



# **Creative Economy Steering Committee**

**Report of Recommendations to the Portland City Council**

**October 2008**



# Creative Economy Steering Committee

## Report of Recommendations To The Portland City Council October 2008

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## **Creative Economy Steering Committee**

### **Recommendations to the City Council**

#### **I. Introduction**

Portland, Maine has a vibrant arts and cultural community. Portland is also seeing tremendous growth in creative enterprises such as architecture, advertising and marketing, specialty products design and manufacturing, engineering, and graphic design. All of this, and more, is part of what we call Portland's Creative Economy. Portland has long recognized that the creative sector plays an important role in its economy and community. The Congress Square redevelopment of the early 1980's centered on the new Charles Shipman Payson wing of the Portland Museum of Art. The Downtown Vision in 1991 recognized the importance of arts and cultural activities on Congress Street, leading to the Arts District Plan of 1996. The arts and culture cluster along Congress Street, including Maine College of Art, Portland Stage Co., the Children's Museum, and Center for Maine History, to name a few, provide a vital energy and economy to our traditional main commercial street. The artist community is an increasingly important part of our Arts District, most exemplified by the lively street party atmosphere that explodes onto the sidewalk during the First Friday Art Walk each month.

With the publication of his book, Rise of the Creative Class<sup>1</sup> in 2002, Richard Florida popularized the economic story of the communities that are attractive to a broad range of creative entrepreneurs. In many respects, these creative enterprises represent the next wave of economic development. Historically we have seen agriculture give way to the industrial revolution, and the manufacturing economy yield to the service economy and development of high technology and bio-technology industries. The Creative Economy represents a global phenomenon of value creation by footloose entrepreneurs who migrate to good places to live from which they practice their trades. While cultural centers such as Los Angeles or New York remain important locations for film, animation, and fashion, it is increasingly possible for artistic and design professionals to live anywhere and practice their trade, communicating and transmitting their products and services worldwide through electronic media. It is also recognized that quality of life and creative vitality are the attractors of the creative class of entrepreneurs. Economic development programs are therefore turning to strategies that maximize the attractiveness of their communities to the creative enterprises, in addition to traditional strategies of business recruitment and marketing.

Portland is fortunate to have the community infrastructure and cultural amenities needed to attract creative enterprises. The good news is that there is no inherent limitation to our ability to attract and grow these businesses. We have, over the past twenty or so years,

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<sup>1</sup> Florida, Richard; Rise of the Creative Class and how it's Transforming Work, Leisure, Community and Everyday Life; Basic Books; 2002

protected our historic assets, nurtured our cultural sector, improved our parks and trails systems, and invested in our public art collection, to name but a few examples of those qualities that attract the footloose creative entrepreneurs. For many, Portland's size, location, amenities, transportation and technology access, and overall distinctiveness and quality of life are magnetic. We have only recently become recognized on the many "places-rated" listings of top communities for the arts, outdoors lifestyle, urban features such as diversity and good restaurants, and other remarkable features that put Portland on the map for so many reasons. This is a great accomplishment, and the City is well poised to capitalize on these qualities to promote the growth of the creative economy.

Therein lays the challenge. As Portland grows, the cost of space increases and artists and cultural organizations have an increasingly difficult time affording to be here. To a greater degree than ever, surrounding communities are seeing an influx of creative individuals and businesses who are unable to pay the rent to stay in Portland. This is good for the region, but a challenge for Portland. This is precisely why USM's Muskie School of Public Service identified in 2005 that the single greatest threat to Portland's Creative Economy was erosion.

Notwithstanding these challenges, Portland is fortunate to have the assets and to have made many of the right investments and plans to promote the creative environment. The stage is set. So what strategies and mechanisms are now needed to move forward and build on these assets? These were some of the questions addressed at the Creative Economy Summit, held on May 31, 2006. This summit, convened by then-Mayor James Cohen, brought together over 200 creative stakeholders of artists, cultural organizations, and creative enterprises in an all day session to plan for the growth and development of Portland's creative economy.

