



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: May 2, 2013 REPORT NO:  
 ATTENTION: Budget and Finance Committee, Agenda of May 9, 2013  
 SUBJECT: Fiscal Year 2014 Budget - Commission for Arts and Culture  
           1. Special Promotional Programs Budget  
           2. Department Budget  
 REFERENCES: 6 Attachments

**REQUESTED ACTION:**

Approve the Mayor's proposed FY14 budget for the Commission totaling \$9,614,186 and distribute the total as recommended by the City of San Diego Commission for Arts and Culture (Commission) as follows:

	FY14 Recommendation
<b><u>SPECIAL PROMOTIONAL PROGRAMS BUDGET – ARTS, CULTURE &amp; COMMUNITY FESTIVALS</u></b>	
Organizational Support Program (OSP) * (Funding for nonprofit arts and culture organizations)	6,460,000
Creative Communities San Diego (CCSD) ** (Funding for arts and culture projects e.g. neighborhood festivals, parades, fairs)	650,000
Arts and Culture Festival Revolving Fund (Accumulating funds for major citywide festivals, e.g. Balboa Park Centennial Celebration)	750,000
Cultural Tourism Promotions (Funding for arts and culture promotional campaigns and events to attract visitors)	150,000
Online Funding Application System (Converting a paper system to online)	100,000
Mayor/Council Allocations (\$20K/Mayor & \$40K ea/CD)	380,000
<i>Subtotal</i>	8,490,000
<b><u>COMMISSION FOR ARTS AND CULTURE DEPARTMENT BUDGET</u></b>	
Administration (Non-discretionary personnel expenses with fringe, rent, IT, etc.)	1,021,372
Public Art Fund (Care of City's 100-yr old art collection and fostering access to collection)	102,814
<i>Subtotal</i>	1,124,186
<b>TOTAL</b>	<b>9,614,186</b>

\* Funding in the amount of \$6,460,000 to be distributed among the Organizational Support Program (OSP) applicants that received a rank of 3- or better. (See Attachment 1.)

\*\* Funding in the amount of \$650,000 to be distributed among the Creative Communities San Diego (CCSD) applicants that received a rank of 3- or better. (See Attachment 2.)

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

On October 22, 2012, City Council unanimously voted to adopt the Penny for the Arts Five-Year Blueprint (Blueprint) (**Attachment 3**), which contains recommendations for funding and distributing the Commission's FY14 budget.

SUMMARY:

Under the municipal code, a duty of the Commission is to evaluate the City's allocation of Transient Occupancy Tax (TOT) funds for arts and culture and strongly advocate for increasing arts and culture funding to levels which measurably support the vitality and stability of established arts and culture organizations and which foster an environment attractive to and nurturing of emerging arts and culture organizations (SDMC 26.0704). Annually, the Mayor proposes a total budget for the Commission and that budget is split into two sections within the budget book: the Arts, Culture and Community Festivals category within the Special Promotional Programs budget and the Commission's Department budget. The Commission's total budget is created by adding these two budgets together. For FY14, the Mayor has proposed to increase the Commission's total budget from \$7,878,518 in FY13 to \$9,614,186 and the Commission recommends support of the Mayor's proposed FY14 budget for the Commission.

BACKGROUND

The Commission was established in 1988 and its purpose, as stated in the municipal code, is to advise the Mayor and City Council on promoting, encouraging and increasing support for the region's artistic and cultural assets, integrating arts and culture into community life and showcasing San Diego as an international tourist destination. In fulfilling its purpose, the Commission (a 15-member board of Mayor-appointed volunteers) with support from Commission staff (6 FTEs) annually administers two primary programs: the Funding Program and the Public Art Program.

Through the Commission's Funding Program, local nonprofit organizations can apply for TOT funding in one of two categories: The Organizational Support Program (OSP) provides general operating support to nonprofits if their mission is primarily arts and culture related; Creative Communities San Diego (CCSD) provides project specific support for all other nonprofits. The TOT funds to be distributed through the Commission's Funding Program can be found in the budget book within the Special Promotional Programs budget under the category of Arts, Culture and Community Festivals. For FY14, the Commission recommends that TOT funding in the amount of \$6,460,000 be distributed among the OSP applicants that received a rank of 3- or better (**Attachment 1**) and TOT funding in the amount of \$650,000 be distributed among the CCSD applicants that received a rank of 3- or better (**Attachment 2**).

The Commission's Public Art Program addresses three primary areas: 1) managing the art owned by the City, 2) integrating art into the City's capital improvement projects, and 3) ensuring the inclusion of public art or space for cultural use in private development projects. Some of the other initiatives implemented through the Public Art Program include training for artists, programming to enhance public access to the City's art collection, development of public policy related to art in public places, and advocacy for public art programming throughout the San Diego region. The Public Art Program is guided by the 2004 Public Art Master Plan, Administrative Regulation 95.00, Council Policy 900-11 and SDMC 26.0714-26.0721. For FY14, the Commission recommends that a portion of the

Commission's Department budget equaling \$102,814 be set aside in the Commission's Public Art Fund for use towards the maintenance, conservation and restoration of the City's artworks especially those in Balboa Park in preparation for the centennial celebration. An explanation of Public Art Fund expenditures for FY13 is contained in **Attachment 4** and Public Art Fund expenditures projected for FY14 is contained in **Attachment 5**.

In addition to administering the Funding Program and the Public Art Program, the Commission provides programs and services to the community through special initiatives. "Fall for the Arts" is a month-long promotion, culminating in a festival, spotlighting the many arts and cultural activities throughout the region in conjunction with October National Arts and Humanities Month. Another special initiative is a regional marketing campaign designed to encourage audience members and donors to support the region's arts and culture with their participation and philanthropy. The Commission's Diversity Initiative is designed to encourage the nonprofits that receive City TOT funding to serve as broad a cross section of the City's population as possible. The Commission also participates in programs and promotions that draw tourists to San Diego's arts and culture offerings since more tourism can increase the level of TOT received by, and therefore distributed by, the City. (See a diagram of San Diego's "Arts and Culture Ecosystem" in **Attachment 6**.)

#### DISCUSSION:

The Mayor has proposed to increase the Commission's budget from \$7,878,518 in FY13 to \$9,614,186 in FY14, an increase of 22%. In analyzing and proposing FY14 budget distribution scenarios in response to the Mayor's proposal, the Commission aligned their recommendations with the recommendations contained in the Blueprint while also accounting for less funding and funding for other needs not contemplated in the Blueprint such as the expense of converting a paper funding application process to an online process.

#### Rationales for the Commission's Recommendations:

- Commitment to fulfill the expectations of local nonprofit organizations that planning grants for activities related to the Balboa Park centennial celebration would be forthcoming (an expectation that resulted from a Request for Planning Grant Proposals that was released by the Commission in September 2012), hence the recommendation of \$750,000 for the Arts and Culture Festival Revolving Fund;
- Response to past requests from City Council and the mayor's policy priorities to allocate more funds to the small nonprofits throughout San Diego's many neighborhoods, hence a 61% increase over FY13 for CCSD funding;
- Acknowledgement that funding a Building Capital Grants Fund, even at the level recommended in the Blueprint for FY14, would not be substantive enough to make a significant difference, hence no set-aside for this purpose;
- Commitment to continue the growth of citywide promotional campaigns, events and temporary public art exhibitions to promote arts and culture to residents and visitors, hence \$150,000 for Cultural Tourism Promotions;
- Commitment to improving program efficiency through greater use of technology (e.g. converting a paper application submission/review/reporting process to an online system, hence \$100,000 for this purpose;

- Commitment to conserving and restoring the City's 100-year old art collection, especially artworks in Balboa Park in preparation for the centennial celebration and commitment to providing more opportunities for public access to the City's art collection, hence \$102,814 for this purpose; and
- Deferral of an arts education initiative to a future fiscal year, hence no set-aside for this purpose.

FISCAL CONSIDERATIONS:

Should the Mayor's proposal for the Commission's FY14 budget be reduced or increased through the budget process, the Mayor, after consulting with the Commission, may propose adjustments to the distribution of the Commission's budget.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

The process whereby the Commission annually conducts analysis and decides what recommendations to submit to the Mayor and City Council regarding the Commission's annual budget is a series of public meetings, all of which are publicly noticed and offer opportunities for public comment.

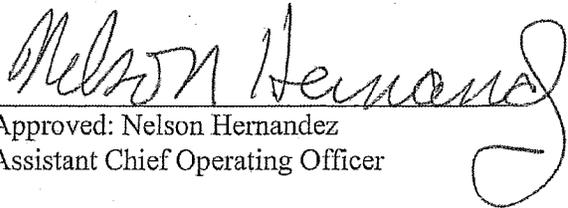
KEY STAKEHOLDERS AND PROJECTED IMPACTS:

- Stakeholders: San Diego's arts and culture participants, both residents and visitors
- Impacts: Fluctuations in the Commission's budget can impact the degree of public access to and participation in arts and culture offerings and can impact the quality and quantity of arts and culture offerings.




