

LEARNING FROM OTHERS:

**BENCHMARKING THE
MARICOPA REGION AGAINST
OTHER REGIONS' EFFORTS
TO BUILD A VIBRANT
ARTS AND CULTURAL SECTOR**

PREPARED FOR:

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

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DRAFT

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Table of Contents

| | |
|-----------------------------------------|----|
| Introduction | 1 |
| Overview of the Benchmark Regions..... | 2 |
| Trends Found within the Benchmarks..... | 10 |
| Challenges Facing the Benchmarks..... | 17 |
| Lessons Learned | 19 |
| Conclusion..... | 19 |
| Appendix A: Profiles..... | 21 |
| Atlanta | 22 |
| Austin | 29 |
| Charlotte..... | 35 |
| Denver | 42 |
| Indianapolis | 49 |
| Portland | 57 |
| Salt Lake City..... | 63 |
| San Diego | 69 |
| Seattle | 76 |

INTRODUCTION

This report presents the results of a benchmarking study undertaken by Battelle to compare the approach being taken to support investment in arts and culture in nine peer and competitor regions. The results of this effort include:

- An overview of the benchmark regions' arts and cultural infrastructure;
- A description of the activities and initiatives underway to create and support vibrant arts and cultural sectors in the benchmark regions;
- Identification of trends within the benchmark regions;
- Discussion of challenges facing the arts and cultural sector in the benchmark regions; and
- Summary of lessons learned that are applicable to Maricopa's regional efforts.

In summary, this study analyzes the issues and drivers that will need to be explored in order to effectively develop the arts and cultural base in the Maricopa region.

Purpose of Benchmarking

Benchmarking, which is commonly undertaken in the corporate and financial communities as a way of improving efficiency and calibrating performance, is just as important in planning for arts and cultural development. Benchmarking allows one to identify, analyze, and draw useful lessons from the practices of regions and institutions that are generally comparable along relevant strategic dimensions. This includes:

- **Identifying the competition.** Benchmarking forces a community or institution to identify clearly those other regions against which it competes for arts and cultural audiences and investments. Benchmarking forces planners to examine in a broad, qualitative way who is pursuing similar strategies and how they are succeeding or failing.
- **Learning where you stand.** Just as a mutual fund assesses its performance against a benchmark index over time, so should communities or institutions periodically measure where they stand against an agreed-upon benchmark set. In this quantitative sense, benchmarking can focus on certain indicators of interest, often adjusted for the size of the benchmark in question.
- **Isolating the strategic issues.** To design a strategy for arts and cultural development, any region or institution must understand what its key choices are and how various potential uses of resources trade against each other. Examining how competing entities have positioned themselves can give insight into what strategic choices must be made in view of the home region/institution's strengths and weaknesses, and the opportunities and threats posed by the broader marketplace for business engagement.
- **Figuring out what works.** There is no point in reinventing the wheel. Strategies and initiatives that have worked in other regions/organizations facing similar challenges can often be adapted to local conditions, avoiding the risks of investing in entirely untried approaches unless the situation explicitly requires that.

OVERVIEW OF THE BENCHMARK REGIONS

In early discussions with Battelle, the Flinn Foundation, Margaret T. Morris Foundation, J.W. Kieckhefer Foundation, and The Virginia G. Piper Charitable Trust identified the following nine benchmarks: Atlanta, Austin, Charlotte, Denver, Indianapolis, Portland, Salt Lake City, San Diego, and Seattle. The following brief profiles highlight a few of the reasons they are of interest for this study (full narrative profiles can be found in Appendix A). This section is followed by a tabular summary of the regions' lead arts and cultural organization, vision, and significant activities taken in pursuit of that vision.

Atlanta

In 2001, the Metro Atlanta Chamber of Commerce (MACOC) convened the Regional Arts Task Force to develop a common vision and action plan for advancing the arts in the Atlanta metropolitan area. The Task Force was proposed as a result of an assessment of the effectiveness of Atlanta's Arts and Business Council, which was viewed as not being active or effective. The 38 person Regional Arts Task Force included high-level representatives from arts groups, businesses, government, and the philanthropic community. The Task Force met monthly over a six month period in 2002. In November 2002, the Task Force released its recommendations and proposed the creation of the Arts & Culture Leadership Alliance, Inc. to implement the strategies and initiatives recommended by the Task Force.

The mission of the newly created Alliance is to make the Atlanta region a premier center for the arts, and for it to be recognized as such. It is anticipated that the budget will be approximately \$1 million annually. A local foundation has committed \$1.5 million in funding over the next two to two and a half years. This funding must be matched by each of the six participating governments. Each jurisdiction is expected to contribute \$100,000 per year. Over the long-term, it is anticipated that the Alliance will seek the establishment of a dedicated funding source to support arts and culture in Atlanta. The Alliance will not make individual grant awards but will rather support "ecosystem initiatives", i.e. initiatives that will benefit the region and must benefit more than one organization.

Austin

It is widely recognized by the Austin community that the arts and cultural complex within the region is a significant asset. There is strong support among civic leaders for the informal "keep Austin weird" movement, translated as an understanding that Austin's unique music and cultural scene has led to positive economic impact, and is therefore important to support and maintain in order to ensure that the economy continues to thrive.

However, the focus and structure for supporting the arts and culture within the Austin community is currently in a state of flux. A year ago, due to a decline in revenue for the arts as a result of the poor economic conditions, disagreements regarding the process by which funding was allocated through the Austin Arts Commission, as well as an unfavorable audit, the City of Austin retained a consulting firm to reorganize and revamp the arts and cultural funding infrastructure of the region.

The consultants released a series of recommendations in December of 2002, which included the recommendation to City Council to move the Arts Commission from the City of Austin's Parks

and Recreation Department to the Economic Development Office in the near-term. The long-term recommendation is for the creation of an independent, private, full-service, local arts agency. When this might occur, no one is sure. The Austin City Council agreed to begin implementing the consultant's recommendations, and has ordered that a new funding process be developed for the FY04/05 funding round as well as that the Commission be transitioned to the Economic Development Office by October 1, 2003.

Charlotte

Arts and culture have been on the Charlotte civic agenda since at least 1958, when business leaders established the Arts & Science Council (ASC). Today, the Council is the lead planner and implementer for the region's arts strategy. It is a subtype of regional arts councils that also serves as a United Arts Fund, with annual fund-raising that ranks it first in the nation in dollars raised, dollars raised per capita, dollars raised from individuals, and dollars raised in workplace giving.

The arts also emerged at the top of the regional agenda partly because the area west of Charlotte is one of the nation's historic centers of craft, dating back to the 18th century, and because Mecklenburg County – as a community with 700 churches – was accustomed to music being at the heart of community life, and also used to tithing. In general, individual support for the arts is strong in North Carolina – there are five separate “united arts funds” in the state, of which Charlotte's is not only the largest in the state, but also the largest in the nation. The Charlotte Chamber points to the Blumenthal Performing Arts Center as an example of strong public support for the arts: half the funding came from private contributions. Recently, ASC has refocused its attention on small contributors: gifts of \$50 and under went from 15,000 three years ago to 21,000 last year.

Denver

In 1988 the Denver Scientific and Cultural Facilities District (SCFD) was created to provide a consistent source of unrestricted funding to scientific and cultural organizations. The idea for creating the district dates back to the recession of the early 80s when Denver's cultural and arts institutions were facing declining government funding and declining attendance due to increased ticket prices. The trustees of the major arts and cultural institutions got together to try to find a consistent source of funding. They proposed creating a cultural district modeled on the Metropolitan Zoological Park and Museum District in St. Louis.

In 1986 legislation was proposed but it failed to pass. The reason was that under the provisions of the first proposal, 75 percent of the money collected would have been distributed to Denver's four major institutions – the Denver Art Museum, the Denver Zoo, the Denver Botanic Gardens, and the Denver Museum of Nature and Science. The remaining 25 percent of the funds would have been distributed to smaller organizations in the surrounding counties. Mid-sized organizations opposed the legislation because they had been left out.

New legislation was drafted and introduced in 1987 that proposed the current three-tier structure dedicating a 0.1 percent retail sales and use tax (one penny on every \$10 sale) to fund scientific, cultural and arts organizations. The six-year effort to build support for the initiative paid off – the district was approved by 75 percent of the voters. The district was approved again in 1994, but this time by only 57 percent of the voters. The drop in support is attributed, in part, to the anti-tax sentiment at the time of the vote. By statute, 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 next vote will be in 2004 and a campaign is already getting underway to build support to continue the district.

Indianapolis

Indianapolis has had an Arts Commission for many years, and although that Commission had long been pursuing research and consensus-building on the importance of the arts to various regional development goals, arts and culture did not truly take center stage until the election several years ago of Bart Peterson as mayor. During his campaign, Peterson made arts development a centerpiece of his platform. In conducting its basic operations in prior years, the Arts Commission had developed good relations with two partners, the Indianapolis Convention and Visitors Association and Indianapolis Downtown Inc. When Peterson took office, he brought these three partners together with other business constituencies in a major cultural tourism conference, which led directly to his announcement in June 2001 of a five-year, \$10 million cultural tourism initiative.

To execute this initiative, the mayor created within city government a nine-member Commission on Cultural Development. In addition, through the Capital Improvement Board – a politically controlled development agency associated with the downtown convention center infrastructure – Peterson made available \$1 million a year for five years, and he obtained a matching \$5 million commitment from the Lilly Endowment, which has a broader regional if not statewide orientation to these issues and strong concerns with social equity that matched the Mayor’s own platform.

Portland

Portland’s commitment to arts and culture has emerged gradually over the last decade, as political and civic leaders began to confront an uncomfortable dissonance between Portland’s carefully cultivated reputation as a “livable” city – exemplified by the emergence of the downtown Pearl District as a center of gallery art – and the reality of significant under-funding of non-profit arts and culture organizations. In fact, Oregon ranks last in the nation for “public support” of the arts and culture, and in the bottom quarter for corporate support.

Several key changes were made following the 1992 election of Mayor Vera Katz, a former state legislative leader whose personal background also included an undergraduate performing arts degree. At her initiative, a former city arts agency was spun out into an independent 501(c)(3), the Regional Arts & Culture Council (RACC). Over the last decade, Mayor Katz has doubled the level of city resources committed to the grant functions now managed by RACC, but she also preserved significant appropriation from Multnomah County and symbolic contributions from two surrounding counties and the regional “Metro” planning authority.

Even more important, Mayor Katz recognized the problem of chronically undercapitalized arts and cultural institutions. In a widely publicized initiative, she committed \$5 million – \$1 million to each of five entities, payable over five years. Through an accompanying joint leadership-development initiative, corporate citizens were to be challenged to match the city’s commitment. However, the process moved slowly and success was very limited. RACC recruited new leadership, which has proposed that the committed funding held by RACC be decentralized

through a competitive capitalization grant program that encourages individual organizations to mount sophisticated capital campaigns targeted at their particular constituencies.

This action has rekindled discussion in the city's civic and philanthropic community about the desirability of a dedicated funding source – a matter which was discussed at the founding of the RACC, but never actually implemented. Strong leadership has come from the Meyer Trust, the state's largest foundation, which has expressed concern over the deleterious effect of small, project-oriented grants that do not allow arts organizations to build the resources to fund general operations or strategic change.

Salt Lake City

Arts and culture have been important to the citizens of the Salt Lake region since the inception of the state. The Utah Art Institute, now called the Utah Arts Council, was established in 1899 by the Third Utah Legislature three years after Utah received statehood, with a mission to "advance the arts in all their phases." This was the first arts council of its kind created in the nation.

Salt Lake City government leaders continued to emphasize the importance of arts and culture within the city with the establishment of the Salt Lake City Arts Council in 1976. The mission of the Council is to expand public awareness, access, and participation in the arts through the support of artists and art organizations in Salt Lake City.

In addition, the citizens of the region have shown their support of the arts and culture by passing in 1996 a ballot initiative designed to fund recreational facilities as well as botanical, cultural, and zoological organizations. The county collects one penny for every ten dollars spent within the county and allocates it to regional botanical, cultural and zoological organizations seeking funding. The county tax was modeled after the Denver Scientific and Cultural Facilities District. However, it is important to note that the original referendum, which did not include funding for recreational activities, was defeated at first. It was not until the referendum was placed back on the ballot and was inclusive of recreational activities that the voters approved the initiative. There is currently a committee working to place the initiative back on the ballot so that it can be re-approved. The plan is to place it on the ballot early in case it is defeated the first time.

San Diego

San Diego's historical initiatives in support of the arts shed significant light on its modern day views regarding the role of arts and culture on the economy. The city's foray into supporting public arts and culture came about at the turn of the last century when Balboa Park, today considered the jewel of San Diego's arts and cultural scene, began to be developed. Initially, in 1868, a 1,400 acre tract of land was set aside by City leaders for a public park. However, it would take another 40 years and a general understanding of the impact that arts and culture could have on industrial growth before a master plan for development began to surface and the arts and culture in the city began to be significantly supported.

Today, the leaders of San Diego recognize that arts and culture mean business for San Diego because cultural strengths make San Diego a desirable destination. Arts and culture were recently recognized as a key strength of the region by the UCSD Civic Collaborative, LEAD San Diego, and the San Diego Regional Economic Development Corporation, who have highly publicized the Richard Florida study that ranked San Diego as third in the nation in terms of a "creative class." The civic leaders of the community strongly believe the city's economic prosperity now

depends more on diversity, healthy arts and cultural scenes, great universities, outdoor recreation, and tolerance.

Seattle

Over the last 35 years, as its industrial base has grown, the Seattle region has also experienced an emergence of significant assets within its arts and cultural inventory. Before 1962, the year of the Seattle Worlds Fair, the arts in Seattle were limited to a handful of institutions augmented by periodic traveling shows and exhibitions. Since then the region has experienced tremendous growth of its arts and cultural sector.

As this base of arts and cultural organizations emerged, it was quickly recognized by the business community that there was a need to establish an organization that could focus and direct corporate investments in the arts and culture, instead of having each institution seek operational funding on an individual basis. At the time, it was felt that too much energy, effort, and dollars were being spent by individual organizations in the pursuit of their own fundraising efforts. There was a need to streamline and simplify corporate solicitations. For this purpose, the Corporate Council for the Arts was formed in 1969, and has been an integral part of the Seattle cultural scene ever since.

Today, Seattle is in the midst of change in regards to how it ensures that art and culture continue to be an important part of the region's agenda. As part of this change, in May of 2003 at its annual luncheon, the Corporate Council for the Arts was renamed the ArtsFund. The new name was chosen to reflect the organization's expanded focus to attract arts donations from individuals and employee matching funds, as well as its more traditional corporate sources. The name change is a reflection of the shifting revenue stream experienced within the region.

Table 1 provides a summary of activities and initiatives in the benchmarks.

Table 1: Summary of Activities and Initiatives in the Benchmarks

| Region | Lead Organization | Vision | Significant Activities Undertaken |
|-----------|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Atlanta | Arts & Culture Leadership Alliance, Inc. | Arts and culture will be recognized as defining elements of the quality of life in the Atlanta region. | The first priority for the newly formed Alliance is to increase public awareness of the benefits of participating in arts and culture and making citizens aware of the opportunities that are available to them. Another high priority will be to develop a marketing campaign to tie Atlanta’s arts organizations together and create a common theme. It is anticipated that the Alliance will serve as the marketing arm for the arts and culture community, e.g. by creating a single web site through which to purchase tickets for all of the arts and cultural organizations in the Atlanta region. |
| Austin | Austin Arts Commission | To create an optimal artistic environment that is diverse and well funded, enhances the quality of life, and reflects the unique Austin community. | <p>The Austin Arts Commission oversees several different programs, including:</p> <p>Cultural Contracts Program, a \$3 million program, provides cultural arts programs for the Austin community by contracting with arts organizations for specific services. The funding is provided to approximately 200 organizations representing a diverse array of activities. The largest contracts awarded are approximately \$100,000 and are allocated to the more traditional organizations, such as the art museum, the opera, and the symphony. Much smaller contracts are spread about the other entities.</p> <p>Art in Public Places Program makes it possible for talented artists of local and national renown to enhance public spaces throughout the city with works of art. The City of Austin was the first municipality in Texas to make a commitment to include works of art in construction projects when it established the Art in Public Places program in 1985. By ordinance, 2 percent of budgets are allocated to commission or purchase art for public sites such as the airport, convention center, libraries, parks, police stations, and recreation centers.</p> |
| Charlotte | Arts & Science Council of Charlotte-Mecklenburg (ASC) | There is no currently effective vision statement, but ASC is updating Charlotte’s cultural facilities master plan, now that every major project recommended in the previous plan (1976) has been built. | Charlotte, through the leadership of the Arts Council, is currently undertaking the development of a new 25-year Cultural Master Plan. However, there is presently no dedicated funding for arts and culture in the region. A recent referendum on a local arena would have included \$95 million for cultural facilities, but the referendum was defeated due to heavy opposition to the arena itself. ASC believes that if the cultural aspects had been listed separately, they would have received 80 percent voter support. On the other hand, City and County government support for ASC operational funding is strong and has never faltered. The ASC is continuing to study the question of dedicated funding streams for the arts, but has not yet come to any clear conclusions. |

| Region | Lead Organization | Vision | Significant Activities Undertaken |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Denver | Colorado Business Committee for the Arts (CBCA) | Denver has not developed a vision or an arts and culture strategy, but there is growing recognition that a strategy is needed. | CBCA works to expand awareness of the arts, facilitate business executive's involvement in arts and cultural organizations, informs the business community about arts issues, and recognizes business support of the cultural community. CBCA conducts leadership development programs, runs an award program recognizing exemplary business arts partnerships and advocates for support for the arts and culture. CBCA prepares the biannual assessment of the economic and social impact of cultural and scientific organizations on the Denver metropolitan region. |
| Indianapolis | The Mayor's initiative has created a complex situation in which it is unclear who is actually the lead organization in arts and culture. | There is currently no vision statement for the region, however in prior years, the <i>Peterson Plan: Building a World-Class city Neighborhood by Neighborhood</i> outlined the following vision: "Supporting the arts is one of seven specific goals in the broader category of improving Indianapolis and its neighborhoods." | In its first year, the Cultural Development Commission spent nearly \$1 million on marketing, including an "Arrive Curious" ad campaign. In addition, the Arts Commission oversees a series of grants programs. |
| Portland | Regional Arts & Culture Council (RACC) | The standard for our vision for central Portland is established by the vibrancy of our art and the depth of our culture. The arts are our infrastructure of ideas. Arts and culture provide the creative capital dynamism and vitality that lead to a high quality urban life. They are the catalysts for bringing the community together in complete neighborhoods. Central Portland will be the hub of a major renaissance that continues to build on the solid foundation of the past twenty-five years. Portland will increasingly be known for its creativity, which supports employment, investment and quality of life. | RACC divides its initiatives into four broad categories: service to organizations; service to individual artists; advocacy, planning and coordination; and, arts and culture dissemination. At the time RACC was formed a decade ago, the intention was to couple its creation with the development of a dedicated funding initiative. However, this piece was simply never put in place. RACC is now urging the region cautiously over the next several years to examine several models for dedicated funding, including the one used in Denver. No formal voter initiative is anticipated until at least 2005-2006. |

| Region | Lead Organization | Vision | Significant Activities Undertaken |
|----------------|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Salt Lake City | Salt Lake City Arts Council | No stated vision | The Salt Lake City Arts Council has an approximate annual budget of \$800,000, of which approximately 60 percent comes from the City's General Revenue Fund. The other two public sources are the Utah Arts Council and the County through the Zoo, Arts & Parks (ZAP) tax. During 2001, the ZAP program raised over \$15,500,000, which funded 113 organizations and twelve recreational projects. |
| San Diego | City of San Diego Commission for Arts and Culture | The City of San Diego is known for its extraordinary setting and a natural beauty that enriches the daily lives of its people. Inspired by a wealth of natural resources, the citizenry have built a community which reflects its surroundings. Geographic location positions San Diego as an international hub; historical forces have made it the home of indigenous and immigrant groups of great diversity; and an abundance of human resources promises great economic potential. San Diego takes its place among the great cities of the world, distinct from other coastal communities. Along with this coming of age is a flowering of arts and culture, a sign of a mature metropolitan area. The Commission celebrates the diversity of the City's ethnic groups who together provide the variety of multiplicity of arts and cultural offerings that enrich the natural environment. The City provides financial support for arts and cultural organizations to bring together these creative forces, inspire patronage, and stimulate artistic appreciation. | The Commission, a local arts agency, was established in 1988 by City Ordinance to serve in an advisory capacity to the Mayor, City Council, and City Manager on promoting, encouraging, and increasing support for the arts and culture institutions of San Diego. It is the Commission's responsibility to make all recommendations pertaining to arts and culture for City funding. It is also the Commission's responsibility to advise on projects and programs designed to promote public art throughout the neighborhoods of San Diego, develop policies to involve artists in selected capital improvement projects, and to encourage the private sector to include public art in private developments. |

| Region | Lead Organization | Vision | Significant Activities Undertaken |
|---------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Seattle | ArtsFund | Although ArtsFund does not have a stated vision, it describes itself in the following manner: “ArtsFund connects art and community. Our business is knowing the arts and how they serve this region. Through a highly respected grant-making process, we use that knowledge to ensure donations are wisely invested to sustain the remarkable cultural life our community has built.” | As one of its primary focuses, the ArtsFund continues to promote the concept that much of what makes the region livable and attractive is tied to the arts. ArtsFund donors currently channel more than \$4 million into the operating budgets of over 60 non-profit arts groups in King and Pierce County each year. In addition to its grant allocation role, ArtsFund is also an effective advocate on a wide range of issues important to the arts, serving as a common voice within the community and catalyst for important arts issues. |

TRENDS FOUND WITHIN THE BENCHMARKS

The following are some trends derived from examination of the benchmark set.

