



“Natural” Cultural Districts: A Three-City Study Report Summary

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Introduction

For the past two years, the Social Impact of the Arts Project (SIAP) has been studying “natural” cultural districts in Baltimore, Philadelphia, and Seattle. The project has had two interrelated parts: a regional analysis of the social geography and cultural ecology of Baltimore, Philadelphia, and Seattle and a series of intensive case studies of seven cultural districts within the three cities. The regional analysis focused on understanding the impact of cultural engagement on social and economic change in these cities. The community case studies focused on understanding the evolution of “natural” cultural districts and the challenges posed to their sustainability, including the role of cultural space. The broader goal of the project was to develop a way to improve our ability to invest in and monitor the impact of the arts on community revitalization.

SIAP developed the concept of “natural” cultural district as a way to rethink the relationship of the arts and culture to neighborhood development. Instead of beginning with a particular organization or project, “natural” cultural districts view community revitalization through the lens of the community cultural ecosystem. These ecosystems are composed of a number of independent elements—some driven by labor or real estate markets, others by a public- or community-oriented mission, and others by private motivation or artistic vision.

Study Rationale

A “natural” cultural district is a neighborhood that has spawned a concentration of cultural agents—organizations and businesses, artists and activists, residents and visitors. SIAP research has demonstrated that concentrations of cultural assets are a reliable indicator of neighborhood revitalization. Cultural clusters improve prospects that a neighborhood will see its poverty rate decline and its population increase. They reinforce ethnic and economic diversity. They stimulate social network formation both within and across neighborhoods. These social networks are the critical mechanism for translating cultural assets into neighborhood development.

Successful cultural clusters can have an impact on the entire metropolitan area. They encourage the innovation and creativity that spur cultural production. At times the clustering of producers and consumers reaches a critical mass that pushes a neighborhood to a regeneration tipping-point, attracting new services and residents.

This research builds on previous work on the role of creative industries in neighborhood revitalization in Philadelphia by SIAP and The Reinvestment Fund (TRF). Along with a variety of other scholars, the SIAP/TRF collaboration focused attention on the process of *creative placemaking*. This approach underlines that it is a mistake to look at individual organizations or artists in isolation. The key to building successful cultural scenes in cities is to examine the ecology within which those organizations and individuals operate.

Summary of Findings

Regional social geography and cultural ecology

SIAP's past work in Philadelphia had identified a set of relationships between cultural engagement and the social and spatial structure of the city. Chapter 2's goal is to determine whether these same patterns were present in Baltimore and Seattle as well. Generally speaking, we were more impressed with the contrasts among the three cities than their similarities.

The social impact of the arts is caught in two cross-cutting currents in all three cities, but the nature of those currents varies with context. The two currents are social inequality and diversity. None of the cities can resist the broad national and international explosion in inequality, although its effects can be mitigated to some extent through economic growth. Diversity is more complicated. This study focuses on three dimensions of diversity—economic, ethnic, and household. Although the three are present in all three cities, their prevalence and interactions vary.

The economic stratification of the three cities emphasizes the similarities between Baltimore and Philadelphia and their differences with Seattle. Seattle has enjoyed buoyant economic growth over the past generation, and it shows in the well-being of the population. The city's poverty rate is half that of Philadelphia and Baltimore, and the proportion of the population possessing a college degree is about twice their rates. Although all three cities were affected by the recession of 2007-09, the Eastern cities are still feeling its effects in terms of housing prices, unemployment, and poverty.

The three cities have very different diversity profiles. The one dimension that cuts across is household diversity, which continues to become more common in all three. Economic diversity has increased a bit but seems to be associated more with neighborhood change than a stable condition. Finally, ethnic diversity varies considerably across the three cities. At one extreme, Baltimore is still very much of a black/white city in which racial segregation remains the rule. At the other end of the spectrum, Seattle is a classic multi-ethnic city with a large number of ethnically diverse neighborhoods. Philadelphia is now in the midst of a relatively rapid transition. During the 2000s, it moved to a point where a majority of its residents live in an ethnically diverse neighborhood. However, a large majority of African Americans continue to live in segregated neighborhoods. This leaves it somewhere in between the Seattle and Baltimore models.

Cultural ecology

Although Baltimore and Philadelphia share a similar socio-economic profile, they differ quite sharply on their cultural ecology. Baltimore is characterized by a very centralized concentration of cultural assets along the Charles Street corridor, from downtown to Johns Hopkins Homewood campus to the north. This contrasts with large sections of east and west Baltimore in which we were unable to identify significant concentrations of cultural resources. In contrast, Philadelphia has several cultural clusters outside of Center City, of which the Germantown Avenue corridor is prominent.

Notably, Philadelphia's cultural resources are dominated by nonprofit cultural organizations, especially when compared to the other cities. Seattle stands out for the sheer quantity of cultural resources in the city. Its artist sector, in particular, is distinctive both because it is so much larger than those of the other cities and because artists-driven, it appears, by real estate and housing markets—are increasingly located in more remote neighborhoods that are separated from the concentration of organizational assets.

One surprise of the project has been the varied relationships between social geography and cultural ecology across the three cities. Only two factors—distance from downtown and household diversity—played significant roles in all three cities. We expected socio-economic status—which is so important in Philadelphia—to play a prominent role across cities; but this was not the case in Seattle, where the richest neighborhoods did not have the highest cultural asset scores. The same contrast between the Eastern cities and Seattle held for the relationship of cultural resources to educational attainment, occupational status, and poverty.

