



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Paul Krutko

**SUBJECT:** SEE BELOW

**DATE:** June 2, 2008

Approved

Date

6-5-08

**COUNCIL DISTRICT:** City-Wide

**SUBJECT: FISCAL YEAR 2008-2009 ARTS PROGRAM ALLOCATIONS, GRANTS, AND AGREEMENTS**

## RECOMMENDATION

Approval of Arts Commission recommendation, subject to approval of the 2008-2009 Proposed Operating Budget, to:

1. Allocate 2008-2009 funds to the Office of Cultural Affairs arts and cultural programs, projects, grants, activities and support as detailed in Attachment A ("Arts Budget"), in a total amount not to exceed \$4,551,239; and
2. Adopt a Resolution authorizing the City Manager to negotiate and execute 2008-2009 grant agreements as follows:
  - A. Festival, Parade and Celebration Grant Agreements with 26 organizations for 35 events as detailed in Attachment B, in a total amount not to exceed \$457,749; and
  - B. Arts Grant Agreements with 58 organizations as detailed in Attachment C, in a total amount not to exceed \$2,747,392.

## OUTCOME

The recommended arts program allocations, grants and funding support in the 2008-2009 Arts Budget will:

- assist community-based arts organizations to provide arts and cultural opportunities, activities, performances and experiences to residents and visitors;
- support a wide range of outdoor special events and celebrations;
- provide arts experience and education to thousands of school children;
- provide for critical conservation and maintenance of the City's public art collection; and
- provide second year funding for the Creative Entrepreneur initiative, to develop and test concepts to build a more supportive infrastructure for creativity in San Jose.

## **BACKGROUND**

Annually, the Arts Commission recommends the Arts Budget funding allocations to the Mayor and City Council for allocation of: 1) Transient Occupancy Tax (TOT) Funds dedicated to cultural programs and the Office of Cultural Affairs, and 2) General Fund resources projected to be available for the next fiscal year.

On May 14, 2008, the Arts Commission reviewed and recommended approval of the items comprising the 2008-2009 Arts Budget: the Arts Grants and Festival, Parade and Celebration Grants that resulted from peer/community panel review; the proposed allocations for general support of the public art program; and allocations for a variety of arts education and development programs and activities.

## **ANALYSIS**

The Arts Commission's recommended 2008-2009 Arts Budget reflects an overall 9.4% increase over the 2007-2008 Arts Budget, for a fourth consecutive year of increased funding for the arts. This change is due to a projected increase in 2008-2009 TOT revenues, tempered by a decrease in available General Fund support.

Since the Arts Program budget is based in large part on projected TOT revenues, the Arts Budget reserves 10% of projected TOT revenues to meet any midyear shortfall in TOT revenues, to avoid requiring grant repayments or program cuts.

The Arts Budget has been developed within the parameters of: 1) the anticipated General Fund shortfall, and 2) Arts Commission guidance regarding program priorities. Funding allocation highlights include:

- \$3,205,141 in core grant program support to the City's special events and arts providers;
  - Festival Grant award recommendations represent a 10.7% increase over 2007-2008.
  - Arts Grant award recommendations represent a 12.9% increase over 2007-2008.
- Seventh year of a vital technical assistance program - \$60,000 in organization development grants;
- Continued modest growth in the *Long-Term TOT Reserve* - funds set aside during growth years to help balance the effects of any future decline in TOT revenues;
- Arts education programming and planning, serving thousands of San Jose students;
- Introduction of a line item funding allocation for individual artist support; and
- Funding for focused arts initiatives, including Martha Gardens, SoFA and Japantown.

The Arts Commission's funding recommendations are detailed in:

- Attachment A – Recommended Arts Budget Funding Allocations;
- Attachment B – Recommended Festival, Parade and Celebration Grants; and
- Attachment C – Recommended Arts Grants.

### POLICY ALTERNATIVES

Not applicable.

### PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memorandum will be posted on the City's website for the June 24, 2008 Council Agenda. The Arts Commission's memorandum on these budget recommendations was posted on the City's website prior to its May 14, 2008 public meeting. Notification of the Arts Commission May 14, 2008 meeting was sent to all grant applicants.

As part of the deliberative process that developed the arts programs, projects and grants described and recommended herein, the Arts Commission and its standing committees invited comment from the affected constituencies and took action in public session.

Outreach to the community regarding grant funding opportunities included published legal notices in the *San Jose Mercury News* and *Metro*, and emailed notices to current grantees and to an extensive database of San José-based non-profit cultural organizations and special event producers. Grant-writing workshops were conducted for potential applicants prior to filing deadlines. Grant review panel meetings were publicly noticed, and panel members included community representatives.

### COORDINATION

This item has been coordinated with the City Manager's Budget Office and the City Attorney's Office.

