

## **MEMORANDUM**

**TO:** Donna Barron, City Manager

**FROM:** James Kunke, Community Relations & Tourism Director

**DATE:** August 16, 2021

**SUBJECT:** **Acceptance of a Shuttered Venue Operators Grant from the Small Business Administration in the amount of \$136,922; and Approval of a Supplemental Appropriation to the Grant Fund in the Same Amount.**

### **BACKGROUND**

During the spring and summer of 2020, Lewisville Grand Theater was closed to the public for an extended period of time as part of the local and state pandemic response. After re-opening, The Grand continued to operate at a reduced capacity until mid-summer 2021.

During this time, while the City still incurred costs for staffing and maintaining the building, revenue from performances and rental clients plummeted. Performance venues across the United States experienced similar losses.

The Shuttered Venue Operators Grant (SVOG) program was established by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, and amended by the American Rescue Plan Act. The program includes more than \$16 billion in federal grants to shuttered venues, to be administered by SBA's Office of Disaster Assistance.

Eligible applicants can qualify for grants equal to 45 percent of their gross earned income, with a maximum amount available for a single grant award of \$10 million.

Lewisville Grand Theater staff submitted a grant application and encouraged our programming organizations to do likewise. At least two local groups have received grant awards. Last month, we were notified that Lewisville had been approved for a grant award of \$136,922.

### **ANALYSIS**

The grant money must be spent by December 31, 2021. Salary and personnel costs are an eligible use. Since we continued to pay staff to operate the center even when audiences were prohibited or severely limited, we have submitted those costs to be reimbursed by the grant money.

An equal amount of money will be placed in a capital project account and held until mid-year FY 2021-22. If Hotel Tax revenue is increasing back to normal levels by that time, this funding will be released for use on one-time projects such as facility modifications and equipment purchases. If Hotel

Subject: Shuttered Venue Operators Grant  
August 16, 2021  
Page 2

Tax revenue has not rebounded appropriately, this project revenue will be transferred back to the Hotel Fund to assist with ongoing operations.

If there still is SVOG grant money available after the last round of awards (currently under way), the SBA will accept applications for a supplemental award. Lewisville Grand Theater staff will watch for any announcements from the SBA.

### **RECOMMENDATION**

It is City staff's recommendation that the City Council accept the grant award and approve the supplemental appropriation as set forth in the caption above.