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MEMBER REPORT

SEEKING COMPETITIVE ADVANTAGE: WHY METRO AREAS ARE TURNING TO ARTS AND CULTURE

Major metropolitan areas - Atlanta, Cleveland, Denver, and Portland to name a few - are moving aggressively to position arts and culture at the forefront of their strategies in an increasingly competitive environment where cities vie for desirable high-tech industries and workers. Some have found a new welcome to sit at the public-policy and economic-development table, indeed to be a guest of honor. A variety of regional initiatives, some in implementation, others in formative stages, have resulted.

Can regional vision and funding strategies for the arts be implemented when competition among cities in metro areas is intense? Will large organizations "share the pie" with mid-sized and community-based organizations to form the political alliances needed to succeed, particularly for any publicly-funded initiatives? Can community leadership emerge to assure success for the long-term?

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Jim Copenhaver
Phoenix Boys Choir

October 22, 2003, 10:00 a.m.

MILLINGER: What we want to do in order to have a dialogue on some very provocative issues around the topic of metro arts initiatives, is to set for you some contextual framework for the discussion.

I am Myra Millinger, associate director of the Flinn Foundation and a longstanding stakeholder in national arts – what was stabilization and now national arts strategies. It has been a big part of my life for over a decade and I hope will continue to be.

Kathleen?

CERVENY: I'm Kathleen Cerveney. I'm the senior program staff for arts and culture at the Cleveland Foundation and you'll hear how we developed a public policy agenda in the arts.

COPENHAVER: Jim Copenhaver, I do consulting for the nonprofit world. And on more than one occasion, help organizations find new senior directors, both artistic and executive. That leads me to temporary assignments as interim executive director which I'm currently doing for the Phoenix Boys Choir, and I've done three times for the Colorado Symphony and once for Western States Arts Federation and once for Child's Play. Maybe it's more of a niche, of interim, and now I do consulting in between.

I was involved in Denver with Scientific Cultural Facilities, which I guess is why Myra asked me to be here today.

SCHORGL: My name's Tom Schorgl, I'm president of the Community Partnership for Arts and Culture. Its acronym is CPAC, not to be confused with the Conservative Political Action Committee. *[Laughter]* In many ways, in many, many, many ways.

I head up a group in Northeast Ohio that's located in Cleveland. It's a service organization which grew out of a strategic planning process throughout a seven county region which contains about 3 million people and some of the finest arts and cultural organizations in the world.

PANELIST: Spoken as a true Cleveland advocate.

SCHORGL: As an Aesthetic Ranger of Cleveland. *[Laughter]*

MILLINGER: What we want to do today is to address what is happening on an increasing basis across this country. That is a plethora of strategically placed arts and culture initiatives that are linking with and allying with the business and economic development communities in those areas. At the same time,

these areas are increasingly trying to compete against other metro areas, some new and many growing, for what is viewed as capturing the gold of the future, and that's the biosciences industries and what is left of the technology industry and the fine arts sectors.

It is a heated positioning that is going on. I've been part of it and for some reason – and we will be talking about what some of those reasons may be – the arts and culture sector are suddenly at the public policy table.

This isn't new. Goodness, Mac Lowry in the article in *The Reader* that John Kreidler had asked to be inserted, in 1963, so 40 years ago, was talking about some of the economic development arguments against the arts. So it's not that the pairing of the two is new.

I think what is new is the sheer number of them, the diversity of the origins they come from, catalyzed by departments of commerce, by departments of tourism, by the business community, and by political leadership. Foundations have played a small role in that, and, unfortunately we are over-representing right now in terms of what's happening in the country, both Kathleen and I, two initiatives that are foundation stimulated. It's the diversity of where this is coming from and from constituencies for whom the arts were not on the radar map.

The third thing of five critical things that we need to take note of is that the stakes are getting very, very high, both for arts organizations that now are linking their future as a sector to these initiatives, particularly where they are generated from designated public funds, but also where they are becoming allied with commerce and tourism and corporate leadership that is very transitory in many communities.

So the implications of all of this are huge. The stakes and the money can be very high as you'll hear from Denver. The risks are equally high.

Ironically as these institutions and these initiatives become more successful and the economy has sunk down the tubes, we're finding a real confusion of the distinction between the role of the state arts councils and the role of metro initiatives.

What is happening, particularly in states like Arizona that pride themselves on a lack of commitment to the public good... *[Laughter]* You think I'm kidding?

PANELIST: Just Republicans or...?



MILLINGER: In Arizona Republican is such a broad term because the Democratic party just doesn't exist. So it's moderate liberal Republicans versus moderate Republicans versus... them. And even the moderate Republicans are in camps against them. So it's a battle between the ranges of, literally, the Republican leadership.

But the point is that for many of these communities and areas that were already predisposed against public funding of the arts, there have been constituent cities that have arisen around, okay we need to do this in Phoenix, but to hell with the rest of the state. What's happening is a rationale that was already there under the surface, of killing public support, and now it's been given due cause because we don't really need it, forgetting the fact that the state agencies serve a much broader purpose and they cover a broader turf.

So you have areas that are totally underserved, and this clamoring to serve where the crust of the technology is being placed. I think there is some huge policy implications of what's happening.

The vision statements are bold. Before I move on to our next segment, I've got to read a couple just so you'll have a flavor of what this means.

Atlanta just launched an initiative led by the Department of Commerce. The vision is that arts and culture will be recognized as defining elements of the quality of life in the Atlanta region. That's the goal.

In Austin, a mayor's task force couldn't come up with a vision, but they could come up with six goals, and I think they're fascinating in that they say that the arts in Austin will be accessible, affordable, applauded, diverse, distinctive and dynamic. Those were really significant things for a community and a mayor to talk about. This came out of an economic development subcommittee from the mayor.

PANELIST: What year was this? Because I thought the City of Austin just cut all their arts funding.

MILLINGER: Well this is what they declared as of a year ago. Austin has some interesting political dynamics going on.

PANELIST: Talk about that.

MILLINGER: We can talk about that. It is part of the risk factors we're talking about here.

Indianapolis, led by the mayor, will be known internationally – these are big time thoughts – as much for its arts and culture tourism offerings as

for sporting events offerings, and will be a quote "top of the mind cultural destination of choice." Indianapolis.

