



Music Sector Budget and Policy Priorities for Austin Texas use of American Rescue Plan COVID-19 Funding

Dear Mayor Adler and Members of the Austin Texas City Council,

Music Makes Austin is a group of advocates, activists, educators and Austin music community leaders who have met for the past three years to share resources, build community solidarity, and propose policies to help our vibrant communities survive and thrive throughout our city's affordability and COVID-19 crises. Our advocacy coalition represents Austin's music sector expertise: musicians, music workers, music venues, music nonprofits, and music festivals.

Music venues were the first small businesses to close under the pandemic, with the majority of musicians and music workers still unemployed to date. Recent surveys and economic impact data indicate that while many sectors of the economy fared much better than expected over the past year, the music and cultural tourism sectors — which are crucial economic drivers for cities like Austin — have suffered devastating losses, with no clear path to recovery in sight. Musicians and music workers have been deprived of a majority of their regular income for over a full year. Some are only receiving minimal unemployment benefits, while many still were contract labor or self-employed, and ineligible for benefits. Others have been forced to abandon their professions entirely to take up jobs in other sectors in order to support themselves and their families.

As the city continues to discuss allocation of \$195.8 million in funds from the American Rescue Plan and \$40.6 million from General Fund reserves for a total of **\$236.4 million** over two years, we want to urge the Mayor and Council to prioritize support of the heart of Austin's cultural tourism economy — live music — and to take the appropriate measures over the next several months to ensure that our "*Live Music Capital of the World*" has a pathway to return and thrive once this pandemic is over.

EXECUTIVE SUMMARY

Music Makes Austin has outlined different funding and policy priorities that we would urge the Mayor and Council to consider during funding allocation from the American Rescue Plan and general fund reserve in 2021. The lingering effects of COVID will have a negative impact on all facets of the music sector ecosystem through 2022, yet with vaccinations increasing and residents eager to resume some sense of normalcy, there is an expectation that some forms of music and live entertainment will resume over the next few months, especially low-profit/high-value local performances. In order to make recovery symmetrical for our community, we are asking for continued support for musicians, music

venues, industry workers, and promoters, as well as funding for health and wellness until the spring of 2022.

For more than a year our music community has had weekly discussions about the policies that can help our ecosystem grow and thrive, especially in a post-COVID environment. Those policy priorities include: establishing HR and DEI guidelines for re-employment of staff/musicians; streamlined permitting process; reduction/removal of permitting fees for pop-up music and cultural events; reduction/removal of local property taxes for music venues; and reduction/removal of restrictions on outdoor performance in community spaces and public parks.

The funding needs and programs listed below are not presented in any order of priority, rather they represent a systems approach that is designed to help across the sector. Any fiscal impact of administration, support and implementation should be considered as additional to the identified program budgets.

Diversity, Equity, and Inclusion (DEI) lens

In passing several music and arts resolutions in the last six years, the City of Austin has committed itself to being at the forefront of a national conversation about how music, arts and cultural organizations can and should reflect and embrace diversity in all the ways it is experienced and understood, and in all communities across the city.

The challenges for a commercial music industry in Austin that is currently a portrait of inequality, in a city known as the most economically segregated in the U.S., are myriad.

- Communities of color, each facing unique barriers to opportunity, are underrepresented in segments of the Austin music economy.
- The historical lack of representation and systemic inequities facing people of color in Austin music inhibits participation, creating less access and a lack of ownership, professional networks and mentorship, audience and genre development, physical spaces, and platforms to explore.
- The white dominant culture in Austin music has historically undervalued people of color and has blocked career pathways in live music, from performance to talent buying to event promotion.
- Gender and sexism are particularly problematic in the Music Industry - including, but not limited to, venue ownership, frequency of gigs, income, and economic opportunities, as outlined in the 2015 Austin Music Census. Gender is a primary determinant of social equity, and therefore we begin the journey toward social equity also with this definition.

Any programs developed should include an equity overlay - including an acceptance of this Equity statement, criteria and process supporting it, and capacity building opportunities embedded in the application process that furthers the equity mission and creates best outcomes and quality of life for all. Music Makes Austin asserts that all funding should anchor inside of the ethos of these shared goals:

Diversity: We commit to increasing diversity, which is expressed in myriad forms, including race and ethnicity, gender and gender identity, sexual orientation, socioeconomic status, language, culture,

national origin, religious commitments, age, (dis)ability status, and political perspective. We commit to acknowledging the power of diversity to advance our collective capabilities.

