Greater Columbus Arts Council



September 17, 2018

Dear Council President Hardin and Members of Columbus City Council:

Following the completion of comprehensive due diligence, including a series of public forums to gather community feedback, the Greater Columbus Arts Council (GCAC) respectfully submits for your consideration the attached ticket fee proposal 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.

GCAC, along with the list of nonprofit arts and cultural organizations listed in this letter, believe a ticket fee is a practical solution that achieves these goals.

We propose a 7 percent ticket fee to be applied to admissions and tickets to arts, culture, entertainment (forprofit and nonprofit) and professional sports in the city of Columbus. We believe this is the best and fairest of the many options studied over the years to address an important community issue – keeping the arts and cultural sector strong and investing in our public facilities.

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

With the ticket fee, we envision a Columbus where we can fund more vital neighborhood projects like Maroon Arts Group's Box Park in the King Lincoln District or Summer Jam West on the Hilltop.

We imagine a city where we can increase the number of artists we fund each year from 300 to more than 600, creating an ever-growing draw to creative and entrepreneurial residents.

We see twice as many educational opportunities for children-more than 1.5 million each year.

We foresee more outreach to families in neighborhoods like Linden, Weinland Park, Franklinton and the southside that increase free and reduced-cost access to the arts and cultural experiences.

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With the funds generated by this ticket fee, Columbus also would 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 professional sports and performances at Nationwide Arena alone generating at least 35 percent of the annual estimated admissions revenue, the arena will be a net contributor to the arts and cultural sector under this proposal.

We propose that 70 percent of the proceeds from the ticket fee benefit cultural facilities' operations and capital expenditures, provide operating and project support to cultural organizations of all sizes, fund arts and cultural festivals, events and projects, and provide grants to artists. The remaining 30 percent of funds would be designated for Nationwide Arena capital improvements.

It goes without question that the arts and cultural sector, our outstanding cultural facilities and the arena and the surrounding district are critical parts of our success in Columbus. Their combined contribution to our community's economy, quality of life, national image and ability to attract and sustain tourism and talent are well-documented and proven.

Without the ticket fee, Columbus will slide backwards on key indicators of performance – a vital arts sector, a creative economy that employs people, a well-rounded educational and community life and major league status in the arts and sports.

Our nonprofit arts and culture sector generate nearly half a billion dollars in economic activity annually, support 15,000 jobs, and add immensely to our quality of life. Nationwide Arena adds significant economic impact on top of that.

However, it is a fact that our cultural facilities and the arena are at a tipping point.

If we don't secure an additional \$15 million annually, we are at risk of thwarting the significant economic impact of our arts and culture sector, including losing jobs, and reducing the important investment in education and outreach efforts by our cultural organizations. Additionally, the city's efforts to attract and retain business, talented workers and tourism will be severely hampered. That's simply too much for Columbus to risk.

As you review the details of our proposal, please note that based on community feedback, GCAC included a number of key definitions and two key exemption recommendations in the proposal:

- If the event occurs at a live performance or event venue of 400 seats or less, the fee shall not be applied.
- If the event price at a live performance or event venue falls at or below \$10, the fee shall not be applied.

These proposed changes would exempt a number of live events around the city, children's tickets in most cases, as well as non-ticketed and smaller cash-based cover charges. A key goal was to reduce or eliminate the administrative burden on smaller businesses, organizations and projects.

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We understand these exemption recommendations would result in a loss of proceeds from admissions. But we listened to the community and we know this is the right thing to do.

We ask all concerned parties to see the need, fairness, and strategic importance of our proposal – not just for the future quality of our organizations and our cultural and entertainment facilities - but for the future greatness of Columbus.

Sincerely,

Tom Katzenmeyer President and CEO

The Greater Columbus Arts Council's Ticket Fee proposal is supported by the following organizations:

Actors' Theatre, Philip Hickman Available Light Theatre, Matt Slaybaugh BalletMet, Sue Porter CAPA, Chad Whittington CATCO, Steven Anderson Chamber Music Columbus, Daniel Jensen COSI, Frederic Bertlev Columbus Children's Theatre, Susan Pringle Columbus Gay Men's Chorus, Adam Burk Columbus Jazz Orchestra, Press Southworth Columbus College of Art & Design, Dr. Melanie Corn Columbus Landmarks, Becky West Columbus Symphony, Denise Rehg Franklin County Convention Facilities Authority, Don Brown Franklin Park Conservatory & Botanical Gardens, Bruce Harkey Gateway Film Center, Chris Hamel Lincoln Theatre Association, Suzan Bradford Momentum, Liane Egle Ohio History Connection, Burt Logan **Opera Columbus**, Peggy Kriha Dye ProMusica Chamber Orchestra, Janet Chen **Red Herring Productions, Michael Herring** ROY G BIV Gallery for Emerging Artists, Haley Kedziora Shadowbox Live, Stacie Boord