One last one is Portland which I think is very interesting because in '99 Portland went through a major planning process for the central region and they came up with a vision statement that the standard for our vision for central Portland is established by the vibrancy of our art and the depth of our culture. The arts are our infrastructure of ideas. Arts and culture provide the creative capital, dynamism and vitality that lead to a high quality urban life. They are the catalyst for bringing the community together in complete neighborhoods.

Central Portland will be the hub of a major renaissance that continues to build on the solid foundation of the past 25 years. Portland will increasingly be known for its creativity, which supports employment, investment and quality of life. We've not heard that interface before.

These are some of the dynamics that are happening in the country right now. What we thought we would do is give you the genesis from the standpoint of Cleveland, which was a foundation-stimulated process that began a number of years ago, and then the Phoenix metro area which is just moving on this. Then move to the two case studies we want to discuss today, and that's Cleveland and Denver.

We picked them because they are in many ways representative of the success that can happen and the risks that can happen if the success is not well grounded in strategy and a carefully planned public policy debate. They mirror every one of the issues that can arise in these processes. Kathleen, if you would just give some genesis of the Cleveland situation, and the Gund Foundation also was very instrumental in Cleveland.

CERVENY: I'm a little bit daunted by your holding us up as a success story. I think amazing things are happening in Cleveland as a result of the work that is taking place. But we haven't got local public support yet, so that's still to come, which we hope will unfold over the next year.

Our efforts began back in the nineties. Those of you that were supporting the arts back in the early nineties remember that was a very challenging time not unlike the time that we're experiencing now, when organizations, especially those that were undercapitalized, were in significant difficulty. The Cleveland Foundation, as the largest funder of the arts in Cleveland, was called upon not only to provide operating support and artistic advancement, but bridge



funding – if I never hear that word again it'll be too soon – rescue debt reduction for the same set of organizations again and again.

One of the mechanisms that the Cleveland Foundation has historically used, when there seems to be a critical issue in our community, is to empanel a study commission to pull together some high level folks in the community, provide them with external and local resources to study what the issue is, and to make recommendations back to the foundation about what we might do as a response to the issue.

In 1995, we empanelled a study commission on the performing arts because it seemed that the performing arts were the ones that were in the biggest trouble all the time. The study commission worked for 18 months and it published a series of findings which frankly were no news to me, but provided a vehicle for talking about issues in the community that had not been there before. The study commission also made some very specific recommendations to the foundation and to the broad community as well.

What the study commission found was there's no local public support for the arts in Cleveland, and that it is one of very few cities of our size in the country or cultural centers of our prominence that does not have any stream of local public support for the arts. There was very little awareness, virtually no advocacy efforts on behalf of the arts, and so the perception of the arts was strictly as an elitist activity supported by the wealthy foundations and the rich people on the east side of town.

Another finding was that there was no unified arts sector. There certainly were prominent institutions, but there was nothing that one could call an arts sector. Nobody thought about the arts in those kinds of terms, as there is a social service sector, and there is a business sector and so forth. There was no perception of the arts as a force in the community.

Therefore the arts never had a seat at the table in any of the conversations that had been happening in Cleveland for a number of years by then about our rebirth, revitalization, renaissance, whatever you want to call it.

Another finding was that the arts were woefully undercapitalized. Our major institutions, our very large institutions – orchestra, museum, history museums and so forth – had been heavily endowed at their founding some 90 years ago, but our mid-sized organizations and certainly all the smaller ones had not been, so they were living hand-to-mouth.

Another finding was that the arts in general in the business community's terms were poor performers in terms of best-practices functioning.

The recommendations that came out of those findings to us were that we needed to undertake the research necessary to begin to make the case for the value of arts in the community. We needed to figure out some way to create an advocacy awareness entity in the community that could begin to bring together the arts into a unified sector so that it could have a seat at the table at some moment in time, that we had to find a way to generate local public support for the arts because with really only two dedicated arts funders in our community, we could not continue to sustain everything and expect that the quality of it would continue for the future.

Another recommendation was that funders should begin to demand best practices functioning from our arts organizations.

There was one other recommendation. In order to effect the public awareness, to bring the arts together as a sector, to figure out how to get to the point of local public support, we needed to undertake a first-ever cultural planning process in our community. That process needed to be broad-based, inclusive, bottom-up, not top-down, not arts for the arts, but the community planning for itself and the arts in a unified, integrated context. This was very difficult for many people, certainly difficult for the arts organizations to hear, and impossible as far as the business community was concerned.

Things just didn't happen that way in Cleveland. You put the five guys in the room and they told you what to do. This was a totally different approach to planning and was going to take a long time.

The report was published in '96. We took a year to try to figure out how to respond to all of this. So we decided how to respond, and we undertook two actions as a result.

In 1998 the Cleveland Foundation launched a five-year capacity building program working with national arts strategies for 17 of our most threatened but long-term performing and other arts organizations in the community, as a way of in-depth focus on basic training in best-practices functioning and capacity-building activity.

The other thing that we did was we invited our sister arts funder in the community, the George Gund Foundation, to partner with us and to launch a planning process such as the study commission had recommended. The



charge to this group was research and planning. The process included putting together a very high level steering committee, but a steering committee unlike the Cleveland community had ever seen before. Yes there were arts leaders, but arts leaders of organizations of all sizes, even very small ones.

There were even individual artists on the steering committee. There were representatives of the labor unions, top management in the labor unions, in education, in the black churches in the community, in the business community certainly—it was led by a business leader. And foundations as well. Am I forgetting any?

SCHORGL: Neighborhood development.

CERVENY: CDCs were very important participants in the planning process. So there was this high level steering committee. Tom's going to talk about the incredible process that he went through.

The purpose was to listen first. The process was to go into the community and ask three questions: What's going on in your community that you care about? What is your agenda in your community?

The second question was, What do you think about the arts? Tell us how you think about them.

And the third question was, Can you imagine any way that the arts can help you with the things that you're concerned about? So that was the initiating impetus for the planning process that we undertook and there was continuous feedback as part of that.

The process lasted about 18 months. The cultural plan was produced in 2000 and maybe got off to a little bit of a slow start. All the things that Myra was talking about in terms of the business community's attention to the arts for its purposes – community development attention to the arts, economic development, trade and all kinds of other things – really has generated in Cleveland more attention to the arts and their value and their potential use for other agendas than I ever imagined. I won't steal any of Tom's thunder in talking about the specifics.

