

SUPPLEMENTAL

COUNCIL AGENDA: 03.13.07
ITEM: 4.4



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Paul Krutko

SUBJECT: PUBLIC ART MASTER PLAN

DATE: March 6, 2007

Approved

Date

3/6/07

COUNCIL DISTRICT: City-Wide

REASON FOR SUPPLEMENTAL

This supplemental memo was written at the request of the City Manager to provide further information about the funding outcomes, maintenance strategy and stakeholder involvement elements of the Public Art Master Plan.

ANALYSIS

Changes in Funding Strategy

The draft Public Art Master Plan recommends changes to the City's strategy for funding public art. Currently, the Municipal Code establishes a requirement that the City set aside 2% for Art in capital projects over \$500,000 in value (excluding land costs) that involve a public place visible or accessible from a public right of way. Exceptions to this public art requirement are provided if the funding source does not allow allocation of funds to public art, and for projects that are capital maintenance and are not capacity enhancing or changing the function of the improvement. The Municipal Code allows the City Manager and the Executive Director of the Redevelopment Agency (RDA) to exclude a project from the 2% public art requirement if the City Manager or Executive Director determines that anticipated public visibility and/or public traffic usage is too "minimal" to warrant the expenditure of public art. In determining the amount of the 2% public art funding associated with a project under the current Municipal Code, the City does not include land acquisition costs, soil remediation and off-site improvements. Public art projects are, in most instances, tied to the project that generates the funds.

The Public Art Master Plan proposes that all construction programs in the City's CIP will be assessed a set aside of 1% of their entire budget, including land acquisition costs. The proposed public art allocation excludes only non-construction projects (such as studies), projects that are primarily rehabilitation or maintenance of existing facilities, or affordable housing. This results in clearer, easier administration. In addition, funding would be pooled more broadly, to the extent allowable by the funding source. This consistent, higher-level, programmatic approach to funding will result in higher-impact art located in higher-visibility locations.

The proposed provisions for the RDA are different - though also aimed at administrative clarity and flexibility for pooling funds as allowed - and will come forward in a separate memo.

Several notable changes to the net amount of funding available for public art under the new Master Plan are anticipated.

- As the current round of bond projects are completed, public art for future bond-funded projects is expected to decline given the declining number of bond-funded programs left to complete. Bond projects in the 2002-2007 CIP, including current year allocations, contributed \$8.1 million to public art. During the upcoming Proposed 2008-2012 CIP, bond projects are anticipated to contribute \$3.75 million. (Anticipated impact: decline of \$4.35 million for public art from 2002-2007 to 2008-2012 as bond-funded projects are completed.)
- Second, funding sources for seven capital programs previously excluded from the 2% for Art by a determination by the Department or the City Manager’s Office, will now contribute to the public art budget under the new funding model. (Anticipated impact: \$1.8 million investment in public art over five years.)
- Third, as more public infrastructure is financed through public-private partnerships, the Public Art Master Plan envisions that these projects will participate as full partners in the Public Art Program, contributing 1% for art in the same way as City-funded Capital Improvement Programs. In the past, these projects were excluded from public art funding.

The following table illustrates the difference between the existing and proposed formulas:

Program	Projected 2008-2012 CIP Public Art Funding Existing Formula	Projected 2008-2012 CIP Public Art Funding Proposed Formula
Airport	\$3,779,000	\$3,779,000
Communications	0	79,000
Library	380,000	380,000
Parking	0	42,000
Parks and Community Facilities*	153,000	232,000
Public Safety	1,193,000	1,193,000
Sanitary Sewer System	0	508,000
Storm Sewer System	0	75,000
Traffic	0	940,000
Water Pollution Control	0	100,000
Water Utility System	0	5,000
Total	\$5,505,000	\$7,333,000

* The majority of Parks and Community Facilities public art funding is currently appropriated in 2006-2007 and anticipated to be re-budgeted into 2007-2008. Those figures are not represented in the table above. In addition, the Projected 2008-2012 CIP Public Art Funding (Existing Formula) calculation is based on the contribution of

Based on preliminary analysis of the impact of the proposed Public Art Master Plan on various capital programs, approximately \$1.8 million of additional public art funding would be generated from the proposed changes to the public art policy. Actual allocations for each program will be proposed through the budget process and may change from the figures represented in the table above. For all public art allocations that had funding programmed in the current CIP, it is assumed that the existing formula will continue. In addition, expenditures in each program would be subject to the legal revenue restrictions for use of funding on public art.

Funding Public Art Maintenance

At present, maintenance of the city's public art collection (more than 170 works) is the financial responsibility of the City department that occupies the facility where art is located. This strategy has not been successful because City departments have not maintained public art given other General Fund priorities. As a result, the Office of Cultural Affairs has tried to set aside approximately \$30,000 of its General Fund monies to maintain the artwork that is in the most critical need of repair.

The Public Art Master Plan recommends that the City provide adequate financial and staff resources for public art maintenance. Therefore, beginning in FY 2007-2008, it is proposed that the Public Art Program be fully integrated into the City's CIP Budget. New projects will include estimated Operations and Maintenance (O&M) costs. These O&M costs will be brought forward by the City Manager's Budget Office as part of the budget process. The annual budget for public art O&M (anticipated to be approximately \$50,000 to \$75,000 annually) will include public art maintenance funding within allowable funding programs, including special funds (non-General Fund) where eligible.

Stakeholder Involvement

At present, the Public Art Program creates a Public Art Task Force (PATF) for each community-based public art project. Task Force membership has consisted of whoever attended a particular meeting, giving rise to a lack of continuity and unpredictable outcomes. Each Task Force is charged with "oversight" of artist selection and concept review of individual public art projects. The process is time-consuming, involving numerous community review meetings, and has sometimes created role confusion and conflict between PATF members and City department stakeholders, the project architects, the artist, or the Arts Commission. While community members sometimes expected that final decisions on artist selection and design review was their purview, the Arts Commission is charged by City Municipal Code with reviewing and recommending artist selection and contract approval to the Mayor and City Council or the City Manager. Although the PATF structure has succeeded sometimes, it has sometimes resulted in compromised works of art and conflict between community-members and the Arts Commission or between OCA and partner City departments.

The Public Art Master Plan recommends a more inclusive, streamlined and structured approach to artist selection and stakeholder involvement. It proposes creating a Public Art Core Team

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(PACT) for each public art project that will include a balanced and consistent group of stakeholders, including members of the community being served, local arts professionals, City department staff, and design team members. The PACT will assist with artist selection and review of conceptual design, and make its recommendations to the Public Art Committee of the Arts Commission, which will review and approve those recommendations, sending them on to the Mayor and City Council or the City Manager. This method will reduce the time involved in project review, while including all stakeholders appropriately in the review process. In addition to the PACT process, the Public Art Program will insure ongoing community involvement in public art by initiating open community engagement activities during project development.

A handwritten signature in black ink that reads "Paul Krutko" with a stylized arrow pointing to the right at the end of the last name.

PAUL KRUTKO

Chief Development Officer

City Manager's Office

For questions please contact Barbara Goldstein, Public Art Director, 277-5144 ext 27