



## **VIBRANT CULTURE – THRIVING ECONOMY: ARTS, CULTURE AND PROSPERITY IN ARIZONA’S VALLEY OF THE SUN**

A REPORT OF:  
Maricopa Regional Arts and Culture Task Force

SUPPORTED BY:  
Flinn Foundation  
Margaret T. Morris Foundation  
J. W. Kieckhefer Foundation  
The Virginia G. Piper Charitable Trust

May 2004

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**Vibrant Culture—Thriving Economy:  
Arts, Culture and Prosperity in  
Arizona’s Valley of the Sun**

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**MAY 2004**

**Maricopa Regional Arts and Culture Task Force**  
**Participant List**  
December 3, 2003

**Task Force Chair: Drew Brown, President, DMB Associates**

**Participants:**

**F. Rockne “Roc” Arnett**  
President & CEO  
East Valley Partnership

**Jim Ballinger**  
The Sybil Harrington Director  
Phoenix Art Museum

**Jim Bruner**  
Trustee  
The Virginia G. Piper Charitable  
Trust

**José A. Cárdenas**  
Chairman  
Lewis & Roca

**Sue Clark-Johnson**  
CEO & Publisher  
Arizona Republic

**Shelley M. Cohn**  
Executive Director  
Arizona Commission on the  
Arts

**Jerry Colangelo**  
President & CEO  
Phoenix Suns and  
Arizona Diamondbacks

**Maria Dadgar**  
Executive Director  
ATLATL

**Sybil Francis**  
Executive Director  
Center for the Future of Arizona

**Grady Gammage, Jr.**  
Gammage & Burnham

**Sheila Grinell**  
President & CEO  
Arizona Science Center

**Sharon Harper**  
President & CEO  
The Plaza Companies

**Frank Jacobson**  
President & CEO  
Scottsdale Cultural Council

**Colleen Jennings-Roggensack**  
Executive Director  
ASU Public Events

**Dennis Kavanaugh**  
Vice Mayor  
City of Mesa  
Chair, Arizona Commission on  
the Arts

**Wendy Feldman-Kerr**  
Mayor  
Town of Queen Creek

**Paul Koehler**  
Director of Policy  
WestEd

**Diane McCarthy**  
President  
ASU Alumni Association

**Valerie Manning**  
President & CEO  
Greater Phoenix Chamber of  
Commerce

**Barbara Meyerson**  
Executive Director  
Arizona Museum for Youth

**A.J. “Jack” Pfister**  
Honorary Director  
Flinn Foundation

**Gene P. Polk**  
Trustee  
J.W. Kieckhefer Foundation  
Margaret T. Morris Foundation

**William J. Post**  
President & CEO  
Pinnacle West Capital  
Corporation

**Richard H. Silverman**  
General Manager  
Salt River Project

**Quentin Smith, Jr.**  
President & CEO  
Cadre Business Advisors

**Greg Stanton**  
Vice Mayor  
City of Phoenix

**Gerrit van Huisstede**  
President & CEO  
Wells Fargo Bank

**Matthew Wiener**  
Producing Artistic Director  
Actors Theatre

**Jeff Williamson**  
President & CEO  
Phoenix Zoo

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## Executive Summary

### INTRODUCTION

Arizona’s Valley of the Sun<sup>1</sup> is committed to growing an economy that will provide greater opportunities for its children, broader job choices, and increased incomes for its citizens and is making the investments necessary to achieve this vision for its future. The region’s business, civic, and political leaders recognize that the factors that drive economic development in the Valley are changing as witnessed in efforts to link our cities by public transit, to attract and develop TGen as a research and development engine, and to build new sports facilities for our four major league sports teams. ***But, one important area driving the Valley’s future regional economy has fallen “below the radar screen” in priority setting—the importance of arts and culture to regional economic development.***

Those communities that are succeeding in growing a high-performing, globally competitive economy have a highly skilled and educated workforce and a high quality of life that provides the amenities desired by knowledge workers. Arts and culture are a key determinant of quality of life in our major metropolitan areas. To compete for talent and attract the kind of business development that we desire, our region’s arts and culture sector must be as vibrant as those of our competitors.

***The Maricopa Regional Arts and Culture Task Force concludes that the region must address the critical role arts and culture play and will play in an increasingly knowledge-based, global economy. Unless more priority and focus are given to arts and culture, the Task Force concludes that the full potential for the Valley’s economic future will not be realized.***

### WHY HERE? WHY NOW?: THE BUSINESS CASE FOR ARTS AND CULTURE

Arts and culture has a key role to play in attracting talent; developing our future workforce; and creating an environment that will attract businesses, workers, and tourists. Arts and culture also has a critical role to play in linking our communities and creating an identity for our region. Arts and culture contributes to the regional economy in the following ways:

- **Develop workforce skills and attract talent.** Quality jobs require quality people with creative, problem-solving skills. Such skills are developed where arts and culture are strong; and talent is attracted to areas where quality of life including arts, culture, and entertainment are viewed as vibrant. Students with exposure to the arts test better on measures such as creative thinking.
- **Attract business investment leading to jobs and income.** Business leaders and investors choose to invest

“Young and educated workers represent a larger percentage of the workforce in metro areas with high populations, strong arts scenes, significant international immigration and large numbers of high technology jobs.”

*Labor Supply and the Brain Drain:  
Signs from 2000 Census  
Brookings, January 2004*

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<sup>1</sup> Arizona’s Valley of the Sun includes all of the cities, towns, and Indian communities that make up Maricopa County

in facilities and locate their businesses in regions that have strong arts and culture assets that create excitement and vibrancy in the community.

- **Attract travelers and tourists.** Sophisticated travelers want more than recreational opportunities and will spend more—up to 80 percent more per event—and stay longer if offered opportunities to take advantage of arts and culture offerings—not just visit for sun, golf, and relaxation.
- **Generate economic impact and return on investment.** The arts and culture sector is itself an important industry with considerable multiplier impacts on regional economies, creating \$344 million in economic activity, \$34.5 million in tax revenues, and 4,000 direct and 7,000 indirect jobs in the Valley in 2000. And the return on investment has been calculated nationally to be more than eight times each dollar invested; this return has been even larger in the Valley at 16.8 times each dollar of investment.
- **Connect the community and build regional vibrancy and enrichment.** Residents of the Valley are increasing their participation in arts and culture, with attendance climbing from 4.7 million in 1996–1997 to 8.2 million in 1999–2000. Such increased attendance is not just for entertainment value but for interactive learning experiences for all age groups. Cultural activities enable the region to bring together people of diverse backgrounds and bridge socio-economic, ethnic, educational, or generational differences.
- **Revitalize our communities, providing opportunities to link and build mixed use neighborhoods and create unique brands and images for regions.** Cultural districts provide ways to link entertainment, restaurants, retail, and arts and culture offerings from performances and festivals to art shows and exhibits that attract residents and identify a region as having exciting areas of activity.

#### Why Support the Arts?

“The arts not only inform us about the world we live in, but also provide creative and challenging environments; the kind of environment we want in our workplace.... Through our art collection, and our visible support of the arts, employees are exposed to new ideas and information—challenged/stimulated by what they see. We want our people to be innovative, and to that end, offer an environment, in our business and in our community, that is creative and thought provoking.”

Irv Weiser  
RBC Dain Rauscher  
Remarks to the Phoenix Community  
Alliance Annual Meeting Luncheon  
December 2003

## WHERE MARICOPA’S ARTS AND CULTURE STAND: HARD LOOKS AND TOUGH COMPARISONS

The Valley is competing with other metropolitan areas, such as Atlanta, Austin, Charlotte, Denver, Indianapolis, Portland, Salt Lake City, San Diego, and Seattle, for technology-based job growth. A factor in our competitive position is the vibrancy of our arts and culture sector. We conducted a benchmarking exercise to see how we compare. We found that

- **The Valley lacks the size and vibrancy of arts and culture sectors found in comparative communities.** The Valley has a smaller number of arts and culture organizations and fewer employees than communities of similar size. And the region is not catching up. The arts and

culture sector is growing much more rapidly in the Denver, Seattle, and Portland metro areas than it is in the Phoenix metro area.

- **The Valley lags other regions’ arts and culture funding.** The Phoenix metro area ranks last in per capita revenue for arts and culture—at \$27.83 compared with \$188 in Indianapolis and \$119 in Denver and Seattle.
- **The economic impact of the Valley’s arts and culture sector is impressive.** The Valley has the second highest economic impact among the benchmarks despite its smaller base of arts and culture revenues.

There is considerable potential, if the scale of arts and culture investments can be raised, for arts and culture to have a significant impact on the region’s economy. The Valley will not, however, be able to enhance the vibrancy of its arts and culture sector or build an identity around arts and culture if it follows a “business as usual” path. A major constraint to the growth of the Valley’s arts and culture sector is the limited revenue base of its arts and culture organizations, which greatly lags other regions.

## CHALLENGES WE FACE

Challenges to the Valley taking greater advantage of its arts and culture sector for economic development include the following:

- **Maintaining and building audiences.** It is difficult for existing arts and culture organizations to build more vibrant and expanded programs, facilities, or activities while maintaining existing audiences and artists without the resources necessary to accomplish this. Memberships, ticket sales, and other sources are not sufficient in themselves to cover program development costs.
- **Addressing educational needs.** Addressing pockets of deficiencies in K–12 education where student achievement is affected by demographics, poverty, and other factors makes it difficult to also address youth artistic expression.
- **Assimilating newcomers.** Rapid population growth with new resident allegiances to arts and culture organizations elsewhere and their lack of awareness of arts and culture opportunities in their newly adopted region makes it hard to reach these potential participants.
- **Responding to a diverse and growing population.** A diverse and growing population base of young, old, aging boomers and ethnic and cultural groups necessitates much more customized and differentiated arts and culture offerings. The region’s population exploded during the 1990s with 1.5 million new residents and three of the five fastest-growing cities in the United States with populations over 100,000. According to the 2000 Census, Phoenix is the nation’s sixth largest city and 14th largest metro area.
- **Operating within a dispersed geography.** The balkanization of organizations, programs, and activities across and within a geographically dispersed region that includes multiple cities, each addressing their arts and culture needs individually, does not contribute to either economies of scale or ensuring that all regional issues are being sufficiently linked and addressed.

- **Generating private and business support.** A relatively new community without a decades-long history of giving financial support to arts and culture increases the difficulties of adequately funding the sector. A recent business and industry base of branch plants and younger, growing firms has resulted in a vacuum of business interest, involvement, and leadership in arts and culture.

These challenges must be addressed if the Valley is to take its place as one of the leading metropolitan regions in the country.

## **THE ONLY CHOICE: LEADERSHIP, VISION, AND A PLAN**

The region is at a critical junction in its development. This region has been lagging in its investments—private and public—in arts and culture compared with other regions of similar size in recent years. Its arts and culture organizations have struggled just to meet operating expenses and have been unable to fully respond to the region’s demands for an increased scale of activities and opportunities as its population has exploded.

### **Vision Developed By the Task Force**

The Valley of the Sun is a center of creativity that is renowned for the distinctiveness of its arts and culture experiences that contribute to the region’s economy, reflect the vibrancy of a large and growing urban area, and are driven by the region’s uniqueness.

The Task Force concludes that the region can take one of two paths. The Valley can

*Take action to become a showcase for arts and culture as it improves our region and enhances economic development, or*

*Fall further behind in providing an environment in which the knowledge economy will flourish thus harming arts and culture, the emerging bioscience sector, education, and every field that depends on innovation.*

Given that the region has already decided to compete for its share of the knowledge economy and arts and culture plays a large part in the contest, the choice is obvious. The Valley must become a

- Center of creativity renowned for its distinctive arts and culture experiences and opportunities.
- Place where residents of all ages and from all walks of life are educated, inspired, and excited by arts and culture.
- Metro area where arts and culture contributes continually to the region’s economic development. The arts and culture sector must be
  - **Vibrant and robust**, offering a wide range of opportunities from street and ethnic festivals to nationally recognized performing and visual arts that will enable our citizens to experience, view, and participate in arts and culture within our neighborhoods and cities throughout the region.
  - **Connected and integrated** with academic, business, nonprofit, and governmental communities in programs, plans, and activities.

- **Pervasive and accessible** to the region’s citizenry.
- **Well-supported** through broad private and public funding that enables sufficient scale for arts and culture to have the maximum economic benefit to the region.

What will it take to make the first path a reality in the coming decade?

### **How Do We Get There?: A Pathway “Game Plan”**

The “game plan” for the Valley is threefold. We must

- **Think and act regionally.** The cities of the Valley must recognize that by working collaboratively they can not only grow their own arts and culture base, but grow and enhance the Valley’s arts and culture sector. The Valley’s arts and culture future will be built on both a strong downtown in Phoenix and major anchors and activities in cities throughout the Valley such as Scottsdale, Tempe, Mesa, and the cities of the West Valley. *The result: the Valley will offer opportunities for participation and audience access to citizens, artists, and performers alike on a scale unprecedented in most mature regions of the country.*
- **Build sufficient private-public partnerships for funding support at the scale required for achieving the arts and culture path recommended.** Significant and sustained support is necessary to achieve the maximum impact on the region’s economy. Private and public funding support and ongoing commitments must be provided throughout the coming decade to accomplish this. *The result: a sufficient funding level for a scale of arts and culture offerings that moves the Valley from a catch-up position to a competing major region in the country and the world.*
- **Commit to building the Valley’s arts and culture distinction into a place renowned in select areas.** The Valley needs to invest in its arts and culture sector to create nationally recognized programming, events, and organizations and to create a brand and image for the region in arts and culture. *The result: the Valley can become renowned for its distinctive experiences and opportunities for arts and culture built around the region’s unique environment (e.g., desert, climate), history (e.g., Native American, Western), and current and future populations (e.g., Hispanic, Latino, Native American).*

### **Building a Regional Arts and Culture Partnership**

The Maricopa region must aggressively and boldly address its economic future by seizing on the opportunities arts and culture offer. This will require that

- Leadership acknowledge that the region cannot “catch up” to similar larger, but more mature, metropolitan areas by simply waiting. The Task Force’s benchmarking analysis found that many of our competitor regions are making significant investments in arts and culture even in those regions that are already much more developed than the Maricopa region.
- Civic leaders in industry, academe, and nonprofit and government sectors must become more educated about, and be willing to serve as advocates and champions for, a pathway to position arts and culture in the region as a priority matter. A Partnership represents an opportunity to become actively engaged to do something critical to the region’s economic future.

### Task Force Recommendation: Create a Regional Arts and Culture Partnership

*The Task Force concludes that a regional arts and culture organization must be created to serve as a strong advocate to advance the region’s arts and culture sector.* Such an organization can broker collaborations, serve as a clearinghouse for information, promote the region’s arts and culture base, brand the region, and operate select programs that serve regional rather than strictly local needs. A Maricopa Regional Arts and Culture Partnership will provide a focal point for arts and culture in the region. It can serve as a single body to engage the business, education, economic development, philanthropic, and media communities on issues affecting the arts and culture sector and the region’s economic future.

Community dialogues, focus groups, and interviews with civic, business, and leaders of the region’s arts and culture organizations consistently identified the need for ways to increase communication and connections among and between arts and culture organizations and with business, philanthropic, and other sectors as one of the key needs of the region. A regional arts and culture organization can meet these needs. It could serve several roles. It can act as a catalyst, coordinator, communicator, advocate, and promoter of arts and culture. This organization should focus exclusively on *regional* arts and culture issues, working with local arts and culture organizations to complement their activities through a regional perspective.

### Task Force Recommendation: Implement Strategies and Actions

In addition to proposing that a regional organization be created to better connect and link arts and culture to regional economic development, the Task Force developed a “game plan” to identify the regional needs the Partnership should address. To obtain important regional input, the Task Force held a series of focus groups and community dialogues to solicit input from arts and culture, civic, education, and economic development leaders and volunteers throughout the Valley in the Summer and Fall of 2003 in which 220 individuals participated. In addition, the Task Force reviewed this input and deliberated to identify the most critical regional arts and culture needs in the Valley. Out of these discussions, the Task Force developed a vision and mission for arts and culture in the region, identified strategies and actions for achieving that vision, and proposed an action plan for implementing them. These proposed strategies and actions will guide the Partnership and other organizations in positioning arts and culture to maximize its contributions to the region’s economy in the coming decade.

To strengthen and grow the region’s arts and culture sector in contributing to economic development, the following five strategies are proposed:

- **Strategy One:** Integrate arts and culture into economic development at all levels.
- **Strategy Two:** Significantly enhance participation in arts and culture activities.
- **Strategy Three:** Build regional distinction for arts and culture.

### Mission of the Proposed Maricopa Regional Arts and Culture Partnership

Encourage arts and culture development in the region by

- Advocating for support for arts and culture in the Valley
- Promoting the arts and culture sector and positioning it in the economic priorities of the Valley
- Building political and business support for arts and culture
- Developing public and private sector funding for arts and culture
- Communicating the importance of arts and culture to the region and its citizens
- Catalyzing partnerships and collaborations in arts and culture

- **Strategy Four:** Integrate arts and culture into education at all levels.
- **Strategy Five:** Identify and secure dedicated funding resources.

Table ES-1 lists the proposed strategies and actions that are described in the full report.