The vision/opportunities identified by the Summit included:

- (1) Build Portland's identity as an international creative center;
- (2) Develop publicly supported and/or affordable space for artists, including performance space, office space, studio space, housing, and exhibition space; and,
- (3) Increase collaboration, coordination, and communication within Portland's creative economy.

Following the Summit, the Portland City Council established the **Creative Economy Steering Committee** (CESC) to consider and expand upon these areas and to come up with a set of recommendations on how best to move forward. This report is the product of their efforts. These recommendations present an action plan for the City to move forward with development of Portland's creative economy.

## **II. Creative Economy Steering Committee**

The Steering Committee was formed in December 2006 and began its work by evaluating the report from the Summit, “*Report of Portland’s Creative Economic Summit May 31, 2006.*”<sup>2</sup>

The Steering Committee was comprised of seventeen members representing a broad range of creative organizations, creative enterprises, and creative individuals, including representatives of higher education, finance, and real estate development. Councilor James Cohen was appointed chair of the Committee, and Councilor David Marshall was appointed vice chair. A complete list of the Committee members can be found on page two of this report.

The Steering Committee had a broad mission, but its primary focus was to develop ideas and strategies to move Portland’s creative economy forward to the next level and implement the primary recommendations contained in the Creative Economy Summit Report, starting with the three top opportunities noted above.

Since its creation, impressive efforts have been expended by members of the CESC to harness the energy of the Summit and to advance the cause of the creative economy in Portland.

## **III. Recommendations**

As the CESC started to meet in early 2007, it became apparent almost immediately that subcommittees needed to be formed to move forward. The Steering Committee agreed that three subcommittees should be formed to generate priority initiatives and recommendations in the following areas:

- (1) Resources;
- (2) Events and Promotion; and
- (3) Space.

Each of the subcommittees met over the course of the Summer and Fall of 2007, and each developed a report of findings and the top three initiatives under the assigned topic. At the May 29, 2008 meeting of the CESC, this report was presented and endorsed by consensus.

Recommendations include:

- Administrative Structure – Quasi/Municipal Agency
- Creative Economy Fund
- Promote Creative Enterprises Cluster

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<sup>2</sup> *Report of Portland’s Creative Economy Summit of May 31, 2006*; City of Portland Department of Planning & Development, October, 2006.

- Arts District Development
- Create a Center for the Arts
- Establish a Creative Economy Website
- Identify and Support Tipping Point Projects
- Conduct Creative Economy Analysis
- Develop a Program Strategy for Current Events and Cultural Activities

The next portion of this report will highlight and explain these recommendations.

### **A. Administrative Structure – Quasi/Municipal Agency**

A common theme within each of the recommendations of the three subcommittees was the strong need for an administrative structure to implement the recommendations of the Steering Committee. This administrative structure is a crucial element to be created to carry out those ambitious initiatives and have a successful program.

Attributes or parameters of this structure are as follows:

- Central administration
- Point of responsibility
- Coordination of efforts
- Effective communications
- Follow-through
- Information clearinghouse
- Adequate staffing and funding

To be successful, the administrative structure would need to be supported and guided by a stakeholder-controlled governance body.

The Steering Committee is recommending that a quasi-municipal entity be established to carry out this function. The analysis and reasoning for this recommendation is presented below.

#### **1. Types of Administrative Organizations Considered**

In considering various administrative structures, the following options were considered:

- City Department – for example, the City Manager’s/Executive Department, Planning and Development Department, or a new department;
- Outside agency/private – a 501(c)(3) organization; and,

- Quasi-governmental agency - for example, an organization modeled after the form of the Downtown Portland Corporation, Portland's Downtown District, or the Fish Pier Authority.

In considering each entity, the pros and cons for each organization type were identified; the highlights and conclusions are presented below.

a. City Department

The key advantage of this structure is that it builds on the existing knowledge and institutional expertise of the current City staff, and the efficiencies of locating this function within City Hall are many. Overhead expenses of office, heat, phone, payroll, and computer are absorbed into the local government superstructure. Access to elected and appointed officials is immediately available.

