

CULTURAL ECONOMIC DEVELOPMENT

A Practical Guide for Communities



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INTRODUCTION

This Guide is written for anyone who is interested in bringing together arts and cultural interests with economic development interests to build livable, culturally vibrant and economically strong communities. The focus is cultural economic development, those areas of community-based work where the interests of these two groups intersect, an area that is fertile ground for developing new types of partnerships and projects that will enable communities to design their own futures in ways that are innovative, holistic, well-planned, and of the highest quality. This guide is intended as a general road map and is based on practical experience and lessons learned from those engaging in this rapidly expanding field of work. Taken as a whole, the strategies, tools and techniques presented here represent the ideal. Taken individually, however, and tailored to your community's character and circumstances, they represent very real tools, actionable items you can put to work immediately as you attempt to capitalize on the culture/commerce connections within your communities.

SO WHAT IS CULTURAL ECONOMIC DEVELOPMENT?

Before launching into strategies, tools and techniques for planning and implementing successful cultural economic development efforts, we need to define what we mean by the term. We'll start by providing a conceptual framework that requires defining two other related terms, *community* development and *economic* development, as well as the relationship of these two to one another.

We'll start with the assumption that the broadest of these terms is *Community* Development. For a definition, we'll borrow from Mark D. Waterhouse in his article *Building Viable Communities – The Essence of Economic Development*. "Community Development is any change that affects people living in a given location." We'll borrow from Waterhouse again in defining *Economic* Development as "anything that creates new employment opportunities or broadens the tax base." In this day and age, it is pretty commonly accepted that community and economic development have a profound impact on one another. Given that fact, for all practical purposes, we can consider them if not inseparable, at least interdependent. Although there are many economic developers who continue to think of their work as separate from community development, the trend is toward thinking of the two as "joined at the hip".

If you accept the notion that community development and economic development are interdependent, you are most likely aware of the many areas where the two intersect and/or overlap. Each aspect of a community's life and development - health, education, arts and culture, public safety, human services, etc., has its own interface with economic development. Each of these interfaces

represents fertile ground for partnerships and projects that will help the community shape its own future in ways that are more holistic and intentional. We would argue that the interfaces between a community's arts and cultural interests and its economic development interests are *particularly* fertile ground for shaping a community's future because of the unique combination of complimentary talents, strengths and assets that can be assembled when you partner the two. *Cultural/Economic* Development is what happens when you bring these two areas of interest together in an economic development effort that:

- Uses arts and cultural talents, strengths and/or assets as the core driver for its success,
- Engages both economic development and cultural partners in the planning and implementation of the effort,
- Has a clear and deliberate purpose in terms of its intended cultural and economic impact,
- Has clearly stated cultural and economic goals and impact measures and
- Has a formal written plan for financial and programmatic sustainability

WHAT ARE SOME TYPES OF CULTURAL ECONOMIC DEVELOPMENT ACTIVITIES?

- Affordable Artists Live/work space
- Artist studio-only space
- Public Art Programs
- Creative Industries Innovation Centers
- Culture-infused community planning
- River Art Walks
- Arts & Entertainment Districts
- Historic Preservation Districts
- Cultural Tourism
- Arts Incubators
- Performing Arts Centers
- Arts and Cultural Festivals

WHY SHOULD WE CARE ABOUT CULTURAL ECONOMIC DEVELOPMENT?

It's no secret that the economic landscape is shifting. We are moving from an economy that has been primarily industrially based to one that is increasingly influenced by technology, knowledge and creativity. As was noted in a recent article in the [Journal of Arts Management, Law and Society](#), "Non-manufacturing jobs grew to about 80 percent of all jobs by the end of the twentieth century." In [The Rise of the Creative Class](#), Richard Florida takes the best of these non-manufacturing occupations and amalgamates them into the creative class which by his calculations comprises about 30 percent of the workforce.

Against the backdrop of this shifting landscape, human capital is fast becoming *the* most valuable commodity. What this shift means for communities trying to shape

strong economic futures is that the nature of *how* they go about developing their economies is changing. It also means changes in *who* is involved in that process.

