

Date of Hearing: April 7, 2015

ASSEMBLY COMMITTEE ON ARTS, ENTERTAINMENT, SPORTS, TOURISM, AND
INTERNET MEDIA

Calderon, Chair

AB 189 (Bloom) – As Introduced January 27, 2015

SUBJECT: California Arts Council: cultural districts.

SUMMARY: Directs the California Arts Council (CAC) to establish criteria and guidelines for state-designated cultural districts. Specifically, **this bill:**

- 1) Requires that the CAC establish criteria and guidelines for state-designated cultural districts, as defined.
- 2) Provides that executing its powers and duties under this chapter, the council shall do all of the following:
 - a) Establish a competitive application system by which a community may apply for certification as a state-designated cultural district.
 - b) Provide technical assistance and promotional support for state-designated cultural districts.
 - c) Collaborate with other public agencies and private entities to maximize the benefits of state-designated cultural districts.
- 3) Provides that initial certification as a state-designated cultural district shall be for a period of five years.

Further provides that a certified district may renew certification every three years after expiration of the initial five year period.

- 4) Defines a, “state-designated cultural district” to mean a geographical area certified pursuant to this chapter with a concentration of cultural facilities, creative enterprises, or arts venues that does any of the following:
 - a) Attracts artists, creative entrepreneurs, and cultural enterprises.
 - b) Encourages economic development and supports entrepreneurship in the creative community.
 - c) Encourages the preservation and reuse of historic buildings and other artistic and culturally significant structures.
 - d) Fosters local cultural development.
 - e) Provides a focal point for celebrating and strengthening the unique cultural identity of the community.

EXISTING LAW:

- 4) Creates the CAC, consisting of 11-members who serve four-year, staggered terms. Nine members are appointed by the Governor, subject to Senate confirmation, and the Speaker of the Assembly and the Senate Committee on Rules appoint one member each.
- 5) Directs CAC to encourage artistic awareness, participation, and expression; to help independent local groups develop their own arts programs; to promote employment of artists and those skilled in crafts in the public and private sector; to provide for exhibition of artistic works in public buildings; and, to enlist the aid of all state agencies in the task of ensuring the fullest expression of artistic potential.
- 6) Authorizes CAC to hold hearings, execute agreements, and perform any acts necessary and proper to carry out their designated purposes.

FISCAL EFFECT: Unknown

COMMENTS:

- 1) *Author's Statement and Support for Legislation.* According to the author, "The Creative Economy is a major powerhouse of jobs and revenue in California, generating over 7% of the state's economic activity and supporting 1.4 million jobs. Whether it is music, film or visual arts, California's creative economy has long been an important part of our state's cultural and economic infrastructure. Studies have shown that creative entities and business often cluster into certain areas, likely due to the benefits from exchanging and sharing resources, entrepreneurial dialogue, and economic activity. These clusters are often well-loved parts of cities and can be found throughout the state.

"AB 189 would allow the California Arts Council to designate these kinds of areas as official California Cultural Districts. Establishing state-designated cultural districts will help to draw more tourism and commerce to these creative clusters. Almost three quarters of "leisure travel" in the U.S. is spent on arts and cultural experiences. Establishing cultural district will create resources for this sector of the tourism industry and would be very beneficial to local economies. Other states, such as Maryland, have successfully implemented their own cultural district programs and seen noticeable economic benefits for the designated areas. Arts and cultural districts in other states have spurred new business, increased community interaction, attracted more tourism, and increased government revenue based on the economic growth.

"The California Arts Council is the ideal state agency to administer a cultural districts program. The main focus of the council is to advance California through the arts and creativity, a mission that aligns with the intended purpose of cultural districts. The agency is familiar with thousands of nonprofits and supports a network of local arts agencies and arts support organizations. The Council works closely with other state and local agencies on arts and culture subjects and promotes workforce development in the creative economy. Therefore, the Council is well equipped to help future districts reach their full potential. Almost all states with arts and cultural districts

programs have designated their state arts agency as the lead for their programs. Through technical support provided by the Council, the California Cultural Districts program has the potential to significantly increase tourism and encourage commerce in creative communities."

The California Arts Council states the following in strong support, "AB 189 would authorize and direct the Arts Council to establish criteria and guidelines for a program of state-designated cultural districts. The bill would require the council to establish a competitive application system for certification, provide technical and promotional support for certified state-designated cultural districts, and collaborate with public agencies and private entities to maximize the benefits of state-designated cultural districts. State arts agencies have a potentially unique role in identifying and cultivating creative places and neighborhoods in a variety of areas across a state. Recognition of locations in both urban and rural settings allows the California Arts Council to strategically cultivate and encourage cultural growth from a regional and local perspective.

"The requirements and procedures for certifying districts vary from state to state and may be defined in enabling legislation. However, the enabling legislation for the California Arts Council, Government Code Section 8750-8756, is devoid of this language, and this legislation will clarify and name the California Arts Council as the agency responsible for establishing and implementing this program."

