



NEWPORT BEACH

City Council Staff Report

November 12, 2024
Agenda Item No. 16

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: Melissa Hartson, Library Services Director - 949-717-3801,
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PREPARED BY: Melissa Hartson, Library Services Director

TITLE: Resolution No. 2024-84: Amending City Council Policy I-10 Including Re-Titling and Cultural Arts Sculpture Exhibition Proposal

ABSTRACT:

The City Arts Commission (Commission) is recommending amendments to City Council Policy I-10 to better align the policy with current practices. Additionally, at the request of the Council, the Commission evaluated the Sculpture Exhibition in Civic Center Park program and recommends adjusting the exhibit's schedule from a two-year to a three-year cycle.

RECOMMENDATIONS:

- a) Determine these actions are exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly;
- b) Adopt Resolution No. 2024-84, *A Resolution of the City Council of the City of Newport Beach, California, Amending City Council Policy I-10 (Financial Support for Culture and Arts) Including Re-Titling as City Council Policy I-10 (Culture and Arts Grants)*; and
- c) Approve the City Arts Commission's recommendation for a three-year Sculpture Exhibition in Civic Center Park and determine the artist honorarium allocation per sculpture.

DISCUSSION:

City Council Policy I-10, *Financial Support for Culture and Arts* (Policy) directs the City Arts Commission (Commission) to review all programs and requests for financial support from arts groups and make recommendations for funding to the City Council for final approval. At the Commission's October 10, 2024, regular meeting, the Commission approved recommendations for amending the Policy. The following amendments were made to align the policy with current administration practices, to eliminate outdated methods of execution, and delete or reduce language where applicable:

- Re-title the Policy to *Culture and Arts Grants*.
- Add language from City Council Policy A-12, *Discretionary Grants*, regarding how the City budget allows the City Council to direct revenue towards projects and programs.
- Remove indications of utilizing the “Reserve Fund for Culture and Arts” for grants and add “General Fund” as this is the source of funding for culture and arts grants.
- Eliminate “Any appropriation shall not exceed 50% of the Arts Commissions’ annual budget”, as \$55,000 awarded in total grant funding does not exceed 50% of the Cultural Arts Division annual budget, so this language is unnecessary.

Additionally, at its September 12, 2024 regular meeting, the City Arts Commission reviewed and approved a Sculpture Exhibition proposal that introduces a three-year rotating exhibition in Civic Center Park.

Sculpture Exhibition Background

The Sculpture Exhibition in Civic Center Park is an ongoing rotational public art display that is an integral feature of the Newport Beach Civic Center. Civic Center Park was designed by the renowned landscape architectural firm Peter Walker and Partners (PWP). PWP developed a master plan for art in the park, and identified various spots in the park where art, particularly sculpture, may be exhibited. The City Arts Commission determined that a rotating exhibition was the optimal approach to bringing sculpture to Newport Beach in a cost-efficient manner. In August 2013, the City Council authorized the Commission to implement an inaugural rotational sculpture exhibit in Civic Center Park. Since 2014, the City has exhibited nine sculpture phases in the park with Phases VIII and IX currently on display.

Arts Orange County (ArtsOC) has provided public art coordination and site management services for all nine phases of the Sculpture Exhibition. Annually, ArtsOC’s proposed budget for managing each phase, consisting of 10 sculptures per phase, is \$119,000. In addition, a \$5,000 artist honorarium per sculpture totaling \$50,000, and sculpture plaques, brochures, and advertising of \$4,000, brings the current total per phase cost to \$173,000. Funding has consisted of both public and private contributions. For phases VII, VIII, and IX, the City has allocated \$135,000 from the General Fund for each phase and additional funding from the Cultural Arts Division budget supplements the project costs. Lastly, the Newport Beach Arts Foundation has contributed funding to support a portion of the artist honorariums, giving \$20,000 for Phase VII and \$10,000 for Phases VIII and IX.

At the City Council Planning Session held in February of this year, the Council asked the Commission to determine and present options for the Sculpture Exhibition program. The Commission formed a Sculpture Exhibition Ad Hoc Subcommittee to meet, discuss and propose alternative recommendations for future phases of the Sculpture Exhibition. The Ad Hoc Subcommittee presented its proposal to the Commission at its September 12, 2024 regular meeting, and the Commission unanimously approved recommending the proposal to the City Council.

Sculpture Exhibition Proposal

The Commission's view is that it is critical that the Sculpture Exhibition in Civic Center Park (Sculpture Exhibition) be managed in a fiscally responsible manner within the Sculpture Exhibition General Fund budget allocation. As a result, the Commission recommends each phase of the Sculpture Exhibition move from 10 sculptures on exhibit for two years to 10 sculptures on exhibit for three years.

Analysis

The continuous installation and de-installation of sculptures on an annual cadence has brought with it significant yearly costs associated with managing each exhibition phase, such as the following:

- Locating and curating potential new sculptures
- Executing an online public poll to select new sculptures
- Renting heavy equipment to install and de-install new sculptures
- Providing labor for installation and de-installation

After reviewing the data, the Commission found that the bulk of the annual cost of the exhibition is not due to having 20 sculptures on display, but rather, it is due to having to change 10 sculptures every year.

As a result, the Commission determined the costs can be significantly reduced, while still exhibiting 20 sculptures, by simply changing the cadence of replacing sculptures on an annual basis.