For decades, the business of economic development has been built around the basic strategy of attracting the companies that bring the jobs that in turn bring the people. With access to human capital (creative, knowledgeable workers) increasingly driving economic decisions and investment, the economic development business is rapidly expanding to include the work of attracting the people who in turn attract and/or start the businesses that bring the jobs. In short, the nature and scope of what is involved in economic development is changing.

If developing the economy now includes the work of retaining and attracting people, particularly creative, knowledgeable people, to live and work in our communities, then economic developers are going to need new partners who can help them create the kind of culturally vibrant communities that will retain and attract the workers and entrepreneurs we need to fuel this new knowledge-based creative economy. The individuals and organizations that make up the cultural sector of your community are uniquely equipped to be partners of choice in this effort. Bringing together cultural and economic development players holds great potential for your community, but it is not without its challenges.

First of all, economic development and cultural players do not necessarily know or interact with one another in any kind of systematic or structured way when it comes to shaping the futures of their communities. Add to that the fact that members of the cultural sector have not traditionally seen themselves as players in planning and developing the overall economic futures of their communities. Even those who *have* embraced this broader understanding of their role have not necessarily been at the table when it comes to shaping their community's future.

On the other hand, most economic developers, *have* typically viewed the community's cultural sector as having an impact on the overall quality of life of the community. And they have always viewed quality of life as a major factor in their ability to attract businesses and corporations to locate in their communities. In that sense, economic developers have always seen the indirect impact of the cultural sector on the economy. They have not, however, thought of the individuals and organizations that make up that sector as potential partners in shaping economic development strategies. They have not viewed them as economic development partners.

The bottom line is that bringing economic development and cultural interests together in communities will require new thinking on nearly everyone's part. As challenging as that

might be, the benefits to communities of doing so are tremendous.

WHO ARE OUR POTENTIAL PARTNERS?

Developing closer ties between local economic development and cultural players is the first step toward successful cultural economic development efforts. Consequently, it is important to understand who we are talking about when we refer to each of these groups.

WHO ARE YOUR LOCAL ECONOMIC DEVELOPMENT PLAYERS?

You can think about economic development players as falling into two broad categories:

- 1) Economic Development Professionals and
- 2) Other Economic Development Decision-makers and Influencers (listed below)

When we talk about economic development professionals, we are referring to those individuals who are employed by local economic development corporations and other organizations with the explicit charge of developing the local economy. This group is extremely important because they devote their full attention to the work of economic development. Within this group, you will find a range of thinking on the relationship between economic and community development. The more ties the professional economic developers in your community see between economic development and broader community development, the more potential there is to form partnerships with the other economic development players listed below:

- Mayors
- City Managers
- County Commissioners
- Chambers of Commerce
- Business Alliances
- Convention and Visitors Bureaus
- Downtown Development Authorities
- Nonprofit and for profit Real Estate Developers
- Businesses and Corporations
- Building Owners
- Investors
- State Economic Development Professionals (Michigan Economic Development Corporation's Community Assistance Team)

Although it is rare to find a community in which everyone on this list is working in an aligned, collaborative way, for the most part, they *do* know one another and have regular communication which is strength of this sector.

WHO ARE YOUR LOCAL CULTURAL PLAYERS?

The first group that usually comes to mind when we think of arts and cultural players are local nonprofit arts and cultural institutions/organizations. Depending on the size of your community, these can include museums, theatres, zoos,

symphonies, ballets, etc. Although this group is very important and typically has a lot of visibility and support from donors and members, it is only one part of your community's cultural sector. The key in identifying other players who might be potential cultural economic development partners is to think as broadly as possible. Here's a list that provides a starting point:

