More than Storefronts

Insights into Creative Placemaking and Community Economic Development

Christopher Walker, LISC
Anne Gadwa Nicodemus, Metris Arts Consulting
Rachel Engh, Metris Arts Consulting
With residents and partners, LISC forges resilient and inclusive communities of opportunity across America—great places to live, work, visit, do business and raise families. Since 1980, LISC has invested $17.3 billion to build or rehab 366,000 affordable homes and apartments and develop 61 million square feet of retail, community and educational space.

Launched in 2009, Metris Arts Consulting believes in the power of culture to enrich people’s lives and help communities thrive. We believe those benefits should be broadly shared and inclusively developed. Metris seeks to provide high caliber planning, research, and evaluation services to reveal arts’ impacts and help communities equitably improve cultural vitality. To accelerate change, we seek to share knowledge and amplify the voices of those closest to the work.

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INTRODUCTION

Creative Placemaking
Creative placemaking offers community economic developers a demonstrably effective way to encourage rural and neighborhood commercial district revitalization.

This paper draws on six case studies of programs that have used arts and culture to help spur economic revitalization of low-income areas, from Cajun and Louisiana Creole culture in rural Louisiana to creative funding for a dance and performance nonprofit in San Francisco to affordable live-work space in Cleveland. It examines how local efforts to explicitly invest in artists, arts-related businesses, and arts-and-cultural organizations can help advance community economic development and what it takes to connect arts and culture as an economic strategy with simultaneous efforts to strengthen the social fabric in the community and advance class, racial, or cultural equity, as well.

In 2015, the Local Initiatives Support Corporation (LISC) initiated its Creative Placemaking Program, which embraces arts-and-cultural approaches to community change, on the belief that such strategies can help communities take on some of the chronic challenges of community disinvestment. As LISC conceives it, creative placemaking consists of efforts in three interrelated domains: culturally relevant physical transformation, community cultural development, and investment in arts and culture as a community economic engine, particularly through the formation of an arts-and-cultural economic cluster.

An emphasis on the role of arts and culture in community economic development raises several important questions about creating the best benefits from these efforts, which this paper will endeavor to answer. What kind of economic benefits do explicit efforts to cultivate arts and cultural activities produce in low-income communities? How were these benefits realized? Are there distinctive features of arts-and-culture led economic development that practitioners should be aware of? Can these efforts advance equity among races, classes, and cultures in the communities where they are applied?

To develop the findings presented in this paper, we reviewed the relevant literature and interviewed people with informed opinions about the communities and initiatives we chose to investigate. We interviewed two people per case study—an artist or culture bearer participating directly in the work and an observer who could provide high-level insights into the local context and policies at play. In two of the six cases, we drew on a more extensive range of interviews conducted in the field. These cases—Pittsburgh’s Penn Avenue Arts District and Indianapolis’ Fountain Square—are more extensively documented in separate publications.

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Commercial corridor revitalization programs have become a staple of community economic development. In the last large-scale survey of community development corporations by the National Congress for Community Economic Development Organizations, for example, more than 40 percent reported that they carried out activities intended to stimulate economic activity in the communities where they work. Many believe that healthy local businesses that provide affordable retail and entertainment options for nearby residents, “export” locally produced goods and services to visitors, employ community residents, and are part of a community’s vital physical and social environment constitute essential building blocks of community quality-of-life.

As in other areas of community development, no one clear formula can guide every effort to increase business activity and employment in a low-income commercial area; each community’s circumstances shape the strategies that make most sense for it. That said, a body of work has emerged over the last several decades that add up to a set of best practices or approaches that economic developers are wise to emulate. To our minds, these practices have best been formalized by the National Trust for Historic Preservation’s Main Street Program. Organizations like LISC and NeighborWorks America have supported practitioners who creatively adapt the Main Street approach for use in their communities. This approach calls for:

— Economic restructuring that produces a diversified mix of retail and other sectors, creates range of small- to medium-sized businesses, and attracts larger businesses that contribute directly to local quality of life and employment, such as supermarkets. Several of our case studies show how encouragement of arts-and-cultural activity—both for-profit and nonprofit—can create nodes or clusters of mutually reinforcing economic activity and encourage other kinds of business growth and diversification.

— Investments in physical spaces, including public infrastructure, building construction and renovation, and façade improvements, as well as public design to increase walkability, physical attractiveness, and corridor identity. Community economic developers in our case study communities invested in artists’ space development, public art, and public infrastructure, which enabled artist-entrepreneurs to expand their businesses and marked communities as places where cultural activities were concentrated.

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— **Promotional efforts** to call attention to corridor businesses and to combat stigma associated with perceptions of crime, physical decay, and prejudice against low-income or minority communities. Events such as First Friday art events and community markets, coupled with outreach to artists and arts businesses, created a reputation for our case study communities as places where people can experience various forms of cultural expression.\(^7\)

— **Intermediation** via community organizing or program management activities that establish cooperative efforts among businesses and residents, enabling them to coordinate their activities, carry out promotional efforts, package and deploy investments and business support programs, and advocate for the interests of their community. This community capacity to take charge of local improvement efforts proved vital to economic growth in several of our case study communities.

— **Commitment to core principles** principles of reliance on community assets, inclusion of the full range of community voices and interests, and to incremental and generally small-scale change intended to promote equitable development. In one form or another, and with varying degrees of success, community economic developers in case study communities pursued arts-and-cultural strategies that adhered to one or more of these principles.

In the first part of this paper, we examine the economic benefits produced by creative placemaking efforts in our case study communities, and note when and how the activities themselves exemplify the framework outlined above. In the second part, we explore the social benefits that seem to accrue from arts-and-cultural strategies—benefits that traditional, non-arts approaches may not provide. In the third section, we comment on equity concerns raised in our case studies.

Particularly on these last two topics, we point out that arts-and-cultural activities can be thought of as arts and cultural *participation*.\(^8\) Specifically, arts businesses, cultural events, public art, and other outcomes of economic development led by arts and culture constitute a set of opportunities to participate in or experience art and culture. This is true for those who make and present art and for community residents and visitors who encounter it. Because arts-and-cultural participation has been found to be an important contributor to personal and social change,\(^9\) we expect that efforts to promote it for economic reasons can also advance social goals, as well.

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\(^9\) Kevin McCarthy et al., Gifts of the Muse: Reframing the Debate about the Benefits of the Arts (Santa Monica, CA: RAND Corporation, 2004).
Case Study Communities

We selected communities to study based on their reputation for having pursued arts-and-culture led economic development in ways consistent with the core principles of community economic development. All of them invest directly in arts and culture. They are aimed to improve low-income neighborhoods or rural areas, and they do so through efforts that are incremental, community-based, and focused on local assets. We also sought a range of geographies, both LISC- and non-LISC-supported efforts, and a mix of strategies.

— The NUNU Arts and Culture Collective of Arnaudville, LA is a rural arts organization that builds on local economic and cultural assets to create an arts-centric economic base consisting of community cultural exchanges and arts start-ups.

— In Indianapolis’ Fountain Square, the Southeast Neighborhood Development Corporation pursued an explicit strategy to attract artists and arts organizations with commercial and live-work spaces renovated for arts organizations, businesses, and artists.

— CounterPulse, a dance and performing arts non-profit with a social mission, acquired space in San Francisco’s Tenderloin District with backing by the Community Arts Stabilization Trust’s (CAST) unique lease-purchase program for arts organizations.

— The North Shore Collinwood neighborhood in Cleveland has become an attractive place for artists, largely because the Northeast Shores Community Development Corporation offers renter-equity and purchase initiatives for residential and commercial properties, as well as community facilities revitalization.

— In New Haven, CT, the Office of Arts and Culture initiated its Project Storefronts to animate vacant commercial spaces, launch new creative businesses, improve commercial district walkability, and increase awareness of local arts and culture.

— On Penn Avenue in Pittsburgh, a partnership between a community development corporation (the Bloomfield-Garfield Corporation) and a neighborhood improvement organization (Friendship Development Associates) supports artists who lease and purchase vacant storefronts and upper-story residences through loan and grant packaging, technical assistance, and arts district marketing.
SECTION 2

Arts and Cultural Contributions to Economic Development
Community economic developers face a number of challenges that have long bedeviled commercial areas in lower-income neighborhoods and rural areas. As in North Shore Collinwood, Fountain Square, or Penn Avenue, these challenges have arisen over many years, the result of declining purchasing power in surrounding neighborhoods, increasing competition from big box retailers, and the corrosive effects of class and racial bias.

Hurdles for stores include potential customers repelled by physical blight and widespread vacancies, a lack of capital for business and real estate investment, declining economic diversity, neighborhood stigma—particularly the perception that a community is unsafe—and a weak complement of business and neighborhood associations able to respond to these conditions.

The community economic development approach framed by Main Street and others organizes a collective response to these challenges: Economic restructuring to broaden a commercial area’s business mix and attract a range of patrons. Physical improvements to remove blight, create functional and attractive spaces to do business, and contribute to an area identity. Promotion of local businesses and the community’s distinctive features. Community-based organizing and management to help businesses cooperate with one another to accomplish development goals. And an embrace of principles that favor asset-based, inclusive, equitable, and self-help approaches.

