

## **Greater Columbus Arts Council Ticket Fee Proposal to Columbus City Council**

The Greater Columbus Arts Council's Ticket Fee proposal is for a 7% fee on admissions and tickets in the city of Columbus, with 70 percent of the funds to be reinvested by the Arts Council back into the community in the form of grants to nonprofit arts and cultural organizations and artists, and 30 percent used for critically needed capital improvements for Nationwide Arena, a public facility in the center of a major Columbus business and residential neighborhood.

Two key exemptions recommended by the Arts Council after holding a series of public forums include:

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

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

The full details of the proposal and accompanying research can be found at:  
[www.gcac.org/impact-of-the-arts/columbus-ticket-fee-proposal/](http://www.gcac.org/impact-of-the-arts/columbus-ticket-fee-proposal/)

### **This proposal is good for the city and people of Columbus because:**

Non-profit arts and culture and professional sports and entertainment attractions are major reasons Columbus has grown and thrived as a premier community.

These dynamic sectors are responsible for thousands of jobs, billions in economic benefits, endless opportunities for children and families, and critical energy for our quality of life.

But, additional public investment is needed to prevent the erosion of quality offerings and facilities for these two vital sectors – and to keep them working to produce all the economic, educational and quality-of-life benefits for our community.

A 7% ticket fee, paid by the ticket purchaser, in the city of Columbus, will help keep the jobs, income, educational value, and civic vitality flowing to our community.

The ticket fee is a smart solution that will help keep these critical components of our community and economy working for Columbus and Franklin County.

Supporting art.  
Advancing culture.

100 East Broad Street, Ste. 2250  
Columbus, Ohio 43215  
P (614) 224-2606  
F (614) 224-7461  
[gcac.org](http://gcac.org)

As of October 11, 2018

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

Actors' Theatre, Philip Hickman  
Nicholas K. Akins, American Electric Power  
Available Light Theatre, Matt Slaybaugh  
BalletMet, Sue Porter  
CAPA, Chad Whittington  
CATCO, Steven Anderson  
Chamber Music Columbus, Daniel Jensen  
Stefanie Coe, Neighborhood Leader  
COSI, Frederic Bertley  
Columbus Children's Theatre, Susan Pringle  
Columbus College of Art & Design, Dr. Melanie Corn  
Columbus Gay Men's Chorus, Adam Burk  
Columbus GospelFest, LaMonte Glover  
Columbus Jazz Orchestra, Press Southworth  
Columbus Landmarks, Becky West  
Columbus Museum of Art, Nannette Maciejunes  
Columbus State Community College, Dr. David Harrison  
Columbus Symphony, Denise Rehg  
Denzill Cooper, individual artist  
Mark Corna, Retired CEO, Corna Kokosing Construction Company  
Renee Dion, Individual Artist  
Donna Estep, individual artist  
Franklin County Convention Facilities Authority, Don Brown  
Franklin Park Conservatory & Botanical Gardens, Bruce Harkey  
Gateway Film Center, Chris Hamel  
Gil Gradisar, Behal Law Group  
Cody Heichel, individual artist  
Hixon Dance, Sarah Hixon  
Larry James, Attorney, Business Leader  
Lincoln Theatre Association, Suzan Bradford  
Brenda Lloyd, individual artist

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Greater Columbus Arts Council

Momentum-Excellence, Liane Egle  
Celeste Malvar-Stewart, individual artist  
Ardine Nelson, individual artist  
Ohio Designer Craftsmen, Betty Talbott  
Ohio History Connection, Burt Logan  
Opera Columbus, Peggy Kriha Dye  
Pizzuti Collection, Terri Gehr  
ProMusica Chamber Orchestra, Janet Chen  
Red Herring Productions, Michael Herring  
Melinda Rosenberg, individual artist  
ROY G BIV Gallery for Emerging Artists, Haley Kedziora  
Shadowbox Live, Stacie Boord  
Short North Stage, Peter Yockel  
Short North Arts District, Betsy Pandora  
Side Hustle Syndicate, Justin Johnston  
South Asian Theatre Festival, Arijit Sur  
Summer Jam West, Patricia Von Niessen  
Jim Sweeney, neighborhood and business Leader  
Thurber House, Laurie Lathan  
VSA Ohio, Erin Hoppe  
Amy Weis, Weis Law Group  
Alan Wood, community member  
Ann Alaia Woods, individual artist  
Wexner Center for the Arts, Sherri Geldin  
Wild Goose Creative, Patrick Rohrenbeck  
WOSU, Tom Rieland

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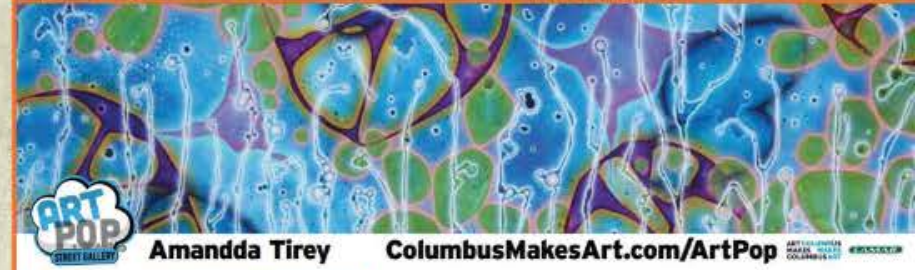




