

Commission for Arts & Culture

Fiscal Year 2017 Proposed Budget

May 9, 2016

City Council Budget Review Committee Hearing

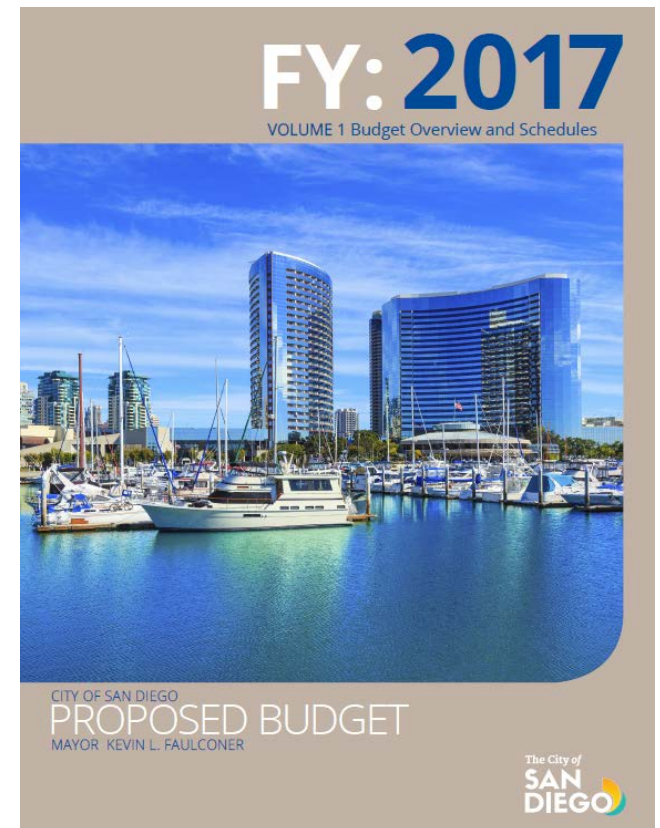
budget.sandiego.gov



Purpose

San Diego Municipal Code §26.0701

The City of San Diego Commission for Arts and Culture serves 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 tourist destination.



Accomplishments

❖ **Arts Education Enrichment**

Arts programming (e.g. field trips, artist residencies, assemblies, etc.) provided by the City's non-profit arts and culture contractors combined with The San Diego Unified School District's (SDUSD) Visual and Performing Arts Department reached 100% of the 173 SDUSD schools and 84% of the 51 charter schools affiliated with SDUSD in FY 2015.

❖ **Economic Impact**

82 of the non-profits that received FY 2014 TOT funding under Council Policy 100-03 yielded \$191 million in direct expenditures and supported 6,200 full- and part-time jobs

❖ **Enlivening Public Places with Art**

- 143 historically significant and prominently located artworks were conserved in FY15, including many that were returned to public view after more than 20 years in storage.
- FY 2013 to FY 2016, 241 artworks were permanently added to the Civic Art Collection and 792 were exhibited as temporary loans.

NON-GENERAL FUNDS EXPENDITURES SUMMARY

Fund Name	FY 2016 Adopted		FY 2017 Proposed		Change from FY 2016 Adopted to FY 2017 Proposed	
	FTE	Budget	FTE	Budget	FTE	Budget
Public Art Fund	0.00	\$154,643	0.00	\$154,643	0.00	\$0
Transient Occupancy Tax Fund	7.00	1,056,549	7.00	996,824	0.00	(\$59,725) ¹
TOTAL	7.00	\$1,211,192	7.00	\$1,151,467	0.00	(\$59,725)

¹The negative variance from FY 2016 Adopted to FY 2017 Proposed is most attributable to Salary and Benefit Adjustments.



Transient Occupancy Tax

HIGHLIGHTS OF SIGNIFICANT BUDGET ADJUSTMENTS

Significant Budget Adjustments	FTE	Expenditures	Revenue
Civic Center Plaza Rent Reallocation: Adjustment reflects the reallocation of rent for Civic Center Plaza from the General Fund.	0.00	\$13,100	-

Footnote: complete list of significant budget adjustments available at www.sandiego.gov/fm/proposed



Commission's Recommended Distribution of FY17 Proposed Budget

City of San Diego Commission for Arts and Culture Total Departmental Budget FISCAL YEAR 2017	FY17 Commission's Recommended Distribution of Proposed Budget
<u>Special Promotional Programs - Business Area 1414:</u>	
Creative Communities San Diego (CCSD)	\$ 1,061,106
Organizational Support Program (OSP)	\$ 9,718,659
Horton Plaza Theatre Foundation (Former RDA Obligation)	\$ 435,000
Penny for the Arts Blueprint Augmentation	\$ 596,872
Mayor/City Council Allocations	\$ 400,000
SUBTOTAL	\$ 12,211,637
<u>Commission for Arts and Culture - Business Area 1412:</u>	
Public Art Fund	\$ 596,872
Department Administration (TOT Fund)	\$ 1,131,292
SUBTOTAL	\$ 1,728,164
DEPARTMENTAL BUDGET TOTAL	\$ 13,939,801



THE CITY OF SAN DIEGO

Report to the City Council

DATE ISSUED: May 3, 2016

ATTENTION: Budget Review Committee

SUBJECT: Recommendations from The Commission for Arts and Culture re: Fiscal Year 2017 Budget Distributions

REFERENCES: - Fiscal Year 2017 Proposed Budget
- Commission for Arts and Culture - Purpose and Intent (SDMC 26.0701) & Duties and Functions (SDMC 26.0704)

REQUESTED ACTION:

Approve the Mayor's proposed Fiscal Year 2017 budget for The Commission for Arts and Culture (Commission) and distribute the total as recommended by the Commission.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

PURPOSE OF THE COMMISSION

The Commission was established in 1988 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 (SDMC 26.0701).

DUTIES OF THE COMMISSION

Pursuant to the duties and functions of the Commission articulated in the San Diego Municipal Code (26.0704), the Commission shall:

- 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;
- Review the annual proposed budget for the Commission as prepared by the Executive Director of the Commission and provide recommendations, as appropriate;
- Advise on the administration of the budget for the Commission, and the arts and culture allocations within TOT funds including, but not limited to, the Special

Promotional TOT Revenue and the Arts, Culture and Community Festivals (ACCF) category; and

- Recommend to the Mayor, City Council and City Manager the fair distribution of TOT funds to non-profit arts and culture organizations to support local arts and culture programming.