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Dana Springs  
Interim Executive Director  
Commission for Arts and Culture




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Approved: Nelson Hernandez  
Assistant Chief Operating Officer

Attachments:

- 1) FY 2014 OSP Overview and Funding Recommendations
- 2) FY 2014 CCSD Overview and Funding Recommendations
- 3) Penny for the Arts Five-Year Blueprint
- 4) Summary of Public Art Fund Expenditures for FY13
- 5) Projected Public Art Fund Expenditures for FY14
- 6) Diagram of "Arts and Culture Ecosystem"

## Attachment 1

### ORGANIZATIONAL SUPPORT PROGRAM (OSP)

Fiscal Year 2014

#### City of San Diego Commission for Arts and Culture

The purpose of the OSP is to provide core support or general operating support for nonprofit organizations that have a mission that is primarily related to arts and culture. These organizations foster the stabilization and diversification of San Diego's cultural base, enhance the quality of life in the City's neighborhoods and pursue the vision of San Diego as an international cultural tourism destination. Funding supports the vitality and stability of the City's prominent and established arts organizations and cultural institutions, promotes an environment that attracts and nurtures emerging arts and cultural organizations and expands the availability of arts and cultural activities throughout the social, ethnic and economic sectors of the City to foster, promote and expand cultural diversity.

For FY14, the Commission received 83 OSP applications with a total funding request of \$14,022,569. The Commission Advisory Panels (CAP) reviewed them, following an evaluation by staff for completeness and compliance. Two CAPs, comprised of Commissioners and community members with expertise in nonprofit management and in the field of arts and culture, reviewed and ranked the proposals according to published criteria. Applicants were ranked in a two-step process: 1) each panel member ranked each application individually and 2) the ranks were averaged, with the resultant scores determining the applicant's rank. Organizations received a notice of their rank and panel comments and had an opportunity to appeal the rank in a formal hearing.

For FY14, the Commission recommends distributing \$6,460,000 among the OSP applicants that received a rank of 3- or better.

#### Commission-Recommended Distributions for FY14 Organizational Support Program

Line #	Organization	FY13 Rank	FY13 AOI	FY13 Funding	FY14 Rank	FY14 AOI	FY14 Recommended Funding
1	AJA Project, The	4-	252,880	22,937	4-	246,583	22,881
2	Art of Elan	4-	102,951	8,139	3+	86,579	8,934
3	Athenaeum Music & Arts Library	4	1,285,998	89,444	4	1,184,742	83,994
4	Bach Collegium San Diego	2+	96,770	0	2+	171,473	0
5	Balboa Park Cultural Partnership				4-	433,047	18,060
6	Balboa Park Online Collaborative				3+	1,916,231	52,591

Line #	Organization	FY13 Rank	FY13 AOI	FY13 Funding	FY14 Rank	FY14 AOI	FY14 Recommended Funding
7	California Ballet Association, Inc.	3	995,261	58,060	3	1,191,971	69,190
8	Camarada, Inc.	4-	82,591	9,003	4-	90,933	9,949
9	Center for World Music	3+	247,585	14,772	4-	328,542	25,127
10	City Ballet, Inc.	3	725,698	43,212	3+	807,255	55,194
11	Classics for Kids	4-	247,432	22,531	4-	255,653	23,569
12	Cygnat Theatre Company	4-	1,698,045	107,418	3+	1,869,998	103,356
13	Diversionary Theatre Productions	3+	519,922	34,986	3+	488,339	37,217
14	Eveoke Dance Theatre	4-	326,272	22,942	3+	266,433	22,823
15	Flying Leatherneck Historical Fdn				3+	224,753	9,924
16	Gaslamp Quarter Historical	2+	457,398		3+	527,842	19,794
17	Japanese Friendship Garden	3+	823,610	52,243	3+	934,790	61,775
18	La Jolla Chapter, SPEBSQSA, Inc.	3-	21,875	1,156	3+	27,256	2,478
19	La Jolla Historical Society	3+	330,189	21,729	3	565,459	38,951
20	La Jolla Music Society	4	3,210,620	174,367	4	3,965,965	196,249
21	La Jolla Playhouse	4	13,584,821	369,007	4	13,680,315	376,738
22	La Jolla Symphony & Chorus	3+	448,624	29,267	3+	450,935	34,927
23	Mainly Mozart, Inc.	4-	1,266,709	82,942	4-	1,370,275	87,998
24	Malashock Dance & Company	4-	503,675	34,956	4-	520,645	41,829
25	Maritime Museum	4-	5,002,467	209,483	4-	5,573,477	227,652
26	Media Arts Center San Diego	4-	1,096,440	72,753	3+	792,139	54,394
27	Mingei International	4	3,369,134	195,936	4	3,586,303	183,858

Line #	Organization	FY13 Rank	FY13 AOI	FY13 Funding	FY14 Rank	FY14 AOI	FY14 Recommended Funding
28	Mojalet Dance Collective	3-	66,813	3,038	3+	81,910	6,392
29	Mo'olelo Performing Arts Company	4	205,195	20,546	4	266,158	25,913
30	Moxie Theatre	3+	146,085	6,816	3-	167,254	10,067
31	Museum of Contemporary Art	4-	8,961,202	289,799	4-	12,564,073	343,054
32	Museum of Photographic Arts, The	4-	1,561,376	99,870	4	1,359,725	93,080
33	New Children's Museum, The	4	5,516,377	236,361	4-	2,872,704	149,056
34	Old Globe Theatre	4	21,228,311	411,721	4	22,368,365	421,074
35	Outside the Lens				4-	121,604	6,358
36	Pacific Arts Movement	4	650,570	47,510	4	683,125	55,097
37	Patricia Rincon Dance Collective	3+	100,005	9,913	3+	112,746	11,170
38	Persian Cultural Center	3+	276,214	23,081	3-	339,802	24,025
39	PGK Project	3-	78,223	5,213	3-	73,231	6,256
40	Playwrights Project	4-	390,315	27,316	4-	372,932	32,035
41	Prophet World Beat Productions	3+	339,576	23,708	3-	420,237	28,510
42	Reuben H. Fleet Science Center	4	7,490,383	281,066	4	6,520,723	265,204
43	Samahan Filipino American				3-	45,340	2,218
44	San Diego Air & Space Museum	4-	6,778,659	250,169	4-	5,377,229	222,847
45	San Diego Archaeological Center	3-	232,112	17,285	3	348,014	26,428
46	San Diego Art Institute, The	3+	593,470	38,302	3+	603,553	44,004
47	San Diego Automotive Museum	3+	586,064	37,845	3+	675,118	48,041
48	San Diego Ballet	3+	424,938	27,770	3	388,704	28,893
49	San Diego Center for Jewish Culture	4-	1,786,258	112,189	4-	1,734,414	104,573

Line #	Organization	FY13 Rank	FY13 AOI	FY13 Funding	FY14 Rank	FY14 AOI	FY14 Recommended Funding
50	San Diego Children's Choir	4-	306,018	21,549	3+	338,562	27,736
51	San Diego Chinese Historical	4-	172,612	16,735	4-	173,149	17,087
52	San Diego Civic Youth Ballet, Inc.	3	357,356	21,870	3	394,028	28,937
53	San Diego Dance Theater	4-	417,586	29,166	4-	479,423	39,176
54	San Diego Early Music Society	4-	85,921	9,311	4-	81,214	9,039
55	San Diego Gay Men's Chorus	4-	281,445	25,035	4-	242,397	22,561
56	San Diego Guild of Puppetry, Inc.	4-	60,305	6,884	4-	60,034	6,984
57	San Diego History Center	4-	1,575,354	100,651	3+	1,267,203	77,730
58	San Diego Junior Theatre	4-	1,255,282	82,267	4-	1,255,282	82,446
59	San Diego Master Chorale, Inc.	4-	153,367	15,165	4-	138,540	14,186
60	San Diego Model Railroad	3+	588,427	37,991	3+	635,794	45,838
61	San Diego Museum Council, Inc.	3	97,557	9,045	4-	100,664	10,843
62	San Diego Museum of Art	4-	8,587,065	283,691	4-	15,100,423	366,050
63	San Diego Museum of Man	4-	1,878,500	117,091	4-	1,889,820	111,241
64	San Diego Natural History	4-	10,052,474	306,193	4	12,791,339	367,489
65	San Diego Opera Association	4	13,502,545	368,199	4	15,093,364	389,357
66	San Diego Performing Arts League				2	248,654	0
67	San Diego Repertory Theatre, Inc.	4-	2,366,874	128,091	4-	2,861,066	148,645
68	San Diego Symphony	4	17,910,673	400,344	4	18,815,212	411,870
69	San Diego Watercolor Society	4-	315,419	22,196	4-	268,394	24,526
70	San Diego Women's Chorus	3	23,168	1,836	4-	35,095	3,826

Line #	Organization	FY13 Rank	FY13 AOI	FY13 Funding	FY14 Rank	FY14 AOI	FY14 Recommended Funding
71	San Diego Writers Ink	3+	85,916	8,453	3-	96,266	8,442
72	San Diego Young Artists Music	3+	131,289	12,466	3+	101,997	10,265
73	San Diego Young Artists Symphony	3+	138,962	13,074	3	140,700	12,536
74	San Diego Youth Symphony	4	875,078	62,831	4	1,209,624	85,313
75	Save Our Heritage Organisation	3	928,141	54,424	3-	943,289	53,721
76	Scripps Ranch Theatre	3	152,483	13,168	3-	169,848	13,595
77	Spreckels Organ Society	3+	177,559	16,039	3+	174,810	16,123
78	Timken Museum of Art	4	1,638,717	83,111	4-	1,866,690	110,263
79	Veterans Memorial Center, Inc.	4-	256,154	23,180	3+	249,729	21,644
80	Villa Musica	3-	237,700	17,626	3	386,553	28,764
81	Westwind Brass, Inc.	4-	92,484	9,910	4-	61,152	7,095
82	Women's History Museum	3	119,285	10,717	3+	124,669	12,156
83	Young Audiences of San Diego	4	811,929	58,577	4	615,337	50,770
	Totals		159,742,758	6,033,687		177,465,215	6,460,000

### OSP: Methodology

Each year the Commission reviews the application review criteria and guidelines and makes improvements as necessary based upon feedback from contractors, panels and staff. Major components of the review criteria include an organization's capacity to plan and implement high quality arts and culture programming and services; to serve all of San Diego's diverse communities through education and outreach programs; to demonstrate an organization's governance and fiscal health; to contribute to cultural tourism development; and an organization's capacity to meet the city's contract management requirements. Application guidelines and forms were made available to the public beginning September 5, 2012. Workshops were held on October 4 (Logan Heights Library) and October 10 (Rancho Peñasquitos Library) 2012. Individual technical assistance in person, by phone or email was provided throughout the year. All applicants were required to submit an application by the deadline of November 16, 2012.

