

Stabilizing Public Art Funding in the City of Shoreline - DRAFT

May 2019 – PRCS Board review



Prepared for the



In Consultation with

City of Shoreline Parks, Recreation and Cultural Services Department

[CREDITS PAGE]

Table Of Contents

[Chapter 1 – Introduction and Scope](#)
[2](#)

[Chapter 2 – Literature Review](#)
[4](#)

[Chapter 3 - Research Methods](#)
[6](#)

[Chapter 4 - Findings](#)
[13](#)

DRAFT

Executive Summary

PURPOSE

This report is prepared in response to the City of Shoreline's request to the University of Washington Evans School Student Consulting Lab for research and recommendations on alternative public art funding strategies. Currently, the City of Shoreline operates a public art program in alignment with their 2017 - 2022 Public Art Plan that uses a version of the common 1% for art funding strategy, where 1% of the cost of new capital improvement projects (CIPs) is dedicated to public art. Though the 1% for art approach is prevalent in public art programs across the country, the staff of Shoreline's Parks, Recreation & Cultural Services Department have identified two primary problems with this approach:

Funding Volatility: The volatility of the 1% for art revenue stream is due to the irregular scheduling of CIP projects; one year there may be major projects that contribute large amounts to the public art fund, and other years there may not be any eligible projects.

Low Revenue Generation: The relatively low total revenue generation of the 1% for art policy is in part due to the 1% rate and because a limited number of CIP projects qualify for contribution - renovation, engineering and designing costs are not currently eligible. Further, there is ambiguity around the meaning of the eligibility language in Shoreline's public art ordinance.

METHODOLOGY

Through our research into these problems and the potential alternatives for addressing them, we answer the question, "**How can the City of Shoreline sustainably fund their public arts program?**" To inform the answer to this primary question, we also seek answers to the following secondary questions:

- What funding mechanisms do other jurisdictions use to fund their public art programs?
- How sustainable do nearby governments believe these funding mechanisms to be?
- How much revenue would these options reliably generate for the City of Shoreline?
- How administratively complex are the options for funding Shoreline's public art program?

We answer these questions through a sampling of cities for comparison and contrast of their data with that of the City of Shoreline. To select these cities, we set three primary criteria for evaluation: **location** of the jurisdiction, **population** size, and **operation** of a public art program. For each city, we interviewed staff from the public art programs with the goal of speaking with whomever would have the broadest knowledge of their city's programs. Cities include:

- City of Bellingham
- City of Bothell
- City of Edmonds
- City of Kennewick
- City of Kirkland
- City of Lakewood
- City of Olympia
- City of Redmond

FINDINGS

Of the eight cities, six currently employ a 1% for art funding mechanism. Some cities also pair this mechanism with other funding strategies, such as per-capita funding. Though the approaches

may be similar, each city using the 1% for arts approach executes it through a slightly different manner, depending on the city ordinance under which it was approved. For cities not using a 1% for art funding strategy, they utilize alternative methods to generate revenue for city public art projects. These methods include revenues from rental of city-owned facilities and designation of specific funding for public arts within the city's regular budget. The cities that currently do not use a 1% for art approach to fund their public art programs aspire to adopt a 1% approach as a means of generating more revenue.

OPTIONS AND ANALYSIS

After collecting information on the public art funding mechanisms for each city, we evaluate the methods as potential funding options for the City of Shoreline. The criteria we use in selecting particular options for further analysis are **sustainability, volume of revenue generated, and administrative complexity**. After applying these criteria, we developed four policy options for the City of Shoreline, two of which are adaptations of alternative funding mechanisms used by the cities we researched:

Option 1 is adjusting the current 1% for art ordinance language to clarify and/or expand eligible project cost categories. This would make larger portions of capital projects' costs eligible for the 1% contribution to the Public Art Fund. This adjustment would also help reduce ambiguity around the current ordinance language.

Option 2 is a per-capita funding stream. The City of Olympia currently supports their public art programming by dedicating one dollar per resident from their general fund to public art. If implemented in Shoreline in a similar fashion, this option would smooth the revenues available for public art programs and mitigate the boom-and-bust cycle of the 1% for art mechanism.

Option 3 is adjusting the current 1% for art ordinance language to escalate the 1% for art mechanism to 1.5%. Instead of 1% of the eligible costs of capital projects being contributed to the Public Art Fund, 1.5% would be, representing a 50% increase. This option significantly increases the rate at which the current funding mechanism contributes to the Public Art Fund.

Option 4 is dedicating 10% of the revenues from City rental facilities to the Public Art Fund. As rental revenue is more regular than capital projects, this would provide a more predictable revenue stream than the current mechanism alone. This is an adaptation from the City of Lakewood, where rental revenues from the McGavick Center are earmarked for public art.

RECOMMENDATIONS AND CONCLUSIONS

While all four policy options would improve the public art program's capacity, we are recommending **Options 1 and 4** as the highest priorities for further review and possible implementation. Option 1 is a common-sense adjustment to the current 1% for art mechanism and was developed from the internal interviews we conducted with Shoreline staff. Option 4 addresses the problem of revenue volatility inherent to the 1% for art mechanism. Once implemented, it would not require annual budget allocations from the general fund but would use revenue largely generated by the Parks, Recreation, and Cultural Services Department.

Through the course of our research, we found many examples of local governments using modest investments in public art to advance important goals of community engagement and place-making. We hope that further investment in public art in Shoreline will yield similar results, producing unique landmarks, opportunities for critical thought, and civic participation.

Chapter 1

Introduction and Scope

The City of Shoreline operates a public art program in alignment with their 2017 - 2022 Public Art Plan and the goal of expanding public art's role in the Shoreline community. Currently, the City of Shoreline uses a version of the common 1% for art funding strategy where 1% of the cost of new major construction projects is dedicated to public art. Shoreline staff have identified two primary problems with their approach: funding volatility and relatively low total revenue generation.

