

2014 National Cultural Districts Exchange

ART AND CULTURE DISTRICTS: FINANCING, FUNDING, AND SUSTAINING THEM

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Americans for the Arts has commissioned five essays spanning the intricacies of arts, entertainment, and cultural districts specifically for policymakers, arts leaders, planning professionals, community development practitioners, and others who are interested in developing new districts or adapting existing ones.

- > Creating Capacity: Strategic Approaches to Managing Arts, Culture, and Entertainment Districts
- > Cultural Districts: Bottom-Up and Top-Down Drivers
- > Cultural Tourism: Attracting Visitors and Their Spending
- > **Art and Culture Districts: Financing, Funding, and Sustaining Them**
- > State Cultural Districts: Metrics, Policies, and Evaluation

These essays and reports are part of our National Cultural Districts Exchange, where you can find more information on cultural district legislation, case studies, a national district survey, and a collection of webinars.

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INTRODUCTION

Many cities are asking what more they can do to grow a creative economy. One way is to attract, retain, and nurture the creative and innovative workforce that is so vital in building and developing art and culture districts, particularly downtowns. For good reason, these districts and downtowns have become the “living room” for communities across the country.

They may be called art and culture districts, innovation districts, entertainment districts, business improvement districts, the list goes on; but regardless of title, the goal is always to create vibrant art and culture facilities and at the same time, contribute to growing the “creative enterprises” and the new workforce that are essential to building the new economy.

This essay will focus on the financing, funding, and sustainability of art districts and the efforts underway in the cities of San Diego, Seattle, Baltimore, Dallas, and the state of Massachusetts. Four districts or cities were chosen for a more in-depth discussion, as they seem to represent what is occurring nationwide. The state is one example of a very aggressive approach to identifying districts and helping them raise funding.

An attempt to synthesize the experiences each city has had in developing art and cultural presences is difficult because each is so different from the other. Yet, much can be learned by their experiences, and as states undertake the task of designating art and culture districts, the process of transforming our communities for the new economy accelerates exponentially.

The idea for such districts can come from almost anywhere or anyone, and it is clear that such investments cannot be made unilaterally by mayors or chambers or other leaders within the community. Rather, a successful district only evolves if a network of creative workers, art and culture and economic organizations, developers and architects, and others come together to explore their joint interests and develop a vision and a strategy for reinventing their community for the creative age.

The sources of funding as well as continuing financing of the district, however defined, are complex and entail a mix of private and public investments in the initial funding as well as continuous financing. For example, the city or the state may provide tax waivers or incentives; a state or local designation can enable permits; economic development agencies can point to funding from yet another government agency; private investments can be made; and National Endowment for the Arts “Our Town” grants or Art Place Awards can be sought, which attracts broad-based support. There may also be hotel and tourism taxes or admission taxes that are returned to the district. All potential sources need to be explored.

A plan for continued financing to ensure sustainability of the enterprise is also important. In some cases this may mean, as in the case of Baltimore, MD, private investment each year, or tax waivers and incentives, as well as other fees generated by the district as a whole or its various parts, such as admissions from a performing arts center, art festivals, theaters, or other events within the district. It is also important that the artists, who may have lived in the art and culture district, not be forced to move as the district itself becomes the fashionable and expensive place to live and work.

COLLABORATION IS KEY

While many of the districts have already evolved over time in a somewhat organic fashion, more cities are looking to art districts as vehicles for transforming the entire region. Why? Because such districts have the potential—with their critical mass of art galleries, cinemas, coffee shops, restaurants, retail shops, music venues, public art, and even office and residential housing—of attracting and nurturing the creative workforce cities need to succeed in the new economy. The new global knowledge economy depends upon a workforce with new thinking skills capable of meeting the challenge of the evolving creative and innovative workplace.

Whether such districts already exist in one form or another, or they start anew, like the IDEA initiative in San Diego, which is discussed later, the importance of multiple stakeholder involvement, collaboration, coordination, and co-location of the art and culture facilities is important. Therefore, involving all the players within a region, government, academe, business, economic and nonprofit agencies, and art and culture organizations is vital to the success of the district.

