

Greater Columbus Arts Council Ticket Fee Proposal to Columbus City Council September 17, 2018

The Greater Columbus Arts Council proposes a 7 percent fee to be applied to admissions and tickets to arts, culture, entertainment (for-profit and nonprofit) and professional sports in the city of Columbus.

The funds generated by a 7 percent fee will enable the Greater Columbus Arts Council to significantly increase our investment in cultural facilities' capital needs, operating support for small and large organizations, festivals, arts and cultural events and programs, and grants for artists.

These much needed funds will enable us to:

- Protect and sustain Columbus' arts and cultural sector and its economic impact;
- Address needed capital investment in our public facilities;
- Provide funding for vital neighborhood projects;
- Increase education and outreach opportunities for children; and
- Expand free access for low-income people and families.

With the funds generated by this ticket fee, Columbus will be able to stabilize its cultural and entertainment facilities, including the publicly owned Nationwide Arena, positioning the city competitively and increasing economic growth and quality of life.

With this proposal the city positions itself for increased economic growth, more educational opportunities for young people, growing outreach to underserved neighborhoods, and the vital quality of life we create when we do things the "Columbus Way."

If we fail to provide for the stability of our key public cultural and entertainment facilities and organizations, our region will have tangible losses of quality and quantity of events, loss of jobs in the sector, loss of educational opportunities and quality of life, and declining economic impact.

The Greater Columbus Arts Council knows that Columbus is well on its way to becoming one of the best, most competitive cities in the country. We must keep that trajectory going but to be that kind of city takes more than a strong economy—it takes a well-rounded community and vibrant quality of life.

Through this unprecedented collaboration between the arts, culture, entertainment and sports, our cultural facilities, arts and culture offerings and the arena and surrounding district, will continue to be key parts of that vibrancy today and into the future.

History and Process

The arts and culture are critical to the economic development, education and quality of life in central Ohio. The nonprofit arts alone generate \$412.3 million in economic activity, support 15,000 jobs and create more than \$373 million in household income in the greater Columbus region.

More than 15 years and 30 studies repeatedly point to a gap in public funding for the arts compared to Columbus peer cities. Columbus is far behind its peer cities in per capita public support for the arts; our arts, cultural and entertainment facilities are far underfunded publicly compared to their peers nationally; and lack the endowments of institutions in older cities to provide stability. Research also indicates that due to the arena having no significant capital improvements in its 19-year history, it is near the bottom of the list of its competitors nationwide in spending on renovations.

In 2012 the Funding Review and Advisory Committee, convened by Mayor Coleman, acknowledged the need for more public funding for the arts and recommended five additional sources for consideration, including a ticket fee. Since that time the Greater Columbus Arts Council has examined 13 different sources to arrive at the proposal of a ticket fee, conducted stakeholder interviews, held focus groups and completed phone and online polling.

Since late 2016 the Greater Columbus Arts Council has been meeting with the boards of all of the anchor arts organizations. We held a large group meeting for smaller organizations and artists, and conducted three public forums attended by nearly 500 people where we listened to the concerns of community.

This proposal reflects those concerns:

- It further defines “tickets and admission”;
- Recommends eliminating the fee for small venues and lower price tickets.

Rationale

Many other cities have ticket fees, 64 in Ohio and the majority of Columbus’ peer set in the nation, and a number of these have higher fees than the 7 percent being proposed. There is an inherent fairness of this approach, in which the arts and cultural institutions and arena will benefit and their patrons are the major contributors to the fee. In addition, nearly 50 percent of all ticket buyers of concerts at the arenas come from outside central Ohio, making this use fee a fair and balanced way to support public facilities. There is currently no sales tax applied to admissions and tickets in Franklin County.

National studies show that arts prices and attendance have climbed together. The same is true of sports. Incremental ticket price increases appear to have little or no effect on attendance, and our proposed increase is within the incremental range.

Conversely, attendance likely will suffer without the fee as the quality of our facilities decline and our cultural and entertainment organizations are less able to compete for national and international exhibitions, performances and conventions.

