

The SmART Initiative

*An arts driven economic development plan
for the cities and towns of North Carolina*





The SmART Initiative

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NORTH CAROLINA
DEPARTMENT OF
**CULTURAL
RESOURCES**
WWW.NCCULTURE.COM

Cover: Asheville's River Arts District is located along the French Broad River, minutes from downtown Asheville. More than 150 artists work in open studios and galleries. Courtesy of Hedy Fischer, Pink Dog Creative.

Left: The south end of the Grove Arcade, a 1929 public market created by E.W. Grove, features the outdoor Portico Market where artists and farmers sell wares seven days a week. Photo courtesy of Asheville Area Chamber of Commerce.

I. INTRODUCTION

North Carolina is changing dramatically. In the first decade of this century our population increased by 18.5 percent, almost twice that of the rest of the country. We will soon surpass 10 million residents. The old reliable industries, such as tobacco, textile mills, and heavy manufacturing, have declined rapidly. In the near future, our citizens are less likely to be North Carolina natives than people who have chosen this state as their home.

Our state needs another focus for its economy, one that takes advantage of our remarkable pool of artistic talent and the many strong indigenous artistic traditions from the sea to the mountains. We need an economy that serves natives and newcomers alike, that attracts and keeps not only the creative individuals who drive innovation but also the enterprises that seek a culturally rich and diverse environment for business and a stimulating quality of life for their employees.

Recent research conducted by North Carolina's Department of Commerce studied both non-profit and for-profit creative enterprises. It found that the creative industry in North Carolina accounts for nearly 300,000 jobs, almost 6 percent of total state employment. Creative workers and businesses contribute \$41.4 billion worth of products and services through more than 100 creative industries comprised of nearly 50,000 establishments.

An earlier study had found that the presence of creative workers in a given county is strongly associated with rising household incomes and is the single most important factor associated with the amount that visitors will spend. Counties with higher proportions of workers in arts-related occupations are more likely to retain current residents and attract new ones.

North Carolina can point proudly to its national leadership in the creation of a viable arts infrastructure – the first local arts council and state-supported symphony; the oldest craft school, folk music festival, and outdoor drama; the initial art collection launched by state appropriation. Now that network, anchored by museums, symphonies, theaters, and opera companies in the urban centers, reaches every corner of the state through an extensive system of local arts councils.

Our cities and towns are continually cited in economic performance indexes and on “best place to live and work” lists. Since the early 1980's, the arts have been a catalyst and cornerstone of downtown and neighborhood revitalization. Within the past couple of years alone, five new art museums and performing arts facilities opened in Charlotte and major arts facilities opened in Raleigh, Durham and Winston-Salem.

But much work remains to be done in those cities as well as in smaller cities and towns across our state. That is the purpose of the SmART Initiative – to catalyze arts-driven economic development in the communities of North Carolina.

II. TASK FORCE

In the fall of 2010, the Secretary of the Department of Cultural Resources, Linda Carlisle, established the SmART Initiative Task Force made up of civic and government leaders, legislators, tourism and chamber of commerce directors, private developers and arts leaders. Most of the Task Force members have played key roles in the notable projects and examples cited in this report, and all have a keen interest in the arts as centerpieces of community revitalization.

The group's purpose was to create a SmART Initiative designed to catalyze arts driven economic development in the communities of North Carolina. From December 2010 through June 2011, the Task Force met four times. Based on their own first-hand experiences and aided by guest experts, task force members developed the recommendations included in this report.

The SmART Initiative Task Force Members

Business

Jim Goodmon, Task Force Chair
President & CEO Capitol Broadcasting - Raleigh
American Tobacco Campus - Durham

Dr. Gary Kueber, Chief Operating Officer
Scientific Properties/Golden Belt - Durham

Government/Civic

Ted Alexander, Mayor-City of Shelby
Regional Director, Preservation North Carolina

John Lassiter
Former at-large member of Charlotte City Council and
Chair of its Economic Development Committee 2003-2009

Henry McKoy
Assistant Secretary for Community Development
N.C. Department of Commerce - Raleigh

Rob Pulleyn
Artist/Civic Leader - Marshall

Dabney Sanders, Consultant for Special Projects
Action Greensboro

CVB's/Chambers of Commerce

Connie Majure-Rhett, President & CEO
Greater Wilmington Chamber of Commerce

Kelly Miller, Executive Vice President/Executive Director
Asheville Convention and Visitors Bureau

Douglas Peters, President & CEO
Fayetteville-Cumberland County Chamber of Commerce

Arts

Marvin Malecha, Dean
NCSU College of Design - Raleigh

Milton Rhodes, President & CEO
Arts Council of Winston-Salem/Forsyth County

Thomas Sayre, Artist Sculptor
Clearscapes, Inc. - Raleigh

Legislators

Senator Pete Brunstetter (Forsyth)
Senator Linda Garrou (Forsyth)
Representative Becky Carney (Mecklenburg)
Representative Linda Johnson (Cabarrus)
Representative Danny McComas (New Hanover)

Guest Experts

Dave Brown, Partner
Parker Poe Attorneys and Counselors at Law (Charlotte)

Michael Goodman, Vice President of Real Estate, Capitol Broadcasting (Raleigh)
American Tobacco Campus (Durham)

Jean Greer, Arts Consultant and Researcher
Arts and Science Council (Charlotte-Mecklenburg County)

Staff - North Carolina Department of Cultural Resources

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Brendan Greaves
Public Art and Community Design Director, N.C. Arts Council

Mitch Wilds
Branch Supervisor, N.C. Historic Preservation

The American Tobacco Historic District campus is home to Durham Bulls Baseball Stadium, the Durham Performing Arts Center, Music on the Lawn outdoor concerts, and art exhibitions. Photo courtesy of American Tobacco, Durham.



III. WHAT ARE SMART CITIES AND SMART TOWNS?

This is the essential question the Task Force attempted to address. One broad definition is that these are communities that use their arts and cultural assets to revitalize neighborhoods and downtowns, instill a strong sense of place and pride in residents, attract creative workers and cultural travelers, and create sustainable economic development. An even broader definition might be that these are communities engaged in arts driven economic development.

In North Carolina, we are fortunate to have many excellent examples of these efforts, which are described in the next several pages. These examples represent diverse approaches in both urban and rural areas.

The Task Force examined some of the major tools used nationally and within the state including establishing cultural districts, producing major public art projects, and transforming abandoned historic buildings into arts facilities. It looked closely at tax credits and tax incentives, the role of private development, and how government funding and resources can support these efforts.

The research shows that while these projects and efforts can transform communities, they are not without significant hurdles and pitfalls. Influenced by “Creative Placemaking,” a National Endowment for the Arts-funded white paper for the Mayor’s Institute on City Design, the Task Force notes several components that must be in place for a project to have the most potential for success.

Artists and Initiators with Vision and Drive

The project must be led by entrepreneurial artists and community leaders who have a clear vision of the opportunities and challenges as well as the energy and skills to see the project through.

Distinctiveness of Place

The project should build on the arts and cultural assets that make the community distinctive and give it a sense of place. Place-based development capitalizes on local assets – cultural, historic, human and built – to create jobs, stimulate private investment, and support entrepreneurial opportunities.



Guests enjoy a special event at the Rhodes Center. Photo courtesy of the Arts Council of Winston-Salem and Forsyth County.

Private Sector Participation

Developers, lenders, foundations and arts businesses are essential to the long-term success of arts-driven projects such as cultural districts, cultural tourism trails, historic preservation and revitalization of neighborhoods.

Partnerships

The collaboration of private sector, government and non-profit partners is required to leverage resources necessary for success. These partnerships often enable projects to benefit the state and region as well as the local community.

Intrinsic Cultural Activity

Arts-driven development is most sustainable when it builds on the existing activities of artists and arts organizations.

Community Collaboration

It is essential that the communities that are the focus of economic development initiatives have a voice in shaping projects.

The Milton Rhodes Center for the Arts, located in downtown Winston-Salem, is iconic at night. The center includes the Sawtooth School, the Womble Carlyle Gallery, Arts Center Café and the Hansbrands Theatre. Photo courtesy of the Winston-Salem Convention and Visitors Bureau



IV. ARTS DRIVEN ECONOMIC DEVELOPMENT UNDERWAY

AFRICAN AMERICAN MUSIC TRAILS (AAMT), KINSTON

African American music traditions constitute some of North Carolina's richest cultural assets. Our state was home to some legendary figures of jazz and blues, including John Coltrane and Thelonious Monk, Reverend Gary Davis, Blind Boy Fuller, and Elizabeth Cotton. Today, artists like Shirley Caesar, Luther Barnes and Maceo Parker represent North Carolina to the world through their internationally acclaimed music.

A collaborative project of the N.C. Department of Cultural Resources (DCR) and N.C. Department of Transportation (DOT) with local arts council partners, the AAMT recognizes the achievements of musicians from eastern North Carolina. It is documenting and developing the music and cultural assets of eight eastern counties to grow local economies through cultural tourism and employment opportunities for musicians.

Kinston has emerged as the primary hub for the AAMT project because of the strength of partnerships among the N.C. Arts Council, the City of Kinston, the Community Council for the Arts, and the local arts community – and in particular, the accomplishments and engagement of its musicians, among whom rank Maceo and Melvin Parker and three of their colleagues in James Brown's iconic band of the 1960s.

