

CITY OF AUSTIN

**INVESTING IN AUSTIN'S ARTS FOR CULTURAL
PROSPERITY AND ECONOMIC GROWTH:
Findings and Recommendations**

Submitted by:

**Dabney & Associates
Lucille E. Dabney
Eduardo Díaz
Marion A. McCollam**

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INTRODUCTION

Dabney & Associates, a team composed of Marion McCollam, Eduardo Díaz and Lucille Dabney has been retained by the City of Austin to:

1. Evaluate the City's current cultural arts funding process;
2. Identify public cultural arts funding best practices and benchmarks and
3. Identify and recommend viable cultural arts funding program model alternatives for the City, including strategies for implementing those alternatives.

As part of its Phase One engagement, the team has presented the Evaluation of the Cultural Arts Funding Process (Evaluation Report), the Identification of Public Cultural Arts Funding Best Practices and Benchmarks (Best Practices Report) and the Viable Cultural Arts Funding Program Alternatives (Alternatives Report). In addition, consultants provided recommendations on an interim process for Cultural Contracts allocations for fiscal year 2002-2003, as requested. Dabney and Associates has worked under the supervision of the Office of the City Auditor. At the City's discretion a Phase Two component to the project may ensue, in which consultant would provide assistance in the implementation of recommendations of Phase One.

This Findings and Recommendations Report constitutes the logical last step following the analysis of current Austin practice, research into best practices nationwide screened for applicability to Austin and vetting of alternatives with City leaders and key stakeholders. It synthesizes the topics found in the three earlier reports. In this report we present a set of specific recommendations with strategies for implementation that we believe the City of Austin can confidently and productively pursue in Phase Two of this project.

This report rests on the open and participatory process used throughout the project. We reviewed and evaluated relevant background materials, reports and meeting minutes. We surveyed over 21 leading local arts agencies concerning policies, programs, processes, funding and operation. We conducted nearly 50 interviews, hosted an open meeting attended by over 70 interested community members, attended 9 meetings and vetted alternatives with 13 key leaders and stakeholders. Recommendations include selected practices, programs and processes applicable to Austin as well as the kind of vision, policy and leadership necessary to set the course and the type of agency capable of moving forward effectively and efficiently.

To a large extent, our work has been focused on vision, policy and leadership – elements that are essential if Austin is to seize the opportunity that the current critical juncture in cultural development presents. Clearly, there is a need for fundamental change in the way in which the City manages its arts and cultural investments. Today, more than ever, Austin must move aggressively forward in developing a comprehensive vision, setting sound cultural policy and marshalling leadership to support and leverage its outstanding creative assets and create community prosperity through cultural prosperity.

POLICY

Findings on policy:

A 1986 City ordinance established cultural policy appropriate for development of a program of cultural contracts and relevant to the time but it is limited in terms of cultural arts funding opportunities and lacks connection with broader City policy and priorities. Its limitations, in turn, limit the capacity and effectiveness of programs and processes that could, without such constraints, respond to current public policy.

Recommendations on policy:

To expand opportunities for the arts and culture in Austin, the City Council should establish comprehensive cultural arts policy that

- ? **states the purpose for public funding of the arts,**
- ? **integrates arts development into the broader policies and priorities of City government,**
- ? **addresses issues of equity,**
- ? **considers regional opportunities,**
- ? **includes reference to conflict of interest policy and**
- ? **clarifies the role of the local arts agency.**

Suggested Strategies for Implementation:

1. To charge consultants, in collaboration with policy experts in local universities and state government, with the drafting of cultural arts policy for City Council review and adoption.

2. To broaden policy, where feasible, so as to leverage City resources, including space and facilities, to support development of Austin's creative community.
3. To include in consultants' scope of services, facilitation of discussions between regional authorities, City officials and local arts agency governance and staff regarding possible regional collaboration on arts matters.
4. To have new arts policy adopted by City Council and broadly promulgated to all stakeholders and also scheduled for review on a regular basis.