The funds that will flow to cultural and civic facilities, artists and arts and cultural organizations from the fee will help us stabilize the cultural and entertainment sector, generate more economic impact, increase outreach and access programs, and improve offerings for the people of Columbus, today and into the future.

Sources and distribution of funds

The ticket fee would be applied to events at:

- Concerts and performances at Nationwide Arena, Schottenstein Center, Ohio Stadium, Mapfre Stadium, Huntington Park;
- Professional sports at Nationwide Arena, Mapfre Stadium, Huntington Park;
- Nonprofit arts and cultural venues and events;
- Concert venues;
- Greater Columbus Convention Center events;
- Ohio Expo Center events;
- Movie theaters;
- Golf courses

The proposed distribution is:

- 70 percent of the ticket fee proceeds provided to the Greater Columbus Arts Council to support cultural facilities operations and capital expenditures, provide operating and project support to cultural organizations of all sizes, fund arts and cultural events and projects and provide grants to artists;
- 30 percent of funds to be distributed to Nationwide Arena for capital expenditures.

Nationwide Arena concerts and the Columbus Blue Jackets alone account for at least 35 percent of the total annual estimated admissions revenue. The arena is thus a net contributor to the effort.

Transparency and Reporting

GCAC has been a responsible, transparent steward of public funds for more than 40 years. GCAC agrees to fulfill annual reporting requirements outlining accomplishments, work completed, financials, grants and other information related to the activities of the Arts Council.

As a condition for its receipt of revenue distributions from ticket fee proceeds, the Franklin County Convention Facilities Authority also agrees to report annually on the capital improvement plans and actual expenditures for Nationwide Arena.

Definitions and recommended exemptions

The following definitions and recommendations will reduce the projected proceeds from the annual admissions but GCAC believes these are the right recommendations to make for Columbus businesses, organizations and residents.

Memberships, season tickets and subscription series:

Attractions would apply the fee to the value of a one-time admittance for the number of individuals covered by the membership. Performing arts and sports would apply the fee to the total purchase price of the tickets within the season or subscription.

For organizations operating venues outside the city of Columbus, the fee shall be applied only on memberships purchased at the Columbus venues.

Exemptions currently understood to be in place under Ohio law and previously stipulated by other municipalities:

All K-12 sporting events and college sporting events, at any venue; admissions to events for the exclusive benefit of: religious institutions, persons in U.S. military forces, Columbus Public Schools, Columbus Police, Columbus Fire, City of Columbus, State of Ohio, or any political subdivision.

Additional recommendations based on input from GCAC public forums:

What the Arts Council recommends NOT including in the definition of ticket or admission:

Race and walk registrations; registration fees for classes, lectures, workshops, conferences, camps; fees to participate in culinary, brewery, distillery and cultural tours and tastings; complimentary tickets; free events; pay what you can event access; charges outside of admission incurred in the process of producing or attending an event (vendor space rental, parking, food, beverages, rides); charitable events solely benefiting the operations of a nonprofit organization; memberships which are not attached to admission to an event or venue (shopping clubs, service organizations, maker-spaces); benefits beyond the value of admissions or tickets (space rental, complimentary tickets, reciprocal memberships, catalogs); lane fees at bowling alleys; admissions or fees for animals entering an event or venue.

Note: Events in which only partial proceeds benefit a nonprofit organization and the remainder go to a for-profit entity would not be exempt from the fee.

Tickets and admissions priced \$10 and under at for-profit and nonprofit live arts and sports venues.

If the per day price for a multi-day pass falls at or below \$10 the fee shall not be applied.

Rationale:

Exempt many children's tickets, non-ticketed and cash-based cover charges. Encourage advance ticket sales of \$10 and under. Encourage multi-day pass purchases where the per day rate falls to \$10 and under.

Eliminate the administrative burden on smaller businesses, organizations and projects.
Reduce collections burden to the city.

Live performances and events at for-profit and nonprofit venues with 400 seats or less.

Rationale:

Eliminate the administrative burden on smaller businesses, organizations and projects.
Reduce collections burden to the city.

Stipulation for both exemptions: In order to receive Operating Support from GCAC, organizations with, or using venues of 400 seats or less, or holding events charging \$10 or less for a ticket, must voluntarily apply the 7% fee.