Benefitting from folklorists' inventory of music assets and numerous community engagement sessions in 2008, landscape architect Kofi Boone and an N.C. State University design team developed a plan for Kinston, which has informed subsequent design efforts. Boone is working with landscape architects Fernando Magallanes and Terry Naranjo, architect Victor Vines, and visual artists David Wilson and Brandon Yow to design an AAMT gateway park in downtown Kinston. Funding from the Golden Leaf Foundation supplements DOT funding for the gateway park. It also supports artists Hanna and Jodi Jubran's design and construction of a canopy for an existing bandstand in Pearson Park overlooking the Neuse River.



Maceo Parker. Photo by Cedric Chatterley.

A cultural district overlay and infrastructural and artful trail amenities will provide a comprehensive vision for AAMT attractions and pedestrian-friendly linkages among scattered sites and neighborhoods. The Pilot Study includes a concept for a Musicians Village intended eventually to provide housing for Kinston's senior musicians and a venue for them to play music and disseminate traditions to younger generations.

In addition, Kinston's business community and city government are fully engaged in downtown revitalization, paving the way for a future cultural district. The new Mother Earth Brewery joins acclaimed farm-to-table restaurant, the Chef and the Farmer, and public art and design improvements to the property adjacent to the Arts Center in fostering a fresh identity for downtown Kinston.

AMERICAN TOBACCO HISTORIC DISTRICT, DURHAM

A pioneering reimagining of the cultural potential of North Carolina's many defunct tobacco facilities, the American Tobacco Campus has helped to revitalize downtown Durham. Once the biggest tobacco company in the world, helmed by the Duke family, American has been rehabilitated into a cultural and business complex that has transformed the city. Capitol Broadcasting's Real Estate division, led by Jim and Michael Goodman, were prescient in envisioning the possibilities of this vast space to attract business investment, catalyze local economic growth, and brand the industrial history of their city.

Taking full advantage of the N.C. State Historic Preservation Office's Mill Rehabilitation and Historic Preservation Tax credits, as well as applicable federal preservation tax incentives, this award-winning redevelopment retains many of the design elements and details that tell the story of the buildings' history, most notably the Lucky Strike smokestack and water tower, which have been restored to become downtown landmarks.



Photo courtesy of American Tobacco, Durham.

The American Tobacco Campus houses National Public Radio affiliate WUNC, the offices of Full Frame Documentary Film Festival, five restaurants, a YMCA, public green spaces and an innovative water feature. Included within the broader American Tobacco Historic District are the Durham Bulls baseball park and the Durham Performing Arts Center, which has quickly developed into a regionally significant arts venue presenting both national touring acts and locally based cultural organizations with the American Dance Festival as one notable example.

Outdoor concerts and art exhibitions, as well as plans for more public art on the campus, further distinguish the anchor attraction nature of this business and entertainment district. As the American Tobacco Historic District further develops, its position as one of Durham's premiere spaces for commercial, community and creative activity seems poised to grow in strength and cultural significance.

CREATIVE CORRIDORS PROJECT, WINSTON-SALEM

The Creative Corridors Coalition (CCC) is pursuing an ambitious initiative engaging citizens, designers and artists to influence the N.C. Department of Transportation's (DOT) planned major roadway infrastructure projects in downtown Winston-Salem, most prominent of which will be the replacement of eleven overpass bridges along Business 40 through the heart of the city.

A 2010 NEA Mayor's Institute on City Design (MICD) grant of \$200,000 supported a design team comprised of Asheville's Design Workshop, Greensboro landscape architect and North Carolina A&T State University professor Perry Howard, and artist Larry Kirkland, who in Fall 2011 drafted an extensive Visionary Master Plan and Design Guidelines for submission to NCDOT and the Winston-Salem City Council. While this project is still in its early planning and conceptual design stages, its potential capacity to transform Winston-Salem's roadways and urban landscape through intelligent, sustainable design and an arts-oriented approach is most promising.

Ultimately, a federal/state/local collaboration, the CCC is made up of prominent partnerships among numerous local business, governmental, community, and arts and design organizations and stakeholders, notably the City of Winston-Salem and the Arts Council of Winston-Salem and Forsyth County. Community engagement efforts have been serious, sustained and effective in soliciting the opinions, ideas and concerns of residents. The project aims to develop a coherent visual and design brand and identity for the city by referencing local history, heritage and cultural traditions.

The CCC effort may be one of the first flagship projects of its vast scale to test the efficacy of DOT's recently adopted Public Art on the Right-of-Way Policy to integrate public art into highway infrastructure projects. If DOT and the Winston-Salem City Council approve the Plan, this remarkable project can proceed as a model of multilateral collaboration, benefiting transportation systems as well as the city's cultural vitality and creative economy.

DOWNTOWN GREENWAY, GREENSBORO

The Downtown Greenway is a four-mile urban trail that will encircle and define Greensboro's downtown and when completed will be the only one of its kind in the state. Construction began in 2009 after eight years of study and planning. Public art is a prominent part of the project and will include four major thematic cornerstone commissions – Motion (education/transportation), Tradition (history), Innovation (entrepreneurship/textiles) and Freedom (civil rights). In addition there will be 12 artist-designed benches, a renovated railroad underpass, a planned street art project, and an array of planned smaller-scale projects.

A public/private partnership between the City of Greensboro and Action Greensboro, the Greenway is one of three major improvements identified as a part of the Center City Master Plan commissioned in 2001. The already completed components, Center City Park and NewBridge Bank Ballpark, have exceeded expectations for bringing vibrancy and growth to downtown.

Action Greensboro is a not-for-profit organization formed in 2001 in response to the changing economy in Greensboro and the Piedmont region. Its operating expenses are underwritten by seven Greensboro foundations and it spearheads the planning and fundraising for the Greenway project. Early donations of \$4.5 million from the foundations leveraged the passage of a \$134 million Street Improvement Bond Package including \$7 million specifically for the Downtown Greenway.

Subsequent funding includes \$100,000 grant from the National Endowment for the Arts (NEA) Mayor's Institute on City Design program and federal transportation funds in excess of \$3.5 million. With the launch of a Major Gifts Campaign to raise the final \$2.5 million in private funding, the project is well on its way, and the remaining public funds appear within reach.

Another interesting Greensboro organization is the Public Art Endowment which is funded by local citizens in collaboration with the Community Foundation of Greater Greensboro. It helps provide a citywide context for public art by exhibiting temporarily loaned artworks at various sites, with a longer term goal to commission permanent works of art to be dedicated to the City of Greensboro. Still another lively and unique organization is Elsewhere Artists Collaborative, a local artist residency program and living museum which is a partner in the street art project.

Public art and cultural programming are key components of a broader vision for environmental sustainability, livability, increased pedestrian and bicycle activity, and arts-driven economic development. The Downtown Greenway, with its innovative combination of environmental and arts oriented design, offers an important model for arts driven economic development in North Carolina.

EARL SCRUGGS CENTER AND DON GIBSON THEATER, SHELBY

Although relatively small in population, Cleveland County has given the world two musical giants. Earl Scruggs, an innovative banjo player from the small community of Boiling Springs, created a distinctive style of picking the banjo that catapulted the instrument from a background to a sophisticated lead instrument. Through his partnership with Bill Monroe and others he created bluegrass music. Don Gibson of Shelby was a songwriter of great talent. A Country Music Hall of Fame inductee, he enjoyed a string of hits from 1957 into the early 1970s including "Sweet Dreams", "Oh Lonesome Me" and "I Can't Stop Loving You."

Destination Cleveland County (DCC) has created multiple partnerships and raised significant funds to complete two civic and tourism projects in Shelby – the Don Gibson Theater and the Earl Scruggs Center. The Don Gibson Theater, renovated from a downtown cinema, opened in 2009 and has attracted positive attention to the town and increased local revenues.

The Earl Scruggs Center, scheduled to open in early 2012, will be located in the newly renovated courthouse building. The Center will host displays documenting and chronicling the music of Earl Scruggs and its occupational, regional and social contexts. In this way, hometown hero Scruggs serves as the catalyst for local history and contemporary artistic expression in the county. In addition to articulating the life and career of Scruggs, exhibitions will offer opportunities for visitors to glimpse the broad musical, literary and raconteur talents of regional citizens.

Much of the local information about artists and artistic events was compiled by a documentation team of folklorists and historians from UNC-Chapel Hill. Destination Cleveland continues to collaborate with local citizens to create oral histories that inform the exhibits. Further plans include a community theater and classrooms for the Center.

This grassroots project, which involves strong partnerships with local stakeholders as well as nationally-recognized researchers, writers and designers, has allowed the citizens of Shelby to leverage local arts assets for innovative arts-driven economic development: It demonstrates the power of identifying and growing cultural resources through arts inventory processes and community outreach. In 2010, the project received \$1.5 million in funding from the federal government's Economic Development Administration.

GOLDEN BELT, DURHAM

Golden Belt, a mixed-use development in a renovated textile mill in downtown Durham, is the largest, all-historic Gold LEED-certified campus in the Southeast. Its seven-acre, 155,000 square foot campus includes artist studios, live/work spaces, boutique retail stores, office space, an art gallery, live music, rental event space, and robust arts and cultural programming.

The Golden Belt Manufacturing Company was founded in 1900 as a textile factory that processed cotton into thread and produced tobacco pouches. Now a site of cultural production, Golden Belt houses a yoga studio and a tattoo and piercing shop in addition to numerous studios, and the community actively participates in Third Fridays and an artist-in-residence program in collaboration with Duke University and the Durham Art Guild.