All of the benchmark regions are struggling to find and maintain a sustaining source of funding to support arts and culture.

The benchmarks differ both in terms of the amount of local funding provided to arts and culture organizations as well as in terms of the source of those funds. The funding available ranges from \$2.25 million in Indianapolis to \$37 million in Denver, which has a dedicated sales tax that funds the Denver Scientific and Cultural District. (See Table 2.) It should be noted that these data include only funding flowing through local or regional arts organizations, and as such represent only a portion of the total funding going to arts and cultural organizations, many of which receive direct contributions from a variety of sources as well. For example, while San Diego’s transient occupancy tax raises about \$9.5 million annually for arts and culture, the San Diego Symphony last year received the largest donation, \$120 million, ever given to an American orchestra. The contribution was made by one of the founders of Qualcomm.

Austin, Denver, Salt Lake City, and San Diego each receive funds from a dedicated tax. Charlotte and Seattle depend primarily on annual fund raising campaigns, and Atlanta, Charlotte, Indianapolis, and Portland receive significant support from local governments. Interestingly, Charlotte raised \$9.5 million in its annual united arts campaign in FY 02, a similar amount to that received by Salt Lake City and San Diego through their dedicated funds.

Table 2: Annual Arts and Culture Funding

| Region | A&C Funding | Source of funds | # or org. receiving funds | Major uses of funds |
|----------------|-------------------------------------|----------------------------------------------------------------------------------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Atlanta | \$4.2 million ¹ (2003) | Endowment County and city | 28 110 | Financial stabilization grants awarded to small-medium size arts organizations Support for cultural programs and services offered by nonprofits |
| Austin | \$2.76 million (FY 03) | Hotel/motel tax | 200 | Awards to both large and small arts and culture organizations |
| Charlotte | \$17.2 million (FY 02) | Fund Drive, City, County, investment income, school district, State Arts Council | Basic operating grants -28 Smaller grants – 150 over three year period | Unrestricted funds for general administration, operation, and programs Small grants to broaden access to arts, science, and history programs Arts in the Schools Program Fellowships |
| Denver | \$37 (FY01) | Dedicated retail sales tax | Tier I – 4 Tier II - NA Tier III - 300 | Funding is distributed by formula to arts and culture organizations throughout the region |
| Indianapolis | \$2.25 million ² | City | 75 | Majority of funds are distributed to arts, cultural, and community organizations for projects in arts education, community outreach, or cultural tourism/marketing. |
| Maricopa | \$1.3 million ³ | Municipal general funds | 120 est. | General operating support, arts education, community projects, and festivals. |
| Portland | \$4.3 million | City, 3 counties, Oregon Arts Commission, gifts | NA | Competitively awards funds to operating support, project support, technical assistance, and outreach to schools and communities. |
| Salt Lake City | \$10.85 million (2001) ⁴ | Dedicated sales tax | 113 | Awards fund to botanical, cultural, and zoological organizations |
| San Diego | \$9.5 million annually | Dedicated transient occupancy tax | 85 | \$7.7 million is distributed by formula for organizational support |
| Seattle | \$3.95 million FY 02) | Annual fundraising campaign, endowments, income | 22 Sustaining support 25-30 Discretionary grants | Organizational support |

¹ Included a gift of \$1 million so the amount awarded in 2003 was four times the amount normally awarded in a single year.

² Does not include a 5 year Cultural Tourism Initiative, which was funded in June 2001 with \$10 million.

³ Includes only funding for competitively awarded grant programs. This figure does not include facilities and other activities funded locally, nor does it include funding from the Arizona Commission on the Arts.

⁴ Does not include \$4.65 million raised by the sales tax that was used for recreational projects.

Most of the benchmarks that do not currently have a dedicated funding source are either considering or working toward establishing one. But even in Denver, which has had a dedicated source of funding since 1987, the cultural district must be reauthorized and there is some concern that the legislation may not pass. Thus, having a dedicated funding stream does not lessen the need to continually build and maintain support for investment in arts and culture.

The benchmarks also differ in how awards are made and which organizations are eligible to receive them. Denver and San Diego distribute funds on the basis of a formula, whereas other regions award funding competitively. Most of the benchmarks have separate funding pools available based on the size of the arts and cultural organizations.

The benchmark regions are focused on increasing their capacity to deliver quality services in order to compete on a national level for cultural tourism and the positive economic impacts that result.

One of the reasons that cities and regions support arts and culture is that they want to increase the number of cultural tourists who add to the region's economy. In order to attract such tourists, the region must have high quality arts and cultural institutions. One interviewee expressed a concern that in his region, too many arts and cultural institutions have settled for less than top quality, with the excuse that the audience is not sophisticated enough. He argued that lack of a strong emphasis on quality would hamper the region's ability to reach the level of cultural tourism that it is striving to reach. In a similar vein, research sponsored by the Arts Council in Indianapolis indicated that there is a perception that the City does not have a strong enough cultural "product" to convince first-time visitors. The City has embarked on a five-year, \$10 million cultural tourism initiative to strengthen both its image and its cultural offerings.

Arts and cultural organizations in the benchmark regions all emphasize the importance of arts and culture to the education of the region's children, and some have created special programs to work with the academic sector in order to help strengthen education in arts and culture.

A nonprofit spin-off of the Charlotte Arts and Science Council, the Cultural Education Collaborative (shortly to be named ArtsTeach) manages all art-in-the-schools programs for the Charlotte Mecklenburg School District. The school district contributes \$300,000 annually to ASC. The budget for the Collaborative, which comes from ACS and matching contributions, is \$3 million annually. This is exclusive of the school district's own budget which supports five magnet arts schools.

Salt Lake City's Arts Council provides artist-in-the-classroom grants to support artist' residencies for Salt Lake City elementary schools. The program provides funds for artists' fees and supplies. In the Atlanta region, the Fulton County Arts Council provides schools with an annual allocation for curriculum-based performances, workshops, residencies, and field trips. The program is funded by the Arts Council and the Fulton County Board of Education. The San Diego Commission for the Arts and Culture, in partnership with the Parker Foundation and the San Diego Unified School District, developed a strategic plan in 2000 to improve instruction in visual and performing arts in the school system by leveraging arts and cultural assets in the community. As a result, the San Diego Arts Education Partnership has been created to build relationships between San Diego's education and arts and cultural providers to further develop arts-education partnerships that address learning for all students.

At least one of the benchmarks, Portland is looking at the relationship between the nonprofit arts and culture sector and the for profit creative services sector.

Several years ago, the Portland Development Commission (PDC) conducted a study that showed that creative services paid wages 40 percent higher than the regional average and was growing twice as fast.⁵ The Northwest Business for Arts and Culture promoted the idea that the creative-services sector depends to some degree on the nonprofit arts sector's "ability to serve as an incubator for prospective employees and to create an atmosphere that can attract creative services workers."

Of the nine benchmark regions, only Atlanta has developed strategic objectives to guide the current development of the region's arts and cultural sector, although other regions have developed goals and/or developed strategic plans in the past.

In 2001, the Metro Atlanta Chamber of Commerce convened a Regional Arts Task Force, similar to the Maricopa Regional Arts and Culture Task Force, to develop a common vision and action plan for advancing the arts in the Atlanta metropolitan area. The Task Force identified five key strategic objectives and proposed near-term initiatives and action to be undertaken to achieve the objectives. The strategic objectives include:

- **Education:** Expand and integrate the offering of arts and culture education programs for children and adults.
- **Public Awareness:** Increase public awareness about the benefits and impact of the arts across the region.
- **Marketing:** Improve promotion of arts and culture events and expand audiences by increasing the coordination among arts organizations.
- **Infrastructure:** Provide easy access to comprehensive arts information and improve utilization of venues.
- **Funding:** Develop a regional sustained funding mechanism to support vibrant arts and culture community in Atlanta.

Near-term initiatives proposed include conducting a regional arts education program inventory; building a nonprofit on-line web site to provide information, tickets, and community for arts and cultural organizations; creating a collaborative marketing campaign; and, conducting a research study to evaluate options for creating a sustained funding source for arts and cultural programs. A new nonprofit entity, the Arts and Culture Leadership Alliance, Inc., has been established to implement the strategy.

In Indianapolis, a Commission on Cultural Development, which was created by the Mayor, has developed goals and programs for the City's Cultural Tourism Initiative. The goals include:

- Stimulate increased cultural participation and engagement by Indianapolis residents.
- Maximize the cultural experience of Indianapolis' destination and event visitors.
- Strengthen Indianapolis and the surrounding region as a unique cultural destination.

⁵ For the report and surrounding discussion see the website of the Development Commission: <http://www.pdc.us/programs/ed/creativeservices/report.html>.

- Build a solid, sustainable infrastructure to support cultural tourism as a major component of overall cultural development for Indianapolis.

Charlotte's Arts and Science Council (ASC) is currently developing a new, 25 year Cultural Master Plan, having recently completed every major project proposed in the plan that was developed in 1976. The ASC acknowledges that this process is yielding a "laundry list" that might take a very long time to finance and complete. To address this, the Council will try to assess revenue streams and assign each project a "readiness quotient" that will allow it to prioritize the first several years of grant making and fundraising.

It is interesting to note that the regions that have a dedicated source of funding for arts and culture and in which substantial dollars are invested in arts and culture, such as Denver, have not developed a strategy to guide the region's investments in arts and culture. Interviewees in Denver indicated that there is growing recognition that a strategy is needed, but no organization has thus far attempted to take an inventory of the region's arts and cultural organizations, identify gaps, and determine what the region can sustain.

The benchmark regions use a number of performance measures to highlight the impact of arts and culture on the economy but few have undertaken studies or developed outcome data to measure the social and community impact of arts and culture on the region.

Eight of the nine benchmark regions use data from economic impact analyses to measure both direct and indirect impact of the nonprofit arts and cultural sector on the regional economy. In San Diego, the Corporate Council for the Arts prepares an annual economic impact report. In Denver, the Colorado Business Committee for the Arts prepares an economic impact assessment on a biannual basis. Portland and Salt Lake City have participated in statewide economic impact studies that include regional data. Atlanta, Indianapolis, and San Diego participated in the national study sponsored by Americans for the Arts, as did the Maricopa region. Austin is the only region among the benchmarks that has not conducted or participated in an economic impact study.

While the majority of the benchmarks conduct economic impact studies and widely disseminate their findings in order to build support for investment in arts and culture, several of the people interviewed in the benchmark regions reported that they felt the business community does not place as much importance on the economic impact of the arts and cultural sector as does the arts community itself. It was suggested that the impacts of greatest concern to business leaders are the relationship between arts and education and the importance of a vital arts and cultural sector in attracting talent.

Each of the benchmark regions also collect data on process measures, such as ticket sales, number of events, number of people participating in arts and cultural events, students and teachers served by arts and culture programs, etc. (See Table 3.) Few, if any, of the benchmarks conduct environmental scans to measure progress and to identify emerging opportunities and challenges facing the arts and cultural sector.

Table 3: Summary of Measures Used to Gauge Progress in Culture and Arts in Benchmark Regions

| Measure | Atlanta | Austin* | Charlotte | Denver | Indianapolis | Portland | Salt Lake City | San Diego | Seattle |
|---------------------------------------------------------------------------------------------------------------------------|---------|---------|-----------|--------|--------------|----------|----------------|-----------|---------|
| Performance of arts and culture sector | | | | | | | | | |
| # of organizations | | | | X | | X | X | X | X |
| Cultural revenue <ul style="list-style-type: none"> Earned (Ticket and other sales) Contributions | X | | | X | | X | | | |
| # of performances and growth rate | | | | | | X | | | |
| Number of tickets sold | | | | | X | | | X | |
| \$ amount of grants received <ul style="list-style-type: none"> Local National | X | | | | | X | | | X |
| # of people attending cultural and arts activities | | | X | X | X | X | X | X | X |
| # of patrons attending 3+ events | X | | | | | | | | X |
| # of collaborative events | X | | | | | | | | |
| # of cultural visits <ul style="list-style-type: none"> Paid Free Reduced cost | | | | X | | | X | X | |
| \$ raised, by source | | | X | | | | | X | X |
| # of donors | | | X | | | | | X | X |
| # of major venues added | | | X | | | | X | | |
| # of public Art projects completed | | | X | | | X | | | |
| \$ and # of grant expenditures <ul style="list-style-type: none"> By recipient | | | | | X | X | | | X |
| Economic Impact | | | | | | | | | |
| Total Economic Impact broken out by cultural organizations and spending by audiences – in- | X | | X | X | X | X | X | X | X |

| | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------|---|--|---|---|---|---|---|---|---|
| cludes direct and induced impacts | | | | | | | | | |
| # of people employed in cultural organizations | | | | X | | X | X | X | X |
| Total dollars paid by cultural organizations in payroll, seat and sales taxes | | | | X | | X | X | | X |
| # of facilities constructed and total dollars invested by cultural institutions in new construction, remodeling and equipment | | | | X | | X | X | | X |
| Dollars generated by cultural tourism <ul style="list-style-type: none"> # visitors from outside region | | | | X | | | | X | X |
| | | | X | | X | | | | |
| Education and Workforce Impacts | | | | | | | | | |
| # of programs in schools | X | | | | X | | | | |
| # of school children participating in educational experiences | | | | X | | | X | X | |
| # of people enrolled in paid or free courses | | | | X | | | X | X | |
| # of people who became paid subscribers | | | | X | | | | | |
| Hours of service by arts groups to education | | | | | | X | | | |
| Community/Social Impacts | | | | | | | | | |
| # of people volunteering | | | X | X | | | | X | X |
| # of volunteer hours | | | | X | | | | | |
| % of new attendees to events by group | X | | | | | | | | |
| Number of rural or disadvantaged targeted | | | | | | | X | | |
| Image Impacts | | | | | | | | | |
| # of media references | X | | | | X | | | | |

* Austin does not currently collect and report any measurements concerning the arts and culture. However, a recently released study recommended that the City should allocate sufficient funds to complete a comprehensive economic impact study. The study did not specify what measurements should be examined.

Regions are attempting to move away from an environment in which the sector has been notably fragmented, towards an environment of collaboration and joint efforts, including marketing.

In the San Diego region, for example, fifteen 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 website that provides a large database of numerous arts and cultural opportunities available in the region.⁶ 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 & Visitors Bureau's ongoing programming.

The Indianapolis Arts Commission provides tickets for arts events both on-line and via a kiosk at the main downtown mall. In recognition of the fact that consumers do not make a distinction between for-profit and nonprofit organizations when choosing arts events to attend, the Arts Commission will shortly release a gallery guide that for the first time will include for-profit stores. It is also considering expanding its ticketing service to include for-profit ventures.

Civic and business leaders in many of the benchmarks are beginning to understand how the arts and cultural sector contributes to the region's economy and quality of life, and are providing leadership in promoting arts and culture.

In Indianapolis, Mayor Peterson made arts development a centerpiece of his platform during the election focusing on the potential of arts institutions to attract tourists to the region. Once elected, he established Indianapolis' cultural tourism initiative. In Portland, Oregon, Mayor Katz is and has been a strong supporter of arts and culture for the past decade. During this time, she has doubled the level of city resources committed for arts and culture grants while at the same time maintaining a significant commitment from the County for arts and culture.

In San Diego, as in many other regions around the country, civic and business leaders have taken note of the research of Richard Florida that argues the importance of the "creative class" to today's knowledge economy. As a result, these leaders believe that the city's prosperity depends upon diversity, healthy arts and culture scenes, great universities, outdoor recreation, and tolerance.

CHALLENGES FACING THE BENCHMARKS

Each of the arts and cultural leaders interviewed were asked to identify the greatest challenges facing their arts and cultural sector. Not surprisingly, they reported facing many of the same challenges. This is due, in part, to the fact that they reflect national and even global trends in

⁶ www.sandiegoartsandsol.com

support for arts and culture and the impact of technology on the arts and cultural sector. These are also challenges facing the Maricopa region.

Diversifying the arts audience. One of the greatest challenges facing arts and cultural communities everywhere is the need to broaden and diversify the arts audience. All of the benchmark regions indicated that they are looking for ways to reach out to and provide offerings that appeal to a larger, more diverse segment of their population. One arts council director suggested that a new model is needed to replace the current generation of strong corporate and philanthropic leadership to ensure the sustainability of the arts and cultural community in the future.

Increased competition among cities within a region. Nearly all of the benchmark regions are experiencing growth in the suburban areas that surround their central cities. As smaller cities within the metropolitan area grow, many of them have established their own art and cultural councils and related inward programming. In some cases, this is leading to increased competition for funding and audiences and perceived fragmentation of services. In Salt Lake County, for example, in addition to the City of Salt Lake, 13 suburban cities have developed arts councils. In the Charlotte metropolitan area, six towns are currently working on cultural plans with support from the Charlotte Arts and Science Council. Seattle and Austin reported similar experiences.

Distribution of funds among large, established organizations versus small, mid-size, and start-up arts and cultural organizations. Several of the benchmarks distribute arts and cultural funding via a formula that allocates a certain percentage of the funding to different size arts and cultural organizations. Denver's Science and Cultural Facilities district funding is allocated as follows: 59 percent of the funding goes to Tier I institutions, which include the Denver Art Museum, the Denver Zoo, the Denver Botanic Gardens and the Denver Museum of Nature and science; Tier II institutions (those with operating incomes of \$914,368 or more) receive 28 percent of the total; and Tier III, small local organizations, receive 13 percent of the total funds. A major issue in reauthorizing the district is trying to reach agreement among the arts and culture organizations on the distribution of the funds. Even those regions that don't distribute funds by formula often have separate funding categories based on size of the organization. The benchmarks indicated that it is often difficult to determine how to balance the desire to have quality major attractions and healthy local and grassroots organizations throughout the region

Lack of understanding of the contribution made by arts and culture to the economy and community. Most of the benchmark regions reported that greater public awareness and education is needed to convince citizens of the important social and economic benefits that come from having a strong arts and culture sector.

The new attention being placed on knowledge workers and the attributes that are needed to attract and grow a "creative class" has led to the development of new organizations focused on aspects of arts and culture. In several of the benchmarks, the organizational structure for supporting arts and culture is in flux as a result. In Austin, it has been proposed that the City's Arts Commission be replaced with an independent full-service, private local arts agency. At the same time, the Mayor's Taskforce on the Economy has established a Cultural Vitality and Creative Economy subcommittee that has developed a cultural vision for the region. It is unclear at this point how these two efforts will be brought together.

Similarly, in Indianapolis the Mayor created a Commission on Cultural Development despite the fact that the City already has an Arts Council.

LESSONS LEARNED

Following are some lessons derived from examination of the benchmark set, drawing upon either remarks made directly by interviewees when invited to “advise” the Arts and Culture Task Force or inference from information collected about the entire set.

Sustained leadership is key to success. Interviewees expressed the importance of identifying champions who can keep arts and culture on the regional agenda. It was also suggested that organizations use business leaders to advocate for arts and culture. Most large cultural institutions have prestigious, well-known members of the business community serving on their boards. Such board members can be very effective advocates for regional support for arts and culture.

Building support for arts and culture takes a long time. Building support for arts and culture is like any other issue — you have to organize, dedicate resources to building support, and know your opposition. The idea of creating the Denver Scientific and Cultural Facilities District was proposed in 1982 but it took six years to put together a coalition and even then the legislation did not pass the first time.

In order to get support for arts and culture, the public needs to understand how arts and culture benefits the region and the economy. While this may include providing economic impact data, it may be even more important to get the public to understand the link between education and arts and culture and the importance of a healthy, vibrant arts and cultural sector in attracting and retaining talent.

It is important to build an infrastructure that can guide the process of investing in arts and culture in a region. One director of an arts council that distributes funding to arts and cultural organizations recommended that it is important for newly established organizations to be very focused and specific. Once the organization is established, it can grow into something larger and broader in scope.

Develop a diversified funding base for arts and culture that includes public, corporate/foundation, and individual support. Arts and cultural organizations need to be entrepreneurial in their approach to building support for arts and culture. By developing a diversified funding portfolio, downturns in one sector can sometimes be offset by contributions and funding from other sectors.

CONCLUSION

The benchmark regions are facing many of the same issues as the Maricopa region. These include the need to find a sustained source of support for arts and culture, the desire to reach out and expand the arts audience and community, the desire to provide greater arts education, and the recognition that while a regional approach is needed, it is often difficult to balance the needs of diverse communities within a region. The Maricopa region invests somewhat less in terms of funding that is awarded to arts and cultural organizations than most of the benchmarks, although

the municipalities also provide additional funding for facility management and other activities. Furthermore, a greater share of the Maricopa region's arts and cultural resources come from the public sector than in regions like Charlotte and Seattle. One of the ways in which the Maricopa region differs from the benchmarks is that all have a central city that houses the majority of its art and cultural attractions, although most are experiencing suburban growth, which may make them begin to look a lot more like the Maricopa region. Indianapolis is the one region among the benchmarks that is seeking to create several highly visible cultural "destinations" or hubs, all of which are vital magnets for residents and visitors, as well as various retail corridors that may become centers for galleries and cultural use. Indianapolis describes what they are trying to create as "a mosaic of places, traditions, art forms, celebrations and experiences that portray Greater Indianapolis and its people and reflects the diversity and character of the community." In this sense, Indianapolis may be a model for the Maricopa region.

The Maricopa region has the opportunity to become one of the first regions to develop a strategic plan for arts and culture as there was very little strategic planning underway within the benchmark communities with the exception of Atlanta, which is at a very early stage in its strategic development.

