

In 1989, the City Council found there was a need to create new and additional funding for the arts in the City of Los Angeles in order that a coordinated city-wide arts policy might be implemented that incorporates all arts and disciplines for the cultural benefit of the City, its citizens and visitors. The Council, therefore, enacted two programs: (1) the Public Works Improvements Arts Program and (2) the Arts Development Fee. Under the Municipal Program or Public Works Program, an amount equal to one percent (1 %) of the total cost of all construction, improvement or remodeling work for each public works capital improvement project undertaken by City is set aside for expenditures in compliance with the City's Public Works Improvements Arts Program. Approved public arts project under this Program are: (a ) acquisition or placement of publicly accessible works of art; (b) acquisition or construction of arts or cultural facilities; ( c) provision of arts or cultural services or (d) restoration or preservation of existing works of art.

The Arts Development Fee is an exaction whereby owners of private development projects for commercial or industrial buildings are required to pay an arts fee in exchange for the right to develop the project and to lessen the burden placed on the City for services caused by the project. The amount of the fee is based on the project's type of land use; however, the amount of the Fee cannot exceed \$1.57 per gross square foot of any structure authorized by the building permit or one percent of the valuation of the project designated on the permit, whichever is lower, as determined by the Department of Building and Safety.

A private developer can satisfy the Fee requirement by: (1) depositing money into the Arts Fee Development Trust Fund or (2) developing and submitting to the Cultural Affairs Department a plan for an on-site artistic or cultural amenity which serves the development's users. (The amenity may be a cultural or artistic facility/service on site or a community amenity); or (3) a combination of payment of money and placement of an amenity on site. If a public improvement is funded by the development, the primary requirement is to identify the nexus (connection) between the project on which the Fee is imposed and the public improvement financed by the Fee.

Because the Cultural Affairs Department has sought to increase funding for its own programs and administration, the Department, over time, has tended to blur the lines between the methods of satisfying the Arts Fee requirement available to private developers and the areas where arts facilities/services may be located. Additionally, it has become unclear how the Public Works Program is adding to the artistic and cultural amenities throughout the City. Since the two Programs are a principal source of funding the arts in the City, the Council should inquire into the funding generated by the Programs and the methodology used to allocate the funding by the Cultural Affairs Department in order to ensure that the revenue generated is appropriately spent in the area from which it was generated.

I, THEREFORE, MOVE that the City Council:

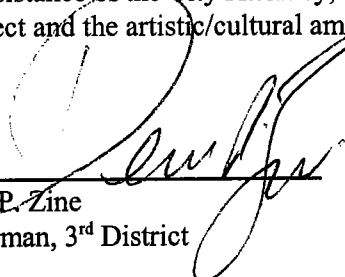
1. INSTRUCT the Cultural Affairs Department, with the assistance of the City Administrative Officer, to identify the amount of funding generated by the Public Works Improvements Arts Program and the Arts Development Fee Program, to detail the methods and rationale by which the Department is allocating the funding and to correlate the benefits between the geographical location of the funded services/facilities with the areas generating the funding;
2. For the off-site arts/cultural projects funded by the Arts Development Fee, INSTRUCT the Cultural Affairs Department, with the assistance of the City Attorney, to report on the nexus existing between each development project and the artistic/cultural amenity funded by that project.

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DEC 13 2005

PRESENTED BY:

Dennis P. Zine  
Councilman, 3<sup>rd</sup> District



SECONDED BY:

Herb J. Wasson

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