

NEW YORK CITY Case Study

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Introduction

This case study is one of a series of city reports undertaken as part of the Strategies for Creative Cities research project. A collaborative project between the cities of London and Toronto, it has been jointly funded by the London Development Agency (Creative London and the Evidence & Evaluation Team), the City of Toronto Economic Development and Culture offices, and the Ontario Ministries of Research & Innovation and Culture.

The aim of the project is to develop strategies, specific to Toronto and London, to enhance the growth and development of creative industries in both cities. Drawing on international best practices identified through a combination of desk and field research, the project seeks to identify effective strategies for building the necessary infrastructure and environment in which creativity can flourish. The project is centred on three principal objectives:

- 1) The identification and evaluation of international best practice in the development of creative cities and the leverage of creative assets for broader local and regional economic regeneration and social development.
- 2) The delivery of a practical learning experience for creative cluster, economic development, public policy, and academic professionals that fosters the development or refinement of creative cluster interventions.
- 3) Developing a deep network of ongoing bi-lateral relationships between creative cluster, economic development, and public policy practitioners in London, Toronto, and other major global creative centres around the world.

In order to meet these objectives, the project is framed around answering two key research questions:

- What 'levers' can be employed to nurture and grow the creative economy and a city's creative assets, and to make a city a creative/cultural centre?
- How can the value of a city's creative/cultural assets be maximized for the purposes of regional economic development and social inclusion?

The Creative Cities project was conducted in three phases between early 2005 and Spring 2006:

Phase I - Literature review and global scan of creative city and cluster strategies, policies, and interventions. Identification and evaluation of the key success factors and levers that are used internationally to pursue and sustain the development of the creative cluster. The Phase I Report is available to download at: www.creativelondon.org. An online searchable database of policies and publication abstracts is also available at www.citiesinstitute.org/creativespaces.

Phase 2 - Drawing on the findings from Phase I, a comprehensive analysis and evaluation of the approaches taken by selected case study cities – including study tours of Barcelona, Berlin and New York, as well as London and Toronto – and how they might be transferred and applied to both cities. Follow-up with key city and cultural agencies has provided up-to-date economic data and examples in each case. This case study report on New York is therefore published alongside reports on Toronto, London, Berlin, San Francisco, and Barcelona.

Phase 3 - The development and refinement of city specific strategies for developing and sustaining creative spaces and stimulating the creative cluster in London and Toronto. The

findings distill policy implications arising from the entire project, and outline 'Lessons Learned' and transferable good practice across key themes developed from the Phase I global scan and city exchanges. The findings are available at: www.utoronto.ca/progris/web_files/creativecities. The same website also provides access to background evidence and materials for a wider international audience.

This city-regional case study therefore documents the approach to the development of creative spaces and the stimulation of cultural and creative industries taken by New York, drawing out the success factors and lessons learned, as well as pinpointing areas of weakness.

Firstly, an overview of the political and economic context and background to the city is provided, followed by a summary of population, demographics, and strategic planning for the city-region. The cultural economy is then documented in terms of funding, participation, and cultural programming including tourism and related city promotion. The cultural plan and current strategy is then outlined, followed by a detailed analysis of the creative industries, profiling employment growth, sectoral trends, and cluster effects at local and regional levels.

A selection of noteworthy projects and initiatives is then described in more detail, as indicators of how policy is implemented in practice, with a view to highlighting particularly successful activities. The report concludes with a summary of strengths and weaknesses, highlighting New York's key advantages and challenges.

1. Economic, Political and Demographic Profile

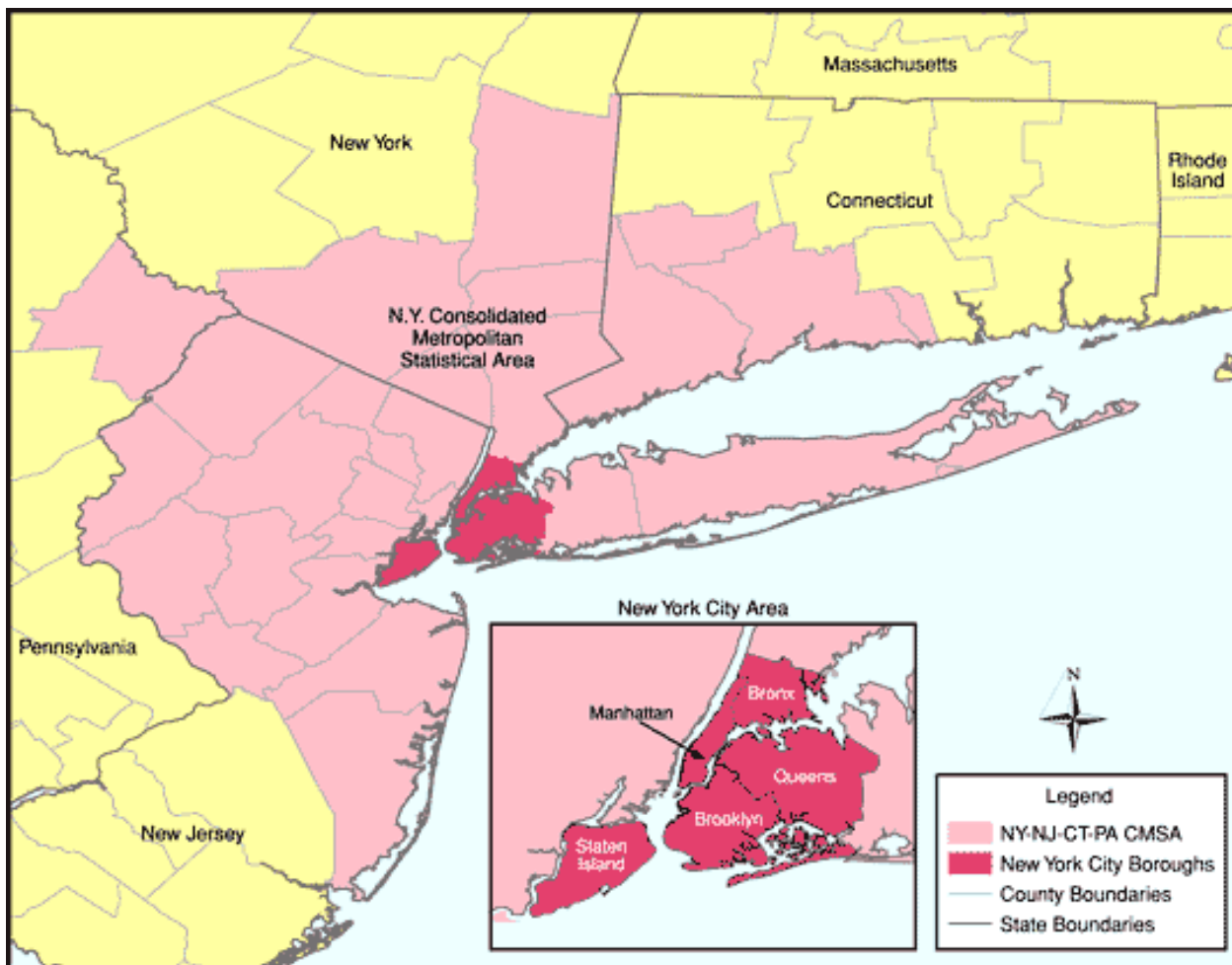
1.1 Governance and Political System

The New York Consolidated Metropolitan Statistical Area (CMSA)¹ includes New York City (NYC), in addition to 31 counties from the southeast corner of New York State, northern New Jersey, southwest Connecticut, and a small corner of eastern Pennsylvania.

Municipalities within each county have statutory land-use planning powers and spending powers on public infrastructure, services, arts, cultural, recreation and economic development provision.

At the heart of the greater metropolitan region is New York City, comprised of the following five boroughs: Manhattan, Bronx, Queens, Brooklyn, and Staten Island.

Figure 1: Map of New York City Region



Source: Map extracted from US Department of Health and Human Services. 2001. Office of Applied Studies: <http://oas.samhsa.gov>.

¹ The Consolidated Metropolitan Statistical Area (CMSA) is also referred to more simply as the New York region or metropolitan region in this report.

Local city government in New York has 'home rule authority,' which grants the city the power to change their charters and to adopt new charters by local action. NYC also has a strong mayor-council structure of local government. The mayor is given administrative authority in this model, although major decisions, such as the budget, must be approved by Council.

Council is made up of 51 members from the council districts of the five boroughs. The Council is the law-making body, monitors the operation and performance of city agencies and makes land-use decisions. Councilors also sit on committees, such as the Cultural Affairs, Libraries & International Intergroup Relations Committee.² Michael Bloomberg became NYC's 108th mayor in 2001.

1.2 Economic Overview

In the 1970s, New York City came close to bankruptcy when bankers closed the credit markets to the city. From this low point, New York would rebound tremendously in the coming decades. This recovery was led by financial services, as well as the emergence of other specialized professional services, including marketing, accounting, legal, telecommunication, insurance, and management consulting.

The city-region began regaining economic strength in the 1980s and expansion continued through most of the 1990s. However, momentum began to decline in 2001, particularly due to the impacts of 9/11.

Recovering from September 11th

The terrorist attacks of September 11th, 2001 had an intense impact on New York's economy. The disaster resulted in an estimated 430,000 lost job months and a loss in wages of \$2.8 billion in the city.³ The creative industries were impacted severely. Studies indicate that creative workers endured a 46% loss of income in 2002. Additionally, in 2002, 22% of creative workers in the arts and entertainment became unemployed as a direct result of 9/11.⁴

Today, the New York region is recovering from the economic devastation of September 11th. In New York City alone, the City's Gross City Product grew by 3.6% during the first three-quarters of 2005, compared to a 2.4% increase for all of 2004.⁵ Since January 2005, the private sector has grown by roughly 2%, adding 52,600 total jobs. Over the same period, the number of NYC residents employed increased by 93,900, the highest such increase since April 2000.⁶

The New York Economic Development Corporation reports that 200,000 businesses are located in New York City; among them are 20,000 non-profit organizations. Numbers of both for-profits and non-profits are growing. More Fortune 500 companies are headquartered in New York City than anywhere else in the country, including Time Warner, Pfizer, DC Comics, Estée Lauder, and Sony Music Entertainment. New York City's unemployment rate was 5.8% at the end of 2005 (Table 1) down from 7.0% in 2004.⁷

² New York Department of State. January 2000. *Local Government Handbook*. (5th Edition). [Available at: www.dos.state.ny.us/lgss/pdfs/handbook.pdf]

³ Dolfman, L. and S. Wasser. June 2004. *9/11 and the New York City economy: A borough-by-borough analysis*. Monthly Labor Review. [Available at www.bls.gov/opub/mlr/2004/06/art1full.pdf]

⁴ ArtsLink New York. 2004. *The Continuing Economic Impact of 9/11 upon Individual Artists of All Disciplines in NYC: 2004 Artist Write-in*. Summary Report. [Available at www.downtown-nyc.org/2004write-in.htm]

⁵ New York City Rent Guidelines Board. 2006. *Income and Affordability Study*. [Available at: www.housingnyc.com/downloads/research/pdf_reports/ia06.pdf]

⁶ New York City Economic Development Corporation. March 2006. *Economic Snapshot*. [Available at: www.newyorkbiz.com/Library/Newsletters/EconomicSnapShot/Archive/EconomicSnapshotMarch2006.pdf]

⁷ New York City Rent Guidelines Board. April 2006. *Income and Affordability Study*.

However, New York also continues to face many challenges. The city has a high poverty rate that rose to 20.3% in 2004 from 19% in 2003 – the Bronx had the fourth-highest poverty rate in the nation in 2004.⁸ The inflation rate also increased to a 14-year record high average of 3.9% in 2005.⁹

Table 1: New York City vs. the Regional CMSA¹⁰

	New York City	New York CMSA
Population	8,085,742	21,199,865
Labour Force	3,626,865	10,214,547
Unemployment Rate	5.8%	6.7%
Median Household Income	\$38,293	\$50,795
Per Capita Income	\$22,402	\$29,983

Source: US Census Bureau. 2000. *Census of Population*.

Leading Sectors¹¹

According to New York State Department of Labor, the combined services sector dominates all other sectors in the New York economy in terms of employment. In terms of individual sectors, health and social services, followed by finance and insurance, and other professional services, lead the way (Table 2).

Finance, Insurance and Real Estate (FIRE): New York is one of the world’s major centres of finance. Located in the city are 20 of the top 25 foreign branches of international banks, eight of the world’s top 10 investment securities firms and 219 international banks representing every major country in the world. The New York Stock Exchange is the world’s largest exchange marketplace for equities. The city is also home to five of the country’s 10 largest insurance companies. The real estate industry in New York is also booming. Altogether, New York’s FIRE industry employs over 400,000 people.

Telecommunications: The telecommunications industry provides critical services and is an important sector in New York City. In 2003, the combined output of telecommunications carriers, cable television companies (including programming) and Internet service providers and publishers totaled more than \$23 billion; together they accounted for more than 3% of the city’s economy. Telecommunications, cable, and Internet service companies currently employ more than 43,000 people in New York City.¹²

High-Tech and New Media: High-tech and new media is a \$9.2 billion industry in New York City, and is growing rapidly thanks to the presence of approximately 4,000 companies, ranging from small start-ups to large enterprises. This growth has expanded Silicon Alley - traditionally the area in Manhattan south of 41st Street - into Upper Manhattan, Brooklyn, Queens, and Staten Island.

⁸ Leonhart, D. August 31, 2005. “US Poverty Rate Was Up Last Year.” *New York Times*.

⁹ Office of the New York City Comptroller. April 2006. *Economic Notes*. Vol XIV, No. 1. [Available at: www.comptroller.nyc.gov/press/2006_releases/pr06-04-039.shtml]

¹⁰ US Census Bureau. 2000. *Census of Population*.

¹¹ The following data and descriptions of sectors are taken from: New York City Economic Development Corporation. Industry Information website: www.nycedc.com/Industries/index.html, or New York City Economic Development Corporation. March 2006. *Economic Snapshot*. [Available at: www.newyorkbiz.com/Library/Newsletters/index.html] unless otherwise referenced.

