



# CITY OF HOUSTON

**Sylvester Turner**

Mayor

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February 19, 2016

To: Ellen Cohen, Mayor Pro Tem, Houston City Council District C

From: Debbie McNulty, Director, Mayor's Office of Cultural Affairs (MOCA)

Re: February 17, 2016 City Council Quality Life Committee Meeting

This memorandum responds to the eleven items requested and/or questions posed by Council Members at the February 17, 2016 Quality of Life Committee meeting. Please note the list is grouped by the entity providing the response.

City Council adopted the City of Houston Arts and Cultural Plan October 14, 2015. The Plan includes recommendations germane to questions raised by Council Members at the Quality of Life meeting.

Arts and Cultural Plan Recommendation: Centralize Civic Art oversight in the Office of Cultural Affairs.

Arts and Cultural Plan Recommendation: Provide increased oversight, transparency and accountability in the allocation of City arts and culture grants.

The Mayor's Office of Cultural Affairs is working with the Finance Department, Office of Business Opportunity, Administration and Regulatory Affairs and other related offices and departments to implement these recommendations. Staff responsibilities have been rotated to ensure appropriate due diligence so that contractor reports and requirements are current. Report formats for contractors are being standardized for better clarity. The MWBE and Pay or Play requirements have been clarified. Missing or incomplete reports are being collected.

## Quality of Life Committee Requested Items/Questions

### **Houston First:**

Item/Question 1. Provide a spreadsheet of all the GRB renovation costs (ALL COSTS) distinguishing what is artwork and what is not. Identify what is the allocation per the Civic Art Ordinance.

*Answer:* See attached budget and meeting minutes provided by Houston First.

Item/Question 2. Provide a breakdown of all the art related costs for the GRB artwork and fees related to the fountain and any other exterior artwork and the costs related to the interior artwork.

*Answer:* See attached budget and meeting minutes provided by Houston First.

Item/Question 3. Provide images of the artwork renderings (complete with HAA)

Answer: See attached images of the interior and exterior artwork renderings and fabrication images.

**Controller's Office:**

Item/Question 4. Controller's Report per the Civic Art Ordinance (specifically the most recent quarter)

Answer: Our next step is to arrange for a meeting between MOCA, HAA, Houston First, General Services Department (GSD) and Houston Airport System (HAS) to establish procedures for collecting the information necessary to produce the Controller's Report. We are currently in the process of reviewing the information provided by HAA, and we look forward to studying information from HAS, Houston First and GSD so that we can make a complete report in the next Quarterly Financial Report April 5, 2016.

**Houston Arts Alliance:**

Item/Question 5. How do HAA professional service fees/ project management fees compare with other similar agencies?

Answer: See attached cover letter to Council Member Cohen and the attached Civic Art Administrative Fee Comparison chart compiled by HAA.

Item/Question 6. Breakdown of all HAA funding

Answer: See attached HAA FY16 combined budget and FY15 Audit Report.

Item/Question 7. Breakdown of all HAA fees and detailed description of project management functions

Answer: See attached overview of HAA Civic Art compiled by HAA.

Item/Question 8. How does a panelist qualify to be on a panel, how are they selected (by whom), how are the panelists and process vetted?

Answer: See attached overview of HAA Civic Art compiled by HAA.

**Mayor's Office:**

Item/Question 9. Spreadsheet of the CIP Civic Art money being spent as part of the CIP 5 year plan

Answer: A copy of the 2016 – 2020 Adopted Capital Improvement Plan (CIP) Civic Art section is attached. Please note the total on page 3 is future projected funds if the capital project moves forward and is funded as planned. The total on page 5 is funding appropriated and available for a Civic Art Project.

Item/Question 10. Timeline to complete the Civic Art Program Evaluation per the ordinance

Answer: The Civic Art Ordinance (2006-731), Section 7. PROGRAM EVALUATION states: *After a period of five (5) years from the date the ordinance establishing this Civic Art Program is passed and adopted (6-28-06), the City Council Quality of Life Committee shall undertake a formal evaluation of the program and present the findings of the evaluation to the Mayor and*

*City Council.* Mayor Pro Tem Cohen will be discussing this at her staff meeting on 2/22/2016 and will consult with MOCA as needed.

Item/Question 11. Clarification of HAA's contractual relationships with the city and restrictions of funding sources

*Answer:* Houston Arts Alliance (HAA) is a non-profit Texas corporation governed by a 32-member board of directors (the board was included on slide 7 of the presentation and is attached). The Mayor appoints six directors of the HAA board and the appointees are confirmed by City Council. The Mayor's designee (MOCA Director) is a voting member of the HAA board and executive committee.

The City of Houston contract with Houston Arts Alliance for two primary types of services: 1) the support, advancement and promotion of the arts, and 2) Civic Art projects.

- 1) The support, advancement and promotion of the arts - In 2013, the City entered into a five-year service contract (January 1, 2014 – December 31, 2018) with the Houston Arts Alliance, The Houston Museum District Association, Miller Theatre Advisory Board and Theater District Improvement. The source of the funding is Hotel Occupancy Tax (HOT) dedicated to arts. The Texas Tax Code states that the revenue from the municipal hotel occupancy tax may only be used to promote tourism and the convention and hotel industry for certain purposes including the encouragement, promotion, improvement, and application of the arts (Chapter 351).

The four contractors are included in the City's Comprehensive Annual Financial Report for the Fiscal year Ended June 30, 2015 under discretely presented governmental fund component units (page 41).

The purpose of the five year contract is to directly enhance and promote tourism and the convention and hotel industry by providing ongoing support for the City's artists and cultural institutions, providing technical assistance and support to artists and qualified small, emerging, minority, and mid-sized cultural arts organizations and to further the arts environment.

City Council approved the annual Business Plans, Budgets and Board Member lists of the four contract organizations on February 3, 2016, Motion No. 2016-0058 (attached).

An overview of the distribution of Hotel Occupancy Tax dedicated to the arts is attached.

- 2) Civic Art services – The adopted Civic Art Ordinance (2006-731), Section 3. APPLICATION OF FUNDS IN CIVIC ART ACCOUNT, (c) states: *Civic Art Program Appropriations may be used to pay HAA for administrative fees or costs related to the Civic Art Program pursuant to any contract entered into between the City and HAA in connection with the administration of the Civic Art Program.*

With respect to the overall Civic Art Program purpose and use of funds, Section 2. (d) states: *Funds appropriated for Civic Art Program purposes shall be expended on any project included in the Civic Art Program, but if the funds in question are derived from bond proceeds, debt issuance or enterprise funds, the expenditure must constitute a lawful use of such funds (e .g. funds from the Airport System enterprise fund or the Water and Sewer System enterprise fund may only be appropriated for Eligible Projects within the same enterprise fund; similarly, funds from voted park bonds may only be expended for Eligible Projects in the Park System).*

We hope you will find this information helpful. Please contact me if you have any additional questions or comments.

Copies to: Mayor Sylvester Turner  
Alison Brock, Chief of Staff  
Janice Evans, Chief Policy Officer & Director of Communications  
Andy Icken, Chief Development Officer