Durham real estate development firm Scientific Properties envisioned an energetic arts-oriented space and residential lifestyle that would contribute to the economic development and community revitalization of downtown Durham, and the community responded quickly to a perceived need. There is now a long waiting list to rent a space in the complex. Reusing 95 percent of the buildings' original structures, Scientific Properties was able to take advantage of state historic rehabilitation and mill tax credits as well as a federal New Markets tax credit, earning a visit from U.S. Treasury Secretary Timothy Geithner in 2010.

Additionally, the developers purchased adjacent mill houses in disrepair, offering them to new homeowners at affordable prices to encourage historically and contextually sensitive development in the surrounding neighborhood. Golden Belt represents a successful example of how to foster economic development through adaptive reuse catering to artists and creative workers and audiences.

Golden Belt, Durham



MARSHALL HIGH STUDIOS, MARSHALL

One of only two structures located on the ten-acre Blanhasset Island on the French Broad River in downtown Marshall, Marshall High Studios occupies the former Marshall high school, built in 1925 and nominated for inclusion in the National Register of Historic Places. In 2006, more than 3,000 community members signed a petition addressed to Madison County commissioners to save the disused 28,000 square foot structure, which was scheduled for demolition. Ceramicist and developer Rob Pulleyn recognized the potential of the building as an arts facility and began developing a plan for restoration and adaptive reuse. In 2008, Preservation North Carolina awarded Pulleyn the Caraway Award of Merit for his efforts on behalf of Marshall High Studios.

Just twenty-five minutes from Asheville, this vibrant new development now includes twenty-eight artists' studios ranging in size from 180 to 890 square feet each, in addition to the original school auditorium and stage. Amenities include refurbished original windows and doors, new electrical, plumbing and ventilation systems, and solar powered hot water. All the studios are rented and there is a waiting list. The tenants are all full time working artists.

Future plans to renovate the Blanhasset Island property into a park featuring public art, an amphitheater, pavilion, a kayak put-in and fishing piers demonstrate the contextual sensitivity of this remarkable project. It has not only preserved and revitalized an important community space but also considers and complements its extraordinary natural setting on the French Broad River with views of the mountains and the town of Marshall.

Despite the town's tiny population — fewer than 1,000 residents — Marshall has emerged as a dynamic example of arts-driven economic development in a small rural town. In recent years, a gallery, cafés, a bookstore, antique store, a private club, new condos, a film set warehouse, artist and design studios, an architecture firm and numerous historic preservation projects including a live/work mill restoration have helped attract artists and craftspeople looking for a quiet alternative to the busier and more bustling arts scenes of Asheville and Charlotte. Marshall High Studios has played an important role in catalyzing the vibrant creative energy of Marshall and in ensuring its position as a leader in small-town arts development in North Carolina.

http://flash.unctv.org/ncweekend/10292009_marshallarts.html

RIVER ARTS DISTRICT: ASHEVILLE

Nestled alongside the French Broad River just minutes from downtown Asheville, the River Arts District can boast a nearly twenty-five year old history of artist-initiated development. In the late 1980s artists began renovating vacant riverfront properties to transform them into studios, live/work spaces and a music venue. This homegrown process of artists developing buildings for adaptive reuse accelerated in the 1990s, and in 2004 local stakeholders and artists officially branded the neighborhood the River Arts District. Today the district is notable for the high percentage of artist-owned properties as well as the independent and organic nature of development, which has resulted in a coherent and sustainable community identity and character.

The City of Asheville, the N.C. Department of Transportation (DOT), and the Tourism Development Authority have contributed to the district's growth through the Clingman Streetscape Project and a way finding program, but resident artists and local businesses have provided most of the vision and resources to define their own neighborhood. The active River Arts District Artists manages artist membership, local programming, and other civic issues for residents, working artists and businesspeople. The Asheville Area Riverfront Redevelopment Corporation was formed in 2010 to help guide district development into the future.

The River Arts District now features over 150 artists working in two dozen open studios and galleries, particularly active on Second Saturdays; a letter press printer; furniture, metal, landscape and interior design and fabrication firms; the Asheville Area Arts Council; a brewery and several popular restaurants and cafes; numerous teaching facilities; two cinemas and a theater; and the Grey Eagle, one of the city's foremost independent music venues.

Asheville has long been home to one of the state's most vibrant artist communities. It is also a base for residents and travelers drawn to the significant natural and recreational resources of the Blue Ridge Mountains, so this cultural district's location on the world's third oldest river is a natural fit. The neighborhood's unique coincidence of remarkable landscape, robust arts assets, historic architecture and artist-initiated development makes it a singularly attractive and compelling arts district. <http://www.youtube.com/watch?v=tFqlnP6ay2Q&feature=youtu.be>

TRYON STREET, CHARLOTTE

The highest profile corridor of major cultural institutions in North Carolina, Tryon Street spans a mile of world-class arts facilities and venues in uptown Charlotte. Recognized as a national center for business, banking and sports, the Queen City also features diverse arts and cultural assets that rival those of any city in the South.

The blocks along and adjacent to North Tryon Street are home to the McColl Center for Visual Art, McBride-Bonnefoux Center for Dance, Levine Museum of the New South, Discovery Place, ImaginOn, Spirit Square, Blumenthal Performing Arts Center, Light Factory Contemporary Museum of Photography and Film, the Charlotte-Mecklenburg Library and several galleries and arts and design businesses.

Artworks by Romare Bearden, Michael Hayden, Christopher Janney, Ned Kahn, Ben Long, Sol LeWitt, Arnaldo Pomodoro, Larry Kirkland, Thomas Sayre, Jean Tinguely, and others adorn the public spaces of the district through an ambitious public art program helmed by the Arts and Science Council of Charlotte-Mecklenburg. Construction is underway on the nearby Romare Bearden Park, a five-acre art park attraction in honor of the acclaimed Charlotte-born artist, featuring thematic public art and design contributions from contemporary artists Kendall Buster and Norie Sato.

In 2010 the Levine Center for the Arts, a remarkable new arts complex, crowned the southern terminus of this already vibrant district. It houses the Mint Museum Uptown, Knight Theater, Gantt Center for African-American Arts + Culture, and Bechtler Museum of Modern Art with Niki de Saint Phalle's popular "Firebird" out front.

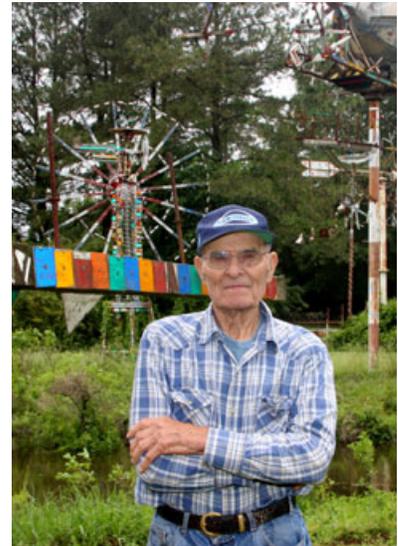
In an extraordinary public private partnership, the City of Charlotte, Mecklenburg County, corporate leaders including Wachovia/Wells Fargo, Bank of America, and Duke Energy joined with five arts organizations to develop the mixed-use project covering nearly three city blocks in addition to a major renovation of Discovery Place. The city and county dedicated 60 percent of new tax revenue from an office tower that now is headquarters for Duke Energy through synthetic tax increment financing.

Participating arts organizations agreed to forego annual facility operating support from the city and the city converted those funds to debt capacity. The hospitality and tourism industry supported a modest increase in the car rental tax to meet the final gap in the financing model. The \$120 million arts projects are integrated into the office tower and share a parking deck, loading docks, major mechanicals, and an auditorium as well as common elements for restaurants and retail.

To meet long-range programming needs of the new campus as well as other critical needs within the arts community, the Campaign for Cultural Facilities raised an endowment of \$83 million. The Levine Center demonstrates Charlotte's continued investment in arts-driven economic development and cements Tryon Street's status as one of the South's premiere cultural districts.

VOLLIS SIMPSON WHIRLIGIG PARK PROJECT, WILSON

Vollis Simpson never calls himself an artist, but the thousands of people who visit his astounding whirligig field in Lucama certainly do. Towering fifty feet or more above ground, and extending nearly as far outwards into space, the more than thirty monumental whirligigs erected on his property demonstrate the power of individual vision coupled with a traditional art form. These compelling assemblages have found their way into international art collections and even into a popular window installation at New York's Bergdorf Goodman department store, demonstrating their wide-ranging appeal to younger generations of artists and engineers. Having contracted to purchase 29 of Vollis Simpson's monumental whirligig sculptures, the City of Wilson is working to conserve and relocate these internationally known but poorly maintained artworks to an expressly designed downtown Vollis Simpson Whirligig Park.



Vollis Simpson. Photo courtesy of Keith Barnes.

The park site, currently being designed by landscape design firm Lappas & Havener, will anchor an arts district, offering a model for arts driven economic development, cultural tourism, arts and science education and creative placemaking. Slated to open in early 2013, the park has the potential to catalyze development not just in Wilson County but throughout eastern North Carolina, becoming an international tourist destination.

