



# ARTS AS ECONOMIC DEVELOPMENT

CITY OF BERKELEY

MAYORS INNOVATION PROJECT

2016 SUMMER MEETING

# Introduction

- ▶ Overview of Berkeley's Arts Sector
- ▶ History of Downtown Arts District
- ▶ Tools Used to Implement, Retain and Attract Arts Organizations
- ▶ Lessons Learned



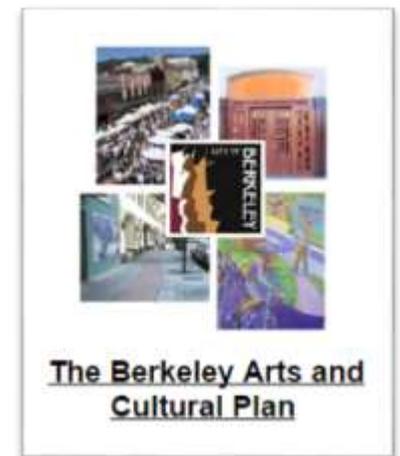
# Berkeley's Arts Community Today Established and Diverse

- ▶ 140+ non-profit arts organizations
- ▶ Hundreds of working artists
- ▶ 14 museums
- ▶ Rich University-related arts and cultural activity
- ▶ Berkeley's Civic Arts Program
  - ▶ Arts Grants
  - ▶ Oversight of Public Art and % for Arts Programs



# Arts-Based Economic Development Strategies

- ▶ Economic Development Work Plan informed by Berkeley as Regionally-Serving Arts and Culture Hub
- ▶ 'Placemaking' in Commercial Districts
- ▶ City Identity and Marketing
- ▶ Cultural Plan Guides and Strengthens Arts in Civic Life



# Pivot to the Arts – Early 1990's

- ▶ It wasn't always clear that Berkeley's arts and culture resources could be the basis of a successful economic development strategy
  - ▶ Early 1990s: Downtown lacked economic identity and had an 18% ground-floor vacancy rate.
  - ▶ ED Strategy focused on other sectors
  - ▶ Intercept Survey: Established Downtown art and entertainment uses were a major draw
  - ▶ Berkeley Rep Board voted to leave
  - ▶ Existing arts and entertainment uses were at risk



# Addison Street Arts District An Idea Emerges....

- ▶ Economic Development Strategy: build on strength in the arts to create a compelling sense of place
- ▶ Retain and expand existing venues like the Berkeley Rep
- ▶ Attract new and arts organizations through clustering and creation of arts infrastructure
- ▶ Encourage upgrading of historic buildings and new mixed-use development



# City and Civic Leadership Come Together...

## Challenge:

- ▶ Limited resources
- ▶ Fear of Big Change



## Opportunity:

- ▶ Adopt a 'scrappy' approach
- ▶ Public/Private Partnership
- ▶ Power of a big idea
  - ▶ Motivated action
  - ▶ Spurred creative thinking
- ▶ Incremental Implementation

# Tools Used

- ▶ Penalty Waivers
- ▶ Certificates of Participation
- ▶ Pro Bono Design Work
- ▶ Unused End of year Capital Funds
- ▶ Private Donor Fundraising
- ▶ Public Percent for Art Funds
- ▶ Voter Approved Bond Funding
- ▶ Design Review Negotiations
- ▶ Direct Loans to art organizations from the General Fund
- ▶ New Market Tax Credits
- ▶ Direct Grants and Permit Fee Deferrals
- ▶ Coordinate and Leverage Marketing of the Business Community
- ▶ Developer Incentives
- ▶ Active Support for Collateral Private Investment in the District
- ▶ Engage Institutional Partners

# Penalty Waivers



► Berkeley Rep Roda Theater (1990s)