¹² City of New York. March 2005. *Telecommunications and Economic Development in New York: A Plan for Action: a report to Mayor Bloomberg*. [Available at: http://newyorkbiz.com/about_us/TelecomPlanMarch2005.pdf]

Biotechnology: A key component of New York’s economic development is to grow and promote the regional biosciences sector. New York City and the surrounding region are home to 11 medical research institutions, 26 other research institutions, 128 Nobel Laureates, five Biology PhD programs, and more than \$1.2 billion a year in research funding from the National Institutes of Health. New York is also home to more than 90 bioscience companies. The city also boasts two bioscience incubators, the Audubon Center and SUNY Downstate’s Advanced Biotechnology Incubator, in addition to plans for a number of major science parks.¹³

Table 2: Employees by Industry - January 2006

Industry	Employment (000s)
FIRE	452
Finance and Insurance	334
Real Estate	118
SERVICES	1,853
Information	166
Professional	304
Administrative	196
Educational	149
Health & Social Assistance	544
Arts & Entertainment	63
Accommodation and Food	220
Other	211
TRADE	432
Retail	284
Wholesale	148
MANUFACTURING	109
TRANSPORTATION & UTILITY	118
CONSTRUCTION	114
TOTAL PRIVATE	3078
GOVERNMENT	555
TOTAL	3,633

Source: New York State Department of Labor

Arts/Entertainment and Creative Industries: Creative industries such as publishing, theatre, broadcasting, and fashion are described in section 3 of this report.

¹³ New York City Bioscience Initiative website: www.nycbiotech.org/realestate.html.

1.3 City Population and Demography

New York City has a population of over 8 million, and almost 22 million live in the greater New York CMSA region. New York City's five boroughs – Brooklyn, the Bronx, Manhattan, Queens, and Staten Island – have populations of approximately 2.4, 1.3, 1.5, 2.2, and 0.45 million respectively.¹⁴

Table 3: New York City Population Characteristics

New York City Population	8.08M ¹⁵
Population, percent change, 1990 to 2000	5.5%
Persons under 5 years old	6.5%
Persons under 18 years old	24.7%
Persons 65 years old and over	12.9%
Female persons	51.8%

Source: US Census Bureau. 2000. *Census of Population*.

Within the greater New York region, more than 24% of residents are foreign-born. This figure is higher for New York City (36%). While other American cities like Miami and Los Angeles have more immigrants, New York's immigrant population is much more diverse. The largest shares of new immigrants in New York City are from Dominican Republic, China, and Jamaica (Table 4).

Table 4: Foreign Born Population by Selected Country of Birth - New York City, 2000

Country of Origin	Total Foreign-born Population	Percentage of Foreign- born Population
Dominican Republic	389,186	13.6%
China	261,551	9.1%
Jamaica	178,922	6.2%
Guyana	130,647	4.6%
Mexico	122,550	4.3%
Total Foreign Born	2,871,032	

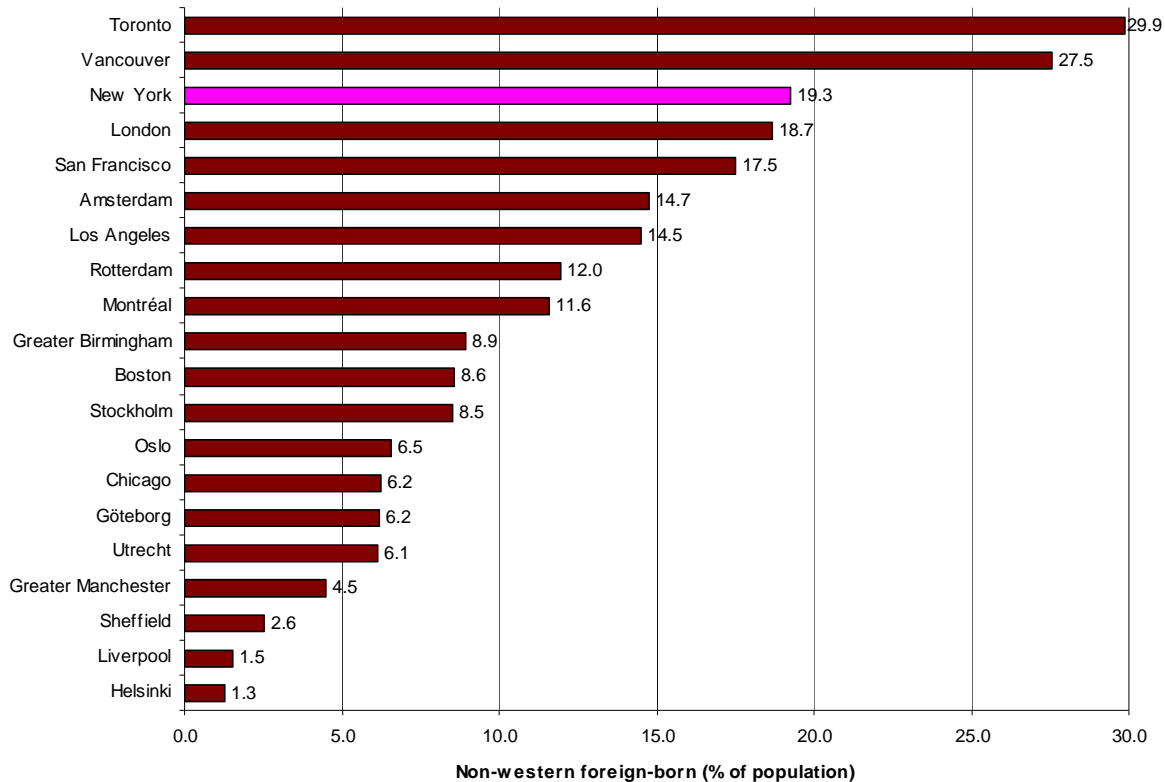
Source: US Census Bureau. 2000. *Census of Population*.

¹⁴ US Census Bureau. 2003. *Population Estimates*.

¹⁵ US Census Bureau. 2003. *Population Estimates*.

The Openness Index, a comparison of selected North-American and European city-regions that measures the percentage of foreign-born population from non-western countries, ranks the New York metropolitan region third, after Toronto and Vancouver, amongst a group of North American and European city-regions (Figure 2).

Figure 2: Percent of Population in City Region that is Foreign-born (non-Western countries only)



Source: Gertler, M.S. and Vinodrai, T. 2006. "The creative city: theory, evidence and the challenge for Europe". Special session on *Technology, Talent, and Tolerance in European Cities*. Presented at the 102nd Annual Meeting of the Association of American Geographers, Chicago, Illinois. March 7-11, 2006.

Within New York City, two-thirds of new immigrants live in Queens and Brooklyn; only 16% live in Manhattan. Immigrants made up 43% of the city’s labour force in 2000 and were over-represented in manufacturing, construction, and many service industries such as food, health, and social services, as well as in wholesale and retail trade.¹⁶

Income and Poverty

Income and poverty disparities present an increasing challenge for New York City, particularly in its outer boroughs. The New York City Department of Planning, Population Division report, which looked at changes between the 1990 and 2000 Census, states that:

- Changes in numbers of households by income category showed that the highest gains occurred in the highest and lowest part of the income distribution, which is indicative of increasing income disparity among city residents.
- Over the period, per capita income jumped by 18% in Manhattan to \$42,922, while declining in Queens by over 4% and only increasing very slightly in the Bronx, by 1.6%. Even with its slight increase, per capita income in the Bronx was at \$13,959 according to the 2000 Census, the lowest of the five boroughs.

¹⁶ New York City Department of City Planning. October, 2004. *Newest New Yorkers: Immigration Report 2000*. [Available at: www.nyc.gov/html/dcp/html/census/nny.shtml]

- The number of people living below the poverty line throughout the city increased during this period to over 20% of the total population. Of the five boroughs, the Bronx has the highest percentage of people living below the poverty line at close to 30%.
- Over one-third of households spent 35% or more of their household income on rent.
- Nearly 15% of households were overcrowded (defined as having more than one person per room) in 2000, compared to just over 12% in 1990.¹⁷

Real Estate and Housing

New York City is one of the world's most expensive cities in which to live and work. Property values in all five boroughs have been rising steadily since the city began recovering from the attacks of September 11th, 2001. Residential prices in Manhattan have been rising particularly quickly. At the end of 2004, the median price of an apartment in Manhattan was \$670,000, over 15% higher than a year earlier and more than three times what it was in 1995.¹⁸

New York City is also one of the most expensive rental markets in the United States. Approximately 47% of housing in NYC is renter-occupied. Roughly half of all households residing in rental housing pay more than 31.2% of their income in gross rent, while more than a quarter (28.8%) of rental households pay more than 50% of their household income in gross rent.¹⁹ Generally, housing is considered affordable when a household pays no more than 30% of their income in rent.

Despite efforts by government agencies and non-profit organizations, the provision of affordable housing remains a definite challenge in a city ranked 11th highest in a 2004 nationwide survey of monthly rental costs (\$856), but only 27th highest in median household income (\$41,509).²⁰ As property values in Manhattan's established neighbourhoods rise, people have moved into and upgraded other outer neighbourhoods and boroughs, including areas like Harlem and Brooklyn.

Among the largest Central Business Districts in the US, New York City had the lowest vacancy rate for Class A office space at the end of 2005. Midtown Manhattan has the highest inventory of office space in the city and also commands the highest average rents. The Class A office vacancy rate in the city was 6.6% and average asking rent was \$50 per sq. ft. in February 2006.²¹

A lack of affordable and appropriate workspace is cited as one of the greatest challenges facing New York's creative industries. Challenges related to high real-estate costs and low inventories of suitable space are not unique to creative industries; however, such issues are particularly critical for creative sectors that have specific space requirements, such as theatre space and space for creative manufacturing, and high percentages of small enterprises and self-employed workers.

Health Care and Insurance

Access to affordable healthcare is a major obstacle for residents in all American cities. In New York City, this is a particularly acute problem for its creative practitioners. A 2004 survey of independent workers in New York City by a non-profit advocacy group found that 84% of freelancers, which included more than eight out of ten arts and culture workers, could not afford health insurance.²²

¹⁷ New York City Department of City Planning. 2000. *Results from the 2000 Census, Socioeconomic Characteristics*. [Available at www.nyc.gov/html/dcp/pdf/census/sociopp.pdf]

¹⁸ The Economist. February 17, 2005. "Bridging the Gap: The next cool places to live." Print Edition.

¹⁹ New York City Rent Guidelines Board. April 2006. *Income and Affordability Study*.

²⁰ US Census Bureau. 2004. *American Community Survey*. [Available at: http://factfinder.census.gov/servlet/GRTSelectServlet?ds_name=ACS_2004_EST_G00_&_lang=en]

²¹ New York City Economic Development Corporation. March 2006. *Economic Snapshot*. [Available at: www.newyorkbiz.com/Library/Newsletters/index.html]

²² Keegan, R., Kleiman, N., Siegel, B., and M. Kane. 2005. *Creative New York*. Center for an Urban Future. [Available at: www.nycfuture.org/images_pdfs/pdfs/CREATIVE_NEW_YORK.pdf]

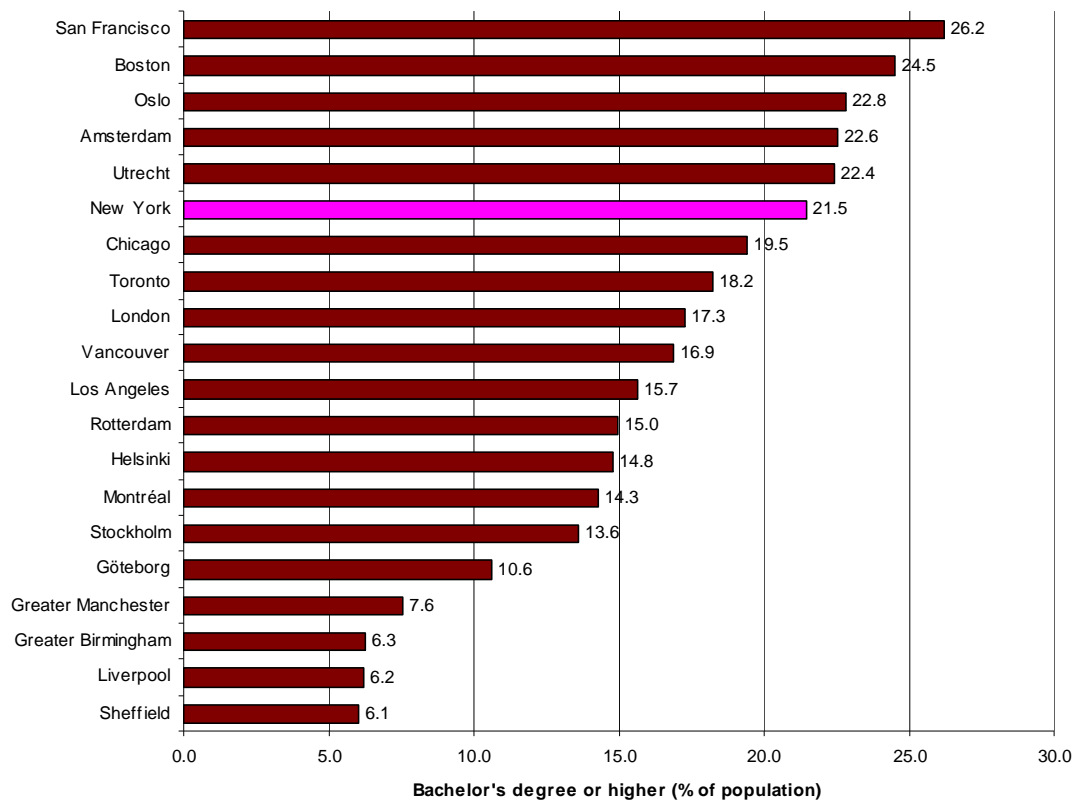
ArtistAccess is a program that offers affordable healthcare to New York artists. Artists pay minimal fees and are able to barter their trade and skills in return for services. If successful, this pilot project at Brooklyn’s Woodhull Medical Centre hopes to expand to all New York public hospitals.²³

1.4 Higher Education

New York City has an educated labour force: 27.4% of all adults 25 years of age or older hold a bachelors or higher-level degree, (the national average is 24.4%).²⁴ New York is a leading education hub with at least 63 institutes of higher learning, including well known institutions such as Columbia University, New York University, and City University of New York.

The greater New York metropolitan region ranks sixth against other European and North American city-regions on the Talent Index (Figure 3).

Figure 3: Talent Index - Percent of population in city-region with a university degree



Source: Gertler, M.S. and Vinodrai, T. 2006. "The creative city: theory, evidence and the challenge for Europe". Special session on *Technology, Talent, and Tolerance in European Cities*. Presented at the 102nd Annual Meeting of the Association of American Geographers, Chicago, Illinois. March 7-11, 2006.

In terms of creative curriculum, over 13,000 visual and performing arts, 16,000 architecture and related services, and over 5,000 communication, journalism and related program degrees (associate, baccalaureate and higher) were granted in New York State between 2001 - 2002.²⁵

²³ Woodhull Medical Center and the North Brooklyn Health Network. 2005. *ArtistAccess Program online Q&A*. [Available at www.dtw.org/downloads/woodhullartistsfinal5-18.pdf]

²⁴ US Census Bureau. 2000. *Census of Population*.