It started a long time ago, the plan was published three years ago, and we're still working. I don't want to jinx it, but I'm more hopeful than I ever imagined I would be in my lifetime. And I'm scared, and I'm terrified.

COHN: In many ways our process was the same but somewhat different in that it was very much

an internal process. We had been funding the arts for 18 years, had one strategy, very proactive, of focusing only on being the creative R and D capital to further the artistic missions of the organizations in potentially an artistic leadership role. I don't mean that by size but by potential power of product in the state.

And our board was going through a major review of our funding focus, which is in the healthcare field. It began about four years ago. A fateful decision was made, and I say it's part serendipity and part fate as things evolve over time.

We made a decision to move all of our commitment in health from health policy, community health, basic research, and biomedical research, into the whole arena of the biosciences, seeing that as the future of our region. We made a major decision to put the first \$15 million on the table of over \$90 million that was being raised as the price tag to attract the International Genomics Consortium, which was shopping itself around the country.

We were competing with San Diego and Atlanta and with a number of major areas far better positioned than Arizona by history of our lack of working together at the university level, and the percentage of NIH money we were getting for research. So we really shouldn't have been there.

But for reasons I won't waste time going into today, we had some opportunities and we seized them. Part of what we did in that process was bring people to a table because they wanted the prize. Let's make no mistake, it wasn't because suddenly Jesus arrived. There was a prize and they wanted it.

The university leadership came together, the governor came together, the corporate sector came together, the medical facilities came together, public sector officials came together, and before we knew it we had won the International Genomics Consortium. And that was a year, which is in many ways a fast process for something like this. We did raise over \$90 million and a significant amount of space.

Our board was saying, maybe this is a time to be big and bold in the arts. What does that mean for a foundation that up until that point was the largest funder in the arts, and we had become within a matter of six months the ugly duckling car rental – we were number four – because of the creation in a very short time of two, one corporate and one massive family foundation.

That family foundation was going to be the largest player. They had \$600 million in assets



and they were going to devote probably twenty percent of that to the arts only in the Phoenix metro area. They were totally nascent. They had no strategy, no understanding of what they were doing. We had the maturity of the field but we now didn't have the capital.

The question became, could we ride the coattails of the energy around the biosciences, and if so, what would that mean? It became glaringly evident to us that here we were about to attract world class scientists from all over the world to a metro area that wasn't bothered at all by having the highest dropout rate in the country, or by having the worst social services provision in the country except for Alabama and Mississippi.

So you began to say, where is the arts sector in all of this? If we're to create a sense of place, what will it take? We knew anecdotally the environment that we worked in. But we couldn't articulate it in a well formulated way without sounding self-serving.

So we commissioned a study by Adrian Ellis, who is a political economist by training, and asked him to do what he called a diagnostic of the status of the arts in Arizona and how that related to issues facing the arts nationally.

It was a very, very provocative study, so much so that we decided we couldn't just keep it for ourselves, and so we invited the new foundations to join us in this commissioning. Also we felt that we had to make the findings available beyond our own boards for planning purposes.

So we brought together the leadership of the arts community, the leadership of the business community and the public sector, to meet with Adrian, to say, Okay this is what he said. Does this resonate with you?

In the context of that discussion it became very clear that there were issues that had nothing to do with any one of the cities in the Phoenix area, but had everything to do with all of them. We had an absolutely miserable record of working regionally. We have huge issues of demographic shift such that there is no hub and spokes, even though the city of Phoenix still considers itself the hub, or the sun or whatever you want to call it. We had metro areas that were growing faster than the city, and in fact one's a city that is now bigger than Pittsburgh.

They each are positioning themselves on using cultural facilities to define who they are. In this context of the discussion, there were people that were sitting in that room of 100 or so people, who never had looked at each other. There was really

rapid positioning and body language amongst the leadership of the public sector that were there. And this look of almost horror on the part of some of the Phoenix officials who realized that there were regions that were going to outstrip them in their sister cities, and what were they to do?

There were arts organizations anchored in Phoenix that were looking at this huge effort that was being made in the biosciences, and our symphony hall doorknobs are falling off. And the public is saying, well, so what? You whine all the time, what do you want? They're giving the biosciences land that could have been a magnificent new symphony hall. The other regions are saying, you guys don't have to stay downtown. We would love to have some of you – Arizona Theater Company, Arizona Opera. What we began to see was this, "Aha!" moment going on but no structure, no way to deal with it.

The next step we decided, as foundations, was to recognize that we'd started a process that we couldn't leave. We were in it now because nobody else was going to go forward. So we felt totally uninformed beyond Adrian's report which gave us a profile of Arizona, but what does that mean against anywhere else?

We began looking around and we could have brought in any number of communities, but decided that the most interesting for us were Cleveland, Denver and Atlanta. And Atlanta because it was just doing what we were about to do.

We had a symposium and had people from all over the state come and listen to Jim and Tom and a man named Rick Berg from Atlanta who had headed the planning process there. It was a fascinating dialogue.

It is terrible being the last person to have to get up, but I was asked to be the last person to get up. I had some quiet conversation with our board leadership ahead of time but without having met with our entire board, so I could have been homeless by the end of it.

I said, the train had left the station, that what we were seeing was what was happening in other areas. We could not presume to survive as a metro area on one sector alone no matter how exciting it was to have landed the IGC, and that if we didn't position the rest of it, in the long-term we would fail. All we could do was to help bring the people to the table, that we didn't have the capital to do it alone. We had learned from the biosciences that the will to act has been shown to be here, and if you don't want that will to act translated in the cultural sector, that's fine, please



tell us now, and it will have been a lovely morning. If you want us to go forward, here's our phone numbers and we're going to organize or not.

The word was, please go forward. And so what we have done is organized a taskforce which is meeting far too quickly. We did use the Atlanta model which was a very fast track of six meetings over a six month period, and we are following that same model.

What happened in Atlanta was that it was too much to bite off in too short a time. Even though the taskforce identified some very important goals, the major result was that the work of that was transferred through a separate nonprofit that is being created to carry the work of the taskforce forward.

We will probably end up in somewhat the same mode of coming forth with some strategies, even though our goal to the public has been that we are going to develop a vision, we are going to develop strategies, we are going to develop recommended funding streams, and we are going to develop an action plan to carry it forward by March.

