



Memorandum

TO: PUBLIC ART COMMITTEE

FROM: Public Art Funding Ad Hoc Committee

SUBJECT: PRESERVATION OF PUBLIC ART FUNDING

DATE: October 3, 2017

Approved

Date

RECOMMENDATION

To forward to the full Arts Commission the recommendation from the Public Art Funding Ad Hoc Committee to amend the City's Public Art Ordinance under Title 22 to return the Percent for Arts allocation to pre-recession levels of 2% for all Capital Improvement Projects and Capital Improvement Infrastructure Projects, with the exemption of the Regional Wastewater Facility (RWF) and, until the Airport reaches 12.2 million passengers, the airport as well.

BACKGROUND

The amendment to Chapter 22.08 (Public Art Program) of Title 22 of the San José Municipal code to exempt the San José-Santa Clara Regional Wastewater Facility¹ (RWF) from the one percent public art assessment on Capital Improvement Projects (CIP) was approved by City Council on June 6, 2017. The exemption is forecasted to create a \$2.8 million dollar funding level decrease to the Public Art Program. This decrease would represent a 40% cut to Public Art funding, and will be almost half of the projected funding for public art projects in the 2017-2021 Adopted CIP. It is forecasted that this cut will leave the public art program insolvent by 2022, and force reductions in staff, reduce projects available to the public, which would in turn negatively impact the labor market. Public Art projects create jobs for: artists, contractors, engineers, heavy equipment operators, landscape architects, food service operators, software technicians, maintenance and ground crew workers, hardware technicians, concrete specialists, carpenters, shipping and packing workers, and much more. The limitation of projects will damage the labor market in this community.

¹ The legal, official name of the facility remains San José/Santa Clara Water Pollution Control Plant, but beginning in early 2013, the facility was approved to use a new common name, the San José-Santa Clara Regional Wastewater Facility.

PUBLIC ART COMMITTEE

October 3, 2017

Subject: Preservation of Public Art Funding

Page 2

The City of San José Public Art Program percent assessment has been reduced three times in ten years with the most recent reductions being the most severe:

- From 2% to 1%
- Public Art Allocation for Airport art projects deferred
- Regional Wastewater Facility exemption

The first reduction occurred in 2008, the San José City Council reduced the art allocation from two percent (2%) to one percent (1%); however, to prevent a collapse to the program funding, eligibility of CIP projects was broadened to include infrastructure which stabilized the fund and the program; the second reduction in June 2010 City Council deferred the Public Art Allocation for Airport projects until passenger levels reach 12.2 million; and the third reduction exempted the Regional Wastewater Facility. This along with a General Fund crisis reduced the public art program staffing levels from seven (7) to three (3), and cut in half the number of public art projects available to the public. The recent RWF exemption will eliminate 40% of the public art budget, and if the Airport deferment remains, per the five year CIP forecast the public art program will be insolvent by 2022 - unless some other type of reliable funding remediation occurs.

In June of 2017, per City Council direction, Public Art staff began investigating the potential for the Urban Village Framework and the Downtown Sign District to backfill the recent RWF exemption. After months of research and meetings with staff engaged in the Urban Village Framework and the Downtown Sign District it was concluded that both are unreliable sources of possible funding and would not be able to backfill the RWF exemption or provide a steady source of revenue for the Public Art Program. The Downtown Sign District could prove a useful source if it is realized; however, it faces fierce competition with other city resources. Below are the reasons each source is not reliable:

Urban Village Framework:

- There is no requirement for a developer to participate.
- There is no set funding percentage if the developer decides to participate.
- It is proposed the developer will have eight (8) options to choose from and among the options public art will compete with contributions towards affordable housing.
- The framework has yet to be finalized or approved. There are three horizons to this prospective development that may or may not occur and it is proposed each horizon would be released in phases by council from now until 2040.

Downtown Sign District:

- As far as staff can tell, there are currently no such sign districts established in California, where environmental and tax laws tend to be more stringent. Therefore, staff is unsure of how long it might take to implement this program.
- Substantial resources will be needed for ongoing district management.

PUBLIC ART COMMITTEE

October 3, 2017

Subject: Preservation of Public Art Funding

Page 3

- Competition for funding among programs defined as providing "community benefit" will be fierce and for the revenue generated by this to be earmarked for Public Art council support will be required.

Upon reporting to the Public Art Committee and the Arts Commission that neither the Urban Villages or Downtown Sign District initiative will backfill the RWF exemption a Public Art Funding Ad Hoc committee was appointed by the Chair of the Arts Commission to research other methods to backfill the exemption.

After receiving forecasts from Finance, and feedback from the community, the Public Art Funding Ad Hoc committee determined that if the Percent for Arts allocation were returned to pre-recession levels of 2% for all Capital Improvement and Infrastructure Projects – except for the RWF and until the Airport reaches 12.2 million passengers the airport – it will not backfill the RWF entirely, but it will keep the public art program from becoming insolvent in five years, and prevent the reduction of projects and jobs available to the public.

