



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 26-214

Meeting Date: 5/5/2026

TITLE:

ARTS COMMISSION ANNUAL REPORT

DEPARTMENT: PARKS AND COMMUNITY SERVICES

PRESENTED BY: BRIAN GRUNER, PARKS AND COMMUNITY SERVICES
DIRECTOR

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RECOMMENDATION:

Staff recommends the City Council:

1. Receive and file the Arts Commission annual report (Attachment 1).

BACKGROUND:

In 2017, the Costa Mesa City Council unanimously approved the development of the City's first Arts and Culture Master Plan (ACMP), as shown in Attachment 2. The ACMP was adopted by the City Council on March 16, 2021. At the same time, the City Council awarded a contract to Arts Orange County to complete the ACMP. A subsection goal of the ACMP was to establish a City Arts Commission. On July 19, 2022, the City Council established a seven-member Arts Commission and Commissioners were appointed on September 20, 2022. The Commission held its first meeting on November 3, 2022.

Since its formation, the Arts Commission has been instrumental in moving forward initiatives from the Arts and Culture Master Plan, including but not limited to: community oversight for existing programs, setting the groundwork for new public art initiatives and increasing public participation for the arts grant program. The ACMP aligns with the City Council's core values of Innovation, Compassion, Inclusion, and Collaboration. Additionally, the ACMP also achieves the City Council's goals by strengthening public safety and improving the quality of life in Costa Mesa by reactivating public spaces, making them feel safer and more vibrant.

The current ACMP was developed as a five-year plan that included a proposed budget for each fiscal year to be approved by City Council annually. The plan is currently in its fifth and final year. Staff issued a Request for Proposals (RFP) in January 2026 and is currently in the process of selecting a consultant to develop a new 5-year ACMP.

ANALYSIS:

The Arts Commission meets monthly to discuss the goals and objectives outlined in the adopted Arts and Culture Master Plan. The Commission will present an update to the City Council highlighting its achievements from the previous year and its progress toward established objectives. This year's presentation will be delivered by Chair Alisa Ochoa, Vice Chair Allison Mann, and Arts Commissioner Fisher Derderian. The presentation will include a summary of accomplishments over the five-year span of the Master Plan, as well as highlights from 2025 and the Commission's goals and objectives for 2026.

Arts and Culture Master Plan Accomplishments from 2022-2025

Since the implementation of the ACMP and the hiring of the Arts Specialist in 2022, the following, but not limited to, top four programs and goals from the five (5) year action plan and budget have been successfully implemented and annually re-evaluated:

- Arts Grant Program, including new guidelines and application (pre-existing program re-evaluated in 2023 and 2025)
- ARTventure juried art exhibition and awards ceremony (pre-existing program re-evaluated annually)
- Poet Laureate Program (new initiative implemented in FY 2024-25)
- Hired consultant Arts Orange County to create an Art in Public Places Report (Attachment 3) to guide the public art goals in the ACMP (new initiative completed in 2023)

Approximately 80% of the ACMP has been implemented within the program budget. Some items identified in the plan, such as large-scale public art have not been completed due to limited funding (Attachment 2, Pages 56-57). In addition, included is a comprehensive list of optional programs, accompanied by a detailed accounting of program goals achieved and not achieved over the past five years, as delineated in the ACMP (Attachment 4, Pages 53-55).

Arts Commission Accomplishments: Year 2025

The past calendar year, the Arts Commission continued to review and re-evaluate pre-existing programs and worked diligently to implement larger goals from the ACMP (Attachment 2, pages 38-41), which included:

Goal #2: Expand public art throughout the city.

Action 2.2: Develop a plan for more ambitious temporary and permanent public art, including the identification of potential locations around the City, creation of policies with respect to selection and acquisition of artworks, and determination of the funding sources to be used.

Action 2.4: City may consider adopting a policy mandating fees for public art from new development projects. See Appendix for an example from the City of Laguna Beach Municipal Code on Art in Public Places.

Additionally, the following accomplishments have been achieved in 2025:

- Selection of Costa Mesa's first-ever Poet Laureate position serving a two-year term.
- Reviewed and approved twelve (12) new designs for the Utility Box Art Program.
- Reviewed and approved nine (9) grantees for the Arts Grant Program and made changes to the Arts Grant Program guidelines that included increases to arts grant amounts.
- Participation in a review panel to select poetry for a new public art initiative: Sidewalk Poetry project at Brentwood Park.
- Reviewed and approved a new Scope of Work for new ACMP update.
- Discussion and review of the Art in Public Places Report as part of a larger plan to draft a public art ordinance for implementation in the future as a mechanism to fund public art projects in Capital Improvement Projects (CIP) as referenced in Goal #2, Action 2.4 listed above.