Since the inauguration of the Whirligig Park in 2009, the N.C. Arts Council has enjoyed a partnership with the City of Wilson and the Vollis Simpson Whirligig Park project, providing technical assistance and awarding Creative Economies grants to fund preliminary park design, conservation studies, project management fees, an object inventory and ongoing documentation by a folklorist and filmmakers.

This grassroots effort to preserve the artwork of one of North Carolina's beloved artists has made impressive and brisk progress, garnering considerable local support and participation from local elected officials, the Wilson Community College, Barton College, the Bridgestone Corporation and national technical support from the U.S. Park Service and a distinguished National Advisory Board.

In 2011, the project received \$250,000 from the National Endowment for the Arts (NEA), one of its largest Our Town grants for creative placemaking. Additional funders include the Mary Duke Biddle Foundation, the Educational Foundation of America, and ArtPlace, a new placemaking collaboration among top national foundations, the NEA and other federal agencies that awarded the project \$500,000 in its inaugural grant cycle.

The emphasis on workforce development for specially trained local engineers, mechanics and conservators hired to work in the repair and conservation headquarters render this important arts-oriented downtown revitalization effort particularly compelling.

V. COMPONENTS OF THE SmART INITIATIVE

COMMUNITY APPEARANCE AND PUBLIC ART

With places as well as people, first impressions matter. Public art and good community design are among the most impactful tools for creative placemaking and arts driven economic development, because they present a community's public face and at their best, they articulate meaningful place-based identities.

Creative businesses and workers, as well as tourists, often cite community appearance as a compelling reason to visit or relocate to a town or city. Thoughtfully designed gateways to cities, streetscape redesign, parks and greenways, arts facilities, live/work developments and public art projects can enhance a community's appearance and define the significance of a site, a city or a region.

Public art can be a centerpiece of creative placemaking – an anchor and brand for arts districts and vibrant, livable neighborhoods. It invites residents and visitors alike to share public spaces that communicate collective histories, ideas and identities.

Design teams of artists, architects and landscape architects working in collaboration from a project's earliest phases can seamlessly integrate art enhancements into otherwise ordinary infrastructure, often without substantial cost increases. A design team approach to public art can enhance everything from building facades to benches, fountains to flooring, parks to plazas, roadways to retaining walls. Public art can positively impact accessibility, environmental sustainability, property values and overall livability.

Public art and community design benefit arts-driven economic development in numerous ways. They can

- instill a powerful sense of place, offering shared symbols of dedication to local culture and the arts.
- celebrate, memorialize and interpret local history and heritage, articulating neighborhood and community identity.
- inspire, invigorate or unite a community by encouraging dialogue, collaboration, and solidarity.
- improve the design, appeal, accessibility and livability of public spaces of all kinds, enhancing their social and practical uses.
- provide welcoming community gateways and critical way finding information.
- increase the environmental sustainability or "green-ness" of streetscapes, parks and greenways, transportation systems and other shared sites.
- resolve in-fill issues, dynamically occupying "fallow" lots in downtowns and serving as compelling components of density bonus real estate developments.
- become an attraction to artists, tourists and businesses, an emblem of a thriving creative economy, business environment, and real estate market.

Approaches to public art funding and implementation vary, but percent-for-art programs represent one potentially powerful tool for leveraging investment in public art. Such legislated programs generally require between ½ and 2 percent of all public (and sometimes private) capital expenditures to be dedicated to investment in public art or to a design team approach to art and architecture integration.

Municipalities across the country have pursued this approach, often with great success — Chicago, New York, Philadelphia, Seattle and Charlotte are just a few nationally-recognized examples. In North Carolina, in addition to Charlotte, Asheville, Chapel Hill, the Charlotte Area Transit System (CATS), and Raleigh all enjoy percent-for-art programs, and other communities — notably Cary — actively allocate funds on a project-by-project basis.

From 1982 through 2000, the N.C. Arts Council administered the Artworks in State Buildings (AWSB) program which set aside ½ percent of the building costs of all new state buildings for art. This program resulted in 58 original artist-commissioned pieces and three acquisitions, in addition to numerous donated artworks. (The legislature had ended new funding for the program in 1995 but earlier appropriations carried activity forward until 2000.)

At that time, the Arts Council shifted its focus to the local level, believing that one way to foster public art throughout the state was to provide funding for public art planning and education efforts. In 2001 it launched the Creating Place grants program which awarded \$614,250 for public art, arts facility design and community design projects. It was temporarily suspended in 2011 due to a state revenue shortfall.

Currently the Arts Council funds public art projects as a component within the more holistic context of creative placemaking. Partners like the N.C. Department of Transportation (DOT) and the Golden Leaf Foundation have contributed funding for public art and park enhancement placemaking projects for the African American Music Trails and the Historic Happy Valley Byway, supplementing the Arts Council's grants.

According to a 2001 national survey by the Public Art Network, an advisory board for Americans for the Arts, there were 350 public art programs in the U.S. Of these, 81 percent were run by government agencies (as opposed to non-profit or private organizations), 58 percent received funding from a percent-for-art program (as opposed to project-by-project allocations or fundraising), and 88 percent served a county, municipality, or a region of similar size (as opposed to a broader area or an entire state).

The Public Art Network is currently assessing recent research to determine how the field has changed over the last decade. The forthcoming research report due in January 2012 will provide an overview of and guidelines for extending percent-for-art requirements or incentives to private development projects.

CULTURAL DISTRICTS

The concept of cultural districts as a means for arts and place-based economic development began in America's cities, notably New York, Pittsburgh, Dallas, St. Louis and San Francisco. In 1998, as a result of research by Americans for the Arts, city programs began to be adapted and embraced by state governments. Nine states have adopted legislation – Rhode Island first in 1998, and Massachusetts the most recent in 2010. Most include incentives that open opportunities for cities and towns to showcase the cultural and heritage attractions authentic to their regions.

Cultural districts share the core dynamic of a substantial cluster of arts and cultural amenities, sufficient to transform a community sector into a destination for residents and visitors. A major goal is economic revitalization supported by legislated financial incentives that encourage private developers or entrepreneurs to lead the way.

In successful districts, synergies develop when related businesses take root in the area. Artists are often early residents or studio owners and thus essential collaborators in launching and anchoring district initiatives. It is through sustained efforts by committed leaders and partners that the conceptualization, planning, and financing of cultural districts are realized.

The traditional urban framework for a cultural district is defined as “a well labeled mixed-use district with a high concentration of cultural facilities as the anchor of attraction” (Frost-Kumpf, 1998). Cultural facilities or amenities located therein must actively and creatively program and promote activities authentic to place if the areas are to remain dynamic and economically vibrant. (Arts and Cultural Districts, State of New Mexico, 2009).

The SmART Initiative Task Force studied existing state-legislated cultural districts with an eye toward creating a model that would have the most impact in the cities and towns of North Carolina. Research shows that most of the existing state cultural district programs evolved through the following steps:

- adoption of enabling legislation, often including mechanisms for arts-related businesses located within the district boundaries to receive special tax benefits to stimulate future economic growth
- development of program guidelines by an authorized state agency
- application to the program by municipalities on behalf of a proposed district or districts
- local cultural resource assessment by external experts
- certification of the cultural districts by a state agency or its designated committee of experts

PRIVATE SECTOR INVESTMENT

Private sector investment is essential to the success of any SmART Initiative and three components of private sector involvement are all-important: creative industries, hospitality amenities and real estate development.

First, a prime motivator for the creation of this Task Force was the growing realization that creative industries are a significant part of any robust economy. In fact in North Carolina itself, nearly 300,000 jobs or almost 6 percent of all employment is created and sustained by these creative industries.

Though there is no single accepted definition of a creative industry, the N.C. Arts Council focuses on 109 industries comprised of nearly 50,000 business establishments in North Carolina. These industries include:

- independent artists, crafts people, writers, performers
- artist ensembles such as music, dance and theater companies
- designers - graphic, landscape, interior, fashion apparel, Web
- architects - buildings and landscape
- skilled artisans in specialty trades particularly in historic restoration such as masonry, glass and glazing, plaster, woodworking, terrazzo, tile
- advertising agencies
- promoters, agents and managers of artists and entertainers
- publishers - book, newspaper, periodicals, software, Internet
- record producers and sound recording studios
- radio, television
- art dealers, galleries, consultants
- antique shops and florists
- photography services
- motion picture and video industries - production, distribution, exhibition
- printing companies - magazines, books, posters, lithographs, greeting cards
- book stores, music stores, camera and photographic supply stores
- sewing, needlework and piece goods stores
- furniture repair and restoration
- manufacturers of musical instruments and instrument repairers
- manufacturers of china, fine earthenware, glassware
- manufacturers of ornamental and architectural metal work
- arts organizations, art schools, libraries, museums, archives
- theater buildings, auditoriums, amphitheatres, other performance spaces

Second, an indispensable part of any vibrant community are the restaurants, bars, clubs, B & B's, and hotels and motels that both attract people and make it possible for them to come together. These are businesses that create a sense of community, that cause lively activity along the streets and sidewalks, that contribute to an atmosphere of being a place to be and be seen, a place to enjoy chance encounters with other interesting people, a place where you will be safe. These amenity businesses have a symbiotic relationship with

organized arts activities: they make it possible for out-of-town audience members to stay near the exhibition or performance they have come to enjoy and for local people to have a relaxed dinner before the start of a performance and coffee and dessert afterwards.