Equity: We commit to working actively to challenge and respond to bias, harassment, and discrimination. We are committed to a policy of equal opportunity for all persons and do not discriminate on the basis of race, color, national origin, age, marital status, sex, sexual orientation, gender identity, gender expression, disability, religion, height, weight, or veteran status.

Inclusion: We commit to pursuing deliberate efforts to ensure that our music work-play community is a place where differences are welcomed, differing perspectives are respectfully heard, and where every individual feels a sense of belonging and inclusion.

The City of Austin is focusing on undoing the policies and practices that have led to historic systemic inequities with special attention paid to business ownership, employment, artists of color and genre development, and audience outreach and development. To address these systemic inequities, this funding will help to ensure the programs and initiatives supported through the Federally funded American Rescue Plan are actionable and implemented within the two years of the grant award. These opportunities should be created and administered in collaboration with City of Austin departments, local music venues, musicians, the music industry and businesses operated by people of color, and the City’s Economic Development Department’s workforce development partners for the music industry. All funding for music related purposes should consider options and concepts for creating a customized and detailed “Equity Strategic Plan” as part of any funding and spending.

Our funding priorities are as follows:

| Economic Recovery Funding Priority | Request |
|--|---------------------|
| Replenish SAVES Music Venue Preservation Fund | \$9,000,000 |
| Release already-collected revenue from Live Music Fund | \$3,400,000 |
| Replenish Austin Creative Worker Relief Fund | \$3,300,000 |
| Replenish Austin Music Disaster Relief Fund | \$3,000,000 |
| Austin Events Safety Measures Fund | \$1,000,000 |
| Austin Outdoor Live Music Equity Fund | \$1,000,000 |
| Austin Musician & Live Performers Festival Equity Fund | \$1,000,000 |
| Austin Music Workers Wellness Fund | \$1,000,000 |
| Austin Music White Paper 2021 | \$250,000 |
| TOTAL | \$22,950,000 |

MUSIC COMMUNITY FUNDING PRIORITIES

SAVES Music Venue Preservation Fund - \$9,000,000

In 2020, Music Makes Austin successfully advocated for the creation and funding of the [SAVES Music Venue Preservation Fund](#) from both disaster relief and general funding at \$5M. The Economic Development Department is currently delivering those funds through the Long Center in full to those successful program applicants.

Despite the local aid targeted towards music venues nearly a year into the pandemic, there is a great chance that events at full capacity will not resume until Spring of 2022. We also estimate that ~50% of current SAVES MVP applicants may not have been awarded any funds from Round 2, which will require an additional \$4M to complete that Round 2 process. Per our MVP [Working Group recommendations](#) through the Music Commission working group and adopted by Austin City Council in this resolution, this fund has been an excellent agent of racial bias education and racial equity strategic planning for applicant owners/operators of live music venues. According to the economic dashboards created for the music sector recipients of the City's CARES funded programs, our industry employs at or above proportional demographics for marginalized communities in the City of Austin. Permanent loss of jobs to these marginalized communities would be catastrophic for long-term outcomes for these underserved groups.

Due to these findings we recommend that the ~50% venues that did not receive funding be funded at full level by adding \$4M, and an additional round of \$5M be seeded into the SAVES MVP fund to fund 100% of applicants at up to \$70,000/applicant.

Fund the Live Music Fund to Cover the Loss of Revenue from COVID-19 - \$3,400,000

In 2018, Music Makes Austin successfully advocated for the creation of the [Live Music Fund](#), an annually-replenished vehicle that is funded through the Hotel Occupancy Tax (HOT). The Economic Development Department is currently still working with community stakeholders, the Music Commission and Austin City Council to develop this program.

The operational purpose of this fund, as recommended to Austin City Council by the Music Commission and through their [Live Music Fund Working Group](#) was to enhance commercial efforts to subsidize local live music performances at above-market rates. According to the EDD-generated economic dashboards created for the music sector recipients of the City's CARES funded programs, our industry employs at or above proportional demographics for marginalized communities in the City of Austin. The majority of all local musicians and live performers have been unemployed or underemployed due to pandemic venue closures and event cancellations for over a year.

Due to these findings we recommend that the Live Music Fund program be made available immediately for re-employment of Austin’s musicians. Due to the urgency of need, we recommend utilizing a third-party administrator, like The Long Center, not the Music & Entertainment Division or a similar Economic Development Department.