Arts Commission Goals and Objectives: Year 2026

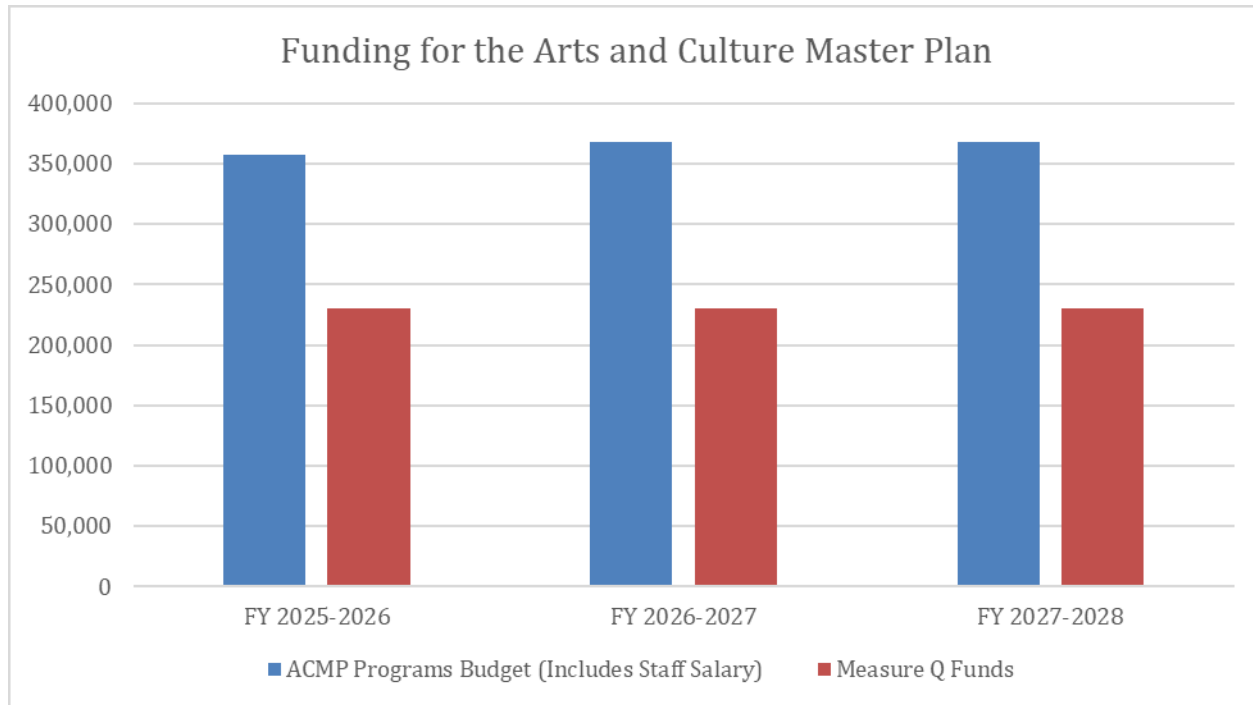
1. Assist in the implementation of a potential update and new Arts and Culture Master Plan for City Council review to support updated initiatives and new direction focused on public art.
2. Review and approve new poems for new Sidewalk Poetry Project for upcoming park renovations at Ketchum-Libolt and Shalimar Parks as part of a new public art initiative.
3. Draft an official public art ordinance for City Council review that would include a one (1) percent fee for publicly funded Capital Improvement Projects over \$500,000 in project valuation to be set aside for public art, and or possibly a one (1) percent fee or incentive for private development projects over \$500,000 in project valuation to be set aside for public art. Potential public art projects could include:
 - a. *As per the ACMP Goal #2, Action 2.6: artist designed and created elements, such as street lights, playground equipment, fitness stations, bus shelters, and benches. Public art projects may also include murals, art installations, and sculpture for buildings and public places*
 - b. *As per the Costa Mesa General Plan: Arts in Public Places and in Private Development*
 - i. *Policy OSR-4.15: Continue to review adopting an Arts in Public Places Program.*
 - ii. *Policy OSR-4.16: Pursue the placement of public art in prominent locations, particularly along major travel corridors to enliven and beautify the public realm.*
 - iii. *Policy OSR-4.17: Develop incentives or programs that encourage art in new developments.*