Whether we do that successfully and how we do that I don't know. We have at our table the leadership that can carry it off. Much of it is the same sector that was in the biosciences leadership.

Whether they will or not I don't know, it's hugely high risk. The Flinn Foundation has never been afraid of risk. And so, we will see what happens. So that's where we are at this point.

We're going to invite all kinds of questions and have many issues we want to raise around these that we're going to play off each other, but also with you.

But before we do that, Jim if you could just briefly as the protagonist or basically the victim in some ways of what happened in Denver, would you just give us a brief factual outline?

COPENHAVER: The situation in Denver is an interesting case because in some ways it's held up as this wonderful model of how to get \$35 or \$36 million distributed to the arts in one fell swoop. But you've got to look under the bed-sheet a little closer to find out what's really going on.

Through the context of this discussion is the fact that it had not one percent public policy in its creation. As in many states in the '70s and '80s, the big exhibiting institutions in town were founded largely by the city because the geography was owned by the city, the physical

plant was owned by the city, there was a foundation to raise for operating money, and then substantial line item funding out of the state.

Colorado went into the sinkhole faster than most states in the '80s. In '82, '83, '84, the state people were saying to these institutions -- the zoo, the natural history museum, the botanical gardens, the Denver Art Museum -- "You've got to look for some money elsewhere because we aren't going to have any in a year or two." The first step was to go to the mayor and say, the state's cutting us off, you've got to fund us. The mayor laughed at that because the city was going in a hole faster than the state was going in a hole.

So some very imaginative and creative people said, how do we solve this problem? The conclusion was, we've got to get a directed tax, and lots of discussion about property versus sales versus other kinds of taxes. They eventually landed on sales tax which was a very smart thing to do.

They did one other wonderful thing. They said, this is really a regional set of facilities, so why don't we tap the whole region as opposed to just tap the voters and taxpayers in Denver? So they created a regional entity which at the time was most of six counties around Denver.

I say "most" because the fastest growing county in the United States which was in the southern part of Denver, was left out largely because the regional transportation system was grabbed as the easiest set of geographic lines that everybody understands. It left out almost all of Douglas County, which is growing faster than any place in the world, and the largest part of Arapahoe County, the big county to the east, which now is like the Arizona situation. Aurora is larger than most metropolitan cities in the country these days.

But it was easy and it was politically savvy. They went to the legislature for enabling legislation to ask the voters in that six-county area to vote a one-tenth of one percent sales tax ladder. In other words, a dime on ten dollars' worth of purchase sales tax would produce this fund.

Well of course, as soon as it got anywhere near the legislature, the performing arts people and some of the smaller arts people said, Wait a minute, you're leaving us out of this wonderful opportunity. So there are competing goals and competing ideas and all kinds of controversy.

The legislature did what legislatures do. They said, if you can't get your act together, go away. So they came back in another legislative session, crafted a compromise which essentially gave 65



percent of the money to the four big institutions. Twenty five percent to be spread around seven performing arts organizations, one of which was really an extension of the city government. The city government had a large arts center. Then 10 percent to all the other folks.

The other question you always get into when you have a pot of money is, how do we distribute it? The four big institutions are written into the law. A percentage of the 65 percent goes to them automatically, built into the law. A creative approach for the performing arts groups was that you get your share based upon paid attendance and private contributions. Essentially as you serve the community or as you grow, you get a bigger share of that pot.

The last 10 percent we've done on a granting basis. Each county set up a cultural arts commission within the county. Grant proposals came from the smallest of the organizations and off they went with money. This brought an interesting little wrinkle. As the organizations got smarter they trouped around to multiple counties and got multiple money out of this pot.

The state put a sunset clause on it, the first one was six years after adoption. This is, by the way, the 15th year. It was passed in '88, the first money flowed in '89.

The notion of having to go back was an interesting part, and it created one of the really good positive things. I'll say more about this perhaps later when we talk about the pluses and the minuses. I was at the Colorado Symphony at the time. We knew that it would sunset in '94 so we had to start getting ready in '92.

We took some of our money and put it in a pool and did some market research. You can figure out what the market research told us. We had a market share of under two percent; we had a knowledge base; "Yeah there is a symphony, but no, I don't go." That led to the group beginning to operate as a small sector of the bigger sector.

One of the really great things is that the executive directors of those institutions meet monthly. It's grown from 7 to 21. And marketing directors meet regularly. The development directors meet regularly and in 1992 we pooled all of the names and addresses of everybody in those organizations. My development director thought I was absolutely crazy when I said we're going to do this. We did it anyway.

So we did go back and get it re-approved. It snuck through the first ballot with about 57 or 58 percent approval. The first re-authorization

went through at about 70 percent approval. That's largely because, very cleverly, a polar bear was chosen to represent the cultural community because everybody's taking their kids to the zoo. We also got lucky. Those two little white polar bears were born in about '93 or '94 and they were on television almost every night. I think they now live in Florida. But that was also another one of those happy strokes.

So we got through the reauthorization. When it came time to reauthorize we all said, Wait a minute, the money's not being shared properly, and let's try and deal with it. And we did shift it slightly, 59, 28, 13 if you want to do the arithmetic.

It's up again next year for reauthorization. So for the last 18 months or so there's been extensive effort to decide, Do we finally now shift to public policy or do we just keep distributing this big chunk of money?

By the way, the first year it was \$13 million and around 95 or 96 entities, sharing that pool of money. At the high point two years ago it was \$37 million. It's about \$35 this year, based upon how the sales tax comes out.

We also had done what's been mentioned here in terms of where does the arts fit in economic development. Every two years we do a serious economic survey, handled by the Colorado Business Committee for the Arts and funded by one of the audit agencies, which used to be a real plus, I'm not sure it's a plus anymore.

The last time it was done, we were able to say that there's a billion dollars of economic impact coming out of the SCFD for the metropolitan Denver area. That got headlines. It got a lot of attention.

We do the same thing everybody else does: more people go to that than go to the four professional sports and all the rest of it, but a billion dollars was a real significant thing to get to.

As I say, it's coming up again. Some of us tried very hard this cycle to institute some public policy notions into it, but in the end greed and political clout won. We'll talk about that later.

SCHORGL: Hi. Very quickly because I'm sure everybody around here knows about strategic planning, and I'm not going to tell you anything new, other than the fact that we had this preliminary research done by a major funder, a funder that the arts and cultural community paid attention to..