- Museums
- Theatres
- Zoos
- Symphonies
- Ballets
- Libraries
- Youth Centers
- YMCA's
- Recreation Organizations
- History Preservation Groups
- For Profit Entertainment Group and Venues
- Individual Artists (painters, sculptors, ceramicists, actors, writers, poets, dancers, graphic designers, web designers, etc.)
- Individual Artist Entrepreneurs
- Architects
- Industrial Product Designers
- Local Arts Agencies or Alliances
- Artists Guilds or Associations (Potters Guild, Jazz Associations, etc.)
- Artists Unions
- Arts Educators (Visual Art, Band, Orchestra, Choir, Drama, etc.)
- Literary Guilds
- Ethnic Guilds/Societies
- Community Development Corporations

Unlike the economic development players within a community, who for the most part, know and interact with one another on a regular basis, a community's cultural sector is often less connected. One of the hardest and most valuable bridges to build within the cultural sector is between individual artists (all disciplines) and nonprofit arts & cultural institutions and organizations. This is true across the country as was made clear in the 2003 study by The Urban Institute entitled [Investing in Creativity. A Study of the Support Structure for U.S. Artists.](#) Building linkages between individual artists and arts & cultural organizations is worth devoting special energy to particularly because of the potential individual artists have for becoming successful entrepreneurs who create start-up businesses that both add to the diversity and vibrance of the local cultural scene and strengthen the economy by creating jobs and enticing visitors.

HOW DO WE GET ECONOMIC DEVELOPERS AND CULTURAL PLAYERS AT THE SAME TABLE?

This is both a short and long-term proposition. In most communities, there is already a degree of interaction between some of the cultural and economic development players, but usually it is pretty limited and often the function of personalities and/or relationships that were already in place. In many communities, the work begins with connecting the cultural players to one another before beginning to bring the two groups together. Regardless of where a community is in terms of regular interaction between its economic development and cultural leadership, to actually begin to move these potential partners closer together in a meaningful and sustainable way takes some strategic thinking and doing. Below are some strategies that have worked:

STRATEGIES FOR DEVELOPING SUCCESSFUL CULTURAL ECONOMIC DEVELOPMENT PARTNERSHIPS

Find out what cultural and economic development groups already exist in your community.

- a. Seek out your local community foundation as a good source of information particularly related to the arts and cultural groups. If you don't know which community foundation serves your community, contact the Council on Michigan Foundations - www.cmif.org.
- b. Make a list of key individuals and contacts for each group.
- c. Work with your local media to conduct a brief web-based survey to make sure you are casting the net as broadly as possible. It is surprising how many arts and cultural organizations are under the radar screen of the community's formal leadership.
- d. Conduct focus groups at a wide range of locations including schools, churches, neighborhood centers, coffee shops, other types of businesses where people gather, etc. again, to make sure you have the complete lay of the land.

Get organized/create the infrastructure (both cultural and economic). In many instances, economic developers and cultural players may want to partner or interact but they have no way of doing so in any kind of systemic, community-wide way. Ask yourself the question, "Who speaks for the cultural interests in the community? Who speaks for the economic development interests? If the answer to either question is either no one or everyone, you have work to do. The following are some ways of building the necessary organizational infrastructure that allows for a flow of communication both within and across sectors:

- a. Put together informal networks or alliances
- b. If no formal local arts and cultural agency or alliance exists in your community, work to develop one.

- c. Consider reorganizing economic development activities in your community by bringing together such entities as the chamber of Commerce, Convention and Visitors Bureau, Manufacturing Association, etc. under a single umbrella or alliance that will help focus and coordinate all economic development related work.

Create relationships and develop an environment of trust across culture/commerce boundaries.

- a. Encourage individual artists as well as members of arts and cultural organizations to serve on City Council or boards such as the DDA, Chamber of Commerce, community foundation, etc.
- b. Encourage economic developers to serve on arts and cultural alliance boards, etc
- c. Encourage local businesses to host art exhibits, poetry readings, musical performances, etc. as part of their business plan.
- d. Encourage arts and cultural venues to host business meetings whenever possible.
- e. Develop an "Adopt an Artist" program for businesses within the community.

Seek out a Neutral Convener who can set the stage for closer working relationship by setting up meetings, hosting events, convening task forces on cultural economic development, etc.