As seen in our case studies, arts-and-cultural efforts can help further each of these goals, generating the kind of benefits that community economic developers most often seek. For instance, public art, public design, historic preservation, and arts-and-cultural events generate popular interest and create and promote an area’s unique identity. Exhibit 1 provides an inventory, ranging from start-up of new arts and cultural businesses to invigoration of nearby residential markets.
EXHIBIT 1
Economic Outcomes in Case Study Communities

— Paid opportunities for community residents to share their language and culture:
  Arnaudville

— Start-up of new arts- and culturally-relevant businesses:
  Arnaudville, New Haven, Penn Avenue, North Shore Collinwood

— Creation of economic ties to existing community businesses:
  Arnaudville

— Introduction of new arts-centric spaces, including live-work space for artists:
  Fountain Square, North Shore Collinwood

— Stimulation of new business start-ups not associated with the arts and new destination-oriented businesses
  (New Haven, Fountain Square, Penn Avenue)

— Invigoration of moribund residential markets
  Fountain Square, North Shore Collinwood, Penn Avenue

— Strengthening of a cluster of arts-related businesses for a specific discipline
  Fountain Square

— Business resilience throughout disruptive street reconstruction
  North Shore Collinwood, Penn Avenue

As our case studies of community initiatives show, arts and culture can clearly add support to the elements of the traditional community economic development approach outlined at the outset of this paper.
Musician Maura Rogers moved to Cleveland’s North Shore Collinwood neighborhood in 2011. She and her girlfriend were in search of affordable live-work space and Collinwood was on Rodger’s radar screen because of its importance in the Cleveland music scene. (Cindy Baber converted a shuttered social hall into the rock venue Beachland Ballroom in 2000). She moved into the Glencove, a six-unit affordable live/work studio building developed by the Northeast Shores Development Corporation, where tenants earn renter equity and collaborate and exchange information about resources and opportunities with one another and Northeast Shores. Rogers ended up participating in another Baber enterprise, a program that provides support for local musicians who want to make music a sustainable career. She connected with an established recording engineer to produce an album and made three music videos with a Collinwood-based videographer.

Through her connections to Northeast Shores and Beachland, Rogers has also accessed numerous opportunities to make money making music. She regularly plays gigs at the annual Waterloo Arts Festival, the monthly Walk All Over Waterloo events, and Collinwood’s beachfront music series, which features local bands. For one of its grant applications, Northeast Shores even commissioned Rogers to compose a song to illustrate the kinds of art unfolding in the community and their value.

Rogers’ girlfriend Jessica Pinsky has also worked with Northeast Shores, opening Praxis, a fabric art gallery/studio, in a commercial space in Collinwood’s quarter-square-mile Waterloo Arts District. Pinsky also purchased a home with Northeast Shores’ assistance; she accessed a Neighborhood Stabilization Program subsidy and energy efficiency upgrades. Other artists have taken advantage of Northeast Shores’ $8,500 home program (previously $6,500), which offers an opportunity to purchase for no down payment in exchange for requirements that buyers contribute sweat equity and participate in home buying class. Open to all, the program has proven to be a great match for artists, many of whom had some cash savings and good credit scores, but lacked the work and credit history to be able to get a mortgage, explains Camille Maxwell, Northeast Shores’ executive director.
Northeast Shores’ home buying assistance programs have helped 15 artists achieve homeownership, and through the region’s first renter equity program, renters, too, can build wealth through their housing expenditures. In just over five years, Northeast Shores supported the launch of more than 300 community art projects. Collinwood artists, however are “not just concerned about our art,” says Rogers, “but the residents in the area and trying to improve the overall quality of life.”

Beyond artists, the efforts have helped to stabilize a weak real estate market driven by Collinwood’s high historic population loss—the equivalent of one resident every 56 hours for 70 years (1940 – 2010). The Waterloo commercial corridor, which was 40 percent vacant as recently as 1999, is now only 94 percent occupied, with businesses that are 100 percent locally owned and operated. Waterloo also benefited from a $5.5 million streetscape improvement, “an investment that the City of Cleveland and the State of Ohio probably wouldn’t have made, were it not for the investment artists were already making here,” according to a paper about the work by Community Partnership for Arts and Culture (CPAC) and Northeast Shores.

Northeast Shores and its partners, including CPAC, also identified ways in which local residents and business owners could have greater agency in shaping their environment. When Waterloo merchants came up with 12 creative ways for generating foot traffic during the streetscaping construction, for example, Northeast Shores provided modest grant funds, secured a parking lot, and created a “construction survival guide” map for patrons. Through the Northeast Shores’ project Ballot Box 18, residents voted on community art projects to be funded—selecting nine artists and 26 projects that addressed Collinwood history, vacancy, and youth engagement, and Northeast Shores trained and paid local high school students to staff the effort. Through its annual Picturing Collinwood survey, Northeast Shores takes residents’ temperature and strives to remains accountable. High majorities of resident respondents (81 percent) felt artists were making Collinwood better.

“It’s imperative for the success of artists initiatives to incorporate artists and non-artists,” Maxwell says. “When you put those two lenses together, you can create some awesome projects.”

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12 Ibid.

13 Ibid.

14 Community Partnership for Arts and Culture and Northeast Shores Development Corporation, “When Artists Break Ground: Lessons from a Cleveland Neighborhood Partnership.”


16 Community Partnership for Arts and Culture and Northeast Shores Development Corporation, “When Artists Break Ground: Lessons from a Cleveland Neighborhood Partnership.”
Arts and Cultural Enterprises as a Part of Economic Restructuring

LISC’s approach to creative placemaking includes the concept of an arts-and-cultural economic cluster (sometimes described as a cultural cluster) to describe how arts-and-cultural enterprises can help restructure local economies along more economically diverse lines. Clusters of economic activity tend to form to foster productivity and innovation for the businesses in the industry, which economists see as a crucial role for these clusters. Put succinctly, cluster theory holds that businesses do better when they are able to benefit from a common infrastructure, a common market, a pool of skilled workers, and nearby suppliers.

The traditional approach to community economic development emphasizes, in effect, several elements contained in the concept of economic clusters, primarily the value produced by a shared physical and public services infrastructure and the power of a common market that emerges when local businesses generate demand together that benefits them all. On Penn Avenue and in Fountain Square, there is clear evidence that adding more arts-based businesses helped generate demand for other businesses, as well. For instance, the increasing concentration of arts business in Fountain Square enabled it to recover its reputation as a place where music is created and performed.

One aspect of economic clusters not typically emphasized in traditional community and economic development practice is the value of forward and backward linkages in a supply chain. These consist interrelationships among buyers and sellers in a chain that begins with suppliers of raw materials, including labor, and ends with customer purchases. In the context of arts-and-cultural economic clusters, the supply chain may begin with individual artists. The highly-localized supply chains favored by community economic developers include arts businesses or businesses that present art (such as bars that feature live music) and which forge backward linkages into nearby neighborhoods where artists reside. For example, Elinor Slomba, program manager for New Haven’s Project Storefronts, says that some building owners and property managers in New Haven have asked artists to create historically based installations in windows or visible from the street, and that New Haven’s “proximity, density, and scale has allowed for some of that to happen organically,” particularly in the Ninth Square.

Arts and cultural concentrations in a community could play a particularly important role in this kind of interrelated supply chain. For example, researchers have established that cultural clusters are social arenas that convey great value to individual artists for information about issues like employment opportunities, which in turn is a benefit for arts enterprises that depend on this pool of talent. The networks of cultural producers also include important gatekeepers for artists, such as gallery owners, curators, music venue owners, critics, and opinion leaders. These gatekeepers bridge otherwise unconnected networks, which makes them crucial to the flow of information and resources throughout an economic cluster.
Arnaudville illustrates the classic cluster-formation experience, in which cottage industries source materials for local artistic production and for export. George Marks, the founder of the NUNU Arts and Culture Collective, paints with encaustic wax mediums and found it expensive to get wax shipped to his home. “I thought to myself, jeez, with all these beekeepers around here, surely they’ve got to have some wax.” They did, but the problem was that working with individual beekeepers meant an uneven and uncertain supply. Marks met with local economic development officials and argued that “just like dairy farmers who share [cooperatively market] all the milk, why can’t we do the same thing with beekeepers?” Now Arnaudville residents know about the needs of local artists, and in addition to supplying wax, also produce other artists supplies, from ink extracted from black walnuts to paint brushes, supporting the local creative economy and the local economy alike.

In North Shore Collinwood and on Penn Avenue, support for arts-related businesses has attracted artists to live in the surrounding communities, sometimes financed by public programs for home purchase and renovation. In other words, the residential services provided by the housing market becomes part of a supply chain for local arts organizations and businesses. This live-work strategy may work for arts and culture in ways that it does not for any other kind of business sector. Few small business owners live above their storefronts these days, at least outside of immigrant communities, but the relatively common creation of live-work space for artists resembles this older mixed-use form.

