



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 1/30/2018

ALL

Item Creation Date:

MYR Hotel Occupancy Tax (HOT) Revenue - HAA budgets

Agenda Item#: 11.

Summary:

ORDINANCE approving and authorizing a first amendment to a contract between the City and **THE HOUSTON ARTS ALLIANCE, THE HOUSTON MUSEUM DISTRICT ASSOCIATION, MILLER THEATRE ADVISORY BOARD, INC., and THEATER DISTRICT IMPROVEMENT, INC.**, for the support, advancement and promotion of the arts; approving calendar year 2018 submittals by above organizations in accordance with the above-mentioned contract; providing for severability; containing provisions relating to the subject; and declaring an emergency.

Background:

Recommendation:

Adopt an ordinance approving and authorizing a First Amendment to a contract between the City and the Houston Arts Alliance, the Houston Museum District Association, Miller Theatre Advisory Board, Inc., and Theater District Improvement, Inc. for the support, advancement and promotion of the arts; approving Calendar Year 2018 submittals by the above organizations in accordance with the above-mentioned contract.

Background:

The Mayor's Office of Cultural Affairs requests that Council adopt an ordinance approving a First Amendment to a contract for the support, advancement and promotion of the arts between the City and Houston Arts Alliance, The Houston Museum District Association, Miller Theatre Advisory Board, Inc. and Theater District Improvement, Inc., to extend the term of said contract from December 31, 2018 to December 31, 2019.

In 2013, the City entered into a five-year contract with four organizations for the support, advancement and promotion of the arts to directly enhance and promote tourism and the convention and hotel industry by providing ongoing support for the City's artists and cultural institutions and providing technical assistance and support to artists and qualified small, emerging, minority and mid-sized cultural arts organizations and to further the arts environment through the development of new initiatives. The Mayor's Office of Cultural Affairs implements the adopted Arts and Cultural Plan which has resulted in new, more accessible grants through Houston Arts Alliance, standardized data collection, improved reporting and greater transparency. A twelve-month contract extension is recommended to continue implementation efforts while the nonprofit cultural community recovers from the devastating impact of Hurricane Harvey. There have been at least 71 nonprofit cultural groups impacted with storm damage and loss of revenue.

In addition, the Mayor's Office of Cultural Affairs requests that Council approve Calendar Year 2018 submittals by each of the above four organizations, which consist of: 1) a proposed Business Plan, 2) a proposed Budget, and 3) the 2018 list of Board of Directors, in accordance with the above-mentioned contract between the City and the above organizations for the support, advancement and promotion of the arts. Council approved such documents for years 2014-2016 as presented on the Mayor's Office of Cultural Affairs webpage for greater transparency.

Based on the contract agreement, each contract organization will receive quarterly payment of a specified percentage of the Allocated HOT Revenue for services described in the business plans. Because the annual distribution is based on actual receipts tallied at the end of the year, the dollar amount above is an estimate only. The Finance Department will disperse HOT funds received for the purpose as outlined by the contract agreement. Each contract organization continues to exceed the MWDBE goals.

Arts and culture offerings provide benefits to residents and improve quality of life through lifelong learning, student success, social and civic engagement, as well as significant economic benefits and jobs. In greater Houston, the nonprofit arts and culture sector is a \$1.2 billion industry—one that supports 25,817 full-time equivalent jobs and generates \$119.3 million in local and state government revenue—and pumps vital revenue into restaurants, hotels, retail stores, parking garages and other local businesses.

Unlike other industries, the nonprofit arts and cultural sector provides significant economic benefit, while also operating with a public service mission. In a single year, HOT-funded groups generated admittance of more than 16.5 million and over sixty percent was free for residents and visitors to enjoy. It is a well-documented fact that cities utilize arts and culture to advance and Houston's recognition as a destination for substantial arts and cultural offerings continues to grow.

The Texas Tax Code recognizes the arts as a means to promote tourism and the convention and hotel industry. The Code caps the amount of Hotel Occupancy Tax (HOT) municipalities can utilize for the arts at 19.3 percent of HOT revenues and the City of Houston has consistently utilized the maximum allowed under the cap.