The Commission administers two versions of the OSP application – a Long Form and a Short Form. The Long Form is the standard version which all new organizations and many returning organizations must complete. Each year, approximately 25% of returning applicants are eligible to submit an abbreviated form of the application (Short Form) based on their demonstrated excellence in providing the highest quality products and services and in managing their contracts. To be eligible to use the Short Form, the applicant must demonstrate that it has satisfactorily completed City contracts over a three year period, it must hold a rank of 3+ or higher, its executive artistic and/or administrative staff has not changed during the past year, its venue has not changed in the past year, its average annual operating fund deficit for the two most recently completed fiscal years is not greater than 5%, there have been no significant changes in program objectives as stated in the current year contract, objectives have been met as outlined in the contract, and the contractor has successfully met all of its current and prior year obligations, including Final Report Packets.

Short Form criteria include goals and objectives for the coming year, California Cultural Data Project comprehensive financial and human resources data, response to diversity commitment, description of challenges and progress, response to panel comments (if the applicant submitted a Long Form the prior year), budget implications of new programs and services, and detailed budget notes. Organizations are allowed to submit Short Forms for a maximum of three years before being required to submit the Long Form again. Long Forms are reviewed by Commission Advisory Panels (CAP) as described elsewhere in this report. These panels review all aspects of the application, and to each application they assign a rank. Short Forms are reviewed by a staff committee for technical compliance only, and applications that pass the staff review maintain the rank they received from the last time they were reviewed by a CAP.

Panels were convened on January 10, 2013 (Level 3) and January 16 and 17, 2013 (Levels 1 and 2) to review and rank Long Form applications. Panelists consisted of members of the Commission as well as community members selected for their expertise in the areas of arts or cultural programming, education, diversity, community development, cultural tourism, and business. Panels were open to the public and conducted in accordance with the Brown Act. Following the Appeals Hearing (if applicable), the Commission continues its transparent and fair process for allocating TOT funds by holding the following public meeting: Funding Committee review and recommendations; Executive Committee review and recommendations; full Commission review and recommendations. The final funding recommendations are the result of a formula that includes the following variables for each applicant: size of budget, rank assigned by panel and amount requested (smaller organizations may request a larger percentage of their annual budget than larger organizations).

**OSP: How to Navigate the Spreadsheet**

1. Applications are ranked as follows with the corresponding percentages used as multipliers when calculating the maximum percentage of each applicant's request that the applicant may be awarded:

Rank	Numerical Equivalent	Percentage Equivalent
4	4	100%
4-	3.67	94%
3+	3.33	88%
3	3	82%
3-	2.67	76%

2. Applicants receiving a rank lower than a "3-" were not recommended for funding.
3. Awards are calculated according to a formula that takes into account two curves, the ranks awarded by the panel, and the amount of available funds.
4. New and returning organizations receive 50% of their calculated award in the first year and 75% in the second.
5. No organization may receive more than 10% of the total available funds.
6. No organization will be funded over its requested amount.

## Attachment 2

### CREATIVE COMMUNITIES SAN DIEGO PROGRAM (CCSD)

Fiscal Year 2014

#### City of San Diego Commission for Arts and Culture

Creative Communities San Diego provides financial support to eligible nonprofit organizations for arts and culture projects including arts education, performances, exhibits, festivals, parades and other civic events that enhance neighborhood pride, identity and unity and make arts and culture more central to people's lives.

For FY14, the Commission received 46 CCSD applications, with a total funding request of \$1,068,621. The process for reviewing CCSD applications for funding is the same as OSP.

For FY14, the Commission recommends distributing \$650,000 among the CCSD applicants that received a rank of 3- or better.

#### Commission-Recommended Distributions for FY14 Creative Communities San Diego

Line #	Organization	FY14 Project	FY13 Rank	FY13 Funding	FY14 Rank	FY14 Total Project Expenses	FY14 Recommended Funding
1	America's Finest City Dixieland Jazz Society	San Diego Thanksgiving Dixieland Jazz Festival	4	19,429	4	200,000	37,563
2	Asian Story Theater Incorporated	Year of the Horse	3+	4,499	3+	34,000	5,619
3	Bon Temps Social Club of San Diego, The	Gator By The Bay	4-	20,452	4-	518,500	45,902
4	Cabrillo Festival, Inc.	Cabrillo Festival	4-	3,204	3+	20,500	4,517
5	Capoeira Institute	Brazilian Day San Diego Street Fair and Parade	2+	-	3+	88,400	14,610
6	Casa Familiar	Fronteras Festival 2013	3	8,385	4-	30,000	7,062

Line #	Organization	FY14 Project	FY13 Rank	FY13 Funding	FY14 Rank	FY14 Total Project Expenses	FY14 Recommended Funding
7	Central Commercial District Revitalization Corporation / Fiscal Agent for San Diego Afterschool Strings Program	After-School Strings Program	3+	4,499	3	26,000	5,337
8	College Area Economic Development Corporation	Boulevard BOO! Parade & Carnival	4	7,861	4	67,500	12,677
9	ContACT Arts	The San Diego Fringe Festival			2	95,000	-
10	Cooper Family Foundation, The	The Cooper Family Juneteenth Celebration	2+	-	3	15,000	3,080
11	Council of Philippine American Organizations of San Diego County	Philippine Faire 2014			3-	19,068	3,629
12	Gaslamp Quarter Association	LuminArt	4-	7,089	3+	69,000	11,404
13	Hillcrest Business Improvement Association Incorporated	Hillcrest CityFest	4-	11,979	4-	86,545	15,279
14	Indian Fine Arts Academy of San Diego	Indian Fine Arts Music & Dance Festival		-	3-	99,500	14,203
15	Italian American Art and Culture Association of San Diego	7th Annual San Diego Italian Film Festival	4-	11,054	3+	100,400	16,594

Line #	Organization	FY14 Project	FY13 Rank	FY13 Funding	FY14 Rank	FY14 Total Project Expenses	FY14 Recommended Funding
16	Jacobs Center for Neighborhood Innovation	Arts and Culture Fest	4	15,339	4	120,000	22,538
17	Justice Overcoming Boundaries (JOB) in San Diego County	Fiesta del Sol: San Diego		-	3-	63,800	9,107
18	Kalusugan Community Services	Filipino American Arts and Culture Festival (FilAmFest)	3+	11,248	3+	100,000	16,528
19	Linda Vista Multi-Cultural Fair, Inc.	Linda Vista Multi-Cultural Fair & Parade	4-	4,938	3	42,000	6,468
20	Little Italy Association	Little Italy Festa	4	18,279	4-	165,000	29,130
21	Little Saigon Foundation	San Diego Lantern Festival		-	4-	49,500	8,739
22	Media Heritage, Inc. dba Filmout San Diego	Annual LGBT Film Festival	4-	7,149	4	60,297	11,324
23	Musicians for Education	Street of Dreams Live	3+	4,499	4-	34,850	6,153
24	North Park Organization of Businesses, Inc.	North Park Festival of Arts	4	7,797	4	65,000	12,208
25	NTC Foundation	Friday Night Liberty	4-	4,678	3+	28,250	6,226
26	Ocean Beach Merchants Association	Ocean Beach Street Fair & Chili Cook-Off Festival	4-	14,004	4-	131,500	23,216
27	Pacific Beach Community Development Corporation dba Discover Pacific Beach	Pacific Beachfest	3+	9,887	3+	75,000	12,396

