



Legislation Text

File #: 23-1044, **Version:** 1

TO: Mayor Richard C. Irvin

FROM: Chris Minick, Chief Financial Officer/City Treasurer

DATE: December 13, 2023

SUBJECT:

Resolution Authorizing the Provision of America Rescue Plan Act (ARPA) funding for Aurora Civic Center Authority (ACCA) in the amount of \$4,500,000 for 2024

PURPOSE:

ACCA has requested financial assistance to subsidize its anticipated operating loss for 2024. Anticipating this need, the City has reserved America Rescue Plan Act (ARPA) funds to enable ACCA to bridge the gap in operations for 2024

BACKGROUND:

Staff has received a request for financial assistance from the Aurora Civic Center Authority to subsidize ACCA operations for 2024. ACCA operates the Paramount Theater and River Edge Park along with the Copley Theater in Aurora in addition to overseeing a performing arts school and its well-regarded event space. These venues provide significant economic activity within the downtown and contribute measurably to the economic vibrancy and resurgence in the downtown that Aurora has experienced in recent years.

Virtually all not for profit performing arts organizations both regionally and nationally have suffered significant and prolonged financial impacts from the COVID pandemic. While patrons and subscribers are slowly returning, attendance and financial performance have not returned to pre-pandemic levels. These trends have had well documented negative consequences for many arts organizations and their environs, including in Chicago with some closing or suspending programming to well off into the future. Some have laid off a large percentage of their staff citing declining subscription and ticket sales and cost increases of 20% - 30% after the pandemic. While the exceptional quality of ACCA's offerings has enabled their subscription base to remain strong, the combination of industry wide cost increases and its mission to maintain affordability has caused this deficit.

DISCUSSION:

Changes in operating policies and procedures will likely be needed to adjust to the new post COVID reality. Aside from tailoring back their offerings, many theaters are experimenting with a wide array of changes from online performances to combining performance and dining experiences. Inflationary trends have increased costs across the board. Fewer advance ticket sales have been reported, creating additional marketing efforts and expenses. These trends continue to present financial

challenges for theater operators.

The City of Aurora and ACCA are working to collaborate on a long term and sustainable operating and financial plan responding to these trends. This plan will be presented in the upcoming months. In the meantime, ACCA has requested the City to help them bridge the financial gap in operations while the situation stabilizes.

The City was awarded \$35,221,280 in ARPA funding, which was received in July of 2021 and July of 2022, and has budgeted approximately \$27 million of ARPA related expenditures through the end of 2023, leaving approximately \$8 million. The \$4.5 million requested would leave approximately \$3.5 million in ARPA funding allocations to be distributed. Please note that the amounts may change slightly as final actual expenditures are incurred and paid.

ARPA funding was provided to mitigate negative economic impacts experienced as a result of the pandemic. Certain industries related to travel, hospitality, the performing arts, and tourism have been disproportionately impacted by COVID regulations and shutdowns. ARPA funding is intended to assist these entities overcome the financial impacts of the pandemic and provide funding resources as the industries recover and adjust to their new circumstance.

IMPACT STATEMENT:

Provision of the funding allocation to ACCA will allow for continued operation of the Paramount Theatre, River Edge Park, Copley Theater, and the Stolp Island interactive theater. It is estimated that by 2025 ACCA will be delivering approximately 1,000 shows per year. ACCA's activity, theater, and concert performances contribute to significant economic activity in the downtown and allow for the generation of tax revenue for the City. A downturn in these activities would have a negative impact on economic activity, business retention, and tax revenue generation in the downtown.

Funding for the expenditure will be made available in the City's 2024 Budget by amending line item 287-1830-465.50-20

RECOMMENDATIONS:

Staff recommends approval of the resolution to authorize the allocation of ARPA Funding to ACCA in the amount of \$4,500,000

cc: Finance Committee



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution Authorizing the Provision of America Rescue Plan Act (ARPA) funding for Aurora Civic Center Authority (ACCA) in the amount of \$4,500,000 for 2024.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the COVID pandemic has caused severe economic impacts, particularly to certain industries such as travel, hospitality, and live performance venues; and,

WHEREAS, the Aurora Civic Center Authority (ACCA) operates live performance in the City of Aurora, primarily the Paramount Theater, Rivers Edge Park, and the Copley Theatre; and,

WHEREAS, ACCA suffered severe economic and financial impacts as a result of the COVID pandemic; and,

WHEREAS, the negative financial and economic consequences of the COVID pandemic are anticipated to impact ACCA during its Fiscal year 2023-2024 and beyond; and,

WHEREAS, the Federal Government has provided America Rescue Plan Act (ARPA) Funding to the City of Aurora; and,

WHEREAS, the City has the ability to allocate a portion of its ARPA Funding to ACCA and such an allocation is allowable under the terms of the ARPA guidelines and rules; and,

WHEREAS the City wishes to work with ACCA to develop a sustainable long-term financial and operational plan to provide for the long-term viability of ACCA operations; and,

WHEREAS, ACCA is responsible for the generation of significant economic activity and tax revenue in the downtown area of the City; and

WHEREAS, Funding for the expenditure will be made available in the City's 2024 Budget by amending line item 287-1830-465.50-20.;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: that the Chief Financial Officer is hereby authorized and instructed to release four-million, five-hundred thousand dollars (\$4,500,000) to the Aurora Civic Center Authority from the City's America Rescue Plan Act (ARPA) funding allocation.