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SET IN STONE

BUILDING AMERICA'S NEW GENERATION OF ARTS FACILITIES, 1994-2008

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TABLE OF CONTENTS

Executive Summary 2
Introduction 4
Chapter One: Demographic and Economic Context for the Study 7
Chapter Two: The Landscape of Cultural Building 9
Chapter Three: The Investment Determinants of Cultural Building 14
Chapter Four: The Feasibility of Cultural Building Projects 18
- Observations of Producing Theaters 20
- Observations of Museums 20
- Observations of Nonresident PACs 21
- Observations of Resident PACs 23

Chapter Five: Case Studies 26
Chapter Six: The Effects on Communities 26
Conclusion 33

APPENDICES

Appendix I: Study Methodology
Appendix II: Manager's Survey Materials
Appendix III: Community Survey Materials

LIST OF TABLES

Table A. Distribution of Cost of Projects 9
Table B. Top Ten Highest Cultural Building Spenders between 1994 and 2008 12
Table C. Top Ten Highest Cultural Building Per Capita Spenders between 1994 and 2008 12
Table D. Average Population Change, Education, and Median Household Income Levels for MSAs that Invested versus MSAs that Did Not Invest 18
Table E. Average Budget Escalation 21
Table F. Summary of MSAs in the Community Survey 27
Table G. Subsamples of Interviewed Community Organizations 28

LIST OF FIGURES

Figure 1. Change in Population Growth Rate by Region from 1980-1990 to 1990-2000 7
Figure 2. Growth in Percent of Population with at Least a Bachelor's Degree by Region: 1990-2000 8
Figure 3. Number of Cultural Facilities Per 100,000 People in 1990 9
Figure 4. Cost of Projects by Year 10
Figure 5. Five-Year Average Change in Infrastructure Spending 10
Figure 6. Cost of Projects by Year and Type 11
Figure 7. Five-Year Average Cost of Projects by Region 11
Figure 8. MSAs with at Least One Project in 1994 and 2008 13
Figure 9. Box Plot (Median and Range) of Per Capita Investment by Size of MSA for MSAs that Invested 14
Figure 10. Relationship between Number of Existing Facilities in an MSA and Population 15
Figure 11. Relationship between Number of Existing Facilities in an MSA and Number of Artists 16
Figure 12. National Trend in Ratio of Arts Organizations to Cultural Facilities 16
Figure 13. Dimensions of Cultural Building Project Feasibility 20
Figure 14. Dimensions of Cultural Building Project Feasibility by Category of Project 25

EXECUTIVE SUMMARY

In 2007, just before the domestic economy experienced a major trauma, the Cultural Policy Center at the Harris School and NORC at the University of Chicago launched a national study of cultural building in the United States. It was motivated by multiple requests from leading consultants in the cultural sector who found themselves involved in a steadily growing number of major building projects—museums, performing arts centers (PACs), and theaters—and from foundation officers who were frequently asked to help fund these infrastructure projects. With the generous support of the Andrew W. Mellon Foundation, the Kresge Foundation, and the John D. and Catherine T. MacArthur Foundation, we were able to conduct systematic scientific research on cultural building in the United States between 1994 and 2008 and come to a number of conclusions that have important implications for the cultural sector.

SUMMARY OF FINDINGS

Our research resulted in a number of conclusions on cultural building in the United States, particularly in regard to the inquiries we conducted on **1)** the landscape of cultural building, **2)** the investment determinants of cultural building, **3)** the feasibility of cultural building projects, **4)** case studies of cultural building projects, and **5)** the effects on communities in which cultural projects are built. These conclusions are summarized below and explored in detail in the report.

The Landscape of Cultural Building

- There was a substantial increase in cultural facilities building, particularly between 1998 and 2001 (i.e., the "building boom").
- Building in the arts grew faster than or on par with building in other sectors, particularly health and education.
- The Southern region saw a huge increase in the total number of cultural facilities during the period studied—significantly greater than other parts of the country.
- Smaller cities with fewer than 500,000 people were building as well, and many of these cities were building for the first time.
- PACs were the dominant form of new facilities.

The Investment Determinants of Cultural Building

- The more existing cultural facilities a city has, the more it must invest in renovating and replacing those facilities.
- Rising population and higher average levels of education and income help explain why some cities built more than others.
- The supply of cultural facilities may have exceeded the demand for them, particularly in the building boom period.

The Feasibility of Cultural Building Projects

- Based on our observations of projects, we identified important characteristics that led to more or less successful projects within the following four dimensions:
    - The project's motivation was comprised of both the organization's sense of its artistic mission and by organizational need.
    - Project leadership that was clear, consistent, and sustained throughout the planning and building process improved the chance of positive outcomes.
    - Efficient project timelines and how effective project leadership was in responding to feedback helped determine a project's success in implementation.
    - Project outcomes were influenced by how flexible and realistic the organization was in projecting revenue for the post-completion period, and how effective the project leaders were at controlling expenses.

Case Studies

The case studies will be of value in determining how best to manage building projects in the cultural sector going forward. Planning and designing a building strategically involves balancing a number of elements: the way that a new facility fits into and enhances the ability to deliver on mission; the organization's actual capacity (additional staff, technical support, marketing expertise) to operate effectively in an enhanced and expanded space; engaging the surrounding community in ways that enhance the longer term health of the organization and its infrastructure; and identifying and strengthening funding streams for the near- and longer term. Finding an equilibrium among these managerial challenges maximizes the project's viability and sustainability.

The Effects on Communities

- There is no clear pattern of spillover effects (negative or positive) of specific cultural building projects on non-building local cultural organizations and the greater community.
- Few organizations viewed themselves as competitors of the organization that was building or expanding its facility.
- There was only limited evidence that cultural building has significant effects on the overall changes in the number of arts organizations, their employment, or payrolls.

This report and the findings highlighted here represent just one of a number of different products we were able to develop as a result of this study. Others include several working papers, case studies, and datasets; two major books under contract with the University of Chicago Press; plans to create an executive education program on cultural building; and other more impactful vehicles that will help disseminate our findings to the cultural sector. With this report, we hope to not only communicate what we have learned, but also what we hope to learn in the future now that we have inaugurated a broad and detailed dialogue on the practice of building for cultural organizations.

In 2007, just before the domestic economy experienced a major trauma, the Cultural Policy Center at the Harris School and NORC at the University of Chicago launched a national study of cultural building in the United States. The study was motivated by multiple requests from leading consultants in the cultural sector who found themselves involved in a steadily growing number of major building projects—museums, performing arts centers (PACs), and theaters—and from foundation officers who were frequently asked to help fund these infrastructure projects. They had a sense that something was awry, in particular that the level of investment in bricks and mortar as a percentage of total revenue and assets was disproportionate, and that because of this, it was becoming increasingly difficult to forecast what the fallout would be on the institutions behind these building projects, on the communities in which they were built, and on the sector as a whole.

For the public and those comprising the audiences for this wave of new cultural facilities, the growth seemed like a tangible indication of prosperity in the arts sector. Expansive venues, signature architectural statements, bustling new centers of artistic activity, and objects of civic pride—all of these could appear to be positive indicators. And, at least in the beginning, each of these projects was based on the assumption that a new facility would help increase audience size, increase earned and donated income, and at least indirectly help realize the institution's mission.

On the other hand, for those who had a sense that the heavy emphasis on bricks and mortar was causing problems, many building projects seemed extremely costly and perhaps too large to be sustainable in the long term. These projects substantially weakened the host organizations financially, and in many cases appeared not to be demonstrably more effective vehicles for delivering on mission. They involved immense capital expenditures, and when completed, left buildings with large annual operating expenses that were sometimes beyond the capacity of the organizations that built them. These observations were, however, anecdotal and therefore perhaps not representative of the universe of new cultural buildings. There was nowhere to go for systematic supporting data and analysis of the building boom as a whole, and there were no comprehensive studies, even though billions of dollars were being spent on projects that taxpayers were often helping to fund, both directly and indirectly. Because journalists were frequently covering the most dramatic (and often catastrophic) of these cases, there was a general awareness of the phenomenon, but no notion of how widespread it was, how similar the cases were (or were not), and what the resulting impact of these ambitious building ventures—both on arts organizations and on the urban and regional arts communities they inhabited—was turning out to be.

With the generous support of three major foundations, we assembled a research team and began our work. The universe of cultural building projects we studied consists of museums, PACs, and theaters, ranging from $4 million to at least $335 million. It includes new facilities, expansions, and renovations; iconic and grand civic identity projects designed by internationally known architects and embraced by civic leaders, as well as community-generated arts facilities; and buildings funded through complex public/private funding arrangements, as well as more generic structures built entirely with donated money. The buildings include both single-use structures, as well as hybrid facilities that combine the functions of galleries, performing arts venues, and community centers. Some are single organization venues, and others serve a variety of arts organizations.

In order to frame the research project in the most useful and effective manner possible, we started by convening a planning meeting in the fall of 2006. The meeting included organization leaders, trustees, consultants, individual philanthropists, and foundation officers who work within the cultural sector. Here we learned how new facilities were creating an imbalance in the allocation of resources between capital investment and the funds used for operations, and how organizations trying to meet a new set of needs and expenses risked exhausting their donor pools. In some instances, projects appeared to push institutions even further from their missions in order to keep up with the new and increased financial demands. They also alerted us to board decision-making patterns, the influence of "star" architects, relations with the public sector, and the dynamics between donors, governing boards, and paid staff—with all of these being identified as key elements that can help push a project off the rails. Attendees questioned whether sufficient due diligence was being taken in advance of most decisions to build, and pointed to the difficulty of stopping a project already underway. And they suggested that the cultural sector increasingly seems to believe that if a superb new facility is built, this will be sufficient to create a new and enthusiastic audience—and thereby create sufficient demand to justify the large capital expenditure. Careful financial risk assessment and a healthy level of caution and skepticism were, in their experience, too often trumped by high levels of optimistic enthusiasm.

This persuaded us that it was likely true that large building projects present risks even to healthy arts organizations with long traditions of support and involvement of donors and audiences, let alone for brand new or abruptly expanded smaller institutions.
A better understanding of how large-scale cultural building impacts the overall sustainability of local arts ecologies, based on hard data and detailed analysis, would assist in strengthening the American cultural sector over the longer term.

Our report opens with a broad demographic and economic overview of what was happening in the United States before and during the span of this study—1994 to 2008. Using a broad pool of data, we trace the development of certain demographic and economic patterns that may have influenced the abrupt expansion in cultural building projects. Some very clear patterns emerge which suggest why building occurred in certain regions of the country more than others, and in general, why so much building took place.

Chapter Two gives a detailed view of the landscape of cultural building projects across the country. This part of the study makes it possible to move beyond hearsay about how much building actually took place, where it happened, and at what expense. In addition to getting an accurate sense of regional variations (which are significant), we are better able to understand both the rate of change in spending on cultural facilities, and why this expansion took place.

In Chapter Three, we identify the investment determinants of cultural building on the basis of the criteria an organization could have used to decide whether to launch a large infrastructure project. In order to do so, we looked at broad economic data, at demand in the cultural sector (notoriously difficult in terms of getting an accurate picture), and at detailed urban demographic profiles in the cities where building took place. For example, we looked at the relationship of the number of artists in a city to the rate of per capita investment a city made in cultural infrastructure. We also looked at the effects of population change, education, and median household income on per capita investment. A significant portion of what we found was counter-intuitive. It is in this chapter that we explore our hypothesis that in many cases investment in facilities may not have been in response to actual demand from the sector (i.e., other factors were at work). In this manner, we lay the groundwork for a better understanding of the complex issue of supply and demand in the arts. But we are also very aware that there is still much work to do—both from a data collection standpoint, and in terms of analytic tools. This, in turn, points to the general goal in the field of developing a better comprehension of what constitutes a healthy cultural sector, and what proxies can be deployed for this.

Chapter Four contains the findings from our analysis of the feasibility of planning and building processes that take place during these infrastructure projects. The ultimate purpose here was to conduct an analysis that would assist practitioners and building project managers—one that could help them develop and improve upon effective practices in planning, building, and managing capital facilities. We developed a theoretical apparatus that easily enabled us to illustrate the important characteristics we observed in the projects we studied. The discussion revolves around why projects are understood, appropriated, mobilized, and deployed in some instances, and not in others.

Our underlying goal in this chapter is to describe precisely how the projects we studied unfolded on a purely observational level. Hence, the analysis is positive in nature in that we focus on what we observed rather than on how we believe projects should have unfolded.

We discuss our observations in regard to the underlying motivation, the character of leadership of an organization, the degree to which the project was conceived and launched efficiently, how the project leaders responded to internal and external criticism and feedback, how price controls were maintained, and how effective revenue-generating strategies were for the post-project period when adequate income becomes critical to the longer term success of a new facility.

Chapter Five looks at the detailed case studies we produced, which will be available as teaching tools for MBA, executive education, and arts administration programs. They will also be valuable resources for trustees, executive directors, major donors, foundation officers, and others who want to embark on major building projects in the arts. These vividly written case studies paint a rich portrait of the kinds of problems and tensions that appear from the very beginning of these large-scale building projects, and are designed to give practical lessons to those in the field about how to neutralize problems to help ensure a successful outcome.

Finally, Chapter Six explores the effects of large infrastructure projects on the surrounding community and particularly other cultural organizations. This part of the study looks at the relationship between each city's broader building context and at the perceptions of a large sample of non-building community cultural organizations regarding the effects of a major local cultural building project on their own organizations, and on the broader cultural community. It also discusses how competition might be defined in this sector and whether there are any differences between organizations that consider themselves direct competitors. We also look briefly at the economic impacts these projects may, or may not, generate.

In conclusion, we outline what we have learned from each part of the study of cultural building over the past few decades, and more importantly, what the most crucial avenues are for future research, of which there are many. To say that we learned a lot, and also contributed to what used to be (and still is) a small body of evidence-based research on cultural building in the United States, would be an understatement. This report and the findings highlighted here represent just one of a number of products we were able to develop as a result of this study. Others include several working papers, case studies, and datasets; two major books under contract with the University of Chicago Press; and other more impactful vehicles that will help disseminate our findings to the cultural sector. With this report, we hope to not only communicate what we have learned, but also what we hope to learn in the future now that we have inaugurated a broad and detailed dialogue on the practice of building for cultural organizations.

DEMOGRAPHIC AND ECONOMIC CONTEXT FOR THE STUDY

A short demographic tour of the United States from 1970 to 2000 provides a useful backdrop for understanding the context for our study of cultural building. We focus attention on the 1990s when most of the projects we studied were being dreamt about, and were then ultimately brought into being. This decade differed from those that preceded it and from the one that followed. It was a decade of economic exuberance only widely seen as irrational after the successive downturns of the 2000s. Plans made during this decade produced a cultural building boom that primarily came to fruition in the late 1990s and the early 2000s.

Decisions to invest in new buildings are made in the immediate context of local needs and aspirations. According to our research, these decisions come after a lengthy planning period, typically at least five to ten years, during which time larger national and regional trends also exert some influence. Because people tend to extrapolate trends, what is important is not only what is going on during the planning period, but also how it contrasts with the recent past. Combined, these influences define the climate in which people make long-term investment decisions.

We are going to sketch the larger demographic and economic picture that formed the climate in which the myriad visionaries, planners, and project managers were operating—in which they thought about, and then built new cultural facilities. We begin with demographics because changes in the size and character of the population not only have direct effects on demand for many goods and services; they also have indirect effects through changes in tastes and lifestyles.

The decade from 1990 to 2000 in which the thinking and planning for the great boom in cultural building took place was a very interesting moment in recent U.S. history. To take the simplest fact first, total population in the United States grew at a rate of slightly over 1 percent per year from 1970 to 2000. This growth, however, was not evenly distributed over the decades or evenly across regions of the country. From 1990 to 2000, population growth was 1.2 percent per year; a rate over 30 percent higher than in the previous and subsequent decades. But from a geographic perspective, the country was not growing at all uniformly. The South and the West were the fastest growing regions throughout the 30-year period, growing more than five times faster than the Midwest and eight times faster than the Northeast. The decade from 1990 to 2000, however, showed an unusual pattern for the Midwest. While the rate of population growth, compared with that of the previous decades, was about the same for most regions, the rate of growth in the Midwest during this period was six times faster than in the previous decade. Thus, those in the Midwest were experiencing a relatively faster rate of growth than they were accustomed to, while those in other regions were not.

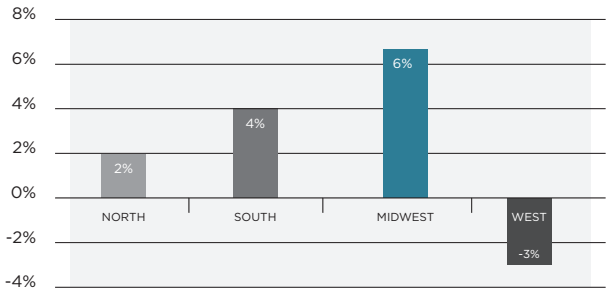


FIGURE 1.
Change in Population Growth Rate by Region from 1980-1990 to 1990-2000.
Source: U.S. Census Bureau, Population Division.

The effect of population growth in determining the demand for culture, as we know from a number of reliable studies, partly depends on the educational level of the population that is expanding. Overall, the educational level of the U.S. population, as measured by the proportion of the population aged 25 or over who are college graduates, grew from about 20 percent in 1990 to about 25 percent in 2000. Since those with higher education are more likely to attend concerts and go to museums or theaters, an increase in the educational level of the population would be expected to put pressure on cultural institutions to expand in order to accommodate increased demand. But, as with population growth, the educational level growth rates were not the same across all regions of the country, nor were the starting points the same. The Northeast and the West had substantially better-educated populations in 1990 than did the Midwest and the South, but the South was now attracting disproportionally better-educated people.

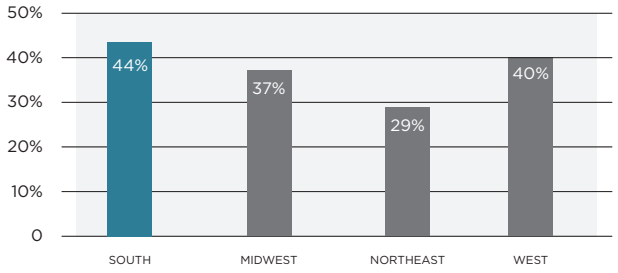


FIGURE 2.
Growth in Percent of Population with at Least a Bachelor's Degree by Region: 1990-2000.
Source: U.S. Census Bureau, Population Division.

So the picture is this: throughout the 30-year period, the South and the West were growing in population at a considerably higher rate than the rest of the country—with the exception that the Midwest grew at a relatively faster rate than it was accustomed to in the decade of the 1990s. But not only was the South growing at a fast pace, the growth was taking place disproportionately among those with more education.

On the economic front, the growth in gross domestic product (GDP) was fairly constant in the country as a whole, clocking in at a little more than 3.5 percent per year from 1970 to 2000, before declining sharply in the following decade. Those who were responding to the perceived needs and opportunities for cultural building lived in a climate of steady, strong economic growth, one that could reasonably be projected into the future. It did seem reasonable to expect that undertaking substantial long-term financial commitments would be relatively low risk, given the overall economic climate. Macroeconomists were referring to the lack of cyclical downturns as "the great moderation," and many believed that the decline in economic volatility was permanent. What they did not foresee, of course, was that economic growth in the 2000s, when most of the buildings would come on line, would essentially fall off a cliff. During this decade, GDP growth was about one-half the rate of the previous three decades.

Behind this overall constant rate of GDP growth in the country as a whole prior to 2000 is an interesting regional story. The South not only saw the largest increase in population, it also had the largest increase in per capita GDP. Thus, the large population growth in the South—along with an influx of more highly educated people and a higher per capita GDP growth than the rest of the country—suggests that demand for cultural activities was growing faster in the South than elsewhere in the country. The Northeast had very high growth in the 1980s, but lower than other regions in the 1970s and 1990s. The West showed the lowest increase in per capita GDP from 1970 to 2000.

While GDP may be a good indicator of the overall health of the economy, it is not clear what impact simple changes in GDP have on demand for cultural amenities, and particularly for fundraising. We do not have good data for tracking the changes in wealth in this period for different regions of the country. But a great deal of U.S. wealth is held in the stock market, and there was an extraordinary run up in the U.S. stock market during this period. The S&P 500 index more than quadrupled in the 1990s, creating huge increases in philanthropic capacity among wealthy Americans. Real estate is another large component of wealth, but the boom in residential real estate occurred later than the stock market, starting in the late 1990s and nearly doubling by the peak in 2006.

Were cultural facilities actually available to meet the demand? Data on cultural facilities themselves are even less good than that for economic and demographic factors. Changes in the way data are categorized make it difficult to make comparisons across time and region, but we do have reasonably reliable data on the number of cultural facilities for 1990. In the United States as a whole, there were about seven cultural facilities (defined as theaters, musical and entertainment venues, and museums) per 100,000 people. Not surprisingly, however, given the differences in population, education, and income, there were substantial differences among the various regions. The Northeast and the West had the largest number of cultural facilities, the Midwest and the South the least. To give you an idea of the scale of these differences, in 1990 at the beginning of the decade, there were about twice as many cultural facilities per capita in the Northeast and the West than there were in the Midwest and the South. This pattern holds for theaters and performing arts venues, but less so for museums, although it is important to note that the South still has the lowest number of museums per capita of any region.

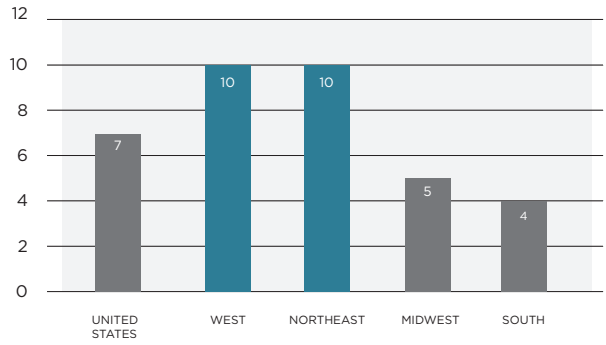


FIGURE 3.
Number of Cultural Facilities Per 100,000 People in 1990.
Source: U.S. Census Breau, County Business Patterns.

We have tried to paint a picture of the major economic and demographic trends that were the backdrop to the cultural building drama that unfolded in the 1990s, and, to some extent, is working itself out even today. On a national level, strong and consistent economic growth, a booming stock market, and an increasingly educated population all combined to make arts building projects appear attractive and viable. Underneath the national trends, we see a more complex regional picture—the South firing on all cylinders with a booming population that was becoming more educated and strong per capita economic growth. The West saw large population gains but slower per capita growth. The Northeast and Midwest had much lower population growth, and many of their cities struggled as the U.S. economy shifted away from manufacturing.