Third, a major and essential role is played by enlightened developers who take a big picture, long view approach to real estate. They are the ones who know that the value of property is increased when it is used in a way that builds community and creates a multiplier effect on the value of the surrounding real estate and the greater community. These developers are skilled at working in concert with local governments and a wide range of non-profits as they plan and envision the future.

Successful developments have made good use of various federal and state tax credits — often those associated with historic preservation. In some cases, the non-profit partner in a project has been able also to tap into tax revenue itself.

- Historic Preservation Tax Credit - federal and state
- N.C. Mill Rehabilitation Tax Credit - state
- New Markets Tax Credit - federal
- Conservation Easements Credit - state
- Brownfields Program - federal
- Hotel/Motel Tax - state
- Tax Increment Financing (TIFS)
- Synthetic Tax Increment Financing (STIF)
- Municipal Services District Taxes

Some North Carolina communities and developers have successfully accessed these credits and funding mechanisms in the implementation of arts oriented projects. For example, Durham's Scientific Properties (profiled earlier) used both the N.C. Mill Rehabilitation Tax Credit and the federal New Markets Tax Credit in the development of the Golden Belt live/work spaces, artist studios and community galleries.

The Buncombe County Tourism Development Authority contributed a \$600,000 lead grant from the county hotel/motel tax toward the construction costs for Asheville's forthcoming Moogseum, which celebrates local inventor and musician Bob Moog's legacy of science and arts innovation in electronic music and synthesizer design.

Charlotte funded much of the Levine Center for the Arts (also profiled earlier) through Synthetic Tax Increment Financing (STIF), which allowed the relatively rapid construction of an ambitious suite of world-class cultural facilities.

ARTS AND CULTURAL TOURISM

North Carolina ranks as the 6th most visited state in the country. Visitors traveling to and within the state spent a record \$17 billion in 2010. State and local tax revenues generated by visitor spending totals more than \$1.5 billion annually and tourism directly supports 185,500 jobs in our state. According to a 2009 study, 78 percent of all U.S. leisure travelers participate in cultural and/or heritage activities while traveling. With cultural and heritage travelers spending an average of \$994 per trip, they contribute more than \$192 billion annually to the U.S. economy.

Many of North Carolina's Destination Marketing Organizations (DMOs), which include Convention and Visitors Bureaus (CVBs) and Tourism Development Authorities (TDAs), are closely connected to arts organizations and cultural activities in their communities. In Winston-Salem, the arts council's CEO is a board member of the CVB which promotes Winston-Salem as the "City of Arts and Innovation." The arts are prominently featured in CVB marketing materials and on its website. The CVB gives visitors a Cultural Corridors CD of driving tours of its themed cultural itineraries.

The Wilson Visitors Bureau heavily promotes the arts and has been leading tours to artist Vollis Simpson's rural whirligig site for many years. Its director played a key role in encouraging the artist to allow the city to purchase, restore, and move the deteriorating sculptures to a new park downtown. The new Whirligig Park will feature 29 of Mr. Simpson's restored whirligigs. It will be the centerpiece of a downtown cultural district when it is completed in 2013. The Visitors Bureau uses a whirligig design in its logo.

Fueled by research that showed Asheville was losing tourism dollars to other cities, the Buncombe County Tourism Development Authority established the Tourism Product Development Fund in 2001. With approval from the legislature, the fund added 1 percent to the existing 3 percent occupancy tax to generate approximately \$1.6 million annually to support major tourism infrastructure projects. Arts and other creative industries including the Asheville Art Museum and the Orange Peel music venue have received more than \$4 million for capital projects. In turn, these organizations increase visitor room nights, deliver the Asheville brand promise, increase return on investment and economic impact. Overall, including arts and other tourism projects, the Fund has invested \$14 million in 14 projects totaling \$85 million.

The Arts Council of Fayetteville/Cumberland County is one of the few North Carolina arts organizations to be successful in obtaining a percentage of its county's occupancy tax. In 2001, a proposal was submitted to the state legislature to change the Cumberland County occupancy tax on hotel/motel room nights from 3 percent to 6 percent with 1.5 percent designated for the arts. The arts council drew unanimous support from the city council and county commissioners by making the case that the arts and culture of Cumberland County enhance the community for tourists and business travelers. The legislation was passed by the General Assembly and approved at the local level. The allocation was phased in over a four year period, starting at .5 percent and increasing to 1.5 percent in the fourth year. For the past several years, the arts council has received approximately \$1 million annually from the tax, which it distributes in grants to arts organizations and for community projects.

Cultural Trails

The N. C. Arts Council was an early leader in arts and cultural tourism as it developed “trails” that feature arts assets with national and international appeal:

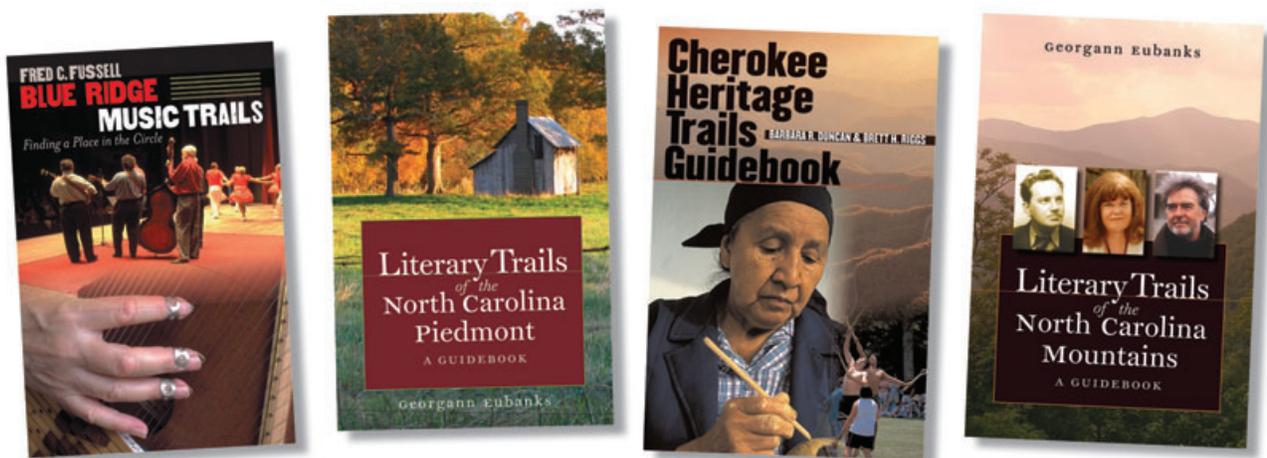
- **Blue Ridge Music Trail** (<http://ncartstrails.org/blueridgemusic/>) Traditional old-time and bluegrass music have deep roots in North Carolina, none deeper than in the communities surrounding the Blue Ridge Parkway. This trail features 160 venues, festivals and events within 25 miles of this scenic roadway that showcase practitioners of bluegrass and string band music, ballad singing, fiddling, shape-note singing, gospel music, clogging, and other traditional forms of music and dance unique to the region. These aren't venues found on typical visitor maps. A companion guidebook is available.
- **Cherokee Heritage Trails** (<http://ncartstrails.org/cherokeeheritage/>) With a profound sense of place, the Eastern Band of Cherokee Indians constitutes the largest Native American population east of the Mississippi. Through the voices of the Cherokee people, Cherokee Heritage Trails guides visitors to experience and understand the sacred places, community ties, storytelling and folk arts that define authentic Cherokee heritage. Cherokee Heritage Trails includes information on the Museum of the Cherokee Indian and Qualla Arts and Crafts. A companion guidebook is available.
- **Discover North Carolina Craft** (<http://ncartstrails.org/discovercraft/>) From functional Native American pottery to high-end contemporary jewelry, craft has been at the center of North Carolina life for centuries. Today, more than 6,000 craft artisans across the state innovate in clay, glass, metals, fibers, wood and other disciplines. This website highlights craft artisans and shows visitors how to experience crafts in museums, galleries, workshops and open studio tours.
- **Historic Happy Valley** (<http://ncartstrails.org/happyvalley/>) Immortalized in the world-famous ballad Hang Down Your Head, Tom Dooley, brought to life in Charles Frazier's award-winning book Cold Mountain and recalled in tales of frontiersman Daniel Boone, Historic Happy Valley is a legendary home to the arts, storytelling and living traditions. Descendents of some of the region's early settlers continue to live here and make music, paint, spin, weave, quilt, make molasses and soap, tell stories and practice the traditional farming methods of earlier generations. The valley and its scenic 28-mile stretch of road is only a short drive from Lenoir, Blowing Rock, or the Blue Ridge Parkway.
- **Homegrown Handmade** (<http://www.homegrownhandmade.com/>) Homegrown Handmade is a collection of 16 self-directed driving tours through 76 eastern and piedmont counties. Discover unique hands-on farm experiences, u-pick organic produce, art galleries, artists' studios, live music, handcrafts, vineyards and wineries, and historic sites. A companion guidebook is available.
- **Literary Trails of North Carolina** (<http://www.ncliterarytrails.org/>) Thirty day or half-day tours of the western mountains and piedmont connect visitors with the hometowns, hangouts and a bevy of local hot spots that have inspired North Carolina

writers. Literary North Carolina features 270 of our state’s most notable writers – whether 19th century naturalists, poet laureates, authors of paranormal police thrillers, or affectionate observers of southern characters and humor. A companion guidebook is available.