# TESTIMONY TO COLUMBUS CITY COUNCIL OCT 11, 2018

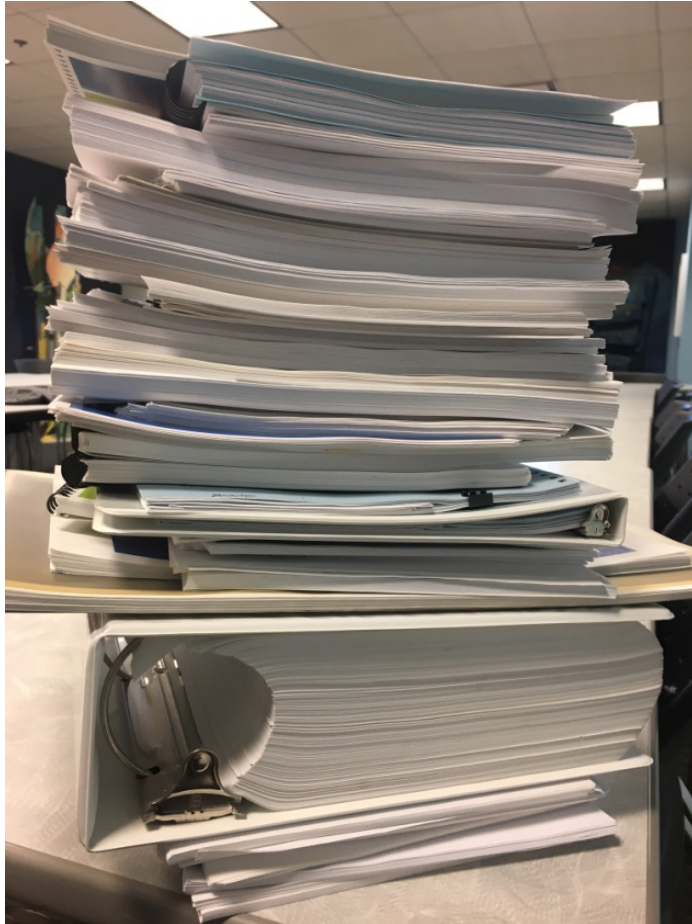


Greater Columbus  
Arts Council





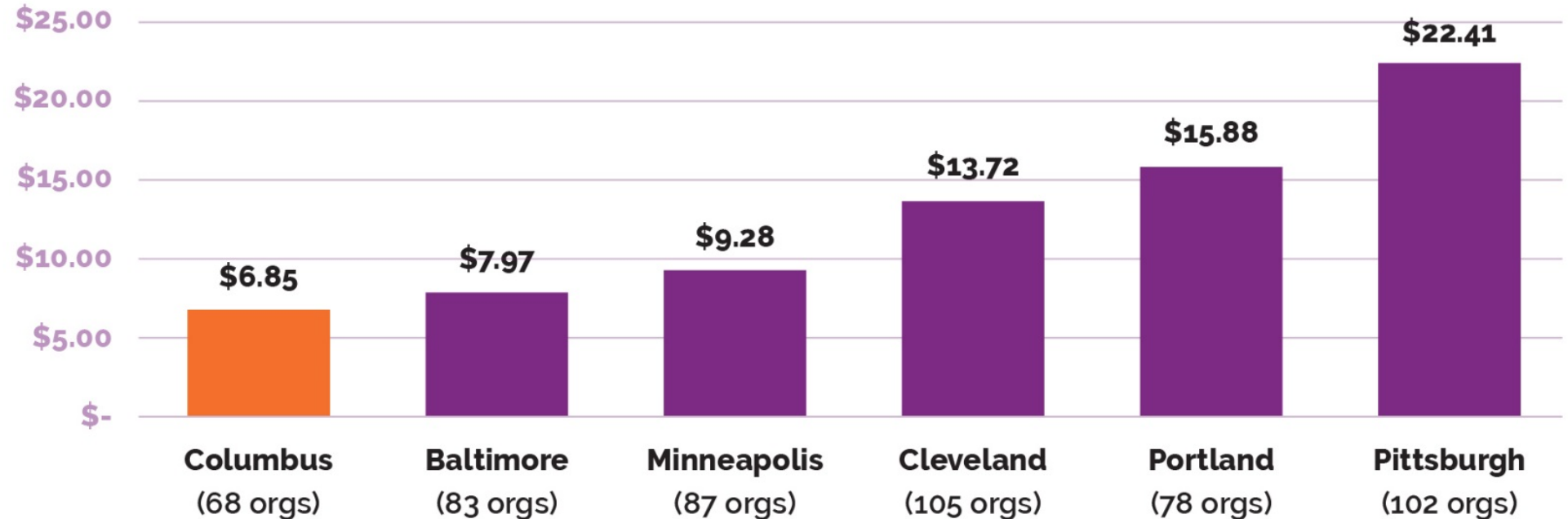
## 15 years of research, more than 30 studies