The concerns with this approach are that the City government is constantly pulled and stretched to accomplish many tasks, and focus could be diverted from the mission of the creative economy programs and initiatives. A City office might not have the entrepreneurial drive and access to the enterprises and organizations needed to fully realize the potential of the creative economy in Portland. Staffing of City government is lean and subject to further cuts as the economy ebbs. Private fundraising to match and leverage public funds is not appropriately carried out by City workers.

b. Outside Agency/Private

A private organization, such as a 501(c)(3), can be mission-driven to accomplish the objectives of promoting the creative economy in Portland. It may be insulated from the vagaries of City politics and able to perform its mandate consistently and creatively. It can be entrepreneurial in its work and can raise private funds to augment City resources. There are existing agencies that might be able to carry out this program, or a new agency could be created.

Concerns with this approach are that it could be too divorced from City government. With the expectation that core funding will be provided by the City, and given that the City has worked hard to convene and advance this program, an independent agency could lose its connection to the founding principles and purposes. There is a risk that such an agency could eventually lose the relevancy to the funding source, and thereby jeopardize its sustainability. Creation of a new non-profit could tax the ability of the

community to provide support, both public and private, in the face of competition among many worthy causes in the community.

c. Quasi-Municipal Agency

A quasi-municipal agency has many of the advantages of the private agency but is strongly linked to the City. The existing quasi-municipal agencies have generally had a good track record of program management and implementation. They are mission-driven, but answer to a governing structure that includes stakeholders, including the City Council. Core funding can be provided by the City, but there is good potential for private fundraising and grant funding. Administrative support and office facilities can be provided by the City, or the agency can be housed independently or even at another compatible agency, such as Portland's Downtown District. As with the independent agency, a public/private partnership model can act with entrepreneurial drive and engage the private sector stakeholders, linking back to City government as appropriate. Funding from the City may still be somewhat tenuous in lean times, but the core funding can be leveraged to support private funds, and, once established, is likely to be sustained as long as the agency is performing well and enjoys the support of constituents and public officials.

Long-term sustainability and institutional direction can be provided by the City, with a governing structure that includes some degree of control by the City. Some level of independent action is also desirable, provided that the agency is accountable for its activities and accomplishments. This could represent a new agency, or a transformation of an existing agency should it be in the mutual interest of the City and the candidate agency.

Concerns are few with this model. If the agency is too closely identified with and located within City Hall, it may embody some of the characteristics of a City department and lose the advantages of being mission-driven and connected with the private constituents of creative enterprises, organizations, and individuals. Careful structuring and placement of the agency and the make-up of its governing body will be needed to provide the right mix of public and private character, so that it has the best of both.

## **2. Structure for a Quasi-Municipal Agency**

For discussion purposes, the quasi-municipal agency could be called the *Creative Portland Corporation* (CPC). The Steering Committee is recommending the following mission statement for the CPC. [This

mission is predicated upon the *ACE* (Assets-Connectors-Enhancers) Developmental Model posited by the USM Muskie School in their 2005 report *The Creative Economy in Maine: Measurement and Analysis*.<sup>3</sup> ]

*The mission of the Creative Portland Corporation (CPC) is to capitalize upon and grow Portland's creative economy to achieve its greatest potential.*

*The CPC shall strengthen the community **assets** that comprise the foundation of Portland's creative economy. CPC will **connect** and collaborate with public and private constituents and partners to foster the synergy within Portland's creative clusters. CPC will harness financial and human resources to promote and **enhance** Portland's creative economy. This will be accomplished through research and development, strategic actions, and program implementation.*

a. Leadership and Governance

Leadership and governance are important considerations to enable the CPC to be effective and sustainable. A governing board will be created to guide the administrative personnel. The Steering Committee is recommending that the City Council enact the Bylaws and Articles of Incorporation for the board/quasi-municipal agency and appoint members to the Board.

