

EXECUTIVE SUMMARY

Background:

The Shuttered Venue Operators Grant (SVOG) program was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (Economic Aid Act), and amended by the American Rescue Plan Act. The program includes over \$16 billion in grants to shuttered venues and is administered by Small Business Administration's (SBA) Office of Disaster Assistance. Eligible applicants include live venue operators, including those that are government owned.

Denver Arts & Venues (A&V) submitted a grant application through the SBA online portal on April 28, 2021. On July 16, 2021 A&V received email notification from the SBA that the A&V application had been approved in the amount of \$10,000,000

Current Request:

A&V is seeking City Council approval of an ordinance that will approve acceptance and the utilization of grant funds under grant contract THTRS-202159635.

- Funds will be accepted into the special revenue government fund series.
- Per SBA conditions of the grant, the grant must be deposited in an interest earning account, any interest earned must be retained in the grant fund, A&V may spend up to \$500 of earned interest annually, and any excess interest must be returned to the grantor.
- During 2020, A&V moved \$24M from its capital projects fund to its operating fund to remain solvent.
- A&V is still working to return to full business and still faces future uncertainty due to the delta variant of Covid-19.
- Per grant guidance, the allowable use of funds includes payroll and fringe benefits costs; utility expenses; ordinary and necessary business expenses such as janitorial, security and stagehands; ordinary and necessary supplies; administrative expenses; and advertising.
- Per grant guidance, funds may not be regranted, may not be used to purchase land, and may not be used for construction purposes.
- Grant funds may be applied to qualified expenses incurred between March 1, 2020 and December 31, 2021. Payments may be issued through July 31, 2022 but must be encumbered/obligated by December 31, 2021 per SBA guidance.
- The full amount of the award is \$10,000,000. Funds may be issued in up to four distributions. The SBA will determine the number of distributions and amount of each distribution based on SBA criteria.