Line #	Organization	FY14 Project	FY13 Rank	FY13 Funding	FY14 Rank	FY14 Total Project Expenses	FY14 Recommended Funding
28	Pacific Southwest Wildlife Arts, Inc.	California Open Wildlife Art Festival	3	6,305	3+	58,804	9,719
29	PASACAT	Parol Philippine Lantern Festival	3+	2,853	4-	18,000	4,237
30	Point Loma Summer Concerts	Point Loma Summer Concerts	4	10,009	4	77,900	14,631
31	Rancho de los Penasquitos Town Council, Inc.	Fiesta de los Penasquitos	3	3,469	3+	32,265	5,332
32	Rolando Community Council, Inc.	Rolando Street Fair	4	4,363	4-	26,350	6,202
33	San Diego Armed Services YMCA	Big Bay Boom July 4th Fireworks Show	4-	20,452	4-	297,000	45,902
34	San Diego Audubon Society	2014 San Diego Bird Festival	3+	11,575	3+	114,000	18,842
35	San Diego Chinese Center	San Diego Chinese New Year Food and Cultural Fair	3-	4,663	3	38,200	5,883
36	San Diego Earth Day	EarthFair 2014	4-	15,151	4-	136,600	24,116
37	San Diego Film Foundation	San Diego Film Festival	4-	20,452	3+	325,000	42,972
38	San Diego Music Foundation	San Diego Music Thing	3	8,385	4	103,000	19,345
39	San Diego Shakespeare Society, Inc.	San Diego Student Shakespeare Festival	4-	4,502	4-	22,300	5,249
40	Space 4 Art	The Adjacent Possible II			4-	21,000	4,943
41	Springfest Inc.	SpringFest	3+	9,392	3-	85,000	12,133

Line #	Organization	FY14 Project	FY13 Rank	FY13 Funding	FY14 Rank	FY14 Total Project Expenses	FY14 Recommended Funding
42	St. Madeleine Sophie's Center	Sophie's Gallery NTC for adults with developmental disabilities	4-	9,408	4-	76,699	13,541
43	Torrey Pines Kiwanis Club	28th Annual La Jolla Festival of the Arts	3+	20,452	4-	289,000	45,902
44	Transcendance Youth Arts Project	Explore/Create/Activate	4-	4,806	4-	30,000	7,062
45	Victoria House Corporation	North Park Toyland Parade & Festival			2	50,000	-
46	Write Out Loud	TwainFest	3+	3,558	4	25,280	2,480
	Total						650,000

#### **CCSD: Methodology**

Each year the Commission reviews the application review criteria and guidelines and makes improvements as necessary based upon feedback from contractors, panels and staff. Major components of the review criteria include an organization's capacity to plan and implement high quality arts and culture programming and services; especially those designed to promote community development; to serve San Diego's diverse communities; to demonstrate an organization's governance and fiscal health; and an organization's capacity to meet the city's contract management requirements. Application guidelines and forms were made available to the public beginning August 9, 2012. Workshops were held on September 12 (Rancho Peñasquitos Library) and September 13 (Logan Heights Library) 2012. Individual technical assistance in person, by phone or email was provided throughout the year. All applicants were required to submit an application by the deadline of October 19, 2012.

The Commission administers two versions of the CCSD application – a Long Form and a Short Form. The Long Form is the standard version which all new organizations and many returning organizations must complete. Each year, approximately 25% of returning applicants are eligible to submit an abbreviated form of the application (Short Form) based on their demonstrated excellence in providing high quality programs and services and managing their contracts. In order to be eligible to use the Short Form, the applicant must demonstrate that it has satisfactorily completed and is in the process of completing City contracts over the three (3) year period immediately prior to the application year, it holds a rank of 3+ or higher, it presented the same project for three consecutive years, at the same site, with the same key staff, and it has successfully met all of its current and prior year obligations, including Final Report Packets.

The Short Form criteria include project goals and objectives, attendance data, budgets (past, present and projected), annotated budget notes, board composition and policies including how conflicts of interest are handled and training for board members and staff, outcomes and project evaluation, and response to panel comments (if the applicant submitted a Long Form in the prior year). Organizations are allowed to submit Short Forms for a maximum of three years before being required to submit the Long Form again. Long Forms are reviewed by Commission Advisory Panels (CAP). These panels review all aspects of the application, and to each application they assign a rank. Short Forms are reviewed by a staff committee for technical compliance only, and applications that pass the staff review maintain the rank they received from the last time they were reviewed by a CAP.

A panel was convened on December 4 and 5, 2012 to review and rank applications. Panelists consisted of members of the Commission as well as community members selected for their expertise in the areas of arts or cultural programming, education, diversity, community development, cultural tourism, and business. Panels were open to the public and conducted in accordance with the Brown Act. Following the Appeals Hearing (if applicable), the Commission continues its transparent and fair process for allocating TOT funds by holding the following public meeting: Funding Committee review and recommendations; Executive Committee review and recommendations; full Commission review and recommendations. The final funding recommendations are the result of a formula that includes the following variables for each applicant: size of budget, rank assigned by panel and amount requested (smaller organizations may request a larger percentage of their project budget than larger organizations).

**CCSD: How to Navigate the Spreadsheet**

1. Applications are ranked as follows with the corresponding percentages used as multipliers when calculating the maximum percentage of each applicant’s request that the applicant may be awarded:

Rank	Numerical Equivalent	Percentage Equivalent
4	4	100%
4-	3.67	94%
3+	3.33	88%
3	3	82%
3-	2.67	76%

2. Applicants receiving a rank lower than a “3-” were not recommended for funding.
3. Awards are calculated based upon the applicants ranks and an “across the board reduction” based upon available funds.
4. While an organization may request one third or one quarter of its total project expenses for projects less than or greater than or equal to \$30,000 respectively, any request greater than 10% of total available funds is subsequently capped at the 10% level in the calculation of recommended funding.
5. No organization will be funded over its requested amount.



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: September 25, 2012 REPORT NO: 12-120 Revised\*

ATTENTION: Economic Development & Strategies Committee

SUBJECT: Commission for Arts and Culture Penny for the Arts Five-Year  
Blueprint

**REQUESTED ACTION:**

Approve recommendations outlined in this report.

**EXECUTIVE SUMMARY:**

Funding for the San Diego Commission for Arts and Culture (Commission) contributes significantly to the City of San Diego's (City's) economic growth through returns on investment in the areas of economic development, job growth, cultural tourism, attraction and retention of businesses, and the renovation and creation of valuable art and civic assets. Arts and culture are the "soul" of our City and they support our quality of life, benefit diverse communities and neighborhoods and make our City vibrant. Increasing the Commission's funding by approving the recommendations presented herein comprising the Penny for the Arts Five-Year Blueprint (Blueprint) will greatly increase the positive impact that the Commission's myriad programs have on the financial well-being of the City.

**RECOMMENDATIONS:**

1. **Restore Funding to the OSP and CCSD Allocations Programs:** Restore Organizational Support Program (OSP) and Creative Communities San Diego (CCSD) to FY 2002 funding levels with an emphasis on non-profit organizations' financial stability and organizational development to sustain and increase high quality, innovative exhibitions and performances as well as festivals, neighborhood arts programs and education and outreach programs that meaningfully serve San Diego's diverse audiences, and in particular underserved communities and youth.
2. **Contribute Annual Allocations to the Public Art Fund:** Contribute annual allocations to the Public Art Fund for 1) the community-based creation of new public artworks for each neighborhood in San Diego; 2) activities which improve public access to, and experience with, the City's public art collection, and 3) activities related to preserving the value and integrity of each artwork.

\*Report revised, taking out the word "City-owned" and deleting one attachment referenced in error. See strikcout on pages 2, 8 and 9.

3. **Re-establish the Arts and Culture Festival Revolving Fund:** Re-establish the Arts and Culture Festival Revolving Fund with an immediate focus on the 2015 Centennial Celebration of Balboa Park (Centennial Celebration); including festival planning and administration, providing direct support to exhibitions and performances, and for future major arts and culture festivals.
4. **Support Special Projects and Initiatives:** Support special projects and initiatives including allocating funds for restoration and improvements of valuable City-owned cultural facilities (Building Capital Grants Fund) and marketing programs that position San Diego as an international cultural tourism destination.

Implementing each of the above recommendations comprising the Blueprint will also bolster the capacity of the Commission to initiate programs that deepen public/private partnerships and strengthen collaborations among arts and culture organizations.

#### **BACKGROUND:**

The Commission is the City's officially-designated local arts agency, established in 1988 to serve in an advisory capacity to the Mayor and City Council on promoting, encouraging and increasing support for the region's artistic and cultural assets, integrating arts and culture into community life and showcasing San Diego as an international cultural tourist destination. The Commission and its programs are guided by SDMC 26.0701 et seq., City Council Policy 100-03 and City Council Policy 900-11.

Funded through the Transient Occupancy Tax (TOT), the Commission administers the City's Public Art Program, Allocation Programs and Arts and Culture Festival Revolving Fund. Over the years, it was the Mayor/City Council's intent to dedicate one cent of the 10.5% of TOT (or 9.52%) to ensure appropriate growth in arts funding - thus the call for "A Penny for the Arts" (Penny). By FY 2002, arts and culture funding exceeded the Penny goal at over \$10.8 million. For FY 2013, funding levels are projected to be about a half-penny of TOT revenue or approximately \$7.9 million. In FY 2012, the City Council requested that the Commission conduct community outreach and gain stakeholder input on developing a three to five year plan to reach the Penny goal. In response to stakeholder input, this report proposes a series of prioritized recommendations and a Blueprint with a five-year funding scenario.