The governing board must include key stakeholders, including City elected and/or appointed officials, such as the Mayor or mayoral designee, and the City Manager's designee who should be associated with or part of the Economic Development Division, and the private sector stakeholders including creative enterprises, creative organizations, and artists. A thirteen-member board with three representatives from each private creative category (creative enterprises, creative organizations, and artists), plus two city positions, and two members representing higher education and real estate is being recommended. Once the Board is in place, the Board would then hire its own administrator and assistant.

b. Administration for the CPC

The administrator for the CPC will require skills in areas of management, administration, fund-raising, marketing, and communication in order to partner effectively with other creative organizations and entities to bring forward the initiatives and

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<sup>3</sup> "The asset base ... is the foundation of the Creative Economy. Assets grow and develop by virtue of connectors making enhancers available to them. The critical variables ... are the connectors, the leadership, networks, and strategies, that bring the enhancers into play to build the asset base." Barringer et. al; *The Southern Maine Review: The creative Economy in Maine: Measurement & Analysis*; University of Southern Maine; February, 2005; p 42

recommendations from the CESC. Knowledge and experience in the creative sector and entrepreneurial skills and spirit are essential.

Job descriptions for both the administrator and assistant will be crafted.

Tasks of this new agency will be, among others:

- facilitate the creation of a sustainable new arts center;
- promote the creative economy enterprises cluster;
- provide resources and support for community events and cultural tourism;
- promote Portland's arts and cultural organizations and individuals;
- develop programming and strategic plan;
- promote cultural tourism;
- recruit creative industries;
- facilitate and coordinate programs and initiatives;
- maintain an information clearinghouse for the creative economy – artists, organizations, available space, etc.;
- provide timely input on City development projects that could contribute to the Creative Economy Fund;

These are the types of activities that justify City investment of tax dollars in such an enterprise.

c. Tasks Associated with Creation of the Quasi-Municipal Agency

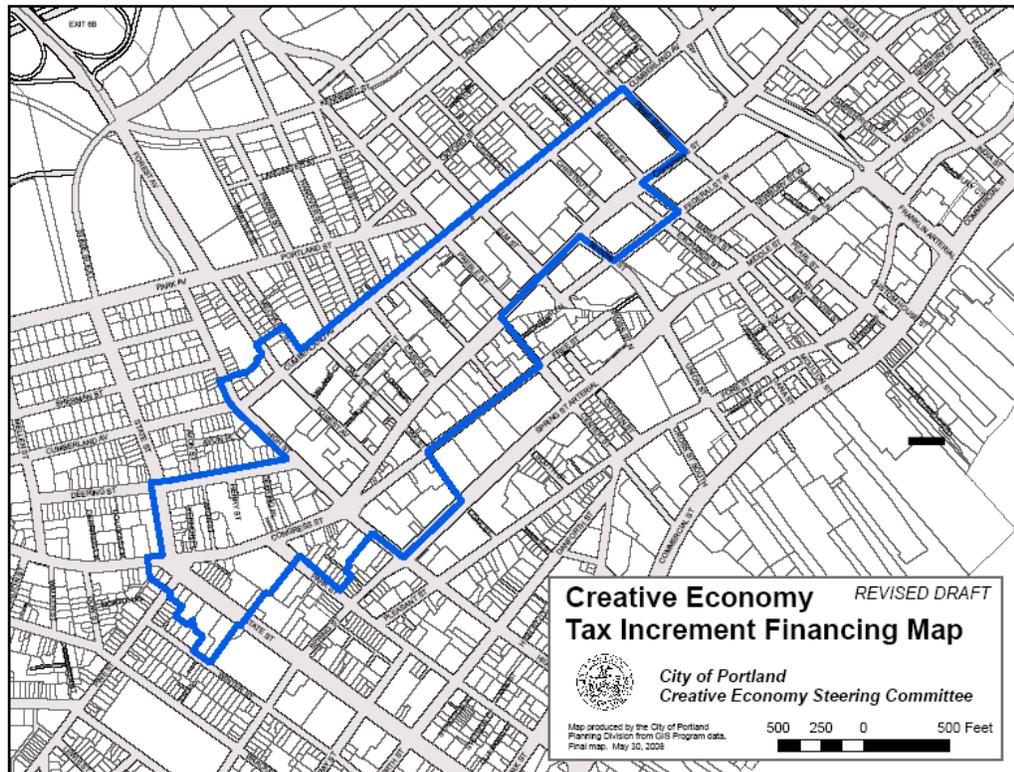
Steps for the City to create the governance structure (using the model of the DPC, PDD, or Fish Exchange) for the quasi-municipal organization would include assistance by the Corporation Counsel's office to prepare the necessary incorporation documents and bylaws to create this agency. The City and the newly established CPC must at the earliest opportunity pursue the creation of the business plan for the CPC. This can be done in cooperation with the USM Business School, and/or the Center for Enterprise Development, if such a partnership is amenable to all parties.

