

COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES
URBAN AFFAIRS COMMITTEE

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HARRISBURG, PENNSYLVANIA

THURSDAY, MAY 15, 2008
10:00 A.M.

BEFORE:

HONORABLE THOMAS C. PETRONE, MAJORITY CHAIRMAN
HONORABLE JOHN TAYLOR, MINORITY CHAIRMAN
HONORABLE PAUL COSTA
HONORABLE EUGENE DEPASQUALE
HONORABLE KATHY MANDERINO
HONORABLE KAREN BEYER
HONORABLE JIM COX
HONORABLE SUSAN HELM
HONORABLE TOM CALTAGIRONE
HONORABLE MARK COHEN

1 ALSO PRESENT:

2 JON R. CASTELLI, EXECUTIVE DIRECTOR (D)
3 CHRISTINE GOLDBECK, EXECUTIVE DIRECTOR (R)
4 HEATHER SAXELBY, RESEARCH ANALYST (D)
5 MARY GINGRICH, COMMITTEE SECRETARY

6 TRACY L. MARKLE,
7 COURT REPORTER/NOTARY PUBLIC

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2 CHAIRMAN PETRONE: Good morning, and thank
3 you for your patience. Welcome to today's House of
4 Representatives Urban Affairs Committee Public Hearing.
5 I'm Representative Thomas Petrone from Pittsburgh and
6 Allegheny County.

7 Today's Public Hearing is regarding economic
8 benefits of the arts on the economy. We're joined by
9 groups engaging in the arts from across the
10 Commonwealth. All of our testifiers will share with us
11 the many ways that arts help those in the local area.
12 In addition to being enjoyable, arts can bolster the
13 economy and help improve the condition of neighborhoods
14 and entire cities and towns.

15 In 2005, I introduced House Bill 2119, which
16 provided for a cultural development district program. I
17 should tell you that that concept was devised by our
18 Research Analyst Heather Saxelby, and she worked on it
19 very diligently and that's where we got the plans and
20 idea. So in all fairness, Heather should get the
21 credit.

22 Cultural development districts would be
23 areas surrounding a cultural attraction no more than
24 one-half of a square mile established by a municipality
25 in which the residence and business would be exempt from

1 State taxes for a period of five years. After five
2 years, State taxes would be reinstated by an increased
3 percentage each year. This concept is intended to
4 support the areas surrounding museums, studios,
5 stadiums, and other cultural attractions so that
6 business would be encouraged and fewer homes would be
7 blighted. Often the State invests money in these
8 cultural attractions yet the surrounding area does not
9 benefit. Cultural development districts would change
10 that fact.

11 While I did not reintroduce House Bill 2119
12 when the current session began, I'm considering the
13 possibility of adding a cultural component to the Main
14 Street Program operated by the Department of Community
15 and Economic Development. This would allow a
16 municipality to have a cultural theme when applying for
17 a program. I believe that the economic impact of the
18 arts should be further explored, which is the reason for
19 this hearing. I look forward to learning about the many
20 projects being undertaken by the arts groups across the
21 Commonwealth.

22 For the benefit of the court reporter, would
23 the testifiers please identify themselves before
24 presenting.

25 And, at this time, I would like to introduce

1 our Committee staff members first, from my right to the
2 left (indicating) and behind and the district and the
3 town you're from, please.

4 REPRESENTATIVE HELM: Representative Sue
5 Helm, 104th District of Dauphin County.

6 REPRESENTATIVE COX: Jim Cox, 129th
7 District, Western Berks County.

8 REPRESENTATIVE TAYLOR: Representative John
9 Taylor from the 177th District, Philadelphia County.

10 REPRESENTATIVE CALTAGIRONE: Tom
11 Caltagirone, 127th District, City of Reading, Berks
12 County.

13 REPRESENTATIVE COSTA: Good morning. Paul
14 Costa, 34th Legislative District, districts and suburbs
15 of Allegheny County.

16 REPRESENTATIVE BEYER: Good morning. Karen
17 Beyer, Lehigh and Northampton Counties.

18 REPRESENTATIVE MANDERINO: Good morning.
19 Kathy Manderino; I represent parts of Philadelphia and
20 Montgomery Counties.

21 CHAIRMAN PETRONE: Thank you. And our
22 staff, starting with Christine.

23 MS. GOLDBECK: Good morning. Christine
24 Goldbeck, Executive Director, Republican Caucus.

25 MR. CASTELLI: John Castelli, Executive

1 Director for the Democratic Caucus.

2 MS. SAXELBY: Heather Saxelby, Research
3 Analyst for the Democratic Caucus.

4 MS. GINGRICH: Mary Gingrich, Legislative
5 Assistant to the Committee.

6 CHAIRMAN PETRONE: Thank you. Welcome. And
7 our first testifier at this very important hearing is
8 Mr. Philip Horn, the Executive Director of the
9 Pennsylvania Council for the Arts.

10 Welcome, Mr. Horn. We appreciate your
11 attendance at this very important meeting.

12 MR. HORN: Thank you. Thank you very much.
13 I can't remember the last time somebody listened to me
14 for 20 minutes. With two adolescent boys at home, it
15 certainly doesn't happen when I'm at home.

16 So thank you, Chairman Petrone and members
17 of the House Urban Affairs Committee on behalf of the
18 Pennsylvania Council on the Arts. Thank you for this
19 opportunity for Pennsylvania's arts community to present
20 testimony regarding the impact of the arts on the cities
21 of Pennsylvania.

22 I'd like to read a portion of my written
23 remarks. My name is Philip Horn; I'm the Director of
24 the Council on the Arts. The Council supports over 1200
25 artists, arts organizations, arts programs, and projects

1 providing services to Pennsylvanians throughout the
2 State. This includes world-class organizations that
3 draw millions of visits and small inner-city or rural or
4 suburban, community-based, all-volunteer organizations,
5 as well as projects by individual artists and everything
6 in between; and much of this activity is in our urban
7 centers.

8 As our cities have been hollowed out by the
9 out-migration of residents and retail to the suburbs,
10 arts organizations are often the only magnet to continue
11 to attract people to the inner city. After the
12 for-profit entertainment industry has long abandoned the
13 inner city, our nonprofit arts organizations have
14 stepped in or stepped up to keep these architectural
15 jewels preserved and lively and to put feet on the
16 street in our cities and towns after 5 p.m.

17 Nowhere is this model for revitalization
18 more obvious than Pittsburgh, where the Pittsburgh
19 Cultural Trust has led the way in Pittsburgh and as a
20 model for the nation in revitalizing the downtown by
21 investment in the rehabilitation of the Benedum Center
22 and the Byham Theatre. The Trust has also created many
23 new contemporary jewels to present the arts in
24 Pittsburgh's now robust downtown arts and entertainment
25 district.

1 This example has been followed throughout
2 the State, in Wilkes-Barre and Williamsport, in Erie and
3 Greensburg, York, Lansdale, Lancaster, Reading, Altoona
4 and on and on. These arts organizations are the loss
5 leader for downtown revitalization. Their programs draw
6 people downtown and the ancillary spending by audiences
7 is estimated at about \$30 per person per event. This is
8 over and above the cost of admission. The price of the
9 ticket usually covers only about half of the actual cost
10 of the event. It's no wonder that for-profit businesses
11 have abandoned these efforts.

12 The cost disease of the performing arts has
13 been identified as early as the mid-1960's in a landmark
14 study by William J. Baumol and William G. Bowen. It
15 delineates that the nature of the performing arts with
16 their high fixed costs is such that it is impossible for
17 performing arts organizations to present their work
18 without substantial sources of contributed income.

19 Years ago, a friend of mine who worked at
20 the San Francisco Symphony shared with me that the best
21 year that he had in terms of finances was the year the
22 orchestra was out on strike. Our downtowns benefit
23 greatly from a robust schedule of events, but each event
24 creates more costs that must be filled from sources
25 other than earned income.

1 These organizations also engage in
2 education, enrichment and outreach activities that
3 enhance the education and quality of life of our fellow
4 citizens of all ages, while employing local artists and
5 others in providing these services. It is the nonprofit
6 organizations that have maintained a presence in our
7 cities and kept people coming downtown. No one on this
8 Committee needs to be reminded that empty buildings and
9 vacant streets are not neutral. Feet on the street,
10 positively focused activity day and night, keeps our
11 cities both vibrant and safe. The architectural
12 treasures, both new and old, that house our institutions
13 are often attractions themselves, with their unique
14 challenges for adaptation and maintenance.

15 For years, we have heard the statistic that
16 the arts organizations outdraw live attendance at
17 professional sporting events. Critics attack this
18 measure of popularity, noting that millions of people
19 watch sports on television. But is there a mayor
20 anywhere who would prefer having fellow citizens
21 watching a game on TV at home over having them join with
22 their neighbors at a live event downtown? Furthermore,
23 the revenues generated by these two activities could not
24 be more distinct. Local arts organizations spend
25 locally. They largely employ local people, be they

1 artists or others who work in the cultural sector.
2 These employees spend locally, recycling these revenues
3 throughout the local economy. And you'll hear more
4 specifics from our colleagues later in the day. They
5 have a powerful story to tell about the benefits to be
6 gained from State Government's support for the arts with
7 respect to the vitality of your cities.

8 The nonprofit arts industry is a growth
9 industry, as the handout we have provided from the
10 recent Arts & Economic Prosperity study indicates.
11 Wouldn't we like to see these kinds of numbers from the
12 auto industry or manufacturing?

13 A number of communities throughout the
14 nation, and especially in the northeast and the rust
15 belt, have come to see artists and arts organizations as
16 part of the solution to revitalizing our downtowns. In
17 his recent monograph for the Reinvestment Fund,
18 Creativity and Neighborhood Development: Strategies for
19 Community Investment, analyst Jeremy Nowak observed,
20 "Artists are expert at uncovering, expressing and
21 repurposing the assets of place, from buildings and
22 public spaces to community stories. They are natural
23 placemakers who assume, in the course of making a
24 living, a range of civic and entrepreneurial roles that
25 require both collaboration and self-reliance."

1 Pennsylvania is well positioned to take
2 advantage of the arts. As we know from our friends in
3 tourism, Pennsylvania sits within easy reach of half of
4 the nation's population. Within that population is the
5 highest concentration of artists as well. This presents
6 an opportunity to draw artists to our downtowns and to
7 use them to help revitalize our communities and act as a
8 magnet for retail and other activities in our downtowns.

9 The new economy, the creative economy,
10 presents an opportunity to use the rich and beautiful
11 physical infrastructure, now in disuse and a drain on
12 our communities, to reinvigorate hollowed out cities.

13 On my first visit to Scranton about 15 years
14 ago, two things struck me. First, the beauty of the
15 downtown, the city square, the architecture of its many
16 empty or underused buildings; and second, having been
17 born in Manhattan and worked there early in my career, I
18 was keenly aware of the proximity of Scranton to New
19 York City, home to many of the nation's artists. What a
20 great opportunity, if we can only show artists the
21 quality of life they can get for their dollar in
22 Pennsylvania.

23 I'm happy to say that Scranton and
24 Lackawanna County are actively pursuing this
25 opportunity, only waiting for completion of work by the

1 Corps of Engineers before they begin development of a
2 mixed-use facility that will provide both housing and
3 studio space for artists, as well as professional
4 offices, expansion space for the college, restaurants
5 and retail. These facilities will remain on the tax
6 rolls.

7 We are proud that the PCA has had a role in
8 advising and assisting in this worthy initiative. We
9 have taken this example and used it and others as the
10 launching pad for our agency's efforts to help inform
11 and assist cities throughout the State with their
12 efforts to incorporate arts and culture into their
13 ongoing work to revitalize their communities.

14 One of the things that is true about the
15 arts in Pennsylvania, that retards the advantage we can
16 take of the arts, is the absence of the development of
17 local arts agencies. Where they exist, they've been
18 established as private, nonprofit organizations with no
19 mandate from any political entity and little, if no
20 financial support from local government. There are
21 exceptions, of course, but the local arts agency
22 movement which took place in other states across the
23 nation, never really happened in Pennsylvania. As a
24 consequence, except for self-appointed nonprofits, local
25 government planning for arts and culture and engagement

1 by local governments in using the arts to advance their
2 agenda, simply has not happened across the State.

3 The PCA's new Cities and Communities
4 Initiative provides information and limited financial
5 support for technical assistance to help cities envision
6 ways in which the arts can contribute to their efforts.
7 Lackawanna County has distinguished itself by creating
8 the first government-sanctioned cultural plan in
9 Pennsylvania just a couple of years ago. The County
10 also created a \$1.2 million fund for the arts and
11 established a position in county government to oversee
12 these efforts.

13 The PCA has advised and assisted the County
14 in its efforts, and we continue to work with them to
15 provide information and opportunities to enhance their
16 work. As part of their survey of attitudes about the
17 arts that was a key part of the cultural plan for
18 Lackawanna County, citizens were asked to rate the arts
19 as part of the agenda for county government. They
20 placed it an 8 on a scale of 10, 10 being the highest.

21 At a recent seminar on special tax districts
22 for arts, culture and regional assets, we learned that
23 citizens are willing to pay more to have these assets if
24 they are assured that the additional revenue will be
25 used for that purpose. Each time one of these regional

1 taxing authorities has been up for reauthorization, the
2 voters have approved it. When asked, "Pay more, What
3 for?" If the question is regional cultural assets, the
4 answer is generally, yes. When asked why provide
5 special accommodations for artists through special tax
6 districts, the answer is almost self-evident. Artists
7 make new things and they invent new uses for old things.
8 They make things that are unique, they make things that
9 are made in Pennsylvania and can't be imported. They
10 work beyond the usual work hours. They keep their
11 building occupied and active long after others have left
12 for the day. What they want is affordable space and the
13 company of other artists. By making a concerted effort
14 to provide this, other benefits will follow.

15 Maryland was the first state to adopt a
16 special tax district for arts and entertainment as a
17 statewide policy in 2001. Special tax incentives are
18 provided to attract artists to these districts. One is
19 the elimination of sales tax on the sale of artwork in
20 these districts. In the first six years, 15 localities
21 received this designation. As a result, Elkton,
22 Maryland saw a transformation from 33 vacant spaces in
23 its downtown to none. Tourism to these districts is
24 flourishing, buildings are being reused and revitalized,
25 and people are moving into the area and paying taxes.

1 Paducah, Kentucky has had 70 new resident
2 artists since 2000 with a 300 percent increase in
3 residential property values in five years. The
4 community has also benefited from its quilt museum,
5 which draws tens of thousands of visitors to their shows
6 and events.

7 Whatever is accomplished by creating new
8 opportunities in our cities, ongoing funding for these
9 activities will determine if they are successful.
10 Pennsylvania is blessed with many first-class venues and
11 venerable organizations that serve the people of the
12 State. Perhaps no other state has the richness,
13 diversity, and proximity to cultural resources we enjoy
14 in Pennsylvania.

15 And there are new organizations coming on
16 line every year. Each of these organizations and venues
17 need support. They earn only about half of what it
18 takes to support their efforts. Thanks to the support
19 of the Governor and the General Assembly, these
20 organizations have been able to rely on steady, albeit
21 diminishing, support from the State through the
22 Pennsylvania Council on the Arts.

23 In closing, the PCA would like to thank you
24 again for the opportunity to present this testimony. We
25 hope the information provided will provide the Committee

1 with an overview of the many ways in which the arts
2 contribute to the economy of the Commonwealth, and we
3 respectfully suggest that you hold hearings like this
4 around the State.

5 Thank you very much.

6 CHAIRMAN PETRONE: Thank you, Mr. Horn. You
7 presented some great success stories. I hope we can
8 help you to continue those. I personally have seen a
9 lot of transformation in my hometown of Pittsburgh. As
10 you know, for probably more than decades, we have had
11 some of the best cultural arts of any city, not that
12 there's not a lot more around Pennsylvania and the
13 country, but Pittsburgh's been noted for that. And I
14 think we're really on the move in learning to appreciate
15 and help them survive and prosper.

16 Hopefully we can reestablish this
17 legislation and continue that quest.

18 MR. HORN: In 2000, when we hosted our
19 National Association, we had a number of people in early
20 on a Wednesday. We were downtown in the cultural
21 district, and we had to get over to Oakland to the
22 Carnegie. And a lot of my colleagues, there were about
23 20 or 30 of them from around the United States, were
24 absolutely astounded that we couldn't get out of
25 downtown on a Wednesday night it was so crowded.

1 CHAIRMAN PETRONE: A lot of good things
2 happening continually, but I think this is a very
3 wonderful concept that we're working on and I know that
4 my colleagues remain excited about it as we continue.

5 Questions, colleagues? Yes. Comment,
6 whatever.

7 REPRESENTATIVE HELM: I just have a comment.
8 I thought it was interesting how you contrasted the arts
9 to the sports activities. And I know you said that
10 people on a scale of 8 would go to the arts. I just
11 wondered, you know, arts around a football stadium, if
12 you wouldn't have all the women go to the arts
13 activities and the men going to the football stadium?

14 MR. HORN: Unfortunately, there are only
15 limited number of football games every year, so -- and
16 that, of course, is how arts organizations beat
17 professional sports, because they're open 6 and 7 days a
18 week.

19 REPRESENTATIVE HELM: Was there ever a
20 calculation made women versus men interested in the
21 arts?

22 MR. HORN: Well, I think you know the answer
23 to that, don't you?

24 REPRESENTATIVE HELM: Yeah.

25 MR. HORN: Yeah. Generally, it's women who

1 are the impetus for a visit to an arts event; but there
2 are a lot of things that people attend that we know from
3 earlier study that we consider arts that we support that
4 people don't necessarily think of as arts, like
5 community festivals, for example. And there are some
6 people, frankly, who when they see the word art, think
7 that's not for them when, in fact, they already
8 participate in things that we support. So sometimes we
9 have a little bit of a branding problem.

10 REPRESENTATIVE TAYLOR: Mr. Horn, with
11 regard to incentives, you talked a little bit about
12 sales tax, exemptions, whatever. Any other particular
13 incentives that work well in Pennsylvania or any other
14 states?

15 MR. HORN: Well, one of the other issues is
16 local codes, of course, artists trying to share and live
17 in a workspace together. That's an issue that comes up.
18 And, generally, you know, artists are not looking for
19 highly developed space. They're looking for the raw
20 bones that they want to work in. The other place, of
21 course, that they run into problems is with local codes.
22 It seems to be -- it should be getting better because of
23 the recent reforms in codes in Pennsylvania, but then
24 also the financing, getting attractive financing for
25 these spaces. And, finally, the other problem is that

1 after artists have moved in -- I mean we all saw this
2 down in Soho many years ago -- after the artists move
3 in, the property values move up and the artists can't
4 afford it any longer, which, you know, may or may not be
5 a problem, you know, maybe they migrate somewhere else.
6 But they generally have trouble, you know, getting any
7 equity in the communities that they help revive.

8 REPRESENTATIVE TAYLOR: And that problem
9 occurs with a lot of communities, senior citizens as
10 well, neighborhood exchange.

11 Thank you.

12 MS. GOLDBECK: Thank you. Mr. Horn -- well,
13 first of all, in the interest of disclosure, I am a
14 practicing artist and a gallery owner; and I have worked
15 from bare bones.

16 One of the things that's been occurring to
17 me as I read different reports about how to finance a
18 cultural district, how to attract and keep artists,
19 Heather's idea, I think, is marvelous to put it in Main
20 Street. I'm also wondering, simply because of my new
21 location, should it also be included in the Elm Street
22 program?

23 MR. HORN: I think that there's potential
24 for that. We've been working now for a number of years
25 with the downtown center and the tourism office on a

1 program called Artists and Trails, developing the means
2 by which people can find artists and artist products on
3 various highways and byways in Pennsylvania. And
4 certainly Main Street and Elm Street have both emerged
5 as possibilities for giving this effort greater
6 visibility and a real concentration of people trying to
7 work in this.

8 What we have found when we work with
9 communities and cities is that it's probably the first
10 time they've ever tried to think about doing this and
11 they don't really know where to turn for advice and
12 assistance, and we've sort of set ourselves up as at
13 least the broker of that information, if not actually
14 the source of it. So I think that getting together, I
15 think we are planning, in fact, to try to convene the
16 Main Street and Elm Street managers in Williamsport in
17 November in connection with the Governor's Arts Awards
18 up there. And Williamsport is a great example of what
19 can be done with rehabilitation of that beautiful
20 theatre there and that Main Street, so I think it's a
21 very appropriate activity under that umbrella.

22 MS. GOLDBECK: Thank you.

23 CHAIRMAN PETRONE: Representative Beyer.

24 REPRESENTATIVE BEYER: Thank you, Mr.

25 Chairman. So the tax free zones, are they sales tax

1 free for the --

2 MR. HORN: In the case of Maryland they are.
3 I think there are other models in a variety of different
4 places having to do with low-interest home loans and
5 other kinds of loans that are available. Paducah,
6 Kentucky made their success really on offering very low
7 interest, below market interest loans available to
8 artists to buy housing in that area and the specific
9 area of Paducah that was in pretty bad shape.

10 REPRESENTATIVE BEYER: What about property
11 tax? What about property taxes?

12 MR. HORN: I haven't heard anything specific
13 about property tax relief in relationship to any of
14 these districts; but, you know, we can research the data
15 and see if anything comes up.

16 REPRESENTATIVE BEYER: Well, there are KOZ
17 zones throughout our urban areas, which when -- if an
18 artist moves in would be property tax free, right? How
19 well known do you make that to the arts community? Do
20 they have the opportunity to move into urban areas now
21 with relief of property taxes if they've purchased a
22 property? Is the arts community aware of that?

23 MR. HORN: I don't think they are, and I
24 don't know necessarily what the situation would be as
25 far as having the capital to make a purchase like that;

1 but that's worth investigating.

2 REPRESENTATIVE BEYER: It is, because I
3 think the KOZ zones include residential. They include
4 -- well, they include any business that might move in
5 there. And, in fact, I think it makes it retroactive
6 for businesses that happen to be already located in the
7 KOZ, and then their property taxes become retroactive.
8 So in Pennsylvania we already incentivize, I think, in a
9 major way movement into our urban areas.

10 MR. HORN: That's a good point. Of course,
11 many of the nonprofit arts organizations wouldn't pay
12 those taxes anyway, but --

13 REPRESENTATIVE BEYER: Pardon me?

14 MR. HORN: The nonprofit arts organizations
15 wouldn't pay those taxes anyway, but individual artists
16 and private entrepreneurs, galleries and so on, they may
17 be very interested in that.

18 REPRESENTATIVE BEYER: Thank you, Mr.
19 Chairman.

20 CHAIRMAN PETRONE: John, question? Anyone
21 else, question or comment for Mr. Horn? We thank you,
22 sir, for your expert testimony in representing some
23 very, very wonderful ideas and hopefully we can call
24 upon you again as we move along with this and conduct
25 hearings in other areas of the State. I think it would

1 be beneficial.