- **Performing Arts in North Carolina** (<http://ncartstrails.org/performingarts/>) North Carolina is a state of historic “firsts.” The nation’s longest-running outdoor symphonic drama, *The Lost Colony*, premiered on stage in Manteo in 1937. The North Carolina Symphony, founded in 1932 as a WPA project, began receiving state support in the 1940s, a first for the United States. In 1963, the first state-supported residential conservatory to train young talent, the UNC School of the Arts, was founded in Winston-Salem. *Performing Arts in North Carolina* is a guide to music, dance and theater artists, and organizations across our state with profiles of more than 100 notable performing arts groups, including feature stories and videos of artistic directors, choreographers and others.

The trails in the western counties have promoted sustainable economic development through the presentation and conservation of living arts traditions and offer multiple layers of access through which travelers can find arts resources of national significance. The Blue Ridge Music and Cherokee Heritage Trails provided a strong rationale for the creation in 2003 of the Blue Ridge National Heritage Area which has brought millions of dollars in federal funds to the region.

African American Music Trails is a new project in eight eastern counties that will be completed in 2013. It is designed to bring recognition to the major contributions that African Americans from eastern North Carolina have made to jazz, blues and gospel. Internationally-known artists from the region include jazz greats Thelonious Monk and Max Roach, gospel music composer Bishop Faircloth Barnes, and one of the architects of funk, Maceo Parker. The project will produce a website, guidebook, interactive visitor kiosks and public art.



The N.C. Arts Council rebranded the state as a place that sustains unique and significant arts resources through its cultural tourism program which includes the publication of guidebooks with UNC Press.

GOVERNMENT INVOLVEMENT AND SUPPORT

Department of Cultural Resources
www.ncculture.com

The N.C. Department of Cultural Resources (DCR) was formed in 1971 to serve North Carolina's citizens by preserving historical and cultural resources and promoting our cultural assets as essential elements of North Carolina's economic and social well-being. It was the first state organization in the nation to include all agencies for arts and culture under one umbrella. The department includes Archives and History, the State Library, Art Museum, Symphony and Arts Council. Through these offices, the department provides a wide range of assistance to North Carolina's residents and visitors to the state. The N. C. Arts Council and the State Historic Preservation Office have particular potential in catalyzing arts-driven economic development.

North Carolina Arts Council
www.ncarts.org

North Carolina had long been recognized for rich traditions in crafts, literature, historical drama and music when, by executive order in 1964, Governor Terry Sanford created the N.C. Arts Council to "strengthen North Carolina's creativity, invention and prosperity." The Arts Council receives an annual appropriation from the State Legislature and from the National Endowment for the Arts. Through many forms of assistance including competitive grants programs, non-profit arts organizations, artists, schools and others receive support. A grants program designed to stimulate arts driven economic development is the Creative Economies program which funds projects that use arts and cultural traditions in regional economic initiatives. The N.C. Arts Trails program <http://ncculturaltrails.org/> attracts visitors to our state where they directly experience our state's artists and cultural traditions.

In addition, the Arts Council conducts research to document the economic impact of the arts. In 2009, at the request of DCR Secretary Linda Carlisle, the N.C. Department of Commerce (DOC) conducted an analysis of the creative enterprise industries that make-up North Carolina's culture sector to estimate their total economic contribution to the state. The results were dramatic, most notably showing that the creative industry generates and sustains nearly 300,000 jobs or nearly 6 percent of total state employment. The findings of the study were published in a report "Creativity Means Business" which has been extremely effective in making the case for the arts as an essential sector of the state's new economy. http://www.ncarts.org/creative_economy

Currently underway is the Arts and Economic Prosperity Survey which will determine the economic impact of non-profit cultural organizations in our state. Another study, the Creative Vitality Index, tracks selected occupational categories – such as art directors and musicians, photographers and editors, dancers, exhibit designers and authors – that are highly correlated with measured skill sets in creativity, originality and fine arts knowledge.

State Historic Preservation Office
<http://www.hpo.ncdcr.gov/tchome.htm>

A branch of the Office of Archives and History, the State Historic Preservation Office (SHPO) assists private citizens, private institutions, local governments, and agencies of state and federal government in the identification, evaluation, protection and enhancement of properties significant in North Carolina history and archaeology.

A federal income tax credit for the rehabilitation of historic structures first appeared in 1976 and today consists of a 20 percent credit for the qualifying rehabilitation of income-producing historic properties. Since 1998 North Carolina has provided an additional 20 percent credit for those taxpayers who receive the federal credit, providing investors with a combined 40 percent credit against eligible project costs. New State Mill Rehabilitation Tax Credits provide even greater credit amounts for qualifying former industrial sites.

Because of the strong leadership of the historic preservation community, North Carolina also provides a 30 percent credit for the rehabilitation of non-income producing historic properties, including private residences.

State and federal historic preservation tax credit incentives have leveraged more than \$1.07 billion of private investment in more than 2,000 historic North Carolina buildings. These tax credits spur job creation, downtown and neighborhood revitalization, improve community appearance and instill community pride.

Department of Commerce
www.nccommerce.com

The N.C. Department of Commerce's (DOC) mission is to improve the economic well-being and quality of life for North Carolinians. The mission is carried out by serving existing business and industry, including providing international trade assistance; recruiting new jobs and domestic and foreign investment; encouraging entrepreneurship and innovation; marketing North Carolina and its brand; supporting workforce development; strengthening communities; and promoting tourism, film and sports development.

Within Commerce, the Community Development Division provides resources and services for economic prosperity, growth management, and customized community development assistance. Programs in this division that offer a logical intersection with the SmART Initiative include:

- Community Development Block Grants
- Appalachian Regional Commission
- Main Street
- Community Planning
- Certified Retirement Communities

Likewise, the Tourism, Film and Sports Development Division can intersect with the Initiative as it promotes North Carolina nationally, internationally and sometimes within the state.

Department of Transportation

www.ncdot.org

With more than 100,000 miles of public roadways connecting its communities, our state's economic livelihood and cultural vitality depend on its networks of transportation. The N.C. Department of Transportation (DOT) recognizes its role in serving North Carolina residents as well as visitors and travelers. This commitment is evident in its generous funding of the Arts Council's three major cultural tourism trail initiatives: the African American Music Trails, the Historic Happy Valley Byways and the Blue Ridge Music Trails.

Integrating public art and community design into DOT projects has emerged as another important means of arts driven economic development and infrastructural enhancement in North Carolina. In December 2010 working with a Public Art Advisory Committee, the DOT Board passed a groundbreaking policy that systematizes and standardizes a process for approving public art enhancements in DOT right of ways.

The DOT Public Art on the Right of Way Policy outlines a mechanism for reviewing local governments' requests for planning and implementing community-informed public art and design projects that require DOT sanction and cooperation. A Right of Way Art Committee, including a DCR representative, will convene to consider all such conceptual proposals prior to the production of design documents and significant financial investment by local agencies. Critically, the policy recognizes that public art projects often entail complex and lengthy early design and planning processes that may necessitate a degree of flexibility on a case by case basis. This policy is similar to those established in other parts of the country (notably Arizona and New Mexico). The Right of Way Committee held its inaugural meeting in November 2011, unanimously approving the preliminary plans for two public art projects in Charlotte, the first such projects under review according to the new policy.

The Public Art Advisory Committee has recommended additional changes to align it with public art best practices and outstanding programs in other states, including:

- the consideration of financial investment by DOT similar to programs in other states.
- a greater emphasis on integrated design team projects rather than surface treatments or art placement in existing sites, and a more specific process for proposing and implementing such projects.
- more than one arts and design expert on the review committee, as stipulated by best practices in the field of public art.

The Task Force hopes DOT will make additional arts commitments and investments and continue to strengthen public art policies.

Other Government and Economic Development Organizations

Potential partners for encouraging arts-driven economic development in North Carolina include the following agencies and organizations:

North Carolina Association of County Commissioners

<http://www.ncacc.org/whncacc.htm>

The North Carolina Association of County Commissioners serves the state's 100 counties by advocating with the executive, legislative and judicial branches of state government. The association works to preserve and enhance the ability of county governments to deliver the services for which they are responsible. The Association employs a professional staff that provides expertise in the areas of lobbying, fiscal and legal research, communications, intergovernmental relations, information technology, field visits and risk management.

North Carolina Downtown Development Association

www.ncdda.org

The North Carolina Downtown Development Association (NCDDA) is a non-profit membership organization made up of towns, downtown development organizations, chambers of commerce and private professionals. Its primary purpose is to create a statewide network of people and organizations involved and interested in downtown revitalization. NCDDA functions as a center for information, a resource for technical training and educational forums, a clearinghouse of ideas and an advocate for public policy that supports downtown revitalization.

NC League of Municipalities

www.nclm.org

The North Carolina League of Municipalities is a nonpartisan association of 540 municipalities in North Carolina. The mission of the League is to enhance the quality of life in municipalities through best-practices in governance. The League carries out this mission by providing member services that strengthen and support excellence in municipal government; engaging members, staff and stakeholders in representing municipal issues and interests; and developing municipal leaders who can address the needs and interests of their citizens.

NC Regional Councils

www.ncregions.org

Regional Councils (formerly called Councils of Governments, COGS) are multi-county planning and development agencies. In North Carolina, 17 councils serve regions that share similar economic, physical and social characteristics. Regional councils have been operating in the state since 1972 although many were organized long before the official designation. Their function is to aid, assist and improve the capabilities of local governments in administration, planning, fiscal management and development.