**Table ES-1: Summary of Proposed Strategies and Actions**

Strategy	Action
<b>Strategy One:</b> <b>Integrate arts and culture into economic development at all levels</b>	Maintain, reinforce, and refine over time a business case to integrate arts and culture into regional economic development Make arts and culture opportunities a greater part of travel and tourism promotion
<b>Strategy Two:</b> <b>Significantly enhance participation in arts and culture activities</b>	Launch a major branding and marketing campaign to raise the visibility of arts and culture (e.g., a “Get Arts” campaign) that is sustained over a period of time Establish a regional program to support initiatives aimed at growing audiences, developing new products, and reaching new markets Support a Web-based regional Arts and Culture Information Portal to provide access to information on the region’s arts and culture programs, plans, opportunities, and events
<b>Strategy Three:</b> <b>Build regional distinction for arts and culture</b>	Invest in partnership activities to create signature programs, events, and venues that enhance regional distinction and visibility and attract tourists Encourage the development of vibrant arts and culture districts that integrate arts and culture and artists into community revitalization and economic development initiatives Develop nationally recognized, annual events to showcase the region’s arts and culture community, such as a festival, series of festivals, or events
<b>Strategy Four:</b> <b>Integrate arts and culture into education at all levels</b>	Increase opportunities for collaboration among arts and culture organizations, public and private entities, and the region’s public education system to build new audiences for the future Support efforts to educate leaders, including administrators and school boards, about the value of arts and culture in creating knowledgeable citizens and the future workforce Provide more opportunities for teachers in arts and culture training in their professional development
<b>Strategy Five:</b> <b>Identify and secure dedicated funding resources</b>	Gain the cooperation and approval of business, community, government, and nonprofit organizations and the public at large Analyze funding sources that will provide \$30–50 million annually Seek a variety of public mechanisms to complement private sources

**Continuing Challenge: Sustained Funding**

If the Valley is to achieve its vision for arts and culture and make the above identified strategies and actions a reality over the coming decade, then it is imperative that the Partnership, the region’s arts and culture organizations, and other partners have sufficient, sustained financial resources. Sufficient resources are needed to scale the region’s arts and culture sector to a level at which it is competitive to attract and retain talent, offers the quality of life desired by knowledge workers, serves as a destination for cultural enrichment travel, and maximizes its economic impact on the region. Mechanisms other regions have used to create sustained funding for arts and culture include

- Undertaking annual **fund-raising campaigns** that solicit contributions from businesses, foundations, and individuals
- **Dedicating a portion of state and/or local tax revenues** for arts and culture
- **Using tax policy to encourage private contributions** to arts and culture.

It is clear that funding for the Valley’s arts and culture organizations will have to come from a diverse array of public and private funding sources. *The Task Force believes that a sustained source of funding for arts and culture is critical.* Such sustained funding can only be put into place over the mid-term, however, given the lead time required to build support for funding initiatives.

In the short term, funding to begin positioning the arts and culture sector in regional economic development circles will have to come from the business and philanthropic communities, individuals, and local governments. These funds should be used to undertake the lower cost, yet vitally important, actions identified by the Task Force.

Meanwhile, the Maricopa Regional Arts and Culture Partnership should develop a detailed strategy that encompasses raising funds from multiple sources, including a dedicated funding source at some point in the future.

### **Moving Forward**

The Task Force recommends implementing this Regional Arts and Culture Strategy in three phases:

- Phase I: Initial Organizing Activities
- Phase II: Implement the Agenda
- Phase III: Fully-funded, Fully-supported Arts and Culture

The first phase begins immediately, represented by a small transition team composed of business, foundation, and arts leaders from the base of membership within the Task Force. The transition team will work to design and put in place the Maricopa Regional Arts and Culture Partnership. The Partnership, which will serve as a unifying voice for the arts and culture sector, will be responsible for developing detailed action plans and overseeing implementation of the strategy.

The second phase of implementation will take place once the new organization is in place. A key focus during the second phase will be to educate and inform the region’s leaders and citizens of the importance of arts and culture to the region’s economy and quality of life, and to develop public and private funding sources for the region’s arts and culture organizations. The Partnership also will begin developing a strategy to establish a dedicated regional fund for arts and culture.

The third phase of implementation will provide for a fully robust Partnership, having available sufficient resources to enact comprehensive programs of support to the region’s arts and culture organizations. The priority activities to be undertaken in each of these phases are described in the full report.

## CONCLUSION

It is clear that the Valley of the Sun is maturing into a major metropolitan area. While it is not there yet, its population growth, economic base, and other developments—whether they be major league sports teams, cutting-edge bioscience laboratories, or arts and culture organizations recognized nationally for excellence—suggest that the region is well on its way to becoming an internationally competitive region.

Continued investment in transportation, education, and research and development will be required to make the region an attractive place to work and live. Equally important will be the development of the region's arts and culture sector as a key driver for the region's economic future. A robust arts and culture sector will transform the region, making it a highly desirable place to live and visit. Creative people greatly contribute to the places in which they live. Arts and culture also will contribute to addressing some of the challenges facing the region by helping to educate our citizens and bridge gaps between diverse segments of the population. The Task Force has made the business case for arts and culture as an economic investment, not only directly in travel and tourism and local citizen usage, but in terms of attracting talent and educating our future talent base in their creativity and problem-solving capabilities. The Task Force believes that arts and culture are critical to the future economic prosperity of the Valley.

The Task Force's review of the region's arts and culture sector shows that the Maricopa region is behind other major metropolitan areas and is not catching up fast enough in its support of arts and culture. **The gap between what we are currently investing in arts and culture and what we would need to invest to catch up to our competition appears unbridgeable unless drastic changes are made in the region's approach to, and support of, arts and culture.** We must begin to act regionally by forming a Maricopa Regional Arts and Culture Partnership. This report outlines a set of strategies and actions designed to build a more robust and vibrant arts and culture base and to energize the region and its civic leadership to make the private and public investments needed to become a distinctive arts and culture center. The Valley must initiate bold action if it is to succeed in realizing its vision for the future.

## Introduction

At the 2002 annual meeting of the U.S. Conference of Mayors, the following resolution was proposed and unanimously adopted:

*Now, therefore be it resolved the United States Conference of Mayors ... urges mayors across the country to invest in nonprofit arts organizations through their local arts agencies as a catalyst to generate economic impact, stimulate business development, spur urban renewal, attract tourists and area residents to community activities, and to improve the overall quality of life in America's cities.*

Why did more than 200 mayors, at a time of city budget crises and declining tax revenues, unanimously agree that the arts should be a key strategic economic investment for communities? Because they understand that arts and culture are a cornerstone of economic development in today's economy.

Arts and culture play an ever more critical role in education and workforce development as “creativity” and “innovation” become central drivers of economic progress. Arts and culture not only entertain and enrich the lives of audiences and the artists and performers who participate in and produce them, but also build and extend the quality of life and sense of place within communities. Increasingly, it is these qualities that are determining the national winners and losers in attracting and retaining America's skilled human capital, the very people who attract desired business growth.

In addition, nonprofit arts and culture institutions usually incorporate roles of intervention, outreach, and community service into their activities—working to enhance the social fabric of their communities and helping to bring together diverse populations. Lastly, arts and culture institutions, particularly those that appeal to cultural tourists, enhance the local economic base and generate significant business volume, indirect government revenue, and local employment.

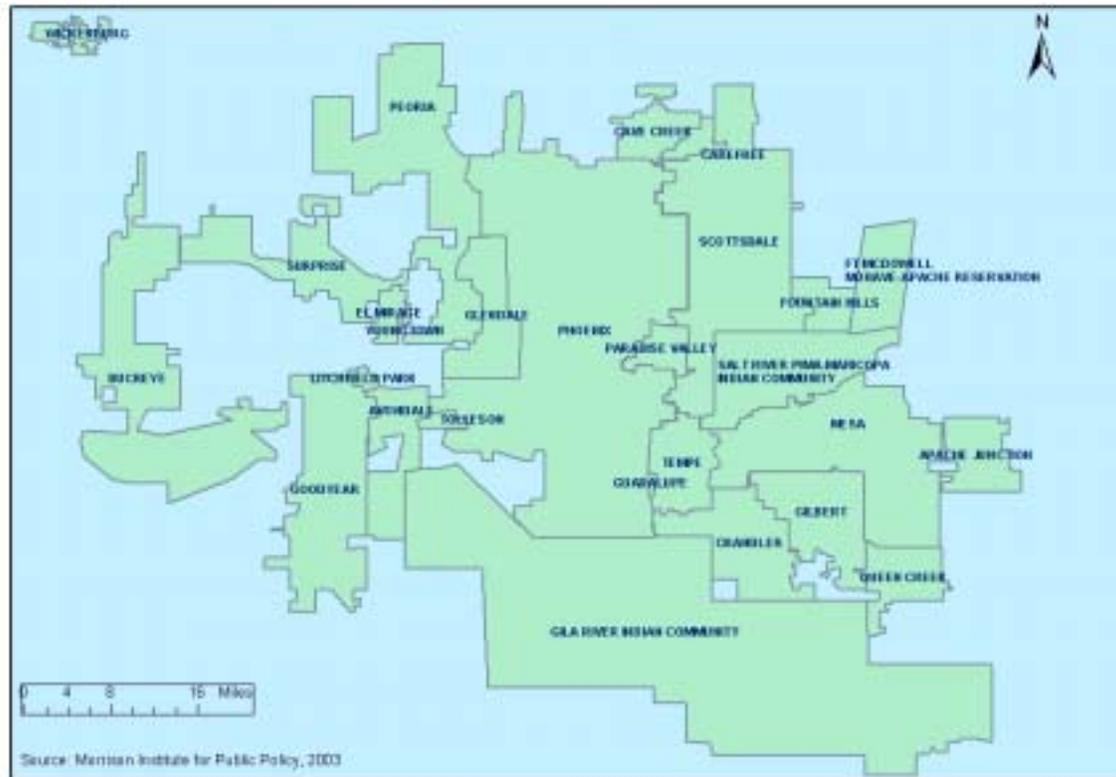
Civic leaders of Arizona's Valley of the Sun<sup>2</sup> recognized that our region must have a strong arts and culture sector to have a high-skill, high-innovation economy in a great, livable place (Figure 1). But, they also realized that the region needs to develop a collective vision for linking arts and culture with the region's economic development strategies as it builds and attracts the creative workforce that will determine future growth and prosperity. Furthermore, it was recognized that leadership, structure, and resources are needed to enable the arts and culture sector to partner in developing a knowledge-based economy and enhancing the region's quality of life.

To this end, in the early Summer of 2003, the Maricopa Regional Arts and Culture Task Force was formed by four commissioning foundations—Flinn Foundation, Margaret T. Morris Foundation, J.W. Kieckhefer Foundation, and The Virginia G. Piper Charitable Trust—to develop an understanding of the role played by arts and culture in the New Economy; to assess the status

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<sup>2</sup> Arizona's Valley of the Sun includes all of the cities, towns, and Indian communities that make up Maricopa County.

Figure 1: Map of the Valley of the Sun



and health of the region’s arts and culture sector; and to develop a strategy to enable the region’s arts and culture sector to function at the highest level, making the Valley one of the premier places in the nation to live and work.

Task Force members represent the arts, business, government, tourism, philanthropic, and educational leadership. The Task Force engaged Battelle Memorial Institute and Arizona State University’s (ASU’s) Morrison Institute for Public Policy to assist in this effort.

Over the course of six months, the Task Force

- Gathered input from business, community, arts and culture, and government leaders as well as citizens from throughout the Valley. On behalf of the Task Force, Battelle interviewed more than 40 civic and business leaders, members of the arts and culture community, educators, and representatives of the philanthropic sector. The Task Force convened five focus groups attended by more than 70 civic leaders, young professionals, and members of the arts and culture community and held three community dialogues open to the public and attended by more than 150 people. The participants in the interviews, focus groups, and community dialogues shared their views on the strengths and weaknesses of the region’s arts and culture sector and helped identify opportunities and threats to further developing it.
- Reviewed research on the economic and community impacts of arts and culture. The Task Force examined the business case for investing in arts and culture, seeking to answer these questions—what benefits accrue to a metropolitan area that invests in creating a vibrant and

robust arts and culture sector? How critical are arts and culture to the future economic vitality and quality of life of the Valley?

- Benchmarked the Valley against nine other major metropolitan areas. This benchmarking exercise allowed the Task Force to compare the performance of our arts and culture sector and the investments being made in it to that of our competition and to identify strategic issues that need to be addressed.
- Developed a vision and mission for arts and culture in the region, identified strategies and actions for achieving that vision, and proposed an action plan for implementing them. The Task Force provided a mechanism to bring together the business, arts and culture, education, and philanthropic communities to work in partnership to develop consensus around a vision for the Valley's future in arts and culture.

The Task Force set the following goal for itself:

***To stimulate economic development and improve the quality of life for local residents by developing and improving the Valley's arts and culture base.***

Arts and culture, as defined by the Task Force, include nonprofit

- Visual, literary, and performing arts organizations, both presenting and producing
- Science and historical museums
- Professional zoological and botanical organizations
- Regional and community arts centers
- Festivals and performances representative of the cultural traditions and diversity of the population of the region.

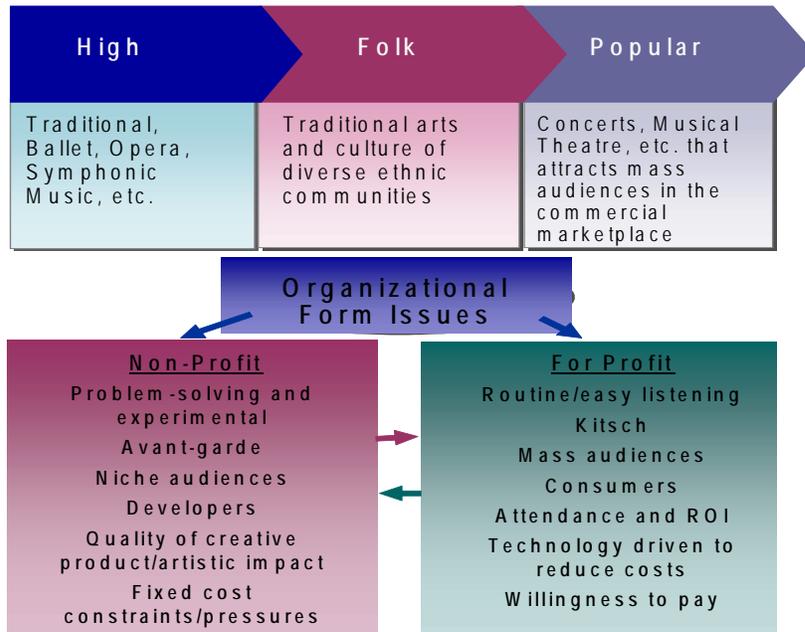
While in the past, the arts and culture sector was thought of as only encompassing nonprofit arts and culture organizations, such distinctions have less meaning today as both the nonprofit and for-profit sectors are increasingly considered part of the arts and culture environment with increasingly interdependent roles<sup>3</sup>. The Task Force recognizes the importance of having healthy for-profit and nonprofit arts and culture organizations. (Figure 2).

This report presents the findings, conclusions, and recommendations of the Task Force. It presents the business case for investing in arts and culture, assesses the current status of the region's arts and culture sector, compares the Valley to peer and competitor metropolitan areas, identifies key issues and challenges facing the Valley's arts and culture sector, and proposes strategies and actions that should be undertaken to position the Valley to become the nation's most attractive location in which to live and work.

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<sup>3</sup> Kevin McCarthy, Arthur Brooks, Julia Lowell, and Laura Zakaras. *The Performing Arts in a New Era*. Santa Monica: The Rand Corporation, 2001.

**Figure 2: Arts and Culture: Continuum of Interdependency**



## Why Here? Why Now?: The Business Case for Arts and Culture

### A PLACE FOR ARTS AND CULTURE IN ECONOMIC GROWTH

Arts and culture has a key role to play in attracting talent; developing our future workforce; and creating an environment that will attract businesses, workers, and tourists. Arts and culture also has a critical role to play in linking our communities and creating an identity for our region. Arts and culture contributes to the regional economy in the following ways.

**Arts and culture leads to a better educated workforce and helps develop workers with the skills businesses need.** Business leaders recognize the importance of a well-educated, skillful, and creative workforce. Workers must be able to solve problems, think creatively, and make decisions. Workers also must have interpersonal skills and be able to work as members of a team. All these skills are enhanced and accelerated through arts and culture education. Both performing and visual arts enhance the higher-order thinking skills and affective skills, traits that today’s economy requires.

Researchers at Columbia University<sup>4</sup> who studied 2,000 middle school students in four states found that those receiving at least three years of in-school arts instruction scored significantly higher in quantitative tests of creative thinking. Students with arts instruction scored 20 points higher than their peers on measures of creative thinking, fluency originality, elaboration, and resistance to closure.

Through after-school programs, youth arts ensembles, and outreach programs into schools, the nonprofit arts and culture community has been instrumental in shouldering much of the arts and culture education workload.

The National Governors Association (NGA) Center for Best Practices points out that, “in addition to supporting general workforce competencies, arts competencies in themselves can be marketable skills in today’s economy.”<sup>5</sup> The arts and culture fields themselves are significant direct employers; but, in addition, numerous commercial fields make use of the arts and culture workforce, including graphic design firms, advertising agencies, the motion

#### Arizona Commission on the Arts School to Work Partnership

At some point in their lives, many people have wanted to be an artist, actor, dancer, or musician. However, most people lack practical information about what these professions involve, and they are unaware of the many other behind-the-scenes or related career opportunities in the creative realm. The Arizona Commission on the Arts (ACA) set out to raise awareness of career opportunities in the arts and humanities by introducing K–12 students to the wide variety of jobs in both the commercial and nonprofit sectors. Using a \$170,000 contract to participate in the state’s implementation of the federal School to Work Opportunities Act of 1994, the ACA created and executed an arts and humanities partnership for the greater Phoenix area. Through the Maricopa County Arts and Humanities School to Work Partnership, students, teachers, and arts businesses gained insight into the cultural economy and its workers. The partnership’s activities were designed to teach students new skills and impart information about the nature of work in the arts and related fields.

<sup>4</sup> Burton, Horowitz, and Abeles. “Learning in and Through the Arts: Curriculum Implications.” In Ted Fisk (Editor) *Champions of Change*. Washington, DC: Arts Education Partnership, 1999.

<sup>5</sup> “Issue Brief: The Impact of Arts Education on Workforce Preparedness.” *Front and Center*. Washington, DC: NGA Center for Best Practices. May 2002.

picture industry, television, multimedia and Web site development firms, product design studios, fashion houses, and multiple other “creative” industries. The NGA notes that, “in this way, workforce development programs that involve the arts may provide dual benefits, opening up careers in the creative industries for some students while enhancing the overall workforce preparedness of others.”