According to the Urban Land Institute, art districts, particularly ones designed to serve as incubators of creativity, are concrete evidence a new economy is taking shape. Although art districts can be essentially real estate developments—and it is important to emphasize that the private sector should be involved—they not only serve to inform, enlighten, and attract the whole community, but also represent an important economic initiative that serves the larger creative industry. The creative industry, as recognized by the American for the Arts, is one of the fastest growing sectors of the U.S. economy.

Moreover, it is becoming clear that these art and culture districts are not only the economic engines for the development of the creative industries, but for all enterprises, which themselves must become creative and innovative to be successful in the new global economy.

FINANCING AND FUNDING INITIATIVES

Funding the establishment of an art and culture district, including federal and state grants, private philanthropy, tax incentives or deferrals, has become extremely complex with methods that may cater to one group or another involved in the concept and planning of a district.

It is important in the beginning of planning for a district that each and every organization or individual who has helped shape the district concept sits at the table to talk about where and how funding can be accessed in any way, shape, or form. Having a broad base of leaders and people who care or have control over access to resources involved in the planning process is vital since no singular agency of the government or philanthropic organization is likely to fund any district in its entirety. Rather, various pieces will have to be identified and put together to launch a district effort and continue to finance it.

According to the National Endowment for the Arts (NEA), roughly 40 percent of all funding for districts comes from private institutions; 13 percent from the government; and 44 percent from earned revenues from organizations within the district. The NEA points out that arts funding generally is a mix of public, private, and earned revenues and that continued financing depends upon donations from private enterprises and philanthropic organizations such as foundations; the NEA and Art Place (described later); and admission fees and taxes imposed on hotels and related businesses.

One of the more contentious issues is whether a specific geographic area should be zoned as an art district. Randy Engstrom of Seattle and Pete Garcia, the founder of the IDEA project in San Diego, argue against seeking formal designation. Engstrom claims that if the district area is too small, it suggests “elitism; who’s in?” In other words, too, “who’s out?” On the other hand, if it’s too big, it becomes too diffuse and reduces demand. Likewise, Garcia avoids any formal designation because he relies, in large part, on partnering with property owners and developers who, he says, eschew regulation by the government to the extent they can.

On the other hand, according to Lisa Gegaudas of the City of Denver, even though such designations may not result in funding per se by the city, it helps marketing and funding initiatives as a matter of economic development; and it is easier to seek funding and exemptions from both the city and the state as well as from philanthropic organizations in particular, if such zoning or formal designation is given.

PLACEMAKING LEADERSHIP

The National Endowment for the Arts (NEA) recognizes the vital link between the arts and economic development and has invested \$6.5 million in more than 15 communities, to date, through its program, Our Town.

The initiative encourages private/public collaboration and creative activities to revitalize local economies. This represents “NEA’s primary creative placemaking grants program and invests in projects that contribute to the livability of communities and that place the arts at their core.” However, it funds other community projects where art and science disciplines are most evident and work closely with other agencies and philanthropic organizations concerned with creative placemaking.

Art Place, a collaboration between the Ford Foundation, the James Knight, Kresge, Mellon, and Rockefeller Foundation among others, has allocated more than \$12 million per year for similar creative placemaking projects and represents a major step toward creative land use across America.

In a similar manner, the Rockefeller Foundation, Kresge, MacArthur, Adobe, Citibank, and other foundations provide grants supporting social innovation for improving communities and in particular, programs that enhance creativity and creative development. Kresge is very specific about its art and culture effort saying clearly that they focus “on the role arts and culture play in re-energizing the communities that have long been central to America’s social and economic life. We believe that arts and culture are an integral part of life and, when embedded in cross-sector revitalization activity, can contribute to positive and enduring economic, social and cultural change in communities. “

Together with the NEA’s Our Town grants and the growing role of ArtPlace, it is becoming obvious that there are a number of possible organizations offering funding for art and culture districts.

EMERGING ROLE OF STATE ARTS AGENCIES

According to the National Assembly of State Arts Agencies in a policy brief published in 2012, there are now 12 states playing a role in the creation of art and culture districts like Maryland, Massachusetts, and Colorado. Together, according to the policy brief, this represents 156 unique cultural districts across the country.