²⁵ New York State Education Department Office of Research and Information Systems. May 2003. *Degrees Awarded by Program and Level, New York State, 2001-02*. Data from federal IPEDS survey C. [Available at: www.highered.nysed.gov/oris/counts/degrees/02/nys.htm]

2. Cultural Economy and Strategy

2.1. Public Support, Special Initiatives and Programs

2.1.1 Federal Support

The American government first began explicitly supporting cultural policies and programs during the 1930s, as part of the 'New Deal'. Since then, cultural policies have been designed to support the labour and economic needs of professional artists and others engaged in cultural work.²⁶ Today, the two main federal bodies that have a significant influence on US cultural policy are the National Endowment for the Arts and the National Endowment for the Humanities; both are independent grant-making agencies.

National Endowment for the Arts

The National Endowment for the Arts (NEA) is the largest annual funder of the arts in the United States. The agency, established by Congress in 1965, is a public agency dedicated to supporting the arts, both new and established. Their mission is to bring the arts to all Americans and to provide leadership in arts education. Before the establishment of the NEA, the arts were limited mostly to a few big cities. The Arts Endowment has helped to create regional theater, opera, ballet, symphony orchestras, museums, and other art organizations across the nation in cities, rural areas, and even on military bases.

During its history, the NEA has awarded more than 120,000 grants that have brought art to Americans in communities large and small. Three decades ago, the NEA supported 50 non-profit professional theatres; today, that number has grown to 600. The agency reports that the non-profit arts sector contributes an estimated \$37 billion to the national economy every year.²⁷

National Endowment for the Humanities

The National Endowment for the Humanities (NEH) is an independent federal agency created in 1965. It is the largest funding body of humanities programs in the United States. The Endowment accomplishes its mission by providing grants for high-quality humanities projects in four funding areas: preserving and providing access to cultural resources, education, research, and public programs. NEH grants typically go to cultural institutions, such as museums, archives, libraries, colleges, universities, public television and radio stations, and to individual scholars.

President Bush's fiscal year 2007 budget request for the NEH was approximately \$141 million in funding, including \$15.2 million for the agency's 'We the People' program. The request maintains NEH's budget at the current year's level with continued support for the Endowment's core programs and 'We the People', which encourages and strengthens the teaching, study, and understanding of American history and culture.²⁸

²⁶ Adams, D. and A. Goldbard. 1995. *New Deal Cultural Programs: Experiments in Cultural Democracy*. The Institute for Cultural Democracy. [Available at: www.wvcd.org/policy/US/newdeal.html]

²⁷ National Endowment for the Arts website: www.nea.gov.

²⁸ National Endowment for the Humanities website: www.neh.fed.us.

Other national programs that support cultural policy include the Cultural Policy & the Arts National Data Archive (CPANDA). The CPANDA project is one of the world's first digital archives of policy-relevant data on the arts and cultural policy in the United States. The project is a collaborative initiative involving Princeton University's Firestone Library and the Princeton Centre for Arts and Cultural Policy Studies.

CPANDA's core mission is to acquire, archive, document, and preserve high-quality data sets on topics in arts and cultural policy, and make them available in a user-friendly format to scholars, journalists, policy makers, artists, cultural organizations, and the public. CPANDA has received an initial funding grant of \$1.9 million by the Pew Charitable Trusts. The Trusts support nonprofit activities in the areas of culture, education, the environment, health and human services, public policy, and religion.²⁹

2.1.2 State Support

At the state level, New York City benefits from several policy supports and programs aimed at nurturing the creative economy in New York State. Significant state-level actors include the New York State Department of Youth and Community Development, the "I love New York" campaign, the New York State Council on the Arts, and New York for the Humanities.

New York State Department of Youth and Community Development (DYCD)

The DYCD links youth and community development throughout New York State by awarding contracts to a broad network of community-based organizations. To foster the healthy development of communities, the DYCD supports programs and services that:

- Address the unique needs and assessments of each community, including the conditions of poverty
- Establish routes for youth, families, and neighborhoods to become more self-sufficient
- Provide services to youth, senior citizens, families, and new immigrants that create an opportunity to fully participate in community and enjoy productive lives

The DYCD's 'Out of School Time' program is the largest after-school initiative in the nation. These free programs offer a mix of academic support, sports and recreational activities, and arts and cultural experiences for elementary, middle school, and high school youth.³⁰

I love New York

The 'I love New York' brand has been one of the strongest, longest-lasting regional brands in North America, if not the world. The campaign is administered by the state agency formally called the Empire State Development Corporation (ESDC). The ESDC is dedicated to developing financial and technical programs for small and large businesses in target sectors: film, high-tech, small business, business, and travel and tourism.

For example, the ESDC NY loves Film program is an initiative of the 'I love New York' project articulated through the New York State Governors' office for Motion Picture and Television development. The office provides numerous services to film companies who wish to film in New York including a location library, research supports, and liaison with public facilities and government. 'NY Loves Film' also provides tax exemptions for films that locate in New York State.³¹

²⁹ Cultural Policy & the Arts National Data Archive (CPANDA) website: www.cpanda.org.

³⁰ Department of Youth and Community Development website: www.nyc.gov/html/dycd/html/about.html.

³¹ Empire State Development Corporation website: www.empire.state.ny.us.

The New York State Council on the Arts

The New York State Council on the Arts (NYSCA) is a state agency that provides funding to artists and arts organizations. NYSCA is dedicated to ensuring that New York State's public has access to the arts and other cultural resources at all times. With a total 2005 budget of \$43,108,800 dollars, NYSCA funded more than 2700 arts and cultural organizations. Music and arts education received the most funding state-wide in 2005.³²

New York Council for the Humanities (NYCH)

The NYCH, funded through the National Endowment for the Humanities, funds more than 4000 cultural institutions state-wide. Like the NYSCA, the NYCH is a grant-giving body and supporter of the humanities throughout the state. It differs, however, in that it does not provide support to creative and performing arts; rather, they support activities that promote the humanities in public settings, for example, walking tours, radio programs, panel discussions, and exhibitions.³³

2.1.3 Municipal Support

The fiscal 2006 expense budget for arts and culture is \$131.6 million of the City's \$50.2 billion budget. Additionally, \$836 million has allotted for capital budget projects over the next four years.³⁴

New York has been investing heavily in non-profit cultural infrastructure. From 1992 to 2002, \$2.4 billion was spent through private and public expenditures. Principal sources of funding for projects were from individual contributions (more than half) and from the City of New York. Many building projects are in various states of planning, construction, or completion. Projects such as the recently completed Rose Center for Earth and Space at the American Museum of Natural History and the renovation of Lincoln Center will enhance New York City's international profile on cultural institutions.³⁵ One of the largest projects to occur recently in New York City is the construction of the new Museum of Modern Art (MoMA), designed by Japanese architect Yoshio Taniguchi. With double its original capacity, the project opened in late 2004, coinciding with the museum's 75th anniversary, and is currently \$650 million dollars towards its \$858 million capital campaign goal.³⁶

As seen in Figure 4, the majority of private and public capital expenditure on major projects is concentrated in Manhattan – the uneven distribution of funding is due to the fact that the private sector generally prefers to invest in Manhattan. However, city funding is slightly more evenly distributed with only 49% of expenditures going to Manhattan (Figure 5).

³² New York State Council of the Arts. 2005. *Funding Reports for Fiscal Year 2005*. [Available at www.nysca.org/public/about/annual_report.htm]

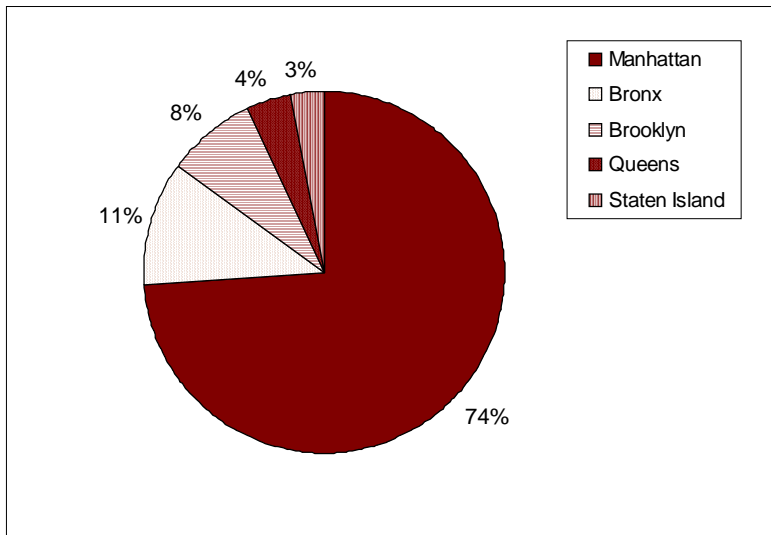
³³ New York for the Humanities website: www.nyhumanities.org.

³⁴ Presentation by Kathleen Hughes, Commissioner, NYC Department of Cultural Affairs, October 5, 2005. Strategies for Creative Cities Study Tour.

³⁵ Alliance for the Arts. 2003. *Culture Builds New York: The Economic Impact of Capital Construction at New York City Cultural Institutions*. [Available at: www.allianceforarts.org/research/culturebuilds_ny.pdf]

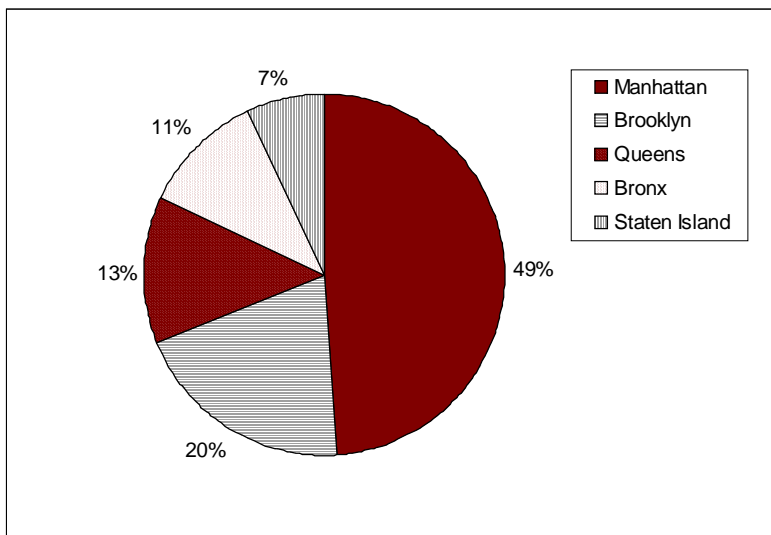
³⁶ MoMa website: www.moma.org.

Figure 4: Total Capital Expenditures by Borough: 1992 - 2002



Source: Alliance for the Arts. 2003. *Culture Builds New York: The Economic Impact of Capital Construction at New York City Cultural Institutions*. [Available at: www.allianceforarts.org/research/culturebuilds_ny.pdf]

Figure 5: City Expenditures by Borough: 1992 – 2002



Source: Alliance for the Arts. 2003. *Culture Builds New York: The Economic Impact of Capital Construction at New York City Cultural Institutions*. [Available at: www.allianceforarts.org/research/culturebuilds_ny.pdf]

From 1997 to 2002, capital expenditures of \$1.8 billion on New York City’s non-profit cultural institutions generated \$2.3 billion in total economic impact. This included: \$512 million in wages, 2,255 full-time equivalent jobs in each of the six years, and \$36 million in personal income, sales, and corporate taxes to the City.³⁷

³⁷ Alliance for the Arts. 2003. *Culture Builds New York: The Economic Impact of Capital Construction at New York City Cultural Institutions*. [Available at: www.allianceforarts.org/research/culturebuilds_ny.pdf]

Mayor Bloomberg has also pushed for the creation of 65,000 units of new housing across the city and his administration has supported the creation of space for cultural organizations as part of new developments in lower Manhattan and other parts of the city. In addition, the Department of Cultural Affairs has made it a priority to support nonprofits that are developing studio or rehearsal work space for artists.³⁸

New York City Department of Cultural Affairs (DCLA)

The Department of Cultural Affairs (DCLA) is NYC's civic leader in developing cultural policy and supports. It is the City's chief funder of non-profit cultural organizations of every size and discipline, throughout the five boroughs.

The DCLA also plays a strong advocacy role. The Cultural Affairs Advisory Commission, made up of local cultural leaders, is mandated to advise the DCLA on the city's cultural life. The DCLA also works with other city departments, such as the Economic Development Corporation and the Department of Small Business, to further enhance and support NYC's creative economy.³⁹

The DCLA is the largest funder of the non-profit cultural sector in New York City. In fiscal year 2006, the department will have distributed its \$131 million to the city's cultural institutions through grants, which will also reach more than 600 arts and cultural groups. The DCLA uses its funding in three powerful ways: program funding, institutional subsidies, and capital funding. Of the annual budget, program funding distributes just over \$20 million, while institutional subsidies and capital funding form the bulk of fiscal support.⁴⁰ The DCLA has a wide breadth of programs to effectively support the non-profit arts. These include⁴¹:

The Cultural Institutions Group (CIG): Made up of 34 member organizations, such as Carnegie Hall, the CIG are leaders in the DCLA's mission to foster more private-public partnerships (for a complete list of member organizations, please see Appendix A). The City's relationship with these organizations is managed by the Institutions Unit and operates with the understanding that member organizations, in return for the city's investment, will make their resources available to New Yorkers.

Percent for Art: The goal of this initiative is to make art both visible and accessible throughout the city. Initiated in 1982, this program requires that 1% of the budget for eligible city-funded construction projects must be spent on artwork for city facilities.

Materials for the Arts: The Materials for the Arts program started in 1978 and provides cultural organizations the materials and supplies that they need. Materials and resources are gathered from companies that no longer need them and are distributed to over 3000 community arts organizations. Companies that donate materials receive a tax credit as waste is diverted from city sanitation facilities. The warehouse, located on Long Island, draws artists from all over NYC benefiting the local community's own creative economy.⁴²

³⁸ Keegan, R., Kleiman, N., Siegel, B., and M. Kane. 2005. *Creative New York*. Center for an Urban Future. [Available at: www.nycfuture.org/images_pdfs/pdfs/CREATIVE_NEW_YORK.pdf]

³⁹ New York City Department of Cultural Affairs website: www.nyc.gov/html/dcla/html/home/home.shtml.

⁴⁰ Presentation by Kathleen Hughes, Commissioner, NYC Department of Cultural Affairs, October 5, 2005. Strategies for Creative Cities Study Tour.

⁴¹ The following descriptions of selected DCLA programs have been taken from either the presentation by Kathleen Hughes cited above, or the New York City Department of Cultural Affairs website: www.nyc.gov/html/dcla/html/home/home.shtml, unless otherwise referenced.

⁴² Materials for the Arts website: www.mfa.org.