As artists and arts and cultural establishments—both for-profit and nonprofit—become more prominent in a community, more people are drawn to participate in its growing cultural life. This occurs as people patronize arts organizations; it also occurs when non-arts organizations sponsor public art, host performances, or show visual art in their own establishments, as when a tea shop and boutique in the Penn Avenue District incorporates art in their spaces for the “Unblurred” art crawl.

Finally, most community economic developers support growth of export sectors in small cities and urban neighborhoods as a way to tie them more closely to a citywide or regional economy. For example, exports in the form of growing retail sales to visitors from elsewhere in the same city or region enables small communities and neighborhoods to capture a larger share of overall purchasing power. By this means, neighborhood retailers can expand their market beyond the relatively meager purchasing power of nearby residents. In several of our case study communities, economic restructuring through start-up and expansion of arts and cultural clusters tied community commercial districts more closely to the regional economy. Arnaudville developed an export sector in artists’ supplies. The framers of the Penn Avenue Arts Initiative explicitly aimed to “re-regionalize” the strip, enabling it to step back into a role like the one it once played as a shopping district that attracted citywide patronage. Fountain Square rode the wave of new and growing arts businesses to establish itself as an arts and entertainment destination, recognized by the extension of the city’s Cultural Trail into the neighborhood, noted below. North Collinwood’s Beachland Ballroom is a noted rock venue, drawing patrons from throughout Northeastern Ohio. This export-driven resurgence is not without risk, a point raised again in our discussion at the right.
CASE STUDY

NUNU Arts and Culture Collective (Arnaudville, LA)

On any given day in Arnaudville, LA, population 1,057, sounds of the Cajun fiddle jam might be spilling out onto the bayou from Tom’s Fiddle and Bow, a former drug house turned music and repair shop. A group of NYU students might be practicing their French language skills in-situ with a local, Louisiana French-speaking gardener explaining how they garden in Acadiana, and the NUNU Arts and Culture Collective might be hosting a quilting circle, language table, or potluck that brings together diverse people amidst a backdrop of locally produced visual art.

Arnaudville has evolved into this unique, rural hub for visual arts, music, Cajun and Louisiana Creole culture, and Louisiana French language preservation, within the last ten years. George Marks, a successful painter and self-described “social sculptor” plays the role of visionary and community builder—from launching NUNU to attracting a cadre of dedicated community volunteers who take ownership of specific projects to convincing the owners of a local shuttered lumber yard to use the space for a production facility for Tee Tiny Houses. (The tiny houses facility also supports educational and cultural programming. Tee Tiny partners are currently in discussion with a university to have their students construct one tiny house every year for a homeless veteran.) Playing the role of unofficial real estate brokers, NUNU’s leaders have launched small-scale affordable and mixed-income housing initiatives. To discourage speculation, they appeal to sellers’ civic mindedness and ask them not to inflate prices and identify non-local buyers and tenants who demonstrate cultural sensitivity.

Marks and his compatriots employ sound political instincts. He notes, for example, that it’s important to know your audience when making a case, giving an example of when he threw a mass of beeswax on a table for dramatic effect at a Louisiana Economic Development forum and declared, “This is economic development.” Behind the drama, an important example: He and local apiaries had discovered a niche-market to augment income for the beekeepers by producing encaustic wax medium that could be exported to visual artists from outside the area. NUNU’s leaders have prioritized bootstrapping and earned income models after they realized that receiving grants caused some backlash and jealousy within the community. It also has made the organization more able to withstand recent state-level budget cuts for...
arts and culture. However, NUNU also actively courts partners and has found that sometimes the most unusual bedfellows provide invaluable support. Landry Solid Waste, for instance, supplies materials for art-making and building rehabs through its waste diversion program.

While much of Arnaudville’s development has been informally driven, it has also benefitted from public policies and initiatives. At the Parish-level, St. Landry Economic Development has launched a creative place-making task force to help local communities cross-promote events and share resources, and the tourism director readily promotes events. At the state level, Arnaudville has benefited from an official cultural district designation (with sales tax exemption for purchases of original art).

NUNU also offers area residents paid opportunities to share their language and culture. For a recent visit by NYU students, a resident from nearby Hendrickson served as their guide for a canoe tour on Lake Martin and prepared them a meal—fried catfish he caught—and a woman from a town just north of Arnaudville shared her family’s story of being black, Creole sharecroppers, explained the benefits of local medicinal plants, and fed them a hearty meal of couche couche. Almost all of the town’s new, culturally relevant enterprises are run by local residents, as well, including NUNU art and culture collective, Tom’s Fiddle and Bow, and several cottage industries in which local residents have started to produce custom materials for visual artists (wooden painting structures, 360 degree hanging structures, and stretcher/floater frames).

Yet not all local residents feel welcome at cultural events. “My Momma says that’s for rich people,” is what Mavis Arnaud Fruge (core NUNU volunteer) reported hearing from one area youth. NUNU tries to counter the perception of elitism through the school programming, wagering that if they can get children in the door, NUNU’s commitment to inclusive hospitality will speak for itself and eventually reach parents and others. Marks also admits that his greatest fear is that Arnaudville will end up a town of all rich people, drawing parallels to Marfa, TX where he reports workers in the art-induced tourism industry can’t afford to live. He is actively investigating inclusive zoning and other solutions to bolster anti-speculation personal appeals he and allies have been making to sellers and landlords to help ensure that Arnaudville’s economic benefits are broadly shared.

In nearly every case profiled in this report, space acquisition and development has been central to furthering arts and cultural enterprises on commercial corridors or in small rural communities. Community and private developers and property owners devised formal and informal mechanisms to make below-market space available to artists and arts enterprises: CounterPulse in San Francisco’s Tenderloin acquired space through a CAST lease-purchase program specifically designed for arts organizations. Project Storefronts formally helps art-based organizations negotiate below-market lease arrangements, and private actors in Arnaudville informally help negotiate favorable property sales prices for arts and cultural uses. In Fountain Square, SEND used Low Income Housing Tax Credits to finance below-market rentals to low-income artists. And in North Shore Collinwood, a program fills vacant properties by enabling artists to buy homes that otherwise would be out of reach due to the cost of down-payments or weak credit due to income volatility common to artists.

Traditional approaches to community development emphasize making local commericals space more attractive and useful, commonly through programs to improve the design and physical condition of building facades, but also through subsidies for renovation. Development of spaces by arts-and-cultural enterprises fall squarely within this tradition. In Pittsburgh, the Penn Avenue Arts Initiative enables artists and arts organizations to acquire nonprofit- and city-owned spaces, through which they can build equity as the neighborhood improved. Along the Avenue, a number of narrow three-story buildings no longer suitable for most modern retail is now ground-floor galleries with artists’ residences on upper floors. Development in Fountain Square is anchored by three spaces—including a commercial arts building in a closed five-and-dime and an artist live-work space in a repurposed old carburetor factory. A former lumber yard in Arnaudville has been converted into a site for tiny-home manufacturing.

The artist live-work space is on the market as of this writing, so its continued operation as an artist building is uncertain.
Motivations for these new developments ranged from a desire to help mid-sized nonprofits weather over-heated real estate markets (CAST) to spurring investment (Fountain Square) to promoting a walkable commercial district (Project Storefronts). Regardless, the activities have the net result of adding to the concentration arts and cultural uses in an urban neighborhood or rural community, often finding new, arts-and-cultural uses for property that no longer was needed for its initial purpose.

Other improvements to the physical environment by arts-led community development are also illustrated in Exhibit 2. Researcher Carl Grodach has identified five roles for community arts spaces, two of which speak directly to economic outcomes: 1) Serving as nuclei for communities of artists’ support and 2) generating local economic activity through artists’ network strengthening and patronage attraction. Renovation of building facades and creation of pop-up spaces for arts and cultural uses represent comparatively light-touch improvements, while public infrastructure can, in some instances, reinforce emergence of neighborhood arts economies. This has been the case in Fountain Square, an endpoint on the city’s Cultural Trail, that in the words of one local observer, is “the big bombshell that changed everything.” And public art, done right, can contribute both to physical improvement and in the expansion of cultural experiences for those who encounter it, especially if it is done in culturally-relevant ways, expressing the identity of a community.

### EXHIBIT 2

**Physical Improvements in Case Study Communities**

— Permanent occupancy of previously vacant buildings:
  *Fountain Square, Penn Avenue, North Shore Collinwood, New Haven, San Francisco*

— Temporary occupancy of previously vacant buildings
  *New Haven*

— Renovation of buildings and building facades:
  *Fountain Square, Penn Avenue, North Shore Collinwood, New Haven, San Francisco*

— Creation of biking and walking trail and other infrastructure:
  *Fountain Square, North Shore Collinwood, Penn Ave*

— Installation of public art:
  *North Shore Collinwood, Penn Avenue, Fountain Square*

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23 Grodach, “Art Spaces, Public Space, and the Link to Community Development.” The others are specific to social and cultural outcomes and are described below: they can attract diverse audiences, provide opportunities for community engagement and interaction, and be venues to enhance visibility of underrepresented groups.
Look at Indianapolis’ Fountain Square today, and you wouldn’t likely guess that the community was recently in serious decline. It hosts an eclectic mix of businesses and housing stock, and at the intersection of Prospect and Virginia, where the city’s $63 million Cultural Trail to bike and stroll terminates, you’ll find large murals, a pair of fountains, a stage, and the block-sized Murphy Arts Building. In the commercial district, high-end restaurants and craft breweries are juxtaposed with the greasy spoon Peppy Grill and thrift shops.