One discovery to come out of the project is the role of housing tenure, a factor to which SIAP had paid relatively little attention in the past. Based on our fieldwork in Seattle, we became sensitive to the role of renters in cultural districts. Specifically, we found that neighborhoods with a high proportion of renters *relative to their per capita income* were much more likely to have a high concentration of cultural assets. In other words, these districts thrive in a sweet spot where a neighborhood is not too poor but still has sufficient rental opportunities. It turned out that the relationship of rental percentage (corrected for income) and cultural assets was present in all three cities.

In conclusion, we found that the two forces—increasing inequality and increasing diversity—influence the trajectory of the arts and culture in all three cities, albeit in different ways. We doubt if both trends are sustainable. Indeed, it appears to some extent that inequality has been killing off diversity. Whether they both can survive or, if not, which will survive is a dilemma for the arts—and for society as a whole.

Case Studies

Baltimore

The two Baltimore case studies—Station North and Highlandtown-Patterson Park—are distinguished by the fact that both areas are designated arts and entertainment districts

by the state of Maryland. Yet, the two districts have very different status both in terms of their regional perception and the facts on the ground.

The Station North district is located in central Baltimore. It is one of the most dense concentrations of cultural assets in the city. For many years, the district has been seen as the weakest link in a number of neighborhoods stretching north and south along Charles Street. The district—particularly the Greenmount West neighborhood—includes a number of former industrial and commercial buildings that became artists' work and live spaces during the 1990s. One of the earliest successes of the designated arts and entertainment district after it came into being in 2002 was to encourage the city to change the zoning for parts of the neighborhood to legitimate the artists' presence.

The pace of development in the district accelerated in the mid-2000s, when a group of important institutional entities, including the Maryland Institute College of Art, the University of Baltimore, and Johns Hopkins University joined forces as the Central Baltimore Partnership to generate increased development activity in the area. Although the recession has slowed major redevelopment, the increase in cultural resources in the district has continued apace.

Still, a number of challenges continue to face Station North. Speculators who have done little to support the district's development hold a large amount of the real estate. The intersection of North Avenue and Charles Street—the natural center of the district—has been one of the slowest to develop. In the area surrounding Penn Station, if the real estate market in the district picks up again, there is likely to be serious competition between arts-based uses and residential development for a more upscale commuter market.

Local community organizations are committed to revitalization without displacement of longer-term residents. Thanks to the high number of vacant rowhouses, this is likely to succeed in the short-term. Yet, given the low rate of owner-occupancy, relatively small changes in the real estate market could affect the affordability of the district for both members of the African-American community as well as artists. Indeed, there is increased discussion in the district of ways to expand owner-occupancy as a strategy for stabilizing the artist population.

Highlandtown-Patterson Park is a very different story. In contrast to Station North, it has experienced neither the "white flight" of the early postwar years, nor the spread of abandonment in the more recent past. As a result, the cultural history of the district includes a traditional folk culture based on its white ethnic and blue-collar past and a variety of newer dimensions. A distinguishing element of its more recent cultural development has been a public performance culture focused on Patterson Park and the Creative Alliance, which moved in 2003 to the old Patterson Theater. Beginning in 1998, political and business interests in the neighborhood sought to develop the district as a "creative class" hub, which provided the rationale for seeking designation as an arts district and for significant public investment, including the rehabilitation of the Patterson and the construction of a new area library on Eastern Avenue.

The creative-class development never materialized. Instead, over the past decade, the district has become a center for Latin American immigration to the city. As a result, in recent years, cultural agents in the neighborhood have joined forces with youth-serving organizations to address the social exclusion and ethnic tensions often associated with neighborhood change.

Philadelphia

Our two Philadelphia districts—South Philadelphia and Callowhill-Chinatown North—are studies in contrast. South Philadelphia is an established, large, and diverse district that mixes a long history as a cultural center and immigrant-receiving area with new waves of artists and immigrants. Callowhill-Chinatown North, by contrast, is an old industrial district with virtually no history as a residential neighborhood.

A challenge for both districts, however, is contestation over space and place. Callowhill-Chinatown North has survived a variety of schemes for its redevelopment ranging from battles over the Vine Street Expressway in the 1980s to later proposals for a ballpark or casino in the past decade. In 2011 and 2012, a proposal to redevelop the abandoned Reading Railroad viaduct as an urban park and a plan to redevelop the old Philadelphia Inquirer building—just across Broad Street—as a casino-entertainment center again pose a challenge to the neighborhood. Now, an older artists population finds itself literally squeezed between an expanding Asian population to its east and condominium development to the west. Meanwhile, a set of newer nonprofits—most of which rent their space—live a precarious existence. Asian Arts Initiative, which during our field work has been able to buy its building and develop it as a multi-user facility, stands out as a hopeful sign that the arts can serve as a bridge across the many divisions within the neighborhood.

Certainly, South Philadelphia is not without its tensions. An older white ethnic population has learned to accommodate new immigrant groups including a variety of East and Southeast Asian groups and a recent influx of Mexicans. Social history, though, is a living cultural resource in the district, and the spatial dimension of that history is captured by the idea of *repurposing*. For decades, if not centuries, residents have recycled the built environment as churches and synagogues have become Buddhist temples and community arts schools.