The CPC would have responsibility for all the CESC recommendations/initiatives and would carry out or delegate these programs and tasks. In creating this agency, consideration can be given to the transformation of existing candidate organizations that can absorb the larger role, and adapt to a City-conceived governance structure. Among the goals of the CPC will be to work and collaborate with other allied organizations to achieve the mission.

d. Funding/Costs

The Steering Committee is recommending the creation of a Creative Economy TIF District to fund the CPC, with initial funding in the area of \$100,000, covering the core support for the CPC, dedicated to salary costs and to program costs. The Department of Planning and Development will work with Finance and the Assessor's Office to develop the TIF district financial structure and projections. Further research is underway on the current valuation of the proposed TIF district, and the trends in valuation increases in this area.

The increment in taxes will not materialize in the first year, or possibly for several years, because time will be needed for growth in valuation in the district over the base line assessment. Therefore, a significant resource challenge will be to generate City general funds or other resources needed for start-up. The expectation over time is that the tax increment will grow to cover the core funding for the agency and that City funds will be leveraged with private and grant funds, with a target of 50% non-City funding within five years. If this is achieved, the City's funding commitment will be stable and possibly could decline over time, even as the program budget increases modestly through other sources.



The State of Maine has TIF program limitations defined for acreage caps and value caps for municipalities.<sup>4</sup> No valuation or size caps, however, are imposed on downtown districts. Although the area for the proposed Creative Economy TIF district is on the peninsula, the programs of the CPC funded by this TIF district can be Portland-wide.

## **B. Creative Economy Fund**

The Steering Committee is recommending that a fund be created to pay for special projects and programs supporting the creative economy. This fund would be created by assembling funds from private developments that receive financial or other support from the City, including conditional rezones, land sales, TIF credit enhancement agreements, and other forms of subsidy or public/private partnerships between the City and developers. Funds accrued from these sources, which are generally one-time cash infusions, would be earmarked for special projects and programs City-wide in support of the creative economy in Portland. The role of the CPC will be to advise the City, including the City Council and the Council's Community Development Committee, as to these opportunities and make recommendations as appropriate.

The CPC will also seek out other funding sources, including federal and other grant opportunities.

It should be noted that while the Steering Committee was meeting, the Downtown Portland Corporation created a loan fund for the Creative Economy, the "Creative Economy Loan Fund." This loan fund is available to owners of a new or existing creative economy business that is located in the City of Portland. Fund objectives are to provide assistance to creative economy businesses with needs for small loans (often hard to come by through conventional bank financing; loan recipients for this fund need to show that they are unable to obtain conventional financing elsewhere) and to provide assistance to emerging and established artists who wish to grow creative economy businesses. The maximum loan amount in this fund is \$5,000 and has a maximum loan term of five years and an interest rate of 6.5%.

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<sup>4</sup> Specifically, for acreage caps, no single district may exceed 2% of the total acreage of the municipality; and the total of all districts may not exceed 5% of the total acreage of the municipality. Regarding the acreage cap, the total acres in Portland is 12,368 acres. The acreage in the map above is 53± acres, which is under the 2% rule noted above (or .42%). The acreage of the above map, plus the acreage of all other TIF districts (131±) totals 184±, which is 1.48% of total taxable acres. The proposed area in acres would meet the acreage cap of the State, but as noted above, downtown districts are exempt from the acreage cap. The value cap for a municipality (as of March 31<sup>st</sup> of the preceding tax year) of all taxable property within the proposed district, plus the value of all existing TIF districts (at the time of their designations) may not exceed 5% of the municipality's total value of taxable property as of April 1<sup>st</sup> preceding the date of DECD's approval. Portland's equalized value is \$8,289,850,000. The value of properties in the map above (\$237,511,280±), together with the value of all properties currently TIF'd at the time of their designations (\$73,017,480±), is \$310,528,760±, or 3.7%. This is within the cap, but as noted above, downtown districts are exempt from the valuation cap.