CHAPTER TWO
THE LANDSCAPE OF CULTURAL BUILDING

The study of cultural building was partly based on the premise that there was a spike in cultural facilities building—a "building boom"—in the United States sometime in the 1990s and 2000s. Therefore, one of the primary objectives of the study was to describe, in detail, what the landscape of cultural building looked like during this period and whether in fact there was actually a building boom. Specifically, our objective was to determine how much building occurred during this period, where cultural facilities were located, and what types of buildings were built.[1] Using data on all cultural construction projects started between 1994 and 2008, we looked at the total cost of cultural construction projects, the geographic distribution of projects, and the specific types of projects.

TOTAL COST OF CULTURAL CONSTRUCTION PROJECTS

The total cost of cultural construction projects launched between 1994 and 2008 was approximately $16 billion. According to building permits, the average cost of an individual project was about $21 million and the median cost was approximately $11 million. The fact that there was a greater average cost than median cost suggests that there were a substantial number of projects started during this period that cost far more than $11 million. In fact, 25 percent of projects cost more than $21 million, and project costs ranged from a lower bound of $4 million to an upper limit of $335 million according to the building permit data. While we did not include projects valued under $4 million, there were actually very few projects that fell below this threshold (121 to be exact), and out of these projects, only one cost less than $3 million.

N	TOTAL	MEAN	MEDIAN	STANDARD DEVIATION	MIN	MAX
725	$15,526,876,198	$21,416,381	$11,306,973	$31,101,202	$4,000,000	$335,142,666

TABLE A.
Distribution of Cost of Projects (2005 USD).
Source: McGraw-Hill Construction, Inc.

[1] See Appendix I for a description of the study's methodology. More specific information regarding the analysis are expanded upon in "An Overview of Cultural Building in the United States: 1994-2008," (Woronkowicz, 2011) available on the study's website.

It is important, however, to remember that the costs listed on the building permit data we used were most likely starting construction costs and therefore did not include the costs of furnishing these facilities. Nor did the building permit costs include the cost of equipping the facilities with the latest technologies, which for many cultural organizations was the primary reason to build. Furthermore, since the costs were starting costs, they did not reflect the price escalation that most likely took place before these projects arrived at their final cost. Based on a representative sample of 56 projects we studied in more detail, we were able to estimate the average difference between the cost that was listed on the building permit and the actual final cost. From interviews with the directors of these projects' organizations and by obtaining information on the final cost of their projects, we estimated that the actual cost of museums was on average 69 percent greater than the value that was listed on the building permit, PACs were on average 82 percent greater, and theaters were on average 19 percent greater. Thus, the total cost of cultural building was far greater than what the permit data tell us.

Building, however, was not evenly distributed across the 15 years we studied. As initially hypothesized, we saw a period in which total building costs escalated quite dramatically. In other words, there was a building boom that occurred in the late 1990s and the early 2000s. From 1998 to 2001, the total cost of building increased from a little over $400 million to almost $1.8 billion. The total cost of all building projects was the highest in the year 2001; in this year alone, the total cost of building made up over 11 percent of the total cost of building across all 15 years.

Cities and cultural institutions across the United States were also spending more on physical infrastructure in the first decade of the 21st century than they had been in the last decade of the 20th century. As illustrated in the graph, the total cost of building was much higher in the 2000s than it was in the mid-to-late 1990s. Relative to other economic figures that fluctuated during this period (i.e., GDP, Gross Private Domestic Investment (GPDI) in nonresidential structures, Disposable Personal Income (DPI), total contributions to arts and culture), there were still clear trends indicating a sharp increase in the total cost of building cultural facilities between 1998 and 2001 and greater investment in physical cultural infrastructure in the 2000s than in the 1990s. Furthermore, it was likely that there were more projects started rather than that individual projects were getting more expensive and hence contributing more to the total cost. The median cost of cultural building projects remained relatively stable (around $11 million) throughout this entire period.

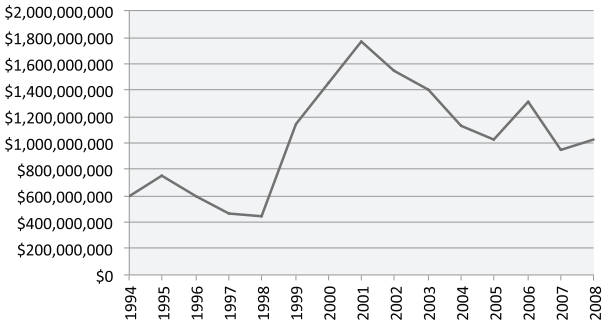


FIGURE 4.
Cost of Projects by Year (2005 USD).
Source: McGraw-Hill Construction, Inc.

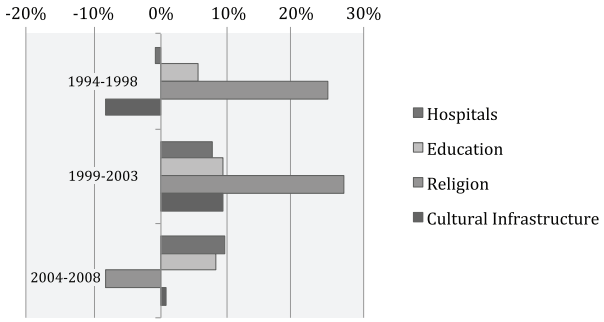


FIGURE 5.
Five-Year Average Change in Infrastructure Spending.
Source: U.S. Census Bureau, Annual Capital Expenditures Survey.

The rate of change of spending likely had enormous impacts on the organizations that pursued projects and the cities in which these facilities were built. For example, if spending on physical infrastructure increased slowly and incrementally over time, organizational behavior could have had time to adjust as well. If the increases were dramatic, however, it would be far more difficult for behavior to have changed without organizations experiencing negative externalities, which we saw plenty of in our more in-depth studies of how cultural organizations that pursued projects were affected. Relative to other sectors, the rate of change of cultural infrastructure spending was fluctuating widely between 1994 and 2008. The rate of spending decreased between 1994 and 1998, but then increased on par with both hospital and education spending between 1999 and 2003—a span of time that partly encompassed the boom period. Spending continued to increase between 2004 and 2008. As compared to spending on all other entertainment infrastructure, the rate of change of spending on cultural infrastructure increased far faster between 1999 and 2003.

SPENDING BY TYPE OF PROJECT

Spending on cultural infrastructure also differed by type of institution. There was far less investment in traditional theater facilities than there was in museum and PAC facilities. In fact, theater projects only made up approximately 8 percent of the total cost of all projects whereas museums made up 38 percent and PACs made up 54 percent of the total cost. Figure 6 plots cultural infrastructure spending across the 15-year period by type of facility. For ease of comparison, we lump theaters and PACs together since investment in theater facilities was so minimal. In all years except one (2002), spending on performance facilities outweighed that on museum facilities. Across the 15-year period there were similar increases and decreases in regard to spending by type; however, museum spending declined more than performance facility spending after 2002. Spending by each type increased dramatically during the boom period.

SPENDING BY GEOGRAPHY

Regions and cities also differed in how much they invested in cultural infrastructure. Given that there were stark differences in how regions' and cities' population composition and economic landscapes changed throughout this period, this is not surprising. First, population grew at a faster rate in the South than any other region during this period. Second, the percentage of educated people that comprised the Southern region's population also increased at a faster rate than other regions. Third, DPI levels increased quickly in this region as well. Taken together, the Southern region became more dense, more educated, and wealthier faster than any other region in the country. Additionally, this region had fewer cultural facilities to start with than any other region. This suggests that if the South wanted to "catch up" to other regions in terms of the number of cultural facilities it already had, it would have to build more. It is likely then that population growth, education, and wealth increases had much to do with high levels of cultural building investment in the South. The total cost of cultural building was much higher in the Southern region than any other region in the United States between 1994 and 2008. It made up 32 percent of the total cost of all regions as compared to 25 percent in the Midwest, 20 percent in the Northeast, and 23 percent in the West. Relative to other economic changes that were going on during this period, the Midwestern region had the highest total cost of building. As a proportion of both GDP and DPI, the total cost of cultural building increased by the greatest amount in the Midwestern region. This suggests that cultural infrastructure spending may have outpaced other economic changes that occurred during this time.

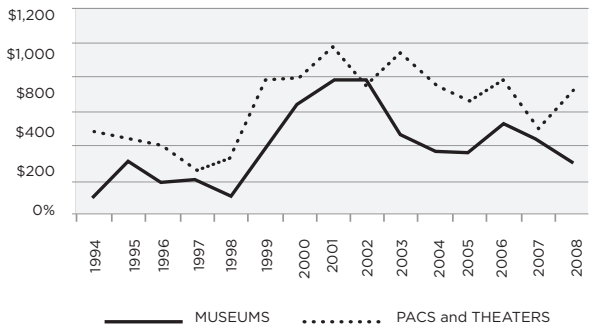


FIGURE 6.
Cost of Projects by Year and Type (2005 USD millions).
Source: McGraw-Hill Construction, Inc.

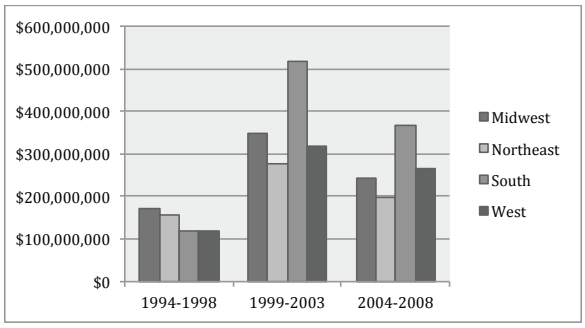


FIGURE 7.
Five-Year Average Cost of Projects by Region (2005 USD).
Source: McGraw-Hill Construction, Inc.

There were large variations in how much (or how little) metropolitan statistical area (MSAs) invested in cultural infrastructure building. While MSAs of all sizes invested in cultural building during this period, the largest MSAs (those with greater than two million in population) built the most. The top three MSAs ranked in order by total cost of building were, surprisingly, not the three largest MSAs in the United States. The New York-Northern New Jersey-Long Island, NY-NJ-PA MSA spent more on cultural infrastructure building during this period than any other MSA ($1.6 billion). Ranked second and third, the Los Angeles-Long Beach-Santa Ana, CA MSA spent approximately $950 million and the Chicago-Naperville-Joliet, IL-IN-WI MSA spent approximately $870 million. The San Francisco-Oakland-Fremont, CA MSA spent almost $1.2 billion but was only the 16th largest MSA according to data from the 2000 Census, and the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA spent approximately $980 million but was the 7th largest MSA. The top ten highest spenders comprised 52 percent of all spending on cultural building in the United States between 1994 and 2008.

MSA	TOTAL COST OF ALL BUILDING PROJECTS
New York-Northern New Jersey-Long Island, NY-NJ-PA	$1,582,283,893
San Francisco-Oakland-Fremont, CA	$1,196,558,489
Washington-Arlington-Alexandria, DC-VA-MD-WV	$979,420,165
Los Angeles-Long Beach-Santa Ana, CA	$946,828,379
Chicago-Naperville-Joliet, IL-IN-WI	$868,796,758
Miami-Fort Lauderdale-Miami Beach, FL	$676,162,533
Boston-Cambridge-Quincy, MA-NH	$545,099,432
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	$449,726,754
Dallas-Fort Worth-Arlington, TX	$436,905,861
Seattle-Tacoma-Bellevue, WA	$357,325,520

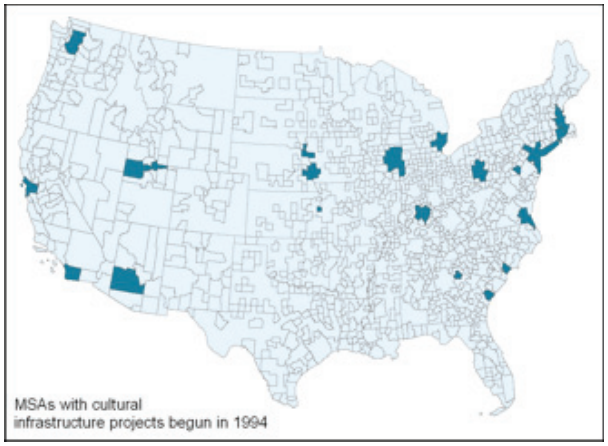
TABLE B.
Top Ten Highest Cultural Building Spenders between 1994 and 2008 (2005 USD).
Source: McGraw-Hill Construction, Inc.

MSA	Census 2000 Population	Per Capita Cost	# of Projects	Average Cost	Total Cost
Pittsfield, MA	134,787	$605.14	6	$13,594,066	$81,564,394
San Francisco-Oakland-Fremont, CA	2,824,987	$423.56	22	$54,389,024	$1,196,558,489
Appleton, WI	202,508	$394.33	2	$39,927,336	$79,854,672
Madison, WI	504,044	$388.54	3	$65,279,588	$195,838,768
Lawrence, KS	100,295	$384.59	2	$19,286,068	$38,572,136
Ann Arbor, MI	324,491	$275.81	3	$29,832,674	$89,498,020
Charleston, WV	309,37	$268.24	2	$41,494,924	$82,989,848
Springfield, MA	144,661	$252.19	4	$9,120,425	$36,481,701
Greenville-Spartanburg-Anderson, SC	254,418	$231.27	3	$19,612,700	$58,838,100
Pensacola-Ferry Pass-Brent, FL	413,171	$221.43	3	$30,495,844	$91,487,535

TABLE C.
Top Ten Highest Cultural Building Per Capita Spenders between 1994 and 2008 (2005 USD).
Source: McGraw-Hill Construction, Inc; U.S. Census Bureau, Population Division.

Ranked in order of per capita spending, however, the list of top spenders looks very different. Per capita, it was primarily small MSAs with fewer than 500,000 people that invested in cultural building. The only MSA that ranked in the top ten in terms of both total and per capita spending was the San Francisco-Oakland-Fremont, CA MSA. At the same time, it also had the most projects as compared to other top per capita spenders. For this reason, the average cost of each project in the San Francisco-Oakland-Fremont, CA MSA was not as high as it would have been if there had been very few projects. The Pittsfield, MA MSA had the highest per capita cost by far. But, with its reputation as one of the country's top cultural destinations, this is not surprising.

We did not have data on how many cultural building projects each MSA had prior to 1994, but we were able to examine how many MSAs started building projects between 1994 and 2008. These data help illustrate the geographic dispersion of cultural building projects that took place during this period. By examining the geographic location of projects, we could also assess whether the same MSAs were building more or whether new MSAs were starting to build, and thus what was most likely to have contributed to the total cost. Assuming that each MSA that invested in a project in a given year did so for the first time, the number of MSAs that had at least one building project in each year gives us a sense of how prevalent cultural building was across the country. In 1994, a total of 26 MSAs started at least one building project. In 2001, 68 MSAs started at least one building project. This figure remained fairly stable—oscillating between 54 and 66 projects—from 2001 on.



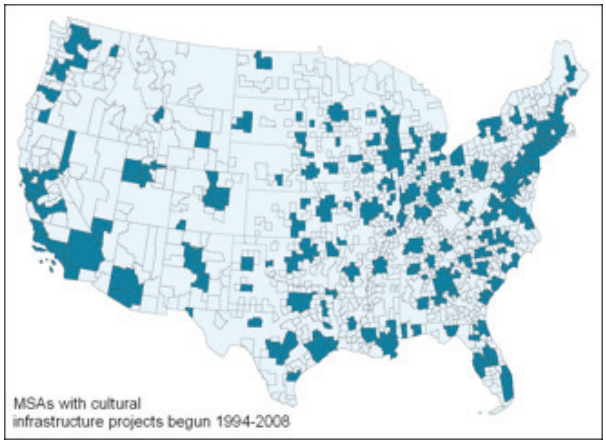


FIGURE 8.
MSAs with at Least One Project in 1994 and 2008.
Source: McGraw-Hill Construction, Inc.

Comparing a map of all MSAs that had at least one building project in 1994 and 2008 helps illustrate the geographic dispersion of projects that occurred. Large concentrations of projects located on the coasts, but there were projects emerging in areas of the country—such as the Great Plains and the Southern region—where we would not expect to find them. In the end, it seems clear that many of the small MSAs in these areas engaged in cultural infrastructure building during this period. Between the years 2000 and 2002, 87 percent of large MSAs with greater than two million in population started at least one cultural building project, and 31 percent of small MSAs with fewer than 500,000 in population started at least one cultural building project.

The ownership structure of these projects varied substantially. All were nonprofit institutions, but some were completely private, others had collaborative private/public organizational structures, while still others were completely public and owned and operated in full by either the city or the state. Many of these projects were housed in universities or colleges. Approximately 55 percent of the total cost of all projects was comprised of private institutions where the indicated owner was its own tax-exempt organization. Twenty-four percent of the total cost of all projects was comprised of government-owned institutions, and 22 percent was comprised of academic-owned. Museums were far more likely to be privately owned than any other type of facility.

Given that there was a great deal of variation in levels of building across regions and cities in the United States and that we saw building in areas where we typically would not expect it (i.e., the Southern region and small MSAs), attempting to identify the determinants of cultural building investment was also one of the study's objectives. Certainly, the robustness of the global financial markets prior to the building boom partly helps to explain why the country as a whole experienced a surge in building. However, economic determinants were only one piece of the puzzle; cultural sector demand and the demographic composition of cities were two additional pieces that help explain why some cities built and if so, how much. The current literature on the relationship between city-level variables and cultural investment is rather sparse, and what does exist lacks representational qualities. Previous studies about the relationship between cultural investment and cities primarily focus on case studies, which makes it difficult to discuss their implications for city cultural investment in general. Using MSA level data for all MSAs in the United States, we analyzed relationships between demographic and economic variables and per capita investment in cultural building.[2] We discuss what we found to be the primary determinants of cultural building investment, as well as what the implications of these findings are.

In measuring investment in cultural facilities, we used per capita measures. The average amount each city invested in a given year in cultural infrastructure was approximately $3.29. However, many cities also did not invest; in fact, 87.4 percent of cities did not invest in cultural infrastructure between 1994 and 2008. Thus, the previous average figure is greatly skewed toward zero. For this reason, median measures across cities that did invest are more telling. Out of those cities that invested, the median value of per capita investment was approximately $12.64. Per capita investment ranged from $0.60 to $348.56 per year among cities that invested. Median per capita investment among MSAs that invested was much higher in MSAs with fewer than 500,000 people ($41.43) and lower in MSAs with greater than two million people ($5.27). If we include MSAs that did not invest, median per capita investment was $0 among MSAs with fewer than 500,000 people and $1.87 among MSAs with greater than two million people. The range of per capita investment also decreased as cities got larger.

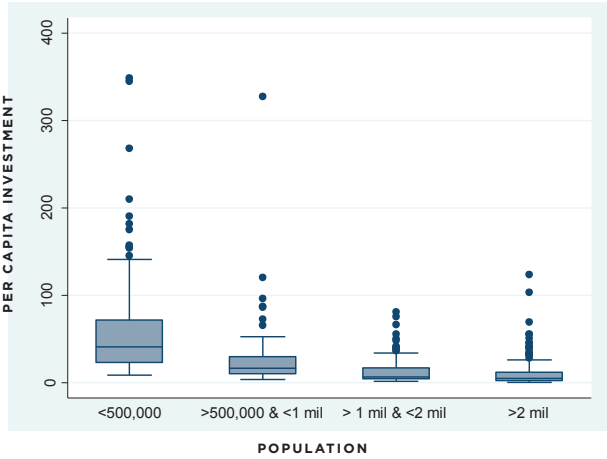


FIGURE 9.
Box Plot (Median and Range) of Per Capita Investment by Size of MSA for MSAs that Invested.
Source: McGraw-Hill Construction, Inc; Steven Ruggles, J.Trent Alexander, Kaie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. *Integrated Public Use Microdata Seris: Version 5.0* [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

EFFECTS OF CULTURAL SECTOR VARIABLES

The number of existing cultural facilities in a city was a major determinant of how much it invested in cultural infrastructure. We found that, for every additional cultural facility a city had, it invested between $0.11 and $0.23 more per capita per year in cultural building projects. This might seem counter-intuitive; however, it is important to remember that the building projects we studied were not only new construction projects, but also renovations and additions to existing structures. Therefore, we would expect that the more cultural facilities a city has, the more it must invest in maintaining and replacing those facilities.

The number of existing cultural facilities varied across cities and the country. The national average of cultural facilities was about 0.7 facilities per 10,000 people. Regional averages differed substantially; the Northeastern and Western regions had about one facility for every 10,000 people and the Southern region had the least—0.4 facilities for every 10,000 people. Across cities, the number of cultural facilities ranged from zero to 15 per 10,000 people. The number of existing cultural facilities in an MSA increased exponentially relative to its population.

[2] More specific information regarding the analysis are expanded upon in "The Investment Determinants of Cultural Building," (Woronkowicz, 2011) available on the study's website.

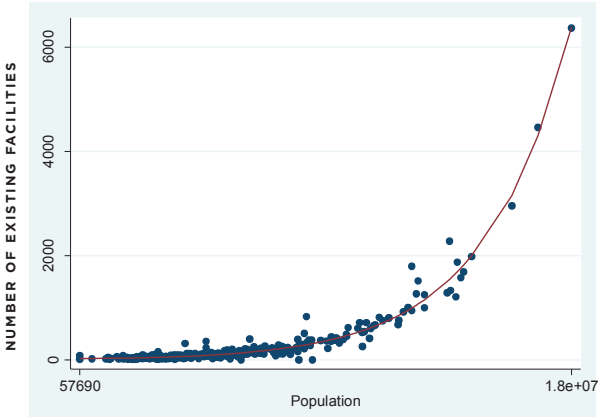


FIGURE 10.
Relationship between Number of Existing Facilities in an MSA and Population.
Source: U.S. Census Bureau, County Business Patterns; Steven Ruggles, J.Trent Alexander, Kaie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. *Integrated Public Use Microdata Seris: Version 5.0* [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

The relationship between the level of cultural labor stock and per capita investment was not as clear. This may be because we lacked power in our analyses or simply because the current level of cultural labor stock may in fact not be a determinant of facilities investment. We defined cultural labor stock in two ways: in terms of the number of cultural managers who worked in facilities, and the number of artists who lived in a city. We found weak evidence that for every ten additional cultural managers, a city invested $0.01 to $0.05 less in cultural building projects. However, the effect was not statistically significant. We did analyze the relationship using several different statistical models and the relationship remained negative (albeit not significant) with every one we ran.