Consistent findings that Columbus arts and cultural organizations:

- Receive less public funding than their counterparts in peer cities
- Are far underfunded in endowments

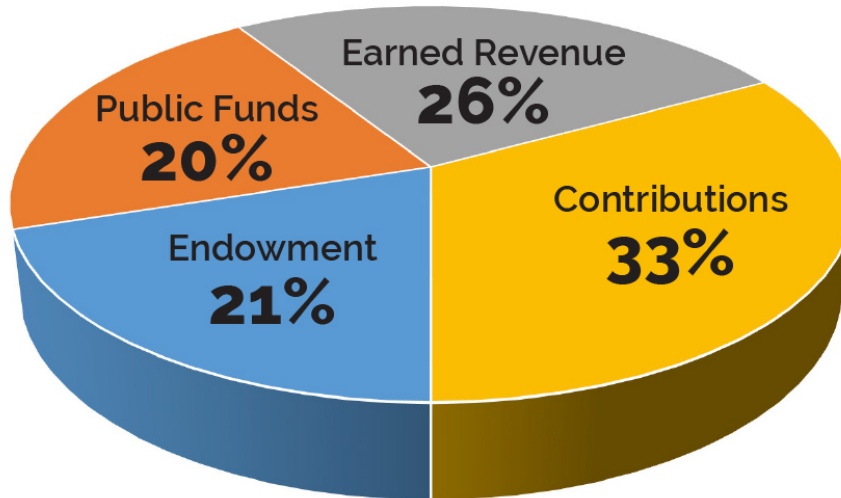
## Estimated Per Capita Funding to Arts & Cultural Organizations (City & County)



Source: DataArts, FY2016. Summary data analysis of nonprofit arts and cultural public funding sources in Columbus and five other peer cities.

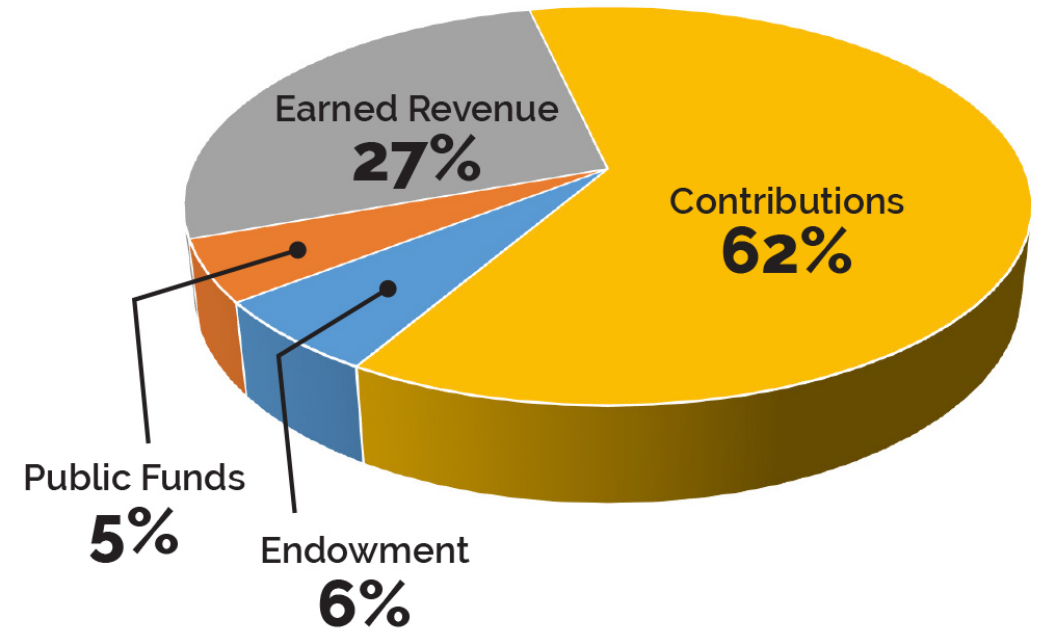
## Comparison of national vs. local museum support