### **C. Promote Creative Enterprises Cluster**

The greatest growth potential for Portland's creative economy lies within the creative enterprises cluster. First and foremost, to foster this growth requires maintaining and enhancing the presence of arts and cultural organizations and individual artists. The entrepreneurs building creative enterprises are attracted to cities like Portland that have a vibrant and well known creative spirit. It is also necessary to promote Portland as a good place to start up and grow creative enterprises. Many entrepreneurs find Portland on their own, from reading or travel. We must supplement that with more active mechanisms to attract, nurture, and grow more creative enterprises, working in collaboration with other organizations that may be focused on supporting and promoting creative enterprise clusters in the Greater Portland region. Whether in the design arts, the culinary arts, textiles and home furnishings, bio-technology, media, advertising, music, or other elements of the creative enterprise cluster, building our infrastructure to support these industries (education, communications, and technical resources) and getting the word out nationwide that Portland has what it takes to attract and support these enterprises, is the affirmative action required to capitalize on this growth industry for Portland.

### **D. Arts District Development**

Much remains to be accomplished to develop and sustain the Arts District, which is an important focus for Portland's creative economy. Attrition of artists to cheaper locales outside of Portland and its Arts District constitutes a threat to the vitality and sustainability of Portland's creative economy. Existing arts and cultural venues should be secured and expanded upon.

### **E. Create a Center for the Arts**

In addition to the recommendation above to secure and expand existing arts and cultural venues, the Steering Committee also recognizes that Portland has a shortage of available, affordable space for artists, especially space that provides some degree of security for the long term. As vital contributors to the City's creative economy, two priority initiatives seek to directly address the issue of space for artists.

The development of a Center for the Arts in downtown Portland has the potential to create dedicated space for artists and arts organizations, accommodating some or all of the following uses:

- incubator space for emerging industrial designers;
- artist cooperatives/collectives;
- individual artist studios;
- live/work spaces;
- rehearsal and theater space;

- arts administration offices;
- gallery and/or museum;
- arts education space;
- creative economy business assistance center; and
- café space.

There are many examples of successful art centers throughout the country whose benefits include economies of scale; a unique arts destination that brings new visitors to the downtown; a synergy of creative energy that elevates the making and quality of art while also providing needed long term, dedicated space for the arts; an institution that supports and strengthens a community's creative economy. Appendix 1 describes two such spaces – The Torpedo Factory Arts Center in Alexandria, VA and the Red Brick Center for the Arts in Aspen, Colorado.

With the objective of gaining a better understanding of artists' space needs (with respect to type, size, cost, location and amenities) as well as gauge their interest in a Center for the Arts, the Committee conducted an artist survey (see Appendix 2). While the survey was not administered in a scientifically random manner, the results provide some helpful insight. Surveys were made available from March 21 to April 7, 2008, and could be accessed in a variety of ways, including online for completion and submittal electronically; paper formats were published in two issues of the Portland Phoenix (March 21 and 28, 2008) and could be faxed in or dropped off at one of three locations -- MECA, State Theater Building, and Artist & Craftsman Supply; and survey forms were also available at the drop-off sites.

Sixty-five artists completed surveys, 43 electronically and 22 on paper. The majority of them are visual artists (70%) and the remainder performing artists, though some note working in both areas. In brief, the results suggest that the majority of these artists want to rent small studio space on the Portland Peninsula for \$100-\$250 a month. A comprehensive review of the results follows.

The highest level of interest among these artists is in studio space (80%). In addition, gallery/retail, rehearsal, and live/work space each garner interest from approximately one-third of the respondents. Theater space is of interest to almost one quarter of them. The preferred form of occupancy is rental (88%), close to half of whom would prefer to share rental space rather than take it solo. This may be attributable to financial constraints but it could not be determined from the survey. About one quarter of these artists express an interest in owning space rather than renting it.