- a. Ask your local community foundation to play this role. By definition, acting as a neutral convener is part of the mission of every community foundation.
- b. Libraries are also often natural neutral conveners
- c. Community colleges, colleges and/or universities are other likely candidates. They also often have faculty with special expertise as facilitators and might be willing to contribute the services of such an expert.

Make a formal case for Cultural Economic Development as a powerful strategic economic development tool.

- a. Develop the case into a PowerPoint presentation that features plenty of concrete examples from other communities. Include plenty of pictures, numbers and testimonials. Michigan's Cool Cities Initiative web site, www.coolcities.com, will eventually have several case studies you can use as a resource for examples.
- b. Tailor your argument to each group based on what they care about. Economic developers typically want to see numbers, increased tax base, total investment, jobs created, new businesses formed, increases in disposable income, increases in property values, etc. Arts and cultural organizations typically care about the opportunity that cultural economic development presents for them to move to a more central role in

their communities, a way to fight the "arts and culture as frills" mentality.

- c. Identify a few individuals who can effectively make presentations to local service clubs, the city council, county commission, DDA board, arts council, etc.

STRATEGIES FOR DEVELOPING SUCCESSFUL CULTURAL ECONOMIC DEVELOPMENT PROJECTS

Set the Stage

Institutionalize cultural economic development wherever you can by making it part of someone's job responsibilities:

- a. Create a position or department within City and/or County Government
- b. Establish a program area within your local economic development corporation
- c. Make it the focus of local arts agency or arts and cultural alliance.

Put together a small leadership team that includes both economic development and cultural players who will take responsibility for the work outlined below.

Do Your Homework

Conduct an Environmental Scan – could take the form of a basic SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) Regardless of the method, make sure you identify what makes you unique!

- a. Take a hard and open-minded look at your unique strengths, assets, history (use surveys, focus groups, town hall meetings, etc.)
- b. Include those things you consider to be liabilities (A little creativity can turn these into assets)

Develop a strategy or brand that builds on the unique strengths and assets of your community

- a. The question you are answering here is "What do you want your community to be known for? What words do you want to come to mind when someone thinks of your community?"
- b. Although the brand or strategy you develop may look like a big departure from the past in terms of the community's image, etc., make sure it is truly rooted in where the community has been, where it is now and what it wants to be in the future.

Seek out cultural economic development project ideas, models, lessons, etc. by looking outside your community (See the three case studies at the back of this booklet)

- a. Check out the case studies posted on www.coolcities.com

- b. Conduct additional web searches
- c. Put together guiding questions for interviews (phone, email, and in-person) with key players in cultural economic development efforts in other communities in and outside of the state. (See sample guiding questions at the back of this booklet)
- d. Write up summaries of these interviews
- e. Call you small team together to discuss what you've learned and discovered that might have relevance for your community.

Develop a brief written concept for your cultural economic development project.

Take what you have learned from others and tailor it to fit with your community's unique strengths and assets, making sure you also look at those things that are currently considered to be liabilities such as vacant industrial buildings, etc. Be strategic in deciding what type of effort makes most sense for your community. Identify the tipping points – places of most potential – projects where multiple interests intersect – where your investment will have the most impact on the community as a whole. For example, do you have the potential to put together a project that will incorporate historic preservation, Brownfield redevelopment, and downtown revitalization? If this is the first major cultural economic development effort in your community, you may find that a bricks and mortar effort is a good place to start since it is often the type of project that both economic developers and cultural leaders can relate to.

Conduct anecdotal market research to see if you are addressing a need or just ascribing to the “build it and they will come” school of thought.

- a. Sets up interviews with people who are part of the market you are trying to reach. For example, if you are trying to gauge the market for affordable living and working space for artists, you may want to interview heads of arts departments in community colleges, colleges and universities as well as executive directors of artist's guilds and associations.
- b. Conduct focus groups of those included in the market you are trying to reach. Always offer food. You may find that a local coffee house or other gathering place is willing to host these groups.

Benchmark your project concept

- a. Complete a “Best Practices” review of available literature and internet information.
- b. Identify several examples of similar projects and visit them if possible.
- c. Conduct in person or telephone interviews with those responsible for the projects' success to identify key success factors.

