



City of Costa Mesa

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

Arts Commission

Item #: 26-176

Meeting Date: 3/5/2026

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 discuss the update on the Arts and Culture budget for Fiscal Year 2026-27.

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 1) 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.

In Fiscal Year (FY) 2025-26, staff requested and received funding for the programs outlined in year four (5) of the Arts & Culture Master Plan.

At the February 5, 2026, staff presented a budget update which included the FY 2026-2027 request that duplicated the same funds as outlined in year five of the master plan.

commissioners asked that this item return for the March Arts Commission meeting and that also a member of the Finance team be available to answer questions regarding funding for the Arts and Culture Plan.

ANALYSIS:

At the February meeting, commissioners asked that this item return to the Commission and that also a member of the Finance team be available to answer questions regarding funding for the Arts and Culture budget.

FISCAL REVIEW

No fiscal review is required.

LEGAL REVIEW

No legal review is required.

CONCLUSION:

Staff recommends the Arts Commission:

1. Review and discuss the update on the Arts and Culture budget for Fiscal Year 2026-27.