



**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 Relief  
**DATE:** April 8, 2020

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**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, such as participating in the First Responders Emergency Day Camps.

The Cultural Sector is instrumental now in bringing community together during social distancing and will be even more so when the city is able to reconvene; it is critical to sustain the sector so that it is able to help sustain the community.

The WA State Arts Commission, City of Seattle, and 4Culture all announced relief packages in March that redirect project/programming funding to immediate operational support, as did the National Endowment for the Arts. The Office of Arts and Cultural Vitality (OACV) has prepared a funding proposal following national and regional guidance that includes immediate short-term support coupled with a plan for recovery to help cultural organizations and workers to stabilize, contribute to social cohesion, and be positioned to assist when the city reopens.

OACV is proposing to redirect existing funding contracts issued through the Tacoma Arts Commission from programming to immediate operational support. The Tacoma Arts Commission contracts with small arts organizations, creative businesses, and working artists serve to support many freelance artists and creative businesses that are not captured in Tacoma Creates Funding.

OACV is also proposing to immediately distribute Tacoma Creates funding to cultural organizations for relief response and to later distribute funding for recovery efforts. Although sales tax collection going forward will be impacted, Tacoma Creates is currently positioned to immediately infuse up to \$2 million into the local economy with dollars collected to date. In order to expedite immediate funding, OACV will contract with the Greater Tacoma Community Foundation in order to expeditiously distribute immediate relief funding. OACV will contract directly with organizations at a later date to implement programming during recovery efforts.

**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 an immediate response and activation of Tacoma Creates funding.
- City of Tacoma/Tacoma Creates has an opportunity to provide business continuity and support.
- 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 will not be covered by Tacoma Creates funding relief.
- 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 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 relief/aid package for Tacoma’s Cultural Sector that:

- redirects existing funding contracts with artists and arts organizations to immediate relief/operational funding
- distributes up to \$2M of Tacoma Creates funds to eligible organizations as quickly as possible. A contract with the Greater Tacoma Community Foundation will expediently disperse funding following review of applications by Tacoma Creates community panels.

Immediate relief/operational funding can be used for expenses such as wages, rent, insurance, costs incurred due to event cancellation and other expenses that support the operations of organizations and cultural workers. It can also be used to support virtual and socially distanced programming during the current shutdown. OACV will work with organizations to provide platforms for outreach (I.E. TV Tacoma). Organizations that have already applied for Tacoma Creates funding will be asked to provide a supplemental relief funding application outlining immediate budget/financial requirements for the next 90 days (Appendix A).

**Strategy 1.**

Redirect \$117,750 in existing contracts for Tacoma Arts Commission Funding to immediate relief/operational funding as defined above.

Revise contracts with a simple amendment to satisfy public benefit and to require specific reporting requirements

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

**Strategy 2.**

Redirect \$81,044 in existing Tacoma Creates Expanded Learning Contracts to immediate relief/operational funding (as defined above) with the intention to cover lost wages for teaching artists/cultural sector instructors and enable participation in Kids Camps for First Responders, where possible.

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:**

Provide an immediate infusion of up to \$2M of Tacoma Creates Funding to organizations that have already been reviewed by independent community panels according to the published eligibility criteria (as established by RCW and ordinance).

The inaugural Tacoma Creates funding programs (Comprehensive and Impact) were already launched in advance of the pandemic and were under review by independent community panels. To solicit applications for this funding, OACV staff conducted extensive outreach, held workshops throughout the community, online webinars, and one-on-one meetings. 58 eligible organizations applied for Tacoma Creates funding. Because much has changed since the original call for applications, OACV will request a supplemental relief funding application from the eligible organizations that outlines immediate financial needs for the next 90 days. The established community panels will review and make funding recommendations. OACV will contract with the Greater Tacoma Community Foundation to act as a “pass through” to disperse funds quickly into the community. Funded organizations will be required to file a spending report with OACV, detailing actual expenditures.

At a later date, OACV will contract directly with organizations through existing Tacoma Creates funding mechanisms to disperse additional funds for recovery.

<b>Funding Program</b>	<b># of Applicants</b>	<b>Final Review Panel</b>
Comprehensive	18	April 8, 2020
Impact	40	May 1, 2020

1. Community-based panels will review supplemental relief funding applications and identify funding for eligible organizations.
2. Short-term response: \$2M Contract with Greater Tacoma Community Foundation to act as a “pass through” to quickly distribute funds to the organizations.
3. Recovery response: City staff to work with eligible organizations to develop longer term contracts to implement programming that is responsive to needs associated with social cohesion, civic recovery, and re-imagination. Available funds will be dependent on sales tax revenue received.



**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 desperate needs of the Cultural Sector.

**RECOMMENDATION:**

OACV recommends proceeding with redirection of Arts Commission funding and timely distribution of available Tacoma Creates funding to provide immediate support/relief to the Cultural Sector, and the later provision of additional funding for recovery response dependent on tax collections.

**FISCAL IMPACT:**

**EXPENDITURES:**

Fund Number & Fund Name *	Cost Object (cc/wbs/order)	Cost Element	Total Amount
1195 Tacoma Creates - Emergency Relief Funding	754500	5330100	\$2,000,000
1195 Tacoma Creates - Early Learning Opportunities Emergency Funding	754500	5330100	\$81,044
0010 General Fund - Tacoma Arts Commission	163600	5330100	\$117,750
<b>Total</b>			<b>\$2,198,794</b>

\* General Fund: Include Department

**REVENUES:**

FUND NUMBER & FUND NAME *	COST OBJECT (cc/wbs/order)	COST ELEMENT	TOTAL AMOUNT
1195 Tacoma Creates – Sales Tax	754100-754500	Various	\$2,000,000
0010 General Fund - Tacoma Arts Commission	163600		\$117,750
<b>Total</b>			<b>\$2,198,794</b>

\* General Fund: Include Department

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$2,198,794**

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes**

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