The volatility of this revenue stream is due to the irregular scheduling of these major construction projects; after Shoreline's first two decades from 1996-2016, construction of major capital improvement projects slowed. One year there may be major projects that contribute large amounts to the public art fund, and other years there may not be any. Even in the short period of 2006 to 2011, Shoreline saw significant shifts in revenue from 1% for art projects (See Exhibit 1). The capital projects are thus not reliable enough to provide a predictable flow of funds into the Municipal Art Fund. After a series of large contributions from the Aurora Corridor improvement project, contributions to the public art fund have fallen in recent years. The total contributions to the public art fund in 2009 were over \$167,000, but that funding level has not been sustained. Contributions to the fund since 2011 have been much lower, generally remaining below a total of \$10,000 for each year. This volatility makes it difficult to plan long-term for public art programming.



The relatively low total revenue generation of the 1% for art policy is in part due to its rate of only 1% and also because a limited number of public projects qualify for the 1% contribution. Currently, renovation, engineering and designing costs do not qualify as eligible projects for public art funding allocation. Further, there is ambiguity around the meaning of the eligibility language in Shoreline's ordinance setting up the policy. For example, during the relocation of Shoreline's police station, initial City projections were that \$90,000 of the \$9 million project budget would be earmarked for Shoreline public art. Upon review however, the resulting allocation was just \$22,000. This variation in projections of 1% for public art project eligibility can thus have major impacts on the funding for Shoreline public art.

The City of Shoreline's Public Art Plan seeks to support both permanent commissioned installations and temporary exhibits or experiences of a variety of mediums, which will require a higher funding level than currently exists, or a revision of program functioning to refocus on projects that can be completed within a limited scope of funding. Ultimately, the current 1% strategy has not provided a high enough level of funding to fully implement the Public Art Plan.

One of the Public Art Plan's goals is to "achieve greater financial sustainability for the public art program,"¹ and this report will serve as the first step towards that target. The City of Shoreline has retained us to perform this study as a step within the Public Art Plan, and this study will inform future steps the City takes to progress through that Plan.

Objectives

This Capstone project identifies and evaluates options for stabilizing funding streams for the City of Shoreline's public art program. We are interested in how comparable jurisdictions finance and support their public art programs, and whether implementation of these alternatives would be feasible for the City of Shoreline considering resources and political support. We develop four policy options based on the funding mechanisms we find in other jurisdictions. For each of these funding options, we analyze their performance across important metrics and forecast the revenues each alternative would raise for Shoreline's public art program.

In conducting our research, we answer the question, "How can the City of Shoreline sustainably fund their public arts program?" To inform the answer to this primary question, we seek answers to the following secondary questions:

- What funding mechanisms do other jurisdictions use to fund their public art programs?
- How sustainable do nearby governments believe these funding mechanisms to be?
- How much revenue would these options reliably generate for the City of Shoreline?
- How administratively complex are the options for funding Shoreline's public art program?

In its entirety, this report will meet the following objectives:

¹ City of Shoreline, Parks, Recreation & Cultural Services. "Public Art Plan 2017-2022."

1. Provide detailed information about funding strategies and other relevant processes for other jurisdictions' public art programs
2. Evaluate a selection of feasible funding options
3. Conduct revenue forecasts for the most promising funding options
4. Analyze which funding mechanisms are publicly palatable

Information from objectives 2 and 4 are presented with a pro/con analysis for each funding option. The report will conclude with a final recommendation based on collective findings.

The Parks, Recreation and Cultural Services Department intends to utilize the information gathered from our research to evaluate different funding options that could enable them to plan and execute public art programs with more certainty, and improve their level of service to Shoreline residents. Ultimately, this project is intended to inform a recommendation to the Shoreline City Manager about a new revenue-generating proposal for the public art program.

Chapter 2

Literature Review

What is Public Art?

Public art is increasingly theorized as a broad collection of cultural, community-focused experiences that are provided or enabled by public agencies.² The aesthetics of public facilities, the statues outside a City Hall, and the design of a metro system are all examples of opportunities for a government to provide a deeper sense of place, engage citizens in the process of telling the story of their community, and make the everyday process of navigating the public world more interesting.³ More traditional conceptions of public art include publicly commissioned works of visual art such as sculptures, paintings, and murals displayed in public areas. These permanent (or semi-permanent) displays become a long-term part of the landscape of a neighborhood. Temporary exhibits or experiences are increasingly common, as are installations of less conventional mediums, including multimedia displays or music. Temporary pieces are often organized in a programmatic manner, and there is sometimes tension between the desire for new experiences that temporary pieces offer and the long-term value of permanent installations.

Why Does Public Art Matter?

Works of public art elevate the aesthetics of an area while making their surroundings more interesting and unique. We understand permanent and temporary pieces of public art as a form of public investment in the community's culture. Public art can offer important democratic opportunities for the public to have a voice in how their community appears through the

² Cartiere, C., & Zebracki, Martin. (2016). *The Everyday Practice of Public Art : Art, Space, and Social Inclusion*. London ; New York: Routledge, Taylor & Francis Group.

³ Stipic, Milos. 2014. "Infrastructure as Public Art: Additional Value and Identity of Landscape." In *Bo 5 (7)*: 135–52. <https://doi.org/10.6092>.

selection and curation process. These processes also prompt important reflection on the stories, values, and perspectives that matter within a community.⁴ The public nature of public art is critical to its value - museums and other venues for enjoying the arts are important, but are often in private or closed spaces and charge admission. These barriers reduce the number of people who can benefit from these spaces and especially reduce access for populations with lower incomes. Public art democratizes the privilege of enjoying art and complements the broader cultural and artistic scene in an area.