**Arts and culture attracts business investment leading to jobs and income.** Arts and culture is an important element in communicating quality of place. Business leaders and investors choose to invest in facilities and locate their businesses in regions that have strong arts and culture assets and excitement and vibrancy readily apparent within the broader community. In Charlotte, North Carolina, the Charlotte Regional Partnership has undertaken a successful recruitment campaign that emphasizes the region’s cultural assets as one of four core strengths. The Partnership reports that four recent industry recruits attracted to the city indicated that the arts were among the top three issues they were looking at as they considered relocation.

**Arts and culture attracts tourists and conventions.** A vibrant arts and culture sector helps to attract visitors and can encourage visitors to lengthen their stay. These nonlocal visitors tend to spend more on food, lodging, and transportation than do local attendees. A study of the economic impact of nonprofit arts organizations and their audiences conducted by Americans for the Arts<sup>6</sup> found that, while local attendees spent an average of \$21.75 per event, nonlocal attendees spent \$38.05 per event or almost 80 percent more than local attendees. In addition, cultural activities based on local traditions and culture can attract tourists to participate in activities beyond traditional tourist outings thus spurring increased economic development.

**Arts and culture generate economic impact and return on investment.** Nationally, the nonprofit arts industry generated \$134 billion in total economic activity in 2000, an amount that is more than the gross domestic product of many nations in the world. This spending supported 4.9 million jobs and generated \$25.1 billion in federal, state, and local tax revenues. If major cultural establishments (such as zoological and botanical gardens, festivals, and cultural events) and for-profit arts and culture organizations are added to the mix, the impact of arts and culture would be significantly higher.

Similar impacts were generated by the arts and culture sector in Maricopa County. Nonprofit arts organizations in the City of Phoenix, Western Maricopa County, Mesa, Tempe, Chandler, and Scottsdale generated \$344 million in total economic activity in 2000 and generated \$34.5 million

#### Cultural Organizations Helped Create a Tourism Industry in Baltimore

An example of a successful urban revitalization project in which cultural institutions played a significant role is Baltimore’s Harborplace. Harborplace’s cultural attractions, which include the Baltimore Science Center, the National Aquarium, the National Museum of Visionary Art, and Port Discovery, form a critical mass of cultural tourism destinations. The development effectively created a large-scale tourism industry for Baltimore where one previously did not exist—in its first year following completion, Harborplace attracted more visitors than Disneyland.

Source: [www.harborplace.com](http://www.harborplace.com)

<sup>6</sup> Americans for the Arts, *Arts and Economic Prosperity: Economic Impact of Nonprofit Arts Organizations and Their Audiences*, 2003.

in tax revenue. Approximately 4,000 jobs were directly related to the arts, while 7,000 more jobs were related indirectly (Table 1).

**Table 1: Economic Impact of the Arts and Culture Sector**

	U.S.	Maricopa County
Total Expenditures	\$134 billion	<b>\$344 million</b>
FTE Jobs	4.85 million	<b>11,469</b>
\$ Resident Household Income	\$89.4 billion	<b>\$245.1 million</b>
\$ Local Government Revenue	\$6.6 billion	<b>\$12 million</b>
\$ State Government Revenue	\$7.3 billion	<b>\$22.5 million</b>
\$ Federal Government Revenue	\$10.5 billion	<b>NA</b>

Source: Americans for the Arts, *Arts and Economic Prosperity: Economic Impact of Nonprofit Arts Organizations and Their Audiences*, 2003.

Public investments in the arts also provides significant returns to the public sector. Federal, state, and local governments spend less than \$3 billion on support for the arts each year—and the federal budget for the National Endowment for the Arts is only \$155 million. The annual financial return on this investment, however, has been calculated to be more than eight times the investment. Studies commissioned by states and regions show even greater rates of return. For instance, in Maricopa County, the return on investment (ROI) in terms of the total spent on local arts agencies against total economic impact is \$16.8 to \$1. Indeed, on the pure economic impact benefits alone, arts and culture enhancement is a rational economic development mission.

### **Arts and culture connects the community and builds regional vibrancy and enrichment.**

More and more people are participating in cultural activities that provide entertainment as well as unique interactive learning experiences for all ages (Table 2). Indeed, the availability of arts and culture is viewed as key to having an attractive quality of life, a factor that has become more and more important to people's choices of where to live. Public interest in the arts and culture has been increasing to the extent that these activities now outdraw sporting events and first-run movies. In 1998, consumers spent \$9.4 billion on admissions to performing arts events—\$2.6 billion more than they spent on motion pictures and \$1.8 billion more than they spent on spectator sports.

#### **Culture Benefits Millions**

More than 9 million people, twice the state's population, attended Denver area cultural activities in 2001. This compares with 7.5 million people visiting Front Range ski resorts and 5.3 million people attending Denver's professional sporting events.

Source: *Culture Counts: The Economic and Social Impact of Metro Denver Culture*, Denver: Deloitte & Touche and the Colorado Business Committee For the Arts, October 2002.

**Table 2: Participation in the Arts, 2002**

	% Attended/ Visited/Read	% Watched or Listened to Media/Internet	% Personally Performed or Created	% Took a Class	% All Participation Forms
Performing Arts	32	52	13	3	59
Visual Arts	42	26	39	2	59
Historic Sites	32	NA	NA	NA	NA
Literature	46	18	7	1	50
<b>Total</b>	<b>65</b>	<b>56</b>	<b>44</b>	<b>5</b>	<b>76</b>

Source: 2002 Survey of Public Participation in the Arts, National Endowment for the Arts.

More residents of the Valley are participating in arts and culture as well. According to a survey of some 50 arts and culture organizations for *What Matters in Greater Phoenix: Indicators of Our Quality of Life*,<sup>7</sup> participation in arts and culture events climbed from 4.7 million in 1996–1997 to 6.2 million in 1998–1999. As noted in *Vital & Valuable: Economic Impact of Valley Nonprofit Arts Organizations and Their Audiences*,<sup>8</sup> attendance at arts events in 1999–2000 in Maricopa County totaled 8.2 million.

**Arts and Culture Plays Key Role in Revitalizing Area of Downtown Pittsburgh, Pennsylvania**

In Pittsburgh, the operations of the nonprofit Pittsburgh Cultural Trust has been instrumental in transforming a 14-block area of Pittsburgh into a center for cultural tourism, nighttime entertainment, and business activity. The Trust has renovated three major theaters and been the developer for a fourth. In addition, it has undertaken streetscape improvements and developed a linear Riverfront park as a visual and recreational boundary for the District. Arts and culture venues within the Pittsburgh Cultural District now receive almost 1 million visitors per year, and independent impact analysis indicated that the District had an annual economic impact of \$110 million on Allegheny County and generated \$9.1 million in revenues for City of Pittsburgh and county government.

Such increased attendance is not just for entertainment value but for interactive learning experiences for all age groups. Cultural activities enable the region to bring together people of diverse backgrounds and bridge many differences. As people participate in enjoying an activity together—whether singing in a choral society or attending an ethnic street festival—they are able to connect with one another and form personal bonds. Because cultural participation often provides a neutral meeting ground, it is particularly conducive to bridging differences, be they socio-economic, ethnic, educational, or generational.<sup>9</sup>

**Arts and culture revitalizes our communities, providing opportunities to link and build mixed use neighborhoods and create unique brands and images for regions.** Cities throughout the country have used arts and culture as a catalyst to revitalize distressed areas. Within the urban core of America’s cities, arts venues have been among the first historic structures to undergo renovation, often providing the necessary spur for surrounding development with restaurants, retail, and post-event nightlife venues. Some cities, including Philadelphia,

<sup>7</sup> Morrison Institute for Public Policy. *What Matters in Greater Phoenix: Indicators of Our Quality of Life*. Tempe: Arizona State University, 1999.

<sup>8</sup> [www.phoenix.gov/artscomm.html](http://www.phoenix.gov/artscomm.html).

<sup>9</sup> Cultural Initiatives Silicon Valley. *Creative Community Index*.

Charleston, and Newark, have created arts districts to revitalize distressed downtown areas. A recent study of seven New York City neighborhoods found that cultural development is having a major impact on the development of neighborhoods outside Central Manhattan. “These are not the traditional creative hubs like SoHo, the East Village or Midtown; rather, the creative economy is spurring overall economic growth in the South Bronx, Fort Greene, Jamaica, Long Island City, Harlem, Lower Manhattan, and St. George in Staten Island.”<sup>10</sup> Arts and culture helps to create a unique sense of place.

## SUMMARY AND CONCLUSIONS

Arts and culture contributes to economic and community development in a variety of ways. Chief among these, and of growing importance both nationally and in the Valley, is the profound impact arts and culture has on education and workforce development. These workforce benefits, however, do not occur by simply creating more arts and culture assets—rather they need to be nurtured and linked to the educational and workplace environment. Arts and culture also plays a role in attracting and retaining knowledge workers and other desirable groups. Plus, the arts can promote the diversity and tolerance required for attracting the creative class, immigrants, and other demographic groups. Through intervention and outreach programs, nonprofit arts and culture institutions also serve an important role in creating economic opportunity for at-risk populations and increasing the social inclusion of marginalized groups within a community’s population.

To these benefits must be added the quality-of-place contributions of arts and culture institutions. Their presence serves the increasing demand for culture and art-based entertainment. Arts and culture are fun, entertaining, uplifting, spiritual, and educational—they simply make a community a better and more rewarding place in which to live.

Arts and culture contributes to the Valley’s economy and results in many positive social and community development benefits. But, could arts and culture contribute more? To help answer this question, the Task Force compared the region’s arts and culture sector with other major metropolitan areas. The results of this benchmarking exercise are presented in the next section of this report.

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<sup>10</sup> *The Creative Engine: How Arts and Culture is Fueling Economic Growth in New York City*. New York: Center for an Urban Future, November 2002, p. 3.

## Where Maricopa’s Arts and Culture Stand: Hard Looks and Tough Comparisons

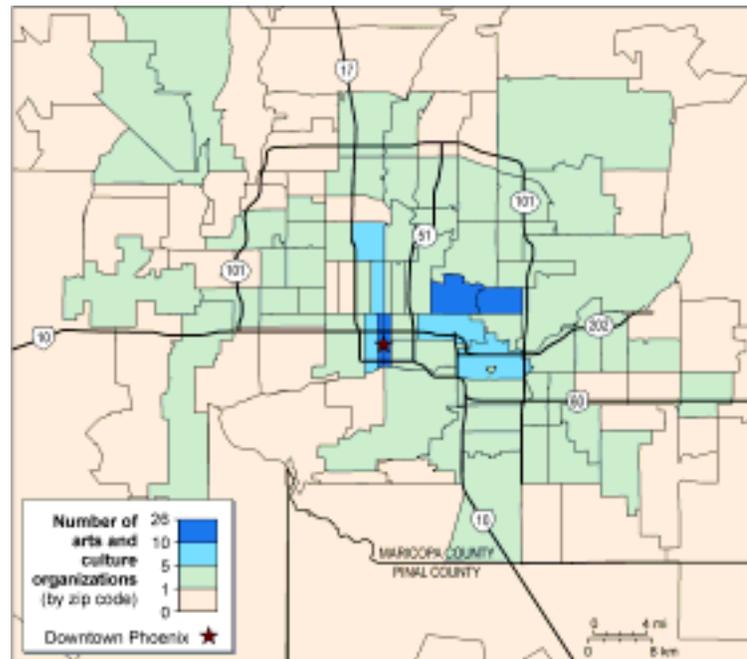
### THE VALLEY’S ARTS AND CULTURE SECTOR TODAY

Given the important role that arts and culture plays in creating an environment conducive to growing a knowledge economy, the quality, breadth, and depth of a region’s arts and culture sector has become an important determinant of comparative advantage. Cities and regions such as Atlanta, Denver, and San Diego have made the development of lively, exciting arts and culture offerings a key element of the region’s economic development strategy. To get a feel for the scope and breadth of Maricopa County’s arts and culture sector, Morrison Institute analyzed data on organizations, venues, and trends. The major findings from the review of Maricopa County’s arts and culture organizations are below. Additional data and analysis are contained in *A Place for Arts and Culture: A Maricopa County Overview*, which was prepared by Morrison Institute.

**Arts and culture activities are found throughout the Valley.** As the region’s population has grown and diversified, residents have started many private, nonprofit organizations to provide opportunities for local artists, teach art forms, address social problems, preserve history, share their cultures, and more. Today, approximately 300 organizations throughout Maricopa County offer a wide variety of performances, festivals, lessons, and programs; and additional groups are forming continually (Figure 3).

Of these, approximately one-third might be considered “regional,” meaning—in economic development terms—that they attract new dollars to the region or have the infrastructure and stature necessary for sustained services and growth. Examples include Heard Museum, Arizona Theatre Company, Childsplay, Desert Botanical Garden, and the Phoenix Art Museum, among others. The remaining two-thirds of Maricopa County’s arts and culture organizations could be characterized as more “local,” but no less important. They may be quite new, such as the Filipiniana Cultural Dance Group, or, like the Orpheus Male Chorus, have a history three-quarters of a century long. Volunteers manage some local organizations as in the case of Buckeye’s Historical and Archaeological Museum, while others have paid staff as do the Essential Theatre and Phoenix History Museum. The activities of

**Figure 3: Arts Organizations throughout the Valley  
(Number of arts organizations by zip code, 2003)**



Source: Morrison Institute for Public Policy, 2003.

local organizations, whether once a season or throughout the year, provide many important opportunities for residents and offer areas of growth for visitors.

**In addition to being geographically diverse, the arts and culture organizations in the Valley have experienced growth during the past decade.** The past decade or so has seen substantial growth in numerous Maricopa County organizations, the completion of major additions to the Desert Botanical Garden and Heard Museum (to name just two), and the passage of bond programs, which have created or renovated numerous arts and culture facilities.

One of the most visible signs of arts growth is new performing arts centers and venues. Phoenix bond programs, for example, have built or rehabilitated facilities such as the Orpheum Theatre in the recent past. Of the Phoenix bonds approved in 2001 for arts and culture, \$25.7 million is slated to be spent in 2004. In addition, voters gave the go ahead for significant performing arts centers in Mesa and Tempe. These major facilities will come on line within the next two years. Peoria will be building a theater facility soon, while the West Valley is cooperatively launching a campaign to create a new West Valley Arts Center. This growth means that facilities, organizations, and infrastructure are still developing.

New venues may provide more options for residents, but some leaders worry about potential competition among communities. In addition, concerns have been raised about whether, besides community groups, there are sufficient professional companies to be full-time residents of these facilities or if they will simply be stops for touring companies. What is known is that, with arts and culture recognized as a catalyst for revitalization in downtowns and neighborhoods and the desire of communities to build an identity based on arts and culture, interest in centers will continue to increase.

**Public Sector Bond Campaigns Have Boosted Arts and Culture: The Phoenix Example**

**1988 Phoenix Bond**

- Burton Barr Central Library
- Arizona Science Center
- Phoenix Museum of History
- Phoenix Art Museum expansion
- Orpheum Theatre

**2001 Phoenix Bond**

- Memorial Hall renovation
- Phoenix Theatre expansion
- Symphony Hall renovation
- Valley Youth Theatre facility acquisition
- Carver Museum and Cultural Center renovation
- Phoenix Art Museum expansion
- Museo Chicano expansion
- Arizona Science Center expansion
- Phoenix Family Museum facility acquisition and renovation
- Phoenix Museum of History expansion
- Tovrea Castle rehabilitation

**Cultural Attractions**

A 2003 compilation by azcentral.com of the Best Phoenix Attractions included seven arts and culture institutions in the top 10, including

- Arizona Science Center
- Desert Botanical Garden
- Heard Museum
- Papago Park
- Phoenix Art Museum
- Phoenix Zoo
- South Mountain Park

**The growth of the Valley’s arts and culture sector has contributed to tourism.**

One indicator of regional organizations’ multifaceted role is their prominence in state tourism. The Phoenix Business Journal’s Book of Lists highlights arts and culture as a contributor to tourism. As shown in Table 3, attendance at seven arts and culture sites in the Valley (among the top 25 attractions statewide) topped 3 million in 2001.

**Table 3: Visitation Increased or Was Stable at Most Top-Attendance Institutions, 2000–2001**

Site	2000 Attendance	2001 Attendance
Phoenix Zoo*	1,100,000	1,100,000
Scottsdale Center for the Arts and Scottsdale Museum of Contemporary Art	122,495	500,000
Arizona Science Center	326,582	454,189
World Wildlife Zoo*	420,000	395,000
Phoenix Art Museum	242,000	326,893
Heard Museum	250,000	250,000
Desert Botanical Garden	260,000	223,000
<b>Total</b>	<b>2,721,077</b>	<b>3,249,082</b>

\*Wildlife World Zoo in Litchfield Park and the Phoenix Zoo are the region's only institutions accredited by the American Zoo and Aquarium Association, the major oversight association in the United States.

Source: *Phoenix Business Journal*, 2002

**Large numbers of the region's population participate in arts and culture.** Arts and culture can easily touch great numbers of people because of numerous opportunities and large venues. For example, the Desert Botanical Garden now welcomes more than 200,000 people per year. The Heard Museum Guild's annual Indian Fair and Market (which celebrated its 45th festival in 2003) draws approximately 15,000 people in one weekend. The Scottsdale Museum of Contemporary Art alone served more than 10,000 residents in its education and outreach programs in 2002, while the Scottsdale Arts Festival counted more than 33,000 people that year. Glendale Public Library's five-month season of performances and events attracts as many as 3,500 people annually.

The Valley clearly has a diverse set of quality arts and culture offering and venues, but is our arts and culture sector comparable to those of our competitors?