Today, a process of mutual adjustment is repeating itself in South Philadelphia as immigrants, art students, and another generation of artist-homeowners seek to make South Philadelphia their home. Although the archetypal rowhouse may not be as well adapted for use as an artist's workspace as are the industrial lofts of Callowhill-Chinatown North, they impose a scale that remains attractive to artists as living and social spaces. Still, there are concerns about the shortage of workspace, especially as collaborative modes of production become a common part of the artists' vocations.

This process of change and adaptation helps explain why South Philadelphia has generally avoided both runaway gentrification and neighborhood decline. It appears that a capacity for re-thinking community institutions and re-purposing physical assets

has enabled South Philly neighborhoods to maintain a balance of working-class stability and gentrification, insularity and welcome, cultural adaptation and creative expression.

Seattle

Seattle's social geography and cultural ecology have combined to give the city a unique cultural profile. Our study focused on several factors, including the distinctive character of its nonprofit sector, the impact of rapid development and increasing real estate prices, and the challenge of cultural facilities.

Although Seattle has more nonprofit cultural organizations per capita than the other cities, the sector is dominated by a number of very large organizations and a plethora of smaller nonprofits. As a result, middle-sized nonprofits—those with budgets between one-half and 1.2 million dollars—are less common than in Philadelphia. The shift away from middle-sized nonprofits, as a national trend, has been noted by cultural sector researchers over the past decade. In Seattle, this process seems to have accelerated because of competition from commercial cultural firms and funding decisions.

Seattle's lack of mid-sized organizations and limited arts philanthropy has stimulated a variety of models for linking the arts to income-generating schemes. The live music/bar connection is common in most cities, but in Seattle it has been joined by bookstore/coffee shops, theater/parking lots and dance/sushi bars and a variety of less likely combinations. In place of a large number of more-or-less stable nonprofits, the Seattle cultural scene appears to be dominated by a *project-based mindset*, in which artists and entrepreneurs come up with ways of mounting time-limited projects. This approach is facilitated to some extent by the city's policy of funding projects that are not 501c3s. The cultural ecology of the city has adapted to these realities by generating a set of conduits, like Shunpike, to bridge the gap between funding and less-formal arts projects.

Because Seattle's economy and real estate markets are so dynamic, artists find themselves at risk of displacement. As we noted in Chapter 4, artist-dominant districts now stretch far into South Seattle. The sectors folklore is filled with stories of property turnover. The sale of the Oddfellows Building in Capitol Hill several years ago continues to be offered as a cautionary tale.

The combination of "fragile" groups and projects and rapid shifts in the real estate market has made facility development a much more acute issue in Seattle than in the other cities. For several decades, the city's "old economy" spaces—lofts, warehouses, and manufacturing—provided a supply of low-quality, low-cost artist spaces. The relentless push of the real estate market has reduced these spaces, especially as the cultural sector finds itself in competition with other, more-profitable parts of the "creative" economy, like web- and video-game designers. South Lake Union, for example, for many years was essentially a warehouse district that spawned a variety of arts groups, but they have been largely displaced by the redevelopment plans of Amazon and Vulcan.

The threats of displacement influence Seattle’s cultural ecosystem. Small fly-by-night artists’ projects, which have relatively little fixed capital and don’t depend on a stable audience, can adapt to these changes. Large organizations, with public support, have been able to secure their own facilities. The middle-sized groups, however, *are* dependent on developing a steady audience and face a need for fixed capital investments in their space.

Types of “natural” cultural districts

In Chapter 7, we proposed two ways of viewing “natural” cultural districts—by their cultural composition and by their socio-economic and location advantage. We also examined the usefulness of these typologies for understanding the life history of cultural districts and their impacts on the well-being of neighborhoods.

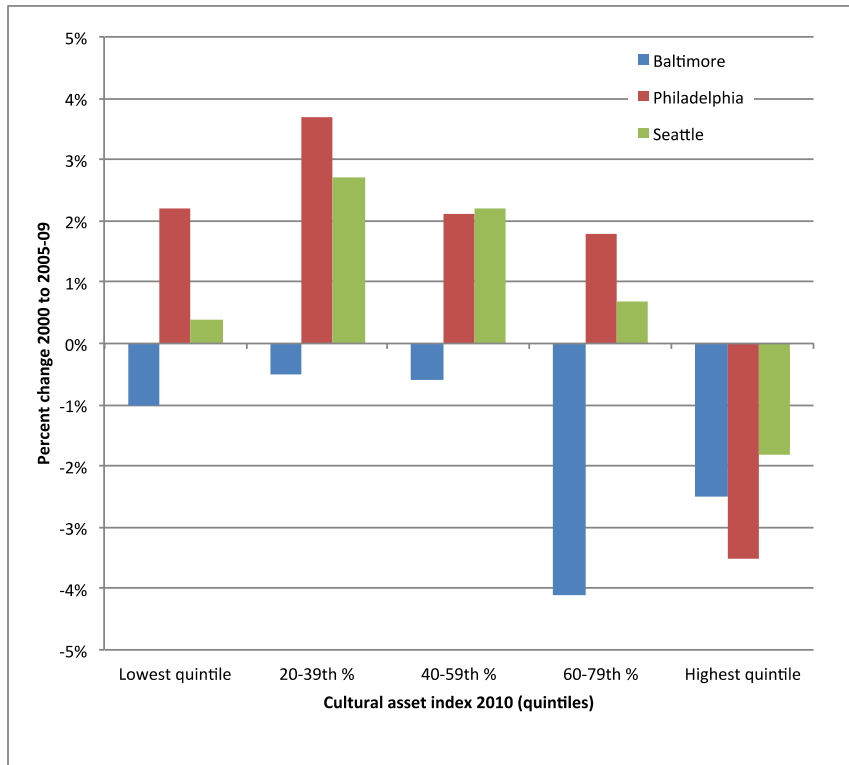
The composition approach focuses on the relative concentration of different types of cultural assets in a neighborhood. It contrasts districts with a complex cultural ecology, in which many types of organizations and artists are present, to ones in which a single type of asset predominates. The analysis of composition complemented our fieldwork, for example, by identifying the extreme concentration of cultural assets in Baltimore and the expansion of artist-dominant districts south from Seattle’s cultural core.