Assess your community's readiness for the project:

- a. Do you have the organizational infrastructure within the community to be able to partner effectively? (Ask yourself if you know who speaks for the economic development and cultural interests within the community and if they are broadly representative of the entities that actually exist.)
- b. Is the timing right to launch a new, different and/or ambitious undertaking or is the community focused on something else that will detract from their interest in the success of the project?
- c. Do you have a potential organizational and individual champion with visibility and credibility?
- d. Do the local units of government support the effort?
- e. Do the community's basic planning documents support the effort? Is your project part of the City and County master plans or positioned to become part of those plans?
- f. Do you have local sources of private funding for predevelopment work – basically sources that are willing to take a risk on the project.
- g. Holding a town hall meeting to float the idea is a good way to gauge if the timing is right.

Develop a preliminary written plan that is a half- baked cake.

You will need to strike the right balance between developing a full-blown plan for making the project happen and engaging the broader community in its development – the “half-baked cake” approach is a good way to both build confidence in the effort and include others in its development.

Engage a wide range of community stakeholders from the beginning.

- a. Make presentations to city council, county commissioners, DDA, service clubs, neighborhood groups, arts alliance, chamber of commerce, etc.
- b. Meet one-on-one with key community leaders including civic, financial, and cultural leaders as well as those who influence opinions in less formal networks of individual artists, musicians, etc.
- c. Hold town hall meetings and focus groups of various constituencies, making sure you are engaging younger community members as well as those who typically hold decision-making positions. School, neighborhood and/or church-based youth groups are good networks to tap. If your local community foundation has a Youth Advisory Council, engage them as a youth leadership team.
- d. Get the attention of the local media by sending out regular press releases of the progress you are making.

Devote adequate resources to planning at all levels (at the project, city and county level)

- d. Project Planning: We have heard the comment again and again, that an idea is nothing without a plan to make it reality. The best way to ensure success of your project is to invest in the type of planning that will not only make it happen, but ensure its sustainability both financially and programmatically.
- e. Community Planning: Ultimately, you want your project to be part of a bigger picture of community development. This means it should become part of the community's underlying planning infrastructure, i.e. the City and County master plans.

Identify/nurture strong creative leadership - You will need a core group of individuals who:

- a. Are passionate about the project
- b. Are highly respected for their ability to put community interest ahead of personal, political or institutional interests
- c. See and can articulate the connections between the project and the overall future of the community
- d. Have a broad base of relationship networks
- e. Can serve as Intermediaries who can bridge cultural and economic interests.

Acknowledge economic development as the primary driver of the effort. Although the benefits of cultural economic development are cultural and economic, economic development should be presented as the primary driver, the area where you are holding yourself to tangible outcomes. This is not a philosophic stance, but a purely strategic one. In our current environment, a broader base of constituents can relate to economic benefits than can relate to cultural benefits.

WHO SHOULD LEAD? THE ECONOMIC DEVELOPER PROFESSIONALS

Although successful cultural economic development efforts require both cultural and economic development partners working together from the beginning, when it comes to taking responsibility for implementation, for actually making the project happen, the professional economic developers need to take the lead with the cultural partners playing a critical but supporting role. Partnerships and projects can and should be initiated by either group, but when it comes to implementation of a project, in most instances, it is best handled by the economic development professionals who either have or can assemble the necessary resources to carry the effort through to fruition.

FUNDING STRATEGIES

There are many ways to fund community-based cultural economic development efforts. In general, think broadly about potential funding sources since this type of economic development is outside the bounds of either traditional cultural or economic development activity and as such may be a candidate for a broader range of funding sources than either is on its own. If you are considering a bricks and mortar project, you will have a range of options in terms of where you expect to secure the bulk of your funding for the project. Your job is to determine which are actually available and realistic. They include:

- Private Developer
- Millage or Bond Issue
- Mix of Public and Private
- Tax Credits enhanced by "Turn over every rock" approach

Demystifying Tax Credits

Tax credits can be an important potential funding source for a variety of bricks and mortar projects but are often overlooked by nonprofits and/or those outside of the traditional economic development field. Among the uninitiated, there is a basic lack of understanding of how they work. Because they represent resources that may make an otherwise impossible project possible, we want to take a minute or two to explain them in the kind of basic conceptual terms that will help you understand how they might relate to your project.