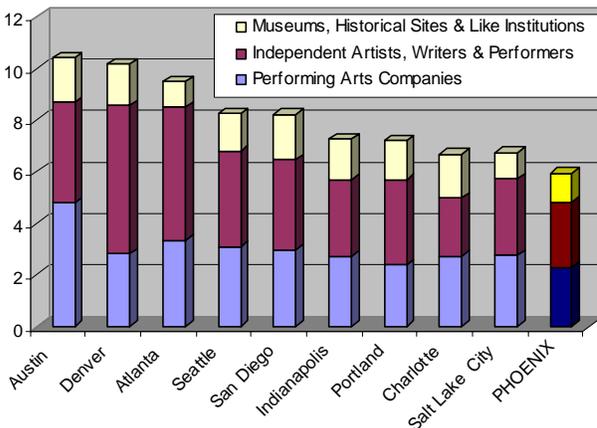
## HOW THE VALLEY COMPARES WITH OTHER REGIONS

While the Valley has a large and growing arts and culture sector, how does the region compare with other regions of the country? Is Maricopa County rich in arts and culture, or is its arts and culture community less developed than those of other metropolitan areas? To assess Maricopa County's position vis-à-vis peer and competitor regions, the Phoenix metropolitan statistical area's (MSA's) arts and culture sector was benchmarked against the following nine metropolitan areas: Atlanta, Austin, Charlotte, Denver, Indianapolis, Portland, Salt Lake City, San Diego, and Seattle. The Phoenix MSA includes Maricopa and Pinal counties. The following section summarizes the findings and conclusions from the benchmarking analysis.

**The Valley’s arts and culture sector is smaller than those of the benchmarks in terms of number of establishments and number of employees.** To get a sense of the size of the arts and culture sector and trends in growth, data from *County Business Patterns, 2001* on the total number of arts and culture establishments<sup>11</sup> in each of the benchmark regions were examined. “Arts and culture” is defined to include performing arts organizations, independent artists, writers and performers, museums, and historical sites and like institutions. The data, which include both for-profit and nonprofit entities, are meant to provide a sense of the size of the arts and culture community as seen by workers and businesses in each of the benchmark communities.

The Phoenix MSA ranked fifth among the benchmarks in the total number of arts and culture establishments. When the data are adjusted for population size, however, the Phoenix MSA has approximately six establishments per 100,000 residents, ranking the region last among the benchmarks (Figure 4). This ranking is most likely a result of the rapid growth of the region’s population and suggests that the region is not keeping pace with its arts and culture offerings for the size of its population.

**Figure 4: Number of Establishments in the Arts and Culture Sector by MSA per 100,000 Residents, FY 2001**

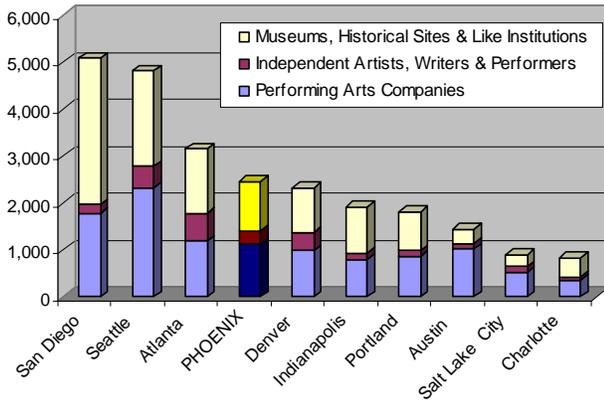


Source: Battelle calculations from *County Business Patterns, 2001*.

To get a sense of the employment impact of the arts and culture sector and trends in growth, data on the total number of arts and culture employees in each of the benchmark regions were examined. The Phoenix MSA ranks fourth in terms of total employment in the arts and culture sector but drops to eighth when population is taken into account (Figures 5 and 6).

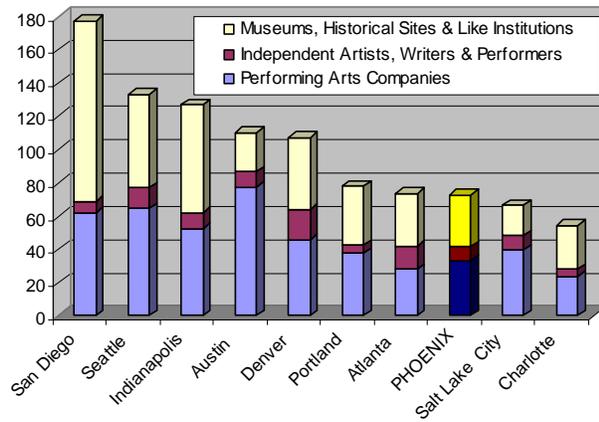
<sup>11</sup> The U.S. Census Bureau defines an establishment as a single physical location at which business is conducted or services or operations are performed. It is not necessarily identical with a company or enterprise, which may consist of one or more establishments. When two or more activities are carried on at a single location under a single ownership, all activities generally are grouped together as a single establishment. The entire establishment is classified on the basis of its major activity, and all data are included in that classification.

**Figure 5: Estimated Employment in the Arts and Culture Industry, FY 2001**



Source: Battelle calculations from *County Business Patterns, 2001*.

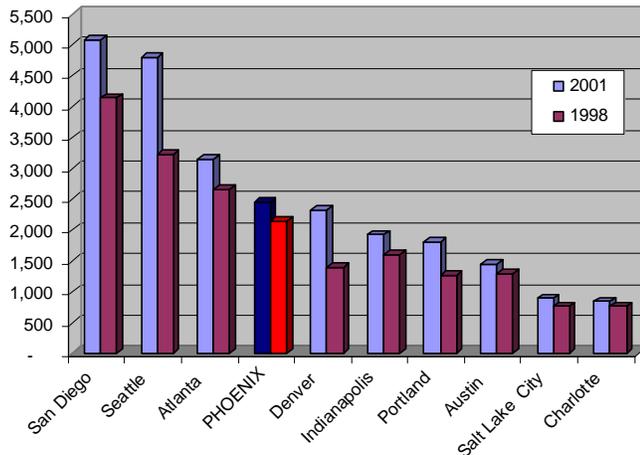
**Figure 6: Estimated Employment per 100,000 Residents in the Arts and Culture Industry by Metro Area, FY 2001**



Source: Battelle calculations from *County Business Patterns, 2001*.

**Maricopa’s arts and culture sector is not growing as rapidly as many of the benchmarks.** The number of arts and culture establishments in the Phoenix MSA increased 7 percent between 1998 and 2001. This growth rate was less than that of Salt Lake City (30 percent), San Diego (17 percent), Portland (14 percent), Denver (16 percent), and Atlanta (15 percent) but equal to Austin and greater than Indianapolis (5 percent), Seattle (3 percent), and Charlotte (declined by 2 percent). Employment in the arts and culture sector, however, grew only 14.5 percent, which was lower than seven of the benchmarks. Employment in Denver’s arts and culture sector grew 66 percent during the same time period while both Seattle and Portland had growth rates in excess of 40 percent. The median growth rate was 20 percent. Only Austin (11 percent) and Charlotte (10 percent) had lower growth rates than the Phoenix metro area (Figure 7).

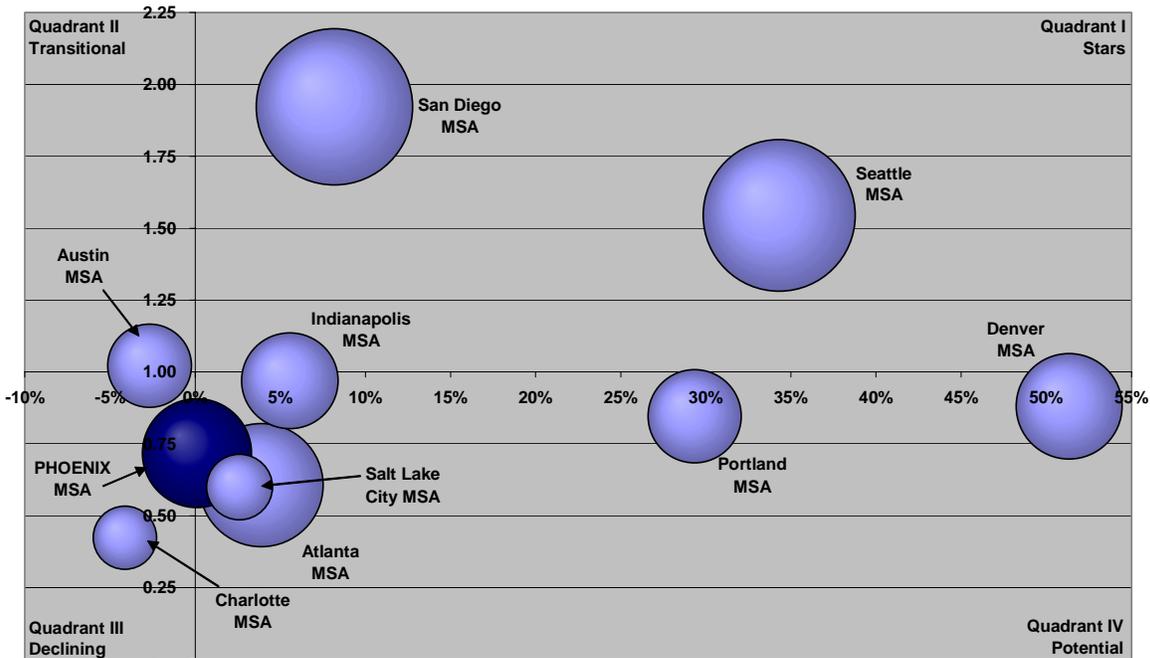
**Figure 7: Employment Change in the Arts and Culture Industry Sectors, FY 1998–2001**



Source: Battelle calculations from *County Business Patterns, 2001*.

**The Valley does not yet have a specialization in arts and culture.** Figure 8 illustrates the performance of each region’s art and culture organizations by employment size, comparative growth rate, and relative concentration. The area of each disk corresponds to the size of the sector in terms of employment. The vertical axis represents the region’s relative specialization in arts

**Figure 8: Total FY 2001 Arts and Culture Sector Employment with Location Quotient and Employment Difference from the United States, FY 1998–2001 Change**



and culture (defined as its location quotient<sup>12</sup>), and the horizontal axis displays the extent to which the arts and culture sector’s employment growth rate in the region exceeds the national growth rate of 14.4 percent for the arts and culture sector.

The regions that have arts and culture as a current strength fall into the upper-right quadrant. Underperforming arts and culture regions occupy the lower-left quadrant. The bottom-right quadrant indicates a region that is underconcentrated but closing the gap by expanding at greater than national rates, making it a candidate for future growth.

The data indicate that San Diego and Seattle are clear leaders in the arts and culture sector. Both regions have sizable employment (4,802 and 5,076, respectively), positive growth (34.3 percent and 8.2 percent, respectively), and a concentration that is considered significant in comparison with the nation. (A location quotient of 1.25 is considered to be significant.) Seattle has a location quotient of 1.54, and San Diego’s is 1.92. Denver and Portland are developing strong arts and culture bases by growing at a rapid rate (51.3 percent and 29.3 percent higher growth than the national average, respectively), which should lead to a significant concentration in the long run. By comparison, the Phoenix MSA arts and culture sector has been growing at about the same rate as the sector is growing nationally. The region’s arts and culture industry is 28 percent less concentrated than the nation (a location quotient of 0.72).

<sup>12</sup> Location quotients are a common measure of the concentration of a particular industry in a region relative to a reference area. A location quotient greater than 1.0 indicates that the region is relatively concentrated in the particular industry, whereas a location quotient of less than 1.0 signifies relative under-representation. Location quotients are used to report regional industry concentrations relative to the United States.

*Per capital revenue of arts and culture organizations in the Phoenix metro area was only \$27.83 as compared with \$188 in Indianapolis and \$119 in Denver and Seattle.*

**The region significantly lags other regions’ arts and culture funding support both in terms of total and contributed (public and private donations and grants) revenues.**

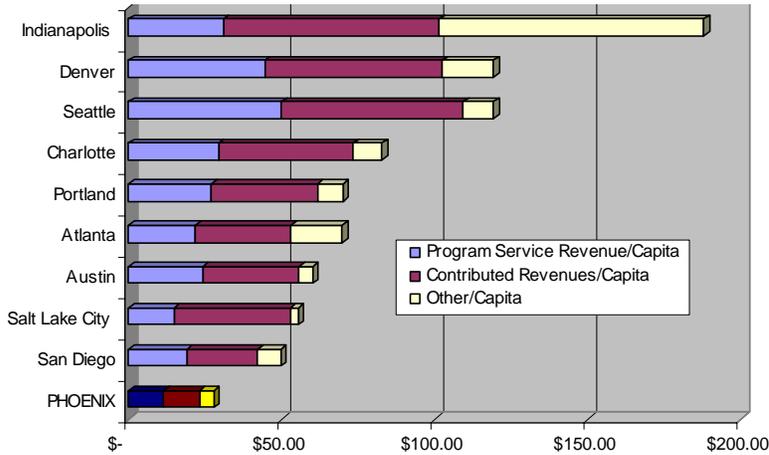
In FY 2001, the region’s total arts and culture revenues amounted to just over \$94 million. This ranked Phoenix eighth in total revenues (Table 4). On a per capita basis, spending on arts and culture organizations was significantly lower than that of all of the benchmark communities (Figure 9). In 2001, total revenue of arts and culture organizations in the Phoenix metropolitan area was only \$27.83 per capita. This compares with per capita totals of approximately \$188 in Indianapolis and \$119 in Denver and Seattle. The Phoenix metro area also ranks lowest in terms of contributed revenues per capita.

**Table 4: Arts, Culture, and Humanities Organization Revenues by Metro Area, FY 2001 (millions of dollars)**

Metro Area	Total	Contributed Revenue	Program Service Revenue	Revenue from Special Events	Dues and Assessments	Other
Atlanta	298.0	133.8	81.5	1.21	10.4	71.1
Austin	78.9	41.6	28.9	.86	2.0	5.6
Charlotte	128.2	67.9	42.8	.47	2.2	14.7
Denver	257.7	125.1	87.8	.26	8.4	36.1
Indianapolis	284.3	107.0	30.2	.31	16.2	130.6
<b>Phoenix</b>	<b>94.2</b>	<b>40.0</b>	<b>33.5</b>	<b>1.9</b>	<b>3.4</b>	<b>15.5</b>
Portland	162.4	80.0	57.7	.51	4.9	19.4
Salt Lake City	74.9	51.2	18.7	.61	0.6	3.7
San Diego	142.6	66.4	49.1	.78	4.7	21.7
Seattle	429.8	214.6	168.8	5.02	6.2	35.1

Source: The Unified Database of Arts Organizations (UDAO) from the National Center of Charitable Statistics (NCCS) (at the Urban Institute) Web site. The UDAO is a collaborative effort of the National Endowment for the Arts, the National Assembly of State Arts Agencies, and the National Center of Charitable Statistics.

**Figure 9: Arts, Culture, and Humanities Total Revenues per Capita for Benchmark Regions, FY 2001**



*The Phoenix metro area ranks last among the benchmarks in per capita revenue of arts and culture organizations.*

**The Valley reports greater economic impacts than most of the benchmarks, despite having a small arts and culture sector.** It is difficult to compare the regions in terms of the economic impact of the arts and culture sector because the impact numbers are often for different years, the definitions of the categories differ, different data points are collected, and the collection techniques vary. However, that being said, it is still interesting to note that, of the seven regions that have developed economic impact numbers, the Valley reports the second largest overall total impact at \$344 million (Table 5). In addition, the Valley reports the second highest number of jobs at 11,424. Therefore, one can assume that the impact of arts and culture on the Valley’s economy has been significant in comparison with the benchmarks, despite facing serious financial challenges.

**Table 5: Comparison of Benchmark's Economic Impact Data**

	Charlotte <sup>13</sup>	Denver <sup>14</sup>	Indianapolis <sup>15</sup>	Maricopa County <sup>16</sup>	Salt Lake City <sup>17</sup>	San Diego <sup>18</sup>	Seattle <sup>19</sup>
Total Economic Impact	\$95 million	\$1 billion	\$294.4 million	<b>\$344 million</b>	\$79.6 million	\$116 million	\$338 million
FTEs	1,745	-	10,412	<b>11,424</b>	5,179	5,600	12,839
Resident Household Income/ Total Impact of Earnings	\$53 million	-	\$230.8 million	<b>\$244.2 million</b>	\$69.6 million to \$171 million		
Total Number of Attendees	2.9 million	-	7 million	<b>8 million</b>	1.8 million	4.8 million	5.1 million
Cultural Tourists	510,000	860,000	-	<b>1.2 million</b>	-	1.66 million	-
Cultural Tourism Impact	-	\$139 million	-	<b>\$64.4 million</b>	-	\$217 million	\$100 million
Volunteers	8,360	28,800	-	<b>15,000</b>	-	14,861	19,000

<sup>13</sup> Arts and Science Council. *Survey of Economic Impact of the Affiliated Members of the Arts & Science Council of Charlotte-Mecklenberg for Fiscal Year 1999–2000: Executive Summary*. Available in brochure format from the ASC.

<sup>14</sup> All data are for 2001 and are taken from *Culture Counts: The Economic and Social Impact of Metro Denver Culture*. Denver: Deloitte & Touche and the Colorado Business Committee for the Arts, October 2002.

<sup>15</sup> Arts Council of Indianapolis. *Arts & Economic Prosperity: The Economic Impact of Nonprofit Arts Organizations and Their Audiences in Indianapolis*. Brochure summarizing regional impact as measured by the national study is available from the Arts Council.

<sup>16</sup> *Vital and Valuable: The Economic Impact of Valley Nonprofit Arts Organizations and Their Audiences* was sponsored by seven local arts agencies as part of the national economic impact study conducted by the Americans for the Arts.

<sup>17</sup> *The Economic Impact of Utah's Cultural Sector*. Prepared for the Utah Arts Council. Prepared by WESTAF, June 2000.

<sup>18</sup> *Vibrant Culture: Vibrant City: FY02 Economic Impact Report*. City of San Diego Commission for Arts and Culture.

<sup>19</sup> *An Economic Impact Study of Arts and Cultural Organizations in King County: 1997*. Prepared for the Corporate Council for the Arts. Prepared by GMA Research Corporation. Released January 1999.