BASIS FOR FY17 BUDGETRECOMMENDATIONS FROM THE COMMISSION

In preparing recommendations pertinent to the FY17 Proposed Budget, the Commission responded to:

- 1) The areas of focus highlighted in the Fiscal Year 2017 Proposed Budget presented by the Mayor;
- 2) The values and goals set forth in the City of San Diego Strategic Plan; and
- 3) The recommendations in the *Penny for the Arts Five-Year Blueprint*.

SUMMARY OF FY17 BUDGETRECOMMENDATIONS FROM THE COMMISSION

The Commission recommends distribution of the total FY17 Proposed Budget for the Commission in the following order of priorities:

1. Add 1 full-time equivalent staff position to the department
2. Fund Organizational Support Program (OSP) at 70%
3. Fund Creative Communities San Diego (CCSD) at 8%
4. Fund the Mayor/City Council Allocations at \$400,000
5. Fund Civic Art Collections Management at 3%
6. Fund Ongoing Special Initiative, Cultural Tourism Promotions, at 2.5%
7. Fund Commission-initiated Public Art Projects at 1.5%
8. Fund Ongoing Special Initiative, Arts Education Enrichment, at 1%
9. Fund New Special Initiative, Community Engagement and Training at 1%

When applied to the FY17 Proposed Budget for the Commission, the Commission's recommended priorities result in the following allocations within the Commission's total budget, which is a combination of Special Promotional Programs (Business Area 1414) and Commission for Arts and Culture (Business Area 1412):

	Commission's Recommended Distribution of FY17 Proposed Budget
<u>Special Promotional Programs - Business Area 1414:</u>	
Creative Communities San Diego (CCSD) ¹	\$ 1,061,106
Organizational Support Program (OSP) ²	\$ 9,718,659
Horton Plaza Theatre Foundation (Former RDA Obligation)	\$ 435,000

Penny for the Arts Blueprint Augmentation ³	\$	596,872
Mayor/City Council Allocations	\$	400,000
	SUBTOTAL \$	12,211,637
<u>Commission for Arts and Culture - Business Area 1412:</u>		
Public Art Fund ⁴	\$	596,872
Department Administration (TOT Fund) ⁵	\$	1,131,292
	SUBTOTAL \$	1,728,164
	TOTAL PROPOSED BUDGET \$	13,939,801

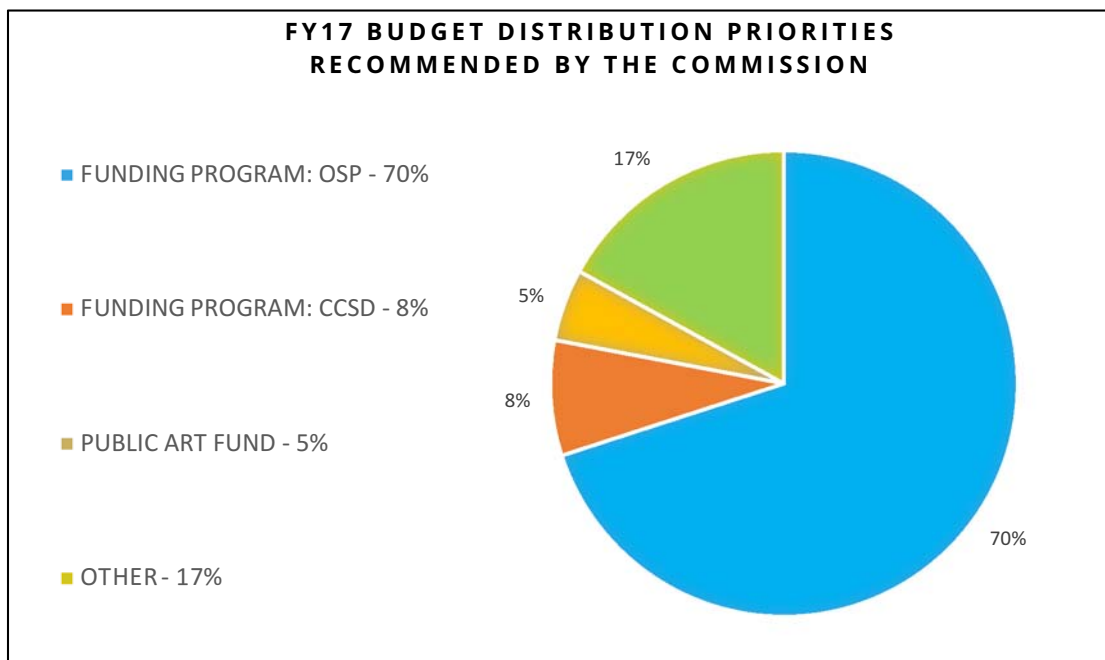
¹ Distribute \$1,061,106 among the Creative Communities San Diego (CCSD) applicants that received a rank of 3- or better and calculate awards using the algorithm; no applicant receives less than \$1,500; no applicant receives more than 10% of the total amount of funds available. (See Attachments 1 & 2)

² Distribute \$9,718,659 among the Organizational Support Program (OSP) applicants that received a rank of 3- or better and calculate awards using the algorithm; no applicant receives less than \$1,500; no applicant receives more than 10% of the total amount of funds available. (See Attachments 3 & 4)

³ Distribute \$596,872 to ongoing and new special initiatives (i.e. Arts Education Enrichment Initiative, Cultural Tourism Promotions, Community Engagement and Training)

⁴ Distribute \$596,872 to the Public Art Fund for Civic Art Collections Management and Commission-initiated Public Art Projects

⁵ Includes salary and fringe for 1.00 FTE Program Manager



BACKGROUND FOR FY17 BUDGET RECOMMENDATIONS FROM THE COMMISSION

**Commission's Recommendation No. 1:
Add 1 full-time equivalent staff position to the department**

Focus Area of Mayor's FY17 Proposed Budget: Excellent Customer Service and Open Government

City of San Diego Strategic Plan Goal 1: Provide high quality public service

Penny for the Arts Five-Year Blueprint: Increase staff and overhead with increases to the Commission's budget

The Commission recommends the addition of 1.00 full time equivalent (FTE) staff position to the department. Between FY13 and FY17, the number of special initiatives undertaken by the Commission increased by eight and the number of contracts managed by the Commission increased by 480 or 318%. The total number of contracts managed by the Commission in FY16 is 631. The FY17 allocation for Department Administration recommended by the Commission includes the cost of salary and fringe for one Program Manager.