2 MR. HORN: Absolutely.

3 CHAIRMAN PETRONE: And some day, hopefully,
4 we can institute this kind of help for our cultural
5 arts. I know growing up in Pittsburgh, I personally was
6 thrilled to see the Stanley Theatre saved and the Lowe's
7 Building saved and the Heinz Hall; because, you know, I
8 remember the years when we were in danger of those
9 places disappearing. And, you know, thank goodness we
10 had the kind of people that had the foresight to invest
11 in them and we are lucky to have them in Pittsburgh.
12 And this is really exciting, and I hope my colleagues
13 continue to request --

14 MR. HORN: Yeah. Well, we have a great
15 asset on our Council in the form of Carol Brown, who as
16 you know, is the founding president of the Pittsburgh
17 Cultural Trust.

18 THE COURT: Exactly. She does a marvelous
19 job. Absolutely.

20 MR. HORN: Thank you.

21 CHAIRMAN PETRONE: Thank you very much,
22 Mr. Horn. We'll be looking forward to seeing you again.

23 MR. HORN: Thank you.

24 CHAIRMAN PETRONE: Next we have Mr. Mitch
25 Swain, Chief Executive Officer of the Greater Pittsburgh

1 Council of the Arts.

2 Welcome, Mr. Swain. We appreciate your
3 attendance.

4 MR. SWAIN: Thank you. The Greater
5 Pittsburgh Arts Council's pleased to testify before the
6 House Urban Affairs Committee at today's public hearing,
7 the economic benefits to the arts in Pennsylvania
8 cities.

9 Chairman Petrone, thank you for the
10 invitation to share our thoughts and experiences with
11 you and the Committee.

12 Again, my name is Mitch Swain; I'm the CEO
13 of the Greater Pittsburgh Arts Council, and I stand
14 before you on behalf of our 170-member organization and
15 individual artists. I hope to paint you a picture of
16 the arts and cultural community's crucial role in the
17 economic development and sustainability in greater
18 Pittsburgh.

19 There are many ways to think about the
20 economic impacts of arts and culture. Today you'll hear
21 facts and figures, plenty of them, because we have a new
22 study to talk about. There are also indirect benefits
23 that affect people's perceptions of where they'll live
24 and where they're willing to go and there are individual
25 stories that may best illustrate our value to the

1 community.

2 My family and I are probably a great example
3 of the latter. I'm originally from Ohio. And I was, as
4 I kid, really struck by music and particularly live
5 music; and I recall watching the variety shows of the
6 60s and 70s, the Ed Sullivan Show and I wanted to be a
7 drummer. And I'm not going to take you through a boring
8 story of my playing career, but I do want you to know
9 that it led me to a career in Arts Administration and
10 I'm still able to play as well.

11 And later in my family's period, we started
12 to visit Pittsburgh. We visited that city often. And
13 we were tremendously struck by the sense of history,
14 family and culture in the area and it was really no
15 surprise to me that Pittsburgh was recently named the
16 Nation's most livable city. I think arts and culture
17 add a lot to that argument.

18 So we decided to move to Pittsburgh about
19 eight years ago, and we found that Pittsburgh is a place
20 where an artist or an Arts Administrator can have a full
21 career in the arts and cultural sector; because in
22 Pittsburgh, arts and culture are really on a par with
23 many cities of far greater size.

24 So, you know, the Arts Council that I
25 represent was created about three years ago as a result

1 of a successful merger and our membership has doubled to
2 over 170 in just the last three years, and our mission
3 is to make the arts central to the lives of individuals
4 by expanding the reach, influence and effectiveness of
5 the region's diverse cultural community. And we work
6 hard with our membership and with other organizations to
7 effect change in cultural policy and research, programs
8 that offer support and marketing and ticketing areas as
9 well.

10 The membership that we represent deliver
11 solid economic impacts to Pittsburgh and Allegheny
12 County. The recent Arts and Economic Prosperity Study
13 conducted by Americans for the Arts verify the
14 importance of our County's nonprofit arts community.

15 Our industry generates \$341 million in local
16 economic activity, \$230 million by arts and cultural
17 organizations and \$110 million in spending by our
18 audiences. This supports over 10,000 full-time
19 equivalent jobs, 204 million in household income to
20 local residents and delivers \$33.8 million in local and
21 state government tax revenue.

22 Our patrons support local businesses,
23 restaurants, parking garages, hotels, retail
24 establishments; and they spend just over \$17 per person.
25 When people from outside of the County attend events,

1 they spend double that at \$34.49 a person. And that may
2 not sound like a lot of money, but I think it also
3 exemplifies the fact that Pittsburgh has a great quality
4 of life and it's not an expensive place to live and to
5 attend. And the other thing that's important to call
6 out, is that those figures do not include the price of a
7 ticket. It includes people going to park their cars,
8 get something to eat and involve themselves in other
9 ways.

10 Robert Lynch, President and CEO of Americans
11 for the Arts said it best when he wrote that the key
12 lesson from this study is that communities that invest
13 in the arts reap the additional benefit of jobs,
14 economic growth, and the quality of life that positions
15 those communities to compete in the 21st Century
16 creative economy.

17 In my travels across the country, leaders
18 often talk to me about the challenges of funding the
19 arts in the communities amid shrinking resources. They
20 worry about jobs and economic performance of their
21 community. How well are they competing in the high
22 stakes race to attract new businesses? Is there region
23 a magnet for skilled and creative workforce?

24 The findings from this study send a clear
25 and welcome message, that funders and governments who

1 care about community and economic development can feel
2 good about investing in the arts. I believe that
3 Pittsburgh will be most successful in our efforts to
4 entice new businesses as we attract and develop a
5 creative and bright workforce.

6 The next thing I'd like to turn your
7 attention to is the array of cultural entities that
8 contribute to our economic vitality. Probably the best
9 example of economic development has already come up here
10 today, but not only in our State but nationally as a
11 model, is the Pittsburgh Cultural Trust.

12 In the 80s, much of Pittsburgh's downtown
13 had diminished as a result of changes in the area's
14 economy. The area now known as the cultural district
15 was a red light district, complete with drugs,
16 prostitution and many adult entertainment
17 establishments. Heinz Hall sat proudly in the midst of
18 all this.

19 The Cultural Trust was created in 1984 to
20 address this problem. Its formation put Pittsburgh one
21 step closer to the late Jack Heinz' vision of a true
22 cultural district. The Trust's mission is to stimulate
23 economic and cultural development of Pittsburgh through
24 the development and the promotion of the downtown arts
25 and entertainment district. The Trust's first project

1 was to restore the former RKO Stanley Theatre. And in
2 1987, it was reopened to much fanfare as the new Benedum
3 Center. The Cultural Trust's plan for development was a
4 holistic approach that included street skate programs,
5 facade restorations, cultural facilities, public open
6 spaces and art projects; and the end result encompasses
7 a complete transformation of Pittsburgh's downtown from
8 a red light district with only two cultural facilities
9 to a vibrant animated area with over 14 facilities,
10 public parks, plazas, and new proposed commercial
11 development.

12 Today, in a 14 square block area of downtown
13 Pittsburgh, you have 1700 events occurring, you have 1.1
14 million people coming into the downtown; and it's led to
15 other development in and around the downtown. People
16 such as Jim Royer, President and CEO of PNC Banks also
17 cite that the cultural district pave the way for further
18 development in downtown areas such as, you know, the
19 Point, Market Square and the stadium redevelopment on
20 the north shore.

21 The Trust is one of our great economic
22 drivers in the city. There are other stories that go
23 beyond the trust. And another is a great example where
24 artists come to an underdeveloped area and help to
25 transform it and that's the Penn Avenue Arts Initiative.

1 Their mission is to revitalize the Penn Avenue corridor
2 between Negley and Mathilda Avenues by using the arts to
3 enhance public perception of the district, instill
4 pride, foster community ties and establish an artist's
5 niche. They've been designed to act as a springboard
6 for attracting and enticing artists. They have many
7 accomplishments, including bringing over thirty artists
8 and arts organizations and businesses into Penn Avenue.
9 They've created an artist loan and grant fund with eight
10 loans totaling over \$80,000 to eleven grantees. They've
11 seen over \$6 million in private arts related
12 investments. They coordinate summer festivals like
13 "Unblurred" and keep the area alive with people. And
14 they've added a youth component that's provided over
15 \$60,000 in microgrants to employ local artists and
16 employ neighborhood children through the eyes of an art
17 experience.

18 You'll be hearing about other areas of our
19 City in other presentations where successful
20 redevelopment is occurring, such as the North Side and
21 Point Park University, just to name a few. But I think
22 the one element that's hard to quantify about all of
23 these success stories is their effect on how people feel
24 about where they live and where they're willing to go.

25 People like to be around other people when

1 they go out. If you walk into a restaurant and there's
2 no one there, you might be more inclined to not go there
3 yourself. More people around make you feel safe. And
4 with more people living and working in downtown and
5 outlying neighborhood developments such as those I've
6 mentioned, it usually ensures that other businesses will
7 follow to serve customers' needs. Arts and culture help
8 to move people not only emotionally but economically.
9 And whether you go to the arts or not, you're better off
10 as a community if you have them.

11 As a result of successes such as these, our
12 leaders are now taking a wider view of how the creative
13 sectors contribute to regional economic development
14 through cultural tourism. They realize that the arts
15 are major amenities and that they attract new residents,
16 employees and firms to the area, that they're sources of
17 specialized workforce skill development. They
18 contribute to creativity, and they're vital assets that
19 instill community pride and visibility.

20 These factors could not be more evident than
21 the recent Pittsburgh Symphony's tour as ambassadors to
22 several locations in Europe. Intersecting with the
23 tour, the Pittsburgh Regional Alliance, an affiliate of
24 the Allegheny Conference on Community Development,
25 traveled to Europe for business development meetings.

1 When asked about the tour, Mike Langley, CEO of the
2 Allegheny Conference, remarked that cultural tourism in
3 exchange is often a small spark that creates an
4 opportunity for trade and investment and that is when
5 you have people moving to a location; and that's what we
6 need to have in Pittsburgh. Mayor Luke Ravenstahl,
7 along with County Chief Executive Dan Onorato, joined up
8 with the tour at select stops to spark interest in
9 Pittsburgh as a region rich in culture, history and
10 business opportunities.

11 The opportunity to travel abroad and share
12 our arts and cultural experiences are all about building
13 relationships, much like things like golf and other
14 opportunities that are used in other professional walks
15 of life. In addition to this tour, the other arts
16 groups from Pittsburgh have engaged in similar processes
17 such as Bare Bones Productions, who in 2007 traveled to
18 Edinburgh, Scotland; Quantum Theatre, presenting the
19 play "Dog Face" as part of the 2005 festival in Madrid,
20 Spain; and they'll return to Spain later this year to
21 present the collected works of Billy the Kid.

22 These organizations need funding to
23 undertake program initiatives. An excellent example of
24 this is a program that we manage for Pennsylvania
25 Council on the Arts, which is the Pennsylvania Partners

1 in the Arts Grant Program. And for us, this represents
2 a great opportunity to help local organizations get a
3 good start in projects and then to support their
4 programs going forward. In this last year, we awarded
5 over \$283,000 in grants to 81 organizations and artists.

6 A great example of that is a local artist by
7 the name of Robert Gorczyycz who received a PA Partners
8 Grant to stage his project "And the Tree Grows Strong"
9 at our Pittsburgh High School for the Creative and
10 Performing Arts. This was a cross-generational,
11 cross-cultural project created by a tall white man in
12 his 70s; and essentially, he was presenting plays that
13 were based on and inspired by members of a support group
14 that met regularly in downtown Pittsburgh at the
15 Salvation Army for African-American grandmothers of
16 widely different ages who were raising their
17 grandchildren. The play portrayed a growing social
18 problem that affects all of us. It attracted a lot of
19 coverage in print and it also attracted a large
20 audience. More importantly, the audience was racially
21 and socioeconomic diverse, mixed in age. It was an
22 undisputed artistic success and wouldn't have happened
23 without the PA Partners support.

24 PCA funding is really very important, and it
25 contributes to the success of many probjects like

1 Mr. Gorczych's. We have a great problem in the State of
2 Pennsylvania, and that is we are seeing more and more
3 arts organizations grow up to contribute to our
4 landscape. The PCA's seen an increase of 205
5 organizations applying for support. But in the last few
6 years, PCA funding has remained level. So we are highly
7 commending PCA for its successful efforts, but the
8 diminishment support has become a problem for some of
9 these organizations. And we were really pleased to see
10 that Governor Rendell proposed an increase of \$500,000
11 to the fiscal budget for '09. Personally, we would like
12 to see that increase even further to \$2 million, if
13 possible.

14 Over the past few months, we've sent letters
15 and our members have gotten very involved to get others
16 to support this. Support like this is crucial to the
17 long-term success of our industry. We urge the members
18 of this Committee to use their influence to help the PCA
19 continue to support efforts of all organizations, new
20 and long-standing, serve the people of Pennsylvania and
21 support active and robust communities.

22 The Governor's investment in the PCA will
23 help ensure Pennsylvania's prosperous economic future.
24 In closing, I want to emphasize that we deliver cultural
25 tourism dollars, household income, jobs and tax revenues

1 to the cities, counties, and State of Pennsylvania and
2 we change the way people feel about themselves, where
3 they're willing to live and where they're willing to go
4 because we are destination-based attractions that draw
5 people.

6 Thank you for the opportunity, and I'd be
7 happy to answer any questions.

8 CHAIRMAN PETRONE: Thank you, Mr. Swain.
9 Questions, colleagues? Comments, colleagues? Anybody?

10 REPRESENTATIVE COSTA: Thank you,
11 Mr. Chairman. Mitch, when you mentioned about
12 revitalization of cities, actually one of the
13 municipalities I represent, Braddock, that it's amazing
14 the transformation that's going on. Braddock is a, for
15 those of you not from Western Pennsylvania, was a
16 thriving steel town in the 50s and 60s. Mayor John
17 Fetterman has been bringing people into the region and
18 offering space; and the transformation in Braddock is
19 just starting, but it's so exciting and now they've just
20 completed their points of interest where they're
21 painting signs on huge two-story high buildings and it's
22 great to see -- it's breathing life in the community.
23 So it's not just helping urban areas, it's also helping
24 the municipalities outside the city.

25 MR. SWAIN: I completely agree,

1 Representative Costa. Braddock and Mayor Fetterman are
2 excellent examples of this sort of thing, and I think
3 the items that you just pointed out really speak to
4 trying to make people feel differently in the Braddock
5 area and people outside of Braddock about how they feel
6 about Braddock and being willing to going to some of
7 those galleries and festivals and events that occur in
8 Braddock. And when you see high quality paintings and
9 vibrancy and life like that, I do think it has a lot to
10 do with whether you're willing to stop and park there
11 and see what's going on.

12 CHAIRMAN PETRONE: John Castelli.

13 MR. CASTELLI: One of the -- there was
14 mention of the proposed cultural development districts
15 that Representative Petrone introduced last session.
16 One of the concerns with that proposal, the way that we
17 had structured it, it would provide for an exemption of
18 all State sales tax, income, the sales for the residents
19 and businesses within the district. And the reason that
20 we didn't go with an exemption from real estate taxes
21 is, we were concerned that some of these smaller
22 communities, what little value some of these properties
23 were generating taxes, was relied upon by the school
24 districts and the municipalities so that was one of the
25 concerns with the KOZ's, that some of the local

1 governments were concerned about what they had to forgo
2 for a period of time; so we didn't want to add to that.
3 But the concern with the proposal was, is that enough of
4 an incentive to attract -- the goal was that, you know,
5 a lot of these communities, they might have an old
6 theatre or museum and oftentimes the State has
7 contributed funds to renovate them and then there's
8 nothing around it, no restaurants, nothing else happens.
9 So we saw this as a way of spurring further development,
10 whether it be restaurants or housing or artists. But
11 the question really was, do you think that's enough of
12 an incentive to attract more residents and artists who
13 would be exempt from income taxes, for example, a new
14 business that's just starting up? The period would have
15 been for five years.

16 MR. SWAIN: Well, I think it's a good start.
17 I don't think it's all that's necessary to allow this to
18 happen. I do believe that you have to invest in those
19 infrastructure items to create a district, and by that I
20 mean a theatre or galleries. Because I think you have
21 to have those things first for people to come, and once
22 those people come, then other things will follow; and
23 we've seen that in the cultural district, which, you
24 know, I hate to keep harping on, but is a great example.
25 The Penn Avenue Arts Initiative is also a great example

1 of that. You can't expect people to come and live there
2 first or businesses to open up, whether it be a retail
3 establishment like a dry cleaners or a grocery store,
4 which are essential, you know, for people to live there.
5 That's not going to happen first. We've seen those
6 examples. Just in the last couple years in downtown
7 Pittsburgh, the first grocery store just opened up about
8 two months ago. New places to live are really just
9 taking off in just the last two, three years with some
10 new residential development. That has followed a
11 prolonged period of growth of infrastructure, where
12 first there were theaters, then there were more
13 theaters, then there were galleries and other
14 performance places. More people came, and so it made
15 sense for businesses to come and relocate. So forgoing
16 those kinds of taxes is a great help, but all of these
17 kinds of programs need underwriting support in some way,
18 shape, or form. The typical arts organization is doing
19 well if it can bring in, you know, 50 percent earned
20 income of its total budget; so a lot of pieces need to
21 be in place, which is why I was emphasizing earlier the
22 PCA's budget request of \$2 million because that's a
23 really great way to help particularly in some of these
24 new cultural districts that are talked about in the
25 Bill.

1 Other kinds of funding streams that are
2 really important are like the one we have in Allegheny
3 County, which is the Regional Asset District, which
4 provides really valuable support. And, you know, there
5 have been a number of discussions, a number of mentions
6 where we might maybe take away some of the funding but
7 Allegheny County has an additional one percent, a
8 portion of which goes to the Allegheny Regional Asset
9 District.

10 There have been a number of discussions that
11 I've heard recently where some of that might be diverted
12 to one project or another, maybe an arena or maybe
13 transportation; and I really hope that that won't happen
14 because it would really denigrate the opportunities that
15 arts organizations have in Allegheny County because of
16 RAD funding.

17 CHAIRMAN PETRONE: Representative Beyer.

18 REPRESENTATIVE BEYER: Sometimes my
19 questions you can see how little I know, but I happen to
20 be a native Pittsburgher. Paul and I have been back
21 here thinking about what Representative Helm said
22 earlier about the women that would go to the art show
23 and the men would go to the sporting event; and I'm
24 like, no, I'd be watching the Penguins.

25 Do we have a program where we incentivize

1 private banking, like PNC and others, to lend to
2 potential folks interested in living or replacing their
3 business into these blighted areas? Is it possible to
4 have a State program that, perhaps, either subsidizes or
5 incentivizes banks to lend money at a reduced interest
6 rate into targeted areas? Do we have that?

7 MR. SWAIN: I'm not aware of a program like
8 that, you know, particularly in our area. I think that
9 would be a great thing. I know of a few examples where
10 various banks in our area have done some specific
11 projects to help, you know, one organization or one area
12 kind of on a one-by-one basis but nothing that is
13 broadly available. But I can certainly see the
14 potential benefits of something like that.

15 REPRESENTATIVE BEYER: And I'm wondering if
16 there's something that maybe some other state or someone
17 else has done to -- because my father -- I just said to
18 Representative Costa, my father worked in Braddock; and
19 he passed away better than 20-plus years ago, but he
20 worked in that town and at that time it was a really
21 blighted, tough area. It was steel and --

22 MR. SWAIN: I can see where that would
23 really be helpful. I guess the thought or the concern
24 that I would have is, many times, it's really dangerous
25 for an arts organization or a cultural institution to go

1 into the business of owning a property and becoming a
2 landlord. That's a really slippery slope that -- and
3 there's only really a few that can do that and do it
4 well. It creates a whole new set of problems. And many
5 times, it's better if a larger institution or another
6 institution or a private owner owns the building and the
7 arts and cultural organization can focus on their
8 artistic work and not be a property owner. So I think
9 we need to take a look at that as well, but we could
10 certainly research best practices in other states and
11 see, you know, what might be a good solution to our
12 needs.

13 REPRESENTATIVE BEYER: Are you supportive of
14 a reduced sales tax kind of zone, what the previous
15 speaker talked about?

16 MR. SWAIN: Yes. Yes.

17 REPRESENTATIVE BEYER: So I mentioned the
18 KOZ, you know, we probably could do it, an extension, in
19 that we could do a reduction of the sales tax within the
20 KOZ zone, too.

21 MR. SWAIN: Yes, that would be helpful. But
22 also keep in mind that some of these organizations, you
23 know, really aren't paying a lot of sales tax to begin
24 with. I think we need to find incentives that help them
25 to do bigger and better work so more people come so that

1 the attendees are generating increased sales tax.

2 REPRESENTATIVE BEYER: You know, I'm
3 wondering -- my final comment, how much land area in the
4 City of Pittsburgh and in Philadelphia -- in Allentown,
5 for example, I think something like 46 percent of the
6 land area in Allentown is tax free area, their parks
7 and, you know, areas, universities that sort of thing,
8 property tax free. I just wonder how much of the City
9 of Pittsburgh --

10 REPRESENTATIVE COSTA: 40 percent.

11 REPRESENTATIVE BEYER: -- it's an enormous
12 amount the number of colleges and universities and park
13 systems all within the City already.

14 MR. SWAIN: Yes. Yes, there is, certainly
15 in Pittsburgh. I know, again, the Cultural Trust and I
16 believe that Point Park University are becoming some of
17 the largest landowners in the downtown area; and
18 certainly there's a concern there for loss of tax
19 revenue. I guess I would look at the other side and
20 look and see what's happening and what would not be
21 there. You talk about, you'd rather go see the
22 Penguins.

23 REPRESENTATIVE BEYER: Well, right now
24 especially.

25 MR. SWAIN: Yeah, exactly. That's a very

1 exciting thing. But I would say to you that even if you
2 never step in Heinz Hall or the Benedum Center or any of
3 the venues in the Penn Avenue art area, you're better
4 off because all of those things are there. The cultural
5 district makes, you know, the area around it that much
6 better, that much safer. It makes the downtown a more
7 attractive place for people just to come and visit
8 regardless of where they go. So anything that we can do
9 to help those kinds of organizations I think is good for
10 the downtown areas.

11 REPRESENTATIVE BEYER: Thank you, Mitch.

12 CHAIRMAN PETRONE: Thank you, Mr. Swain. I
13 have a million questions and comments for you; but I've
14 been reminded by my Executive Director to keep it very,
15 very short, like under a minute.

16 MR. SWAIN: Okay.

17 CHAIRMAN PETRONE: My first experience at
18 the Civic Arena was to see Betty Hutton in "Annie Get
19 Your Gun." And I'm wondering, do you think they should
20 keep the Civic Arena for cultural events and so forth,
21 instead of tearing it down? It is a very, very unique
22 building, as buildings go in the world. I know we need
23 to have hockey, but -- I always thought we should've
24 kept the Pittsburgh Hornets. What do you think about
25 that?

