

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Kim Welsh

**SUBJECT: PROPOSED 2014-2015 TRANSIENT  
OCCUPANCY TAX FUNDED ARTS  
AND CULTURAL DEVELOPMENT  
GRANTS**

**DATE:** May 21, 2014

Approved



Date

5/23/14

## **RECOMMENDATION**

Approve the proposed 2014-2015 funding allocations for Transient Occupancy Tax (TOT) funded arts and cultural grant awards.

## **BACKGROUND**

Fifteen percent (15%) of the collected TOT is used to fund cultural arts grants and the Office of Cultural Affairs (OCA) in the Office of Economic Development. Per the Municipal Code, allowable uses are arts programs and arts grants, and OCA operating costs (staff and administration). The purpose of this memorandum is to outline the recommended grant awards in the 2014-2015 *Cultural Funding Portfolio: Investments in Art, Creativity and Culture*.

## **ANALYSIS**

Each year, in tandem with the development of the Proposed Operating Budget, the Office of Cultural Affairs (OCA) develops recommendations for the allocations of TOT funds for arts and cultural development programs and services. Programs and services are prioritized based on available funding and cultural development funding priorities. Among the most significant are three core grant programs that comprise the *Cultural Funding Portfolio: Investments in Art, Creativity and Culture* - Operating Grants; Festival, Parade and Celebration Grants; and *take pART* Grants. Cultural arts grants awarded to arts and community-based organizations enhance the civic and cultural vitality of the San Jose and contribute to its continued economic development.

### ***Cultural Development Funding Priorities***

As part of the implementation of the Council-adopted *Cultural Connection: San Jose's Cultural Plan for 2011-2020*, a 2014-2016 Prioritized Workplan has been developed that reflects the top priorities for cultural development in San Jose. At the April 9, 2014 meeting, the Arts Commission forwarded a recommendation to the City Council to adopt this workplan. On April

28, 2014, the Community and Economic Development Committee forwarded a recommendation to the full Council to adopt this workplan at the June 10, 2014 Council meeting. The proposed funding allocations reflect these priorities through specific initiatives outlined in the proposed *Cultural Connection* 2014-2016 Prioritized Workplan.

Prioritized *Cultural Connection* strategic goals include:

- Support the availability of diverse cultural spaces and places throughout the community;
- Strengthen Downtown San Jose as the creative and urban center of the Silicon Valley;
- Integrate high impact public art and design throughout the community;
- Foster destination quality events in San Jose;
- Strengthen community-wide marketing and audience engagement;
- Enhance support for creative entrepreneurs and the commercial creative sector;
- Strengthen the cultural community's infrastructure; and
- Increase funding for cultural development.

### ***Recommended Grant Awards for the Cultural Funding Portfolio***

The Cultural Funding Portfolio is comprised of grants across three core grant programs aimed at promoting cultural vibrancy, cultural diversity, and economic development in San Jose.

- Operating Grants provide financial support for selected San Jose arts organizations of various sizes and stages of development.
- Festival, Parade & Celebration Grant awards expand access for all City residents to a wide range of cultural events, large and small. These events are often held in public spaces and are always open to the public.
- take pART Grants support specific arts activities offered by volunteer-driven arts organizations and community service organizations, as well as very small semi-professional and professional arts organizations seeking to secure City support for specific arts activities, rather than general operating support.

Each year, grant awards are recommended based on projected TOT and a competitive application-based peer review process. Annually, the OCA releases Council-adopted guidelines and criteria for the three grant programs that comprise the Cultural Funding Portfolio. Each spring, professional peer review panels evaluate and score applications based on the guidelines and criteria. The peer review panels' recommendations are forwarded to the Arts Commission for review in May, and then the recommended grants are integrated into the City's proposed operating budget for the next fiscal year.

In the 2014-2015 Proposed Operating Budget, \$3.4 million is allocated to Cultural Grants in the TOT Fund. Of this amount, the recommended grant awards for 2014-2015 total \$2.8 million, with the remaining balance available as contingency funding to address any fluctuations in TOT receipts and any unforeseen funding needs. The recommended grants include:

- 28 Operating Grant awards in the amount of \$2,179,627 (Attachment A);
- 24 Festival, Parade & Celebration Grant awards in the amount of \$331,200 (Attachment B); and
- 22 *take pART* Grant awards in the amount of \$264,209 (Attachment C).

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The \$2.8 million in recommended grant awards reflects an 11% increase in funding compared to 2013-2014 and is consistent with the growth in the TOT.