We can therefore believe with some certainty that the relationship was truly negative. Again, this relationship may seem counter-intuitive at first—one would imagine that organizations that increase their physical size must also expand their staff—but since our analyses focused on what the determinants of investment were, as opposed to what the results from investing were, the negative relationship seems sensible. It may very well be that facilities expansion in the cultural sector results in an organization's expansion of human resources. Our survey evidence suggests, though, that as a result of investing in projects during this period, many organizations also had to cut staff sizes significantly. The negative relationship between the number of cultural managers and per capita investment may just suggest that capital and labor act as substitutes, thus an organization that invests more in physical capital invests less in labor in order to produce goods and services. However, much more research is needed to determine whether or not this is the case.

By analyzing the relationship between the number of artists in a city and per capita investment, we saw the first signs that facilities investment may not have responded to demand from the cultural sector during the boom period. For every ten additional artists that lived in a city, it invested $0.03 less per capita in a given year. By analyzing the relationship in just the boom period, we found that for every ten additional artists, a city invested $0.11 less per capita. Again, the evidence was weak, but by estimating the relationship between the number of artists that lived in a city and per capita investment in building on all years excluding the boom period, we found that the direction of the relationship changed. Specifically, we found that for every ten additional artists that lived in a city, it invested between $0.06 and $0.12 more in cultural building. Given that the direction of the relationship between the number of artists in a city and per capita investment differed when we estimated the model on all years from when we estimated the model on all years excluding the boom period, there is reason to believe that the boom period may have strongly influenced the results in all other years.

We would expect that the number of artists partly comprises the demand for cultural facilities, thus a city with more artists should also have more facilities. In fact, as the graph below illustrates, the relationship between the number of artists and the number of existing cultural facilities is positively associated. Furthermore, the number of artists could be proxying for other characteristics of MSAs that have higher demand for facilities. It may indeed be a good measure for how culturally rich a city is, relative to another. It is true that visual artists typically do not work in cultural facilities, but performance artists frequently do. Since we saw greater investment in performance facilities than museums during this period, we could expect that the number of artists that lived in a city would be positively associated with per capita investment. However, this was not the case during the boom period, suggesting that the increase in the supply of cultural facilities may not have responded to an increase in demand for facilities from the cultural sector.

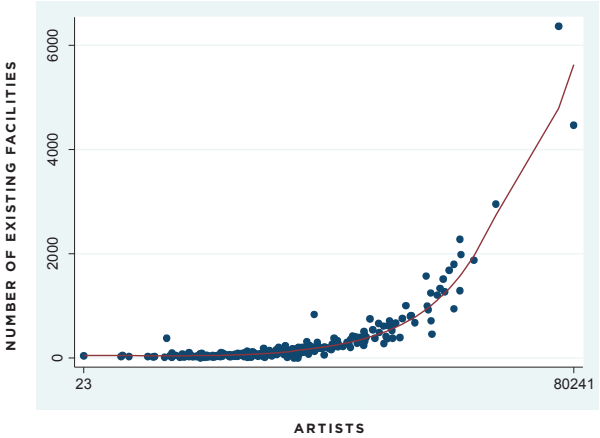


FIGURE 11.
Relationship between Number of Existing Facilities in an MSA and Number of Artists.
Source: U.S. Census Bureau, County Business Patterns; Steven Ruggles, J.Trent Alexander, Kaie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. *Integrated Public Use Microdata Seris: Version 5.0* [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

Similarly, we found weak but consistent evidence of the relationships between the number of cultural organizations in a city and both median net income of cultural organizations and per capita investment. In a survey we conducted of managers of cultural organizations that had building projects, we found one of the primary reasons to build a new facility or renovate an existing facility for PACs and theaters was to provide space for community arts groups. This was not true in the case of museums as they typically do not function as homes to multiple arts organizations but rather display works of art by individual artists. Again, since there was more investment in performance facilities between 1994 and 2008, we hypothesized that the more arts groups there are in a city, the greater the need for cultural facilities and hence the greater the level of per capita investment. We found that for every one additional arts organization, a city invested between $0.002 and $0.008 less per capita. In the boom period, we found that for every additional organization, a city invested between $0.03 and $0.11 less; and in all years excluding the boom period, we found that for every additional arts organization, a city invested between $0.04 and $0.07 more per capita. Again, the difference between each model's results suggests that the boom period may have been influencing the results in the other models.

The average number of cultural facilities per city in our data outweighs the average number of arts organizations. On average, each city in the United States had about two cultural facilities for every 10,000 people, whereas each city had about 1.2 arts organizations for every 10,000 people. Assuming that arts organizations partly comprise the demand for cultural facilities, one would expect that the ratio between the number of arts organizations and cultural facilities would be greater than one—in other words, there would be more arts organizations than facilities. However, the ratio is probably less than one in our data due to how we measured each variable. We measured the number of cultural facilities by using Census County Business Patterns data, which are disaggregated at the industry level. Therefore, the measure we used aggregates all cultural facilities in the North American Industry Classification System code for "Arts, Entertainment and Recreation." To measure the number of arts organizations, we used data from the National Center for Charitable Statistics. We counted only arts organizations that were likely to make use of facilities. Thus, the measure of the number of cultural facilities is most likely grossly overstated since it includes facilities in all areas of arts, entertainment, and recreation and therefore most likely biases the ratio of organizations to facilities downwards. However, by examining the trend of the ratio of organizations to facilities, we can partly see how the ratio changed over time, which gives us insight into whether the number of cultural facilities or organizations was growing faster during this period. On a national scale, the ratio of organizations to facilities increased over time, suggesting that there was more growth in the number of organizations than facilities.

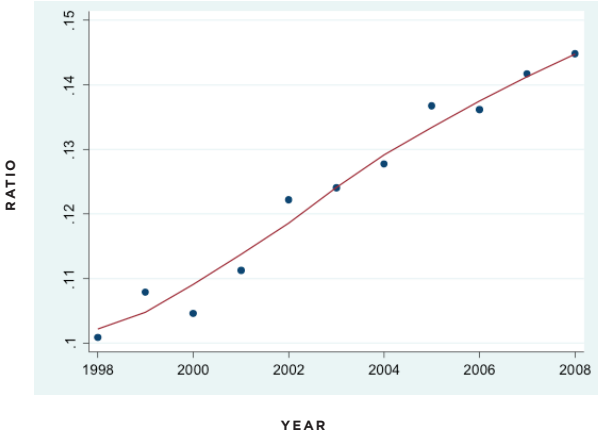


FIGURE 12.
National Trend in Ratio of Arts Organizations to Cultural Facilities.
Source: National Center for Charitable Statistics; U.S. Census Bureau, County Business Patterns.

We proxied for the health of each MSA's cultural sector by measuring the total net revenue across all arts organizations. The calculation for this was simply the difference between the sum of all organizations' revenue and the sum of all organizations' expenses. In fact, developing a noncontroversial way to proxy for the health

of a cultural sector was a difficult task, and we realize that this may not be the best measure. Nevertheless, with the data available to us, we found total MSA net revenue to be the most consistent way to measure the financial health of a city's cultural sector. On average, in a given year, a city in the United States had total net revenue of $7,131,816. The range was substantial—from approximately negative $28.4 million to positive $1.4 billion. Larger MSAs with over two million in population on average had more net revenue than smaller MSAs with fewer than 500,000 in population; the average net revenue in a small MSA was $6,384,906, whereas the average for large MSAs was $10.4 million. Again, median measures are more telling since large organizations with substantial revenue are more likely to locate within large MSAs. The median net revenue in a small MSA was $302,055 and the median in a large MSA was $649,352. Smaller MSAs were also more likely to have negative net revenue. Eighty-two percent of MSAs had at least one year of negative net revenue. Out of those, 76 percent were small MSAs and 3 percent were large MSAs.

We assumed that the healthier a city's cultural sector (i.e., the greater the MSA net revenue), the more financially prepared it would be to build a cultural facility. Therefore, we could expect that MSA total net income would have a positive relationship with per capita investment. We found that for every additional $100,000 in net revenue, a city invested $0.004 to $0.01 less in cultural building. In the boom period, for every $100,000 in net revenue, a city invested $0.02 to $0.05 less in cultural building. And in all years excluding the boom period, for every $100,000 in net revenue, a city invested $0.03 to $0.06 more in cultural building. Again, the difference between the relationships estimated in each period suggests that the boom period may have influenced the results in the other periods.

Taken together, the relationships between per capita investment and the number of artists, arts organizations, and MSA total net revenue help illustrate how the supply of facilities responded to demand from the cultural sector. We assumed that each cultural sector variable would have a positive effect on cultural facilities investment, and we found that each did in all years, except when we excluded the boom period years. This suggests that, in the boom period, increases in the supply of cultural facilities may not have responded to demand increases in the cultural sector. In fact, the evidence suggests that the relationships were negative during the boom period; either there was overinvestment in the supply of facilities relative to cultural sector demand for facilities, or facilities investment may have been responding to something else altogether.

EFFECTS OF POPULATION CHANGE, EDUCATION AND INCOME

We found strong evidence for population change, education, and income being predictors of cultural building investment between 1994 and 2008. In contrast to our findings in regards to the relationship between cultural sector variables and per capita investment, these demographic predictors remained stable and significant no matter what model we used to estimate the relationships. In general, cities that invested in cultural building were also on average more educated, wealthier, and had greater population increases during this period. Table D shows on average how fast each city's population increased, the proportion of people who had at least a Bachelor's degree (education), and median household income levels for cites that invested in cultural infrastructure versus the averages for those that did not invest. The differences are all significant at the 1 percent level.

The effects of population change, education, and median household income on per capita investment were all very strong and significant. First, the more a city's population increased, the more it invested. Specifically, a city invested between $25.53 and $27.11 more in cultural infrastructure for every additional percentage by which its population increased. Interestingly enough, it was not the size of a city's population that influenced how much it invested in cultural infrastructure, rather what influenced cultural investment was how fast a city's population was increasing (or decreasing).

Education is perhaps the best predictor of arts participation according to literature on the demand for the arts. Therefore, we also hypothesized that more educated cities—measured as the proportion of people with at least a Bachelor's degree—would invest more in cultural infrastructure. This is, of course, based on the premise that educated people participate in the arts via traditional cultural facilities. No doubt, arts participation also occurs in informal settings such as alternative spaces, including churches, schools, and one's own home. We found that for every additional percentage that a city's population was comprised of college graduates, it invested between $154.90 and $186.69 more per capita per year in cultural building projects. At first, this seems like a rather unbelievable statistic. However, demographic changes generally occur over a long period. According to Census data, the percentage of college graduates in the United States increased only 1 percent from 1983 to 1993, and about 5 percent from 1993 to 2003. The average change in the percentage of college graduates in cities across the United States was only about seven-tenths of a percentage point.

INVEST?	POPULATION CHANGE	EDUCATION	MEDIAN HOUSEHOLD INCOME
YES	0.08	0.20	$55,007
NO	0.06	0.17	$49,802

TABLE D.
Average Population Change, Education, and Median Household Income Levels for MSAs that Invested versus MSAs that Did Not Invest.
Source: McGraw-Hill Construction, Inc; Steven Ruggles, J.Trent Alexander, Kaie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. *Integrated Public Use Microdata Seris: Version 5.0* [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

Finally, median household income—our measure of the wealth of an MSA—was positively and statistically significantly associated with per capita investment. For every additional $1000 in an MSA's median household income, it invested between $1.69 and $1.76 more per capita per year in cultural building. In addition to education, income was consistently the best predictor of city cultural facilities investment. Furthermore, it was still a good predictor even though the measure of income we used may not have illustrated how the wealth of an MSA actually impacts cultural facilities investment. We need to keep in mind that it is not the general MSA population that contributes financially to cultural building projects, but rather it is a small group of people whose income lies in the far right tail of the distribution. In other words, those who donate to cultural infrastructure projects are usually the wealthiest members of the community, and therefore a better measure of income might be the percentage of a city's population that are millionaires, for example. Currently, there are no consistent data of this kind on all MSAs in the United States. Even without a good measure, income still proved to be a strong predictor of how much a city invests in cultural infrastructure.

CONCLUSIONS

It should be noted that the analysis of the relationships between how much a city invests in cultural building and the array of possible determinants is only the first step in accurately assessing what in reality these relationships are. The research we have done lays important groundwork, but much more research in this domain is needed if we want to be confident about our findings, and about the implications of these results. A good next step will be to attempt to specify further a theory of cultural infrastructure investment and focus exclusively on one or two relationships of interest. For example, since the findings in our work provide strong evidence for population change, education, and wealth as important determinants of cultural building investment, future work should focus on defining and measuring cultural sector demand and analyzing the relationships between supply and demand more precisely. Honing in on these relationships could potentially provide incredibly useful information for practitioners making the decision of whether or not to build projects in the future.

CHAPTER FOUR: THE FEASIBILITY OF CULTURAL BUILDING PROJECTS

None of the research we conducted on cultural building would be in any way helpful if practitioners could not use the information to improve on and develop effective practices for planning and managing capital facilities projects. For this reason, another goal of the study was to analyze the planning and building processes of completed projects in order to describe precisely how they unfolded, in turn better enabling practitioners to learn from project successes and failures and to apply what they learn to managing future projects.[3]

Defining success in cultural building is an intrinsically complicated endeavor. First, the stated goals of building projects vary dramatically and sometimes extend well beyond the organization's borders. For example, projects are designed to revitalize a neighborhood, to anchor a new arts district, to make a city more attractive to senior corporate employees, to help attract tourists, or to enhance civic pride and community. Even within the confines of the organizations themselves, defining success is difficult because organizational goals vary enormously and are difficult to measure in terms of

[3] More specific information regarding the analysis is expanded upon in "The Feasibility of Cultural Building Projects," (Woronkowicz, 2011) available on the study's website. See Appendix II for a copy of materials in the Manager's Survey, including the questionnaire.

achievement. Very rarely do organizations develop specific ex-ante metrics for a project's goals by which one can measure success. For this reason we conducted extensive interviews with representatives of these building projects to pinpoint what the goals of the project were and to determine how they were achieved. Surprisingly, it is also difficult to measure financial success based on an organization's accounting data. Because the sample consisted only of buildings that were actually completed, we did not see evidence of financial failure resulting in abandoned projects. We did a sweep of all the building projects to see how many had to close their doors, and we found that few organizations were actually forced to take this kind of drastic measure. Therefore, rather than defining success in absolute terms, we identified characteristics within each category of building project that we believe led to more or less successful projects. We did this by analyzing the sample data and applying it to a framework that we developed which categorizes success on four different dimensions: the project's motivation, its leadership, its planning and building processes, and its outcomes.

We separated the sample of 56 projects into four categories—museums, producing theaters, resident PACs, and nonresident PACs—in order to analyze the data in a manner that would be maximally useful for managers. Museums and producing theaters are defined as the study as a whole defines them. Resident and nonresident PACs were categorized based on their primary reasons for operating. The former are facilities whose primary purpose is to provide a home to community arts groups. These groups—large or small—either perform at the PAC facility and in additional facilities in the community, or in the PAC facility exclusively. But the PAC does tend to provide a stable base out of which the arts group or groups can operate. By contrast, nonresident PACs host other arts groups as renters, not lessees. In other words, the relationship between the facility and the arts group is significantly more distanced, or held at "arm's length," than that between resident PACs and groups. Rather than serving as a home to the arts group and having a large part of its mission devoted to helping nurture them, the facility provides space to arts groups on an as needed basis, and more in the form of a business relationship. These types of facilities are often in the business of hosting Broadway tours, or renting out space to local amateur arts groups. The sample of projects we studied in depth included 19 museums, 9 producing theaters, 12 resident PACs, and 16 nonresident PACs.

We devised objective measures within each category to help identify important characteristics that we are confident lead to more or less successful projects on the four dimensions listed above.

- The project's motivation, simply put, was the primary purpose for building. In determining what helps projects be successful in this dimension, we looked carefully at whether the project was driven by both the organization's artistic mission and by organizational need.

- Using the data on the sample of projects, we also looked at what helped projects succeed in terms of their leadership. Here, we looked at whether there was both clarity and consistency of leadership throughout the planning and building process.

- In order to determine what helped projects succeed in implementation, we looked at how efficient the project timelines were and how effective the project's leaders were in responding to internal and external feedback.

- Finally, we looked at how the project was able to control its expenses and also how flexible the organization was in generating revenue post-project completion in regards to project outcomes.

There are, predictably, significant anomalies within each category of project where a specific project did not necessarily align with the overall theme of the category. For example, even though we discuss how the motivation to build a producing theater was typically driven by a strong and clearly articulated artistic mission, there were in fact some producing theaters that we studied where this was not the case. Furthermore, there were projects in other categories where the reason to build may have also been driven by a strong artistic mission, but the overall theme did not include this as a characteristic of the majority of projects in that category. The purpose of separating the sample projects into four categories, and identifying the overarching themes in each category, was not based on the assumption that all the projects in a given category were the same; it was to be able to say that a majority of projects in a particular category exhibited certain behaviors or characteristics, and that these specific behaviors or characteristics of the project are therefore important to consider when planning and building a cultural facility of any type. In other words, in evaluating each category of project, we try to emphasize that it is not the category that is more (or less) successful, but rather the characteristic(s) of that category that helped make more projects in the category succeed.

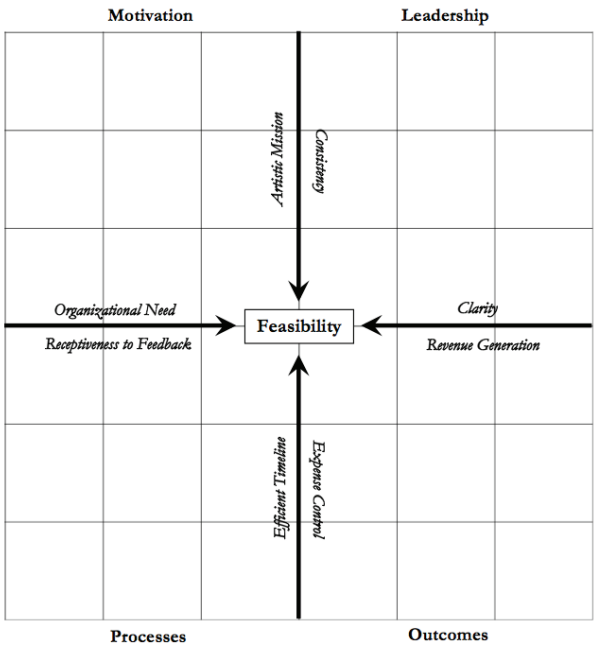


FIGURE 13.
Dimensions of Cultural Building Project Feasibility.

By analyzing the data on the sample of projects, we were essentially able to locate each category of project on the grid shown in Figure 13 in order to illustrate the characteristics of the category that helped make the project successful. The closer the category of project is located to the center of the grid, the more we observed those characteristics. The further away, the less we observed them.

OBSERVATIONS OF PRODUCING THEATERS

Quite often the motivation to build a theater stemmed from a clear organizational need to further develop artistic programming. This could encompass better production amenities and technology, or the creation of more flexible space in order to enable different types of work. The project was devoted to furthering the organization's artistic mission, which was kept front and center throughout the developmental stages of the project.

Theaters, on the whole, also had very clear and consistent leadership. Clarity came from the fact that it was often not hard to identify who the leader of the project was at any given time. Consistency, on the other hand, was implemented when the same leader was retained throughout the entire course of the project. And it was often the case with theater projects that the person who proposed the project (most often the director) was the same person who ended up opening the facility and running its operations. The leader also collaborated closely with the board of directors—often a comparatively large and influential group for these types of projects.

Theaters also engaged in very short and efficient project timelines. On average, a theater would take about seven years to plan and complete. Notably, these projects most often utilized feedback from constituencies. By responding to feedback from constituencies who actually used the facility (i.e., resident companies), theaters characteristically custom-tailored their capital improvements, and by doing so, assured their usefulness. These types of organizations tended to listen and respond to feedback from external constituencies as well, but they also seemed to be skilled at knowing what type of feedback was useful and what was not.

Surprisingly, theaters also had the highest budget overruns as measured from the moment the budget was first agreed upon to the project's end cost. On average, a theater's end cost was approximately 92 percent greater than its initial budget. Table E lists the average budget escalation for each category of project.

However, the starting budget was usually an internal figure and these projects' managers were clever about when to announce their budgets publicly so that the escalations did not appear outrageous to the community. Interestingly, the publicly perceived escalations were often much lower—an average of about 19 percent. More importantly, the escalations that did occur often had a clear connection to organizational needs and were seen as helping the organization pursue its artistic mission. In this respect, budget increases were rarely perfunctory. And, even if post-building operating performance wavered, these organizations usually had enough support in place to prevent a financial crisis from erupting. Post-project philanthropic support from their large and characteristically committed boards remained reliable from the moment the project began to well after it was completed and fully operational.

OBSERVATIONS OF MUSEUMS

Museums differed from theaters slightly, particularly in regard to the motivation for the project. Most often, the primary reason for building a museum was to make an architectural statement either related to the prestige of the institution or the civic pride of the community. It was frequently difficult to identify whether in fact the reason to build stemmed directly from the organization's artistic

PRODUCING THEATRES	MUSEUMS	NONRESIDENT PACS	RESIDENT PACS
92%	46%	62%	64%

TABLE E.
Average Budget Escalation.

mission. Furthermore, since the stature and originality of the architect and the architect's vision was often central in these projects, these types of facilities had very ambitious design-related goals that the organization did not, in practical terms, always need.

Similar to producing theaters, museum projects had relatively clear and consistent leadership. However, the leadership for these projects was often more shared in the sense that these organizations' very strong boards sometimes meddled with or complicated the strategic plan during the course of the project. Therefore, it was sometimes quite unclear who the actual leader(s) was as compared to whom leadership was formally vested in. The lack of clarity between the actual and assumed leader sometimes stirred up a good bit of controversy, which tended to lead to greater turnover on these project's boards. Museum projects, then, exhibited less consistency in their leadership than did theater projects. In terms of their planning and building processes, museums had somewhat longer project timelines than theaters. On average, it took a museum project about nine years to plan and build from the time someone first proposed the project to when the facility opened its doors to the public. Museums, however, had shorter periods of time between a project proposal and the hiring of consultants, who tended to be called in during the very early planning stages to conduct feasibility studies and assess the organization's potential for fundraising. The long building period for museums overall could be attributed to the strong architectural focus of these types of projects. Museums considered, on average, a substantially greater number of designs than other types of projects in our sample; in fact they considered about ten designs before they decided on the final one. Architectural plans were approved and then later scrapped prior to building, or at least heavily edited after the project broke ground. The "cost cutting" amendments—or "value engineering"—to the architectural plans of these types of projects caused building to take longer than initially anticipated. In these projects the needs of both internal and external constituencies were reviewed; however, there were often lengthy debates in regard to the opposition project leadership encountered around the proposed architectural design. Museum projects were therefore not as strategic and deliberate in how they dealt with project feedback as were theaters.

