

# AGENDA

## CITY COUNCIL WORK SESSION

July 5, 2022

4:00 PM, City Council Chambers  
427 Rio Grande Place, Aspen



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### ZOOM MEETING INSTRUCTIONS

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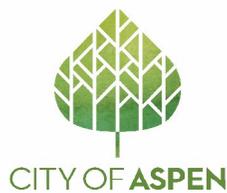
Webinar ID: 988 0037 4767

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### I. WORK SESSION

I.A. Arts & Culture Grant Program Expansion



**MEMORANDUM**

**TO:** Mayor and City Council

**FROM:** John Barker, Senior Management Analyst

**THROUGH:** Alissa Farrell, Administrative Services Director

**CC:** Lisa Rigsby Peterson, Wheeler Opera House Director  
Patrick Quick, Strategy & Innovation Director

**MEMO DATE:** June 27, 2022

**MEETING DATE:** July 5, 2022

**RE:** Application of additional Real Estate Transfer Tax funding to the City’s Arts & Culture grants program

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**REQUEST OF COUNCIL:** Staff is requesting Council feedback and direction on the proposed expansion of the Arts & Culture grants program.

**SUMMARY AND BACKGROUND:** In November of 2021, Aspen voters approved ballot measure 2A. This measure allows the 0.5% Real Estate Transfer Tax (RETT), historically limited to primarily assist the Wheeler Opera House, to be made eligible to support “the cultural, visual and performing arts,” in addition to capital and operational support of the Red Brick Center for the Arts. The measure passed with 71% of the vote in favor. Sixty percent (60%) approval of the voters was required to make the proposed changes.

The passage of 2A coincided with a significant increase in RETT collections related to the rise in Aspen’s housing market. Historical RETT collections have totaled around \$4,000,000 annually. In 2021, RETT collections totaled \$10,848,886. \$4,909,547 has been collected through May of 2022, a 37% increase over the same period in 2021. Historically, the RETT allocation to the Wheeler Opera House is between \$4,000,000 and \$6,000,000 annually, depending on capital projects. In accordance with the language of the approved ballot measure, The Red Brick Center for the Arts, which previously received \$30,000 annually from the grants program, will now receive support from RETT collections with an estimated annual contribution of \$250,000 for operating expenses in addition to capital project support in future years.

To best utilize the additional RETT funding available, Staff and the Grants Steering Committee propose an expansion of the existing Arts & Culture grants as well as two new Arts & Culture grant divisions, the Aspen Artist Fellowship division, and the Asset & Acquisition Assistance Support division. Staff is scheduled to meet with the Wheeler

Advisory Board at their next meeting to share Council's direction and gather recommendations on future RETT allocations for the Wheeler Opera House.

This proposal is intended to allocate the additional resources available via RETT collections in accordance with the grants overall program philosophy and strategic focus area with fiscal responsibility and sustainability through varying economic conditions. Despite increased collections in recent years, it is important to implement programming that can be maintained in times of less robust RETT collections and preserve capacity to support the specific, primary uses of RETT funding, the Red Brick Center for the Arts and the Wheeler Opera House in addition to expanded grants funding.

The primary Arts & Culture grants division is an established community program with a record of success. The two new grant divisions are pilot programs. The impact and benefits of these programs will be carefully assessed, if approved by Council, and will be re-evaluated prior to the 2024 grant cycle. These new proposed grant divisions are a result of a recommitment to a historically successful program, response to discussions with arts & cultural organizational leaders, and a desire to support Aspen's arts & culture non-profits through innovative programming.

The proposed divisions are:

**Arts & Culture Grants**

**2022 Funding:** \$600,000

**Proposed 2023 Funding:** \$800,000-\$1,200,000

**Summary:** This is a continuation of the successful Arts & Culture grant division that has been running for over a decade. An increase in funding will encourage new organizations to apply for funding and existing grantees to enhance their applications to maximize community impact. Funding in this range will continue to require the volunteer review committee to ensure that applications receiving funding are high-quality and have desired community impact.