Appendix A – Profiles

Atlanta Arts and Culture

PUTTING ARTS AND CULTURE ON THE AGENDA IN ATLANTA

In 2001, the Metro Atlanta Chamber of Commerce (MACOC) convened The Regional Arts Task Force to develop a common vision and action plan for advancing the arts in the Atlanta metropolitan area, a five county region that includes Clayton, Cobb, DeKalb, Fulton, and Gwinnett counties and the City of Atlanta. The Task Force was proposed as a result of an assessment of the effectiveness of Atlanta's Arts and Business Council, which was housed in MACOC. The Council had not been active and the Chamber appointed a small advisory committee to assess whether arts and culture affect businesses and to determine what if any role the Chamber should play in supporting arts and culture. MACOC engaged a consulting firm to determine if there is a substantial link between the arts and economic development. The consultants reported that

having reviewed a multitude of research conducted throughout the nation, and applying the classic consultant's cynical view, we were overwhelmed by the apparent link between the arts and social and economic development. In study after study, we found strong correlation between the arts and the increased success of students, increased spending of tourists, increased economic impact to a region, and the revitalization of economically depressed neighborhoods. We even searched for indicators that would refute the positive correlation but found none.⁷

The arts were found to impact economic development in Atlanta in three ways. First, arts impact the local economy by providing jobs and increasing tax revenue. Second, the arts impact business development by improving the reputation of the region, attracting and retaining high quality talent, and enhancing education thereby improving home grown talent. Third, the arts attract cultural tourists to the region.

The most compelling arguments for the business community, however, was the importance of having a high quality arts and culture community in order to attract talent and the link between the arts and education, in particular research showing that students that participate in the arts have higher SAT scores. The business leaders did not place as much importance on the economic impact of the arts as did the arts community itself.

In addition to providing data on the economic and social impact of the arts, the study identified key challenges facing Atlanta's arts and culture sector. These include:

- No holistic vision for the arts in Atlanta
- Lack of focused leadership
- Lack of effective marketing
- Lack of appropriate levels of quantity, quality, and diversity of arts offerings
- Lack of necessary infrastructure

⁷ The North Highland Company. *Evaluating the Link Between Arts and Business*. Atlanta: The Metro Atlanta Chamber of Commerce, November 29, 2001.

- Flight of arts talent
- Lack of appropriate funding.

As a result of the study’s findings, the Chamber decided that the arts do have a significant impact on businesses and convened a high level Task Force to develop an arts strategy and to recommend an entity to implement it.

The 38 person Regional Arts Task Force included high-level representatives from arts groups, businesses, government and the philanthropic community. The Task Force met monthly over a six month period in 2002. In November 2002, the Task Force released its recommendations and proposed the creation of the Arts & Culture Leadership Alliance, Inc. to implement the strategies and initiatives recommended by the Task Force.

LEAD ARTS AND CULTURE ORGANIZATION

Responsibility for implementing Atlanta’s Arts and Culture Strategy now rests with the newly established Arts & Culture Leadership Alliance, Inc., a private, non-profit 501(c) 3 organization. The mission of the Alliance is to make the Atlanta region a Premier Center for the Arts, and for it to be recognized as such. The Alliance has a 19 member Board that includes county commissioners from each of the five counties in the region, the Mayor of Atlanta, six representatives of the arts representing large, mid-size and small organizations, and five senior business executives, and two educators. The Alliance is chaired by a CEO who also chaired the initial Task Force.

The Alliance will have a small 2 – 3 person permanent staff. A search is currently underway for an Executive Director. The Alliance will use working groups to pursue initiatives in each of the strategic areas identified by the Arts Task Force.

It is anticipated that the budget will be approximately \$1 million annually, which will be used for the near-term initiatives described in the table below and for projects that will benefit the entire region. A local foundation has committed \$1.5 million in funding over the next 2 – 2 1/2 years. This funding must be matched by each of the six participating governments. Each jurisdiction is expected to contribute \$100,000 per year. Thus far four of the six governments have committed funds for the Alliance. This initial funding primarily will be used for operational costs. Over the long-term, it is anticipated that the Alliance will seek the establishment of a dedicated funding source to support arts and culture in Atlanta.

The Alliance will not make individual grant awards but will rather support “ecosystem initiatives”, i.e. initiatives that will benefit the region and must benefit more than one organization. A list of near term initiatives to be undertaken is below.

Additional organizations that support arts and culture in the Atlanta region include:

- Metropolitan Atlanta Arts Fund, which serves 22 counties. The mission of the Arts Fund is to provide financial stabilization, strategic support and related technical assistance to small to medium sized art organizations throughout the Metro Atlanta region.
- Fulton County Arts Council through which the County funds cultural programs and services offered by nonprofit arts organizations.
- The DeKalb Council for the Arts.

- The City of Atlanta Bureau of Cultural Affairs, a division of the Department of Parks, Recreation and Cultural Affairs that supports artistic development and presentation of the arts in Atlanta.

VISION

The Arts Task Force developed the following Vision Statement

Arts and Culture will be recognized as defining elements of the quality of life in the Atlanta region.

PROGRAMS AND INITIATIVES

The Fulton County Arts Council operates seven programs. They include

- Art at Work Youth Job Training, an arts education and training program operated in partnership with the Fulton County Juvenile Court.
- Community Cultural Planning in which the Council partners with municipalities to develop strategies for increasing arts opportunities and resources. Through this program the Council provides funding for feasibility and planning studies.
- Contracts for Services Program is the grant program described under Financing.
- The Neighborhood Program pairs arts instructors with non-traditional settings.
- Public Art Program
- School Arts Program, which is funded by the Council and the Fulton County Board of Education that provides an annual allocation to schools for curriculum-based performances, workshops, residencies and field trips.
- Arts Camps.
- The Council also operates five art centers that offer classes and workshop.

The Task Force identified five key strategic objectives and proposed near-term initiative and actions to be undertaken to achieve these objectives. These are displayed below.

| Strategic Objective | Near-term Initiatives |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Education: Expand and integrate the offering of arts and culture education programs for children and adults | Conduct a regional arts education program inventory to identify unmet needs and potential collaborations. Plan and implement collaborative educational initiatives. |
| Public Awareness: Increase public awareness about the benefits and impact of the arts across the region | Conduct e-mail campaign to describe the benefits of participating in arts and culture programs. Plan a public awareness campaign to support sustained arts funding initiatives Collect baseline data to track measures of progress |
| Marketing: Improve promotion of arts | Create a collaborative marketing campaign with cross- |

| | |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| and culture events and expand audiences by increasing the coordination among arts organizations | venue passes to encourage the public to attend new events/performances/spaces. Plan and implement a Regional Arts and Culture “branding” strategy |
| Infrastructure: Provide easy access to comprehensive arts information and improve utilization of venues. | Collect and integrate a regional Arts and Culture database Build a non-profit on-line web site to provide information, tickets, and community for arts and culture organizations. Prepare a regional venue inventory and gap analysis |
| Funding: Develop a regional sustained funding mechanism to support vibrant arts and culture community in Atlanta. | Seek funding for near-term regional ecosystem initiatives approved by Board Conduct a research study that evaluates options for Atlanta to create sustained funding sources for arts and culture programs. |

Source: The Atlanta Regional Arts Task Force Sixth Task Force Meeting, November 19, 2002, PowerPoint Presentation.

The first priority for the Alliance will be to increase public awareness of the benefits of participating in arts and culture and making citizens aware of the opportunities that are available to them. Another high priority will be to develop a marketing campaign to tie Atlanta’s arts organizations together and create a common theme. It is anticipated that the Alliance will serve as the marketing arm for the arts and culture community, e.g. by creating a single web site through which to purchase tickets for all of the arts and culture organizations in the Atlanta region.

FINANCING ARTS AND CULTURE

The Atlanta region has no dedicated source of funding for arts and culture although the Atlanta Convention and Visitor’s Bureau receives dedicated revenue from a hotel/motel tax. There are, however, several sources of funds for the arts in Metro Atlanta. They include:

- The Fulton County Arts Council, which awarded \$3 million in grants and contract to 110 nonprofit and community organizations to present arts and cultural programs for the 2003/2004 funding cycle. The awards ranged in size from 16,000 to \$150,000, with most falling in the \$25,000 to \$50,000 range.
- The Metropolitan Atlanta Arts Fund, which awarded 28 grants for a total of \$1.2 million in 2003. The 2003 budget was four times that average annual budget due to the receipt of a \$1 million gift. The Arts Fund was established in 1992 with an initial \$500,000 challenge grant from the Coca Cola Corporation that generated \$3 million. By late 1999, the endowment had grown to \$4 million. Due to a recent fundraising campaign, the endowment, haws now grown to \$8 million.
- The City of Atlanta Bureau of Cultural Affairs administers a Contract for Arts Services program, which provides support to Major Arts Organizations as well as for small to mid size arts organizations

- De Kalb Council for the Arts awarded \$25,000 in funding in 2003.

Despite these funding sources, the new Arts and Culture Leadership Alliance wants to create a dedicated source of funding for arts and culture in the Atlanta metropolitan region. SunTrust Bank, which was a member of the Regional Arts Task Force, has commissioned a research project to examine various options for long-term funding for arts and culture. The study is being conducted by Research Atlanta, Inc., a professor at Georgia State and the Alliance for Cultural Excellence. It is anticipated that the report will be released shortly. A working group will be established by the Alliance to address the wide range of issues related to funding. It is anticipated that any proposal to create a dedicated source of funding support will not be made until after the Alliance is up and running. It is not known what relationship such a funding source would have to the above funds.

MEASURING THE IMPACT OF ARTS AND CULTURE

Fulton County, which includes the City of Atlanta, participated in the American for the Arts economic impact study, which showed that the arts and cultural sector supported more than 10,000 jobs and generated \$261 million in direct in resident household income, \$12.8 million in local government revenue, and \$19 million in state government revenue.⁸

The Regional Arts and Culture Task Force identified a range of metrics that could be used to measure success in achieving its strategic objectives and had the task force members vote on which they felt were most important. They are listed below in the order in which they were ranked by the task force members.

- Ticket sales & earned income
- Percent of new attendees to events by group
- Number of media references
- Economic impact to the region
- Numbers of collaborative events
- Contributed income from individuals
- Number of programs in schools
- \$ Amount of grants (local & national)
- Number of patrons attending 3+ organizations

The Task Force also identified measures that will be used to track progress on near-term initiatives that have been proposed. They include:

Public Awareness – E Mail Campaign

- Conduct pre/post surveys to measure the current awareness of offerings
- Count the number of large firms participating in the program
- Create an informational website that has the messages and count the # of hits to the site

⁸ *Arts and Economic Prosperity*, Americans for the Arts, 2002.

Collaborative Marketing Campaign – with cross venue passes to encourage the public to attend new events/performances/spaces

- Record pre-post Pass attendance statistics for participating A&C organization
- Capture Pass usage statistics (demographics, geography)
- Track short-term vs. longer-term revenue gains by participating orgs.

Arts Education Inventory: Create a database that captures:

- # of existing arts education organizations
- # of programs being offered, sorted by types, region
- # of students participating (including trend over time)
- \$ spent on existing programs (recent expenditure trend).

Build non-profit online website to provide info, tickets, and community for arts & culture orgs.

- # of visitors to the website; # of tickets purchased, # of clicks within the site
- # of subscribers to an email newsletter; # of downloads of tools posted on the site

ISSUES AND CHALLENGES

Regional Buy-In. The greatest challenge in Atlanta is convincing all of the local governments in the region to participate in and support the Alliance. The counties surrounding the City of Atlanta want to be assured that the money they contribute to the Alliance will not be spent solely in downtown Atlanta but will be spent in their communities as well. This is especially a concern of Gwinnett County, which has a population that is larger than the City of Atlanta.

Large vs. Small. Another challenge will be to assure that the Alliance benefits small grass roots and community culture and arts organizations as well as the large regional organizations such as Atlanta’s Woodruff Arts Center that includes theatres, The Atlanta Symphony Orchestra, the Atlanta College of the Arts, and the High Museum of Art.

Lack of understanding of the contribution made by arts and culture to the economy and community. Public awareness and education are needed to convince citizens of the important social and economic benefits that come from having a strong arts and culture sector. One person interviewed expressed the opinion that people in Atlanta think of their region as more of a sports town than a region known for its arts and cultural institutions.

LESSONS LEARNED

At this point because they are at a very early stage in developing an arts and culture strategy and have not yet implemented any initiatives most of the lessons learned concern the Regional Arts Task Force. Lessons learned include:

- The composition of the task force is key. In Atlanta, they were able to assemble a very diverse group of people that represented all geographic areas and all areas of culture and the arts. The task force was also diverse in terms of gender, race, and age. Finding peo-

ple that represented more than one constituency, e.g. a business executive that was a member of the Board of the Opera, was very helpful.

- Having a committed strong chair who could achieve consensus and keep moving forward with the agenda contributed significantly to the success achieved by the task force during a relatively short time-period.
- The Task Force used electronic voting machines to determine whether a consensus position had emerged. This enabled the task force to move forward and prevented vocal members of the task force from unduly influencing the results or holding up progress.

Austin Arts and Culture

PUTTING ARTS AND CULTURE ON THE AGENDA IN AUSTIN

Similar to many regions across the nation, arts and culture have been on the Austin civic agenda since the 1970s when Austin's City Council created the Austin Arts Commission to serve as an advisory board to the Council on all arts related matters. Today, it is widely recognized by the community that the arts and culture complex within Austin is a significant asset for the region. There is strong support among civic leaders for the informal "keep Austin weird" movement, translated as an understanding that Austin's unique music and cultural scene has led to positive economic impact, and is therefore important to support and maintain in order to ensure that the economy continues to thrive.

However, the focus and structure for supporting the arts and culture within the Austin community is currently in a state of flux. A year ago, due to a decline in revenue for the arts as a result of the poor economic conditions, disagreements regarding the process by which funding was allocated through the Commission, as well as an unfavorable audit, the City of Austin retained a consulting firm to:

- Evaluate the city's current cultural arts funding process;
- Identify public cultural arts funding best practices and benchmarks; and,
- Identify and recommend viable cultural arts program model alternatives for the city, including strategies for implementing those alternatives.

The consultants released a series of recommendations in December of 2002, which included the recommendation to City Council to move the Arts Commission from the City of Austin's Parks and Recreation Department to the Economic Development Office in the near-term. The long-term recommendation is for the creation of an independent private full-service local arts agency.⁹ When this might occur, no one is sure. The Austin City Council agreed to begin implementing the consultant's recommendations, and has ordered that a new funding process be developed for the FY04/05 funding round as well as that the Commission be transitioned to the Economic Development Office by October 1, 2003.

At the same time that the consultants were reviewing the funding process and organizational structure of the Austin Arts Commission, the Mayor's Taskforce on the Economy was formed to address specific issues related to economic development and the City's role in the process. Three subcommittees were formed, and the Cultural Vitality and Creative Economy Subcommittee was one of them. The subcommittee was comprised of over twenty high-level representatives from the arts, businesses, government, and university community. The subcommittee met

⁹ *Investing in Austin's Arts and Cultural Prosperity and Economic Growth: Findings and Recommendations*. Submitted to the City of Austin. Submitted by Dabney and Associates. December 2002.

approximately six times over a period of several months, and in April of 2003 released its recommendations as part of the Mayor's larger Taskforce on the Economy.¹⁰

The Cultural Vitality and Creative Economy Subcommittee found that since Austin already integrates environmental considerations into its decisions and community fabric, its goal should be to also do the same with its creative, artistic, and cultural resources. It is their belief that this will help enhance Austin's unique character; retain its competitive advantage for retaining people, industries and jobs; and ultimately, improve its quality of life. The Taskforce was driven by a cultural vision for Austin based on six principles:

- *Accessible.* Interested residents and visitors take advantage of multiple opportunities for, and easy access to, artistic, social, and cultural activities of their choice. Arts and cultural providers are able to find suitable spaces to create and share their work.
- *Affordable.* Arts and cultural providers are able to live a comfortable existence in Austin while patrons can afford to attend arts/cultural events.
- *Applauded.* Austin's artists are widely recognized for their contributions to the local, national, and international arts world; citizens and potential visitors view Austin as a creative center, with a reputation for unique cultural and social assets.
- *Diverse.* Audiences and providers from all socio-cultural and ethnic backgrounds interact and participate in a wide range of arts/cultural activities.
- *Distinctive.* Austin has a distinctive cultural identity supported by locally developed arts venues, outdoor spaces, retail shops, and special events.
- *Dynamic.* Austin fosters the overall growth of its cultural sector and incubates the development of new cultural forms and new modes within existing art forms.

Therefore, although at this time it is somewhat unclear how arts and cultural programs in the Austin Region will be supported in the future, it is clear that the arts and cultural infrastructure of Austin is clearly viewed by the community as a vital asset that contributes significantly to the region's economic prosperity. The Mayor's Taskforce clearly indicated that "growing a creative economy is closely linked to dynamic and cultural vitality. Strong cultural and social institutions help build the quality of life that attracts talented workers and directly employ many creative workers. The subcommittee members believe that supporting arts and cultural amenities is a critical aspect in expanding jobs and businesses in the creative sector."¹¹

LEAD ARTS AND CULTURE ORGANIZATION

Organized in the 1970s, the Austin Arts Commission is an advisory board to the City Council on all arts related matters. The Commission is supported by the Cultural Arts Affairs Division of the City of Austin's Parks and Recreation Department.

Further structure and guidance for the Commission was developed in 1986 when the Austin City Council adopted an ordinance establishing an arts funding program (see below for additional

¹⁰ *Austin's Economic Future: The Mayor's Taskforce on the Economy – Subcommittee Findings.* Prepared for the City of Austin. April 9, 2003.

¹¹ *Ibid.*

information concerning funding). The ordinance contains a five-part mission for the funding that is overseen by the Austin Arts Commission:

- To create a physical and human environment which nurtures artists, arts organizations, and arts producers;
- To nurture and preserve cultural diversity, consistent with and reflecting Austin’s population;
- To equalize access to the arts, both participatory and professional;
- To improve the artistic and administrative ability of Austin’s arts offerings; and,
- To promote the inclusion of aesthetic consideration in local decision-making through advocacy, services, financial and technical assistance and leadership in the community.

Although the Commission is currently in a state of flux, as described above, it is currently the lead planner and grantor of city funds for arts and cultural activities. It administers the Austin Cultural Contracts Program that provides funding for over 200 organizations within Austin.

VISION

The current vision for the Austin Arts Commission is:

To create an optimal artistic environment that is diverse and well funded, enhances the quality of life, and reflects the unique Austin community.

However, as discussed previously, the Mayor’s Taskforce on the Economy has also developed a vision for the cultural vitality and creative economy for Austin as well that is focused on accessibility, affordability, recognition, diversity, distinctiveness, and dynamism. It is unclear at this time whether through the restructuring and reorganization of the Commission, if its vision will change in the future.

PROGRAMS AND INITIATIVES

The Cultural Arts Affairs Division of the City of Austin’s Parks and Recreation Department, under the guidance of the Austin Arts Commission, administers several different programs.

Cultural Contracts Program: The largest funding program is the Cultural Contracts Program. Through the Cultural Contracts Program, the City of Austin provides cultural arts programs for the Austin community by contracting with arts organizations for specific services. These contracts are referred to as Cultural Services Agreements, or Cultural Contracts. (The City of Austin makes a clear distinction that they do not provide their funding through traditional grant programs, but instead through “cultural contracts”.)

The funding is provided to approximately 200 organizations representing a diverse array of activities. The funding has been traditionally “discipline-based” and not focused on criteria such as impact on the community. The largest contracts awarded are approximately \$100,000 and are allocated to the more traditional organizations such as the art museum, the opera, and the symphony. Much smaller contracts are spread about the other entities. The funding is determined through a peer-review panel process; although a new funding process is currently being developed for the next funding cycle.

Art in Public Places Program: For over a decade, the City of Austin Art in Public Places program has made it possible for talented artists of local and national renown to enhance public spaces throughout the city with works of art ranging from outdoor sculptures and murals to functional works integrated into architecture. Artists have successfully incorporated traditions, objects, and physical marks of community members to create cultural landmarks that have become cornerstones of community identity.

The City of Austin was the first municipality in Texas to make a commitment to include works of art in construction projects when it established the Art in Public Places program in 1985. By ordinance, 2 percent of budgets are allocated to commission or purchase art for public sites such as the airport, convention center, libraries, parks, police stations, and recreation centers.

The Austin Arts Commission provides oversight and appoints a seven-member Art in Public Places Panel composed of respected local visual arts and design professionals to make program recommendations.

City of Austin Cultural Arts Affairs Division: The Cultural Arts Affairs Division manages the Dougherty Arts Center, four museums, Zilker Hillside Theater, Renaissance Fair, and the Trail of Lights, an annual special event in Zilker Park. The Division is also responsible for managing a wide range of range of arts education programs operating primarily out of the Dougherty School and the four museums, with educational activities occurring in recreational centers, local schools, and other venues.

FINANCING ARTS AND CULTURE

The largest and most recognized cultural program is the Cultural Contracts Program, which awarded over \$2.6 million in support to local non-profit arts organizations and individual artist in FY 2002-2003. The majority of these funds are directly linked to revenue generated by the hotel-motel tax and thus fluctuate with the economy, with the past fiscal year being a down year of funding. The rest of the funding comes from the Texas Commission on the Arts, which has annually provided approximately \$160,000 to the City of Austin to re-grant to Austin's arts organizations. As with the hotel-motel tax funding, it is anticipated that this level of support is also likely to decrease as the state looks to reduce expenditures in these lean economic times.