## CONCLUSION

The Valley has matured in many ways, but what has generally not been fully recognized is the critical role that arts and culture plays in a mature metropolitan region. The Valley's arts and culture sector is growing, but it will need to continue to grow at a more rapid pace to be comparable with the arts and culture sectors in most of the benchmarks. The region's arts and culture sector is less concentrated than the sector is nationally, demonstrating that there is potential for growth. A key factor that is limiting sector growth is funding. The region greatly lags the other regions in terms of revenues going to nonprofit arts and culture organizations. Despite this, the arts and culture sector's contribution to the Valley's economy is impressive, particularly given the size of the sector. But, this economic impact could be even greater. To move to the next level and to help achieve the Valley's economic vision, the region's arts and culture sector must address a number of challenges. These are discussed in the next section.

## Challenges We Face

The Task Force conducted interviews and held focus groups and community dialogues to solicit input on the challenges and issues facing the region’s arts and culture sector. The participants identified a range of issues, some of which are affecting arts and culture organizations nationally and others that are unique to the region, that are limiting the ability of the region’s arts and culture sector to contribute more fully to the region’s economy and quality of life. The key challenges identified are described below.

### GROWING AND MAINTAINING AN AUDIENCE BASE

Increased competition and entertainment choices, rising ticket prices, aging audiences, and rapid advances in digital technologies are all factors that are putting pressure on arts and culture organizations across the country to maintain and grow their audience bases. In addition, demographic changes in the age and composition of the population will impact the arts and culture sector because (1) its audiences tend to be older and (2) traditional arts and culture organizations are not attracting large numbers of younger people.

Adding to this pressure in the Valley is:

- A rapidly growing, dispersed population that is placing increased demands on the region’s arts and culture organizations
- Limited integration of arts and culture into education
- Young arts and culture organizations that have not yet reached the stature of organizations in more mature regions.

**The Valley has a rapidly growing population that is increasingly diverse.** Arizona added 1.5 million new residents in the past decade and is home to three of the nation’s top five fastest-growing cities with populations of more than 100,000. Between April 1, 2000, and July 1, 2002, the population of Gilbert grew 23 percent, making it the fastest-growing city with populations more than 100,000 in the United States. Chandler with 14 percent growth ranked

fourth, and Peoria with 13 percent growth ranked fifth. Mesa and Scottsdale are the 22nd and 29th fastest-growing cities, respectively. The City of Phoenix, according to the 2000 Census, is the sixth largest city in the United States. This rapid growth has placed great demands on the region’s arts and culture organizations.

“Maricopa County’s population is transient and the region is undergoing increasing urbanization. The population includes large numbers of young people as well as aging boomers or retirees. This results in a fragmented and uneven demand for culture amenities, with an ethnically and socially diverse youth market on one end and older people more interested in traditional arts and culture on the other end.”

Adrian Ellis  
*The Arts in Arizona*  
2002

The Valley’s population is dispersed with many localities trying to support arts and culture in their communities. The Valley is unique in that it includes a number of large cities, each with its own distinctive character, with much to contribute to the region’s arts and culture offerings. Unlike other metropolitan regions that are dominated by a single central city surrounded by smaller, suburban communities, the Phoenix metropolitan region includes six cities with

populations greater than 100,000—Chandler, Gilbert, Mesa, Peoria, Scottsdale, and Tempe. Mesa is now the 45th largest city in the nation, larger than Cincinnati; Pittsburgh; St. Louis; and Oakland, California. Each self-contained community is attempting to address these needs and increasing the supply of venues for visual, performing, literary, and other arts and culture experiences; but, there has been little collaboration among the communities.

The composition of the state’s expanding population also presents a challenge for the region’s arts and culture organizations. In 2000, 30 percent of the region’s population was 19 years of age or younger, while those 20 to 44 years accounted for 39 percent. This means that nearly 7 out of 10 residents in the county are in their mid-40s or younger. The national trends in younger people turning to alternative forms of arts, culture, and entertainment, therefore, are of even greater import to the Valley.

In addition, the population is becoming increasingly Latino. Between 1990 and 2000, the Hispanic population grew by 90 percent. This growth in the Latino population suggests that the region’s arts and culture organizations need to offer programming and events that will appeal to this population.

**Lack of funding has resulted in cuts in arts education in the region’s public K–12 education systems.** The State of Arizona adopted arts standards in 1997. Lack of funding, however, has led to cuts in arts education in many school districts in the Valley. Such cuts in funding for arts education in the public schools could have a long-term negative impact on the region’s workforce and its economic base. It also could negatively impact future arts and culture audiences and awareness of the importance of arts and culture to the community and its economic future.

**The Valley is young and its arts and culture sector is not yet recognized as having the type of “signature” arts and culture organizations, programs, and events found in more mature regions.** While the Valley has some signature arts and culture organizations, the region needs to enhance its existing attractions and develop more areas in which it excels. Interviewees indicated that the region needs more top-level performances that can generate excitement in the community. A participant in one of the community dialogues stated, “The Valley lacks a large international arts and culture destination: something that would be unique in the U.S.” Developing such attractions will require choosing a few areas in which to build stature, scale, scope, and size of production to create signature organizations, programs, and events.

**Insufficient collaborations and connections exist among the region’s arts and culture organizations.** Currently, few mechanisms are bringing the arts and community together to identify ways in which the region’s arts and culture organizations might partner in programming, planning, marketing, and handling administrative functions; although, some new efforts, such as Alliance for Audience, to do this are underway.<sup>20</sup> In the past, however, the arts and culture community has been fragmented; organizations felt as if they were in competition with one another. As a result, there are no comprehensive sources of information on arts and culture activities that could help inform residents, particularly new residents, of available performances, festivals, and other cultural activities. There are few calendars, comprehensive databases, or

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<sup>20</sup> Alliance for Audience is a new arts service organization that has been formed to enable arts and culture organizations in the Valley to collaborate on joint marketing and ticketing.

easily accessible common Web/Internet sites that local residents and tourists can access to find out what arts and culture activities are available.

## **OBTAINING SUSTAINED, SIGNIFICANT FUNDING FOR THE REGION’S ARTS AND CULTURE ORGANIZATIONS**

A number of factors have converged that have limited the resources available to the arts and culture sector nationally. These include the following:

- The number of arts and culture organizations has grown significantly during the past decade, leading to increased competition for limited sources of dollars. A recent study of the performing arts conducted by the Rand Corporation found that the number of nonprofit performing arts organizations increased by more than 80 percent between 1982 and 1997. At the same time, the average real revenues for nonprofit performing groups have declined, suggesting that most of the new nonprofit organizations are small.<sup>21</sup>
- Foundations, businesses, and individual contributors are being pressed to address critical societal needs in areas such as health care, social services, and education and therefore have fewer resources that can be devoted to arts and culture.
- Funding going to arts and culture organizations is increasingly targeted to specific activities rather than for operating support.

As a result, many arts and culture organizations struggle to cover their day-to-day operating costs and find that they have little to invest in developing new arts and culture offerings. This lack of funding to support arts and culture organizations is even more pronounced in a region like the Valley that does not have a legacy of wealth and “old” money supporting arts and culture and has a very mobile population.

**Limited funding for arts and culture threatens the fiscal health of the region’s arts and culture organizations.** Arts and culture organizations in the Valley are underfunded and undercapitalized. This resource constraint is cited by many in the region as the underlying cause of most of the weaknesses and challenges facing the Valley and its organizations. As a result, the region’s arts and culture organizations must spend an inordinate amount of their time trying to make ends meet, rather than being able to develop new and innovative programming that responds to citizens’ interests or enhancing the quality and range of programming, both of which are needed if the region is to develop distinctive arts and culture offerings and continue to grow an audience base.

Public funds devoted to support of arts and culture organizations in the Valley remain quite limited. For example, for FY 2003–2004, the City of Phoenix’s grants program (by far the region’s largest) totaled just \$989,089 for general operating support to 18 organizations, arts-in-education grants, capacity building, rental support, and community arts projects. Among those receiving general operating support, grants, which are competitive and awarded on a combination of budget size and merit, ranged from approximately \$10,000 to \$80,000. In the arts-in-education and community arts categories, few applicants received the amount requested, and all recipients

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<sup>21</sup> Kevin McCarthy, Arthur Brooks, Julia Lowell, and Laura Zakaras. *The Performing Arts in a New Era*. Santa Monica, California: The Rand Corporation, 2001.

in these categories must match the grant awards. With approximately \$1 million in grant funds and more than 2 million in population, the largest city’s grant dollars are spread very thin. In comparison, \$5.4 million in public funding was distributed to arts and culture organizations in the Charlotte metro area, which has a population of 1.5 million.

*The total annual revenues of the region’s arts and culture organizations would have to more than double to meet the median per capita revenues of the benchmark communities.*

The Valley lacks sustained funding sources that would help support arts and culture in its many cities and towns, as well as in unincorporated areas, although Mesa and Tempe devote a portion of city sales tax to arts and culture facilities. Mesa’s quality-of-life sales tax increase of 0.5 percent is providing capital and operating support for the Mesa Arts Center. Maricopa County government, beyond its role in public libraries and interpretive parks programs, does not contribute to arts and culture organizations.

For their part, many of the arts and culture organizations are fairly new and lack experience in fund-raising. Many of the region’s existing arts and culture organizations were established without endowments, and few have endowments in place today. Substantial deficits threaten the financial stability of some major organizations. For a number, many sources of income are down, forcing fund-raising goals up and making cuts in operations necessary.

**The gap between what we are currently investing in arts and culture and what we need to invest to catch up to our competition appears unbridgeable unless drastic changes are made in the region’s approach to and support of arts and culture.** As discussed previously, per capita revenues of the region’s arts and culture organizations are significantly below the revenues of all of the nine metropolitan areas examined in the benchmarking exercise. The total annual revenues of the region’s arts and culture organizations would have to more than double to meet the median per capita revenues of the benchmark communities. It would need to increase six-fold to match the highest per capita spending of the benchmarks.

**Arts and culture is not seen as being integral to the community’s future.** Arts and culture has not been an integral element of economic development. The business community, the travel and tourism community, and local governments in the Valley do not currently recognize the importance of arts and culture to regional economic development. The economic development community often is unaware of the region’s arts and culture assets and tends not to promote arts and culture in its marketing efforts. While the region attracts large numbers of tourists and convention visitors, few attempts have been made to encourage them to stay and participate in arts and culture activities. The travel and tourism industry historically has not linked its efforts or given cultural tourism a prominent role in its marketing/attraction/programming efforts.

The relative youth of many of the Valley’s homegrown businesses has limited their ability to be significant contributors to arts and culture. In addition, interviewees suggested that the business community, while aware of the necessity of arts and culture, does not assign them the same importance as such competing areas as K–12 public education or transportation. Arts and culture does not appear as a priority on the agendas of most business associations in the Valley. Part of the challenge is to better measure and document how arts and culture investments, programs, and facilities contribute to the Valley’s economy.

**To date, there have been few strong advocates for arts and culture at the regional level and citizen engagement is limited.** Arts organizations have not advocated strongly for the arts, nor have they been able to mobilize an arts support community except for specific bond issues or other short-term opportunities. After these efforts pass, there is limited ongoing coordination, connectivity, or communications. Two instances of successful mobilization of the Phoenix community were in support of bond issues in 1988 and 2001. In each case, however, mobilization was temporary.

## **SUMMARY AND CONCLUSIONS**

The Valley's arts and culture sector is under great pressure to deliver expanded and enhanced programming to meet the demands of the region's rapidly growing population. At the same time, these organizations are underfunded and undercapitalized and struggling to maintain their fiscal health. There is a major funding gap that appears to be insurmountable unless dramatic changes are made to include arts and culture as an integral component of the region's economic and community development. The next section lays out a set of strategies and actions to address these challenges.

## The Only Choice: Leadership, Vision, and a Plan for Arts and Culture

### THE PATH TO A VIBRANT ARTS AND CULTURE SECTOR

The Valley is at a critical junction in its development. This region has been lagging in its investments—private and public—in arts and culture compared with other regions of similar size. Its arts and culture organizations have struggled just to meet operating expenses and have been unable to fully respond to the region’s demands for increased scale of activities and opportunities as its population has exploded.

The Task Force concludes that the region can take one of two paths. The Valley can

*Take action to become a showcase for arts and culture as it improves our region and enhances economic development, or*

*Fall further behind in providing an environment in which the knowledge economy will flourish thus harming arts and culture, the emerging bioscience sector, education, and every field that depends on innovation.*

Given that the region has already decided to compete for our share of the knowledge economy and arts and culture plays a large part in the contest, the choice is obvious. The Valley must become a

- Center of creativity renowned for its distinctive arts and culture experiences and opportunities.
- Place where residents of all ages and from all walks of life are educated, inspired, and excited by arts and culture.
- Metro area where arts and culture contributes continually to the region’s economic development. The arts and culture sector must be
  - **Vibrant and robust**, offering a wide range of opportunities from street and ethnic festivals to nationally recognized performing and visual arts that will enable our citizens to experience, view, and participate in arts and culture within our neighborhoods and cities throughout the region.
  - **Connected and integrated** with academic, business, nonprofit, and governmental communities in programs, plans, and activities.
  - **Pervasive and accessible** to the region’s citizenry.
  - **Well-supported** through broad private and public funding that enables sufficient scale for arts and culture to have the maximum economic benefit to the region.

What will it take to make the first path a reality in the coming decade?

## A REGIONAL VISION FOR ARTS AND CULTURE

The Regional Arts and Culture Task Force developed the following vision for arts and culture:

*The Valley is a center of creativity that is renowned for the distinctiveness of its arts and culture experiences that contribute to the region's economy, showcase the vibrancy of a large and growing urban area, and reflect the region's uniqueness.*

To achieve this vision, the region should

- Encourage the creation, import, and export of a broad range of arts and culture opportunities and experiences.
- Foster participation in arts and culture activities that inform, educate, inspire, and excite a broad range of audiences.
- Use economic incentives to urge municipal arts and culture commissions and departments and private, nonprofit and for-profit organizations to integrate efforts, increase cooperation, and act collaboratively on behalf of the region.
- Ensure that arts and culture thrives at the grassroots—in neighborhoods and schools with thought-provoking happenings in each citizen's everyday lives.
- Offer cultural experiences that relate to the region's history, environment and residents.
- Achieve a well-rounded system of funding and support for arts and culture through public, private, and philanthropic sources.

## PROPOSED APPROACH

The Valley should continue to build its arts and culture sector by focusing on its unique assets and building on its existing infrastructure. The Valley can grow its arts and culture sector by

- Taking a regional approach that encourages collaborations and partnerships to promote arts and culture events and programming.
- Increasing support from all sources, public and private, earned and contributed, to the region's arts and culture organizations.
- Developing, over the long term, signature events, institutions, and facilities that will put the region on the map, attracting tourists and residents alike and creating a brand and image.
- Creating a Regional Arts and Culture Partnership to serve as a strong advocate for arts and culture in the Valley.

### *Taking a Regional Approach*

The region's municipalities have committed more than \$220 million to construct venues in Mesa, Tempe, Chandler, and elsewhere. Nine formal arts agencies have been designated by local governments to manage education and public art programs, provide funding, and support new initiatives and facilities. And, as the region's population has grown and diversified, residents have

started many nonprofit organizations to provide opportunities for local artists, teach art forms, address social problems, present history, share their cultures, and more.

To date, however, insufficient collaborations and linkages exist between and among the various arts and culture organizations. One way to greatly strengthen the arts and culture sector is to bring arts and culture groups and organizations to the table to think, act, and invest in terms of the entire Valley, rather than simply in terms of each local jurisdiction or organization. In other words, “the whole can be greater than the sum of its parts”. By leveraging each other’s assets and expertise, the arts and culture sector will be able to increase choices for citizens while maintaining the integrity of each group. It also will strengthen the region’s arts and culture organizations by enabling them to access sophisticated business techniques to support their operations.

Acting regionally, however, will require strong leadership from the business, education, government, and arts and culture communities. The Arts and Culture Task Force has created momentum around developing a strategy for arts and culture. Care must be taken to capitalize on this momentum and build support at both leadership and grassroots levels. But, advocates will be needed willing to take responsibility for championing the vision presented in this strategy and maintaining the connectivity needed to achieve it.

### ***Increasing Support for Arts and Culture Organizations***

As discussed above, the Valley greatly lags other regions in terms of support for arts and culture. And, while local governments in the Valley support the arts and culture sector, primarily by financing the development of arts facilities and supporting public arts programs, public funding to support operating expenses of arts and culture organizations has been limited.

For the Valley to offer the cultural amenities desired by residents of a major metropolitan area, it is imperative that the region’s arts and culture organizations have a diverse and sustained source of funding. Businesses, individuals, foundations, and governments each have a role to play as both consumers and supporters of the arts and culture sector. For their part, the arts and culture organizations must continue to work together to increase earned revenues and look for efficiencies that can reduce costs.

### ***Developing Signature Events, Institutions, and Facilities***

While the Valley has some arts and culture organizations, such as the Heard Museum, Phoenix Boys Choir, Childsplay, and the Desert Botanical Garden, among others, that are nationally recognized for excellence in their areas, the region lacks clearly identified and nationally recognized “signature” arts and culture organizations, programs, and events. To date, the region has focused, and rightly so, on creating the basic infrastructure to support arts and culture; but, truly putting the Valley on the map, will require bold actions aimed at building world-class differentiators. Other regions of the country offer examples of how this can be accomplished. The Music Center of Los Angeles’s Walt Disney Concert Hall, which was dedicated in 2003, for example, was designed not just to be a concert hall but to make an art and architectural statement that reflects the city’s social, political, and cultural aspirations. Its design is expected to attract visitors and reaffirm the creativity of Los Angeles, while at the same time helping to revitalize the downtown. The area around the hall is expected to become the center for performing arts, culture, and education for all of Southern California. The Concert Hall was developed by a public-private

partnership that included the Disney family, foundations, corporations, the County of Los Angeles, and the State of California. Contributions from foundations, corporations, and individuals raised \$264 million to construct the Center.

*Truly putting the Valley on the map, in terms of arts and culture, will require bold actions aimed at building world-class differentiators.*

In the future, the Valley will need to identify opportunities for and invest in arts and culture events, programming, or facilities that will become nationally and internationally known, attract visitors, and provide a sense of identity.