Design Excellence Initiative: This program supports excellence in design and construction in projects funded through the capital budget. In this way, the City raises the standards for all infrastructure projects in New York. City projects can then act as global leaders, elevating New York's prestige as an architectural and design capital.

Cool New York Festival: Cool New York addresses mid-winter attendance issues at cultural events in the city. Events and attractions are offered throughout city neighbourhoods for free or at reduced prices. To further build consumer knowledge of cultural organizations and facilities in the city, the Cool New York festival showcases 'Cool Spots' - clusters of creative activities. The 2006 'Cool Spots' are in Snug Harbor (Staten Island), Long Island City (Queens), Heart of Brooklyn, South Bronx, and Lower Manhattan.⁴³

New York City Economic Development Corporation⁴⁴

The New York City Economic Development Corporation (NYCEDC) is a non-profit corporation under contract with the City to promote long-term economic growth in New York. It is the City's primary vehicle for economic development services. Through its business development, financing initiatives, real estate development, property management and transportation, and waterfront divisions, NYCEDC assists local businesses to establish a presence in New York City.

The NYCEDC is also responsible for administering the New York City Industrial Development Agency (NYCIDA). The NYCIDA programs provide companies with access to tax-exempt bond financing or tax benefits to acquire or create capital assets, such as purchasing real estate, constructing or renovating facilities, and acquiring new equipment.

The NYCEDC has one of the largest arrays of economic development programs available in North America, offering almost 60 business incentive programs. Some prominent initiatives include:

New York Empowerment Zone: The NYCEDC administers Federal Empowerment Zone incentives in New York City. This economic development initiative uses public funds and tax incentives to encourage private investment in target areas such as upper Manhattan, Harlem, and the Bronx. This unique project identified nine at-risk communities in NYC and, through matching donations, the federal, state, and municipal governments created an investment pool of \$300 million dollars. Furthermore, businesses in the Zones can take advantage of the Business Resource and Investment Service Center which provides technical advice to emerging and growing businesses.

The Upper Manhattan Empowerment Zone Corporation (UMEZ) is one example of these zones. To support this community, three initiatives were developed: wage tax credits, increased Section 179 tax deductions, and tax exempt bond financing. In addition to supporting the primary industries, UMEZ is focusing on cultural funding and support in the zone by making strategic cultural investments that revitalize tourism and build the zone's cultural ecosystem. Investments are made in historic sites, primary cultural institutions, midsized institutions, and service organizations.⁴⁵

New York City Capital Access: This public-private lending program enables banks and community development credit unions to make loans to small and medium-size businesses that fall below the criteria for conventional bank loans. The program establishes a cash reserve to cover losses in a participating bank or credit union's lending portfolio, thereby enhancing a company's ability to borrow. It also provides incentives for institutions to lend in low and moderate income areas.

⁴³ Cool New York Festival website: www.nyc.gov/portal/site/coolny.

⁴⁴ Information in this sub-section is taken from the New York City Economic Development Corporation website and information brochures unless otherwise referenced: www.newyorkbiz.com/index.cfm.

⁴⁵ Upper Manhattan Empowerment Zone Corporation. The Cultural Industry Investment Fund Strategies and Guidelines web site: www.umez.org/ciif_new_guidelinesOct04.htm.

Real Estate Tax Abatement: For small businesses that sign leases for at least five years and large businesses that sign leases for 10 years, this initiative consists of a 100% abatement of the base year's tax liability (up to \$2.50 per sq. ft.) for the first three years, followed by an abatement equal to two-thirds and one-third of the initial abatement in the fourth and fifth years respectively.

Relocation Fund for the Printing and Graphic Arts Industry: This fund provides financial assistance to eligible commercial printers and graphic arts companies

Information Technology District (ITD): The IT District is promoted through financial incentives, resulting in hundreds of high-growth information technology companies relocating to this area.

Women's Venture Fund, Inc. (WVF): WVF is a non-profit organization that assists women from low-income, under-served New York City communities to acquire business skills and capital to build successful small businesses.

Lower Manhattan Economic Revitalization Plan: This plan is a comprehensive tax incentive program designed to increase investment by spurring immediate activity in the commercial, retail, and residential sectors in Lower Manhattan.

Lower Manhattan Development Corporation

As New York's economy was devastated immediately after 9/11, the creative industries (including tourism) were some of the hardest hit sectors. As previously mentioned, studies indicate that creative workers endured a 46% loss of income in 2002, while 22% of creative workers became unemployed in the same year as a direct result of the 9/11 disaster.⁴⁶

The Lower Manhattan Development Corporation (LMDC) was created in the aftermath of September 11, 2001 by Governor Pataki and then-Mayor Giuliani to help plan and coordinate the rebuilding and revitalization of Lower Manhattan. The LMDC is charged with ensuring Lower Manhattan recovers from the attacks and emerges even better than it was before.⁴⁷

Vision for Lower Manhattan: Mayor Bloomberg's vision for lower Manhattan will dramatically alter the landscape of the area, converting it from a commercial district to a live-work community. The vision centres on the rebuilding of the World Trade Center Towers. Public investments will be made based on three principles: connecting Lower Manhattan to the world, building new neighbourhoods, and creating public spaces. The proposed vision will, it is argued, attract substantial private investment in the area. To support this, the vision also proposes developing a World Trade Center Tax Incentive Zone to attract high-level company headquarters to the area.⁴⁸

Mayor's Office of Film, Theatre and Broadcasting

As the first film commission in the country, the Mayor's Office of Film, Theatre & Broadcasting is a permitting agency, which delivers free permits, free public locations, and free police assistance to film productions. Each month the office features a new location for filming, including photographs, a description, and contact information. It also provides labour relations assistance, arrangement of site surveys, and production tax incentives. The agency markets NYC as a prime location, aids production companies in their work, and facilitates production throughout the five boroughs.

Made in New York: Using marketing and tax credits, the office's 'Made in NY' incentive program provides the film and television industry with several attractions to encourage filming throughout NYC. For example, film and television productions that complete over 75% of their work in NYC will receive

⁴⁶ ArtsLink New York. 2004. *The Continuing Economic Impact of 9/11 upon Individual Artists of All Disciplines in NYC: 2004 Artist Write-in*. Summary Report. [Available at <http://www.downtown-nyc.org/2004write-in.htm>]

⁴⁷ Lower Manhattan Development Corporation website: www.renewnyc.com.

⁴⁸ New York City Office of the Mayor. 2002. *New York City's Vision for Lower Manhattan*. [Available at: www.lowermanhattan.info/extras/presentations/bloomberg/LM_Vision/Vision_for_Lower_Manhattan.pdf]

outdoor media, bus shelter or radio advertising space valued at 1% of the NYC production costs. New York City's 5% tax credit related to the 'Made in NY' incentive program has been so successful that the credits allocated for the program have now reached \$50 million.⁴⁹

Figure 6: 'Made in NY' Marketing Logo



2.1.4 Creative Sector Strategy

Creative New York⁵⁰

Creative New York, produced by the Center for an Urban Future in partnership with Mt. Auburn Associates, is a ground-breaking report that has changed and will continue to change the recent landscape of public support for creative industries in New York City.

Funded by the Rockefeller Foundation, Deutsche Bank, the New York Community Trust, among others, *Creative New York* is the culmination of two years of research. Written by Robin Keegan and Neil Kleiman of the Center for an Urban Future with Beth Siegel and Michael Kane of Mt. Auburn Associates, the report builds on the Center's 2002 report about the role of arts and culture in New York's economy, titled *The Creative Engine*, as well as Mt. Auburn's considerable analysis of the creative economy. The Center for an Urban Future is a New York City-based think tank dedicated to independent, fact-based research about critical issues affecting New York's future including economic development, workforce development, higher education, and the arts.

For the first time, the study provides a comprehensive picture of New York City's 'creative core,' which includes both non-profit arts and cultural organizations and for-profit creative companies, such as advertising agencies, film producers, and publishers. *Creative New York* also outlines what is needed to ensure that New York's economically critical creative core continues to flourish, particularly as a growing number of cities around the world are building economic development strategies around attracting the kind of creative people that have long congregated in New York.

Section 3 of this report contains further details on the definition of creative core used in the *Creative New York* study, as well as statistical findings about these creative workers in New York City. In brief, the study found that:

- In recent years, the creative core has been one of the more dependable growth areas for New York's economy.
- Much of the recent growth in creative industries has been among the self-employed.

⁴⁹ City of New York Mayor's Office of Film, Theatre and Broadcasting website: www.nyc.gov/html/film/html/index/index.shtml.

⁵⁰ Unless otherwise referenced, information is taken from: Keegan, R., Kleiman, N., Siegel, B., and M. Kane. 2005. *Creative New York*. Center for an Urban Future. [Available at: www.nycfuture.org/images_pdfs/pdfs/CREATIVE_NEW_YORK.pdf]

- Across the sector, the number-one reason creative businesses choose to operate in New York is access to the city's pool of talented and skilled workers.
- New York's creative core has significant support infrastructure including internationally-acclaimed educational institutions and a large community of arts-friendly philanthropic foundations, patrons, and prominent trade organizations.
- New York's mix of both non-profit and for-profit creative activity contributes enormously to the city's success as a creative centre.
- New York's creative sectors face a number of challenges, including the high cost of appropriate work space, a general lack of business skills among individual creative entrepreneurs and firms, market pressures to conform to often inappropriate traditional business models, and creative workers' widespread lack of benefits such as health insurance and job security.
- The continual loss of work space is time-consuming, costly, and significantly impacts the production of creative goods. Creative businesses require proximity to one another, access to their markets and audiences, and space that is affordable and appropriate to their specific work.

Mayor Bloomberg's administration has increased the City's appreciation of the creative sector's importance to New York's economy by improving the delivery of services through agencies such as the Department of Cultural Affairs and the Mayor's Office of Film, Theatre and Broadcasting. However, Creative New York reports that, although these are necessary elements for supporting creative industries, such organizational infrastructure has not sufficiently addressed the real affordability issues facing creative workers and firms, such the critical shortage of affordable work, rehearsal, and residential space.

Since its release in December 2005, *Creative New York* has initiated a major ripple effect on support for creative industries in New York. Hosted by the City of New York, the Rockefeller Foundation, the Partnership for New York City, and the Center for an Urban Future, a conference was held in Manhattan in April 2006 to convene New York's creative communities, along with government officials, to discuss their ideas for encouraging the formation of new public-private partnerships to support the creative artists, businesses, and nonprofit institutions that make New York a uniquely attractive city.⁵¹ Mayor Bloomberg personally opened the conference, which was attended by important public officials such as Daniel L. Doctoroff (Deputy Mayor for Economic Development & Rebuilding, City of New York) and Kate D. Levin (Commissioner, New York City Department of Cultural Affairs).

Following the conference, an announcement was made by Mayor Bloomberg regarding the creation of a new office to assist non-profit organizations, especially those in the arts and culture sector. The new office, to include at least two employees housed in the New York City Economic Development Corporation, symbolizes public recognition that unaffordable rents have made it extremely difficult for smaller arts groups to thrive. The new office will be set up with a similar structure as those that already exist for the financial, media, real estate, biotechnology and retail industries. It will help arts and cultural non-profits navigate the real-estate market, obtain technical advice, and attract financing. The office will also attempt to help smaller arts and cultural groups secure low-interest or tax-exempt loans through the city's Industrial Development Agency.⁵²

⁵¹ Partnership for New York City. March 23, 2006. *Mayor Michael R. Bloomberg to Address New York's Creative Community at Creative New York Conference*. Press Release. [Available at ://www.nycp.org/pr/pr_032306_creativeNY.pdf]

⁵² Chan, S. April 5, 2006. "New York City is Establishing an Office to Support Arts Groups." *New York Times*.

2.2 Tourism

New York City is the number-one tourist destination in the United States and, as a result, tourism is a \$24 billion industry. In 2004, 39.9 million visitors came to New York City, up almost 4 million from 2001 (after the impacts of 9/11).⁵³ See Table 5 for New York’s tourist attraction annual attendance numbers.

Table 5: New York Audience Attendance by Type of Event - 2004

Live New York Audiences	# of Attendees Millions)	% Total
Non-Profit Cultural Events	25.6	53
Sports	11.3	23
Broadway	11.6	24
Total	48.5	100

Source: Alliance for the Arts. 2005.

NYC & Company

In partnership with the Mayor’s office, NYC & Company is the city’s official tourism organization. A private non-profit organization, NYC & Company has a membership of more than 1,800 businesses, including museums, hotels, restaurants, retail stores, theatres, tour organizations, and attractions. Of NYC & Company’s current budget of \$16 million, roughly 40% is contributed by the City of New York. The organization provides information and services relating to the tourism and convention industries. It acts as a liaison between member hotels, restaurants, attractions, venues, and service providers - providing such services as tours, site inspections, promotional materials, and housing services.⁵⁴

2.3 Arts Councils and Foundation Support

Arguably the largest creative cluster in New York is its non-profit sector. In the United States, the non-profits arts contribute approximately \$37 billion to the economy each year.⁵⁵

Borough Arts Councils: Each of New York’s boroughs has its own arts council:

Brooklyn Arts Council	BAC assists amateur and professional artists with grants, referrals, networking opportunities, seminars, and education programs. ⁵⁶
Queens Council on the Arts	QCA provides assistance to artists and arts organizations and promotes Queens as a cultural centre. ⁵⁷
Bronx Council on the Arts	BCA is an arts services organization that is dedicated to promoting awareness and participation in local arts. ⁵⁸
Council on the Arts and Humanities for Staten Island	COAHSI promotes the arts on Staten Island with technical assistance, workshops, seminars, newsletters, and networking opportunities. ⁵⁹
The Lower Manhattan Cultural Council	LMCC is active in enlivening the arts scene in downtown Manhattan through space provision, summits and networking, and grants. ⁶⁰

⁵³ NYC & Company, New York City Official Tourism Website: www.nycvisit.com/home.

⁵⁴ Ibid

⁵⁵ National Endowment for the Arts website: www.nea.gov/about/Facts/AtAGlance.html.

⁵⁶ Brooklyn Arts Council website: www.brooklynartscouncil.org.

⁵⁷ Queens Council on the Arts website: www.queenscouncilarts.org.

⁵⁸ Bronx Council on the Arts website: www.bronxarts.org.

⁵⁹ Council on the Arts and Humanities for Staten Island website: www.statenislandarts.org.

⁶⁰ Lower Manhattan Cultural Council website: www.lmcc.net/us/index.html.

Each of these arts councils works at the community level to boost their own local creative economy and support local artists. While all of these councils have shown leadership in their communities, the Council on Arts and Humanities for Staten Island leads the pack with its innovative professional development programs. For example, all 2006 grant recipients will benefit from their new program, Assistance in Marketing (AIM), which helps local artists develop a marketing strategy and audience development through media contacts.