### FISCAL/POLICY ALIGNMENT

This recommendation is consistent with the Economic Development Strategy to continue to "Evolve and Position Downtown as a Unique Creative and Cultural Center of Silicon Valley" and with the vision for San Jose as the world's most livable big city, with diverse and distinctive qualities of life.

**COST IMPLICATIONS**

Funding for this recommendation is available in the 2008-2009 Proposed Operating Budget. There are no additional cost implications.

**BUDGET REFERENCE**

Fund #	Appn #	Appn Name	Total Appn**	2008-2009 Proposed Operating Budget Page	Last Budget Action
461	0096	Cultural Grants/Contractual Svc Contracts	\$4,750,582	Page X-71	N/A
001	2603	Festival, Parade & Celebration	\$38,340	Page IX-10	N/A
001	0182	Non-Personal / Equipment-Office of Economic Development (Cultural Affairs)	\$283,933	Page VIII-28	N/A
139	2347	Arts and Education Week	\$66,044	Page XI-41	N/A
		Total	\$5,138,899 *		

\* The amounts allocated for the recommended arts and cultural programs, projects, grants and activities totals \$4,551,239.

\*\* This amount includes \$833,836 which was budgeted in 2007-2008, but was recommended for rebudget into 2008-2009 as part of the Recommended Amendments to the 2008-2009 Proposed Operating and Capital Budget Manager's Budget Addendum. The 2008-2009 Operating Budget and the implementing appropriation ordinance are anticipated to be approved by City Council on June 24, 2008.

**CEQA**

Not a project.

  
 PAUL KRUTKO  
 Chief Development Officer

Attachments (3)

For questions please contact Irene Ray, Division Manager, at (408) 277-5144 x13

## RECOMMENDED ARTS BUDGET FUNDING ALLOCATIONS

Gift Trust Gate Fees	TOT Revenues & Rebudget	General Fund (OCA)	General Fund (Citywide)	2008-09 TOTAL
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## GRANTS

*Core Grants*

1	Festival, Parade & Celebration	20,533	412,216		25,000	457,749
2	Arts Grants: Operating		2,330,289			2,330,289
3	Arts Grants: Project & Program		417,103			417,103

*Development Grants*

4	Organization Development		75,000			75,000
5	Project Mini-Grants Pilot Extension		20,000			20,000
6	Fundraising Technical Assistance			5,000		5,000
7	Special Arts Grant: MHC		60,000			60,000

*Grant Reserves/Planning Support*

8	Grant Review Expenses		35,000			35,000
9	Grants Database Dev/Maint		7,000			7,000
10	TOT Mid-Year Contingency		391,675			391,675
11	TOT Long-Term Reserve		305,897			305,897
12	Cultural Strategy Dev Reserve		100,000			100,000
13	Allocation not yet awarded		63,526			63,526
<i>Sub-Total</i>		20,533	4,217,706	5,000	25,000	4,268,239

## ARTS EDUCATION

14	Arts Express	8,000	45,000	10,000		63,000
15	Arts Education Professional Dev & Svcs			2,000		2,000
16	Arts Education Recognition Awards	2,000	5,000			7,000
17	Arts Education Png & Tests-of-Concept		50,000			50,000
<i>Sub-Total</i>		10,000	100,000	12,000	0	122,000

## COMMUNITY DEVELOPMENT

18	Neighborhood Arts Development		25,000			25,000
19	Individual Artist Png & Tests-of-Concept		48,000			48,000
20	International Cultural Exchange		15,000			15,000
<i>Sub-Total</i>		0	88,000	0	0	88,000

## PUBLIC ART

21	Conservation and Maintenance			51,000		51,000
22	Public Outreach			13,000		13,000
<i>Sub-Total</i>		0	0	64,000	0	64,000

## SPECIAL PROJECTS/ACTIVITIES

23	Arts Commission Activities			9,000		9,000
<i>Sub-Total</i>		0	0	9,000	0	9,000

<b>Total 2008-09 Arts Budget</b>		<b>30,533</b>	<b>4,405,706</b>	<b>90,000</b>	<b>25,000</b>	<b>4,551,239</b>
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## FESTIVAL, PARADE AND CELEBRATION GRANT PROGRAM

Grantee Event	Recommended 2008-09 Grant
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*Category A*

Tapestry Arts Festival	\$52,283
Christmas in the Park	\$52,063
Downtown Ice	\$51,185
San Jose America Festival	\$50,456
<i>SubTotal</i>	<i>\$205,987</i>

*Category B*

Cinequest San Jose Film Festival	\$24,000
San Jose Jazz Festival	\$19,000
Music in the Park	\$12,500
Vietnamese Spring Festival and Parade	\$10,000
Story Road Tamale Festival	\$10,000
Veteran's Day Parade	\$8,000
Italian American Heritage Festival	\$7,205
San Jose International Mariachi Festival	\$5,000
Dancin' on the Avenue	\$5,000
<i>SubTotal</i>	<i>\$100,705</i>