In Philadelphia, we were able to use our historical data from 1997, 2004, and 2010 to examine the trajectory of cultural districts. We found that complex cultural districts were much more stable than single-asset districts. The vast majority remained complex districts between 1997 and 2010. In addition, complex districts were more likely to grow over time (by increasing their density, that is, number of enterprises and artists located there) and much less likely to decline than single-asset districts. Although these conclusions must be seen as preliminary, they support the hypothesis that a more complex cultural ecology increases the sustainability and resilience of “natural” cultural districts.

Where composition provides a means of understanding the internal development of cultural districts, socio-economic and location analysis allows us to understand how cultural assets influence community well-being in the context of inequality and exclusion. By differentiating districts into those that succeed in the context of social advantage—high market and market districts—from those that must overcome legacies of exclusion and discrimination—civic clusters, it focuses our attention on the social and economic benefits of cultural engagement and on the challenges to achieving cultural equity.

Overall, the concentration of cultural assets in a neighborhood is associated with declining poverty between 2000 and 2005-09, even when we control for per capita income in 2000. All three types of “natural” cultural districts carry with them a set of social benefits, including higher rates of social diversity, improved public health outcomes and declines in ethnic and racial harassment. Furthermore, we find that, although cultural districts do attract new residents of a higher socio-economic status, at

least in Baltimore this is not associated with the out-migration of existing residents. In Seattle, by contrast, we find evidence that as new well-educated residents move into a cultural district, residents with lower educational attainment move out in greater numbers.



Change in poverty rate 2000 to 2005-09, by cultural asset index (quintiles), controlling for per capita income, Baltimore, Philadelphia, and Seattle.

Source: SIAP, Census Bureau

Unfortunately, for civic clusters, the considerable social benefits of cultural districts do not translate into economic benefits for the residents. These areas—typically with significant economic and location disadvantage—do not share in the declining poverty, increased incomes, and improved housing markets enjoyed by more privileged districts. This gap between the social and economic benefits of civic districts poses one of the most significant challenges for translating cultural policy into social policy.

Implications for Policy

What kinds of policy interventions are appropriate for different types of districts?

Differentiating types of “natural” cultural districts as we did in Chapter 7 has descriptive and analytical purposes. It allows us to give a more detailed description of the features of cultural clusters and to provide a framework for seeing their similarities and differences. In addition, the typologies provide a starting point for policy interventions that might benefit one district or another.

Ecology of “natural” cultural districts

It stands to reason that the composition of a “natural” cultural district would influence the relative effectiveness of different types of interventions. The types of incentives that might change the behavior of nonprofits are obviously different from those that would motivate commercial cultural firms. Similarly, independent artists would respond to some changes in the social and economic environment that would have little relevance for organizations.

Perhaps the most obvious distinction here relates to tax incentives. A number of states have developed mechanisms for establishing designated arts and entertainment districts. In Maryland, for example, such districts provide for three types of benefits:

- 1) property tax credits for new construction or renovation of certain buildings that create live-work space for artists and/or space for arts and entertainment enterprises;
- 2) an income tax subtraction modification for income derived from artistic work sold by “qualifying residing artists”;
- 3) an exemption from the admissions and amusement tax levied by an “arts and entertainment enterprise” or “qualifying residing artist” in a district

All of the benefits associated with Maryland’s districts are in the form of tax incentives. Clearly, for districts with a high concentration of tax-exempt arts organizations, these benefits are irrelevant. The artists’ benefits may be difficult to use because the work must be sold in the district by an artist who also lives in the district.

Districts with a high proportion of commercial firms might be particularly dependent on the quality of city services. Sanitation, streetscape, zoning, license and inspection functions are notoriously uneven in many cities, yet they both communicate much about a district and influence investment decisions. For example, Philadelphia’s Callowhill-Chinatown North has recently attracted attention as a commercial cultural district, but the experience of walking through the area continues to be characterized by litter and dumping, uneven sidewalks, poor lighting, and barren streetscapes. An effort to establish a neighborhood improvement district in the area failed in 2011 but is likely to be revisited in the future.

What to do about artists poses one of the most difficult challenges. There is a widely held perception that artists play a transitory role in cultural district development. They identify undervalued non-residential space and turn it into working and living spaces. Real estate and development interests take note of their activity (“canaries in the coal mine”) and bid up prices that eventually drive the artists to relocate elsewhere. In Baltimore’s Station North district today, many residents and organizations accept this scenario fatalistically as the inevitable outcome of current “sweat equity” investment.

