

As a service to our clients and others, we provide occasional research reports, conference presentation reports, and project reviews on topics of interest which highlight various trends and aspects of our practice. We provide consulting services to clients in the areas of project and plan concept feasibility, evaluation and project implementation. We specialize in the fields of visitor attractions, arts and cultural facilities, tourism development, and real estate and urban development. Clients include the Akron Civic Theatre, Goodspeed Opera House, Greater Buffalo Convention & Visitors Bureau, Atlanta Development Authority, and the City of Tacoma, Washington. We welcome your comments.

## ARTS AND CULTURAL DISTRICTS

**A summary of remarks by Mr. Thomas J. Martin, President of ConsultEcon, in a speech to Downtown Madison, Inc., regarding the development of Arts & Cultural Districts.**

My presentation today will focus on the Definition of the Arts/Cultural District, Types of Districts, Who is Taking the Lead in District Development, Approaches to District Development, and Economic Impacts.

### What is an Arts/Cultural District?

- ◆ An arts district seeks to combine art and cultural offerings with commercial, tourism and related opportunities which extend the quality and length of the cultural experience.
- ◆ An arts district is a physical area of the city, identifiable through uniformity and harmony in design and land uses. The arts district is intended to promote the habit of attending arts events, and to support the variety of program offerings of large and small arts and cultural groups.
- ◆ This area has the potential to be promoted as a place and a total experience, rather than as a simple accumulation of arts events or facilities.

### Types of Districts

There are many approaches to district development, and there are different “anchor” projects in these districts. These approaches are typically reflected in the

types of resources in the community and their location. Characteristic types of districts include the following.

**Performing Arts Districts** – This is probably the oldest category. These were formed at the turn of the Century by economic forces in urban areas. Today, districts in Cleveland, Boston and other older cities are developed around the historic performing arts districts, and new theaters are developed to create a critical mass of performing arts activities. Playhouse Square in downtown Cleveland and the Cultural District in downtown Pittsburgh are examples. The Pittsburgh Cultural Trust, for instance, is developing a 14-block area that is anchored by four theaters.

**Arts Districts** – Other districts have been formed around a more inclusive idea of arts facilities, and often have as their anchor development art museums and associated facilities. An example of this is the Portland, Maine Downtown Arts District. Arts Districts have been developed in communities as diverse as Louisville, KY, Palm Beach, FL, Austin, TX, and St. Cloud, MN. These districts often include artists’ housing and other support facilities.

**Cultural Facilities Districts/Corridors** – These areas are even more inclusive in terms of the types of facilities included. One notable example is the Philadelphia Avenue of the Arts along Market Street. This area includes a wide range of cultural facilities along a two-mile stretch of avenue anchored by such facilities as the Philadelphia Art Museum and a new Regional Performing Arts Center. A non-profit organization — Avenue of the Arts, Inc. — is overseeing the

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development of this project, which will result in the creation of an estimated 2,000 new jobs.

**Entertainment Districts** – These are mixed-use areas which integrate commercial uses such as cinemas and nightclubs with cultural attractions such as museums. Yerba Buena Gardens in San Francisco is an example of this type of development. This project has a wide range of uses, including the San Francisco Museum of Modern Art, a new Children’s Museum and a Sony Entertainment Center.

**Neighborhood Arts Districts** – These are districts that often grow up somewhat unplanned, and are based on a group of artists developing facilities within a neighborhood setting. The Tucson, Arizona Arts District follows this model.

### Ways to Look at an Arts/Cultural District

There are many ways to think about what the arts/cultural district entails.

**Physical Plan Initiative** – For many, the key manifestation of the district is as an urban design and preservation plan for a section of a city or key resources. The physical characteristics of the plan are the key manifestation of the district. The visitor knows when they are “in” the district.

**Economic Development Initiative** – Another approach focuses on the district as an economic development initiative that may include all aspects of support for the arts. This approach recognizes that the arts can be an important industry.

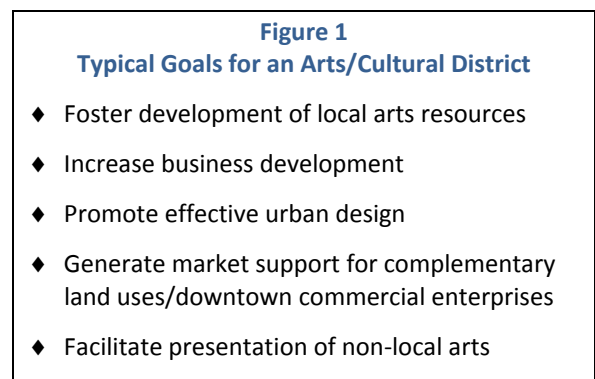
**Marketing Collaborative/Audience Development** – For institutions and businesses within the district, a key thrust will be marketing and audience development. In Philadelphia, the Avenue of the Arts was developed to increase visitation to the arts venues within the corridor. In Pittsburgh, audience development was a key objective of the cultural district development.