Recommendation

The Commission recommends the following:

- Going forward, the City selects all sculptures with the intent to display them for three years.
- The City moves to a three-year cycle wherein:
 - No sculptures are replaced in FY 2024-25
 - 10 sculptures are replaced in FY 2025-26
 - 10 sculptures are replaced in FY 2026-27

Specifically, the City will work with ArtsOC and the artists of the existing sculptures in Phases VIII and IX to extend their current contracts by one year so that the City may immediately move to the recommended three-year cycle. Currently, Phases VIII and IX are scheduled to be de-installed in June 2025 and June 2026, respectively. The proposal would extend Phase VIII contracts to 2026 and Phase IX to 2027. In addition, the Commission recommends Phase X installation take place in 2026 and Phase XI in 2027. These two phases would be on exhibit for three years, leading to no sculpture de-installations and installations in FY 2027-28.

Expected Impact

The following table shows the current cost breakdowns per phase, which results in \$519,000 over a three-year period for three Sculpture Exhibition phases.

EXISTING 2-YEAR SCHEDULE OF BILLING RATES	
Project Management - Installation	\$35,000
Project Management - De-installation	\$9,500
Installation Services	\$46,500
De-installation Services	\$20,000
Project Contingency	\$8,000
ArtsOC Total	\$119,000
Artist Honorariums	\$50,000
Sculpture Plaques & Brochures	\$4,000
PROJECT TOTAL	\$173,000

In anticipation of the Commission and Council considering a change to the length of the exhibition period, staff requested a proposal from ArtsOC based on a three-year exhibition period. The cost estimates for the first year are provided below.

PHASES VIII & IX CONTRACT EXTENSIONS	
Phase VIII Artist Honorariums	\$25,000
Phase IX Artist Honorariums	\$25,000
Project Management Extension	\$15,000
EXTENSION TOTAL	\$65,000

The Cultural Arts Division FY 2024-24 budget includes \$135,000 for the Sculpture Exhibition. Should the Council approve changing to a three-year exhibit period, the City would save \$70,000 in year 1.

ArtsOC also provided costs for planning and implementing future phases based on a three-year exhibition period.

PROPOSED 3-YEAR SCHEDULE OF BILLING RATES \$7,500 ARTIST HONORARIUMS*	
Project Management - Installation	\$37,500
Project Management - Holdover Year	\$7,500
Project Management - Deinstallation	\$10,260
Installation Services	\$50,220
Deinstallation Services	\$21,600
Project Contingency	\$8,000
ArtsOC Total	\$135,080
Artist Honorariums	\$75,000
Sculpture Plaques & Brochures	\$4,000
PROJECT TOTAL	\$214,080

*Would begin in Fiscal Year 2025-26

Starting with Phase X, the recommended three-year proposal would cost \$428,160 for two phases, resulting in a \$90,840 savings for the City over three years.

The Commission is also recommending City Council to consider further cost-saving options by lowering the artist honorarium per year. Current cost of the artist honorarium is \$2,500 per year. This amount results in a \$7,500 honorarium per artist under the three-year proposal, totaling \$75,000 for artist honorariums per phase.

Should City Council consider a lower artist honorarium amount, here are two additional cost savings options for each Sculpture Exhibition phase:

Option #1: \$6,000 artist honorarium per sculpture totaling \$60,000, saving an additional \$15,000.

PROPOSED 3-YEAR SCHEDULE OF BILLING RATES \$6,000 ARTIST HONORARIUMS	
Project Management - Installation	\$37,500
Project Management - Holdover Year	\$7,500
Project Management - Deinstallation	\$10,260
Installation Services	\$50,220
Deinstallation Services	\$21,600
Project Contingency	\$8,000
ArtsOC Total	\$135,080
Artist Honorariums	\$60,000
Sculpture Plaques & Brochures	\$4,000
PROJECT TOTAL	\$199,080

Option #2: \$4,500 artist honorarium per sculpture totaling \$45,000, saving an additional \$30,000.

PROPOSED 3-YEAR SCHEDULE OF BILLING RATES \$4,500 ARTIST HONORARIUMS	
Project Management - Installation	\$37,500
Project Management - Holdover Year	\$7,500
Project Management - Deinstallation	\$10,260
Installation Services	\$50,220
Deinstallation Services	\$21,600
Project Contingency	\$8,000
ArtsOC Total	\$135,080
Artist Honorariums	\$45,000
Sculpture Plaques & Brochures	\$4,000
PROJECT TOTAL	\$184,080

Beginning in FY 2025-26, the Commission's recommended plan would result in new sculptures installed every two out of three years going forward. The public would be able to enjoy each new Sculpture Exhibition phase for a longer period of time, and the City would no longer incur the steeper cost of a two-year rotation cycle.

FISCAL IMPACT:

The adopted budget includes sufficient funding for extending Sculpture Exhibition Phase VIII and Phase IX contracts. It will be expensed to the Sculpture Exhibition account in the Cultural Arts Division of the Library Services Department, 01060603-811059, saving \$70,000 this fiscal year. This savings would contribute to the cost of next fiscal year's installation.

Beginning in FY 2025-26, the General Fund allocation required for each Sculpture Exhibition phase would be \$214,080 for the \$7,500 artist honorarium option, \$199,080 for the \$6,000 artist honorarium option, or \$184,080 for the \$4,500 artist honorarium option.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENTS:

Attachment A – Redline of Amended City Council Policy I-10
Attachment B – Resolution No. 2024-84