If arts districts are to stay artists’ districts, the key appears to be ownership. Cultural organizations and artists who are willing and able to purchase property can stabilize a district and insure their continued presence. Programs that prepare independent artists

and nonprofit groups for property ownership in terms of both knowledge and credit could serve multiple roles in helping to sustain “natural” cultural districts.

Our findings on the sustainability of complex cultural districts also have implications for policy. Certainly, the findings in this report are preliminary and need to await further investigation before providing the foundation for actual interventions. As a starting point, however, policy makers could become more sensitive to the cultural ecology within which organizations operate. This study suggests that the success of cultural districts—and by implication the success of individuals and organizations within those districts—is a function of their ecology. Rather than applying organizational metrics to judging the likelihood of future success, funders and policy-makers may choose to encourage the cultural diversification of districts.

Economic inequality and location advantage

Categorizing cultural districts by their relative market and location position also poses a set of challenges for social policy. As we have noted, areas of the city with higher concentrations of cultural assets tend to be associated with a set of social and economic benefits. However, the character of these benefits is not uniformly distributed.

In contrast, civic clusters do not share market districts’ capacity to translate the social benefits generated by the arts into economic benefits. For example, between 2001 and 2008 in Philadelphia, two-thirds of market districts and one-half of high-market districts enjoyed substantial improvement in their housing markets. However, only 14 percent of civic cluster block groups saw their housing markets improve, just slightly above the figure for the rest of the three cities (10 percent).

Given the current state of the economy and policy-making, the easy path of cultural district development is through market mechanisms. If we could enjoy the benefits of creative placemaking simply by allowing markets to operate more efficiently—for example, by improving city services, promoting culture-based community development strategy would be easy.

However, these data suggest that advocates of creative placemaking may have a more difficult task than they imagine. Although we can demonstrate strong connections between the concentration of cultural assets and a wide variety of social benefits, economic spillover tends to be concentrated in places that are already advantaged. Thus, if we pursue strategies that promote creative placemaking purely as a market-based strategy, the outcomes are likely to increase the already-growing gap between prosperous and poor residents and between advantaged and disadvantaged parts of the city.

The analysis of market and civic districts does appear to remove one concern that has dogged cultural policy. In slow-growth cities like Baltimore and Philadelphia, there seems to be little evidence that the expansion of cultural districts promotes social displacement. As the data analysis in Chapter 7 shows, these districts appear to attract

new residents with higher educational attainment. As a result, the composition of these districts changes over time, and the balance of older and newer residents shifts. But the influx of new residents does not seem to be associated with any detectable out-migration of lower socio-economic status residents.

The explanation is simple enough. Slow-growth cities have huge inventories of vacant residential properties and former industrial and commercial properties that can be converted to residential or work/live space. Cultural districts could experience many years of in-migration and population growth without using up the supply of underutilized property. Of course, there is the risk that the market could get out of hand and eventually lead to displacement. But there may be an even greater probability that redevelopment will proceed slowly and lead to the gradual improvement of these neighborhoods.

Seattle and other high-growth cities pose a different situation. In Seattle we find evidence that residents with lower educational attainment are leaving cultural districts as those with higher socio-economic status move in. Some of our informants suggest that this is the result of low-income homeowners, frequently older residents whose children have grown and left home, deciding to take advantage of the home equity they have acquired. Further research would allow us to verify the exact character of this displacement and to determine whether to see it as a “social problem” or not.

We can use this analysis to identify one more group of neighborhoods—those that share the advantages of market and high-market cultural districts but do not possess the same level of cultural assets. In many cases, these areas already possess more than the average number of assets, but not the critical mass necessary to transform them into “natural” cultural districts. A set of targeted interventions could enable these areas to become cultural districts and potentially enjoy the associated social and economic benefits.

In her classic work, *The Death and Life of Great American Cities*, Jane Jacobs noted that vital urban neighborhoods thrive on multiple types of diversity.¹ Yet, these types of urban diversity—physical form, social composition, and street activity—are vulnerable. She warned that neighborhood diversity is subject to “self-destruction.” For Jacobs, preserving diversity is a key to maintaining resilient urban neighborhoods.

Among the forces that can destroy diversity, Jacobs noted, are “the tendency for both public and private money either to glut or starve development and change.”² In particular, Jacobs drew the distinction between *gradual money* that allows a district to develop at a pace that does not destroy the diversity that allowed it to flourish and *cataclysmic money* that drives out diversity.

Jacobs’ insights—although a half-century old—are particularly relevant to today’s interest in creative placemaking. Many “natural” cultural districts are vulnerable. They

¹ Jane Jacobs, *Death and Life of Great American Cities* (New York, Modern Library, 1961).

² Jacobs, *Death and Life*, 316.

can fail because they attract either too little or too much public or private investment. As with natural resources, they should be treated as *vulnerable habitats* that require stewardship.

Given the dominant political and economic forces facing many older American cities, it is likely that policy-makers will pursue short-sighted strategies that could undermine the forces of community regeneration. Yet, the evidence suggests that a longer-term strategy would provide benefits that are more widely shared by members of urban communities.