Originally home to German, Italian, Irish, and Jewish working-class residents, after World War II, the neighborhood received an influx of economic migrants from Appalachia. By the 1970s and ’80s, the construction of I-65/70 and suburban outmigration largely emptied the neighborhood of most commercial services, and property and business owners faced steep challenges accessing capital. Some invested only minimally in properties and dealt with long-term vacancies. Even the neighborhood’s long-time reputation as a music hub took a dip in the 1960s, though entities like Arthur’s Music Store stood the test of time, and by the early 1980s, Fountain Square again sustained a number of bars featuring live music.

Beginning in 1993, a mix of significant investments by LISC (more than $25 million over 20 years), the community developer SEND (Southeast Neighborhood Development, Inc.), and the private sector helped Fountain Square move from dramatic disinvestment to stabilization and now even speculation. These players intentionally sought to cultivate Fountain Square as an arts-and-entertainment destination.
Interviewees credited the first big development as the most influential: The renovation of the historic Fountain Square Theater Building by Linton and Fern Calvert with a $400,000 loan from LISC. Folks from outside the neighborhood started to hear about the buildings’ duck pin bowling and Friday night swing dancing. In 2000, the Murphy and Wheeler buildings opened with arts-centric uses with support from SEND and LISC. Visual artist Philip Campbell identified the Murphy Building, an old five and dime, as a suitable home for galleries and artist studios, after being one of an estimated 50 artists and five galleries displaced from his previous downtown space. SEND developed the Murphy, which Campbell and a partner leased and then owned, until 2009 when the property went into forbearance. Developer Craig Von Deylen purchased the property, made significant investments, and has strived to maintain a mix of creative businesses, though the balance has shifted towards music vs. visual arts. SEND also redeveloped the Wheeler, a 60,000-square-foot former carburetor manufacturing facility, into 36 live-work units for low-income artists, with the University of Indianapolis as a long-term anchor tenant for the first floor theater, gallery, classroom, and office space.

These flagship redevelopments and related events, like First Fridays studio tours and the Masterpiece in a Day Festival, catalyzed investment in destination-oriented businesses, such as restaurants. Fountain Square’s reputation as a hub for music, visual arts, and dining, even spurred the extension of an additional leg to the Cultural Trail in 2013. The Cultural Trail “healed the cut” that I-65/70’s construction introduced and dramatically stimulated neighborhood investment. It “blow torched the pile of wood on fire,” according to Heartland Film’s Adam Howell, and David Baker of the City’s Metropolitan Development says it was “the big bombshell that changed everything.” On blocks where just ten years ago home prices were incredibly depressed, renovated buildings can now command between $200,000 and $500,000. A mother and daughter team have even launched a hit HGTV show, Two Chicks and a Hammer/Good Bones, specializing in Fountain Square area rehabs and flips.

Although the area’s prominence for the visual arts has faded, music is ascendant. Prominent visual arts tenants in the Murphy Building, such as Indianapolis Museum of Contemporary Art (iMocha) and Big Car have moved on, though not always due to financial pressures. In addition, SEND’s Paul F. Smith estimates that less than half of the current affordable housing tenants at the Wheeler are artists. The property is now on the market, as SEND searches for new models to support the building’s high carrying costs. Despite these changes, Fountain Square continues to be considered by many the epicenter of Indiana’s original music community. In a recent article about these shifts, Brian Smith writes, “Among Fountain Square’s diverse musical offerings are indie concerts at The Hi-Fi and Radio Radio, piano karaoke at White Rabbit Cabaret, bluegrass jams at venerable Arthur’s Music Store, and swing music at the Fountain Square Theatre—not to mention an independent record label, Joyful Noise Recordings; Square Cat Vinyl, a new record store with a stage for live performances; and an alcohol-free, all-ages music venue known as the Hoosier Dome.”

Fountain Square’s economic benefits have not been broadly shared—many of the people we interviewed said


25 Ibid.

26 Ibid.
that anyone who purchased residential or commercial property prior to the market’s appreciation has done well thanks to the community’s turnaround. Yet within the last few years, renters and would-be buyers have faced rising rents and prices. Investors have rehabbed houses as Airbnb investment properties, further constraining the rental housing stock. “Who are the winners in Fountain Square?,” posits one anonymous interviewee, “Those that bought a house, fixed it up and saw an increase in value of the home.” Restaurants, music venues (and to a decreased degree, visual arts enterprises) also reap the benefits of upticks in foot traffic due to proximity and coordinated events like First Fridays.

When asked about the equitability of Fountain Square’s economic changes, some interviewees mentioned price pressures felt by visual artists, musicians, arts organizations, and small businesses. Many, though, primarily framed equitability in terms of the impact on Fountain Square’s working-class Appalachian residents. “Fountain Square is traditionally Appalachian. If anyone has been harmed, it has been the poor white population that’s been most affected,” says Ken Honeywell, president of Well Done Marketing (a Murphy building tenant). Interestingly, some perceived marginalization of traditional Appalachian working-class culture and values to be a more critical issue than economic hardship or gentrification-led displacement. John Loflin, chair of the Southeast Congress’ Working Class task force, spoke powerfully to a lack of meaningful involvement by working-class residents in past neighborhood planning and redevelopment efforts and disregard for Appalachian dialect and grammar, and creative expression—bluegrass music, storytelling, sewing, tattoos, culinary traditions—within dominant culture.
Promotion and Community Identity

Practitioners of traditional commercial corridor revitalization promote local businesses and attractions to create a positive image for the commercial area and the community as a whole to promote patronage from residents and bring in visitors. Community economic developers have long viewed arts and culture as a contributor to this effort, usually through artists’ participation in events that celebrate a community’s identity and showcase local businesses. Jason Sauer, founder of Pittsburgh’s Most Wanted Fine Art gallery, credits Unblurred/First Fridays on Penn, a monthly art crawl, for offering people from outside the neighborhood a positive experience in the nearby Garfield neighborhood, which helps to dispel the “stereotype that hung over Garfield” that it was unsafe and dirty. In New Haven, Sherill Baldwin, founder and board chair of EcoWorks, notes that On9, the monthly local business crawl in the Ninth Square neighborhood of New Haven, gives people from outside the neighborhood a reason to come to the Ninth Square and have a positive experience.

Promotion of arts events in our case study communities in New Haven and Pittsburgh is similar to how neighborhoods promote events that are not arts-related. But for creative placemaking, promotions that involve local artists also strengthen the arts economic cluster. Musician Maura Rogers’ band consistently performs as part of monthly Walk All Over Waterloo events in North Shore Collinwood, which she says is “not only exposure for the band, but we get paid,” both important for her to sustain her practice. Promotional events also generate sales for businesses not “routinely” patronized (many galleries do not open all day every day), provide networking opportunities for artists and arts businesses, and reinforce cultural marking of area identity. “It was more than just the sales,” EcoWorks’ Baldwin said of what she got from participating in On9. “The networking was phenomenal” as people who had never been to EcoWorks learned about it and referred friends and family. These events may be especially important in areas with a reputation as being unsafe.

A final cautionary note on promotion of arts or cultural district designation as a marketing device. Fountain Square acquired official Cultural District designation and Penn Avenue an unofficial one that successfully highlights its emergence as arts-and-cultural clusters. Yet these types of designation can undermines naturally occurring arts clusters already in place by helping encourage in-migration of high-value uses that drive up rents for artists. And it triggers a related concern over class and racial equity: if the district accelerates a shift into new building uses that nearby residents cannot afford, then who is a revitalized district really for?

Project Storefronts: EcoWorks; New Haven, CT. Photo by Daily Nutmeg
Intermediation refers to the accumulation of resources from one part of a system and transferring it to another. Community development financial intermediaries, for example, assemble capital nationally and invest it in low-income communities. But intermediation also can refer to a kind of infrastructure of cooperation, where an individual or group assumes the role of fostering, coordinating, and brokering relationships among those who would otherwise pursue their interests in isolation. For instance, when he bought the Murphy Arts Building in Fountain Square, artist Philip Campbell sought to fill the space with artists and “businesses that cater to artists,” such as an art supply store and diner, in effect laying the groundwork for subsequent cooperation. On Penn Avenue, BCG actively seeks businesses that generate foot traffic, as opposed to those who may only be open for First Fridays. In New Haven, Slomba points to the Town Green Special Services District as an important organizing player of On9 because it recruits merchants in the neighborhood to coordinate their efforts under certain theme nights to ensure a vibrant amount of street level activities.