The Valley must aggressively and boldly address its economic future by seizing on the opportunities arts and culture offer. This will require that the region’s leadership acknowledge that the region cannot “catch up” to similar larger, but more mature, metropolitan areas by simply waiting. The Task Force’s benchmarking analysis found that many of our competitor regions are making significant investments in arts and culture even in those regions already much more developed than the Valley. Civic leaders in industry, academe, and nonprofit and government sectors must become more educated about, and be willing to serve as advocates and champions for, a pathway to position arts and culture as a priority matter.

**The Task Force concludes that a regional arts and culture organization must be created to serve as a strong advocate to advance the region’s arts and culture sector.**

## **TASK FORCE RECOMMENDATION: CREATE A REGIONAL ARTS AND CULTURE PARTNERSHIP.**

Community dialogues, focus groups, and interviews with civic, business, and arts and culture organization leaders consistently identified the need for ways to increase communication and connections among and between arts and culture organizations and with business, philanthropic, and other sectors as one of the key needs of the region. A regional arts and culture organization can meet these needs. It could serve several roles. It can act as a catalyst, coordinator, communicator, advocate, and promoter of arts and culture. *This organization should focus exclusively on regional arts and culture issues*, working with local arts and culture organizations to complement their activities through a regional perspective. World cities are viewed as regions, not the individual cities and communities of which they are composed. Consequently, this proposed organization can take this broader regional role; but, its results will benefit both the region and each local participating jurisdiction.

A regional arts and culture organization provides a focal point and can serve as a single body to engage with the local business community, schools, economic development entities, the philanthropic community, and media on issues impacting the arts and culture sector. Options for structuring the regional arts and culture organization and assigning functions are discussed below.

### **Structure and Function of Regional Arts Organizations**

Regional arts and culture organizations can take a number of forms. In some communities, the arts agency is a public agency located within city or county government. In others, a nonprofit organization representing one or several counties may serve as the regional arts organization. These nonprofit organizations may or may not have responsibility for awarding public and private

funding to arts and culture organizations and may or may not operate programs and provide services. Most serve as an advocate for arts and culture; many also serve as a clearinghouse providing information on events within the region, hosting arts Web sites, and, in some cases, serving as a centralized ticketing service. In those communities that have dedicated funding for arts and culture, the dedicated funding may be distributed by a public arts agency, such as the San Diego Commission for Arts and Culture, or a nonprofit regional arts council, as is the case in Columbus, Ohio (Table 6).

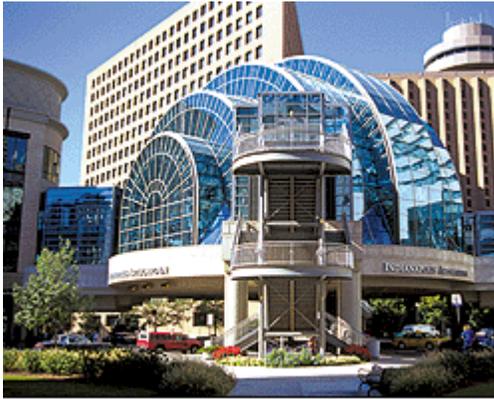
**Table 6: Examples of the Structure and Function of Regional Arts Organizations**

	Structure	Geographic Coverage	Awards Public Funds	Awards Private Funds	Administers Dedicated Funds	Operates Programs and Provides Services
<b>Regional Arts Agencies</b>						
Charlotte Arts and Science Council	Private, nonprofit	All of Mecklenburg County	X	X		X
Indianapolis Arts Council	Private, nonprofit	City/County UniGov	X			X
Portland Regional Arts and Culture Council	Private, nonprofit	City of Portland and three surrounding counties	X			
Seattle Arts Fund	Private, nonprofit	King and Pierce counties		X		
<b>Local/Regional Arts Agencies that Also Serve as Regional Funding Entities for Dedicated Fund for Arts and Culture</b>						
Greater Columbus Arts Council	Private, nonprofit	Seven counties surrounding the City of Columbus	X		X	X
City of San Diego Commission for Arts and Culture	Public arts agency	City of San Diego	X		X	X

The **Arts and Science Council (ASC)** in Charlotte is an example of a nonprofit organization that serves as the city and county local arts agency. The Council, a nonprofit, 501(c)(3) organization distributes city and county funds, as well as privately raised funds, for the arts through a competitive award process. ASC makes awards for basic operating grants; community cultural connections grants to broaden access to arts, science, and history programs; regional arts projects grants to support the professional development of individuals and small groups of collaborating artists; and creative fellowships to support general pursuit of excellence. A nonprofit spin-off of ASC manages all arts-in-the-schools programs for the Charlotte-Mecklenburg School District.

Through a second nonprofit spin-off, ASC Public Art Inc., ASC volunteers participate in the Charlotte-Mecklenburg Public Art Commission, which allocates the one percent set aside on public construction for the arts. Through a third nonprofit spin-off, Artfest, ASC provides major support for a month-long festival that features 200 performances at more than 40 venues each September.

An example of a regional arts council that not only distributes public arts funding but also serves as a centralized source of information on arts and culture in the region is the **Arts Council of Indianapolis**. The Council serves as central Indiana’s chief arts resource not only for the arts and culture community but for government, business, educational institutions, neighborhood and community organizations, visitors, and residents. The Council’s mission is to “build the community through the arts by developing visibility, funding, audiences, information, and



The Indianapolis Arts Garden, downtown Indianapolis.

partnerships.” The Council hosts a Web site that provides information on all arts and culture activities in the region and provides a centralized ticketing service. The Council also has created Indianapolis Artsgarden, a \$12 million glass-enclosed structure that serves as a venue for free downtown arts performances. Artsgarden, which is owned and managed by the Arts Council, hosts approximately 350 events annually and houses TicketCentral. Lastly, the Council publishes and distributes directories of organizations, educational resources, and individual artists.

The **Greater Columbus Arts Council** is a nonprofit organization whose mission is to encourage and support cultural development in the seven-county Greater Columbus region. The Council, which is governed by a 27-member Board of Trustees, distributes funds raised by the City’s hotel/motel tax to arts and culture organizations on a competitive basis. The Council also runs the Columbus Arts Festival; makes annual awards recognizing businesses that contribute to the arts; maintains the ColumbusArts.com Web site, which provides information on all of the region’s arts and culture events and attractions; and manages several arts education programs.

The Task Force proposes that a nonprofit Regional Arts and Culture Partnership be established to provide a focal point for arts and culture in the region and to coordinate implementation of the Task Force recommendations. The Partnership will

- Advocate for public and private support for arts and culture in the Valley.
- Promote arts and culture and position it in the Valley’s economic priorities.
- Build political and business support for arts and culture.

- Develop public and private sector funding for arts and culture.
- Create partnerships and collaborations between and among arts and culture organizations, businesses, and educators.
- Provide and enhance services to arts and culture organizations. Initial services, which could be undertaken in partnership with Alliance for Audience, include serving as a clearinghouse and developing and distributing marketing materials. Over time, the Partnership could consider providing business support services, such as support for retail sales, accounting and business services, and publication services as well as joint fund-raising.
- Operate programs that address gaps in programming by supporting pilot programs in partnership with other arts and culture organizations.

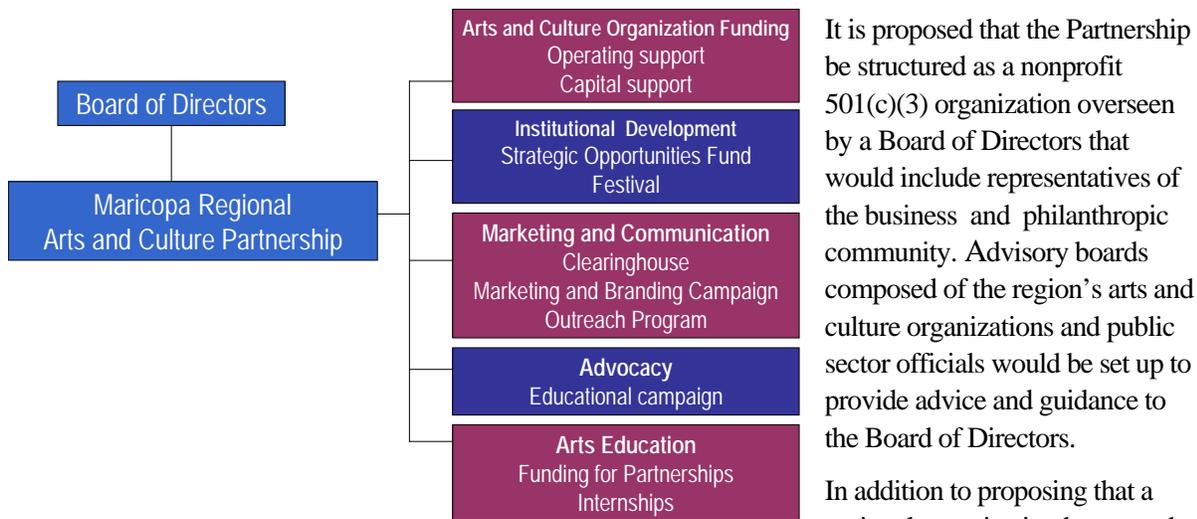
**Mission of the Proposed Regional Arts and Culture Partnership**

Encourage arts and culture development in the region by

- Advocating for support for arts and culture in the Valley
- Promoting the arts and culture sector and positioning it in the economic priorities of the Valley
- Building political and business support for arts and culture
- Developing public and private sector funding for arts and culture
- Communicating the importance of arts and culture to the region and its citizens
- Catalyzing partnerships and collaborations in arts and culture

In general, the Partnership would act as catalyst and convener. A key role for the Partnership would be to determine and implement multiple ways to share information across its constituencies. The Partnership could act as a central source of information on arts and culture in the region, serving as a portal to services provided by various entities throughout the region and providing direct services where there are gaps that need to be filled. Figure 10 identifies potential functions for the Partnership.

**Figure 10: Proposed Functions for the Maricopa Regional Arts and Culture Partnership**



to better connect and link arts and culture to regional economic development, the Task Force developed the following set of strategies and actions that deal with the regional needs that the Partnership should address. These strategies and actions represent a “game plan” around which the Partnership can focus its efforts and activities in collaboration with local and state arts organizations, businesses, educators, and the nonprofit sector.

**TASK FORCE RECOMMENDATION: IMPLEMENT STRATEGIES AND ACTIONS TO ACHIEVE THE MISSION AND VISION.**

To strengthen and grow the region’s arts and culture sector, the following five strategies are proposed:

- **Strategy One:** Integrate arts and culture into economic development at all levels.
- **Strategy Two:** Significantly enhance participation in arts and culture activities.
- **Strategy Three:** Build regional distinction for arts and culture.
- **Strategy Four:** Integrate arts and culture into education at all levels.
- **Strategy Five:** Identify and secure dedicated funding resources.

Table 7 lists the proposed strategies and actions, which are described below.

**Table 7: Summary of Proposed Strategies and Actions**

Strategy	Action
<b>Strategy One:</b> <b>Integrate arts and culture into economic development at all levels</b>	Maintain, reinforce, and refine over time a business case to integrate arts and culture into regional economic development Make arts and culture opportunities a greater part of travel and tourism promotion
<b>Strategy Two:</b> <b>Significantly enhance participation in arts and culture activities</b>	Launch a major branding and marketing campaign to raise the visibility of arts and culture (e.g., a “Get Arts” campaign) that is sustained over a period of time Establish a regional program to support initiatives aimed at growing audiences, developing new products, and reaching new markets Support a Web-based regional Arts and Culture Information Portal to provide access to information on the region’s arts and culture programs, plans, opportunities, and events
<b>Strategy Three:</b> <b>Build regional distinction for arts and culture</b>	Invest in partnership activities to create signature programs, events, and venues that enhance regional distinction and visibility and attract tourists Encourage the development of vibrant arts and culture districts that integrate arts and culture and artists into community revitalization and economic development initiatives Develop nationally recognized, annual events to showcase the region’s arts and culture community, such as a festival, series of festivals, or events
<b>Strategy Four:</b> <b>Integrate arts and culture into education at all levels</b>	Increase opportunities for collaboration among arts and culture organizations, public and private entities, and the region’s public education system to build new audiences for the future Support efforts to educate leaders, including administrators and school boards, about the value of arts and culture in creating knowledgeable citizens and the future workforce Provide more opportunities for teachers in arts and culture training in their professional development
<b>Strategy Five:</b> <b>Identify and secure dedicated funding resources</b>	Gain the cooperation and approval of business, community, government, and nonprofit organizations and the public at large Analyze funding sources that will provide \$30–50 million annually Seek a variety of public mechanisms to complement private sources

### ***Strategy One: Integrate arts and culture into economic development at all levels***

Arts and culture have a critical role to play in growing the region’s 21st century economy. Recent research by Ann Markusen and David King of the Humphrey Institute of Public Affairs at the University of Minnesota shows that the productivity of and earnings in a regional economy rise as the incidence of artists within its boundaries increase because artists’ creativity and specialized skills enhance the design, production, and marketing of products and services in other sectors. “They also help firms recruit top-rate employees and generate income through direct exports of artistic work out of the region.”<sup>22</sup>

For arts and culture to contribute significantly to the region’s economic development, however, it is critical that the arts and culture sector be made a key partner in the region’s economic development efforts. The regional arts and culture community should participate in and serve as advisors to the region’s economic development organizations including Chambers of Commerce, Convention and Visitors Bureaus, and business associations. It will be particularly important that the arts and culture community link to the region’s business organizations, including the Greater Phoenix Economic Council, which represents Maricopa County and 14 cities and towns, the Business Coalition, and Greater Phoenix Leadership.

#### **Action One: Maintain, reinforce, and refine over time a business case to integrate arts and culture into regional economic development**

For the Valley to succeed in growing its technology economy, arts and culture must be recognized by both the business community and citizens as being of vital importance. To achieve this, it is imperative that the economic and social benefits of arts and culture be made known to the business community and that businesses be given the opportunity to become involved in arts and culture through various mechanisms.

Conducting periodic assessments of the economic and social impacts of arts and culture and maintaining data on the performance of and participation in arts and culture in the region provide the data needed to keep the business community and the general public informed of the positive economic impact that arts and culture have on the region. It is recommended that such data be maintained and that an economic impact assessment be conducted every other year. These data should be widely reported to the business community and the general public.

#### **Action Two: Make arts and culture opportunities a greater part of travel and tourism promotion**

Many communities attract tourists because of their arts and culture offerings. People visit Austin because of the reputation of its music and culture scene and San Diego because of the San Diego Zoo. By attracting tourists and encouraging visitors to lengthen their stay, arts and culture brings dollars into the community. It is generally acknowledged, however, that while the Valley attracts tourist and convention visitors, more could be done to make tourists and visitors aware of the region’s arts and culture attractions and to market the region as an arts and culture destination.

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<sup>22</sup> Ann Markusen and David King. *The Artistic Dividend: The Arts’ Hidden Contributions to Regional Development*. Minneapolis: Humphrey Institute of Public Affairs, University of Minnesota, July 2003.

The Convention and Visitors Bureaus of Mesa, Phoenix, Scottsdale, and Tempe each promote arts and culture activities; but no effort has been undertaken to do so at the regional level. The arts and culture community should be encouraged to work in partnership with all of the region's tourist promotion agencies to develop and implement strategies to make arts and culture an integral component of tourism in the region. An example of an initiative along these lines that is already underway is the cooperative advertising partnership, including the Greater Phoenix Convention and Visitors Bureau, the Scottsdale Convention and Visitors Bureau, and the Arizona Office of Tourism, that will promote *Smithsonian Magazine's* CultureFest, which will occur in the region in November 2004. The program will span several days and feature presentations by Smithsonian scholars in association with numerous cultural attractions in the Greater Phoenix area.

The Partnership should convene a cultural tourism working group composed of members of the arts and culture community and the region's tourism agencies to identify opportunities for collaboration to promote arts and culture in regional tourism efforts.

***Strategy Two: Significantly enhance participation in arts and culture activities***

A major challenge for arts and culture organizations nationally, and even globally, is the need to increase participation in arts and culture; yet, a number of factors make building audiences by encouraging greater participation in arts and culture and attracting new audiences a major challenge. Arts and culture organizations increasingly are competing with entertainment and other leisure-time options. Citizens are exposed to arts and culture through other outlets than attending a performance, ranging from the Internet and DVDs to distance learning. The younger generation, in particular, is more comfortable with entertainment provided through the Internet and other emerging technologies. Coupled with this is the fact that Americans are placing increasing emphasis on flexibility in their leisure-time activities. They tend to favor art experiences that allow them to choose what they want to do and when and where they want to do it.

Arts and culture organizations will have to develop new ways of delivering arts and culture in light of rapidly advancing technology. In addition, decreases in funding for and emphasis on arts education will negatively impact future audiences and awareness of the importance of arts and culture to the community and its economic future.

**The San Diego Art + Sol Campaign**

In the San Diego region, 15 of the region's leading arts and culture organizations, the City of San Diego Commission for Arts and Culture, San Diego Magazine, San Diego Convention and Visitors Bureau, NBC 7/39, and American Express have formed a partnership to undertake a multi-level marketing and promotion campaign designed to raise the awareness of San Diego as a world-class international cultural destination. The campaign, which is called San Diego Art + Sol, includes an extensive Web site that provides a large database of numerous arts and culture opportunities available in the region. In addition to this site, a marketing promotion program has been initiated, which includes the San Diego Art + Sol magazine that is printed every six months, a national public relations campaign, a restaurant program, weekly television spots, a national advertising buy, and representation in the San Diego Convention and Visitors Bureau's ongoing programming.

**Action One: Launch a major branding and marketing campaign to raise the visibility of arts and culture (e.g., a “Get Arts” campaign) that is sustained over a period of time**

One concern voiced repeatedly in both interviews and focus groups is that, while the region has strong arts and culture organizations and talented artists and performers, the general public is largely unaware of these resources and how they benefit the community. Despite evidence of the substantial number of people participating in arts and culture activities, arts and culture is often perceived as benefiting only a small number of people. The arts and culture community in the Valley does not have a strong track record of being able to market itself, due in part to efforts to survive with limited resources. Limited market research is available, and the various arts and culture organizations generally do not share marketing data.