Austin Creative Worker Relief Fund - \$3,300,000

In 2020, Music Makes Austin successfully advocated for the creation and funding of the [Austin Creative Worker Relief Fund](#) from CARES funding at \$3.3M. The Economic Development Department delivered all funding to eligible recipients by fall 2020.

Austin’s music sector had an over \$2B economic impact in 2019. According to the economic dashboards created for the music sector recipients of the City’s CARES funded programs, our industry employs at or above proportional demographics for marginalized communities in the City of Austin. The majority of our local creative workers have been unemployed or underemployed due to pandemic venue closures and event cancellations for over a year.

Due to these findings we recommend that the Austin Creative Worker Relief Fund be replenished from the American Rescue Plan immediately for worker retention and to meet the ongoing needs of Austin’s creative workers.

Austin Music Disaster Relief Fund - \$3,000,000

In 2020, Music Makes Austin successfully advocated for the creation and funding of the [Austin Music Disaster Relief Fund](#) from CARES funding at \$1.5M. The Economic Development Department delivered all funding to eligible recipients by fall 2020.

Austin’s local musicians are central to the success and recovery of our local music sector. Similarly, our musicians participate in the music sector’s incubator ecosystem that allows for career growth and export of our city brand worldwide. Our local musicians are the glue that holds together our city’s cultural tourism economy, including local cultural diversity, tourism, and hospitality jobs.

According to the economic dashboards created for the music sector recipients of the City’s CARES funded programs, our industry employs at or above proportional demographics for marginalized communities in the City of Austin. The majority of all local musicians and live performers have been unemployed or underemployed due to pandemic venue closures and event cancellations for over a year.

Due to these findings we recommend that the Austin Musician Disaster Relief Fund be replenished from the American Rescue Plan immediately for local musician retention and to meet the ongoing needs of Austin’s musicians.

Austin Events Safety Measures Fund - \$1,000,000

Austin’s music sector was directly accountable for over \$2B in economic impact in 2019. Safe and well-managed operating environments are critical for the recovery of this annual economic activity.

The majority of our local creative workers have been unemployed or underemployed due to pandemic venue closures and event cancellations for over a year.

Due to these findings we recommend that an “Austin Events Safety Measures Fund” be created in partnership between EDD, DSD and music stakeholders, through resolution by Austin’s City Council, and be funded from the American Rescue Plan to meet the ongoing needs of Austin’s musicians, creative workers and fans by providing enhanced public health and safety initiatives for our city’s music events. Increased health safety funding will mean increased employment for our local shows, events and festivals. Furthermore, we recommend that all parties reference the “Reopen Every Venue Safely (REVS)” guide that was developed in 2020 by Music Cities Together in partnership with the Red River Cultural District and the City of Austin for an understanding of best-practices and implementation costs.

Austin Outdoor Live Music Equity Fund - \$1,000,000

Outdoor engagements have been found to have less public health risk related to the spread COVID-19. Austin has a unique and large portfolio of outdoor publicly owned park spaces and privately owned live music venues. Marginalized communities have always been economically disadvantaged. Recovery efforts that create proportional and reparational economic equality should be given high priority. Outdoor live performances could be taking place now and should be funded as an ongoing reparational equity program.

Due to these assertions we recommend that an “Austin Outdoor Live Music Fund” be created in partnership between EDD, DSD and music stakeholders, through resolution by Austin’s City Council, and be funded from the American Rescue Plan to prioritize and meet the ongoing needs of Austin’s marginalized musicians and live performers. This fund will prioritize and specifically fund performers of marginalized identities, like BIPOC, LGBTQIA, female-identifying and non-binary, with emphasis on 80% of all paid performers representing these communities.

Austin Musician & Live Performers Festival Equity Fund - \$1,000,000

Through the summer of 2020 Austin’s black musicians recognized lack of diversity and inclusion at the virtually-held Blues on the Green festival and created spaces and opportunities for non-white centered performances through their advocacy. Local music festivals have absorbed incalculable losses during the pandemic due to the inability to create in-person performances.

Festivals are often the largest single driver of musicians’ and live performers’ careers in the music incubator ecosystem. Marginalized communities have always been economically disadvantaged. Recovery efforts that create proportional and reparational economic equality should be given high priority. Funding of non-white, female-identifying and non-binary communities should be funded as an ongoing reparational equity program.