Over the years, Mayors, City Councilmembers, Arts and Culture Commissioners and arts and culture advocates have espoused numerous arguments for supporting arts and culture in the City. The argument that has traditionally received the most widespread support is economic impact. This argument demonstrates that the City's investment in arts and culture results in a series of income-generating outcomes for the City: increased expenditures by the funded organizations, increased number of jobs supported by arts and culture organizations, increased spending by cultural tourists, increased arts-related spending (dinners out, parking, babysitters, etc.) by arts and culture audiences, and economic development in neighborhoods where arts and culture organizations reside. This report presents evidence to support these claims. In addition to the economic arguments, arts and culture advocates also point out that the arts are valuable tools

used by teachers to strengthen teaching and learning in all subjects, for bringing diverse communities together, for working with persons with physical and mental disabilities, for providing safe, creative and educational opportunities for teens, for working with troubled youth and for providing stimulating and rewarding activities for seniors.

These messages have been enthusiastically supported by Mayor Sanders in countless forums from his State of the City addresses and press conferences to local and national arts summits. Under his leadership, the arts and culture community has survived and thrived. Not only have our Tony Award-winning theaters continued to receive national accolades, our Symphony celebrated 100 triumphant years, our museums hosted numerous blockbuster shows and our neighborhoods came alive with festivals and public art. In addition, new venues and arts centers continue to grow, including the North Embroidero Visionary Plan, a new theater in North Park and at the Old Globe, a new arts and culture destination at the former Naval Training Center and a flourishing arts district at Market Creek, to name just a few examples. Mayor Sanders' leadership has provided a foundation for fiscal stability. As an example, major efforts are underway to produce a successful Centennial Celebration and the groundwork has been laid for San Diego to become a city renowned for its innovative and vibrant artistic and cultural life.

Now with the economy recovering and tourism growing, the Commission recommends a five-year phase-in of a budget that would bring arts and culture funding to the "Penny" that advocates and policymakers alike have been working toward for decades. If given the financial resources, the Commission would endeavor to implement the recommendations outlined in this report.

Three recent reports demonstrate the positive economic impact of arts and culture in San Diego.

1. The Commission's *2011 Economic and Community Impact Report* demonstrated a significant return on the City's investment and provides evidence that arts and cultural organizations are instrumental in making San Diego a vibrant city. The major findings from that report are summarized in Table 1.

**Table 1: Economic impact of the City's Organizational Support Program (OSP)**

Number of organizations	68
Funding from the City	\$5.8 million
Total earned revenue	\$107 million
Total contributed revenue	\$95 million
Total expenditures	\$170 million
Expenditures on salaries and other workers	\$98 million
Size of workforce	6,000
Size of volunteer force	11,600 (including 1,120 board members)
Paid admissions	2.7 million
Free admissions	3.65 million
Number of out-of-town visitors	2 million
Economic impact of cultural tourists	\$561 per trip, as opposed to \$235 per trip for the average tourist

*Data compiled by staff at the City of San Diego Commission for Arts and Culture and the California Cultural Data Project, 2011.*

2. *Arts & Economic Prosperity IV*, the most comprehensive economic impact study of the nonprofit arts and culture industry ever conducted in the United States by Americans for the Arts, the nation's leading nonprofit organization for advancing the arts and arts education, reported the overall economic impact of the nonprofit arts and culture industry in the City. Data was collected from 120 eligible nonprofits arts and culture organizations in San Diego including the 68 organizations funded by the Commission's OSP. In addition to spending by organizations, this report also examined spending by its audiences (excluding the cost of admission). As a result of attending a cultural event, attendees often eat dinner in local restaurants, pay for parking, buy gifts and souvenirs, and pay a babysitter. What's more, attendees from out of town often stay overnight in a local hotel. These findings are summarized in Table 2.

**Table 2: Economic impact of nonprofit arts and culture organizations and audiences in the City**

Number of organizations	120
Total expenditures by businesses	\$238 million
Total expenditures by audiences	\$341 million
Total expenditures (businesses plus audiences)	\$579 million
Full time equivalent jobs supported by businesses	9,844
Full time equivalent jobs supported by audiences	7,973
Total full time equivalent jobs supported by businesses plus audiences	17,817
Attendance	7.8 million

*Americans for the Arts, Arts and Economic Prosperity IV, 2011.*

3. The *2012 Creative Industries: Business & Employment in the Arts Report* using data from Dun & Bradstreet, widely acknowledged as a comprehensive and trusted source for business information in the United States, offers a research-based approach to understanding the scope and importance of the arts to the nation's economy. While most economic impact studies of the arts have focused on the nonprofit sector (such as Tables 1 and 2 above), Creative Industries is the first national study that encompasses both the nonprofit and for-profit arts industries. Table 3 summarizes this report's findings.

**Table 3: The top 15 cities in the nation for arts-related businesses and jobs**

	City	# of Arts-Related Businesses	City	# of Arts-Related Jobs
1	New York, NY	33,173	New York, NY	238,127
2	Los Angeles, CA	24,072	Los Angeles, CA	113,607
3	Chicago, IL	8,454	Chicago, IL	53,603
4	Houston, TX	7,944	Philadelphia, PA	41,146
5	San Francisco, CA	6,186	San Francisco, CA	32,413
6	Dallas, TX	6,184	Dallas, TX	32,362
7	Seattle, WA	5,765	Houston, TX	29,514
8	San Diego, CA	5,574	Washington, DC	26,537
9	Phoenix, AZ	4,503	San Diego, CA	26,286
10	Austin, TX	4,345	Seattle, WA	23,367
11	Philadelphia, PA	3,854	Atlanta, GA	22,826
12	Portland, OR	3,705	Boston, MA	20,889
13	San Antonio, TX	3,630	Phoenix, AZ	17,265
14	Denver, CO	3,613	Denver, CO	16,585
15	Atlanta, GA	3,573	Austin, TX	16,180

*Americans for the Arts, Creative Industries Report, 2012.*

- In addition to their economic benefits, arts and culture are also effective tools for teaching and learning across the curriculum. In an effort to help teachers, schools and community organizations use the arts to improve learning outcomes for youth and to strengthen their communities, organizations funded through the Commission's OSP provide arts education and arts exposure activities in every City Council District. Table 4 summarizes the extent of these "outreach" programs.

**Table 4: The extent to which the OSP served constituents in City Council Districts (FY11)**

Council District	Outreach to K-12 Schools		Outreach to Community Organizations		Inreach (K-12 schools and Community organizations)	
	Number of visits	Number of contacts	Number of visits	Number of contacts	Number of visits	Number of contacts
1	145	26,676	176	102,595	403	23,737
2	131	17,675	205	49,223	744	60,297
3	113	18,494	136	50,603	377	27,895
4	139	24,441	30	6,143	246	18,832
5	65	15,855	54	5,227	223	15,394
6	127	23,823	127	23,825	867	19,849
7	84	10,695	40	19,246	481	11,858
8	77	14,233	30	6,905	252	18,406
Totals	881	151,892	798	263,767	3,593	196,268

*Data compiled by Commission staff, 2011.*

These studies support allocating TOT to a vibrant arts and culture community and fully implementing City Council Policy 100-03, which provides (among other things) for the funding and support of arts and culture priorities.

Summary of Relevant Portions of Council Policy 100-03:

1. The purpose of TOT is to advance the City's economic health by promoting the City of San Diego as a visitor destination in the national and international marketplace; supporting programs that increase hotel occupancy and attract industry, resulting in the generation of TOT and other revenue; developing, enhancing, and maintaining visitor-related facilities; and supporting the City's cultural amenities and natural attractions.
2. Four cents of the 10.5% TOT used for the purpose of promoting the City is the primary source of arts funding.
3. Eligible programs that relate to arts and culture funding fall into several major categories, one of which is:
  - c. Arts, Culture and Community Festivals - To enhance the economy and contribute to San Diego's reputation as a cultural destination by nurturing and maintaining art and culture institutions of national and international reputation; by supporting programs and projects that provide access to excellence in culture and the arts for residents and visitors; and by funding programs and events which enrich the lives of the people of San Diego and build healthy, vital neighborhoods.

RECOMMENDATIONS TO IMPLEMENT THE BLUEPRINT:

By adopting and moving forward with the Blueprint, the City will help ensure its continued growth as a world class arts and culture destination; a place where residents of all ages and backgrounds can appreciate and share their cultures and enjoy a quality of life second to no other city in America.

**I. Restore Funding to the OSP and CCSD Allocations Programs**

Through an open, transparent and competitive process, the Commission annually contracts for services with San Diego nonprofit arts and culture organizations. Organizations can choose to apply for funding in one of two Allocations Programs. Funding for both programs comes from TOT revenues earmarked as Special Promotional Program in the City's Proposed Budget:

- A. The OSP provides operational support to San Diego's nonprofit arts and culture organizations. For FY 2013, the Commission's OSP will administer funding to 77 arts, culture, history and science organizations (an increase from 75 organizations in FY 2012) for reimbursement of personnel and operating expenses. The OSP fosters the vitality and stability of San Diego's prominent and established arts organizations and cultural institutions. This funding also enables arts and culture organizations to promote San Diego as a cultural destination. At the same time, funding is used to create an environment which attracts and nurtures new and emerging arts and culture

organizations. Funding in this category allows diverse organizations to stabilize and advance toward institutional status, as well as provide arts education programs and outreach to underserved communities. The proposed five-year Penny for the Arts Blueprint restores OSP to the FY 2002 funding level.

