



Date: April 3, 2023

To: Wanda S. Page, City Manager
Through: Bertha T. Johnson, Deputy City Manager
From: Robert D. Morales, Senior Grants Manager
Subject: American Rescue Plan Act (ARPA) Project - Culture & Arts - Invest to Restart

Executive Summary

On November 3, 2021, The Durham Arts Council, Inc. (DAC) submitted proposal “Culture & Arts - Invest to Restart” for funding in the amount of \$1,500,000 from the American Rescue Plan Act (ARPA) funds to help reverse the pandemic’s negative economic impact of over \$20,500,000 revenue loss in Durham’s arts and cultural sector by supporting local arts and cultural nonprofits, businesses, and artists through grants, training, planning, and marketing initiatives to help restore jobs, reopen venues, restart programming, and restore economic impact. On May 18, 2022, the City Council approved \$1,000,000 funding for this organization. Staff has reviewed the revised proposal and recommends funding.

Motion

To authorize the City Manager to execute an ARPA subrecipient grant agreement with The Durham Arts Council, Inc. in an amount not to exceed \$1,000,000 to support the Durham arts and cultural community.

Background

The original proposal from DAC requested \$1,500,000 from the ARPA funds under core category of Community Resiliency, to restore and stabilize organizations and arts/culture jobs; begin rebuilding of public programming to pre-pandemic levels for local and visitor participants; safely re-open venues; and begin restoring arts and culture sector. The proposed initiatives, administered through DAC and community partners, will support large and small local arts and cultural nonprofits, businesses, venues, and independent artists; helping to reverse negative impacts of over \$20,500,000 pandemic related revenue losses in the arts and cultural sector. Grants to the sector; Diversity, Equity, Accessibility, and Inclusion (DEAI) training; professional development; cultural planning; COVID-safety capital improvements; sector marketing; and support for individual artists will provide resources to restart programming and restore jobs, with special emphasis on ensuring equity across all grant funding categories.

DAC has operated since 1954 in the role of providing public programming for the arts, arts facilities, and support for the arts and cultural sector through grant programs and

technical assistance. DAC has appropriate office space, technology, and equipment to carry out this program.

Since March 2020, DAC granted over \$820,000 to 78 arts and cultural organizations and 140 artists to ensure over 50% of funding to minority owned businesses, organizations and artists to reflect the composition of the Durham community. Currently, DAC provides nine grant programs to organizations and artists, including managing a complex NC CARES grant program in partnership with the NC Arts Council and the Office of the State Auditor

Issues and Analysis

The arts and cultural sector of Durham is a key economic driver and partner in making Durham a vibrant, successful community that attracts and supports a diverse and talented workforce. Research points to Durham as a top vibrant community, and a community that outperforms national rankings in creative sector, arts, and cultural attributes. There is a great need to help the Durham arts and cultural sector recover from the pandemic and restart successful operations, programming, and ability to generate successful economic outcomes once-again.

Pre-pandemic, Durham's non-profit arts and cultural sector contributed \$154,200,000 annually to Durham's economy, supported 5,722 full-time employment jobs, and provided \$2,800,000 arts and cultural experiences annually as cited by Arts and Economic Prosperity 5 (AEP5) Economic Impact Study conducted by DAC in partnership with national and state-wide AEP5 study on arts and cultural economic impact study released June 2017.

DAC conducted a COVID impact study in 2020 and 2021. Data was reported from 78 Durham arts and cultural organizations, businesses, and 114 artists. Survey indicated \$20,556,257 in lost revenue, 240 employees impacted by furloughs, layoffs or unfilled arts and culture jobs, and over 2,000 Durham arts related/artist contract jobs (gigs) cancelled. Recent Center for Civil Society Studies reports indicated that the Arts, Entertainment, and Recreation non-profit sector is expected to take nearly 2.5 years to recover from the pandemic. The project's initiatives will provide financial support, training and resources to help the arts and cultural sector recover to restart jobs, fully reopen venues, relaunch public programming and events, and for individual artist's small businesses to recover.

Partners/advisors will include Hayti Heritage Center, Durham Cultural Advisory Board, Discover Durham, Durham Racial Equity and Inclusion Division, North Carolina Arts Council, Triangle Community Foundation, and Downtown Durham Inc. DAC will use \$93,000 of these APRA funds to cover the costs of hiring a full-time grants manager to work with the DAC Director of Artist Services to carry out the expanded scope of this ARPA COVID-relief/recovery program. In addition, DAC will:

- make grants to the arts and cultural sector, and provide support for individual artists (\$810,000)

- provide Diversity, Equity, Accessibility, and Inclusion training, professional development, educational programs, and cultural planning; (\$17,500)
- purchase necessary supplies; (\$1,500)
- make COVID-safety capital improvements in compliance with ARPA regulations (\$60,000) and
- administration and managing Public Assistance grants that are directly chargeable to this project (\$18,000)

DAC will utilize grant panels that will involve diverse professionals from the arts and cultural field and community to review, score and make recommendations in grant categories and capacity development initiatives outlined in the ARPA proposal. DAC is committed to ensuring equity in all initiatives in the plan and to ensuring 50%+ of funding is awarded to minority owned businesses, organizations and artists to reflect the composition of the Durham community.

Alternatives

The City Council can choose not to accept the staff recommendation.

Financial Impact

\$1,000,000 is available for this purpose from the funding source of the ARPA federal funds. The City of Durham received \$51,881,733 in two distributions; the first distribution was received on June 1, 2021 in the amount of \$25,940,866.50; the remaining was received May 2022. The City will have until December 2024 to obligate the funds. Recipients have until December 2026 to spend the funds.

Equal Business Opportunity Summary

Due to the nature of this agenda item, a review by the Finance Department was not required.

Contractor Workforce Diversity & Hiring Practices

Due to the nature of this agenda item, obtaining Contractor Workforce Diversity & Hiring Practices information would not be applicable.

Attachments

The Durham Arts Council, Inc. Subrecipient Grant Agreement