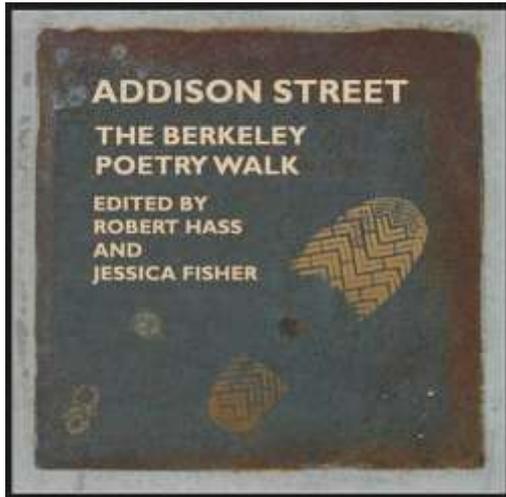
# Certificates of Participation



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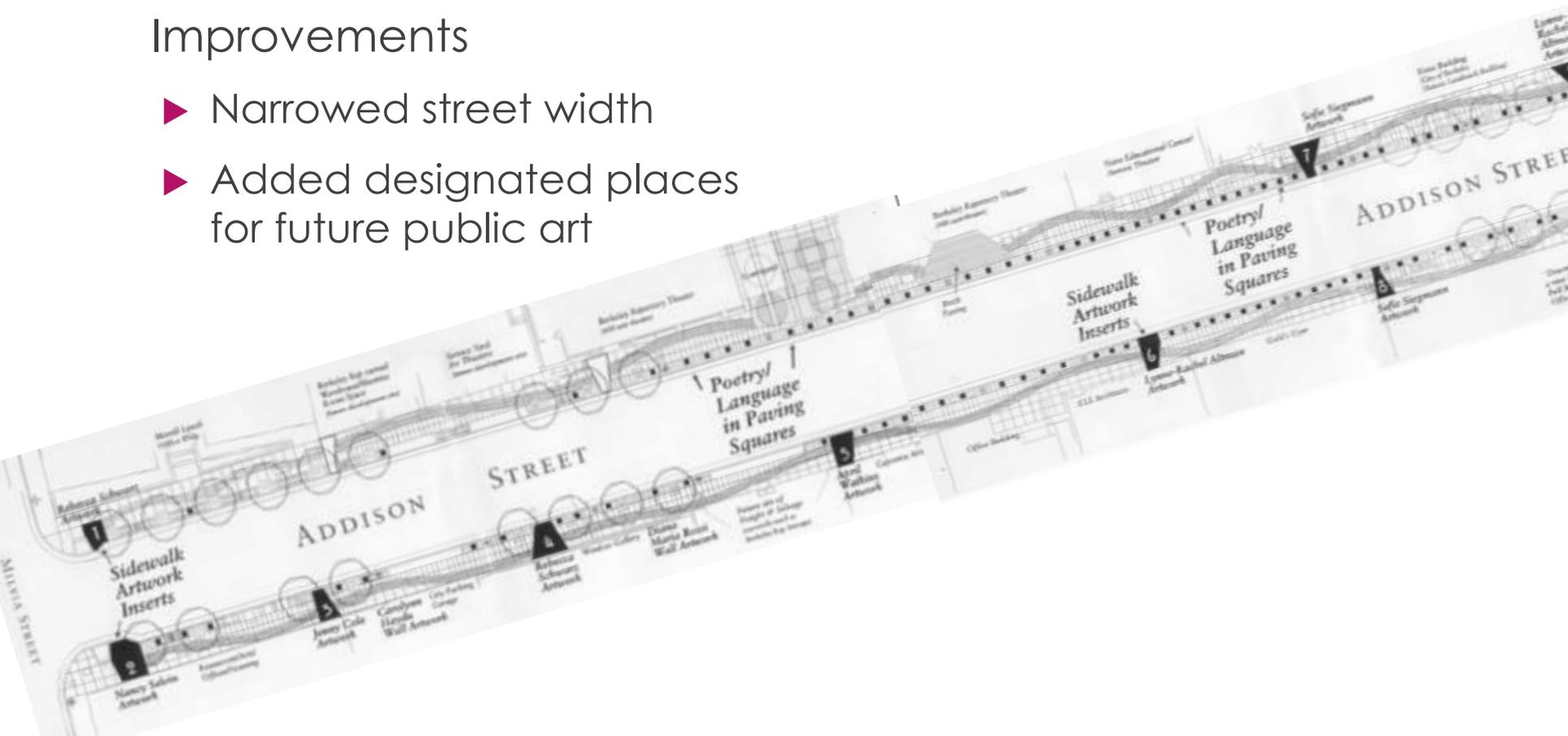