New York Foundation for the Arts

The New York Foundation for the Arts (NYFA) is New York's leading creative development corporation and gives more support to artists and arts organizations in all disciplines than any other private organization in the country. Each year, the NYFA distributes approximately \$11 million in grants and services to over 170 individuals and organizations in New York City. NYFA is skilled at matching donors' interests and passions with individual creative projects and, by doing so, supporting original art at the artist level. In addition to grant-making, the NYFA is also involved in advocacy and providing research and information to the arts community, donors, and the broader public.

Among NYFA's many programs are:

New York Creates: The New York Creates program began in 2003 within the New York Foundation of the Arts. In July 2005, it was developed as a separate organization. The program was initially designed to provide supports to artists and artisans in the crafts and traditional arts, based on the 'Handmade in America' project in North Carolina.⁶¹ Now, New York Creates has its own set of programs and activities, including trade fairs to showcase work. For example, in December 2005, it held a craft fair at the Deutsche Bank Building on Wall Street to market goods to high-end consumers. New York Creates is also working to establish a permanent showcase facility.

Arts Recovery Grant: The New York Foundation for the Arts developed these grants to address the impacts of 9/11 on New York's artists and arts organizations. \$4,635,000 was distributed to 135 organizations and 352 individuals most affected by the tragedy on September 11th, 2001.⁶²

Other Major Funding Bodies

The Fund for the City of New York: This organization works in partnership with DCLA providing over \$24 million in cash flow and bridging loans to 400 NYC non-profit organizations annually. It also distributes \$2 million in strategic grants to non-profits and government projects. Among their other innovative work is their incubator program which supports emerging projects with fiscal support for administrative services. The organization is well-known for its successful Food Bank for NYC.⁶³

Artists Community Federal Credit Union:

The Artists Community Federal Credit Union provides financial services to artists in the city. In addition to chequing and savings accounts, the ACFCU also has investment and credit programs that are sensitive to the needs of artists.⁶⁴

The Actors' Fund of America:

The Actors' Fund is a national non-profit headquartered in New York and is a strong player in supporting New York's creative workers. The Fund provides financial support to workers in film and theatre, TV and radio, music, dance, and opera during times of need. Nationally, the fund distributes funds to more than 14,000 workers a year. The Actor's Fund also provides information on how to access affordable services, such as health care. Recipients do not need to be members of any industry guilds or unions.⁶⁵

⁶¹ For more information, please see www.handmadeinamerica.org.

⁶² New York Foundation for the Arts website: www.nyfa.org.

⁶³ Fund for the City of New York website: www.fcny.org.

⁶⁴ Artist Community Federal Credit Union website: www.artistscommunityfcu.org.

⁶⁵ The Actors' Fund of America website: www.actorsfund.org.

Private Sources of Funding

It is estimated that, by 2052, over \$6 trillion dollars will be given to charities through private philanthropy in the United States.⁶⁶ Given the strong tradition of private philanthropy in the United States, private contributions play a significant role in the New York creative economy. The New York metropolitan region has the highest concentration of philanthropic capital in the world. More than 11% of total national grants are distributed in New York despite its relatively small size and population. More than 17% of grants given by New York based foundations are distributed nationally, outside of the region.⁶⁷

The Rockefeller Foundation: The Rockefeller Foundation is headquartered in New York and has \$3.2 billion in assets (Dec. 31, 2004). In 2004, the Rockefeller Foundation distributed \$124 million in grants, fellowships and programmatic investments. Although the Foundation works internationally, New York cultural institutions, such as the Lincoln Center, benefit from its support. The Rockefeller Foundation addresses several particular issues, amongst which creativity and culture rank highly. In covering creativity and culture, the Rockefeller Foundation hopes to achieve the following goals:

- Supporting Resilient and Creative Communities
- Fostering Creativity and Knowledge
- Enhancing Creativity and Innovation in a Global Age.

In North America, these goals have been achieved through various initiatives, such as Media Arts Fellowships, which distributed \$715,000 to 20 American film, video and new media artists in 2005. Locally in New York City, the Multi-Arts Production Fund distributed \$1 million in grants to projects in theater, dance, music composition, and other work, also in 2005. The Rockefeller Foundation also supported the *Creative New York* project at the Center for an Urban Future with a grant.⁶⁸

Carnegie Corporation for New York: The Carnegie Corporation for New York was established in 1911 and is dedicated to promoting "the advancement and diffusion of knowledge and understanding". The Carnegie Corporation has a market value of \$2.2 billion (September 2005) and it is expected to give more than \$80 million in grants in 2005 – 2006. Its four main areas of support are:

- Education
- International Peace and Security
- International Development
- Strengthening US Democracy.⁶⁹

Other Cultural Research and Support Organizations

Alliance for the Arts: The Alliance for the Arts is a city-wide research and policy organization that works to highlight the importance of the arts to NYC's economy and to a successful education system. The Alliance for the Arts is dedicated to three service areas:

- Research: Key to its activities is collecting and monitoring data which shows that the arts are a vital industry in New York's overall wellbeing. Recent reports, which are geared towards policy leaders, include *NYC Arts Audiences* and *Culture Builds New York*. Research activities provide the foundation of their advocacy work.

⁶⁶ Conlin M. et al. November, 2004. "The Top Givers." *Business Week online November 2004 Special Report on Philanthropy*. [Available at www.businessweek.com/magazine/content/04_48/b3910401.htm]

⁶⁷ New York Regional Association of Grant Makers. April 2005. *Fast Facts*.

⁶⁸ The Rockefeller Foundation website: www.rockfound.org.

⁶⁹ The Carnegie Corporation for New York website: www.carnegie.org.

- **Advocacy:** The Alliance regularly advocates for increased support for the arts at the city and state level. It argues that arts and culture are valuable to NYC's quality of life, arts are good for the economy, and arts education is important to successful schooling.
- **Promotion:** Another important component of the Alliance's work is linking the activities and programs of non-profit arts organizations with the general public. This is accomplished through the development of websites, guides, and calendars: for example, the NYCKidsARTS Culture Guide and Calendar.⁷⁰

New York Arts Coalition: The NYAC is a membership coalition of professional artists, supporters, and over 250 organizations. It is dedicated to promoting awareness of the arts in New York and developing and recommending public policy at the city and state levels. Since its inception in 1986, it has achieved many goals, including:⁷¹

- Restored cuts to City arts budget eight years in an row
- Secured increases to the State arts budget
- Established the Artist for a Day program
- Published *Creative Downtown: The Role of Culture in Rebuilding Lower Manhattan*
- Collects and distributes data on New York's arts community

⁷⁰ Alliance for the Arts website: www.allianceforarts.org.

⁷¹ New York Coalition for the Arts: www.nycityartscoalition.org.

3. Creative Industries

3.1 New York Region

At the last US National Census (2000), there were over 250,000 people working in creative occupations in the greater New York region.⁷² Yet, despite this immense talent pool, growth in creative occupations in New York has not been particularly strong over the 1990 -2000 period when compared to other North American jurisdictions.

Creative Occupations referred to at the New York region level include:⁷³

- Actors
- Announcers
- Architects
- Artists
- Dancers and Choreographers
- Designers
- Editors
- Musicians and Singers
- Producers and Directors
- Photographers
- Technical Writers
- Writers and Authors

The relative size and performance of New York's creative occupations compared to other North American city-regions are shown in the charts below.⁷⁴ Three measures are simultaneously indicated on these charts: the number of employees in creative occupations within the region (indicated by the relative size of the 'bubble'), the average annual job growth rate for the occupational category (along the horizontal axis), and the relative employment concentration of the occupational sector in the region, (along the vertical axis). A Location Quotient (LQ) above 1 indicates that the region is more specialized in that sector than the rest of North America. Occupations closest to the upper-right corner exhibit the highest employment concentration and a strong positive growth rate.

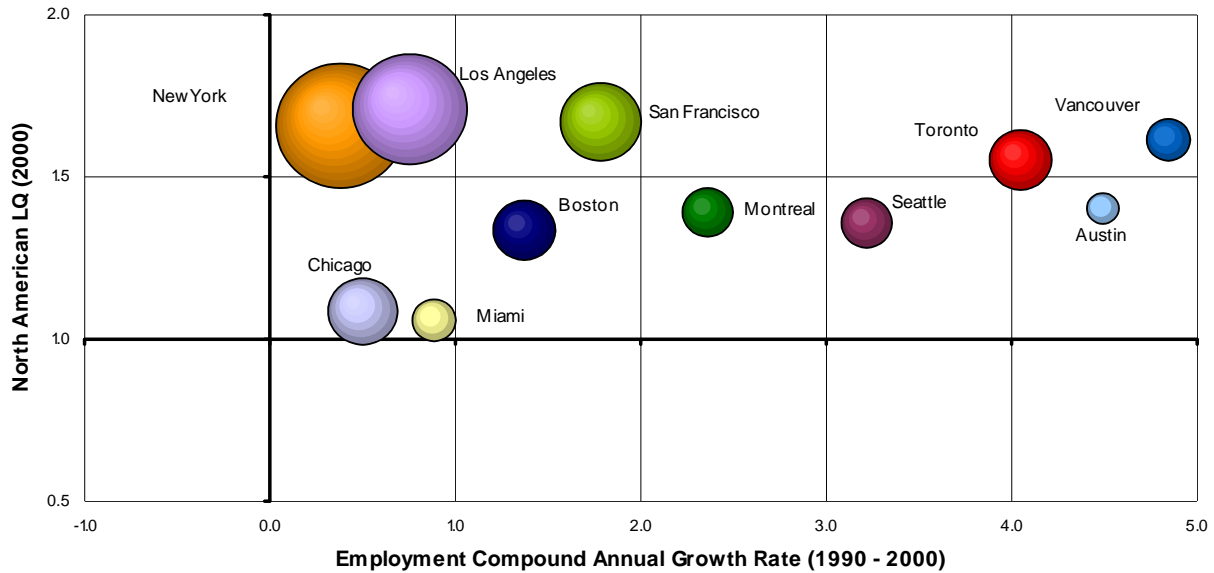
Figure 7 demonstrates New York's dominant mass and high level of specialization in creative occupations when ranked against other regions. However, New York's creative occupations only grew at an average annual growth rate of 0.4% during the 1990 - 2000 period. All other jurisdictions compared below surpassed New York, particularly Seattle (3.2%), Toronto (4.0%), Austin (4.5%), and Vancouver (4.8%).

⁷² The level of geography used to obtain occupational data in this report is the New York Consolidated Metropolitan Statistical Area (CMSA).

⁷³ Data gathering methods vary between Canada and the United States. The listed occupational categories were the most suitable for comparable measures of creative employment between North American jurisdictions needed for the Strategies for Creative Cities project. For a list of US Census data definitions, please see Appendix B.

⁷⁴ Occupational data is the most suitable comparable measure of employment with US jurisdictions because it captures the self-employed, while other US industry data sources do not capture this important group of creative workers.

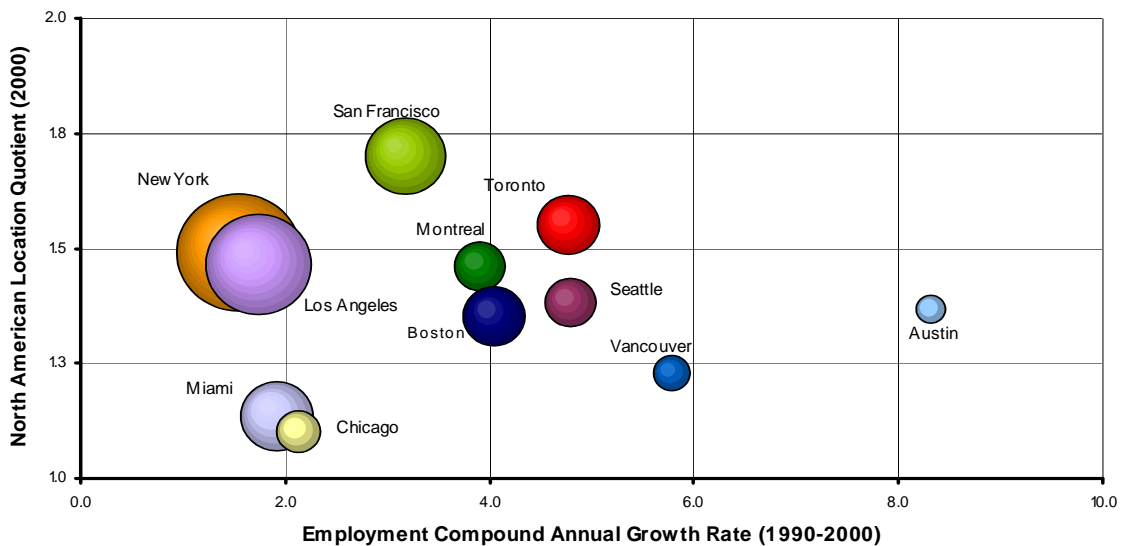
Figure 7: Growth & Specialization in Creative Occupations – New York vs. North American City-regions: 1990- 2000



Source: Statistics Canada. 2001. *Census of Population* and US Census Bureau. 2000. *Census EEO Tabulations*.

New York’s slower growth rate is also evidenced in the following charts that compare average annual growth in individual creative occupational categories over the 1990 - 2000 period. For example, Figure 8 shows that design occupations in New York only grew 1.5% over the 10-year period, while jurisdictions like Toronto and Austin grew at 4.7% and 8.3% respectively. Figure 9 paints a grimmer picture, with an actual decline in the number of visual artist occupations⁷⁵ in New York (-0.3%) over the same period.