The Art in Public Places program is funded through a city ordinance that allocates 2 percent of city-construction projects to public art projects. Other programs funding managed by the Parks and Recreation Department's Cultural Affairs Division comes from the General Revenue Fund.

MEASURING THE IMPACT OF ARTS AND CULTURE

Austin has not conducted an economic impact study of arts and culture. However, in the Mayor's Taskforce, the Subcommittee on Cultural Vitality and Creative Economy developed a series of measures that it believes should be used to gauge Austin's cultural vitality. The subcommittee recommended that the City of Austin commission an annual assessment that includes benchmarking against other regions. The subcommittee's metrics tied to the goals it identified, and include:

| GOAL | METRICS |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Accessible | <ul style="list-style-type: none"> • Survey of Arts Audiences (ask about satisfaction with choices and accessibility) • Track attendance at selected cultural/social events and venues • Seats/Population vs. other regions • Arts Education Programs (hours/student/year) |
| Affordable | <ul style="list-style-type: none"> • Quality of life of artists and artisans (average income/cost of living) vs. average Austin resident • Survey artisans about their ability to perform/sell their work in Austin |
| Applauded | <ul style="list-style-type: none"> • National Media rankings of Austin's arts/cultural scene (and overall quality of life) • Survey of local audience satisfaction • National/State awards to Austin artists/musicians • Survey of Non-Austin resident perceptions of Austin • Number of Visitors • Number of Visitors visiting arts/cultural assets (as primary reason for visit) • Awareness of Public Art (Hits on AIPP website) |
| Diverse | <ul style="list-style-type: none"> • Satisfaction survey of arts and cultural provider organizations and artists • Chart participation in arts/cultural activities by race, income level, area of town |
| Distinctive | <ul style="list-style-type: none"> • Number of Locally Owned versus Chain Stores • Survey of Non-Austin resident perceptions of Austin (Are we unique? Are we attractive to visit?) • National Media rankings of Austin's arts/cultural scene • Survey of Austin audiences/providers |
| Dynamic | <ul style="list-style-type: none"> • Number of arts/cultural organizations (and new groups founded) • Number of applicants (and new applicants) for cultural contracts and public art programs • Number of Running Races (and new races) year • Number of Live Shows/Week • Number of Live Music Venues • Number of new releases by Austin musicians • Number of new films by Austin filmmakers or films made in Austin • Number of festivals (and new festivals) per year • Creation of new artistic works/exhibitions • Interest in citizens in learning a form of creative expression (survey) or data on classes • Greenspace/capita or Parkland/capita |

ISSUES AND CHALLENGES

Growth Outside Austin. The activities and programs described above only relate to activities and organizations within the City of Austin. However, many arts and cultural organizations outside the city limits are in need of funding and support. Currently, there are no arts and cultural

organizations that provide leadership or funds to those entities in the suburbs that fall outside the city. As Austin continues to increase in population, it is expected that there will be an increase in demand for such leadership. There is already some discussion that the City's activities need to be expanded to a two-county region to provide more encompassing services. If this is accomplished, it could mitigate fractional programming in the future and provide for a more cohesive planning environment.

Uncertain Organizational Structure. It is unclear at this time how the recommendations of both the consultants and the Mayor's Taskforce will be incorporated into the organizational structure and arts and cultural programs and activities in the future. Until new policies and procedures can be developed for organizational structures and funding guidelines, the arts and cultural organizations will continue to be in a state of flux.

Lack of a regional arts and culture strategy. Although there has been significant focus on the arts and culture in the last year, there has yet to be developed a regional arts and culture strategy for the new entity that has been proposed. Although a new funding process has been mandated to be in place by City Council, it has not been developed as of yet. Some interviewed feel that the region should inventory its existing arts and culture assets, identify gaps, and determine what the region can sustain over the long-term.

LESSONS LEARNED

- A strategic plan to guide future directions and programmatic changes in activities and funding is key to making "smart" decisions. Without such a plan, it is difficult to develop consensus and coordinate activities.

Charlotte Arts and Culture

PUTTING ARTS AND CULTURE ON THE AGENDA IN CHARLOTTE

Arts and Culture have been on the Charlotte civic agenda since at least 1958, when business leaders established the Arts & Science Council (ASC), a regional arts council established as a “united arts fund” that does an annual workplace fund-raising drive. Since that time, there has been rapid growth. In 1958 there were eight organizations well enough established to participate in the ASC fund drive, and today there are 28. In 1936, Charlotte had only one major cultural facility, and today there are at least 18 major facilities. Overall, ten organizations among Charlotte’s top 25 tourist destinations are classified as belonging to the arts, culture or history communities.

Arts leaders interviewed by Battelle believe that arts also emerged at the top of the regional agenda partly because the area west of Charlotte is one of the nation’s historic centers of craft, dating back to the 18th century, and because Mecklenburg County – as a community with 700 churches – was used to music being at the heart of community life, and also used to tithing. In general, individual support for the arts is strong in North Carolina – there are five separate “united arts funds” serving different geographic regions in the state. Charlotte’s is not only the largest but also one of the largest such funds in the nation, according to FY02 Americans for the Arts data quoted by the ASC.¹² The Charlotte Chamber points to the Blumenthal Performing Arts Center as an example of strong public support for the arts: half the funding came from private contributions. Recently, by emphasizing its workplace giving program, ASC has refocused its attention on small contributors: gifts of \$50 and under went from 15,000 three years ago to 21,000 last year.

An arts strategy was consistent with the overall development ambitions of Charlotte, a manufacturing town that grew rapidly after World War II. As far back as the 1960s, it became clear that new arts institutions did not have to compete with 75-year-old “establishment” institutions, and so there was ample room for rapid growth. Charlotte grew even faster in the 1990s when two regional banks (NationsBank and First Union) merged with larger institutions and yet chose to remain locally headquartered (renamed Bank of America and Wachovia, respectively). Charlotte is now the nation’s second largest banking center after New York, with just under \$1 trillion in assets managed from there. Despite this growth, Charlotte was having difficulty establishing a national identity based on sports franchises or other traditional symbols of rapid development. But arts and culture were clearly important to the workforce required by the banks and their network of lawyers, accountants and other professional-service providers, and this entire cluster became a strong supporter of the ASC and its annual fund-raising drive.

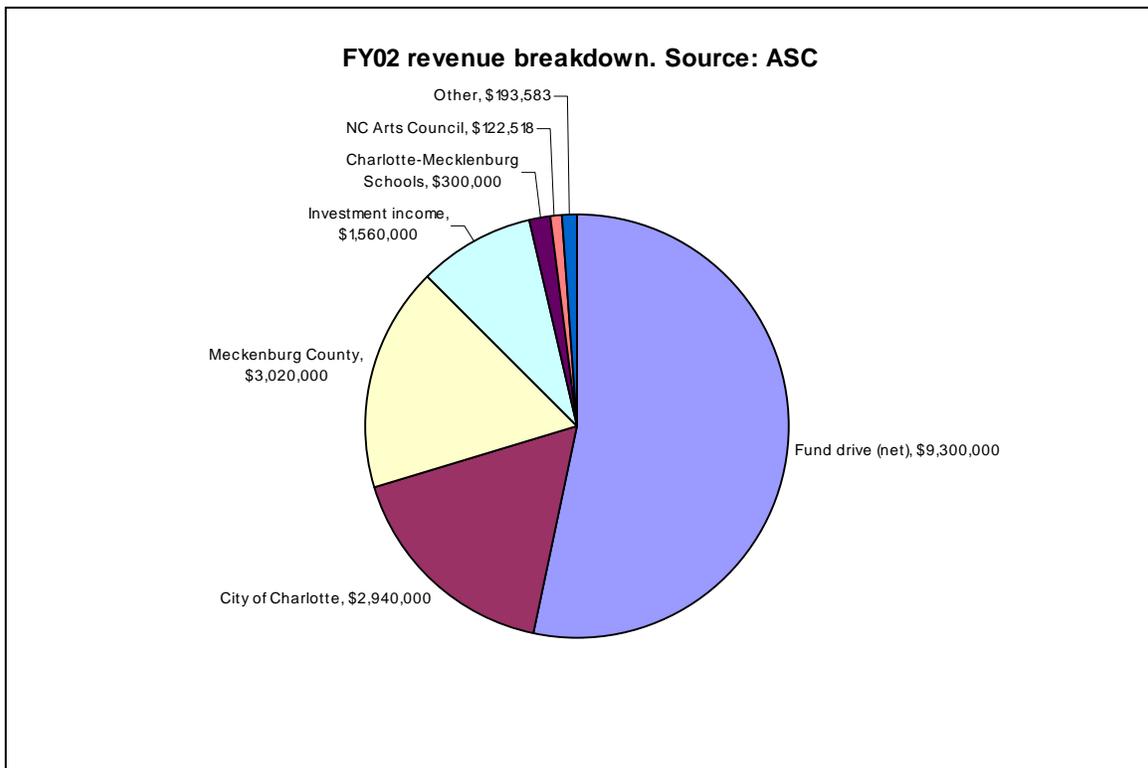
According to a Battelle interview, four recent industry recruits attracted by the Charlotte Regional Partnership all indicated that art was among the top three issues they were looking at as they considered relocation. The Partnership’s recruitment campaign emphasizes the region’s cultural assets as one of four core strengths. Existing companies, including the banks, remain seized with workforce issues and see art as a very important enhancement.

¹² Precise ranking depends on the measure tracked. See <http://www.artsandscience.org/faq.asp#D> and http://www.artsandscience.org/about_position.asp.

LEAD ARTS AND CULTURE ORGANIZATION

Organized in 1958, the Arts & Science Council of Charlotte-Mecklenburg is the lead planner, fundraiser and implementer for the region’s arts strategy. It is a subtype of regional arts council that also serves as a United Arts Fund, with annual fund-raising that ranks it first in the nation in dollars raised, dollars raised per capita, dollars raised from individuals, and dollars raised in workplace giving, according to “Arts 2001” data quoted by the ASC.¹³ It has 55 affiliate entities in arts, science, and history (the last category was added just three years ago). Of these affiliates, 28 are staffed full-time and offer year-round programming, thus qualifying for basic operating grants whether financed from the annual fund drive or investment income from the Arts and Science Endowment (see below). Outside Mecklenburg County, ASC serves as the state arts council’s distribution agent for grants to individual artists in 11 other counties.

In FY 02, ASC combined private and public dollars totaled \$17.2 million. Support broke down as follows:



Donations to the annual drive came from 38,000 individuals and 500 companies, and the fund drive was conducted in 300 companies. Grants and services account for 85 percent of the budget, with fundraising 6 percent and administration 9 percent.

¹³ See <http://www.artsandscience.org/faq.asp#D>.

In addition, ASC has partnered with the Foundation for the Carolinas (FFTC), a regional community foundation,¹⁴ to create a Foundation for the Arts and Sciences.¹⁵ Legally this is structured as a “supporting foundation” that is staffed by FFTC but whose board is controlled by ASC and its affiliates, binding them together in a tighter partnership that leverages FFTC’s high visibility among the regional donor base. ASC transferred its own endowment to this foundation in 2002. A 1995 fund drive had raised \$26.7 million for an endowment whose income will provide general operating support to ASC and 27 smaller funds, and a 1999 drive had raised \$10 million for a specialized fund that will benefit two visual-arts institutions, the McColl Center and the Mint Museum. The ASC and these two arts organizations will now use the new foundation as their principal endowment vehicle, while other ASC affiliates retain the option of continuing their own capital-fund-raising and endowment management efforts.

VISION

There is no currently effective vision statement, but ASC is updating Charlotte’s cultural facilities master plan, now that every major project recommended in the previous plan (1976) has been built. This last cycle of planning and fund-raising resulted in total public/private investments of \$200 million for facilities including the McColl Center for Visual Arts, the Mint Museum of Craft and Design, the Discovery Place science museum, the Afro-American Cultural Center, and the North Carolina Blumenthal Performing Arts Center. In coordination with Center City Partners, the last plan had a specific (but not exclusive) focus on the formerly decaying north end of the Tryon St. business district. Since the 1976 plan, initiatives have been guided by a series of three intermediate “Cultural Action Plans,” the latest completed in 1998.

Funding for the new 25-year Cultural Master Plan comes from the ASC itself, the Foundation for the Carolinas, the Charlotte-Mecklenburg Community Foundation (a unit of the Foundation for the Carolinas mentioned above), Charlotte Center City Partners, the Knight Foundation, and the National Endowment for the Arts. The ASC had placed a draft of the new plan on its website, but took it down to address comments received. A new version of the plan is expect to be posted later this year, but the document is not publicly available until that time. The ASC considers it vital that the plan be embraced by all its affiliates, so that “end runs” are minimized and political support is maximized.

The ASC acknowledges that this process is yielding a “laundry list” that might take a very long time to finance and complete. To address this issue, it will try to assess revenue streams and assign each project a “readiness quotient” that will allow it to prioritize the first several years of grant-making and fund-raising.

PROGRAMS AND INITIATIVES

ASC administers the following main programs, either directly or through spin-off nonprofits:

- **Basic Operating Grants** – providing unrestricted funds for general administration, operation and programs. Eligibility is restricted to those ASC affiliates that have paid professional staff

¹⁴ See <http://www.fftc.org/about/>.

¹⁵ See http://www.fftc.org/affiliates/supporting/arts_science.html.

and year-round programming (28 of the 55 affiliates). All the money is competitively awarded, and programs that are not ranked well by the 100 participating volunteer panelists can be cut from the list. In FY03, the 29 basic operating grants ranged from \$25,000 (Second Ward High School) to \$2 million (Charlotte Symphony) for an average of about \$400,000.

- **Community Cultural Connections (CCC) Grants** – awarded to individuals and community organizations to broaden access to arts, science and history programs throughout Mecklenburg County. Since initiated three years ago, the CCC program has funded a total of 150 such projects. There are two levels of grant: (a) access grants up to \$2,500 for individual neighborhoods and (b) grassroots grants up to \$20,000 for projects with countywide impact.
- **Cultural Education Collaborative¹⁶** (shortly to be renamed ArtsTeach) – a nonprofit spin-off financed by ASC at the level of \$1.1 million annually. CEC manages all arts-in-the-schools programs for the Charlotte Mecklenburg School district, which is itself a contributor to ASC. With matching from participating affiliates, the effort totals \$3 million.¹⁷ This is exclusive of the district’s own budget, which supports at least five magnet arts schools. The ASC giving program also operates in the Charlotte schools (and raised \$180,000 last year), returning to each participating school any amount it raises that exceeds its goal.
- **Regional Arts Project Grants** – to support professional development of individuals and small groups of collaborating artists in 8 counties, funded in part by the state Arts Council and the local arts councils of the surrounding counties, as well as by the ASC fund drive.
- **Creative Fellowships** – presented annually to artists, scientists and historians to support general pursuit of excellence, restricted to those resident in the county and with 10 years of experience.
- **Public Art** – 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.
- **Charlotte Shout¹⁸** – Through a third nonprofit spin-off, Charlotte Artfest, ASC provides major support for this month-long festival that features 200 performances at more than 40 venues each September. Management services are provided by Charlotte Center City Partners,¹⁹ a municipal services district funded by a special levy. Charlotte Shout is in its second year.

FINANCING ARTS AND CULTURE

There is presently no dedicated funding for arts and culture in the region. A recent referendum on a local arena would have included \$95 million for cultural facilities, but the referendum was defeated due to heavy opposition to the arena itself. ASC believes that if the cultural aspects had been listed separately, they would have received 80 percent voter support. On the other hand, City government support for ASC operational funding is strong and has never faltered.

¹⁶ See <http://www.cecnc.org/>.

¹⁷ The school system also sponsors ASC’s annual fund raising campaign in each school in the district, but the agreement provides that anything over \$180,000 raised in a given school goes back to the school itself for arts programming.

¹⁸ See <http://www.charlotteshout.org/>.

¹⁹ See <http://www.charlottecentercity.org/>.

The ASC executive director – who learned through private consulting for the National Association of Counties that NAC only recognized arts as a core county function in 1996²⁰ – considers ASC support from Mecklenburg County to be very strong, and a major achievement. The ASC is continuing to study the question of dedicated funding streams for the arts but has itself not come to any clear conclusions yet. In the meantime, it is clear that the City is positioning to honor capital funding requests only from those projects that are included at high readiness under the upcoming 25-year Cultural Facilities Master plan.

MEASURING THE IMPACT OF ARTS AND CULTURE

The most recent economic impact study published by the ASC²¹ is two years old but will not be updated until the national economy improves. Conducted by faculty at University of North Carolina—Charlotte, the study highlights a \$94 million annual direct, indirect and induced economic impact from the operation of 46 participating “affiliated members.” All were asked to provide information about:

- Employment
- Payroll
- Audiences
- Events
- Revenues

The data are summarized in the table below:

| Indicator | 1998 | 2000 | Percent change |
|-------------------------------------------------------|---------------|---------------|----------------|
| Total direct, indirect and induced economic impact | \$55 million | \$95 million | 72% |
| Total direct, indirect and induced employment | 1,237 | 1,745 | 41% |
| Total direct, indirect and induced impact on earnings | \$34 million | \$53 million | 57% |
| Direct off-site impact | \$5.7 million | \$6.4 million | 12% |
| Total cultural events and activities | 39,000 | 51,750 | 33% |
| Total cultural attendance | 2.4 million | 2.9 million | 21% |
| Visitors from outside the county | 364,000 | 510,000 | 40% |

²⁰ See, for example, a recent NACO issues brief on arts at http://www.naco.org/Content/ContentGroups/Publications1/Issue_Briefs/econ_per.pdf.

²¹ Arts & Science Council. *Survey of Economic Impact of the Affiliated Members of the Arts & Science Council of Charlotte-Mecklenburg for Fiscal Year 1999-2000: Executive Summary*. Available in brochure format from the ASC.

| | | | |
|-------------------------------------------------|-------|-------|-----|
| Full-time employees at affiliated organizations | 441 | 488 | 11% |
| Part-time employees at affiliated organizations | 318 | 476 | 50% |
| Volunteers serving affiliated organizations | 6,235 | 8,360 | 34% |

There are also the following additional efforts to publicize impacts:

- *Cultural Edition*, “a quarterly update for elected officials on arts, science & history in Charlotte-Mecklenburg.” A recent issue of the newsletter broke down by county commissioner district the total of applications filed, and provided details on applications funded.
- *CreativeXchange*, an irregular newsletter intended to link creative-services professionals in the for-profit sector to each other and to ASC affiliates.
- A speakers bureau that offers 20-minute talks on these issues

ISSUES AND CHALLENGES

Growth Outside Charlotte. Six towns outside Charlotte are working on their own cultural plans, and ASC will work with each one either singly or in collaboration. Beginning with three towns to the north, ASC has put up the funding for the planning efforts. After the plans are adopted by these smaller cities, their mayors will be eligible to join the ASC board, and ASC will provide seed awards of \$20,000 to \$30,000 in order to kick off the initiatives. The larger cultural facilities master plan described above will wait until this process is complete. Two of these towns are definitely going to build their own performing arts centers, but ASC has asked them to wait until a better understanding emerges of the role that these centers can play in the region. Understanding and cooperation has been good.

Corporate Donations. Companies that make corporate donations to ASC are asked whether they want to receive any solicitations directly from the affiliate organizations, and affiliates all agree to honor the decision. About a half dozen will not accept any other solicitation, and will not talk to anyone other than ASC. Most companies that give directly to the affiliates do so to support specific projects and give very few general operating grants outside the ASC structure.

Conventions vs. Tourism. The Convention and Visitors Bureau is still in a “convention” mode rather than “tourism,” and has not yet internalized the connection between a vital arts and cultural community and enhanced tourism spending. Charlotte looks to Atlanta (where the CEO of ASC came from) for a good example of how arts strategy can be integrated into cultural tourism.

LESSONS LEARNED

- Different constituents have different reasons for maintaining support for the arts. Long-time donors are concerned about keeping tradition alive, while newcomers care about the ability to be responsive to the changing community.

- If there are issues between a central city and surrounding smaller towns, be direct about identifying and dealing with them and say what the issues are. Charlotte believes it is building a bicycle wheel where the spokes must connect with the center. For example, while it might not need another symphony hall, Charlotte is definitely looking for outdoor amphitheaters where the symphony can perform in the summer.
- Charlotte considers its benchmark peers to be cities such as Cincinnati, Milwaukee, Louisville, Minneapolis, Chattanooga, and St. Louis. In general it emphasizes looking at other towns with united arts funds.

Denver Arts and Culture

PUTTING ARTS AND CULTURE ON THE AGENDA IN DENVER

In 1988 the Denver Scientific and Cultural Facilities District (SCFD) was created to provide a consistent source of unrestricted funding to scientific and cultural organizations. The idea for creating the district, however, dates back to 1982. During the recession of the early 80s, Denver's cultural and arts institutions were facing declining government funding and declining attendance due to increased ticket prices. The region's four major institutions – the Denver Art Museum, the Denver Zoo, the Denver Botanic Gardens, and the Denver Museum of Nature and Science --lost \$8 million in state funding in 1982. The trustees of the institutions came together to try to find a consistent source of funding. They proposed creating a cultural district modeled on the Metropolitan Zoological Park and Museum District in St. Louis.

Initially the Mayor of Denver declined to support the concept of creating the district even through the major scientific and cultural institutions were all located in downtown Denver. He felt the surrounding communities wouldn't support it and he didn't want to be placed in an uncomfortable position. The district's proponents continued to work to build support. They accomplished this over a six year period by reaching out extensively to political and civic leadership groups throughout the region. They built support by convincing people that culture and the arts:

- Play an important role in attracting tourists, and
- Generate significant economic activity.