# Arts District – Pro Bono Design Work



# Unused End of Year Capital Funds

- ▶ Addison Street Improvements
  - ▶ Narrowed street width
  - ▶ Added designated places for future public art



# Private Donor Fundraising

## ► Poetry Walk



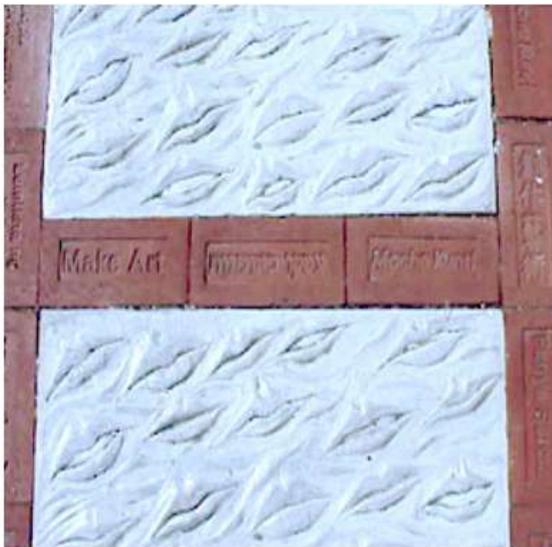
# Public Percent for Art Funds

## ► Public Art Installations (2002)



► Earth Song (Po Shu) and S-Hertogenbosch (John Toki)

# Voter Approved Bond Funding



- ▶ Measure S, 1996
- ▶ Funds Streetscape Improvements: Lights, Art, and Trees



# Design Review Negotiations

- ▶ BARRA building (art display at ground floor)



Addison Street windows, 24-7 gallery



# Direct Loans



- ▶ Freight and Salvage Coffeehouse
- ▶ Aurora Theater
- ▶ The Jazz School



# Direct Loans



# Direct Loans



# New Market Tax Credits



# Direct Grants and Permit Fee Deferral

- ▶ Adaptive reuse of the **UC Theater** (closed 2001)



# Direct Grants and Permit Fee Deferral

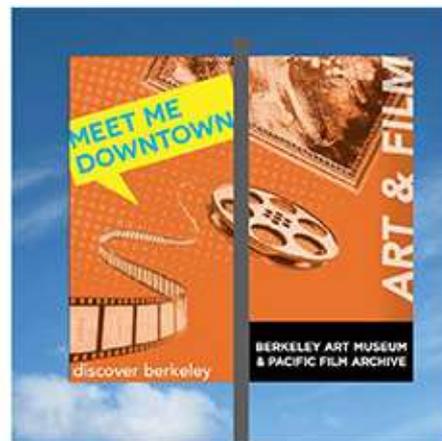


▶ UC Theater: Interior and Exterior 2016





# Arts Now Integral to Berkeley's Identity



- ▶ Downtown Area, Arts and Culture District
- ▶ Visit Berkeley

# Developer Incentives

- ▶ Arts Density Bonus
  - ▶ Marsh Theater
  - ▶ Berkeley Central Arts Passageway



