

# Cultural Grants for Theatres Through the State Capital Bill

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*Co-Chair, Capital Arts & Culture Committee*

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# Topics

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- ☐ Capital Arts and Culture Committee
- ☐ Background
- ☐ Eligibility
- ☐ Project Cycle
- ☐ Current Status
- ☐ Submitting a Project for Approval
- ☐ Reimbursement

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# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

**Arts & Culture Funding through previous State Capital Bill.**

**Governor Kasich established a new adjudication process, predicated by the advisory board format employed previously for review of public higher education requests.**



# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

Eleven volunteers from Ohio's six multi-county Jobs Ohio regions were appointed.

\$30 million budgeted for Arts & Culture projects.

Region-by-region budgetary allocation was developed, taking into consideration such factors as population density, prior biennium's funding histories, and density of cultural assets.



# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

Committee were advised to focus attention closely on the arts, specifically, and to develop a set of core criteria to guide their adjudication, along with their individual familiarity with organizations in their region.



# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

- Measurable statewide or regional importance.
- Advancement of the visual, performing, literary, design or media arts; arts education.
- The project met State goals for broad geographic distribution of grant awards.
- Generally, projects were “shovel-ready”; projects would be substantially undertaken during the FY 2015 – 2016 biennium.



# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

- Sound budgeting principles
- 50% in Matching funds were available/would be secured
- Entity demonstrated the organizational capacity to handle projects of the scope requested
- Entity has ability to collaborate broadly with other organizational partners
- Strong community based support.



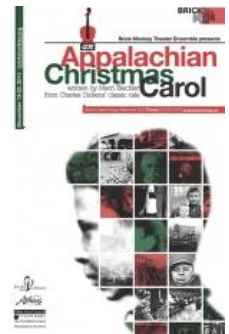


# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

Additional factors that were given consideration:

- Priority for renovation of current facilities over new construction.
- New construction needed a detailed budget, timeline, and five-year operating pro-forma.
- “Inclusive” projects that engaged minority or underserved audiences and broaden the cultural participation of Ohioans were a priority.



# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

Number of Arts Project Submitted = **171**

Number of Arts Project Recommendations = **66**

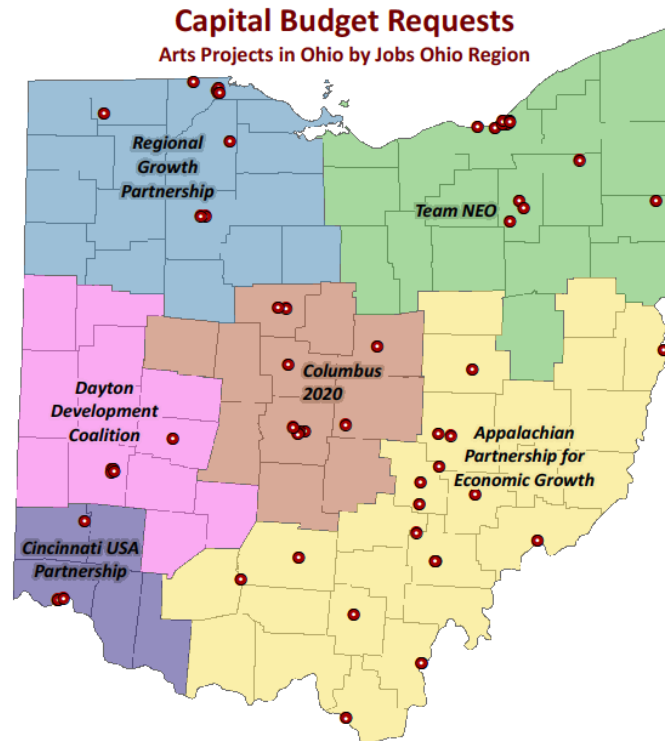
**27 of 66 were Historic Theaters**

Total Biennium Budget Recommendations =  
**\$33,000,000**

Anticipated Matching Funds = **\$862,213,892**

# Financing Historic Theaters

## Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture



Jobs Ohio Region	Project Count
Appalachian Partnership for Economic Growth	18
Cincinnati USA Partnership	5
Columbus 2020	11
Dayton Development Coalition	6
Regional Growth Partnership	10
Team NEO	16
TOTAL	66

# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

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## Other Avenues:

- Ohio House of Representatives
  - Ohio Senate
  
  - Urban Areas – Chamber of Commerce
  - Rural Areas – State Legislators
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# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

## Tips for Funding Consideration:

- Prepare a solid proposal that covers criteria
- Submit requests to all funding avenues
- Make personal requests for consideration
- Share your project broadly with collaborators
- Develop broad community support
- Demonstrate community impact

# Financing Historic Theaters

Ohio 2015 – 2016 Biennium Capital Bill Arts & Culture

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July 2014: New capital bill  
132 cultural projects, \$63.6 M  
Project sizes ranging from \$10 M to \$10,000

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# Background:

## Organization change

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**July 2013:** Ohio Cultural Facilities Commission became part of OFCC (H.B. 59)

- Cultural, sports, and historical projects
- Inherited existing projects, appropriations, agreements, procedures
- Most recent projects were appropriated in FY2008-FY2009
- Began redesign of program
- Began planning for capital bill



# Background:

## Project Snapshot

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- **Sept. 2015:** 26 of all 231 cultural projects appropriated in previous capital biennia (since 1996) have not yet been approved

### Older Cultural Facilities Capital Appropriations Not Yet Approved, Sept. 2015

Projects	26
Total	\$ 2,288,500

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# Background:

## Cultural Grants 101

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- Capital bill cultural appropriations are **grants**
- Multiple agencies administer capital grants (e.g. OFCC, Department of Natural Resources, Board of Regents)
- Once appropriated, grants are **non-competitive**
- Grant = loan that is “paid” by supporting culture
- For OFCC projects, state is borrowing money over 10 years to provide grants
- Grant agreement

# Background: Grant Requirements

Grant requirements come from ...

Law



Tax-exempt bonds



Good practices

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# Eligibility:

## Who can receive a grant?

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**Cultural organization** means:

- Governmental organization
- Ohio non-profit corporation that provides programs or activities in areas directly concerned with culture
- Regional arts and cultural district

# Eligibility:

## What projects qualify?

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Project must be construction that supports **culture**:

- **Arts:** visual, musical, dramatic, graphic, design such as architecture, dance, literature, motion pictures, music, painting, photography, sculpture, **theater**
- **Science:** presentation of its principles in museums or other facilities
- **History:** features of archaeological, architectural, environmental, or **historical interest**

# Eligibility:

## What expenditures are OK?

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### **Allowable for reimbursement:**

- Design, engineering and architecture services
- New construction materials and contracted services
- Renovation that extends the useful life of the facility

# Eligibility:

## What expenditures are not OK?

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- Renovation that does not extend the useful life of the facility
- Repairs:
  - Fixing a boiler or other HVAC component
  - Patching a roof
  - Damaged furniture
  - Broken windows
  - Touch up painting
- Administrative expenses
- Computers, printers, and software
- Maintenance contracts



# Eligibility:

## Are matching funds required?

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**Yes. Local project sponsor must contribute at least \$1 for every \$2 in state funds.**

- Written fundraising pledges
- Other grants that are fully approved
- Cash
- Endowment funds, newly raised and designated to support the facility
- In-kind contributions of goods or services
- Value of owned property where the project is constructed

# Eligibility:

## Other requirements (good practices)

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### **Full funding**

- Project cost estimated by a design professional
- All hard and soft costs have been raised
- Pledges, commitments, loans, etc. in writing

### **Sustainability**

- Will organization will be around for 10 years?
- Starts with review of publicly available on-line information
- Sometimes requires more assurance to protect investment

### **Insurance (property and liability)**

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# Project Cycle

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1. Get an appropriation
2. Submit initial application to OFCC
3. Provide any supplemental information
4. Sign agreement
5. Receive State Controlling Board approval
6. Begin/complete work
7. Submit for and receive reimbursement
8. Continue to support culture for term of the agreement