**NATIONAL**



Source:  
American Association  
of Museum Directors

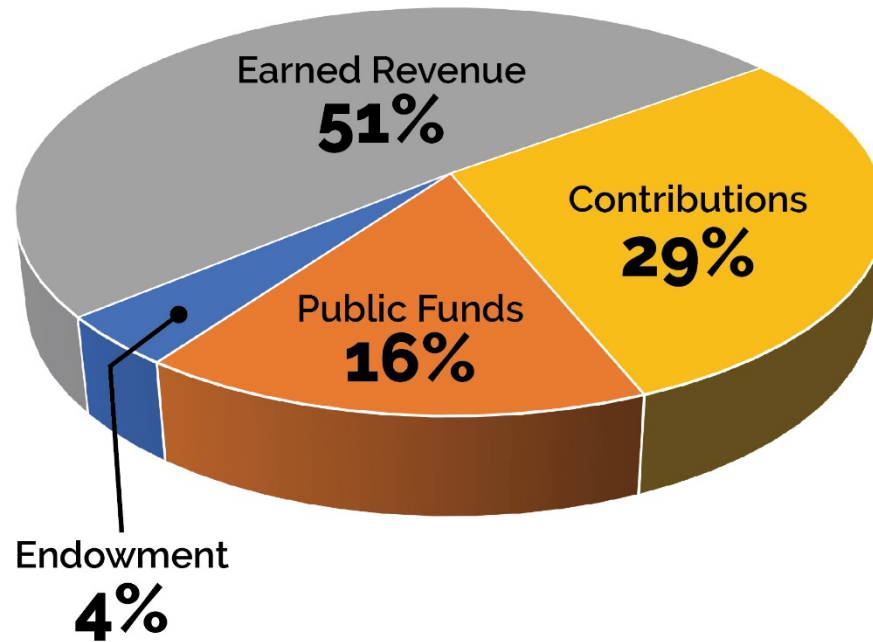
**CMA**



Source:  
Columbus Museum of Art

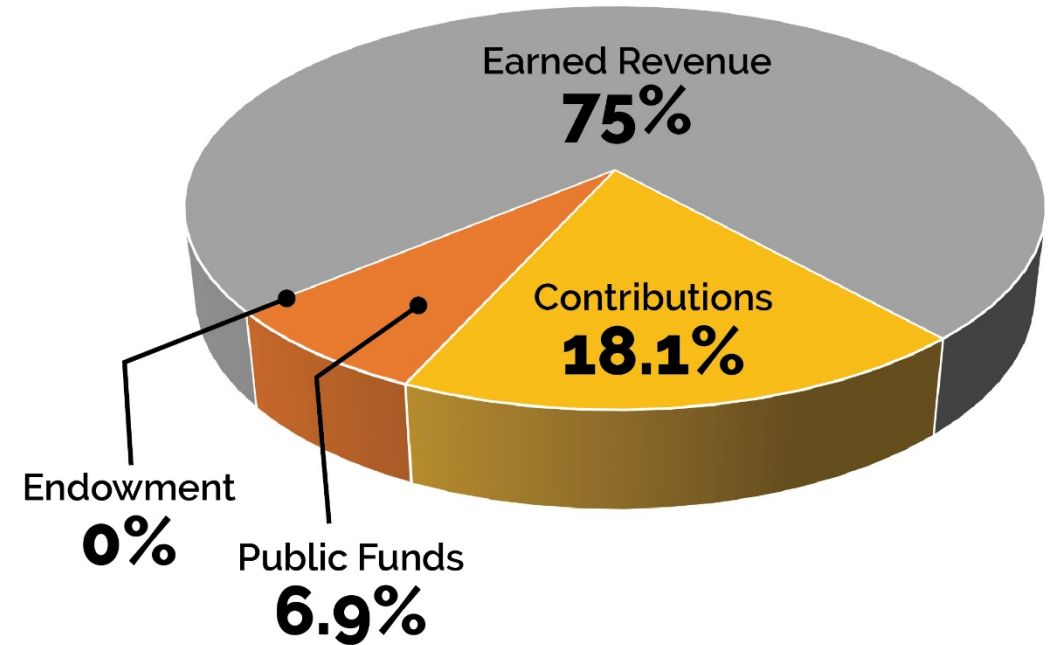
## Comparison of national vs. local science center support