Budget escalations—measured from the time the budget was first approved to its final cost—were not as severe; on average, the budget for museums went over only by about 46 percent. However, budget increases were almost always due to architectural additions, and many of these were not vital to the project's success. Once museums—and any type of project, for that matter—made the decision to hire a star architect, they often had difficulty with rejecting the architect's proposed additions after the original budget was set in place. These types of facilities were also much less flexible with generating revenue post-project completion than other categories were. Museums that experienced financial trouble responded by reducing programming, but the built-in costs and revenues of these organizations made it more difficult and disruptive to reduce their program operating deficits by downsizing. We observed cutbacks and elimination of important ancillary programming such as education programs. Struggling museums also reduced or eliminated expensive special exhibitions that had often been booked years earlier, and focused instead on their permanent collections. Finally, museums would sometimes reduce their hours and the days on which they were open, or would perhaps darken part of the facility on a rotating basis.

OBSERVATIONS OF NONRESIDENT PACS

Within the category of nonresident PACs there was a strong focus on community in nearly all aspects of these projects. The primary motivation for these types of projects often stemmed directly from what the community wanted or felt it needed. However, more often than not, community need for the nonresident PAC was not accurately determined. For example, a large majority of these projects used economic impact arguments as rationales for building. Included in these arguments was the implicit assumption that by building a cultural facility in a blighted area, it would automatically attract and sustain a substantial audience who would not otherwise have ventured there. Nine times out of ten, these assumptions were not accurately tested, and when the facility project was completed, the desired

swarm of activity never materialized. Therefore, while these projects might have identified a perceived need for the building to exist, what was perceived was not always accurate. Moreover, the reason for building lacked a visible and persuasive connection to the organization's artistic mission. Since the motivation for the project was so strongly centered in the desire to culturally enrich the broader community in a necessarily general way, a specific organizational artistic mission (if there was one) was often swept aside or obscured by a general enthusiasm for the idea of building a new arts facility for local residents.

The leadership for nonresident PACs frequently included both internal and external parties, but was dominated by the latter. Internal parties included future executive directors or board members, and external ones included local philanthropists and civic leaders. There was often not a clear definition of who the leader was at any given time. It may have been that an assumed leader was a local business figure who made all of the financial decisions for the project and that he or she collaborated intermittently with the executive director, who in turn made all of the programming choices. Or the attorney on the board handled the legal affairs and rarely interacted with the project's biggest donor, who was making all of the design specifications. This type of shared leadership across all parties was common in these types of projects. While sharing responsibilities for the project with area experts from an array of different fields certainly helped create efficiencies in managing the project, there also tended to be a lack of transparency demonstrated by all parties, making it difficult to know exactly what had transpired in certain components of the project. In other words, information often got lost in the crowd, and there was not one person who was responsible for knowing everything. Because external parties were heavily involved in the management of nonresident PACs, leadership for these projects was also inconsistent. Sometimes leaders opted out before the project was completed; in other instances, those who helped lead the project to completion were not around after the project opened. Because the leaders for these projects were usually heavily engaged in other endeavors unrelated to the project—such as a business leader who made the financial decisions but who also had to run his own company—some project leaders had to reduce their role substantially if their other responsibilities all of a sudden took priority. And the project would suffer as a result.

In terms of processes, nonresident PACs took less time to build than museums, but they were less efficient overall. On average, nonresident PACs took about eight years to plan and build. Within this timeline, they had longer pre-pre-planning stages than museums and theaters did. It often took substantial effort and time to set the project in motion after it was initially proposed. Theaters and museums very often hired a consultant to take care of this task. With nonresident PACs, the delay in implementation was sometimes due to the time it took to decide on and then enlist a leadership group.

One clear finding was that these projects had more difficulty in managing the feedback they received from both internal and external constituencies than did museums and theaters. As devoted as these projects were to considering the needs and desires of their communities, this often caused a great deal of complication and lost time in terms of how the project progressed. Managing the needs and wants of the broader community, for whom these projects were ostensibly built, was an extremely complex, convoluted, and sensitive process. If, for example, an historic preservation community group wanted to save a landmark from being damaged or removed, but the developer decided to try to build anyway, negotiating between the parties became an all-consuming task. Often, these projects aimed more than they should have at appeasing the community as a whole, making substantial efforts to avoid stepping on toes. Finally, as mentioned earlier, in some cases the organizational leadership operated on mistaken assumptions regarding what the community was indicating it really needed. This in turn sometimes led to protracted negotiations, and sometimes to irresolvable impasses.

In general, budgets for nonresident PACs were kept under control. Also, these projects were able to remain quite flexible in terms of generating necessary revenue. On average, budgets for nonresident PACs escalated about 62 percent from the initial proposal to the completed project, and most of the budget increases came in the form of time lost in decision-making meetings or because of inaccurate cost projections. While budget escalations for these projects were generally higher than for museums, nonresident PACs had an easier time closing operating gaps in the wake of project completion. In general, nonresident PACs had relatively low fixed operating costs as compared to other projects. They had to maintain the building, operate a virtual and/or physical box office, and have a small staff to program and run the facility. Other costs were directly related to performances; in general, the distressed nonresident PAC simply responded by having fewer of them. For the nonresident PACs in our sample, rising expenses were most often followed by decreasing revenues, and hence decreasing expenses. This strategy helped lower the overall program deficit nonresidents

faced down the line. By visiting the websites of these organizations, however, one can see easily enough that this often meant a dramatic reduction in institutional programming.

OBSERVATIONS OF RESIDENT PACS

Finally, our observations of resident PACs helped us identify a number of characteristics that may influence the success of a project, particularly in regards to leadership and organizational processes. These institutions faced a much more complex set of issues surrounding building projects and thus often had commensurately complex planning and building processes. Their facilities were typically larger than nonresident PACs, and they often had in place both rehearsal and office space for resident companies. In contrast with nonresident PACs—which were often gut renovations of existing theaters (often movie theaters) with necessarily limited ability to devote space to lobbies, catering halls, and other amenities that today's audiences expect—resident PACs were mostly new construction and new organizations, and many devoted substantial space for these ancillary activities, many of which also constituted sources of revenue.

The motivation for the project often came from the current or future resident companies, and their need for a home or a space in which to operate more efficiently. For example, the local symphony yearned for a space with better acoustics, or the local ballet had grown tired of moving constantly from one (frequently substandard) local venue to another. So, organizational need for new space was often at the heart of the pressure for a new facility. However, the need was also frequently conflated by an organizational desire (often not made explicit but there nonetheless) for a space that would somehow carry the organization to the next level. A symphony orchestra, for example, thought they needed a better acoustical space in order to elevate the prestige of their organization. And the implicit assumption that a better facility would inexorably lead to greater organizational success often caused organizations to take larger risks than they would have if aspirations to be the best in their artistic field were not such a strong driver.

Since the motivation for building often came from the artistic groups that would operate within the facility, it also makes perfect sense that these projects were often solely based on artistry and artistic mission. The problems, however, arose from the clash of multiple resident companies' artistic missions. Planning a facility that needed to respond to and help foster multiple groups' artistic missions was an extremely complicated and often intrinsically impossible task.

For a variety of reasons, leadership for these projects was often strikingly unstable. In the first place, the organizations for which they were being built were very often new entities simultaneously starting a new artistic enterprise and pursuing a major capital project. So, it was not surprising that leadership for these projects, and the organizations sponsoring them, was neither clear nor consistent. In our sample, the number of leadership transitions that occurred from the time the project was initially proposed to when it opened its doors to the public was striking. As mentioned, it was often one or more resident companies that proposed the idea of a new or renovated facility, and thus (frequently by default rather than because of a considered decision) the company's director served as the initial project manager. Leadership then may have later been transferred to either an owner's representative or to the new facility's leading board member, and then again later to the executive director of the facility (once that person was in place).

In addition to the leadership transitions that were planned, there were many unplanned ones that occurred because of a poor or inappropriate fit. Many resident PACs we studied had executive director turnover shortly after the facility opened, which in turn prolonged the already challenging start-up period the organization had to undergo. Coupled with chronic instability in the leadership ranks, sometimes there was also confusion about who exactly was in charge of a building project. Because these facilities were largely backed by multiple resident companies, and because there were often new layers of executive staff to facilitate collaboration between the various groups, project "ownership" at times became muddled and confused. For example, the director of a resident company who had been with the project from the outset was expected to relinquish control when the new executive director came on board. But this did not always happen, and it could (and often did), make for a tense state of affairs when it came to decision-making. Because these projects had substantial emotional weight in terms of how much they meant to the self-conception and public stature of resident companies, it was not always as simple as assuming someone would easily give up the responsibility they had, and felt they needed, in order to ensure the success of the project.

The planning and building processes also tended to be quite complicated for these types of facilities. On average, the resident PACs in our sample took 12 years from the time the project was first proposed to when the facility opened its doors. This did not include the years preceding the actual proposal for a new building project, when people were most likely already talking

and thinking about its feasibility, something many respondents in the survey talked about. One resident PAC in our sample took 23 years to get through this process—by that time, its organization's needs and goals had changed substantially. Part of what was required throughout the process in this case was designating someone to address the issue of managing how exactly these changes affected the project. These types of projects also experienced changes in actual (as opposed to proposed) opening dates much more frequently than did other types of organizations, which necessitated the rescheduling of opening night celebrations, the re-booking of artists, and the managing of community expectations about when the project would in fact be available to the public.

Similar to nonresident PACs, resident PACs had long pre-pre-planning stages. Unlike the nonresident PACs, who spent their time trying to round up a viable leadership group for a building project, the pre-pre-planning stage for resident PACs was often used to decipher each resident company's motivation for and involvement in the project. Figuring out not only which groups would be resident companies, but also the exact nature of the relation between each group and how they would collaborate, was a predictably daunting and time-consuming task. It is fair to say, then, that the difficulties these organizations had in sorting out leadership issues contributed to the cost of these projects, at least in the form of lost time. In addition, the pre-planning stage—measured from when a consultant was first hired to when the project budget was first approved by the board—was usually very lengthy as well. This too was usually a function of managing how the groups collaborated.

In terms of how project leaders used the feedback they got concerning the design of the new facility, most of the time spent in this domain was in figuring out how to manage the input from multiple artistic groups. If it was the case that the new facility would be the home to groups from different disciplines, it was very likely that their needs, in terms of what exactly the new space could and would end up doing, varied drastically. For example, while the symphony may have made top-notch acoustics their priority, the ballet would probably care more about stage width and depth, and getting a sprung floor installed. Negotiating these competing and sometimes clashing needs required time and effort.

Finally, one of the most complicated tasks in analyzing these projects was trying to decipher their operating revenue and expenses—particularly when multiple artistic groups collaborated, which they often did. It became clear to us that it was not sufficient to simply look at the umbrella facility's finances to assess whether or not these projects were successful. Resident PACs played a key role in promoting the activities of their resident companies. To paint a clear and detailed picture we would have had to have access to the finances for each resident company, as well as documents describing their contractual relationships, because PACs and their resident companies shared the risk of joint financial performance. However, the data we were permitted to see did not include details of the financial relationships between PACs and resident companies, and we did not collect data from or interview resident companies. Nonetheless, we have been able to come to some conclusions about how these projects controlled their expenses and how flexible they were in generating revenue based on the data we did have. First, resident PACs were the costliest among all the different categories of projects. On average, they cost approximately $109 million to build and went about 64 percent over their initial proposed budgets. On a per-seat basis, the median dollar per seat for resident PACs was $37,527, compared to $12,155 for nonresident PACs. In terms of these projects' flexibility in generating revenue, if the joint entities struggled to cover the costs of meeting their missions, the distress would be felt by some or all of the resident companies, the PAC, or both. The process of devising and then implementing an appropriate response could be challenging as it likely involved managing relationships such that it took resources from the less distressed entities to cover expenses. Renegotiating these contracts was often slow, inefficient, contentious, and generally distressing. In addition, the nonresident PAC strategy of reducing the number of performances was much less attractive, in particular because the resident companies had large salary obligations to artists, management, and others that required a steady and substantial performance revenue stream. Resident PAC distress could result in the failure of resident companies or their departure from the PAC as they sought out more affordable performance space. The PAC might well then find itself becoming more of a rental or presenting house, bringing in outside performers.

Based on the analysis we performed of the data, we were able to locate each category of project on the grid illustrated earlier in the chapter (Figure 13) and thus come to some conclusions about what characteristics helped lead to project success. Each category's proximity to the center of the grid indicates where we observed characteristics that most frequently led to successful building projects within each dimension.

Based on the results of our analyses of the feasibility of cultural building projects, we could have come up with a set of normative guidelines for practitioners, however, doing so would be neither helpful nor accurate. In order to dole out prescriptive advice for how to plan and manage building projects, we would be obliged to demonstrate that the opposite would lead to failed projects. Since we could not observe what projects did not do, however, we cannot say that what they did not do would lead to failure. This is simply an example of the longstanding analytical problem of not being able to observe the counterfactual. However, our observations did show certain characteristics of building projects that project managers can pay attention to in order to help ensure their feasibility.

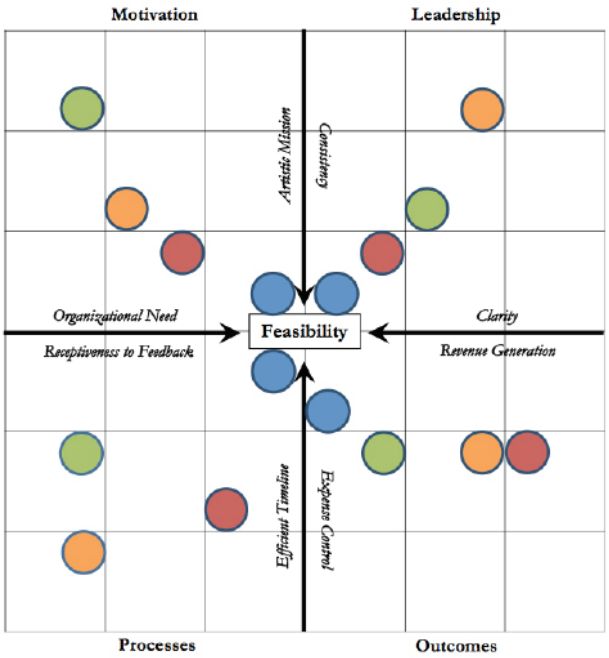
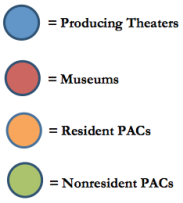


FIGURE 14.
Dimensions of Cultural Building Project Feasibility by Category of Project.



For example, in terms of the motivation for embarking on a building project, a project manager needs to look carefully at both the demonstrated need for the project (and how substantiated that need is), and the degree to which the project is driven by the organization's artistic mission. In the discussion above, we provided our observations of how theaters, museums, nonresident PACs, and resident PACs typically did this in the sample of projects we studied. It is up to practioners, then, to decide whether or not paying attention to these characteristics actually helps them to maximize the chances for the project's success, and how, specifically, to do this on a sustained basis throughout the life of the project.

eaching through case studies is a pedagogical

CHAPTER FIVE:
CASE STUDIES

T tool used in many graduate and executive education courses. Most such case studies are not mere illustrations of best and worst practices, but rather portrayals of complex situations similar to those students are likely to encounter in the world outside the classroom. At the center of each study, there is usually a manager attempting to decide among several alternative courses of action, each with its potential benefits and risks. This makes case studies useful tools for illustrating and teaching management concepts.

The teaching cases produced for this study are written to illustrate the interactions and tensions between the principal forces that animate cultural building projects. When reading and discussing these studies in a classroom, students might be asked to debate which of the many courses of action available should be taken and how various goals might be prioritized. The four cases produced as the result of this effort are intended to enable discussions of the challenges that are frequently encountered by cultural building projects in the arts. The case studies are summarized below and available for download from the Cultural Policy Center website.

Case Study #1: The board and directors of the **Art Institute of Chicago** must balance the demands of responsible fiscal stewardship of their institution, the pressure to begin construction on the new wing they had announced years before, and the desire to incorporate new and exciting but expensive ideas into the final design.

Case Study #2: Civic leaders in Dallas, Texas, must decide whether to embark on an ambitious $300 million capital campaign to build a new PAC despite warnings that the fundraising goal is too ambitious. This extraordinary goal is actually met, but then the campaign goal is raised, and raised again, until the new PAC opens with the expanded capital campaign unfinished and the endowment campaign barely begun. After opening, the new **AT&T Performing Arts Center** must struggle with finding the balance between financial sustainability and its goal of delivering community benefits commensurate with the large investment of philanthropic capital.

Case Study #3: After a capital campaign stalls, leaders of the **Long Center for the Performing Arts** in Austin, Texas, must change the project's scope in order to reduce the budget. This process requires the re-examination of every assumption about the importance of each feature in the design program, from number of venues to quality of architecture and acoustics. Additionally, they must rethink how they articulate their vision in order to gain community support.

Case Study #4: In Roanoke, Virginia, the art museum embarks on the facility planning process with the humble goal of expanding its gallery space, but over time, and partially inspired by the Guggenheim Bilbao, it decides to build a sprawling $68 million architectural landmark so as to redefine the city's identity and boost economic development. The post-modernist design proves controversial as well as more expensive than originally anticipated. Once the new **Taubman Museum of Art** opens, attendance is far below estimates, while the cost of operating the new facility is far above them. To balance its books, the museum is forced into multiple rounds of layoffs and drastic increases in its admission charges.

CHAPTER SIX:
THE EFFECTS ON COMMUNITIES

I t is not uncommon for economic decisions to have consequences beyond the people and organizations most directly involved in individual cultural building projects, and economists have extensively studied such "externality" and "spillover" effects. Because so many outside factors—including even the number of other cultural organizations in the community—can influence attendance, ticket revenues, fundraising, programming, and access to talented labor, a mere documentation of such indices of arts organization performance before and after targeted building projects will not suffice to understand such potential externalities. Therefore, two other types of evidence are emphasized: 1) the perceptions of a large sample of non-building community cultural organizations regarding the effects of a major local cultural building project on their own organizations and the broader cultural community, and 2) the sources of funding for the construction phases of the building projects, since the economic impacts on jobs, economic output and incomes, and local tax revenues depend in part on the injection of new spending into the local economy from outside sources, in contrast to the mere diversion of local spending from one sector or type of project to another. [4]

[4] See Appendix III for a copy of materials in the Community Survey, including the questionnaire.

MSA	# OF PROJECTS	AVERAGE COST OF INDIVIDUAL PROJECT (000s)	PER CAPITA # OF PROJECTS (MILLIONS)	PER CAPITA SQUARE FEET	SQUARE FEET PER PROJECT	2001-2011 EMPLOYMENT GROWTH
Atlanta-Sandy Springs-Marietta, GA	11	$24,482	2.68	0.18	66,273	-2.3%
Austin-Round Rock, TX	8	$23,929	6.40	0.46	71,213	14.9%
Chicago-Naperville-Joliet, IL-IN-WI	33	$25,727	3.99	0.23	57,600	-6.1%
Cincinnati-Middletown, OH-KY-IN	5	$21,909	2.53	0.17	68,180	-1.8%
Dallas-Fort Worth-Arlington, TX	13	$33,701	2.49	0.22	90,000	4.8%
Washington-Arlington-Alexandria, DC-VA-MD-WV	27	$21,312	5.48	0.09	16,763	10.2%
Kansas City, MO-KS	9	$36,248	5.07	0.37	72,878	-1.2%
Minneapolis-St. Paul-Bloomington, MN-WI	8	$43,761	2.70	0.18	66,275	-2.8%
Omaha-Council Bluffs, NE-IA	5	$24,297	6.97	0.37	53,660	3.5%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	13	$38,708	2.10	0.20	95,362	-1.4%
Phoenix-Mesa-Scottsdale, AZ	15	$14,550	4.61	0.18	39,880	6.5%
Portland-Vancouver-Beaverton, OR-WA	6	$17,943	2.65	0.07	26,667	0.5%
San Francisco-Oakland-Fremont, CA	14	$39,001	1.99	0.07	36,821	-11.3%
Average	12.85	$28,121	3.82	0.22	58,582	1.0%

TABLE F.
Summary of MSAs in the Community Survey.
Source: McGraw-Hill Construction, Inc., U.S. Conference of Mayors.

Of course, while there is potential for much to be learned about the spillover effects of cultural building projects by focusing on the perceived effects of a particular project on other organizations, any one building project exists in the context of a broader array of such projects that can either improve or complicate the economic and artistic positions of the wider population of cultural organizations. Therefore, it is important to document the broader cultural building context in any community when attempting to identify the perceived effects of a particular high-profile project on the other community organizations.

The primary data used for exploring the community spillover effects of cultural building expansion come from a community survey administered to 444 arts organizations in 13 MSAs. These MSAs are identified in Table F along with important features of the total cultural building in those MSAs from roughly 1998 to 2008. Clearly, of the cities in the community survey, Chicago experienced the most building in terms of total projects, but when adjusted for MSA population, Chicago was about average among the 13 cities. Furthermore, smaller MSAs, such as Omaha and Austin, rank very high in terms of total building projects per million people in the population. The total construction cost per project was highest in Minneapolis and lowest in Phoenix, and in terms of the additional square feet of space created per capita in these MSAs over this period, the smaller cities of Austin, Kansas City, and Omaha rank highest. The last column of data confirms the relatively poor performance of the overall economy in the last decade, with seven of the 13 MSAs experiencing negative growth rates in overall employment from 2001 to 2011, with Austin being the positive outlier at 14.9 percent growth; Washington, DC, 10.2 percent growth; and San Francisco demonstrating the poorest performance with a drop of 11.3 percent in total employment.