All regional councils provide technical assistance to their members including the important service of providing current information on relevant state and federal programs to local governments. Through contact with state and federal agencies, regional councils analyze trends and advise their members on program changes and the availability of funding.

Regional Economic Development Partnerships

The regional partnerships believe that innovation-based economic development principles applied regionally offer the ideal strategy for bringing new jobs and global investment to North Carolina. The state is divided into seven regions:

- AdvantageWest Economic Development Group (representing 23 counties)
- Charlotte Regional Partnership (16 counties)
- North Carolina's Eastern Region (13 counties)
- North Carolina's Northeast Commission (16 counties)
- North Carolina's Southeast Commission (11 counties)
- Piedmont Triad Partnership (12 counties)
- Research Triangle Regional Partnership (13 counties)

North Carolina Rural Center

www.ncruralcenter.org

The North Carolina Rural Center is a private, non-profit organization funded by both public and private sources that develops, implements and promotes economic strategies to improve the quality of life of rural North Carolinians. It reaches 85 counties with a special focus on individuals with low to moderate incomes and communities with limited resources.

The four overarching goals of the Rural Center are:

- Develop public policy and advocate on behalf of rural communities
- Develop strategies to bring about economic and social transformation
- Deliver resources to rural people, businesses and communities
- Equip rural leaders to succeed in the 21st century

Its Small Towns Economic Prosperity Program, or NC STEP, is designed to support economic development in small towns adversely affected by structural changes in the economy or recent natural disasters, implement a comprehensive model of technical assistance and grantsmaking to aid in revitalization efforts, and provide information vital to the development of public policies that support long-term investment in the economic vitality of North Carolina's small towns.

Urban Land Institute

<http://charlotte.uli.org/>

<http://triangle.uli.org/>

The Urban Land Institute's (ULI) mission is to provide leadership in the responsible use of land and in creating and sustaining communities worldwide. Two district councils operate in North Carolina. ULI Charlotte has over 600 members and serves the Charlotte, the Triad, Asheville and the mountain region of the state. ULI Triangle includes 400 members throughout the Research Triangle and eastern North Carolina. A multidisciplinary real estate forum, ULI facilitates an open exchange of ideas, information and experience among local, national, and international industry leaders and policy makers dedicated to advocating best practices in land use policy.

North Carolina has a national reputation as a music-rich state from traditional to indie rock. Our music scene creates vibrant cities and towns. Pictured here is Leatherwood and Alana performing in Shelby. Photo courtesy of Destination Cleveland County.



V1. RECOMMENDATIONS FOR THE SmART INITIATIVE

The Task Force recognizes the leadership and innovation the North Carolina Arts Council has shown in arts driven economic development and recommends that it be responsible for implementing the policies and programs included in this report. From its vantage point within the Department of Cultural Resources, it can work with non-profit arts and cultural organizations, private investors, local governments and other parts of state government to ensure that cities and towns of all sizes and differing resources have the opportunity to move forward.

1. CREATE AN ARTS AND CULTURAL DISTRICTS PROGRAM

The Task Force recommends that an Arts and Cultural Districts program be developed to provide incentive for local governments and private developers to come together to fast track arts driven economic development. This program will require legislation and substantial funding from both government and the private sector.

Its effectiveness and reach will be greatly increased through partnerships with other agencies within state government, most especially with the State Historic Preservation Office within DCR. Also, collaboration with the Department of Commerce (DOC) and its Tourism and Main Street Programs will be a priority. Other state agencies, such as the Departments of Revenue and Transportation, will play key roles in the implementation of tax incentives and public art initiatives.

To begin the process of District designation, non-profit arts organizations and local government agencies will apply as partners, with either serving as the lead applicant. Cities and towns of all sizes will be eligible.

Proposed districts should be geographically contiguous areas demonstrating rich arts and cultural assets, a coherent cultural identity, a diverse community involved in one or more forms of cultural expression and a strong community desire to promote further arts-driven economic development.

In order to avoid the potential negative impact of gentrification, the priority for the program will be the cultivation of existing informal arts clusters, building upon present arts assets and significant cultural traditions of the region rather than concentrating primarily on new construction projects.

While existing arts facilities, architecturally significant buildings and arts institutions represent important assets for development of a district, the emphasis will be on the vibrancy of the local arts population, with the understanding that small towns with less developed arts infrastructures are equally eligible for development of localized districts defined by natural resources and traditions of expressive vernacular culture.

The foremost benefit of designation as an Arts and Cultural District will be the availability

of tax incentives to artists living or working in the district, businesses located there, and developers and investors interested in creating arts facilities and spaces. Such tax incentives are designed to catalyze economic growth through a healthy, diversified cultural ecology and an identifiable brand and sense of place, attracting artists and arts-oriented businesses and spurring vibrant cultural activity, real estate development, historic preservation, tourism, the proliferation of green spaces, increased pedestrian and bicycle use, and increased safety.

Any changes to tax law will require the full collaboration of the state legislature and/or local governments, but the Task Force recommends strong consideration of the following options:

- Increasing the existing state historic preservation tax credits and mill tax rehabilitation tax credits within designated districts
- Property tax credits for the construction or renovation of buildings intended for use as artist studios, live/work spaces or arts-oriented businesses
- Sales tax exemption for artwork created and/or sold in the district by artists or qualifying businesses
- Income tax credits for artists living and working in the districts.
- Exemption from the applicable amusement tax for qualified for-profit businesses (currently non-profits are exempt)

Primary among the challenges in legislating and implementing a suite of the above tax incentives is the question of whether to extend benefits to all resident business and workers or only those deemed arts oriented or artists. While the latter approach specifically targets the growth of the creative economy of the district, defining and enforcing those distinctions may prove impractically complex.

To avoid this problem, the Task Force recommends extending tax incentives broadly to all businesses within districts, with reporting oversight by the Department of Revenue for individuals claiming credits. Mandatory renewal applications every 5-7 years will ensure an adequately sustained proportion of arts and cultural economic activity and residence in a given district.

Certified Arts and Cultural Districts will be eligible for grants and loans to support the following:

- Planning and design of arts-oriented infrastructure and facility projects to enhance, define, brand and navigate districts
- Planning, design and implementation of public art projects in districts, including park, greenway and trail projects, way-finding efforts, and online/new media/social media projects directly related to cultural districts
- Access to a low-interest state loan program to encourage historic preservation and private investment in district-specific real estate development projects

Districts will enjoy considerable branding and marketing assistance from the Department of Cultural Resources and other state government partners.

2. PROVIDE FINANCIAL ASSISTANCE

In order to generate a greater investment in the arts as a way to stimulate community vitality and economic growth and lead to the creation of cultural districts, the Task Force recommends that a grants program be established. Funding will be available to cities and towns of all sizes and will require a partnership between a local government entity and an arts organization. Additional partners will be encouraged, especially those from the private sector.

Grant amounts will range from \$25,000-\$75,000. The proposed project must meet the following requirements:

- Has strong committed leadership with the vision and skills to accomplish ambitious goals;
- Builds on the arts and cultural assets that make the community distinctive and have the potential to stimulate economic growth;
- Is large enough in scope and scale to transform the community in a significant way and demonstrates strong potential for sustainable economic development;
- Has significant private sector support and participation from private developers, investors, foundations, or businesses; and
- Has widespread community support and involvement.

Project components can include:

- Creation of an arts and cultural district
- Rehabilitation of historic properties into arts facilities
- Public art projects that make art the centerpiece of streetscapes, parks, greenways, entranceways and transportation systems, and that use art to connect the community
- New or renovated facilities for artist studios or arts enterprises
- Cultural tourism projects that create themed trails, events, and other products that will increase visitors

3. SET UP A SYSTEM OF RESOURCE TEAMS

A hallmark of successful arts-driven economic development projects is that communities understand the full range of their cultural and natural resources as economic assets. In inventorying community assets, qualified consultants and outside experts can be quite valuable in helping communities plan ways to use and sustain their resources.

The composition of a resource team will be designed to address the challenges and opportunities of a particular community and will be drawn from the following types of consultants:

- Artists who have experience in producing art in collaboration with communities, creating public art or rehabilitating abandoned buildings
- Cultural specialists knowledgeable about a wide range of artistic expression and have experience engaging diverse stakeholders (folklorists, public art administrators