1 MR. SWAIN: Well, I've seen some plans for
2 how the Arena could be created into an amphitheater and
3 some things; and I think that could certainly have some
4 benefits to the community. I'm not really prepared to
5 take, you know, a hard position one way or the other but
6 that would be really exciting; because -- and most
7 people don't know that Mellon Arena was created years
8 ago for the CLO.

9 CHAIRMAN PETRONE: Civic Light Opera.

10 MR. SWAIN: That's right. And that was a
11 great commitment at that point to the life of the City.
12 And with everything that is occurring in that Hill
13 District, it sure would be nice to have something that
14 brought people year-round.

15 CHAIRMAN PETRONE: Right. Along those
16 lines, also, I used to be with Nittany Records
17 (phonetic) years ago. We had a label called Vurb
18 (phonetic). If you like jazz, you probably remember
19 them.

20 MR. SWAIN: Yes.

21 CHAIRMAN PETRONE: We had a place in the
22 Hill called the Crawford Grill.

23 MR. SWAIN: Right.

24 CHAIRMAN PETRONE: I had the pleasure of
25 working with some artists that were there, Max Roach,

1 Dizzy Gillespie, Dakota Staton, to name a few. Now,
2 hopefully, there's an attempt to try to save that
3 facility as a venue that can highlight the great artists
4 that worked there. We did have, many, many great
5 musicians come from Pittsburgh. We shouldn't forget
6 that fact. And I might tell you that -- you're from
7 Ohio. Well, when I was in Cleveland, KYW was there.
8 That's a long time ago. Most people don't know that,
9 but it's a true fact.

10 MR. SWAIN: Well, you're absolutely right;
11 Pittsburgh has a great, great jazz tradition with, you
12 know, Darrel Gardner, Stanley Turrentine and a lot of
13 that legacy lives on at the Manchester Craftsmen's
14 Guild.

15 CHAIRMAN PETRONE: Yes.

16 MR. SWAIN: But it sure would be great to be
17 able to save places like the Crawford Grill.

18 CHAIRMAN PETRONE: Part of the Hill anyway.

19 MR. SWAIN: Right, right, an important part
20 of that area's history.

21 CHAIRMAN PETRONE: And RAD tax is dear to my
22 heart, because we had a lot of arguments about it, how
23 the funds should be -- I'm happy to say I voted for it.
24 I think it's one of the best things we ever did.

25 MR. SWAIN: Well, thank you.

1 CHAIRMAN PETRONE: And I've seen examples of
2 how the money is used very wisely. Do you think you're
3 getting your fair share?

4 MR. SWAIN: No.

5 CHAIRMAN PETRONE: Thank you. Thank you.
6 With that, I will move along. We're going to have you
7 back and talk more about Pittsburgh. Okay?

8 MR. SWAIN: I'd be happy to come anytime,
9 and thank you very much for this opportunity.

10 CHAIRMAN PETRONE: Thank you very much.
11 Comment, question? Christine.

12 MS. GOLDBECK: One of the -- and I guess
13 this is more a comment than a question and addressed to
14 you, but as well as Representative Beyer. One of the
15 things that I've been reading on the funding for the
16 profitable, small art entrepreneur is that in our need
17 for capital is to structure a funding mechanism whereby
18 grants can be given, and the Pennsylvania Humanities
19 Council has attracted someone like this, if you need a
20 small grant or a larger grant, I think they're up to
21 five grand for small, ten grand for larger. You can
22 apply at any time. There aren't open and closed time
23 periods. So if something were up and coming, you know,
24 developing, you would not have to wait. But then there
25 is also a problem between the -- and this is our own

1 problem, we being artists, would be business training;
2 so I was happy to see that you do have that in your
3 organization because it's crucial. Every artist also
4 has to be a business person. But the profit making
5 artist, with no not-for-profit label, does have --
6 without a track record, does have funding issues with
7 banks. I haven't figured out how to benefit that yet.
8 But I do know that one of the things recommended was,
9 and a model recommended was the grocery -- was the Fresh
10 Food Initiative Funding style out of Philadelphia as a
11 model. So I'm wondering if you had experience with
12 that, using that or how the funding level works with you
13 and individual small artists.

14 MR. SWAIN: Well, our situation is such that
15 we really only supply funds, you know, to nonprofit
16 organizations and some individual artists. We haven't
17 really created a strong funding stream that would
18 benefit artists or for-profit galleries. What we have
19 done is, as you mentioned just a minute ago, is
20 establish quite a lot of skill-building workshops and
21 opportunities to network with individual artists. We've
22 created a quarterly series of workshops called Business
23 Skills for Artists. We don't care if it's a for-profit
24 entity or a nonprofit that comes to that, and we'll
25 cover contracting, business planning, understanding how

1 to protect your work, copywriting, things to that
2 effect. We're also trying to kind of gather our friends
3 in the arts community together to talk about how can we
4 make Pittsburgh a great place for artists to come and
5 live and work, and we need to have a full discussion
6 because I believe that there are probably a dozen
7 organizations that are committed to this in some way,
8 shape or form. And what are the 10 or 20 things that we
9 could do together as a community to make Pittsburgh or
10 any other area a great place for artists to live and
11 work, and how are we dealing with those challenges now
12 and what's left over and who should do them? The Arts
13 Council doesn't have to own those things, but certainly
14 within that there needs to be additional funding that
15 will be made available for entities, whether they be
16 for-profit or not.

17 I think the distinction here is that
18 individual artists, whether they are for-profit or
19 not-for-profit, need to become much better business
20 people. The best thing that you can do to go and get
21 funding from a bank is be able to write a proper
22 business plan, and that's the kind of help that we're
23 providing; so I think that's an important first step.

24 I didn't mean to walk away earlier --

25 CHAIRMAN PETRONE: We could go on -- we

1 could really do this for a couple days, and I don't want
2 to hold people up. I had one other question that I just
3 was concerned about. This being the 250th Anniversary
4 of the founding of the City of Pittsburgh, do you think,
5 in your opinion, would it be extremely beneficial for
6 foreign visitors coming here to appreciate our arts?
7 Would you comment on that?

8 MR. SWAIN: Oh, absolutely. The Allegheny
9 Conference has done a really great job of working with
10 the arts and cultural community to engage them and get
11 them involved and make them aware of opportunities and
12 also to allow them to be part of promotional efforts
13 that are helping to bring people into the region.

14 I think the one area that we would certainly
15 like to see more of would be more funds so that artistic
16 organizations can undertake special programming. I
17 mean, we've not been able to do too much with that.
18 ARAD came up with some support and Heinz Endowments came
19 up with some additional support. There are a few other
20 opportunities. But, yes, I'd have to say that a visitor
21 coming into Pittsburgh for Pittsburgh 250 will easily be
22 able to find out what's happening in arts and cultural
23 attractions.

24 CHAIRMAN PETRONE: Thank you very much. We
25 look forward to getting with you again in the very near

1 future.

2 MR. SWAIN: Thank you.

3 CHAIRMAN PETRONE: Next we have Mariann
4 Geyer, Vice President for Institutional Advancement for
5 Point Park University. I apologize for taking a little
6 more time than I should have. Welcome, and it's good to
7 see you again.

8 MS. GEYER: It's very good to see you.
9 Well, good morning. While this loads, in the interest
10 of time, I'll get started. I'm Mariann Geyer, the Vice
11 President for Institutional Advancement at Point Park
12 University; and we're located in downtown Pittsburgh.

13 Thank you for the opportunity to come before
14 you today. And on behalf of the University, we are very
15 excited to be able to offer you some of our very modest
16 ways that, as an academic institution, higher-ed
17 institution, we think that we are helping to make an
18 impact on the economy.

19 We're a little different than the first two
20 presenters that you heard this morning, in that I would
21 think we're more of a training ground for the artist of
22 tomorrow but at the same time we are also an economic
23 catalyst for change in the future in downtown
24 Pittsburgh.

25 Some of you, such as Representative Petrone

1 and Representative Costa, are very familiar with Point
2 Park. We're happy to count Representative Petrone as
3 not only a lover of the arts but a supporter of the
4 University. And I have to tell you, Representative
5 Petrone, the tap studio is now complete, and we have
6 your shoes waiting for you.

7 As for Representative Costa, we are very,
8 very pleased to work with him and count him among our
9 20,000 plus alumni located around the world, appreciate
10 his leadership as a legislator and also as an adjunct
11 professor. And, Representative, your next Government
12 class awaits you this Fall.

13 A little bit of background on the
14 University, 70 years ago Point Park University began
15 life in downtown Pittsburgh as the Business Training
16 College. Later known as Point Park Junior College and
17 then Point Park College, today it is now known as Point
18 Park University. It is a very entrepreneurial, robust
19 university that continues to build an exciting future of
20 promise and fulfillment for young men and women, as well
21 as lifelong adult learners.

22 The University is made up of three schools,
23 the School of Arts and Sciences, the School of Business,
24 and our nationally acclaimed Conservatory of Performing
25 Arts or COPA for short. COPA offers a very robust

1 offering of dance, musical theatre, and cinema and
2 digital arts. And when you look at the surveys and look
3 at where our students are coming from and where they're
4 applying, we are ranked one and two with Juilliard,
5 Savannah School of Arts; so we're in a very, very
6 prestigious realm of other nationally recognized arts
7 institutions.

8 Just last week, the University announced a
9 \$210 million community and academic plan to create the
10 Academic Village at Point Park University in downtown
11 Pittsburgh. And the Conservatory of Performing Arts
12 plays a very important role in that development and what
13 it will do not only for the academics but also for
14 downtown Pittsburgh.

15 The outcome will establish Point Park
16 University as one of the most dynamic, private urban
17 universities in America. Also, the Academic Village at
18 Point Park University will create a vibrant new
19 neighborhood in the City's urban core, one that supports
20 current retail and creates an exciting environment for
21 new retail, improved office occupancy and continued
22 growth of residential opportunities; and I've provided
23 you with a little brochure that you can take a look at
24 later on that gives you more details on that.

25 Construction on this project, we're ready to

1 go. We expect to start the Academic Village project and
2 the cultural component of that beginning next year. It
3 will wrap up in 2013, and we anticipate over the life of
4 the project employing 400 construction workers to make
5 the whole project possible. This transition was born
6 from a two-year academic, strategic plan that focuses on
7 four key areas, our academic excellence, community
8 engagement, quality student experience and managed
9 growth. It also comes from a very long community
10 planning effort that was anchored by assistance from the
11 Urban Land Institute out of Washington, DC and is
12 rounded out with the skills of the master planning WTW
13 Architects of Pittsburgh.

14 The Academic Village plan will grow the
15 total University enrollment from the current 3600 to
16 more than 4300 students by the Fall of 2013 and a
17 significant number of those students are students within
18 our Conservatory of Performing Arts. Our on-campus
19 living will grow in the downtown from the current 750
20 students to more than 1,200 located in six resident
21 halls on the downtown campus along the very important
22 Wood Street Corridor, and it's important to note that
23 all the resident halls are University funded, University
24 owned and managed by the University.

25 The Wood Street Corridor is a key artery

1 that connects more than \$477 million in public
2 infrastructure projects currently underway in downtown
3 Pittsburgh. It also connects \$1.5 billion in commercial
4 projects. Some of those connected with the cultural
5 district. And it's important to note that the Wood
6 Street Corridor becomes an artistic connection, if you
7 will, linking the Conservatory of Performing Arts
8 directly into the cultural district located on Liberty
9 Avenue. So the University and Wood Street Corridor are
10 anchors for the neighborhood.

11 Now, our campus stretches through the core
12 of the City beginning at the Mon River at First Avenue
13 and running for five blocks to Forbes Avenue. With ten
14 buildings and 800 faculty and staff, the University is
15 one of the largest property owners in downtown
16 Pittsburgh. The University infuses \$74 million into the
17 local economy on an annual basis; and of that, \$1
18 million is attributed to the City of Pittsburgh,
19 Pittsburgh School District and Commonwealth tax revenues
20 that are generated on an annual basis.

21 Now, over the last ten years, the University
22 has invested \$65 million in capital improvements to the
23 campus, much of that in part driven by the Conservatory.
24 Those building renovations and restorations have
25 enhanced the look and feel not only of the campus but of

1 the neighborhood since we are an integral part of the
2 downtown neighborhood.

3 Our students come from across the State,
4 representing 213 legislative districts. Twenty percent
5 come from outside of Pennsylvania, and our international
6 student base represents 15 countries. Our adult
7 students represent a who's who of corporations that call
8 Pittsburgh home base for their national and
9 international business pursuits, and we find that the
10 majority of the students from the region choose to
11 remain in the region after graduation and become members
12 of the local workforce supporting the local economy.

13 We find that our Conservatory students who
14 we are training to go out all over the world and they
15 work all over the world in their craft, choose to come
16 back and reinvest their time in the University and in
17 the school districts in the region.

18 So let's take a look specifically at the
19 Conservatory of Performing Arts. Thousands of aspiring
20 dancers and actors have found the best route to Broadway
21 is through Pittsburgh and the University's Conservatory
22 program. I've also included for you an article that
23 appeared in Monday's Philadelphia Inquirer. It's
24 entitled, Pittsburgh's Point Park Emerges as Topnotch
25 Theater School. And I think that will give you a little

1 more detail at a later time on our distinguished alums
2 and our outstanding artistic educational opportunities
3 that the University offers.

4 In New York City alone today, you'll find 20
5 alums currently working in nine different Broadway shows
6 including, "A Chorus Line", "Chicago", "Gypsy",
7 "Curtains", "Mary Poppins" and "Cry Baby"; and "Cry
8 Baby" was choreographed by a Point Park alum, Rob
9 Ashford. And if you follow the Tony nominations that
10 were announced on Tuesday of this week, "Cry Baby"
11 received four nominations, one of them for best
12 choreography by Rob Ashford; so we're very, very proud
13 of where some of our alums find themselves today.

14 Hundreds of Radio City Rockettes have
15 learned the art of the high stepping kick line in the
16 studios of Point Park University. And this summer, as
17 in summers past, the iconic dance company has chosen
18 Point Park University's Conservatory as the only
19 off-site ground for the Summer Intensive Program outside
20 of New York City; so only two places in the country that
21 you can come participate in this if you want to be a
22 Rockette, so sign up now.

23 One hundred students from across the country
24 are selected by the Rockette Institution to come to
25 Pittsburgh, live in Point Park University's dorms for

1 the week-long boot camp; and this will prepare them for
2 future Rockette auditions and possible inclusion in the
3 internationally recognized company. One hundred
4 families visit the City at the close of the week-long
5 program and attend the showcase.

6 The next time you watch an episode of the
7 CBS hit, "CSI New York", it might be worth noting that
8 Detective Stella Bonasera played by Point Park grad
9 Melina Kanakaredes found her actor's voice on the stages
10 of the Point Park University Pittsburgh Playhouse.

11 Our successful COPA alums, as well as other
12 well-known artists from dance and theater, routinely
13 make the campus of Point Park University one of their
14 stops as part of the Conservatory's guest
15 artists-in-residence program. Notable artists such as
16 director Robert A. Miller, Tony Award winner, Michael
17 Rupert and Broadway veteran and Point Park alum, Tome'
18 Cousin, are just three theater luminaries who have spent
19 extended time in Pittsburgh recently to direct shows at
20 Point Park's Pittsburgh Playhouse, offer master classes,
21 and sometimes we even have the opportunity of taking
22 these distinguished performers into the local schools as
23 well that benefit our high school students in the
24 region.

25 Point Park alum, Jimmy Miller, a partner in

1 Mosaic Media located in Los Angeles, is currently
2 wrapping up a 43-day movie shoot in Pittsburgh of the
3 DreamWorks movie he is producing called "She's Out of My
4 League." During that 43-day production, he hired 50
5 crew members from the Pittsburgh Theatre Market. In
6 addition, the Pittsburgh Film Office reports between 100
7 and 250 extras were hired each day during the shoot.
8 Mr. Miller could have taken the shoot that generated, we
9 think, about \$4 million into the local economy during
10 that 43-day process anywhere in the country, but he
11 chose to bring it to Pittsburgh where he got his start
12 at the Conservatory and to a place that he continues to
13 find a very special place for. As a leader in the film
14 industry, he is also recognized and appreciates the
15 incentives offered by the Commonwealth to encourage film
16 production in Pennsylvania.

17 Each year, thousands of students from across
18 the country audition for a coveted slot in the
19 Conservatory of Performing Arts. Only 7 percent of
20 those who audition are accepted to join the ranks of the
21 803 COPA students. As many as 1,000 out-of-town
22 families interested in the Conservatory travel to
23 Pittsburgh each year for a campus visit and typically
24 stay on average one or two nights in Pittsburgh.

25 Based on research conducted by the Tourism

1 Industry Association, the average visitor spends
2 approximately \$152 a day. Assuming two parents
3 accompany the student, it is estimated that these campus
4 visits generate \$500,000 annually to the Pittsburgh
5 economy.

6 Now, as I said, the Conservatory continues
7 to be one of the driving forces in some of the
8 construction that's on campus. So I'd like to show you
9 Lawrence Hall. Lawrence Hall is the gateway to a new
10 Conservatory dance complex, and that's (indicating) the
11 after of Lawrence Hall. Successful COPA dance
12 applicants will hone their craft in a state-of-the-art
13 dance complex that was just completed in August of last
14 year, and here's the before of what that stretch of
15 property looked like and here's what the after is for
16 the \$16 million LEED certified building that now is home
17 to the Conservatory's dance complex.

18 We are seeking a gold certification on that
19 building, which would make it one of the few gold
20 certified buildings in Pittsburgh. The project was made
21 possible by a financial collaboration between national
22 and local foundations, the University's investment,
23 private donors, corporations, and the Commonwealth of
24 Pennsylvania.

25 During its two-year construction, the

1 project employed local designers and architects,
2 construction managers, and construction workers. The
3 finished project has really transformed the block where
4 that now lives, and the space is of interest to notable
5 dance companies nationwide who wish to visit Pittsburgh
6 and the University to use that facility. The University
7 will host the American College Dance Festival, which has
8 the potential of welcoming 100 dance educators,
9 choreographers, and dancers to the Pittsburgh Region
10 during the four-day event. The total investment to the
11 local economy is estimated at well over a half million
12 dollars. The dance complex is also poised to host the
13 regional Dance America, which could welcome up to 1,000
14 guests from high schools and universities around the
15 country, generating another investment to the local
16 economy of \$500,000.

17 The Academic Village at Point Park
18 University that I mentioned just a bit ago is made up of
19 two key elements, the first is the Student Center and
20 the Wood Street Corridor and the second, very
21 importantly, is the new Pittsburgh Playhouse
22 Development.

23 The Student Center and Wood Street Corridor
24 project will add important academic amenities that
25 include a student center, gymnasium, new residence hall

1 and really help the campus and the neighborhood that
2 it's a part of. This is what it looks like today
3 (indicating), and this is what the Academic Village
4 project will do to help transform the neighborhood. The
5 project introduces exciting neighborhood elements, like
6 street-level retail, a new urban park and streetscape
7 enhancements to the corridor, including a new park, 100
8 new trees along the corridor, a connection to the Mon
9 River Park, signage, and attractive sidewalks. These
10 and other amenities will define the Academic Village as
11 one of downtown's newest neighborhoods that establishes
12 a crossroads for students, artists, business people,
13 downtown residents and visitors.

14 This particular segment has a price tag of
15 \$71 million. The University has invested \$29 million,
16 and will lead the efforts to raise the remaining 42
17 million. The second exciting key element of the Village
18 is the relocation of the Pittsburgh Playhouse from its
19 current location in Oakland to the Forbes Avenue
20 corridor in downtown Pittsburgh. Here's what that
21 corridor looks like today (indicating), and here's what
22 the corridor will look like after the \$139 million
23 investments to the arts are made.

24 From an academic standpoint, the design of
25 the new Pittsburgh Playhouse responds to the specific

1 requirements that will provide students with a unique
2 learning environment. The complex is made up of three
3 performing spaces, the first a 500-seat proscenium
4 theater, the second a thrust theater accommodating 250
5 people, and the third is a studio theater accommodating
6 an audience of 150. The 7,000 square foot retail and
7 social space will have interior and exterior level
8 entrances, and the site can accommodate 420 underground
9 parking spaces. Offering 18 Mainstage Productions
10 annually, 222 performance nights from three theater
11 companies, it is a center that will be full of activity
12 and really influence the neighborhood that it's a part
13 of.

14 Bringing the Pittsburgh Playhouse into
15 downtown Pittsburgh will act as a catalyst to support
16 the opening of new shops and better support existing
17 shops, restaurants, and galleries in that section of
18 downtown, just as the Pittsburgh Cultural Trust
19 successfully developed the City's cultural district a
20 decade ago.

21 To sum up the Academic Village that the
22 playhouse is an integral part of, the total cost of the
23 project is \$210 million. The University has invested
24 \$74 million and will raise the remaining 101 million, as
25 well as find a private partner to finance the parking

1 estimated at \$32 million. So where might that \$101
2 million come from? Well, certainly a very aggressive
3 fundraising campaign, the support of corporations and
4 foundations interested in seeing a vibrant 24/7 urban
5 center and we hope the support from the Commonwealth of
6 Pennsylvania as well.

7 The 2007 Arts and Economic Prosperity Study
8 conducted by Americans for the Arts, estimated that
9 local attendees at arts and cultural events spend
10 approximately \$14 per person on meals, refreshments, and
11 gifts in conjunction with their attendance at such
12 events. Over 40,000 nonstudent patrons attend
13 performances each year at the Pittsburgh Playhouse in
14 Oakland. With the relocation of the Playhouse, those
15 patrons and their approximate \$14 per event will move
16 downtown to a location offering more retail and
17 restaurant options than are currently available in its
18 location.

19 Assuming average amounts are spent by
20 Pittsburgh Playhouse attendees and that 90 percent of
21 this is spent in downtown Pittsburgh, it is estimated
22 the Playhouse attendees will spend well over a million
23 dollars annually at downtown merchants. Some portion of
24 the attendees will likely come from out of town and will
25 spend slightly higher amounts, so these estimates are

1 conservative. We also know that there are 200
2 out-of-town families who visit Pittsburgh each year to
3 see their children perform in the productions at the
4 Playhouse, staying an average of two nights and
5 generating another \$200,000 in money to the local
6 economy. The University has invested \$44 million in
7 this project and will raise the remaining \$61 million
8 needed. The University will seek a private partner to
9 develop the underground parking.

10 So how does Point Park University and the
11 arts impact the City economy? Some of what I've talked
12 about is something that you can't put a price tag on.
13 What is the impact of training successful artists in
14 Pittsburgh who are now working on Broadway and in
15 professional companies around the world? Can you put a
16 price tag on a young child seeing their first dance
17 performance and know what that future impact will be?