In 1986 legislation was proposed but it failed to pass. The reason was that under the provisions of the first proposal 75 percent of the money collected would have been distributed to Denver's four major institutions – the Denver Art Museum, the Denver Zoo, the Denver Botanic Gardens,

More than 9 million people, twice the state's population, attended Denver area cultural activities in 2001. This compares to 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
October 2002

and the Denver Museum of Nature and Science. The remaining 25 percent of the funds would have been distributed to smaller organizations in the surrounding counties, organizations that are now considered Tier 3 organizations. Mid-sized organizations opposed the legislation because they had been left out.

New legislation was drafted and introduced in 1987 that proposed the current three Tier structure. See description of funding distribution formula below. The six-year effort to build support for the initiative paid off – the district was approved by 75 percent of the voters. The district was approved again in 1994 but this time by only 57 percent of the voters. The drop in support is attrib-

uted, in part, to the anti-tax sentiment at the time of the vote. The next vote will be in 2004 and a campaign is already getting underway to build support to continue the district.

Several factors have served to keep arts and culture on the agenda of the business community in Denver. First, the general public tends to respond positively to the economic impact study. Be-

ing able to show that more people attended Denver area cultural activities in 2001 than visited Front Range ski resorts or attended professional sporting events gets people's attention. One of the benefits of conducting an economic impact analysis is that data can shift perceptions in terms of who participates in art and cultural activities. The large number of people participating shatters the myth that attendance is exclusive and limited to a small elite group of people. But while the economic impact data play a large role in convincing the general public of the benefits generated by arts and culture, business executives tend to support arts and culture because they believe in the value that arts brings to the community. Also high on the agenda of the business community is the effect of arts on K-12 education. Business leaders often feel that arts education supports the development of creativity and given today's emphasis on standardized testing and the subsequent realigning of curricula to meet testing requirements, many business and community leaders feel it is more important than ever to support arts and culture in the community.

LEAD ARTS AND CULTURE ORGANIZATION

The Colorado Business Committee for the Arts (CBCA) is a 501(c)3 non-profit corporation that seeks to connect the business and arts and culture community in Colorado. CBCA's mission is to "serve as a catalyst for business/arts partnerships, creating awareness of the arts community as a vehicle for employee relations, customer communication, economic development, and employee creativity." CBCA, which is an affiliate of the national Business Committee for the Arts, was established in 1984. The impetus to create the Council came from a number of business people who wanted to support cultural development and also wanted to change the image of Denver, which at that time was still viewed as a "cow town." The founding chair was a real estate developer who noted the lack of culture in an area of the city in which he was developing a major project, the Tech Center. He became a champion for the arts in Denver.

CBCA works to expand awareness of the arts, facilitate business executive's involvement in arts and cultural organizations, informs the business community about arts issues, and recognizes business support of the cultural community. CBCA conducts leadership development programs, runs an award program recognizing exemplary business arts partnerships and advocates for support for the arts and culture. CBCA, with support from Deloitte & Touche, prepares the biannual assessment of the economic and social impact of cultural and scientific organizations on the Denver metropolitan region. CBCA's total budget is approximately \$240,000 a year. The Council has a staff of 2.5 FTEs.

VISION

Denver has not developed a Vision or an arts and culture strategy but there is growing recognition that a strategy is needed. Concerns have arisen about the number of new venues being constructed in the suburban areas surrounding Denver. No organization has attempted to take an inventory of what currently exists, identify gaps and determine what the region can sustain.

PROGRAMS AND INITIATIVES

The CBCA does not fund any specific arts and culture programs and the SCFD while it distributes grants to arts organizations does so on a formula basis. Ninety percent of SCFD's dollars are distributed as per their legislative mandate. See description of allocation formula below. Ten percent of the funds can be used for discretionary projects and is awarded for collaborative projects, e.g. ones that address a particular need or provide accessibility for an underserved population. They do not and cannot seek to direct funding to particular target areas. They do not identify gaps and then try to direct funding to fill them.

FINANCING 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, 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 are overseen by a Board that includes 6 members appointed by each county and three members appointed by the Governor.

A formula for distributing the funds is laid out in the statute. Three “tiers” of organizations qualify for funding. Tier I includes the four largest regional organizations – the Denver Art Museum, the Denver Botanic Gardens, The Denver Museum of Nature and Science, and the Denver Zoo. These organizations presently receive 59 percent of the total funds available. When the legislation was first passed creating the district, the Tier I organizations received 65 percent of the funding, the percentage was reduced when the district was reauthorized. Tier II include those organizations that have operating incomes of \$914,368 or more, adjusted annually for inflation. These organizations receive 28 percent of the total. A formula based on attendance and budget figures is used to determine how much of the Tier II funds each organization receives. Tier III is comprised of more than 280 local organizations and receives 13 percent of the total funds available. Tier III organizations include small theaters, orchestras, art centers and natural history, cultural history and community groups. Each county appoints a cultural council with the ability to determine how Tier III funds will be awarded in their jurisdiction. The number of Tier III organizations have grown significantly since the district was created. There were 159 Tier III organizations in 1989. Today there are more than 300.

MEASURING THE IMPACT OF ARTS AND CULTURE

Economic Impacts. CBCA conducts a biannual economic impact study. One interviewee suggested that while economic impact should not be the only measure used, it is important to make the case that the cultural sector is an industry – people don't think about it that way including people working in the arts. Initially, SCFD collected data through a survey but now the District requires that every organization that receives funding provide economic impact data on an annual basis in their annual report. The district maintains the

data in a data base and provides it to the Colorado Business Arts Council which runs the data and produces a report every other year. Key findings²² for 2001 include:

- Metro Denver's culture industry generated more than \$1 billion in economic impact in 2001 - \$648 million in industry spending and \$435 million in event-related spending by culture audiences. This represents a 73 percent increase since 1992.²³
- Cultural revenue in 2001 was \$208 million, half of which was earned through ticket and other sales and the other half of which came from contributions.
- Cultural institutions invested \$41 million in new construction, remodeling and equipment.
- Cultural organizations paid \$14.5 million in payroll, seat, and sales taxes in 2001.
- The number of people employed by cultural organizations increased 188 percent between 1989 and 2001, with total payroll growing from \$28 million to more than \$78 million.

Education and Community Impacts. Neither CBCA nor SCFD have done any specific studies to try to demonstrate the impact of the arts in areas such as education. The economic impact study found that

- More than one million people enrolled in paid and free courses offered by Denver's cultural organizations, with an equal number of people choosing to become subscribers.
- Cultural organizations provided tours and educational experiences for 2 million school children – more than 4 times the number of metro area K-12 students.
- Cultural and community outreach programs impacted almost 940,000 people, providing experiences for children who live in poverty, people of diverse ethnic backgrounds, the elderly, and people with disabilities.
- More than 28,800 people volunteered an estimated one million hours in 2001.

Knowledge Worker Impacts. There has been some discussion of the importance of creativity in attracting knowledge workers. The Mayor-elect has talked about the need to attract the best and brightest people to the region but no explicit initiatives have been undertaken to leverage arts and culture to attract such workers nor has an attempt been made to assess the impact that Denver's arts and culture investments have had on the region's ability to attract knowledge workers.

Cultural Tourism Impacts. According to the data reported in the economic impact study, almost 860,000 cultural visitors came from outside of Colorado. Cultural tourism generated \$139 million in 2001.

²² 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.

²³ 1992 total impact adjuster for inflation.

Community Renewal. The arts have played a role in revitalizing some communities in the Denver region, such as the Lower Downtown District (LoDo), a 23 block historic district that was part of the original Denver. The revitalization of LoDo began when commercial art galleries and artist studios began locating in the area although now most of the artists have been forced out by gentrification. Golden Triangle is another area that is currently developing which includes some arts organizations including the Denver Art Museum.

One community that is trying to use arts and culture to rejuvenate a downtown area is Aurora. The City's Urban Renewal program offers incentives to artists and art organizations to locate in the downtown area and is creating live/work spaces for artists. A youth drop-in center, Downtown Aurora Visual Arts works with at risk youth and serves as an anchor for downtown development.

ISSUES AND CHALLENGES

Regional Buy-In. There are a number of sensitivities regarding the SCFD and its reauthorization, which needs to occur in 2004. The suburban jurisdictions feel that the large culture and arts organizations in downtown Denver are receiving too large a share of the funding.

Large vs. Small. There is a major debate among the cultural institutions as to what to propose in the reauthorization. The Tier I organizations feel that they are entitled to their current share of the money but Tier II and III organizations feel that the Tier I organizations receive too large a share of the pie. This issue has not yet been resolved.

Uncertain Public Support. It is difficult to gauge the level of support among the public for the reauthorization of SCFD and the fact that the population of the Denver metro area has grown 30 percent since the last time SCDF was authorized changes the dynamics somewhat. One interviewee suggested that SCFD has not done as good a job at branding as have some other districts across the country. In Salt Lake City, where their funding entity is known as ZAP – Zoo, Arts, and Parks, they have done a better job of making people aware of ZAP and its accomplishments.

Lack of a regional arts and culture strategy. While the Denver region has a dedicated source for funding scientific, art and cultural organizations, there is no strategy in place to guide investment decisions. Some of those interviewed feel that the region should inventory its existing arts and culture assets, identify gaps, and determine what the region can sustain over the long-term.

KEY SUCCESS FACTORS

The following factors have played a role in Denver's success in creating a regionally-based, dedicated source of funding for arts and culture organizations and maintaining support among the business community and the general public for support for arts and culture.

- The Denver region is dynamic. It has a rapidly growing population and is home to four major institutions - the Denver Arts Museum, the Denver Zoo, the Denver Botanic Gardens and the

Denver Museum of Nature and Science - that serve not only the immediate surrounding region but that attract visitors from the surrounding states.

- The suburban communities in the metropolitan area support the tax because they recognize that it keeps culture accessible for their citizens. They also recognize that small organizations in their communities receive funding, which enables them to create cultural centers and helps them to develop identities. Because of the tax district, the cultural organizations tend to be very responsive to citizens – it keeps the institutions in touch with residents. (Down side can be that it also may make the institutions more conservative and less willing to try new things or bring in controversial exhibits.)
- SCFD has promoted collaboration among the culture and arts organizations throughout the region. Examples of the types of collaborative activities that have occurred include performing arts organizations coming together and pooling some of their SCFD funds to do joint marketing, sharing of donor and subscriber lists, and smaller organizations using larger venues for events.
- The fact that the legislation authorizing the district lays out how most of the funding will be distributed means that there is not a lot of room for decisions to be made for political reasons. There are a set number of large institutions that can apply and straightforward criteria for determining Tier II organizations (paid attendance and operating income). Small organizations (Tier III) apply to local council's for funding.
- The SCFD has a large budget. The district collects about \$30 million annually so there is enough money to support a large number and wide range of scientific, arts and culture organizations. The SCFD is usually to fund every request – at least partially.
- All the funds go directly from the state to the district to the organizations. The funding does not pass through the city or counties. This is very important in terms of accountability and in moving the money quickly.

LESSONS LEARNED

Presence of major institutions with widespread popular appeal is key to building support. One of the reasons that they were able to sell support for arts and culture in Denver was the city has major institutions with widespread popular appeal, namely the Zoo and Science Museum. Both had moderate success in building support prior to the establishment of the tax district. One of the reasons that other communities have tried and failed to create a culture district is because they have no existing institutions with strong and widespread support. Colorado Springs, e.g., has tried and failed – probably in part because the community is anti-tax but also because they have a symphony and art museum – neither of which attracts an audience as large as something like a zoo.

Audience Outreach. Cultural organizations need to conduct outreach and attract audiences that are a representative sample of the population. About 82-83% of the money collected by the SCFD goes to the City and County of Denver, but only 28% of the money is collected in Denver. This works only because the people in the surrounding counties visit the institutions in Denver.

Make use of business advocates. Most large cultural institutions have prestigious, well-known members of the business community serving on their boards. Such Board members can be very effective advocates for regional support for culture and the arts.

Champions. Denver had champions – one interviewee described them as pit bulls - who continued to push for the creation of the SCFD over the long-term.

Build political support. Building support for arts and culture is like any other issue. You have to organize, dedicate resources to building support, and know who your opposition is. You may have to include other interests to win support for a district. Salt Lake County in Utah, for example, wanted to create an arts and culture district. In order to get sufficient support to enact legislation creating the district, they had to include parks and recreation in addition to culture and arts. Denver included the historic preservation community and they have been extremely helpful in building support by accessing their strong network throughout the state. Supporters for reauthorization of the SCFD expect to spend \$1 – 2 million on the campaign to build support prior to the 2004 vote.

Perseverance. It is important to keep in mind that it took six years to build support for the creation of the SCFD in Denver and even then the legislation didn't pass the first time.

Indianapolis Arts and Culture

PUTTING ARTS AND CULTURE ON THE AGENDA IN INDIANAPOLIS

Indianapolis has had an Arts Commission for many years, and although that Commission had long been pursuing research and consensus-building on the importance of the arts to various regional development goals, arts and culture did not truly take center stage until the election several years ago of Bart Peterson as mayor.

Indianapolis has a three-decade history of mayorally driven public/private initiatives that have refocused downtown as the economy changed, keeping it a vital center of the region. In the 1970s, then-Mayor Richard Lugar won legislative approval for a city/county consolidation that jumped Indianapolis high up the national rankings of cities by population. In the 1980s, Mayor William Hudnut coordinated a major effort to make Indianapolis the “amateur sports capital” of the U.S., and then exploited the publicity from successful events and recruitments to jumpstart downtown commercial and retail redevelopment. In the 1990s, Mayor Stephen Goldsmith emphasized grass-roots community development, privatization of city services, and a technology strategy that evolved subsequently into the Central Indiana Life Sciences Initiative, which attempts to capitalize economically on a strong base of university and corporate research.

During his campaign to succeed Goldsmith, Peterson – a former building contractor and real-estate developer – apparently became aware of some early research that the Arts Council had commissioned on audience dynamics²⁴ and the potential of arts institutions to draw tourism.²⁵ At this time, he made arts development a centerpiece of his platform, though he emphasized also the positive impacts of arts on youth development and neighborhood development. In conducting its basic operations, the Arts Commission had developed good relations with two partners, the Indianapolis Convention and Visitors Association²⁶ and Indianapolis Downtown Inc.²⁷ When Peterson took office, he brought these three partners together with other business constituencies in a major cultural tourism conference, which led directly to his announcement in June 2001 of a five-year, \$10 million cultural tourism initiative.²⁸

To execute this initiative, the mayor created within city government a nine-member Commission on Cultural Development, chaired by a state supreme court justice, and including representatives from the three main organizational partners, as well as Indiana Black Expo, a well known regional artist, and representatives of the business and philanthropic community. Through the Capital Improvement Board²⁹ – a politically controlled development agency associated with the down-

²⁴ Artsmarket Consulting. “The Indianapolis Market for Arts and Culture: Executive Summary and Geodemographic Analysis.” Bozeman, Mont.: July 1997. Prepared for Arts Council of Indianapolis.

²⁵ Artsmarket Consulting. “Indianapolis Cultural Tourism Assessment.” Bozeman, Mont.: Undated. Prepared for the Arts Council of Indianapolis.

²⁶ See <http://www.indy.org>.

²⁷ This special district is one of the public/private partnerships launched by Hudnut. See <http://www.indydt.com/>.

²⁸ See <http://www.culturalindy.org>. This is a website hosted by Ball State University, which also operates the decennial urban-planning exercise for the core of the region.

²⁹ See http://www.iccrd.com/conv/capital_improvement_board.asp.

town convention center infrastructure – Peterson made available \$1 million a year for five years, and he obtained a matching \$5 million commitment from the Lilly Endowment, which has a broader regional if not statewide orientation to these issues and strong concerns with social equity that matched the Mayor’s own platform. The Commission has a staff of two which are actually resident at the Arts Council (one is a former employee of the Council).

LEAD ARTS AND CULTURE ORGANIZATION

The Mayor’s initiative has created a complex situation in which it is unclear who is actually the lead organization in arts and culture. In many respects it is the Mayor himself. The idea for a cultural tourism initiative indisputably arose from the earlier work of the Arts Council of Indianapolis,³⁰ a typical local arts council that also embraces cultural institutions and serves mostly as a regrantee agency for \$2 million in annual funding from the City/County “UniGov.” (However, the Council also raises corporate, philanthropic and individual donations for its general operating expenses, its research studies, and the occasional grant outside the City/County.) The Council does not release an overall sources-and-uses budget.

To move its ideas for cultural tourism forward, the Arts Council was compelled by the Lilly Endowment and by the Mayor to cooperate formally with its business-oriented partners through the new Commission on Cultural Development. Ironically, though, the Commission still relies on the Council for a good deal of its written “content,” its overall intellectual direction, and a grant-management services. Overall, the collaborative structure has forced the three principal partners – the Council, ICVA, and IDI – to speak with exactly the same language about the vision, mission and goals of the program.

VISION

Because leadership and priorities have not yet jelled, one of the best vision statements can be found in a now-outdated political document, the “Peterson Plan: Building a World-Class city Neighborhood by Neighborhood.”³¹ “Supporting the Arts” is one of seven specific goals in the broader category of “Improving Indianapolis and its Neighborhoods.” The arts section begins by recapping what Peterson regards as “facts” about the importance of the arts and culture to quality of life, youth development, and tourism. It then recounts a commitment to line-item funding for the arts and ongoing efforts to highlight and build on the existing arts community and examine issues of esthetics, public art, and historic preservation.

While it is somewhat narrower in scope, the vision statement for the Cultural Tourism Initiative of the Cultural Development Commission³² is also instructive. It includes as vision elements the following “indicators of success”:

- Indianapolis will have unique, place-specific cultural districts and hubs that are lively and engaging, with a mix of cultural destinations, artist studios, restaurants, and shopping.

³⁰ See <http://www.indyarts.org>.

³¹ See <http://www.indygov.org/mayor/plan/index.htm>.

³² City of Indianapolis. *The Indianapolis Cultural Development Initiative: Building Participation Through Cultural Tourism*. June 2001. Available on-line at: http://www.indygov.org/mayor/cultural_dev/Cultural%20Tourism%20Document%20-%20Corrected.pdf.

- Indianapolis’s cultural museums, performing arts, and attractions will be enlarged and/or enhanced and be known as internationally significant destinations.
- Indianapolis will be known nationally and internationally as much for its arts and cultural tourism offerings as for its sporting event offerings, and will be a “top of mind” cultural destination of choice.
- Indianapolis will have several highly visible cultural “destinations” or hubs, all of which are vital magnets for residents and visitors as well as various retail corridors that may become centers for galleries and cultural use.
- Indianapolis residents will be active ambassadors in furthering cultural tourism, through their own increased cultural participation.
- Indianapolis will have a standing infrastructure to support cultural tourism, which will also further overall cultural participation and community development through arts and culture.
- Overall tourism and visitation to Indianapolis will demonstrate a significant, growing proportion of annual cultural tourists.
- The success of the above will translate into increased overall economic development.

Another aspect of the region’s vision can be gleaned from the definition of cultural tourism used by the Initiative:

- An economic strategy to attract and/or extend the stay of visitors through the development and marketing of artistic, heritage-related and historical offerings.
- A mosaic of places, traditions, art forms, celebrations and experiences that portray Greater Indianapolis and its people and reflects the diversity and character of the community.
- An important component of an overall tourism plan that emphasize “the total Indianapolis experience” available to the consumer.

PROGRAMS AND INITIATIVES

Arts Commission. The main elements of the Arts Commission’s programs are as follows:

- **Annual Grants Program for Arts and Cultural Institutions** – distributes the bulk of \$2.25 million in public funding from UniGov to 75 arts, cultural and community organizations for projects in arts education, community outreach, or cultural tourism/marketing.
- **Project Grant Program** – a semiannual competition for community-based projects, awarding up to \$2,500 for projects that demonstrate a high level of community impact.
- **Creative Renewal Fellowships** – \$7,500 awards to individual artists and arts administrators, totaling \$375,000 to 50 recipients in 2002.
- **Ticketing** for arts events, both online via a searchable database, and in person via a kiosk at the main downtown mall where the Council has also created **Indianapolis ArtsGarden**, a \$12 million glass pavilion which has serves as the venue for 350 free downtown arts performances.
- **Directory publishing** – directories of organizations, education resources, and individual artists – and also 180,000 free calendars distributed via partner organizations to hotel concierges etc.

Commission for Cultural Development. In its first year, the Cultural Development Commission spent nearly \$1 million on marketing, including an “Arrive Curious” ad campaign. Results were uneven, and the decision was controversial. In years two and three, the initiative has retreated from any major advertising and set aside at least half the budget for large-scale grant programs for “product development.” Among these are:

- \$300,000 for “collaborations” among major institutions and companies to increase economic impact and strengthen destinations (this program is managed by the Arts Commission);
- \$250,000 for a cultural districts initiative (in process) in partnership with five distinct areas of the City/County that have critical mass of arts or cultural organizations, existing mechanisms for collaboration, and are willing to be judged and measured on progress;
- additional amounts to revive a dormant public-arts program and consider incentives to promote private placement of public art;³³ and,
- \$50,000 for discretionary “fast-track” projects.

³³ The contractor is Freeman Whitehurst of Phoenix.