**Aspen Artist Fellowship**

**2022 Funding:** N/A (New Grant Division)

**Proposed 2023 Funding:** \$40,000-\$60,000

**Summary:** This division stimulates community vibrancy directly through Aspen's artists themselves. In this pilot year, an Aspen Artist Fellowship would award 10-15 monetary grants to directly support individual artists and creatives working across a range of genres. The grant is intended to invest in the creative efforts of artists so they can continue to make a positive impact in the community. Preliminary design of the program includes an opportunity for collaboration in the artist cohort as well as youth involvement.

**Asset & Acquisition Support**

**2022 Funding:** N/A (New Grant Division)

**Proposed 2023 Funding:** \$500,000 to \$1,000,000

**Summary:** Promoting cultural vibrancy and artistic excellence through material improvements at grantee organizations, this program provides support through the acquisition of physical resources or improvements to grantee facilities that will have a positive community benefit. Staff intend to use the pilot year to establish and respond to the needs of Aspen’s arts & cultural non-profits—with program revisions such as grant cycle length, budget, and other improvements to be considered for future years.

**DISCUSSION:**

Arts & Culture Grants:

Overview:

The Arts & Culture grants program has had an annual budget of \$400,000 since 2018. This funding came from two sources: \$100,000 in RETT proceeds (capped in the statute language), and the remaining funds from Wheeler Opera House operations and tenant rentals. Requests have consistently and significantly outpaced the program budget. For the 2022 grant cycle, Council allocated an additional \$200,000 of available RETT funding collected in December of 2021, creating a grant funding pool of \$600,000.

Given the projected robust RETT collections in 2022, and the community expectation that more funds will be made available to this program, staff and the grants steering committee suggest a funding pool increase between 33% and 100% of 2022 levels. Total requests during recent years have exceeded the minimum suggested increase and requests are expected to further increase in response to funding availability and increased organizational costs exacerbated by rising inflation, housing scarcity, and increased employee expense. 2021 requests totaled \$827,450 and 2022 requests totaled \$970,706.

A strong Arts & Culture grant program is a vital tool to achieve Council's stated goal of contributing to the cultural vibrancy of the Aspen community. It is essential to continue to support arts & cultural organizations via this historically successful program that allows grantees to apply for organizational or program support in the areas most important to the organization applying. More information will be provided to Council regarding updates to the existing grant programs during a work session scheduled for July 18, 2022.

Pros of Implementation:

An increase in the Arts & Culture grants funding pool will encourage eligible organizations to submit more impactful applications and is the most efficient way to support the arts & cultural community—through their own ideas with their own expertise.

Cons of Implementation:

An increase in grant funding pool, if not accompanied by the expected increase in organizational participation and funding requests, may result in the volunteer review committee recommending that not all available funding be awarded during a year of lower scoring applications as the committee will prioritize the highest-caliber applications for funding support.

### Aspen Artist Fellowship:

Overview: During the discussion and approval of the 2022 grants on April 12, 2022, Council provided staff with direction for a grant division that directly supports individual artists as a priority for 2023. In consultation with Staff subject matter experts, Lisa Rigsby Peterson, Director of the Wheeler Opera House and Sarah Roy, Director of the Red Brick, the Aspen Artist Fellowship pilot program is the result of efforts to design an appropriate and impactful program to support local artists. The fellowship would award direct cash grants to ten to fifteen local artists. Examples of how the funding may be used include: developing a project, buying supplies, furthering artistic education, renting studio or rehearsal space, and other means to support and market a creative and vibrant economy.

In return for this support, Fellowship grantees would be expected to form “artist cohorts” to explore methods to expand the role of artists in the creative economy and enhance their contribution to the vitality of the community. Possible cohort projects include mental health support for those in the creative arts, sharing of artistic work and expertise, exploration of how to create school or youth partnerships, creation of shared resources to bolster purchasing power of the individual artist and identification of community issues and how individual artists could respond.

### Pros of Implementation:

By creating a fellowship program to support those who live in the Aspen community, to *create* for the Aspen community, the grant program supports individual creative vitality in addition to organizational artistic vitality—both are critical components of a thriving culture. By investing in local artists and creating opportunities for them to engage together in community conversation, the program strengthens the work of the individual and stimulates creative community dialogue around pressing issues.

### Cons of Implementation:

The development of an individual artist fellowship program will require appropriate criteria and funding levels to assure the community that the program is not simply an individual subsidy, but an investment in the creative sector of the economy. There may be other sectors who request similar support, with no dedicated funding (such as RETT) to provide such funds.