San José NEXT! is the City's public art master plan developed in coordination with over 1,000 residents of the City of San José and approved by City Council on March 13, 2007. A key component of the public art master plan are funding strategies that include the Capital Improvement and Infrastructure Project funding.

The City of San José Public Art Program (SJPA) seeks to build community through artworks and exhibitions that define creative placemaking: expanding the community's access and engagement to public space and impacting the economic and visual dynamics of the city. SJPA's priorities are guided by the goals and values of project partners and the community. Through active engagement between artists and project stakeholders, SJPA strives to celebrate the city's diversity, historic richness, and envision its present and future by enhancing the quality of life for its many residents, businesses, and visitors.

Since its beginnings in 1984, SJPA has evolved significantly from its initial focus on commissioning major artworks for downtown, to community facilities in neighborhoods throughout the city. In recent years, SJPA has focused on libraries, parks, public safety facilities, city hall, the convention center, and the Norman Y. Mineta San José International Airport. These public art projects explore a broad range of strategic placemaking initiatives engaging artists, the community and other civic partners in the areas of civic identity, spur economic activity, advance environmental stewardship, transportation, neighborhood activation, and have supplied thousands of local artists, craftspeople, contractors and others with jobs.

The program has facilitated projects that are recognized nationally and internationally for innovative programming. As part of the broader Office of Cultural Affairs goals for a vibrant arts community, SJPA has been awarded prestigious grants from the National Endowment of the Arts and ArtPlace America for its art and placemaking initiatives.

PUBLIC ART COMMITTEE

October 3, 2017

Subject: Preservation of Public Art Funding

Page 4

SJPA is part of the City of San Jose's Office of Cultural Affairs, a division of the Office of Economic Development, operates in accordance with Title 22 of the San Jose Municipal Code. Funds to support SJPA are provided by municipal ordinance specifying that 1% of City capital improvement project budgets be set aside for the commission, purchase, and installation of artworks. Additionally, SJPA consults to other municipalities, public agencies and businesses seeking to implement public art.

ANALYSIS

The recent reductions in percent for art funding have had a negative impact on the Public Art Program and the community. Nearly 350 U.S. cities and municipalities have a percent for arts requirement. Many have a cumulative of 2% or more as their requirement on public and private projects, and those that do are technology and art meccas – Atlanta, GA; Austin, TX; San Francisco, CA; San Diego, CA; Palo Alto, CA; Philadelphia, PA; Portland, OR; Seattle, WA; etc. These cities realize to be innovators they must offer a culturally vibrant place to live and public art is an integral catalyst to make this happen. In the Bay Area alone ten (10) other cities are out competing San José when it comes to funding percent for art programs: San Francisco, Palo Alto, Berkeley, Emeryville, Oakland, Napa, Livermore, Dublin, Petaluma and Santa Rosa. San José is at the bottom of the list locally, regionally, and nationally which is a dramatic change from 10 years ago when San José was a leader. A return to 2% funding on Capital Improvement Projects and Capital Improvement Infrastructure Projects would allow San José to re-instill a commitment to the public through art and cultural innovation; create cultural work and add residual opportunities to the labor market; add value to residents, visitors, workers, and enhance the collection itself as a public asset.

OUTCOME

The RFW exemption will create a \$2.8 million dollar funding level decrease to the Public Art program for public art projects in the 2017-2021 Adopted CIP. The public art program is forecasted to be fiscally insolvent by 2022, which would require staffing and project reductions. That is a significant funding level drop and will continue to erode the value of community participation that 1,000 residents took part in to create the public art master plan. A return to 2% for all Capital Improvement Projects and Capital Improvement Infrastructure Projects (with the exemption of the RWF and the Airport until passenger levels reach 12.2 million), would re-establish the value and commitment of the City of San José to its community, prevent the public art program from becoming fiscally insolvent, prevent staffing and project reductions, prevent reductions in labor opportunities, and perpetuate the ability to create a unique sense of place and well-being for residents.

PUBLIC OUTREACH

This memorandum will be posted on the City Public Art Committee Agenda website for the October 3, 2017 Public Art Committee meeting. If the Public Art Committee approves, this item will be presented at the October 16, 2017 meeting of the City of San José Arts Commission.

PUBLIC ART COMMITTEE

October 3, 2017

Subject: Preservation of Public Art Funding

Page 5

COORDINATION

The content of this memorandum has been coordinated with the City of San José City Manager's Office, and the city Finance Department.

Public Art Funding Ad Hoc Committee

For questions, please contact Michael Ogilvie, Public Art Director, at (408) 793-4338.