The state of Colorado has even rebranded itself as the home of “creative industries” by changing its statewide Council on the Arts into a new Creative Industry Division of the Office of Economic Development and International Trade.

The new Division is encouraging cities across the state to apply for a state designation as an art and culture district and more recently received more than 49 applications for such designation. While the designation itself does not result in any funding, the concept, once accepted, encourages economic development, government funding, philanthropy, and so forth.

While only Maryland and Rhode Island to date have established an income tax credit, and Maryland has exempted admissions and amusement taxes on revenues earned within the district, such credits or tax deferrals are being considered by several other states within the United States. The National Assembly of State Arts Agencies continues to evaluate the emerging role of art and culture districts and has established success factors for such districts.

Local governments can also provide tax exemptions for art and culture districts as well as taxes on hotels within the downtown area. San Diego’s TOT tax, which stands for transient occupancy tax, and Denver’s science and cultural facilities district funding are examples of city initiatives that can fund art and culture districts or individual art and culture enterprises. Additionally, the city can include 1 percent of the estimated cost of such building projects within a city for public art and for funding other art and culture projects.

Increasingly, cities are developing the 1 percent initiative on all developments within a region to increase the funding of municipal art within the area. Developers are often requested or required by city management to provide parking, a certain amount of curbs and sidewalks, etc. Public art could easily be added to this list as a way of meeting the requirement for public art or art and cultural districts.

The money paid by developers could also provide more affordable housing, which would keep artists within the district from being priced out of the area. Often the city or a government agency is required as a partner for anyone seeking funding from the National Endowment for the Arts or other similar philanthropic organizations. This encourages private/public sector cooperation.

EXAMPLES OF ART AND CULTURAL DISTRICTS IN AMERICA

DALLAS, TX: The Dallas Arts District

In the early 1970s Dallas, TX began to think seriously about relocating its art and cultural institutions into a more narrowly defined area in downtown Dallas. The city hired a series of consultants to determine how and where to house its arts and cultural institutions. In 1978, Boston consultants Carr-Lynch recommended that Dallas relocate its major arts institutions from different parts of the city to the northeast corner of downtown—an area that would allow for easy access to a vast network of freeways, local streets, hotels, restaurants, and coffee shops and become a living room for the community. With the assistance of Sasaki Associates, they “won an invited competition to develop a plan for the Dallas Arts District providing an urban design framework for private investment in and public improvements to a key 17-block section of downtown Dallas. The plan ensures that privately developed buildings and publicly financed amenities will create a lively, attractive downtown pedestrian environment.” While the zoning regulations are unclear about what is or isn’t within the scope of the plan, it seems to favor “compact, mixed-use development (and) accessible open space and minimized auto reliance.”

With the adoption of the Sasaki Plan and the opening of the Dallas Museum of Art in 1984, the formation of the Dallas Arts District was underway. Over the next 20 years, the development of the Dallas Arts District continued with the Morton H. Meyerson Symphony Center;

North Texas Sunrise
by artist Dixie Friend
Gay, commissioned by
City of Dallas Office of
Cultural Affairs, Public Art
Program located in Dallas,
TX. Created in 2013 and
highlighted in the 2014
Public Art Network Year
in Review





Traveling Man by artists Brad Oldham and Joe Swift, commissioned by the Dallas Area Rapid Transit located in Dallas, TX. Created in 2009 and highlighted in the 2010 Public Art Network Year in Review

the Crow Collection of Asian Art; the Nasher Sculpture Center; the Booker T. Washington High School for the Performing and Visual Arts; and finally in 2009, the opening of the AT & T Performing Arts Center marked the completion of relocation. With the openings of Dallas City Performance Hall, Klyde Warren Park, and The Perot Museum of Nature and Science in 2012, the cultural build-out of the district was complete.

In 2009, Dallas Arts District was officially created. The Dallas Arts District operates under the umbrella of Downtown Dallas, Inc., a nonprofit membership organization that serves as an advocate, steward, and representative on behalf of the Dallas Arts District. The Dallas Arts District also assumed the responsibilities of the former Arts District Alliance (created in 1984 as the Arts District Friends)—educating the larger community about the benefits and resources of the district.

