



Legislation Text

File #: 1364-2020, **Version:** 1

BACKGROUND: This Ordinance authorizes the Director of the Finance and Management Department to modify a contract with the Greater Columbus Arts Council (GCAC), for the purpose of fostering arts and cultural services that enrich the community. The initial contract was entered into pursuant to Ordinance 0542-2020 and is funded from Hotel/Motel excise tax proceeds in accordance with Section 371.02(c) of Columbus City Codes. This initial contract was projected to be \$7,392,000.00; however, due to the economic impact of the coronavirus, actual Hotel/Motel excise tax collections are anticipated to be significantly less

The economic fallout of the coronavirus has impacted Ohio and the national economy at historic levels. Ohio's unemployment rate has risen to 16.8%, an increase of 11% versus pre-coronavirus levels. Similarly, Columbus' unemployment level has risen to 13.7%, an increase of 9.5% versus pre-coronavirus levels. The travel and tourism sector of the economy has been disproportionately impacted and is experiencing an unprecedented contraction in business due to the COVID-19 pandemic. Marriott, a bellwether for the industry, recently projected a 75% decrease in global revenues and a 90% decrease in domestic (U.S.) revenues. The Airline industry has been similarly impacted with domestic U.S. flights decreasing 70% over pre-coronavirus levels. The aforementioned economic impacts to travel and tourism have resulted in a significant decrease in 2020 Hotel/Motel excise tax proceeds, which in turn has drastically reduced the contract amount for the Greater Columbus Arts Council.

In an effort to address the economic impact to Columbus' and central Ohio's cultural arts community, the City of Columbus is proposing that more than \$1.5 million in Economic Recovery Funds be provided to the Greater Columbus Arts Council as a means to replace lost Hotel/Motel tax proceeds for the first six (6) months of 2020. These Economic Recovery Funds were provided to the City of Columbus as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. This \$2 trillion economic relief package act was passed by Congress with overwhelming, bipartisan support and signed into law on March 27th, 2020.

The Greater Columbus Arts Council will utilize these funds to continue administering a variety of art and cultural programs and grants in order to help restore the local cultural arts economy.

Greater Columbus Arts Council, Contract Compliance#: 31-0833384 (non- profit)

FISCAL IMPACT: This ordinance authorizes an expenditure of \$1,558,337.00 from the CARES Act Fund with the Greater Columbus Arts Council to help restore cultural arts and services for the enrichment of the community.

To authorize the Director of the Department of Finance and Management to modify a contract with the Greater Columbus Arts Council, Inc. for the purpose of restoring and sustaining arts and cultural services that enrich the Columbus community; to authorize the transfer of \$1,558,337.00 in CARES Act Funds from the Department of Development to the Department of Finance; and to authorize the expenditure of \$1,558,337.00 from the CARES Act Fund. (\$1,558,337.00)

WHEREAS, the Department of Finance and Management entered into the initial contract with the Greater Columbus Arts Council pursuant to Ordinance 0542-2020, which is funded from Hotel/Motel excise tax proceeds in accordance with Section 371.02(c) of Columbus City Codes; and

WHEREAS, this initial contract was projected to be \$7,392,000.00, however due to the economic impact of the COVID-19 pandemic, actual Hotel/Motel excise tax collections are anticipated to be significantly less; and

WHEREAS, the economic fallout of the coronavirus has impacted Ohio and the national economy at historic levels; and

WHEREAS, in an effort to address the economic impact to Columbus and central Ohio's cultural arts community due to the COVID-19 pandemic, the City of Columbus is proposing that more than \$1.5 million in Economic Recovery Funds be provided to the Greater Columbus Arts Council as a means to replace lost Hotel/Motel tax proceeds; and

WHEREAS, expenditure of CARES Act funding to help restore the local cultural arts community is necessary to address the economic impact to local businesses caused by the COVID-19 public health emergency; and

WHEREAS, the Greater Columbus Arts Council will continue fostering the local cultural arts community by using said funds to support a broad array of programs, including but not limited to: fine arts exhibits, concerts, festivals, city park activities, vocational opportunities, and other programs for the visual and performing arts, including those provided by both professional and amateur artists, and public art; and

WHEREAS, for many years, the Greater Columbus Arts Council, Inc. has served as the city's primary non-profit agency to disburse cultural arts funding; and

WHEREAS, the COVID-19 pandemic has resulted in a need to modify a contract with the Greater Columbus Arts Council for administering a variety of art and cultural programs and grants in order to help restore the local cultural arts economy; and

WHEREAS, expenditure of CARES Act funding to help restore the local cultural arts economy is necessary to address the economic impact to local businesses caused by the COVID-19 public health emergency; and

WHEREAS, such expenditure of funds has not been previously accounted for in the 2020 Budget; and

WHEREAS, this contract was awarded pursuant to provisions relating to non-profit services of City Code Chapter 329; and

WHEREAS, it has become necessary in the usual daily operation of the Department of Finance and Management to authorize the Finance and Management Director to modify a contract with the Greater Columbus Arts Council for the purpose of continuing the support for the visual and performing arts in the City; **now, therefore**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of the Finance and Management Department is hereby authorized to modify a contract with the Greater Columbus Arts Council, Inc., to continue fostering arts and cultural services for the enrichment and benefit of the citizens of Columbus.

SECTION 2. That the transfer of \$1,558,337.00 is hereby authorized from the Department of Development to the Department of Finance and Management pursuant to the accounting codes attached to this Ordinance.

See Attached File: Ord 1364-2020 Legislation Template.xls

SECTION 3. That the expenditure of \$1,558,337.00, or so much thereof as may be needed in regard to the action authorized in Section 1, is hereby authorized to be expended from the CARES Act Fund 2207, Sub-Fund 220701 in Object Class 03 Contractual Services per the accounting codes in the attachment to this ordinance.

See Attached File: Ord 1364-2020 Legislation Template.xls

SECTION 4. That this contract was awarded in accordance with the relevant provisions of Columbus City Code Chapter

329 relating to awarding not-for-profit service contracts exceeding fifty thousand dollars (\$50,000.00).

SECTION 5. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 6. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 7. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.