STRUCTURE AND FUNCTIONS OF THE LOCAL ARTS AGENCY

Findings on Structure and Functions:

Many local arts agencies were initially located in parks departments and originally their primary functions were grant maker and presenting organization. However, none of the leading arts agencies surveyed remained in the parks department, nor were their functions limited to cultural contracts and presentation of programs and events in City venues. A close relationship was maintained with the parks department in most cases, nonetheless. Though some agencies surveyed were public and some were private agencies designated as the governmental authority's official arts agency, the latter appeared to have the greater flexibility, broader civic alliances and fund raising capability. Austin stakeholders responded positively to the private model with public standing.

Recommendations on Structure and Function:

- ? To coordinate and stimulate Austin's artistic and cultural development, City Council should authorize an organizational transition, first gathering together key arts staff in the Economic Growth and Redevelopment Services Office and then, after a period of planning and development, authorizing creation of an independent private full-service local arts agency.
- ? To provide appropriate agency leadership, governance and support, City Council should jointly appoint a board of directors to assist in the transition of the local arts agency from public to private. An experienced and entrepreneurial arts staff would manage the private agency. The agency would be guided by the goals and policies of the City and supported not only by the City but also by recognized community leaders with access to broad constituencies and resources.

Suggested Strategies for Implementation:

1. To provide in-office as well as back up support to the transitional activities of staff and leadership development through a contract with Dabney & Associates as part of the consultant team's Phase II implementation. Team member Eduardo Díaz would serve as interim executive director for a period of up to nine months, with support from team members Luci Dabney and Marion McCollam.
2. To begin the transitional process of incubating a full service, private, nonprofit arts agency over a period of approximately two years by: first, aggregating Cultural Contracts, Art in Public Places and Civic Art and Design merged, and the Offices of Music and Film; second, creating four new staff positions including executive director, administrative assistant, grants/cultural contracts director and grants coordinator; and third, placing all of these combined functions in the Economic Growth and Redevelopment Services Office for a period of consolidation and transition.
3. To create a board of directors comprised of 15 to 20 local leaders in areas of visual, performing and literary art, economic development, community development, nonprofit organizational development, public art and design, music, film, human resources, public finance law, tourism, business, media/public relations, fund raising, nonprofit accounting and finance, technology, education, community and neighborhood organizing. The board should reflect the ethnic and geographic diversity of Austin as well as a diversity of ideas and perspectives, thereby increasing the creativity and ability to deal with complex issues. City Council would concurrently request resignation of members of all relevant commissions and boards, giving Council ultimate flexibility in jointly constituting a board with the broad leadership necessary to create the new agency and to assist in the development of resources necessary to sustain it.
4. To create a position description for the Executive Director of the Arts and Culture Division and begin a high profile nationwide search with the assistance of a professional arts management search firm. Build an entrepreneurial and highly skilled staff reflecting the diversity of Austin, incorporating existing staff from other areas and adding four new positions funded through the Economic Growth and Redevelopment Office. Prepare descriptions for all other positions and begin, where appropriate, open advertised national, regional or local searches. (See proposed organizational chart included in Appendix A.)

CULTURAL PROGRAMS, PROCESSES, SERVICES AND ACTIVITIES

Findings on cultural programs, processes, services and activities:

In both the Evaluation and Audit Reports there was specific evidence of flaws in the cultural contracts process that needed to be addressed. Deficiencies included limited policy guidance, inconsistent allocation and evaluation procedures, appeals circumventing the process, ineffective communications, conflicts of interest and a need for additional funding sources. Furthermore, the types of support services provided routinely to arts organizations and artists by the leading local arts agencies surveyed were missing, as was programmatic responsiveness to City goals and priorities.