**Commission's Recommendation No. 2:
Fund Organizational Support Program (OSP) at 70%
&
Commission's Recommendation No. 3:
Fund Creative Communities San Diego (CCSD) at 8%**

Focus Area of Mayor's FY17 Proposed Budget: Safe and Livable Neighborhoods

City of San Diego Strategic Plan Goal 1: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Penny for the Arts Five-Year Blueprint: Restore Organizational Support Program (OSP) and Creative Communities San Diego (CCSD) to FY2002 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.

The Organizational Support Program (OSP) and Creative Communities San Diego (CCSD) are programs administered by the Commission, in accordance with Council Policy 100-03, through which the City of San Diego (City) annually distributes Transient Occupancy Tax (TOT) funds to local arts and culture non-profits. OSP offers general operating support to non-profits if their mission is primarily arts and culture related and CCSD offers sponsorship for events such as festivals and parades. Non-profits applying for TOT funding through OSP or CCSD must submit an application to the Commission. Applications are evaluated by ad hoc panels composed of diverse community members using evidence-based rubric and given a rank. The application's rank, the applicant's annual operating income (AOI), the amount of funding available to distribute and the number of applicants in each competition pool are the main factors in determining an applicant's funding award amount. Each non-profit recipient of TOT funding through OSP or CCSD enters into a one-year

service contract managed by the Commission. Services provided under these contracts include performances, exhibits, parades, festivals, public art and educational classes and benefit the residents, visitors and investors in all of San Diego's neighborhoods.

For FY17, the Commission recommends funding OSP at 70% and CCSD at 8% of the total FY17 Proposed Budget for the Commission. The Commission further recommends that awards be given to only those applicants receiving ranks of 3- or better. (See Attachments 1-4 for FY17 applicants and their respective awards recommended by the Commission.)

**Commission's Recommendation No. 4:
Fund the Mayor/City Council Allocations at \$400,000**

The Commission supports the allocation set forth in the total FY17 Proposed Budget for the Commission as presented by the Mayor.

**Commission's Recommendation No. 5:
Fund Civic Art Collections Management at 3%
&
Commission's Recommendation No. 7:
Fund Commission-initiated Public Art Projects at 1.5%**

Focus Area of Mayor's FY17 Proposed Budget: Safe and Livable Neighborhoods

City of San Diego Strategic Plan Goal 1: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Penny for the Arts Five-Year Blueprint: 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.

For FY17, the Commission recommends an allocation of 3% of the total FY17 Proposed Budget for conservation, maintenance, exhibition and interpretation of the Civic Art Collection, which includes approximately 1500 paintings, sculptures, works on paper and prints owned or controlled by the City. Begun in 1909 to provide meaningful aesthetic and cultural experiences for San Diego's residents and visitors, the Civic Art Collection includes many artworks of art historical importance and historical significance.

The City further activates public spaces by integrating art into the City's capital improvement projects, as directed by Council Policy 900-11, and ensuring the inclusion of public art or space for cultural use in private development projects pursuant to the City's Public Art Master Plan. For FY17, the Commission recommends an allocation of 1.5% of the total FY17 Proposed Budget for Commission-initiated public art projects. This allocation enables the Commission to strategically select neighborhood sites for public art, leading to improved equity and access to the arts. Additionally, this allocation supports temporary, ephemeral and socially engaging public art projects that achieve the goals of the City's Public Art Master Plan.

**Commission's Recommendation No. 6:
Fund Ongoing Special Initiative, Cultural Tourism Promotions, at 2.5%**

Focus Area of Mayor's FY17 Proposed Budget: Safe and Livable Neighborhoods

City of San Diego Strategic Plan Goal 3: Create and sustain a resilient and economically prosperous city

Penny for the Arts Five-Year Blueprint: "Support special projects and initiatives including...marketing programs that position San Diego as an international cultural tourism destination."

Cultural Tourism Promotions is an initiative specified in the *Penny for the Arts Five-Year Blueprint* that has been funded each year since FY14. Promotion of tourism in San Diego is an important tool in attracting visitors to San Diego who stay overnight in hotels and contribute to TOT. Since the services provided through the Commission are funded with TOT, the Commission continues to recommend an investment in the health and growth of TOT by attracting "cultural tourists" – tourists who are attracted to a destination to experience its music, theater, public art, restaurants, gardens, historical attractions, etc. and who, studies have proven, spend more money and stay more nights in hotels than average tourists. Cultural Tourism Promotions are implemented through contracts with the San Diego Tourism Authority and have resulted in the production of nine videos highlighting arts and culture in nine San Diego neighborhoods (one neighborhood in each of the nine City Council Districts), one 30-second arts and culture TV spot, two 15-second arts and culture TV spots, print ads, social media content, print/cable/online media buys in target markets, and funding support for the production of the documentary, National Geographic World's Smart Cities: San Diego. To build upon market-share gains achieved in prior years and to maintain and expand important assets (i.e. photography, videos, b-roll) created using prior-year investments, the Commission recommends funding Cultural Tourism Promotions at 2.5% of the total FY17 Proposed Budget.

**Commission's Recommendation No. 7:
Fund Commission-initiated Public Art Projects at 1.5%**

See the discussion for Commission's Recommendation No. 5 above.

**Commission's Recommendation No. 8:
Fund Ongoing Special Initiative, Arts Education Enrichment, at 1%**

Focus Area of Mayor's FY17 Proposed Budget: Bringing Equality to Opportunity

City of San Diego Strategic Plan Goal 2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Penny for the Arts Five-Year Blueprint: Support Special Projects and Initiatives

The Commission recommends funding a third year of the Arts Education Enrichment Initiative at 1% of the total FY17 Proposed Budget. The Arts Education Enrichment Initiative was launched by the Commission in FY15 with an award of \$100,000 to Young Audiences of San Diego (YASD). YASD was selected and secured in March 2015 by the San Diego Unified School District's (SDUSD) Board of Education as the primary contractor for implementing a

ground-breaking initiative (eventually named Title 1 Learning Through the Arts Initiative) to increase academic achievement among students in low-income schools through arts integration using federal Title 1 funding. The City's allocation of FY15 funding to YASD capitalized upon and leveraged the SDUSD's investment and positioned the City as a partner for the SDUSD and other thought-leaders in arts education from California State University, San Marcos and the San Diego County Office of Education. Year one of the Title 1 Learning Through the Arts Initiative involved classroom teachers teamed with teaching artists who jointly presented coursework in the classroom. The coursework integrated arts – performing, visual, media – into literacy, math and science subjects in alignment with the National Core Arts Standards, Common Core (California) State Standards and Next Generation Science Standards. In the first year, arts-integrated teaching strategies were provided by YASD to 22 Title 1 SDUSD schools (2 high schools, 4 middle schools, 1 K-8 school and 15 elementary schools), reaching 8,523 students.