I can't stress too much the importance of the diversity in that steering committee that we put



together. I remember when I had mentioned to one of the founding members of the steering community the importance of organized labor, he looked at me and said, "Why would we want organized labor involved in this?" And I said, Well because of 400 households that are registered to vote is why we want organized labor involved in this. And their kids. And they are cultural consumers. "Oh."

We began this process in a very open and transparent way. A lot of planning processes collect all the research and keep it close in and develop a plan and then you release it on the final day and everybody's supposed to get up and say, "Wow!"

What we did from the beginning was to involve the arts and cultural community, the public sector and the private sector, in this process and release information as it was developed. Bring it out to show how this plan was evolving. What we got from that was the ability not only to create a plan, which was strategic in nature, but to teach the community evaluative learning. And teach the community about this asset base.

We did 9 research protocols, we did 42 public meetings. You can see all of that, you can see every scintilla of information on cultureplan.org. It'll take you two days to download the information on that Web site, cultureplan.org.

But what was happening was that we were building confidence in the arts and cultural community from individual artists all the way up to the orchestra. When you start to build that confidence, then they started to see common cause. And as you see common cause, then you can start to make a cultural shift in the arts and cultural sector.

As Kathleen pointed out, one of the big rings that we're looking for in the Seven County area Putting the issue on the ballot. We got close this fall until the mayor pulled the plug on an omnibus levy.

It's been these little successes in terms of this planning process. I'll go into that just briefly. We had a very diverse steering committee. They identified from all the research that we did, the economic impact analysis, the market analysis, the needs assessment of organizations and individual artists, the attitudinal polls, the analysis of outreach, education and tourism, comparative analysis with cities, facility and venue analysis.

They determined – again they're coming from different sectors of the community – that there

were four strategic gaps. One was there was no organization doing anything around public policy for the arts and cultural community.

Two, there was no organization that was looking at the arts and cultural sector in the northeast Ohio, seven-county region that we serve, that was looking at putting information out, not unlike a public relations agency, that influences public opinion. All these organizations have their own public relations and their advertising machinery, but the Cleveland Orchestra is not going to tout somebody else and vice versa.

Lots of business consultants in northeast Ohio, thousands of business consultants, for profit, not-for-profit, best practices, worst practices. [Laughter] What was lacking and what we saw, especially through this research, is that there was no organization looking at cause as opposed to symptoms, and out of that working with national arts strategies which was stabilization, and then went to strategies during our whole working relationship.

We developed a practice of being a primary care physician for organizations that are \$500,000 and below, as well as individual artists.

Then the final area is that we did this research. This research was extremely important in terms of moving elected officials and leadership in the private sector to a position of saying, Oh, this is an industry. Oh, this does have impact.

We continue to do the research longitudinally, and so form follows function. We did incorporate and we're two-thirds of the way finished with the regional plan and we're getting ready to continue the plan. Not unlike organizational development which is ongoing, and all of you know that in your own organizations, the planning process builds confidence and in many ways is an ongoing campaign for the arts and cultural sector to move from the periphery where we migrated to over the last hundred years, back to the center of community development.

MILLINGER: We put together for ourselves some key questions as we were talking, or issues that we would like to throw back and forth based on this preliminary discussion. I'm going to break what we had already had because I'm so interested in what you were just saying, Tom.

There is a lack of patience to go through the process that you went through, and it certainly was exhibited in Denver in the eighties. There are models out there and people, for example, in the Phoenix metro area, all they see is \$37 mil, and they want it tomorrow.



Some of our major institutions, even that are sitting on our taskforce, are plotting that they're going to go on their own, because they don't really care to be honest about the whole or the public policy issue. They care about \$37 mil, and Denver got it, and they want it. Here we are trying to lead a process and we're being energized by a model of something that was able to come up with a plan in a course of six meetings. Even though there was preliminary work done ahead of time, the point is from the perception issue of the arts organizations, there's something going to happen quickly.

How do you balance that need for immediate gratification against what you're talking about, Tom? In your community it's been a long way for a product other than the research and the groundwork. How do deal with that tension? And please this is for everybody too.

COPENHAVER: Let me add one more contextual thought, because the NCFD happened in Denver about the same time that a number of things happened. Like it or not the new airport. Also the first half of what is now being built as the second half of a convention center.

City leadership, to their credit, in the eighties said the city's going south. We were totally dependent upon the energy business in the seventies and eighties when that went away and the Texas companies went home. The city realized it had to broaden and diversify itself but it also had to spend money on infrastructure.

There was a political climate at that time that said, Yeah, we need these things and let's pass them. Even the businesses who had to pay some of the taxes said, Yeah we've got to do these things. It was in that context. That context doesn't exist today in spite of being in economically troubled times. Nobody's saying, let's go build some more roads as a way to get out of the hole.

SCHORGL: I would say that the public sector was one of the reasons that we were able to keep this thing broad and inclusive. There is public sector funding in Cuyahoga County, and two of the pieces are based on bonds, which is Cleveland Playhouse, Playhouse Square Foundation and Rock and Roll Hall of Fame. The third is a line item that happens every Fourth of July with the orchestra's presentation in Public Square.

What was happening is that all the other organizations were coming towards Cuyahoga County saying, I want a line item too. They started to see just from their own survival

and administration point of view that they were going to have to approach this in a more comprehensive way in public sector support than invitational, and very selective without any sort of protocol.

That has helped to keep some of the larger institutions focused on the importance of moving together. Now that isn't to say that the reality is that you've got this field of energy with the arts and cultural community, around public policy, especially public sector support.

One side of that field of energy is high anxiety and then the other part of that field of energy is high eagerness. The eagerness tends to be the smaller arts and culture organizations because nothing from nothing leaves nothing. They're wanting to get into public policy. The larger institutions just say, What's the opportunity going to cost me, if we get involved in this?

Working around making the process transparent and bringing the learnings out and bringing the arts and cultural community together to do significant types of very highly visible public types of activities is extremely important.

The other thing is, we engaged with the media right up-front. We said, We're going to share with you all this stuff. Now, we're going to embargo it because we want to make sure that when we release it we don't shoot ourselves in the foot. But you'll get it ahead of time so that you can analyze it, ask us questions, and then report on it the way you're supposed to do, very objective and in a way that informs the public.