Intermediation in our case study communities proved vital to the initiation and sustaining of economic development efforts. On Penn Avenue, for example, artist-organizer Jeffrey Dorsey’s role as PAAI manager was to assemble financial support, actively market the district’s vacant properties to artists seeking space, and take responsibility for managing the street’s monthly open galleries event. Intermediaries also strive to nurture relationships among businesses and between businesses and community residents. For instance, when artists-in-residence arrive to stay at one of Jason Sauer’s houses near Penn Avenue, he begins by giving them a walking tour. A self-described “community mayor,” Sauer says he usually runs into more than a dozen people he knows, introduces artists to businesses that can be “home base” (especially businesses that support Most Wanted Fine Arts), and encourages the newly arrived artists to “be friendly people.”

This conception of intermediation as an infrastructure of cooperation places special weight on the relationships

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that form among business owners and the role community-based organizations play in nurturing and strengthening those ties. As cluster theory would anticipate, maturing arts and cultural clusters expand these relationships among artists, arts organizations, and arts and cultural businesses. In fact, Stern and Seifert argue that “a cultural cluster is best conceived of as a special kind of social network, one in which geographic propinquity is an essential feature.”

Recall that economic clusters form, in part, to facilitate exchange of information and support among businesses. We see glimpses of this in our case examples. The NUNU Collective in Arnaudville acts as a central node in a productive network of artists and culture bearers, and on Penn Avenue, a small group of black-owned arts organizations and businesses have forged a number of supportive ties among them.

Social networks lend themselves to a variety of purposes, according to researchers. Social ties, for example, can become political ones, and while this may be true for any kind of economic cluster, it might be especially true of creative clusters. Arts and cultural production may also directly foster social cohesion as a community asset, providing fertile ground for civic action. The relationships that help arts-and-cultural businesses thrive can also enable them to respond to stress or advocate for supportive policies. Arnaudville’s George Marks describes himself as a “sculptor” of community, using his influence throughout the parish to help steer the course of future development. He remarked that NUNU’s is “inserting ourselves politically; identifying people who can help move things forward.”

In the early 2010s, the City of Cleveland invested $5.5 million in streetscape construction, during which Waterloo Road was reduced to a single lane of one-way traffic and the remaining road and sidewalk were torn up, now home to bulldozers and piles of gravel. “Naturally the businesses on Waterloo were scared,” says Camille Maxwell, the executive director of the local Northeast Shores. In an effort to “create momentum and economic stability [for businesses] to stay afloat,” Northeast Shores funded collaborations between artists and business owners to creatively attract consumers. The fact that not one business closed during construction is “a testament to the neighborhood and how merchants support each other,” Maxwell says.

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28 Stern and Seifert, “Cultural Clusters.”
31 Stern and Seifert, “Cultural Clusters.”
Commitment to Asset-Based, Inclusive, and Incremental Approaches

Some researchers claim that creative placemaking lends itself to an asset-based approach to community change, advocating for strategies that are tailored to a place's distinctive assets. The strategy seeks to cultivate the community's arts and cultural talent and to shape and promote the cultural identity of a community. For example, a companion paper in this series finds that artists who accept leadership roles in community development may be drawing on traits that may be common in artists, such as an ability to see assets and opportunities where others see only challenges. Nowak argues that cultural clusters benefit from artists’ known talents for uncovering, expressing, and re-purposing place-specific assets, from buildings and public spaces to cultural assets.

All of the cases profiled in this paper exemplify an attention to small scale and incremental development efforts, founded on small business start-ups or relocations. Economic developers in these communities do not appear to have sought big box retailers or rely on large-scale land assembly. Pop-up spaces exemplify this incremental, self-help approach, turning otherwise dead spaces into community assets and enabling artists to test-drive artistic and business concepts. Project Storefronts formalizes this model, but pop-up arts enterprises have become increasingly common in community development, which differs from traditional approaches. Like small public arts projects, pop-ups enliven spaces, create interest, and symbolize or express community culture.

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35 Nowak, “Creativity and Neighborhood Development: Strategies for Community Investment.”
CASE STUDY

Project Storefronts (New Haven, CT)

One square block in New Haven’s Ninth Square, known as the city’s “innovation” district, is home to a powerful combination of arts-and-cultural local institutions: Ecoworks, Make Haven, and The Grove. Ecoworks salvages useful materials from the waste stream, sells low-cost art supplies and educational materials to support teachers and artists, and draws adults and youth from across the region to classes in knitting, quilting, printmaking, puppetry, and more. Make Haven is a full makerspace and Fab Lab that provides entrepreneurs, artists, and hobbyists with tools like 3-D printers and laser cutters. The Grove is an 8,000-square-foot co-working space that serves a diverse range of freelancers, nonprofits, and start-ups.

Both Ecoworks and The Grove helped get their start with support from Project Storefronts, which was launched in 2009 to animate vacant commercial spaces, increase awareness of local arts and culture, and support creative start-ups and denser, more walkable commercial districts. Originally birthed out of New Haven’s Department of Art, Culture, and Tourism (DACT), Project Storefront’s initial pilot space in the Ninth Square was filled by arts-based pop-up businesses. DACT’s partners—the City’s Office of Economic Development and the Economic Development Corporation—have since assumed ongoing stewardship of Project Storefronts, and the types of startups supported have diversified beyond arts-related businesses to include creative entrepreneurs working...
in fashion, home décor, food and wellness and niche services such as a board game library. Project Storefronts has also expanded to neighborhoods outside of the Ninth Square and the concept has even been exported to other cities—Bridgeport, Hartford, and Torrington, CT have all experimented with similar projects.\(^{36}\)

For Ecoworks, Project Storefronts helped the organization secure a 10-month free warehouse space, which allowed the business to accumulate inventory and test systems and gave it the confidence to sign a lease for its current commercial space in the Ninth Square.\(^{37}\) Ecoworks also received its first grant from Project Storefronts. Although only $2,000 it had a “huge impact” on the business, says founder and board chair Sherill Baldwin. “[It]proved to other funders that we were reliable and responsible.”

In its core model, Project Storefronts cultivates relationships with property owners and negotiates free access to vacant, underutilized space (initially 90 days). People with business concepts get an opportunity to test their ideas with greatly reduced barriers to entry (free or reduced rent). Project Storefronts did the legwork to anticipate and address legal and insurance issues, drawing from similar models in New York and LA (Swing Space and Phantom Galleries).\(^{38}\)

Beyond temporary occupancy for business pop-ups, Project Storefronts provides coaching and networking opportunities with other entrepreneurs and launched CityLove (a bike-propelled, mobile retail shop that was designed by and features hand-made products by local artists and designers; CityLove is currently running as a health-department approved mobile cafe). At regular info sessions, Project Storefronts offers networking space and trainings to potential, current, and past Project Storefront participants. Past topics include intellectual property, crowdfunding, and business models.

In terms of economic benefits, Project Storefronts’ organizers understand and accept that many of the concepts tested may not prove viable in the long run, but celebrates when the start-up experiments it supports get legs and transition to long-term leases—since 2014 (under current leadership), six businesses have met that bar. The impact of its businesses on residents has been a consideration, though secondary. One reasons organizers selected the Ninth Square, for instance, was in the hopes that storefront activation would deter illicit activity on the streets. More recently, the project manager of a mixed-income development, Ninth Square Residences, connected with Musical Intervention LLC, a Project Storefront graduate, to program an open mic series in the courtyard in an effort to build connections between its market-rate and subsidized tenants.


\(^{37}\) Project Storefronts New Haven, “CITYLOVE: Celebrating New Haven’s Creative Economy” (Project Storefronts New Haven, n.d.).

Arts-and-Culture Led Economic Development’s Contributions to Social Outcomes
As a local arts-and-cultural economy—businesses, spaces, activities, and events—expands and deepens, opportunities for cultural participation also expand and deepen, although these opportunities do not necessarily reach all segments of a community. Patronage of arts- and cultural businesses is one common form of participation in the arts; casual encounters with music in bars is another.

Cultural participation conveys social benefits unlike those of typical economic exchanges, one reason why LISC identifies community cultural development as one of the three pillars of creative placemaking. Grodach points to a number of ways in which arts spaces as sites for arts and cultural encounters can contribute to social benefits: (1) they can attract and represent diverse audiences; (2) they provide opportunities for community engagement and interaction within and among groups; and (3) they can be venues to enhance visibility of underrepresented groups.

Exhibit 3 lists the various ways in which the economic development efforts in our case study communities have created social benefits to communities.

Commercial revitalization programs generally seek to establish a positive community identity, essential to marketing of often-stigmatized corridors. Penn Avenue, Fountain Square, and North Shore Collinwood trade explicitly on their areas’ emerging and actively promoted reputation as an arts district, for instance. Researchers have established that community identity and sense of place are important to people’s attachment to a place, in turn an element of social cohesion. At its best, the efforts to promote an area also successfully shape an identity for that community that resonates with significant sections of the residents, which helps builds a sense of community for those residents.