### NATIONAL



Source:  
Association of Science –  
Technology Centers

### COSI



Source: COSI



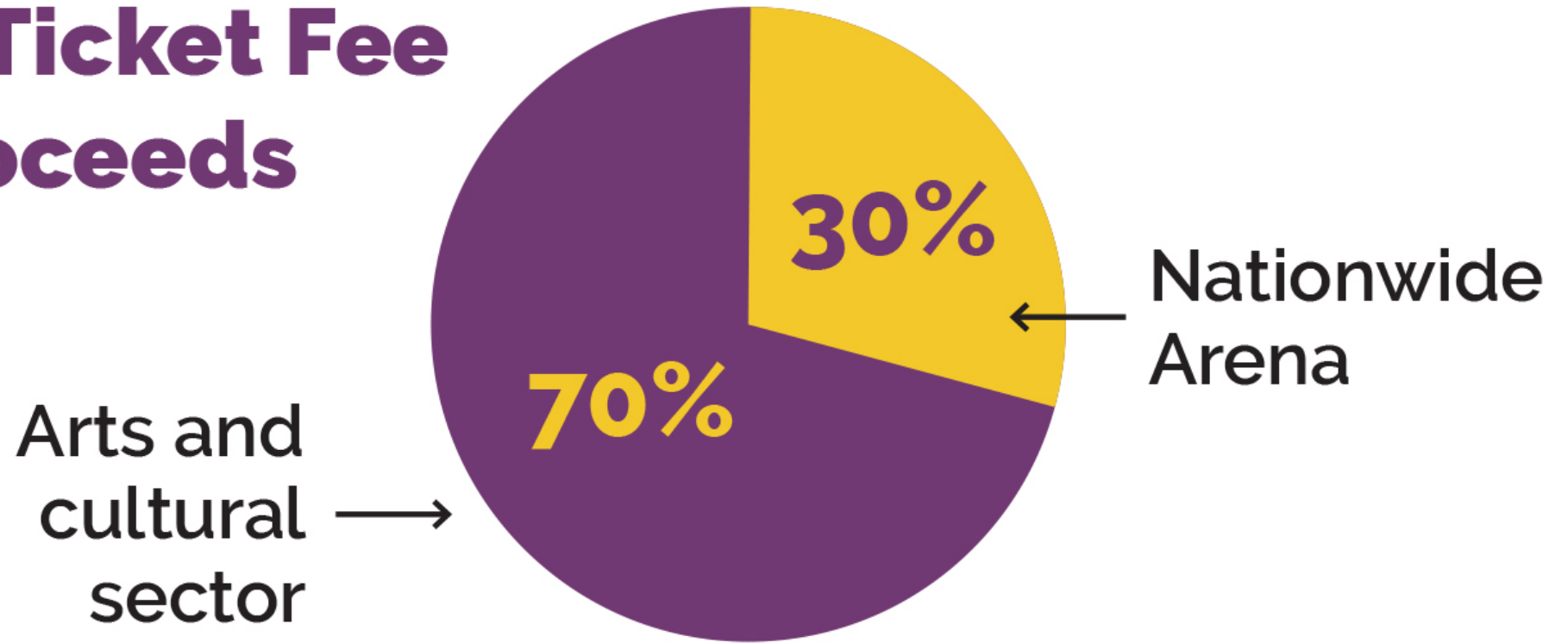
# WITHOUT THESE FUNDS

- Cultural organizations lay off workers, shorten hours/days open, potentially close entirely
- Education and outreach programs suffer
- Reduced access for underserved constituents
- No contribution to the city's national or international profile
- Loss of economic impact and jobs in the region
- Significant negative impact on the Arena district
- A city that is much less attractive and less competitive against peer cities for business, tourism and new residents

# Impact on various ticket prices



## DISTRIBUTION of Ticket Fee proceeds





# WITH THESE FUNDS

- A solid foundation of support is established—arts and cultural organizations are stabilized and contribute more to the economy
- Education, access and community outreach programs expand
- Arts and culture continue to contribute significantly to Columbus' national and international profile
- A vibrant Arena district attracts more visitors and conventions
- Columbus is a strong competitor for new residents, workforce, businesses and tourism

**CITY COUNCIL TESTIMONY**  
**TOM KATZENMEYER**  
**OCTOBER 11, 2018**

Good evening. Council President Hardin, Council members Stinziano, Brown, Page, Remy, Tyson thank you very much for this opportunity to present our proposal to you in this open forum.

Non-profit arts and culture and professional sports and entertainment are major reasons Columbus has become a premier community—by adding jobs, educational opportunities, economic benefits, and energy to our lives. Non-profit arts and culture alone generates half a billion dollars in economic activity, 15,000 jobs and nearly \$400 million in household income with the arena adding significantly more economic impact on top of that.

Over 15 years and more than 30 studies have pointed to the fact that a stronger public investment is essential to prevent the erosion of these benefits to our community.

We know that Columbus is dramatically underfunded publicly in the arts: Here's a graph that shows what our per capita investment is compared to five other cities we compete with for business and tourism. You can see that the public per capita investment in Columbus is only \$6.85 compared to \$15.88 in Cleveland and \$22.41 in Pittsburgh. This means we don't have the ability to compete for major tourism attractions and exhibitions like Infinity Mirrors which drew thousands upon thousands of people to Cleveland from across the Midwest, and it means our cultural organizations struggle to meet the education needs of school children and disadvantaged families. At its core, the situation seriously threatens our ability to compete for business, tourism and residents.

You'll see this funding discrepancy manifested in another way in the next two pie charts as well. Both the Columbus Museum of Art and COSI's revenue streams are far out of balance compared to their peers nationwide. And our organizations have done everything they can to address this—they have strengthened their leadership, tightened their budgets wherever they can, raised their prices, and they work their staff to the bone to raise the private sector dollars to keep them viable. You'll hear a little later from Diana Ferguson, who did the financial analysis last year and confirmed the full extent of the funding gap.

If we fail to stabilize our arts and cultural sector and arena, our city will suffer tangible losses—taking cultural facilities and the civic arena downhill, reducing jobs and family income, diminishing children's educational opportunities, and frankly making us less competitive and attractive as a city.

A 7% ticket fee, paid by the ticket purchaser, in the city of Columbus is the answer. It will keep jobs, income, educational value, and civic vitality in our community. Many other cities have ticket fees, many higher than 7%, but very few are investing those revenues back into their cultural sector. This is a collaboration in the Columbus Way.