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Short North Stage, Tim Valentine Summer Jam West, Patricia Von Niessen Thurber House, Laurie Lathan VSA Ohio, Erin Hoppe Wexner Center for the Arts, Sherri Geldin Wild Goose Creative, Patrick Rohrenbeck WOSU, Tom Rieland

cc: Mayor Ginther

Mitchell Brown, City Council Member Jaiza Page, City Council Member Emmanuel Remy, City Council Member Michael Stinziano, City Council Member Priscilla Tyson, City Council Member Greg Davies Kim Perfect Mike Brown Andrea Blevins Zach Klein Megan Kilgore

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Greater Columbus Arts Council Ticket Fee Proposal Support Materials

- 1. Letter from the community to Council President Hardin and Columbus City Council members
- 2. Ticket Fee Proposal
- 3. Ticket Fee press release
- 4. Ticket Fee talking points
- 5. Ticket Fee frequently asked questions
- 6. Ohio Revised Code re: admissions
- 7. City per capita comparison graph
- 8. Revenue source pie charts for Columbus Museum of Art and COSI
- 9. Admissions sources with estimated revenue
- 10. Columbus venue list
- 11. Admissions research (Burges & Burges)
- 12. Peer cities' admissions fees
- 13. 2017 Cultural Attraction Trend Report
- 14. Arena CAP X plan
- 15. List of events at GCCC and Ohio Expo Center with exemptions noted
- 16. Anti-tax coalition exemptions

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.

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

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.

EMBARGOED UNTIL 6 p.m. Sept. 17, 2018 Contact Jami Goldstein, 614/221-8492; jgoldstein@gcac.org

Greater Columbus Arts Council Announces Ticket Fee Proposal Based on Community Feedback

Exemption recommendations include live performing venues of less than 400 people and live events priced \$10 and under

COLUMBUS, Ohio—The Greater Columbus Arts Council (GCAC) announced its ticket fee proposal based on community feedback.

GCAC 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.

"Our nonprofit arts and culture sector generate nearly half a billion in economic activity annually, support 15,000 jobs, and add immensely to our quality of life, and the arena adds significant economic impact on top of that," said Tom Katzenmeyer, President and CEO of the Greater Columbus Arts Council. "But our cultural facilities and the arena are at a tipping point. If we don't secure an additional \$15 million annually, we are at risk of thwarting the significant economic impact of our arts and culture sector, including losing jobs, and reducing the important investment in education and outreach efforts by our cultural organizations. Additionally, the city's efforts to attract and retain business, talented workers and tourism will be severely hampered. That's simply too much for Columbus to risk."

A recent series of public forums held by the Greater Columbus Arts Council on the proposed fee gathered feedback from the community and resulted in GCAC including a number of key definitions and two key exemption recommendations in the proposal:

- If the event occurs at a live performance or event venue of 400 seats or less, the fee shall not be applied.
- If the event price at a live performance or event venue falls at or below \$10, the fee shall not be applied.

"These proposed changes would exempt a number of live events around the city, children's tickets in most cases, as well as non-ticketed and smaller cash-based cover charges," Katzenmeyer said. "Our goal was to reduce or eliminate the administrative burden on smaller businesses, organizations and projects. We also hope that these recommendations would encourage advance ticket sales where the advance price is \$10 and under. "

"We understand these exemption recommendations would result in a loss of proceeds from admissions," said Katzenmeyer. "But we listened to the community and we know this is the right thing to do."

Fifteen years of research and more than 30 studies indicate that nonprofit arts and culture in Columbus is far underfunded publicly compared to peer cities. 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.

Seventy percent of the proceeds from the ticket fee would benefit small and large cultural organizations, festivals, arts and cultural events and programs, grants for artists and invest much needed funds in cultural facilities' capital needs. The remaining 30 percent of funds will be distributed to Nationwide Arena for capital expenditures.

"With professional sports and performances at Nationwide Arena alone generating more than 35 percent of the annual estimated admissions revenue each year the arena will be a net contributor to the arts and cultural sector under this proposal," said Katzenmeyer.

Additional definitions and recommendations include:

 Events the Arts Council recommends not including in the definition of ticket or admission: Race and walk registrations; registration fees for classes, lectures, workshops, camps, 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, makerspaces); 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.

*Events in which only partial proceeds benefit a nonprofit organization and the remainder go to a forprofit entity would have to apply the fee.