In FY16, the Commission continued the Arts Education Enrichment Initiative for a second year by awarding another contract to YASD (now named Arts for Learning San Diego) to contribute to the second year of SDUSD's Title 1 Arts for Learning Initiative. The second year of the Title 1 Arts for Learning Initiative 1) introduces teaching artists to "Understanding By Design," the practice of looking at the outcomes in order to design curriculum units, performance assessments, and classroom instruction; 2) provides in-school and out-of-school professional development and coaching in arts integration for teaching artists; and 3) provides teaching artists in fourth grade classes for cumulative growth in students who also participated in year one as third graders.

The Commission's recommendation to fund a third year of the Arts Education Enrichment Initiative at 1% of the total FY17 Proposed Budget is intended to evolve the City's approach and to fund research, development and/or implementation of arts and culture programs and services that capitalize on the City's extant infrastructure and programming resources (e.g. recreation centers and their programs, libraries and their programs, etc.) and enrich those resources with public art, classes with teaching artists, artists in residence, and more.

**Commission's Recommendation No. 9:
Fund New Special Initiative, Community Engagement and Training at 1%**

Focus Area of Mayor's FY17 Proposed Budget: Safe and Livable Neighborhoods

City of San Diego Strategic Plan Goal 2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Penny for the Arts Five-Year Blueprint: Support Special Projects and Initiatives

The Commission recommends funding a new Community Engagement and Training Initiative for local arts and culture organizations and residents at 1% of the total FY17 Proposed Budget. The purpose of this initiative is to broaden and diversify the audiences and stakeholders in the arts sector, better align the arts sector's messaging and programming with existing public values and harness the recognized benefits of engaging in creative activities. A multi-pronged approach to engaging residents includes celebrating and

promoting diverse creative experiences, bolstering current creative activity in the neighborhoods and encouraging new participatory experiences.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

Goal #1: Provide high quality public service

Objective #2: Improve external and internal coordination and communication

Goal #2 Work in partnership with all of our communities to achieve safe and livable neighborhoods

Objective #4: Foster services that improve quality of life

Objective #5: Cultivate civic engagement and participation

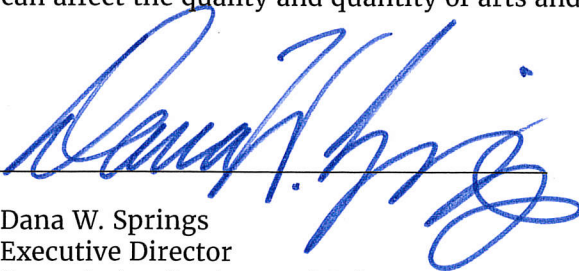
FISCAL CONSIDERATIONS: Should the Commission's Fiscal Year 2017 budget be reduced or increased through the budget process, the Mayor and City Council may propose adjustments to the distribution of the Commission's budget.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (if applicable): Not applicable

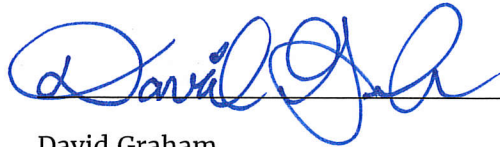
PREVIOUS COUNCIL and/or COMMITTEE ACTIONS: On October 22, 2012, City Council unanimously voted to adopt the *Penny for the Arts Five-Year Blueprint* (Attachment 5), which contains recommendations for funding and distributing the Commission's Fiscal Year 2017 budget. (Charts depicting progress towards fulfilling the *Penny for the Arts Five-Year Blueprint* are included as Attachments 6 & 7.)

COMMUNITY PARTICIPATION AND 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 affect the degree of public access to and participation in arts and culture offerings and can affect the quality and quantity of arts and culture offerings.



Dana W. Springs
Executive Director
Commission for Arts and Culture



David Graham
Deputy Chief Operating Officer
Neighborhood Services

- Attachment(s):
1. Recommended Funding Awards for CCSD
 2. Fact Sheet: Factors Affecting Amount of CCSD Awards
 3. Recommended Funding Awards for OSP
 4. Fact Sheet: Factors Affecting Amount of OSP Awards
 5. *Penny for the Arts Five-Year Blueprint*
 6. Chart: Progress Towards *Blueprint* Goals in Percentages
 7. Chart: Progress Towards *Blueprint* Goals in Dollars