At the May 13, 2014 meeting, the Arts Commission reviewed the proposed 2014-2015 funding allocations for Arts and Cultural Development Programs and Services, including recommended grants. The Arts Commission recommended that the City Council approve the recommended 2014-2015 grant awards.

/s/

KIM WALESH

Director of Economic Development

Chief Strategist

For more information, please contact Kerry Adams Hapner, Director of Cultural Affairs, at (408) 793-4333.

Attachment A: Proposed 2014-2015 Operating Grant Awards

Attachment B: Proposed 2014-2015 Festival, Parade and Celebration Grant Awards

Attachment C: Proposed 2014-2015 *take pART* Grant Awards

Attachment A: FY2014-15 Operating Grant Recommendations

Organization (alphabetical order)	Grant Amount
Abhinaya Dance Company of San Jose	\$26,985
Ballet San Jose	\$206,768
Bay Area Glass Institute	\$39,841
Children's Discovery Museum of San Jose	\$168,099
Children's Musical Theater San Jose	\$134,023
Chinese Performing Arts of America	\$48,274
Cinequest Film Festival	\$86,912
City Lights Theater Company of San Jose	\$39,550
Firebird Youth Chinese Orchestra	\$22,562
Kaisahan of San Jose Dance Company	\$19,377
MACLA/Movimiento de Arte y Cultura Latino Americana	\$60,260
Mexican Heritage Corporation	\$33,623
Opera San Jose	\$185,161
San Jose Chamber Orchestra	\$28,887
San Jose Institute of Contemporary Art	\$59,273
San Jose Jazz	\$104,818
San Jose Multicultural Artists Guild	\$13,108
San Jose Museum of Art	\$221,033
San Jose Museum of Quilts & Textiles	\$49,660
San Jose Repertory Theatre	\$108,235
San Jose Stage Company	\$67,950
San Jose Symphonic Choir	\$11,736
San Jose Taiko	\$48,937
San Jose Youth Symphony	\$58,711
School of Arts and Culture at MHP	\$81,081
Symphony Silicon Valley	\$144,407
The Tabard Theatre Company	\$27,460
Zero1	\$82,896
<b>Total Grants Proposed:</b>	<b>\$2,179,627</b>

Attachment B:  
 FY 2014-2015 Festival, Parade and Celebration Grant  
 Recommendations

Event	Grant Amount
Annual Almaden Art & Wine Festival	\$10,930
Christmas in the Park	\$36,316
Cinequest Film Festival	\$33,468
Dancin' on the Avenue	\$12,950
Dia de los Muertos	\$5,962
Dia de Portugal Festival	\$14,572
Downtown Ice	\$37,740
Guitar Solo & Ensemble Festival	\$4,173
Italian Family Festa	\$9,141
Luna Park Chalk Art Festival	\$6,756
Music in the Park	\$12,950
Nikkei Matsuri SJ Japantown	\$4,173
Pumpkins in the Park	\$5,962
Rose, White and Blue 4th of July Parade	\$10,930
San Jose Fountain Blues Festival	\$8,379
San Jose Jazz Summer Fest	\$34,892
San Jose Jazz Winter Fest	\$8,744
sjDANCEco Annual Dance Festival	\$6,756
Starlight Cinemas	\$13,116
Street Market/SubZero	\$14,572
SV Jewish Film Festival	\$7,618
Target Summer Pops Festival	\$14,473
Villa Navideña	\$5,962
Viva Fest!	\$10,665
<b>Total Grants Proposed:</b>	<b>\$331,200</b>

Attachment C: FY 2014-2015 take pART Grant  
Recommendations

Organization	Grant Amount
Alum Rock Educational Foundation	\$9,400
American Beethoven Society	\$14,100
Cambodian American Resource Agency	\$10,000
Gilbert & Sullivan Society of San Jose	\$13,200
Mission Chamber Orchestra	\$13,650
Northside Theatre Company	\$15,000
Opera Cultura	\$12,500
Renegade Theatre Experiment	\$12,756
San Jose Chamber Music Society	\$14,550
San Jose Choral Project	\$10,833
San Jose Downtown Foundation	\$12,500
San Jose International Piano Competition	\$14,550
San Jose Youth Shakespeare	\$2,500
Sankritilaya	\$5,820
Shady Shakespeare Theatre Company	\$9,100
sjDANCEco	\$13,650
SJSURF for Center for Literary Arts	\$12,500
South Bay Guitar Society	\$14,550
Teatro Vision	\$15,000
Vivace Youth Chorus	\$14,550
Winchester Orchestra	\$11,000
Works/San Jose	\$12,500
<b>Total Grants Proposed:</b>	<b>\$264,209</b>