1% for Arts and Local Governments in Washington

It is difficult for smaller cities and counties to dedicate scarce financial resources to something that may be seen as a luxury. In general, local governments have a variety of revenue-generating policy options available to them: many in Washington employ a combination of sales and property taxes for a majority of their funding. There are also smaller taxes and fees, user charges, and a variety of other smaller revenue-generating options. Public art is not, however, in the balance of local government budgeting, any general-purpose government's highest priority. Public safety, transportation, and public works, among many other services, compete for limited public dollars. This problem of resource scarcity in the face of demands for public services creates an opportunity, and need, for creative financing strategies for public art.

The "1% for arts" funding strategy for public art began during the New Deal of the 1930s. The U.S. Department of the Treasury Section of Painting and Sculpture required 1% of federal buildings' costs be dedicated to their artistic decoration.⁵ Arts advocates in cities across the U.S. borrowed this policy and pushed for its adoption in places like Philadelphia, Baltimore, and San

⁴ "Americans Speak Out About The Arts in 2018: An In-Depth Look at Perceptions and Attitudes About the Arts in America." Americans for the Arts, 28 Sept. 2018, www.americansforthearts.org/node/101584.

⁵ Stein, Alan J. "Seattle's 1 Percent for Art Program." History Link. October 18, 2013. Accessed March 3, 2019. <https://www.historylink.org/File/10645>.

Francisco. In 1973, Seattle was the first city in Washington to adopt their own version of a 1% for arts funding mechanism.⁶ Many other cities in the state and across the country have implemented some version of a requirement that 1% of their construction costs be used on art in some way. This mechanism piggybacks on larger costs (construction projects), mitigating the need to budget for public art as a conventional public program. This has helped public arts programs circumvent some of the budget pressures local governments face, but also kept a relatively modest ceiling on the funding levels for public art. Some jurisdictions supplement their public art programs with other revenues, such as Olympia's dollar-per-capita and King County's lodging taxes.

⁶ Ibid.

Chapter 3

Methodology

We answer our research questions by sampling cases of cities with public art programs for comparison and contrast their data with that of the City of Shoreline. We interviewed selected staff from the public art programs of these cities with the goal of speaking with whomever would have the broadest knowledge of their city's programs. These interviews focused on understanding how each city finances its public art program and the process by which each city established their current financing strategy. This information is directly used to answer the research questions regarding funding strategies that may be alternatives for the City of Shoreline. The interview protocol we used for this research is detailed in later in this chapter.

Case Selection

To select cities to include within our sample, we set three primary criteria for evaluation: location of the jurisdiction, population size, and operation of a public art program. Justification for these criteria, and details about our resulting sample, are described in the following sections.

Location

Our list of primary cases only included those within Washington State for two reasons. First, limiting the sample selection to the State of Washington allowed us to control for any state-level differences in budget priorities or legislation regarding public art programs, projects, and funding. Second, this scope better reflected a realistic workload for this project, as it accounted for limitations in both time and capacity. Despite these restrictions, however, we decided to inquire about outside jurisdictions as part of our interview protocol. This approach allowed for integration of public art funding strategies and concepts that may not operate within the State of Washington, but may play a role influencing Washington public art programs. The non-

Washington jurisdictions suggested by our interviewees provided us with valuable background knowledge and context for the report, but we ultimately are including only Washington jurisdictions in our case comparisons.

Population

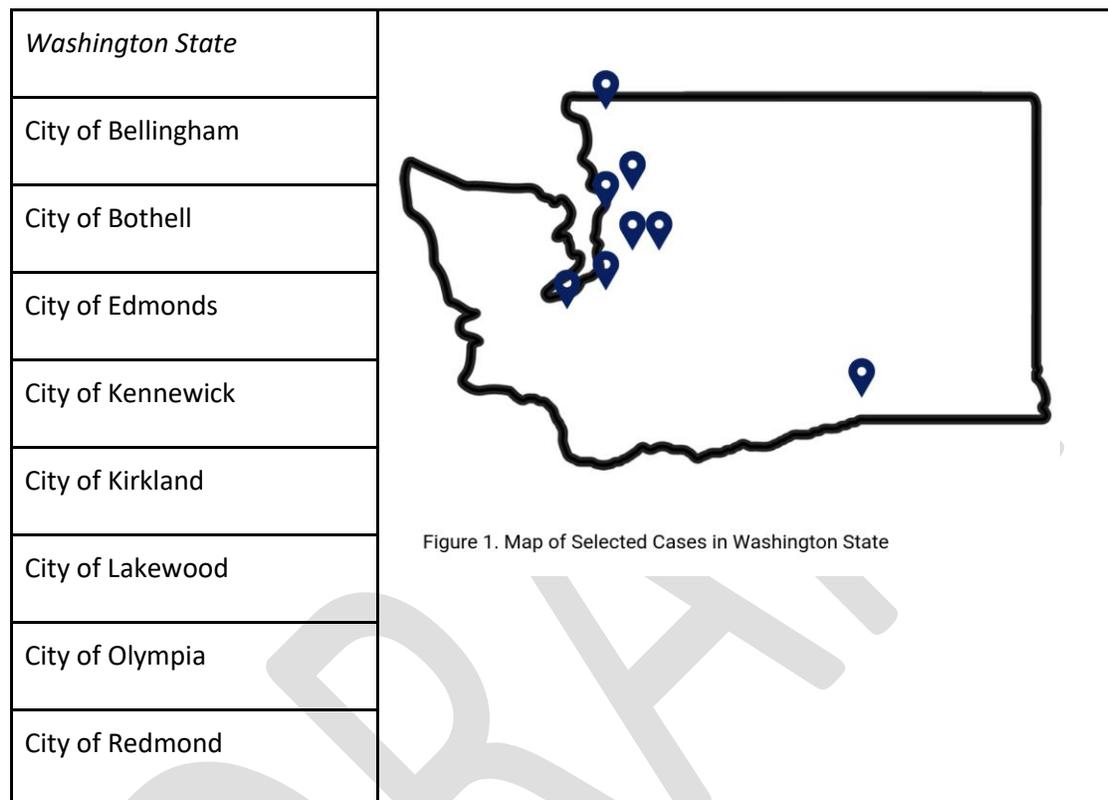
Washington State defines its 281 incorporated municipalities as either cities or towns, based on population. For our study we decided to narrow our sample to Washington cities with populations between 40,000-100,000, because Shoreline has a population of approximately 56,000 people and the public art programs operated in these cities would be more comparable. Shoreline's population size impacts the level of available funding for public art projects, as the 1% for art money is from building eligible capital projects. Using this reasoning, we selected cities with populations between 40,000-100,000 and narrowed our sample to 18 cities.