Yet efforts to build an area’s identity through arts and culture can prove problematic: Community identity for whom? In both Penn Avenue and Fountain Square, the specific cultures of long-time residents—African-American in the former and Appalachian in the latter—are only fitfully represented. It also must be admitted that efforts to encourage creative placemaking in low- and moderate-income communities through investments in arts-and-cultural organizations can contribute to unwelcome economic, social, and cultural change, just as any other economic development effort might: successful development, but development for whom? Asking

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39 “LISC’s Conceptual Framework for Creative Placemaking.”

40 Grodach, “Art Spaces, Public Space, and the Link to Community Development,” also note two other artists’ space roles—as centers of artists’ social and professional networks and as patronage generators—which are referenced in our discussion of economic benefits, above.

41 A good review is Maria Lewicka, “Place Attachment: How Far Have We Come in the Last 40 Years?,” Journal of Environmental Psychology 31, no. 3 (2011): 207–30, doi:https://doi.org/10.1016/j.jenvp.2010.10.001.
EXHIBIT 3
Social and Cultural Benefits

— Creation of opportunities to express and share local language and culture: Arnaudville

— Revival of cultural practices that have been largely forgotten: Arnaudville

— Enlisting community residents in programs that highlight and celebrate community identity: Fountain Square, Penn Avenue

— Sponsorship of public arts projects that capture community history and aspirations: North Shore Collinwood

— Creation of opportunities for residents to participate in decisions that affect them: Collinwood

— Spearheading community design processes: Tenderloin

— Exchanges between racially, economically, and culturally diverse groups: Arnaudville, New Haven

— Arts-and-cultural programming in local schools, public housing, community centers: Arnaudville, Tenderloin

— Youth engagement in the creation of public art: Collinwood

— Reduction in crime: Penn Avenue, New Haven

these questions, and thinking hard about what answers will arise depending on what choices are made, is particularly important for anyone who wishes to advance social and racial equity as part of an arts-and-culture led economic development effort.

Our six case studies demonstrate explicit and implicit links between economic development, cultural development, and social justice. Efforts focused on small businesses in the wider field of traditional economic development sometimes make these connections, but this practice appears not to be particularly widespread. (At least the written material on commercial revitalization seems silent on this, which would seem to provide at least some evidence for its absence).

This link between arts and social justice happens in three basic ways in our six case studies.

1. Direct investments in artists and arts-related businesses express the cultural traditions of marginalized people.

In Arnaudville, NUNU’s attention to transmission of Louisiana French language and culture provides income-earning opportunities for residents as well as opportunities for them and for outsiders to embrace sometimes disparaged cultural forms. “It’s not about the money,” Marks says. “For so long they were told bad things about their culture and speaking Louisiana French growing up. Now they’re being compensated for who they are.” This assertion and validation of cultural identity is an associated benefit of several other emerging economic clusters in initiatives supported under the LISC creative placemaking program.42

42 Examples of this in other places are legion, but examples include LISC support for arts-and culturally-based economic development efforts in St. Paul, MN, sponsored by African Economic Development Solutions and the Asian Economic Development Corporation in the Little Africa and Little Mekong neighborhoods, respectively.
2. When arts organizations and businesses work with youth they pass along cultural traditions and afford young people a way to express themselves.

For example, early in the Penn Avenue Arts initiative, The McCune Foundation funded a small grants program to do three things: ensure artists ownership of real estate assets early in the revitalization process; generate arts education for neighborhood youth on their Main Street, often enlivening vacant storefronts in the process; and generate artist-curated community events to showcase artist’s work and spaces, including works and performances by area youth. These efforts continue through such practices as free admission for youth to summer camps sponsored by several organizations on the Avenue.

3. Artists, arts businesses, and arts organizations play community organizing roles.

Explored in depth in a companion paper to this one, this aspect of arts-and-cultural development is connected to the capacity of arts and culture to bring people together and express identity and history. CounterPulse’s social mission prompted it to help mitigate the disruption posed by public infrastructure reconstruction in the Tenderloin by working with residents to express their views and recommendations for a more community-friendly process to the institutions in charge of the project. Northeast Shores Community Development Corporation’s Ballot Box 18 process asked North Shore Collinwood residents to vote on community art projects that addressed local history, housing vacancy, and youth engagement.

In some cases, these social contributions may help offset skepticism among existing residents and the broader public about arts-and-culture led economic development strategies. Some of the artists and arts organizations involved in our case study communities pay explicit attention to this issue. NUNU initially encountered criticism that their work appealed only to elites, a view they have tried to counter through their school outreach programs, for example, and Fountain Square’s Masterpiece in a Day is a program explicitly intended to “unite artists and the community.” The Grove, a co-working space in New Haven’s Ninth Square that at times has guest curators present art in its space, has recently includes works by an artist who is homeless and by high school students. Opening receptions for these shows are opportunities for people who may see The Grove as an “exclusive space” to be “introduced to The Grove as a place they can come back to,” Slomba says.

43 Gadwa Nicodemus, Engh, and Walker, “Not Just Murals: Artists as Leaders in Community Development.”
In San Francisco’s overheated real estate market, an intriguing coalition is working to enable small and mid-sized arts nonprofits to acquire permanently affordable space. The nonprofit arts real estate development/holding company Community Arts Stabilization Trust (CAST), the Kenneth Rainin Foundation, and Northern California Community Loan Fund (NCCLF) reach that goal by combining philanthropy, community development financing instruments, and technical assistance.

As recently as 2012, CAST was just a concept, but today its staff fields queries from public and private sector leaders from Seattle, New York City, Boston, Minneapolis, London, and Tel Aviv who seek to learn about and replicate its model. In its first pilot real estate project⁴⁴, in which contemporary artist centers CounterPulse and Luggage Store Gallery participated, CAST combined a $5 million seed grant from the Rainin Foundation with New Market Tax Credits secured by NCCLF and Chase Manhattan to launch its below-market rate lease-to-own model. Arts nonprofits for which an outright purchase is still out of reach but have demonstrated their capacity and financial stability, have seven years to fundraise for their future real estate acquisition. Upon the expiration of the tax credits, they will have the first opportunity to purchase the building at CAST’s original purchase price plus a small amount of annual appreciation.

The Tenderloin neighborhood hosts one of CAST’s first pilots—a new home as of early 2016 for CounterPulse, a 25-year-old dance and performance nonprofit with a strong commitment to community engagement. In the Tenderloin, arts-and-cultural nonprofits (ten more are a stone’s throw from CounterPulse) co-exist with low-income residents; the Tenderloin has a high concentration of permanently protected affordable housing units, as well as nonprofits serving those who face housing instability and mental health or substance abuse issues. CounterPulse’s artistic director Julie Phelps is equally comfortable speaking on a panel at Dolby Digital (which moved its headquarters few blocks away) as she is working in the community rooms of single room occupancy hotels, hosting an open mic or supporting an artist leading a movement class for residents.

CAST’s most direct beneficiaries are the arts nonprofit leaseholders. When Twitter moved into SoMa, its former neighborhood, CounterPulse realized that it was not going to be able to renew its $1 per square foot lease. Not only does CounterPulse’s new space provide it with a below-market lease-to-own model with seven years to assemble capital campaign financing, the newly renovated, larger space meets its facility needs whereas previously it was bursting at its seams.

It’s too early to tell if CounterPulse’s new location will have any neighborhood effects, although it is interesting to note that the space had been vacant since the early ’90s. Phelps reports seeing new businesses, foot traffic, and more people who are not involved in illegal or dangerous activities, but cannot confidently claim a causal relationship to the organization’s presence. Low-income residents now have expanded opportunities to co-create with artist facilitators via CounterPulse’s partnerships with community centers, public housing projects and single room occupancy hotels. Given the Tenderloin’s stock of protected affordable housing, Phelps is hopeful that the arts-lead-to-gentrification storyline can’t unfold in the stereotypical way.

Early evidence suggests CounterPulse may be serving as an important conduit to allow low-income residents to have a greater voice in shaping their environment. The organization works in classic, grassroots way—talking to community residents about their vision and desired change they want in the neighborhood. “We encourage them not to be scared of change, that it will automatically mean gentrification” says CounterPulse artistic director Julie Phelps, “—but ask, ‘What do you want?’.” For instance, the City called CounterPulse when a big development across the street would mean construction barricades would be installed for up to three years. Given neighborhood crime challenges, the City asked CounterPulse to spearhead a community design process to identify how to activate the barricades. CounterPulse and community members identified possible solutions such as murals, sculptural elements, and performances. CounterPulse is pleased to be working on this larger scale of advocacy for neighborhood-wide issues.
Equity in Economic and Social Outcomes

In pursuing creative placemaking, LISC strives to adhere to a set of core principles: to enlist artists as leaders, develop without displacement, build enduring capacity, support community-driven approaches, and pursue racial equity. This paper’s case studies touch on issues of equity, noting where possible whether economic benefits were unevenly distributed by race, class, or culture. Based on a review of all the case material, what can we say about equity and the challenges to realizing it?

