



ARTS COMMISSION RECOMMENDATION 20140721-E.1.E.

Response to City Council Resolution No. 20140501-036 which concerns alternate funding for special events

The Arts Commission formed a Special Events Funding Models Working Group in response to Council Resolution No. 20140501-036. The Working Group included the following members:

- Bruce Willenzik, member, Arts Commission (Working Group Chair)
- Lulu Flores, member, Arts Commission
- Scott M. Daigle, Vice-Chair, Arts Commission (representative to the At-Large Stakeholders Event Funding Group)
- Samuel Tinnon, Arts Commission (Alternate Member, served in the absence of Bruce Willenzik)
- Rick Hernandez, former Chair, Texas Commission on the Arts
- Ann Graham, Executive Director, Texans for the Arts
- Cookie Ruiz, Executive Director, Ballet Austin
- Cristina Balli, Executive Director, Texas Folklife

The Working Group conducted three meetings on June 23, July 1, and July 11, 2014. The Working Group also had representation at two stakeholder meetings related to the resolution on June 17 and July 15, 2014. The Arts Commission endorsed the recommendations of the Working Group at their regular meeting on July 21, 2014.

WHEREAS, the Arts Commission formally opposes the use of any HOT funds for the creation of a new special events fund.

WHEREAS, the Arts Commission formally opposes the adoption of the Music Commission Special Events Fund proposal.

WHEREAS, the Arts Commission acknowledges that additional information and data are needed to fully assess the issues and to develop a recommendation for special events funding, and believes that no decisions should be made until the following analytical tools are compiled and made available for stakeholder review:

- Process for co-sponsorship, annual total and name of co-sponsored events, terms of executed agreements, and City departments that manage the agreements;
- Complete number and name of festivals currently funded through the Cultural Arts Fund;
- Final Special Events Ordinance as approved by City Council;
- Factual and consistent method for collecting data on direct/indirect costs to the general operating budget as it relates to support for special events.

WHEREAS, the Arts Commission acknowledges that the June 17th and July 15th stakeholder meetings saw representatives of Arts, Convention, Hotel & Lodging, and Austin Neighborhoods Council voice overwhelming opposition to the use of Hotel Occupancy Tax (HOT) funds for the creation of a new special events fund.

WHEREAS, the Arts Commission questions the need to identify a new revenue source for a special events fund and suggests that a more comprehensive review of direct/indirect costs and incorporation of more exact accounting and revenue estimates may show that a new revenue source is unnecessary.

NOW, THEREFORE, BE IT RESOLVED that the Arts Commission urges City Council to ONLY establish a special events fund if it is found to be necessary after further review of all available data, ONLY if it is found to be beneficial for the City, and ONLY after the revised Special Events Ordinance has been adopted.

The Arts Commission asks the City to evaluate the current process for identifying City co-sponsorship recipients and method for determining fee waivers, and to evaluate City benefits/needs for providing incentives and/or support for special events in Austin. If a City need is determined to attract or grow special events, a comprehensive analysis to evaluate the economic benefits of large-scale events, including the process for determining eligibility requirements and a matrix should be developed to determine co-sponsorship designation.

The Arts Commission requests the determination of whether the City's general fund department budgets that support special events currently account for operational costs to provide public safety, security, etc. If not, the Arts Commission recommends that the FY 2015 City Budget account be submitted as balanced with anticipated operational costs for co-sponsored events. Additionally, the Arts Commission requests that the City correct the revenue estimate issue with a limit of fee waivers and apply the waiver costs to the budget projection.

The Arts Commission requests greater transparency to the Special Events Ordinance revision process, which could factor into a solution to the Council Resolution's call to "Create a proposal for a special events fund that will support small and moderately-sized community events as well as providing a more sustainable, consistent, and analytical method of evaluating and providing financial support for large-scale special events." The Arts Commission further reiterates that the Special Events Ordinance should be resolved and finalized by City Council prior to establishing a new funding structure for special events, if one is necessary.


The Arts Commission urges City Council to extend the deadline from August 7th to provide adequate time for evaluation and thoughtful recommendation.

The Arts Commission remains committed to working with stakeholders to resolve this issue.

Date of Approval: 7-21-2014

Record of the vote: 6-0, Commissioner Willenzik absent

Attest:

 Brett J. Barnes, Chair Arts Commission.
(Staff or board member can sign)