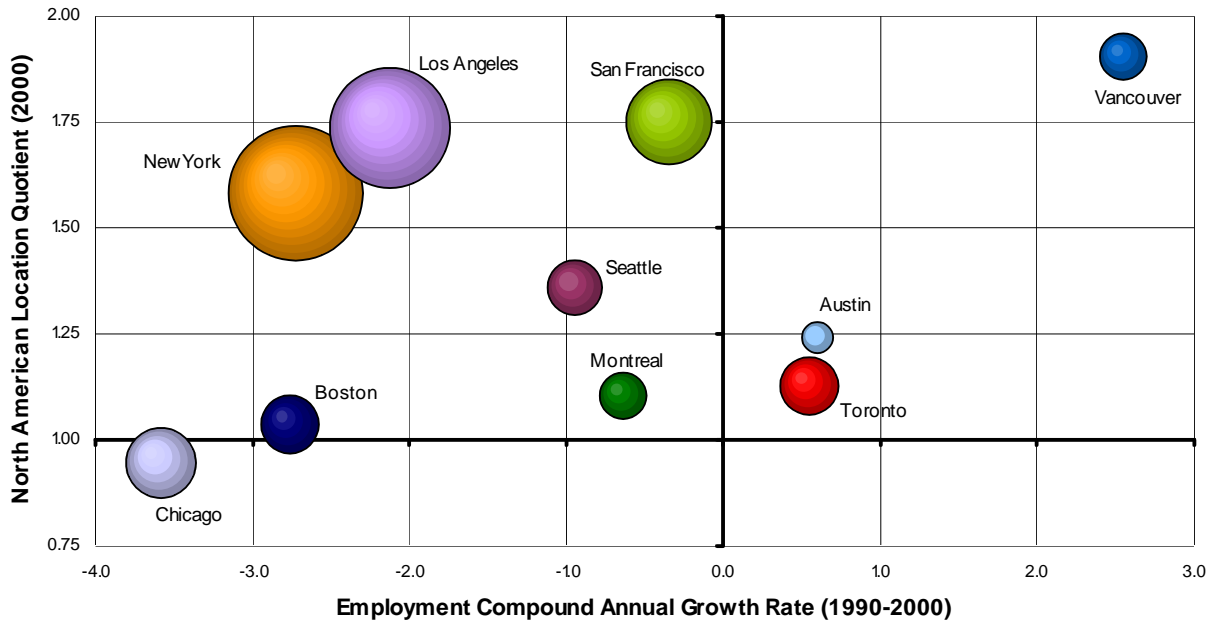
Figure 8: Growth & Specialization in Design Occupations – New York vs. North American City-regions: 1990- 2000



Source: Statistics Canada. 2001. *Census of Population* and US Census Bureau. 2000. *Census EEO Tabulations*.

⁷⁵ This category includes painters, sculptors, illustrators, arts directors, craft artists, multimedia artists, and animators.

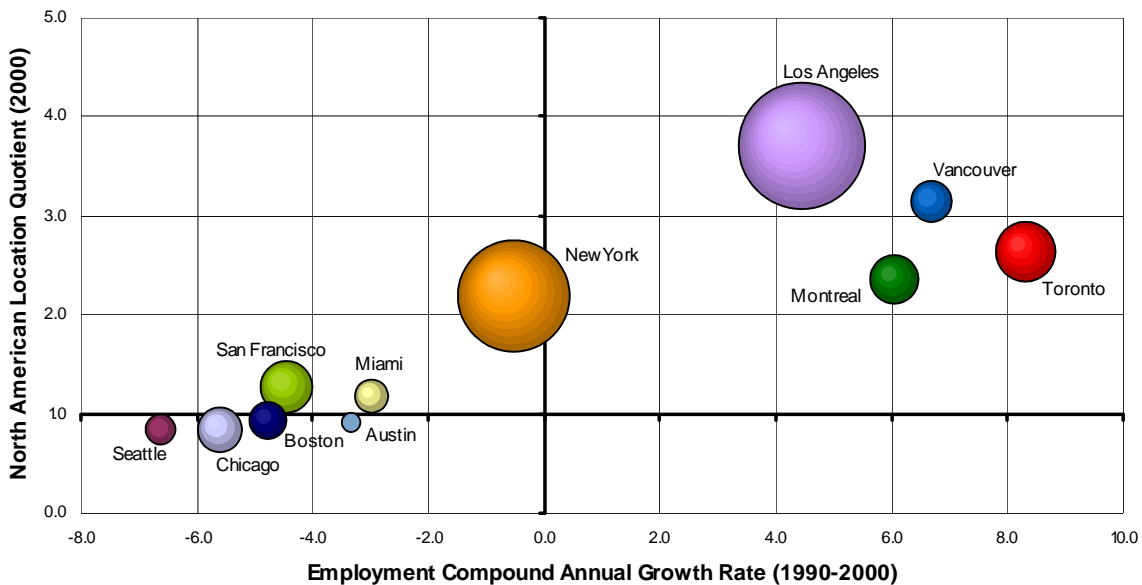
Figure 9: Growth & Specialization in Artist Occupations – New York vs. North American City-regions: 1990- 2000



Source: Statistics Canada. 2001. *Census of Population* and US Census Bureau. 2000. *Census EEO Tabulations*.

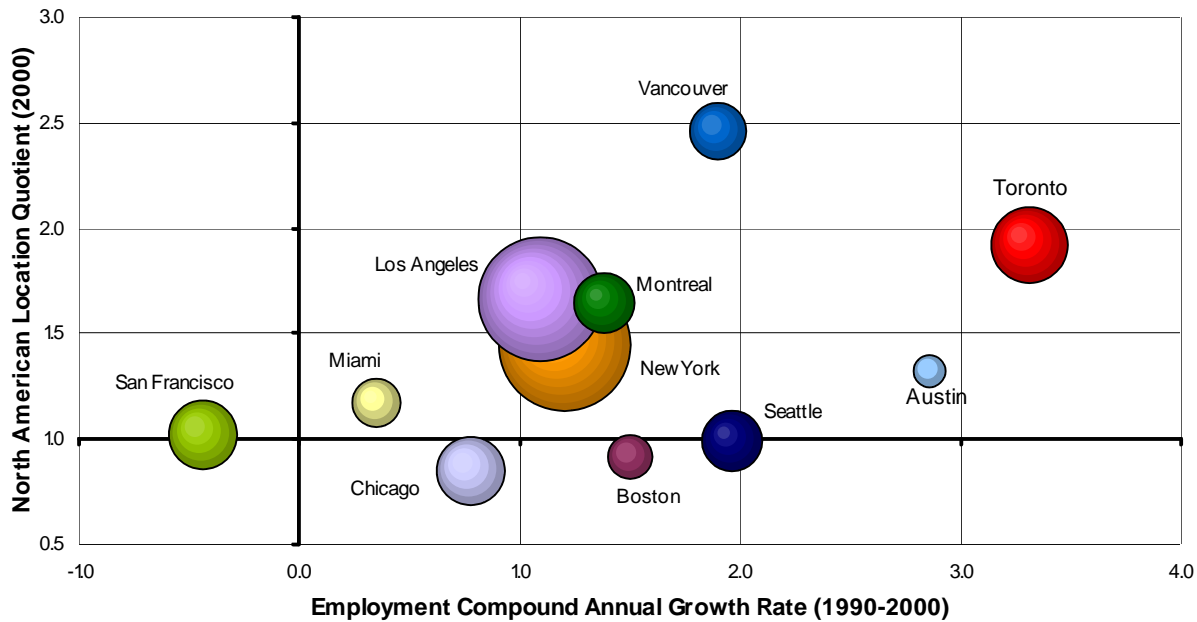
Figures 10 and 11 illustrate New York’s average annual growth rates for actors, dancers, musicians, and singers. Although traditionally a mecca of creative activity, which is clearly evidenced by the sheer size and modest growth of these occupational categories, New York is now facing competition from other emerging creative cities. Regions such as Toronto, Austin, and Vancouver are all growing at much faster rates in these respective creative occupational categories.

Figure 10: Growth & Specialization in Actors and Dancers – New York vs. North American City-regions: 1990- 2000



Source: Statistics Canada. 2001. *Census of Population* and US Census Bureau. 2000. *Census EEO Tabulations*.

Figure 11: Growth & Specialization in Musicians and Singers – New York vs. North American City-regions: 1990- 2000



Source: Statistics Canada. 2001. *Census of Population* and US Census Bureau. 2000. *Census EEO Tabulations*.

3.2 The Creative Core: New York City

While the charts above, compiled from census data, provide a directional picture of trends in creative occupations in the New York region and other North American jurisdictions, such traditional data sets do not capture all forms of creative employment in a discrete way. For example, federal employment data does not count many of those in the creative sector who work on a part-time or project-by-project basis. Likewise, many creative activities are rolled into manufacturing sectors in the US Census and thus missed, such as fashion designers who are captured under fashion and apparel. As such, the federal data sources only count 198,627 workers in New York City employed in creative industries.

However, a recent report published by the Center for an Urban Future (CUF) in December 2005, *Creative New York*, has drilled deeply into New York City’s creative core using various data sources other than the census, as well as one-on-one interviews with creative practitioners. In doing so, CUF has developed a comprehensive picture of the 309,142 people working in creative industries in New York City, as shown in Table 6.

Table 6: New York City’s Total Creative Workforce - 2002

Creative workers employed in firms with employees	198,627
Creative worker employed as sole proprietors	79,761
Total Creative Workers within creative core businesses (firms + sole proprietors)	278,388
Creative workers employed outside of the defined creative core	30,754
Total Creative Workforce in NYC	309,142

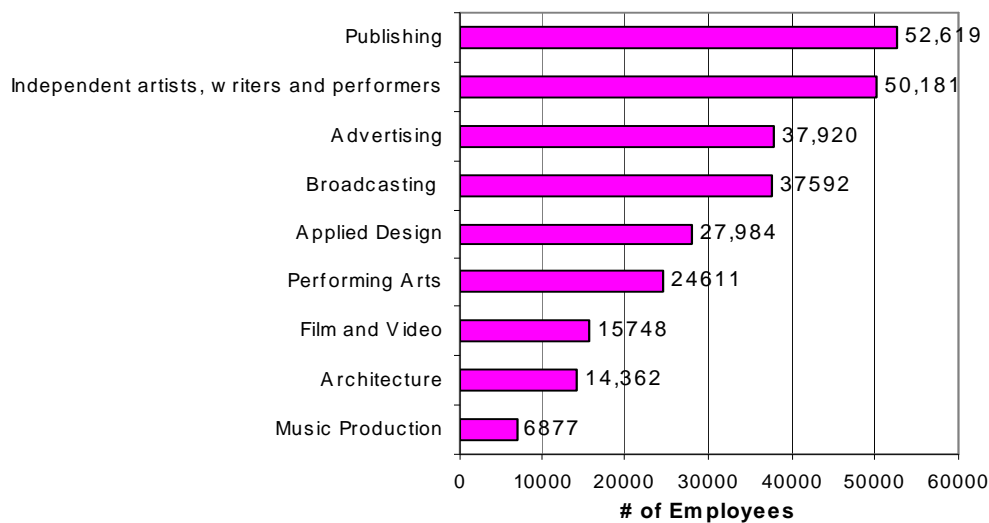
Source: Table Adapted from Keegan, R. et al. 2005. *Creative New York*. Center for an Urban Future. Original data source: County Business Patterns. 2002; Non-employer Statistics. 2002; and US Census. 2000. *Equal Employment Opportunity*.

Creative New York attempts to view the sector through an economic development lens, counting enterprise and workers focusing on the following nine creative industries:

- Advertising
- Film and Video
- Broadcasting
- Publishing
- Architecture
- Design
- Music
- Visual Arts
- Performing Arts

The 309,142 individuals working in creative industries listed above represent 8.1% of the New York City labour force and, in recent years, these industries have added jobs at a faster rate than the overall city economy. Between 1998 and 2002, employment in the city’s creative industries grew by 13% (adding 32,000 jobs), while the city’s overall job totals increased by 6.5% during this same period.⁷⁶ Figure 12 shows the number of creative workers by these nine industries.

Figure 12: Creative Employees in NYC by Industry (2002)

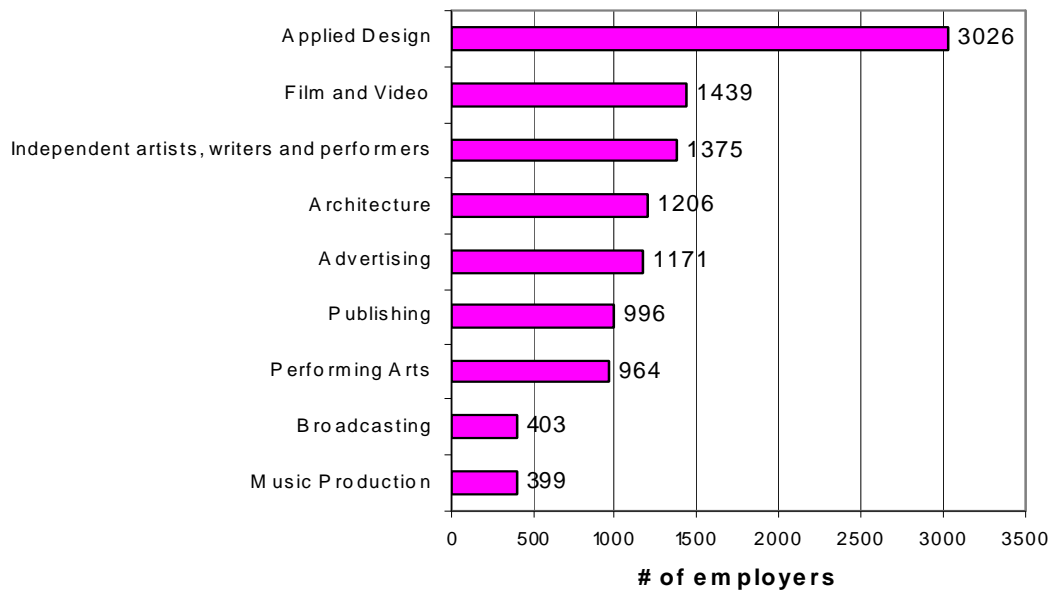


Source: Figure Adapted from Keegan, R. et al. 2005. *Creative New York*. Center for an Urban Future. Original data source: County Business Patterns. 2002; Non-employer Statistics. 2002; and US Census. 2000. *Equal Employment Opportunity*.

Enterprise that comprises the creative core, as defined in *Creative New York*, ranges from major firms such as Time Warner to small organizations and individual entrepreneurs throughout the five boroughs. There are 11,671 businesses and non-profits in New York’s creative core (5.7% of all employers in the five boroughs). In addition to 79,761 sole proprietorships, roughly 29% of New York’s creative workforce is self-employed. Figure 13 shows the number of creative employers (both firms and sole proprietors) by industry.

⁷⁶ Statistics in this section are taken from the *Creative New York* unless otherwise referenced. Keegan, R., Kleiman, N., Siegel, B., and M. Kane. 2005. *Creative New York*. Center for an Urban Future. [Available at: www.nycfuture.org/images_pdfs/pdfs/CREATIVE_NEW_YORK.pdf]

Figure 13: Creative Employers in NYC by Industry (2002)



Source: Figure Adapted from Keegan, R. et al. 2005. *Creative New York*. Center for an Urban Future. Original data source: County Business Patterns. 2002; Non-employer Statistics. 2002; and US Census. 2000. *Equal Employment Opportunity*.

Market Share

According to *Creative New York*, 8.3% of all creative sector workers in the US live in New York City. Internationally, only London, which counts its creative workforce near 525,000, reports a larger creative workforce than New York.

Creative New York also reports that New York is home to over a third of all the country’s actors and roughly 27% of the nation’s fashion designers, 12% of film editors, 10% of set designers, 9% of graphic designers, 8% of architects, and 7% of fine artists. However, New York has lost some of its market share in recent decades. The film industry, for example, has lost many production companies that favour lower-cost locations in cities like Toronto and Vancouver. The city’s music industry set a precedent for this trend during the 1960s, when a significant portion of the industry shifted to Los Angeles due to lower costs for production and other supports not available in New York.

