JULY 16, 2019

CULTURAL DEVELOPMENT FUND

Presented by Jeff Cason, Eva Sweeney, Melissa McCollum, and Sam Lee
Arts and Culture are at the center of the Creative Economy and support the larger economy.

<table>
<thead>
<tr>
<th>Tourism</th>
<th>Communication Arts</th>
<th>Arts and Culture</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Architecture &amp; Interiors</td>
<td>Digital Media</td>
<td>Entertainment</td>
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<td></td>
<td>Arts Services, Galleries</td>
<td>Theater &amp; Arts Schools</td>
<td>Product &amp; Toy Design</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Publishing &amp; Printing</td>
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</tbody>
</table>

Services

Housing

Restaurants
Recommendations from The El Segundo Creative Economy Report

To Grow the Creative Economy:

- Facilitate networking among creative businesses
- Maintain El Segundo’s unique community character
- Include artists to be part of city development and beautification
- Create a Cultural Development Fund to support these goals

Beacon Economics
May 2019
Creative Economy growth

Investments in quality of life
Arts and Cultural Activity

Increased revenue for City

Cultural Development Fund
How would it actually work?
Create additional public access to the arts, help drive tourism and revenue to local businesses, contribute toward realizing cultural equity and inclusion, and create opportunities for artists and art organizations in the community.
Goals

$1 Million for Art

1. Artistically enhance already budgeted capital improvement projects
2. Advocate for art and cultural events on weekends to increase hotel occupancies
3. Permeate the City with public art and programs to create a comprehensive community identity
4. Award local excellence in commercial beautification and amenities
5. Stimulate a higher level of art engagement in schools and civic organizations
6. Contribute to achieving the City Enjoyable
1. Cultural Development Fund Ordinance
2. CDF Administration
3. Developer Projects
4. Construction Fee Comparisons
5. Sample Budgets
6. Inspiration
7. Measures for Success
Cultural Development Fund and Fee

Ordinance amending Title 3 of the El Segundo Municipal Code

- Commercial and Industrial Development
- $500,000+ Building Valuation
- New Construction/Remodels
- 1% or $100,000 Maximum Cap
- <$75,000 in-lieu fee for Cultural Development Fund only
- >$75,000 option of in-lieu fee or developer project on-site
- Exemptions
Building Valuation

- <$250K
- $250K
- $500K
- $750K
- $1 Million
- Sq. ft.
- Tiered

Number of Jurisdictions: 32 (70%)
Percent Allotment

"Percent for Arts"

<table>
<thead>
<tr>
<th>Allotment</th>
<th>Number of Jurisdictions</th>
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</thead>
<tbody>
<tr>
<td>&lt;1%</td>
<td>27 (59%)</td>
</tr>
<tr>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>&gt;1%</td>
<td></td>
</tr>
<tr>
<td>Tiered</td>
<td></td>
</tr>
<tr>
<td>Sq. ft.</td>
<td></td>
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<tr>
<td>Other</td>
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</table>
Residential Development

Number of Jurisdictions

- One or more units
- At least two units
- At least 3 units
- At least 4 units
- At least 5 units
- Only mixed use
- Other
- Exempt affordable housing
- Exempt all residential
Project Caps

Azusa: $50,000  
Calabasas: $150,000  
Downey: $150,000  
Redondo Beach: $750,000  
Whittier: $20,000  

Tiered

Beverly Hills: 1% first 1 million/1.5% over 1 million  
Burbank: 1% first 15 million/0.75% 15.1 - 25 million  
Glendale: 1% in-lieu fee or 2% on-site art  
Malibu: 1% in-lieu fee or 2% on-site art  
Westlake Village: 1% on-site art or 1.25% in-lieu fee
Cultural Development Fund and Fee

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Cultural Development Fund Administration

- Special Expenditure Fund administered by Library Services Department in coordination with Finance Department, Department of Public Works, Department of Planning and Building Safety, and City Attorney
- Annual Budget Proposed by Arts and Culture Advisory Committee and Approved by City Council
- Standard City Approval Limits
- ACC Expertise and Appointment Process
Developer Projects

- Step 1: Artist and Art Plan Presented to Arts and Culture Advisory Committee for approval recommendation

