



## Funding Sources for Public Art



Securing adequate funding is the cornerstone of any public art program. Aside from donations from private individuals and corporations, there are a number of approaches through which to garner financial support for art. These ways can be broken into four broad tracts: public/private sector endeavors; percent- and non-percent-for-art programs; developer participation; and local funding sources.

To go directly to any section, click on the links below.

- [Public/Private Sector Collaborations](#)
- [Percent- and Non-Percent-for-Art Programs](#)
- [Soliciting Participation from Developers](#)
- [Alternate Funding Sources](#)

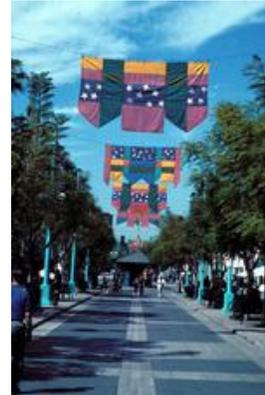
### PUBLIC/PRIVATE SECTOR COLLABORATIONS

On the non-development side, opportunities for public art could be nurtured as part of the ongoing, existing local programs. A city or business could partner with these organizations to involve artists in:

- Designing gardens and plantings;
- Creating destinations in green spaces, along paths and at nodes, anchoring spaces for rest, recreation, play, and gathering;
- Installing art exhibits in vacant storefronts to improve a building's — and neighborhood's — overall image;
- Encouraging local museums to loan out works of public art for temporary placement throughout the downtown; and
- Hosting exhibits in publicly accessible places, including municipal, state, and federal buildings.

## PERCENT- AND NON-PERCENT-FOR-ART PROGRAMS PERCENT-FOR-ART ORDINANCES

Passing percent-for-art legislation encumbers a percentage (usually .5 to 2) of CIP (publicly funded capital improvement projects) per year for the commissioning of public artworks, which will usually be sited in, on, or adjacent to the building or project being constructed. Percent-for-art ordinances guarantee a funding stream for public art projects regardless of what happens to city budgets or arts funding. The policy also guarantees that public art projects will be planned each year, as long as CIPs are underway and municipal construction continues.



Benefits of a percent-for-art ordinance:

- It can provide a mechanism for obtaining funds from a broad range of city agencies and departments;
- It can offer legal recourse (if funding for percent projects becomes a legally binding requirement) to obtain funds for public art from non-compliant city agencies;
- It can provide an opportunity to work with and introduce public art to many city agencies, in many different types of projects, and in many locations city-wide; and
- In some cases, such as Atlanta, it allows for the siting of art in adjacent or nearby communities to offset the negative impacts of a project, or to place public art in more diverse areas of a city.

Even when a percent-for-art ordinance is in place, however, additional funds for art projects may be required: Despite 2% for art public funding, “money is always a problem,” says Linda Bloom, administrator of Sacramento, CA’s Art in Public Places program. Currently, the organization is looking to forge private partnerships and use private money for artwork on the city’s light rail system.

## NON-PERCENT-FOR-ART SOURCES

Several examples of well-known, successful, non-percent-for-art-funded programs exist in the following cities:

**Houston, TX:** The Cultural Arts Council of Houston also receives a percentage on the hotel/motel tax for art. In addition, the Council contracts with a variety of city agencies, as well as with Harris County.

**New Orleans, LA:** The Arts Council of New Orleans funds public-art projects through a joint partnership between public/private sectors in order to create more stable funding basis. City of New Orleans, local and state governmental agencies, as well as other non-profit arts organizations, are funding sources for the public-art program.

**Phoenix, AZ:** Phoenix’s public-art program is funded through the city’s general-purpose funds, public-art funds, state lottery revenue, and regional and federal grants.

**San Antonio, TX:** The San Antonio Design Enhancement Program (DEP) is operated through the city’s Public Works Department’s City Architects’ Office. The DEP program is maintained by art allowances and budgets that are identified and developed by each project-design team.

**San Diego, CA:** The public art program in San Diego is a department of the San Diego Commission for Arts and Culture. Administrative costs are covered by a portion of the city's Transient Occupancy or Hotel/Motel Room Tax, which helps to fund the operating and personnel expenses of nearly 90 arts and cultural organizations.

## SOLICITING PARTICIPATION BY DEVELOPERS

Even if a city does not have a percent-for-art ordinance in place, nor a significant number of city-funded CIP projects (both of which would guarantee a certain number of public art projects per year), it may still be possible to get funding from capital projects for public art, by working with the private sector.



In cities around the country, private developers are realizing that commissioning works of art for their projects benefits more than their bottom line. They can:

- Improve employee and tenant working environments;
- Create a unique look or landmark feature for the project;
- Demonstrate a larger civic commitment; and
- Translate into higher rents and a more desirable office location.

For city agencies, expenditures on public art projects can:

- Highlight and publicize agency initiatives, missions and objectives;
- Communicate important information or instructions to the public (public service messages such as the importance of recycling are natural subjects for public art works);
- Contribute to the community's acceptance of a plant or facility in which they are to be sited; and
- Increase the public's recognition of the important work provided by that agency or city department.