18 Because of the experiences at Point Park
19 University, we know that our Conservatory alums become
20 ambassadors not only for the University but the City of
21 Pittsburgh, and in many cases, the Commonwealth of
22 Pennsylvania as well. The future economic return on all
23 of this clearly is an unknown. But what is known doing
24 a rough calculation of the developments that I discussed
25 today that really find their heart in the arts, some

1 directly tie to the arts at the University, some tie to
2 the academic mission and all making an impact on the
3 economy, that total would be about \$1 billion in
4 spending or investment that we think will ultimately
5 improve the urban core and enhance the local economy in
6 downtown Pittsburgh.

7 Thank you for the opportunity to speak
8 before you today.

9 CHAIRMAN PETRONE: Thank you, Vice President
10 Geyer. I've been more than proud to be born and raised
11 in Pittsburgh, spent almost all of my life there except
12 for a few stints traveling around the world; and I kept
13 coming back home to Pittsburgh and I knew it was the
14 right thing to do. I used to get homesick when I lived
15 in McKeesport, that's how much I loved Pittsburgh.

16 In all seriousness, I can't be any more
17 proud in what I've heard you tell us today. We're
18 thrilled with Point Park's presence in our City, we're
19 thrilled with your success and we know that it's going
20 to continue in the future. And I'm just glad to have
21 been a small part of that and see it happen and evolve
22 all these years. We're thrilled with the job you're
23 doing. And so many young people have had a great life
24 because of Point Park, and I mean that sincerely.

25 MS. GEYER: Thank you.

1 CHAIRMAN PETRONE: Questions, comments?
2 Representative Costa.

3 REPRESENTATIVE COSTA: You know I couldn't
4 let this go. I'm sure this is much surprise to my
5 colleagues, but when I went to Point Park it wasn't for
6 Performing Arts. My degree actually was in Accounting.
7 But it is amazing the transformation that the school is
8 doing. When I went there, there were three buildings,
9 Lawrence Hall, Academic and Fayer (phonetic); now you're
10 up to ten and growing even more.

11 I think the vision that I see in the future
12 for those, Kathy, the people from Philadelphia, when
13 you're on Temple University or Penn or Drexel, you know
14 you're in a university complex; and right now today
15 that's not the feeling at Point Park, but I think it's
16 starting to get that way and have the feel.

17 And what also they're doing, and you can
18 relate to Philly, is our cultural district is like the
19 Avenue of the Arts. We're bridging the two of them
20 together, between the University that's performing and
21 the cultural and then putting them together by putting a
22 theater in there. And it's amazing the revitalization,
23 not only of the University but the downtown area in
24 bringing more and more life into the City of Pittsburgh,
25 which we've lacked in our downtown region. We do not

1 have a residential component, but that is rapidly
2 growing thanks to the University.

3 But it is exciting, and I'm really looking
4 forward to continuing working with you. Mariann, I
5 think you did a great job of presenting and I really
6 think the impact is that you show what it looks like now
7 or what it did look like and before you changed it. It
8 almost was blight. There were a couple of areas that
9 really looked bad and people were afraid to walk there.
10 That's not the case anymore, and a lot of it is due to
11 the University. But I can't be more prouder to be a
12 Point Park University grad, and I am looking forward to
13 the future.

14 MS. GEYER: Thank you, Representative Costa.
15 And I think a lot of it shows the collaboration that's
16 at work in downtown Pittsburgh. It's not just one
17 organization, it's not just one segment of the
18 marketplace; it really is everyone working together,
19 corporations, the arts, foundations, national and
20 international corporations that are helping to make all
21 of this renaissance possible.

22 CHAIRMAN PETRONE: I wish I could say I was
23 a graduate of your school, but I did work at the
24 Playhouse more than 50 years ago.

25 MS. GEYER: Yes, you did.

1 CHAIRMAN PETRONE: I was thrilled to be able
2 to do that and I mean it, I'm very, very happy with your
3 success and we know it's going to continue. We're going
4 to be visiting the University in just a couple of weeks,
5 Vice President Geyer, as you may know, with all of my
6 colleagues, also.

7 At this time, I would like to introduce
8 Majority Caucus Chairman, Representative Mark Cohen from
9 Philadelphia; and I know this gentleman to be a great
10 supporter of the arts. All of the years I remember, he
11 has certainly been a great supporter of the arts.
12 Welcome, Representative Cohen.

13 Questions anyone? Comments? Oh, oh,
14 Representative DePasquale, Eugene DePasquale, who
15 started out as a native Pittsburgher.

16 REPRESENTATIVE DEPASQUALE: Right.

17 CHAIRMAN PETRONE: Welcome. Do you have
18 some comments?

19 REPRESENTATIVE DEPASQUALE: No thank you,
20 Mr. Chairman.

21 CHAIRMAN PETRONE: Welcome. I'm sorry I
22 didn't see you come in. Anyone else? Anyone else?
23 Thank you again, Vice President Geyer. And we'll be
24 looking forward to visiting with you in two weeks.

25 MS. GEYER: Okay. Thank you.

1 CHAIRMAN PETRONE: Next we have Barbara
2 Ludorowski, Executive/Artistic Director and Michael
3 Olijnyk, Curator of Exhibitions from the Mattress
4 Factory, Pittsburgh, Pa. Welcome, both of you. We
5 appreciate you coming.

6 MS. LUDOROWSKI: We appreciate it. Point
7 Park is a very hard act to follow, I have to say.

8 CHAIRMAN PETRONE: Well, I think you're all
9 kind of interested in the same assistance. You're all
10 part of it and you all help each other, I'm sure.

11 MR. OLIJNYK: Thank you, Chairman Petrone
12 and Chairman Taylor, who I guess just stepped out of the
13 room, for letting us come before you and basically tell
14 our story. With me is Barbara Ludorowski, who you said
15 is the Executive Director and Founder of the Mattress
16 Factory.

17 The story that we're going to tell you is, I
18 think what we've been talking about this morning, what a
19 single artist can do. I was an artist, Barb was an
20 artist. We've been doing this for 31 years, and it's
21 kind of grown from a seed that we really didn't know
22 where it was going to an institution today that we're
23 always surprised that someone is coming from Berlin
24 holding a newspaper article that has the Mattress
25 Factory in it. And if you've ever been to the Mattress

1 Factory, you'll see that we're tucked into this alley on
2 the north side of Pittsburgh. It is not easy to find.
3 There are lots of one-way streets around us, and this
4 person from Berlin is showing up at our front door.

5 MS. LUDOROWSKI: We are not part of the
6 downtown in the physical sense of the word, you know,
7 we've been not only not on a main street but on a back
8 street in an area that people in the past have been
9 reluctant to come to, and what we hope to address is
10 we're not a huge organization; we have about 20 people
11 working for us -- with us, I should say. Can you hear
12 me?

13 CHAIRMAN PETRONE: Yes.

14 MS. LUDOROWSKI: They had to seek us out to
15 find us. And our current attendance is somewhere in the
16 neighborhood of 30,000 people a year. And because we
17 were artists, our devotion is the support of artists and
18 giving them the experience of living there, as we are
19 residents of the program, working there with the fullest
20 support of all the staff and Michael and myself, many of
21 the staff are also artists -- aspiring artists, working
22 artists, which gives us the whole place a different
23 sense than an institution.

24 MR. OLIJNYK: Yeah, I think that sense comes
25 from two people who started as being artists. We have a

1 bunch of oddball things working against us, where we
2 are, the kind of building we are and the kind of art
3 that we show; but it's always surprising that that
4 oddness is what people are looking for. It's like when
5 you go to some particular place like that bakery that
6 you have to always find when you're in Cincinnati
7 because they only make one particular thing. That's
8 really what the Mattress Factory is.

9 When someone says Mattress Factory, they
10 know it for a particular thing that they do. And 30
11 years ago, we weren't thinking about how what we were
12 starting was going to have any kind of economic impact
13 on anything. At that point, we were thinking about how
14 are we going to stop the electric company from turning
15 off our lights that week. So it was basically kind of a
16 daily, a weekly, a monthly kind of chore of progressing.
17 And at the beginning, we would be showing one or two
18 artists at a time; now we're inviting artists and
19 curators from all over the world to come and work on
20 projects.

21 MS. LUDOROWSKI: We have here -- I don't
22 know how this fits into this discussion, but we have
23 about five pieces of property (indicating) which we've
24 developed in the area that we're in, in terms of the
25 economic impact. They have been buildings that have not

1 contributed to the health and welfare of the North Side,
2 but we have taken them over, redeveloped them as venues,
3 as well as a residence for visiting artists who spend
4 upwards of a month or two months with us while they're
5 actually building the pieces; so each piece becomes a
6 mini economic, you know, generator in the sense that
7 it's a construction job. So those represent some of the
8 buildings we took on and redid.

9 MR. OLIJNYK: So what we ended up doing is,
10 hiring Carnegie Mellon to conduct an Economic Impact
11 Study on us and it's interesting the kind of facts that
12 they came back to us with. We, looking at who comes
13 through our front door, would have thought that we had
14 this kind of artsy crowd coming, but it really ends up
15 not being that. So what I will read to you are some of
16 the kind of hard facts that they gave us.

17 MS. LUDOROWSKI: The Impact Study is
18 actually a collection of things that we have given to
19 you to look at.

20 MR. OLIJNYK: So Barbara just mentioned that
21 35,000 patrons and program participants each year.
22 Almost 60 percent of the survey respondents resided or
23 attended school outside of the 7-county Pittsburgh
24 region. The Mattress Factory, its employees and
25 attendees have a total impact of \$2.8 or \$3.2 million in

1 the economic output per year on the rest of the
2 Allegheny County economy, supporting almost a million
3 dollars in additional wages.

4 Because of the kind of work that we do,
5 everything that we do is a commission of a new work; so
6 artists come live there and we help them produce a
7 piece, so it's a mini kind of contracting job. So we
8 are raising money in Pennsylvania, but quite a bit of
9 our money comes from outside of Pennsylvania and outside
10 of the country. That money that we do bring in is then
11 spent locally, so we are hiring contractors, we are
12 hiring young artists to work with the artists, we are
13 hiring photographers, we are buying materials all
14 locally within the Pittsburgh area.

15 MS. LUDOROWSKI: Back to the economic
16 development in the community. We made a conscious
17 effort early in the game when we started acquiring
18 buildings for our own use to not do the alternative to
19 that, which was take the 6-story warehouse that we
20 started out with and just make a big addition to it.

21 We chose to do satellite projects, which are more
22 harder to manage, more expense to renew and also more
23 expensive to maintain; because we felt strongly about
24 the community and integrating into the community and
25 participating with all the people there.

1 MR. OLIJNYK: This is one of those facts
2 that we found interesting, 65 percent of those surveyed
3 held a Bachelor's Degree or higher. These are visitors
4 to the Museum; 18 percent reported holding a Master's
5 Degree and 10 percent reported a Doctoral or
6 Professional degree. By comparison, the 2000 Census
7 estimated that only 17 percent of Allegheny County
8 residents 25 or older have a Bachelor's Degree; so it's
9 interesting that the Mattress Factory is attracting that
10 particular audience and it's the audience that
11 Pittsburgh is trying to attract for economic reasons,
12 kind of to work in the City of Pittsburgh, to stay in
13 the City of Pittsburgh.

14 MS. LUDOROWSKI: Well, it's very integrated
15 with the quality of life. If somebody's moving from New
16 York, let's say, or LA to work in some business in
17 Pittsburgh, they obviously want to look and see what
18 it's going to be like for their kids, what it's going to
19 be like for them, what's going to be interesting for
20 them to look at and be a part of.

21 MR. OLIJNYK: And I'm just going to read for
22 you one more of the hard facts. On average, each
23 regional visitor spends approximately \$25 on other
24 businesses per visit to the museum, while the visitor
25 from outside of the area spends \$414 on other businesses

1 in Allegheny County during their stay. This cultural
2 tourism, brought to this region by the Mattress Factory
3 alone, draws an educated audience and generates a gross
4 impact of \$1.36 to \$1.73 million in economic output and
5 \$504,000 to \$645,000 in labor income.

6 MS. LUDOROWSKI: The money from outside the
7 region in terms of funding for programming from the
8 Mattress Factory, a partial list, is MacArthur
9 Foundation, which recognizes us in the special
10 initiative for urban residency programs. That was in
11 1989, which was early in our game; and they gave us
12 permission to request from them \$150,000, which at the
13 time when we got it, I thought, oh, this is the solution
14 to all of my problems and I was euphoric for about two
15 and a half minutes until I realized how many holes I had
16 to plug that into. But the Andy Warhol Foundation has
17 continued to fund us. We get moneys from out of country
18 and out of state and across the nation, basically.

19 MR. OLIJNYK: So we've given you all a copy
20 of the Economic Impact Study, which goes into detail of
21 all the parts and pieces; and we'd be happy to answer
22 any questions you have.

23 MS. LUDOROWSKI: And we bring people from
24 all other the world. We did an Asian rim show, which
25 included Korea, China, Japan, Taiwan, and Thailand.

1 We've done one -- just after the Iron Curtain came down,
2 we did one from Eastern Europe, which brought in a lot
3 of people from Eastern Europe. And that does two
4 things; one, it brings to Pittsburgh things that you
5 wouldn't ordinarily see in Pittsburgh on an ongoing
6 basis and we also did a show from Cuba, which was an
7 interesting event because none of the artists got here
8 and we did it all over the internet in communications
9 with a curator who was going from Toronto to Cuba but
10 couldn't come into this country and we got to the point
11 where we thought, well, it's do or die. Are we going to
12 do this, or are we going to do it without the artist?
13 But the communication was great. And what happened as a
14 result of that, which I absolutely loved, was that when
15 an artist comes to our place, they don't have a plan.
16 They see the space that we're working in and they decide
17 what they're going to do and then write proposals based
18 on what they would like to do and then they come and
19 they immediately change their mind. And that's part of
20 the creative process that makes it really exciting to
21 work at the Mattress Factory and makes it exciting for
22 the people who work there.

23 But the interesting thing was that even over
24 the internet the Cuban show permitted that. I thought
25 it was going to make it cut and dry, but it didn't.

1 They changed their mind. There was one woman who was
2 doing a piece and she just basically turned it upside
3 down completely and we sort of had to change our
4 thinking and change our process. But the responsiveness
5 to the artist is sort of the cornerstone of our
6 organization.

7 And, you know, a famous violinist didn't
8 learn how to play the violin without practicing; and
9 this is in part what we offer artists. We also have
10 mature artists like John Cage and so on that have been
11 here, so it's a real mix that we provide for the City of
12 Pittsburgh.

13 CHAIRMAN PETRONE: We all appreciate your
14 presence, and we know the great job you do and you're
15 world-renowned for as small as you are, tucked into that
16 little corner of the North Side.

17 MS. LUDOROWSKI: Yeah, it is tucked in.

18 CHAIRMAN PETRONE: And I grew up right
19 across the bridge in the West End, so I've seen your
20 beginnings and your success and I'm very happy to have
21 you in the City of Pittsburgh. It means a great deal to
22 us.

23 MS. LUDOROWSKI: Well, I appreciate that
24 kind of compliment from you. One of the things that I
25 also love about the Mattress Factory's presence is the

1 fact that people -- after 30 years, you begin to have a
2 history and people who come here and work, go out and
3 manage other arts organizations, not a formal education
4 process, but for instance, the Hazlett Theatre is run by
5 my ex-Assistant Director and she's doing a great job
6 doing that and she graduated from that, so she's one of
7 my graduates.

8 CHAIRMAN PETRONE: Wonderful. Questions?
9 Oh, Christine. Yes, please.

10 MS. GOLDBECK: Comment first. Is there a
11 retrospective or a memorial planned for Malschenberg
12 (phonetic)? Because if so, I will be one of the first
13 attendees out there. It's bad news; but as soon as you
14 brought up Cage, I thought --

15 MS. LUDOROWSKI: Yeah, it is bad news and I
16 don't think we will be assembling that kind of a
17 retrospective. But I think the vitality that he had in
18 the arts and the flexibility that he had in the arts and
19 the, as the New York City Times article said, the range
20 of work that he did, is something, I think, we give
21 tribute to him and to many other artists by doing what
22 we do.

23 MR. OLIJNYK: And it also shows the
24 importance of an individual artist --

25 MS. GOLDBECK: Oh, absolutely.

1 MR. OLIJNYK: -- how one person can change
2 the way we look at something.

3 MS. GOLDBECK: Absolutely; and he was a
4 great philanthropist, too. In fact, what he got out of
5 the arts he put back in. Now, my question is, I get the
6 sense that you, very early on, were strong marketers and
7 networkers with your community due to your location and
8 given your success --

9 MS. LUDOROWSKI: Well, my history in the
10 North Side is, I drove through -- my husband and I
11 worked in New York from Detroit, and I was shown the
12 North Side in '71 or '72, something like that; and I
13 fell in love with it. I went home, sold my house,
14 bought a house on the North Side, started remodeling;
15 brought my 10-year-old daughter kicking and screaming to
16 the North Side. And I fell in love with the community
17 and the buildings, the architecture, and also the
18 acquirability of property at a reasonable price. So I
19 would love to talk to you about those initiatives.

20 CHAIRMAN PETRONE: I'd be delighted. I want
21 to invite you both to my office to see how much I love
22 Pittsburgh and especially the North Side.

23 MS. LUDOROWSKI: We'd love to come to your
24 office.

25 CHAIRMAN PETRONE: But you're all invited to

1 -- some of you may be familiar with my office -- to see
2 the prints that I have of Linda Barnicott. I have
3 almost every one that she did, but there's one very
4 special one from the North Side and it depicts a place
5 that I used to go to 65 years ago. It's called the Ice
6 Ball Stand.

7 MS. LUDOROWSKI: Called the what?

8 CHAIRMAN PETRONE: The Ice Ball Stand.

9 MS. LUDOROWSKI: Oh, they're still there.

10 CHAIRMAN PETRONE: Gus and Yia Yia's, which
11 is sort of a famous part of our Pittsburgh scene, at
12 least it has been for all of my life anyway.

13 MS. LUDOROWSKI: Yeah.

14 CHAIRMAN PETRONE: But I would love for you
15 to come to visit my office.

16 MR. OLIJNYK: It's 202, if you have time
17 today.

18 MS. LUDOROWSKI: Great.

19 CHAIRMAN PETRONE: And I would love to show
20 you some of the works of art that I have. Okay. All
21 right. Mr. Castelli has a question.

22 MR. CASTELLI: There's been some talk of
23 ultradevelopment districts, other incentives. I mean,
24 you bring aspiring artists to town from all over the
25 world and you rehab buildings to house them, correct?

1 MS. LUDOROWSKI: Yes.

2 MR. CASTELLI: What do you see there from
3 the State or local governments that might entice them to
4 remain in the Greater Pittsburgh Area, Pennsylvania?
5 What kind of assistance would they be looking for?

6 MS. LUDOROWSKI: We've had a lot of artists
7 who have said, you know, not only do they appreciate the
8 real estate values but also the community and its
9 participation and probably they're not going to pick up
10 their roots and move but they have talked about, they
11 haven't done it yet, but talked about, you know, having
12 a summer house or having another studio someplace else.
13 But I think what -- I mean, it's a little bit of a shade
14 on your question; but, for instance, the fact the
15 Mattress Factory's been there has attracted artists to
16 live down the street in a building on Samsonia Way.
17 Diane Samuels, who is an artist of some significance and
18 her husband, have started something called Cities of
19 Asylum, which is Salman Rushdie's harboring of artists,
20 primarily writers, from other countries who have been
21 rejected politically or threatened physically because of
22 their points of view; and Salman Rushdie started that
23 organization and they started doing that in this alley,
24 so they've bought about six houses. They've rehabbed
25 them as residencies for this program, and they're doing

1 some work on Monterey Street on a bar that was not doing
2 very well; and so their impact on the community has been
3 enormous and it's -- they have said is really a direct
4 relationship to our being in that alley and starting, in
5 a sense, an atmosphere of welcoming for people to start
6 doing that kind of thing.

7 What I would like to do is have incentives
8 for artists to start businesses, start galleries, start
9 living there. And as we talked about, prices are going
10 up now, so the properties are becoming more and more
11 valuable; but there are places there that you can find
12 properties that you can get into.

13 MR. OLIJNYK: Yeah, ownership, I think, for
14 an artist is the most important thing. They're going to
15 put their time and their effort into that thing and
16 you'll get more than you put into it.

17 MS. LUDOROWSKI: And really, as somebody
18 said in one of these talks beforehand is, they work 24/7
19 in terms of the effort they put into the projects that
20 they start because it's passionate and it's involved and
21 they have great ideas and the wisdom to do it with very
22 little money. And that's one of the reasons we own our
23 own buildings. Because if you look at the 60's, there
24 were many arts organizations that started out as
25 artist-generated organizations but they didn't own their

1 own property and the property improved, became valuable,
2 and the restaurants and all the things we talk about the
3 arts generating and then somebody said, Oh, that's
4 great; my building's now become really valuable to buy.
5 And you just can't do that, and you can't really make a
6 good investment without owning it.

7 CHAIRMAN PETRONE: Yeah, exactly. And we
8 need the security to be able to work and produce and
9 create new --

10 MS. LUDOROWSKI: Absolutely.

11 CHAIRMAN PETRONE: I have a brother that's
12 an artist, and one of his friends I've seen try to make
13 successes in Pittsburgh. They're still doing it, as a
14 matter of fact, in South Side --

15 MS. LUDOROWSKI: Yeah.

16 CHAIRMAN PETRONE: -- they're setting up
17 studios in different parts of -- but Representative
18 Cohen has a question.

19 REPRESENTATIVE COHEN: Yes. Mr. Castelli
20 asked part of my question in terms of public policy.
21 But beyond that, I'm curious about the relationship
22 between you and the Warhol Foundation. Did your
23 organization have any relation or inspiration from
24 Mr. Warhol when he was alive?

25 MS. LUDOROWSKI: Are you speaking of the

1 Foundation or the Museum?

2 REPRESENTATIVE COHEN: The Mattress Factory
3 and its relationship to --

4 MS. LUDOROWSKI: Well, we get along very
5 well with the Warhol Museum and Thom Sokoloski and so
6 on. We've done things together, but --

7 REPRESENTATIVE COHEN: In terms of economic
8 development, have you worked together?

9 MS. LUDOROWSKI: No.

10 MR. OLIJNYK: But one of the reasons that
11 the Warhol --

12 MS. LUDOROWSKI: We were here first, they
13 were here second and the only economic development thing
14 we've done for the Warhol was when Carnegie Museum was
15 -- and John Caldwell who was then the curator and they
16 were looking for a space for the Warhol, I said, Well,
17 where are you looking? And they said, Well, we're
18 looking in Oakland. We're looking in the upper reaches
19 of the City. And I said, Have you ever considered the
20 North Side? And he said, No. And so I turned him over
21 to Tom Cox who was then the sort of economic person in
22 charge of the North Side's business, and the end result
23 of that suggestion was that they chose that location.