In the course of our work we thoroughly reviewed 13 different public funding sources. We selected the admissions fee because Ohio Revised Code enables municipalities to do this, and 64 other cities in Ohio have admissions fees, including Cincinnati and Cleveland and three central Ohio communities, Reynoldsburg, Obetz and Canal Winchester. In addition most of our competitive peer set cities, those that Experience Columbus benchmarks against, have admissions fees on tickets—either through the city, county, state or some combination of those. A fee enacted solely by the city of Columbus keeps all the revenue generated right here, invested back in the community, helping us to prepare for the million more residents we are expecting in the next 25 years.

It's also very important for people to know that there is no sales tax on tickets and admissions in the city, so this is NOT a fee on top of sales tax, which is 7.5% in Franklin County. And not every resident in Columbus will have to pay it, only those who already support arts, culture and entertainment with their participation and would like to see those opportunities continue to thrive and grow. And with nearly 50 percent of concert attendees at the three major arenas coming from outside central Ohio, this funding solution would broaden the base of support beyond just the residents of Columbus.

National research shows that incremental price increases do not reduce attendance. Attendance is driven by increased economic development and the quality of the offering and the quality of the facility. This slide is an example of what ticket prices would be with the fee at some common ticket levels.

In fact, attendance is more likely to suffer *without* the ticket fee. With deteriorating venues, that can't compete with other cities, we'd have less shows, conventions, festivals and other events. Less quality and availability will hurt attendance far more than a reasonable fee.

This plan is fair. This is NOT a broad based tax on city residents—arts, culture, arena and other major venue attendees will pay no matter where they live—and nearly half of arena concert attendance is from outside Columbus.

The Blue Jackets arena is part of our proposal because it is a public facility that exists in the same ecosystem as our arts and cultural organizations—supporting a vibrant business district and residential downtown neighborhood as well as neighborhoods all across Columbus, contributing significant taxes to Columbus City Schools, and drawing performances, conventions and events like the Women's Final Four that have significant economic impact on our city. But the arena is near the bottom of the list of its competitors nationwide because it's a 19-year-old facility in need of capital upkeep just



like any building of its age would. The citizens of Columbus became owners of the arena in 2012, and it's our responsibility to ensure that it remains a significant contributor to our economy. It can only do that if it stays in good repair.

Through concerts and Blue Jackets games, the arena generates nearly 35 percent of estimated admissions revenue each year. Under our proposal, they would receive 30 percent of the proceeds. So the arena would be a net contributor to the nonprofit arts and culture.

In preparation for this proposal we held three public forums and took community feedback to heart. Our proposal incorporates the concerns we heard by recommending two primary exemptions: live arts and sports events priced at \$10 and under and live events at venues with occupancy of 400 and under. The proposal was crafted to make sure that Columbus can continue to increase diversity, entrepreneurship and drive all creative sectors forward.

If enacted, the impact of this proposal will be visible to all residents in Columbus from the Hilltop to the Southside, from King Lincoln and Olde Towne East to Franklinton, from Linden to Weinland Park. We will have stable, vibrant cultural and entertainment facilities capable of driving tourism and business and talent attraction and retention. Quality of life for central Ohioans will continue to improve with access to more festivals and neighborhood events. Education and outreach programs will expand reaching more young people and underserved communities and neighborhoods.

We envision a city where every child has the opportunity to experience the arts, regardless of their economic situation, and where the arts are alive and vibrant in every neighborhood across Columbus.

But without the 7 percent ticket fee our arts, culture and entertainment options will decline or disappear and our children, neighborhoods and underserved communities will suffer the most. That's simply too much for Columbus to risk.

Columbus is on its way to becoming one of the top cities in the world. That requires a strong economy, quality education, well-rounded community and vibrant quality of life. Our arts and cultural organizations and arena district are key parts of that vibrancy. The 7 percent fee is a smart solution and will help keep these vital components of our community and economy working for Columbus for years to come.

Thank you.

**Talking Points**  
**Don Brown**  
**Columbus City Council**  
**10/11/18**

- Good evening. I'm Don Brown, executive director of the Convention Facilities Authority, which owns and oversees the operations of the Greater Columbus Convention Center, the Hilton Columbus Downtown hotel, several parking facilities, and Nationwide Arena. The Arena was acquired in 2012 for the City and County and has been one of our City's major publicly-owned assets for 6 years.
- I want to thank President Hardin and Members of Council for allowing me to present, along with Tom Katzenmeyer, our arguments in favor of the Arts Council's admissions fee proposal.
- Tom has spoken about how this proposal will benefit the many arts and cultural organizations in Columbus, but I want to add one more point... the *CFA* believes deeply that art and cultural organizations contribute to the value of our community. That's why we have invested and built the largest contemporary collection of Columbus art, which residents and visitors can see free of charge throughout our facilities.
- Art and culture help to define our city, not for visitors who come to Columbus for meetings and conventions. Art and culture add to the vibrancy of our community

and provides residents and visitors to experience what makes our community unique, interesting, smart and diverse.