**FY17 CREATIVE COMMUNITIES SAN DIEGO (CCSD)
RECOMMENDED AWARDS***

ATTACHMENT 1

	FY17 CREATIVE COMMUNITIES SAN DIEGO (CCSD) APPLICANT	FY17 AWARD* RECOMMENDATION	PROJECT BUDGET	% OF PROJECT BUDGET
1	America's Finest City Dixieland Jazz Society	\$43,531	\$229,780	18.94%
2	Ar medServices YMCA- SD Br anch	\$67,799	\$436,438	15.53%
3	Asian Story Theater Inc	\$5,342	\$30,000	17.81%
4	Balboa Park Conser vancy	\$72,390	\$406,507	17.81%
5	BAME Renaissance Community Development Cor por ation	\$7,633	\$61,050	12.50%
6	Br azilian Institute for Arts & Cultur e	\$12,633	\$70,943	17.81%
7	Cabr illoFestival, Inc.	\$5,732	\$26,050	22.01%
8	California Lawyers for the Ar ts	\$3,751	\$30,000	12.50%
9	Casa Familiar	\$7,016	\$29,850	23.51%
10	Contact Arts DBA San Diego Fringe Festival	\$62,859	\$352,986	17.81%
11	Hillcrest Business Improvement Association	\$22,908	\$137,410	16.67%
12	InBiz Latino Incor por ated	\$0	\$10,510	
13	Indian Fine Arts Academy of San Diego	\$25,693	\$144,280	17.81%
14	Ir ish Congress of Souther nCalifor nia	\$0	\$150,000	
15	Italian American Art and Cultur al Association of San Diego	\$21,767	\$114,900	18.94%
16	Jacobs and Cushman San Diego Food Bank	\$43,201	\$278,100	15.53%
17	Jacobs Center for Neighbor hoodInnovation	\$17,291	\$97,100	17.81%
18	Kalasugan Community Ser vices	\$0	\$48,840	
19	KARAMA	\$4,852	\$29,402	16.50%
20	Karen Or ganization of San Diego	\$2,648	\$24,070	11.00%
21	Kiwanis Foundation of Tier r asanta	\$0	\$13,400	
22	La Jolla Art and Wine Festival	\$0	\$229,000	
23	La Maestr a	\$4,910	\$29,754	16.50%
24	Linda Vista Multi-Cultur alFair , Inc.	\$8,721	\$48,975	17.81%
25	Little Italy Association	\$25,482	\$152,850	16.67%
26	Little Saigon San Diego Foundation	\$34,369	\$193,000	17.81%
27	Mar iachiJuvenil de San Diego	\$37,189	\$258,300	14.40%
28	Mar iachiScholarship Foundation	\$18,631	\$139,500	13.36%
29	Mar tin Luther King Jr . Community Choir of San Diego	\$3,048	\$29,734	10.25%
30	Media Her itageInc.	\$16,659	\$93,550	17.81%
31	Musicians For Education, Inc.	\$16,129	\$90,575	17.81%
32	National Asian American Coalition	\$0	\$41,500	
33	Ocean Beach Mer chantsAssociation, Inc.	\$25,840	\$155,000	16.67%
34	Pacific Beach Business Improvement Association	\$15,865	\$89,090	17.81%
35	PASACAT, Inc.	\$6,503	\$27,667	23.51%
36	Point Loma Summer Concer ts	\$12,870	\$77,200	16.67%
37	Rancho de los Penasquitos Town Council	\$7,724	\$49,725	15.53%
38	Rolando Community Council, Inc	\$6,123	\$27,826	22.01%
39	Samahan Filipino Amer icanPerforming Ar ts	\$0	\$28,775	
40	San Diego Alpha Foundation	\$0	\$29,800	
41	San Diego Audubon Society	\$17,769	\$114,387	15.53%
42	San Diego Chinese Center	\$7,481	\$39,490	18.94%
43	San Diego City College Foundation	\$7,568	\$42,500	17.81%
44	San Diego Ear thDay	\$29,035	\$163,050	17.81%
45	San Diego Film Foundation	\$81,492	\$566,000	14.40%
46	San Diego Lesbian, Gay, Bisexual, Transgender Pr ide	\$106,110	\$974,575	10.89%
47	San Diego Music Foundation	\$30,984	\$163,550	18.94%
48	San Diego Performing Arts League	\$5,471	\$38,000	14.40%
49	San Diego Quilt Show, Inc	\$0	\$93,500	
50	San Diego Shakespeare Society	\$6,887	\$29,300	23.51%

**FY17 CREATIVE COMMUNITIES SAN DIEGO (CCSD)
RECOMMENDED AWARDS***

	FY17 CREATIVE COMMUNITIES SAN DIEGO (CCSD) APPLICANT	FY17 AWARD* RECOMMENDATION	PROJECT BUDGET	% OF PROJECT BUDGET
51	San Diego State University Research Foundation for KPBS	\$25,413	\$285,418	8.90%
52	Space 4 Art, Inc.	\$5,633	\$29,641	19.01%
53	The Bon Temps Social Club	\$106,110	\$693,250	15.31%
54	The Circus Collective of San Diego	\$0	\$83,700	
55	The Cooper Family Foundation	\$5,539	\$22,150	25.01%
56	Torrey Pines Kiwanis Foundation	\$41,477	\$267,000	15.53%
57	transcenDANCE Youth Arts Project	\$15,641	\$87,833	17.81%
58	Write Out Loud	\$7,473	\$29,884	25.01%
		\$1,061,106		

*Funding award recommendations are tentative until June 30, 2016 because a variety of factors in the City's budget process can cause fluctuations in the numbers.

CREATIVE COMMUNITIES SAN DIEGO – FISCAL YEAR 2017

Factors Affecting Amount of CCSD Awards

Funding awards for applicants in the Creative Communities San Diego (CCSD) program are calculated using two categories of factors: 1) those factors that are related to an individual applicant, and 2) those factors that affect the entire applicant population. The amount of funding each applicant can be awarded is dependent on **ALL** the factors.

Factors related to each individual applicant:

- **TOTAL PROJECT EXPENSE BUDGET** - If an applicant has a budget greater than \$30,000, it qualifies to be awarded a maximum of 25% of its project budget, otherwise it qualifies for a maximum of 33%.
- **RANK** - A higher rank given by the application evaluation panel leads to a higher award.
- **YEAR OF APPLICATION** - If an applicant is in its first or second year of applying, it receives a reduced amount. (First-year applicants receive 50% of the calculated award while second-year applicants receive 75% of the calculated award. Applicants in year three and beyond receive 100% of the calculated award.)

Factors that affect the entire pool of applicants:

- **AMOUNT OF MONEY AVAILABLE TO DISTRIBUTE** - More money available for distribution can lead to higher award amounts per applicant.
- **NUMBER OF APPLICANTS RECOMMENDED FOR FUNDING AWARDS** - A greater number of applicants recommended to receive funding awards stretches the amount of money available to distribute more thinly across all the applicants.
- **THE COLLECTIVE PROJECT EXPENSE BUDGETS OF ALL APPLICANTS** - The greater the collective project expense budgets, the more thinly the amount of money available to distribute must be spread to support applicants relative to the size of their budgets.

The amount of funding each applicant can be awarded is dependent on **ALL** the factors.

Example:

The ABC Arts Festival is a first-year applicant. With a project expense budget of \$1,014,450 and a rank of 4, their funding award is \$180,996 before applying the first-year 50% rule, which brings their recommended funding award to \$90,498.