This paper is focused on economic outcomes first and foremost. But we recognize that other outcomes also resulted from communities’ efforts, in particular, those tied to different forms of cultural participation and the social benefits these produce. We are interested in whether these efforts, taken together, “advance equity by connecting and deepening the [economic], cultural, and social fabric of community life.” Through our equity lens, we explore equity related to race, class, and culture, but also examine equitable outcomes for artists, consistent with LISC placemaking principles.

The case study material provides us with definitions of two inter-related forms of equity. Outcomes equity refers to whether the distribution of benefits from economic development equitably accrue to those with a stake in the outcome. Do new income flows that artists access, for example, reflect the community’s diversity with respect to race, class, and cultural expression? In other words, are the artists making money from their art representative of the community’s overall population? Process equity refers to inclusion of diverse stakeholders in planning, decision-making, and implementation. For example, do community residents have a say in the types of programs and events that community economic developers sponsor? As CounterPulses’ Phelps describes, “To me the difference between equitable and inequitable development is the inclusion of diverse voices of all those affected in the geography concerned.”

Let us be clear that we did not conduct an audit of economic outcomes or local processes to test for the equity of outcomes. We did ask the people whom we interviewed, however, to comment on how benefits were distributed. The themes below emerged from those conversation.

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CASE STUDY

Penn Avenue (Pittsburgh, PA)

Pittsburgh’s Penn Avenue doesn’t look and feel the same way it did 20 years ago. The nuisance bars are gone and drug dealing and prostitution have moved elsewhere. More than half of the vacant storefronts are now occupied, many by small artists’ galleries and workshops. Neighbors greet each other in the new Aldi supermarket and plan to meet nearby for coffee the next day. In the evening, a gaggle of local youth emerges from BOOM Concepts after an informal hip-hop session.

Penn Avenue’s resurrection begins in the mid-1990s with a group of neighborhood activists troubled by the strip’s downward spiral and the yawning divide between their largely white and moderate-income community of Friendship and its counterpart across the avenue, the African-American and economically struggling enclave of Garfield. The activists’ economic challenge included a declining consumer demand and functional obsolescence: The Avenue’s narrow three-story buildings of ground floor storefronts and upper-story residences no longer suited contemporary retail.

The neighbors formed Friendship Development Associates (FDA) to take on deteriorated housing in their own neighborhood and rundown commercial properties on the Avenue. With support from a local foundation, FDA joined with the Bloomfield-Garfield Corporation (BGC), the local community development group, to create the Penn Avenue Arts Initiative (PAAI). There seemed to be a promising economic base to build on. Rising rents on the Southside prompted local artists to seek affordable space elsewhere, and a survey of Pittsburgh artists had found that nearly 10 percent of them lived within the three zip codes surrounding Penn Avenue.

The BGC brought placemaking skills and tremendous success using city programs and financing tools to attract young buyers to Friendship and thought that could be applied successfully on Penn Avenue, too. Additionally, there was interest by artists in the neighborhood, committed to using arts as a tool to bring the diverse communities together, who volunteered to help. Jeffrey Dorsey, a young, entrepreneurial, imaginative, and hard-working artist who lived a half block from the Avenue was hired to lead the PAAI. Backed by city subsidy programs, local foundations, and the Pittsburgh
Partnership for Neighborhood Development, Dorsey took 16 BGC- and FDA-owned commercial properties on the Avenue, packaged designs for renovated spaces and matching subsidy streams, and actively marketed these to individual artists searching for cheap work and living space. “The problem [with traditional efforts] was that they were program-driven and not investor-driven. The right strategy isn’t to promote the subsidies; it’s to tailor the subsidies to the demand,” explains FDA board member Stefani Danes.

Dorsey complemented his efforts to attract artist-investors with smart and aggressive promotion of the Avenue as an arts district, mostly through Unblurred/First Fridays, which kept current with artists’ upcoming events and shows, coordinated opening times, and widely advertised these and non-arts businesses, as well as BGC- and FDA-sponsored community events.

Early success was staggering: In the first three years, the FDA-BGC partnership supported renovation and occupancy of seven properties on the Avenue. The next two years saw 17 developments and nine in the two years following. By 2012, the PAAI had filled 66 spaces on the Avenue with 25 arts and other businesses, 10 arts organizations, and 414 individual artists either on their own or employed by others. Vacant square footage on Penn Avenue declined from 43 percent to 18 percent. And this all happened in the face of challenges familiar to those in Rust Belt property markets—absentee ownership, unclear title, inexperienced landlords, tax liens, tangled estates.

With increasing activity on the street, fear of crime dissipated. Pittsburgh Glass Center executive director Heather McElwee says: “In 2001, people used to call and ask, ‘Is it safe to park here, safe to come here at night?’ It’s so interesting to us the change that has happened over the last 15 years for the better. Everyone knows where we are located, people know about Penn Ave, no one asks if it’s safe.”

PAAI’s designers had hoped artists and other businesses would help “zipper the seam” between Friendship and Garfield, but nobody interviewed for this study expressed satisfaction with the equity of the outcomes. Some attributed this disappointment to flawed conceptions from the start. “We didn’t have a good metric for what would happen,” said Matt Galluzzo, Dorsey’s colleague from PAAI’s early days. Galluzzo goes on to explain “at the onset, there were not specific goals in place for equity of a racial or gender nature. Success, insofar as a metric like number of women-owned arts related businesses, was not defined. It was the building strategy itself...
of 16 buildings that was discrete and eventually accomplished.” Rob Stephany, now of The Heinz Endowments recalled his earlier CDC work to support artists’ engagement with Garfield youth included some “moments of brilliance,” but overall, he says, “We took a knife to a gunfight. There are ‘artists,’ there are ‘teachers,’ and then there are ‘teaching artists.’ We needed teaching artists, but what we had was artists.”

Early support for youth engagement through the arts eventually ebbed, though several arts organizations remain very active: Most Wanted Fine Art, the maker space Assemble and the Irma Freeman Center, among others. Unblurred’s events do sometimes appeal to Garfield residents, including youth, although local observers admit that their programming could be better. But, a deeper shortcoming lay in the failure to attract and support African-American artists until late in the game. “For many years, we struggled to attract African-Artists. Some who grow up there, didn’t want to stay and unfortunately, some of the African-American arts organizations who were interested, couldn’t find the kind of space they needed for their performance needs. Simultaneously, we had other artists who were ready and able to purchase properties. So we tried anything else we could - getting existing businesses of color into equity positions, growing our youth program to engage more local African-American artists in other ways to make sure we represented all the communities that lived on and adjacent to the Avenue,” Dorsey reports. To be sure, there are black-owned businesses on the strip, and several black-led arts organizations. “BOOM Concepts is an emerging creative hub in Pittsburgh and a place where up and coming artists and musicians can build upon their crafts, learn from each other and more established artists,” says co-Founder and operations manager Thomas Agnew. But these later arrivals, who do not own their spaces, cannot easily share the fruits of the Avenue’s rise. “The model of selling to artists so that artists can ‘come up’ with the community is what made a huge difference here,” says McLaughlin. But Penn Avenue rents aren’t as affordable as before, and although a lack of high value-added retail and remaining vacant storefronts keep the street from presenting as gentrified, concern is widespread that opportunities for emerging artists to build equity by buying into an affordable neighborhood have diminished considerably.
All of the community initiatives we reviewed aim to support economic development by expanding the number and quality of affordable spaces for artists and arts organizations. Economic developers pursue this as a primary strategy in Pittsburgh, Cleveland, New Haven, Indianapolis, and San Francisco. In each instance, these efforts include offering artists and arts organizations some form of financial equity in real property.

In Pittsburgh, for example, customized financing enables artists to buy their own spaces, allowing them to gain from any rising values an emerging cultural cluster might generate. In Cleveland, the Northeast Shores Development Corporation created an innovative renter equity program for artists interested in eventually owning their homes, and CAST in San Francisco did something similar for arts organizations interested in commercial space. While not seeking to put artists in ownership positions, Indianapolis community development corporation SEND invested in affordable artist live-work space, a cushion against rising rents. It developed the Murphy in partnership with artist tenant Philip Campbell, who purchased the building from SEND and held onto it for quite a number of years, maintaining below-market rents for the artist tenants.

Ultimately, at least two of these communities—Penn Avenue in Pittsburgh and Fountain Square in Indianapolis—did see appreciation in both commercial and residential property values. Some portion of this appreciation contributed to a welcome recovery of moribund property markets. Along Penn Avenue, artists with affordable mortgages or long-term leases have been able to stay as prices rise; some have even cashed out. The story in Fountain Square seems mixed: Over time some of the original artist in-migrants have left, in part due to rising rents.

Racial, Class, and Cultural Equity

All of our case study communities have a significant representation of a racial, class, and/or cultural minority population amongst the residents. Residential neighborhoods in North Shore Collinwood and along Penn Avenue are largely African-American. The Tenderloin District has a diverse homeless population. Arnaudville residents are predominantly white of Cajun ancestry with a small African American, including black Creole, minority population; many residents embrace a Louisiana French-speaking culture and heritage. Were economic benefits from community revitalization fueled by creative placemaking equitably shared with these oft times marginalized populations?

