

POTENTIAL ECONOMIC BENEFITS OF A COMMUNITY CENTER IN DOWNTOWN MADISON

Ad-Hoc Academy Community Center Design Committee

January 2020

As part of its charges from the Board of Selectmen, the Ad Hoc Academy Community Center Design Committee has previously developed estimates for the renovation and operational costs of a proposed community center in the Academy building, as well as possible offsets to these costs (at www.madisonct.org/ACCD please see “FINAL REPORT” and “Progress Report to the Board of Selectmen July 30, 2019”).

The committee has also conducted research into the potential economic benefits of a community center in the Academy building, with particular interest in how it might draw more patrons to the downtown area. We operate on the assumption that anything that brings people to downtown Madison increases the likelihood that those people will patronize local businesses.

Based on interest surveys of Madison residents noted in our earlier reports, we believe that a considerable portion of a community center’s scheduled activities in the Academy building would involve the arts. One economic engine an Academy Community Center would offer would be its 125-seat theater. The popularity and earning potential of professional and amateur theaters, both for the theaters and surrounding businesses, has been demonstrated by others throughout Connecticut and along the shoreline. The arts would also include drawing/painting/pottery (with gallery space for each); vocal and instrumental music (lessons, rehearsals, and performances); dance (lessons, rehearsals, and performances); theater (plays and musicals); community dances (teen and adult); and the performing arts of all varieties. These activities would, as they do in other communities, stimulate trips to the Madison downtown area, from people both within and outside of Madison. The arts generate tourism and business activity through dining, shopping, overnight accommodations, etc. In the following pages we highlight information from Americans For the Arts, a national organization, and from the Katherine Hepburn Cultural Arts Center in Old Saybrook, to demonstrate the economic impact of the arts on local communities.

Another important economic driver would be the large auditorium/gymnasium which could host sizable events such as professional exhibits and demonstrations, science and technology shows, sports events (tournaments and competitions), and community events such as weddings, dances, flower shows, etc.

We have also fielded interest and inquiries about a community center hosting adult education courses, business conferences, co-op opportunities, professional occupants, a teen center, food service, childcare, and possibly a Madison Information Center and museum, all of which would bring people to the downtown area. Preliminary inquiries have also indicated that some Madison restaurants would be interested in participating in weekly rotating opportunities to sell their food products in a community center in the Academy building, thereby increasing their exposure and making a profit along the way.

And a number of neighboring entities (the Madison Historical Society located in Lee Academy, the Madison Historic District Commission, and the Deacon John Grave Foundation) have indicated preliminary interest in developing an “historic campus” in the area. With the Academy building as a hub, this could tie together these and other historic buildings to offer educational information about Madison’s history, and possibly stimulate tourism.

NATIONAL ORGANIZATIONS FOR THE ARTS

AMERICANS FOR THE ARTS*

1. Americans for the Arts is a national organization dedicated to connecting the best ideas and leaders from the arts, communities and business with the belief that arts transform and stimulate downtown economies. Among their reasons for supporting the arts are the following:

- **Arts strengthen the economy.** Arts and culture nationally is a \$699 billion industry. The nonprofit arts industry alone generates \$135 billion in economic activity annually (spending by organizations and audiences).
- **Arts are good for local merchants.** Attendees at nonprofit arts events spend an average of \$24.60 per person in addition to the cost of admission. Attendees from outside the sponsoring county spend on average twice as much as local attendees (\$39.96 vs \$17.42) – valuable revenue for local businesses and the community.
- **Arts drive tourism.** Arts travelers are ideal tourists, staying longer and spending more each year on cultural experiences and the number has grown steadily since 2003.
- **Arts mean business.** Businesses involved in the creation and distribution of the arts represent a significant percentage of all businesses and employees.
- **Arts have a social impact.** Research indicates that the arts lead to higher civic engagement, more social cohesion, higher child welfare, and lower crime and poverty rates.
- **Arts improve healthcare.** Healthcare institutions provide arts programming because of their healing benefits.