 <u>Memberships, season tickets and subscription series:</u> 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.

<u>Requirement for GCAC Operating Support Grantees</u>
 In order to receive an Operating Support grant 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 percent fee.

<u>Exemptions currently understood to be in place under Ohio law and previously stipulated by other municipalities:</u>
 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.

Additionally, the Greater Columbus Arts Council recommended that they, and the Franklin County Convention Facilities Authority, be required to publicly report annually on how the proceeds from the ticket fee were invested in the community and in the arena.

Currently, 64 Ohio cities have ticket fees, as do many cities across the country that Columbus competes with for business and tourism.

The full proposal will be available online at: <u>https://www.gcac.org/impact-of-the-arts/columbus-ticket-fee-proposal/</u> at 6 p.m. Sept. 17.

About the Greater Columbus Arts Council: Through vision and leadership, advocacy and collaboration, the Greater Columbus Arts Council supports art and advances the culture of the region. A catalyst for excellence and innovation, GCAC funds exemplary artists and arts organizations and provides programs, events and services of public value that educate and engage all audiences in our community. GCAC thanks the City of Columbus and the Ohio Arts Council for their continued support.

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The Proposed Ticket Fee Helps All of Columbus and Franklin County. Key Points for Advocates, Policy Makers, and Citizens (Sept. 2018)

- 1. Columbus and Franklin County have rapidly gained stature as Ohio's most successful community, the heart of a premier Midwestern and national region. The presence of non-profit arts and culture and professional sports and entertainment attractions here is a major reason. These dynamic sectors of our economy and community are responsible for thousands of jobs, billions in economic benefits, endless opportunities for children and youth, and critical energy for our quality of life.
- 2. But these two sectors, vibrant as they are, need help. Our nonprofit arts and cultural organizations need additional public investment to prevent the erosion of quality offerings and facilities. A respected, locally-based financial expert found that \$15 million in additional funds are needed annually for nonprofit arts and culture organizations in Columbus. Nationwide Arena needs \$4 million in capital improvement funds annually to be up to date, well maintained, and competitive as a major attraction for residents and visitors.
- 3. That's why Columbus City Council is considering a fee on ticketed arts, cultural, entertainment, and professional sporting events (college and K-12 athletic events are exempt). Sixty-three other Ohio cities have ticket fees for entertainment and sporting events. This fee, paid by the ticket purchaser, will help keep the jobs, income, educational value, and civic vitality flowing to our community.
- 4. At 7%, we estimate the ticket fee would generate approximately \$14 million annually for two purposes: 1) support critical programs, renovations, and improvements in our arts and cultural organizations (via the Greater Columbus Arts Council) a need proven in dozens of well-documented studies; and 2) fund up to \$4 million annually in efficient, essential renovations to Nationwide Arena, to maintain the facility and attract the major concerts, shows, and sporting events that add so much to our economy and quality of life.
- 5. Per public capita spending on arts and culture in Columbus is below cities like Cleveland and Pittsburgh. Our arts and cultural organizations receive far less public funding than their counterparts across the country. Needs include major facilities repairs, operational funding, special program support, and neighborhood arts investments.
- 6. Nationwide Arena is a similar story. Nationwide ranks last in capital improvements among all major league arenas. Of the 19 National Hockey League arenas built within five years of Nationwide, 12 are in the middle of or have completed renovations of \$10 to over \$60 million. Our Arena is still in good condition, but upcoming roof repairs and scoreboard upgrades (at \$5 million each) are among the significant, and unfunded, investments needed.
- 7. The stakes are high. Our nonprofit arts and culture sector generates \$412 million in economic activity, supports nearly 15,000 jobs, and produces \$373 million in local household income every year. In fact, nonprofit arts and cultural organizations are central Ohio's biggest attraction, with attendance of more than six million every year—two million of which come from outside the county. Greater Columbus Arts Council grantee organizations provide 750,000 educational opportunities a year for children and invest nearly \$3 million annually in programs for local underserved communities. Free arts and culture events, like festivals and concerts, are enjoyed by more than a million people annually.
- 8. Nationwide Arena's impact is also significant. Since opening in 2000, more than \$750 million in additional private investment has been made in the surrounding neighborhood generating \$7.5 million in taxes annually for Columbus City Schools. The Arena District supports more than 10,000 jobs and last year the arena hosted more than 700,000 Columbus Blue Jackets fans as well as numerous concerts and shows. In 2017 nearly 45% of the arena's ticketed attendance came from outside the Columbus metropolitan area. Under this proposal the arena is a net contributor to the nonprofit arts and cultural sector.
- 9. Without the 7% ticket fee, our arts, culture, sports, and entertainment options, will likely decline or disappear. That's too much for Columbus to risk. The 7% ticket fee is a smart solution and will help keep these vital components of our community and economy working for Columbus and Franklin County.