The same risk of displacement for artists from rising commercial rents also affects local business owners, but we have little evidence from our case material on this topic. Residents face the same pressures from rising home prices. Both Fountain Square and Penn Avenue have experienced this, at least somewhat, although over many years, subsidy programs have expanded the quality and affordability of the housing stock in these communities with a view toward increasing homeownership and improving rental housing. These program continue, and may have helped shield communities from rising real estate values to some degree. Nevertheless, local observers point to increasing home prices and rents as a serious concern.

Equity also requires that the benefits that flow to artists as a group flow as well to minority artists and to those who work in the community’s cultural traditions. Arnaudville’s general approach emphasizes this point. Pittsburgh’s Penn Avenue provides an instructive case example of a more mixed result. Nobody in Pittsburgh interviewed for this report expressed satisfaction with how the results of their own efforts advance goals for
improved equity. These disappointing results stem in part from acknowledged failure to think broadly enough about what equity might demand beyond youth engagement, in part because they lack expertise in reaching out to Pittsburgh’s minority artists. As a result, the early entrants onto the Avenue—which have been best able to benefit from its improvements—were generally white artists and white-led arts organizations.

That said, minority businesses already in place gained from the reductions in crime that economic growth produced, and a number of black-led organizations and black artists have more recently occupied storefronts on the strip. This entry of black artists may be broadly important to the city’s African-American cultural economy, allowing the corridor to function as an incubator of new talent. At the least, it defends the nearby African-American neighborhood’s claim that the commercial area still belongs to them, at least in part.

Fountain Square in Indianapolis poses a class-based variant of this disparity. The types of arts and culture produced by artists and arts- or entertainment-related businesses that were launched in or came to the community did not seem to include the Appalachian cultural expressions most familiar to a large contingent of community residents. Contrast Arnaudville, where the suppliers of encaustic medium were almost entirely local, as were those earning income from organized cultural exchanges.

Communities, of course, benefit in other ways from the rise of an arts-and-cultural economic cluster, as we discuss in the section on social benefits. Case study communities, and to varying degrees residential communities as well, benefit from a broader range of services, lower crime, more positive perceptions of the community, and at least some cultural recognition compared to what had been the case before the cluster’s emergence. In this respect then, equity is served.
That said, our case examples suggest some degree of cultural displacement, understood in terms of resident perceptions that artists and arts organizations working in their preferred forms of cultural expression have eclipsed the signs and symbols of a black and working-class communities. For example, both Fountain Square and Penn Avenue have sometimes, but seemingly infrequently, included community cultural forms in local programs and events. True, the overall narratives of these places have dramatically improved, overcoming the racial or cultural stigma that outsiders placed on both communities in the past. But although more positive, these narratives are correspondingly less likely to include references to the long-standing community.

These examples suggest that more could well have been done to incorporate communities’ cultural traditions. But these initiatives nonetheless extended, at least in theory, more cultural participation opportunities to community residents. The Penn Avenue initiative tried to make these less than theoretical by instituting a program to encourage community outreach by artists, which produced dozens of small arts projects carried out largely with youth participation. However, funding for this effort eventually dissipated, and participating artists were not always adept at this kind of work. That said, several organizations on the Avenue continue to work with local area youth. As another example, Northshores’ invited North Collinwood residents to vote on the community art projects they wanted to see in an effort to make their work more inclusive.

Equity also calls for inclusive processes that give people with a stake in the community opportunities to participate in shaping initiatives that affect it. In North Shore Collinwood community organizations created opportunities for civic participation with the Ballot Box program, which enabled neighborhood residents to vote on community arts projects. In the Tenderloin, CounterPulse led a community design process to activate construction barricades that would be in place for two to three years. Via community input, they identified arts-and-cultural solutions such as murals, sculptural elements, and performances.

Community developers can also create specially targeted opportunities for residents or artists from a minority culture to participate in the emergence of cultural clusters. In Arnaudville, NUNU organized a number of cultural exchanges that offer community residents opportunities to earn income while at the same time celebrating local culture. On Penn Avenue, over the years The Heinz Endowments extended financial support to ensure regional mid-sized arts organizations located on the avenue, youth programming and supported artists who worked on the Avenue. More recently, they have been working with the community group to master lease space in the district and sub-lease that space specifically to minority artists/entrepreneurs to enable them to rent space on Penn Avenue and build their businesses, and their ability carry market-base lease rates over time. “These guys have created a real scene in the district. They are attracting others and their businesses are blooming,” says Stephany.

All in all, and as in many other areas of American life, equity was only fitfully realized in our examples, highlighting the continuing challenge, and obligation, for community economic developers working in arts-led development to consider the full implications of their important work to revitalize communities.
SECTION 3

Concluding Recommendations
How can communities promote arts- and culture led economic development in low-income neighborhoods and rural areas? The experiences of the practitioners we spoke with suggest the following:

— **Build relationships and networks.** To establish an economic cluster around a nucleus of arts and cultural activity, attend to the network of relationships that naturally form among artists and arts organizations, as well as possible economic linkages among artists and arts-businesses. These even include affordable housing for artists in nearby residential neighborhoods, a so-called backward linkage from arts businesses to artist-suppliers in the neighborhood.

— **Establish places for artists to work and to connect.** It is difficult to overstate the importance of artists’ spaces to formation of arts and cultural clusters, whether these spaces serve individual artists (e.g. studio or live-work space) or nurture social ties among artists (e.g. community spaces like coffee shops or affordable restaurants or artists’ spaces, like galleries or music venues). Therefore, advocate for policies and programs to enable artists and arts organizations to acquire, design, renovate or construct, and maintain suitable living and work space.

— **Support intermediation.** Financial support typically does not flow directly from public agencies to artists or arts organizations. In several of our examples, community-based organizations, some of which employed staff with arts backgrounds, packaged subsidies in highly customized ways to suit the needs of particular artists and the spaces they planned to acquire. Support for these kinds of functions, including staff positions, have proven vital to successful design and implementation of these programs.

— **Exploit the community-building power of cultural participation.** Community economic developers that create spaces for artists’ and arts organizations also broaden and deepen cultural participation opportunities available to residents of nearby neighborhoods. When these opportunities come through forms of cultural expression that celebrate and explore community history and culture, economic developers advance social goals as well.

— **Identify, recruit, and support local minority artists and arts organizations.** A desire to promote goals of equity requires this emphasis in its own right, but supporting local minority artists and organizations also provides the best pathway toward realizing community-building goals. This is not because minority artists should be expected to shoulder a special burden (all artists should be encouraged to adopt one of the many ways their work can advance social goals). It is because they are more likely to work in cultural forms that community residents value, including youth attracted to arts as a career.
North Shore Collinwood, Cleveland, OH. Photo by Metris Arts Consulting
Interviews

Thomas Agnew | BOOM Concepts
David Baker | Indianapolis Historic Preservation Commission, Department of Metropolitan Development
Sherill Baldwin | Ecoworks
Nina Barbuto | Assemble
Linton Calvert | Fountain Square Theatre Building
Philip Campbell | Independent Artist
Thomas Cummings | The Urban Redevelopment Authority of Pittsburgh
Stefani Danes | Friendship Development Associates
Chris DePrez | Fountain Square Clay Center
Jeffrey Dorsey | Union Project
Moy Eng | Community Arts Stabilization Trust
Dr. Amber Epps | Bloomfield-Garfield Corporation
Mavis Arnaud Fruge | NUNU
Matthew Galluzzo | The Lawrenceville Corporation
Ken Honeywell | Well Done Marketing
Adam Howell | Heartland Film
Anne Laker | formerly of Big Car Collaborative
Justin Laing | Hillombo LLC
Brandon Libuano | Brandon Libuano State Farm Insurance
John Loflin | Southeast Congress’ Working Class Task Force
George Marks | Independent Artist
Camille Maxwell | Northeast Shores
Heather McElwee | Pittsburgh Glass Center
Laura Jean McLaughlin | Independent Artist
Jeff Miller | City (Indianapolis) County Councilor for District 16
Kelli Mirgeaux | Polyphonic Solutions LLC
Michele Morris | Friendship Development Associates
Linda Osborne | Arthur’s Music Store
Nicolette Pawlowski | Los Sabrosos Dance Company
Julie Phelps | CounterPulse
Will Pritchard | CREA LLC
Laurel Randi | The McCune Foundation
Maura Rogers | Independent Artist
Janet Sarbaugh | The Heinz Endowments
Jason Sauer | Pittsburgh’s Most Wanted Fine Art Gallery
Aryn Schounce | Formerly of Big Car Collaborative and Community Building Team for the Southeast Congress
Skip Schwab | East Liberty Development, Inc.
Elinor Slomba | Project Storefronts
Paul F. Smith | Southeast Neighborhood Development, Inc.
Rob Stephany | The Heinz Endowments
Craig Von Deylen | Deylen Realty
William Taft | LISC Indianapolis
Jason Vrabel | Downstream.city