

# City of Santa Rosa Arts District Business Plan

**Executive Summary** Since the 1990s, the City of Santa Rosa has been striving to build a thriving public art program. In recent years, these efforts have paid off with tremendous successes, including the creation of the Arts District. City staff has dedicated extensive time and energy into developing arts programs and promotions, building partnerships, and installing works of art throughout this district. As a result of these efforts, Santa Rosa has gained significant recognition, including an award for economic development from the California Parks and Recreation Society and an All-America City Award.

The City of Santa Rosa Art in Public Places Committee (AIPPC) charged the authors of this document with developing a business plan for the newly formed Santa Rosa Arts District<sup>1</sup>. The purpose of this plan was to identify ongoing sources of support for the Arts District, as well as document existing features of the district. This document presents recommendations for sustainable funding for the district, based on successful models from other cities and combined with the unique attributes of our community. The authors arrived at 20 recommendations, and have adapted them to the economic circumstances prevailing at the time of this plan's publication.

This business plan is shadowed by a gloomy economic outlook that impacts both public and private sector spending on support for the arts. A short-term "maintenance" approach for the Arts District is advised, along with strategies for longer term revenue-generating services when the economy improves.

A Recreation and Parks Enterprise Fund has been considered. If created, it would rely heavily on Recreation and Parks facilities such as the Church of One Tree and Hoag House, each of which are seen as potential revenue generators to help support the Recreation and Parks Department and Arts District in the future. Recreation and Parks staff members note, however, that even facilities that currently generate income can only cover direct costs at best, and do not generate enough revenue to equal both direct costs and overhead, such as staff time to supervise the operations of those facilities. Furthermore, buildings such as the Church of One Tree and Hoag House may need to operate for several years before they can become sustainable revenue generators.

At this time, a Recreation and Parks Enterprise Fund is unlikely to generate enough income to support the Arts District. In the long term, however, such a funding structure may be beneficial.

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<sup>1</sup> City staff members refer to the Arts District using different names, depending upon the department. For example, "Arts District ... Downtown Santa Rosa" is the brand name selected by the Recreation and Parks Department. For the purpose of this document, we use the terminology from the original Arts District ordinance, which is "Santa Rosa Arts District," or abbreviated references to the Arts District or district.

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## Methods and Observations

The following general sources were used in development of this business plan:

- Records, information and interviews provided by city staff in the Recreation and Parks, Economic Development, and City Manager's departments or offices
- Web searches and interviews with a selected number of communities with "model" programs for Arts Districts funded in whole or in part by cities
- An assessment of City-owned assets within the Arts District
- Discussions with directors of nonprofits, artists, and "arts mavens" with experience or insights relevant to arts programming and promotion in Downtown Santa Rosa.

City background information included the presentation developed by City staff to support the Arts District's creation; the document "Vision: Santa Rosa Arts District"; the original ordinance creating the Santa Rosa Arts District; documents describing 1% for Art in public or private developments in the City of Santa Rosa; and other materials. The authors also interviewed the City Manager, the City Finance Director, Economic Development Department staff, and Recreation and Parks Department staff.

The Arts District assets reviewed included the Church of One Tree, the portable stage and, to a lesser extent, the future Hoag House.

Discussions with nonprofit directors, artists, and arts enthusiasts in Santa Rosa provided the researchers with a great deal of invaluable background information which is reflected in the recommendations.

Details of the sources used appear in Appendix J.

Specifically, it appears that the community is enthusiastic and supportive of the Arts District, eager to confirm its sustainability and the City's long-term commitment, and concerned about the apparent overlapping efforts of multiple nonprofit and city agencies engaged in the district's promotions and programming. A great deal of interest has been generated by the possibility of establishing various arts venues downtown. For example, the Redevelopment Agency is currently reviewing the physical opportunities and constraints of the AT&T building, along with the real estate market, for potential revenue-generating initiatives at this site. The facility may incorporate an arts component.

In addition, local artists emphasize the need for more Downtown galleries, more low-cost studio space and housing for artists, and more arts-related night life Downtown. Public art, the A Street Gallery and environs, and other assets are popular. Many local individuals and organizations also express a strong desire to create a unique festival downtown, and the Art in Public Places Committee, Recreation and Parks Department, Community Foundation Sonoma County and

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Economic Development Department all are exploring possible festival opportunities for the district.

In reviewing the Arts Districts of several model cities, we found that most of them, while funded largely by local government entities, are managed by nonprofits. This structure yields important benefits such as efficiency in the oversight of the district; insulation of the district from fluctuations in local government funding; and greater flexibility for the district's fundraising efforts.

All of these Arts Districts spend considerable resources on programming and promotions. But Portland and Berkeley presented themselves as two edifying extremes in using the arts as an economic development tool. In brief, Portland fashioned itself a "creative cluster" in the national economy, and invests the public and private funds it raises in cultivating both commercial and nonprofit creative enterprises in its larger metropolitan region. Berkeley took a "bootstrapping" approach by assisting arts organizations in property improvements or ownership, simultaneously enhancing their business vitality with an eye to long-term retention in the neighborhood.

