

DATE OF MEETING DECEMBER 11, 2024  
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**SUBJECT CULTURE & EVENT GRANTS 2025 – FUNDING  
RECOMMENDATIONS**

## **OVERVIEW**

### **Purpose of Report**

To recommend Council approval of the 2025 Culture & Event grant funds (Operating, Project, and Downtown Event Revitalization Fund) to support the activities of non-profit culture and heritage organizations, and contribute to the success of events and initiatives planned for downtown.

### **Recommendation**

That the Finance & Audit Committee recommend that Council approve 2025 Cultural Grant funding (Operating, Project, Downtown Event Revitalization Fund) recommendations of \$631,256 as outlined in Attachment 'D' of the report titled "Culture and Event Grants 2025 – Funding Recommendations" dated 2024-Dec-11.

## **BACKGROUND**

Three City of Nanaimo grant streams (Operating, Project, and Downtown Event Revitalization Fund) are administered through the Culture & Events section for a combined total budget of \$631,256 in 2025. The Project grant budget for 2025 is \$44,407. From 2015 to 2019, the Project grant budget increased annually by 10%. Since 2019, the Project grant stream has remained unchanged at \$44,407. The Operating grant budget for 2025 is \$336,849, an amount based on \$3 per capita and therefore adjusted with population changes. The funding per capita has remained unchanged since 2017. The Downtown Event Revitalization Fund budget for 2025 is \$250,000. At the 2023-DEC-4 Council meeting, Council approved increasing the Downtown Event Revitalization Fund budget from \$150,000 to \$250,000 per year effective 2024.

Culture & Event grants are essential in supporting the activities of the professional arts, culture and heritage organizations that play a significant role in contributing to the cultural profile and economic vitality of Nanaimo (*Nanaimo Integrated Action Plan: C4.5.9*). Financial support of these organizations aligns with strategic priorities related to a Healthy Nanaimo, an Empowered Nanaimo, and a Prosperous Nanaimo (*City Plan: Nanaimo Reimagined*). This includes integrated action plans such as the ongoing support of community events, facilitating lively visitor experiences with vibrant streets and waterfront areas, and reinforcing the role culture plays in supporting the production and delivery of arts and culture activity, as well as raising awareness in this respect.

Organizations seeking funding from the Operating and Project grant streams are invited to apply for up to 25% of their overall project or operating budget. Groups, individuals, and organizations seeking funding from the Downtown Event Revitalization Fund may apply for up to 35% of their overall event budget. Each year, the demand for all three grant streams greatly exceeds funding available, reflecting the success and vitality of Nanaimo's arts and cultural community, as well as increasing financial need.

## **DISCUSSION**

At the deadline of 2024-OCT-08 the following were received:

- 13 Culture Operating applications
  - 13 successful applications
- 17 Culture Project applications
  - 1 application moved from Project to the Downtown Event Revitalization Fund
  - 15 successful applications
  - 1 unsuccessful application
- 32 Downtown Event Revitalization Fund applications
  - 1 application moved from Downtown Event Revitalization Fund to Project
  - 30 successful applications
  - 1 unsuccessful application

An interdepartmental staff committee undertook a rigorous review of all applications based on grant program eligibility and assessment criteria (Attachments A and B) and have recommended allocations of \$631,256 to support a range of activities contributing to the cultural profile and vitality of Nanaimo in 2025. A summary list of recommended grant allocations is provided (Attachment C).

Total available funding saw a slight increase for 2025 as Operating grant funds are assigned on a per-capita basis and changes in population impact the amount available.

