



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of February 11, 2012**

DATE: January 10, 2012

SUBJECT: Transfer the Cultural Arts Division (CAD), Cultural Affairs' Supplemental Fee Program, and Artisphere budget appropriations from the Department of Parks & Recreation (DPR) to Arlington Economic Development (AED).

C. M. RECOMMENDATIONS:

1. De-appropriate \$1,883,658 in revenue and \$6,274,614 in expense (101.80000), 30.60 permanent FTEs and 3.17 temporary FTEs from the Department of Parks & Recreation (DPR) for FY 2012 for the Cultural Affairs Division, Cultural Affairs' Supplemental Fee Program and Artisphere which have been transferred to Arlington Economic Development (AED).
2. Appropriate \$1,423,273 in revenue and \$5,814,229 in expense (101.71000), 30.60 permanent FTEs and 3.17 temporary FTEs to Arlington Economic Development (AED) for FY 2012 for the Cultural Affairs Division, Cultural Affairs' Supplemental Fee Program, and Artisphere programming.

ISSUES: De-appropriate FY 2012 DPR revenue and expense budget and appropriate to AED for the transfer of divisions from DPR to AED in FY 2012.

SUMMARY: As part of the new business plan for Artisphere, effective December 1, 2011, the County Manager combined the operations of the Cultural Affairs Division and Artisphere into a new Arts & Culture Group within Arlington Economic Development (AED). This reorganization necessitates that budget funds be de-appropriated from DPR and appropriated to AED. The appropriation totals to AED differ from the amount reduced in DPR to correctly align the expenditure authority and projected revenue for FY 2012 with the adopted business plan and funding provided by the County Board as a part of the FY 2011 close-out.

BACKGROUND: Beginning in late April 2011, a Task Force appointed by the County Manager was dispatched to Artisphere to review the organization, identify (and whenever possible, fix) operational problems that were hindering the success of the Artisphere and

County Manager:

BMD/mjs

County Attorney:

[Signature]

Staff: Krista Bourgon, DMF

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ultimately, to develop a new business plan to stabilize the organization financially and allow it to become as successful as possible. With the involvement and assistance of Artisphere staff and a consultant specializing in arts and cultural facilities, the Task Force began gathering extensive research on Artisphere's operations, its programming, ticket sales, audience demographics and overall trends. In addition, the Task Force carefully reviewed existing and potential sources of revenue and conducted a detailed analysis of expenses. Finally the Task Force and its consultant held extensive interviews to garner information and observations from the Rosslyn BID, Arlington arts organizations, Artisphere and County staff, patrons, rental clients, restaurateurs and more. Utilizing this information, material from the original business plan, and the revised mission developed by the Artisphere management team, the Task Force was able to make operational recommendations and create a business plan to position Artisphere for future success.

At the November 29th County Board meeting, the County Manager presented the new business plan which was formulated by the Task Force for Artisphere, which had several key elements including:

- Bolstering the Artisphere's programming to build upon its current presentation of Arlington-based artists and to better promote the arts in Arlington.
- Programming acclaimed regional, national and international artists at a reduced, focused level.
- Reducing operating hours and frequency of programs to stimulate demand.
- Converting restaurant to resident caterer.
- Repurposing retail space.
- Building a robust rental program, with more corporate daytime rentals and social rentals.
- Creating 501c(3) Friends of the Artisphere fundraising arm.
- Moving the Artisphere and Arlington County's Cultural Affairs Division from the Department of Parks, Recreation and Cultural Resources to Arlington Economic Development.
- Appointing Karen Vasquez, head of the Artisphere Task Force, Director of the new Cultural Affairs group.
- Reorganizing County Departments to better manage County arts facilities, and better market the County as an arts destination.

DISCUSSION: Based on the key elements of the new business plan developed by the Task Force, the Artisphere and Cultural Affairs Division have been combined into the Arts & Culture Group within Arlington Economic Development (AED). This will improve and expand the marketing of local arts events and organizations; enhance grants management; improve management of all County-run performance spaces; improve communication, collaboration and synergy; and eliminate overlap and duplication. For the Arts & Culture Group's operations to be

aligned with the budget, the funding which had been previously appropriated to the Cultural Affairs Division and Artisphere in DPR must now be transferred to AED.

FISCAL IMPACT: There is no fiscal impact for the de-appropriation and transfer of budgeted funds from DPR to AED. The net tax support for the programs being transferred remains the same.