It is proposed that a major marketing campaign be initiated to make the region’s citizens aware of the opportunities available to them and the contributions made by the arts and culture sector in terms of both economic and community benefits. Marketing collectively on a regional basis will give smaller arts and culture organizations an opportunity to promote their programs. The campaign should be designed to

- Promote the value and diversity of arts and culture
- Highlight the region’s varied arts and culture opportunities.

**Action Two: Establish a regional program to support initiatives aimed at growing audiences, developing new products, and reaching new markets**

Maricopa County has experienced tremendous population growth and large increases in the number of Hispanic and foreign-born residents in the past decade. If Maricopa’s arts and culture organizations are to grow and reach new audiences, it will require that they reach out to diverse groups and offer programming in their communities. To accomplish this, artists and performers should be given the opportunity to experiment with and expand their talents.

It is proposed that a fund be created that would make awards to individual artists and performers, as well as arts and culture organizations, to develop new products and reach new markets. The fund also could provide seed money for new, start-up arts and culture organizations.

**Action Three: Support a Web-based regional Arts and Culture Information Portal to provide access to information on the region’s arts and culture programs, plans, opportunities, and events**

Residents of the Valley who provided input for this strategy indicated that many people, including residents, new immigrants, and visitors, are unaware of the arts and culture opportunities because the region has no comprehensive sources of information on available performances, festivals, and other cultural activities. There are few calendars, and no comprehensive databases or easily accessible common Web/Internet sites that local residents and tourists can access to find out about available arts and culture activities.

Many other regions have created comprehensive arts and culture web sites. For example, ColumbusArts, which is hosted by the Greater Columbus Arts Council, includes everything from descriptions of the region’s arts organizations to virtual tours of main theatre venues in Columbus. The site includes an Event Finder that can search 3,000 events by location, price, date,

or art form. For each event, the site contains the following data: venue, description, price, presenting organization, box office phone number, hours of operations, information about accessibility, driving directions, ordering information, reviews, and special discounts. ColumbusArts does not sell tickets to events, but provides links to Ticketmaster or organizations' Web sites for ticket sales. ColumbusArts also includes ARTS CLASSified, an on-line resource directory that provides information on and access to participatory and instructional arts education programs throughout the region.

A new effort is underway in the Valley to provide ticketing and marketing services. Alliance for Audience is a new arts service organization that has been formed to enable arts and culture organizations in the Valley to collaborate on joint marketing and ticketing. Alliance for Audience intends to provide four initial services:

- Half-price discounted on-line ticket-selling service for “day of” or “week of” event sales
- A comprehensive Web-based calendar of arts and culture events
- A universal gift certificate that can be redeemed anywhere within a broad network of arts and cultural organizations, and
- A grass-roots “arts-dollars” selling strategy that involves youth or service organizations in selling a voucher or cash-card that can be redeemed widely by its purchaser at arts and culture venues.

It is proposed that the Regional Arts and Culture Partnership work with Alliance for Audience to create a comprehensive clearinghouse on the activities in the region's arts and culture sector.

### ***Strategy Three: Build regional distinction for arts and culture***

As discussed previously, the Valley has a strong and growing arts and culture sector. Yet, unlike other communities, the Valley is not known for its arts and culture attractions either within or outside the region. When people think of the Valley, they generally think about golf and outdoor recreation or the “sun.” Interviewees and focus group participants felt strongly that the Valley needs more clearly identified and nationally recognized signature arts and culture organizations, programs, and events, in addition to its local and regional arts and culture programs and events.

The region needs to develop more areas in which it excels. Interviewees indicated that the region needs more top-level performances that can generate excitement in the community. A participant in one of the community dialogues stated, “The Valley lacks a large international arts and culture destination: something that would be unique in the U.S.”

### **Action One: Invest in partnership activities to create signature programs, events, and venues that enhance regional distinction and visibility and attract tourists**

In 1984, the Chairman of the Regional Economic Revitalization Initiative of the Allegheny Conference proposed that, in order to compete globally, the “Greater Pittsburgh region needs a consensus investment agenda.”<sup>23</sup> A key action was proposed to develop a number of major projects that were thought to be essential for building a new economy. These included an expanded convention center, new sports stadiums, and expanded and new cultural attractions

<sup>23</sup> Thomas Usher, Chairman and CEO, USX Corporation. “Building a Regional Destination Center.” Pittsburgh: Allegheny Conference on Community Development, 2002.

designed to make Pittsburgh a worldwide visitor destination. Using a combination of direct state appropriations and funding from the Allegheny Regional Asset District, the convention center was expanded, new sports facilities for the Pirates and the Steelers were constructed, the Byham Theatre was renovated, the Fifth and Forbes Retail Corridor was redeveloped, and the Allegheny Riverfront Park was constructed.

Similarly, the Valley has been investing in the infrastructure to make the region a leader in the New Economy. The state and its communities, for example, see sports as an integral part of the region’s economic development strategy. As a result, municipalities in the Valley have invested more than \$700 million in stadiums and arenas. Similar investments in arts and culture will be required to showcase excellence in the region’s arts and culture sector, build regional distinction, and brand the Valley as a center of arts and culture.

An example of the type of investment that could be made is the expansion of the Denver Art Museum. In designing the addition to the Denver Art Museum, the decision was made to create an internationally significant work of architecture that would become a signature landmark for the City of Denver. Nationally renowned architect Daniel Libeskind, the architect chosen to design the



Extension to the Denver Art Museum

memorial at the World Trade Towers, was chosen to design the building (picture above right). Voters approved a \$62.5 million bond issue to fund construction, the Museum’s Board of Directors raised a \$50 million endowment, and contributions from foundations and individuals raised another \$20 million endowment. The addition will nearly double the size of the museum. The project also includes 270,000 square feet of retail/residential space. A pedestrian plaza will connect downtown with the Golden Triangle neighborhood.

Once a dedicated source of funds for arts and culture is established (as is recommended later in this report), it is proposed that a percentage of this fund be used to provide funding on a competitive basis for major projects that enhance or create regional distinction for arts and culture in the Valley. Funds could be used to expand an existing institution, such as a museum or performing arts venue, to create a new facility/organization that would be unique to the Valley, or to create signature programs.

**Action Two: Encourage the development of vibrant arts and culture districts that integrate arts and culture and artists into community revitalization and economic development initiatives**

Quality-of-place factors, i.e. the sum of the cultural, social, recreational, and other assets that serve the needs of the whole population, have become increasingly important in attracting and retaining talent and firms in today’s knowledge-based economy. Today’s young professionals, however, do not define quality of life in regards to arts and culture in traditional ways. To them, important arts and culture activities include galleries, theatrical performances, museums, exhibits, and festivals in addition to traditional performing arts, such as ballet and opera.

Indeed, researchers, such as Richard Florida, have found a vibrant “street scene,” where multiple venues and activities exist and the audience can always find something to drop in on and watch, to be more attractive than big, scheduled cultural events. Florida notes that it is “not just a scene but many: a music scene, an art scene, a film scene, outdoor recreation scene, nightlife scene, and so on—all reinforcing one another.”<sup>24</sup> Thus, while art and culture are of significant import, it is a fun and eclectic mix of both small and larger venues, with something almost constantly happening that can be consumed when the desire and the moment strike.

There is no single arts district that combines many of the amenities that appeal to younger workers such as entertainment, restaurants, festival marketplaces, arts, culture, and entertainment in the Valley. Indeed, one of the key issues raised by young professionals was the lack of an informal arts and culture street scene with music venues, restaurants, and art galleries. The lack of restaurants in proximity to arts and culture venues also was noted. Actions that could be taken to develop such arts and culture districts in the Valley include the following:

- Designating geographic areas as arts and culture districts and providing assistance to artists and organizations that locate within the district
- Using tax and zoning policies to encourage the development of arts and culture districts
- Organizing events, such as First Fridays, to promote and support existing arts and culture offerings.

### **Action Three: Develop nationally recognized, annual events to showcase the region’s arts and culture community, such as a festival, series of festivals, or events**

One way in which communities have sought to attract cultural tourists and to showcase their arts and culture offerings to both residents and visitors is by holding an annual event or series of events featuring exhibits and performances. In Charlotte, North Carolina, the Arts and Science Council provides support for a month-long festival, Charlotte Shout, which features 200 performances at more than 40 venues each summer. Other regions hold a series of events at a single location such as an outdoor amphitheater or a public park. Communities, such as Charleston, South Carolina, have developed events that bring in talent from the

#### **The City of Providence’s Art District**

In Providence, the city passed a law that created a downtown arts district and provides incentives to invest there—artists living in the area receive an exemption from state income tax on sales of their work and landlords who convert commercial space to living space for artists receive a break on property taxes.

#### **Charleston’s Spoleto Festival**

Charleston’s Spoleto USA brings in nationally and internationally renowned artists from around the world to participate in more than 120 performances during a 17-day period. Spoleto’s objectives are to offer programs of the highest artistic caliber, support new and innovative works, nurture outstanding young artists, and expand public appreciation of the arts. For 17 days each year, the arts become the most important activity in Charleston. Audiences can experience a broad range of artistic styles and forms, including classical ballet; modern and postmodern dance; opera; chamber, symphonic, and choral music; jazz; theater; and the literary and visual arts. In 2003, Spoleto USA celebrated its 25th anniversary.

<sup>24</sup> Richard Florida. *The Rise of the Creative Class, And How it is Transforming Work, Leisure, Community and Everyday Life*. New York, NY: Basic Books, 2002.

around the world in addition to providing opportunities for local artists and performers (text box right).

The Valley has a strong, growing, and diverse arts and culture sector. An event or series of events should be developed that builds on the region’s unique heritage and showcases the region’s existing arts and culture organizations and individual artists. One task for the Regional Arts and Culture Partnership should be to bring the region’s arts and culture organizations together with the corporate, tourism, and commerce sectors to identify opportunities for and begin planning to launch such events.

***Strategy Four: Integrate arts and culture into education at all levels***

One of the most critical needs facing not only the Valley but the entire state of Arizona is the need to improve the educational attainment of its citizens and the skills of its workforce. In the type of advanced economy that Arizona is committed to developing, ideas and innovation are driving forces for economic growth. A region must have a talent base of knowledge workers in order to compete. The business leadership in the Valley recently announced a partnership with educators to build a lifelong workforce development system that links early learning, K–12 education, and postsecondary education and employment. The goal of the approach, which is called P-20, is to provide seamless education, preschool through graduate school and employment. Initial areas of focus include all-day kindergarten, dropout prevention, and workforce training.

***The arts and culture community could play a critical role in helping the region meet its goal of growing a well-educated and skilled citizenry.*** Arts education requires the higher-order thinking skills, such as problem solving and decision making, that today’s workers need. The arts also hone nonverbal skills such as perception, imagination, and creativity. They develop vocabulary, metaphorical language, observation, and critical thinking skills.<sup>25</sup> The region’s arts and culture organizations should play a key role in helping the region’s teachers and educators to integrate arts and culture into their curricula.

“Programs incorporating the arts have proven to be educational, developmentally rich, and cost-effective ways to provide students with the skills they need to be productive participants in today’s economy.”

National Governors Association, “Issue Brief: The Impact of Arts Education on Workforce Preparedness,” *Front and Center*. Washington, DC: NGA Center for Best Practices, May 2002.

The following actions are proposed to infuse arts and culture into the entire pipeline of early, K–12, and lifelong learning.

<sup>25</sup> Laura Loyacano, “Reinventing the Wheel: A Design for Student Achievement in the 21st Century.” National Conference on State Legislatures. Denver, Colorado. 1992.

**Action One: Increase opportunities for collaboration among arts and culture organizations, public and private entities, and the region’s public education system to build new audiences for the future**

There is an opportunity for the region’s arts and culture community to partner with the business community and educators as they seek to implement P-20. Many of the region’s arts and culture organizations already have well-established arts education and outreach programs. The education community needs to be made aware of these offerings and how they can be accessed. The arts and culture community should work with businesses and educators to determine how these arts education programs can be focused to address issues such as childhood education, dropout prevention, and workforce development.

It is proposed that the Maricopa Regional Arts and Culture Partnership create an Arts Education Partnership Program to provide support for collaborations and pilot programs aimed at integrating arts and culture into all levels of education and workforce development. The Arts Education Partnership Program would link arts and culture organizations with educators and award small grants for collaborative partnerships. Additional activities that could be undertaken by the Partnership include the following:

- Inventorying and building awareness of the region’s arts education and outreach programs
- Building Web sites and distance learning programs that link artists, organizations, teachers, and learners
- Linking students with the arts and culture community by providing internships with artists and cultural organizations
- Providing support for collaborations and pilot programs aimed at integrating arts and culture into all levels of education and workforce development.

**Action Two: Support efforts to educate leaders, including administrators and school boards, about the value of arts and culture in creating knowledgeable citizens and the future workforce**

Often, when school boards and school administrators are facing difficult budgetary times, there is a tendency to cut funding for arts programs. This is not surprising given the demands being placed on school systems as they struggle to meet rigorous standards with limited budgets. Lack of funding has resulted in cuts in arts education in public K–12 education systems in the Valley. Yet, research shows that arts education helps strengthen critical thinking skills and motivates students to achieve at high levels. According to a study prepared by the Arts Education Partnership,<sup>26</sup> components of arts education such as dance, music, drama, visual arts, and multi-arts

**Minnesota Program Links Arts and Culture Organizations with Teachers**

Partners: Arts and Schools for Students (PASS) is an arts educators’ network coordinated through the Minnesota Center for Arts Education. PASS brings together representatives of mid-sized arts organizations, links them with area schools to conduct programs, and coordinates and receives funding for these programs from a variety of sources.

<sup>26</sup> Burton, Horowitz, and Abeles. “Learning in and Through the Arts: Curriculum Implications.” In Ted Fisk (Editor) *Champions of Change*. Washington, DC: Arts Education Partnership, 1999.

education positively affect students’ cognitive skills such as reading, speaking, and writing skills; problem-solving abilities; and creative thinking as well as motivation to learn and positive perception of their academic abilities.

A recent study conducted in Arizona supports these findings.<sup>27</sup> In 2002, the Tucson Unified School District launched Opening Minds through the Arts (OMA), with funding from the U.S. Department of Education. The program integrates music, dance, and drama into the curriculum at five Tucson elementary schools. An evaluation of the program, conducted by a federally funded education research laboratory, found that, in every academic area, students receiving the arts education outscored similar students not receiving arts education. Language scores, for example, were 30 percent higher among the students participating in OMA. For Latino students, the language scores were 55 percent higher. Tom Horne, Superintendent of Public Instruction, announced in his First Annual State of Education Speech that the Arizona Department of Education will begin a three-year, \$100 million project to expand OMA on a pilot basis to other schools in the state.

Arts and culture organizations in the Valley should undertake a campaign to educate leaders and residents about the benefits of arts-integrated learning and should support efforts of organizations such as the Arizona Alliance for Arts Education, a statewide organization of arts education organizations that seeks to provide a united voice to support arts education. A first step in the campaign should be to present to the region’s educational leaders the business case and proposed strategy for growing the arts and culture sector in the Valley.

### **Action Three: Provide more opportunities for teachers in arts and culture training in their professional development**

Countless successful education programs across the nation use dance, visual arts, poetry, and music to illustrate and expand understanding of science, math, or history topics. Studies also have found that arts-integrated learning makes a significant difference in the academic performance of students from disadvantaged backgrounds.<sup>28</sup> But, if arts and culture are to be integrated into elementary, middle, and secondary school curricula, teachers must be well-equipped to incorporate various arts disciplines into their lesson plans. ASU already provides arts education training as part of its teacher training curriculum and has a number of activities to support teachers such as Arts Resources for Teachers and Students (a.r.t.s.), a Web site that provides educational materials for visual arts, dance, music, and drama/theater for teachers and parents.

The Partnership should work with arts and culture organizations and ASU to develop and present professional development institutes for arts educators and classroom teachers. Weekend workshops, seminars, residencies, and in-service training programs should be conducted to give educators the opportunity to share ideas and gain perspectives on issues and disciplines within the arts and cultural sector.

These strategies and actions, if implemented, can position the Valley to become a leading, world-class urban area characterized by a strong and growing economy and enviable quality of life. A critical issue that must be addressed, however, for the Valley to succeed in realizing this vision is funding for the Valley’s arts and culture organizations.

<sup>27</sup> Tucson Unified School District. *Opening Minds Through the Arts*. [www.omaproject.org/evaluation.htm](http://www.omaproject.org/evaluation.htm).

<sup>28</sup> Arts Education Partnership. *Champions of Change*, p. viii.

### ***Strategy Five: Identify and secure dedicated resources***

If the Valley is to achieve its vision for arts and culture and make the above identified strategies and actions a reality over the coming decade, then it is imperative that the Partnership, the region’s arts and culture organizations, and other partners have sufficient, sustained financial resources. Sufficient resources are needed to scale the region’s arts and culture sector to a level at which it is competitive to attract and retain talent, offers the quality of life desired by knowledge workers, serves as a destination for cultural enrichment travel, and maximizes its economic impact on the region.

#### **Action One: Gain cooperation and approval of business community, government, and nonprofit organizations and the public at large**

Funding for arts and culture organizations comes from a variety of public and private sources, including earned income that includes ticket sales; other business activities and investment income; contributions from individuals, foundations, and businesses; and government grants. Each type of support is necessary to maintain a vibrant and robust arts and culture sector.

A study conducted by Americans for the Arts and Ohio State University found that earned income represents the largest portion of revenue for nonprofit arts organizations, 54.2 percent; investment income accounts for another 12.2 percent. Private sector contributions from individuals, foundations, and corporations account for approximately one-quarter of total revenues; and public sources—federal, state, and local governments—represent 8.7 percent of total revenue.<sup>29</sup>

Funding to support arts and culture in the Valley will have to come from many sources: the business community, local governments, the philanthropic community and the general public. The first step in building support among these communities should be to widely disseminate the business case developed as part of this strategy and to inform the local population of the benefits of arts and culture and the importance of arts and culture to the region’s future economic growth.