# Project Cycle: Improvements

<b><u>Changes to</u></b>	<b><u>Old CFC Guidelines</u></b>	<b><u>New FCC Guidelines</u></b>
<b><i>Submittal</i></b>	No application form	On-line three page form
<b><i>Commission Approval</i></b>	At quarterly commission meeting	Approved by executive director when ready (delegated authority)
<b><i>Agreement</i></b>	38 pages	15 pages
<b><i>Due diligence</i></b>	Determine need for the project, substantial regional support, and provision of general building services.	Determinations no longer required to be made. Staff due diligence is centered on eligibility, financial risk, and project risk.
<b><i>Verification vs. sponsor agreement</i></b>	Staff verification of items such as project impact on farmland preservation and environmental impact	In the legal agreement, Sponsor agrees to comply with all applicable laws and rules relating to these items
<b><i>Reimbursement</i></b>	Eligible project costs were reimbursed after proof was submitted that the invoices were paid	Eligible project costs are reimbursed after proof is submitted that the work has been completed

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# Current Status: Projects

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**July 2014:** New capital bill

- 132 cultural projects, \$63.6 M
- Project sizes ranging from \$10 M to \$10,000

**August 2014:** First projects under new process  
approved by State Controlling Board

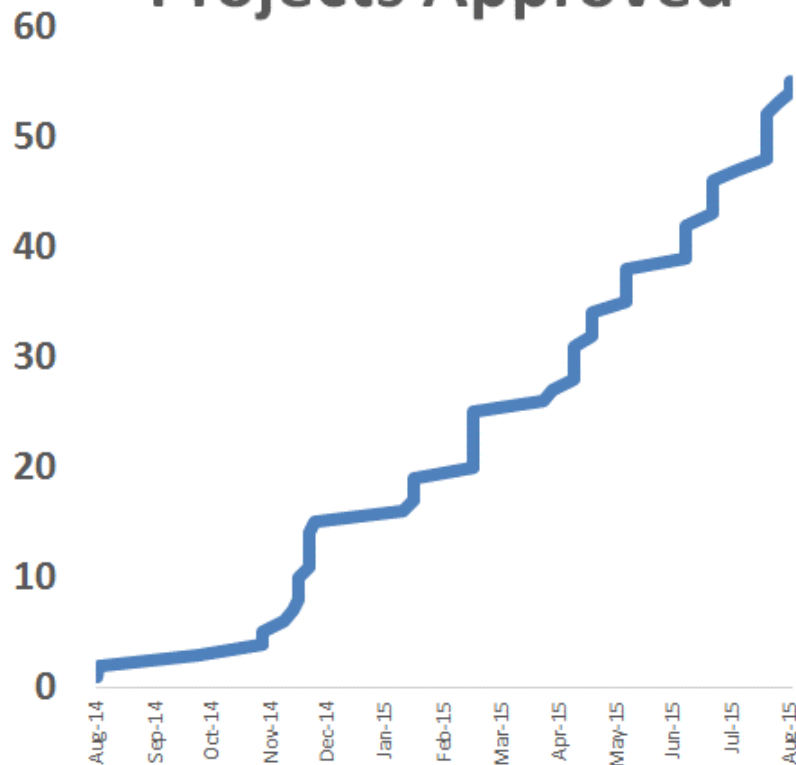
**September 2014:** First reimbursements paid

**September 2015:** Current status

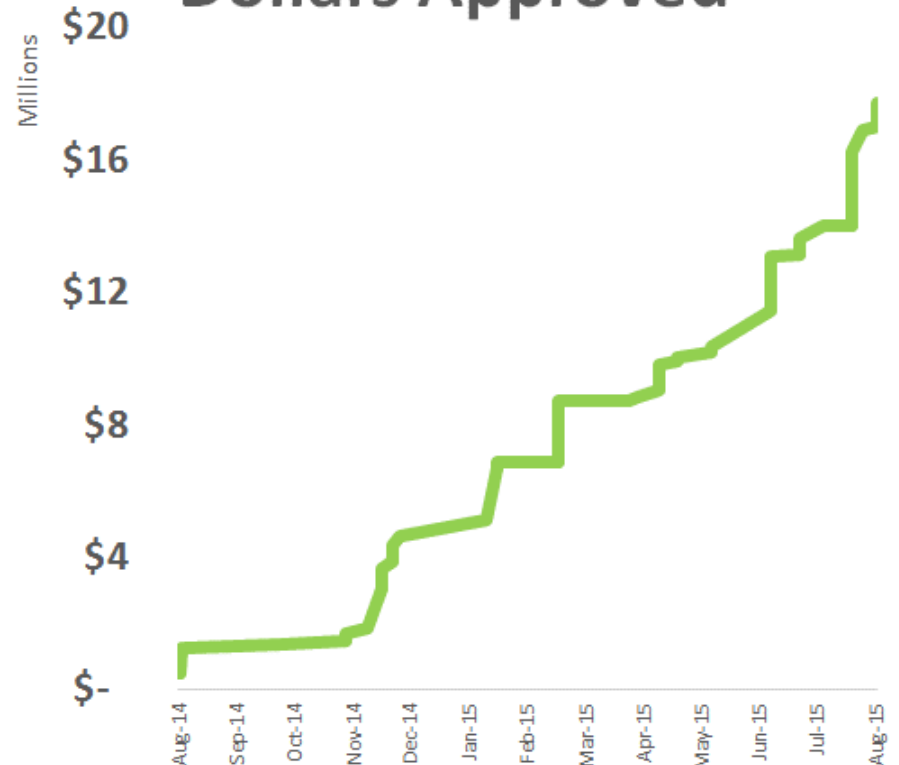
- 54 projects (\$17.7 M) approved by Controlling Board
- 5 projects (\$1.6 M) submitted to Controlling Board

