

## COUNCIL POLICY

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BACKGROUND

Over the years, the community has experienced a significant growth in cultural and artistic activities. While the City has been a financial participant in supporting the Costa Mesa Civic Playhouse and South Coast Repertory Theatre, no specific guidelines have been used in evaluating requests for funding by these organizations. With the increase in new cultural organizations in the community and a resulting demand for financial assistance from the City, it is appropriate that a policy be adopted which sets forth a basic framework for considering such requests.

PURPOSE

It is the purpose of this Policy to:

1. Clearly delineate the role of the City of Costa Mesa in supporting cultural and artistic organizations.
2. Set forth minimum standards for considering requests for financial and other support for such organizations.

POLICY

1. Generally, the City will assume the role of a "broker" in providing support to the Arts. This role is consistent with the City's support of private, nonprofit organizations to provide services to the community as opposed to providing the service directly itself.
2. The concept "support" to artistic and cultural organizations is broad-based and all-inclusive. This shall include direct financial assistance, advertising, sponsorship of special programs, City Staff assistance, allocation of revenues received from Cable Television franchise fees, and use of City facilities.
3. In general, the following criteria will be utilized in considering requests for City support of cultural and artistic organizations.
  - (a) All eligible cultural and artistic groups should be nonprofit and tax exempt under Section 501 (CM) (3) of the Internal Revenue Code.

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- (b) Eligibility of cultural institutions may be broad in the early years of funding with more specific categories to be developed (i.e., museums, theatre companies, zoos, scholarships, etc.).
- (c) Beyond the preceding basic considerations, the City shall also consider the following criteria:
- (1) Artistic excellence
  - (2) Size of audience
  - (3) Make-up of audience
  - (4) Relevance to City's concerns
  - (5) Public and critical reaction to the organization
  - (6) Quality of fiscal management
  - (7) Longevity in the City of Costa Mesa
  - (8) Percentage of request to organization's annual budget
  - (9) Community leadership and support
  - (10) Education and outreach programming
- (d) Education and outreach programs are defined as those programs which extend an arts organization's service, especially to underserved or disadvantaged segments of the community. Such programs include, but are not necessarily limited to, those which partially or fully subsidize ticket costs for students, seniors, and others with limited financial means; educational programs taken directly to the public in schools and neighborhoods; and programs meant to enhance the public's experience and understanding of artistic works.
- (e) City funding support for private organization operational expenses and for special events will be established so as to contribute to a balance of community cultural, recreational, and promotional programs designed to enhance the well-being of the community.
- (f) The functions or services to be provided must be of such a nature that the interests of the City are better served by an agreement with the private organization than by the performance of the service or function by the City.
- (g) The City will only provide support to a legally constituted nonprofit organization completely directing and in complete control of its own affairs through its officers and members.

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- (h) The City will not provide funding support to a private organization for the conduct of any religious or political activity.
- (i) City funds will be used only to assist an organization in its annual operating program or in its sponsorship of special events. City funding will not be used for the purchase of awards, trophies, gifts, or uniforms, nor the buildup of reserves.
- (j) No expenditure may be made out of any appropriation until a written agreement, setting out the terms and conditions of the parties, has been consummated. This agreement will specify in detail the services or functions to be performed, the nature of the payment or reimbursement schedule, and the financial reporting requirements.

PROCEDURE

The City Council shall approve a process for considering requests made pursuant to this Policy. Organizations requesting support from the City shall do so in accordance with the approved process so as to ensure fair and equal treatment for all involved parties.