This program is proposed as a one-year pilot program to assess the value of individual artist fellowships as part of the expanded mandate of the new RETT language. This grant division will also require a new volunteer expert review committee to be formed as current grants administration staff and volunteer reviewers do not all have the necessary expertise to administer this program.

### Asset & Acquisition Assistance:

Overview: Aspen’s arts and cultural non-profits can only be as effective as their resources and facilities allow them to be. This proposed grant division is designed to help non-profit organizations make the most of their facilities and provide the tools and equipment necessary to enhance their buildings and infrastructure. This could range from remodeling

an instructional room to meet modern standards to the purchase of essential equipment for operations. After a one-year pilot with a limited budget in 2023, staff will assess community demand and application traits to recommend future changes. For example, this division could eventually operate on a three-year cycle to allow funding to accumulate at a useful level for capital support and give enough time for the needs of potential grantees to become clear between cycles.

**Pros of Implementation:**

This division will help local arts and cultural non-profit organizations keep their facilities operating effectively while also encouraging innovation by supporting the purchase of new and important equipment and materials. A large enough budget is proposed to have tangible community benefits, but small enough to ensure that funding will be limited to the most impactful applications.

**Cons of Implementation:**

This program represents a significant, new, financial commitment. Additionally, this proposal provides important organizational support but is less directly tied to quantifiable and meaningful public outcomes than the other grant divisions.

**Questions for Council:**

- 1. Do the proposed Arts & Culture grant divisions meet Council's vision for use of RETT funding to support Aspen's Arts & Cultural vibrancy?**
  - a. Should the existing Arts & Culture grants be expanded with an increased budget?**
  - b. Should staff implement the proposed Aspen Artist Fellowship pilot program in 2023?**
  - c. Should staff implement the Asset & Acquisition Assistance pilot program in 2023?**
  
- 2. What is an appropriate annual budget for each grant division?**
  - a. Arts & Culture Grants: Proposed \$800,000 to \$1,200,000**
  - b. Aspen Artist Fellowship: Proposed \$40,000 to \$60,000**
  - c. Asset & Acquisition Assistance: Proposed \$500,000 to \$1,000,000**
  
- 3. Would Council like to see a different type of arts & cultural support not mentioned here?**

**ALTERNATIVES:**

Council can choose to not allocate additional funding to the Arts & Culture grants program, not support new divisions, suggest alternative priorities, or revise suggested funding levels. Examples of alternative priorities could be:

- Community Initiative Grants
- Housing Stipends / Support
- Facility Rent Assistance

Additionally, upon completion of a first-year implementation and review of the Aspen Art Fellowship program and expansion of funds, Staff may then provide recommendations associated with further refinements and/or incremental enhancements similar to the above.

**FINANCIAL IMPACTS:** \$400,000 of funding, supporting the Arts & Culture Grants, is already appropriated for the 2023 grant cycle. The remainder of the expenses discussed are new costs. Taking the mean of the ranges suggested by staff, these programs represent an increase of \$1,400,000 annually, for a total of \$1,800,000. By grant division, the annual costs are as follows:

- Arts & Culture Grants: \$600,000 in new appropriations (\$1,000,000 total)
- Aspen Artist Fellowships: \$50,000
- Asset & Acquisition Support: \$750,000

**ENVIRONMENTAL IMPACTS:** None.

**CITY MANAGER COMMENTS:**

ATTACHMENT A – 2023 RETT Grants Expansion Presentation

ATTACHMENT B – Grant Program Philosophy & Strategic Focus Areas



## **City of Aspen Grant Program Philosophy:**

The City of Aspen's Grant Program supports non-profit organizations that promote a mentally and physically healthy community; provide protection for our natural environment; and create opportunities for connections for all community members, through partnerships, ease of access, stewardship, arts and cultural enrichment, and innovation.

### **Health and Human Services (HHS) Strategic Focus:**

The City of Aspen strives to be a healthy and resilient community by supporting a comprehensive system of accessible mental and physical health care, human services, and community resources.

### **Arts & Culture Strategic Focus:**

The City of Aspen supports artistically excellent non-profit organizations which contribute to the cultural vibrancy of our community.

### **Community Programs Strategic Focus:**

The City of Aspen supports and enhances non-profit organizations which create and deliver high impact community programming.