- Regarding the Arena, capital improvement funds have been virtually nonexistent from the moment the Convention Facilities Authority took ownership in 2012 for the City and County.
- Capital improvement funds were to come from a share of the City's and County's casino tax revenues. However, casino tax revenues never reached projections despite expert predictions. Instead of \$10 Million per year, the Authority has received \$5 Million in casino tax revenues, enough to assure Arena operations, but not enough for Arena improvements and repairs.
- Nationwide Arena, in fact, ranks last in capital improvements among all major league arenas. The Arts Council's proposal offers the best solution because it provides **certainty and predictability** that the Arena's capital needs will be met long-term.
- What happens if the Arena is unable to meet its capital needs? The Arena has operated for 19-20 years. Without capital reinvestment, the Arena won't meet our community's sports and entertainment needs for the next 20 years. Without reinvestment, the Arena will slide into obsolescence just like downtown Cincinnati's US Bank arena. Like Cincinnati, Columbus will no longer be able to host major national conventions and sporting events.



- Without a **certain and predictable** revenue stream, the Arena's capital needs cannot be financed and then repaid over their useful lives. Instead, capital needs will depend on the hand-to-mouth availability of cash grants.
- We could have established an Arena Facility Fee and retained all the proceeds for capital needs of the Arena--without legislation, without collaboration and without being here today, but we felt it was important to contribute to the overall need of the arts community and that is why we have joined forces with the Arts Council in support of this proposal.
- Under the proposal, a 7 percent surcharge on tickets to arts events, entertainment and professional sports would generate \$13 million a year. Of that amount, 30% would go for Arena capital improvements.
- These facts are not in dispute. What seems to be in dispute is the value of the Arena to the community, and whether it's fair to ask those who buy tickets *for events held at the Arena* to contribute to the Arena's future.
- We believe that solving the Arena's capital improvement needs now is far better for everybody – including those who oppose the fee – than losing our downtown arena to obsolescence down the road.
- Our community has always solved its problems collaboratively. For this reason, the Arts Council and CFA have come together in support of a proposal which would sustain both, recognizing that the Arena will produce more than enough

admission fee revenue to meet its long-term facility needs, and to sustain Art and Cultural programs and facilities. **The Arena will be a net contributor of support—not the reverse.** In fact, nearly 50% of all admission fees will be generated by events held at Nationwide Arena, Schottenstein Center, and Ohio Stadium.

- I will reemphasize that being a **net contributor** means that the Arena will contribute more to maintaining arts & culture in Columbus than what the Arena retains for its capital needs. We are glad to be a **net contributor** to support the arts.
- We believe that a downtown arena is vital to our local economy and brings business here. Because of the Arena we were able to host the *NCAA Women's Final Four* tournament earlier this year, showcasing our City to nearly 20,000 fans, and capturing the attention of a record-breaking television audience.
- The Arena's upkeep is vital to the future of the Arena District, which accounts for some 10,000 direct and indirect jobs.
- It's vital to our sports economy and to our ability to book major downtown concerts and other events like the Avon Product Representative and 31 Gifts annual conferences
- Not least, it's vital to the image and reputation of a growing, forward-thinking city known for inventing the *Columbus Way* of collaboration and for competing to be Amazon's 2<sup>nd</sup> Headquarters City.

- The Arts Council has identified the best solution, having examined a dozen options. The Arts Council proposal offers the best way to meet two community needs—sustaining Arts and Cultural venues and programs and sustaining our downtown arena for the next 20 years. And on behalf of the *CFA*, I ask you to adopt it.



To: Don Brown, Executive Director, Franklin County Convention Facilities Authority  
From: Bill LaFayette, Ph.D., owner, Regionomics® LLC  
Date: October 11, 2018  
Re: Assessment of Columbus admissions ticket fee revenue

This memo summarizes findings regarding potential revenue from a 7 percent admissions fee in the city of Columbus. The estimates reflect the exemption of tickets \$10 or less and venues of 400 seats or fewer.

The analysis of potential revenue sources of ticket fees in Columbus identifies between \$12.3 million and \$13.2 million in annual fees, based on applicable revenues of between \$175.3 million and \$187.9 million. Table 1 lists Columbus entities providing events that would generate admissions revenue, along with the amount of relevant admissions revenue collected or estimated for each. A large number of organizations report total admission revenue on their IRS Form 990, so precise amounts are available for \$18.6 million in revenue. These reporting organizations are designated by asterisks in Table 1. However, these amounts are for 2015 and 2016, so they may misstate the potential current and future revenue.

Individual events at music clubs and their pricing were collected. In some cases, events were available for a full year, so relevant revenues could be estimated directly. In cases where the full year was not available, the partial year results were annualized. The estimates assume an average attendance of 75 percent of capacity. The overall results are not sensitive to this assumption. Reducing the attendance percentage from 75 percent to 60 percent reduces the relevant revenues by \$1.2 million (\$5.94 million to \$4.75 million) and the total fee revenue by \$83,000.

