



DATE: December 7, 2021

CATEGORY: Consent

DEPT.: Community Services

TITLE: **Shuttered Venue Operators Grant Award**

RECOMMENDATION

Accept \$676,737.90 in grant funds from the U.S. Small Business Administration Shuttered Venue Operators Grant program to reimburse the Center for the Performing Arts staff payroll expenses.

BACKGROUND

The Shuttered Venue Operators Grant (SVOG) program was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, which was enacted in December 2020 and provides funding to eligible entertainment-related organizations that have suffered revenue loss due to the COVID-19 pandemic. The SVOG program includes \$15 billion in grant funding to shuttered theater venues and is administered by the U.S. Small Business Administration's Office of Disaster Assistance. To date, \$9.8 billion has been awarded through over 17,000 grants.

In April 2021, Community Services staff applied for the grant for the Center for the Performing Arts, which is an eligible shuttered theater venue under the SVOG program. The City received notification in September 2021 that a grant had been awarded in the amount of \$676,737.90. The grant funds were received by the City in October 2021 and are intended to reimburse the Center for the Performing Arts payroll expenses for the time period between March 1, 2020 and December 31, 2021.

ANALYSIS

The Center for the Performing Arts (CPA) was significantly impacted by the COVID-19 pandemic in Fiscal Years 2019-20 and 2020-21 because it was required to close to the public and cancel public performances in response to public health orders. In a typical fiscal year, the CPA hosts roughly 400 to 500 performances. However, in Fiscal Year 2019-20, the number of performances dropped to 276, resulting in roughly \$276,000 in lost

revenue that year. In Fiscal Year 2020-21, there were only 77 performances, resulting in nearly \$1.2 million in lost revenue. Though revenue dropped significantly during this time, expenditures remained relatively consistent as these are comprised of mostly permanent staff costs.

If accepted, the SVOG funds will reimburse partial payroll expenses for CPA staff for the time period between March 1, 2020 and December 31, 2021. As of October 2021, these expenses total roughly \$1,039,000 and include both salary and benefit costs.

FISCAL IMPACT

For Fiscal Year 2021-22, the City of Mountain View received \$676,737.90 in Shuttered Venue Operators Grant funding. These grant funds will partially reimburse the CPA staffing costs and increase cost recovery despite loss of revenue due to COVID-19 closures in 2020 and 2021.

ALTERNATIVES—Do not approve receipt of the grant funds.

PUBLIC NOTICING—Agenda posting.

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