There was no statistically significant relationship between any of these broader MSA ten-year building characteristics and the average community organization favorable response to the most general question about the overall community impact of the targeted building project. That is, the average MSA positive response to the question: "Was the overall impact of the project on other cultural organizations in the area positive, negative, or did not have an impact?" was 64 percent, ranging from a high of 83 percent for community organizations in Omaha to a low of 44 percent for organizations in Dallas. The other results were: Atlanta, 73 percent; Austin, 71 percent; Chicago, 49 percent;

SELF-IDENTIFIED DESCRIPTION OF GROUP VIS-À-VIS EXPANSION PROJECT ORGANIZATION	NUMBER OF ORGANIZATIONS	PERCENTAGE OF TOTAL ORGANIZATIONS
Competitor but Not in the Same District	21	5%
Competitor and In the Same District	25	6%
Competitor	46	11%
Not a Competitor but In the Same District	155	35%
In the Same District	180	41%
Not a Competitor and Not in the Same District	237	54%
Not in the Same District	260	59%
Not a Competitor	395	90%

TABLE G.
Subsamples of Interviewed Community Organizations.
Note: The total number of organizations interviewed was 444. Due to item nonresponse for some cases, the totals among mutually exclusive categories (i.e. "competitor" and "not a competitor") do not sum to 444.

Cincinnati, 75 percent; Washington, DC, 72 percent; Kansas City, 54 percent; Minneapolis, 53 percent; Philadelphia, 58 percent; Phoenix, 69 percent; Portland, Oregon, 61 percent; and San Francisco, 73 percent. When analyzed in a multivariate regression setting, none of the community building characteristics performed well as predictors of this overall positive reaction to the community impact of the targeted project.
In reporting the perceived community impacts of the targeted building project for each of the 13 cities, it is important to describe some additional features of the 444 interviewed organizations, especially in terms of how they identified themselves relative to the expanding organization. Table G reports the most important of the subsamples reflecting these characteristics.

Based on this description of the underlying sample of responding organizations, about 54 percent self-identify as not being closely linked to the expansion project based on competitor or location status. However, 41 percent are linked by at least location, being in the same "district." Approximately 11 percent perceive themselves as direct competitors, with nearly 6 percent perceiving themselves to be most closely linked by being both direct competitors and located in the same district. These perceptions of being or not being a competitor or being located in the same district as the organization engaged in building turned out to be a notable factor in determining how the responding community organizations perceived the spillover effects of such building projects.

As important examples of the role that competitive status plays in the perception of the community-wide effects of individual building projects, the following particular results are especially noteworthy:

- Competitor organizations are notably less enthusiastic about overall community impact of the expansion projects: less than 50 percent saw positive impacts, compared to an average positive perception of 63 percent for other subsamples.

- All subsamples report less than 70 percent positive community impacts, with the most enthusiastic group being those in the same district, but not being direct competitors (69 percent positive).

- Organizations that are either competitors or located in the same district are substantially more likely to believe the expansion project had some effects on their programs or exhibits, with an average "yes" answer of 29 percent over five subsamples, compared to only 14 percent "yes" answers over the other three subsamples. However, specific programmatic effects are either minimal or modestly positive, with almost no effects at all on those surveyed organizations that are museums.

- Even though organizations with closer connections to expansion projects are clearly more affected by those projects, the absolute impact seems relatively small, with the highest subsample perceiving any effects on programs or exhibits being 32 percent for those organizations that are both competitors and in the same district as the expansion project.

When thinking about possible negative externality effects on other organizations of a particular building project, the potential for adversely affecting those other organizations' audience attendance, earned revenues, and total patronage comes readily to mind. On the other hand, a more optimistic assessment of how one organization's expansion might generate positive spillover benefits often highlights the potential for attracting new businesses to the neighborhood, and

even perhaps to the broader community as the quality of life is improved. It is therefore noteworthy that, for the most part, the interviewed organizations did not perceive substantial effects in either of these dimensions of potential community impact. Specifically:

- No higher than 28 percent of organizations in any subsample believed any change in their attendance was due to the new project opening; that subsample was the most closely linked to the project (competitors in the same district). The full sample result was only 12 percent believing the project opening affected their attendance.

- While 40 percent of competitors in the same district believed the project opening had an effect on new businesses opening in the area (with 56 percent believing more businesses opened), only 31 percent of the much larger subsample of all organizations located in the same district attributed business changes to the project opening (although as many as 61 percent of those organizations believed more businesses had indeed opened in the area). Only 23 percent of the full sample believed the project opening was the key cause of new businesses in the area.

- When the question about community impact is posed in general terms, dramatically positive views are expressed. The question "Do you think the project makes the city a more attractive place to live?" generated a uniformly enthusiastic response, with the full sample generating 88 percent positive responses, and competitors within the same district reporting a 96 percent positive response.

One set of results that was not anticipated was the degree to which opinions about the building projects differed prior to their completion in contrast to after they had opened. And once again, there were notable differences in the opinions of those organizations self-identifying as competitors of the organization doing the building. There were also interesting differences in how those who were interviewed perceived the spillover effects on their own individual organizations compared to the broader cultural community. For example:

- About 70 percent of all organizations anticipated some positive impact on the community, rising to 78 percent after its opening. All other subsamples of organizations were also enthusiastic about the project having some positive impact on the broader community (at least 68 percent in all subsamples) with little or no measurable change in that perception after the project was completed.

- The projects fared best in their ability to change community perceptions when it came to two indices: 1) whether there was a "clear" need for the project, and 2) whether the project would benefit only a few people. In both cases, all surveyed subsamples notably improved their perception of the expansion projects after they opened, with the percentage of the full sample believing the project was clearly needed (the sum of those answering "yes" and "yes, and even more so") jumping from 45 percent to 64 percent, and the percentage of the full sample believing the benefits of the project were concentrated in only a few (the sum of those answering "yes" and "yes, and even more so") dropping about 12 percentage points from 48 percent to 36 percent. These improvements were generally replicated across all subsamples, with the most dramatic increase in perceived "need" for the project being exhibited by competitor organizations not located in the same district (roughly doubling from 29 percent to 57 percent). This small group again reflects the most dramatic improvement in perceived "non-elitism" of the benefits of the project, with a drop of 24 percentage points in those perceiving that the project helps "only a few."

- The projects fared less well, however, in generating ex post confidence about their ability to spur economic development. Anticipation about the potential for economic development was uniformly high, with roughly two-thirds of all subsamples answering "yes" when asked: "Before the project was completed do you think people in the community thought the new project would help spur economic development in the neighborhood?" Unfortunately, this enthusiasm dropped notably across all subsamples after the project opened, with the full sample answering "yes" dropping by about 8 percentage points. The most enthusiastic group (competitors within the same district) experienced the biggest drop in confidence about economic development, falling from 88 percent "yes" to 72 percent "yes". There is little doubt that some of this drop in optimism about economic development reflects concerns about current overall economic conditions. Except for particular negative comments about individual projects reflecting disappointment in how those projects turned out (and there are indeed some of those, although relatively rare), it is impossible to isolate the relative importance of economy-wide (including regional) versus project-specific factors reliably in this decline in optimism regarding the ability of projects to spur local economic development (see also the discussion below on "Construction Phase" effects).

The arts community and the broader nonprofit sector regularly discuss the relative merits of more cooperation versus more competition, and generally laud the merits of collaborative efforts. In fact, arts organizations in particular seem to be generally suspicious of the usual enthusiasm for rigorous competition that characterizes most of the rest of the economy, and it is likely that this sentiment is in part responsible for the reluctance of many organizations to identify themselves as competitors of the organizations doing the building in this survey. Among the most important results of the survey in this context is that perceived increases in the competitive climate within the cultural community are strongly linked to self-identified competitive and location status, but not clearly linked to optimism about overall tourism in the local community. This last effect was explored in as much as the perception of a more competitive climate following the building expansion would seem to be less likely where increased optimism existed regarding overall audience growth (in part due to enhanced tourism). When the overall "size of the pie" is expanding, fears about how that pie is being divided are generally less in evidence. The most important conclusions regarding the perceptions of the interviewed organizations regarding the competitive versus collaborative climate in the community following cultural building are:

- Organizations self-identifying as competitors of the expanding project organization are more than twice as likely as "non-competitors" to believe that "the impact of the project made cultural organizations in [city or area] feel more competitive," with almost 61 percent of competitors having that perception in contrast to only about 24 percent of non-competitors. Competitor organizations located in the same district are especially likely to stress the enhanced competitive climate (68 percent), with only 12 percent of that group believing a sense of collaboration was enhanced instead.

- The group believing most strongly that the project enhanced a sense of collaboration among local cultural organizations included those located in the same district who did not believe they were competitors of the project organization (about 38 percent), but almost one-third of that group did not believe there was any effect of the project on the competitive versus collaborative climate (32 percent). Unsurprisingly, the group most clearly perceiving the project to have no such effect (almost 37 percent) consisted of those with the least proximity (neither competitors nor in the same district).

- While an increase in the size of the potential audience (e.g., if tourism to the area were increasing) would potentially limit the perception of enhanced competition among "threatened" competitors, there is no clear link between a belief that the number of tourists to the area had increased since the project opened (not necessarily caused by the project) and a perception that cultural organizations feel more competitive as a result of the project. Despite the dramatic difference in the competition/collaboration results between competitor and non-competitor organizations (as reported in the first point above), competitor respondents differed minimally in the belief that tourism had increased (39 percent versus 35 percent). Ironically, the group with the highest percentage of organizations believing that cultural organizations feel more competitive (competitors in the same district, also had the most optimistic view about increased tourism (52 percent believed it had increased). Thus, there is no evidence that community organizations link their views about changes in tourism to their views about the effect of the project on the competitive/collaborative climate.

Because organizations who view themselves as competitors of the growing organization consistently have reported different reactions to such building than have self-identified non-competitors, it is useful to explore further just who is identifying as a competitor. Again, it must be emphasized that just because respondents failed to identify their organizations as being in competition with another organization does not prove that no competitive relationship exists. Many decades of antitrust merger investigations demonstrate that merging firms will often deny that they are competitors as part of their strategy to convince antitrust authorities that such a merger will be innocent of anti-competitive consequences. The motive in that case is strategic. The motive in the case of arts organizations may be their view of themselves as unique, or merely a natural tendency to emphasize the highly heterogeneous nature of the specific products and missions of largely nonprofit cultural organizations.

In any case, it is useful to explore further the characteristics of the organizations' self-proclaimed competitor status in the community survey, given the importance that such a status has played in the differing perceptions of positive or negative community impacts. Contrary to our expectations, the perception of competitive status with the expansion project is not always closely linked to the types of organizations involved. Location proximity seems to provide additional competitive interaction among "non-matching"

organizations, as one would expect should be the case. Other important results of the analysis of competitive status include:

- Community organizations who share with the expansion project organization the same type, (e.g. museum, theater, or performing arts center) are more likely to define themselves as a competitor with the expansion project organization. Of all self-identified community competitor organizations, 76 percent are "matching" with an expansion project. However, this also means that 24 percent of the organizations perceiving themselves as competitors with the expansion organization are not closely matched.

- Importantly, those competitor organizations located in the same district are somewhat less likely to be close matches, with only 68 percent of them being matches, and 32 percent being "cross-type" competitors. This is consistent with the reasonable assumption that location proximity can generate competitive interactions even across organizations that are not providing directly similar cultural services.

- Of all community organizations denying that they have a competitive relationship with the expansion project organization, as many as 51 percent are also matches, suggesting that there is no strong relationship between the type of organization and the perception of competitive interaction among that subsample of interviewed organizations. While not a notable difference, a slightly higher percentage of "non-competitor" respondents who are located in the same district as the expansion project (56 percent compared to 51 percent of all non-competitor organizations) are cultural "matches," which is inconsistent with expectations and inconsistent with the results observed for the "competitor" subsamples.

ECONOMIC IMPACTS OF THE CONSTRUCTION PHASE

Frequently, supporters of building expansion projects will focus on the construction phases themselves when seeking to highlight positive broader community impacts. While inherently short term, and not likely to outweigh longer-term consequences regarding the ongoing operations of the expanding organization and other community groups that may be affected, this focus is linked closely to "economic impact analysis," as that term is generally understood. This section closes with a brief description of a key element of such studies.
Because the likelihood of an expansion project generating traditional spending impacts on the local economy depends in part on the source of funding for the construction of such projects, it is important to identify those funding sources. Of the various types of such funding, the following are especially likely to represent an "injection" of non-local money and economic activity into the local economy where the project is located:

✔ Foundation grants
✔ Corporate contributions
✔ State government funds
✔ Federal government funds
✔ Large individual gifts
✔ Endowment funds

While these categories of funding can have complex non-local versus local attributes, the following core results are obtained using this definition of "non-local funding." These results suggest that at least modestly positive short-term spending impacts would likely accompany the construction phases of these cultural infrastructure building projects, although source of funding is only one key element to be investigated by a thorough economic impact study. For example, factors such as low local "capture" rates of first-round spending—due in part to the use of non-local subcontractors, the repatriation of profits to non-local architects and other specialized labor, and other initial high spending "leakages"—as well as potentially relatively low later round multiplier effects in less economic self-sufficient regions, would be critically important determinants as well.

1. The average percentage of non-local funds across the sample of focal 56 projects is 60 percent.

2. The median percentage of non-local funds across the sample of focal 56 projects is 68 percent.

3. Four projects were exclusively funded with non-local sources.

4. Two projects were exclusively funded from local sources.

Sufficient data were available regarding the construction funding sources for nine of the 13 MSAs that were analyzed in the community survey. The data revealed an average percentage of non-local funding of 60 percent, ranging from lows of 27 percent and 28 percent to a high of 100 percent, with two additional cities having greater than 80 percent of non-local funding (84 percent and 90 percent), based on the definition of non-local funding described above. Interestingly, the only two findings of a statistically significant relationship between the percentage of non-local funding and any of the

community survey measures of community impact suggested that more external funding had positive community effects. The higher the percentage of non-local funding (and hence potentially the local economic impact of the building projects in the MSA), the more muted the local concern that at least the target building project had led to more competition among arts organizations. And there was also a modestly statistically significant negative relationship between the percentage of non-local construction funding and the percentage of community organizations reporting that they suffered a reduction in fundraising following the opening of the targeted project. This is hardly a robust finding, but it is suggestive of the possibility that greater local construction spending impacts that generally accompany the injection of new spending into a community can mute the extent to which non-building organizations suffer financial fallout from the added attention focused on the expanding organization.

The extensive community survey of non-building organizations failed to reveal dramatic spillover effects of specific cultural building projects on non-building local organizations, despite press reports of particular examples of largely negative consequences in selected cases.

Yet, even among the committed and informed arts personnel interviewed in the community survey—who might be expected to be inherently enthusiastic about the expansion and increased visibility of the arts in their regions—only about 64 percent viewed the target building project as having favorable overall community effects, and those organizations that perceived themselves to be competitors of the expanding organization were significantly less enthusiastic. That enthusiasts of cultural building might easily overstate the degree of community support for their efforts is a potential warning sign, based on the level of skepticism within this group about the ability of such cultural building projects to stimulate community economic development and dramatically raise the favorable profile of the arts in their community. However, the fact that even the less enthusiastic local competitors have difficulty identifying specific negative consequences of the building project on attendance, fundraising, artistic programming, or hiring of talented employees, further suggests that the occasional worst-case scenario press reports are indeed not reflective of the broader reality.

Exploring the perceptions of local arts executives about the broader consequences of particular high-profile building projects has the advantage of attempting to establish causal relationships that can be very hard to establish solely via statistical analysis of attendance or revenue patterns, which of course might also be influenced by many other factors beyond the targeted building project. Yet perceptions can be faulty and inconsistent. The relatively few organizations that viewed themselves as competitors of the expanding organization may well be indicative of a failure to fully grasp the extent to which these local cultural organizations are truly interdependent.

After gathering and analyzing data from every corner, trying to learn more about how decision making occurs throughout the process of planning and building and by whom, and looking for larger-scale trends and patterns, as well as consequences, what exactly did we learn? We found that there was, indeed, a very substantial increase in the scale of cultural facilities building during the 15-year period from 1994 to 2008, and especially between 1998 and 2001. The increase was not only in the number of facilities that were built but also for the total aggregate cost of all building. And the data suggest that the average cost of individual structures increased as well. Building in the arts was also growing at a rate that was faster or at least equal to other sectors. This building boom took place throughout the country, but was concentrated in certain areas, particularly the South, which saw an enormous increase in the total number of facilities. And it was not only larger cities that were investing in building, but also smaller cities located in areas typically not thought to be capable of supporting sizeable cultural institutions. Our data suggest that many of these cities were building for the first time. We now know precisely what was built, and we know that PACs were by far the dominant form of new facility.

In terms of the determinants we found for investment in cultural building in cities throughout the United States there were a few common elements: the number of cultural facilities a city already had, the rate of growth in the population over the prior decades, the average level of education and median household income. But there was also a striking heterogeneity among the cities that built. There were many variations based primarily on the nature of the region and the size of the city. What surprised us was how difficult it was to get a generalized picture of these determinants. Part of this is due in part to a serious lack of reliable, detailed data on cities in the United States (this is the case even in larger cities). In our case, it presented challenges to our goal of executing an analysis both broad in scope and detailed in terms of the individual building projects. Given our experience, a push to increase the quantity, quality, and consistency of data gathered for urban areas in the future should be a high priority.

We found compelling evidence that the supply of cultural facilities exceeded demand during the years of the building boom. We made efforts to measure what actually constitutes demand for cultural facilities—for example, the number of artists and arts organizations in a given region. Then, controlling for other factors, we found that the relationship between supply and what we called demand were not exactly what our theories predicted. Significantly more research is needed to get to the heart of not only what actually comprises demand for facilities, but also how supply and demand varies over time. What our research has enabled us to conclude, however, is that there was significant overinvestment in bricks and mortar during the building boom—especially when coupled with the number of organizations we studied that experienced financial difficulties after completing a building project.

Turning to the issue of the feasibility (or advisability) of building, our goal was to identify characteristics of projects that helped to ensure their success. This, in turn, can provide practitioners—those out in the field working as trustees, executive directors, consultants, architects, city planners, and so on—with the kind of information that can help them develop and refine effective practices for planning a facility, for constructing it, and then for managing it effectively once it is completed. From observing a sample of projects, we have learned what elements appeared to be important to securing the success of projects, but whether or not these elements are common to all projects is still an issue that needs more research. The facilities we looked at in our study were, to some extent, moving targets. Some were launched very successfully; many experienced rough starts and had continuing problems; and some had problems that started well back in the planning and construction phase. Others had a brief uptick and then settled into slightly (or sometimes extremely) negative financial territory. And some gradually stabilized after the first four to five years.

What is clear, however, is that there is no "one-size-fits-all" profile that can accurately serve as an indicator (or set of indicators) of success or failure. The outcome of these projects appears to be linked to very specific characteristics of the community and the location. In other words, each project was to a significant degree distinct in terms of the situation and circumstances in which it was being launched. Situations such as having a core group of trustees that was financially, civically, and politically aligned in support of a complex building project; or perhaps having a mayor and/or city council who were determined to do everything possible to ensure the long-term success of a capital project, whatever their specific motivations might be—things like these often influenced whether the project succeeded or floundered, both in the short- and the longer term.

Our case studies further confirmed the idiosyncratic nature of cultural building projects. Using our case studies (not including the additional site visits and interviews we did on other projects), we were able to see in detail not only how different each project was

in terms of the external factors that impacted project trajectories, but also the extent to which organizational goals varied from project to project, and sometimes evolved substantially as they moved from inception through to completion. From deciding on the size of the new facility, to when to start building, to taking the sometimes enormous financial risk—having both clarity and consensus about the organization's goals and its mission are vital to how managers strategically design each project. Because these case studies are intended to be pedagogical tools that will begin to change normative practice, we have also learned how to think effectively about the strategic design of projects in the future.

Another goal of the study was to provide a substantial body of data on cultural building for researchers who want to study related topics. And that is what we have gathered and organized, including more than 500 interviews. As we conclude our study, we outline what, given our findings, we believe are some important future paths of research. There needs to be more fine-grained investigation into the population of all cultural building projects in order to better understand the built landscape. This would involve, among other things, continuing to track these projects once they are launched, determining how many are actually completed, and noting how many succeed and how many fail, and how many morph into something altogether different. More research is also needed to get at what proportion of these projects receive significant public support and what proportion depend exclusively on private, foundation, and corporate philanthropy.

In addition to these projects having implications for the organizations that pursue them, they also have large policy implications stemming from their interactions in the public sphere. As mentioned above, more research is needed in order to get a clearer picture of what constitutes demand for cultural facilities. The literature in cultural economics already includes what comprises demand for arts participation of one kind or another, but demand likely differs for the various cultural facilities themselves. It includes some of the elements that comprise demand for arts participation, but also involves other factors such as the demographic and economic characteristics of the communities that these facilities inhabit and purport to serve. In addition, competing and evolving ways of consuming the arts (i.e., television broadcasts of live performances, HD transmissions of performing arts events to movie theaters, online resources) necessarily come into play. Achieving a greater understanding of the relationship between supply and demand for cultural facilities is, we believe, vital to securing the long-term sustainability of cultural organizations in the future.

And, in regard to research on the actual management and oversight of both the planning and the actual construction of these facilities, there is ample opportunity for researchers to continue to identify additional best practices. Our research points to what worked and what did not work during projects launched in the past, and raises issues about what project leaders might watch for in the future. But in order to conclusively verify best practices going forward, more investigation is needed. Some of this research would, ideally, involve doing additional detailed case studies.

This study comprises a major step forward in refining our knowledge of the practice of cultural building, but more remains to be done. When we launched this project, almost five years ago, we did not realize how complex and intricate these projects were—from an economic and philanthropic angle, and from an organizational and governance point of view. There is still much left to do.

As a result of our findings, we have also developed additional dissemination vehicles designed to impact the cultural sector and the practitioners who work in it. Two books about cultural building are under contract with the University of Chicago Press—one about the strategic management of these projects, and the other about the broader impacts these projects have on the nation's cultural ecology. In addition to these two forthcoming volumes, we have developed other dissemination vehicles targeted at helping to change normative practice, and particularly to alert those embarked on similar large-scale building projects for their organization(s) about what has worked well in the past, and what to avoid. Our immediate goal is to communicate the results and conclusions from this study to the executive directors, managers, board members, philanthropists, wealth management advisors, arts service organization, mayors and city council members, involved in these complex undertakings. As a result, we hope to influence the decision-making that goes into cultural buildings projects in order to produce better, more flexible, and sustainable structures for future generations. The broad, empirical nature of our research will, if we are fortunate, assist those in charge of designing and building the next generation of museums, theaters and performing arts centers throughout the United States.

In conclusion, our goal for this study and the additional dissemination products is to ensure that all who are involved in major cultural building projects in the future

will at least know of (and hopefully consult and study) the research we have produced. If we can influence these people to make more informed decisions about if, when, and how to build sustainable cultural facilities that serve both the artists and the communities they perform for, then we have accomplished what we set out to do.

