resulted in layoffs, lost income and instability.

Faced by this challenge, the Cultural Sector continues to play an important role by implementing creative activities, sharing content online, and supporting shared efforts to lift spirits and provide service for the collective good. The Cultural Sector is instrumental now in bringing community together during social distancing and will be even more so during Tacoma's recovery; it is critical to sustain the sector so that it is able to help sustain the community.

The COVID-19 pandemic offers an unprecedented opportunity for the Cultural Sector to serve the community in creative ways that are needed now more than ever. The pandemic response does not change what Tacoma Creates was designed to do, it enhances the opportunity.

Cultural Access Washington legislation was created to support and sustain the Cultural Sector. **RCW 36.160.090** states, “Providing local support for the state’s cultural organizations is in the public interest and will serve multiple public purposes including, among others, enhancing and extending the education reach and offerings of cultural organizations; ensuring continued and expanded access to the facilities and programs of cultural organizations by economically and geographically underserved populations; and providing financial stability to the organizations to continue and extend the numerous public benefits they provide.”

Tacoma is the first and only city in Washington State to pass local legislation in the form of Tacoma Creates and thus is in a unique position to support the Cultural Sector.

TMC 1.55: “It is hereby declared, as a matter of public policy, that support for arts, culture, heritage and science organizations throughout the City is in the public interest, and will serve multiple public purposes including, among others, enhancing and extending the education reach and offerings of cultural organizations; ensuring continued and expanded access to the facilities and programs of organizations by economically and geographically underserved populations; and providing financial stability to organizations to continue and extend the numerous public benefits they provide. Tacoma Creates will invest in cultural organizations of all types and sizes, and will ensure that equity and access goals are central in all funding programs.”

Tacoma Creates funding is restricted to the non-profit Cultural Sector; cultural organizations’ access to this funding allows other emergency funding efforts to focus on other sectors.



The WA State Arts Commission, City of Seattle, and 4Culture all announced funding packages in March that allowed revision of existing project/programming funding to sustaining work that is feasible during the COVID-19 Emergency and the anticipated recovery period, as did the National Endowment for the Arts. The Office of Arts and Cultural Vitality (OACV) has prepared a proposal following national and regional guidance that is intended to transition current cultural contracts to work that is feasible during the COVID-19 emergency, and afford Tacoma Cultural Sector organizations the opportunity to contract for work during the COVID-19 emergency and the anticipated social and economic recovery to follow.

OACV is proposing to amend all existing contracts issued through the Tacoma Arts Commission and Tacoma Creates Expanded Learning Opportunity (ELO) program to revised scopes of work to include work that is feasible during the COVID-10 emergency and recovery period. The Tacoma Arts Commission's contracts with small arts organizations, creative businesses, and working artists support many freelance artists and creative businesses that do not meet the criteria for Tacoma Creates funding. The ELO program was suspended when schools were directed to close.

OACV is also proposing to contract for and fund through Tacoma Creates work that is feasible during the COVID-19 emergency and future recovery which can assist in sustaining Tacoma's Cultural Sector organizations during this very challenging time. Applications for Tacoma Creates funding have been received from 58 eligible organizations, and are being reviewed by independent panels according to eligibility criteria established in the Tacoma Creates ordinance (TMC 1.55) and the review criteria published in application guidelines. Organizations will be required to submit a supplemental form to address current financial and staffing impacts of the current pandemic, and detail the deliverables achievable during and after the COVID-19 emergency. This form will support accountability measures and will be required for payment. The City will contract directly with the organizations, with a measured approach that honors the independent panel review process, allows organizations to adapt and adjust to changed circumstances to provide public benefit in ways that best serve the community during the COVID pandemic and social distancing, and allows planning for recovery and programming later in the year.

City contracts will tie deliverables to phases of payments that are disbursed over the course of the year and will track activities through reporting while allowing organizations to adapt to current circumstances, produce public benefit appropriate to social distancing in the near term, collaboratively plan how to meet emergent needs of the community and the sector, and implement programming appropriate to recovery.

STRATEGIC POLICY PRIORITY:

- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.
- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.



BACKGROUND:

- Cultural Sector organizations and independent workers are experiencing severe negative impacts related to the COVID-19 pandemic.
 - Most of the sectors' work is based on events and classes, all of which have been cancelled or postponed
- There is particular vulnerability in the Cultural Sector:
 - Individuals are often freelance, self-employed, and have additional employment in the service sector which is also largely shut down
 - Non-profit organizations tend to operate on razor thin margins and the majority do not have endowments or other safety nets
- The Cultural Sector has significant economic impact in the City of Tacoma employing thousands of people. The most recent Tacoma Arts & Economic Prosperity study showed a \$75 million economic impact from the non-profit arts & culture sector.
- The Cultural Sector plays an important role in bringing community together during social distancing and will be instrumental in recovery efforts; it is critical to sustain the sector so it is able to help sustain the community.
- The cultural community is looking to the City of Tacoma for a response tailored to the COVID-19 emergency and future recovery period.
- City of Tacoma/Tacoma Creates has an opportunity to contract for and fund work that is feasible during the COVID-19 emergency and future recovery, which can assist in sustaining Tacoma Cultural Sector organizations during this very challenging time.
- The Tacoma Arts Commission has contracts with working artists and small cultural organizations and creative businesses through Arts Projects and the Tacoma Artists Initiative Program that are not eligible for Tacoma Creates funding.
- The National Endowment for the Arts (NEA) recently announced a redirect of funding to assist nonprofit arts organizations "to prevent, prepare for, and respond to coronavirus, domestically or internationally." The legislation allows funds to be used for general operating expenses, a departure from NEA requirements of supporting project-based funding and an acknowledgement of the dire situation facing the cultural community.
- The WA State Arts Commission, City of Seattle, 4Culture and others announced relief aid packages in March shortly after the cancellation announcements targeted at cultural sectors and have set a regional precedent for redirecting funds and expediting process.
- RCW 36.160.090(1) sets out that Tacoma Creates can support organizational sustainability and capacity building activities that will enhance the ability of the organization to provide or continue to provide meaningful public benefits not otherwise achievable.