- Step 2: Final Review by City Staff prior to Certificate of Occupancy issuance
## Plan check and Permit Fee

<table>
<thead>
<tr>
<th></th>
<th>$500,000</th>
<th>$1,000,000</th>
<th>$5,000,000</th>
<th>$10,000,000</th>
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<tbody>
<tr>
<td><strong>E.S. Old</strong></td>
<td>$8735</td>
<td>$15,830</td>
<td>$52,390</td>
<td>$98,090</td>
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<tr>
<td><strong>E.S. New 2019</strong></td>
<td>$5797</td>
<td>$10,368</td>
<td>$30,648</td>
<td>$55,998</td>
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<tr>
<td><strong>Lowered by</strong></td>
<td>34%</td>
<td>35%</td>
<td>42%</td>
<td>43%</td>
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<tr>
<td><strong>% of valuation</strong></td>
<td>1.16%</td>
<td>1.04%</td>
<td>.61%</td>
<td>.56%</td>
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</table>

**Fees lowered by 34 – 43%**
<table>
<thead>
<tr>
<th>City</th>
<th>$5,000,000</th>
<th>$10,000,000</th>
<th>$15,000,000</th>
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<tbody>
<tr>
<td>E.S. New 2019</td>
<td>$5,797</td>
<td>$10,368</td>
<td>$30,648</td>
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<tr>
<td>City of Los Angeles</td>
<td>$9,068</td>
<td>$17,370</td>
<td>$69,895</td>
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<tr>
<td>Higher by</td>
<td>56%</td>
<td>68%</td>
<td>128%</td>
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<tr>
<td>Manhattan Beach</td>
<td>$10,670</td>
<td>$18,385</td>
<td>$66,059</td>
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<tr>
<td>Higher by</td>
<td>84%</td>
<td>77%</td>
<td>116%</td>
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<tr>
<td>Glendale</td>
<td>$10,665</td>
<td>$20,325</td>
<td>$76,445</td>
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<tr>
<td>Higher by</td>
<td>84%</td>
<td>96%</td>
<td>149%</td>
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<tr>
<td>Culver City</td>
<td>$12,565</td>
<td>$23,575</td>
<td>$108,955</td>
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<tr>
<td>Higher by</td>
<td>117%</td>
<td>127%</td>
<td>256%</td>
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<tr>
<td>Torrance</td>
<td>$13,504</td>
<td>$23,684</td>
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<tr>
<td>Higher by</td>
<td>133%</td>
<td>128%</td>
<td>286%</td>
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<th>$10,000,000</th>
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<tbody>
<tr>
<td>El Segundo</td>
<td>$5,797</td>
<td>$10,368</td>
<td>$30,648</td>
<td>$55,998</td>
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<tr>
<td>Average (cities)</td>
<td>$11,300</td>
<td>$31,900</td>
<td>$87,900</td>
<td>$166,000</td>
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<tr>
<td>% lower</td>
<td>49%</td>
<td>68%</td>
<td>65%</td>
<td>66%</td>
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Sample CDF Annual Budget

Developer Projects: $200,000
Capital Enhancements: $300,000
Permanent Art: $200,000
Community Experiences: $200,000
Grants: $100,000

Total: $1 Million
El Segundo Projects
Sample Public Art Budgets

- Gateway Project at Main and Imperial - $150,000
- Rebecca Lowry Installation at City Hall - $100,000
- Teen Center Mural - $10,000
- Inglewood Senior Center - $200,000
- Manhattan Beach City Hall Public Art Project - $250,000
- Malibu Speaker Series - $100,000
- Day of Art and Play in Pasadena - $4500 (Six $750 grants)
Inspiration

- Palo Alto (2013)
- San Francisco (1985)
- Oakland (2014)
- Beverly Hills (1996)
- West Hollywood (2001)
- Santa Monica (2006)
- Culver City (1988)
- Cerritos (2000)
- Manhattan Beach (2002)
- Inglewood (2004)
- City of LA (1991)
- Redondo Beach (2015)
- Philadelphia (1959)
Inspiration
Inspiration

TEDx ElSegundo

x = independently organized TED event
Measures for Success

- Community Satisfaction
- Partner Satisfaction
- Growth and Competitiveness
- Creative Economy Expansion
- Image and Reputation
- Artistic Achievement
- Financial Management