

**TO:** CITY ARTS COMMISSION

**FROM:** Library Services Department  
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**TITLE:** Arts Master Plan update

**ABSTRACT:**

The Arts Commission has drafted a three year funding and staffing plan to create a long-term self-sufficient arts program in the City. This plan, if approved by City Council, will likely provide the necessary funds to support existing programs and to expand programming with private funding. Staff recommends that the City Arts Commission approve this plan for later consideration by City Council. The City Council has also requested that the Arts Commission begin to develop public-private partnerships to reduce the reliance on the General Fund for arts programs.

**RECOMMENDATION:**

Approve the draft plan and provide recommendations to the City Council for consideration.

**FUNDING REQUIREMENTS:**

Funding will be dependent on the direction from the City Council.

**DISCUSSION:**

At the Council Study Session on April 14, 2015, staff presented a draft Master Plan for Arts and Culture to the City Council to consider. At the Study Session, City Council considered the draft plan and provided direction to the Commission. At that meeting, the City Council provided direction to the Arts Commission to:

- 1) Identify goals and objectives based on the Arts Master Plan recommendations and develop a long-term vision for arts in the City;
- 2) Remove the Arts Master Plan recommendation for discretionary review of private development;
- 3) Focus on ways to expand private support for public arts programs to lessen the burden on public funds;
- 4) Set in place additional public review of sculptural arts selections; and
- 5) Provide options for Council action.

**Current Programming and Budget**

Over the last several years, the Arts Commission has focused on the following types of programming. The annual events include summer Concerts on the Green series, Shakespeare plays and the annual Newport Beach Art Exhibition. In addition, the Commission has hosted a variety of special events including various exhibitions including Mark Hilbert's collection of California Scene Paintings, a Rex Brandt centennial, and more recently, a centennial exhibition of Joan Irving Brandt's works.

In 2014 and 2015, the Commission coordinated both phases of the Sculpture Exhibition in Civic Center Park and are anticipating Phase III of this project in the upcoming months. Each year the Commission also distributes \$40,000 in Cultural Arts Grants for a variety of arts programming produced by others in the community. As a result of these grants, the Arts Commission has been able to sponsor programming by the Festival Ballet, Southland Opera, Baroque Music Festival, the Newport Beach Film Festival, and other cultural arts entities in the City.

### **Three-Year Plan for Commission**

The Arts Commission has drafted a three year funding and staffing plan to create a long-term self-sufficient arts program in the City. This plan, if approved by City Council, will provide the necessary support to fund existing programs but also to expand programming with private funding.

In order to accomplish this goal the Commission believes that there are a number of fundamental changes that need to be implemented to create a successful privately funded arts program.

### **Master Plan**

The Arts Commission has created a sub-committee to review the Arts Master Plan as directed by the City Council in April of 2015. It is anticipated this work will be completed in draft form and presented to the Arts Commission in May 2016 and then to the City Council for consideration in June 2016. The Arts Commission believes this document is critical to both the future direction of arts in the City but also to successful private fundraising efforts.

### **Newport Beach Arts Foundation/Development Manager**

Since its inception in 1990, the Newport Beach Arts Foundation, a private non-profit 501(c) (3) organization, has been dedicated to supporting cultural arts activities of the Newport Beach City Arts Commission in the City of Newport Beach. The Foundation has been supportive of the Arts in Newport Beach for many years, but has not reached its potential for fundraising. There are currently 20 members of the Foundation who have varying levels of activity within the group.

It is recommended that the Newport Beach Arts Foundation grow into a full-fledged fundraising arm for the City Arts Commission. Using the model created by the Library Foundation, the Foundation would be augmented with new members who are more familiar with and adept at non-profit fundraising and development.

In order for the Foundation to be successful, the Commission would suggest hiring a Development Manager. This position would be expensed through funds provided through Visit Newport Beach (as discussed below) for a period of up to 3 years. During that time, the Development Manager would advise the Foundation Board, work with the community to implement the vision of the Master Plan, and fundraise. It is anticipated that by the end of the third year the position should pay for itself, in addition to creating additional funding for arts in the City.