Recommendations on cultural programs, processes, services and activities:

- ? **To remedy deficiencies in the cultural funding process, the newly created Arts and Culture Division should immediately begin revising, revamping and enhancing the program and the process.**
- ? **To provide broader support to artists, arts organizations and related entities, the division should begin to plan and phase in new programs and activities designed to respond to needs and opportunities, as feasible.**
- ? **To sustain and develop programs and services, division staff and board members should begin to identify additional sources of support and to build strategic relationships.**

Suggested Strategies for implementation (in three parts):

Part One:

To effectively manage the transition and simultaneously revamp the current allocations process, phase in new programs and activities, begin to increase resources to support the growth of the arts and a creative climate in Austin, team member Eduardo Díaz, with support of Dabney and McCollam, will serve as interim director for a period of up to nine months and then through a transition with the permanent Executive Director for another three months or so to:

- ? Recast the grant/contract program based on best practices and create a web-based electronic application process in order to free core staff to provide developmental assistance.
- ? Build effective relations between division leadership and other City departments and divisions, the arts community, the media, downtown

interests, the educational community, social service providers, other public and governmental entities and the private sector.

- ? Establish a pilot cultural tourism project with the Austin Convention and Visitors Bureau, initiate an after-school program based on new resources and a pilot program to support neighborhood revitalization efforts through cultural contracts.
- ? Assess the feasibility of a community cultural planning process that would create a vision for Austin's cultural future with the participation of a broad community of stakeholders, thus building a consensus on priorities for programs and services, identifying new arts leadership and attracting new support and resources.
- ? Build the capacity of arts organizations and artists through management assistance services such as workshops and training.
- ? Initiate a study of the economic impact of the arts on the Austin economy, either in partnership with a university or as part of a national process conducted by Americans for the Arts, and utilize findings in advocacy for the arts industry.

Part Two:

Conduct a community cultural planning process (if feasibility has been established) for adoption of resulting plan by City Council and any other relevant entities.

Part Three:

Incorporate appropriate goals and objectives established in the cultural plan into a strategic plan for execution by the local arts agency that may include but not be limited to:

- ? A recognition event, such as a Mayor's Arts Awards event
- ? A festival of the arts
- ? Arts education and after-school activities
- ? Management assistance, incubator support and space for artists and arts organizations
- ? Policy and plan for public art and urban design
- ? Planning and development assistance for cultural districts

- ? Resource development, fund raising and promotional activity

COMMUNICATION AND RELATIONSHIP BUILDING

Findings on Communication and Relationship Building

Both lack of effective communication and inappropriate types of communication were cited by the Audit Report, the Communication Assessment by the University of Texas and the Evaluation Report as causes of problems in Austin's arts funding process and barriers to their cure. There has been general acknowledgement that there needs to be an effective system of communication linking City government to arts agency governance and staff and continuing in a loop that includes, but is not limited to, key constituents in the community, in the business sector, the hospitality industry and the creative economy. Survey results from our research on best practices showed that leadership of the local arts agency was essential in the creation and maintenance of a communication system, in the preparation of accurate and timely information to be disseminated and, most importantly, the building of relationships with stakeholders. The Audit Report suggested that training in effective communication for arts agency staff and leadership would facilitate matters.

Recommendations on Communication and Relationship Building:

- 1. To ensure an effective system of communication with all stakeholders, develop communication strategies that assign responsibility to arts agency leadership for the roles of convener and information source, spokesperson and advocate, planner and promoter and specify actions for implementation.**
- 2. To see that arts are at the table when plans are made, collaborations created and actions taken, build working relationships locally and regionally between the arts agency and key stakeholders in areas of government, the arts community, the media, business and downtown interests, tourism and economic development, the educational community, social service providers and others.**
- 3. To make the arts part of City plans and priorities and also to make City plans and priorities part of arts and cultural development, create productive communication networks and build relevant relationships with City officials and staff.**

Suggested Strategies for implementation:

- 1. To improve communications and begin to plan for an effective system, the arts agency's interim director, in concert with fellow consultants, will identify key linkages and begin to convene regular meetings and establish technological**

means for the exchange of information and sharing of concerns and opportunities.