ISSUE:

Implementation of a COVID-19 pandemic maintenance and recovery program for Tacoma’s Cultural Sector that:

- Allows amendment of existing Tacoma Arts Commission contracts with artists and arts organizations to revise the scopes of work to deliverables to which are feasible and achievable during the COVID-19 emergency and anticipated recovery period.
- Designates up to \$1M of Tacoma Creates funds for new contracts with eligible Tacoma cultural organizations for deliverables that are feasible and achievable during the COVID-19 emergency and anticipated recovery period. Proposals from 58 organizations seeking Tacoma Creates funding are being reviewed by independent panels, according to eligibility criteria established in the Tacoma Creates ordinance (TMC 1.55) and the review criteria published in application guidelines. Organizations will be required to submit a supplemental form to address current financial and staffing impacts of the current pandemic, and detail the deliverables achievable during and after the COVID-19 emergency. This form will support accountability measures and will be required for payment.

Strategy 1.

Authorize amendment of \$117,750 in existing contracts for Tacoma Arts Commission funding to work that is feasible during the COVID-19 emergency and future recovery.

| Funding Program | Number/type | Amount remaining on contracts |
|----------------------------------|-------------|-------------------------------|
| Tacoma Artist Initiative Program | 17 artists | \$33,750 |
| Arts Projects | 24 Orgs | \$84,000 |

Strategy 2.

Authorize amendment of \$81,044 in existing Tacoma Creates Expanded Learning Opportunity contracts to work that is feasible during the COVID-19 emergency and future recovery,

| Tacoma Creates Program | Number/type | Amount remaining on contracts |
|---------------------------------|--|-------------------------------|
| Expanded Learning Opportunities | 11 organizations 35-40 teaching artists | \$81,044 |

After School programming has been cancelled along with school closures, affecting organizations and the teaching artists who provide the service. The majority of this funding supports teaching artists/cultural sector instructors, many of whom are freelance and in the most vulnerable position.



Strategy 3:

Designate up to \$1M of Tacoma Creates funds for new contracts with eligible Tacoma Cultural Sector organizations for deliverables that are feasible and achievable during the COVID-19 emergency and anticipated recovery period.

Independent panels are reviewing proposals from 58 organizations that applied to provide cultural services throughout Tacoma, with an emphasis on equity, access, and community engagement. These organizations will be required to complete a supplemental form that describes the shift in deliverables that are achievable during and after the COVID-19 emergency.

The 58 organizations in consideration at this time applied for inaugural Tacoma Creates funding programs (Comprehensive Organizational Support and Impact Funding) that were already launched in advance of the pandemic. To solicit applications for this funding, OACV staff conducted extensive outreach, held workshops throughout the community, online webinars, and one-on-one meetings. The 58 eligible organizations reach all neighborhoods of the city and intentionally focus on equity and outreach to underserved communities.

| Funding Program | # of Applicants | Final Review Panel |
|------------------------|------------------------|---------------------------|
| Comprehensive | 18 | April 8, 2020 |
| Impact | 40 | May 1, 2020 |

Tacoma Creates applications are being reviewed by independent panels, according to eligibility criteria established in the Tacoma Creates ordinance (TMC 1.55) and the review criteria published in application guidelines. Because much has changed since the original call for applications, organizations will be required to submit a supplemental form to address current financial and staffing impacts of the current pandemic, and detail deliverables that are feasible and achievable during the COVID-19 emergency and anticipated recovery period. This form will support accountability measures and will be required for payment.

\$1M represents approximately one-quarter of the estimated funding available through Tacoma Creates through the end of 2020. During the future recovery period City staff will re-evaluate projections each quarter to determine funding available based on sales tax revenues collected, and will work with the eligible organizations to provide phased funding to implement programming that is responsive to the needs of the community.

ALTERNATIVES:

The City could proceed with, pause, or terminate current Arts Commission contracts and Tacoma Creates funding processes. However, this does not meet the current needs of the Cultural Sector or the community.



RECOMMENDATION:

OACV recommends proceeding with amendment of Arts Commission and Extended Learning Opportunity contracts and timely contracting for Tacoma Creates funding to provide appropriate work for the Cultural Sector during the COVID-19 emergency and recovery period.

FISCAL IMPACT:

EXPENDITURES:

| Fund Number & Fund Name * | Cost Object (cc/wbs/order) | Cost Element | Total Amount |
|---|---------------------------------------|---------------------|---------------------|
| 1195 Tacoma Creates - contracts | 754500 | 5330100 | \$1,000,000 |
| 1195 Tacoma Creates - Expanded Learning Opportunities COVID-19 amendments | 754500 | 5330100 | \$81,044 |
| 0010 General Fund - Tacoma Arts Commission Amendments | 163600 | 5330100 | \$117,750 |
| Total | | | \$1,198,794 |

REVENUES:

| FUND NUMBER & FUND NAME * | COST OBJECT (CC/WBS/ORDER) | COST ELEMENT | TOTAL AMOUNT |
|--|---------------------------------------|---------------------|---------------------|
| 1195 TACOMA CREATES - CASH ON HAND | 754100-754500 | VARIOUS | \$1,000,000 |
| 0010 GENERAL FUND - TACOMA ARTS COMMISSION | 163600 | | \$117,750 |
| TOTAL | | | \$1,198,794 |

* General Fund: Include Department

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$1,198,794

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.