- B. The CCSD program provides project-specific support to a variety of San Diego's nonprofit organizations. For FY 2013, the Commission's CCSD program will administer funding to 44 non-profit organizations (an increase from 32 organizations in FY 2012) for reimbursement of expenses for projects that support access and participation in arts and culture and are tailored to the needs of San Diego's diverse communities. Eligible projects increase opportunities for San Diego residents and visitors to create, learn about, enjoy and participate in cultural experiences. These projects enrich the lives of the people of San Diego and build healthy, safe, vital neighborhoods. CCSD projects include, but are not limited to, annual celebrations that attract tourists to San Diego such as neighborhood festivals and parades, public art, "happenings," and a broad range of other activities and events that enable diverse populations to engage in quality arts and culture experiences together. Restoring CCSD funding to the FY 2002 level will enable the Commission to contract for more arts services in underserved neighborhoods, as well as increase support to arts and culture activities for youth in afterschool programs, and provide additional outreach activities in schools and community centers.

## 2. Contribute Annual Allocations to the Public Art Fund

The Commission seeks to provide meaningful aesthetic and cultural experiences for San Diego's residents and visitors through many forms of public art. One vehicle the Commission utilizes to achieve this goal is annual funding allocations to the Commission's Public Art Fund, which may be used for 1) activities that improve public access to and experience with the City's public art collection (Collection), 2) activities related to preserving the value and integrity of each artwork contained in the Collection, and 3) the community-based creation of new public artworks for each neighborhood in San Diego.

The City's Public Art Program is guided by the principles and recommendations contained in the General Plan, the 2004 Public Art Master Plan and Council Policy 900-11. The Collection is over 100 years old and contains more than 700 artworks. Over 100 of those artworks were commissioned in connection with the City's public works projects and are sited throughout all of San Diego's council districts.

## 3. Re-establish an Arts and Culture Festival Revolving Fund

The Blueprint proposes that the Arts and Culture Festival Revolving Fund (Revolving Fund), which was first created with the Commission's budget between 1988 and 1990, be fully reestablished by FY 2017. One event that would specifically benefit from the reestablishment of the Revolving Fund is the Centennial Celebration, which will commemorate the 100<sup>th</sup> anniversary of the 1915 Panama - California Exposition and for which planning is well underway. In retrospect, the original event in 1915 could be considered a "world's fair" due to its scope and lasting heritage. While the primary venue of that event was the fledgling Balboa

Park, the overriding theme was a celebration of progress, prosperity and opportunity as represented by the completion and opening of the Panama Canal with San Diego as the first U.S. port-of-call for northbound maritime trade. The scope of the Centennial Celebration is still to be determined, but as a milestone event in the City's history, it represents once again, an opportunity to focus the eyes of the state, the nation and perhaps the world on San Diego.

It is recommended that the reinstatement of the Revolving Fund begin in FY 2013; a sort of "front-loading" to allow the Commission to provide support to 2015 Celebration Inc. with its planning and administration needs, as well as to help underwrite responses to a Request for Proposal (RFP) that was submitted to current Commission contractors. Forty-two such contractors responded to the RFP prior to the September 7, 2012 deadline, proposing arts and culture projects and festival activities throughout San Diego and in Balboa Park in 2014 and 2015. The total estimated cost to implement these projects and festival activities exceeds \$20 million, \$2 million of which has been requested from the Commission in the contractors' responses to the RFP.

Following the Centennial Celebration, funding from the Revolving Fund will be earmarked for other future large scale arts and culture projects and festivals in support of activities such as the San Diego Zoo's 100th anniversary celebration in 2016 (2016 Celebration). As with Balboa Park and its Centennial Celebration, the 2016 Celebration will honor another jewel of the City that draws cultural tourists from all over the world year after year.

#### 4. Support Special Projects and Initiatives

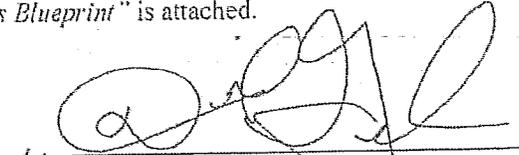
- A. Develop a mechanism to implement a funding program to support capital improvement and restoration needs of cultural facilities throughout the City (Building Capital Grants Fund). The Building Capital Grants Fund will address deferred maintenance needs and much needed physical improvements to City-owned cultural facilities such as the Civic Theatre, Balboa Park facilities related to the newly established Balboa Park Conservancy, the NTC Arts and Culture District buildings and the North Park Theatre, to name a few.
- B. Invest in Cultural Tourism Marketing Initiatives and Partnerships such as the *Fall for the Arts* campaign, ConViz marketing programs and new inter-agency collaborations targeting cultural tourists throughout the world. This year, the *Fall for the Arts* campaign is a month-long spotlight on the many vibrant arts and cultural activities throughout the region in conjunction with National Arts and Humanities Month. Special programs, discounts, incentives and activities will be offered throughout the region during the entire month providing countless opportunities to experience the arts in San Diego. Local arts and culture organizations will present hundreds of free and very-low-cost events to ensure that residents and visitors can get more "bang for their buck." Developing cultural tourism programs also meets the goals of the City's General Plan.

## 5. Required Annual Report

A key aspect of the Blueprint will be a level of accountability provided via a required annual report from the Commission. Each such annual report will include an update of total TOT funds received by the Commission, how those funds were utilized across the stated funds and goals delineated in the Blueprint, and a detailed summary of the impact (both economic and non-economic) resulting from the programs, projects and festivals initiated and/or supported by the Commission.

In conclusion, the Commission seeks City Council approval for the Blueprint, which will gradually restore arts and culture funding to FY 2002 funding levels by FY 2017. With the increased funding of the Blueprint, existing programs and funds such as the Organizational Support Program, Creative Communities San Diego, the Public Art Fund and the Commission's administrative budget will be bolstered, and new programs and funds such as a reestablished Arts and Culture Festival Revolving Fund, a Building Capital Grants Fund and Cultural Tourism Marketing initiatives will greatly expand the good work of which the Commission is capable. A detailed spreadsheet titled "*Penny for the Arts Blueprint*" is attached.

  
Victoria L. Hamilton, Executive Director  
Commission for Arts and Culture

  
for Julie Dubick, Chief of Staff  
Office of the Mayor

### COMMUNITY PARTICIPATION AND OUTREACH:

#### Stakeholder Meetings:

- Three Commission meetings
- Four Commission Committee meetings
- Balboa Park Cultural Partnership
- Cultural Leaders Group
- NTC Foundation
- San Diego Regional Arts and Culture Coalition

#### ATTACHMENTS:

- Penny for the Arts Blueprint Spreadsheet
- History of Arts and Culture Funding Since 2002
- Stakeholders Attendance
- Municipal Code Chapter02/Ch02Art06Division07.pdf
- Council Policy 100-03
- ~~Council Policy 100-09~~
- Council Policy 900-11

I, Elizabeth S. Maland, Clerk of the City of San Diego, California, hereby certify that this is a true copy of papers on file and of record in the office of the Clerk of said city.

ELIZABETH S. MALAND, City Clerk

By Kristen Medina, Deputy

Dated 12.17.12

Revised Penny for the Arts Blueprint - Based on an annual TOT growth rate of 5%

	FY13	FY13 + \$1M	FY14	FY15	FY16	FY17
<b>OVERALL TOT</b>						
Total Projected TOT	\$155,254,240	\$155,254,240	\$163,016,952	\$171,167,800	\$179,726,190	\$188,712,499
Total Arts & Culture Comm'n Funding (\$)	\$7,870,858	\$8,870,858	\$11,614,958	\$13,821,800	\$15,366,589	\$17,927,687
Total Arts & Culture Comm'n Funding (%)	5.07%	5.71%	7.13%	8.08%	8.55%	9.50%
Total Remaining TOT		\$146,383,382	\$151,401,994	\$157,346,000	\$164,359,601	\$170,784,813

**ARTS & CULTURE COMMISSION FUNDING**

Funding Programs:	FY13	FY13 + \$1M	FY14	FY15	FY16	FY17
Organizational Support Program	\$6,107,411	\$6,107,411	\$7,000,000	\$8,231,298	\$9,373,619	\$10,935,889
Creative Communities San Diego	\$402,589	\$402,589	\$771,163	\$1,108,322	\$1,573,318	\$1,933,537
Sub-Total Funding Programs	\$6,510,000	\$6,510,000	\$7,771,163	\$9,339,620	\$10,946,937	\$12,869,426
Percentage CCSD to OSP/CCSD total			9.9%	11.9%	14.4%	15.0%
Arts & Culture Festival Revolving Fund		\$1,000,000	\$2,000,000	\$2,000,000	\$1,704,988	\$1,834,153
Building Capital Grants Fund			\$200,000	\$500,000	\$600,000	\$667,000
Cultural Tourism Promotions			\$150,000	\$200,000	\$200,000	\$240,000
Mayor/Council Discretionary Funds	\$363,250	\$363,250	\$348,449	\$400,000	\$460,998	\$537,831
Public Art	\$56,300	\$56,300	\$100,000	\$138,218	\$153,666	\$179,277
Administration	\$941,308	\$941,308	\$1,045,346	\$1,243,962	\$1,300,000	\$1,600,000
Total Arts & Culture Comm'n Funding	\$7,870,858	\$8,870,858	\$11,614,958	\$13,821,800	\$15,366,589	\$17,927,687

A full "penny" for the arts will be achieved in Fiscal Year 2017

\$ 7,870,858 \$ 8,870,858 \$ 11,614,958 \$ 13,821,800 \$ 15,366,589 \$ 17,927,687

**Notes:**

This budget was developed by the Commission for Arts and Culture after extensive outreach to stakeholders. Arts and Culture Festival Revolving Fund is a fund that will roll over and will be used in years when a major event is planned. Increases to Admin budget reflect additional staff and overhead. Revised Spreadsheet reflects greater spending for CCSD. Funding Recommendations subject to City Council action.