Arts Commission Budget Priorities and Recommendations for 2026:

Funding Gap Visual (General Fund and the 130 Special Revenue Fund)

The special revenue fund for the Arts and Culture Master Plan (Fund 130) was created with the use of 0.5% of gross receipts from cannabis tax revenue and to be collected and distributed annually. These revenues have come in at approximately \$200,000 per year over the past three years, while

expenditures have exceeded \$300,000 annually over the same period of time. Due to shortfalls in projected cannabis tax revenue in the first couple of years of implementation, the ACMP 5-year budget has been supplemented by the General Fund. As revenue streams level out for cannabis tax, the amount of \$230,000 is the estimated average of revenue (0.5%) from year to year to fund Arts and Culture programs. This amount is not sufficient to cover all the programmatic and staffing costs associated with the ACMP.



By utilizing this budgetary information, the Arts Commission set the following recommendations for budget priorities (Attachment 5):

1. Reclassify the Arts Specialist position to the City’s General Fund to address the annual funding gap for special revenue fund 130 (ACMP account funded by 0.5% cannabis revenue).
 - As currently structured, a substantial portion of the Arts and Culture Master Plan budget is directed toward a personnel line item rather than toward the programming, activations, and public art investments the ACMP was designed to fund. Reclassifying this position to draw from the general fund would restore those resources to their intended purpose and bring the budget structure into alignment with standard City practice.
2. Establish a special revenue Public Art Fund.
 - A dedicated Public Art Fund would serve as a specialized, protected fund for public art investments. Critically, it would be structured so that it is not subject to general fund supplementation, meaning any unspent dollars would carry forward from year to year rather than reverting to the general fund at the close of each fiscal year. This structure ensures that public art funding accumulates purposefully over time and is available when meaningful projects are ready to move forward.

3. Dedicate a portion of any Transient Occupancy Tax increase to the Public Art Fund (this recommendation could be considered as a replacement to the suggested goal/objective #3 for a Public Art Ordinance, or to supplement it by funding public art projects outside of capital improvement projects and or private development projects).
 - As the Council considers how to allocate that new revenue, the Arts Commission urges that the Public Art Fund be included as a designated recipient. Hotel visitors are among the most direct beneficiaries of a culturally vibrant city, and there is a clear and logical connection between tourism revenue and the public art investments that make Costa Mesa an attractive destination. Dedicating a share of TOT growth to the Public Art Fund would create a sustainable, visitor-supported funding stream tied directly to the community's cultural identity.
4. Increase the Cannabis Tax Allocation from 0.5% to 1% to fund the full implementation of the Arts and Culture Master Plan and address the funding gap for special revenue fund 130.
 - Doubling the allocation from one-half cent to one full cent would meaningfully close that gap and reduce the City's dependence on annual general fund backfills to sustain Master Plan programming. The original vision behind the Measure Q set-aside was to generate visible, tangible results for the community through a dedicated revenue source. Increasing the allocation is the most direct way to honor that commitment without asking for new or additional spending from the general fund. A portion of the increased allocation could be directed to the Public Art Fund established under Recommendation 2, ensuring a dedicated and visible source of funding for public art projects as envisioned under the Master Plan.
5. Approve consultant, if selected by City Council, to work on a new ACMP update.
6. Approve new budget framework to fund the interim period between the last year of the current ACMP and the implementation of the proposed update to the ACMP until the new ACMP update is complete.

Next Steps:

Over the next nine months, the Arts Commission will be engaged in the development of the next five-year master plan. The plan will cover FY 27/28 to FY 31/32. Staff intends to bring forward an award of contract to City Council before end of FY 25/26.

ALTERNATIVES:

City Council may provide feedback and direction on upcoming year's goals and objectives and budget priorities and recommendations.

FISCAL REVIEW:

Funding requests will be discussed and considered during the FY 2026-27 budget development process.

LEGAL REVIEW:

There is no legal review is required at this time.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Strengthen the public's safety and improve the quality of life.
- Maintain and enhance the City's facilities, equipment, and technology.

CONCLUSION:

Staff recommends the City Council:

1. Receive and file the Arts Commission annual report.