24 REPRESENTATIVE COHEN: Is the Mattress
25 Factory similar to other things in other cities or --

1 MS. LUDOROWSKI: No, the Mattress Factory is
2 unique in its dedication and as the Economic Impact
3 Study said, sort of the Swiss Army Knife of arts
4 organizations, in the sense that we are there for the
5 artist and we have a very comprehensive education
6 program; but the hub of it is the artist themselves.

7 MR. OLIJNYK: The closest thing that we're
8 probably similar to is the Fabric Workshop in
9 Philadelphia, because there are fewer and fewer places
10 that are willing to work with live artists; because it's
11 difficult, you're going through making decisions. It's
12 just not as easy as opening up a crate and putting
13 something on the wall.

14 REPRESENTATIVE COHEN: I'm aware of that. I
15 agree with your observation. Thank you, Mr. Chairman.

16 CHAIRMAN PETRONE: Any other questions or
17 comments, colleagues, staff? Thank you very much.

18 MR. OLIJNYK: Thank you.

19 MS. LUDOROWSKI: Thank you very much for
20 listening to us.

21 CHAIRMAN PETRONE: I look forward to
22 visiting with you back home, but hopefully you can stop
23 up to the office before you leave.

24 MS. LUDOROWSKI: We're going over to meet
25 with the Keystone Grant Officers; and then after, if you

1 are in the office, we will come back.

2 CHAIRMAN PETRONE: Please do. 202 upstairs;
3 I'd be delighted.

4 MS. LUDOROWSKI: Okay. Fabulous. Thank
5 you.

6 CHAIRMAN PETRONE: Thank you so much.

7 MS. LUDOROWSKI: We've got these
8 (indicating). Does anybody want them?

9 CHAIRMAN PETRONE: We've got copies in --

10 MS. LUDOROWSKI: No. Would you like these
11 (indicating)?

12 CHAIRMAN PETRONE: Oh, well I guess our
13 Committee could use that for our visit to Pittsburgh.
14 We're coming out there in two weeks.

15 MS. LUDOROWSKI: Are you? Great. Are you
16 going to visit us?

17 CHAIRMAN PETRONE: We're going to try.
18 We're going to have all our members --

19 MS. LUDOROWSKI: Great.

20 CHAIRMAN PETRONE: Are you sure you don't
21 need them?

22 MS. LUDOROWSKI: No.

23 CHAIRMAN PETRONE: Okay. Thank you so much.

24 MS. LUDOROWSKI: They're yours.

25 CHAIRMAN PETRONE: Thank you very much.

1 MS. LUDOROWSKI: Thank you very much.

2 CHAIRMAN PETRONE: Next we have Ms. Joanne
3 Riley, President of the Cultural Alliance of York County
4 and Ms. Kim Plyler, Director of Marketing and Public
5 Relations for ArtsQuest from Bethlehem, Pa. Welcome.
6 Somebody's not here?

7 MS. PLYLER: I'm Kim Plyler, but we're not
8 together; we're separate.

9 CHAIRMAN PETRONE: Oh, I'm sorry. Okay.
10 Oh, you're not testifying together, Kim?

11 MS. PLYLER: No.

12 CHAIRMAN PETRONE: I apologize.

13 MS. PLYLER: That's okay.

14 CHAIRMAN PETRONE: Please, whenever you're
15 ready, Joanne.

16 MS. RILEY: I feel like Dorothy in the
17 Wizard of Oz; we're not in Pittsburgh anymore. I'm here
18 from York, Pennsylvania.

19 CHAIRMAN PETRONE: Well, it's a great town.
20 It's a great town.

21 MS. RILEY: It's a great town, and it's a
22 very small town and when I hear what happened in
23 Pittsburgh with the Cultural Trust and all the
24 activities, I'm very hopeful that we'll -- we've started
25 to replicate those in York, and I want to tell you a

1 little bit about that.

2 I'm so happy to have the opportunity to
3 present my agency and its impact on York, Pennsylvania
4 to you today. I have a very special thank you to the
5 gentleman sitting behind you, Representative Eugene
6 DePasquale, who has been a fantastic supporter of the
7 arts, of the Cultural Alliance, of me personally; and
8 I'm so happy to have you here as I testify.

9 I am Joanne Riley; I'm the president of a
10 9-year-old United Arts Fund, the Cultural Alliance of
11 York County. We function very similarly to the United
12 Way. We raise money once a year through the efforts of
13 volunteers, and then we distribute the money to nine
14 arts agencies through a rigorous review process, a panel
15 of volunteers representing the companies that
16 contribute, and actually review our member agencies and
17 allocate the money. We are the central vehicle for
18 driving private support to nonprofit arts organizations
19 of all disciplines.

20 The private sector, led by business leaders
21 who value the arts as vital to the health of the
22 community, created the Cultural Alliance in 1999; so you
23 can see we're fairly young. The Cultural Alliance is
24 one of the most respected and efficient vehicles for
25 businesses and individuals to support the arts and has

1 grown into a powerful grant allocation machine, a common
2 voice within the community, and a catalyst for important
3 arts issue. I want you to know, and I'm very proud to
4 tell you that we raise more than \$1 million annually to
5 provide stable operating grants to nine member agencies,
6 and our numbers are growing. We're one of 60 United
7 Arts Funds that currently exist in communities across
8 the country, collectively raising more than \$100 million
9 for the arts community. We are a private, nonprofit
10 agency that broadens supports for the arts, promotes
11 excellence in arts management, and helps ensure that
12 deserving arts agencies are financially stable.

13 We strengthen the structure and capacity of the arts
14 through grants, feedback from the allocation process,
15 and creating new generations of arts leadership.

16 York is a town of 44,000 and a county of
17 fewer than 400,000, yet we have raised in eight
18 campaigns, more than \$8.5 million in cash and in-kind
19 services for nine arts, history, and cultural nonprofits
20 in York. Let me say that again. In a town of 44,000,
21 we raised \$8.5 million in the last eight years. More
22 than 600 businesses, large and small, contribute to our
23 campaign every year. The businesses are solicited by
24 356 corporate volunteers who help us raise the money.
25 We are nationally recognized as one of the top United

1 Arts Funds in the country for reaching and exceeding
2 goal. We're actually number one, I'm proud to tell you.

3 Now, why are we so successful? Why do so
4 many businesses invest and business leaders volunteer in
5 our campaign? Because the York business community
6 recognizes the power of the arts to transform its city
7 and county. They recognize that arts are good for our
8 community's economic growth. They also know that a rich
9 cultural community attracts businesses and employees.

10 In the past eight years, we have seen the
11 arts history and cultural community begin to transform
12 York. We have a gorgeously renovated performing arts
13 center, the Strand Capitol Performing Arts Center, we
14 have an arts agency and gallery that rivals, I'm sure,
15 Pittsburgh and New York called York Arts, to the
16 potential new Arts Center, Museum of York, which will
17 also have loft space. We have a thriving symphony. Our
18 symphony just completed its 75th year with three
19 sold-out concerts; that's 3600 people. We have a youth
20 and junior symphony for children from fifth grade
21 through high school. York Little Theatre, our community
22 theatre, is celebrating its 75th year; in fact, among
23 them, our 9-member agencies have entertained, educated
24 and performed for the people of York and the region for
25 more than 500 years.

1 The Cultural Alliance has taken the lead
2 role in helping with the growth of our members, which
3 translates to the growth of our city. We have engaged a
4 national consultant to conduct a geodemographic analysis
5 of our members and also the public through database
6 analysis and public surveying.

7 Some salient information from that survey
8 sent to 10,000 households in York and 5,000 in a 30-mile
9 radius around York, and this is just in the last two
10 months, on a scale of 1 to 10, 1 being least important,
11 10 being most important, where should support for arts,
12 history and culture rank on a community's public agenda?
13 The average answer for people living in York is 7.37
14 percent, 10 being most important. Eighty-four percent
15 of the respondents felt that arts, culture and heritage
16 experiences make communities more attractive and
17 desirable places to visit and live, 84 percent.

18 We believe arts, history, and culture is the
19 reason small towns like York thrive. Retail,
20 restaurants and people follow the arts. The studios
21 open, and a town is revitalized. In York, as I
22 mentioned, we have a first-class performing arts center,
23 the Strand Capitol, and it is the first place human
24 resource professionals take potential employees and
25 their families. A potential new employee usually asks,

1 do you have a symphony, because it says something about
2 a small community if you have one. Whether or not you
3 attend, it doesn't matter; they want to know you have
4 it. It is becoming increasingly difficult to raise
5 corporate dollars for the arts. There's increased
6 competition from human service agencies; the corporate
7 environment is changing due to mergers, closings, and
8 the economic times. York is one of the most, and I mean
9 this sincerely, philanthropic communities I have ever
10 raised money in, the most; so if we're feeling the
11 pinch, I know it's worse throughout the State.

12 The Cultural Alliance's efficiency in
13 raising and distributing money is in large part due to
14 the Pennsylvania Council on the Arts. Their money helps
15 fund our operations, which in turn allows us to re-grant
16 96 cents of every dollar we raise to our 9-member
17 agencies. Support of the arts in Pennsylvania is
18 critical. You are funding an industry that creates
19 jobs, pays taxes, and attracts tourists.

20 As you can tell, I'm very proud of our
21 success. In addition to raising funds, we provide
22 Venture Funds to non-Cultural Alliance members to help
23 with their arts programming. Our goal is to ensure a
24 community filled with activities, performances, and
25 education on the arts. We cannot do that without

1 support from you. We maximize every dollar you give us
2 with matching private funds.

3 This year, our campaign goal is \$1.2
4 million, imagine in a town of 44,000 and a county of
5 fewer than 400,000, reinvesting that much money into the
6 arts. But I can imagine it, because we're going to do
7 it. We're almost at goal. We'll finish up shortly.

8 Thank you again for allowing me the
9 opportunity to report a national success story that
10 comes out of a very small city. There are so many more
11 such stories, and I'm glad that you're here today to
12 hear them.

13 Thank you.

14 CHAIRMAN PETRONE: Thank you, Ms. Riley. We
15 are thrilled to hear what a great job you've done for
16 York. And I know as proud as I am of Pittsburgh, I know
17 that Representative DePasquale is even more proud of
18 what you're doing in York. It sounds like you're the
19 biggest, largest, most successful small arts council in
20 the country. Congratulations. You really do one
21 terrific job.

22 MS. RILEY: Thank you.

23 CHAIRMAN PETRONE: And we know you're proud
24 of it.

25 MS. RILEY: Yeah, very proud.

1 CHAIRMAN PETRONE: So keep up the good work.
2 If we can help you, we will look forward to finding a
3 way.

4 MS. RILEY: Good. I have witnesses he said
5 that.

6 REPRESENTATIVE DEPASQUALE: I may be asking
7 questions that I may know the answer to, but I think for
8 everyone else -- I mean, because sometimes, I think, the
9 arts gets portrayed as New York, Philadelphia,
10 Pittsburgh, LA; it's a big city thing. But talk about,
11 you know -- the Governor has promoted, and many members
12 of this General Assembly on both sides of aisle, have
13 talked about revitalizing our smaller cities, boroughs
14 and towns as well. We've seen, obviously, a lot of
15 sprawl in parts of Central Pennsylvania, a lot of losing
16 our farmland. That isn't as much of an issue in
17 sometimes your major metropolitan areas, although it can
18 be. But certainly in your county, we've seen that. But
19 now how we may be given an opportunity to recapture so
20 that through the influx of Marylanders coming North, how
21 important it is for them to feel that the City of York
22 is reflective of what they're leaving behind in
23 Baltimore, although maybe just on a smaller version.
24 Could you share some experiences on that?

25 MS. RILEY: Well, we are -- we have

1 tremendous growth in the southern part of our county and
2 what we found -- we did a reachout to individual artists
3 a couple of years ago. We found out there are many,
4 many artists. There's a lot of potters because of the
5 Susquehanna Pfaltzcraft community, and it's located in
6 York. There's a lot of metal sculpture workers, and
7 we're trying to draw them into York. Rather than having
8 them look South to Baltimore, we want them to look North
9 to York. And our mayor, John Brenner, has done some
10 wonderful things with some artist relocation packages,
11 some incentives to open places, live and workspaces,
12 open galleries; we've had -- the Strand has revitalized
13 and we built a baseball stadium. And all of a sudden,
14 we've got restaurants that we never had before,
15 first-class restaurants in York and more opening every
16 day --

17 REPRESENTATIVE DEPASQUALE: At least every
18 week.

19 MS. RILEY: Yeah. I'm a salesman. And we
20 have York arts transformed in an old eye doctor's
21 building to the most glorious gallery you've ever seen.
22 We have an ag and industrial museum, we have a
23 historical society museum, we have a colonial
24 courthouse, we have a fire museum. All of this is in an
25 effort to sort of link everybody together to present

1 what we're calling our cultural district to continue to
2 draw artists, and we have a couple of artists from
3 Baltimore who just bought a big factory and are
4 converting it into loft spaces for working artists.

5 So, you know, that's been the thrust of our
6 administration, I think, for economic development. They
7 know that retail -- you know, Borders isn't going to
8 come downtown to York, but artists will and then coffee
9 shops will follow and then jewelry makers will follow
10 and on and on and on. So that's our strategy, and we're
11 investing over a million dollars a year in making that
12 happen.

13 REPRESENTATIVE DEPASQUALE: One critical
14 thing too, I think to throw out, and I'm sure Joanne
15 will agree, and that is, what helped spearhead where we
16 are now was a \$4 million Redevelopment Capital
17 Assistance Grant to the Strand Capitol.

18 MS. RILEY: Right.

19 REPRESENTATIVE DEPASQUALE: And I think
20 there was at least 12 or 13 million of private money
21 that --

22 MS. RILEY: There actually was a, when all
23 said and done, it will be \$21 million in private money.

24 REPRESENTATIVE DEPASQUALE: I mean, but
25 sometimes our cap gets portrayed as Pittsburgh and

1 Philadelphia.

2 MS. RILEY: Right.

3 REPRESENTATIVE DEPASQUALE: But I'm here to,
4 you know, sort of -- I want to make sure everyone else
5 hears this, that it's not just Pittsburgh and
6 Philadelphia. All of these restaurants that you're
7 seeing in downtown York, the baseball stadium, the
8 Northwest Triangle, the downtown living, the Strand
9 project helped move that forward; and that would not
10 have happened without Redevelopment Capital Assistance.

11 MS. RILEY: Yes.

12 REPRESENTATIVE DEPASQUALE: And I want to
13 commend -- it was Governor Ridge who signed off on that.

14 MS. RILEY: Yeah.

15 REPRESENTATIVE DEPASQUALE: Every time I get
16 a chance to beat that drum that that is not -- that
17 sometimes people talk about because the numbers are
18 bigger for Pittsburgh and Philly, because, duh, they're
19 bigger communities; but that program has impacted every
20 single part of the State that utilizes it appropriately.

21 MS. RILEY: Thanks. The other thing I want
22 to tell you is, you know how the real estate market is
23 really depressed and really tough. The real estate
24 market around York County is terrible. The York City
25 real estate market is the hottest thing going. You

1 can't keep a house on the market.

2 REPRESENTATIVE DEPASQUALE: First time since
3 the 1950s. The City has grown the last two years,
4 population; first time since the 50s.

5 MS. RILEY: Yeah. So we are --

6 CHAIRMAN PETRONE: And you have a
7 magnificent hotel which in itself is a work of art.

8 MS. RILEY: Well, it's gorgeous. And what I
9 would love to do is invite you to hold a hearing in York
10 and we'll hold it at the Yorktowne. Let's have a
11 hearing on the arts, and we'll hold it at the Yorktowne.

12 CHAIRMAN PETRONE: Say when.

13 REPRESENTATIVE DEPASQUALE: I'm game. And
14 then we'll take a -- the highbrow can go to the Left
15 Bank and then people like Mark and me and Kathy will go
16 to the Harp and Fiddle.

17 MS. RILEY: Hey, the Cultural Alliance will
18 be delighted to host you all.

19 CHAIRMAN PETRONE: I visited there for the
20 first time many, many years ago; and I still think it's
21 one of the most exciting cities and towns in
22 Pennsylvania.

23 MS. RILEY: Come on down. Come on down.

24 CHAIRMAN PETRONE: We'll leave it to
25 Representative DePasquale to plan the trip and we'll be

1 glad to bring all of our people.

2 MS. RILEY: Oh, no, not all of them. Just
3 you. Everyone's welcome in York.

4 CHAIRMAN PETRONE: We'll look forward to
5 visiting with you. You've got a wonderful success
6 story. Thank you.

7 MS. RILEY: Thank you.

8 CHAIRMAN PETRONE: Comments?

9 MR. CASTELLI: Just a comment. It's nice to
10 see that you were able to further develop or build on
11 the investment that the State made in rehabbing or
12 renovating the theatre there. One of the reasons we're
13 looking at the cultural development district proposal
14 was that too often in a lot of these smaller
15 communities, you know, they have these wonderful old
16 theatres that the State puts a lot of money into but
17 then nothing else happens; and it's really nice to see
18 that a lot of that was really your own self-generated --

19 MS. RILEY: Yes, absolutely.

20 MR. CASTELLI: -- you built on the
21 investment that the State made.

22 MS. RILEY: Yeah. Yeah, there's a lot going
23 on in York.

24 MS. GOLDBECK: Is that real estate or sales
25 or combined?

1 MS. RILEY: It's real estate. I think it's
2 real estate. What is it, Eugene? You think it's real
3 estate?

4 REPRESENTATIVE DEPASQUALE: I don't -- if
5 it's on sales, too, that's news to me.

6 MS. RILEY: No. No, I think it's real
7 estate. There's a relocation package for artists, to
8 encourage them to move in. We visited Paducah, Kentucky
9 thanks to PCA and tried to replicate a small piece of
10 that in York; and it is starting to pay off. We've got
11 some great galleries and great artists coming into town.

12 REPRESENTATIVE DEPASQUALE: We have -- in a
13 mix with that, is the CODO project which is now right
14 across from the stadium which is a new middle-class
15 apartment building condo --

16 MS. RILEY: For young professionals kind of,
17 yeah.

18 REPRESENTATIVE DEPASQUALE: And it is going
19 to be an entirely green building. I mean, it's going to
20 be built with all recycled materials, an
21 energy-efficient building. And, again, it's all part of
22 what's going on, too; and that's where many of the
23 professionals are looking to move.

24 MS. RILEY: Do you know that they won't be
25 done until the Fall, and they're almost 100 percent

1 rented already? And CODA is also looking at being part
2 of the museum, having three floors of rental space above
3 it.

4 MS. GOLDBECK: Do you -- and I will go back,
5 as we develop the Bill, go back and talk to Mayor
6 Brenner. But how was the potential loss in real estate
7 taxation accepted by the municipalities and school
8 districts? And if you can't answer, I totally
9 understand.

10 MS. RILEY: No, I don't know of any. I
11 didn't hear of any.

12 REPRESENTATIVE DEPASQUALE: I mean, it was
13 pretty small. I mean, quite frankly, the KOZ stuff does
14 create some consternation among the school district more
15 so than the county.

16 MS. RILEY: Yeah.

17 REPRESENTATIVE DEPASQUALE: But this is such
18 a small margin that it really -- I don't think anyone,
19 you know --

20 MS. RILEY: It didn't have enough of an
21 impact.

22 REPRESENTATIVE DEPASQUALE: -- raised a
23 concern, publicly anyway. Whether it happened privately
24 or not, I don't know.

25 MS. RILEY: I didn't hear anything else.

1 Oh, I don't know. Philip thought maybe the city already
2 owned the property -- Was it a redevelopment authority?

3 REPRESENTATIVE DEPASQUALE: I'm not sure
4 the city owned it. My memory on this, which, you know,
5 please know that I am not swearing on this one, because
6 I could be wrong, but that the city was getting minimal
7 property tax collection from that site anyway; so there
8 was nothing to lose from it. And I think that had a lot
9 to do with why there was very little concern about it,
10 and it was only an upside.

11 MS. GOLDBECK: Thank you.

12 MS. RILEY: Thank you. Come to York.

13 MS. GOLDBECK: I will.

14 MS. RILEY: We'll find you some loft space.

15 CHAIRMAN PETRONE: Thank you, Ms. Riley.
16 We'll look forward to visiting you, and we'll count on
17 Representative DePasquale to set this up as quickly as
18 possible. Maybe we could do it in June.

19 MS. RILEY: We'd love to have you at the
20 Yorktowne. Sincerely, we'd love to have you.

21 CHAIRMAN PETRONE: I look forward to it.
22 Thank you so much.

23 MS. RILEY: Thank you.

24 CHAIRMAN PETRONE: Next we have Ms. Kim
25 Plyler, Director of Marketing and Public Relations for

1 ArtsQuest, from Bethlehem, Pa. Welcome. I've visited
2 your town many times over the past years. I'm glad to
3 see that you've got a big renaissance going on.

4 MS. PLYLER: We have. We have a very
5 cultural renaissance coming on, and I'm very pleased to
6 be here; so thank you for the opportunity.

7 My name is Kim Plyler, and I'm the Director
8 of Marketing and Public Relations for ArtsQuest.
9 ArtsQuest is a nonprofit arts organization designed to
10 celebrate the arts and culture of the people of Lehigh
11 Valley and also stimulate the economy by providing
12 festivals. We also own and operate the Banana Factory,
13 which is a beautiful restored factory building where we
14 have 28 studio artists, two award-winning galleries, and
15 a wonderful glass studio; and Olympus who just recently
16 moved their headquarters to the Lehigh Valley area has
17 worked in partnership with us to provide an Olympus
18 digital imaging center inside so children can learn
19 digital photography.

20 But how we got to this point, I'd like to
21 take you back to 1984 in Bethlehem. 1984 in Bethlehem
22 we had seen the worst unemployment ever in the City of
23 Bethlehem back in 1984. Our beautiful Main Street,
24 stores were closing up, boarded up; people were moving
25 out of town and along came a visionary named Jeff Parks,

1 who came up with an idea to supply the community with a
2 wonderful festival called Musikfest. And that year, the
3 first year of Musikfest in 1984, 184,000 mostly from the
4 community, came out to celebrate the arts and culture.
5 That festival turned into community therapy. It was the
6 launch pad that turned the city around. Now the city is
7 attracting 1.1 million people annually to Musikfest over
8 10 days. We present 580 performances. We have 14
9 indoor and outdoor stages, and a million people benefit
10 from that. We put heads and beds, and as Philip and I
11 were saying, butts in seats. We get people into the
12 community who then put an economic impact back into the
13 area.

14 So when discussing our current global
15 economy, the distinction that America now brings, we
16 have to combine creativity with capital. Whereas, in
17 the industrial times, it was more of an access to
18 materials, labor force, and basic skills. The creative
19 economy of the 21st Century requires a well-educated
20 labor pool with a vast array of varying talents, ranging
21 from computer programming, engineering, graphic design,
22 medical technology.