Due to these assertions we recommend that an “Austin Musician & Live Performers Festival Equity Fund” be created in partnership between EDD, DSD and music stakeholders, through resolution by Austin’s City Council, and be funded from the American Rescue Plan to prioritize and meet the ongoing needs of Austin’s marginalized musicians and live performers. This fund will prioritize and specifically fund performers of marginalized identities, like BIPOC, LGBTQIA, female-identifying and non-binary, with emphasis on 80% of all paid performers representing these communities.

Austin Music Workers Wellness Fund - \$1,000,000

Music workers are often low-income workers from marginalized communities. As economically disadvantaged individuals, they often have low rates of being insured and also have disproportionately high rates of addiction and mental illness proportional to other sectors. The Biden administration has given the opportunity for musicians to join the ACA Marketplace through a Special Enrollment Period (SEP) from May 15- August 15. Funding for outreach and enrollment assistance is needed to target the music industry, especially musicians of color. Moreover, the Biden administration is allowing additional subsidies for insurance premiums through increases in Premium Tax Credits.

This means that musicians and their families may have greatly reduced health premiums. HAAM and the SIMS Foundation, who have years of experience being engaged in the ACA Marketplace in order to assist musicians and treat mental health for our music workers, respectively, should be considered immediately in order to conduct this outreach and assist musicians in taking advantage of lowered health insurance premiums, and to help music workers gain additional access to mental health services.

Due to these assertions we recommend that an “Austin Music Workers Wellness Fund” be created in partnership between EDD, APH, HAAM, SIMS and music stakeholders, through resolution by Austin’s City Council, and be funded from the American Rescue Plan to prioritize and meet the ongoing health needs of Austin’s low income musicians, live performers and music workers.

Austin Music White Paper 2021 - \$250,000

Austin, TX has growth at an unparalleled rate in the past ten years. Additionally, more data is needed to not only assess the state of the music and cultural tourism economy and analyze need, but also to capture and document experiences from marginalized communities participating in our music ecosystem. Better data may create stronger, more constructive relationships between the City Council, City staff and music stakeholders - enabling better outcomes for not only community members, but also economic development and retention of the City’s brand as the “Live Music Capital of the World.” Our last Music White Paper was released in 2015, based on data previous to that date and no longer serves as a useful tool for directing policy and programs for our city.

Due to these assertions we recommend that an “Austin Music White Paper 2021” be created in partnership between EDD, AEDC and music stakeholders, through resolution by Austin’s City Council, and be funded from the American Rescue Plan to prioritize and meet the ongoing health needs of Austin’s music ecosystem, small business needs and development planning into the future .

Additional Policy Priorities

Special Event Permitting and Temporary Spaces - Post-pandemic, it is safe to assume there will be many empty retail spaces throughout the city. These spaces present countless opportunities for artists and musicians to create pop-up or even semi-permanent spaces. The City Council and City Staff need to work with the music community and property owners to make sure that access for creative placemaking is not overly burdensome and cost prohibitive when advancing regulation and policies.

Increase Access to Outdoor Spaces for Presenting - allow more designated outdoor spaces for presenters and performers to host live music and more flexibility in hours for performances in outdoor spaces , especially during the warmer months. This can be accomplished through the designation of public spaces for these purposes, extending the sound curfew using the existing, proven model from the Red River Cultural District OMV Pilot Program, or simply by allowing venues with access to parking lots adjacent to public spaces to present in these outdoor spaces with minimal regulatory hurdles. Finally, the city needs to allow the selling of merchandise in public outdoor performance spaces. These sales are critical in financially supporting performers who currently do not have access to traditional venues and indoor performance spaces.

Thank you all, again, for your time and support of the music community. If you have any questions or would like to further discuss any of the proposed funding and policy priorities outlined in this letter we would be more than happy to set up a time soon.

Sincerely,

Music Makes Austin

Cody R Cowan, *President*

Board of Directors for Music Makes Austin

Nick Shuley | *Austin Music Movement*

Nakia Reynoso | *Austin Texas Musicians*

Frank Rodriguez | *EQ Austin, Musician*

Patrice Pike | *Musician*

Rebecca Reynolds | *Music Venue Alliance Austin*

Ray Price | *Notes For Notes, Musician*

Cody R Cowan | *Red River Cultural District*

Brad Spies | *SXSW*

Jeannette Gregor | *The Amplified Sound Coalition*

Catlin Whittington | *The Long Center*

Denis O'Donnell | *Venue Owner*