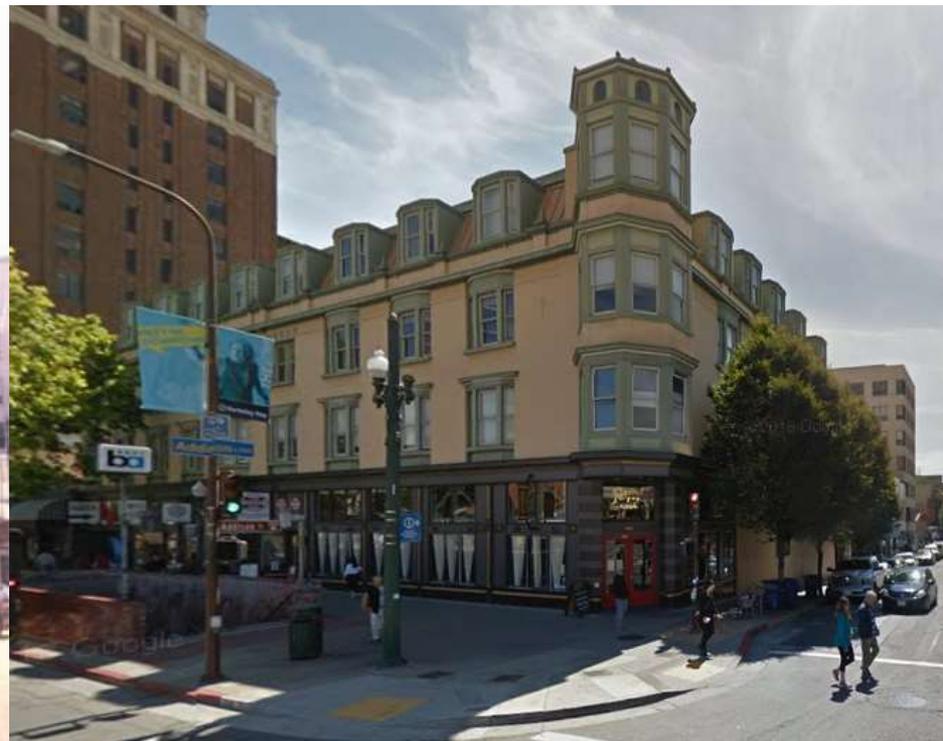
# Support Collateral Private Investment

- ▶ The **Tepping Building** becomes the **Art Tech Building**



# Support Collateral Private Investment

- ▶ **Francis Kittredge Shattuck Building** key corner property at Addison/Shattuck



# Support Collateral Private Investment

- ▶ Nevo Education Center  
(built 1905, renovated 2001)



# Support Collateral Private Investment

► Adaptive reuse of the **Kress Building**



# Support Collateral Private Investment

► David Brower Center, gallery



# Engage Institutional Partners: U.C. Berkeley

- ▶ Adaptive reuse of 1939 UC Berkeley Printing Plant Building



# Engage Institutional Partners: U.C. Berkeley



# Engage Institutional Partners: U.C. Berkeley



► Diller Scofidio + Renfro design, opened January 2016

# The Arts District Today

- ▶ In the first 8 years of the effort the City put in about **\$6 million**
- ▶ By 2001 this leveraged **\$50 million** in other private dollars -- just on Addison Street.
- ▶ **Since that time there have been another \$150 million in new investment** in arts and culture venues in the greater Downtown area.
- ▶ New arts organizations spurred new business activity in the area:
  - ▶ Quality Restaurants
  - ▶ New Housing
  - ▶ Co-working office space