Membership revenue is based on a single admission of the relevant number of people, as specified in the proposal. Golf club memberships would be treated in the same way: the annual taxable value would be the value of one round of golf. However, golf clubs customarily offer both regular memberships and social memberships that offer access to the facilities but not the course. The regular memberships would be subject to fees, but based on the terms of the proposal social memberships would not. A breakdown of regular versus social memberships at the two private clubs in the city was not available, nor were greens fees. Accordingly, fees from golf club memberships cannot be estimated, but experimentation with rough values revealed that the impact of excluding these memberships was minor – no more than \$15,000 or \$20,000 for each of the two clubs.

Revenue from the Columbus Clippers is based on the 2018 attendance total from the International League website. The value in Table 1 assumes that one-half of admissions are at a high enough price to generate fees.

Movie theater revenues are based on information from Box Office Essentials. Gross revenues of Columbus movie theaters in 2017 amounted to \$23.5 million, with an estimated \$10.9 million generated by tickets costing more than \$10. There is a possibility, however, that movie tickets will not be subject to the \$10 minimum. Table 1 assumes this exclusion, but also includes total revenue assuming assessment on the full value of movie tickets.

Other revenues were obtained directly from the relevant entities.

The result of these estimations is annual fee revenue of \$13.3 million. However, a critical point is that these estimates were derived during a period of economic strength. Because entertainment represents a discretionary expenditure, **revenues and fees could decline significantly in a recession**. The September *Wall Street Journal* Economic Forecasting Survey places the odds of a recession beginning within the next 12 months at a low 18 percent, but the majority of economists in this survey expect a downturn during 2020.

**Table 1**  
**Annual Estimated and Collected Admissions Revenue Generated by Organizations**  
**in the City of Columbus and Implied Admissions Tax Revenue**

| Organization                              | Revenue    |
|-------------------------------------------|------------|
| Alrosa Villa                              | 397,800    |
| Ballet Met*                               | 2,167,849  |
| The Bluestone                             | 1,224,000  |
| Broadway in Columbus                      | 9,053,000  |
| CAPA*                                     | 7,327,758  |
| CATCO*                                    | 310,743    |
| Chamber Music Columbus*                   | 60,483     |
| Columbus Blue Jackets                     | 46,000,000 |
| Columbus Children's Theatre*              | 373,103    |
| Columbus Clippers                         | 3,522,402  |
| Columbus Country Club*                    |            |
| Memberships                               | INA        |
| Greens fees                               | 510,449    |
| Columbus Dance Theatre*                   | 24,345     |
| Columbus Gay Men's Chorus*                | 80,217     |
| Columbus Jazz Orchestra*                  | 910,431    |
| Columbus Museum of Art*                   |            |
| Admissions                                | 376,103    |
| Memberships                               | 224,760    |
| Columbus Symphony*                        | 2,155,656  |
| COSI (Franklin County Historical Society) |            |
| Admissions                                | 4,150,473  |
| Memberships                               | 1,992,780  |
| Express Live                              | 7,123,000  |
| Flannagan's Dublin                        | 103,700    |
| Franklin Park Conservatory                |            |
| Admissions                                | 1,650,000  |
| Memberships                               | 489,845    |
| Friends of Early Music*                   | 23,584     |
| Gateway Film Center*                      | 1,691,686  |
| Greater Columbus Convention Center        | 8,762,000  |
| Lincoln Theatre Association*              | 5,283      |
| MAPFRE Stadium                            | 14,230,000 |
| Movie theaters                            | 10,936,862 |
| Nationwide Arena-shows                    | 15,000,000 |
| The Newport                               | 2,904,000  |

-- Continued --



| Organization                                     | Revenue            |
|--------------------------------------------------|--------------------|
| Ohio Expositions Center/State Fair               | 2,485,000          |
| Ohio History Connection                          |                    |
| Memberships                                      | INA                |
| Admissions                                       | INA                |
| Ohio Stadium-shows                               | 12,000,000         |
| Opera Columbus*                                  | 238,385            |
| Pizzuti Collection                               | INA                |
| Pro Musica Chamber Orchestra*                    | 281,776            |
| Schottenstein Center-shows                       | 15,500,000         |
| Skully's Music Diner                             | 1,031,000          |
| Vaud-Vilities                                    | 99,019             |
| Wexner Center for the Arts                       |                    |
| Admissions                                       | INA                |
| Memberships                                      | 32,000             |
| York Temple Country Club*                        |                    |
| Memberships                                      | INA                |
| Greens fees                                      | 277,634            |
| <b>Total</b>                                     | <b>175,297,326</b> |
| <b>7% fee revenue</b>                            | <b>12,270,813</b>  |
| <b>Assuming full assessment of movie tickets</b> | <b>187,907,387</b> |
| <b>7% fee revenue</b>                            | <b>13,153,517</b>  |

INA: Information not available.

\*Source: Organization's IRS Form 990. Others, see text.

## **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.