The first step to soliciting developer participation is to take stock of the public and private investment occurring in your city. For example, in 2002 in Mobile, AL, nearly \$400 million in public and private investment was underway. Private projects included the \$165 million RSA Tower; a newly constructed \$75 million Mobile Register Building; and a \$1.2 million Larkin Music Center. Public sector funded projects included the \$90 million GSA Federal Courthouse (with its own 1% for art budget); a \$9 million Social Security building; a \$16 million federal government rehabilitation of a train station as a multi-modal transportation/retail center; and the Mobile Landing/Alabama State Docks expansion and waterfront park project, which had a budget of \$40 million.

In cases such as this, public-art program staff or committee members should solicit private developers regarding introducing works of public art into their projects. This should be done in as timely a manner as possible – the earlier art is introduced into project plans, the better. There are a number of ways of encouraging the development community in funding public art projects:

1. **Include art in the incentive package given to developers.**

For example, developers are often requested or required by cities to provide parking, a certain number or amount of coverage by street trees, curbs and sidewalks, etc. Public Art could be added to this list, or developers given the opportunity to include public art in a project as a way of meeting the requirement for providing these kinds of on-site amenities. Fees paid by developers, or requirements that developers provide more



affordable housing or a park as part of a project, also could be set aside to fund works of public art. In Portland, OR, public art is acceptable as an alternative to meeting the city's requirements for ground floor windows (no blank walls at street level).

2. In instances where a Nexus or Environmental Impact Study has been ordered to determine the potential negative impacts of a project, **a percentage of the fees paid by a developer as part of this mitigation could be set aside for a public art project**, where the art would be considered a mitigation tool.

**1. Have the “plaza bonuses,”** or floor-area ratio bonuses, given to developers who set aside a certain amount of ground floor as public space, **also be awarded for including public art.** In Portland, OR, development projects where one percent of total construction costs are committed to public art receive a floor-area ratio bonus of

**1:1.** All or at least 25% of these funds are deposited in the Public Art Trust Fund for use on projects in other sites around the city. The City of Tampa, FL, encourages “any private developer/owner who applies to the city for building permits to construct or reconstruct a commercial or municipal structure to commit one percent of construction costs up to \$200,000 to the provision of fine art in conjunction with such commercial structure” or to elect instead to donate to the city an amount equivalent to the one percent. In addition, every building or construction permit pulled for the construction or reconstruction of a commercial or municipal structure is reported to the public art committee.

No matter how the developers are encouraged to fund art, they are responsible for maintaining and conserving works once they have been commissioned. Developers need their own advisors or consultants and/or a public art review panel should be convened on private projects to ensure quality and that the artwork(s) commissioned complies with the overall goals of the public art policy and public art vision of the city.

## ALTERNATE SOURCES OF FUNDING

Funding for public art has come from:

- TIF (Tax increment financing) of vacant buildings for use by artists for housing and studios (Memphis, TN);
- Foundation grants, including those from National Endowment for the Arts (NEA) and National Endowment for the Humanities (NEH);
- Neighborhood appeals;
- Parking meter revenue;
- Hotel/motel taxes (Transient Occupancy Tax);

- Sales tax revenue,
- Proceeds from the sale of city land;
- Funds pooled with the county;
- State and city governments;
- Historical societies and commissions;
- Local companies (including locally based branches of national corporations);
- Utilities;
- Arts councils and advisory boards;
- Museums; and
- Art centers



Potential strategies to raise funds for a public-art policy could be to:

- **Tie funding of public art to a possible (foundation) endowment** for the care and management of downtown parks and public spaces. The endowment could pay for art selection, commissioning, and maintenance.
- **Tax large-scale events and festivals** to pay for art. For example, a Motel/Hotel tax can be dedicated to public art during the event. This funding can be put toward art projects that would occur before and after the event.
- See if your project would make you eligible for a **state tax credit for historic renovation**
- Have City Council members **fund public art projects in communities** within their districts.
- Use the **public art policy as a marketing tool** to funders.
- **Have a 501(c)(3) administer the public art program**, so that donated monies could be used tax-free and would represent taxable deductions for donors.

## ADMINISTERING THE MONEY

A Public Art Trust Fund can be set up as a discreet fund of a Public Art Program. Public art program staff would deposit all funds earmarked for public art projects — be they from public or private sources, or donated or bequeathed to the city for works of art — into this Fund. Each project can be assigned to a separate account within the trust, or at least a specific project number used for tracking payments and disbursements. Additional funds can be deposited into the Public Art Trust Fund for a project's contingency or for use on other types of public art projects, both new and existing. The Public Art Program would contract with artists and pay them from this Public Art Trust Fund, which would follow standard accounting procedures and practices.

*(Images, from top to bottom: A seafaring take on a wrought iron fence, P.S. 123 in New York; patchwork banners in Santa Monica, CA; Seyed Alavi suggests a different viewpoint in an underpass in Los Angeles; a public art exhibition at the Paine Webber gallery in Manhattan; a sculpture of Mayor James Curley in his namesake park in Boston.)*

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