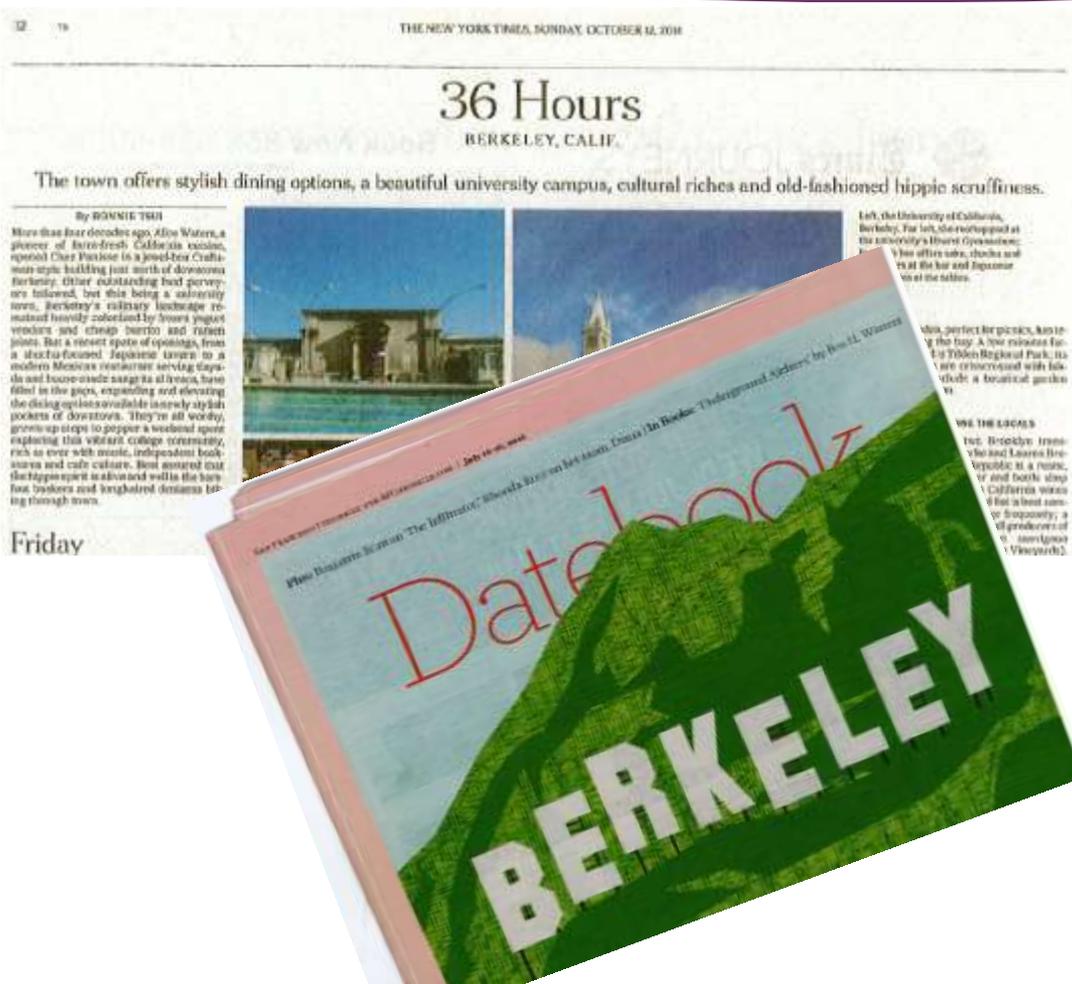
# Arts District Patronage – Venues in 2016

Arts District Venue	Annual Patrons
Berkeley Repertory Theater	250,000
Freight & Salvage	90,000
Aurora Theater	30,000
Movie Theaters	683,000
Central Library	685,000
Jazz School	7,000
Other Venues	8,000
BAM/PFA	200,000*
UC Theater	120,000*

\*Projected (still in first year)



# Earned Media Attracts Visitors & Sparks Civic Pride



# Key Ingredients for Success

- ▶ 'Power of an Idea'
- ▶ Active Political and Civic Leadership
- ▶ Engagement with/Organization of Local Arts Leadership
- ▶ Incrementalism – slow organic changes linked to a longer-term vision
- ▶ Scrappiness in Assembling Financing and Resources
- ▶ Leverage of Investment by Private Sector and Institutional Partners