Public Art Programming

Over half of U.S. states implement a public art funding strategy, including Washington. Within these states, a popular method for funding public art projects and programs is using a 1% for art strategy, which allocates a specified portion of capital project budgets to local public arts. The rate of allocation and the definition of eligible capital projects can vary between cities, however, which led us to cast a wide sampling net to include any Washington city, within our population parameters, that indicated the operation of a public arts program on their website. Furthermore, cities utilizing the 1% for art strategy, or another funding approach that may not be as widely used, likely modeled their local funding approach after those used in existing public art programs in other locations. Some cities supplement their 1% for art funding with fees, budgeted appropriations, or other dedicated revenue streams.

Selected Cases

After applying the aforementioned criteria, we ended up with a sample of eight cities within the State of Washington whose staff responded to interview requests, which are listed and visually represented in Figure 1.



Additional Research

Based on suggestions from staff we interviewed, we conducted further research on public art funding strategies outside the State of Washington. On recommendation from our contact with the City of Olympia, we evaluated public art programming and policy for the City of Boise, Idaho. On recommendation from our contact with the City of Edmonds, we also evaluated 4Culture, the art and culture funding agency for King County. Both of these sets of recommendations were predicated on municipal staff's belief that these organizations were

models for public art funding. Our findings from this supplemental research are summarized within our primary case findings described in Chapter 4.

Research Methods

To learn about the funding mechanisms in place for each city within our sample, we identified individuals noted as leading or being involved in the city's public art program according to the city's webpage or staff directory. These individuals included a mixture of both city staff and elected officials, as we assumed that they will likely have differing perspectives on public art priorities and funding than city staff who work in such departments. We also wanted to ensure our final analysis understood the political realities at stake in public art funding, and expected these elected officials to help inform our understanding of those. The individuals contacted for each municipality are listed within **Appendix A**.

Interview Structure

Each interview lasted approximately 35 minutes and was conducted over the phone. When possible, both researchers participated in the calls. If scheduling conflicts did not permit this, however, researchers spoke one-on-one with city representatives. Our initial invitation to interview also extended the offer to contacts to respond with written answers to the interview questions, should they not have the time for a phone call.

Interview questions were organized based on selected topics to help focus the conversation and to provide guidance for both the respondents and the researchers. We began with general background questions to introduce the respondent and gauge their overall involvement with the field of public art. We then transitioned into questions about their community's perception of public art, and then moved to questions specific to their city's funding

mechanisms. We concluded the interviews with questions about outside jurisdictions they may have referenced when modeling their own public art program, to extend our possible research scope beyond the borders of Washington State. The topics and questions posed to each contact are described in Exhibit 1.

Exhibit 1. Interview Questions	
<i>Personal Background</i>	How long have you worked in the public art field with your city?
	Were you involved in public arts (professionally or casually) prior to this position?
	How do you define “public art”?
<i>Local Public Art</i>	On a scale of 1(lowest) to 10 (highest), how important is public art to your community?
	What factors contribute to that rating; which do you think plays the greatest role?
<i>Funding Public Art</i>	How do you define “sustainable funding”?
	Can you describe the processes your city uses to fund its public art, if any are in place?
	On a scale of 1(L)to 10(H), how would you rate these methods for funding public art?
	What factors contribute to that rating; which do you think plays the greatest role?
<i>Conclusion</i>	Has your city referenced any particular jurisdiction or organization when modeling your public art program or financial strategy?
	Can you recommend a city or person I should contact about their public art program?
	What are you most proud of regarding your public art program, your public art funding strategies, or your community’s prioritization of public art?

Analysis

Once we completed the interviews for our eight cities, we analyzed our written and electronic notes to establish common themes between respondents, and to identify the unique funding strategies employed in each city. Details on the processes used during this analysis are described in the following sections.

Criteria for Evaluation

The criteria we use in selecting particular options for further analysis are sustainability, volume of revenue generated, political feasibility, and administrative complexity. Exhibit 2 defines each of these criteria and describes our reasoning behind selecting each standard. These are the same criteria we will grade each policy option with, assigning each option a letter grade of A through C on each of the 4 criteria.

<i>Exhibit 2. Criteria for Evaluation of Funding Strategies</i>	
Sustainability	<i>Predictability and reliability of the revenue being generated</i>
	Regular amount of funds available for public art programming will help avoid boom-and-bust cycles of funding
Revenue Generated	<i>Amount of funding brought in by a public art financing strategy</i>
	Options that generate more money permit more robust public art
Administrative Complexity	<i>Degree to which implementation impacts municipal resources</i>
	Modest revenue streams will not be advantageous if they require a new bureaucracy for administration

All the possible options for raising public art funding that we find amongst our research and case studies are narrowed down according to their performance across the criteria outlined in Exhibit 2. If a particular option would excel at raising revenue but would require new hiring to

administer, or if another option is simple to implement but raises almost no revenue, neither would be appropriate for solving Shoreline's problem. Thus, we will more deeply evaluate the policy options that are most appropriate for Shoreline and that would more directly address our primary and secondary research questions.

