



## Legislation Text

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**File #:** 16-1153, **Version:** 1

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Recommendation to receive and file report on the feasibility and recommendations for establishing a Percent for the Arts Program and direct City Manager to create a Public Art Program. (Citywide)

On January 26, 2016, the City Council requested that the City Manager report back on the feasibility of establishing a Percent for the Arts Program as an ongoing funding source for public art in the City. On June 22, 2016, staff submitted a memorandum outlining the history of public art programs and funding strategy efforts in the City, a national and state best practice scan, and a review of the City's current/ongoing support for art (Attachment A).

A subsequent memo was submitted to the City Council on December 12, 2016, which provided (1) a brief review of Percent for the Arts programs in other cities, (2) recommendations for a Percent for the Arts program in Long Beach, (3) an analysis of the fiscal impacts of the recommendations, and (4) a review of other funding sources for the arts. (Attachment B).

As a result of extensive research, a best practice scan, and review of the City's various funds, the following are recommendations to the City Council on the major components of a Percent for the Arts program in Long Beach.

### **Major Components**

It is recommended that the City Council create a Percent for the Arts program on all General Fund capital construction projects and any eligible other fund capital construction projects. The 1 percent would be assessed on all capital construction projects exceeding \$100,000. Funds are recommended to be used as follows:

- 40 percent for the creation of public art in the public domain, through the Arts Council;
- 20 percent to the Arts Council to be awarded as small grants for capacity building and matching grants for art institutions and artists to promote a variety of arts throughout Long Beach; and
- 40 percent for support of established arts groups in the City of Long Beach.

### **Technical Components**

To meet legal restrictions, funding from restricted other funds will remain with the restricted fund and used for public art installations in connection to the eligible facility or use of the fund. Each capital project will be reviewed on a case-by-case basis for the other funds, to determine applicability and a relevant nexus to arts funding.

The City Manager will determine through Administrative Regulations the most appropriate and cost-

efficient method of calculating the percent for the arts. The fee will be construction costs, and excludes equipment and other soft costs such as architectural, engineering and administrative costs, costs for fees and permits, and indirect costs. To ensure the fee does not generate an undue burden on large projects, the fee will not exceed \$500,000 on any particular project. In lieu of contributing the fee, projects may incorporate a significant art component in the design, itself, of approximately equal value, as determined by the City Manager.

The Arts Council will manage disbursement of the funds to the various entities, the necessity of spending, and determine the appropriate distribution of funds, as envisioned by their long-standing operating agreement with the City. Together, the Arts Council and the City will create an agreement on timelines and specifications for public art installations throughout the entire City using the 40 percent for art in the public domain. In addition, 20 percent will be granted under the existing arts grant program for small grants and capacity building. Lastly, 40 percent will be reserved for the established arts groups eligible for receiving operating grants. These groups, as currently defined by the Arts Council granting process, are:

- Long Beach Symphony Orchestra
- Musical Theatre West
- Musica Angelica
- International City Theatre
- Long Beach Opera
- Long Beach Playhouse
- Museum of Latin American Art
- Arts & Services for the Disabled

The City Council may consider asking the Harbor and Water Departments to join the Program, subject to their governing board's approval and funding restrictions. In order to formalize the program, the City Manager will create specific Administrative Regulations governing the implementation of the Percent for the Arts Program.

### **Convention Center Entertainment Fund Fee**

In addition to funds generated through the creation of a Percent for the Arts Program, the Long Beach Convention Center (Center) collects a \$1 fee for every event held in the Terrace Theater, the Beverly O'Neill Theater and the Long Beach Arena. Effective November 14, 2016, the Center has increased this fee to \$3 per ticket, which will generate an additional \$170,000 for a total of \$255,000 per year collected from the fee. The proceeds of the fee will be used to provide additional support to the arts at the Center, as outlined in Attachment C.

This matter was reviewed by Deputy City Attorney Linda T. Vu on December 7, 2016 and by Assistant Finance Director Lea Eriksen on December 9, 2016.

City Council action is requested on December 20, 2016, to proceed with the development and

implementation of a Percent for the Arts Program.

It is a goal that the creation of a Percent for the Arts Program provide \$750,000 over the next three fiscal years for public art in the City based on General Fund capital construction funding. This funding is highly variable as the funds for capital construction projects are often one-time and fluctuates from year to year. Funding from the various other eligible funds has not yet been determined and would provide additional support for the arts.

While the amount of funds generated by other funds has yet to be determined, it consequently would have an equal impact on the ability to provide capital projects as essentially the Percent for the Arts will reduce the budget of each capital project by

1 percent. Some fully funded projects may be delayed due to a funding shortfall, or will need to proceed with less funds available for contingency leaving fewer resources to address the unforeseen issues that may arise. If any other funds are eligible to contribute to the Percent for Arts Program, those funds will contribute to art in their respected areas, or for their specific uses.

The following chart provides an estimate of the funds that could be contributed to the arts over the next three years, if the \$750,000 amount is achieved:

Funds over 3 years	
Public Art	\$ 300,000
Mini-Grants	\$ 150,000
Existing Organizations	\$ 300,000

The City's two publicly-funded arts institutions, the Museum of Art and the Municipal Band, are funded separately through the City's annual budget. Both have received increases in funding in the FY 17 Adopted Budget.

Approve recommendation.

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PATRICK H. WEST  
CITY MANAGER