2) *Background.*

- a) *California Arts Council.* The Californian Arts Council was created in 1975 under then Governor Jerry Brown to increase access to the arts for all Californians. Over the course of 25 years, the CAC's impact grew especially through efforts that brought arts programming to underserved communities and populations across the state (such as rural communities, inner city neighborhoods, prisons and schools). Examples of programs the CAC has offered over the years include:
- *Artists in Schools* – Support for arts organizations that partner with schools and/or school districts to facilitate artists-in-residence activities in the classroom and after-school programs.
 - *Creating Public Value* – Support for arts organizations in rural or underserved areas to implement projects making a positive contribution to their communities.
 - *Statewide Service Networks* – Support for discipline-based arts service organizations and statewide arts networks to strengthen their constituencies and promote the public value of the arts in their communities.
 - *State-Local Partnership* – Support for local arts agencies designated by county boards of supervisors to provide arts in local communities.
 - *My California Story Slam* – Encourages educators to explore creative writing in their high school classrooms and to draw upon the expressive skills of their students.

- *Poetry Out Loud* – National recitation contest that encourages high school students to experience poetry through memorization, performance, and competition. Poetry Out Loud is an initiative of the National Endowment for the Arts (NEA).
 - *American Masterpieces: California* – An initiative of the NEA developed to introduce Americans to the best of their artistic and cultural legacy. Two tours are being promoted for 2007-08 presentations in California: American Tap Masterpieces – The Hollywood Journey, and Música Festiva de las Misiones.
 - *California Music Project* – To help restore music education in public schools, K-12.
 - *Convenings* – Annual statewide arts conference, professional development sessions, with the multicultural infrastructure (9 discipline-based arts service organizations) and statewide service network organizations (6 organizations).
 - *Poet Laureate* – Overview, nomination process, eligibility and criteria for two-year gubernatorial appointment to the position of Poet Laureate and related literary tour.
 - *Marketing: Public Awareness* – Using social change models, marketing & advocacy to reframe the arts as a public value--essential to a healthy society, as critical as free speech.
- b) *Cultural District Programs*. According to information supplied by supporters, cultural districts are well-recognized, labeled areas of a city in which a high concentration of cultural facilities and programs serve as the main anchor of attraction and creative business development. They help strengthen local economies, create an enhanced sense of place, and deepen local cultural capacity. There are 14 other states that have established official state Arts & Cultural Districts programs.

Under AB 189, a, “state-designated cultural district” would be defined as a geographical area with a concentration of cultural facilities, creative enterprises, or arts venues that does any of the following: Attracts artists, creative entrepreneurs, and cultural enterprises; Encourages economic development and supports entrepreneurship in the creative community; Encourages the preservation and reuse of historic buildings and other artistic and culturally significant structures; Fosters local cultural development; Provides a focal point for celebrating and strengthening the unique cultural identity of the community.

- c) *Economic Impact of Cultural Districts and the Arts*. The National Cultural Districts Exchange, a national organization comprised of state and jurisdictional arts agencies, recently published a paper entitled, "State Cultural Districts: Policies, Metrics, and Evaluation" which details the various models states have adopted or are considering for Cultural Districts. The paper highlights the 14 existing programs, and offers an upbeat analysis of the future of this hybrid of urban planning and cultural amenity. In the "Evaluation" portion of their paper, the authors admit, "Even with robust data collection, proving the influence of arts based initiatives on community well-being remains difficult..."

However, The Maryland State Arts Council was able to quantify the economic benefit of the 20 Maryland Arts and Entertainment Districts currently in place. They found that 5,144 direct, indirect, and induced jobs were created during their study period (2013); more than \$458.2 million in total state GDP were supported; \$149.2 million in total wages were paid, and the total tax revenue attributed to the districts was approximately \$36.3 million. (Irani, Grimm, *Maryland Arts and Entertainment Districts Impact Analysis FY 2103*, [February 25, 2014], Regional Economic Studies Institute of Townson University.)

Supporters of AB 189 also provided the committee staff with information to support their assertions that public investment in the non-profit arts has been proven to both spark economic activity in communities and return tax dollars to public coffers. Pointing out recent research which shows that arts investments made by the state of Pennsylvania generated \$2.50 for the state's treasury for every one dollar spent. In California, the Los Angeles County Economic Development Commission issues an annual report on the Creative Economy, *The 2013 Otis Report on the Creative Economy*, which tabulated the economic activity of the entire creative economy, found that 1 in 10 jobs in California are part of the creative industries, the creative industries of California generated \$273.5 billion in total (direct, indirect, and induced) economic output, and employ 1.4 million workers. The tax contributions of the creative industries to the state are an impressive \$13 billion dollars annually when one combines the total property, state and local personal income, sales and other taxes.

- 5) *Prior and Related Legislation.* ACR 46 (Calderon), of 2015, would declare the importance of the arts to the state and the essential role of the Arts Council in promoting the arts throughout the state, and urge a unified effort between the Legislature and the Governor to provide a substantial increase in the General Fund appropriation to the California Arts Council in the 2015–16 Budget Act. Status: Currently pending before this Committee.
- 6) *Double-referral:* Should this bill pass out of this committee, it will be re-referred to the Assembly Committee on Local Government.

REGISTERED SUPPORT / OPPOSITION:

Support

Arts Orange County
 California Alliance for Arts Education
 California Arts Council
 California Arts Advocates
 MACLA/Movimiento de Arte y Cultura Latino Americana
 Silicon Valley Creates
 Theatre West
 ZERO1: The Art & Technology Network

Opposition

There is no opposition on file.

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