APPENDIX I: STUDY METHODOLOGY

Before we started this study, we had proposed a methodology that was comprised of three main phases in order to answer each one of our research questions. The first question was, "What kind of building has been going on in the cultural sector?" We planned to respond first by creating a census and taxonomy of building projects in the past decade; and then by choosing a sample of up to 50 projects for more detailed examination. We chose 50 as the sample size since we thought it would allow us to understand the idiosyncrasies of each project as well as to conduct a quantitative analysis that could generate statistical significance for strong empirical regularities. Out of those 50 projects, we wanted at least 30 to be large projects that would presumably have strong effects on the organizations that pursued them and the communities in which they lived, and at most 20 that were either small projects without substantial impacts, or communities without a project at all. The latter group was meant to serve as a control group for the quantitative analysis we initially meant to perform. The second question we wanted to answer was, "How are building decisions made?" This phase of the study involved producing both descriptive and normative analyses based on the set of 50 projects sampled from the database constructed in Phase I, and then selecting a set of cases to be explored in more detail using interviews and site visits. The last question we wanted to answer was, "What has the impact been?" Using the set of 50 cases sampled, we planned to conduct a multivariate data analysis informed by current literature in cultural economics in order to look closely at the impact that these building projects had on the organizations that launched them and the longer term "spillover effects" on the surrounding cultural sector in a given city or district.

As with any major research project, once we started the study, we recognized that there were challenges to the methodology we initially proposed, and in some instances more effective ways to answer our research questions. In the end, we used a similar but slightly modified methodology that still included all the component parts, but arranged them in a slightly different manner. Specifically, we separated the research into four parts: assembling and analyzing a census of all building projects meeting a broad set of criteria in order to study the landscape of cultural infrastructure (Part One); choosing a random sample of 50 projects for in-depth study to identify the direct impacts of building on cultural organizations, and conducting a multivariate analysis of the relationship between how much a city invests and its economic and demographic characteristics in order to look into how building decisions are made (Part Two); sampling and interviewing organizations located near projects to identify the indirect impacts of building (Part Three); and conducting case studies to examine the strategic management decisions behind building projects (Part Four).

The main differences between the methodology we initially proposed and the one we used include the following. Instead of organizing the study by sequential phases, we organized it by simultaneous parts. We found this method to be more efficient since each part could be going on concurrently rather than having to wait until one part was completely finished in order to start another. Particularly in regard to conducting the surveys, we found that the time to implement various pieces of the project took longer than anticipated, and therefore, starting the next part of the study while one was not already finished helped us to complete the study on time.

While initially we had planned to conduct a multivariate analysis on the sample of 50 projects to see what their impact had been on the organizations that pursued them, we instead conducted a descriptive analysis of the projects using quantitative and qualitative methods. Throughout the course of conducting our research, we realized that a sample of 50 projects was still not large enough to produce statistically significant results with a multivariate analysis, nor were the financial data we were able to obtain for each project rich enough to do an analysis of this kind. Since we only had access to public data from organizations' IRS 990 forms—data that are both inconsistent between observations and/or missing—we were limited with respect to producing statistically robust findings. Furthermore, our attempts at obtaining detailed and accurate financial data from individual organizations proved to be much more difficult than we had initially anticipated. While our survey respondents were certainly cooperative in regards to answering questions about their building project, they found it harder to come up with detailed financial data about the project or their organization.

Instead of creating a control group as part of the sample of 50, we opted to collect data on all large projects.

STRATUM	CRITERIA
Size of MSA	Small MSA: Population under 2 million Large MSA: Population over 2 million
Cost of Project	Small MSA: Projects valued over $10 million Large MSA: Projects valued over $25 million
Number of Projects in MSA	Small MSA: 1, 2, 3 or more projects Large MSA: 1-2, 3-4, 5 or more projects
Type of Project	Museums, Theaters, Performing Arts Centers

TABLE I.A.
Stratification Design.

This was because the dataset we acquired of all cultural building projects proved to us that the majority of all cultural building projects were actually large ones (less than 7 percent of all projects cost less than $4 million), thus we were limited in regards to the number of projects we had to choose from, and because we realized that analyzing so few projects would make it difficult for us to come to any statistically relevant conclusions about cultural building.

We also added another piece to the research study that was not initially proposed but that offers insight into the question of how building decisions are made. This included examining the relationship between how much a city builds, and other city-level economic and demographic variables, in order to determine what the investment determinants of cultural building might be.

In order to assemble the census of projects in the United States, we obtained data on building permits of all cultural construction projects (new construction, renovations, and additions) that were issued between 1994 and 2008. We used data between 1994 and 2008 because these are the years for which data were available from McGraw-Hill Construction, Inc. The building permit data include information on the cost of construction, square footage, location (MSA), and ownership of projects. We only included projects that cost over $4 million in 2005 dollars. We included museums, theaters, and PACs. Museums include traditional art museums, ethnic museums, history museums and historical societies and organizations, and cultural art centers that focused primarily on exhibiting art. We did not include children's museums, science museums, natural history museums, halls of fame, and specialty museums including museums devoted to the study and/or display of one object (i.e., Balloon Museum), one industry (i.e., Police Museum), or a person (i.e., Ernest Hemingway Museum) since we felt that the nature of these museums' missions differed from those of the museums we did include (those that tended to be more focused on cultural enjoyment as opposed to the pursuit of knowledge and/or scientific inquiry). Theaters included single-use performance spaces such as those concentrating on hosting Broadway tours or those with their own resident companies. PACs included spaces that host multi-disciplinary performance acts (i.e., comedians, pop concerts, dance groups, theater groups), cultural art centers primarily focused on performance, dance theaters, opera houses, symphony halls, concert halls, and auditoriums. We included university-owned institutions, but not those owned by high schools, middle schools, and elementary schools.

From the population, we sampled 56 organizations that started building projects between 1999 and 2003. Our initial goal was 50 projects, but in the end we sampled more projects than intended because some organizations took a long time responding to us during the recruitment phase of the survey and we wanted to be sure to get at least 50. We wanted projects to be recent enough that project representatives could still remember and speak to the process of planning and building, but also far enough removed that we could observe post-project opening operations. Because of the limited availability of projects, the sample ended up including projects that opened between 1998 and 2007. We extended the range of opening dates upwards (rather than downwards) because we believed it would be too difficult to recall specifics about projects that took place before 1998. In order to draw conclusions about the population of building projects, we needed the sample to be representative of the population launched during this window, and thus we employed a stratified probability sampling method. The process of picking a random sample of 56 focal projects for in-depth analysis was done in several steps. First, we cleaned the data in order to filter out types of projects that did not fit the study criteria. Next, we stratified the projects based on a number of criteria including the size of the MSA, the cost of the project, the number of projects in each MSA, and the type of project. Table A defines the strata.

All in all, the sample distribution compares quite well with the distribution of projects in the population. The biggest differences lie in the percentage of small MSAs that had only one project (17.9 percent in the sample versus 43.1 percent in the population) and the percentage of large MSAs that had five or more projects (37.5 percent in the sample versus 11.6 percent in the population). Also, the average cost of projects (over $10 million in small MSAs

STRATUM	SAMPLE	POPULATION
Type	**Proportion of Projects**	**Proportion of Projects**
Museums	33.9%	38.8%
Theaters	16.1%	11.0%
PACs	50.0%	50.2%
Size of MSA		
Small	58.9%	45.4%
Large	41.1%	47.3%
Cost of Projects	**Average**	**Average**
Small MSA	$49,600,000	$28,050,000
Large MSA	$55,600,000	$71,223,330
Number of Projects	**Proportion of MSAs**	**Proportion of MSAs**
Small 1 Project	17.9%	43.1%
Small 2 Projects	16.1%	20.4%
Small 3 Projects	25%	23.2%
Large 1-2 Projects	0%	0%
Large 3-4 Projects	1.8%	1.7%
Large 5 or more Projects	37.5%	11.6%

TABLE I.B.
Sample and Population Comparison.

I= COMPLETE INTERVIEWS	P=PARTIAL INTERVIEWS	R=REFUSAL AND BREAK-OFF	NC= NON CONTACT	O= OTHER
52	4	13	1	20

TABLE I.C.
Manager's Survey Response Rate. The response rate of the survey was 62.2 percent.

Notes: The response rate was calculated by the formula (I+P)/(I+P) + (R+NC+O), which uses partial interviews as respondents. This is response rate 2 on the American Association of Public Opinion Research Response Rate calculator; R includes situations where contact was made, there was an agreement to participate, and a worksheet was in progress, as well as situations where contact was made and there was a final refusal; O includes situations where contact was made but there was no agreement, and situations where a case was replaced due to a lack of cooperation.

and $25 million in large MSAs) was higher in the sample for small MSAs and lower in the sample for large MSAs.

After we chose the sample, we interviewed the executive directors of the project's organization using a structured questionnaire that covered the planning process, funding, and usability of building projects, as well as the governance structure and future plans of the organization. Respondents also filled out an extensive worksheet that provided financial operating data and information about their governing boards. As discussed previously, the financial data we obtained from the worksheets did not prove to be as fruitful as we anticipated. We also collected financial information from IRS 990 forms for the focal 56 projects for at least five years before and after the project opening date. Finally, we used LexisNexis and Google to get contemporary press reports regarding the planning and execution of the project and what had happened to the institution since the completion of the project. Table C details the response rate from the survey we conducted of the managers of building projects.

The part of the study we added, which we did not initially anticipate doing, was conducting a multivariate analysis of the relationship between how much a city invests in cultural building and its economic and demographic characteristics. To do this, we assembled a dataset consisting of 287 MSAs and economic and demographic variables for each MSA for the years 1994 to 2008. We used the data we obtained from McGraw-Hill Construction, Inc. to measure the amount each MSA invested in cultural building in each year, and a variety of public sources including the Census County Business Patterns data, Decennial Census and American Community Survey (ACS) data, and data from the National Center for Charitable Statistics (NCCS), to measure economic and demographic characteristics for each city. Here we included all projects whether or not they were above the threshold of $4 million, thus even small MSAs that had small projects were included in the analysis.

Part Three of the study included choosing a focal project in 13 cities across the United States and sampling and interviewing organizations that may have been indirectly

impacted by the focal project. As part of the 13 cities, we chose five focal projects (MSAs) from the set of 50 projects sampled in Part Two, and eight projects (MSAs) for which we conducted interviews to produce the case studies in Part Four. We then developed an exhaustive list of arts organizations in each city using the data in NCCS and interviewed the director of each organization that we were able to recruit on issues related to how they felt their organization was impacted by the focal project. Altogether, we ended up interviewing 444 organizations in the 13 cities in our community survey.

Drawing on the census, we chose a group of organizations for in-depth qualitative case studies. Our selection grid had two criteria: city size and building purpose. Two city sizes (population under two million and population over two million) and three types of building use (single use performance venues, multi-use performance venues, and museums) were considered. This produced six categories of projects, and we chose at least one project in each category for fieldwork. The projects we selected also represented a diverse set of regions of the country as well as governance and leadership profiles. All of them involved projects within the visual or performing arts that cost over $25 million to complete. To ensure that the people interviewed could remember important details, only projects that opened (or would have opened) in 2006 or later were studied. All in all, 11 projects were subjects of in-depth field study, and of these, we wrote up four detailed case studies.

Three of the case studies were based on field research. Altogether, we conducted 78 interviews about these projects with current and former executive staff, trustees, public officials, and artistic and community leaders for a kaleidoscopic view of the decision-making considerations and challenges of each project. We wanted our work to cover a range of possible outcomes, and since subject collaboration in a research effort like this seems tied to project success, we also looked through the public record for additional case study candidates. We created a fourth case, about the Taubman Museum in Virginia, on the basis of news coverage and financial reports. Of the four cases, two cover performing arts buildings, and two discuss new construction carried out by museums.

	Small MSAs	Large MSAs
Single-Use Performing Arts Venues (Theaters)	✓	✓
Multi-Use Performing Arts Venues (PACs)	✓	✓
Museums	✓	✓

TABLE I.D.
Case Study Grid.

As a result of this study, we now have four very large and informative datasets on cultural building. The first is the census and taxonomy of all building projects that were started between 1994 and 2008; the second is the data we collected in the manager's survey on the sample of 56 projects, including all of their IRS 990 form financial information; the third is the dataset of 287 MSAs with demographic and economic variables for the years 1994 through 2008; and the fourth and final is the data we collected of 444 organizations as part of our community survey. Most of these datasets will be available by permission to researchers who wish to use them in future studies.

FIGURE II.1.
Advance Letter

DATE

Dear_____,

We are writing to invite you to participate in a major study of America's cultural infrastructure. Sponsored by the Mellon, MacArthur and Kresge foundations, a research team led by investigators at the National Opinion Research Center at the University of Chicago (NORC) is examining the recent building boom that altered the country's cultural landscape. This study will focus on both new cultural facilities and renovations that were begun between 1999 and 2003. We have created a comprehensive inventory of cultural infrastructure projects in the United States and chosen fifty projects on which to more intensively focus. You have detailed knowledge about one of these projects, the [project name].

We would like to talk to you about the planning and execution of this project and its impact after completion. The interview will consist of a survey one hour in length and the information you provide us with will be kept confidential. The results of this study will help others who are planning similar projects. While your participation in this survey is voluntary, your help is critical to its success. We have the support of these three leading foundations because they think that this study will have a significant impact on the cultural sector in years to come.

The Survey Lab at the University of Chicago will be contacting you between [specified dates] to schedule an interview and we will send you a worksheet prior to it to help you recollect information needed for the survey. Should you have any questions, please contact Joanna Woronkowicz at (773) 256-6028 or Woronkowicz-Joanna@norc.uchicago.edu. If you are not the person most familiar with the planning and execution of [project name] please let us know so we can contact the person who is most familiar with the project.

This study is the first such examination done on the broader cultural infrastructure in the United States, and it promises to be a very valuable resource for years to come. The insights you provide us with about your experiences and involvement through participation in the survey will be crucial to its success.

Sincerely yours,
D Carroll Joynes
Executive Director

FIGURE II.2
Project Information Sheet

Project Information Sheet Cultural Infrastructure

What is this study about? The cultural sector in the United States, primarily performing arts centers, theaters and museums, has experienced a recent building boom. Some of these buildings are expansions and renovations, and some are entirely new facilities. Some of these projects may increase audience, increase earned and donated income, and help realize an institution's mission. Conversely, large building projects may saddle arts organizations with debt that cuts into their ability to deliver core programming. The Cultural Policy Center at the University of Chicago has launched a research initiative to explore recent building projects and their consequences in a systematic way. **The object of the research is to draw on the real experiences of a wide variety of arts groups in order to develop guidelines about how arts organizations might best approach facilities renovation and building projects to meet their needs.** An important piece of this project involves speaking with people at cultural institutions with recently completed building projects in 50 different cities across the United States.

Who is conducting this research? D. Carroll Joynes and Norman M. Bradburn of the National Opinion Research Center at the University of Chicago are directing the study. Peter Frumkin of the RGK Center for Philanthropy and Community Service, Robert H. Gertner of the Booth School of Business at the University of Chicago, and Bruce Seaman of the Andrew Young School of Policy Studies at Georgia State University are the principal investigators who will be analyzing the data. The University of Chicago Survey Lab is carrying out the phone interviews. The study is being funded by the Mellon Foundation, Kresge Foundation, and the MacArthur Foundation.

Why should you participate? Although your participation is completely voluntary, it is critical to the success of this project. Only you can report about the decision-making process behind your organization's recent building or renovation project. **We will share the report from this project with you**. We will also collaborate with National Arts Strategies to develop a curriculum designed to provide concrete tools to help arts executives apply our research findings to their own institutions.

What can you expect from completing a phone survey? Once you have agreed to participate, we will send an information form to collect some basic information beforehand. Then we will ask you to speak to us in an open-ended way for about an hour at a time most convenient to you. We will ask to tape the interview as this makes it faster and more accurately captures your thoughts. Questions will focus on a building or renovation project completed several years ago by your organization. We will ask some basic information about your organization now (audience size or visitor counts, seating capacity or gallery space, etc.) and then focus on the process through which your organization initiated, funded and carried out the project.

Who will know what you say? The interviewer you speak with will know what you say. However, all our interviewers are trained to maintain the confidentiality of our survey respondents. **We will not identify any participants or organizations by name**. We will report summary results only. We may group responses by region of the country or broad size categories to make the results more meaningful.

Who if you have questions or concerns? Your rights as a participant in survey research are protected by the University of Chicago's institutional review board (IRB) and if you ever think your rights have been violated you are encouraged to contact Social and Behavioral Sciences IRB at (773) 834-7835, 5835 S. Kimbark Ave. Chicago IL 60637. If you have questions about the research itself or want to schedule an interview time, please call Survey Lab Director, Martha Van Haitsma, at **773-834-3674** or call us on our toll-free number at 1-866-523-4435.

FIGURE II.3.

Please Reconsider Letter

DATE

Dear ,

Recently we called you about a study of cultural organization building projects. You were not interested in participating. Nobody will call you again about this research project, but …

Please reconsider!

• We appreciate that your time is valuable. We can schedule our interview in short segments by phone.
• A high response rate is needed to make sure that the experiences and opinions of all organizational types and all parts of the country are properly represented.
• Because your organization was selected through a scientific sampling process, we cannot substitute anybody for you.
• You can choose to skip any question you don't wish to answer and end the interview at any time.
• Your answers are confidential and not linked to your identity.
• You can schedule an interview at a time that is convenient for you, daytime or evening, weekday or weekend.
We depend on the generous cooperation of arts organization leaders such as you to make sure that policy makers and arts funders have the data they need to make informed decisions.

Please call our toll-free number 1-866-523-4435 and set up a time for an interview. We appreciate your serious consideration of this request. You may also call me on my direct line provided below my signature. Thank you for your assistance.

Sincerely,
Martha Van Haitsma, Director
University of Chicago Survey Lab
(773) 834-3674
mvh@uchicago.edu

FIGURE II.4.

Appointment Confirmation Letter

6030 South Ellis Avenue
Chicago, Illinois 60637
Tel 773- 834-3843 fax 773-834-7412

THE UNIVERSITY OF CHICAGO
SURVEY LAB

Dear <RESPONDENT NAME>,

Thank you so much for agreeing to help us with our research initiative to explore the impact of recent building projects on cultural institutions. **An interviewer will be calling you on the following date at the indicated time:**

<SCHEDULED DATE AND TIME FOR INTERVIEW>

To facilitate our discussion about your building project, we are sending ahead the enclosed sheet to collect some basic facts that may require look up. We will need to collect this information prior to the interview call. Please fill out both sides of the form and FAX it back to us at 773-834-7412 or mail it back in the envelope provided. Alternately you may request this form in excel spreadsheet format to return as an email attachment.

If you need to re-schedule the call, please contact me directly or leave a message with our center administrator, Margie Huizar, at (773) 834-3843. Or you can call us back on our toll-free line at 1-866-523-3674. We are happy to accommodate your schedule.

This research could not be carried out without your generous cooperation. Thank you.

Sincerely,
Martha Van Haitsma, Ph.D.
University of Chicago Survey Lab Director
(773) 834-3674
mvh@uchicago.edu

FIGURE II.5.
Respondent Worksheet

A. Capacity and Attendance

1. Paid attendance to regular museum exhibits
2. Paid attendance to special museum exhibits
3. School attendance at museum
4. Total museum membership last year — OR if *NOT* a membership organization CHECK HERE ----------> ☐

5. Number of stages
6. Seating capacity by stage:

Stage 1		Stage 4	
Stage 2		Stage 5	
Stage 3		Stage 6	

7. Number of special events in the last competed fiscal year
8. Total paid attendance at all events for the last complete fiscal year
9. Approximate unique visits per month to your website — OR NO WEBSITE CHECK HERE --> ☐

B. Space

1. Total square footage ***prior to*** project (if entirely new site replaced an old site, total sq ft of old site) — sq ft
2. Total square footage of ***new or renovated space*** — sq ft
3. Increase, if any, in total ***usable*** square footage as a result of building project — additional sq ft
4. Total raw square footage of facility ***now*** — sq ft
5. Amount of new space devoted to ***permanent exhibits***
6. Amount of new space devoted to **temporary *exhibits***
7. Amount of new space devoted to **other functions**

C. Costs and Financing

1. Initial cost estimate for project — $
2. Project budget at the time of initial board approval for project — $
3. Proportion of amount cash-in-hand by the time of project approval — %
4. Proportion of amount secured in loans by the time of project approval — %
5. Current annual operating budget — $
6. Final cost of land for project — $ — OR IF ALREADY OWNED THE LAND CHECK HERE ----------> ☐
7. Final cost of construction for project — $
8. Percent of current budget to finance debt associated with project — %

Source of Funds	Proportion of funds from this source for …	
	Project cost	Annual operating budget
Foundation grants	%	%
Large individual gifts	%	%
Small individual gifts	%	%
Corporate contributions	%	%
Local government funds	%	%
State government funds	%	%
Federal government funds	%	%
Revenues (ticket sales, memberships, etc.)	%	%
Endowment	%	%
Unrelated business income	%	%
In-kind donations	%	%
Other, please specify:	%	%
TOTAL	100%	100%

FIGURE II.5.
Respondent Worksheet (continued)

D. Programming & Staffing

1. Number of groups now using the facility as their artistic home
2. How many of the groups now using your facility as their artistic home moved there since the construction project?
3. Total arts groups using this facility over the last complete season
4. Total non-arts groups using this facility over the last complete season
5. Days in the last complete season facility had performances going on days
6. Full time professional staff <-- Includes programming staff
7. Full time administrative staff <-- With professional full time staff should add up to total full time staff
8. Part time and contract staff
9. Volunteers / unpaid interns
10. Is museum a collecting institution? <-- Enter Yes or No

Museum activities during last completed fiscal year

	How many last year?
Traveling exhibits developed elsewhere	
Special exhibits you developed for your location	
Special exhibits you developed that also travel elsewhere	
Lectures	
Performing groups	
Special programs for school groups who come to you	
Outreach projects that travel to schools	
Other educational or outreach projects	
Other a please specify:	

Performing groups and hall use during the last completed fiscal year	**Number of performances or events of this kind last season (Number)**	**Number of groups of this kind based out of your center (Number)**	**Any touring or out-of town groups (Yes / No)**	**Any local groups not based at your center? (Yes / No)**	**Any regulars (expected back each season) (Yes / No)**
Orchestras					
Chamber groups					
Instrumental recitals					
Instrumental recitals					
Opera companies/soloists					
Opera companies/soloists					
Pop concerts					
Pop concerts					
Song recitals					
Song recitals					
Dancers/ dance groups					
Dancers/ dance groups					
Comedians or comedy troupes					
Comedians or comedy troupes					
Musical theater					
Musical theater					
Non-musical theater					
Non-musical theater					
Lecturers					

FIGURE II.5.
Respondent Worksheet (continued)

Lecturers					
Conferences					
Conferences					
Other, please specify:					

E. Structure & Governance

1. Name of governing body (e.g. board of trustees, board of governors)
2. Number of governing body members now
3. Number of governing body members at initial project approval
4. Length of service term for governing body members --> Are terms renewable? ----------> Enter Yes or No
5. Frequency of full board meetings times per
6. Number of executive committee members OR IF NO EXECUTIVE COMMITTEE CHECK HERE ----------->
7. Frequency of executive committee meetings times per

Please indicate the composition of your governing body and the contributions they bring

Member type	Number	Number of governing body members of this type who bring ...		
		Specialized expertise	Fundraising skills	Personal donations
Lawyer				
Marketing professional				
Other professional				
Business owner				
Artist				
Arts group leader				
Board member of other arts group				
Other				

Some groups have a cluster of legal entities associated with their center. For example, you might have "The Smith Center" and "Friends of the Smith Center" and "The Smith Center Orchestra" and "Smith Center Gift Shop." Below please clarify how many such entities are registered with your center.