The City of Dallas' public/private partnership strategy has leveraged more than \$450 million in private sector investment to match the City's \$149 million contribution for the development of six of the cultural facilities in the Dallas Arts District (Dallas Museum of Art, Meyerson Symphony Center, Winspear Opera House, Wylie Theater, Annette Strauss Square, City Performance Hall). Upon completion, these facilities become City property. The Dallas Independent School District also used the public/private strategy to renovate and expand its arts magnet high school which is located in the Dallas Arts District. Two cultural facilities, the Nasher Sculpture Center and the Crow Collection of Asian Art, were privately funded and are owned independently of the City.

In addition to the cultural facilities, the Dallas Arts District has also attracted significant private investment for commercial and residential projects, most notably the 50-story Trammel Crow Center (1984), One Arts Plaza (2008), the Arts Apartments (2008), and the Museum Tower (2013).

With more than 68 acres, Dallas rightfully boasts the largest art and culture district in the United States. The Dallas Arts District is now a special zone officially recognized by the City of Dallas. All permits to build or operate within the Dallas Arts District must conform to the city's regulations. It has become the hub for new thinking about the future of the city and the entire region.

There is much discussion in the community about whether this enormous arts district will be able to create a downtown neighborhood modeled off the walkable environments so enthusiastically embraced in other cities. According to Peter Simek, editor in chief of the arts and culture site Renegade Bus, "Perhaps after decades of revisioning efforts, starts and stops, streams of consultants trying to turn Dallas into a 'real city,' the Dallas Arts District will instead give us something else, something that helps define us, something that makes us proud of this place—of what we have been able to accomplish thus far."



SAN DIEGO, CA

The Jacobs Center

The best example of a district that grew naturally over many years is the Jacobs Center in the southern part of the San Diego. According to Victoria Hamilton, arts & humanities development manager at the Jacobs Center for Neighborhood Innovation (JCNI), the Jacobs Center was originally a gift of the Jacobs Foundation (set up by the Jacobs family). Its purpose simply was to help revitalize the neighborhood. That gift has grown into the Jacobs Center for Neighborhood Innovation (JCNI), which partnered with resident teams in southeastern San Diego to transform 60 acres into The Village at Market Creek, a LEED-certified neighborhood and vibrant cultural destination. Since its establishment in 1995, JCNI has partnered with the City of San Diego, other philanthropic organizations and corporations—and most importantly, the community itself—to create a vibrant market-driven place where the community shops, plays, and works together. Fundraising and support remain an ongoing activity.

NTC at Liberty Station

According to Alan Ziter, executive director of the NTC Foundation, formerly known as the Naval Training Center, the area consists of about 500 acres owned by the City of San Diego. When the naval base was closed in 1997, the arts community saw an opportunity in the soon-to-be-empty buildings. They worked with then-Mayor Susan Golding and Councilmember Byron Wear to advance a Civic, Arts & Culture District in the master plan for the base conversion to civilian use.

The District is under the stewardship of the nonprofit NTC Foundation, which as of May 2014 has raised \$63 million and renovated 16 of the 26 buildings. Those buildings are now home to

Top left: Sponsored by Jacobs Presents and Izcalli, almost 3,000 people attended the Dia de los Muertos celebration on November 1, 2014 at Market Creek Plaza.

Top right: Kumeyaay sculpture, Coyote Tracks, was created in honor of the Kumeyaay people, Joe & Vi Jacobs Center in the background.

Bottom right: 16th Annual Trolley Dances, performed by San Diego Dance Theater, traveled from City College to The Village at Market Creek and performed live in the Market Creek Amphitheater.

more than 75 art studios, galleries, museums, dance and music studios, nonprofit office space, and event and meeting venues for the community. Rent is paid for space, with significant discounts for nonprofits. The City provides the buildings in an “as is” condition to the Foundation for \$1 a year for 55 years. The Foundation oversees the renovation and operation of the buildings without city funding. The NTC Foundation receives \$350,000–\$500,000 annually from various individuals and organizations and continues to seek such gifts each year.