The longer-term goals of Initiative map to programs as follows:

| Goals | Programs |
|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Stimulate increased cultural participation and engagement by Indianapolis residents | Create greater visibility and pride for cultural organizations through multiyear media campaigns, promotions, “host” kits, and a central website |
| | Build audiences and enhance citywide focus on existing cultural events |
| | Develop grants for artists, cultural organizations, neighborhoods and partners in the hospitality industry |
| | Reactivate the Arts Council’s public art committee and develop incentives for private installation of public art |
| | Address transportation and signage issues to make it easier to access cultural institutions |
| | Encourage residents to be cultural ambassadors and hosts |
| Maximize the cultural experience for Indianapolis’ destination and event visitors | Create a strong “brand” of Indianapolis as a cultural destination |
| | Create and place advertising |
| | Package cultural events around signature sporting events, conventions and festivals |
| | Develop state-of-the-art information and sales networks, using web and wireless technology |
| Strengthen Indianapolis and the surrounding region as a unique cultural destination | Support growth of “cultural districts” to create a density of activity |
| | Work with existing organizations to package their offerings |
| | Develop new ways to package and schedule existing events, such as adding local youth competitions to existing international events |
| | Create a “neighborhood-by-neighborhood approach to cultural development, investing in community centers, parks, gathering places, green-spaces, galleries and restaurants |
| | Address regional issues by working with governments, hotels and attractions in surrounding counties |
| Build a solid, sustainable infrastructure to support cultural tourism as a major component of overall cultural development for Indianapolis | Form a standing Commission on Cultural Development to oversee funds and ensure coordination among the city and the three partners |
| | Establish sustainable funding sources, starting with this initiative |
| | Establish a “director of cultural development” to guide and coordinate implementation of the plan |
| | Establish a full-time “cultural tourism manager” at the Arts Council |

FINANCING ARTS AND CULTURE

Indianapolis has no dedicated funding stream for arts and culture. Mayor Peterson’s campaign platform observed that city funding was low and promised to highlight its importance by breaking it out as a separate line item. In the years since he took office, the allocation to the Council has gone up from \$1.5 million to \$2 million to \$2.25 million. Last year, the Council’s allocation was the only program to grow other than the police department’s. Since the \$10 million budget for the Cultural Development Commission is not enough to undertake major new capital projects, the question of ongoing funding is one that the community will have to take up again.

MEASURING THE IMPACT OF ARTS AND CULTURE

The Arts Council reports 7 million visits to arts events each year within its jurisdiction, including 1.7 million by students and 1.5 million in community-based programs. The Council reports economic impact by quoting specific sections of a national study done for Americans for the Arts.³⁴ According to the Council’s brief summary of this research, the total impact of the nonprofit arts industry by the organizations themselves and the expenditures of audiences were as follows:

| Measure | Organization impact | Audience impact | Total impact |
|---------------------------|---------------------|-----------------|-----------------|
| Total expenditures | \$148.3 million | \$146.1 million | \$294.4 million |
| Full-time equivalent jobs | 4,694 | 5,718 | 10,412 |
| Resident household income | \$131.6 million | \$99.2 million | \$230.8 million |
| Local government revenue | \$5.5 million | \$5.2 million | \$10.7 million |
| State government revenue | \$8.8 million | \$12.5 million | \$21.3 million |

With independent support from the Lilly Endowment, the Center for Urban Policy and the Environment at Indiana University/Purdue University at Indianapolis recently conducted a study entitled “Discovering the Arts and Culture Audiences in Central Indiana.”³⁵ Analyzing data from 11 institutions in Marion County (all but one in the downtown or “Center” township) and one in Hamilton County to the north, the researchers found that while the majority of audiences come from Marion County itself or one of the other eight counties in the central Indiana Metropolitan Statistical Area, a still-significant share comes from beyond the core economic region. Specifically, the outside-the-region share was 6.6 percent in dance, 33.1 percent in heritage and history;³⁶ 12.4 percent in museums and galleries; 13 percent in music; and 13.3 percent in theater.

Further analyzing which zip codes within the region accounted for the largest percentage of attendees (and dues-paying members), researchers found that income and education were still key

³⁴ Arts Council of Indianapolis. *Arts & Economic Prosperity: The Economic Impact of Nonprofit Arts Organizations and their Audiences in Indianapolis*. Brochure summarizing regional impacts as measured by the national study is available from the Arts Council.

³⁵ Available on-line at http://www.urbancenter.iupui.edu/pubpages/arts_audiences.htm.

³⁶ Due to the location of the Conner Prairie Living History Museum in Hamilton County, north of Marion County.

determinants of participation.³⁷ The northern parts of Indianapolis/Marion County and wealthy Hamilton County suburbs like Carmel still accounted for disproportionate shares of audience, despite outreach efforts to improve access by less affluent and well educated populations. The researchers noted that this posed important questions about whether the region should build on strength by focusing new venues in Center Township where access is easy for those suburban communities where participation is already strong, or else build more opportunities near audiences who do not live near the current central locations, such as in one of the outlying townships of Marion County or another county altogether. The report noted that concentrating all venues in Center Township imposes certain costs, such as traffic congestion and loss of tax revenue.

Additional insight into metrics comes from the list of objectives and measurements proposed by the Commission on Cultural Development.³⁸

| Objectives | Measurements |
|-------------------------------|----------------------------------------------------------------------|
| Increase cultural patronage | Attendance at cultural destinations/attractions |
| Increase sales | Sales at representative art galleries, restaurants and retail stores |
| Increase overnight visitation | Hotel rooms booked; hotel occupancy |
| Increase artist support | Artist commissions and contracts |

ISSUES AND CHALLENGES

Image. Research sponsored by the Arts Council has long indicated that there is a perception that the city does not yet have a strong enough cultural “product” to convince first-time visitors. In other words, despite a roster of excellent institutions and venues, the region does not yet have an adequate image. The Cultural Tourism Initiative’s advertising campaign was supposed to address this image problem, but in the end did not appear to have budged the needle. It is unclear whether there is a unifying image that can be shared by the range of the city’s development ambitions, from arts and culture through amateur sports and life sciences. This issue will be addressed more explicitly by the Commission on Cultural Development before its funding expires, but probably not until 2005.

³⁷ Somewhat contradictory to the Arts Council’s commissioned study five years earlier, which found that median income of attendee households in Marion County was *lower* than overall median income of all households in the county. That study did indicate a connection between frequency of attendance and income, suggesting to the Council the importance of modest ticket prices.

³⁸ See interim presentation on the website of Ball State University at: http://web.bsu.edu/cbp/rc2020/committees/enjoying/enjoying_02_10_02_cultraldistricts.pdf.

Geography. While the city does not tell the Council which entities to fund with its appropriation (a conventional peer review process is followed), the funding roster is presented for formal approval to the City/County council. Presumably because of this somewhat narrow focus on Indianapolis/Marion County,³⁹ it is not the Arts Council but rather the Central Indiana Community Foundation (CICF) that serves as the regional partner for the state's Indiana Arts Commission.⁴⁰ CICF reports that in 2001 it augmented the state council's \$578,000 in grants for Central Indiana with \$200,000 of its own for awards to 110 programs in the broader region. The wealthy Hamilton County suburb of Carmel has established a one-person arts council, and Indianapolis will face the challenge of learning how to work together, particularly on regional funding initiatives.

Conventions vs. Tourists. The mayor's emphasis on arts as a tourism tool is somewhat blunted by the fact that the Convention and Visitors Bureau generally prefers to emphasize the convention business over leisure tourism. Now that the three partners are being forced to work closely together on the Commission for Cultural Development, this may change as respective economic development messages are drawn closer together.

LESSONS LEARNED

- Being on the city's agenda has made a huge difference. Developing arts and culture as an economic engine is now a bipartisan effort that involves the mayor, city/county councilors, and well established economic-development professionals and corporate leaders who have watched the initiative mature over at least a five-year period. This is just as well, because major funders like the Lilly Endowment will not fund single entities if they are not working with other groups as part of a whole.
- The downside of the joint structure is that everyone wanted an "early win," but no single entity was responsible, and each brought its own specific mission to the table. The Commission for Cultural Development wanted to be all things to everyone, but has had to pull back. The parties have not realized that it is important to start very focused and specific, and then grow into something larger and more generic from there.
- The business community has seen over and over as they work on corporate relocations that arts are one of the amenities that companies are looking for. There has been no economic-development discussion in Indianapolis that does not include an arts and culture component, even the Central Indiana Life Science Initiative. Clearly, arts and culture are going to be very important to trying to attract educated workforce for high-technology initiatives.
- As a consequence, the arts community has begun to understand that consumers do not make a big distinction between nonprofit and for-profit organizations when choosing arts events to attend. The Arts Council will shortly release a gallery guide that includes for the first time for-profit stores, and is considering expanding its ticketing service to include for-profit venues.

³⁹ The Council does grant non-city funds to the Conner Prairie Living History Museum in Hamilton County.

⁴⁰ This is not true for other regions of the state. See <http://www.in.gov/arts/about/rpi/rpimap.html>

Portland Arts and Culture

PUTTING ARTS AND CULTURE ON THE AGENDA IN PORTLAND

Portland's commitment to the arts and culture has emerged gradually over the last decade, as political and civic leaders began to confront an uncomfortable dissonance between Portland's carefully cultivated reputation as a "livable" city – exemplified by the emergence of the downtown Pearl District as a center of gallery art⁴¹ – and the reality of significant under-funding of nonprofit arts and culture organizations. In fact, as is *still* admitted by the recently formed advocacy group Northwest Business for Culture and Arts, Oregon ranks last in the nation for "public support" of the arts and culture, and in the bottom quarter for corporate support.

Several key changes were made following the 1992 election of Mayor Vera Katz, a former state legislative leader whose personal background also included an undergraduate performing arts degree. At her initiative, a former city arts initiative was spun out into an independent 501(c)(3), the Regional Arts & Culture Council (RACC),⁴² which was intended to consolidate and coordinate the arts efforts of city and county government. Over the last decade, Mayor Katz has doubled the level of city resources committed to the grant functions now managed by RACC, but she also preserved significant appropriation from Multnomah County and symbolic contributions from two surrounding counties and the regional "Metro" planning authority. (Land-use planning and regionalism are as important to the self-image of Oregon as low-constraint development is to Arizona.)

Even more important, Mayor Katz recognized the problem of chronically undercapitalized arts and culture institutions. In a widely publicized initiative, she committed \$1 million in each of four successive budgets to the Portland Art Museum, the Oregon Symphony, the Oregon Ballet, and the Portland Opera (these are the region's leading cultural institutions).⁴³ She also committed an additional \$1 million to RACC for a capital fund. Through an accompanying joint leadership-development initiative, corporate citizens were to be challenged to match the city's commitment by raising \$4 million in matching, for a total pool of \$5 million. However, the process moved slowly and success was very limited. RACC recruited new leadership, which has proposed that the committed funding held by RACC be decentralized through a competitive capitalization grant program that encourages individual organizations to mount sophisticated capital campaigns targeted at their particular constituencies.

This action has rekindled discussion in the city's civic and philanthropic community about the desirability of a dedicated funding source – a matter which was discussed at the founding of the RACC, but never actually implemented. Strong leadership has come from the Meyer Trust, the state's largest foundation, which has expressed concern over the deleterious effect of small, pro-

⁴¹ For discussion of the legacy of William Jamison and his nationally imitated "First Thursday" program, see for example: http://www.portlandparks.org/Planning/press_release/jamionsquare_062002.pdf. Gallery development is also credited with increasing racial integration of the historically African American Albina/Alberta neighborhoods on the North End, and additional neighborhoods in Southeast Portland.

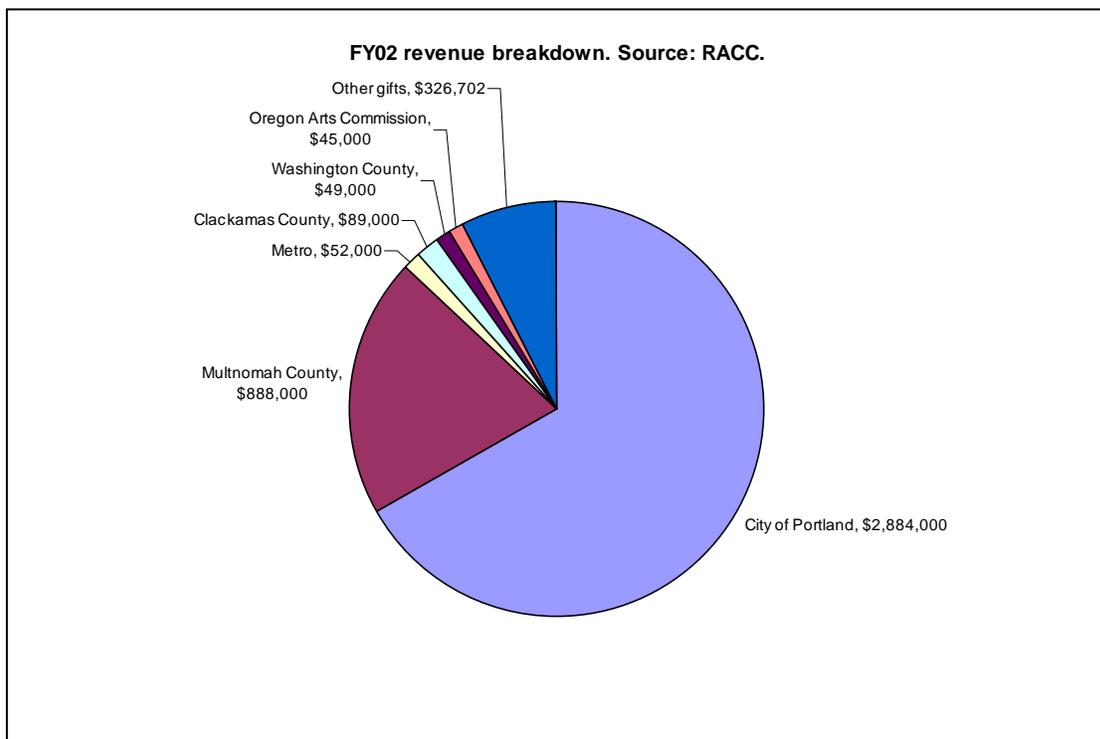
⁴² See <http://www.racc.org>.

⁴³ See <http://www.ci.portland.or.us/mayor/accomp2/Arts/ACfunding.html>.

ject-oriented grants that do not allow arts organizations to build the resources to fund general operations or strategic change.

LEAD ARTS AND CULTURE ORGANIZATION

RACC is the lead organization because it serves as the main regrant agency for public funding. Over the past decade, RACC has moved steadily away from “direct programming” and toward an advocacy agenda focused on creating a dedicated funding stream and developing the capacity to manage a workplace giving program (as in Charlotte). Although corporate giving has improved in the last few years,⁴⁴ personal philanthropy on behalf of the arts is still quite weak for a region that prides itself on its cultural assets. In FY 02, RACC raised \$4.3 million from the following sources:



The stated mission of the RACC is “to integrate arts and culture into all aspects of community life,” and its “core values” celebrate:

- Freedom of artistic and cultural expression
- Diversity of artistic and cultural experiences
- Community in which everyone can participate in arts and culture
- Community that celebrates and supports its artists, art and cultural institutions
- Arts and culture are key elements in creating desirable places to live, work and visit.

⁴⁴ By informal agreement, virtually all corporate donations are made not through RACC but directly to the arts and cultural organizations.

RACC is also bound to several other important regional organizations through an informal “Oregon Cultural Advocacy Coalition.” Another key member of this Coalition is Northwest Business for Arts and Culture (NWBCA),⁴⁵ a dues-supported nonprofit created a few years after RACC. NWBCA operates at the state level and has been an important partner of both the Oregon Arts Commission and RACC in developing nascent statewide financing mechanisms such as the Oregon Cultural Trust (see below). The mission of NWBCA is “to dramatically increase public and private support for arts, heritage and humanities throughout Oregon and SW Washington... [and provide] a dynamic and mutually beneficial link between business and the arts.” Among its conventional networking and leadership activities, NWBCA also collects data about business contributions to arts and cultural organizations in metropolitan Portland, and feeds the results to a “focus on philanthropy” issue of the weekly Portland *Business Journal*.

VISION

Arts and culture feature prominently in the Central Portland plan prepared by a regional consortium in 1999.⁴⁶ In this vision, Central Portland will be “a dynamic arts and culture hub” as part of a broader vision for “a prosperous region of creativity and imagination” that also includes aspirations for institutions of higher learning of national stature and the accompanying “next generation of jobs.” The specifics of the relevant section read as follows:

“The standard for our vision for central Portland is established by the vibrancy of our art and the depth of our culture. The arts are our infrastructure of ideas. Arts and culture provide the creative capital dynamism and vitality that lead to a high quality urban life. They are the catalysts for bringing the community together in complete neighborhoods. Central Portland will be the hub of a major renaissance that continues to build on the solid foundation of the past twenty-five years. Portland will increasingly be known for its creativity, which supports employment, investment and quality of life.”

PROGRAMS AND INITIATIVES

RACC divides its initiatives into four broad categories:

- **Service to organizations** – including arts and culture organizations themselves, schools, community-based organizations and governments. Organizations are eligible to compete for operating support (there are also pre-programmed, City-funded pass throughs for the largest organizations with budgets over \$500,000), project support, technical assistance, and outreach to schools and communities. Schools are eligible to compete for planning monies and fast-track grants to bring artists on board for short-term teaching assignments. CBOs can compete for outreach grants. Governments may rely on RACC to administer “percent for art” programs^{47,48} or to conduct workshops on the grant process.

⁴⁵ See <http://www.nwbca.org>. Affiliated with the national Business Committee for the Arts, see <http://www.bcainc.org/>.

⁴⁶ “A 25-Year Vision for Central Portland,” Commissioned by Association for Portland Progress; City of Portland; Metro; Multnomah County; Portland State University; and the State of Oregon. Released April 1999. Available on-line at: <http://www.upa.pdx.edu/IMS/ourregion/CentralCity/pdf/summitvision.pdf>.

⁴⁷ See <http://www.portlandplanning.org/pubart.htm>.

- **Service to individual artists** – including project grants, technical assistance, and two prestigious \$20,000 “fellowship” grants made annually.
- **Advocacy, planning and coordination**
- **Arts and culture dissemination** – newsletters, website with events calendar, etc.

FINANCING ARTS AND CULTURE

At the time RACC was formed a decade ago, the intention had been to couple its creation with development of a dedicated funding initiative. However, the funding piece was simply never put in place because it never became a priority of the region’s political leadership. RACC is now urging the region cautiously over the next several years to examine several models for dedicated funding, including the one used in Denver. No formal voter initiative is anticipated until at least 2005-2006.

At the state level, members of the Cultural Advocacy Coalition lobbied for an unusual (though presently not highly productive) funding mechanism, the Oregon Cultural Trust,⁴⁹ signed into law in 2001. The Trust established a tax credit of up to \$500 for individuals (\$2,500 for corporations) who make direct contributions to the Cultural Trust and have also matched that gift 1:1 with a donation to a qualifying in-state nonprofit. In effect, the general treasury subsidizes a gift to the Trust to the extent that individuals have made philanthropic contributions in the targeted sector.

The original law provided for additional funding from sale of a “cultural” license plate and from sale of certain surplus state-owned land. The goal was to create by 2012 an endowment of \$200 million, and to distribute \$90 million during the decade that goal was being addressed. However, land-sale proceeds have been reversed by recent fund transfers made to address the state’s budget crisis, and there is no prospect of renewed land sales on the horizon. This summer, as part of final budget negotiations, the corporate tax credit was also scaled back, and administration of the Trust – originally by the Secretary of State – was assigned instead to the Oregon Arts Commission, although the respective boards of the Commission and the Trust will retain their separate identities.⁵⁰

Whatever funds are raised by the Trust account will be distributed:

- To counties and tribes to support project and collaborations;
- Through competitive grants that support projects of regional or statewide significance; and
- Through additional funds to Oregon’s existing statewide cultural agencies (i.e., the Oregon Arts Commission, Heritage Commission, Council for the Humanities, State Historic Preservation Office, and Historical Society)

⁴⁸ See <http://www.co.multnomah.or.us/arts/>.

⁴⁹ See <http://www.culturaltrust.org/>. Enabling legislation is HB 2923 of 2001.

⁵⁰ For an update on the changes included in the Oregon budget, see <http://www.racc.org/News/announceSPECIALOACOCT.html#Anchor-49575>.

MEASURING THE IMPACT OF ARTS AND CULTURE

By personal background, Mayor Katz is instinctively supportive of the arts as a critical component of the regional quality of life, which is in turn important to her economic-development agenda. However, she is said not to be convinced of the validity or relevance of economic-impact modeling at the current state of the art. Therefore, the main effort to measure economic impact has been made at the statewide level, through a report jointly commissioned from the Denver-based Western States Arts Federation by the Oregon Arts Commission, NWBCA, and RACC (most recently issued two years ago). The report offers data profiling the distribution of statewide arts agencies by characteristics including age, budget, type, discipline, outreach strategy, and “major challenge faced.” Principal economic-impact findings of the report include (order changed from that in the report):⁵¹

- Statewide nonprofit arts offerings grew by 50 percent over the previous three years, while budgets increased only 18.9 percent.
- Direct spending by 441 nonprofit arts organizations was \$100.2 million in FY 2000.
- Nonprofit arts organizations employed 3,623 both full- or part-time and paid wages of \$54.8 million.
- Cultural tourism is an important component of the state’s economy (the example cited was \$32 million in direct spending at the Oregon Shakespeare Festival in Ashland);
- Construction and renovation expenditures were expected to total \$60 million over five years.
- Nonprofit arts organizations statewide earned 45.6 percent of their income, with admissions the largest portion of earned income despite average ticket price of \$15.64, but a trend showing diversification of earned income to other activities.
- Of the more than 5.6 million admissions reported in FY 2000, more than one-third were provided free of charge.