Columbus Ticket Fee Answers to Frequently Asked Questions (Sept. 2018)

What is it?

The Columbus ticket fee is a proposed fee charged on tickets for events and admissions to venues within the city of Columbus. This includes season tickets and tickets purchased through subscription series. Also known as a "user fee" it is intended to be paid by the consumer, or the user.

What will the money collected from the fee be used for?

The revenue collected will be invested back into the community by providing much needed funds for grants and capital improvement dollars to nonprofit arts and cultural organizations and artists funded by the Greater Columbus Arts Council (70 percent), and for capital improvements to the publicly-owned Nationwide Arena (30 percent).

Why is it needed?

Multiple independent research studies in the last decade demonstrate that the position of Columbus's arts, culture and entertainment sector in relation to its peer cities is extremely weak. Per capita spending on arts and culture here is below peer cities like Cleveland and Pittsburgh, and arts and cultural organizations receive significantly less public funding than their counterparts across the country. Similarly, Nationwide Arena is nearly 20 years old, and while the structure is sound, renovations or improvements have largely been deferred since its opening. In comparison with other major league arenas, Nationwide currently ranks last in capital improvements. Moreover, every other city competing for Amazon's HQ2 and other major employers maintain downtown arenas and have vibrant arts and cultural offerings

This additional public funding is needed to insure sustainability for these vital components of our community and continue their significant impact on our economy, employment, education and quality of life. Revenue generated from a 7 percent ticket fee will keep Columbus arts, cultural and entertainment attractions well-cared for, with high-quality productions and exhibitions, and position the organizations and venues to continue to play a leading role in attracting residents, businesses and visitors to the region.

Why was this funding mechanism chosen?

Thirteen different public funding options for providing sustainability and critical capital support for Columbus arts and cultural organizations were reviewed and vetted. Thorough research and financial analysis was done to determine the amount of money required to sustain these entities in the manner needed to support the growing Columbus economy and tourism industries. This solution – at 7 percent – generates the needed amount of money, has support from key stakeholders, is a model allowed by Ohio law and is already adopted in 64 other cities in the state.

How will it be implemented?

Ohio Revised Code enables municipalities to implement admissions fees. Following submission of the proposal, the City Attorney's office will work with the Columbus Auditor's office to draft the legislation and release it to City Council to review. City Council will determine a public hearing schedule to give the community an additional opportunity to voice their comments. Based on those hearings, City Council will determine the timing for voting on the legislation.

When will the legislation language be available, and will it spell out all the details?

Once the legislation is released publicly, the legislative process begins and all concerned parties can review it. The legislation will define "admission" and "ticket" for the purposes of collecting the fee. The Auditor's Office will be responsible for issuing a more specific set of rules and regulations regarding administrative details of implementing and collecting the fee.

To which events and venues would the fee be applied?

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; privately owned golf courses.

How much will a 7 percent ticket fee generate?

Research indicates the estimated <u>total</u> revenue from admissions and tickets in Columbus is \$197.3 million annually. Each percent of the ticket fee would generate approximately \$2 million. The largest single contributors to revenue are the Columbus Blue Jackets, and concerts at Nationwide Arena, Schottenstein Center and Ohio Stadium.

Will the fee apply to memberships?

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.

Are there any exemptions?

GCAC is recommending the following exemptions: 1) If the event occurs at a live performance or event venue of 400 seats or less, the fee shall not be applied. 2) If the event price at a live performance or event venue falls at or below \$10, the fee shall not be applied.

In addition GCAC recommends NOT including the following in the definition of ticket or admission to exempt the following: 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. * *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.*

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

Who collects the fee?

The Columbus Auditor's office will determine whether collections will be venue or event based, or a combination of the two. The city of Columbus will provide an accounting and invoicing structure for the selling entities to submit the collected fees on a regular schedule determined by the Auditor's office.

When is the effective date, and will it apply to the date of sale or the event date?

This will be determined by Columbus City Council's process but GCAC's recommendation is Jan. 1, 2019. Tickets sold prior to that date will not have the fee applied, regardless of the event date.

How will the Greater Columbus Arts Council distribute funding to arts and cultural organizations?

The Greater Columbus Arts Council will distribute the funds from the ticket fee to arts and cultural organizations and individuals through its current grant programs. Distribution of dollars within the grant programs is still being determined but will significantly increase available funds in all grant programs for nonprofit arts and cultural organizations and artists and provide funds for cultural facilities capital expenditures.