That also took the issue from being this symbolic issue in the background of the public agenda that some people might hear about, to becoming a very visible agenda item in terms of public policy in the front page of *The Plain Dealer*. When that happens it doesn't encourage the predators in our sector to pounce upon the issue.

CERVENY: You know there's something else I wanted to add though to your question of, How do you keep the community engaged through a long process?

I would say that the very public process and the very inclusive process, all those 42 public meetings and focus groups and all of that stuff, and the constant information stream. Tom also has convened cultural roundtables on a monthly basis of cultural leaders in the community.

SCHORGL: And emerging leaders.



CERVENY: The fact is that CDCs have been involved in the discussion, the labor unions have been involved in the discussion.

There have been opportunities that have emerged over the past couple of years that we were then in a position to take advantage of. For example, we now have and never had before, an artists' live/work-based ordinance. Downtown buildings are being renovated and made available to artists for live/work situations. We never could have had that conversation unless the community was engaged in the way it had been engaged.

We also have just passed a Percent for Art ordinance in the city. Nobody would have understood what the heck we were talking about three or four years ago if the work that Tom had done hadn't rolled out.

So there have been gains, the conversations continue, the community does feel that progress is being made.

AUDIENCE: I hadn't heard any of you speak about smart growth, are there smart growth people at your table?

SCHORGL: We've gone through this process of trying to bring the arts and cultural community together and building alliances between various types of organizations – traditional, contemporary, small, medium, large, individual, performing, literary, visual artists. That has started to take some form and there's a lot of confidence in that group.

Now we're moving to have meaningful discussion with the high tech and biotech people who exist in Cleveland, especially through Case Western and the Cleveland Clinic and some of the other high tech industries, to ask them what are their public policy issues.

We're also having discussions with the environmental folks and the ecology folks about what their issues are based on the simple premise that we're moving from a manufacturing based economy to an idea and knowledge based economy.

We have those other two sectors there. Coming together with them, to start a whole different dialogue about the creative workforce and how each of us in those sectors are going to help to define that.

AUDIENCE: The reason I mentioned smart growth as opposed to environmental, having to do with transportation hubs, having to do with some of the issues that you face when suddenly the city is

not the city anymore. We're very much involved in discussions with smart growth people.

SCHORGL: The other thing we've been able to do regionally is work with other counties. Lake County for instance, has passed a comprehensive public sector funding piece that will provide arts and cultural funding in terms of drawing, not necessarily in terms of housing, but drawing people in through other suburban communities to Lake County to take advantage of their arts and cultural assets.

CERVENY: But to your point, smart growth unfortunately is not a big topic in the Cleveland region, and we've had a really, really hard time having the regional conversation. I'm hopeful that it is beginning around some areas, but there isn't that opportunity for us right now.

COPENHAVER: Let me just close out. But your point is really an important one. It goes again to the timeline that we're working on. It takes so long for some of these things, new players come into the game. And I think transportation is one of them. Denver is leading the pack with light rail these days – had very successful light rail, is building another long extension of that – which is a clear feeder into downtown Denver as opposed to what used to be spokes, and now are broken spokes in the outlying areas.

You've got to play with those people because they get real attention and there's real money connected with doing that. Billions of dollars to build light rail...

BERGER: I'm just curious in terms of issues of what happens when you get rich. The minute there's money on the table. Have you dealt with issues of allocation?

CERVENY: Great question, great question.

Berger: Because the issue of greed and politics and where that fits is for me one of the issues that we have to really talk about.

SCHORGL: We encourage our County Commissioners in Cuyahoga County, as we did in Lake County, to consider the allocation process, the distribution of funds, the appropriation of funds, the different grants programs, what those grants programs would look like, eligibility requirements, all of that stuff, ahead of any sort of campaign.

At first they were a little reluctant to do it, but when we did polling around these issues, we could prove to them that this issue was going



to pass based on how well the community understood it, not just the arts and cultural community, but the community at large. Those allocations and that whole process needs to be something that the community developed from a very diverse taskforce which is halfway through their allocation and recommendations.

CERVENY: One of the early findings of that polling, interestingly enough – and Tom has used it diplomatically in his conversations with the commissioners – was, Well if all this money is going to go to the orchestra and the museum, I ain't voting for it.

So that was a very powerful message from the broad community.

JENNINGS: We have an important new organization that represents 106 organizations and we have the zoo and we have gorillas, so... [Laughter] We have the Louisville Slugger Museum and we have the public libraries and so that's really good. We don't have as many of the small organizations as I would like to have.

But we tried to do a cultural plan because we were going to have a new merged government and taking the lead from New York we wanted to have a cultural plan in place. We couldn't make it happen 'til the big guns started getting in trouble.

We have a very important, a very successful United Arts Fund that raised \$7 million, but the orchestra almost went bankrupt.

One of the foundations, the United Fund, wanted to do a study to help the big four. One of the foundations, the large foundations said, No, you have to help all the organizations.

So we just came together, they met on Monday while I was here, we have a consultant we're working with. But now the new merged government is, no new taxes, no new taxes, no new taxes! We will not do public funding no matter what, forget it.

Do we have a rebellion now and say, we want to have public funding on the table? Or do we play ball with them and say, let's see what the study comes out? It's really a moment where we need to decide. I've been laying low and saying, well let's wait until the study comes out, but maybe that's not smart.

COPENHAVER: You're in the midst of changing over into uni-gov, right? In Louisville? I would look at that process and the strengths of that process and start to put together your planning

protocols based on this new way of doing government, which is the merger of the county and the city. Prove to them, which I'm sure you could do, that in the county and in the region, the arts and cultural piece is an economic driver.

Elected officials are these days thinking about one thing in particular, jobs, jobs and more jobs. The arts and cultural community provides that. What we have to do and everybody pays for them and does them over and over again is to have proof to support your claims.

Find out what uni-gov has for their goals and see where there's the overlap.

BERGER: I wanted to pick up on the jobs, jobs, jobs and the economics. Things were said earlier about a world class destination point, all the things that the moderator was talking about. Because right now in New York City you have a seemingly very public process about Lower Manhattan and the World Trade Center site.

There's a real tension growing about this issue of destination point which says there's a certain kind of organization you should have.