- Total budget available in all three grant streams for 2025 is \$631,256. Total funds requested in all three grant streams for 2025 is \$963,806.79
- Operating grant budget for 2025 is \$336,849
  - Funding allocated to 3-year Operating grant recipients was \$236,232
  - Funding requests in this stream totalled \$392,086
  - Shortfall between funds available and funds requested was \$55,237
- Project grant budget for 2025 is \$44,407
  - Funding requests in this stream totalled \$97,782.79
  - Shortfall between funds available and funds requested was \$53,375.79
- Downtown Event Revitalization Fund (DERF) budget for 2025 is \$250,000
  - Funding requests in this stream totalled \$473,938
  - Shortfall between funds available and funds requested was \$223,938

Annual increases in demand in all three grant streams has continued, resulting in requests far exceeding funds available. Due to the enormity of demand, the strength of applications received, and the shortfall between funds available and funds requested, many organizations

continue to see a reduction in funding recommendations from previous years. Staff note that as the demand on the culture grants increases, recommendations for funding are not an accurate representation of the strength of an application, nor the value of an organization or their services/ programming, but a reflection of the demand (versus funds available). As a result, the recommended distribution of Operating and Project grants, and the Downtown Event Revitalization Fund for 2025 can be summarized as follows: Applications that most strongly met assessment criteria, demonstrating merit, relevance, feasibility, cultural enrichment, and community impact saw a higher percentage of their funding request recommended, averaging at 65% with few exceeding 75% and none exceeding 90%. Applications that were not as effective in demonstrating assessment criteria saw 15 – 25% of their funding request recommended.

Despite the strength of applications, after considerable discussion and careful review of applications and budgets, the committee recognized if funding were stretched too thin in an effort to respond to all requests, the recommended allocation of funds would be too minimal for events and/or programs to be feasible. With this in mind, review of applications by the committee, determined what organizations, programs, and events were considered a priority and should see a higher percentage of their funding request met, and what applications (if any) should be denied funding.

After completing recommendations for funding, the committee compiled lists of standby organizations, projects, and events that will be prioritized for funding in the event of additional and/or returned funds (Attachment D). Standby organizations, projects, and events were selected based on how strongly they met assessment criteria, the percentage to which their funding request was met by initial recommended allocation, and to allow for a representation of projects and events over the course of the year. In the event of reallocated funds, Staff will seek to award additional funding in a manner that brings standby organizations closer in line with what the committee would have recommended during the initial grant review process, should sufficient funds have been available.

As the need for funding continues to increase annually in all three grant streams, Staff have highlighted the need for organizations to pursue diverse sources of revenue. As an important consideration in the assessment criteria, organizations presenting diverse and sustainable revenue streams demonstrate a minimum level of performance and organizational structure that allows for the financial health of the organization and the viability (and longevity) of proposed projects and events. Staff have provided support in this respect, highlighting available funding beyond the scope of the city in one-on-one consultation with organizations, and by providing detailed information and guidance on grant availability and processes in online and in-person grant information sessions, mandatory for all prospective grant recipients.

In the Operating grant stream, all organizations who applied are recommended for funding. Operating grants provide operational support for the activities of professional arts, culture and heritage organizations that play a significant role in contributing to the cultural profile and economic vitality of Nanaimo. Due to the demand for Operating grants, a reduction in funding from previous years is recommended for many groups. Six groups who are recipients of a 3-year grant term accounted for \$236,232 of Operating grant funds, leaving \$100,617 available, with new requests for 2025 totaling \$155,854. The grant committee is recommending 50-60% of the total funding request for most groups. Several organizations submitted budgets with significantly increased costs citing rising operational expenses which are not matched by expected revenue. A few organizations presented smaller annual budgets, a result of several factors including cuts to programming and organizational ambitions, and less expected revenue

due to increased competition for funding, as well as fewer sponsorships, in-kind contributions, and grants available.

In the Project grant stream, 15 applications are recommended for funding. Project grants assist culture organizations in the realization of projects that benefit our community and contribute to the cultural, social and economic vitality of Nanaimo. Project grants are the stream with the largest comparative shortfall between requested funds and budget available. With \$97,782.79 in requests, the \$44,407 Project grant budget represents only 45% of total funds requested. Applications received came from familiar projects, some of which have existed for over 30 years, in addition to newly proposed projects and/or from organizations new to our grants program. One application was moved to the Downtown Event Revitalization Fund where it better met criteria. The committee recommends that another Project grant application be denied, after being evaluated as a lower priority, and with an understanding that the organization is our highest funded in the Operating grant stream. That project, and others that were recommended to receive less funding than the committee would have distributed should adequate funds been available, have been prioritized as standby projects.

