



City of Costa Mesa

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

Arts Commission

Item #: 22-220

Meeting Date: 4/2/2026

TITLE: ARTS AND CULTURE MASTER PLAN BUDGET FOR
FISCAL YEAR 2026-27

DEPARTMENT: PARKS AND COMMUNITY SERVICES

PRESENTED BY: LAURETTE GARNER, ARTS SPECIALIST

CONTACT INFORMATION: LAURETTE GARNER, ARTS SPECIALIST, (714) 754-5322

RECOMMENDATION:

Staff recommends the Arts Commission:

1. Review and approve the budget recommendations to City Council for fiscal year 2026-27 (Attachment 1).
2. Review and approve the Arts Budget Frameworks (Attachment 2).

BACKGROUND:

On November 3, 2020, Costa Mesa voters approved the "City of Costa Mesa Retail Cannabis Tax and Regulation Measure" (Measure Q). Currently the Arts & Culture Master Plan budget (Attachment 3) is partially funded through Measure Q, and is defined by municipal code as follows:

9-29.5 Cannabis Tax:

Notwithstanding any other provision of this Code, every person engaged in, managing, conducting, or carrying on any cannabis business defined in Chapter VI of this title, or any other marijuana and/or cannabis business, shall pay an annual business tax as follows:

(c) Every person who is engaged in, managing, conducting, or carrying on a business as a cannabis store-front retailer, as set forth in section 9-486(a), and/or who otherwise sells, dispenses and/or furnishes cannabis anywhere within the city, shall pay an annual business tax of 7% based on the gross receipts of that business.

(d) Every person who is engaged in, managing, conducting, or carrying on a business as a cannabis nonstore front retailer, as set forth in section 9-486(a), and/or who otherwise delivers cannabis anywhere within the city, shall pay an annual business tax of 7% based

on the gross receipts of that business, subject to the applicable provisions of section 9-40.

(g) One-half of one percent of the proceeds of the tax set forth in subsections (c) and (d) shall be directed toward the implementation of the cultural and arts master plan and one-half of one percent shall be directed towards the implementation of a first time homebuyer program for current residents of the city, former residents who were raised in the city and/or who graduated from the Newport Mesa Unified School District.

At the February 5, 2026 Arts Commission meeting, staff presented a budget update which included the FY 2026-2027 request that duplicated the same funds as outlined in year five (5) of the Arts and Culture Master Plan (ACMP). The current ACMP financial plan ends after year five (5).

At the March Arts Commission meeting, members of the City Finance attended the meeting to answer questions regarding funding for the Arts and Culture Plan and options for the next fiscal year's budget.

ANALYSIS:

Commissioners Lucia and Derderian volunteered to create a suggested framework for next year's budget as a way to prioritize funding in the interim period between the current ACMP and the potential update to the ACMP.

Commissioners Lucia and Derderian will present their budgetary recommendations intended for city council for the 2026-27 fiscal year, for the Arts Commission to review.

FISCAL REVIEW

No fiscal review is required.

LEGAL REVIEW

No legal review is required.

CONCLUSION:

Staff recommends the Arts Commission:

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