Some but not all of these data are broken out specifically for the Portland metropolitan region. In its “implications” section, the report focused on what was then a topical issue – integration between the nonprofit arts community and the private “creative-services” sector which was then conceived as including not just commercial artists but also Internet and dot-com content creators. Somewhat earlier, the Portland Development Commission had undertaken a study that showed that creative services paid wages 40 percent higher than the regional average and was growing twice as fast.⁵² NWBCA went on to observe that this creative-services sector depends to some degree on the *nonprofit arts sector’s* “ability to serve as an incubator for prospective employees and to create an atmosphere that can attract creative services workers.” Although the internet boom dissipated, the region’s civic community appears to still accept this connection. More recently, PDC has highlighted the research of Richard Florida on the importance of the “creative class” to economic development.

⁵¹ Daniel Buehler and Erin Trapp. *The Economic Impact of Oregon’s Nonprofit Arts Sector*. January 2001. Available on-line at: <http://art.econ.state.or.us/westaf.pdf>.

⁵² For the report and surrounding discussion see the website of the Development Commission: <http://www.pdc.us/programs/ed/creativeservices/report.html>.

Separately, as part of its annual economic impact survey, the Portland Oregon Visitors Association reported that visitors to the metropolitan region spent \$168 million on recreation (of which cultural tourism represented \$89 million).⁵³ POVA's annual "visitor indicators" series tracks attendance at nine selected arts and cultural attractions.

ISSUES AND CHALLENGES

Need for a "toolbox." Before it can make progress on a dedicated funding initiative, RACC believes, it will need to create a "toolbox" that allows it to better and more effectively make the case for support of arts organizations. The tools needed include an ability to "map" arts support to other issues of acknowledged importance, such as education in a way that the message is conveyed to both political leaders and the person on the street.

All three legs of the stool. Arts and culture organizations depend on support from three sources: public sector, corporate/foundation, and individual. RACC knows that public-sector support is important, but also sees that the sector cannot continue to depend on the public dollar, especially in difficult budgetary times. Portland does respectably well in engaging the other two legs, but does not yet have the breadth and depth that it should.

LESSONS LEARNED

- Be frank about issues posed by competition within the region: on the one hand, unless the center is strong and healthy in artistic terms, outlying areas will not be healthy. On the other hand, it is important not to try to tell other smaller arts agencies what to do. For example, Beaverton has its own arts council but also participates with Portland/Multnomah County West Side activities. This is as it should be. RACC would not try and tell Beaverton how to run its arts festival. However, Washington County (home to Beaverton) and Clackamas County both benefit from the RACC competitive programs far in excess of their annual contribution, which is targeted to the one or two organizations in their counties clearly mature enough to use it.
- Important models to look at would be Charlotte (especially for individual and workplace giving) and Dade County (for outreach).

⁵³ See http://www.pova.com/whats_pova/economic_impact.html. For detail see Dean Runyan Associates. *Economic Impacts of Travel, 2002: Portland, Oregon*. Portland: Dean Runyan Associates, Feb. 2003. Prepared for POVA. Available on-line at: http://www.pova.com/whats_pova/pdfs/dean_runyan_02.pdf.

Salt Lake City Arts and Culture

PUTTING ARTS AND CULTURE ON THE AGENDA IN SALT LAKE CITY

Arts and Culture have been important to the citizens of the Salt Lake region since the inception of the state. The Utah Art Institute, now called the Utah Arts Council, was established in 1899 by the Third Utah Legislature three years after Utah received statehood, with a mission to "advance the arts in all their phases." This was the first arts council created of its kind in the nation.

As would be expected in the early years, since Salt Lake City was the state capital, many of the activities of the statewide council were focused within the city. In addition, the region's religious culture that is predominantly based on the beliefs of the Church of the Latter Day Saints, which has a history of actively promoting group activities such as choral singing and dancing, has also helped focus attention on the importance of arts and culture within the community. This historical focus on the arts within Utah has led to a vibrant arts community overtime.

Salt Lake City government leaders continued to emphasize the importance of arts and culture within the city with the establishment of the Salt Lake City Arts Council in 1976. The mission of the Council is to expand public awareness, access, and participation in the arts through the support of artists and art organizations in Salt Lake City.

In addition, the citizens of the region have shown their support of the arts and culture by passing in 1996 a ballot initiative designed to fund recreational facilities as well as botanical, cultural, and zoological organizations. The county collects one penny for every ten dollars spent within the county and allocates it to regional botanical, cultural and zoological organization seeking funding. The county tax was modeled after the Denver Scientific and Cultural Facilities District. However, it is important to note that the original referendum, which did not include funding for recreational activities, was defeated at first. It was not until the referendum was placed back on the ballot and was inclusive of recreational activities that the voters approved the initiative. There is currently a committee working to place the initiative back on the ballot so that it can be reapproved. The plan is to place it on the ballot early in case it is defeated the first time.

Overall it is important to note that there is not a significant amount of activity from the business community in support of the arts. This is primarily due to the lack of corporate foundations. Instead, the arts and culture organizations of the region rely on the support of the public to prosper. This has been difficult in the last few lean years due to the economic downturn, although the County tax has been seen as a significant stabilizing contributor.

Due to this phenomenon, those interviewed did not believe that the economic impact data that are collected have had a significant impact on altering perceptions regarding the importance or art and culture on the community. Although it is used in public forums, those interviewed felt that the real factors that placed arts and culture on the regional agenda had more to do with the overall attitude of its citizens rooted in historical culture; the renaissance or artists within the community (i.e., the quality of their work); and the ability to influence politics by cultivating relationships with key politicians and community leaders (i.e., cultivating champions within the community.)

LEAD ARTS AND CULTURE ORGANIZATION

The Salt Lake City Arts Council is the lead arts and culture organization for the City. The Council was founded in 1976 by the City Government with support from the National Endowment for the Arts. As a public agency, the Arts Council seeks to expand public awareness, access, and participation in the arts through the support of artists and arts organizations in Salt Lake City.

The Salt Lake City Arts Council developed its last strategic plan approximately a decade ago; however, its missions and goals remain the same. The goals of the Council are:

- To broaden public understanding and to increase support and access to the arts for the community;
- To include ethnically diverse and underserved populations in Arts Council programs;
- To play an active role in community cultural and facilities planning, development, and advocacy;
- To increase the recognition of and the scope and value of the arts in the community; and,
- To promote and strengthen opportunities for artists and arts organizations.

The ongoing objectives of the Salt Lake City Arts Council are:

- That the arts community will be flourishing – in participation, awareness and funding;
- That there will be a true understanding on the part of the public as to the value of the arts to individual and community life;
- That more artists will be making a living and developing their careers in Salt Lake City;
- That there will be facilities of all sizes, locations, and specifications to house artists and arts organizations; and,
- That there will be national recognition of Salt Lake City as a center for arts activities.

The Salt Lake City Arts Council has an approximate annual budget of \$800,000, of which approximately 60 percent comes from the City's General Revenue Fund. The other two public sources are the Utah Arts Council and the County through the Zoo, Arts & Parks (ZAP) tax (see below.) They also seek private support for specific events and programs that it holds throughout the year in addition to its earned income from rental revenues and concession sales at the galleries it manages.

As the largest local arts council in Utah, the Salt Lake City Arts Council is also committed to assisting with research and leadership on local and statewide cultural issues. It has taken part in numerous statewide studies, including the economic impact assessments (see below.) In addition, each of the thirteen suburban cities in Salt Lake County also has arts councils, which is beginning to lead to some competitive funding issues.

VISION

The Salt Lake City Arts Council does not have an articulated vision, but see above for its missions, goals, and ongoing objectives.

PROGRAMS AND INITIATIVES

Zoo, Arts & Parks Program: The largest funding program available for arts and culture organizations in Salt Lake City is the Zoo, Arts & Parks Program administered by Salt Lake County and funded through a county tax. This tax was created in November 1996 when Salt Lake County voters approved a ballot initiative designed to fund local recreational facilities as well as botanical, cultural and zoological organizations. On January 1, 1997, the county began collecting one additional penny on every ten dollars spent within Salt Lake County. As noted previously, the ballot initiative originally failed and was not passed by the voters until recreational activities were added to the list of eligible funding entities.

During 2001, the Zoo, Arts & Parks (ZAP) program raised over \$15,500,000, all of which is distributed through a competitive grant process among local organizations and projects deemed qualified for funds by administrative staff, Advisory Boards and the Salt Lake County Council. Each botanical, cultural, and zoological organization seeking funds is required to submit an annual application, proof of non-profit status, records detailing the primary purpose of the organization and financial information for three prior years. Following the application deadline, an advisory board meets to determine what organizations qualify for funding. The recommendations of the advisory board are forwarded to the Salt Lake County Council for final review and approval.

During 2001, the Zoo, Arts & Parks program funded 113 organizations and have completed all twelve recreational projects that were approved for bonding by county voters.

Salt Lake City Arts Council Programs: The Salt Lake City Arts Council administers the following programs:

- **The City Arts Grants Program:** The City Arts Grants Program provides, through a competitive grant process, direct support to artists and arts organizations that contribute to the cultural life of the community. The program support projects in every art form, for both well-established institutions, newly formed groups and to individuals for projects of exceptional merit that provide a public service. The grant categories include:
 - **General Support Grants:** General Support Grants provide operating support to Salt Lake City's established arts organizations that have developed a broad range of programming and have contributed extensively to the cultural life of the city. General Support Grants assist arts organizations with general operating expenses and the continuation or expansion of arts programming for the citizens of Salt Lake.
 - **Project Support Grants:** Available to individuals, groups and nonprofit organizations for specific arts projects and programs that are determined to be of value to the community. Exhibits, concerts, performances, festivals, workshops and readings are among projects eligible for funding through project support grants. Assistance with capital purchases such as permanent equipment to streamline administrative operations or to improve the artistic process is also available with the added stipulation that funds used for this purpose must be matched two-to-one.

- **Mini Grants:** Available to nonprofit organizations that may develop a project during the year out of special circumstances or unusual opportunities. Grant amounts awarded are limited in this category.
- **Artist-in-the-Classroom Grants:** Artist-in-the-Classroom Grants are available to support artists' residencies for Salt Lake City elementary schools. The program provides funds for artists' fees and supplies.
- **Public Art Program.** Salt Lake City's public art program provides opportunities for artists to create artwork to enhance public spaces, and to work with architects, engineers, landscape architects and city planners to design and build city buildings, neighborhood parks, fire stations, plazas, Redevelopment Agency projects and other civic amenities.

Established by City ordinance, Salt Lake City's public art program sets aside funds for the commission of artwork for eligible City construction projects. The program is administered by the Salt Lake City Arts Council with oversight from the Salt Lake Art Design Board, a five-member advisory body appointed by the Mayor. An extensive current project, in cooperation with the Redevelopment Agency and the Utah Transit Authority, is Art in Transit, a public art program for the city's light rail system.

- **Arts Center, Galleries, Concert Series, and Festivals:** In addition, the Salt Lake City Arts Council manages or sponsors a number of galleries, concert series, and festivals throughout the year.

FINANCING ARTS AND CULTURE

In 1996, voters in Salt Lake County voted to dedicate a 0.1 percent retail sales and use tax (one penny on every \$10 sale) to fund local recreational facilities as well as botanical, cultural and zoological organizations. The County collected approximately \$15.5 million in 2001 that were dedicated to the Zoo, Arts & Parks Program. Per the state statute governing the program, 30 percent of the funds collected are designated for the construction of recreational facilities within Salt Lake County, which was approximately \$4.65 million in 2001. The County distributes the remaining funds it receives, approximately \$10.85 million in 2001, to organizations that have as its primary purpose either:

- the advancement and preservation of zoology; or
- the advancement or preservation of plant science through horticultural display, botanical research and community education.

During 2001, the Zoo, Arts & Parks program funded 113 organizations and have completed all twelve recreational projects that were approved for bonding by county voters.

MEASURING THE IMPACT OF ARTS AND CULTURE

The Salt Lake City Arts Council has not produced its own economic impact assessment; however, it has participated in the statewide cultural economic impact assessment prepared for the Utah

Arts Council⁵⁴. From the latest report released in June 2000, the following indicators were developed for the Salt Lake City region for FY 1999 and data is summarized in the table below.

| Indicator | Metric |
|-------------------------------------------------|----------------------------------------------------------|
| General Characteristics of Cultural Sector | |
| • Average Age of Organizations | 30.6 years |
| • Average Budget Size | \$1.2 million |
| • Median Budget Size | \$298,098 |
| • Cultural Offerings | 9,599 |
| • Paid Public Participation | 1,828,336 |
| • Membership Subscription Program | 156,685 |
| • Earned Income Activities | \$34,751,830 |
| • Contributions to Cultural Activities | \$43,831,859 |
| Expenditures of Cultural Sector | |
| • Employment | \$25,859,988 |
| • Taxes | \$1,628,242 federal \$765,720 state \$11,218 local |
| • Benefits | \$4,897,711 |
| • Non-personnel expenditures | \$7,172,544 |
| • Goods and Services | \$22,572,017 |
| Gross Measure of Economic and Employment Impact | |
| • Wages and Benefits | \$69,638,506 |
| • Capital Campaigns | \$9,891,135 |
| • Total Economic Impact | \$79,574,641 |
| • Total Employment Impact | 5,179 jobs |

ISSUES AND CHALLENGES

Growth Outside Salt Lake City. Each of the thirteen suburban cities that are also in Salt Lake County have developed Arts Commissions that provide leadership to those arts and culture organizations that fall outside the city. As suburban sprawl increases, the competition for arts and culture funding continues to increase as duplication of activities and efforts become more common. In addition, some suburbs are becoming more aggressive in utilizing their economic development tools to develop sporting arenas, theatres, amphitheatres, and multi-cultural centers.

⁵⁴ *The Economic Impact of Utah's Cultural Sector.* Prepared for the Utah Arts Council. Prepared by WESTAF. June 2000.

Scope of Strategy. As resources are continuing to be constrained by the downturn in the economy, it is imperative to utilize the assets that the Arts Council does have to support and encourage the existing arts activities that are of most interest to the public.

Lack of understanding of the contribution made by the Arts Council to the arts and culture community. Although there is a relatively good understanding among the citizens of the community that arts and culture is important to economic and community well-being, this understanding has not been translated into support for the Arts Council itself.

LESSONS LEARNED

- **Build Political Support.** Cultivating relationships with those community leaders with authority to authorize funding is critical.
- **Identify Champions.** Leaders in the community who are willing to step to the plate with support for arts and culture make a significant difference.
- **Facilitation.** Being able to develop consensus among the various arts and culture organizations so that they work together is critical.

San Diego Arts and Culture

PUTTING ARTS AND CULTURE ON THE AGENDA IN SAN DIEGO

San Diego's historical initiatives in support of the arts shed significant light on its modern day views regarding the role of arts and culture on the economy. The city's foray into supporting public arts and culture came about at the turn of the last century when Balboa Park, today considered the jewel of San Diego's arts and cultural scene, began to be developed. Initially, in 1868, a 1,400 acre tract of land was set aside by City leaders for a public park. However, it would take another 40 years and a general understanding of the impact that arts and culture could have on industrial growth before a master plan for development began to surface.

After the success of the 1893 World Columbian Exposition in Chicago, cities across the nation began to subscribe to the notion that the transformation of their metropolitan areas into cities of beauty would not only evoke admiration, but more importantly would stimulate commerce and industry. In pursuit of simulating commerce and industry, civic leaders in San Diego began to plan for the future of San Diego by commissioning a civic improvement scheme on the park land set aside years earlier by the city. A master plan was developed in 1903 and was slowly implemented through a city tax that was levied to support the development. Slowly, over the next ten years, Balboa Park began to be developed.

However, it was only after the Panama-California Exposition, honoring the completion of the Panama Canal, was held in the park in 1915-1916, that significant progress in developing the park was achieved. In 1916, the conceptualization of the San Diego Zoo was formed. By 1926, the San Diego Museum of Art was opened, followed by the Natural History Museum in 1933. Furthermore, as a way of bolstering the economy, San Diego held the California-Pacific International Exposition in 1935-1936, with many exhibits coming directly from the Chicago World's Fair. The Old Globe Theatre was built for this second exposition.

Through the last half of the century, additional cultural infrastructure was developed including, the Timken Museum of Art, the Reuben H. Fleet Science Center, containing the country's first OMNIMAX theater, the San Diego Automotive Museum, the Mingei International Museum, the San Diego Hall of Champions, and the San Diego Natural History Museum, which opened just two years ago. Balboa Park was recently recognized as the best urban park in the Americas. Encompassing over 1,400-acres, the park houses 14 museums and art galleries, four theaters, one pipe organ and the San Diego Zoo.

Today, the leaders of San Diego recognize that arts and culture mean business for San Diego because cultural strengths make San Diego a desirable destination. Arts and culture were recently recognized as a key strength of the region by the UCSD Civic Collaborative, LEAD San Diego, and the San Diego Regional Economic Development Corporation, who have highly publicized the Richard Florida study that ranked San Diego as third in the nation in terms of a "creative class." The civic leaders of the community strongly believe the city's economic prosperity now depends more on diversity, healthy arts and culture scenes, great universities, outdoor recreation, and tolerance.

A central theme for the region's future agenda is the belief that:

“San Diego is at a pivotal point in its history; either it will continue to grow in its appreciation of its artists, musicians, edgy scientists and immigrants – and find ways to finally connect with Tijuana – or it will devolve into its lesser angel: a what's-in-it-for-me region defined more by the impersonal culture of its freeways than the messy, creative hearts of its neighborhoods.”⁵⁵

LEAD ARTS AND CULTURE ORGANIZATION

The City of San Diego Commission for Arts and Culture, a local arts agency, was established in 1988 by City Ordinance to serve in an advisory capacity to the Mayor, City Council, and City Manager on promoting, encouraging, and increasing support for the arts and culture institutions of San Diego. It is the Commission's responsibility to make all recommendations pertaining to arts and culture for City funding. It is also the Commission's responsibility to advise on projects and programs designed to promote public art throughout the neighborhoods of San Diego, develop policies to involve artists in selected capital improvement projects, and to encourage the private sector to include public art in private developments.

The Commission was originally created by a grant from the California Arts Council, and as its first initiative it developed and implemented an arts and culture strategic plan for the region. The impetus for seeking the grant to form the Commission was the realization by the community that there was a need to focus the City's public art and culture funding. It was recognized at that time there were no tangible policies, procedures, and regulations for funding the arts in San Diego. These tools were needed in order to move forward strategically with investments.

The mission of the City of San Diego Commission for Arts and Culture is to vitalize the city by integrating arts and culture into community life while supporting the region's cultural assets and showcasing San Diego as an international cultural destination. In addition to the efforts that the City puts forth to foster arts and culture development, San Diego County administers the Zoo, Arts & Parks Program.

There is not county arts commission or its equivalent. Instead, the County Board of Supervisors is at liberty to determine where the arts and culture dollars are spent within their own individual districts. There are also no formalized arts and culture structural organizations within the suburban communities.

VISION

The City of San Diego is known for its extraordinary setting and a natural beauty that enriches the daily lives of its people. Inspired by a wealth of natural resources, the citizenry have built a community which reflects its surroundings. Geographic location positions San Diego as an international hub; historical forces have made it the home of indigenous and immigrant groups of great diversity; and an abundance of human resources promises great economic potential. San Diego takes its place among the great cities of the world, distinct from other coastal communities. Along with this coming of age is a flowering of arts and culture, a sign of a mature metropolitan

⁵⁵ Louv, Richard. “Building Cities with the Creative Class.” San Diego Union Tribune. July 13, 2003.

area. The Commission celebrates the diversity of the City's ethnic groups who together provide the variety of multiplicity of arts and cultural offerings that enrich the natural environment. The City provides financial support for arts and cultural organizations to bring together these creative forces, inspire patronage, and stimulate artistic appreciation.

PROGRAMS AND INITIATIVES

The Commission for the Arts and Culture offers support to individuals and organizations providing artistic and cultural leadership opportunities in San Diego. This is done through a comprehensive series of programs and initiatives that fulfill its mission and responsibilities to the City.

- **Organizational Support Program.** The Commission's Organizational Support Program (OSP) administers funding provided by the City of San Diego's hotel/motel room tax (Transient Occupancy Tax - T.O.T.) to 85 arts and culture organizations for reimbursement of personnel and operating expenses. The program seeks to foster the vitality and stability of the city's prominent and established arts organizations and cultural institutions. This funding also enables arts and cultural organizations to promote San Diego as a cultural destination. At the same time this funding is used to create an environment which attracts and nurtures new and emerging arts and cultural organizations. Funding in this category allows diverse organizations to stabilize and advance toward institutional status.
- **Neighborhood Arts Program.** The Neighborhood Arts Program (NAP) provides artistic and cultural opportunities for youth, adults, and families in the City of San Diego. Through the program, funds are awarded to nonprofit organizations who work in conjunction with social service agencies, police, parks and recreation centers, libraries, community centers and neighborhood organizations. NAP projects are purposeful, high quality initiatives that provide direct, sustained contact between neighborhood participants and individual artists and their work. Projects provide arts and cultural programming to an ethnically specific, cross-cultural and/or intergenerational population, connecting people to their cultural roots to increase communication and understanding. Projects are also designed to respond to communities' unique needs and assets and to foster neighborhood pride and unity.
- **Festivals and Celebrations.** The City of San Diego Commission for Arts and Culture's Festivals and Celebrations funding category supports collaborative projects between nonprofit organizations and the communities they serve. These projects involve communities in the development of neighborhood specific or regionally significant events that enhance civic pride, identity and unity; and raise San Diego's visibility as a desirable place in which to live, visit, and do business.
- **Cultural Tourism.** Since its inception, the Commission has recognized the importance of Cultural Tourism to the region's overall health. To insure that the region's arts and cultural assets are promoted outside the local market, the Commission works with the San Diego Convention and Visitors Bureau and their Director of Cultural Tourism to include arts and culture activities into the broader tourism marketing efforts. Past efforts have included the promotion of themed itineraries with the goal of extending visitor stays in San Diego as well as the promotion of the City's neighborhood assets as viable cultural tourism attractions.