## **Funding for Arts Programming**

### **General Fund Historical Funding for the Cultural and Arts Budget**

The City Arts Commission oversees the Cultural & Arts Budget within the General Fund. The City's General Fund as identified in Council Policy I-9 provides for \$55,000 per year for the support of Culture and Arts. This is the "public" side of the equation.

Below are the Adopted Budgets for the Commission over the last four fiscal years.

| FY 12-13 | FY13-14 | FY14-15 | FY 15-16 |
|----------|---------|---------|----------|
| 167,495  | 185,364 | 261,957 | 137,683  |

Creation of Public/Private Partnerships is a goal of the City Council. The ability to leverage tax dollars with private partnerships will allow the City to enhance the arts and arts programming in the City. The City has three private sources designed to fund arts programming in the City:

### **Balboa Performing Arts Theater Foundation**

In May of 2015, the Balboa Performing Arts Theater Foundation distributed their remaining assets to the Newport Beach Art Foundation of \$175,000. In turn, the Newport Beach Arts Foundation turned these funds over to the City to be specifically used for performing arts with a preference to the Balboa Village area of town. To date none of these funds have been expensed.

### **Visit Newport Beach Funds**

On January 28, 2014, the City and Visit Newport Beach amended their agreement for tourism promotion, branding and marketing services to include public benefit funding. The section states: VNB shall contribute One Hundred and Fifty Thousand Dollars and 00/100 (\$150,000) per year commencing annually June 1, 2014, to the City of Newport Beach for expenditure on programs or activities (e.g. public art, cultural and promotional activities, beautification projects, etc.) that benefit the public, as determined by the City Council. The contribution shall be made annually to the City in two (2) equal installments of Seventy-Five Thousand Dollars and 00/100 (\$75,000) payable of June 1 and December 1."

### **Development Agreement Capital Funds**

A Development Agreement ("DA") is a contract between a local jurisdiction and a person who has ownership or control of property within the jurisdiction. The purpose of the agreement is to specify the standards and conditions that will govern development of the property. The development agreement provides assurance to the developer that he/she may proceed to develop the project subject to the rules and regulations in effect at the time of approval - the development will not be subject to subsequent changes in regulations.

In March 2013, the City Council adopted Council Policy I-13 establishing a Public Art and Cultural Facilities Fund, and a funding source for the acquisition, installation, management and maintenance of Public Art without adopting or imposing new fees or charges. With the adoption of the policy, the council authorized the deposit of two percent of the unallocated public benefit fees received by the City from development agreements into the Public Arts and Cultural Facilities Fund. These funds will provide for the acquisition and maintenance of permanent art structures and installations as identified in the Newport Beach Master Arts and Culture Plan.

The first year of implementation of this program was fiscal year 2014-15. During the fiscal year, the fund received revenues of \$433,495. The City Arts Commission and City staff would make a recommendation to the City Council in compliance with City Council Policy 1-13. There are time commitments on these funds, per section 66001(d), for the fifth fiscal year following the first deposit into the account or fund and every five years thereafter, the City shall make findings with respect to any portion of the fee remaining unexpended, whether committed or uncommitted. After reviewing Council Policy I-13, the Arts Commission asserts that the use of the Public Art and Cultural Facilities Fund is an appropriate source to finance Phase III and IV of the Sculpture Exhibition in Civic Center Park. The Sculpture Exhibition in Civic Center Park can be identified as a specific and permanent art project that can be supported through the Public Art and Cultural Facilities Fund.

### **City Support of the Arts**

The City has clearly created a desire for a robust Culture and Arts Program in the City. The City's General Plan, Chapter 9, "Arts and Cultural Element" defines the future goals of cultural arts in the community. There are three major goals identified in the General Plan:

- 1) Active and vital arts, cultural and literary activities and programs that enrich the community;
- 2) Adequate physical facilities and venues that support cultural and literacy programs; and
- 3) Establish a broad range of public and private funding sources to support cultural arts goals and activities.