**FY17 ORGANIZATIONALSUPPORT PROGRAM (OSP)
RECOMMENDED AWARDS***

ATTACHMENT 3

	FY17 ORGANIZATIONAL SUPPORT PROGRAM (OSP) APPLICANT	FY17 AWARD* RECOMMENDATION	ANNUAL OPERATING INCOME (AOI)	% OF AOI
1	Actors Alliance of San Diego	\$0	\$44,413	
2	Art of Elan	\$18,915	\$144,427	12.51%
3	Athenaeum Music & Arts Library	\$106,152	\$1,509,230	6.72%
4	Bach Collegium San Diego	\$29,938	\$272,512	10.50%
5	Balboa Park Cultural Partnership	\$239,868	\$5,009,535	4.57%
6	Balboa Park Online Collaborative, Inc.	\$84,004	\$849,439	9.45%
7	Black Mountain Dance Foundation	\$0	\$196,021	
8	California Ballet Association, Inc	\$131,373	\$1,676,141	7.49%
9	Camarada, Inc.	\$21,082	\$164,466	12.25%
10	Center for World Music	\$23,097	\$216,518	10.19%
11	Choral Club of San Diego	\$0	\$11,567	
12	Choral Consortium of San Diego	\$1,673	\$14,148	11.30%
13	City Ballet, Inc	\$78,666	\$921,164	8.16%
14	Classicsfor Kids, Inc.	\$36,612	\$349,058	10.02%
15	Culture Shock Dance Troupe, Inc	\$16,386	\$156,873	9.98%
16	Cygnnet Theatre Company	\$165,560	\$2,318,038	6.82%
17	Diversionary Theatre	\$62,355	\$681,940	8.74%
18	Fern Street Community Arts, Inc	\$14,639	\$115,118	12.15%
19	Fines tCity Performing Arts, Inc.	\$41,397	\$374,537	10.56%
20	Flying Leatherneck Historical Foundation	\$36,142	\$316,684	10.90%
21	Gaslamp Quarter Historical Foundation	\$49,818	\$617,369	7.71%
22	Intrepid Shakespeare Company	\$15,336	\$280,717	5.22%
23	Ion Theatre Company	\$24,318	\$300,515	7.73%
24	Japanese Friendship Garden Society of San Diego	\$94,436	\$1,074,029	8.40%
25	La Jolla Chapter, SPEBSQSA, Inc	\$0	\$44,705	
26	La Jolla Historical Society	\$85,006	\$1,019,812	7.96%
27	La Jolla Music Society	\$244,286	\$4,600,957	5.07%
28	La Jolla Symphony and Chorus Association	\$54,335	\$526,370	9.86%
29	Lambda Archives of San Diego	\$10,411	\$117,541	8.46%
30	Mainly Mozart, Inc.	\$163,932	\$2,093,458	7.48%
31	Malas hock Dance & Company	\$57,980	\$571,432	9.69%
32	Maritime Museum Association of San Diego	\$282,569	\$5,240,163	5.15%
33	Media Arts Center San Diego	\$89,778	\$1,096,112	7.82%
34	Mingei International, Inc.	\$213,466	\$3,067,641	6.65%
35	Mojalet Dance Collective	\$0	\$129,078	
36	Moxie Theatre, Inc.	\$27,079	\$222,509	11.63%
37	Museum of Contemporary Art San Diego	\$368,399	\$7,482,242	4.70%
38	Museum of Photographic Arts	\$230,686	\$3,446,874	6.39%
39	New Americans Museum	\$28,939	\$372,513	7.42%
40	NTC Foundation	\$66,068	\$674,884	9.35%
41	Old Globe Theatre	\$542,761	\$22,784,840	2.28%
42	Outside the Lens	\$41,358	\$406,079	9.73%
43	Pacific Arts Movement	\$84,782	\$931,974	8.69%
44	Persian Cultural Center	\$38,669	\$373,519	9.89%
45	Playwrights Project	\$43,264	\$395,640	10.45%

**FY17 ORGANIZATIONALSUPPORT PROGRAM (OSP)
RECOMMENDED AWARDS***

ATTACHMENT 3

	FY17 ORGANIZATIONAL SUPPORT PROGRAM (OSP) APPLICANT	FY17 AWARD* RECOMMENDATION	ANNUAL OPERATING INCOME (AOI)	% OF AOI
46	Prophet World Beat Productions	\$34,811	\$327,982	10.14%
47	Recreational Music Center	\$0	\$999,013	
48	Reuben H. Fleet Science Center	\$366,559	\$7,412,835	4.72%
49	SACRA/PROFANA	\$15,710	\$125,201	11.99%
50	San Diego Air & Space Museum	\$347,724	\$7,539,975	4.41%
51	San Diego Archaeological Center	\$32,800	\$304,800	10.28%
52	San Diego Art Institute	\$41,025	\$370,376	10.58%
53	San Diego Automotive Museum	\$71,620	\$748,607	9.14%
54	San Diego Ballet	\$57,974	\$571,363	9.69%
55	San Diego Center for Jewish Culture	\$151,632	\$2,246,698	6.45%
56	San Diego Children's Choir	\$50,267	\$477,236	10.06%
57	San Diego Chinese Historical Society and Museum	\$21,696	\$184,314	11.25%
58	San Diego Civic Youth Ballet. Inc.	\$64,492	\$654,358	9.42%
59	San Diego Dance Theater	\$49,952	\$473,484	10.08%
60	San Diego Guild of Puppetry, Inc	\$10,541	\$78,110	12.89%
61	San Diego Hall of Champions	\$67,486	\$1,337,272	4.82%
62	San Diego History Center	\$107,539	\$1,704,978	6.03%
63	San Diego Junior Theatre	\$102,064	\$1,190,760	8.19%
64	San Diego Master Chorale	\$13,849	\$107,789	12.28%
65	San Diego Model Railroad Museum	\$79,386	\$855,353	8.87%
66	San Diego Museum Council, Inc.	\$23,808	\$190,403	11.95%
67	San Diego Museum of Art	\$413,486	\$9,381,903	4.21%
68	San Diego Museum of Man	\$285,113	\$4,804,004	5.67%
69	San Diego Musical Theatre	\$62,349	\$1,087,012	5.48%
70	San Diego New Music	\$0	\$12,238	
71	San Diego Opera	\$428,318	\$11,636,713	3.52%
72	San Diego Repertory Theatre	\$196,576	\$2,975,454	6.31%
73	San Diego Society of Natural History Balboa Park	\$542,819	\$24,773,783	2.09%
74	San Diego Symphony Orchestra Association	\$543,245	\$23,598,447	2.20%
75	San Diego Theatres, Inc	\$137,594	\$7,246,650	1.81%
76	San Diego Watercolor Society	\$34,870	\$280,870	11.86%
77	San Diego Winds	\$0	\$124,754	
78	San Diego Women's Chorus	\$10,312	\$70,454	13.98%
79	San Diego Writers, Ink	\$24,727	\$235,219	10.04%
80	San Diego Young Artist Music Academy, Inc	\$0	\$168,606	
81	San Diego Youth Symphony and Conservatory	\$152,921	\$1,898,835	7.69%
82	Save Our Heritage Organisation	\$118,049	\$1,584,440	7.12%
83	Scripps Ranch Theatre	\$22,863	\$213,864	10.21%
84	Sledgehammer Theatre	\$3,308	\$20,439	15.47%
85	So Say We All	\$8,652	\$57,387	14.40%
86	Spreckels Organ Society	\$30,790	\$260,172	11.31%
87	Tap Fever Studios	\$0	\$92,375	
88	Teatro Mas cara Magica	\$0	\$54,898	
89	The Aja Project	\$43,632	\$370,247	11.26%
90	The New Children's Museum	\$184,669	\$2,990,826	5.90%