The short-term strategy is clear enough. Cities could focus on supporting and enhancing market and high-market districts, which already enjoy stronger economic status. The “near market” districts that enjoy the economic and locational advantages of these areas but don’t yet possess the same concentration of cultural assets might also be targeted for special attention. Such investments would be more likely to deliver quicker pay-offs in the form of increased property values and tax revenues.

This approach fits into a variety of trends already present in contemporary urban public policy. It builds on the recent interest in drawing a “creative class” to cities as the key to increasing economic competitiveness.³ It is consistent with many philanthropic strategies, which equate nonprofits’ fiscal probity with social effectiveness. A short-term approach also fits into a general “winner-take-all” view of economic prosperity, a tendency that is more present in the arts and culture than in many other sectors.

The outcome of a market-based strategy would likely fit into our classic model of the transitory arts district. The diverse, funky districts that attract artists and other cultural enterprises will become targets for the cataclysmic money to which Jacobs’ refers. In some districts, high-end retail, condominiums, and entertainment venues will displace the real cultural assets. Cities will use the array of current policy tools—tax abatements, credits, and improvement districts—to improve some parts of the city, while a majority of neighborhoods languish.

A longer-term strategy would build on the social and economic benefits that cultural engagement generates in all types of cultural districts, including civic clusters. It would define cultural engagement broadly to include conventional notions of high art as well as the popular culture and folk traditions of all groups that inhabit the contemporary city. Rather than using government and philanthropy to reinforce market forces, a long-view policy would compensate for market failure and promote social equity. Over time, the strategy would promote social inclusion and the productive utilization of all of the city’s fiscal, human, and social capital.

Civic clusters remain an easily overlooked element of the regional cultural ecology. These neighborhoods often face considerable disadvantages in terms of location and economic standing, but promote collective capacity in communities that lack it. We’ve

³ Richard Florida, *Rise of the Creative Class: And How It’s Transforming Work, Leisure, Community, and Everyday Life* (New York: Basic Books, 2002).

seen how the arts resources of Highlandtown-Patterson Park, while unable to translate the district into a creative class magnet, have had a profound effect on the civic culture of the district.

Norris Square, in eastern Philadelphia, provides another example of the challenges faced by disadvantaged neighborhoods. A group of women formed Grupo Motivos in the early 1990s to reclaim Norris Square Park from the drug trade. The women have created six community gardens that feature vegetables and flowers, murals, and cultural artifacts representing Puerto Rican and African cultures. To educate the second- and third- generations about their multi-cultural heritage, Grupo Motivos runs environmental education and cooking workshops. Facing daunting odds, the residents of the neighborhood have resuscitated the civic life of their community, through a combination of culture, horticulture, and community organizing. Yet, despite their success, the residents of Norris Square—like those of many civic clusters—have found it difficult to attract public and philanthropic support, because they are not seen as a “real” cultural district.

Our findings do not provide an authoritative endorsement of either of these approaches to creative placemaking. For cash-strapped cities, strategies that promise a quick fix are likely to carry the day. That victory, however, is likely to be pyrrhic for the cultural community, because it will undermine many of the conditions that have allowed the arts to flourish in urban neighborhoods and will identify the arts with strategies that promote exclusion and privilege over social inclusion and shared prosperity.

Cultural space development

One of the findings of our project has been that the trends affecting the cultural world in general are having a specific set of spatial effects. Here we focus on their implications for developing and managing cultural spaces.

Conventionally, issues about cultural space have been tied to the viability of cultural organizations. Established cultural organizations typically raised the funding and managed their own spaces. Although there are many examples of how this process diverted organizations from their central mission, developing its own facility was a way that an organization demonstrated that it had arrived.

Yet, in a world in which established cultural organizations have become an endangered species, the idea of one organization/one space no longer seems viable or even desirable. Increasingly, this suggests a separation of the tasks of developing and managing spaces and the withdrawal of most cultural organizations and projects from involvement in either.

Indeed, we may be witnessing an inversion of the one organization/one space model. Rather than each organization developing its own space as a way of demonstrating (hopefully) that it has become established and stable, the venues themselves may become the source of stability for the cultural world. Projects, individual artists, and

smaller cultural groups may come and go (and come again), but the cultural facilities they use may provide the part of the system that remains relatively constant.

It's interesting, for example, that much of the discussion of cultural space in Seattle has been stimulated by changes in spaces rather than organizations. The conversion of the Oddfellows Hall in Capitol Hill stimulated a discussion of cultural space policy for several years, and the closure of 619 Western Avenue provoked an outcry and continues to have an impact on Pioneer Square, Chinatown-International District, and SoDo.

The separation of organizations from spaces may also make sense in terms of the social organization of many cultural sectors. As we noted in our South Philadelphia paper, performance artists and musicians appear to be seeking opportunities for collaboration with increasing frequency. Flexible, multi-use space makes more sense as shared space than that designed for a single organization.

Through our work in the three cities, we have come to see that the shift from an organization- to a project-based arts culture is proceeding, but at different paces in different cities. In a way, the three-city study was an eye-opener. Philadelphia is still a city dominated by conventional nonprofits, as the Cultural Vitality Index commissioned by the City documented.⁴ Baltimore and Seattle, albeit in quite different ways, have moved further away from the conventional one organization/one space model and have provided us with a rich set of cultural space alternatives.