The breakdown and use of funds is as follows:

Houston Arts Alliance (39.5%) - Administers a new grants program, based on a competitive peer review process, to provide responsive grants to approximately 200 non-profit arts and cultural organizations, individual artists and special art projects, including a grant program aligned with the Mayor's Complete Communities initiative. HAA will also administer a variety of outreach and support services and provide arts and culture calendar content to cultural district websites and VisitHouston.com under its new leadership. *HAA's management of City civic art projects is provided through separate contracts.*

The Houston Museum District Association (18%) – Administers payments for marketing and promotion to 11 of its 19 members - the Children's Museum of Houston, Houston Museum of Natural Science, The Jung Center, The Menil Collection, Moody Center, Contemporary Arts Museum Houston, Holocaust Museum Houston, Houston Zoo, The Health Museum, Lawndale Art Center and The Museum of Fine Arts, Houston. Eleven museums are free every day of the year and the other 8 offer dedicated free times. The Association also hosts quarterly zoned events to leverage the largest walkable cultural district in the United States and produced a 60 second video airing on seat back TVs on 28,000 American Airline domestic and international flights.

Miller Theatre Advisory Board (16%) - The only outdoor proscenium theatre in the United States that offers, totally free of charge an annual season of more than 125 artistically excellent and culturally diverse professional performances for more than 425,000 Houstonians and visitors. Already the most attended amphitheater in the country, in celebration of the 95th anniversary, Miller wants Houstonians to help set an all-time attendance record by visiting Miller with a guest in 2018.

Theater District Improvement, Inc. (24%) – Administers payments for marketing and promotion to the Houston Symphony, Houston Grand Opera, Houston Ballet, Alley Theatre, Theatre Under The Stars, Society for the Performing Arts and Da Camera of Houston. TDI also provides performing arts-based content for the Downtown magazine and DowntownHouston.org, hosts an annual Open District that converts attendees into ticket holders and creates new events to attract audience and awareness into downtown. While bearing a significant portion of the cultural facilities Harvey damage, the members of TDI hosted a Miller Outdoor Theatre free performance (all staff and artist time donated).

City's Initiative Grant Program (2.5%) - Administered by HAA with final approval from the Mayor's office, the program provides small grants, usually ranging from \$1,000 to \$10,000 to take advantage of special programmatic opportunities including temporary art, conference engagement and neighborhood tourism.



Debbie McNulty, Director
Mayor's Office of Cultural Affairs

Prior Council Action:

2013-1146 (Dec. 11, 2013)

Amount of Funding:

\$15,424,999.70 (ARA estimated)

Hotel Occupancy Tax (HOT) arts allocation for Calendar Year 2018

Contact Information:

Valerie Berry
Assistant Director Finance
Phone: :832-393-8510

Necole Irvin
Cultural Tourism Officer, Mayor's Office of Cultural Affairs
Phone: 832-393-1097

ATTACHMENTS:

Description	Type
Miller Theatre Advisory Board_Business Plan	Backup Material
Miller Theatre Advisory Board_Budget	Backup Material
Miller Theatre Advisory Board_Board Members	Backup Material
Houston Arts Alliance_Business Plan	Backup Material
Houston Arts Alliance_Budget	Backup Material
Houston Arts Alliance_Board Members	Backup Material
Houston Museum District Association_Business Plan	Backup Material
Houston Museum District Association_Budget	Backup Material
Houston Museum District Association_Board Members	Backup Material
Theater District Improvement_Business Plan	Backup Material

Theater District Improvement_Budget
Theater District Improvement_Board Members
2017 Accomplishments
Support Letter_Miller Theatre Advisory Board
Support Letter_Houston Arts Alliance
Support Letter_Houston Museum District Association
Support Letter_Theater District Improvement
Ordinance
1st Amendment to Agreement

Backup Material
Backup Material
Other
Other
Other
Other
Other
Ordinance/Resolution/Motion
Contract/Exhibit