In the Downtown Event Revitalization Fund the committee recommends 30 applications be provided funding. DERF supports events and initiatives which attract residents and visitors to downtown, support cultural vibrancy, stimulate business activity and align with other objectives of the City's Corporate Strategic Plan. Requests in the DERF stream continue to see an increase, both in the number of organizations requesting funding and the dollar amounts associated. This can be partially attributed to the creation of new events, and partially attributed to the continued increase in costs associated with hosting events. With \$473,938 in funds requested and \$250,000 in budget available, a shortfall of \$223,938 resulted in recommended funding for the majority of proposed events being awarded 60-65% of their total funding request.

All eligible applications received in the DERF stream were deemed to have merit, with proposals the committee felt would build vitality downtown, enhance quality of life, and contribute to raising Nanaimo's profile. Therefore the committee recommends that applications demonstrating the strongest connections to strategic priorities of the City Plan, with proposals reflecting innovation, diversity, cultural enrichment and learning, and promising beneficial community impact, receive a higher percentage of their funding request. Due to the value and strength of applications received, there was a desire by the committee to recommend funding for all eligible events to varying degrees. No applications are recommended for full funding. One DERF application was deemed ineligible for funding. Another application was moved to the Culture Project stream where it more closely met criteria.

In all grant streams, Staff noted where applications were incomplete and requested the required information from each organization. Funds allocated will not be released without all grant criteria being met. The proposed allocations of funds are based on each group satisfying grant criteria in its entirety.

The quality of applications received in all three grant streams speaks to a thriving cultural community, with programming and events embodying the strategic priorities of the City Plan, reflecting innovation, diversity, community impact, and cultural enrichment. The grant review process demonstrates how vital Culture grants are to the ongoing operation and success of Nanaimo's arts, culture, and heritage organizations. As our cultural community continues to flourish and grow, so too does the need for financial support. There is no doubt of the positive impact these organizations have on the broader community or their tremendous contribution to

our city's cultural profile, and no better evidence of this fact than the unique, ambitious, and meaningful grant applications received. | |

## **FINANCIAL CONSIDERATIONS**

Funds for the three grant streams addressed in this report have been earmarked in the 2025 of the Financial Plan. |

## **OPTIONS**

1. That the Finance & Audit Committee recommend that Council approve 2025 Cultural Grant funding (Operating, Project, Downtown Event Revitalization Fund) recommendations of \$631,256 as outlined in Attachment 'D' of the report titled "Culture and Event Grants 2025 – Funding Recommendations" dated 2024-Dec-11.

- The advantages of this option: Aligns with the goals of *City Plan: Nanaimo Reimagined* with strategic priorities related to a Healthy Nanaimo, an Empowered Nanaimo, and a Prosperous Nanaimo.
- The disadvantages of this option: All of the Culture & Events 2025 grant funds will be fully committed.
- Financial Implications: The 2025 – 2029 Draft Financial plan includes \$631,256 for the three grant streams.

2. That the Finance & Audit Committee recommend that Council provide alternate funding recommendations.

- The advantages of this option: Unknown.
- The disadvantages of this option: Would result in a delay in process and impact organizations' operations, projects and events in 2025 and their ability to serve the community.
- Financial Implications: Would have financial impact on individual organizations and the services they provide to the community. |

## **SUMMARY POINTS**

- Each year through Culture & Events, the City of Nanaimo invests in arts, culture, and downtown events by providing funding to eligible organizations in three grant streams (Operating, Project, and Downtown Event Revitalization Fund).
- By the 2024-OCT-08 deadline the City received 13 Operating applications, 17 Project applications, and 32 Downtown Event Revitalization Fund applications amounting to a combined total of \$963,806.79 in funds requested.
- In 2025, a combined total of \$631,256 is recommended to support a range of cultural activities in Nanaimo which will have broad community impact and benefit.

## **ATTACHMENTS:**

ATTACHMENT A: 2025 Grant Eligibility Guidelines  
ATTACHMENT B: 2025 Assessment Matrix  
ATTACHMENT C: 2025 Allocations Summary  
ATTACHMENT D: 2025 Cultural Grant Recommendations & Standby Listings |

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