#### **Action Two: Analyze funding sources to identify a mix of public and private sources that would provide \$30–\$50 million in annual revenue**

Mechanisms other regions have used to create sustained funding for arts and culture include

- Undertaking annual fund-raising campaigns that solicit contributions from businesses, foundations, and individuals
- Dedicating a portion of state and/or local tax revenues for arts and culture
- Using tax policy to encourage private contributions to arts and culture
- Offering specialty “cultural” license plates.

#### ***United Arts Funds***

Two examples of private fund-raising efforts are Charlotte and Seattle—both metropolitan areas that raise the bulk of their funds for arts and culture through annual fund-raising campaigns. In FY 2003, combined private and public dollars of the Arts and Science Council of Charlotte

<sup>29</sup> Americans for the Arts and The Ohio State University, Arts Policy and Administration Program. *National and Local Profiles of Cultural Support—Executive Summary*, September 30, 2002, p. 5.

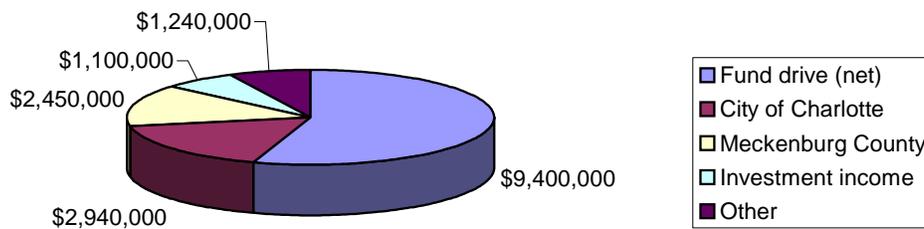
totaled \$17.4 million (Figure 11). Of this amount, \$9.4 million was raised from businesses and individuals in its United Arts Fund drive. (It should be noted that the Council ranks first in the nation in dollars raised, dollars raised per capita, dollars raised from individuals, and dollars raised in workplace giving.) The Council received \$2.94 million from the City of Charlotte, \$2.45 million in funding from Mecklenberg County, \$1.1 million from investment income, with the remaining funds coming from the NC Arts Council, the Charlotte-Mecklenberg Schools and other sources. These funds are used to provide unrestricted funds for general administration, operation and programs to the region’s arts and culture organizations on a competitive basis.

In Seattle, ArtsFund raises approximately 60 percent of its revenue through its annual fund-raising campaign. Additional funds are raised through workplace and individual giving, two areas that are currently the fastest areas of growth. In addition to these fund-raising sources, ArtsFund receives income from six separate endowments, and one-third of the profits of a radio station. The dollars raised are distributed to arts and culture organizations. Sustaining grant funding is provided to a core group of art and culture organizations, and discretionary grants support additional arts groups that have been designated as part of the sustaining pool. In FY 2001–2002, the ArtsFund raised \$3.95 million, including in-kind donations, and distributed \$2.73 million to 65 arts organizations.

**Denver’s Scientific and Cultural Facilities District (SCFD)**

In 1988, the Denver SCFD was created to provide a consistent source of unrestricted funding to scientific and cultural organizations in Denver and six surrounding counties. The district receives funding generated from a 0.1 percent retail sales and use tax (one penny on every \$10 sale) and distributes it based on a formula established by the legislation. Funds are distributed to three tiers of organizations, based on their size. In FY 2001, the SCFD distributed approximately \$37 million.

**Figure 11: FY 2003 Revenue Breakdown of the ASC of Charlotte**



***Dedicated Funding Sources***

Austin, Denver, Salt Lake City, St. Louis, and San Diego are among the regions in which arts and culture organizations receive funding from a dedicated funding source, usually a portion of a local tax (Table 8). Three taxes that are most commonly used to create a dedicated fund for arts and culture are retail sales taxes, hotel/motel taxes, and property taxes. Denver and Salt Lake City dedicate a percentage of retail sales tax for arts and culture. In 1988, voters in Denver and six surrounding counties voted to dedicate a 0.1 percent retail sales and use tax (one penny on every \$10 sale) to fund scientific, cultural, and arts organizations. By statute, the Scientific and Cultural Facilities District (SCFD) distributes the funds it receives, approximately \$37 million in 2001, to organizations that “provide for the enlightenment and entertainment of the public through the

production, preservation, exhibition, advancement or preservation of art, music, theater, dance, zoology, botany, natural history or cultural history.” The allocation of SCFD funds, which are distributed by a formula laid out in the legislation creating the SCFD, are overseen by a board that includes six members appointed by

**Table 8: Revenues Raised from Dedicated Taxes for Arts and Culture**

Region	Sources of Funds	Millions of \$ Raised	Eligible Recipients
Austin	Hotel/motel tax	\$2.76 (FY 03)	Arts and culture organizations
Denver	Retail sales tax	\$37.0 (FY 01)	Scientific, cultural, and arts organizations
Salt Lake City	Retail sales tax	\$15.5 (FY 01)	Recreational facilities; botanical, cultural, and zoological organizations
St. Louis	Property tax	\$52.6 (FY 02)	The Zoo Museum District (Zoo, Science Center, Botanical Garden, Historical Society, and Art Museum)
	Hotel/motel tax	\$3.56 (FY 01)	Arts and culture organizations
San Diego	Hotel/motel tax	\$9.5 annually	Arts and culture organizations

each county and three members appointed by the Governor. Salt Lake City’s Zoo Arts and Parks (ZAP) program, which was modeled on Denver’s SCFD, raised more than \$15.5 million in 2001. The funding is distributed on a competitive basis.

Austin, St. Louis, and San Diego have dedicated a percentage of hotel/motel taxes to support arts and culture organizations. San Diego’s Transient Occupancy Tax provides \$9.5 million each year to fund arts and culture activities within San Diego. Roughly \$7.7 million of this goes to the Organizational Support Program that allocates funding, on a formula basis, to the approximately 85 nonprofit arts and culture organizations in the city. In St. Louis, the Missouri History Museum, the Missouri Botanical Garden, the St. Louis Art Museum, the St. Louis Science Center, and the St. Louis Zoo receive revenue from separate property tax assessments that range from 3.1 cents to 6.1 cents per \$100 assessment. In FY 2002 \$52.6 million was raised through these assessments.

One advantage of using the retail sales tax to provide revenue for a dedicated fund is that sales tax revenue generally shows stable growth with low fluctuations from year to year. In addition, it is likely to increase in a region experiencing rapid population growth. It is also possible to generate a significant amount of revenue by adding a small increase to the retail sales tax rate. Revenues from hotel/motel taxes tend to be collected more from visitors rather than

**Arizona ArtShare**

Arizona’s ArtShare, which was created by the state legislature in 1996, receives \$2 million in public funding each year for a 10-year period. The public funds, matched by private funds, are invested in an arts endowment fund. ArtShare is financed by a portion of a tax on commercial tickets, such as for sporting events and movies. Interest income from the endowment supports a competitive organizational training program for mid-sized arts organizations, working capital reserves for mid-sized and large organizations, and arts education programs.

residents; but, they are subject to fluctuation depending on the health of the economy and may decrease at the very time other sources of funding for arts and culture organizations are declining. They also increase the price of visiting an area and can result in the loss of some tourism business, which could impact the local economy. The amount of funding that can be raised from property taxes will probably depend on the current tax structure and existing special assessments that are already in place. Other taxes, such as a tax on real estate transactions, could be explored.<sup>30</sup>

The State of Arizona and Maricopa County have dedicated funds from specific taxes for certain uses. ArtShare, for example, receives funds from a tax on commercial tickets sold for events such as sporting events and movies (text box on previous page). Proposition 301 added a 0.6 percent surcharge to the state’s retail sales tax to be used to fund education, and Proposition 302 authorized an increase in the tax on hotel/motel bills and rental cars in Maricopa County to provide funding for the Arizona Tourism and Sports Authority. Maricopa County also has created special districts for flood control, fire, water conservation, and libraries. Table 9 estimates the revenue that could be raised by adding a surcharge to existing taxes in Maricopa County.

**Table 9: Estimated Revenue from a Potential Dedicated Tax in Maricopa County**

Options	Estimated Revenues Raised Annually
Dedicated retail sales tax	One-tenth of a percentage point would yield approximately \$48 million
Hotel/motel tax	Four percent tax would have generated about \$40.8 million in FY 2003
Secondary property tax	Revenue from 15 cent levy is approximately \$40 million

***Tax Policy to Encourage Contributions to Arts and Culture***

In Oregon, legislation was passed in 2001 creating the Oregon Cultural Trust. The Trust is a statewide cultural plan to raise significant new funds to invest into Oregon’s arts, humanities, and heritage. The goal is to create a \$200 million endowment for arts and culture. Funding for the trust comes from three sources: individual contributions of up to \$500 and corporate contributions of up to \$2,500 are eligible for a 100 percent Oregon tax credit as long as the contribution is matched with an equal contribution to an Oregon cultural nonprofit; sale of a “cultural” license plate; and sale of certain surplus state-owned land. It remains to be seen how successful the Trust will be in generating funds from these sources. Whatever funds are raised by the Trust will be 1) distributed to counties and tribes to support projects and collaborations, 2) awarded, on a competitive basis, to support projects of regional or statewide significance, and 3) distributed to Oregon’s existing statewide cultural agencies.

***Specialty License Plates***

A number of states including California, Florida, Indiana, Oregon, Tennessee, and Texas have specialty “arts” license plates. Drivers pay \$25 to \$35 for the special license plate, and the proceeds are dedicated to the arts. In Florida, the funds from the license plates are distributed to

<sup>30</sup> It should be noted that the Governor’s Citizens Finance Review Commission recommended that a real estate transfer tax should not be enacted in Arizona at this time.

the counties in which the funds were raised. In addition to raising money for the arts, such license plates also raise awareness of arts and culture. States have had different experiences in terms of the number of people who choose to pay for the specialty license plates. Oregon sold approximately 1,700 cultural license plates during the first five months in which they were offered.

It is clear that funding for the Valley’s arts and culture organizations will have to come from a diverse array of public and private funding sources. The Task Force believes that a sustained source of funding for arts and culture is needed. However, it is unlikely that such a fund can be put into place over the short term given the lead time required to build support for and pass a ballot initiative. For the next several years, funding to begin positioning the arts and culture sector in the region will have to come from the business and philanthropic communities, individuals, and local governments. These funds should be used to undertake the lower cost, yet vitally important, actions identified by the Task Force.

Meanwhile, the Maricopa Regional Arts and Culture Partnership should develop a detailed strategy that encompasses raising funds from multiple sources, including from dedicated sources, and proposes a methodology for distributing the funding to all of the region’s arts and culture organizations, both large and small.

## **MOVING FORWARD**

The Task Force recommends this Regional Arts and Culture Strategy, including formation of the Partnership, be implemented in three phases:

- Phase I: Initial Organizing Activities
- Phase II: Implement the Agenda
- Phase III: Fully-funded, Fully Supported Arts and Culture

The first phase begins immediately, represented by a small transition team composed of business, foundation, and arts leaders from the base of membership within the Task Force. The transition team will work to design and put in place the Maricopa Regional Arts and Culture Partnership. The Partnership, which will serve as a unifying voice for the arts and culture sector, will be responsible for developing detailed action plans and overseeing implementation of the strategy.

The second phase of implementation will take place once the new organization is in place. A key focus during the second phase will be to educate and inform the region’s leaders and citizens of the importance of arts and culture to the region’s economy and quality of life and to develop public and private sources of support for the region’s arts and culture organizations. The Partnership also will begin developing a strategy to establish a dedicated regional fund for arts and culture.

The third phase of implementation will provide for a fully robust Partnership, having available sufficient resources to enact comprehensive programs of support to the region’s arts and culture organizations.

### ***Phase I: Initial Organizing Activities***

To ensure that the momentum generated by the Task Force continues, it is imperative that initial implementation of the strategy begin immediately. It is proposed that a transition team be formed that would include representation from the Task Force and from the sponsoring foundations. The transition team will

- **Disseminate the business plan and strategy.** The transition team will brief the Governor, legislators, and local officials on the business case and strategy. The team also will present the business case and strategy to business and community groups and educators throughout the Valley.
- **Develop a business plan for the Regional Arts and Culture Partnership.** The Business Plan will define the structure and function of the Partnership, identify participating members, and outline a strategy for Partnership operations. The transition team will develop bylaws for the Partnership, file for 501(c)(3) nonprofit status, and recruit board members.
- **Raise funds from businesses and foundations to support initial start-up costs.** The transition team will solicit donations from businesses and foundations to support initial start-up of the Partnership.

### ***Phase II: Implementing the Agenda***

Phase II will begin once the partnership organization is in place and funding has been obtained from a limited campaign for initial start-up activities. During Phase II, the Partnership will undertake the following activities:

- Appoint working groups to develop detailed action plans for each of the strategies and identify actions that can be undertaken by existing public and private entities with support from the Partnership’s initial fund-raising effort. It is anticipated that working groups would be convened to focus on economic development, participation, distinction, and arts education.
- Raise private and philanthropic funds to implement the immediate and short-term actions proposed by the Task Force, including
  - Working with Alliance for Audience and other groups to create and market an Arts and Culture Information Portal that will list the region’s arts and culture organizations, events, and education programs.
  - Creating an Arts Education Partnership Program that will bring the region’s educators together with the arts and culture communities to undertake activities to address the region’s education needs.
  - Establishing a program to support initiatives aimed at growing audiences and reaching new markets.
  - Partnering with the travel and tourism sector to make arts and culture part of tourism promotion.
  - Undertaking a regional marketing and branding campaign.
- Develop and build support for a strategy to achieve sustained funding by tapping multiple funding sources, both public and private, for the region’s arts and culture organizations. The

strategy will outline the parameters of a Regional Arts and Culture Fund, setting a target goal for the fund, identifying funding sources, and proposing a plan to distribute the funds to arts and culture organizations.

The exact amount that will be needed to provide sustaining funding for the region's arts and culture institutions and to develop projects that will provide regional distinction has not yet been determined, but is likely to be in the range of \$30 million to \$50 million annually. It is estimated that about \$4 million to \$6 million will be required annually to implement the other actions recommended in this strategy.

### ***Phase III: Fully-funded, Fully-supported Arts and Culture***

Phase III will be undertaken only after the education and outreach activities that are undertaken in Phase II have succeeded in building community-wide support for a sustained source of funding for arts and culture in the Valley. In addition to providing operating support for the region's arts and culture organizations, the fund would be used to finance projects that create regional distinction and support the development of new products and new markets, the mid-term actions proposed by the Task Force.

## **WHAT GETS MEASURED, GETS DONE**

It is important to ensure accountability for implementation progress and results. One way to accomplish this is for the Partnership Board to adopt explicit metrics by which it will measure its performance. Based on the strategies and actions laid out in this report, the Partnership Board may want to consider using the following measures. Those measures marked with an asterisk would not come into play until a sustained funding source is in place and distributing operating support to the region's arts and culture organizations:

- Ensure regional arts and culture organization in place and fully operational by 2005.
- Increase by 10 percent the number of cultural tourists visiting the Valley by 2006.
- Increase attendance at arts and culture events by 25 percent by 2006.
- Have a dedicated funding source for arts and culture established and distributing funds by 2008.
- Increase per capita spending on arts and culture to the national average by 2010.

In addition, it is recommended that the Partnership collect and maintain data on participation in arts and culture, undertake market studies, and analyze the economic impact of the arts and culture sector on the regional economy. Data to be collected include

- Number of arts and culture organizations
- Number of people participating in arts and culture events
- Number of collaborative events
- Total arts and culture revenue by source
- Number of students participating in arts education programs
- Dollars invested by arts and culture institutions in new construction and renovations

- Number of people employed in arts and culture sector
- Total economic impact.

## Conclusion

It is clear that Arizona’s Valley of the Sun is maturing into a world-class community. While it is not there yet, its population growth, economic base, and other developments—whether they be major league sports teams, cutting-edge bioscience laboratories, or arts and culture organizations recognized nationally for excellence—suggest that the region is well on its way to becoming internationally competitive.

Continued investment in transportation, education, and research and development will be required to make the region an attractive place to work and live. Equally important will be the development of the region’s arts and culture sector as a key driver for a prosperous economic future. A

*The gap between what we are currently investing in arts and culture and what we would need to invest to catch up to our competition appears unbridgeable unless drastic changes are made in the region’s approach to and support of arts and culture.*

robust arts and culture sector will transform the region, making it a highly desirable place to live and visit. Creative people greatly contribute to the places in which they live. Arts and culture also will contribute to addressing some of the challenges facing the region by helping to educate our citizens and bridge gaps between diverse segments of the population. The Task Force has made the business case for arts and culture as an economic investment, not only directly in travel and tourism and local citizen usage, but in terms of attracting talent and educating our future talent base in their creativity and problem-solving capabilities. The Task Force believes that arts and culture is critical to the future economic prosperity of the Valley.

The Task Force’s review of the region’s arts and culture sector shows that the Valley is behind other major metropolitan areas and is not catching up fast enough in its support of arts and culture. The gap between what we are currently investing in arts and culture and what we would need to invest to catch up to our competition appears unbridgeable unless drastic changes are made in the region’s approach to and support of arts and culture. We must begin to act regionally by forming a Maricopa Regional Arts and Culture Partnership. This report outlines a set of strategies and actions designed to build a more robust and vibrant arts and culture base and to energize the region and its civic leadership to make the private and public investments needed to become a distinctive arts and culture center.

The Valley’s efforts in arts and culture must:

- Focus on becoming renown for its distinctiveness of experiences and opportunities around its unique environment, history, and current and future populations.
- Build on the seven major cities in the region offering unprecedented opportunities for participation, learning, and cultural and artistic enjoyment throughout the Valley.

The Valley must initiate bold action if it is to succeed in developing a diversified knowledge-based economy that offers opportunities and high wages for the region’s citizens. It must build its technology assets, develop its talent base, and create desirable places in which to live and work. Arts and culture is a critical element that must be supported and nurtured for the region to succeed in realizing its vision for the future.