The property surrounding the Arts & Culture District was turned over to a Master Developer selected by the City to develop as Liberty Station. The development includes retail, office space, hotels, an education district, new homes, 125 acres of parks and open space, and historic landmarks. In addition, the Navy retained land to build 500 homes for enlisted personnel.

The NTC Arts & Culture District has several land use and zoning restrictions in place from the City and the Coastal Commission, which assures the district remains a “visitor and community-serving destination.” These include uses that emphasize arts and culture, first floor venues open to the public, and limits on the types of professional offices allowed on upper floors. In addition, because of the District’s proximity to the San Diego International Airport, the Airport Authority has input on the building uses to comply with safety regulations. The zoning also prohibits no structures higher than 30 feet.

The IDEA District

The IDEA (Information, Design, Education, and the Arts) district in an undeveloped part of downtown San Diego called East Bay started with a plan and vision from the very beginning.

Almost four years ago, Pete Garcia, artist and former CEO of an engineering firm, and David Malmuth, former development director with Disney, began promoting the importance of art and culture to economic development and focused on an under-developed area of the city that might be ideal for reinvention as an art district. With seed money raised by individuals and organizations such as the San Diego Foundation and the East Village Association, they developed a detailed strategy, vision, and plan for re-development of a 10-block area of San Diego.

With a plan and a vision in place, they spent almost two years cultivating stakeholders in the community, including art and cultural institutions, universities, design professionals, economic development agencies, and the city government. After several public forums, including charrettes, they attracted the attention of major landowners and developers in the city with whom they partnered to participate in creating the larger vision. The first phase of IDEA is an urban mixed-use project with creative office space, apartments, and retail at the street level.

Lowe’s Enterprises and the West Coast architectural firm Miller Hull Partnership are IDEA’s partners in developing the first phase of their plan for the East Bay area, which will include 218 apartments intended to be “a dynamic environment for entrepreneurs and creative tech workers who want to live in the center of San Diego’s growing innovation district.”

A percentage, yet to be officially determined, of the apartments will include affordable housing for artists and others to live in the area. The founders of IDEA are laying the groundwork to provide up to 10 percent affordable housing to avoid gentrification.

DENVER, CO

Santa Fe Denver Art and Culture District

Although there are now several art districts in Denver, and elsewhere in Colorado, the most well-known is the Art District on Santa Fe (ADSF). In large part, its popularity can be attributed to it being one of the first such districts consisting of several galleries, museums, and theaters that had organized itself as a nonprofit corporation. Since then, the district has grown to more than 60 creative industry members who pay annual dues of \$300 or \$360 and “friends” who pay \$150. ADSF has a first Friday “art walk” and a “preview night” for art galleries held every third Friday of the month. A small admission fee covers the costs of these well-attended events. In addition to advertising and sponsorship of activities within the district, there is philanthropic support as well. The ADSF works with other neighborhood organizations such as NEWSSED and the Maintenance District to improve and beautify the area. For example, the ADSF and NEWSSED split the cost of the street banners identifying the district; the Maintenance District teams with the ADSF to tackle graffiti and to beautify the streets and sidewalks.

Denver and the state of Colorado is fortunate that Governor John Hickenlooper was one of the first people to recognize the economic value of art districts when he owned a bar and restaurant in downtown Denver. Hickenlooper has said, “The essence of entrepreneurship is...the exploration of innovation and creativity.” He understood the value that art and culture



I see what you mean by Lawrence Argent, commissioned by the Denver Office of Cultural Affairs, Public Art Program located in Denver, CO. Created in 2005 and highlighted in the 2006 Public Art Network Year in Review

bring to business. He hired the first art curator for a microbrewery and encouraged other restaurants to help revitalize Denver's Lower Downtown neighborhood into the vital urban neighborhood it is, now-including some of the area's most prominent art galleries and music clubs.