Currently, the region is in the midst of its *San Diego Art & Sol* Campaign, a multi-level marketing and promotions campaign designed to raise the awareness of San Diego as a world-class international cultural destination. The cultural tourism campaign includes an extensive website that provides a large database of numerous arts and cultural opportunities available in the region.⁵⁶ In addition to this site, a marketing promotions 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 & Visitors Bureau's ongoing programming. This cultural tourism campaign is an unprecedented cooperative partnership that includes fifteen of San Diego'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.

- **Public Art Program.** The City of San Diego Public Art Program provides staff and administrative support for the management and maintenance of the City's art collection and project management services for public art projects in selected Capital Improvement Projects. When the City of San Diego begins new building and renovation projects, it commits to the reform and renewal of the city by carefully planning the way a facility looks, operates, and relates to the community. The City of San Diego Commission for Arts and Culture's Public Art Program works to transform San Diego's built environment by making the artist an integral participant in the public planning and design.

Other responsibilities of the Public Art Program include policy development, planning, competition coordination for the selection of artists, technical assistance, information dissemination and development of legislative incentives encouraging public art projects in private development and in partnership with non-profit organizations and other public agencies. The Commission for Arts and Culture is in the process of developing a Public Art Master Plan, a comprehensive effort to address public art policies and strategies for the City of San Diego.

- **Technical Assistance Program.** The Technical Assistance Program (TAP) provides short and long-term assistance to nonprofit organizations that provide a variety of arts and culture programs and services to the public. These organizations range from the museums and institutions in Balboa Park, to community-based theaters and dance companies, to chambers of commerce and business improvement associations. TAP core services help existing and potential contractors maintain their competitive edge by providing referrals, ongoing individual consultations and group trainings. Staff provides over 300 hours of group trainings to prospective applicants yearly.

Finally, the Commission, in partnership with the Parker Foundation and the San Diego Unified School District, developed in 2000 *The San Diego Arts Education Partnership Plan*, a strategic plan to improve instruction in visual and performing arts by leveraging the arts and cultural assets within the community. The plan is currently being implemented.

⁵⁶ www.sandiegoartsandsol.com

FINANCING ARTS AND CULTURE

The Transient Occupancy Tax (bed tax) provides approximately \$9.5 million each year to fund arts and cultural activities within San Diego. Roughly \$7.7 million of this goes to the Organizational Support Program to provide funding to the approximate 85 non-profit art and cultural organizations in the city. The funding is based on a formula. These organizations receive funding on a relatively consistent basis each year, with the largest grants being approximately \$500,000 to organizations such as the Opera and the Old Globe Theatre. The smaller grants are approximately \$1,500 to fund new initiatives. In addition, roughly \$500,000 of the \$9.5 million is provided to approximately 43 festivals and celebrations held throughout the city. The Neighborhood Arts Program received \$200,000 and the Public Arts Fund receives \$120,000. The rest of the dollars are allocated to the administration of the Commission. There is a proposal before the city to place on the ballot in the near future an increase in the TOT from 10.5 percent to 13 percent.

MEASURING THE IMPACT OF ARTS AND CULTURE

The City of San Diego Commission for Arts and Culture conducts an annual economic impact study⁵⁷ in an effort to capture the fact that arts and culture provide a significant boost to the local economy, create thousands of jobs, and position the region as a cultural destination. From the latest report on FY02 data, the following indicators were provided.

| Indicator | Metric |
|----------------------------------------------------------------------------------------------|--------------------------------------|
| Cultural Tourism | |
| • Out-of-city admissions sold | 1.66 million |
| • Cultural tourists contribution to local economy | \$217 million |
| • Average stay | 5.5 days vs. 4.1 for average tourist |
| • Paid for accommodations | 81% vs. 53% for average tourist |
| • Arrived by plane | 54% vs. 27% for average tourist |
| • Participated in other activities, such as shopping, visiting amusement parks and the beach | 67% |
| • Reported high satisfaction with visit | 93% |
| Economic Impact | |
| • Direct financial impact | \$116 million |
| • Employment | 5,600 jobs |
| Participation | |
| • Total Admissions | 4.8 million |
| • Paid Admissions | 2.9 million |
| • Free Admissions | 1.9 million |
| • Out-of-City Admissions | 1.66 million |

⁵⁷ *Vibrant Culture, Vibrant City: FY02 Economic Impact Report.* City of San Diego Commission for Arts and Culture.

| | |
|-----------------------------------------|-----------------------------------------------------|
| • Resident Admissions | 3.14 million |
| • Free Events | 4,285 events |
| • Festivals | 45 city-funded festivals 1.25 million attendance |
| Community Support | |
| • Volunteer Board Members | 1,369 |
| • Volunteers | 14,861 |
| • Individuals Monetary Contributions | \$17.59 million |
| Life-Long Learning | |
| • Students and teachers served | 293,263 |
| • Additional adults and children served | 950,000 |

ISSUES AND CHALLENGES

The “Booster” Era is over. There was a resurgence of civic support starting after WWII and peaking in the 1970s that built, rebuilt, and added to the cultural vitality of the region. However, the 1990s represented a decade of enormous change in regards to how arts and culture are funded, appreciated, and partaken. The tendency appears to be one of consumerism instead of civic cultural pride.

Scope of Arts and Culture in the Community. Many, both within and outside the arts and culture community, believe that arts and culture are a “specialty niche” deserving support for their own sake. This is an outdated concept. As the idea of cultural development is examined, it must be recognized that arts and culture are dynamically linked to every community development opportunity and need. Arts and culture are not, and should not be, a small segment of the community. Instead, arts and culture should be an active segment of the community that is at the heart of civil society, that everyone is proud to share in, and that actively contributes to virtually every aspect of community life.

Ensuring quality must be paramount in order to foster cultural tourism. There is a view within the region that too many arts and cultural institutions have settled for less than top quality, with the excuse that the audience is not sophisticated enough. To fail to have a strong emphasis on quality may hamper the region’s ability to reach the level to which it aspires, thereby ensuring that it also fails to reach the level of cultural tourism that it is striving to reach.

LESSONS LEARNED

- In order for a region to develop itself as a “cultural capitol”, it must
 - be a region where arts and culture are central to shared civic life and infrastructure. Arts and culture must be central to all decision-making – not just to cultural planning, but to civic planning, human services planning, healthcare, education, and a broad economic base.
 - have arts and cultural institutions that are vital and dynamic.

- capitalize its cultural assets within the region to supports their growth so they can serve and do more. Cultural capital goes beyond the concept of endowments and secure financial bases. Cultural capital is money to invest in changes within the establishment to keep up with and ideally anticipate changes in community needs.
- have its arts and cultural institutions share a vision, share goals, and work as a team toward a destination within and beyond its cultural field. A Cultural Capitol develops where that team includes partnerships with economic development, education, community services, private sector, and public sector entities, non-profit and for-profit organizations, those directly affiliated with culture, and those not so directly affiliated. In other words, it is an environment in which all recognize the impact the arts and cultural assets have on the community.
- To benefit from the greatest economic impact, a region should focus on cultural tourism through significant thematic campaigns. For instance, San Diego has launched the “San Diego Art and Sol” campaign, in addition to its “Vibrant Culture: Vibrant City” tag-line. To be successful, however, requires significant content and quality of its resources.

Seattle Arts and Culture

PUTTING ARTS AND CULTURE ON THE AGENDA IN SEATTLE

Over the last 35 years, as its industrial base has grown, the Seattle region has also experienced an emergence of significant assets within its arts and cultural inventory. Before 1962, the year of the Seattle Worlds Fair, the arts in Seattle were limited to a handful of institutions augmented by periodic traveling shows and exhibitions. Since then the region has experienced tremendous growth of its arts and culture sector.

As this base of art and cultural organizations emerged, it was quickly recognized by the business community that there was a need to establish an organization that could focus and direct corporate investments in the arts and culture, instead of having each institution seek operational funding on an individual basis. At the time, it was felt that too much energy, effort, and dollars were being spent by individual organizations in the pursuit of their own fundraising efforts. There was a need to streamline and simplify corporate solicitations. For this purpose, the Corporate Council for the Arts was formed in 1969, and has been an integral part of the Seattle cultural scene for ever since.

However, the original intent of creating a “one-stop -shop” for corporate giving never fully materialized. It was quickly recognized that for “marketing” purposes, corporations would still wish to provide sponsorship funding for specific performances and exhibitions. Therefore, art and culture institutions would still need to individually solicit for corporate funding. However, discretionary operational base support, considered by the business community to be the philanthropic corporate funding portion, has been strategically raised and allocated by the Council over the years through a series of grant mechanisms.

Today, Seattle is in the midst of change in regards to how it ensures that art and culture continues to be an important part of the region’s agenda. As part of this change, in May of 2003 at its annual luncheon, the Corporate Council for the Arts was renamed the ArtsFund. The new name was chosen to reflect the organization’s expanded focus to attract arts donations from individuals and employee matching funds, as well as its more traditional corporate sources. The name change is a reflection of the shifting revenue stream experienced within the region.

As one of its primary focuses, the ArtsFund continues to promote the concept that much of what makes the region livable and attractive is tied to the arts. In particular, they emphasize that arts and culture is critical to the education of the region’s children. The arts education programs offered by nonprofit arts groups in this region serve an annual audience of 600,000 school-age children. The arts help engage the children with trips to professional performances, student performances and arts instruction integrated with the rest of the curriculum. Arts groups also make sure programs are accessible, providing hundreds of thousands of free or reduced-priced admissions.

In addition, it is also widely understood and appreciated that a rich cultural life makes the region an attractive place to live and builds Seattle’s national reputation. This is important to businesses for recruiting and retaining top talent. It is recognized as important to the economy because arts organizations and the 6 million patrons they attract annually generate \$375 million in business

activity and 16,000 jobs for hotels, restaurants, retail stores, transportation and myriad other services. While the chief reason interviewees spoke of for supporting cultural activity is for the unquantifiable value it adds to the lives of the region's citizens, the economic impact statistics provide compelling economic evidence for the importance of that support as well.

LEAD ARTS AND CULTURE ORGANIZATION

ArtsFund (formerly Corporate Council for the Arts) was created in 1969 by business leaders who recognized that the arts are vital to the health of the community and therefore needed to be supported financially by the industrial anchors. It has evolved as an organization into a convenient, trusted, and respected vehicle through which businesses and individuals may support the arts throughout the region. ArtsFund donors currently channel more than \$4 million into the operating budgets of over 60 non-profit arts groups in King and Pierce County each year. In addition to its grant allocation role, ArtsFund is also an effective advocate on a wide range of issues important to the arts, serving as a common voice within the community and catalyst for important arts issues.

Nearly 500 companies and thousands of individuals as well as foundations in the Puget Sound area show their support of local arts programs by donating time and money to ArtsFund. Additionally, community business leaders serve in a variety of volunteer positions—as trustees governing ArtsFund, on the Pierce County Committee, or as Associates Program Members. Corporate grant makers and private philanthropists serve on ArtsFund's highly regarded allocations committees, ensuring that all grants are made fairly and responsibly.

VISION

Although ArtsFund does not have a stated vision, it describes itself in the following manner:

“ArtsFund connects art and community. Our business is knowing the arts and how they serve this region. Through a highly respected grant-making process, we use that knowledge to ensure donations are wisely invested to sustain the remarkable cultural life our community has built.”⁵⁸

PROGRAMS AND INITIATIVES

ArtsFund administers four separate programs to support the arts and culture in the Seattle region:

- **Sustaining Grants:** Allocated to a core group of King and Pierce County organizations, sustaining grants make up the majority of ArtsFund distributions. There are currently 22 organizations in the region that receive sustaining grant funding, such as: the Seattle Art Museum, Opera, Repertory Theatre, and Symphony; the Tacoma Art Museum, Philharmonic, and Symphony; the Bellevue Art Museum; and, the Northwest Chamber Orchestra, and Pacific Northwest Ballet. These funded organizations are, in general, the older and more traditional art and cultural organizations in the region. It is recognized to be quite difficult gain designation as part of the “sustaining pool”, but exact criteria are somewhat vague (see below for cri-

⁵⁸ www.artsfund.org

teria). Once deemed as part of the sustaining pool, the organization is guaranteed a percentage of the funding stream. Approximately 85 percent of the grant funding is formula based, while the remaining 15 percent is based on a performance evaluation. In addition, once considered part of the pool, an organization is guaranteed funding for at least three years. This helps with planning and sustainability of programming.

- **Discretionary Grants:** Discretionary grants support additional arts groups that have not been designated as part of the sustaining pool, and are allocated on a year-to-year basis. Funding comes from five primary sources: The D.E. “Ned” Skinner Endowment Fund, Classical KING-FM 98.1, The Boeing Company, and Microsoft Corporation. The discretionary grants are provided to approximately 25 to 30 organizations each year that are viewed as emerging opportunities for the region. Examples of organizations that receive discretionary grants include: smaller regional organizations (i.e., the Auburn Symphony and the Kirkland Performance Center); specialty niche organizations (i.e., the Seattle Men’s Chorus and the Nordic Heritage Museum); and service organizations (i.e., the Artist Trust and Theatre Puget Sound.)

The only formal criteria to receive grant funding under either program is the following:

- Incorporated as a Washington State non-profit 501(c)(3) organization operating in the performing, visual or related arts;
 - Minimum 3-year record of continuous operation in King or Pierce County;
 - Board of directors primarily consisting of members who are not paid employees of the organization;
 - At least one professional, paid management staff member; and,
 - In the absence of exceptional circumstances, an annual operating budget of at least \$100,000 in Seattle, or \$50,000, averaged over three years, in King County outside Seattle or in Pierce County.
- **Associates Programs:** ArtsFund has created a program to “train” regional mid-to-upper level business executives in fundraising for the arts as ArtsFund Campaign Associates. Each year this program raises funds and educates the next generation of corporate leaders and arts board members on the importance of sustaining arts in the community. Associates benefit by expanding their social and professional networks, knowing the satisfaction of working for something that matters, and experiencing quality art first-hand.
 - **Board Leadership Training:** ArtsFund invites experienced Associates to participate in its leadership training program. In sessions spanning several months, the curriculum covers the essentials for new board members of arts organizations including such topics as legal and financial responsibilities of board members, non-profit governance and leadership and major gift fundraising. ArtsFund also works to place program graduates on boards of non-profit arts groups.

FINANCING ARTS AND CULTURE

The ArtsFund raises approximately 60 percent of its revenue through its annual fundraising campaign. Additional funds are raised through workplace and individual giving. In fact, it is the workplace giving and individual giving that are the fastest areas of growth currently. In addition to these fundraising sources, the ArtsFund receives income from six separate endowments, and one-third of the profits of radio station KING-FM.

This shift in revenue resources away from reliance on corporate contributions is not unique to Seattle. United arts funds throughout the country are experiencing flattening corporate donations but an increase in individual donations. Art funds in Cincinnati, Louisville and Charlotte, for example, raise \$2 million to \$6 million annually from individuals.

These dollars are then distributed through the grant programs that are described above. In the 2001-2002 fiscal year, the Arts Fund raised \$3.95 million, including in-kind donations, and distributed \$2.73 million to 65 arts organizations.

MEASURING THE IMPACT OF ARTS AND CULTURE

In 1993, the Corporate Council for the Arts sponsored a study of the economic impact of arts and cultural organizations located in King County. This study provided for the first time a benchmark measure of spending by King County patrons and arts organizations, and the economic impacts of that spending on the regional economy. In 1997, the study was updated and measured the economic impact of 160 non-profit cultural organizations, and the expenditures of their patrons, on the Washington State, King County, and Seattle economies.⁵⁹ It covered groups with budgets over \$23,000 in dance, theatre, music, visual arts, heritage organizations, as well as public and private sector non-profit organizations supporting delivery of cultural services. The indicators analyzed can be found in the table below. Currently, the study is once again being updated and is expected to be released by the end of calendar year 2003.

| Indicator | Metric |
|--------------------------------------------------|---------------|
| Aggregate Impact | |
| • Business activity generated | \$338 million |
| • Jobs created/retained | 12,839 |
| • Labor income | \$171 million |
| • Tax revenue | \$24 million |
| Cultural Tourism Impact | |
| • Percentage of income of cultural organizations | 20% |
| • Percentage of patron outlays | 44% |
| • Business sales | \$100 million |
| • Jobs created/retained | 3,200 |
| • Labor income | \$51 million |

⁵⁹ *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.

| | |
|------------------------------------|---------------|
| • Tax revenue | \$4.3 million |
| Income Sources | |
| • Earned Income | 62% |
| • Benefits/galas/in-kind/endowment | 12% |
| • Individuals | 9% |
| • Governments | 7% |
| • Corporation | 5% |
| • Foundations | 3% |
| Expenditures | |
| • Employees | 44% |
| • Services | 30% |
| • Other Goods & Services | 12% |
| • Contract Individuals & Firms | 11% |
| • Utilities | 3% |
| • Taxes | 1% |
| Attendance | |
| • Admissions | 5.1 million |
| • Single Tickets | 41% |
| • Season Tickets | 21% |
| • Free Tickets | 18% |
| • Discounted Tickets | 14% |
| • Membership Visits | 5% |
| Patron Spending | |
| • Average Expenditure per visit | \$43 |
| • Local Resident Attendee | \$36 |
| • Non-local Attendee | \$57 |
| • Patron Expenditure by Category | |
| • Tickets | 42% |
| • Meals & Refreshments | 22% |
| • Transportation | 21% |
| • Lodging | 6% |
| • Souvenirs/Gifts | 5% |
| • Other | 3% |
| • Child Care | 1% |
| Volunteers | |
| • Number of volunteers | 19,000 |

In addition to these economic impact numbers, the ArtsFund is also very active in promoting the educational benefits of the arts and culture. Although the organization has not published a stand-alone document on the subject, they do highlight the perceived impact on their website.⁶⁰ For

⁶⁰ www.artsfund.org

instance, ArtsFund grant recipients offer more than 200 educational programs which annually reach over 600,000 young people. Through this programming:

- Reading, writing and math skills can be enhanced through the arts
 - SAT scores for students who studied the arts more than four years were 59 points higher on the verbal and 44 points higher on the math portion than students with no coursework or experience in the arts.
 - In programs that incorporate the arts into a broad humanities curriculum, students write higher quality essays, show more conceptual understanding of history and make more interdisciplinary references.
- Creativity is naturally developed through the arts
 - Total creativity measures are four times higher for elementary students in an arts curriculum. Originality and imagination scores were significantly higher for pre-school children with disabilities after participation in a dance program than for those participating in the adapted physical education program.
- Student engagement and persistence improve with an arts-based curriculum
 - Classes are more interactive, there are more student-initiated topics and discussions, and more time is devoted to literacy and problem-solving activities in schools using arts-based learning programs.
- High-risk students helped through the arts
 - Many students find that the arts help them master academic skills. Drawing helps writing. Song and poetry make facts memorable. Drama makes history more vivid and real. Creative movement makes processes understandable. This is doubly true for the high-risk student, who often excels for the first time in an arts program.
 - High-risk elementary students in continuing arts-based learning programs improve language arts test scores incrementally above non-program students. Participants also show significantly higher levels of engagement and belief that there is value in personal effort for achievement.
 - Fifth grade remedial readers using creative drama as a learning strategy score consistently higher on reading comprehension tests.
- Understanding of one's self and others expands with arts education
 - Self-concept is positively enhanced through the arts, as are language acquisition, cognitive development, critical-thinking ability and social skills.
 - Dramatic arts students report improved attitudes relating to self-expression, trust, self-acceptance and acceptance of others.
- The arts prepare students for employment
 - Arts education aids achievement of core competencies needed for employment: thinking creatively, problem solving, exercising individual responsibility, sociability and self-esteem.

- National employer studies rank communication skills as the second most important factor in hiring.
- The arts can transform the classroom environment, making learning a lively, invigorating experience. With their emphasis on creative discovery and their ability to stimulate a variety of learning styles, the arts engender enthusiasm and motivation for learning. The arts also teach discipline, the value of sustained effort to achieve excellence, and the concrete rewards of hard work. All these factors can encourage higher attendance and decrease drop-out rates.

ISSUES AND CHALLENGES

Diversifying the Arts Audience. The greatest issues facing the arts community in the near future is the need to broaden and diversify the arts audience, thereby finding the model to replace the current generation of strong corporate and philanthropic leadership to ensure the sustainability of the arts and culture community in the future.

Growth to the East. As Seattle continues to expand to the East, there is growing competition to develop infrastructure outside of the downtown district. The ArtsFund supports arts and cultural organizations throughout the region, including these growing areas; however, strategic investment decisions will need to be made due to limited resources. This will require difficult decisions to be made, that can only be successfully implemented if consensus is reached regarding what the “correct” investments for the future are.

LESSONS LEARNED

- The composition of the board and grant committees is key. In Seattle, they were able to assemble a very diverse and progressive group of people that represented the highest level of corporate community and are closest to the distribution of the funding channels. This enabled them to ensure that the funders bought into the process and were knowledgeable about the arts – a sense of “ownership” and pride was developed.
- Funding for the arts needs to follow an entrepreneurial model if it is to remain successful and dynamic in the future. Seattle has been able to shift its funding streams from traditional corporate philanthropy to worker giving programs, individual giving programs, non-traditional endowments, and even part ownership with the classical radio station.