In the simplest of terms, all tax credits were created as incentives for private for-profit developers/owners who by virtue of their for-profit status, pay taxes. The credits reduce the taxes owed by the for-profit company. Nonprofit organizations that do not pay taxes can also benefit from tax credits by basically selling the credits they are awarded, to tax paying businesses. The most typical types of credits relative to bricks and mortar projects are:

- Low Income Housing Tax Credits offered through Michigan State Housing Development Authority (MSHDA) www.michigan.gov/mshda
- Federal Historic Preservation Tax Credits administered through the Michigan State Historic Preservation Office (SHPO) www.michigan.gov/hal
- State Historic Preservation Tax Credits administered through the Michigan State Historic Preservation Office (SHPO) www.michigan.gov/hal
- Brownfield Single Business Tax Credits administered through the Michigan Economic Development Corporation (MEDC) <http://medc.michigan.org>

Each of the above tax credit programs has a formal application process and set of criteria that dictates who can

and cannot apply and what types of projects are eligible. Specific detailed information about each program is available on the websites listed above. Depending on the particular type of tax credit program, the credits are either awarded competitively or non-competitively. With the exception of Brownfield tax credits which operate a bit differently, here are the basics of how tax credits work when the applicant is a nonprofit:

- Nonprofit entity applies through the same formal process used by for-profit developers
- Depending upon the program, awards are made either competitively or noncompetitively. Some of the programs are extremely competitive. It is important to understand that applying for tax credits does not necessarily mean you will be awarded the credits. It is always to the applicant's advantage to work closely with the state department that administers the program.
- The nonprofit is awarded the credits and then sells the credits to the highest bidder.
- Most likely bidders are large for profit corporations including banks.
- If you are using more than one type of tax credit on your project, you may want to work with a syndicator who can shop the credits around for you.
- The rates at which tax credits sell vary depending upon the market
- The highest bidder buys the tax credits from the nonprofit for a percentage of their value.
- The nonprofit uses the money to cover construction costs on the project
- The nonprofit doles out the tax credits to the purchaser over a period of time predetermined by the particular tax credit program.
- The company purchasing the tax credits enters into a legal agreement with the owner/developer of the project, becoming an equity partner for the length of the time over which the tax credits are issued. Again, this period of time is dictated by the particular tax credit program.

Other Important Funding Resources

State of Michigan Cool City Resource Toolbox

This is a first-ever comprehensive at-a-glance listing of grants, loans, tax credits and services available through the State of Michigan that may be of use to you as you develop your cultural economic development project. The Toolbox was put together as part of the Cool Cities Pilot Program but is available to anyone. You can find it on line at www.coolcities.com

Foundation Grants

Grants from private and community foundations can also play an important role in funding your project. The following

are important resources to find out more information on both:

- Council on Michigan Foundations - www.cmif.org
- The Foundation Center – www.foundationcenter.org
- Council on Foundations – www.cof.org

LEGAL PARTNERSHIP MODELS

The type of project you put together will influence the type of legal partnership(s) you will need to form. In general terms, though, you should give careful consideration to how you structure the formal partnerships involved. Don't assume that there is only one model that will work. Instead, take the time to think broadly and creatively about the possibilities that might exist to use, mix and match the following combinations:

- Public/private
- Nonprofit /For profit
- Government/Non-Government

Partnerships models apply to and have an impact on the various stages and aspects of a project's evolution and long-term life, i.e. planning, financing, development, management, programming, governance, etc. Depending upon the nature of the project, there are pros and cons to each of these models at each stage of a project's life. Many projects will have separate partnerships for each aspect/stage of the project's life. For instance, you may have one partnership to get the project off the ground (pre-development), a second partnership to finance the project, a third partnership to manage the project and a fourth to handle programming, marketing, and advancement of the project. In general, before determining the best partnership model for your particular project, take into consideration how that model will impact the following:

- Eligibility for variety of funding streams (grants, loans, tax credits, etc.)
- Autonomy
- Control
- Programmatic and Financial Sustainability
- Community Buy-in

This is an area where the experience of others in other communities will be extremely valuable. You will also want to consult legal counsel as you hone in on how you think you may want to structure the partnership.