The survey of model cities did more than generate multiple ideas for sustainable funding; it raised questions that Santa Rosa will need to answer for itself about its role in relation to the arts.

## Recommendations

A brief summary appears below of the recommendations presented in greater detail in the main body of the document. The recommendations begin with short-term recommendations, continuing to longer-term strategies. The recommendations (and rationales) are discussed in greater detail beginning on page 29.

**RECOMMENDATION 1.** Form a review panel of stakeholders, including City staff who would be involved with executing the Arts District business plan, to review these recommendations and determine which are actionable at this time.

**RECOMMENDATION 2.** With the goal of consistent branding and optimizing resources, align all city departments and nonprofits working on the Arts District. The Recreation and Parks Department will be the lead department for Arts District promotions and programming, with financial support from Redevelopment determined on a year-by-year basis. In addition, Economic Development and Housing staff may produce some arts programming (e.g., in Courthouse Square) that supports Economic Development goals, yet also will reinforce the Arts District brand.

**RECOMMENDATION 3.** Put the Arts District into maintenance mode until City budgets improve and the general economy strengthens.

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RECOMMENDATION 4: Explore relatively simple fee-based activities in the Arts District that would help raise funds to support the district.

RECOMMENDATION 5: Adapt City policies and the ordinance governing 1% for Art to allow expenditures on programming and staff support. (These documents can be found in Appendix D.)

RECOMMENDATION 6. Invest in and co-sponsor the planned speaker series in cooperation with the Community Foundation in 2008. (Completed)

RECOMMENDATION 7. Continue efforts to develop and support festivals in the Santa Rosa Arts District.

RECOMMENDATION 8. Prepare promotional tactics for city assets – e.g., Church of One Tree – to begin to generate revenue in late 2009.

RECOMMENDATION 9. Offer docent-led guided tours (either walking tours or trolley tours) featuring Santa Rosa art, architecture, history and culture.

RECOMMENDATION 10. Pursue the “phantom gallery” in partnership with local nonprofits and Downtown developers, but only if the cost to the City is minimal. (Completed)

RECOMMENDATION 11. Create an Arts District funding approach that allows revenue generation from city-owned performance/event venues to be used in support of the Arts District/Recreation and Parks Department operations.

RECOMMENDATION 12. Consolidate Arts District programming, promotions and fundraising under the City’s Recreation and Parks Department.

RECOMMENDATION 13. Build leadership by capitalizing on the city’s expertise in economic development policy and practice relating to the arts.

RECOMMENDATION 14. Continue to study the feasibility of various funding sources, such as an “A to Z” tax, TOT funding, or an employer-sponsored employee fund drive. If the City of Santa Rosa increases its transit occupancy tax, a portion of the revenue should be earmarked for the Arts District.

RECOMMENDATION 15. After the current City budget situation settles and the Senior Addition to the Finley Community Center has been completed, explore restyling the Bennett Valley Senior Center as a multigenerational facility. Consideration should be given to placing an emphasis on the arts and operating through a public-private partnership.

RECOMMENDATION 16. Explore selling advertising, endorsements, signage, sponsorship or naming rights.

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RECOMMENDATION 17. Offer ARTrails gallery space.

RECOMMENDATION 18. Support the possibility of the Wells Fargo Center for the Arts moving downtown, if the leadership of the Center encounters new reasons to reconsider this relocation.

RECOMMENDATION 19. If it is proposed by area property owners, encourage establishment of a self-imposed Property-based Business Improvement District (PBID) for the downtown that would include funding for the Arts District.

RECOMMENDATION 20. Strongly support the Economic Development and Housing Department's efforts to explore the feasibility and benefits of establishing an arts center/artists' studio community in the Downtown area.

## ***Background***

Over the last decade, art has begun to transform a number of notable American cities. Visual arts, music, dance and theater, combined with architecturally unique public spaces, has helped to breathe new life into areas long thought dead, introducing both pleasing aesthetics and economic prosperity. Studies by economist Richard Florida and others clearly demonstrate how quality of place and cultural offerings attract and retain individuals who are essential to economic development and prosperity.<sup>2</sup>

Cities with arts districts have proven that the arts foster economic development, revitalize urban areas, and improve the overall business climate by creating a more desirable community in which to live and work. Well conceived and executed works of art enhance the value of development projects, create greater interest in space within the project, promote cultural tourism, and make a lasting, visible contribution to the community.

As we imagine a Santa Rosa alive with people living and working downtown, we also imagine a cultural magnet, offering visual and performing arts in a beautiful urban setting. A downtown bustling with art features and activities weaves together commerce, housing, education and a vibrant civic life. The result is increased business activity, tourism and other economic development. Hundreds of cities throughout the U.S. have realized these benefits as their Arts Districts have matured.

For example, City of Santa Rosa researchers learned that Fort Lauderdale, Florida, invested \$200 million in the arts and realized a return of \$319 million in a 15-year

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<sup>2</sup> Refer to documents provided to the Santa Rosa City Council on 11/21/2006, including Vision: Santa Rosa Arts District, Santa Rosa Arts District 18-Month Implementation Plan, "The Arts and Making Place in Santa Rosa" powerpoint, Art In Public Places Case Studies Brochure, and Public Art Policy 00-42