Some examples

Organization-based facility development with community access. The success of the Wing Luke Museum of the Asian Pacific American Experience to develop a magnificent space in the heart of Seattle's Chinatown-International District appears at first glance to be a very conventional one organization/one facility development. Yet, The Wing made a conscious decision to incorporate community spaces—including an auditorium and a library—into the facility. As a result, the membrane between the organization and the community is more permeable. The facility provides space that can be used by other organizations with less capacity than The Wing.

Multi-tenant space with one organization as owner/developer/manager. In Philadelphia, the Asian Arts Initiative (AAI) bought and began to develop its building during the course of our research. Its vision is for the facility to provide a home for a variety of arts and social action organizations and serve the role of an *anchor* institution in Callowhill-Chinatown North. The purchase and rehabilitation of the facility, for which it has been able to secure support from a variety of funders, has been a challenge to a medium-sized organization like AAI.

Cheap-space managed by a single landlord. This is hardly a novel model, but one that continues to be attractive to emerging groups and artists. Buildings like Load of Fun in Baltimore, the former 619 Western in Seattle, and the Vox Populi building in

⁴ City of Philadelphia, Office of Arts, Culture, and Creative Economy, "Creative Vitality in Philadelphia: A Three-Year Index." http://www.phila.gov/OACCE/pdfs/phl_cvi.pdf (accessed June 15, 2012).

Philadelphia always seem to be full. Obviously, they are the least stable type of cultural space, especially in districts that experience rapid growth over time. The experience of a company like Single Carrot Theatre (now at Load of Fun) shows the utility of these spaces. Begun by a group of graduating theater majors, the company needed affordable space that would allow it to produce plays for a decidedly niche audience. It now has ambitions to broaden its audience and expects to move to a more suitable facility. Seattle's experience suggests that in hot real estate markets, the supply of these types of spaces is limited and dwindling. The recession slowed some real estate pressures and stimulated the Storefronts program, which made commercial space available for limited time and low prices. One response to the drying up of conventional cheap space is "pop-up" spaces and galleries, often in artists' homes. These are not substitutes for workspace, but do suggest that the shortage of affordable space may stimulate reconceptualization of existing uses.

Upscale space managed by single landlord—The project team encountered a variety of buildings in which a single landlord develops new arts spaces as part of a multi-use facility. The Wolf Building in Callowhill-Chinatown North, for example, is primarily a mixed residential and commercial building. The owner has decided to invest in converting the basement into a performance space (Underground Arts). The case is instructive in terms of the motivation for this type of facility. The landlord explained that because his son is an artist, he saw having a performance space in his building as desirable. This type of "psychological" subsidy obviously is not a reliable foundation for cultural space development.

Multi-tenant facility, developed and managed by nonprofits. Multi-tenant facilities, in which a nonprofit entity develops and manages the facility, are an increasingly popular response to changes in cultural ecology and real estate markets. In Baltimore, the CityArts building in the Station North district used historic preservation tax credits and low-income housing tax credits to develop affordable housing for artists and persons with disabilities. The 12th Avenue development by Capitol Hill Housing in Seattle will develop a performance space for a consortium of local theater groups, 85 units of affordable housing, office space for the developer, and community meeting and retail spaces. The project responds to the perceived decline in the availability of cultural space in Capitol Hill and has attracted a substantial amount of public subsidy from the state and local sources. Washington Hall, in Seattle's Central District, provides an interesting contrast to 12th Avenue. Its developers have a similar vision of a multi-tenant facility that would serve the needs of its primary tenants as well as the wider community. At the same time, because it is in the Central District, it has attracted fewer established tenants and less public support. The contrast illustrates the difficulty of realizing one of these developments without major investments of public or philanthropic subsidy.

Still, the benefits of nonprofit development and management should not be underestimated. The privately developed spaces discussed above can all be seen as "temporary" in one way or another. The cheap, low-quality examples are explicitly available only until a better offer comes along. The higher-quality examples may

disappear if and when market conditions or the inclinations of the owner change. Although nonprofits have been known to change their missions regarding the availability of space for community uses, they are more likely to remain in the public sphere.

Will a new paradigm based on separating arts-users from space developers and managers replace the one organization/one space model? Generally speaking, all of these models require considerable subsidy to develop and operate these facilities. Some of those subsidies are philanthropic, as in LINC's Space for Change program, and others are public, as in the use of Low-Income Housing and New Market Tax Credit programs.

The alternative to subsidy seems to be to combine the cultural uses of the space with some other use. The most striking examples of this approach involve either drink or parking (gallery/bar, theatre/parking, dance/sushi bar). Another alternative that we haven't yet seen in action would involve development of public spaces for multiple community uses. Of course, we have abundant examples of how this has worked in the past. In Philadelphia, the City's recreation centers and branch libraries serve as sites and venues for a variety of cultural organizations and activities. In most cases, the barebones City contribution is supplemented by nonprofit or individual contributions as well as volunteer time and talents.

Of course, the sacrifice here is in the quality of the space. The archetypal "church basement" is cheap, but the physical surroundings impose significant constraints on the creative process. Finding ways to develop spaces that are affordable and adaptable seems to be a major challenge for the design professions. In essence, we need a cultural IKEA that will take lessons from high-end design and use them in more affordable incarnations.

Implications for Research

This report has taken us from the discussion of historical patterns of inequality to the promise of new models of cultural organization and space. As with any emerging field, every question we answer generates a set of new questions. In this last section, we suggest some of the future lines of inquiry suggested by this study.