Revenue Forecasting

The final component of our policy analysis is revenue forecasting for the policies we ultimately chose to analyze. As this project is predicated on the need for more public art funding, one of the most important aspects of any given option for alleviating this need is an estimate of just how much new revenue it would generate. We will use forecasts provided by the Parks, Recreation and Cultural Services Department for the revenues created by each option to inform our analysis and ensure the City of Shoreline can move forward with the most useful information possible. This forecasting attempts to incorporate, to the extent possible, budgetary information the City of Shoreline has to understand the historic factors that may influence the revenue any given policy option would generate. We include forecasted revenues from each policy option for 5 years: the past 3 years if it had been in place and projections for what revenue the option would generate for 2019 and 2020. While we cannot fully account for the possibilities of economic downturn or other external events that may impact revenue collections, we hope these estimates will be helpful tools to inform the analysis.

Chapter 4

Findings

Overview

Of the eight cities analyzed, six currently employ a 1% for art funding mechanism. Some cities also pair this mechanism with other funding strategies, such as per capita funding. Though the approaches may be similar in technique, each city using the 1% for arts approach executes it through a slightly different manner, depending on the city ordinance under which it was approved. These variances can take shape in the percentage returned from each capital project, what constitutes a 'capital project', and what types of projects or other work the funding can be used towards.

For cities that do not have a 1% for art funding strategy in place, they utilize alternative methods to generate revenue for city public art projects. These methods include revenues from rental of city-owned facilities and designation of specific funding for public arts in a line within the city's annual budget. The cities that currently do not use a 1% for art approach to fund their public art programs aspire to adopt a 1% approach as a means of generating more revenue.

Most of the cities have some sort of public arts staff in their Parks and Recreation departments. Of these, most public arts staff share their time across public art and other responsibilities such as parks programming, cultural events, and tourism outreach. These staff members generally work .5 FTE to support city public arts projects and initiatives, in addition to their other work for their city. Other cities rely entirely on an Arts Commission or a similar public committee, which is typically comprised of a majority of non-staff residents, with one or two staff or Council liaisons serving on behalf of the city.

Overall, most residents within each city are perceived by city staff to appreciate public art within their community. Sentiments reflect much of our findings from the initial literature review in Chapter 2, as citizens recognize the value of public art and its role in reflecting community culture. It is worth noting, however, that not all cities interviewed expressed similar understandings of resident appreciation for public art. Some of our contacts noted that many times, there will be a group of people who do not view public art as a priority for their community. These residents instead prefer the city spent tax dollars on other city projects and core services.

We provide a summary of our findings from each of the eight cities below. For a more streamlined review, see our findings matrix in **Appendix B**. Detailed responses from each interviewee are provided in **Appendix C**. Information on city ordinances under which public art funding mechanisms are established can be found in our collection of the ordinances in **Appendix D**. A description of our findings from supplemental sources concludes this chapter.

City Profiles

City of Bellingham

Population: 83,365

The City of Bellingham currently implements a 1% for arts approach for capital improvement projects that cost more than \$2 million. All capital improvement projects are eligible for this strategy, except those that are focused on site restoration, support routine maintenance, or are located entirely underground. Our contact noted that this approach is relatively effective, but they would like to see an increase in the capital project funding allocation from 1% to 1.5%. Further, Bellingham's Finance Department is interested in establishing a separate fund to pay for the maintenance of Bellingham's public art pieces. This will allow other funding for public art to be maximized for art projects elsewhere. Bellingham does not have

dedicated public art staff explicitly budgeted; this work is part of the responsibilities of one of the Planning and Community Development Department's 3 Program Specialists. Their public art program is allocated \$5,000 annually for maintenance of existing work, and they use the 1% for arts mechanism to finance new acquisitions.

City of Bothell

Population: 44,082

The City of Bothell utilizes a 1% for art program, in which at *least* 1% of the costs of qualifying projects funded fully or partially by the City are contributed to the Public Art Fund. Projects that qualify for this mechanism include the construction or remodel of any public buildings, decorative or commemorative structures, bridges, and above-ground transportation and parks projects. According to our contact, the 1% mechanism works well for Bothell because it provides opportunities for the City to commission pieces over time, and allows the Bothell Arts Commission to advise City Council on project selection. In Bothell, public art work is part of their Tourism Manager's role. This position was created in the last two years as part of Bothell adopting their 1% for art policy.

City of Edmonds

Population: 40,896

To support its public art efforts, the City of Edmonds currently uses 1% of funds provided through certain capital improvement projects. While this 1% is generally a small portion of city funds, it has fewer spending restrictions than many other jurisdictions implementing a 1% for art strategy. First, Edmonds' 1% funds can be used towards acquisition and maintenance for public art projects. The City is also not required to use the 1% funds for public art that is located on the site that is generating the funding.

In addition to the 1% approach, our contact noted that there is one foundation local to Edmonds that has contributed funds towards public art projects to augment project funding. Furthermore, the Edmonds City Arts Commission implements a program that generates revenue; this funding is used to support public art projects in addition to other programs.

Our contact explained that while the 1% for arts approach is reasonable for Edmonds, it may be less effective now as there are currently not many public arts projects and funding is limited. Despite this, there is not much interest in the City to make any changes to the 1% mechanism. Edmonds has two positions for staff working on public art, and the salaries for both are supported by general fund revenues. The 1% for arts revenues go into a fund explicitly for the acquisition of and maintenance for public art. That fund has spent between \$67,000 and \$87,000 a year for the last three years.

City of Kennewick

Population: 77,421

Kennewick's public arts program is supported through the City's regular budget process. Program funding is allocated by the Kennewick City Council and administered through the Arts Commission. The Kennewick Arts Commission has used these limited funds efficiently, and has partnered with neighboring jurisdictions and private sector organizations to complete public art projects. These collaborations have resulted in a greater number of projects for Kennewick than might be expected due to the size of the public arts budget. Kennewick currently does not have dedicated public art staff explicitly budgeted; this work is part of the responsibilities of the Employee and Community Relations Department's Economic Development Specialist.