What I see time and time again, people go through these processes but when push comes to shove, the greed and the politics – and by politics I'm really talking about the board relationships of big institutions with the elected officials and their ability to get right through because they give money – leave too many others out of the picture, even though they understand the people issue and the community issue in that final analysis. There's a tokenism to the people part, and more to the destination part.

MILLINGER: I'd like Jim to speak to that because that might be ultimately what he does in Denver this time at the reauthorization.

COPENHAVER: As I said, we've spent 18 months, and it was really interesting. The tier one folks didn't bother with us at all because they said, when the election comes up, we'll throw money at it, and that will be the end of it.

The most influential person among the big boards happens to also be the chairman of the Republican State Party and thinks that he elected the governor and certainly elected some major share of the state legislature so he doesn't have to worry about his legislative battle with us if we come with some alternate bill.

The greed has gotten in our way partly because in spite of knowing better, the second tier and the smaller tier boards are not staffed with people



who are politically significant. They tend to be more arts-oriented or community oriented or some other. They come on the board for maybe some of the old traditional reasons.

MILLINGER: They care!

CERVENY: Because they like the arts! *[Laughter]*

COPENHAVER: Yes. Crazy people. *[Laughter]* The other piece is the money. The reality is that the top people got the bill passed the first time. It was \$750,000 the first time, it was a \$1.5 million the next time, it's going to be \$2.5 million to do it the next time. We're talking big money to run a campaign.

In spite of the fact that the second-tier people said, We're in here, we'll do our share this time around. We understand the political game. But the top tier said, We put the money in, we got this thing passed, it's our money.

The interesting thing to me is that the small guys caved in the end. They said to themselves, I'm only getting a couple of hundred thousand dollars, or I'm only getting \$10,000, but if the bill goes down I don't get anything. I'd rather have my little pittance than have the opportunity to get more.

The question now is, in this fifteen years Denver's not the overwhelming voting block, and the suburban communities may now say, Why do we send our money to Denver? Because while most of the money is collected outside Denver County – Denver is a city/county government – it flows into Denver because that's where most of the arts organizations are based.

There's a real possibility that the suburban mayors and other people will simply say, It's not worth any more to us, let's take and keep the money here and we'll do something and build our own facilities or we'll do something else with it.

SCHORGL: One of the things that politicians also understand besides money is votes. If you can demonstrate to elected officials that the arts and cultural sector can turn out votes, and those votes need to come from all over the county or the constituency involved, all of a sudden the money isn't the only force that's guiding these people. We have been able to do that.

It was practice for the campaign that we hope will happen in '04. One is we got behind an educational bill and had the arts and cultural folks canvassing. Sometimes that's a little bit beneath the major institutions, so they don't do that.

The next opportunity was health and human services. The health and human services bill was a very close vote. We put together curtain speeches at all these small performing arts venues about the importance of health and human services. We say in the arts and cultural community that we're quality of life, and that's what we worked off: health and human services is quality of life. They're in alliance with us. It passed by about 5 percent. The county commissioners did the research. Two percent of that 5 percent came from the arts and cultural community.

The third thing is we continue to do polling around the issue and in Cuyahoga county there are 300,000 registered voters. So it takes 150,001 votes to pass an issue. We know without any campaigning – and you've got to campaign – we can bring 50,000 votes to an arts and cultural issue or other related issues. That has gotten the attention of the county commissioners, and they also know that they cannot segregate one segment of the arts and cultural community over another at this point. And we use the media to communicate those points.

CREMIN: It's so big for us, this one in Atlanta is looming. But I'm thinking a lot about the allocation issue, and I'm interested to know if in any of your communities the conversations come up around a portion of the allocation going toward building an endowment for the arts.

SCHORGL: *[Chuckles]*

CERVENY: No.

SCHORGL: We tested that, and the elected officials loved it. One millage rate Cuyahoga County throws off about \$28 million annually. And we said, let's put this issue on to create a public trust, and that public trust is \$10 million each year. Of that, \$28 million would go to operating support, project support, individual artist support. And then the other \$18 to \$20 million would be banked. You would bank that over ten years and you would have a corpus of \$200 million which would throw out, in theory, in perpetuity, \$10 million.

Elected officials loved it. We thought it was a great idea. When we tested it, the polling was about 98 percent against it. And there were two reasons.

One is that the voters felt that they got hoodwinked when it came to the lottery and education, and that what was promised in terms of creating this public trust around education from the lottery never materialized.

The other thing was Social Security, that Social Security's in a mess, we don't trust the politicians



to bank this money, they'll figure out some way to spend it other than on the arts.

So the issue in Cleveland, Cuyahoga County, was trust.

CREMIN: That's the most logical thing to do.

MILLINGER: Exactly. We tried in Arizona. The last visionary thing of one of our corporate leaders before he retired was to push through an arts endowment fund within the state. It was a certain amount of the existing amusement tax, and once allocations were reached that were already aligned to constituencies from that, the next \$2 million would go into an arts endowment fund, managed by the state, financed by the state, but escrowed over a ten year period to create \$20 million, which is not very much, but it was something. The notion was it would be matched by the private sector so you'd have \$40 million.

The way that they brought in the local arts community so they didn't feel threatened, because all of them were going through endowment campaigns, was by saying that any new money that you had from the date of the legislation being signed that was toward endowment was allowed to go towards the match. So they were able to make a big public showing of how much new endowment money had come in.

In many ways it was an artifice because a lot of these arts organizations were going through endowment anyway. It wasn't a quid pro quo. What ended up happening was we had \$8 million, four year's worth, into the state endowment. The agreement was that they wouldn't kill the State Arts Commission in the legislature, that it would have its same level of funding, but they took a million dollars off the Arts Trust Fund. So the endowment was down to seven.

This year the bait was, okay, we won't eliminate you this round, and we'll only halve what we were going to take away, but they've swept the whole endowment. It's gone.

CREMIN: So they did exactly what people were worried about. *[Laughter]*

COPENHAVER: That's happened in almost all states. Almost all states have had a hard time really banking it and treating it. Because no legislature can bind another legislature.

CREMIN: My hope was that that money could be placed with the community foundation as the level of assurance.

MILLINGER: Our private money was. And so the private sector people are PO'd plenty. We thought our only hope was that they were going to go storm down. And the legislature said, It's not enough. You haven't got enough in there to leverage power out of that.