**Functional Consolidation** – For some districts, functional consolidation is important. This functional consolidation may include daily operation, promotions, box office sales and marketing. This allows smaller

organizations within the district to operate more efficiently.

**Financing Mechanism** – For some districts, there is the over-riding issue of funding for cultural facilities. This can take the form of special taxation districts and other forms of financing.

Typical goals for a Arts/Cultural District are shown in **Figure 1**.



### Who is Taking the Lead?

The lead for developing an Arts/Cultural District varies from community to community, based on the dynamics and interest in each community. Project leaders have included the arts community (Tucson), the education community (St. Louis), the travel and tourism industry and Convention and Visitors Bureau (Philadelphia), foundations (Pittsburgh), and various government agencies (State of NJ, City of Portland, OR).

### Approach to District Development

The approach to developing an Arts/Cultural District includes a series of steps related to constituency building and development feasibility. The approach to feasibility is to evaluate the idea by investigating the following factors:

**Facility Needs Assessment** – This is generally an evaluation of the potential organizations that will use the facilities in the District. Topics such as types of events, space requirements, current facility capacities

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and future user needs are evaluated.

**Demographic Analysis** – This includes an evaluation of the markets for the products, potential audiences and their socio-economic characteristics, including the propensity to participate in the various venues.

**Functional Feasibility** – This analysis typically reviews the current capacity of facilities in a proposed district to meet the demand from both the audience as well as from the various user groups. This analysis may also include evaluation of the organizational capacity of the existing venues and organizations to manage the increased activity a cultural district may help to create.

**Physical Plan Evaluation** – The boundaries of the district and the general urban plan for the district including transportation support, parking, streetscape, supporting land uses, and other planning considerations are evaluated in this phase of the work.

**Financial Feasibility** – This is an important part of the feasibility evaluation as it sets the financial parameters of the project by describing capital costs and operation costs as well as potential funding sources for the project. This will also include organizational structure and operating pro formas over a period of years.

### Economic Impacts of the Arts

The arts are an important economic contributor to their respective communities. This is often overlooked because these groups may be small or made up of individual artists and may not clearly show up in the economic data that is generated by local or state government. Two very different examples from Akron (Figure 2) and New York City (Figure 3) illustrate the important role of the arts in these two communities. Data in **Figure 2** illustrate these impacts as directly related to the arts organizations. Data in **Figure 3** illustrate these impacts in terms of visitor spending.

These economic impacts include direct expenditures by the arts organizations on wages, purchase of goods, and other spending in the local economy. The direct impact also includes expenditures by visitors to arts organizations who purchase tickets and other goods

and services, and retail sales associated with the arts. Recent economic impact studies in Denver and Pittsburgh have also acknowledged the importance of cultural facilities to the overall economic health of their respective communities. In Pittsburgh, art company revenues grew from \$83.5 million in 1989 (the year the District was implemented) to \$170.2 million in 1997, with over 40 percent of customers coming from outside Allegheny County.

**Figure 2**

#### Economic Impacts: Akron Arts Study

- ◆ 1,597 performances/780,000 patrons
- ◆ 18 organizations employed 581 individuals \$4.5 million in salaries
- ◆ 18 organizations have 4,371 volunteers who contributed 205,012 hours of time
- ◆ Total revenue of \$10.6 million/\$5.2 million earned
- ◆ \$2.2 million in direct spending in local economy
- ◆ Total impact of \$15.9 million

Source: 1994/95 Akron Arts Alliance Study.

**Figure 3**

#### Economic Impacts: New York City Arts Industry

- ◆ \$9.8 billion / \$3.5 billion in wages
- ◆ 107,000 jobs
- ◆ Visitors to arts-oriented activities spent: (millions)
  - \$208.3 on airfares
  - \$ 96.2 on ground transportation
  - \$148.5 on shopping
  - \$397.5 on hotels
  - \$399.6 on restaurants

Source: The Arts as an Industry - New York/New Jersey Metro Area 1993.

### SUMMARY

The development of an Arts/Cultural district can help to focus the arts as an industry, provide increased visibility for the arts in the marketplace, and help to sustain the arts by introducing economies of scale to this often-

fragmented industry. Arts/Cultural district development may also focus other economic activities by providing a critical mass of attractions and associated uses such as industry offices, retail shops and restaurants, and various service industries.

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**ConsultEcon, Inc.** provides services to clients in the areas of project and plan concept development, evaluation and implementation in the fields of Visitor Attractions, and Travel, Tourism and Resort Development.

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