*Information excerpted from Americans for the Arts documents

Americans for the Arts Continued.

2. The Business Committee for the Arts (BCA)

The Committee encourages, inspires, and stimulates businesses to support the arts in the workplace, in education and in the community. The BCA provides leadership on key initiatives including messaging, advocacy, and strategic alliances with the private-sector community. Business and arts leaders collaborate to create and sustain thriving communities through a pARTnership Movement.

- Provides businesses and arts organizations with the tools to support a healthy and creative artistic community and give businesses a competitive advantage.
- Demonstrates how the arts can help businesses enhance the critical thinking and creative skills of their workforce.
- Demonstrates how arts organizations can develop new and innovative business strategies.
- Offers a workshop program in which Americans for the Arts can come to a community to explore topics such as:
 - Arts and business 101
 - Economic development efforts in a community
 - Partnering with business
 - Relationship building
 - Leveraging the arts
 - Town's special interest

3. Arts and Economic Prosperity 5

Arts and Economic Prosperity 5 is the fifth study of the arts and culture industry's impact on the economy. It documents the economic contributions of the arts in 341 communities and regions across the country including 113 cities, 115 counties, and 81 multicounty regions. More than two thirds (68.9%) of the non- local attendees visited specifically for the arts event. Non local attendees spent twice as much as their local counterparts (\$47.57 vs \$23.44).

Nationally, the nonprofit arts and culture industry generated \$166.3 billion of economic activity during 2015 including \$102.5 billion in event- related expenditures by audiences. This study puts to rest a misconception that communities support arts and culture at the expense of local economic development. Arts and Economic Prosperity 5 shows conclusively that, locally as well as nationally, **the arts mean business!** (Video available.)

4. The Greater New Haven Area

The following data are from the American for the Arts studies.

a. The average spent by attendees on arts and cultural events in the greater New Haven area (2015) were:

- Residents \$23.16
- Non Residents \$36.58
- All Attendees \$28.94
 - Meals and refreshments \$18.21
 - Souvenirs and Gifts \$4.28
 - Other \$6.45

b. The total economic impact of expenditures:

- Household Income Paid to Residents \$92,553,000
- Revenue Generated to Local Government \$6,340,000
- Revenue Generated to State Government \$7,236,000

*****ACADEMY THEATERS: POTENTIAL \$ BENEFITS TO DOWNTOWN MADISON*****

Small Theater
150 seats @ \$29/patron = \$4,350 per performance
Large Auditorium
300 seats @ \$29/patron = \$8,700 per performance

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POSITIVE IMPACT OF COMMUNITY ARTS AND RECREATION CENTERS

Recreation Centers Increase Property Values. *Sports Facilities Advisory, March 9, 2016*

A well-run community center serves as a thriving hub of activity for youth, families, . . . civic organizations, . . . and more. . . recreation centers provide a place for children to extend their learning beyond the class room by helping with homework, tutoring for standardized testing, and a variety of activities including music classes and book clubs. Adult learners can also benefit from a strong recreation center that provides programs for learning or enhancing a skill and provides critical services such as job training or resume review. Walking clubs, fitness programs, athletic opportunities, arts and crafts classes, and various cultural activities are available to those of all ages. . .In Philadelphia, the parks and recreation department helped garner \$18.1 million in tax revenues from increased property values and \$5.2 million in tax receipts from tourism spending.

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CASE STUDIES

1. THE KATHERINE HEPBURN CULTURAL ARTS CENTER (THE KATE, OLD SAYBROOK, CT. AN EXAMPLE OF THE ARTS INFLUENCE ON THE LOCAL ECONOMY*

The Kate, a 250-seat cultural arts theater complex in downtown Old Saybrook, was born after 5 years of renovations to the old town hall at a cost of \$5.7 million. Not everyone supported the project, some thought it would be only for Friday or Saturday night performances, but in 2018, after 12 years, it offered 280 events attracting over 43,000 visitors, more than 78 percent from out of town.

