

Cultural Facilities

At today's meeting, staff will present initial information on an upcoming grant program for Cultural Facilities in Bellevue.

Code and bylaw support: This item is presented to the Commission because it concerns an upcoming change in the Arts Commission's roles and duties.

Background

The City previously funded arts and cultural facilities ad hoc, favoring established organizations. This left emerging groups without access to funds, leading some to leave or close. In response, the 2023-2024 budget introduced the Arts and Cultural Facilities CIP (G-112) as a formal grant program.

On Tuesday, April 23, staff brought the below-proposed programs and changes to the City Council for consideration. The council's feedback was unanimously supportive, and staff was directed to return at a future meeting with the ordinances for approval.

This new grant program aims to support organizations and promote equitable access. Research and stakeholder conversations informed the program's approach, which focused on best practices for fair grant distribution. The principles are:

1. **Equitable Access:** Remove past funding barriers by implementing an open and competitive process using consistent evaluation criteria for unbiased decisions. This process ensures equal opportunities for all eligible arts and cultural organizations.
2. **Increased Visibility:** Raising awareness about the funding opportunity, reaching out to more organizations, and encouraging their participation through an effective communications strategy.
3. **Transparent and Streamlined Process:** Employ a simplified application process with clear eligibility criteria, guidelines, and evaluation parameters, promoting transparency and efficient fund allocation. Many eligible Bellevue organizations already have experience with similar grant programs.
4. **Regular and Predictable Funding Cycles:** Institute regular funding cycles, providing a predictable timeline for organizations to plan and apply for grants. This approach ensures a more stable financial environment for arts and cultural entities seeking to undertake capital projects.
5. **Support a variety of organizations:** Incorporate flexibility to support requests by any sized organization with any sized request. Historically, support has been mainly given to large organizations with large requests. Now, organizations can expect to receive a set amount based on a percentage of their project cost.

Additionally, this program will adhere to the Funding Principles Council set in 2006 for evaluating cultural facility funding requests:

1. Must have a sustainable long-term financial model, including strong private sector financial commitment.
2. Must clearly define public benefit to be received in exchange for investment.
3. Should provide for city involvement in financial oversight.
4. Must be an investment in facility, or for support of the operation of the facility. Cannot fund fundraising activities.

Considering the research and needs of the arts and cultural community in Bellevue, staff propose two new grant programs:

Proposed Capital Projects Grant (Capital)

Capital grants could assist nonprofit organizations in (a) acquiring or constructing arts or cultural facilities that focus on the performance, display, or presentation of art, dance, or music, or education about dance, music, crafts, and rituals reflecting cultural traditions for the benefit and enjoyment of the general public; and (b) constructing or installing permanent improvements to existing buildings for the purpose of delivering visual or performing arts to the general public.

Proposed Repair and Maintenance Grant (Maintenance)

Maintenance grants could be used toward the cost of maintaining aging arts or cultural facilities owned by eligible nonprofit organizations or the cost of maintaining space leased by eligible nonprofit organizations. These grants would be one-time, whereas the project grants could be applied for multiple times.

Competitive process, eligibility standards, and program parameters

Grants would be awarded through a competitive process, subject to the parameters of the program and eligibility standards as adopted by the Council. To be eligible to apply for the competitive grant program, nonprofit organizations would need to meet specific eligibility standards, and proposed projects must align with the grant program's purpose. Broadly, they should include:

- Operating as a nonprofit entity for at least two years.
- Demonstrating financial solvency and having a sustainable long-term financial model.
- Capital - Securing funding from other sources to cover non-city-funded portions of the estimated total capital project cost for large-scale projects (land and facility acquisition or facility construction).
- Maintenance - The applicant must own the building if the maintenance project involves building systems.
- Maintenance - If the applicant is a tenant of a leased space within a building owned by another party, the maintenance project is limited to the applicant's demised space.

The intended nature of capital expenses requires certain limitations and requirements, such as:

- Awarding grants only on a reimbursable basis for costs incurred,
- Not allowing the use of grant funds to pay for any cost to operate a nonprofit or the nonprofit's programs or activities,
- Not allowing the use of grant funds to pay for any fundraising, and
- Not allowing City funding assistance to exceed a predetermined percentage (40%) of the estimated total cost of the project if the project includes land acquisition, existing facility acquisition, or construction of a facility.

Evaluation by Committee – Arts Commission

The competitive processes for selecting grant recipients for each new grant program would involve citywide solicitation and evaluation by a committee considering criteria like community support and financial strength. There are several ways to approach this work, including staff selection or a citizen advisory board. The current process for the Arts Grants is for the Arts Commission to review applications and make a formal recommendation to Council. Staff recommends that Council follow a similar protocol and delegate this work to the Arts Commission by amending chapter 3.56 of the BCC so they serve as the evaluating and recommending committee for these new programs.

Next Steps

Staff will bring final ordinances establishing the grant program and changes to the Bellevue City Code, allowing for Arts Commission review, to the Council for adoption. Once approved, the program will begin collecting applications and follow a similar process to the current Arts Grants for review and approval. Staff will call on members of the Allocations Committee for the review and selection process.

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