MICHIGAN CASE STUDIES

Michigan's Cool Cities web site – www.coolcities.com will soon feature over a dozen case studies of cultural economic development projects from around the state. Go to the website and subscribe to the newsletter to be notified when the case studies are posted.

MODELS FROM AROUND THE COUNTRY

Communities successfully using the arts for economic development seem to write their own scripts. Here are some examples from outside Michigan.

Paducah, Kentucky

Artist Relocation Program

www.paducaharts.com

In 2002, Paducah, Kentucky launched its Artist Relocation Program which basically offers incentives that encourage artists to buy old houses and turn them into studios and galleries. In two and a half years, a beat up area of homes has been transformed into an emerging artist colony with an estimated \$12 - \$15 million boost to the local economy in the past year alone.

Alexandria, Virginia

The Torpedo Factory Art Center

www.torpedofactory.org

This now famous center bursting with artists' studios was built in 1918 as an actual torpedo factory which later became the U.S. Naval Torpedo Station. From 1945 -1969, the buildings were vacated and used for storage space. In 1974, artists and the City worked together to transform them into studio space for artists. After a number of different arrangements for ownership, management, and tenancy, on September 1, 1998, the Artists' Association took over all management of the building with the City acting as landlord. The artist tenants are involved in considerable community outreach including high school mentorship programs, Youth at risk and visiting artist programs, etc. The Center is supported by the artists' monthly membership dues and additional income derived by renting the facility for special events after normal operating hours. The economic impact of the Torpedo Factory is considerable. In 2003 alone, 800,000 people visited the Center with 681,000 coming from out of town. 24% of those visitors indicated that they would not have visited Alexandria but for the Art Center. The Center sells a resource booklet on starting your own successful Art Center.

Easton, Maryland

Historic Avalon Theatre

www.avalontheatre.com

The total renovation of the 1921 art-deco masterpiece in downtown Easton, Maryland, has had a broad impact on the economy of this small town Eastern seaboard town. The 1989 restoration of the theatre's interior was followed by several years' worth of upgrading to the Avalon's sound system, lighting, projection, broadcast and film production facilities. It is now home to everything from classical music concerts to live

radio shows and touring national dance company performances. This historic and vibrantly readapted gem brings 40,000 people annually to a town of 11,000. Stores and restaurants have opened downtown and the community has just recently put in a new visitor center.

St. Paul, Minnesota

Northern Warehouse Artists' Cooperative

www.artspaceprojects.org

The Northern Warehouse Artists' Cooperative is one of dozens of successful projects launched in communities around the country by Artspace Projects, Inc., a nonprofit Minneapolis-based developer specializing in affordable living and working space for artists. The Northern Warehouse Artists' Cooperative is located in Saint Paul's Lowertown Historic District, which is listed on the National Register of Historic Places. Developed at a cost of \$5 million, the Northern contains 52 affordable live/work units plus two floors of arts-friendly commercial and nonprofit tenants, including a deli/coffee shop and an art restoration gallery. The project has had a profound impact on Lowertown. When it opened in 1990, fewer than 100 people lived in the area. These days Lowertown is a thriving downtown neighborhood with a population of more than 5,000. The Northern's residents take great pride in their community. They worked to transform a litter-filled vacant lot into a park for children and families. They were instrumental in keeping the Farmers' Market in Lowertown. And they have made the Northern a "must" stop on the Saint Paul Art Crawl, a major tourist event that brings thousands of visitors to the neighborhood twice a year to visit artists' studios.