*Category C*

Bark in the Park	\$14,195
Pumpkins in the Park	\$10,500
Spirit of Japantown Festival	\$10,500
Music in the Other Park	\$10,500
Dia de Portugal	\$7,000
Nikkei Matsuri Festival	\$5,000
Almaden Valley Art & Wine Festival	\$5,000
Cinema San Pedro	\$5,000
Juneteenth Festival	\$5,000
Berryessa Art and Wine Festival	\$3,500
Founder's Day	\$3,500
La Comparsa for Dia de Los Muertos	\$1,350
International Multi-Arts Festival	\$1,350
<i>SubTotal</i>	<i>\$82,395</i>

*Category D*

Spring in Guadalupe Gardens	\$9,382	
Guitar Festival	\$9,367	
Founder's Day Fiesta	\$9,037	
Luther Burbank Jamboree	\$8,893	
Sunday Winter Concert Series	\$8,879	
Cinema St. James	\$8,764	
Dancin' Downtown	\$7,957	<i>Capped at 55% of event budget</i>
Chalk Festival	\$1,350	<i>Maximum allowed: first-time event</i>
Wildlife Festival	\$5,033	<i>Capped at 55% of event budget</i>
<i>SubTotal</i>	<i>\$68,662</i>	

<b>Total Recommended Grant Awards</b>	<b>\$457,749</b>
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## ARTS GRANTS: PROJECT &amp; PROGRAM GRANTS

Applicant Name	Recommended 2008-09 Grants
Silicon Valley Children's Fund	\$18,000
Special Events Programming Committee SJSU	\$17,000
Northern California Public Broadcasting, Inc	\$18,000
South Bay Guitar Society	\$15,000
International Russian Music Piano Competition	\$18,000
San Jose Chamber Music Society	\$17,100
Vivace Youth Chorus	\$17,100
Silicon Valley Jewish Film Festival	\$17,100
Mission Chamber Orchestra	\$14,345
sJDANCEco	\$17,100
San Jose Dance Theatre	\$17,100
Poetry Center San Jose	\$10,056
Dimension Performing Arts, Inc.	\$17,100
Afsaneh Art and Culture	\$5,700
San Jose Downtown Foundation	\$9,500
Center for Literary Arts, SJSU	\$15,571
Margaret Wingrove Dance Company of San Jose	\$16,625
Arab Film Festival	\$17,100
Lyric Theatre—Gilbert & Sullivan Society of San Jose	\$16,200
Winchester Orchestra	\$14,400
Visual Rhythm Dance Company	\$13,991
Hiyas Philippine Folk Dance Company	\$16,200
Habib Khan Saraswati Temple and Gurukul	\$13,500
The Flamenco Society	\$10,800
Renegade Theatre Experiment	\$16,200
Contemporary Asian Theater Scene	\$15,300
Cambodian Cultural Dance Group	\$3,400
Evergreen Balvihar	\$8,415
Dancing Sun Foundation	\$11,200
<b>Total Recommended Grant Awards</b>	<b>\$ 417,103</b>

## ARTS GRANTS: OPERATING GRANTS

Applicant Name	Recommended 2008-09 Grant
San Jose Taiko	\$57,978
MACLA/Movimiento de Arte y Cultura Latino Americana	\$56,549
San Jose Symphonic Choir	\$15,944
Bay Area Glass Institute	\$67,896
Teatro Vision	\$67,389
San Jose Museum of Quilts & Textiles	\$63,716
Steinway Society - The Bay Area	\$21,343
Chinese Performing Artists	\$52,865
San Jose Chamber Orchestra	\$25,151
Children's Discovery Museum of San Jose	\$180,458
Children's Musical Theater San Jose	\$161,568
Opera San Jose	\$244,766
Symphony Silicon Valley	\$160,834
San Jose Museum of Art	\$270,751
Cinequest Film Festival	\$86,353
San Jose Jazz	\$81,814
American Musical Theatre of San Jose	\$185,293
San Jose Repertory Theatre	\$111,423
Ballet San Jose	\$96,189
Firebird Youth Chinese Orchestra	\$27,564
Abhinaya Dance Company of San Jose	\$32,676
Kaisahan of San Jose Dance Company	\$27,421
San Jose Institute of Contemporary Art	\$54,786
Northside Theatre Company	\$10,984
City Lights Theater Company of San Jose	\$33,721
SJMAG	\$22,402
San Jose Youth Symphony	\$51,254
Works/San Jose	\$11,485
Tapestry Arts	\$49,715
<b>Total Recommended Grant Awards</b>	<b>\$2,330,289</b>