**FY17 ORGANIZATIONAL SUPPORT PROGRAM (OSP)
RECOMMENDED AWARDS***

ATTACHMENT 3

	FY17 ORGANIZATIONAL SUPPORT PROGRAM (OSP) APPLICANT	FY17 AWARD* RECOMMENDATION	ANNUAL OPERATING INCOME (AOI)	% OF AOI
91	The PGK Project, Inc	\$12,984	\$99,862	12.42%
92	Theater and Arts Foundation of San Diego County	\$501,560	\$15,107,506	3.17%
93	Timken Museum of Art	\$128,231	\$1,775,638	6.90%
94	Villa Musica	\$65,186	\$721,944	8.63%
95	Westwind Brass	\$0	\$46,466	
96	Women's History Reclamation Project, Inc	\$21,007	\$177,287	11.32%
97	Young Audiences of San Diego	\$66,881	\$633,396	10.09%
98	Youth Philharmonic Orchestra	\$2,006	\$30,164	6.36%
		\$9,718,659		

*Funding award recommendations are tentative until June 30, 2016 because a variety of factors in the City's budget process can cause fluctuations in the numbers.

ORGANIZATIONAL SUPPORT PROGRAM – FISCAL YEAR 2017

Factors Affecting Amount of OSP Awards

Funding awards for applicants in the Organizational Support Program (OSP) are calculated using two categories of factors: 1) those factors that are related to an individual applicant, and 2) those factors that affect the entire applicant population. The amount of funding each applicant can be awarded is dependent on **ALL** the factors.

1) **Factors related to each individual applicant:**

- **ANNUAL OPERATING INCOME (AOI)** - A logarithmic scale is used to create a maximum allowable percentage based on the size of an organization's operating budget. Smaller budget organizations are eligible for higher percentages of their AOIs than larger budget organizations.
- **RANK** - A higher rank given by the application evaluation panel leads to a higher award.
- **YEAR OF APPLICATION** - If an applicant is in its first or second year of applying, it receives a reduced amount. (First-year applicants receive 50% of the calculated award while second-year applicants receive 75% of the calculated award. Applicants in year three and beyond receive 100% of the calculated award.)

2) **Factors that affect the entire pool of applicants:**

- **AMOUNT OF MONEY AVAILABLE TO DISTRIBUTE** - More money available for distribution can lead to higher award amounts per applicant.
- **NUMBER OF APPLICANTS RECOMMENDED FOR FUNDING AWARDS** - A greater number of applicants recommended to receive funding awards stretches the amount of money available to distribute more thinly across all the applicants.
- **THE COLLECTIVE ANNUAL OPERATING INCOMES OF ALL APPLICANTS** - The greater the collective AOI, the more thinly the amount of money available to distribute must be spread to support applicants relative to the size of their budgets.

The amount of funding each applicant can be awarded is dependent on **ALL** the factors.

Example:

The ABC Historical Society has an Annual Operating Income of \$1,936,835 and received a rank of 3+. Their recommended funding award is \$112,153. If their rank had been a 4 and all other factors remained equal, their recommended funding award would be \$127,280.



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 strikeout 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, Allocations 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 Embarcadero 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.

4. 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.

1. 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 inreach 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 100th 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.

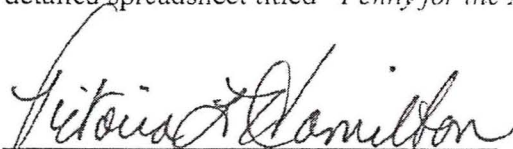
4. Support Special Projects and Initiatives

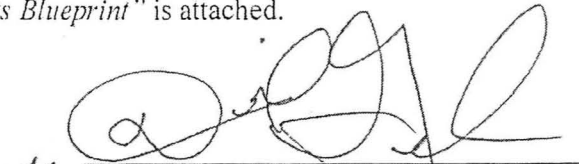
- A. Develop a mechanism to implement a funding program to support capital improvement and restoration needs of cultural facilities throughout the City (Building Capital Grants Fund). The Building Capital Grants Fund will address deferred maintenance needs and much needed physical improvements to City-owned 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, ConVis 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 Kristee Medina, Deputy