Total number of **501c(3)** entities associated with your museum, performing arts center, theater or combined center

Of these, how many are for fund-raising only?

Of these, how many are artistic groups housed at your center?

Do you have any for-profit entities that are part of your center such as a gift shop? <-- Enter Yes or No

How many **for-profit** entities are associated with your center?

FIGURE II.6.

Phone Follow-Up Recruitment Script

For proxy: Hello, this is _____ calling from the University of Chicago for [R NAME]. Is {he/she} available?

If Not – When would be a better time to call back?

Can you put me into a voicemail box for him/her?

Voicemail: Hello, this is _____ calling from the University of Chicago. We recently sent you a letter about research looking at building projects carried out by arts organizations. Your organization was selected to represent arts organizations of similar size and type across the country. I am calling to make sure you received the materials we sent and to answer any questions. You may call me back at ###-###-#### or I will try to reach you another time. Major arts funders such as Kresge Foundation, Mellon Foundation and MacArthur Foundation are sponsoring this research in order to develop useful advice for arts organizations who are planning renovations, additions or new building projects. We will share results with participants. We very much hope you will be a part of this effort.

IF R IS ON THE PHONE:

Hello, this is _____ calling from the University of Chicago. I am following up on a mailing you should have received from us concerning arts organization building projects. Did you get our letter?

Yes ➔ Do you have questions?

No ➔ I'm sorry, let me confirm your mailing address. I can also send you materials by email if you prefer (collect email address)

Do you have a minute for me to tell you about the project or is there a better time for me to call back?

Better time ➔ Schedule it

OK now ➔ The cultural sector in the United States, primarily performing arts centers, theaters and museums, has experienced a recent building boom. Projects include renovations, expansions and new construction. The Cultural Policy Center at the University of Chicago has launched a research initiative to explore recent building projects and their consequences in a systematic way. The object of the research is to draw on the real experiences of a wide variety of arts groups in order to develop guidelines about how arts organizations might best approach facilities renovation and building projects to meet their needs. An important piece of this project involves speaking with people at cultural institutions with recently completed building projects in 50 different cities across the United States. Your organization has been chosen to represent other groups of similar size in similarly sized locations across the country. Although your participation in the study is completely voluntary, we depend on cooperation from arts leaders such as you for the success of this project.

If you are willing to speak with us, we would like to mail ahead a some factual questions about the recent large building project at your organization so that you can look up numbers such as total square footage or seating capacity. After we collect that information, we would like to speak to you in a more open-ended way by phone to learn about the process your group went through in order to plan, pay for and carry out your building project. We expect this will take about an hour. We can schedule a time to talk at your convenience – daytime or evening, weekday or weekend. The results of this study will be presented in a summary way and will not identify individual people or organizations. We will share the results with study participants.

FIGURE II.7.
Verbal Consent Script

Before we begin I want to make sure you understand the nature of this research and that we have your permission to proceed. We want to talk to you about the planning and implementation of a recent new facility, renovation or addition project completed by your cultural organization. Everything you tell us is confidential. Reports from the project will present things in summary form and not connect them with individual people or organizations. Your participation is voluntary: you may decline to answer any question and end the interview at any time. The project information sheet we sent to you has our contact information as well as contact information for the institutional review board, the group that protects the rights of people who participate in research. If you are concerned about the way we are conducting this research you may contact them.] If you no longer have the project information sheet and would like to contact them I can give you their phone now –

[IF R DID NOT KEEP THE SHEET GIVE IRB PHONE HERE] (773) 834-7835]

I would like your permission to tape the interview for completeness and accuracy. We erase tapes at the end of the project. Is it OK to tape?

☐ [YES- OKAY TO TAPE] Thank you. Remember that you can ask us to turn off the tape at any time.

☐ [NO – HAND-WRITTEN NOTES ONLY] That's fine.

[ONLY IF THIS IS ALSO A TRAINING INTERVIEW ADD]. I would also like permission to include some graduate student observers in this interview. As part of our training at the Survey Lab, we like to include students who can [practice their note-taking/ observe me, the interviewer, and take notes about my technique]. Is it OK to include _____ student [observer(s)/note-taker(s)] as part of this interview?

☐ [YES] Thank you.

☐ [NO] ASK ANY STUDENTS PRESENT TO LEAVE THE ROOM.

Do you have any questions about the interview before we begin? ANSWER ANY QUESTIONS.

FIGURE II.8.

Interview Questionnaire

DATE _____ **CASEID** _____

INTERVIEWER ID _____

****At the time the interview is being scheduled, the caller doing the scheduling should confirm/clarify the following things. Write down the answers!**

****A1. Does this arts facility include ... [Check all that apply]**

- ☐ 1 Stages or performance space
- ☐ 2 An arts museum of any kind

IF PERFORMANCE SPACE ONLY SEND INFORMATION FORM A
IF ARTS MUSEUM ONLY SEND INFORMATION FORM B
IF BOTH SEND INFORMATION FORM C

****A2. Is your facility a single building, a set of physically connected buildings, a cluster of separate buildings on a single campus, or multiple buildings on separate sites?**

- ☐ 1 Single building
- ☐ 2 Set of physically connected buildings
- ☐ 3 Cluster of separate buildings on a single campus
- ☐ 4 Multiple buildings on separate sites
- ☐ 5 Other, specify _____

****A3. What part of your building(s) did the construction project concern?**

INTERVIEWER: Try to determine what the CASE is here and ask the respondent to fill out the information forms with respect to that case. Usually,

- If there is a single building, that is the case.
- If there are multiple buildings on multiple sites, it should be the building associated with the new construction
- In general we want the smallest entity that both keeps its own set of books and encompasses all the space that was added, built or renovated as part of the large construction project.

FIGURE II.8.

Interview Questionnaire (continued)

Q1. Did the building project replace or renovate an existing facility or is it a completely new facility?

- ☐ 1 Renovation/expansion of facility
- ☐ 2 Replaced facility →
- ☐ 3 Completely new facility

Q1.2 Is the function of the new space similar to the previous facility?

- ☐ 1 Yes
- ☐ 2 No ➔ Can you describe how it is different?

Q1.3 Is this also a new organization?

- ☐ 1 Yes
- ☐ 2 No

Q2. What is the ownership structure of your building or buildings? Are these owned by a government entity, by one of the arts groups that uses it or what? [CODE ALL THAT APPLY]

- ☐ 1 Independently of the arts groups who use the facility
- ☐ 2 Owned by one of the arts groups that uses the facility
- ☐ 3 Owned by an organization that also owns multiple arts groups who use the facility
- ☐ 4 University or College-owned
- ☐ 5 Government owned
- ☐ 6 Other, specify

_____

Q2.1 Which one?

_____

Q2.2 What level?

01 City
02 County
03 State
04 Other, please specify

_____

Q3. Can you tell me about the other performing arts centers, theaters or museums in your metropolitan area with whom you compete?

➔ Probe for HOW they compete

- for audiences
- for donations/funding
- for programming & performers
- other?

FIGURE II.8.

Interview Questionnaire (continued)

Q4. Now can you tell me about performing arts centers, theaters or museums in the metropolitan area that you cooperate or collaborate with?

➔ Probe for HOW they cooperate or collaborate
- Programming cooperation or collaboration
- Advertising or audience development
- Donors / funding
- other?

ORGANIZATIONS WITH NO PERFORMANCE SPACE SKIP TO Q9 on page 4

Now I'd like to ask about performing groups and others who use your auditorium or theater space.

Let me first just quickly run through the list of groups that you listed on your information form to remind you of the different performers who used your space in this last season.

***Q5.1 [READ THROUGH THE LIST OF CHECKED ITEMS– BOXES SHOULD BE PRE-CHECKED BY YOU PRIOR TO CALL FROM ADVANCE INFORMATION FORM]**

Q5.2.1 → Which of those groups would you say you've had more of since completing your building project? INTERVIEWER – DO NOT PROMPT LINE BY LINE IN THE GRID – JUST USE IT TO MARK WHAT THE R SAYS IN RESPONSE TO YOUR OPEN QUESTION

Q5.2.2 → Are there any you've had fewer of? Which are those? [DITTO INSTRUCTIONS ABOVE]
Why have you had fewer?

Q5.1	In the last completed season did you have any …	*Any?		Q5.2 And was this more, about the same or fewer than before your building project? Fewer	Same	More
A.	Dancers or dance groups	☐1	If any	☐1	☐2	☐3
B.	Non-musical theatrical performances	☐2	If any	☐1	☐2	☐3
C.	Musicals	☐3	If any	☐1	☐2	☐3
D.	Operas	☐4	If any	☐1	☐2	☐3
E.	Orchestra concerts	☐5	If any	☐1	☐2	☐3
F.	Chamber concerts	☐6	If any	☐1	☐2	☐3
G.	Instrumental recitals	☐7	If any	☐1	☐2	☐3
H.	Song recitals	☐8	If any	☐1	☐2	☐3
I.	Pop concerts	☐9	If any	☐1	☐2	☐3
L.	Conferences	☐12	If any	☐1	☐2	☐3
M.	Other_____	☐13	If any	☐1	☐2	☐3

FIGURE II.8.

Interview Questionnaire (continued)

***Q6. [FILL IN FROM INFORMATION FORM] I see from the information form that ____ groups are newly based at your center since the construction project. [IF NONE SKIP TO Q7]**

Q6.1 Where were these housed before your project?

Q6.2 What happened to their old space?

***Q7. [FILL IN FROM INFORMATION FORM] I see from the information form that ____ touring groups from out of town performed at your center in the past season. [IF NONE SKIP TO Q8]**

Q7.1 Did all these same groups perform at your center prior to your building project?

☐ 1 Yes
☐ 2 No → **Q7.2 Did any of them perform at other local venues before?**
☐ 1 Yes
☐ 2 No

→ **Q7.3 Did any of them simply not come to your area because there was not a performance space for them?**
☐ 1 Yes
☐ 2 No

Q8. Are there any groups who used your space before the construction project but no longer do?

☐ 1 Yes → **Q8.1 Why don't they perform at your center anymore?**
☐ 2 No

ALL TYPES OF INSTITUTIONS

Now, let's talk if we might about the decision to build/renovate/expand your facility.

Q9. Think about the decision to carry out this building project.

Q9.1 Who first proposed the idea? TITLE – TYPE OF PERSON _____

Q9.2 When did staff first start to spend time exploring the possibility of new or renovated space?

Approx Date: _____

Q9.3 When did the board first spend money for consultants or others to plan the project?

Approx Date: _____

Q9.4 When did the board approve a specific construction plan with a budget?

Approx Date: _____

Q10. Who had the primary responsibility for planning and managing the project?

Q10.1 At the beginning [TITLE & POSITION IN ORGANIZATION] _____

Q10.2 At close [TITLE & POSITION IN ORGANIZATION] _____

Q10.3 If it was a committee, who was on the committee? _____

Q10.4 Who chaired the committee? _____

FIGURE II.8.

Interview Questionnaire (continued)

Q11. What were the key reasons for undertaking the project?

_____

_____

_____

Q12. What was the original vision for the project? How did that change over time? [PROMPT FOR BOTH ARCHITECTURAL AND MISSION CHANGES]

_____

_____

_____

Q13. How long did the planning process last? A. _____months OR B._____years

Q14. How long did the fundraising process last? _____ years

Q15. Were public meetings held?

☐ 1 Yes
☐ 2 No

Q16. Were there other ways you sought community input?

☐ 1 Yes →
☐ 2 No

Q16.1 How?

_____

_____

Q17. Were any changes made as a result of community input?

☐ 1 Yes →
☐ 2 No

Q17.1 What were those?

_____

_____

FIGURE II.8.

Interview Questionnaire (continued)

Q18. Was there any internal or external opposition to the project?

☐ 1 Yes →

☐ 2 No

Q18.1 Who were the major opponents? (Types of people / positions)

_____

_____

_____

Q18.2 What were their objections?

_____

_____

_____

D19. Were changes made to meet these objections?

☐ 1 Yes →

☐ 2 No

Q19.1 What were they?

_____

_____

Q20. Were outside experts and consultants used to guide the planning process?

☐ 1 Yes →

☐ 2 No

Q20.1 At what stage?

_____

Q20.2 To whom did they report? [PROBE – did they report to the full board, just the executive committee, just the chair, to management or somebody else?]

_____

Q21. Was there any market research done to test out the idea of the proposed building project?

☐ 1 Yes

☐ 2 No

Q22. Were field trips to other similar facilities taken by decision makers?

☐ 1 Yes

☐ 2 No

FIGURE II.8.

Interview Questionnaire (continued)

Q23. Was there a model project in another city on which this project is loosely or closely based?

☐ 1 Yes-closely →
☐ 2 No-loosely

Q23.1 What was it?
A. Name _____
B. Place _____

Q24. How many different architectural designs were considered, and over what period of time?

A. Distinct designs _____
B. Time period for consideration of different designs _____ to _____

Q25. How was the final design chosen? (By whom, and following what kinds of procedures?)

_____

_____

_____

Q26 Did any of the project planners consider the effects on the broader arts/cultural community in this area?

☐ 1 Yes →
☐ 2 No

Q26.1 How did they go about estimating the cultural and financial impact on the broader arts scene?

_____

Now I would like to ask you about the governance structure of your organization.

***Q27. You reported from the information form that your [governing board] has [ ] members.**
Q27.1 How are these members selected? [GET PROCESS THROUGH WHICH SELECTED AND MAIN CONSIDERATIONS IN WHO THEY CHOOSE TO BE ON THE BOARD]

_____

_____

***IF BOARD TERMS ARE NOT RENEWABLE [SEE INFORMATION FORM] SKIP TO Q29**

Q28. You reported on the information form that terms for board members are renewable. Are there any board members who remain on the board more or less indefinitely?

☐ 1 Yes →
☐ 2 No

Q28.1 How many do this? _____

Q28.2 Can you tell me about the "perpetual" members and what they bring to the board?

_____

FIGURE II.8.

Interview Questionnaire (continued)

Q29. Some boards are made up of people who are experts in the areas relevant to the organization; some are made of people who are able to raise money for the organization.

Are members of your board chosen:

☐ 1 More for their expertise (legal, marketing, risk management…)?

☐ 2 More for their money raising ability to do effective fundraising?

Q30. Are board members expected to make a specific annual contribution?

☐ 1 Yes **Q30.1 How much is that? $_____**

☐ 2 No

Q31. Did the board as a whole pledge to contribute a certain amount for the building project?

☐ 1 Yes **Q31.1 How much was that? $_____**

☐ 2 No

Q32. Was the board chair at the beginning of the project the same as the chair now?

☐ 1 Yes

☐ 2 No **Q32.1 Can you give us a timeline of the chairs from the beginning of the project until now? [With respect to the project timeline in particular]**

_____

***INTERVIWER FILL IN G7 FROM INFORMATION FORM IF OBVIOUS - ELSE ASK.**

Q33. Is there an executive committee?

☐ 1 Yes

☐ 2 No

Q34. Was there a special committee of the board to supervise the building project?

☐ 1 Yes **Q34.1 Did it remain in place for the duration of the project?**

☐ 2 No ☐ 1 Yes **Q34.2 Who was on the committee**

☐ 2 No

A. _____

B. _____

C. _____

D. _____

E. _____

F. _____

G. _____

H. _____

I. _____

J. _____

Q35. Were there particular members of the board who actively participated in the management of the project?

☐ 1 Yes **Q35.1 Which ones? GET NAMES OR DESCRIPTORS**

☐ 2 No

_____

_____

_____

FIGURE II.8.

Interview Questionnaire (continued)

Q36. Were there changes in board membership during the time of the construction?

☐ 1 Yes

Q36.1 Were any of these related to disagreements about how the project was going?

☐ 1 Yes

☐ 2 No

☐ 2 No

Q37. What was the overall turnover like on the board over the duration of the project planning and construction?

_____

_____

_____

Now I have some questions about the project financing.

Q38. After the board first approved the project, were there changes in the cost estimates?

☐ 1 Yes → **Q38.1 By how much? _____**

Q38.2 Why did the cost estimates change? [CHECK ALL THAT APPLY]

☐ 1 Changes in specifications / changes in design

☐ 2 Changes in material costs

☐ 3 Changes in labor costs

☐ 4 Other , specify

☐ 2 No

Q39. Can you talk about when the budgets were increased to accommodate new costs and when the project was scaled back to meet the budget? [PROBE FOR WHETHER SCOPE WAS EVER INCREASED BECAUSE "THEY WERE DOING SOMETHING ANYWAY"]

_____

_____

_____

Q40. Did the original cost estimates include projections for ...

	Yes	No	Not Apply
A. lost revenues due to closure or reduced use during construction?	☐ 1	☐ 2	☐ -4
B. moving or storage costs?	☐ 1	☐ 2	☐ -4

FIGURE II.8.

Interview Questionnaire (continued)

Q41. How did actual lost revenues and moving or storage costs line up with your expectations?

_____

_____

Q42. Did the planned opening date for the new facility change?

☐ 1 Yes → **Q42.1 From what date to what date?** _____ **to** _____

☐ 2 No

Q43. Did the financing shift after the project was complete, i.e., shift from a construction loan to a mortgage?

☐ 1 Yes

☐ 2 No

Q44. Does the organization currently carry a debt related to the construction of the facility?

☐ 1 Yes → **Q44.1 When will this debt be paid off?**

Date _____

☐ 2 No

Q45. What projections were made about post-opening operating costs and revenues?

_____

_____

Q46. When in the process were projections made about post-construction operating costs?

_____

Q47. Did the projections for post-construction operating costs change over time?

☐ 1 Yes

☐ 2 No

Q48. How do the /current operating costs and revenues compare with initial and subsequent estimates?

_____

_____

Q49. Were increased operating costs due to new construction factored into the fund-raising efforts for the project?

☐ 1 Yes → **Q49.1 When did this happen?** _____

Q49.2 How did these operating costs get factored into fundraising?

☐ 2 No

FIGURE II.8.

Interview Questionnaire (continued)

Q50. Has the organization ever run an operating deficit since opening the new facility, or has it balanced its books each year?

☐ 1 Has run an operating deficit → **Q50.1 How many years since opening the new facility have you run a deficit? _____**

☐ 2 Has balanced its books each year → **Q50.2 How have you covered [these deficits / this deficit]?**

Q51. INTERVIEWER LOOK AT RESPONSE TO D3 – Earlier you mentioned key reasons for undertaking this project [REPEAT THESE BACK TO R]. In what ways has the project lived up to and not lived up to your original expectations?

- Probe specifically for whether the organization has tried to measure this in any way, for example with attendance goals, numbers of performances, types of performances, etc.

Q52. Are the costs and benefits associated with the new space helping or hurting your ability to survive in the current economic period? How so?

☐ 1 Helping

☐ 2 Hurting

→ **Q52.1 How?**

Q53. What are your plans going forward to insure long-term operations?

_____

_____

Q54. Are there any other lessons learned that you could share with us so that we can better understand the challenges in doing projects like this?

_____

_____

I have one final request. Where could we get a list of the members of your board at the time the project was approved? This will help us code for how the expertise of the board changed or remained constant throughout the project and into the subsequent years following the completion of the project.

- **If R can provide this list, arrange for how we are going to get it (FAX, email).**
- **IF R can supply the list now over the phone or transfer you to somebody who can, do so.**
- **If R can supply the name of the person we can call to find this information, get the contact information for that person now.**

_____

_____

_____

THANK YOU!!!! We could not carry out this kind of research without your generous cooperation. We are grateful for your help. We will share a summary report from this project with you that we expect will be ready in the Fall, perhaps by the end of September.

FIGURE III.1
Advance Letter

March, 2010

Dear_____,

We are writing to invite you to participate in a **major study of America's cultural infrastructure**. Sponsored by the Mellon, MacArthur and Kresge foundations, a research team led by investigators at the National Opinion Research Center at the University of Chicago (NORC) is examining the recent building boom that altered the country's cultural landscape. This study will focus on both new cultural facilities and renovations that were begun between 2002 and 2006.

We are **currently talking with 40-50 leaders of cultural groups in 13 cities in which major construction projects were located to get a better sense of how that project may have affected other arts groups and the overall local arts environment.**

We would like to **talk to you for about 30 minutes** on the phone in a mostly discursive way **to learn more about how a specific cultural building project in your area may have had an impact on your organization**. Because of the more open-ended nature of some of our questions, we will ask to tape the interview for accuracy and completeness. However, **the information you provide us with will be kept confidential and not associated with your name or the name of your arts organization**. The results of this study will help others who are planning similar projects. While your participation in this survey is voluntary, we along with our funders hope that you will assist us as we embark on this landmark study.

The Survey Lab at the University of Chicago will be contacting you soon to schedule an interview. The enclosed project information sheet provides more detail. Should you have any questions, please contact **Joanna Woronkowicz at (773) 256-6028 or Woronkowicz-Joanna@norc.uchicago.edu**. If there is a more appropriate person at your organization for us to speak with, please let us know.

This study is the first such examination done on the broader cultural infrastructure in the United States, and it promises to be a very valuable resource for years to come. The insights you provide us with about your experiences and involvement through participation in the survey will be crucial to its success. We thank you in advance for your assistance.