Change in cultural assets over time

One of the foci of the three-city study has been the life-cycle and trajectory of "natural" cultural districts. Through our interviewing and fieldwork, we have been able to tell the story of how our seven case-study districts have developed, declined, and renewed themselves over time. For Philadelphia, we've offered a first-cut examination of the relationship between cultural district growth and the composition of the district. We found that complex districts appear to have more success over time than do districts dominated by a single type of cultural asset.

We plan to build on this preliminary work in both the short- and long-term. Within the next year, SIAP will undertake a more detailed classification of cultural assets, including more information on their discipline, institutional form, and size. This will allow us to develop more fine-grained ways of characterizing districts than we have been able to do

thus far. This should be particularly important for single-asset clusters. The same data refinements should allow us to specify our outcome variables with more precision.

In the longer-term, it would be possible—at least to some extent—to construct similar data for the other cities in this analysis. Certainly, one take-away from this study is that the patterns we find in Philadelphia need to be viewed in comparative context. Although it would take considerable effort to construct comparable databases, it is probably worth the effort.

New models of cultural organization

We argue in this report that a new paradigm is gaining ground in the arts. In place of the postwar institutional system in which philanthropy and government invest in an ever-growing nonprofit arts sector, we now see the emergence of a sector based on commercial and informal networked organizations, enterprises, and individuals that come together around time-limited projects. Although it has been anticipated for over a decade, it is only in the past few years that this transformation has become manifest.

We hypothesize in this report that the three cities are at different points in this transformation. Philadelphia—the city that we know most about—appears to be the slowest to change, as the size and importance of its nonprofit sector testify. Seattle is the closest to the new paradigm, with its huge population of artists, relatively modest middle-sized nonprofit sector, and focus on project-based cultural production.

Over two years, we've been able to gain a sense of the history of how cultural districts play into this transition, but in the scope of things, two years is a relatively short time. Are we correct to imagine all cities moving in one direction, or are we seeing the emergence of several competing models? It may be as hard to imagine Philadelphia stripped of its nonprofits as it is to imagine a resurgence of them in Seattle.

The enduring bias of much cultural sector research to take the nonprofit organization as the unit of analysis will make it difficult to understand fully this transition. We have advocated an ecological model that stresses social and institutional networks as the key to understanding the new reality and “natural” cultural districts as the spatial manifestation of this network model.

Displacement versus community revitalization

Since at least the 1970s, arts-based revitalization has often been equated with gentrification and displacement. In her study of SoHo, Sharon Zukin posited a model in which the urban power elite uses artists as a means of clearing out obsolete uses and poorer residents for the purpose of revalorizing urban land.⁵

Until now, however, the data on displacement has been less compelling. Rob Sampson's recent book on Chicago demonstrates that lower-income urban dwellers do

⁵ Sharon Zukin, *Loft Living: Culture and Capital in Urban Change* (Baltimore: Johns Hopkins University, 1982).

move a lot, but usually end up in neighborhoods similar to the ones they left.⁶ But we have not had the data to test whether the presence of cultural assets in a neighborhood is associated with the out-migration of poor residents.

The annual American Community Survey summary files provide us with an opportunity to confirm or disprove the displacement thesis. Unfortunately, we have only two files to work with at this time, and the shift in census tract boundaries has made it more difficult to test it. The next summary file, to be released this fall, should allow a more straightforward analysis of displacement in all of our cities. In addition, as the number of summary files increases, we will gain more confidence in the findings that emerge from their analysis.

Reconnecting the arts with culture

SIAP has always been committed to a broad view of the cultural sector that includes both mainstream arts and the whole range of cultural practices reproduced through the actions of urban residents. For shorthand, we can distinguish *art* from *culture*.

One surprise that has emerged from this study has been the degree to which art and culture are divorced at the community level. One side effect of the shift in paradigm mentioned above has been the decline of what we refer to as the community arts sector. One benefit of public and philanthropic policy during the 1970s to 1990s was the sustaining and expansion of community-based arts centers in urban neighborhoods. Community-based institutions were much more likely than mainstream arts to draw on vernacular and indigenous cultural traditions as a source for contemporary creative expression. In turn, they served to legitimate cultural traditions as well as cross-disciplinary modes of artistic expression. When SIAP first came into existence, it was the vitality of this sector and its impact on Philadelphia's neighborhoods and region that drove much of our research.

Things have changed. Although arts funders have continued to support cultural equity, their focus tends to be on diversifying elite cultural institutions rather than feeding the grassroots. Meanwhile, the changing demographics of our cities are changing what those grassroots look like. Community arts centers were among of the first victims of a general trend in the nonprofit sector toward marketization and emphasis on budget restraint. During the past two decades, the number of cultural resources and rates of cultural participation in low-income neighborhoods have declined sharply.

⁶ Robert J. Sampson, *Great American City: Chicago and the Enduring Neighborhood Effect* (Chicago: University of Chicago Press, 2011).

We believe that the divorce of art from culture hurts the arts sector and undermines its ability to have social impact. As we've discovered, the "civic" clusters identified in Chapter 7 continue to influence non-economic indicators of social well-being but cannot translate these benefits into economic gains for low-income neighborhoods. Given this reality, the heralding of the economic benefits of the arts for cities and the nation risks becoming just one more expression of the explosion of social exclusion that is undermining our civic culture.