Cities across the country and the continent are eating into New York’s market share as demonstrated in the earlier figures in this section. Twenty years ago, New York had half of all advertising agency headquarters in the world; now it claims less than one-third.

Leading Sectors

Despite growing competition from around the nation and international city-regions, New York remains the most important centre for American mass media, fashion, journalism, and publishing. Manhattan’s Madison Avenue is synonymous with the American advertising industry, while 7th Avenue is nicknamed ‘Fashion Avenue’. New York also has more than 2,000 arts and cultural non-profits, over 500 art galleries, roughly 2,300 design services businesses, more than 1,100 advertising-related firms, nearly 700 book and magazine publishers, and 145 film production studios and stages.

Leading creative sectors include:

Performing Arts: New York is the world’s capital in many forms of performing arts, including ballet and theatre. From June 2004 to June 2005, the Broadway industry contributed \$4.8 billion to the economy of

New York City, a 4% inflation-adjusted increase from \$4.62 billion in 2002-2003.⁷⁷ There are over 22,000 performing artists in NYC employed in over 900 theatre and dance companies and musical groups, not to mention thousands of independent performers not captured by available data sources.

Publishing: NYC's publishing cluster is ranked first in the world. The cluster employs over 52,000 people, the highest proportion of whom (more than 22,000) is employed in periodical publications. There are more than 200 newspapers with offices and 350 consumer magazines headquartered in NYC. In fact, NYC is the largest publishing centre in the United States; the book publishing industry alone employs nearly 13,000 people within in NYC's five boroughs. It is also the base for prestigious national magazines such as Time, Newsweek, Fortune, Forbes, and Business Week.⁷⁸

Broadcasting: New York City is the number-one media market in the US, with nearly 7% of the nation's television-viewing households. 35 New York City-based radio stations and 100+ regional stations reach more than 14 million listeners.⁷⁹ The city's broadcasting sector employs over 33,000 people, of which 14,000 are in television broadcasting.

Fashion: New York is home to roughly one-quarter of the nation's fashion designers, 60% of whom work in apparel manufacturing, wholesaling, or retail sectors. The fashion district (35th to 41st Street between 5th and 9th Avenues) houses over 6,000 businesses (both fashion and non-fashion related) in approximately 450 buildings.⁸⁰ The Fashion Center Business Improvement District (FCBID) is a not-for-profit organization promoting positive development of Midtown Manhattan's Fashion District. The sector is also supported by leading educational institutions such as the Fashion Institute of Technology. The institute has recently added courses to train top fashion designers in new technologies, financing, and other skills to keep their businesses thriving in an increasingly competitive market.

⁷⁷ League of American Theatres and Producers. 2005. *Broadway's Economic Contribution to New York City: 2004-2005 Season*. [Available at: www.livebroadway.com/econ.html]

⁷⁸ New York City Economic Development Corporation Media and Entertainment website: www.nycedc.com/Industries/Entertainment/index.html.

⁷⁹ Ibid

⁸⁰ The Fashion Center Business Improvement District website: www.fashioncenter.com/REALESTATE/D_Introduction.html.

4. Projects and Initiatives

PROVISION OF SPACE AND PROTECTION FROM MARKET FORCES

1. Alliance of Resident Theatres (A.R.T./New York)

A.R.T./New York is a service organization for off-Broadway productions. Services are provided to more than 400 not-for-profit theatre and related organizations that collectively reach more than 6 million theatre-goers. A.R.T./NY's four primary service areas are: subsidized office space, management-related technical assistance, audience development initiatives, and grant provision.⁸¹

A.R.T./NY provides grants to small and emerging theatres, as an intermediary that obtains larger funding awards from the City (including Industrial Development Bonds) and other prominent sources. In this way, A.R.T./NY provides access to funds for smaller theatre, dance, music, and museum groups who would otherwise not be able to tap into such resources.⁸²

Spaces at 520

The idea for Spaces at 520, now a real bricks and mortar project located in mid-town Manhattan's garment district, emerged during an Arts & Business Council forum through an interaction between two panelists, Virginia Loulouides (Executive Director of A.R.T./NY) and Paul Wolf (Denham Wolf Real Estate Services, Inc). At the time, these individuals were discussing the space crisis facing New York City's creative non-profit organizations and the fact that arts groups were being pushed into the outer boroughs even though they would rather locate in Manhattan. Loulouides took advantage of the moderator's statement that his organization was interested in promoting a mutually beneficial partnership between the arts and business and, with Wolf's offer to help secure a space, Spaces at 520 was born.

In August 2002, Spaces at 520's first tenant moved in. The total capital cost of the project was \$3,174,135, while the total budget for leasing and renovating the space over three years was \$8 million - \$4 million each from the City Council and from the mayor. The facility now offers office space to over 25 organizations including large 'anchor' tenants such as the National Alliance for Musical Theatre. While each organization has its own office within the facility, all programs share common spaces. To avoid the logistical nightmare of individually-negotiated leases, it was determined that collective bargaining was necessary - all tenants have the same leasing agreement. Spaces at 520 generated close to \$650,000 to local businesses in 2004.⁸³

South Oxford Space

South Oxford Space is a five-story office building recently purchased in Brooklyn. It houses 20 small theatre companies that pay a subsidized rent of \$14.25/sq. ft. (including utilities) and have access to a variety of shared amenities such as copy/fax facilities, kitchen, and gallery space. The building houses three rehearsal studios, also available at below-market rates. South Oxford Space welcomes its Fort Greene neighbours to use the facilities at highly discounted prices or for free. A.R.T./NY estimates that the building generates \$350,000 for local businesses each year.⁸⁴

⁸¹ A.R.T./New York website: www.offbroadwayonline.com/aboutartny.php.

⁸² Interview with Ginny Loulouides, Executive Director of A.R.T./NY. August 19, 2005.

⁸³ A.R.T./New York. 2005. *A report on Spaces at 520, A shared office project*. [Available at www.offbroadwayonline.com/spaces520/p1.php]

⁸⁴ A.R.T./New York website: www.offbroadwayonline.com/aboutartny.php.

2. Greenpoint Manufacturing and Design Centre

The Greenpoint Manufacturing and Design Centre (GMDC), located in Brooklyn, is New York's only non-profit industrial real estate developer. GMDC, formally incorporated in 1992, emerged out of the need to reclaim derelict factories in North Brooklyn's Greenpoint neighborhood and to sustain the overall manufacturing industry in New York City. Beginning in the 1980s, powerful economic forces reduced the aggregate supply and quality of affordable manufacturing space in New York. This issue was compounded by both a rebound of highly specialized, niche manufacturers looking for industrial real estate, and the conversion of industrial buildings to office and residential spaces, both in Manhattan and Brooklyn, which led to the displacement of manufacturers from their historic locations.

Dedicated to preserving and creating high quality jobs in manufacturing for low income New Yorkers, GMDC:

- acquires, rehabs, and manage derelict industrial properties;
- serves as a financial intermediary;
- acts as advocate by building coalitions and fostering collaboration among stakeholders;
- creates and influences policy and the allocation of resources related to manufacturing and/or industrial development; and,
- promotes its model by publishing, presenting at conferences, and providing technical assistance to other communities.⁸⁵

From 1992 to 2001, GMDC rehabilitated five vacant North Brooklyn manufacturing buildings to provide 500,000 sq. ft. of space for more than 100 firms specializing in creative manufacturing fields such as home furnishings, high-end jewellery, and custom wood working. Manufacturers housed in these buildings provide employment and investment in their respective area neighborhoods. For this reason, the organization prefers tenants who are relocating to a GMDC building so they can grow, as they create new economic impacts by hiring more employees.⁸⁶

GMDC has won numerous awards from the Brooklyn Chamber of Commerce, in addition to the Mayor Michael Bloomberg New York City Neighborhood Development Award, as it seeks to position itself as a national model for best practices. For example, it has recently opted to incorporate solar power as a key component of its energy portfolio. This decision is designed to reduce operating costs and provide leadership in promoting renewable energy technology to New York's disenfranchised neighborhoods.⁸⁷

GMDC also has several pending projects, including developing new manufacturing space in the Bronx, developing industrial cooperatives and financial products for small manufacturers, and other work with the NYC Economic Development Corporation and other partners (Deutsche Bank and the New York Foundation).

GMDC also works to help guide the planning process in North Brooklyn as the safe havens provided by their buildings have recently become even more critical to preserving New York's creative manufacturers. The area's waterfront zoning recently changed from industrial to mixed-use, including residential. This new zoning has caused a rush to convert industrial buildings into high-cost residential projects. Furniture-makers, set-designers, and metal spinners, among others, are not only unable to afford space, but also can no longer find long-term leases for industrial space.

GMDC is one of the only places left in the newly-zoned area where these creative businesses can be guaranteed long-term and affordable leases. Stable lease agreements are vitally important to creative manufacturers as it is extremely expensive, and therefore undesirable, to continually move often massive equipment to different locations. As these creative manufacturers are forced out of Brooklyn, and often out of New York completely, the city loses access to their products and their economic impact.

⁸⁵ Greenpoint Manufacturing and Design Center website: www.gmdconline.org.

⁸⁶ Interview with Brian Coleman, CEO of Greenpoint Manufacturing and Design Center. August 10, 2005.

⁸⁷ Powerlight Corporation. 2004. *Case Study Greenpoint Manufacturing & Design Center*. [Available at: www.powertracker.com/case-studies/manufacturing/greenpoint_ny.shtml]

SPECIALIZED BUSINESS SUPPORT FOR CREATIVE ENTREPRENEURS

3. NY Designs

Cities in Europe have long supported emerging designers. For example, the Fomento de las Artes Decorativas (F.A.D.) in Barcelona , the Valorisation de l'Innovation dans l'Ameublement in France, and the British Design Council in the UK have all developed tools targeted specifically to supporting design workers. However, across the Atlantic in New York City, designers were left on their own to succeed until only very recently when NY Designs launched its activities in 2004.

Supported by \$5 million in state funding and \$1.2 from the federal government, as well as an additional \$150,000 for environmentally conscious initiatives and other government grants, NY Designs offers an array of services and facilities to designers at very affordable fees. These supports are vital in a city where rents and other business services are costly, and young design entrepreneurs have been struggling to cover their expenses for production, materials, and technology.⁸⁸

NY Designs is a business centre that is dedicated to promoting the growth of emerging NY design firms in the areas of product design, industrial, fashion, graphic, and interior design, as well as architecture, lighting and set design, jewellery, and crafts (artisans). NY Designs emerged from a partnership between the CUNY Economic Development Corporation and LaGuardia Community College. CUNY provides design companies with resources designed to increase their competitiveness.

Offering business and design skills courses (including sustainable environmental design) as well as business counselling, NY Designs courses are taught by design experts in areas such as business planning and guerrilla marketing. Access to workshop and prototype equipment rentals are fundamental resources offered by NY Designs, as most emerging design entrepreneurs cannot easily finance this type of necessary space and equipment on their own.

In early 2006, NY Designs opened its new 35,000 sq. ft. business centre. The incubator includes 25,000 sq. ft. of tenant space, conference rooms, a materials library, a gallery, a photo shooting studio, and a 10,000 sq. ft. workshop with equipment for producing new product prototypes and models. The centre will house 20 design firms at reduced rents and serve as the space to deliver many of NY Designs' programs, such as courses, access to prototyping equipment, and business counselling.

Tenants are chosen based on their likelihood to contribute to the NY Designs community by improving the diversity of products, processes, and people, and by inspiring and interacting with other participants and the larger design community. Prospective tenants must also strive to meet the goals of the program which include increasing employment, increasing revenues, and increasing private investment. They must also show that they have the demonstrated financial resources to sustain the business during the start-up phase.⁸⁹

⁸⁸ Chen, A. June 1, 2004. "Freshly Hatched: A new incubator, New York Designs, aims to support talent on the rise." *Interior Design Magazine*. [Available at www.interiordesign.net/id_article/CA429197/id?stt=001]

⁸⁹ NY Designs website: www.nydesigns.org.

4. Garment Industry Development Corporation (GIDC)

Celebrating its 20th anniversary in 2005, the GIDC is a nonprofit multi-tiered service organization providing services to New York fashion apparel and manufacturing workers. The organization was founded in 1984 by several fashion stakeholders including the Garment Worker's Union. The GIDC is located within the Special Garment Center District and recently entered into a partnership the City's Department of Building to ensure that special provisions for the areas are enforced and protected.⁹⁰ The Special Garment Center District was created in 1987 to protect manufacturing areas from real estate pressures to convert these lands into office space.⁹¹

GIDC is continuously working to protect the garment industry located in New York. One key way it does so is through its 'Made in New York' (MINY) program. MINY is a strategy to market locally-made apparel to New York's local consumers and retailers. It also markets MINY apparel internationally through campaigning at international fashion and trade shows.

Other services provided by GIDC include a special sourcing department, which connects buyers with producers. By providing counselling services to emerging and established businesses, GIDC helps them to navigate the production process. The sourcing department also identifies qualified factories, provides technical assistance, and matches contractors with appropriate sourcing opportunities.

GIDC provides job referral and placement programs for skilled workers. Some examples include:

- Employer Specific Training: This onsite program provides individualized training to manufacturers and contractors to upgrade and diversify their sewing skills.
- Super Sewers: This 13-week program assists displaced garment workers improve their English-language ability and upgrade their sewing machine skills; it focuses primarily on whole garment construction.
- Apparel Skills Training: Evening courses are available for workers to develop skills in areas such as pattern making, marker making, sample cutting, manual pattern grading, computerized pattern making, and computerized marking and grading.
- Seminars and Workshops: These seminars and workshops are targeted to workshop managers, supervisors, and shop owners. They cover the following areas: machine maintenance and repair, occupational health and safety, garment costing/cost control, and computer skills.⁹²

⁹⁰ Garment Industry Development Corporation. 2005. *Newsletter*. [Available at: www.gidc.org/newsletters/GIDC_Summer05.pdf]

⁹¹ New York Industrial Retention Network. 2001. *The Garment Center: Still in Fashion. A Land Use Analysis of the Special Garment Center District*. [Available at: www.nyirn.org/GarmentCenterShortReportForWebsite1.pdf]

⁹² Garment Industry Development Corporation website: www.gidc.org.

CREATIVITY-BASED COMMUNITY ECONOMIC DEVELOPMENT

5. The Point Community Development Corporation

The Point Community Development Corporation was founded in 1994 by four visionaries - Maria Torres, Paul Lipson, Steven Sapp, and Mildred Ruiz - all with strong backgrounds in community development in the Hunts Point area of the Bronx. In a neighbourhood known for its poverty, high crime rate, low quality schools, and inadequate housing, these four community leaders joined forces to provide creative solutions that address the arts, build local entrepreneurialism, encourage local investment, and prioritize responsible ecology through the Point Community Development Corporation.