Part of what we were talking about earlier, in the risks of going the public sector route that we're hearing, the money is big if you can do it. The proof will be in the pudding in Cleveland, because I don't know of any place where it is being done as thoughtfully over time as in Cleveland.

We don't know, even if you get this through in time, you're always vulnerable, you're always vulnerable.

On the other hand if you go the corporate route or the collective private fundraising, Seattle's been very successful, Charlotte's been incredibly successful. But if you look at the scale of it, it doesn't match up to what you can put on the table. Seattle, before it became the Arts Fund, when it was the Corporate Council, was about \$4 million a year.

Well if I'm sitting in Arizona and I'm the Phoenix Symphony and I'm the Art Museum, and I look at \$37 over a collective fundraising of \$4 that I think is getting in the way of my private relationship with corporate funders, I'm going to go this route. It's going to happen. There are huge issues for all of us in how this plays out.

SCHORGL: I would say – and Kathleen plug your ears – that the public sector funding piece is a means to an end, and that end is being a political force in terms of your community's development.

PANELIST: Absolutely. I couldn't agree more.

SCHORGL: That's the prize. The money is important, you've got to have it, but once you've got the money, whether you want to be at the table or not, you're going to be invited to the table and you'd better be prepared to act.

AUDIENCE: Is the increased political awareness on the part of the arts community helping it to stay at the table?

SCHORGL: Yes, I think it is. I think it is in terms of the Ohio Arts Council, which is one of the more progressive arts councils in the United States. It has looked at the future, and they know that the future isn't a grantsmaker in the way they have been known as a grantsmaker. They are moving very quickly to be an organization that has regional partners; and they are moving



very quickly to become much more involved in shaping public policy through their sister agencies in Ohio. One of the ones they have been very successful with is the Department of Commerce and their international program.

They know that the horizon is changing in terms of the traditional state arts agency that has all these various disciplines and grants programs. They know that that is ultimately going to go away. There are two reasons for it in Ohio: one is local control; and the other one is term limits.

No longer can the Ohio Arts Council and the constituents of the advocacy group expect to build a long-term relationship with the speaker of the house or the senate president, because they're only going to be around for six years.

COPENHAVER: I would say there's one other factor, and that's the reality check. The states are not going to have money. Even in the states that want to give money to the arts, they don't have it, it's going to be zero. We were very fortunate in Arizona this last pass-around because of the Governor and because of the State Arts Executive Director. But in two or three years there won't be any money to give, no matter how much they love us.

MILLINGER: I will tell you right now, the Governor of Arizona, Janet Napolitano, whose name you will know because she will end up being on somebody's vice presidential ballot very quickly. She's very dedicated and committed to the arts. She took a really gutsy role the first legislative session as governor, line item vetoed a whole range of stuff that the legislature had passed and then reinstituted all kinds of stuff that they had lined out. So they hate her guts. They're out to get her.

COPENHAVER: And they're suing her. *[Laughter]* Yeah, they're suing her!

MILLINGER: They're suing her. So one of the things she did was reinstitute funding for the Commission and reinstitute the endowment, but it's going to go. Now she's back in a corner, and she has no maneuvering room on the arts.

Maybe the best route next session is that we merge the Departments of Tourism, Commerce and the State Arts Commission.

So Shelley now is being positioned... She said, I've never been here before. I know how to argue for my budget, I know how to argue for myself. I don't know how to place myself in a potential payoff against other agencies that are huge

powerbases. And what that means in terms of leadership, what that means in terms of control.

If you go the route of becoming the public policy center, what does that do? We have Arizonans for Cultural Development which considers itself the locus for that kind of advocacy in public policy. They're not structurally positioned right now to do that. So do they become competitive or do they merge? Who has to go away?

Probably what philanthropy shouldn't do is just put business leaders on task forces for a few months, but should be looking at huge shifts of paradigm, of what people do to survive and have the guts to go and look at some of these.

AUDIENCE: In Massachusetts, we're also out of money and one of the revenue sources that we're looking at for the state is slots gaming and gambling. There's a little bit of a discussion now amongst the cultural community, is this something that we ought to tie up with?

When we say that to each other we immediately say, Oh, remember the lottery. Because the lottery started in Massachusetts as an arts lottery and it stayed an arts lottery for probably less than a year, when they saw how much money was coming in and it was capped. There's not much money coming out of it.

But are there other experiences that you folks have run into?

BERGER: In New York we've had a similar thing about gambling. By and large the arts community said, we really don't want to be associated with that for all kinds of reasons. Including, you'll use us and we'll never get anything.

Faith communities don't support gambling regardless of the economics. They'll use some of the old arguments that they've used against us one more time. I don't think we're interested in getting into that battle regardless of the money.

COPENHAVER: But it's hard. Colorado's got a bill coming up in the election to broaden gambling. They've sweetened it a little by saying some percentage of this money would go into cultural tourism. You've got part of the cultural community saying a little money is better than no money, let's be supportive of this thing.

So people get trapped awfully fast into the greed site.

SCHORGL: I think the other thing is that you find out what's entailed. I never close the door on anybody who says they're going to give me



money. But I want to sit down with him and find out all the ramifications. Talking about licensing, and maybe this will give you a picture of me that exposes more than I want to, but I would be against taking the proceeds in terms of gambling because it's a regressive tax. I would not be against taking part of the licensing fees for the gambling institutions.

MILLINGER: Interesting.

There are a couple of other things I'll just throw out for you to think about that we didn't get to talk about, and one is, there was a very strong feeling expressed amongst our colleagues yesterday at a luncheon discussion about the error in looking at quantification, of justifying impact based on numbers. So look around you, because part of the reason that Denver has still been able to continue is that what was reauthorized were numbers. So how do we play this dichotomy?

The other is, nothing is going to sell as arts alone. If we're not willing to consider the broader cultural context, we never would have launched in Phoenix this task force without the zoo, without the botanical garden, and without the historical societies as part of it. So the notion of the arts, never mind being intrinsic unto themselves, but being an individual silo going forward and positioning themselves, ain't going to sell from our experience.

PANELIST: I do think that the work that the Urban Institute is doing and the work that the Fordham Institute is doing about cultural indicators is important. That was very successful. The Humphrey Institute in St. Paul has just put out a very good report on the economic impact of individual artists. We either define ourselves quantitatively or qualitatively, or the opposition will define us.

MILLINGER: On that note, thank you all very much. *[Applause]*

END