2. To build relationships, the interim director, together with fellow consultants, will work with City government and key constituents to identify those individuals who can form a core of diverse leaders who share an interest in Austin's cultural development and its standing as a creative center.
3. To broaden communication, extend relationships and build a shared vision of the Austin's cultural future, consultants will test the feasibility of launching a community cultural planning process both in terms of community readiness and available resources.

SUPPORT AND RESOURCES

Findings on Support and Resources:

Both the Audit Report and the Evaluation Report indicate that Austin's arts assets, its artists and arts organizations, merit expanded support from a variety of sources. Currently Austin's investment in its arts assets is made up of mainly the bed tax, with a bit of general funds and an amount of capital dollars for public art and facilities. The bed tax has shown itself to be a volatile source, a fact that has been problematic for cultural contract funding.

Though a number of the exemplary local arts agencies surveyed use the bed tax to support the arts, the general fund of the relevant governmental authority is by far the largest source of support (93 percent for public agencies and 58 percent for private agencies, or an average of 76 percent). Some agencies have diversified funding to eight or more sources, however, and provide other resources including space and facilities. Local arts agencies engaging in community cultural planning were uniformly found to be able to increase arts funding from numbers of sources, according to reports of Americans for the Arts.

Although Austin's investment in the arts undoubtedly has a significant impact on its economy now and in the future in ways detailed in Richard Florida's *The Rise of the Creative Class*, there is no current study that documents what the arts mean to Austin's economy. However, in its understanding of the nexus between the arts and the economy, the City Council has taken the initiative and, as the *Austin American-Statesman* headlined on November 21, 2002, "City's culture will be a focus as committees help develop blueprint for economic growth."

Recommendations on Support and Resources:

- ? **To explore the feasibility of increasing investment in the arts from the general fund as a recognition of the arts as a basic service of City**

government, an engine of economic growth and an enhancement of Austin's quality of place.

- ? **To initiate a comprehensive scan of sources of funding for the arts that includes both traditional sources such as federal and state arts agencies and national and local foundations and also nontraditional sources that may be available for arts services for special populations, such as U. S. Department of Justice funds for programs for "at-risk" youth and numerous others.**
- ? **To anticipate transition to a private agency with a greater capacity for securing foundation, corporate and individual contributions by engaging arts agency board members with fund raising interest and experience in identification of potential contributors to programs and services under consideration.**

Suggested Strategies for Implementation:

1. To build a case for inclusion of arts programs and services in the general fund budget in line with the City's budgetary priorities for economic growth and City image and in an effort to stabilize cultural arts investments in artists and arts organizations and related services, working in the process with appropriate City officials.
2. To begin to diversify funding for arts and culture by scanning grant and contract guidelines of federal and state agencies and beginning to build relationships with private sector funders, both for feasibility of support for cultural planning and for future programs and services.
3. To establish transitional goals for fund raising by convening stakeholders and building consensus on purposes, methods and partners in the process.
4. To take the initiative on developing productive joint marketing ventures in collaboration with the Austin Convention and Visitors Bureau that could attract support of the media and other partners.
5. To enhance the visual appeal and arts activity of Austin, encourage private sector enterprises and public entities besides the City to invest capital funds in public art and urban design projects and cultural facilities.

CONCLUSION

Now is the time, as Mayor Garcia suggests, "to connect the dots." We trust that our work in your community will help the City begin to do just that. There is the hope and expectation that City Council will provide the necessary leadership in developing a comprehensive vision and setting clear policy that paves the way for dynamic cultural

development in Austin. We believe that these recommendations provide City leaders with a sound programmatic and administrative blueprint from which to launch a creative approach to more effectively and efficiently plan, manage, develop and promote Austin's rich and diverse cultural assets. We stand ready to assist City leaders in advancing this important community-wide agenda.