City of Kirkland

Population: 85,763

Kirkland implements a 1% for art program, in which at *least* 1% of the cost of all capital improvement projects is reserved for Kirkland's public art. Projects that are eligible for this mechanism are those which cost more than \$500,000, except for those that are funded entirely by planning dollars, information technology projects, motorized transportation projects, land acquisition and fleet projects.

The staff member interviewed stated that the 1% for arts strategy is highly effective for Kirkland. The City has been able to use the 1% funding contributions to directly support city art programs, and has partnered with local private entities to supplement any gaps in project funding. Kirkland does not have any dedicated public art staff explicitly budgeted; their public art program is part of the responsibilities of the Parks and Community Services Department's Special Projects Coordinator.

City of Lakewood

Population: 59,610

The City of Lakewood mostly funds its public art projects using revenues from the rental of the McGavick Center. The City designates 15 days of its shared ownership that it negotiates with the other convention center owners, and then rents at market rate to local nonprofit organizations. The revenue from these rentals, which typically ranges from \$22-25,000 each year, go directly into the public art budget. In the opinion of our interviewee, the rental revenue strategy is adequate for Lakewood, but a 1% for arts approach would be more lucrative. Lakewood does not have any dedicated public art staff explicitly budgeted; this work is part of the responsibilities of one of the Parks, Recreation, and Community Services Department's three Recreation Coordinators. Their Public Art Fund houses the revenues from the McGavick Center and has spent an average of \$30,000 a year on public art acquisition the last three years.

City of Olympia

Population: 49,218

The City of Olympia implements a 1% for art program, where capital projects exceeding \$500,000 qualify to generate funding for Olympia's public art. In addition to 1% for art, Olympia utilizes a \$1 per capita allocation to their art programs, generating approximately \$50,000 each year. According to our contact, the current balance of funding sources is very successful for Olympia's public art projects. The 1% for arts program generates a decent amount of revenue for the City, and revenue from the per capita fees gives Olympia more flexibility with their project planning and construction. Olympia has one full-time Program Manager, one .25 FTE Program Specialist and one .50 FTE Program Specialist working on their public art programming. Their Arts and Events budget has averaged \$207,000 a year for the last three years, but this likely includes the salaries and wages for these staff.

City of Redmond

Population: 59,285

The City of Redmond administers its public arts program under two ordinances, one for "public art" that is primarily visual art, and one for arts activities or programs. Redmond utilizes a 1% for art approach, and is currently working on an amendment to increase the allocation percentage to generate additional funding because the current allocation percentage is outdated. The amendment will also revise the ordinance to broaden the scope of eligible 1% for art projects and to meet the goals of the newly adopted Redmond Public Art Plan. The contact from Redmond is satisfied with the efforts to increase public arts revenue, but recommends that other jurisdictions add automatic annual rate escalation to avoid the need to amend city ordinances. Redmond employs one full-time Cultural Arts Administrator and one .50 FTE Program

Coordinator, both of whom are dedicated public art staff. Their Arts Activity Fund is largely supported by general fund revenues and does pay for the salaries and wages of their public art staff. It has been budgeted to spend an average of about \$335,000 each year for the past four years.

Supplemental Research

King County 4Culture

As a public development authority, 4Culture receives funding from King County and bond initiatives to support public art projects, public arts grants, heritage and preservation. Similar to city funding strategies, 4Culture receives 1% of County capital improvement projects to fund their programming, though they also receive about a third of the County's lodging tax. 4Culture is also responsible for their own overhead costs, and pay for staffing that helps to implement County projects and programs using the 1% capital project funds.

Due to the unpredictability of County capital improvement projects, 4Culture seeks partnerships with local jurisdictions based on common project themes. According to our contact within the organization, almost all County partners are currently doing or building public art projects. Through such collaborative projects, 4Culture is able to support partners in their efforts and offset excessive project costs that they otherwise might not be able to cover with only their own funding.

Boise, Idaho

Population: 226,570

Upon the recommendation of our contact with the City of Olympia, we conducted additional research on the public arts program within the City of Boise, Idaho. Boise's program is managed through the Department of Arts and History, which is comprised of a Public Art Division,

a Cultural Programs Division, and a History Division. The department as a whole funds 16 full and part-time employees.

In 2001, Boise City Council amended an existing ordinance to direct 1.4% of capital project funds to the “integration of public art into city facilities”. Projects eligible for the 1% for art program include all city projects or portions of projects, such as expenses related to construction, renovation, and remodeling. Additionally, one cent of every City of Boise general fund tax dollar is dedicated to the Arts and History departmental budget.

Beyond the 1% for art fund and the 1 cent departmental allocation, the Boise Department of Arts and History capitalizes on partnerships with other city departments and multiple community organizations. For their trafficbox projects, for example, Boise lists the Capital City Development Corporation, Neighborhood Investment Program, Downtown Boise Association, and the Energize Our Neighborhood Program as funding sources for this public art collection. Other funding sources used as support for Boise’s various art collections include public donations, the Boise Department of Public Works, the Boise Department of Parks and Recreation and grant awards.

Chapter 5

Options and Analysis

Our research found many versions of the 1% for art funding mechanism, some examples of public art supported by regularly budgeting appropriations, dedicated revenue streams for public art, and hybrids of all these policies. In developing the policy options for Shoreline, we considered what strategies are useful or applicable, what changes are manageable, and how impactful any change would be. We adapt the strategies used by the Cities of Lakewood and Olympia and outline possible changes to the existing 1% for art mechanism used in Shoreline.

Option 1: Expand Eligible Project Cost Categories

While most of the cities we studied had some version of a 1% for art ordinance and funding mechanism, each city's ordinance defines the projects and project costs that are eligible for contributing 1% to public art slightly differently. Currently, Shoreline's ordinance (Ordinance No. 312) states that design and planning costs are not included in the calculation of the 1% of a project's eligible costs. Contributions from repair and renovation projects are limited to projects where the value of the construction is greater than 50% of the value of the structure. One of the most straightforward options would be an amendment of this ordinance to both expand the cost categories that qualify for inclusion in the 1% calculation and the project types that are eligible to contribute.