I, Elizabeth S. Maland, Clerk of the City of San Diego, California, hereby certify that this is a true copy of papers on file and of record in the office of the Clerk of said city.

ELIZABETH S. MALAND, City Clerk  
 By *Elizabeth S. Maland* Deputy  
 Dated 12.17.12

NAP	# NAP	Festivals & Celebrations	# F&C	Creative Communities San Diego	# CCSD	Organizational Support Program	# OSP	Total Allocation Programs	Administration	Public Art Fund	Discretionary	TOTAL	# Staff	% of 02	Citywide TOT *	A&C %	
FY02	\$216,662	4															
FY03	\$267,741	12	54	\$641,566		\$8,654,357	85	\$9,512,728	\$1,061,168	\$212,202	\$100,000	\$10,886,098	10	100%	\$98,327,262	11.1%	
FY04	\$235,566	7	53	\$649,447		\$8,555,370	81	\$9,466,704	\$877,434	\$132,000	\$100,000	\$10,576,138	10	97%	\$105,970,746	10.0%	
FY05	\$75,000	5	43	\$606,467		\$7,747,464	83	\$8,589,640	\$835,637	\$118,800	\$90,000	\$9,634,077	9	88%	\$111,990,774	8.6%	
FY06	\$65,350	7	36	\$434,538		\$7,053,884	88	\$7,563,558	\$884,990	\$60,129	\$81,000	\$8,589,677	8	79%	\$121,023,478	7.1%	
FY07				\$397,084		\$6,449,180	83	\$6,905,740	\$775,422	\$32,334	\$72,900	\$7,786,396	6	72%	\$135,891,366	5.7%	
FY08					40	\$6,449,180	83	\$6,874,418	\$877,762	\$30,000	\$72,900	\$7,855,080	7	72%	\$150,417,640	5.2%	
FY09					54	\$6,449,180	81	\$6,874,295	\$915,767	\$30,000	\$220,000	\$8,040,062	7	74%	\$160,242,590	5.0%	
FY10					46	\$6,449,180	76	\$6,874,295	\$930,855	\$0	\$220,000	\$8,025,150	7	74%	\$136,289,389	5.9%	
FY11					48	\$6,449,183	72	\$6,874,298	\$836,326	\$30,000	\$220,000	\$7,960,624	6	73%	\$123,200,000	6.5%	
FY12					38	\$5,816,582	75	\$6,200,000	\$832,680	\$0	\$220,000	\$7,252,680	6	67%	\$131,900,000	5.5%	
FY13					32	\$5,816,582	75	\$6,200,000	\$877,983	\$6,300	\$220,000	\$7,304,283	6	69%	\$139,351,684	5.2%	
					44	\$6,107,411	77	\$6,510,000	\$941,308	\$56,300	\$363,250	\$7,870,858	6	74%	\$155,254,240	5.1%	

This color indicates the program did not yet start

This color indicates no data, due to program termination

\* These Citywide figures from FY2002 until FY2012 are derived from TIC Research and ConVils. No FY2013 actuals yet exist; that year's number is based on projections reported last spring by the City's Department of Financial Management.

**Stakeholders in Attendance at Various Meetings**  
**Discussing Penny for the Arts Blueprint**

(Partial List)

Art Dept. Mesa College	San Diego Museum of Art
ArtForm	San Diego National History Museum
Athenaeum	San Diego Opera
Balboa Park Cultural Partnership	San Diego Shakespeare Society
Balboa Park Online Collaborative	San Diego State University
California Ballet Company	San Diego Symphony
City Ballet of San Diego	San Diego Theatre World
City of Carlsbad	San Diego Watercolor Society
Corner of the Sky Communications	San Diego Young Artists Music Academy
Diversionsary Theatre	San Diego Youth Symphony
Gaslamp Quarter Historical Foundation	San Diego's Jazz 88.3 KSDS
Jacobs Center for Innovation	Sophie's Gallery
La Jolla Playhouse	Studio 13/SVAC
Mainly Mozart	The New Children's Museum
Mojalet Dance Collective	The Old Globe
Mingei International Museum	The PGK Dance Project
Mo'olelo Performing Arts Company	Young Audiences of San Diego
Museum of Photographic Arts	
New Normal Theatre	Also including:
NTC Foundation	* The NTC Foundation Board
Pacific Coast Harmony	* Cultural Leaders Group Academy
Playwrights Project	* SD Regional Arts and Culture Coalition
Reuben H. Fleet Science Center	* Balboa Park Cultural Partnership -
Ricart, Inc.	representing 37 arts and culture organizations
San Diego Art Institute	
San Diego Automotive Museum	
San Diego Chinese Historical Museum	
San Diego Civic Youth Ballet	
San Diego Gay Men's Chorus	
San Diego Guild of Puppetry	
San Diego Junior Theatre	
San Diego Maritime Museum	
San Diego Master Chorale	
San Diego Mesa College	
San Diego Museum Council	

RESOLUTION NUMBER R- 307760

DATE OF FINAL PASSAGE OCT 25 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO APPROVING THE PROPOSED PENNY FOR  
THE ARTS FIVE-YEAR BLUEPRINT AND AUTHORIZING  
THE SAN DIEGO COMMISSION FOR ARTS AND  
CULTURE TO IMPLEMENT THE BLUEPRINT AS  
FUNDING FROM TRANSIENT OCCUPANCY TAX IS  
INCREASED.

WHEREAS, the City of San Diego's (City's) arts program is administered by the San Diego Commission for Arts and Culture (Commission), which was established in 1988 to serve in an advisory capacity to the Mayor and City Council (Council) on promoting, encouraging and increasing support for the City's artistic and cultural assets, integrating arts and culture into community life and showcasing the City as an international cultural tourist destination; and

WHEREAS, the Commission is funded through the Transient Occupancy Tax (TOT) pursuant to Council Policy 100-03; and

WHEREAS, for Fiscal Year 2013 (FY 2013), the TOT funding for the Commission was budgeted to be approximately \$7.9 million, which is less than half of the amount of TOT funding received by the Commission in FY 2002 on a relative percentage basis; and

WHEREAS, recognizing the positive net impact (both economic and non-economic) that funding of arts and culture provides to the City, in Fiscal Year 2012 (FY 2012), the Council requested that the Commission conduct community outreach and gain stakeholder input on developing a three to five year plan for achieving an increased funding level for the Commission from TOT similar to that which existed in FY 2002; and

WHEREAS, based on such community outreach and stakeholder input received over several months, the Commission has presented to the Council for approval a "Penny for the Arts Five-Year Blueprint" (Blueprint) in Report to the City Council 12-120 (Report) on file with the City Clerk's Office as Document No. RR-307760 which outlines specific projects, programs and initiatives that would be pursued by the Commission, as well as the high level of accountability of the Commission that would be established for the increased TOT funding it would receive thereunder; and

WHEREAS, the Commission has requested that the Council approve the Blueprint and authorize the Commission to implement the recommendations contained therein as TOT funding levels are increased; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Council hereby approves the Penny for the Arts Five-Year Blueprint proposed in the Report and the attachments thereto.

BE IT FURTHER RESOLVED, that the Mayor, or his designee, is authorized to implement the recommendations contained in the Blueprint as TOT funding levels are increased.

BE IT FURTHER RESOLVED, that the Council hereby requests that the Mayor include in the FY 2013 mid-year budget the adjustment of \$1 million presented in the Blueprint to help underwrite the 2015 Centennial Celebration of Balboa Park.

BE IT FURTHER RESOLVED, that the Council hereby requests that the Budget and Finance Committee consider the inclusion of the FY 2013 mid-year budget adjustment of \$1 million presented in the Blueprint to help underwrite the 2015 Centennial Celebration of Balboa Park.

BE IT FURTHER RESOLVED, that the Chief Financial Officer is authorized to establish all separate funds deemed necessary to implement the Blueprint, if any.