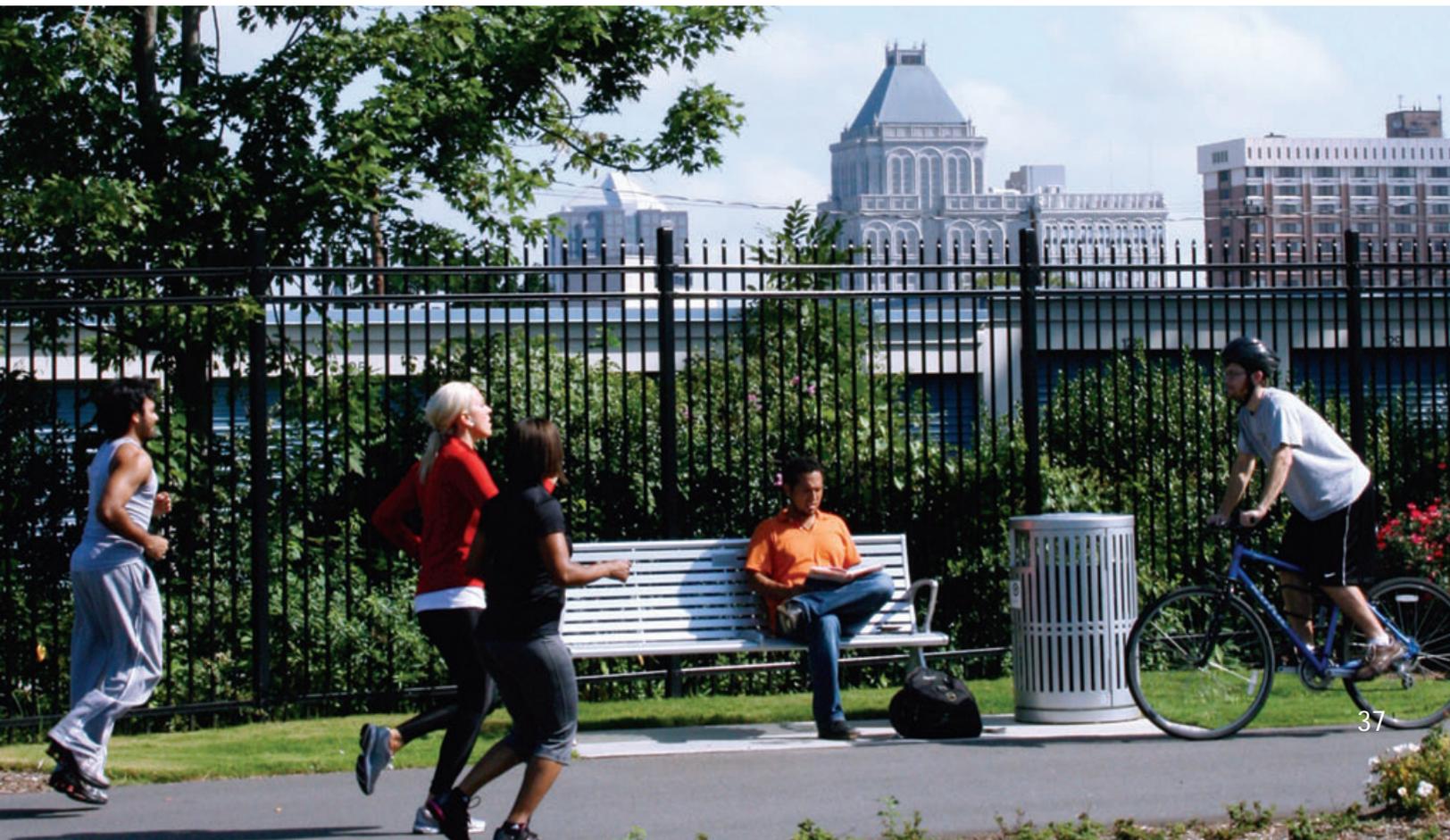
and local arts council directors are among the professionals who have the needed expertise)

- Design specialists including architects, landscape designers and others who can work with developers and artists to envision downtowns that are culturally rich and economically vibrant
- Business people who have experience with sustainable development using arts, community traditions and other cultural assets
- Economic development specialists/planners who can recommend strategies to attract entrepreneurs and businesses to cultural districts
- People with expertise in cultural tourism, cultural district development or marketing

The SmART Initiative will collaborate with two existing programs, the Main Street Program administered by the N.C. Department of Commerce which focuses on communities with populations under 50,000 and Handmade in America's Small Towns Program which works with towns with fewer than 2,000 citizens. Both use the resource team model to assist communities with economic development.

Integrating the SmART Initiative into this existing infrastructure will be an efficient way to allow communities to delve more deeply into arts-driven development. In this scenario, resource teams working through Main Street and HandMade would be expanded to include consultants such as architects, artists, folklorists, public art consultants, landscape designers, or private developers, based on the needs of the community. These specialists would possess a deep understanding of the range of arts resources that exist within a particular place and recommend how they can be used for community revitalization.

The Downtown Greenway in Greensboro is a four-mile urban trail downtown. Photo courtesy of Action Greensboro.



4. CREATE A WEB-BASED RESOURCE CENTER

As an additional tool for communities, the Task Force recommends developing an online SMART Initiative Resource Center. As a start, the Center will include the many existing arts driven economic development resource links and downloads already available. These materials include overviews of creative placemaking and public art projects and programs; examples of arts and cultural assessment inventories; links to potential funding sources and project partners; details on tax incentives; models for cultural district programs; and links to public art resources. New information and resources will be added as the program evolves. www.ncarts.org/smart

5. INCENTIVIZE PRIVATE DEVELOPERS TO PARTICIPATE IN ARTS DRIVEN DEVELOPMENT

Facility Rehab

The Task Force recommends that North Carolina's Historic Preservation Tax Credit and Mill Rehabilitation Tax Credit be extended beyond their expiration dates in 2014. Accompanying the extension of these credits, the Task Force recommends improving their applicability for arts driven development, especially for small artist run businesses and creative enterprises in rural areas.

Though these tax credits and revenue sources can be well used by large developers, their complex time-consuming requirements often block smaller projects undertaken by those without extensive staff and resources. Small businesses such as those created by individual artist entrepreneurs often form the vibrant organic core that revives failing downtowns. They are the early innovators, but all too often over time their presence leads to gentrification, the cost of living rises, and they are forced to move out to less expensive surroundings.

The Task Force discussed adjustments to the tax credits and the programs based on them such as simplifying the credit transfer process, privileging rural areas which are home to unused mills, or replacing the current county tier system with regional preferences that are both multi-county and intra-county in scope.

Public Art

Traditional percent-for-art ordinances apply only to governmental capital improvement projects, but such projects necessarily have a limited impact in cultural districts, since the real estate development of such districts generally relies more on private developers and privately owned properties. However, many of these properties are open to public use to varying degrees and often are the core of creative cluster neighborhoods, so public art is an important consideration in their development.

Public art on private property can enhance the design, overall character and marketability of the projects; increase property values; improve the corporate image and relationships with local communities; transform underused and vacant properties; and serve as an attractive landmark that communicates community identity while inviting visitors to consider a corporate site, brand or core value.

Strong public-private partnerships and dialogue are critical to the success of implementing either a mandatory or voluntary program to incentivize public art in private developments. Private percent-for-art ordinances require great political will to pass and they are most successful at a local level and in cities and towns in which real estate development is brisk and competition is high. Such conditions can certainly exist in a burgeoning cultural district, and an ordinance can be limited to a designated district or zone, but Task Force members have a strong preference for incentivizing rather than mandating public art investments.

Local redevelopment agencies can offer a voluntary incentive mechanism by negotiating with developers to provide matching funds for public art on their properties. This kind of shared investment can result in more engaged participation by both parties and by community members, resulting in a stronger project. Similarly, a density bonus system allows developers to increase the scale of their project in exchange for incorporating public art or other public amenities into the construction.

Such a program must involve checks and balances to prevent overbuilding, and there must be a perceived value to increasing the scope of projects in a given area, but the principle can be highly effective. Participating developers may incorporate public art into an onsite project, or voluntary density bonus contributions can be pooled in a public art fund to implement a higher budget, higher impact project in a given district. These public art funds may supplement government funds or remain separate.

Artist Cleaster Cotton (at left below) exhibited and sold a wearable art collection at the Pink Dog Creative Studios in Asheville in 2010. Photo courtesy of South River Arts Alliance.



6. FORGE PARTNERSHIPS WITH OTHER GOVERNMENTAL AGENCIES

This Initiative will succeed if local, state and federal government efforts complement private sector investment. The following can be implemented with minimal costs:

- Work with DOC to integrate arts driven activity into its existing programs.
- Encourage DOC designation of the creative industry as a “Focus Industry Sector” which would make communities and organizations eligible for specific kinds of support, such as services to entrepreneurs, measurement of creative enterprise clusters, niche product development, eligibility in the workforce investment system for job training and apprenticeship funds, and collaborative data integration.
- Work with DOT to streamline and enhance its “Public Art on the Right of Way” policy and to advance a statewide public art agenda for roadways and cityscapes, including the consideration of financial investment in art and design projects and more representation of arts and design professionals on the review committee.
- Partner with the N.C. League of Municipalities and the Association of County Commissioners to promote this Initiative in their communities.
- Explore partnership opportunities with the N.C. Rural Center, the Regional Economic Development Partnerships, the N.C. Regional Councils and the Urban Land Institute.
- Seek federal and state funds and technical assistance that enhance creative placemaking and arts-driven economic development efforts.

Right: Visitors arrive by motorcoach to the Don Gibson Theater in downtown Shelby. Photo courtesy of Destination Cleveland County.

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Don Gibson
NOV 20 1964 THE TRIBUTE
NOV 13 SMITHSONIAN EXHIBIT
DEC 9 MIRACLE IN BEDFORD FALLS





The SmART Initiative

To review or download this free report, go to <http://ncarts.org/smART>

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The N.C. Arts Council is a division of the N.C. Department of Cultural Resources, the state agency with the mission to enrich lives and communities, and the vision to harness the state's cultural resources to build North Carolina's social, cultural and economic future.

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Left: Foreground: Niki de Saint Phalle's Firebird at the Bechtler Museum of Modern Art in Charlotte, part of the city's Levine Center for the Arts, which also includes the John S. and James L. Knight Theater, the Mint Museum and the Harvey B. Gantt Center for African-American Arts + Culture. Photo courtesy of the Arts and Science Council.