Evaluation

This policy change would improve both the sustainability and revenue generation potential of the public art fund. These changes would not be radical, but they would help increase the contributions to the public art fund over the whole life of construction projects and reduce the uncertainty around the current ordinance's language. This change would be fairly simple to

implement, but would require amending the existing ordinance. It would therefore require approval from the City Council. It is unlikely to encounter significant political problems or opposition due to the incremental nature of this change. Unfortunately, developing a specific forecast for this option is difficult. While it would certainly increase funding levels over the current ordinance language, each project has a unique makeup of costs and balance between construction and design.

<i>Evaluative Criteria</i>	<i>Grade</i>	<i>Justification</i>
Sustainability	C	The boom-and-bust construction cycle will still direct the flow of public art contributions
Revenue Generated	D	Expanding what kind of project costs qualify for contributing to public art will increase the revenue available, but not as much as other financing options
Administrative Complexity	A	This change would be very straightforward to implement

Option 2: A Per-Capita Funding Stream

While the 1% for art funding mechanism is widespread, Olympia supplements their 1% for art funds with a \$1 per capita budget allocation. This provides the city with about an extra \$51,000 each year for public art, and smoothes the volatility of a project-based funding contribution system. With a part of their funding certain each year, Olympia is able to continue developing their public art program even in years with little qualifying construction under their 1% for art ordinance. Shoreline could adopt this funding supplement to the 1% for art mechanism. This mechanism scales with the growth of the city in a more direct way than the 1% for art mechanism.

Evaluation

This option is the most sustainable of the options identified in this project, as it would be a new, independent, dedicated revenue stream tied to a predictable source. The level of revenue generated may not be particularly large, but it would be much higher than the funding levels for the public art fund in recent years. This option is likely the least politically feasible of the options assessed, however, as it would impose a new requirement on the general fund and possible reduce resources for other programs. It is forecasted to generate about \$55,700 in 2020.

<i>Evaluative Criteria</i>	<i>Grade</i>	<i>Justification</i>
Sustainability	A	Population level is stable and predictable
Revenue Generated	A	Significant increase in revenue from most recent years
Administrative Complexity	B	Allocation would require some additional work from financial staff

Option 3: Increase Contributions to 1.5% of Eligible Project Costs

One way to increase the funds being contributed to the public art fund is to straightforwardly increase the percentage rate of contribution from eligible projects by 50% (from 1% to 1.5%). This amendment to the 1% for art ordinance could be combined with other changes, such as changes to what costs are considered eligible for contribution, to increase its impact. This would be a more substantial change to the costs of these projects, and this change alone would not do much to reduce the volatility of contributions to the public art fund.

Evaluation

This policy option would be a more significant change in funding than Option 1, but still hinges on an amendment to the current 1% for art ordinance. This change would significantly increase the rate at which construction projects contribute to the public art fund, which helps with overall revenue generation, but does little to change the volatility of this system. If Shoreline

continues to have some large construction projects periodically and other times of relatively little construction, this increase in contribution rates will still produce dramatic swings in funding from year to year. This option is likely to be politically feasible as it avoids new taxes or fees on Shoreline residents, but it would reflect an increase in the overall cost of these construction projects due to the 50% increase in contribution rates. This would marginally impact these projects. The administration of this option would be quite straightforward apart from the cost impact on these projects, as it would require only an adjustment of a calculated contribution rate. It is forecasted to have a small impact on revenue generation for 2020, only raising about \$325 in new revenue. On the other hand, this policy would have provided an additional \$106,000 in funding in 2016 for the public art program. This volatility is due to the inherent volatility of the City's construction plans. On average over the 5 years of revenue forecasted, it would generate less per year than the other two forecasted options.

<i>Evaluative Criteria</i>	<i>Grade</i>	<i>Justification</i>
Sustainability	C	This option would help sustain the public art fund, but would keep public art funding subject to the boom-and-bust construction cycle
Revenue Generated	C	This would generate 50% more revenue than current policy would
Administrative Complexity	A	This would be very straightforward to implement

Option 4: Dedicating Revenues from City Rental Facilities

The City of Lakewood uses a funding mechanism for their public art unique among the cities we studied: they dedicate use rental revenues to support their public art program. Lakewood owns a portion of the convention center in their city, and receive a portion of the revenues from rentals of that venue. Those funds support the city's public art, without the Council needing to regularly appropriate money from the budget for public art. The Parks,

Recreation and Cultural Services Department of Shoreline manages a variety of rental facilities that charge fees for reservations. These fees could be dedicated to the support of the public art fund to improve its sustainability without raising any new fees or costs. This funding could be phased, such that initially only 5% of rental revenues are dedicated to public art, with the rate increasing to 10% the next year.

Evaluation

This option has the highest potential for revenue generation. The City budgeted for facility rental revenue of just over \$514,000 in 2018. If 10% of that rental revenue was reserved for the public art fund, it would generate more than \$50,000 annually, and would grow as rental revenue grows. Larger allocations would generate larger contributions to the fund, but it would likely not be feasible to dedicate all rental revenue to public art. Rental revenues are not as predictable as population, but are more stable and predictable than the city's construction cycle. This would make this option much more sustainable than the adjustments to the 1% for art ordinance options. This option would divert existing revenues to a new use, which could present some political problems if those revenues are critical for other purposes or if they currently are contributing to the general fund. The implementation of this option would require some new work, but would not be fundamentally different from or more complicated than the current 1% contribution calculations from construction projects. The revenue projection table for this option includes a calculation of what the funding levels would be at different percentages of the rental revenue; phasing the contribution in over time would help ameliorate the impact of a one-time change to the use of these funds. If immediately implemented at the 10% level, it is forecasted to raise about \$53,000 in 2020.