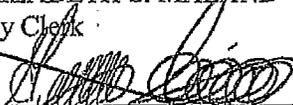
APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Bret A. Bartolotta  
Deputy City Attorney

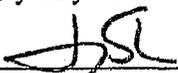
BAB:sc  
10/10/12  
10/22/12 REV.  
Or.Dept: Commission for Arts and Culture  
Doc. No. 444929

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of OCT 22 2012.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 10-25-12  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

\_\_\_\_\_  
JERRY SANDERS, Mayor

## Attachment 4

### SUMMARY OF FY13 PUBLIC ART FUND EXPENDITURES

#### City of San Diego Commission for Arts and Culture

<b>FY13 Public Art Fund Budget</b>	<b>\$56,300</b>	For registrarial consultant to administer artwork care for City-owned art pieces. In addition, art conservation consultants will begin work in Balboa Park in preparation for the 2015 centennial celebration. - FY13 Adopted Budget
<u>Service</u>	<u>Expense</u>	<u>Primary Neighborhood Served</u>
<b>Rent, Offsite Storage</b>		
<ul style="list-style-type: none"> <li>• Aztec Brewery Rathskeller Art and Artifacts (1930s)</li> </ul>	\$6,300	Barrio Logan
<b>Art Appraisals for Insurance Purposes</b>		
<ul style="list-style-type: none"> <li>• 2 Charles Reiffel Paintings (1930s)</li> </ul>	\$500	Balboa Park (Central Mesa)
<b>Art Repairs</b>		
<ul style="list-style-type: none"> <li>• Balboa Park Activity Center Public Art Installation (1990s)</li> </ul>	\$3,500	Balboa Park (Central Mesa)
<b>Art Plaques</b>	\$200	Balboa Park (Central Mesa)
<b>Art Condition Surveys &amp; Treatment Proposals</b>		
<ul style="list-style-type: none"> <li>• Park Avenue Public Art Installation (1980s)</li> <li>• House of Hospitality Painted Door (1910s)</li> <li>• Frederic Schweigardt Fountain (1930s)</li> <li>• 11 Ivan Messenger Prints (1930s)</li> <li>• Belle Baranceanu Mural (1930s)*</li> <li>• C.M. Winslow Drawing (1910s)</li> <li>• Founder's Plaza Public Art Installation (1990s)</li> <li>• Elliott Torrey Painting (1930s)</li> <li>• 3 William Hogarth Prints (1700s)</li> <li>• 3 Ando Hiroshige Prints (1800s)</li> <li>• Gail Roberts Drawing (1990s)</li> <li>• Malcolm Leland Fountain (1960s)</li> <li>• Fire Station 10 Public Art Installation (1990s)</li> </ul>	\$1,000 \$200 \$1,000 \$1,000 \$1,500 \$200 \$400 \$1,000 \$200 \$200 \$100 \$1,000 \$1,000	Balboa Park (Central Mesa) Balboa Park (West Mesa) Downtown (New Central Library) Downtown (New Central Library) Downtown (New Central Library) Downtown (New Central Library) Downtown (Centre City) Golden Hill
<b>Art Registrar Services</b>	\$10,000	
<b>Art Framing Services</b>	\$7,000	
<b>Art Handling Services</b>	\$10,000	
<b>Art Technician Services</b>	\$10,000	
<b>Total FY13 Public Art Fund Expenses</b>	<b>\$56,300</b>	

\* In FY13, Council President Todd Gloria augmented the Public Art Fund by \$10,000 which has been expended on repairing and conserving the historic painted mural by Belle Baranceanu in the Balboa Park Club.

## Attachment 5

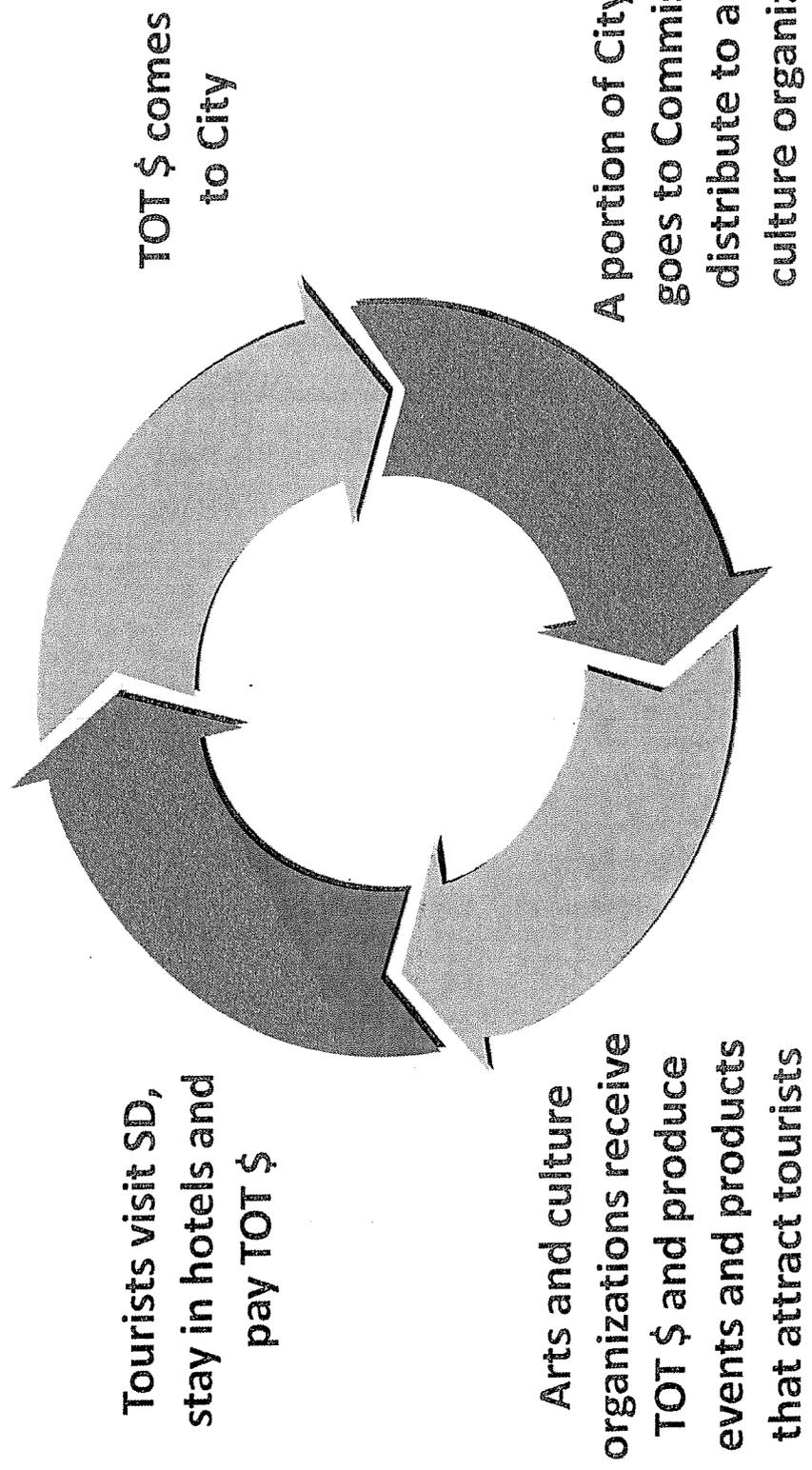
### PROJECTED FY14 PUBLIC ART FUND EXPENDITURES

#### City of San Diego Commission for Arts and Culture

<b>FY14 Proposed Public Art Fund Budget</b>	<b>\$100,000</b>	For artwork care and conservation of City-owned art and preparation of Balboa Park artwork for the 2015 centennial celebration – FY14 Proposed Budget
<u>Service</u>	<u>Expense</u>	<u>Primary Neighborhood Served</u>
<b>Rent, Offsite Storage</b>		
<ul style="list-style-type: none"> <li>• Aztec Brewery Rathskeller Art and Artifacts (1930s)</li> </ul>	\$6,300	Barrio Logan
<b>Art Repairs and/or Conservation</b>		
<ul style="list-style-type: none"> <li>• Park Avenue Public Art Installation (1980s)</li> <li>• El Cid Sculpture (1930s)</li> <li>• C.M. Winslow Drawing (1910s)</li> <li>• John Spreckels Bust &amp; Pedestal</li> <li>• 3 William Hogarth Prints (1700s)</li> <li>• 3 Ando Hiroshige Prints (1800s)</li> <li>• Gail Roberts Drawing (1990s)</li> <li>• Fire Station 10 Public Art Installation (1990s)</li> <li>• 25<sup>th</sup> St. Pedestrian Bridge Public Art Installation (2000s)</li> <li>• Ventura Place Public Art Installation (2000s)</li> </ul>	\$12,000 \$10,000 \$1,200 \$4,000 \$3,000 \$3,500 \$1,000 \$6,500 \$4,500 \$5,000	Balboa Park (Central Mesa) Balboa Park (Central Mesa) Balboa Park (Central Mesa) Balboa Park (Central Mesa) Downtown (New Central Library) Downtown (New Central Library) Downtown (New Central Library) Golden Hill Sherman Heights Mission Beach
<b>Art Condition Surveys &amp; Treatment Proposals</b>		
<ul style="list-style-type: none"> <li>• Juan Larrinaga Mural (1930s)</li> </ul>	\$5,000	Balboa Park (Central Mesa)
<b>Art Registrar Services</b>	\$10,000	Downtown (New Central Library)
<b>Art Framing Services</b>	\$5,000	Downtown (New Central Library)
<b>Art Handling Services</b>	\$15,000	Downtown (New Central Library)
<b>Art Technician Services</b>	\$5,000	Downtown (New Central Library)
<b>Spanish Translator for 200 Art Plaques</b>	\$3,000	Downtown (New Central Library)
<b>Total FY14 Projected Public Art Fund Expenses</b>	<b>\$100,000</b>	

TOT =  
Transient Occupancy Tax  
or Hotel/Motel Tax

# Arts & Culture Ecosystem



Tourists visit SD,  
stay in hotels and  
pay TOT \$

Arts and culture  
organizations receive  
TOT \$ and produce  
events and products  
that attract tourists

A portion of City's TOT \$  
goes to Commission to  
distribute to arts and  
culture organizations