23 The truly talented people in the world now
24 have real options as to where they can live and what
25 they want to do. These people have attended the best

1 colleges, have visited and lived in major cities, and
2 want amenities that until now have been considered
3 luxuries. If you ask the college recruiters and the
4 leading businesses in the region, in a truly candid
5 conversation, what their greatest business challenge is
6 of attracting people to their communities, to their
7 colleges and their businesses, they will tell you that
8 it's recruiting talented students and workers.

9 Bethlehem and the Lehigh Valley are in
10 competition with Silicon Valley, New York, Austin,
11 Raleigh and many other places to attract these types of
12 people. Currently ArtsQuest, and I'm very proud to
13 announce this, that ArtsQuest provides a \$39.4 million
14 economic impact back into the Lehigh Valley every year.
15 And this is largely in part due to the Americans for the
16 Arts study that was done, and they focused on the Lehigh
17 Valley and ArtsQuest being the signature partner in the
18 Lehigh Valley for economic development in the arts.

19 So with all that being said, over 25 years
20 of growth through the arts, expanding everything into
21 the Banana Factory -- the Banana Factory was an old beat
22 down warehouse that used to distribute bananas up and
23 down the East Coast, and then Mayor Ken Smith convinced
24 Jeff Parks that it would be a wonderful place to put
25 artists and at that time Third Street in Bethlehem was a

1 place you didn't go to at nighttime; it was very
2 dangerous. So Jeff, along with the mayor, and the
3 wonderful community partners, such as Benny and Smith
4 and Banco (phonetic) all joined together along with
5 Lenny Fowder (phonetic), one of our great
6 philanthropists in our area to put together the Banana
7 Factory. Soon after the Banana Factory was open, Third
8 Street became the place to be. There are now artists,
9 galleries, restaurants, a hotel, and across the street
10 from the Banana Factory, which we're extremely proud of,
11 is the River Place. It's the River Port, and it has
12 River Place Condominiums. It has a wonderful gymnasium,
13 and it has a beautiful restaurant called Starters; so
14 the condominiums there go anywhere from 200,000 up to
15 \$500,000, and they're full. So a community that we were
16 afraid to walk down the street now houses some of the
17 best people in the community, and the arts did that.

18 So where do we go from here? Where's
19 Bethlehem now? With that being said, today, as opposed
20 to 25 years ago, it's important to note that the City of
21 Bethlehem is graced with the wonderful cultural
22 institutions, beginning with Moravian College, Moravian
23 Academy, Historic Bethlehem and the Bach Choir,
24 Bethlehem has a wonderful cultural basis. Not only is
25 Bethlehem noticed by the Northeastern region of the

1 United States, it's become a shining national example of
2 how to revitalize an industrial area. Even world
3 travelers are recognizing Bethlehem as a place to visit
4 or live.

5 Here are some of the facts worth noting
6 about Bethlehem and ArtsQuest: Recently, Bethlehem was
7 selected by Fortune Magazine as one of the top 100
8 cities in the United States to live and open a business.
9 In 2007, the city was ranked in the top 100 cities by
10 Money Magazine. In 2006, ArtsQuest's holiday market,
11 Christkindlmarkt Bethlehem, was selected as one of the
12 top five open-air markets in the world by Travel and
13 Leisure Magazine. And if you want to travel to one of
14 the top 1,000 places in the world, you better head to
15 Bethlehem, Pa, because we made that list too.

16 So what does all this have to do with arts,
17 culture, and tourism? Everything. There are dozens of
18 examples of how attracting the creative class relates
19 to business and economic growth in the community. Here
20 are a couple examples from our community: FL Smidth, a
21 Danish company that purchased the Fuller Company several
22 years ago, has its American headquarters in Bethlehem.
23 Last year, the company made a major acquisition of a
24 Canadian mining and minerals company. As a result of
25 that growth, their workforce has grown from 800 to more

1 than 1,000. Most of the new hires are engineers and
2 computer technologists. An incubator company,
3 Glucolight, is designing a testing device to determine
4 blood sugar without the invasive pin prick that so many
5 diabetics have to use many times a day. The technology
6 is based on the region's competence in fiber optics, a
7 skill set that remained from the Lucent Technologies
8 days. This startup company has solved an important
9 medical issue, and within a few years will be producing
10 equipment that will first be used in hospitals around
11 the country.

12 When these companies were asked what helps
13 attract and retain new employees to their organizations,
14 their answers were clear, access to culture and the
15 arts, recreational opportunities, restaurants, retail
16 amenities, a welcoming attitude towards diversity,
17 varied urban living spaces and educational
18 opportunities. I was part of the focus group that got
19 to go around and ask them these important questions, and
20 culture and the arts was at the top of their list. And
21 at least 20 percent to 30 percent of the people that we
22 talked to actually moved to the community because they
23 had first come to see Musikfest and had a great time and
24 thought it was a beautiful place, so we're really proud.

25 So where do we go from here? What's ahead

1 of us? Well, I'd like to give you a little vision of
2 the 21st Century downtown square. History, culture,
3 education and the arts will intersect with technology
4 and celebration in an innovative 21st Century town
5 square project called SteelStax. Developed jointly by
6 ArtsQuest and PBS 39, the project is proposed for a
7 portion of the former Bethlehem Steel property, which is
8 the largest Brownfield's redevelopment project in the
9 country. The results of years of planning, extensive
10 research, cultural program development and visioning by
11 ArtsQuest, SteelStax will allow five area nonprofit arts
12 partners to expand their programming, increase services
13 to the community, collaborate on all programs and
14 provide the Lehigh Valley region with an exciting new
15 place for education and celebration through the arts.

16 The growth of the Lehigh Valley region has
17 created an increased need for cultural services and
18 experiences. The SteelStax project will offer a diverse
19 amount of cultural programs hosted in a combination of
20 restored historical buildings and new construction which
21 have state-of-the-art technology to offer the patron a
22 touch of the past creatively inspired with the
23 technology of the future.

24 In addition to my speech, I have in a packet
25 for you in the black envelope a full breakdown of our

1 economic impact, from what Musikfest provides, what
2 Christkindlmarkt Bethlehem provides, the Banana Factory
3 and our new program, First Night; and there's also a
4 projected economic impact of what SteelStax will bring
5 to the community.

6 CHAIRMAN PETRONE: Thank you very much, Ms.
7 Plyler. I recall visiting your city, Bethlehem, in the
8 early 1980's when I first was elected; and I know how
9 difficult the struggle was at that time for you to get
10 into the situation and the success you're enjoying now.
11 I think you've done a remarkable job over the years
12 there and there's still more to come.

13 I remember Bethlehem being touted as the
14 greatest steel producing city and one of the biggest not
15 only in the country but in the world. I think they made
16 the steel for the Golden Gate Bridge. I know they made
17 the steel for the battle ships of the second World War.

18 So aside from all of that, it's gratifying
19 to see how much energy you put into surviving, coming
20 back and growing. I think it's really exciting.

21 MS. PLYLER: Thank you. It's a true
22 testament to the community, because the corporations,
23 the people in the community, and we have one fabulous
24 mayor who is totally behind redevelopment. He's
25 excellent to work with. So thank you.

1 CHAIRMAN PETRONE: We hope it continues.
2 And if we can help you, I'm sure that our members will
3 be glad to do that. Any comments or questions from any
4 members?

5 Well, thank you again, Ms. Plyler.

6 MS. PLYLER: Thank you. And we'd like to
7 invite you, also, to the Lehigh Valley to come visit us.

8 CHAIRMAN PETRONE: I want to come back
9 there. I did play golf at Saucon back in the 80's. And
10 I played pretty bad, but it was good to be there.

11 MS. PLYLER: Oh, it's beautiful.

12 CHAIRMAN PETRONE: Even though I played very
13 badly, it was great to be in that city, really. So
14 we'll look forward to visiting and coming back and
15 seeing examples of your success and sharing them with
16 the rest of our people.

17 MS. PLYLER: Thank you.

18 CHAIRMAN PETRONE: Thank you very much.
19 Next, we have Julie Hawkins, Vice President of Public
20 Policy, the Greater Philadelphia Cultural Alliance.
21 Welcome, Ms. Hawkins.

22 We're going to take a five-minute break for
23 our stenographer, please. Please have something to
24 drink; get some coffee or -- Okay?

25 (A brief recess was taken.)

1 CHAIRMAN PETRONE: Ms. Hawkins, whenever
2 you're ready. Everybody all set?

3 MS. HAWKINS: Good afternoon, Representative
4 Petrone and members of the Committee. We are now
5 officially in the home stretch. Thank you for hanging
6 tough with us.

7 My name's Julie Hawkins, and I am here today
8 representing the Greater Philadelphia Cultural Alliance,
9 which is a membership organization of more than 300
10 nonprofit cultural organizations in Southeastern
11 Pennsylvania. Our members range from art museums to
12 libraries to zoos, and our mission is to lead the effort
13 to increase awareness of, participation in, and support
14 for arts and culture in the region.

15 Today we're here to talk about the arts and
16 economic development, and you've already seen some
17 incredible examples of this and you're about to hear two
18 more from some of my colleagues in Philadelphia.

19 At the Cultural Alliance, we're in a unique
20 position to see the bigger picture of what's happening
21 in the region as a whole and then to make strategic
22 investments in arts-based development efforts that
23 support the region's and the Commonwealth's economy.

24 So what I'm going to share with you today is
25 some research and just a couple of on-the-ground

1 examples that illustrate two major benefits of the arts
2 in our economy. The first is civic engagement,
3 evidenced by an improved quality of life; and the second
4 is return on investment, illustrated by organizational
5 and consumer spending, job creation and support, and
6 property value increases.

7 CHAIRMAN PETRONE: Just a little slower, Ms.
8 Hawkins.

9 MS. HAWKINS: My goal is to give all of you
10 the evidence that you need to support the investment
11 that you want to continue to make in arts and
12 development in the region and across the Commonwealth.

13 So in terms of civic engagement, what we
14 measure can often be less about actual dollars and cents
15 and more about attitude and consumer patterns, because
16 those will indicate on what basis people are making the
17 choices that then do lead to real dollars coming into an
18 economy.

19 So what you're looking at here is
20 (indicating) a recent survey of regional residents done
21 by the Delaware Valley Regional Planning Commission.
22 And in it, they ask people, What do you like most about
23 the Delaware Valley Region? The answer is that 58
24 percent of them, that's that top bar going across to the
25 right, chose the numerous historic and cultural sites.

1 It was a clear favorite at more than 10 percentage
2 points above the second most popular response; and there
3 are a number of other studies in the region that show
4 similar data. And in short, what they all say is that
5 people are choosing to live and work and go to school in
6 regions like Southeastern Pennsylvania in large part
7 because of the cultural amenities that are located
8 there.

9 And, of course, people don't just like
10 having cultural organizations as their neighbors right
11 next door; they actually do go to visit them as well.
12 Public surveys, in fact, show that 83 percent of the
13 area's residents attended an arts and cultural event in
14 the last year. And then when you survey the folks who
15 are attending the events, you find that 88 percent of
16 them voted in the last Presidential election. So what
17 we know about these folks, is not only are they engaged
18 in the cultural activity of their community but they are
19 civically engaged as well. They play a role that sort
20 of goes beyond just choosing to attend an arts and
21 cultural event. We also know that 60 percent of them
22 would be willing to pay more in taxes to support the
23 arts, but I will spare you that pitch today and save it
24 for another time.

25 CHAIRMAN PETRONE: I'm glad to hear that.

1 MS. HAWKINS: So instead, I'm going to talk
2 to you a bit about what happens when people do visit
3 cultural organizations. And as I mentioned earlier,
4 great civic engagement is a process that starts with
5 perception and attitude about quality of life and it
6 ends up being worth real dollars to communities, and
7 this slide really illustrates for you how that works.
8 So what you can see in the blue part of the ring there
9 is that 71 percent of Southeastern Pennsylvania's
10 cultural audience base is made up of regional residents.
11 That figure is actually 10 percent higher than the
12 national average, which indicates to us that the
13 cultural activities really are important to the folks
14 who are living in our region.

15 And as we all know, visitors are also a
16 crucial part of the equation. They actually spend more
17 per event. In Southeastern Pennsylvania, it's an
18 average of \$67. And when that spending is combined with
19 resident spending, it all adds up to a whopping \$691
20 million in terms of economic impact; and that's over and
21 above the cost of admission to those events that are
22 bringing people out in the first place. And in a couple
23 minutes I'll tell you who's benefitting because of that
24 additional spending.

25 But first, I'm going to talk to you a little

1 bit more about the people themselves living in
2 neighborhoods across the Commonwealth and in
3 Philadelphia where the overall population of the city
4 and county has actually declined in the last decade, the
5 population in neighborhoods that have high levels of
6 arts and cultural participation has actually bucked that
7 trend and, in fact, grown. And it really is as simple
8 as cultural activity attracts people.

9 Involvement in a myriad of organizations,
10 everything from the Ambler Theatre, to the Chester
11 County Arts Association, to the Media Arts Council and
12 countless others, is really helping to transform
13 neighborhoods around our region. They're bringing life
14 to the streets, into community centers in suburban
15 subdivisions and in town centers, not just in the large
16 city itself.

17 The arts are getting people involved in
18 community projects where they meet their neighbors, and
19 this is true regardless of income range. There are
20 plenty of working-class neighborhoods across the region
21 and the Commonwealth that are active and alive with arts
22 and culture as any wealthy area.

23 So that's the picture of civic engagement
24 and how the arts contribute to a greater quality of life
25 here in Pennsylvania. So now we're going to look at

1 another major benefit, the idea of return on investment.
2 So in Southeastern Pennsylvania, the economic impact of
3 the nonprofit arts and culture sector includes \$1.3
4 billion in total direct expenditures, so that includes
5 that \$691 million figure from the audiences that we
6 talked about a minute ago combined with another \$645
7 million dollars in spending by the organizations
8 themselves. That supports 40,000 jobs in the region and
9 nearly \$160 million in state and local tax revenues.

10 So in terms of that employment, the return
11 on investment there, that 40,000 job figure is basically
12 equivalent to ten jobs for every thousand residents in
13 the region for Southeastern Pennsylvania. When you
14 compare that number nationally in similar sized regions
15 to us, arts and cultural is generating four jobs for
16 every thousand residents. So again, here's another
17 indicator that this particular industry is really
18 crucial to the landscape of that region and I think to
19 the State as a whole.

20 So remember when I said we'd find out where
21 all the audience money is going? Here's where it is
22 (indicating). Not surprisingly, the two largest
23 beneficiaries of arts audiences also happen to be two of
24 the region's most important industries, restaurants
25 being one of them, lodging being the other; and that's a

1 really solid return on investment.

2 In the process of attracting and engaging
3 residents and visitors to communities, what cultural
4 organizations and artists are doing is absolutely
5 supporting their own businesses; but they're enabling
6 other businesses to survive and thrive as well.

7 And that brings me to the return on the
8 public investment in arts and culture. All of you are
9 well versed with your own investments in agencies like
10 the Pennsylvania Council of the Arts, The Pennsylvania
11 Historical and Museum Commission; and you've invested
12 large amounts of public dollars in support of arts and
13 culture over many years. And what you can see here is
14 that those investments are more than paying for
15 themselves. In terms of state government, every dollar
16 that's invested in Southeastern Pennsylvania's cultural
17 organizations is actually returning \$2.50 in terms of
18 state tax revenue.

19 And now we're going to take one more look at
20 what's happening in neighborhoods and the return on
21 investment that cultural organizations are contributing
22 to them. Just as prices are affected by other amenities
23 and access to them, like parks and public transit, the
24 value of real estate is also affected by the location of
25 arts and cultural organizations. And when cities and

1 towns see redevelopment as Philadelphia and a lot of
2 other towns in our region have in recent years, that
3 redevelopment is much more likely to take place near
4 arts and cultural assets. In fact, it's twice as likely
5 to happen there.

6 So that's the bigger-picture impact in terms
7 of civic engagement and the return on investment across
8 Southeastern Pennsylvania, and it works in a variety of
9 different ways on the ground level when you start to
10 talk about independent, individual projects. For the
11 last five years, we've had the pleasure at the Culture
12 Alliance of being able to work on a variety of what we
13 call arts-based community development projects, and what
14 you see there (indicating) is a map of where some of
15 those are located.

16 Each of these projects kind of varies in
17 scope and nature. They all have three elements in
18 common. There's a great interest in residents and civic
19 leadership in the idea, there are dedicated artists and
20 cultural organizations on the ground interested in
21 making things happen, and there are engaged public
22 officials who are willing to support the effort as well.
23 And together, all of these people and their communities
24 are using the arts as a catalyst to breathe new life
25 into long abandoned buildings, to create new spaces for

1 community experiences, and to build successful creative
2 economy businesses.

3 And having the benefit of listening to all
4 of the testimony before mine, and in light of the
5 amendment that you are all now considering, I'd be
6 remiss if I didn't tell you just a little bit about a
7 couple of those places. One of them in particular is
8 the town of Newtown. And there, the Main Street Manager
9 has actually been very active in choosing culture as a
10 focus of their community development efforts; and they
11 now have a thriving Main Street program and a large part
12 of the focus of that Main Street program is around using
13 cultural organizations as a catalyst for further
14 business development in their Main Street corridor. So
15 I think they'd be very interested in speaking to you
16 about further possibilities there.

17 The town of Lansdowne just outside the City
18 of Philadelphia has an annual community arts festival
19 that has grown over the years and has spurred many other
20 redevelopment efforts that are now taking place in that
21 community. In Norristown, they've got some incredible
22 artist live workspace and shared gallery space that has
23 served as a catalyst for riverfront redevelopment among
24 other things; and those are just scratching the surface
25 of all of the different projects that are happening.

1 But that revitalization is taking place, and so I think
2 it's great that you are all considering other ways of
3 continuing to encourage it.

4 So that's what's happening right now in
5 Southeastern Pennsylvania and really across the
6 Commonwealth as a whole, as you've heard from everyone
7 here today. We're armed with compelling evidence of a
8 strong civic and economic return on investment, as far
9 as arts and culture go. And so as some of my other
10 fellow panelists have, I'm going to ask you to take a
11 moment now to think about 10 to 20 years from now and
12 how we as a state, as a region, as a community will
13 think about supporting development and by then, of
14 course, it will be more redevelopment of our
15 neighborhoods and communities. A lot of people suggest
16 that it will continue to be on a regional basis and that
17 that will pull state and local systems together into
18 increased support systems and opportunities.

19 Traditionally, the view in Southeastern
20 Pennsylvania has been that the center city kind of
21 dominates everything; and particularly in arts and
22 culture, that has long been the view. Some of our
23 recent research has shown us that while it is definitely
24 the case, a number of substantial anchor institutions
25 are located in Center City Philadelphia. They're not

1 the only piece of the economy of what's happening in
2 arts and culture that you need to look at. In
3 particular, when you study the employment patterns of
4 those organizations and where people live and the
5 audience patterns, you find that it is really spread
6 around the region and even beyond that; and so the
7 economy that's being supported by that really does
8 extend across the region as a whole.

9 The other piece that goes into that is that
10 in Southeastern Pennsylvania in particular, the four
11 suburban counties, Bucks, Chester, Delaware and
12 Montgomery, the growth rate of organizations over the
13 last decade is actually almost double that of the city
14 organizations; so there is substantial growth happening
15 in suburban areas as well as the city and that's
16 contributing to that increased balance as well.

17 I think that the Pennsylvania Council on the
18 Arts has actually been very forward thinking in
19 recognizing the value of retail investment years ago
20 when they started the Pennsylvania Partners in the Arts
21 program. In February, I had the chance to visit
22 Seattle, along with Philip Horn from the Council on the
23 Arts; and we heard a lot of our colleagues in the
24 western half of the country sort of talk about regional
25 models and what happens with them and how they're

1 working. Some of them are cutting-edge ideas, some of
2 them are ones that have been around for a couple of
3 decades. All of them really recognize the value of
4 regional investment and what that model can provide and
5 present to a community.

6 So as all of you consider your next steps, I
7 would urge you to keep considering investing in
8 structures of cultural support, whether they are special
9 incentivized tax based districts, whether its increased
10 funding for the PA Council on the Arts at \$2 million or
11 even more, that are going to further leverage what's
12 already happening in and around the Commonwealth.

13 What we're talking about here today really
14 does just scratch the surface of the level of activity,
15 so I'd also echo the idea of hearings around the State.
16 We'd be thrilled to participate in one in Southwestern
17 Pennsylvania, and I know that a lot of the folks who are
18 working on the ground level of these projects would love
19 to have the opportunity to share with you directly the
20 impact of their work as well.

21 So I thank all of you for the opportunity to
22 be here today and welcome any questions you might have.

23 CHAIRMAN PETRONE: Thank you very much, Ms.
24 Hawkins. It's great to hear your enthusiasm for what is
25 happening in your region. You know, for me, it's -- I

1 think we're just starting to see this great new birth of
2 cultural excitement in our country that our ancestors
3 and forefathers came from and no matter what country
4 they came from. It's significant that they preserved
5 that as their anchor, so to speak -- whatever city they
6 came from in any part of the world, the culture and the
7 arts are what was the mainstay of their existence. And
8 they preserved that no matter where they came from, in
9 Europe or anywhere in the world. And I think we are,
10 in America, just beginning to really realize we've got
11 to preserve these things and the entities where they
12 will flourish from, the buildings, the theatres, those
13 kind of things. So, hopefully, we're on course here for
14 the next several decades to continue that.

15 But you've done a remarkable job. We've all
16 just witnessed a lot of your success down there. I
17 believe we were there two weeks ago.

18 MS. HAWKINS: That's right.

19 CHAIRMAN PETRONE: And it's always a
20 pleasure to come and see the remarkable change that's
21 happening. Every time we get there, there's something
22 new, something exciting, some new successes; so
23 hopefully you'll keep that up and we'll help you do it.
24 We hope we can help you do that.

25 MS. HAWKINS: Well, we welcome that greatly.

1 It's funny that you say that. I was thinking earlier as
2 Mitch Swain was talking about his background and where
3 he's from. I grew up in North Carolina, in Charlotte,
4 in fact, where they have been sort of actively trying to
5 build the same depth and breadth of cultural amenities
6 that regions like Southeastern Pennsylvania already
7 have. And I know that's true of many places across the
8 State of Pennsylvania. So it's a unique opportunity
9 that I think we all have here to really sort of figure
10 out how to reinvest in those areas in ways that they can
11 continue to be community landmarks.

12 CHAIRMAN PETRONE: Exactly, and to preserve
13 and flourish. We'll look forward to coming down to
14 visit you. We'd be delighted to do that.

15 Questions, comments, colleagues?
16 Representative Cohen.

17 REPRESENTATIVE COHEN: Yeah, I was intrigued
18 by your comparison of neighborhoods in Philadelphia. I
19 know a guy who was exploring the possibility of trying
20 to start an artist colony in the Allegheny neighborhood.
21 He hasn't made much progress.