Dated 12-17-12

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

FY13	FY13 + \$1M	FY14	FY15	FY16	FY17
------	-------------	------	------	------	------

OVERALL TOT

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:						
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 Kristen Medina, 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 FY02	Citywide TOT *	A&C %
FY02	\$216,662	4	\$641,566	54			\$8,654,357	85	\$9,512,728	\$1,061,168	\$212,202	\$100,000	\$10,886,098	10	100%	\$98,327,262	11.1%
FY03	\$261,741	12	\$649,447	53			\$8,555,370	81	\$9,466,704	\$877,434	\$132,000	\$100,000	\$10,576,138	10	97%	\$105,970,746	10.0%
FY04	\$235,566	7	\$606,467	53			\$7,747,464	83	\$8,589,640	\$835,637	\$118,800	\$90,000	\$9,634,077	9	88%	\$111,990,774	8.6%
FY05	\$75,000	5	\$434,538	43			\$7,053,884	88	\$7,563,558	\$884,990	\$60,129	\$81,000	\$8,589,677	8	79%	\$121,023,478	7.1%
FY06	\$65,350	7	\$391,084	36			\$6,449,180	83	\$6,905,740	\$775,422	\$32,334	\$72,900	\$7,786,396	6	72%	\$135,891,366	5.7%
FY07					\$425,115	40	\$6,449,180	83	\$6,874,418	\$877,762	\$30,000	\$72,900	\$7,855,080	7	72%	\$150,417,640	5.2%
FY08					\$425,115	54	\$6,449,180	81	\$6,874,295	\$915,767	\$30,000	\$220,000	\$8,040,062	7	74%	\$160,242,590	5.0%
FY09					\$425,115	46	\$6,449,180	76	\$6,874,295	\$930,855	\$0	\$220,000	\$8,025,150	7	74%	\$136,289,389	5.9%
FY10					\$425,115	48	\$6,449,183	72	\$6,874,298	\$836,326	\$30,000	\$220,000	\$7,960,624	6	73%	\$123,200,000	6.5%
FY11					\$383,418	38	\$5,816,582	75	\$6,200,000	\$832,680	\$0	\$220,000	\$7,252,680	6	67%	\$131,900,000	5.5%
FY12					\$383,418	32	\$5,816,582	75	\$6,200,000	\$877,983	\$6,300	\$220,000	\$7,304,283	6	69%	\$139,351,684	5.2%
FY13					\$402,589	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 this program did not yet exist

This color indicates no data, due to program termination

* These Citywide figures from FY2002 until FY2012 are derived from CIC Research and ConVis. 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
Diversionary 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
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.

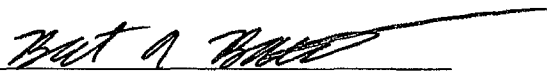
BE IT FURTHER RESOLVED, that the Mayor, or his designee, is authorized to implement the recommendations contained in the Blueprint as TOT funding levels are increased.

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.

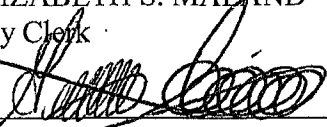
APPROVED: JAN I. GOLDSMITH, City Attorney

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

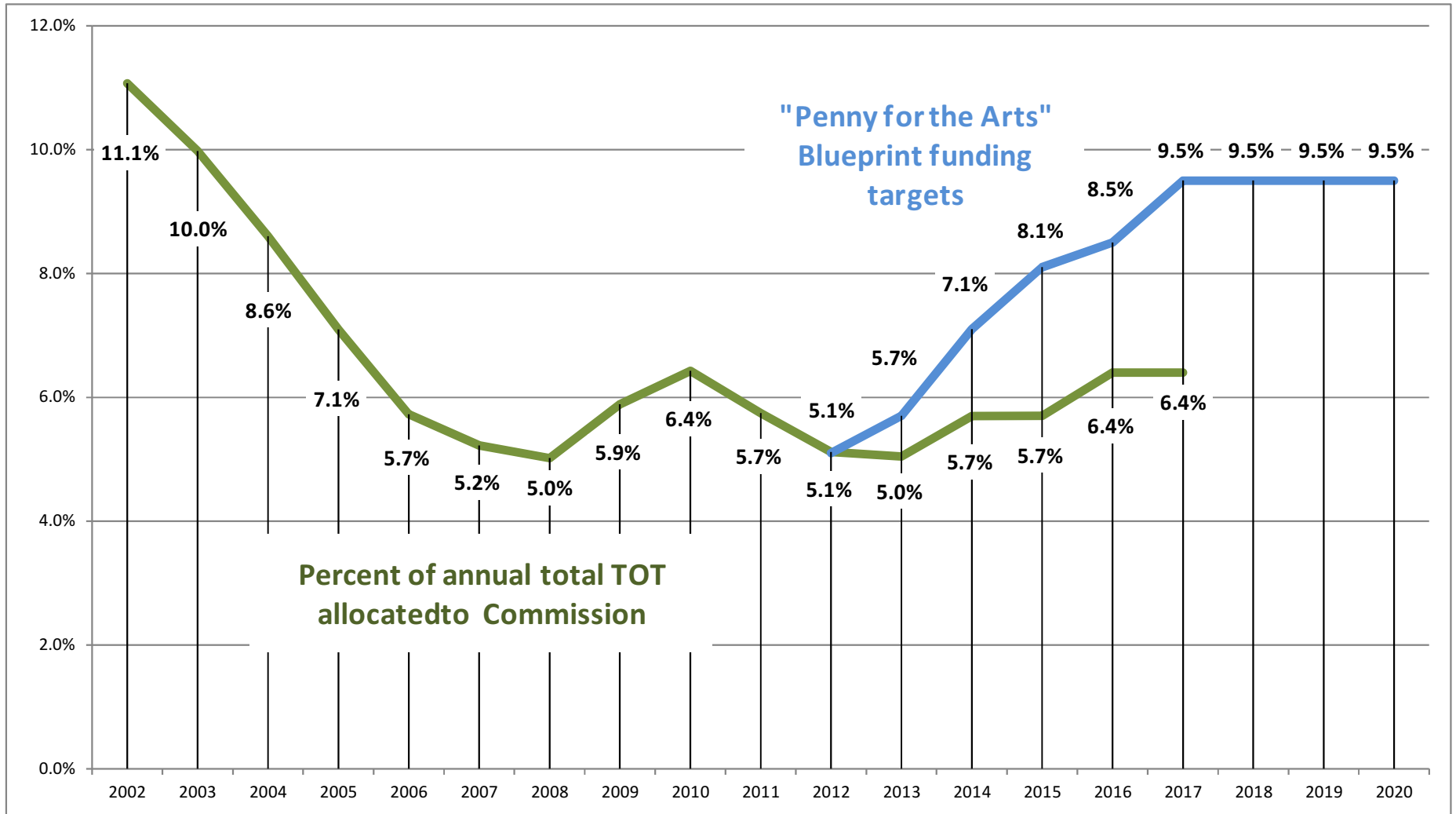
By 
Deputy City Clerk

Approved: 10-25-12
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor



ATTACHMENT 6