The Point was originally set up with private foundation money and efforts to attract more resources are currently underway with a new marketing and branding initiative. The organization also receives federal and state funding for capital projects, corporate and individual donations, and additional sponsorship from various organizations such as The Children's Charity of New York and the Association of Hispanic Arts. The Point is in the process of purchasing their building from the Blauner family which currently owns the property. These benevolent developers, who have a great love for the arts, also own the 'Banknote' building around the corner from the Point. The Banknote building, a former manufacturing site, now provides affordable space for arts organizations and creative entrepreneurs.⁹³

The Point views the talent and aspirations of its local residents as the area's greatest assets and offers programs to develop that talent in music, dance, photography, theatre, fashion, circus arts, and other disciplines to over 300 youths and other community members. Enterprise and community development activities are connected to the artistic programs at the same time as small businesses and non-profit organizations are incubated.

The Point is also deeply involved in other activities occurring in Hunts Point. It works on projects dealing with transportation, pollution, open space, and environmental and social stewardship. This organization also educates and engages the local community in the city planning process by actively participating in any local urban planning developments.

The many successful programs provided by the Point include:

- Middle Grades Program: This new program expands on the Early Grades after-school program and represents a significant step for the organization as it brings the Point closer to its goal of providing continuous support for young people in the community as they progress to becoming productive young adults.
- A.C.T.I.O.N. (Activists Coming to Inform Our Neighborhood): This teen community leadership workshop provides 10 teenagers a stipend to craft and implement a variety of initiatives geared at enacting social change in the Hunts Point area.
- ACTION Lab: The Point joined the Bronx Museum of the Arts in 2006 in this collaborative arts project, which presents professional development and residency opportunities to Bronx-based teaching artists.⁹⁴

One of the most successfully incubated businesses to come out of the Point is Tats Cru. Once in constant trouble with the police due to their illegal graffiti murals, this group of youths was helped by the Point to become creative entrepreneurs who now run a legitimate and successful business in graffiti art. The group spearheaded the battle to change people's perception of graffiti art in the Bronx. Proof of their success and the acceptance of graffiti as an art form is seen in their work for the Smithsonian Institute's Annual Folklife Festival, murals commissioned by several NYC public schools and hospitals, and their involvement in lecturing at Hunter College, MIT, the University of Massachusetts, and many community-based organizations.⁹⁵

⁹³ Interview with Kelly Terry-Sepulveda, Executive Director of the Point Community Development Corporation. August, 10, 2005.

⁹⁴ For further information on the Point Community Development Corporation, please see: www.thepoint.org.

⁹⁵ Tats Cru website: www.tatscru.com.

CULTURAL DISTRICTS AND URBAN REGENERATION

6. BAM Local Development Corporation

Downtown Brooklyn has a rich history as a theatre and performance district due in part to the presence of the Brooklyn Academy of Music. The former executive director, Harvey Lichtenstein, who transformed the academy into an internationally-recognized progressive cultural centre, took on a new project once he 'retired'. The result is the BAM Local Development Corporation (LDC), an independent nonprofit organization created to develop the BAM Cultural District — a mixed-use multicultural arts district in the Fort Greene neighbourhood of Downtown Brooklyn. The initiative began with access to City-owned property; four large, underutilized sites that were once vacant parking lots will be converted into affordable, appropriate space for nonprofit visual, performing, media, and other arts groups to create and present their work. In total, the project will cost \$650 million. Mixed-income housing, educational institutions, retail amenities, innovative architecture, and public open space will combine to form the Cultural District in this bustling Brooklyn neighbourhood.⁹⁶

Affordable Space: The Cultural District will offer affordable, desirable space that arts groups will either own or lease on a long-term basis. Cultural uses may include museums, galleries, theaters, media centers, music venues, and artist and dance studios.

Arts-related Education: Arts-related education facilities will be established in the district, such as the Brooklyn Public Library's planned 110,000 sq. ft. Visual and Performing Arts library. In addition, community outreach will occur through public performance, lectures, classes or more traditional in-school arts education programs.

Public Space: Public open space and streetscapes will link the Cultural District buildings and provide passageways from the heart of the District to surrounding neighborhoods. These public spaces will be important 'mixing places' and destinations for community residents, artists, and visitors, serving as occasional stages and showcasing venues for local works.

Mixed Housing: To animate the Cultural District around the clock, while addressing the surrounding community's need for affordable housing, approximately 500 mixed-income residential units will be developed, for purchase or lease, half of which will be subsidized. There will be a neighborhood preference requirement that 50% of the subsidized units will be earmarked for local residents and artists.

Innovative Architecture: The designers of the first buildings in the Cultural District are Enrique Norten (Brooklyn Public Library Visual and Performing Arts Library) and Frank Gehry/Hugh Hardy (Theatre for a New Audience).

Projects in the proposed Cultural District are now taking shape. The BAM LCD's first renovation project, 80 Arts — The James E. Davis Arts Building, was completed in 2005 and is fully occupied. Located at the corner of Hanson Place and South Portland Avenue, this formerly vacant, 30,000 sq. ft. building provides affordable office space with shared amenities for 13 nonprofit arts and arts services groups.

The Cultural District meshes well with the City's plan for continued revitalization of downtown Brooklyn by creating a vibrant '24/7' environment that builds upon an established and growing arts community, as well as a strong business, residential, academic, and transportation infrastructure. Other projects include the Brooklyn Bridge Park and the expansion of the area's central business district through the Downtown Brooklyn Plan. Downtown Brooklyn is the City's third-largest central business district after Midtown and Downtown Manhattan.⁹⁷

⁹⁶ Interview with Jean Lutfy, President of BAM Local Development Corporation. August 19, 2005.

⁹⁷ BAM Cultural District website: www.bamculturaldistrict.org/index.html.

5. Strengths/Challenges, Lessons Learned

Strengths

- Long-standing status as a global centre for creative activity
- Strong international brand recognized world-wide
- Strong global leader in the visual arts and theatre markets
- Massive wealth creation due to prominent finance, insurance, and real estate (FIRE) sectors
- Long tradition of philanthropy for the arts; however, mainly focused on large cultural institutions (MoMA, MET, Guggenheim).
- Grassroots talent base in the outer neighbourhoods and boroughs has made important, long-standing contributions to many different forms of music - jazz, soul, blues, hip-hop, Latin (Harlem, Bronx, Brooklyn) - tapping into the creative heritage of these areas has leveraged local economic development opportunities (e.g. The Point - described in section 4).
- Recent addition to NYC Economic Development Corporation - office to help non-profit arts organizations locate and remain in New York; the new office will be similar to those that already exist to support the financial, media, real estate, biotechnology, and retail industries.⁹⁸

Challenges

- Lacking any real strategic approach to supporting creative industries - only starting to look at this now (first steps seen in the creation of the office in the NYCEDC, but still a long way to go).
- Sky-rocketing real estate prices and rents in Manhattan have pushed creatives out of the centre to other boroughs, and also out of the city altogether to markets like Berlin⁹⁹ - no affordable or appropriate work and living space left.
- Gentrification is also beginning in other boroughs (e.g. Brooklyn) with zoning changes along the waterfront from industrial/commercial to residential - creative manufacturers specializing in high end jewellery, set design, cabinetry, metal spinning, etc. can no longer find space or long-term leases - they are pushed out of the market as they no longer have efficient access to their clients in Manhattan.¹⁰⁰
- No longer an incubator for artistic ventures, but simply a market. Pressures to produce and sell, particularly in the art and theatre markets no longer allow for experimental and innovative works - too risky - “nothing experimental has come out of New York theatre in years.”¹⁰¹
- All points above create barriers to entry for young new talent in creative industries - they are no longer moving to New York City.
- Health care and health insurance costs are out of reach for most creative practitioners.¹⁰²
- Film industry continually lured away to places like Toronto and New Zealand due to lower production costs.
- The design industry, like other creative sectors, is being held back by a lack of affordable real estate that can serve designers' multiple needs – (e.g. space for prototyping, studios, computer facilities, proximity to other designers, galleries, office and meeting space, etc.).

⁹⁸ Chan, S. April 5, 2006. “New York City is Establishing an Office to Support Arts Groups.” *New York Times*.

⁹⁹ Presentation by artist and art dealer, Thomas Eller, to Strategies for Creative Cities project team. June 2005.

¹⁰⁰ Interview with Brian Coleman, CEO of Greenpoint Manufacturing and Design Centre. August 18, 2005.

¹⁰¹ Interview with Ginny Louloudes, Executive Director of Alliance of Resident Theaters New York (A.R.T./NY). August 19, 2005. Also mentioned during presentation by Thomas Eller referenced above, and cited in *Creative New York*.

¹⁰² Keegan, R., Kleiman, N., Siegel, B., and M. Kane. 2005. *Creative New York*. Center for an Urban Future. [Available at: www.nycfuture.org/images_pdfs/pdfs/CREATIVE_NEW_YORK.pdf]

Lessons Learned

- New York City has traditionally been characterized by large volumes of creative activity, but its industries and projects work in isolation, each scrambling for survival in a city that has become too expensive and offers too little support to its artists and creative types.
- The lack of affordable and appropriate work space is leaving a vacuum of creative activity in this traditional epicentre of the arts. This situation is in striking contrast to the experience in Berlin where artists are drawn by the abundance of cheap, available space, a rich cultural legacy, and a longstanding tradition of welcoming nonconformists.
- Market pressures in New York have also encouraged younger, struggling creatives to leave New York and move to other cities (like Berlin) where they can easily bounce back from unsuccessful endeavours and where experimental works are embraced.
- Creative community programming linked to local economic development has proven successful in marginalized areas of New York City like the South Bronx. The Point Community Development Corporation illustrates an effective example of using the creative heritage of the Bronx, a neighbourhood known for poverty, crime, poor schools, and inadequate housing, to catalyze community development by encouraging youth into artistic activities and entrepreneurialism. (Please see section 4 for full details)

Appendix A: Cultural Institutions Group

The City's 34 Cultural Institutions (CIGs):

American Museum of the Moving Image - www.ammi.org
American Museum of Natural History - www.amnh.org
Brooklyn Academy of Music - www.bam.org
Brooklyn Botanic Garden - www.bbg.org
Brooklyn Children's Museum - www.brooklynkids.org
Brooklyn Museum - www.brooklynmuseum.org
Bronx County Historical Society - www.bronxhistoricalsociety.org
Bronx Museum of Art - www.bxma.org
Carnegie Hall - www.carnegiehall.org
City Center Theater - www.citycenter.org
El Museo del Barrio - www.elmuseo.org
Flushing Town Hall - www.flushingtownhall.org
Jamaica Center for Arts and Learning - www.jcal.org
Lincoln Center - www.lincolncenter.org
Metropolitan Museum of Art - www.metmuseum.org
Museum of the City of New York - www.mcny.org
Museum of the Jewish Heritage - www.mjhnyc.org
New York Botanical Garden - www.nybg.org
New York Hall of Science - www.nyhallsci.org
New York Shakespeare Festival - www.publictheater.org
New York State Theater
New York City Ballet - www.nycballet.com
New York City Opera - www.nycopera.com
P.S. 1/Contemporary Art Center - www.ps1.org
Queens Botanical Garden - www.queensbotanical.org
Queens Museum of Art - www.queensmuseum.org
Queens Theatre in the Park - www.queenstheatre.org
Snug Harbor - www.snug-harbor.org
Staten Island Botanical Garden - www.sibg.org
Staten Island Children's Museum - www.community.silive/cc/kidsmuseum
Staten Island Historical Society - www.historicrichmontown.org
Staten Island Institute of Arts and Sciences - www.siiasmuseum.org
Staten Island Zoological Society - www.statenislandzoo.org
Studio Museum of Harlem - www.studiomuseum.org
Wave Hill - www.wavehill.org
Wildlife Conservation Society - www.wcs.org¹⁰³

¹⁰³ New York City Department of Cultural Affairs website: www.nyc.gov/html/dcla/html/funding/cultural_inst_links.shtml.

Appendix B: Creative Occupation Definitions

US Census 2000 Standard Occupational Classification (SOC) System Definitions¹⁰⁴:

Actors SOC 27- 2011

Includes individuals who play parts in stage, television, radio, video, or motion picture productions for entertainment, information, or instruction. Interpret serious or comic role by speech, gesture, and body movement to entertain or inform audience. May dance and sing.

Announcers (280) SOC 27- 3010

Includes Radio and Television Announcers, Public Address System and Other Announcers such as master of ceremonies or disc jockey at weddings, parties, clubs, etc.

Architects (Except Naval) SOC 17-1010

Includes Architects, Landscape Architects, Surveyors, Cartographers, and related Engineering

Artists and Related Workers SOC 27-1010

Includes Art Directors, Craft Artists, Fine Artists including Painters, Sculptors, and Illustrators, Multi-Media Artists and Animators, other arts related workers

Dancers and Choreographers SOC 27- 2030

Includes individuals who perform dances. May also sing or act. Also includes those who create and teach dance and who may direct and stage presentations.

Designers SOC 27-1020

Includes Commercial and Industrial, Fashion, Floral, Graphic, and Interior Designers, as well as Merchandise Displayers and Window Trimmers, Set and Exhibit Designers

Editors SOC 27- 3041

Includes individuals who perform duties, such as laying out, indexing, and revising content of written materials, in preparation for final publication. Include technical editors.

Musicians, Singers, and Related Workers SOC 27- 2040

Includes individuals who play one or more musical instruments or entertain by singing songs in recital, in accompaniment, or as a member of an orchestra, band, or other musical group. Musical performers may entertain on-stage, radio, TV, film, video, or record in studios. Also includes Music Directors and Composers. Excludes Dancers.

Photographers SOC 27- 4021

Includes individuals who photograph persons, subjects, merchandise, or other commercial products. May develop negatives and produce finished prints. Includes scientific photographers, aerial photographers, and photojournalists.

Producers and Directors SOC 27- 2012

Includes individuals who produce or direct stage, television, radio, video, or motion picture productions for entertainment, information, or instruction. Responsible for creative decisions, interpretation of script, choice of guests, set design, sound, special effects, and choreography.

Technical Writers SOC 27- 3042

Technical Writers. Write technical materials, such as equipment manuals, appendices, or operating and maintenance instructions. May assist in layout work. Includes some Media and Communication Workers.

Writers and Authors SOC 27- 3043

Includes individuals who originate and prepare written material, scripts, stories, advertisements, and other material. Excludes Public Relations Specialists and Technical Writers

¹⁰⁴ US Department of Labor, Bureau of Labor Statistics. 2000. *Standard Occupational Classification: Arts, Entertainment, Sports, and Media Occupations*. [Available at: www.bls.gov/soc/soc_i0a0.htm]