22 Is there anybody at the Cultural Alliance
23 who works with people trying to start artist colonies or
24 any similar concentration of artists in neighborhoods
25 that traditionally have not had them?

1 MS. HAWKINS: We do. We do actually do that
2 in some areas of the City. We've supported the efforts
3 of the New Kensington CDC, and they've done some very
4 successful work in artist live workspace and
5 revitalizing that community. We've done a little bit of
6 work in West Philadelphia as well, and I'm sure they'd
7 be happy to talk to your contact about that.

8 REPRESENTATIVE COHEN: Okay. Great. Thank
9 you.

10 CHAIRMAN PETRONE: Thank you. Christine.

11 MS. GOLDBECK: Thank you. Well, first of
12 all, this serves as notice of available projects going
13 on for a year now with Dwight and Port Richmond, so I
14 will become a familiar face.

15 MS. HAWKINS: Great.

16 MS. GOLDBECK: You hit upon something that I
17 think is crucial to the whole movement of developing
18 cultural districts, trying to make them, you know -- get
19 them in and bring other businesses -- just neighborhood
20 revitalization overall, and that was perception and
21 attitude about quality of life.

22 Is that changing in smaller places, the
23 overall, Why would we want to support the arts attitude?
24 I see it changing in smaller places now, not as fast as
25 I want it to, but places like Pottsville and --

1 MS. HAWKINS: Absolutely. Absolutely,
2 Pottstown, Phoenixville. There's a number of
3 communities in Southeastern Pennsylvania who, I think,
4 are really starting to embrace that idea because they
5 are seeing results from the investment that's happening.

6 There's a group of folks in Lansdale right
7 now who are actually converting an old masonic temple
8 into a new performing arts center there; and that has
9 created, you know, sort of not just the catalyst of the
10 construction, but it's created a real community dialogue
11 around what sort of amenities do people want, what type
12 of art would they like to see, and how are they going to
13 continue to be involved in the community going forward?
14 And I think sort of the increasing presence of those
15 projects is really changing communities. Ambler and the
16 theatre that's been renovated there on the Main Street
17 is one of the sort of older revitalization projects in
18 the region; and that, I think, has been a great example
19 for people as well, sort of seeing five years out, ten
20 years out, what can really happen in a corridor.

21 MS. GOLDBECK: So taking something such as
22 Heather's proposal does and putting it under Main Street
23 and perhaps expanding it into Elm Street and giving it
24 that structure also gives it something of a stamp of
25 approval under programs that have been very successful

1 in formerly blighted districts?

2 MS. HAWKINS: Right. And I think it opens
3 the door for even more collaboration between the
4 community development corporations and the arts and
5 cultural community, which is great, because they both
6 have sort of a different body of knowledge that they
7 bring to the table.

8 MS. GOLDBECK: Thank you.

9 CHAIRMAN PETRONE: Jon Castelli.

10 MR. CASTELLI: I guess I found it
11 interesting you were mentioning about Coatesville and
12 Norristown, smaller communities in the shadow of a core
13 city that is the center for the arts. How does a
14 smaller town like that, that has a larger city nearby,
15 even in Dauphin County here, with Harrisburg being the
16 Whitaker Center and that is perceived to be the center
17 for the arts, how does a smaller town -- what advice
18 would you give to a small community, a small town that
19 might have an old theatre, where do they start? I mean,
20 does it start with state investment monies to renovate?
21 Does it start with -- does it come from the community?

22 MS. HAWKINS: We have -- I mentioned this a
23 little bit in my remarks, the communities that we work
24 with, we specifically look for them to have sort of
25 three factors already in place when they come to us to

1 start, you know, sort of seriously working, if you will,
2 on a project; and one is that level of community
3 investment. Typically, the first piece of advice we'll
4 give to folks is sort of, what's the community vision
5 for this piece? You know, have you all decided what
6 that is? Has your community really determined what you
7 need as a group? The thing that we notice across all of
8 the projects that we work on is that they're all
9 different. In some areas -- in Kennett Square, for
10 example, we're working right now with a group of folks
11 who are forming a new arts service organization, because
12 they thought what they really needed was a group that
13 could support all of the artistic that was happening; so
14 it's not a physical space that they're creating, it's
15 not a specific artistic program. It's actually a
16 support function for everything that's already
17 occurring. In some other communities it's the exact
18 opposite. Like the example in Lansdale where, you know,
19 they're starting with the focus of the building because
20 that's an icon in their community that they want to sort
21 of reclaim in a new way.

22 So I think we always look for sort of a
23 surge or a ground swell of community involvement and
24 support for the idea of doing something, even if they
25 don't already know what that is. We look for a core of

1 artists or arts organizations who can be part of that
2 process and part of that project and are in that actual
3 community, and then we look for elected officials and
4 other civic leaders who are willing to support the
5 effort and keep it going. Because what we found is, we
6 can connect people to resources; but, you know,
7 ultimately it needs to be their project, it needs to be
8 their vision, their dream, their idea.

9 CHAIRMAN PETRONE: Any other questions or
10 comments? Thank you very much.

11 MS. HAWKINS: Thank you.

12 CHAIRMAN PETRONE: We look forward to
13 visiting you.

14 (A brief recess was taken.)

15 CHAIRMAN PETRONE: Thank you for your
16 patience, everybody. We're behind schedule, but this is
17 a subject that we really should take time to explore and
18 give everybody a chance to explain and learn. I think
19 we could do this all day.

20 So next we have Mr. William Valerio,
21 Assistant Director for Administration, Philadelphia
22 Museum of Art and Mr. Eli D. Massar, Chief Operating
23 Officer, City of Philadelphia Mural Arts Program.

24 MS. MASSAR: Again, I think we're testifying
25 separately.

1 CHAIRMAN PETRONE: Oh, separately. I'm
2 sorry. That's quite all right. Take your time.

3 MR. VALERIO: Hello, everyone. And thank
4 you --

5 CHAIRMAN PETRONE: Welcome, Mr. Valerio.
6 Good to see you again.

7 MR. VALERIO: Good to see you again, too.
8 We were bus mates on an economic development tour of
9 Philadelphia --

10 CHAIRMAN PETRONE: A very exciting tour.

11 MR. VALERIO: -- which was truly exciting.
12 I learned things about Philadelphia that I didn't know.
13 I think we all did.

14 Thank you, Mr. Chairman, and members of the
15 Urban Affairs Committee. My name is Bill Valerio; I'm
16 an Assistant Director at the Philadelphia Museum of Art.
17 The Museum, which you can see, and I'm going to speak to
18 this PowerPoint (indicating), is a Commonwealth
19 treasure. It's the State of Pennsylvania's largest arts
20 organization, and I mean physically largest. I think we
21 also received the largest number of visitors per year of
22 any other single museum or cultural organization. And,
23 you know, we are very proud to be one of the anchors of
24 the arts and culture in Pennsylvania.

25 In my testimony today, I will describe the

1 Museum's public service and economic impact; and I will
2 also urge you to support the upcoming amendment to
3 increase the budget of the Pennsylvania Council on the
4 Arts, which is critical for the health of the arts
5 across the State.

6 The Philadelphia Museum of Art's mission --
7 and I will try to do this fairly quickly -- the Museum's
8 mission, in partnership with the City, the region, and
9 art museums around the globe is to preserve, enhance,
10 interpret and extend the reach of our great collections,
11 in particular, and the visual arts in general to an
12 increasing and increasingly diverse audience as a source
13 of delight, illumination, and lifelong learning.

14 And just to paraphrase that, in terms of the
15 nuts and bolts of what I do every day and the sorts of
16 decisions that we make every day at the Museum, all of
17 our decisions are guided by an eye to provide people
18 with encounters with art, whether in the Museum itself,
19 in a classroom, and I will describe some of our
20 education activities, or through one of our publications
21 and catalogs or through the digital resources that we
22 make available. The Museum's goal is to provide
23 enjoyment, but at the same time, to expand
24 thoughtfulness and the richness and quality of life
25 across the region.

1 The Museum is a Pennsylvania icon that ranks
2 among the four largest art museums in the nation,
3 that's across the United States. It ranked, very
4 recently, in a Harris Interactive Poll as one of
5 America's top 25 favorite buildings and this was a group
6 of buildings that included the Empire State Building,
7 the Nation's Capitol; Philadelphia City Hall was part of
8 this 25 group, and we thank that a great deal to Mr.
9 Stallone and the Rocky movies. That has made our
10 building very popular, and I'm sure that many of you
11 have driven by and seen people running up the steps of
12 the Museum. This is a constant activity, and we do the
13 best that we can to get people to come inside after they
14 run up the steps. And I would just mention, you know,
15 just for your information, we are hoping to work with
16 Mr. Stallone to have him narrate an audio guide to the
17 inside of the Museum and to talk about the things he
18 loves best in the Philadelphia Museum of Art as a way
19 to, again, get people inside. And, you know, we think
20 that that might inspire some people who otherwise might
21 not come inside the Museum. So we'll keep our fingers
22 crossed. And if anybody knows Sylvester Stallone,
23 please let me know and we're talking with his attorneys
24 and agents and all that.

25 The Museum's world-renowned collections of

1 225,000 works of art span 2,000 years and attract
2 between 800,000 and 1 million visitors annually, with
3 approximately 35 percent of all visitors coming from
4 across the region and around the world. The Museum's
5 exhibitions are extraordinary in scope, public appeal
6 and scholarship and a direct result has been that the
7 Department of State selected the Museum to organize the
8 United States participation in the Venice Biennale of
9 2009, an international event of highest visibility that
10 will focus the attention of the global art world on
11 Pennsylvania.

12 The Museum's award-winning education
13 programs for children, adults, and teachers serve over
14 200,000 individuals every year, including 75,000 to
15 85,000 school children and I would say our work with
16 school teachers has a multiplier effect because if we
17 work with -- you know, let's say we work with a total of
18 10,000 teachers in the course of a year, if each of
19 those teachers, say an art teacher who serves an entire
20 school might work with 300, 400 or several thousand
21 students across, you know, the activities of an art
22 teacher's activities.

23 And for any members of the Committee, I'm
24 glad to give you my card and to connect you -- and I've
25 worked with several individual legislators across the

1 State and helped them tie into specific programs at the
2 Museum that have been very useful. We have distance
3 learning programs, I'll describe in a minute and all
4 sorts of other programs that tie directly into the
5 Pennsylvania curriculum and can be extremely beneficial
6 and useful in terms of bringing more arts into schools.

7 So here I am, back to my script; Classroom
8 resources for teachers in the Museum's Wachovia
9 Education Resource Center, which is in our new Pearlman
10 Building that some of you will have visited just two
11 weeks ago, have already served over 1,500 teachers.
12 This is a brand-new space, and we provide them with
13 teaching poster kits, multicultural teaching packages
14 and digital teaching resources that are tied directly to
15 the Pennsylvania curriculum. The Museum is recognized
16 as a national leader in distance learning, and we serve
17 schools and classrooms in every state of the country and
18 across the State of Pennsylvania with live interactive
19 lessons on art and artists directly from the Museum.

20 And, again, since we've all been invited to
21 go to York and even Pittsburgh, I would love to invite
22 the Committee to come and spend some time in the Museum
23 and maybe specifically in our Distance Learning Studio
24 and to see what it's like when a teacher in the Museum
25 with an artwork in front of them can interact live with

1 a class in Erie, Pennsylvania or in Nome, Alaska and we
2 have -- some schools have worked with us all the time
3 and there is one school in Alaska that signs up and, you
4 know, this is something we do every day. And it's a
5 very exciting thing to see a kid in a classroom say to a
6 teacher in the Museum, you know, What's on the back of
7 that artwork? And the teacher in the Museum can say, I
8 don't know; let's turn it around. And you can see the
9 class sort of jump into the camera, because it is so
10 live and interactive and that's not something you can
11 actually do in the Museum. You can't turn the painting
12 over, but a professional museum person in a studio in
13 front of a camera in some cases can do that and it's a
14 very exciting, interactive experience to see. And we
15 offer this every day and would be glad to work with
16 anyone in the legislature to try to connect with your
17 school districts or school principals.

18 Day-in and day-out, the Museum offers adult
19 programs for college students, Form in Art for visually
20 impaired adults, Art Talk for homebound individuals and
21 I could stop and talk about any one of these. Art Talk
22 is a program primarily for senior citizens, but we have
23 a large community of individuals with MS who are
24 homebound or can't get to the Museum anymore. And what
25 this program does, and it's very low tech, but a person

1 gets a packet of colored Xeroxes in the mail of
2 artworks, say, for example, keyed in now to our current
3 Frida Kahlo Expedition, and there's a schedule of
4 basically a big conference call and a Museum teacher
5 will make the conference call and there might be
6 anywhere from 10 to 20 individuals sitting in their
7 homes or wherever they are, all you need is a telephone
8 and a mailbox and so you have your package of images and
9 you have your telephone, and the Museum teacher will
10 say, Today we're going to start talking about the first
11 three paintings that you see in your xerox, these are
12 the first three paintings in the Frida Kahlo Expedition
13 and, you know, let's look at this subject. I see a
14 painting of a monkey. Tom what do you think of this
15 monkey? And what develops in the course of several
16 sessions, and I'm not sure how many sessions are
17 typically in this program, but a relationship develops
18 and it's a very tangible, real, exciting emotional
19 experience for all the people who do this. And, again,
20 we work with senior centers across the five-county zone
21 of, you know, the Philadelphia region and beyond that
22 across the State and are very glad if you have senior
23 centers for me to help connect them into this program.
24 Our goal is always to make the most of the terrific
25 things that we have going on in the Museum.

1 So, you know, there are four or five bullets
2 here. There could be many more, and I could stop and
3 talk about each one. We have programs for teenagers
4 every day including our Teen Sketch Club, our Teen
5 Docent Program, which is a wonder. We teach Docent. We
6 teach teenagers to volunteer in the Museum and give
7 tours and welcome people in the Museum, and they really
8 love it and it teaches them how to speak, it teaches
9 them self-confidence, it teaches them how to interact
10 with a diversity of different kinds of people. It's a
11 wonderful program to see. We should have them testify
12 here, actually, because they would show us all up. We
13 have the teen filmmaking program, etc.

14 The Museum partners with organizations
15 across the region and organizes special daylong family
16 events that celebrate multicultural holidays throughout
17 the year, such as Persian New Year or the Day of the
18 Dead and I think what you're seeing in this slide is a
19 concert that took place in the Museum on the Day of the
20 Dead last year and many, many, many other holidays that
21 are celebrated with these daylong days of activities in
22 the Museum where we invite artists in, we invite
23 performers in. There are things going on all over the
24 place of people of all ages, and it's very exciting to
25 see these daylong family events. The family days always

1 take place on Sundays when the Museum provides Pay What
2 You Wish admission and in this way, Pennsylvanians and
3 our visitors can attend these programs without
4 consideration of the cost of admission. Every day the
5 Museum offers free admission for children 12 and under
6 and discounts for students and seniors.

7 The result of all of the Museum's many
8 activities is an impressive economic impact, the most
9 significant aspect of which is largely intangible; the
10 plethora of activities that take place under the
11 Museum's four-acre roof every day, the Museum's
12 unparalleled reputation, and the beloved neoclassical
13 building itself together inspire great passions of civic
14 and Commonwealth pride and serve as a "destination
15 definer" for Philadelphians and our guests from around
16 the world.

17 A great deal of economic impact, of course,
18 is quantifiable; and we count every being that we can.
19 And I was going to tell Representative Helm that we
20 count men versus women and, yes, our attendance skews
21 female about 60 percent. So 60 percent female, 40
22 percent male. And we often know that for about half of
23 the men in that 40 percent group, they say that, oh,
24 yes; it was their wife or their mother or their sister
25 or their daughter who instigated the idea of coming to

1 the Museum. Although, of course, they're happy that
2 they did. They always say that. It's very interesting.

3 A great deal of the economic impact is
4 quantifiable. According to the Pennsylvania Department
5 of Community and Economic Development's FY07 annual
6 tourism report, the tourism industry is a \$28.2 billion
7 industry in the Commonwealth. According to the Greater
8 Philadelphia Tourism and Marketing Corporation, the
9 GPTMC, the Museum directly generates 7 to 10 percent of
10 annual leisure travel visitors to Philadelphia. Every
11 dollar spent by the Museum generates nearly 4 dollars in
12 economic activity for the city and region and special
13 exhibitions generate substantial economic activity over
14 a very intense 3-month period of activity. And I give
15 some examples here: Our Van Gogh Exhibition in the year
16 2000 generated 39 million over 15 weeks in economic
17 impact; Degas 28 million; Dali 55 million and Andrew
18 Wyeth, 21 million. Andrew Wyeth is, of course, a
19 lifelong resident of Pennsylvania and his was the best
20 attended exhibition that the Museum has ever mounted of
21 a living artist; and we're very proud of that and very
22 proud to have a wonderful strong relationship with
23 Mr. Wyeth and have an extraordinary collection of his
24 work that will exist in Pennsylvania in perpetuity.

25 And I think I should go off script here a

1 little bit, because as we talk about economic impact
2 specifically of special exhibitions, which do a great
3 deal to attract visitors from out of town and comment on
4 the sports conversations that have been going on, as
5 I've worked with different people involved in the
6 creation of these economic impact studies, one of the
7 things that we know is that -- and I love sports, too,
8 and I love going to the Phillies games. But I go there
9 and I buy a couple of hot dogs and I buy my tickets and
10 I go home. I know that when people come to the Museum
11 they come from out of town, they stay in a hotel, they
12 eat in restaurants. In general, Museum visitors skew
13 affluent, especially those who travel to museums from
14 other cities. So cultural tourists are big spenders.
15 And that's one of the main reasons I've come to
16 understand that the arts have a greater economic impact
17 overall than a sports stadium, because who is it that's
18 coming to see an exhibition at a museum?

19 And another thing to say about special
20 exhibitions, and I don't really talk about this in the
21 rest of the presentation, is that the Philadelphia
22 Museum of Art does compete with its sister organizations
23 across the country, the Chicago Art Institute, the
24 Metropolitan Museum of Art in New York, the Museum of
25 Modern Art in New York, the Boston Museum of Fine Arts

1 and all the museums in Washington to be able to mount
2 these special exhibitions that have such a great impact.

3 We do compete. When the people who organize
4 the Frida Kahlo Exhibition or the Salvador Dali
5 Foundation in Spain, when they organize that exhibition
6 and wanted to see a museum tour, they shop it around;
7 they issue something that's like an RFP and we have to
8 compete and say, We will mount education programs like
9 this; we will do a marketing program like this so that
10 everyone across the region knows that Salvador Dali can
11 be seen at the Philadelphia Museum of Art. We will
12 provide security of this kind. Our roof is good. I
13 mean, all of these things -- I mean, it sounds mundane,
14 but they do send someone who walks through your loading
15 dock and follows the path the art will take to get into
16 your building and up onto the walls and they want to
17 know the circumstances under which it's housed.

18 So the kind of operating support that we get
19 from the Pennsylvania Council on the Arts, the kind of
20 capital support that we get from the Capital
21 Redevelopment Assistance Fund goes a long way to helping
22 us be competitive in all of these ways that we have to
23 be competitive as we compete to land these exhibitions
24 that make such a difference across the State of
25 Pennsylvania and I thought it was worth just taking a

1 minute away from the script just to give a sense of the
2 kind of competition that we're in on an ongoing basis.
3 And there have been exhibitions that we haven't gotten
4 for some reasons, because other museums were able to
5 say, you know what? We're going to spend more on
6 marketing. And the exhibition has gone to that other
7 place. We do everything we can to be competitive.

8 In fiscal year 2007, the Museum and its
9 visitors generated \$223.5 million in total economic
10 activity in the city and region, 3,221 full-time
11 equivalent jobs, \$16 million in tax revenues to
12 Philadelphia and the Commonwealth; and I'd be glad to
13 come back to you with the breakdown on how much
14 Commonwealth and how much Philadelphia. I don't have
15 that with me today.

16 For every job created by the Museum, nearly
17 five jobs are created in Philadelphia and Pennsylvania.
18 And in fiscal year '07, the Museum created 398 full-time
19 equivalent jobs through construction expenditures alone.
20 And what you see in the bottom over there (indicating)
21 is the construction at the Museum's new underground
22 parking garage, a green building which we hope will be
23 held up as an example of a green parking garage. We're
24 very excited about it. We hope you'll be able to park
25 there a year from now when you visit the Museum and then

1 you can also see the Museum's new Pearlman Building on
2 the left with its finishing touches being put on over
3 there. And, again, we have wonderful meeting spaces in
4 the Pearlman building.

5 If you look cumulatively at the last five
6 fiscal years, the Museum generated a total of \$1.07
7 billion in economic activity, 3,433 full-time equivalent
8 jobs sustained annually on average, and \$69.8 million in
9 tax revenues to Philadelphia and the Commonwealth.

10 As you know, the Museum is only one of
11 Pennsylvania's many, many, many, great cultural
12 organizations; and I would like to close by urging you
13 to support the Pennsylvania Council on the Arts. With
14 the Pennsylvania State budget in its final phases of
15 negotiation, I urge you to support a
16 soon-to-be-introduced amendment that proposes an
17 increase of \$2 million for the Pennsylvania Council on
18 the Arts for fiscal year 2009.

19 I attended a portion of the Governor's
20 conference on Pennsylvania tourism two weeks ago in
21 Gettysburg and the gathering of many diverse voices that
22 tell the stories and histories of our great state was
23 truly amazing. It was also apparent in Gettysburg that
24 the arts and culture sector of Pennsylvania has grown
25 exponentially over the past few years. This great

1 appetite for the arts has lead to an increase in the
2 number of organizations in Pennsylvania that receive
3 ongoing support from the Pennsylvania Council on the
4 Arts. Four years ago, 406 organizations received
5 ongoing Pennsylvania Council on the Arts support on an
6 annual basis and now 641 organizations receive that
7 support.

8 The growing wealth of cultural assets means
9 that art funding must be spread more widely than in
10 neighboring states, and this has resulted in cuts to
11 institutions like the Philadelphia Museum of Art. We
12 received a cut from the Pennsylvania Council on the
13 Arts. The Pennsylvania Council on the Arts supported
14 the Museum with a grant of \$478,000, its largest grant
15 in fiscal year '07; and this was reduced to \$454,000 in
16 fiscal year '08. This kind of decrease makes a real
17 difference to the Museum and our ability to serve
18 Pennsylvania and, you know, as I said before, be
19 competitive relative to the other museums that we
20 compete against.

21 I close with some quick benchmark slides.
22 Pennsylvania may be fourth in arts funding by state at
23 15.2 million, which was held flat since fiscal year '07;
24 but if we translate this into arts funding per capita
25 across the State of Pennsylvania, Pennsylvania falls

1 behind not only neighboring New Jersey but to West
2 Virginia.