This framework is further refined by four City Council Policies, I-9, Art in Public Places (ATTACHMENT A), I-10 "Financial Support for Culture and Arts" (ATTACHMENT B), I-11 "Acquisition of Art by the City of Newport Beach" (ATTACHMENT C), and I-13 "Public Arts and Cultural Facilities Fund" (ATTACHMENT D).

### **Status of Arts Manager and Tasks**

The City Council authorized the funding of an Arts Manager to assist with managing programming for the arts. The scope for this position would include the following tasks:

- 1) Master Plan for the Arts,
- 2) Administrative and Grant Work,
- 3) Outreach and Liaison Efforts,
- 4) City Art Resources and Exhibits.

City staff reviewed a number of proposals along with several Arts Commissioners. Staff has placed this on hold until such time as the funding for the Arts Commission and possible changes to the Foundation can be completed. It would be anticipated that should City Council approve the changes as outlined, that this position would be task-specific. For each task, the City would provide a specific scope of work along with a timeframe for completion. A vendor would provide the number of hours required and not

to exceed cost estimate with measurable deliverables. This will provide oversight and accountability for the projects to be completed within the contract.

**Conclusion and Recommendations**

Based on City Council direction, the plan as identified above would include the following steps and possible funding mechanisms.

1. Complete the Arts Master Plan
2. Revise the by-laws of the Newport Beach Arts Foundation to more closely reflect the model of the Newport Beach Library Foundation; develop new members for the Newport Beach Arts Foundation with an emphasis on members who want to be involved in fundraising efforts for the arts.
3. Using Funds from Visit Newport Beach, hire a Development Manager/Fundraiser for the Newport Beach Arts Foundation. The development professional would be funded for a period not to exceed three years to kick-start fundraising efforts. The goal of this position is be self-funding at the end of three years or prior the end of the term.
4. Use the Public Art and Cultural Facilities Fund to finance Phase III of the Sculpture Exhibition in Civic Center Park for fiscal year 2016/17 and Phase IV for fiscal year 2017/18. After that time, it is envisioned that the Arts Foundation fundraising effort would fund a substantial portion of the Sculpture Exhibition’s future phases, should those phases be desired by the Commission and City Council
5. Hire a contractor to perform task-specific functions as the Arts Manager until such time as the Foundation is established and can assist with these tasks.

**Potential arts expenditures, FY 2016 - 2020**

| Expense                            | FY 16-17                                    | FY 17-18                                   | FY 18-19                          | FY 19-20                          |
|------------------------------------|---|--|-----------------------------------|-----------------------------------|
| Arts Manager (Contractor)          | Amount TBD,<br>City General<br>Fund         | Amount TBD,<br>City General<br>Fund        | TBD                               | TBD                               |
| Sculpture Exhibition               | Phase III -<br>Development<br>Capital Funds | Phase IV -<br>Development<br>Capital Funds | Phase V –<br>Private Support      | Phase VI –<br>Private Support     |
| Arts Foundation Fundraising        | Amount TBD,<br>VNB Funds                    | Amount TBD,<br>VNB Funds                   | Amount TBD,<br>VNB Funds          | Amount TBD,<br>Private support    |
| Existing Arts/Cultural Programming | \$55,000,<br>City General<br>Fund           | \$55,000,<br>City General<br>Fund          | \$55,000,<br>City General<br>Fund | \$55,000,<br>City General<br>Fund |

**NOTICING:**

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Arts Commission considers the item).

ATTACHMENT A: Council Policy I-9, "Art in Public Places"

ATTACHMENT B: Council Policy I-10 "Financial Support for Culture and Arts"

ATTACHMENT C: Council Policy I-11 "Acquisition of Art by the City of Newport Beach"

ATTACHMENT D: Council Policy I-13 "Public Arts and Cultural Facilities Fund"