When asked about their interest in having space in a Center for the Arts, if one were developed in Portland, interest appears to be overwhelming (93%). A few do express concern about such space being affordable for artists. Space on the

Portland Peninsula is of interest to over two-thirds (67%) of these artists. Among this group, two-thirds prefer to be in the Arts District and one-third note various other locations including the East and West End. Those who do not have a preference for the Peninsula frequently mention wanting to be within walking or biking distance of it.

Relatively small spaces seem to be of the greatest interest. Close to two-thirds of these artists need spaces that are 400 square feet or less, with the median size among this group being 150 square feet. The range among the third of respondents needing larger spaces is 500-3,000 square feet, with the median at 800 square feet. Regarding cost of space, two-thirds are willing to pay within the range of \$100-\$250 monthly. The others can pay from \$300-\$800 monthly, and just a few are willing to pay higher than that. The amenities most desired among these artists include good light, 24/7 access, good ventilation, access to water, parking, and high ceilings. Also mentioned frequently are sound insulation, 3-phase power, and wood floors.

#### **F. Create a Creative Economy Website**

The Steering Committee is recommending the development of a Creative Economy Website accessed through a portal on the City's home page. This has the potential to provide a clearinghouse for a wide range of information for Portland's creative economy, such as a directory of creative economy businesses, organizations, and artists; business assistance programs (e.g., the creative economy loan program); an interactive listing of available space for artists, and many other things.

Regarding the space component of the website, property owners would input available studio, live/work, rehearsal, display and performance spaces, and artists seeking space could access the listing. The site would work off of the City of Portland assessor's property database. To get a sense of how this component of the clearinghouse would operate, a rough mock up of it can be accessed at <http://www2.portlandmaine.gov/planning/creativeeconomy.asp> (see [Appendix 3](#)).

#### **G. Identify and Support Tipping Point Projects**

*Tipping point projects* are initiatives that move an organization, individual artists, or program to the next level of accomplishment. The Steering Committee recognized that success with tipping point projects was determined to mean that a reasonable investment would yield an achievable, significant near-term positive outcome. Funds would be focused on the greatest opportunities not necessarily the greatest problems.

An example might be the Congress Street Arts District. The addition of well-designed signage and landmarks has the potential to visually unify and connect

the cultural organizations in the district and can be accomplished soon through the Wayfinding project currently underway.

The Steering Committee does not overlook major long term or structural initiatives to promote the expansion of the creative economy, such as housing and studio space for artists. A two pronged approach taking short and long term goals into account is appropriate.

## **H. Conduct Creative Economy Analyses**

Research and data collection is recommended to understand the extent and trend of the creative economy in Portland.

### **1. Analysis of Artists and Economic Impact of Arts and Cultural Organizations**

A census of artists was undertaken in 1996 associated with the Arts District Plan, and an update of that was undertaken by PACA in 2006 associated with the Discovery Research project.

An assessment of the economic impact of arts and cultural organizations was also part of the Arts District Plan of 1996, and PACA has undertaken a survey of this sector as part of the Americans for the Arts project in 2007.

If the data is comparable, it may be possible to establish a ten year trend analysis from the establishment of the Arts District to the present. This analysis would help the community understand the current condition, and whether these segments of the creative economy are growing, stable, or declining. This analysis could be undertaken by PACA, the City, the University of Southern Maine, or other entity. It would be a valuable undertaking.

Recall that in 1996, according to research carried out by Herb Sprouse Consulting and The Wolf Organization, Inc., the total direct impact of cultural spending in Portland was over 33 million dollars annually, and, that included in this figure, the arts and cultural organizations alone spent 21 million dollars annually.<sup>5</sup> It would be useful to know how today's cultural economy compares for this sector and in conjunction with the other components of Portland's creative economy. The 2007 Americans for the Arts study commissioned by PACA utilized a different methodology to arrive at a total value of \$28.64 million annually.<sup>6</sup>

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<sup>5</sup> *A Plan for Portland's Arts District*; Sprouse, Herb W. and Goldring, Marc (November, 1995) at 2.