CITY OF ASPEN

# Arts & Culture Grants Expansion

Alissa Farrell, Administrative Services Director

John Barker, Senior Management Analyst

Lisa Rigsby Peterson, Wheeler Opera House Director

July 5, 2022

# Arts & Culture Grants Background

- \$3.25 Million in Arts & Culture grants since 2015
- Most popular City grant program by request amount
- Supports organizations throughout the Roaring Fork Valley
- Program guided by Council's strategic focus area



# Grant Philosophy & Focus Area

## **City of Aspen Grant Program Philosophy**

The City of Aspen's Grant Program supports non-profit organizations that promote a mentally and physically healthy community; provide protection for our natural environment; and create opportunities for connections for all community members, through partnerships, ease of access, stewardship, arts and cultural enrichment, and innovation.

## **Arts & Culture Strategic Focus:**

The City of Aspen supports artistically excellent non-profit organizations which contribute to the cultural vibrancy of our community.



## **Ballot Measure 2A:**

*“Shall Ordinance No.19, Series of 2021...allow for the use of the Wheeler Opera House real estate transfer tax for the purpose of supporting the cultural, visual, and performing arts...including support of the Aspen Red Brick Center for the Arts, be approved?”*



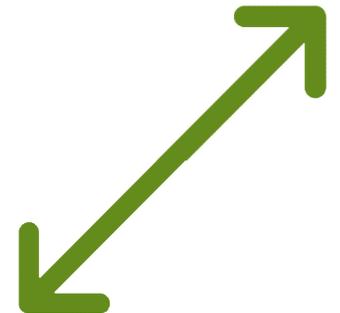
# Ballot Measure 2A

- Ballot Measure 2A passed in November 2021 with 71% of the vote
- Allows expanded use of RETT funds to support the arts
- RETT allocations must be sustainable and balanced between its three primary uses: Wheeler, Red Brick, Grants



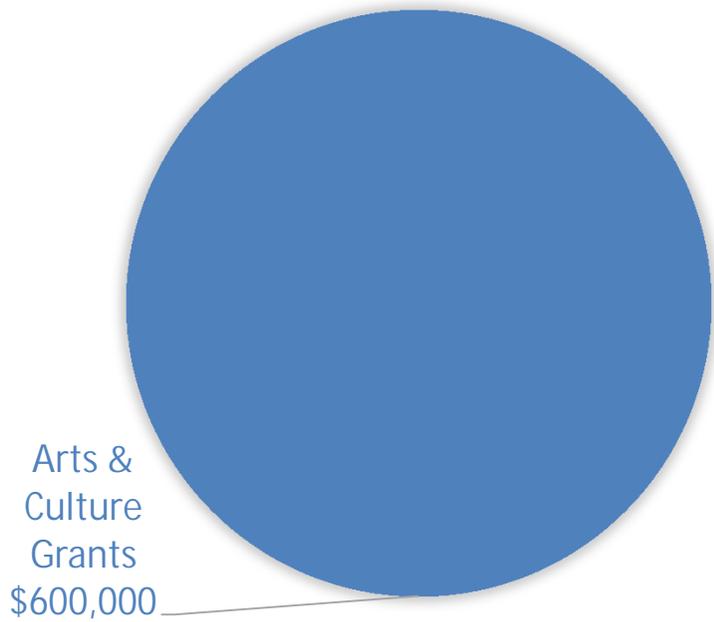
# Expansion Proposal Overview

- **Holistic Support**
  - Three grant divisions generating coordinated community impact and cultural vibrancy
- **Fiscal Responsibility**
  - Preserve capacity for all beneficiaries of RETT collections
  - Follow up to ensure money is appropriately spent
- **Alignment with Overall Grant Program Philosophy**
  - Applications most impactful to Council's focus areas receive funding priority
- **Pilot Programs**
  - Iterative process open to refinement