<i>Evaluative Criteria</i>	<i>Grade</i>	<i>Justification</i>
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Sustainability	B	Rental revenue has grown over time but could drop due to unforeseen events or other options for venues
Revenue Generated	B	Has the potential to easily generate more revenue than other options
Administrative Complexity	B	Will require some new processes but not more complex than the current funding system

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Chapter 6

Recommendations and Conclusions

All of the policy options proposed in this report can be implemented, and none of them are mutually-exclusive. Combined, they would represent a substantial increase in overall funding levels and improve the program's funding predictability. The per-capita and rental revenue options would provide much more level revenues for the program, and the two options that would adjust the current 1% for art mechanism would help maximize its strengths. We are prioritizing Options 1 and 4 for additional review and/or implementation.

Option 1 is the easiest to implement and will help resolve ambiguity around the current ordinance, but does not resolve the instability of the construction cycle. It would help the existing 1% for art mechanism work in a more common-sense manner, and take advantage of some projects having substantial design investment but never being constructed. This option would not require significant changes in the use of current City revenues or the general fund. Option 4 would generate substantial revenue for the program and help smooth the volatility of the construction cycle. It uses revenue already largely generated by the Parks, Recreation and Cultural Services Department. Even a relatively low (5%, 10%) allocation factor for rental revenues as part of Option 4 would meaningfully improve the financial position of the public art fund relative to recent years. This allocation factor should be scaled up over a year or two to make the transition easier.

We recognize that implementing all 4 options would be a major departure from historic funding levels for the program, and would require substantial work with the City Council, City Manager's Office, and others. This aligns with our research findings that emphasized the relative scarcity of resources within local governments. The provision of public art is not a core service of

most local governments. The necessary work done to advance public safety, transportation, recreation, and other critical functions leaves limited resources for public art. This dilemma is what makes the 1% for art mechanism popular at the local and state level, and will remain an obstacle to funding public art programs across Washington. We believe that strengthening the 1% for art mechanism and introducing a new revenue stream from rental revenues will substantially improve the financial position of Shoreline's public art program without jeopardizing the City's core responsibilities. We have also found that, even with limited financing, many local governments distinguish themselves through their public art programs. Modest investments from cities in this public good produce recognizable landmarks, opportunities for unique senses of place, and community engagement. Providing an outlet for public creative expression directly addresses the mission of the Parks, Recreation, and Cultural Services Department:

"To provide life-enhancing experiences and promote a healthy community and environment. To celebrate arts and culture, enhance our natural environment and pass this legacy to the next generation."

As Shoreline prepares for dramatic change with new light rail expansion, investments in the City's public art will help define Shoreline for new visitors and residents. While this report focuses on the potential revenues raised by new funding mechanisms, we believe the value of public art exists beyond its financial considerations. Permanent installations and temporary experiences both make Shoreline a more interesting, unique, and enriching city, improving quality of life. Public art expresses community values across generations. Investing in this public good celebrates Shoreline's arts community and provides a cultural medium unique to Shoreline.

Appendix A. Contact Information

Jurisdiction	Contact	Position	Email	Phone Number
City of Bellingham	Shannon Taysi	Program Specialist	arts@cob.org	(360) 778-8300
City of Bothell	DeNae McGee	Tourism Manager	denae.mcgee@bothellwa.gov	(425) 806-6143
City of Edmonds	Frances White Chapin	Arts and Culture Manager	frances.chapin@edmondswa.gov	(425) 771-0228
City of Kennewick	Rohana Carmichael	Economic Development Marketing Specialist	rohana.carmichael@ci.kennewick.wa.us	(509) 585-4532
City of Kirkland	Philly Marsh	Special Projects Coordinator	PMarsh@kirklandwa.gov	(425) 587-3013
City of Lakewood	Jason Whalen	Deputy Mayor; Serves on Lakewood Arts Commission	JWhalen@cityoflakewood.us	(253) 983-7705
City of Olympia	Stephanie Johnson	Arts Program Manager	sjohnso1@ci.olympia.wa.us	(360) 709-2678
City of Redmond	Carolyn Hope	Arts & Culture Commission	cjhope@redmond.gov	(425) 556-2313
City of Shoreline	David Francis	Public Art Coordinator	dfrancis@shorelinewa.gov	(206) 801-2661
King County (4Culture)	Kelly Pajek	Staff Member, Public Art	kelly.pajek@4culture.org	(206) 263-1606

Appendix B. Findings Matrix				
	Uses % for Arts Funding Mechanism	Uses Per Capita Funding Mechanism	Has at least 1 FTE Staff Member	Designated Arts Commission
City of Bellingham	X			X
City of Bothell	X			X
City of Edmonds	X		X	X
City of Kennewick				X
City of Kirkland	X		X	X
City of Lakewood				X
City of Olympia	X	X	X	X
City of Redmond		X		X
City of Shoreline	X			

[[Need to format Appendix C. Detailed Interview Responses to fit within document in a good way]]

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Appendix D. New Revenues for Public Art Generated by Policy Options						
	Expanding Eligible Cost Categories	#1: Expand eligible project definition	#2: Per-Capita Funding	#3: 1.5 % For Art	#4: Rental Revenue, 5%	#4: Rental Revenue, 10%
2016	Imprecise	To be determined	\$54,500	\$106,435	\$25,728	\$51,455
2017	Imprecise	To be determined	\$54,500	\$19,187	\$25,548	\$51,095
2018	Imprecise	To be determined	\$55,060	\$1,141	\$23,881	\$47,762
2019	Imprecise	To be determined	\$55,730	-	\$25,499	\$50,997
2020	Imprecise	To be determined	\$55,730	\$325	\$26,590	\$53,180
	Forecasts Provided by Susana Villamarin. To be determined requires additional research outside the scope of this project					