Carl Fortuna, the first selectman, is quoted as saying, “Try to imagine Main Street without it now. The economic impact the Kate has had is undeniable.”¹ Also, it has been referred to as an economic engine”, not only for Old Saybrook, but for the region as a whole and helps nearby businesses like the many restaurants and shops in town.”² “Visitors shop at local businesses and dine at local restaurants. Restauranters say that many of their customers dine before or after performances.” According to Julie Purcell, manager of Liv’s Oyster Bar “. . . we do have a lot of patrons who make reservation here before or after the shows. . . Kate customers are great. We love them”. *

Programs at the Kate include a variety of performances from live theater to movies for all interest groups. Children’s series attract families from around the area and local bands, also perform at the Kate. The Kate is a model for other communities and suggests the economic promise of the Academy theater for Madison.

¹Based on the *CT Examiner* (August 24, 2019): The Kate Celebrates 10 Years in Old Saybrook by Julia Werth

²Representative Devin Carney, Senator Paul Formica and Senator Art Linares, Facebook Post, Feb. 14, 2017.

2. WAYNE THEATER ROSS PERFORMING ARTS CENTER: WAYNESBORO, VA. (From Wayne Theater Ross Performing Arts Center)

The mission of the Wayne Theater Alliance is to enhance the artistic, cultural, educational and economic life of Waynesboro and the surrounding area through the production of cultural events and partnerships with local, regional and state organizations. Thus far (2018) it has entertained patrons from 33 states and more than 14,000 students for an Arts Education program which offers performances for Pre-K through adults. A core of volunteers and ambassadors assists the staff.

Economic Impact. Ticket sales fund 40% of operations; memberships, sponsorships and donations the remainder. Seats can be named for \$1,000/\$1,200. Local art events has brought in \$4.1 million into the area economy. Attendance at arts events generates related commerce for local businesses such as restaurants, parking garages, hotels and retail stores. Data collected from 94,478 attendees at a range of events show an average spent of \$27.79 per person per event in addition to the cost of admission. This generated an estimated \$103.1 billion for local merchants and their communities in 2005.

Facilities. Weddings, special events, and business meetings are held in the Wayne Theater auditorium Performance Hall.

OTHER ECONOMIC BENEFITS FROM LOCAL THEATERS

Local theaters promote local businesses in many ways. The following are just a few.

- On-line/Websites Advertising
- Playbills/Brochure Advertising
- Dinner Deals (Discounts with tickets)
 - Restaurants
 - Motels
 - Shopping
 - Other Events

EXAMPLES OF COMMUNITY CENTER/RECREATION CENTER USE

The following are examples of Community Center/Recreation Center uses that might be used as a measure of their potential impact on the local economy.

1. Old Saybrook Recreation Center

Annual attendance:

Teen Center – 5,000

- Gym – 6,300
- Other – 5,000
- Total – 17,900

2. The Litchfield Community Center (2018-2019) It has been said that the Litchfield Community Center “has become the epicenter of the town”.

- Number of Programs Offered
 - Children-Teen 2,068
 - Adult Programs 8,525
 - Program Events Presented 1,217
 - Rentals (Private and Business) 76

- Amenities
 - Meeting Space for Groups
 - Community Forums
 - Fully Equipped Kitchen
 - Venue for Musical Performances
 - Private Functions
 - Weddings
 - Receptions
 - Anniversaries
 - Birthdays
 - Others
 - Dance Floor

3. Elmwood Community Center, West Hartford. (2018) This Center is a converted elementary school building very similar to Academy.

- Programs, Registrations and Visitations
 - Number of Members 842
 - Instructional Programs 147
 - Program Registrations (individuals) 1,125
 - Number of Recreational, Special Events and Trip Visitations 41,197

- Amenities. Similar to Litchfield.

***** THE FOLLOWING THREE PAGES ILLUSTRATE POSSIBLE USES FOR SPACES IN THE ACADEMY BUILDING. ***** [To be scanned in]