Sincerely yours,

D. Carroll Joynes
Senior Fellow

FIGURE III.2
Project Information Sheet

Project Information Sheet
Cultural Infrastructure in the United States

What is this study about? The cultural sector in the United States, primarily performing arts centers, theaters and museums, has experienced a recent building boom. Some of these buildings are expansions and renovations, and some are entirely new facilities. Some of these projects may increase audience, increase earned and donated income, and help realize an institution's mission. Conversely, large building projects may saddle arts organizations with debt that cuts into their ability to deliver core programming. The National Opinion Research Center at the University of Chicago has launched a research initiative to explore recent building projects and their consequences in a systematic way. **The object of the research is to draw on the real experiences of a wide variety of arts groups in order to develop guidelines about how arts organizations might best approach facilities renovation and building projects to meet their needs.** An important piece of this project involves speaking with leaders of cultural and arts groups in the communities where large projects were completed over the past 5-7 years.

Who is conducting this research? D. Carroll Joynes and Norman M. Bradburn, Senior Fellows at the National Opinion Research Center at the University of Chicago are directing the study. Peter Frumkin, Director of the RGK Center for Philanthropy and Community Service, Professor Robert H. Gertner of the Booth School of Business at the University of Chicago, and Professor Bruce Seaman of the Andrew Young School of Policy Studies at Georgia State University are the principal investigators who will be analyzing the data. The University of Chicago Survey Lab is carrying out the phone interviews. The study is being funded by the Mellon Foundation, Kresge Foundation, and the MacArthur Foundation.

Why should you participate? Although your participation is completely voluntary, it is critical to the success of this project. Large building projects may have unanticipated benefits or costs to other groups in the local arts and culture community. We need to hear directly from you about the effects on your group, if any, of a recent large project in your area. Only by hearing from leaders of many different types and sizes of groups can we form a clear picture of the community impact. **We will share the report from this project with you.**

What can you expect from completing a phone survey? We will ask you to speak to us in a semi-structured way by phone for 30 minutes. We will ask to record the interview to more quickly and accurately capture your thoughts. However, anything you tell us remains confidential and will not be linked with your name or the name of your organization. Questions will focus on ways a large building or renovation project completed several years ago by another arts group in your community may have affected the broader cultural scene and/or your group in particular. All recordings will be erased at the end of the project.

Who will know what you say? The interviewer you speak with will know what you say. However, all our interviewers are trained to maintain the confidentiality of our survey respondents. **We will not identify any participants or organizations by name.** We will report summary results only. We may group responses by region of the country or broad size categories to make the results more meaningful.

Who can you contact if you have questions or concerns? Your rights as a participant in survey research are protected by the University of Chicago's and NORC's institutional review boards (IRB). If you have questions about your rights as a study participant or if you ever think your rights have been violated you are encouraged to contact the NORC IRB Administrator, toll free, at 866-309-0542 or the Social and Behavioral Sciences IRB at 773-834-7835, Judd 333, 5835 S. Kimbark Ave. Chicago IL 60637. If you have questions about the research itself or want to schedule an interview time, please call Survey Lab Director Martha Van Haitsma at **773-834-3674** or call us on our toll-free number at 1-866-523-3674.

FIGURE III.3

Phone Recruitment Script

Hello, I'm calling from the University of Chicago. You should recently have gotten a letter in the mail from us explaining a research project we're working on about renovations and expansions of space at cultural institutions and how this affects the larger environment for cultural groups in a city.

[IF R NEVER GOT THE LETTER, CONFIRM MAILING ADDRESS AND SEND ANOTHER. APOLOGIZE AND LET R KNOW THEY SHOULD GET IT SOON]

You are located in one of 13 cities selected because there was at least one large renovation, new building or expansion project there over the past five to seven years and we'd like to talk to all the leaders of cultural groups in these cities to form a picture of the impact such projects have on the broader arts community.

We are doing the interviews by phone, these take about half an hour to complete and because it is difficult to entirely standardize questions for such a diverse group we are taping response to make sure we get accurate and full information. However, we do keep whatever you and others tell us confidential and do not link it with your name or the name of your organization. Your participation is entirely voluntary, but we depend on your generous cooperation to get a full and accurate picture of how large building projects affect the cultural and arts community.

We can schedule interviews at your convenience – weekday days, evenings or weekends. The interview takes about 30 minutes. We believe the results of this study will be very valuable to the cultural and arts community.

Can we schedule a time to speak with you?

Hard refusa ➔ THANK AND SEND "Please reconsider" LETTER
Agree ➔ THANK AND SCHEDULE
Too busy now, call back another time ➔ DOCUMENT WHEN IT WOULD BE BETTER TO CALL BACK AND CONFIRM WHO WE SHOULD BE ASKING TO SPEAK WITH AT THAT TIME.

FIGURE III.4

Please Reconsider Letter

<DATE>

Dear ,

Recently we called you about a study of cultural organization building projects. You were not interested in participating. Nobody will call you again about this research project, but …

Please reconsider!

- We appreciate that your time is valuable. **We can schedule our interview in short segments by phone.** Total time is only about 30 minutes.
- A high response rate is needed to make sure that the experiences and opinions of **all organizational types and all parts of the country are properly represented**.
- Because your organization was selected through a scientific sampling process, **we cannot substitute anybody for you**.
- You can choose to skip any question you don't wish to answer and end the interview at any time.
- Your answers are confidential and not linked to your identity.
- You can schedule an interview at **a time that is convenient for you**, daytime or evening, weekday or weekend.

We depend on the generous cooperation of arts organization leaders such as you to make sure that policy makers and arts funders have the data they need to make informed decisions.

Please call [DAVID OR KEVIN AT ##] to set up a time for an interview. We appreciate your serious consideration of this request. You may also call me on my direct line provided below my signature. Thank you for your assistance.

Sincerely,

Martha Van Haitsma, Director
University of Chicago Survey Lab
(773) 834-3674
mvh@uchicago.edu

FIGURE III.5

Interview Questionnaire

Community Survey
Introduction:

- We are conducting a survey at the University of Chicago to see how renovations, expansions and new construction of space at cultural institutions affect the larger environment for cultural groups in a city.
- We want to know how the [NEW CONSTRUCTION/EXPANSION/RENOVATION] of [NAME OF ORGANIZATION] that was started in [DATE1] and opened in [DATE2] affected you and other cultural organizations in the [CITY] area.
- We are also conducting interviews with groups in 12 other cities around the country. The survey should take about 30 minutes.
- We want to remind you that your participation is completely voluntary, that you may decline to answer any question and that you may end the interview at any time.
- For completeness, accuracy and to speed things along I am asking to record this interview. We will keep what you tell us confidential and not associate it with your name or the name of your organization. The recordings will not be transcribed and we erase them at the end of the project. Is it OK to record this interview?

☐ [YES- OKAY TO RECORD] Thank you. Remember that you can ask us to stop recording at any time.

☐ [NO] Is it okay to continue with the interview without recording?

☐ [YES] [PROCEED WITH CLOSED-CODED QUESTIONS AND FIELD CODE OTHERS WHERE POSSIBLE]

☐ [NO] [THANK THE RESPONDENT AND END THE CALL]

First I'd like to make sure I have the right information about you and your organization.

1. **What is the proper full name of your organization? _____**
2. **What is your role in the organization? _____**
3. **How long has your organization been in existence?**
   _____ years or since YEAR _____
4. **What year did you join the organization? _____**

Now, let's talk about the time when [PROJECT] was in the planning and building phase.

5. During the planning process for this project would you say that [ORGANIZATION] was ...

Very Open/Somewhat Open/Not Very Open/Not Open At All/Don't know

6. Was your organization ever contacted directly about the project by [ORGANIZATION] or someone speaking on their behalf?

Yes/No

7. Was your organization ever given a chance to voice your views about [ORGANIZATION]'s building project?

Yes/No

FIGURE III.5

Interview Questionnaire (continued)

8. Overall did [ORGANIZATION] solicit input from other cultural organizations like yours about the decision to [BUILD/EXPAND/RENOVATE] their facility a great deal, some, not very much or none at all?

A great deal/Some/Not very much/None at all/Don't Know
AT THIS POINT, IF R SAID DK TO Q5 AND NOW EXPLAINS THAT THEY HAVE NO IDEA ABOUT ANYTHING HAVING TO DO WITH THE PLANNING OR BUILDING PHASE, PROVIDE AN OPPORTUNITY TO SKIP TO Q17. THIS IS ONLY AN OPTION FOR THOSE WHO TELL US THEY HAVE NO KNOWLEDGE OR OPINION ABOUT THE PLANNING/BUILDING PHASE.

9.In your opinion, were there any potential stakeholders that did not have a chance to provide input?

Yes/No

9b. IF Yes: What stakeholders were left out? [IF R GIVES NAMES OF SPECIFIC GROUPS MAKE SURE TO ASK WHAT TYPE OF PEOPLE OR GROUPS THOSE ARE]

10. Overall, would you say [ORGANIZATION] was very responsive, fairly responsive, somewhat responsive or not at all responsive to the objections, needs and desires of the stakeholders who were given a chance to provide input about the project?

Very responsive/Fairly Responsive/Somewhat Responsive/Not At All Responsive

11. At any point did [ORGANIZATION] search for other cultural organizations as potential partners to help build and share the new space?

Yes/No/Don't Know **IF NO or DK, SKIP TO Q14**

12. Was your organization solicited as a potential partner to [ORGANIZATION]'s building project?

Yes/No

IF YES 12a. Was your organization solicited ... before plans were in place or after plans were in place?

Before plans were in place/After plans were in place

12b. Did you become a partner?

Yes /No

IF YES: **12.b.1 In your opinion, would you say your organization's needs were considered during the project planning phase...**

A Great Deal/A Fair Amount/Very Little/Not At All?

13. Did [ORGANIZATION] partner with other cultural organizations in building the project?

Yes/No/Don't know

IF YES: 13a. In your opinion, would you say the needs of other partners of the project were considered during the project planning phase...

A Great Deal/A Fair Amount/Very Little/Not At All?

FIGURE III.5

Interview Questionnaire (continued)

14. How familiar are you with the planning and building phase of the [PROJECT]? Would you say you are ...

Very familiar / Somewhat familiar / A little familiar / or Know nothing at all about it?

IF KNOW NOTHING AT ALL ABOUT IT SKIP TO Q17

15.Did your organization object to any of the decisions made by [ORGANIZATION] in their planning and building phase?

Yes/No

IF YES:

15a What were the objections raised by your organization?

15b. How were these objections raised

15c. Were the objections addressed by [ORGANIZATION]?

Yes/No

15.c.1 IF YES: **How were the objections addressed by [ORGANIZATION]?**

16. Were changes made in [ORGANIZATION]'s plans for the project as a result of input from yours or other cultural organizations in the [CITY] area?

Yes/No

IF YES: 1**6a. What were these changes?**

Now let's talk about the need for this project.

17.Were any other cultural organizations in the [CITY] area planning to build or in the process of building large projects at the same time as [ORGANIZATION]?

Yes/No

a. IF YES: Which organizations? [LIST NAMES OF ORGANIZATIONS. IF YOU CAN'T GET NAMES, LIST TYPES OF ORGANIZATIONS]

18. Do you think there was an evident need in the community for the kind of space [PROJECT] provides?

Yes/No?

IF YES: 18a. Do you think the new space met this need completely, mostly, or partially?

19. Okay, now we'd like you to think about public sentiment before the project was built compared with after it was completed.

19a.1 Before the project was completed do you think the community felt there was a clear need for [PROJECT]?

Yes / No

19a.2 After the project was completed do you think the community felt there was in fact a need for [PROJECT]?

Yes, but less so/ Yes / Yes and even more so*

No, but less so / No / No and even more so*

***IF ANSWER IS DIFFERENT FROM BEFORE TO AFTER, IN AFTER CHOOSE FROM JUST YES OR NO.**
***IF THE ANSWER IS THE SAME FROM BEFORE TO AFTER, ADDITIONAL FIELD CODE OPTIONS FOR VOLUNTEERED ANSWERS, BUT DO NOT PROBE FOR THESE:**

IF BOTH YES → OPTIONS FOR ANSWERS TO 2nd PART ARE Yes, but less so; Yes; Yes and even more so.
IF BOTH NO → OPTIONS FOR ANSWERS TO 2nd PART No, but less so; No; No, and even more so

IF THIS IS NEW CONSTRUCTION OR REPURPOSING (NO OLD BUILDING) SKIP TO 19f.1

FIGURE III.5

Interview Questionnaire (continued)

19b.1 Before the project was completed, do you think the community felt the old building did not help accommodate all those who wanted to attend museum exhibits and programs(FOR MUSEUMS)/performances and programs (FOR THEATRES AND PACs)? Yes/No

19b.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

19c.1 Before the project was completed, do you think the community felt the old building did not help accommodate the types of museum exhibits and programs (FOR MUSEUMS)/performances and programs (FOR THEATRES AND PACs) the community needed? Yes/No

19c.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

IF BY THIS QUESTION R HAS REPEATED THEY HAVE NO IDEA ABOUT PUBLIC SENTIMENT ABOUT ANYTHING HAVING TO DO WITH THE PROJECT, HERE YOU CAN SKIP TO Q19H.1

19d.1 Before the project was completed, do you think the community believed the old building did not help accommodate the level of museum exhibit and program (FOR MUSEUMS)/performance and program (FOR THEATRES AND PACS) quality the community needed?

Yes/No

19d.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

19e.1 Before the project was completed, do you think the community felt the old building did not help accommodate the community's need for arts education?

Yes/No

19e.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

19f.1 Before the project was completed, do you think people in your community thought that the [PROJECT] would improve things for only a small number of people?

Yes/No

19f.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

19g.1 Before the project was completed do you think people in your community thought the new building would help spur economic development in the neighborhood?

Yes/No

19g.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

FIGURE III.5

Interview Questionnaire (continued)

19h.1 Before the project was completed, do you think the community felt the new building would help your community be a more attractive place to live and do business

Yes/No

19h.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

ASK ONLY IF NEW CONSTRUCTION AND HAD AN OLD BUILDING

Q9i.1 Before the project was completed, do you think the community believed the new building would allow the community to reuse [ORGANIZATION]'s old building for a different purpose?

Yes/no

19i.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

Now thinking of your own opinion before and after the project was built, here are two more statements:

19k.1 Before the project was completed did you believe the project would have little impact on your organization?

Yes/No

19k.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

19l.1 Before the project was completed did you believe the project would have little impact on the community?

Yes/No

19l.2 What about after it was completed?

Yes, but less so/ Yes / Yes and even more
No, but less so / No / No and even more so

Now I would like to ask you a few questions about the impact of the project on other cultural organizations in the [CITY] area.

20. Do you think this project has affected your organization's exhibits and programs (FOR MUSEUMS)/performances and programs (FOR THEATRES AND PERFORMING ARTS CENTERS)?

Yes/No IF YES → **20A.How?** [LISTEN TO ANSWER, CODE ALL THAT APPLY BELOW AND WRITE DOWN ANY NEW RESPONSES NOT COVERED HERE]
(FOR MUSEUMS)
More competition for traveling exhibits
More large-scale/blockbuster exhibits
More small-scale exhibits
Less exhibits and programs altogether
More exhibits and programs altogether
Have to change exhibits and programs more often
Less flexibility with exhibits and programs
More competition with exhibits and programs
Overlap in exhibits and programs

FIGURE III.5

Interview Questionnaire (continued)

(FOR THEATERS AND PACS)
More competition for local artists/performers
More competition for touring artists/performers
More large-scale/blockbuster programming
More small-scale programming
Less programming altogether
More programming altogether
Have to change programming more often
Less flexibility with programming
More competition with programming
Overlap in programming

21. At any stage, do you think that this project affected your fundraising?
Yes/No IF YES ➔ **21A.How?** [LISTEN TO ANSWER, CODE ALL THAT APPLY BELOW AND WRITE DOWN ANY NEW RESPONSES NOT COVERED HERE]
Had to find new donors
Had to work longer/harder to raise the same funds
Less total money came in
Smaller average gift size
New donors materialized
Easier to raise funds
More total money came in
Larger average gift size

22. As a result of this project, at any stage, did charitable gifts toward your organization…
*Increase/Decrease/Stay the Same***?**

IF INCREASE OR DECREASE:

22a. Approximately by what percent did the average size of gifts from your donors increase/decrease?
_____%

22b. Approximately by what percent did the total value of gifts from your donors increase/decrease?
_____%

22c. At what point in the process did this happen?
Pre-building Stage/Building Stage/Operational Stage

22d. Is the project still impacting your fundraising?
Yes/No

IF YES: **22d.1 How?** [LISTEN TO ANSWER, CODE ALL THAT APPLY BELOW AND WRITE DOWN ANY NEW RESPONSES NOT COVERED HERE]
Had to find new donors
Had to work longer/harder to raise the same funds
Less total money came in
Smaller average gift size
New donors materialized
Easier to raise funds
More total money came in
Larger average gift size

IF NO: **22d.2 When did the project stop affecting your organization's fundraising?** [PROBE FOR APPROXIMATE DATE. IF NOT ABLE TO GET A DATE, PROBE FOR TIME SINCE OPENING OF PROJECT]

FIGURE III.5

Interview Questionnaire (continued)

23. Do you think the [PROJECT]'s fundraising efforts increased the number of donors who give to artistic and cultural organizations in your community?

Yes/No

IF YES: 23a.Would you characterize these donors as ...

New donors who have never given to any type of organizations before
Donors who have given to other types of organizations but had never given to cultural and artistic organizations before
Or a combination of the two?

24. Do you think the [PROJECT]'s fundraising efforts increased the community's appreciation for the value of and need for philanthropy?

Yes/No

25. In your opinion, was the overall impact of [PROJECT] on other cultural organizations in the [CITY] area positive, negative, or did it not have an impact?

Positive/Negative/No Impact

26. Do you think the impact of the project made cultural organizations in the [CITY] area feel *more competitive/ more collaborative/there was no impact either way.*

27. Did your attendance increase, decrease or stay the same in the year following the opening of [PROJECT]?

Increase/Decrease/Stay the Same

IF INCREASED/DECREASED: 27a. How long after the [PROJECT] opened did this increase/decrease last?

_____*years/it is still going on*

27b. Do you think the change was due to [PROJECT]? Yes/No

28. Since the [PROJECT]'s planning phase have you had any difficulty in filling openings in your organization with the right caliber of talent?

Yes/No.

IF YES: **28a. What positions have you had difficulty staffing?** [PROBE FOR CODES]

28b. Do you think the change was due to [PROJECT]?

29. Since the project's planning phase, has the difficulty of finding new board members for your organization increased, decreased, or stayed the same?

Increased/Decreased/Stayed the Same

IF INCREASED/DECREASED: 29a. Do you think the change was due to [PROJECT]? *Yes/No*

30. Do you think the number of tourists in your city has increased since [PROJECT]'s opening?

Yes/No/Don't Know

31. Do you think [PROJECT]'s makes [CITY] a more attractive place to live?

Yes/No

32. Have any new businesses opened in or relocated to the [PROJECT]'s area since the project's opening?

Yes/No/Don't Know

IF YES: 32a. Do you think it was due to [PROJECT]? *Yes/No*

FIGURE III.5

Interview Questionnaire (continued)

33. Do you think the [PROJECT] has raised the awareness of the cultural organizations in your community?
Yes/No

34. Have you seen any [other] changes in the economic conditions of the [CITY] area that you would attribute to the building of this project? [PROBE FOR CODES]

Now I would like to turn to your views about the impact of the opening of the project on [ORGANIZATION] itself.

35. On a scale from 1 to 5, with 1 being "greatly diminished" and 5 being "greatly enhanced," would you please rate the following activities of [ORGANIZATION] since the project's opening:

(FOR MUSEUMS)

a. Number of exhibits and programs
b. Attendance
c. Quality of exhibits and programs
d. Diversity of exhibits and programs
e. Quality of educational exhibits and programs
f. Quality of community outreach efforts
g. Quality of exhibits/artists exhibited
h. Ability of audiences to get to the building

(FOR THEATRES AND PACS)

a. Number of performances and programs
b. Attendance
c. Artistic quality of performances and programs
d. Diversity of performances and programs
e. Quality of educational performances and programs
f. Quality of community outreach efforts
g. Quality of actors/directors involved in productions
h. Quality of actors and directors involved in productions
i. Ability to present works by local performers and artists
j. Ability of audiences to get to the building

ASK ONLY IF FOCAL PROJECT IS A THEATER OR PERFORMING ARTS CENTER

36. On a scale from 1 to 10, with 1 being "very poor" and 10 being "excellent," how would you rank the quality of [PROJECT]'s acoustics? OR DK- Never been there during a performance

ASK ONLY IF FOCAL PROJECT IS A MUSEUM

37. On a scale from 1 to 10, with 1 being "very poor" and 10 being "excellent," how would you rank the quality of the [PROJECT]'s exhibition spaces? ? OR DK- Never been there

38. Overall, how would you rate the impact the [PROJECT] had on [ORGANIZATION]?
Positive/Negative/No impact at all

FIGURE III.5

Interview Questionnaire (continued)

Finally, I'd like to ask you a few final questions about your organization.

39. How would you classify your organization?

Visual Arts/Theatre/Performing Arts Center/Dance/Music/Opera/Other(Please Specify)

40. What was your organization's approximate annual attendance for the last programming year?

_____

41. How many permanent full-time employed staff does your organization have?

_____

42. Do you consider your organization to be a competitor with [FOCAL ORGANIZATION]?

Yes/No

43. Do you consider your organization to be located in the same district as [FOCAL ORGANIZATION]?

Yes/No

Is there anything we haven't covered that you would like to add about ways the building project we have been discussing affected either your group or the larger environment for cultural groups in your area?

Thank you for your assistance! **Do you still have the Project Information Sheet we mailed to you?**

IF YES – Hang onto that sheet – it has contact information in case you have questions later. It also has contact information for the Institutional Review Board in case you have complaints or believe your rights as a research participant have been violated. We really appreciate your help. We could not carry out a social science research project of this nature without the generous assistance of community leaders such as you.

IF NO – Would you like me to provide contact information for you in case you have questions later?

If you have questions about the substance of the research, please contact Joanna Woronkowicz at (773) 256-6028 or Martha Van Haitsma at (773) 834-3674.

If you have complaints about our conduct of this research or feel your rights as a research participant have not been protected, please contact our institutional review board at 773-834-7835 and refer to project H10090.
We really appreciate your help. We could not carry out social science research project of this nature without the generous assistance of community leaders such as you.