MINING THE EXPERIENCE OF OTHERS

The best way to learn from the experiences of others involved in cultural economic development is to first familiarize yourself with their efforts by visiting their websites. The next step is to contact them with a set of questions that you can use as the basis for an email exchange, conference call and/or site visits. The following questions can be used as a basis for these conversations:

1. What is the "Mission" of the Project?
2. Who were/are the founding partners/developers/investors? Public and private? For profit and nonprofit? What were/are their respective roles, responsibilities, investments and returns? Do you have any written descriptions of this partnership that would help us as we conceptualize ours?
3. What was the extent of community buy-in from economic developers and the cultural players?

4. Do you have a community arts and cultural plan and if so, how does the Project fit into that plan?
5. Have you established partnerships with colleges and universities in the area? Describe.
6. Did you conduct a market analysis prior to start-up? Describe. Who are the primary markets for the Project?
7. What are the key components of the Project, i.e., galleries, programs, residential units, services, retail, etc?
8. If artists are involved, how do you determine which artists are accepted into the Project?
9. What are the rental and/or lease arrangements with the artists? Are there any subsidies for their rent? If so, please explain.
10. What do you consider to be the key factors responsible for your success?
11. What major barriers did you face?
12. What went wrong that you didn't anticipate?
13. What would you do differently?
14. What was the project timeline and was it phased. Describe.
15. What individual or organization spearheaded the effort?
16. What was the total cost?
17. Describe your sources of both public and private revenue?
18. What organization is responsible for sustaining the facility over time?
19. Do you have any general words of wisdom for us as we pursue our own project?

OTHER RELEVANT RESOURCES

- Michigan Association of Community Arts Agencies (MACAA)- www.macaa.com
- Artserve Michigan – www.artservemichigan.org
- Artspace Projects, Inc.- www.artspaceprojects.org
- Partners for Livable Communities – www.livable.com
- Americans for the Arts- www.artsusa.org
- Design Michigan – www.designmichigan.org

- Center for Arts and Public Policy – www.capp-wsu.org
- Michigan Humanities Council – <http://michiganhumanities.h-net.msu.edu/>
- Michigan Museums Association – www.michiganmuseums.org
- Michigan Traditional Arts Program – www.museum.msu.edu/s-program/mtap/
- Michigan Department of Education Curriculum Development Program – www.michigan.gov/mde
- Michigan Economic Development Corporation Community Assistance Team – <http://medc.michigan.org>
- Michigan Downtown and Financing Association – www.mdfa.org
- Michigan Economic Developers Association – www.medaweb.org

ABOUT THE AUTHOR – NEETA DELANEY

Neeta Delaney has spent most of her 25 year career in higher education and most recently in the community foundation world. In 2003, she left her position as President & CEO of the Jackson County Community Foundation and was contracted by the Enterprise Group of Jackson to head up the Armory Arts Project, a major cultural economic development initiative in Jackson, Michigan. The Project will transform a 147 square foot former industrial complex into a mixed use development featuring affordable live work space for artists as well as community, nonprofit and commercial space related to cultural activities. In putting together this guide, she has drawn heavily from the lessons she has learned in this new and exciting field of cultural economic development, and from the lessons of dozens of others she has interviewed in similar roles in communities around the state and country. She currently serves as a cultural economic development executive on loan to Governor Jennifer Granholm.

ABOUT CONTRIBUTOR - RIC GEYER

Ric Geyer spent the early part of his career at the Ford Motor Company in new product ideation and business strategy. In 1995, he joined Deloitte, where his primary role has been developing marketing and business strategies and creating strategic business opportunities and relationships. Ric has a long history of involvement with both the arts and economic development. In addition to his active engagement in various community and neighborhood programs in Detroit, he has recently completed the design and construction of *4731 Grand River* on Detroit's west side. The building, which houses the 4731 Gallery and 15 (soon to be 30) artist studios, functions as an arts incubator, providing assistance to artists/entrepreneurs affiliated with the project. Ric currently serves as a cultural economic development executive on loan to Governor Jennifer Granholm.