Scientific and Cultural Facilities District

In 1989, Denver voters approved the adoption of the Scientific and Cultural Facilities District (SCFD) which, according to Lisa Gegaudas with the City of Denver Office of Art and Culture, supports art and culture, but not necessarily within the district itself. Rather the SCFD grants go to organizations and institutions and initiatives that support similar goals and ambitions in the seven-county Denver metropolitan area.

The SCFD grants advance and preserve art, music, theater, dance, geology, botany, natural history, and related activity. These funds represent 1/10 of 1 percent of the sales and use tax throughout the seven-county metropolitan area of Denver and generate substantial financial support to the districts as well as art and culture activities outside the district. According to a 2008 Colorado Business Committee for the Arts economic study, \$45 million in SCFD funds catalyzed nearly \$1.7 billion in total economic activity in the region.

BALTIMORE, MD

Ben Stone, executive director of Baltimore's Station North Arts and Entertainment District, said that the initiative for an arts district actually came from the state of Maryland, which started designating districts in cities across the state almost 10 years ago.

The Station North Arts and Entertainment District, with a diverse collection of artist live-work spaces, galleries, row homes, and businesses, spans the neighborhoods of Charles North, Greenmount West and Barclay, and is just steps away from Penn Station, the Maryland Institute College of Art, Johns Hopkins, and the University of Baltimore.

Twenty-two arts and entertainment districts have been established in Maryland since the program began in 2001. The program is administered by the Maryland State Arts Council which is within the State Department of Business and Economic Development. The Maryland State Arts Council receives applications from jurisdictions to become designated arts and entertainment districts and administers a review process to award designations. Once a district is designated, then organizations can apply for property-tax credits on qualifying renovations; artists can apply for an income-tax credit when they make money on their art; and for-profit businesses can receive a waiver of the admissions and amusement tax charged by the state. Major tax benefits concerning building usage are also in place, with assessment freezes and building rehab credits to encourage growth.

The most recent economic impact study shows that in fiscal year 2013, 20 Maryland arts and entertainment districts collectively supported an estimated 5,144 new jobs that paid

\$149 million in wages. During the same year, new jobs combined with arts and entertainment district festivals and events supported more than \$458 million in state GDP and \$36 million in state and local tax revenue. The Baltimore district, which was one of the state's first designations, is intended to serve as a model for districts within the state and the nation.

The official designation helped Station North get started in earnest 10 years ago with a \$50,000 grant from a local foundation. Every year since then, it has raised additional monies and operates with a budget of \$400,000 annually. They have applied for additional grants from Art Place and Our Town, as well as grants from other philanthropic organizations.

The District does marketing throughout the year and also conducts surveys, evaluates media impressions, as well as comments from people living, working, and selling art and culture goods within the district. Ben Stone says these surveys help them evaluate the district's appeal.

While the district has a geographic designation, it is not zoning per se. Anyone can launch a business, a coffee shop, a restaurant, an art or culture organization in the district without any approvals whatsoever. However, if an artist would like to receive an exemption from state income tax, they must apply and be approved by the Maryland State Comptroller's Office.

A big incentive for artists who live and/or work in the area is the ability to sell their goods with an exemption from the state income tax. In addition to the income tax benefit, there are property tax incentives for the renovation of spaces used for purposes within the district as well as an exemption for revenues generated from admission or amusement for those art and entertainment activities occurring within the district.

THE COMMONWEALTH OF MASSACHUSETTS

In order to nurture "Creative Communities," Massachusetts has a unique program for funding art and culture. Massachusetts' Cultural Council, which administers all art and culture programs, has made it clear it supports "projects that revitalize communities, create jobs, grow creative industries, and increase engagement in cultural activities by Massachusetts residents and visitors." In carrying out its convictions, the Council established the Adams Arts Program in 2005 to support the development of cities, towns, and neighborhoods by promoting art and culture.

They define a cultural district as "a specific geographical area in a city or town that has a concentration of cultural facilities, activities, and assets. It is a walkable, compact area that is easily identifiable to visitors and residents and serves as a center of cultural, artistic, and economic activity." To date, the Council has "invested \$9.4 million in more than 100 projects statewide, from Pittsfield to Provincetown, involving more than 950 nonprofit organizations, businesses, and local governments. Adams-funded projects have raised more than \$27 million in matching funds, making for a combined investment in the Massachusetts creative economy of nearly \$38 million."