<sup>6</sup> *The Economic Impact of Nonprofit Arts and Cultural Organizations and Their Audiences in Portland, Maine*; Americans for the Arts (2007) at 3.

## **2. Analysis of Creative Enterprises**

Another cluster of the creative economy is the creative enterprise - those businesses that derive their value from the creative energies, expertise, and talents of their principals. These typically include the design professions, such as architecture, landscape architecture, etc., the craft and high style products and furnishings sector, such as custom or artisan furniture and textile purveyors, and the commercial arts, music, and graphic industries. Expansive definitions of this sector extend the creative enterprise umbrella more broadly to include other knowledge and artisan sectors such as law, fine cooking, etc. The Steering Committee recommends that an economic analysis be undertaken that would determine an operative definition of the creative enterprise sector for our local purposes, and pursuant to that definition, conduct an economic status and impact analysis of the current condition of the creative enterprises in Portland. This effort should be professionally conducted with primary survey data collection and analysis. USM's Muskie School of Public Service has done research in this area and is well poised to undertake sponsored research if the funds are available. As a starting point, the Muskie School can be asked to develop a scope and cost estimate to undertake this work. The establishment of baseline data on the creative enterprise economy and periodic updates of sector growth trends will be needed to evaluate the success and progress of the CPC mission and programs.

### **I. Programming Strategy for Current Events and Cultural Activities**

#### **1. Marketing and Public Relations**

In considering the events and cultural activities that are currently offered in the City, as well as potential new events particularly for the colder months, the Steering Committee is recommending a programming strategy to foster support and promotion. Particularly, that of a marketing plan and public relations strategy for a branding campaign, cultural marketing package, and press strategies – locally and globally. The plan and strategies would incorporate input from stakeholders (developers, artists, businesses, and organizations) to have all voices be a part of the program.

#### **2. Business Development/Liaison to Existing Organizations**

The Steering Committee recognizes that because of first, the Arts District Plan adopted by the City Council January 17, 1996, as an element of Portland's Comprehensive Plan, and second because of the success of the Summit and its report, these reports need to be revisited. In particular, efforts should be made at highlighting those recommendations still pertinent, as well as work with organizations with common goals.

Organizations such as PACA, PDD, CVB, the Maine Arts Commission, and business leaders need to be communicated with regularly to support existing initiatives and create new initiatives and resources. New initiatives, such as mentioned in the paragraph above for events in the colder months, need to be further refined and clarified to determine their viability and resources required to see them to fruition.

### **III. Conclusion**

As noted in the introduction, Portland has an excellent foundation on which to build its creative economy. It is already happening, and the opportunity exists to provide the policy and program support necessary to promote its further development. The strategies needed are innovative, building upon the existing City plans and expanding beyond traditional economic development programs. As noted earlier in this report, the mission is predicated on the ACE model, strengthening and building on our assets, providing for connectivity and networks, and enhancing these attributes with resources and leadership. The CESC has provided a blueprint for moving forward. This report presents the essential next steps to capitalize on the opportunity of the Creative Economy in Portland.

First and foremost, in order to move forward with the programmatic recommendations contained herein, the administrative structure identified in the Report must first be in place. It is also important to consider the work of existing organizations within the City, both to avoid duplication of effort and costs and to work collaboratively wherever possible.

At this time in Portland's development, resources are increasingly scarce to carry out the functions of government. It is tempting to defer this initiative on the grounds that resources need to be devoted to traditional and essential governmental services. The rationale for moving forward is simple, however. By making this investment in the Creative Economy, Portland will grow its business tax base and produce more jobs, tax revenues, economic activity, and national recognition. These attributes will grow and multiply the benefits from the initial investment. It was noted (on page eleven of this report) that a business plan is called for within the Creative Portland Corporation. This is an important recommendation in that the investments being called for should be based on measurable targets and outcomes framed within the business plan. In an era of scarce resources, this new program must demonstrate its worth over time. It is the clear expectation of the CESC that the investment will be returned many times over.