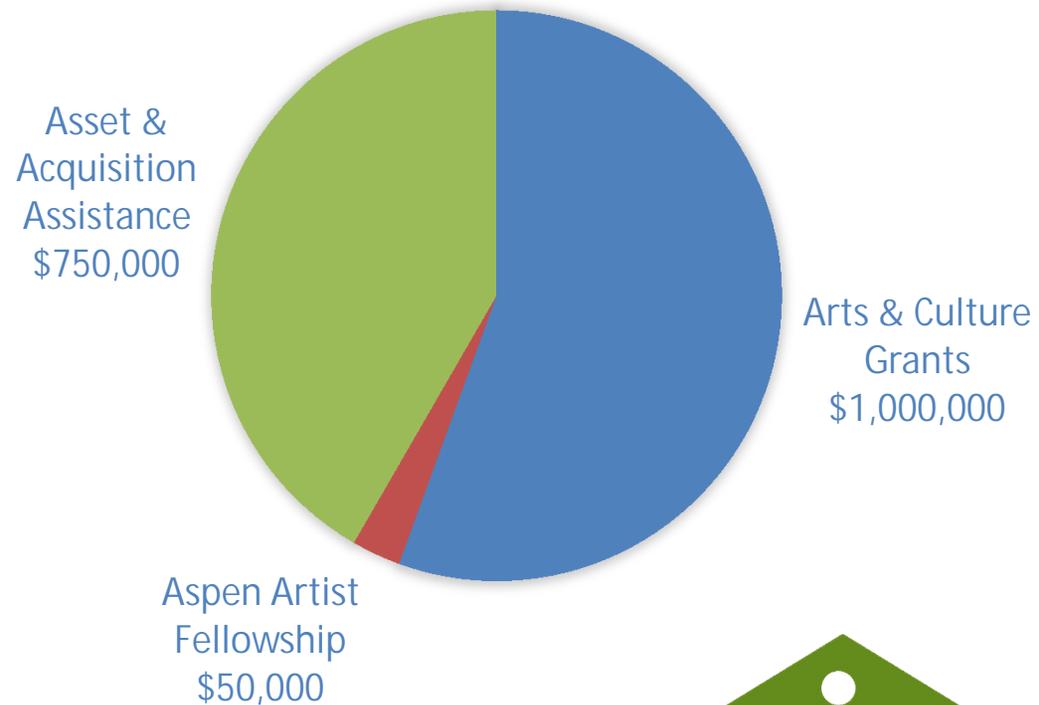


# Proposed Funding

## 2022 FUNDING



## PROPOSED 2023 FUNDING



# Arts & Culture Grants

**2022 Funding:** \$600,000

**Proposed 2023 Funding:** \$800,000-\$1,200,000

## Summary

- Recommitment to a grant division with a track record of success

## Benefits

- Allows grantees to request funding most aligned with their needs
- Encourages new organizations to apply

## Risks

- Managing community expectations



# Aspen Artist Fellowship

**2022 Funding:** N/A (New Division)

**Proposed 2023 Funding:** \$40,000-\$60,000

## Summary

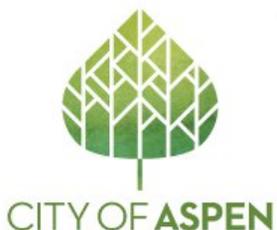
- Pilot program that provides direct monetary support to Aspen's artist and creatives

## Benefits

- Stimulates cultural vibrancy through individuals
- Grantees will complete a collaborative project

## Risks

- Transition to individual granting
- Establishing unambiguous review criteria



# Asset & Acquisition Assistance

**2022 Funding:** N/A (New Division)

**Proposed 2023 Funding:** \$500,000-\$1,000,000

## Summary

- Pilot program to provide funding for facility & equipment upgrades that have a community benefit

## Benefits

- Helps applicants get the most of out their facilities
- Supports asset purchases that have a lasting organizational & community impact

## Risks

- Support less directly tied to community outcomes
- Grantees need stable financials to qualify



# Discussion & Questions

**Do the proposed Arts & Culture grant divisions meet Council's vision for use of RETT funding to support Aspen's Arts & Cultural vibrancy?**

- a. Arts & Culture grants budget increase?
- b. Aspen Artist Fellowship pilot program?
- c. Asset & Acquisition Assistance pilot program?



# Discussion & Questions

## What is an appropriate annual budget for each grant division?

- a. Arts & Culture Grants: \$800,000 to \$1,200,000
- b. Aspen Artist Fellowship: \$40,000 to \$60,000
- c. Asset & Acquisition Assistance: \$500,000 to \$1,000,000



# Discussion & Questions

**Would Council like to see a different type of arts & cultural support not mentioned here?**