# Current Status: Projects

## Projects Approved



## Dollars Approved





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# Submitting a Project for Approval: Project Cycle

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# Submitting a Project for Approval: Initial Submittal Form

## Identification

Organization Name:

[Click here to enter text.](#)

Organization Type:

[Choose an item.](#)

EIN:

[Click here to enter text.](#)

Organization Contact Information:

<u>General Information:</u>	<u>Authorized Legal Representative:</u>
Name: <a href="#">Click here to enter text.</a>	Name: <a href="#">Click here to enter text.</a>
Title: <a href="#">Click here to enter text.</a>	Title: <a href="#">Click here to enter text.</a>
Mailing Address: <a href="#">Click here to enter text.</a>	Mailing Address: <a href="#">Click here to enter text.</a>
E-mail: <a href="#">Click here to enter text.</a>	E-mail: <a href="#">Click here to enter text.</a>
Phone: <a href="#">Click here to enter text.</a>	Phone: <a href="#">Click here to enter text.</a>

# Submitting a Project for Approval: Checklist

## Cultural Facilities Grants Initial Submittal Checklist

Element	Information	Sponsor Submits	Done
Identification	Organization contact information (name, address, etc.)	√	
	Organization contact information for legal notices (if different than above)	√	
Scope	Project location	√	
	Description of scope of entire project	√	
	Description of how project presents culture	√	
	Is the facility listed in the National Register of Historic Places?	√	
Financial Considerations	Appropriation name and amount	√	
	Total project budget including local funding	√	
	Documentation of full funding	√	
	Documentation of local match	√	
Real Estate/ Construction	Construction start and finish date	√	
	Does the organization own or lease the facility?	√	
Risk Management	Proof of insurance	√	

# Submitting a Project for Approval: Agreement

## Cooperative Use Agreement (CUA)

- Term: 10 years from end of construction
- Support culture
- Local match
- Pay prevailing wages
- Provide equal opportunity
- Maintain insurance
- Use domestic steel
- Etc.



# Submitting a Project for Approval: Project Cycle

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# Reimbursement: Project Cycle

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1. Get an appropriation
2. Submit initial application to OFCC
3. Provide any supplemental information
4. Sign agreement
5. Receive State Controlling Board approval
- 6. Begin/complete work**
- 7. Submit for and receive reimbursement**
8. Continue to support culture for term of the agreement

# Reimbursement: Eligible Expenditures

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- Acquisition of real property or interest in real property
- “Bricks & mortar”
- Architectural, engineering, and professional fees
- Machinery that is part of the structure
- Equipment for construction
- Equipment necessary for functioning of the facility or project
- Furniture, Fixtures & Equipment (FF&E) when using Historic Tax Credits



# Reimbursement

- ✓ Electronic Funds Transfer (EFT)
- ✓ Costs can be reimbursed with proof that the work has been completed
- ✓ During construction, may be invoiced every 1-3 months
- ✓ State reimburses based upon its percentage share of the total project budget; example:

$$\frac{\$200,000 \text{ state grant}}{\$500,000 \text{ project budget}} = 40\% \text{ of each invoice}$$

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**Questions?**



***Thank you!***