Applicants can apply for funding up to \$50,000, but must agree to match the size of the grant with both cash and in-kind contributions of no more than 20 percent. After that, they may apply a second time, but in-kind contributions are not allowed. This usually compels the requesting organization to seek philanthropic participation.

The Massachusetts Cultural Council also requires that the applicant represents at least three organizations each with specific responsibilities and demonstrate a “systemic approach to cultural economic development,” with the project “tied to clearly defined economic goals and objectives” and that the “funding plan that demonstrates project viability, community support, and the potential for long-term sustainability.”

The Council has separate programs to fund facilities and support individual artists. The current allocation for facilities supports “capital projects in the arts, humanities, and sciences that expand access and education; create jobs in construction and cultural tourism; and improve the quality of life in cities and towns across the commonwealth.” The programs in support of artists include fellowships, apprenticeships, individual community grants, grants to schools to support artist residencies, and even helping find affordable artist spaces.

The state keeps tabs on employment, spending on art and culture, and the contribution such spending, including the state grant programs, have on the economic health of the state. For example, a report in 2011 stated, “More than 8,000 arts and culture nonprofits in Massachusetts, which employ 27,100 people, spend \$2.1 billion annually and generate another \$2.5 billion of economic activity across the state.”

Moreover, the report noted that the creative sector has a major impact on the larger economy and is “a steady, reliable industry, less subject to the cyclical ups and downs of the overall economy than the average New England business.”

According to Meri Jenkins, program manager at the Massachusetts Cultural Council, the state knows that its “future prosperity is closely tied to the creative economy.” Last year, for example, the art and culture sector accounted for “27,000 full-time, part-time, and independent contractor jobs and pumped \$1.2 billion into the state’s economy through direct spending.”

MEASURING SUCCESS

As indicated, Baltimore's district relies on occasional surveys and media impact studies to measure success of individual festivals and events. Dallas does not do an arts economic impact study on a regular basis but is always mindful of the importance of metrics. Many art districts conduct evaluations as part of a larger economic evaluation or as part of a downtown survey.

While there are not many good evaluation tools available for art districts, one might want to look at Maryland's tool as one of the better ones: *Maryland Arts and Entertainment Districts Impact Analysis FY 2013*. This study is conducted on a regular basis by the Regional Economic Studies Institute (RESI) of Towson University. The study evaluates the economic and fiscal impact of Maryland's 20 arts and entertainment districts. To quantify the economic and fiscal impact of the arts and entertainment districts, RESI used the "MPLAN" input/output model.

ArtPlace America now uses Vibrancy Indicators to evaluate the effectiveness of its grants. According to ArtPlace, the "Vibrancy Indicators are designed to measure the non-arts place-making impacts of ArtPlace America investments... based on numbers of arts-related business establishments and the presence of nonprofit arts organizations, as part of our effort to identify the most active arts neighborhood in each of the nation's large metropolitan areas."

The Texas cultural district program, like Colorado, Maryland, Massachusetts, and other states, is providing certification for districts—going one step further to identify essential factors that will lead to success promoting art districts and raising and nurturing support. Specifically, they have identified the following measures of success:

- A unique and authentic identity
- Strategic partnerships
- Artist live/work spaces
- Anchor institutions
- Events
- Clear signage
- Marketing and promotion
- Strong amenities

All art districts serve, in a sense, as the new incubators of creativity, by both luring the creative class to such places and by adding significantly to the establishment of a thriving creative sector that is increasingly seen as a powerful economic development asset.

CONCLUSION

There are obviously many ways in which art districts, however they are defined, can be funded and financed. At the root of a successful foundation is private/public sector collaboration—between art and culture organizations and agencies and organizations responsible for economic development such as the Chamber of Commerce. When multiple teams join together to create a vision, a plan, and a strategy, seeking funding is shared work and will ultimately lead to success. After the foundation is built, an ongoing revenue stream will strengthen communities and inevitably attract and nurture the next generation of workers for the new creative economy.

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