3 And then finally when we compare the average
4 arts award provided in neighboring states, we see that
5 our sister museums across the Delaware River are
6 receiving twice or even three times the amount of
7 support that we are. And, again, this makes us less
8 competitive.

9 I close by saying, please invest in art and
10 culture because the return is tremendous in many ways.
11 Thank you for this opportunity. And, again, I extend
12 the invitation and hope I'm invited to come on the other
13 trips.

14 CHAIRMAN PETRONE: Thank you, Dr. Valerio.
15 As you know, I've had the great pleasure of visiting
16 your great museum just two weeks ago. And I can
17 honestly say that every time I do visit, it's an
18 eye-opening experience for me; you know, I marvel at the
19 great treasures you have there. I wonder a lot about
20 whose eyes looked upon them before I did.

21 MR. VALERIO: Oh, yeah. Those are great
22 stories. Every artwork tells an amazing story.

23 CHAIRMAN PETRONE: I wonder who looked on
24 them over the centuries.

25 MR. VALERIO: One of the stories -- I'll

1 just interrupt your question. I mean, one of the
2 stories that we tell every school group that comes into
3 the main stair hall of the Museum is that the great
4 series of tapestries by Peter Paul Rubens that runs
5 around the great stair hall there on the second floor
6 balcony was made for the King of France in the 17th
7 Century. And the amazing thing about the Museum is that
8 now those things belong to everyone. They were made for
9 kings and queens; now they're yours. And we hope that
10 everyone feels a sense of ownership to the Museum and to
11 those great collections.

12 CHAIRMAN PETRONE: Well, it is a great
13 treasure, your museum; and I realize as many of my
14 colleagues do, I think our contributions in terms of
15 dollars has got to be proof. I mean, I'm embarrassed.
16 I am embarrassed. I really mean that. And I think we
17 should look at getting our people in the General
18 Assembly excited about contributing more for this.

19 One question.

20 MR. VALERIO: Certainly.

21 CHAIRMAN PETRONE: As you know, in the
22 economic tour, which was again very, very interesting,
23 we visited a building, a beautiful building, that was
24 made for the Centennial.

25 MR. VALERIO: Memorial Hall.

1 CHAIRMAN PETRONE: Yes. It's being
2 refurbished, which is great. It's hard to believe it
3 sat there for 40 years and we used it for storage.

4 MR. VALERIO: Yeah.

5 CHAIRMAN PETRONE: But is there any chance
6 that your museum might acquire that and take it over as
7 part of your facilities?

8 MR. VALERIO: You know, the Please Touch
9 Museum is one of our sister institutions; and I don't
10 think we would acquire it. It's a magnificent building,
11 but we're thrilled that it's being used in the way that
12 it's being used. And I would say that we feel as if
13 we're in there already anyway because the Please Touch
14 Museum and their Education Department works very closely
15 with the Education Department at the Philadelphia Museum
16 of Art and there's an enormous amount of
17 cross-fertilization. And one of the things that we do,
18 is we always count in our surveys and things like that,
19 the number of people who come to the Philadelphia Museum
20 of Art and then go to other institutions across the
21 city; and we always encourage people with children who
22 come to the Museum and, you know, their children have
23 tolerated it for about an hour or two and then they need
24 to go to someplace where they can touch the art and all
25 the rest and so we send people to the Please Touch

1 Museum all the time. It's currently on the Parkway not
2 very far from us, but it won't be very far from us in
3 Memorial Hall and then, of course, it's our old home.
4 So we feel closely connected to it and are thrilled to
5 see the rebirth of it.

6 CHAIRMAN PETRONE: Exactly. It is a
7 beautiful building. I think one of the most fascinating
8 parts of your testimony was the classes conducted by
9 teachers from right there. I think that is remarkable
10 that you can communicate with people all over the world
11 and students all over the world instantly and share with
12 them all of the treasures that you have.

13 MR. VALERIO: It's a very simple program,
14 and it's very effective.

15 CHAIRMAN PETRONE: Comments, colleagues?
16 Christine.

17 MS. GOLDBECK: This may be more for
18 Mr. Horn, who is still with us I see. But all of these
19 numbers -- and I know, you know, Republican artist; but
20 I'm a Pisces, Pisces Aries, actually.

21 MR. VALERIO: The Museum is for everyone.

22 CHAIRMAN PETRONE: Any sign you have,
23 they'll let you in.

24 MS. GOLDBECK: I get that all the time,
25 You're an artist; you're a Republican? But I'm looking

1 at these numbers and taken back to a former life of when
2 I was a journalist and had a federal congressman before
3 me, and a Blue Dog Democrat I might add, and I asked
4 about art funding. And his response, which was very
5 surprising to me was, Why? You know, so I understand we
6 have it at the state level. But, generally, how are
7 things at the federal level these days in the
8 trickle-down? Are we getting funding?

9 MR. HORN: Well, the National Endowment for
10 the Arts has had the largest increase in 20 years this
11 year. I think the budget for the NEA grew by \$20
12 million. At its highest level, it was about \$180
13 million. In the mid-90s, it was cut in half and has
14 been sort of either stayed level or grown slightly so
15 this \$20 million dollars increase is the most
16 significant increase, I think, since the 70s. And by
17 the way, it was a Republican who grew the NEA more than
18 any other. So there is no correlation between party.
19 It's a corp for the arts, so there is no distinction.

20 MS. GOLDBECK: Well, spread that word.

21 CHAIRMAN PETRONE: Thank you. Thank you,
22 Dr. Valerio.

23 MR. VALERIO: Thank you.

24 CHAIRMAN PETRONE: And, again, we will look
25 forward to visiting you in the very near future.

1 MR. VALERIO: I look forward to that.

2 CHAIRMAN PETRONE: Thank you.

3 MR. VALERIO: Thank you so much.

4 CHAIRMAN PETRONE: Mr. Eli D. Massar, Chief
5 Operating Officer, City of Philadelphia Mural Arts
6 Program. Welcome, sir. Thank you for your patience
7 again.

8 MR. MASSAR: Thank you. If you'll give me
9 one second here, I think it's working. Okay.

10 Chairman Petrone, and members of the Urban
11 Affairs Committee, thank you for having the Mural Arts
12 Program here today. My name is Eli Massar, and I'm the
13 Chief Operating Officer of the program.

14 I'd like to try to describe the program to
15 you a little bit first to give some context for some of
16 the economic impact facts and figures that we're going
17 to be talking about later. What you have in front of
18 you right here (indicating) is one of our finest
19 examples of art. Partially I say that just out of my
20 own interest; I happen to like this slide, but also I
21 think it shows the ability of large public art,
22 particularly mural art, to transform the unbeautiful
23 into the beautiful.

24 So for those of you who have been to
25 Philadelphia, this is as you come out of the airport and

1 drive up toward the city on 76. There's a tank farm
2 there, and this is one of the only welcoming aspects of
3 the tank farm as you enter our city; so we're pretty
4 proud of this and want to showcase this as one type of
5 art.

6 There are 2799 other murals that are
7 apparently now scrolling. Hold on one second here.
8 Maybe I'll just do it this way. So we do have 2800
9 murals in the City of Philadelphia, internal and
10 outside, most of them, in fact, outdoors. Some of them
11 do not exist anymore, so this is over a 25-year period
12 that we've been able to put up 2800 murals but as with
13 anything that you put primarily outside, the weather
14 does get to it, as well as, recently there's an
15 interesting correlation between the City's development
16 and the Mural Arts Program's ability to keep murals up.
17 So we're very happy that there's increased development
18 and an increased value for real estate in Philadelphia.
19 But, at the same time, it has this effect of taking away
20 some of our canvasses actually as we develop vacant
21 spaces; so the mural arts program is adapting to that as
22 time goes by.

23 The next slide here is another example of
24 the work we do and sort of showcases what we can do when
25 we work with communities. If you're familiar with

1 Philadelphia, but even if you're not, there are sections
2 of the community where you have different factions of
3 the community based on race or ethnicity or income that
4 are not getting along. This is in the Grays Ferry
5 Neighborhood of Philadelphia, and this was done several
6 years ago at a time when there was true conflict between
7 different groups in the community and this mural brought
8 together all the different communities to create it and
9 we're very proud of this one. Even if you're not a
10 Philadelphia fan, hopefully you do recognize Dr. J.
11 This is a mural that also sort of portrays our ability
12 to have different styles, so this is a testament to a
13 local Philadelphian, a popular Philadelphian; at the
14 same time, you might not recognize this, but it's also a
15 market step forward in mural technology. And, yes,
16 there is mural technology. This was done in the
17 beginning of the 90s and unlike most murals which at
18 that time were painted directly on the wall, this was
19 done on cloth and then adhered to the wall and the
20 reason that this is actually interesting is that as we
21 work with 3 to 4,000 kids a year in our educational
22 programming, there's no insurance company in the world
23 that would insure us to put them on with scaffolding;
24 but they're very happy to let us work with them on cloth
25 in a studio and then adhere the cloth ourselves. It

1 also makes weather a nonissue for us.

2 Here's (indicating) another mural. This one
3 is a testament to the arts. This is in center city;
4 again, a totally different style done by one of our most
5 prominent muralists, Meg Saligman; and this is a gateway
6 into the Chinatown neighborhood of Philadelphia and
7 represents sort of a testament to the cultural identity
8 of the community.

9 And here, unfortunately, the colors on this
10 screen here are a lot better than what's up there. This
11 is a remarkable mural, much of it is mosaic and, again,
12 just illustrates another type of mural and public beauty
13 that we can show. Only a couple more of these, and then
14 I will tell you about the economic impact of all these.
15 This is a Trompe L'Oeil Mural, a Trick of the Eye mural,
16 so it actually looks like you're walking through this
17 street. This is in the Fairmount Section of the Spring
18 Garden Neighborhood of Philadelphia, and it actually
19 pays homage to Thomas Aikens and his style if you look
20 in the right section of the mural; and we are actually
21 housed in the Thomas Aikens house, so we are very proud
22 of this one as well. And as far as different ways to
23 portray inspiration, this is at Martin Luther King High
24 School in Philadelphia and we're particularly
25 appreciative of its ability to, in a different way from

1 just putting up a statue of Martin Luther King, sort of
2 show the inspiration that he was able to provide.

3 And, finally, this is overlooking the
4 Schuylkill River; and we believe that this mural
5 illustrates our ability to really have different assets
6 of the region convene in one area. So you can see at
7 the top there the Amtrak train, maybe coming to
8 Harrisburg; and then, of course, the rowers along the
9 Schuylkill and then the mural along the banks of the
10 Schuylkill. And the Schuylkill Expressway is actually
11 right behind that.

12 So we do have some very good figures on the
13 economic impact of the arts and, in particular, the
14 Mural Arts Program. One of the things that we're most
15 proud of is that we consider murals to be one of the
16 most democratic forms of art, because there is no
17 admission fee; and we're particularly proud of the fact
18 that in Philadelphia we have outstanding arts
19 organizations, including the Philadelphia Museum of Art,
20 which is one of the world's best interior collections.
21 At the same time though in Philadelphia, you can see the
22 world's largest exterior collection of mural art where
23 there are 2800 murals.

24 So I'd like to focus on several different
25 facets of our economic impact. One of them is that as

1 the Mural Arts Program, we have an incredibly local
2 impact. We have an extremely high multiplier for the
3 amount of money that we spend. We have excellent
4 diversity of folks who work with us and benefit from us
5 economically and we're able to help reinvigorate
6 neighborhoods without doing a single bit of the
7 construction because we support in many ways the artists
8 at the beginning of their career when they're choosing
9 whether or not to live in Philadelphia. So I'll now try
10 to illustrate that for you.

11 Every year, we employ 250 artists as
12 instructors or as artists on our hundred-plus murals.
13 Forty-nine percent of these artists represent ethnic
14 minorities. Thirty-three percent of them are
15 African-American, and we're particularly proud of this
16 diversity because it's very difficult to achieve in the
17 arts especially given the fact that many art schools are
18 not graduating classes with that kind of diversity and
19 yet we're able to create that within our artist
20 community here.

21 Of our \$7 million budget, we invest
22 approximately \$1.8 million directly in those artists and
23 those art instructors and 95 percent of those artists
24 live in Philadelphia. And we knew that it was good, but
25 when we actually just ran the addresses of all the

1 checks that we sent out last year and found out that 95
2 percent of them were going to a Philadelphia address, we
3 were particularly happy about the local economic impact
4 and the multipliers that are implied by that. In
5 addition to that, we have an approximately \$1.6 million
6 payroll that depending on the time of the year is
7 between 45 and 50 people and two of them live outside
8 the City of Philadelphia; so our full-time employees as
9 well as our contract art staff are both heavily, heavily
10 Philadelphia.

11 As you've heard earlier, there's a strong
12 tourism impact of the arts and even our small \$7 million
13 program of free public art manages to attract 8,000
14 tourists a year, some of those are local, some of them
15 are from afar, but we give tours to 8,000 people. This
16 is an (indicating) image of some of the people looking
17 at another mural painted by that artist I mentioned
18 earlier, Meg Saligman.

19 And earlier in the testimony, I think Ms.
20 Goldbeck was asking about whether areas actually
21 transform and change their attitudes as a result of the
22 art, and I'll just sort of point out the quote that we
23 have here about every day people coming by on tour
24 buses, getting out and taking pictures and that we're on
25 the map for something other than crime and violence.

1 If you do decide to come to Philadelphia, I'd be happy
2 to show you the mural that Norman is talking about here.
3 This is a rough neighborhood, and the tour buses now run
4 through this neighborhood to point out this mural.
5 And this is actually the mural that I was referring to
6 here; it's called, Holding Grandmother's Quilt. And
7 I'll describe the property before I show it to you. It
8 was a vacant piece of land, book-ended by two vacant
9 houses, actually one was not vacant but in bad shape,
10 the other is vacant, and a poorly maintained recreation
11 center directly behind it. Here's (indicating) an image
12 of one of those houses, and you can sort of see how the
13 lot looks trash strewn. Here's immediately after
14 finishing what that lot looks like at that point, and
15 now unfortunately I didn't manage to get a new picture;
16 but the landscape has matured and this is actually quite
17 an interesting green project at the same time. Here's
18 the other wall. Here's the other wall under
19 construction, and you'll see lots of different
20 neighborhood folks coming out and working. In this
21 case, the people here are actually doing planting and
22 here's that second wall (indicating). And I'll actually
23 go back to this. And so what's happened in the planting
24 is if you look beneath the quilt here, we now have
25 purple plants planted there and so you have the quilt

1 sort of running off of the wall and over onto the other
2 wall and it's quite remarkable.

3 And this is the one that, as a result of
4 this, there's a strong economic impact to this one. As
5 a result of this, there's now development going on
6 directly across the street. There's a neighborhood
7 association that was formed purely with the intent of
8 maintaining this parkland that was created. And this
9 building that you're looking at right now is actually
10 in quite poor condition and will be torn down, but the
11 developer will be contributing money so that as soon as
12 it's torn down and rebuilt, we'll be able to put back up
13 this mural; so clearly it has some really strong impact
14 on the community as well.

15 This is a slightly different type of impact
16 that I want to propose here. Instead of being at the
17 community development level, it's at more of the real
18 estate level. This is the construction of a sculpture
19 project called Metamorphosis, and the man you see in
20 that is a local welder who's helping us create these,
21 along with many kids who you just don't see in this
22 particular picture.

23 These are the structures, and I urge you to
24 look at the scale of the structure by looking at the
25 people standing at the bottom of it. You're going to

1 see a little bit more on this next photo. There are
2 several of them. And the metamorphosis title references
3 the insect as it goes through its changes and you also
4 see in this picture that you're beginning to see some
5 landscape and that's why I want to point out this next
6 one. So over here in the very distant background here
7 but really not nearly as far as it looks here, this is a
8 brand-new development in the Brewerytown section of
9 Philadelphia. And after doing these public sculptures
10 here, the to-be developer, they weren't developed at the
11 time, came to us and has now helped us begin to
12 landscape this because he sees it as an important
13 gateway to his continuing development in that area.

14 And then as others have mentioned so far in
15 the testimony, there's a strong impact of the arts and a
16 strong usefulness of the arts in the Commercial Corridor
17 revitalization. This is on Lancaster Avenue in west
18 Philadelphia. You can't really tell from the slide, but
19 this is the master plan for the beginning of the
20 revitalization of that corridor. It very much
21 references using arts as a strategy for revitalizing
22 that corridor, and you can see some of our work. Here
23 we're not only on walls. These here are tiles that
24 we've done on Lancaster Avenue.

25 This is the gateway to Lancaster Avenue and

1 represents some of the history of Lancaster Avenue.
2 This is a fabulous mural along the way on Lancaster
3 Avenue on the side of a business. And now we can move,
4 also, in west Philly to the Baltimore Avenue Commercial
5 Corridor; and here you'll see some more of our mosaic
6 work in a park that's being redone over the past year or
7 so. Over to the right is the Baltimore Avenue Corridor
8 itself. And here is a mural that's actually currently
9 under construction. Because the slide is a little dark
10 on the projection, these are all local businesses along
11 Baltimore Avenue here. This is the new mural. These
12 are tiles that are done by local kids. And Philadelphia
13 has two car sharing organizations, and one of them chose
14 to put one of its busy pods here; so you really have a
15 coalescence of different resources here. The older
16 businesses, an 80-year-old barber is here; he's been
17 there for 50 years. New businesses on this side, which
18 you can't see, they've been there for two years, the car
19 sharing organization, the parking lot has been renovated
20 by the Philadelphia Parking Authority; and much of this
21 has to do with the fact that we were willing to go in
22 with resources first.

23 And then similarly along Gerard Avenue, for
24 those of you familiar with some of the Main Street
25 theories, much of it frequently focuses on having

1 repetitive elements so that you can see along the way
2 that you're on the same corridor even though things
3 change along the way. One of the things that we've done
4 for the Gerard Avenue Corridor is create these banners
5 that are up there. Here's another mural along the
6 Gerard Avenue Corridor. I'm not sure why it's coming
7 through in purple but it is; these are pink flowers
8 here, and quite an exquisite mural. Here's another
9 mural along the Corridor.

10 And, finally, I'll just try to point out
11 that there is global interest from the arts. The Art
12 Museum did a very good job of pointing out that people
13 come from all over the world, as well as the speaker
14 from York. We were particularly thankful to have Prince
15 Charles and soon-to-be Princess Camilla, I guess, but
16 I'm not sure, come and visit our work for about two
17 hours when he came to Philadelphia about a year and a
18 half ago.

19 And this here represents a collaboration.
20 This is a tremendous mural. It's about 200 feet long.
21 It represents a collaboration between our program and a
22 school in Ireland. They sent their kids here. They
23 worked with us on this, and we're now sending our kids
24 to Ireland.

25 MS. GOLDBECK: Where's that?

1 MR. MASSAR: This is in Almere (phonetic)
2 actually.

3 REPRESENTATIVE COHEN: Where in Almere
4 (phonetic)?

5 MR. MASSAR: On the side of the school, but
6 I forget the name of the school. And, finally, this is
7 where we'll close, I guess. We get calls every week
8 from all around the State but particularly all around
9 the world asking us to try to replicate the program. It
10 looks like it will become an earned income source for us
11 as we try to consult to these cities around the world,
12 and these are just some of them.

13 And then finally I'll just leave this slide
14 up, if there are any questions; because I think it
15 really just summarizes some of the real strong direct
16 impacts of the arts. Thank you.

17 CHAIRMAN PETRONE: Thank you very much,
18 Mr. Massar. My colleagues have questions, but I just
19 have a couple real quick ones. Number one, how and who
20 -- how do you choose the subject matter? Do you have a
21 group of people that choose and decide on what you're
22 going to do? Do you own the copyrights to these --

23 MR. MASSAR: Yes.

24 CHAIRMAN PETRONE: Do you?

25 MR. MASSAR: Whenever you're finished, I'll

1 start answering.

2 CHAIRMAN PETRONE: Oh, no; that's all right.
3 I know they all have questions. It's very interesting,
4 very interesting. And the other one was, Could you put
5 murals on the tanks on the tank farm? Would that be a
6 project you might consider?

7 MR. MASSAR: Absolutely. We put them on the
8 side of the garbage trucks, so we'll put them anywhere.

9 CHAIRMAN PETRONE: I have some ideas for
10 designing them, making them all hats and you could paint
11 them all and do something different.

12 MR. MASSAR: Sure, sure. To answer your
13 question about the community process, we do consider it
14 a democratic form of art. Any mural that you see in
15 Philadelphia has gone through a rigorous community
16 process where we flyer the neighborhood, announce
17 community meetings, we have multiple community meetings
18 and we listen to everybody who comes. The artist
19 attends those community meetings and then works with the
20 community to inform what ultimately becomes the theme.
21 So in many cases, he or she does not go in there with an
22 intended theme. It ultimately represents that. We do
23 hold the copyrights and share the copyrights with our
24 artist.

25 CHAIRMAN PETRONE: Thank you. That answered

1 my question. Representative Cohen.

2 REPRESENTATIVE COHEN: Thank you. Northeast
3 Philadelphia, part of my district, unfortunately there's
4 community opposition to some of your murals and I think
5 that slowed down. Representative Manderino tells me
6 that there's a plan for your murals in Roxborough.

7 MR. MASSAR: Uh-huh.

8 REPRESENTATIVE COHEN: Do you have tours
9 that you give focusing on different neighborhoods?
10 Especially, we'd be interested in middle-class, upper
11 middle-class neighborhoods.

12 MR. MASSAR: Absolutely. We have five or
13 six specific tours that go on on a repeating basis.
14 There's a North Philadelphia tour, a West Philadelphia
15 tour, a South Philadelphia tour, a Center City tour and
16 a Broad Street tour which goes from South Philadelphia
17 all the way up to North Philadelphia along Broad. We
18 have other private tours that we custom design for
19 different groups. We tend to do the tours where we have
20 our strongest murals and those are the neighborhoods
21 where we describe it's a very, very diverse group of
22 communities that's represented in that tour.

23 REPRESENTATIVE COHEN: Thank you.

24 CHAIRMAN PETRONE: Representative Manderino.

25 REPRESENTATIVE MANDERINO: Thank you. I

1 just want to compliment the Mural Arts Program. I know
2 it's been well received in my communities and makes a
3 big difference. And I think when you're trying to kind
4 of develop new mural spaces, I mean, I think going to
5 what Representative Cohen said, if I'm not mistaken, you
6 do take the community folks on tours of other
7 neighborhoods sometimes. No?

8 MR. MASSAR: We generally don't take the
9 community folks on tours of other neighborhoods,
10 although that may not be a bad idea in neighborhoods
11 that are opposing a mural.

12 REPRESENTATIVE MANDERINO: This is just a
13 real parochial question. Which of your standing tours
14 is the best one to recommend out-of-town visitors go on?

15 MR. MASSAR: I would say it depends on the
16 out-of-town visitor, and I'll try to elaborate on that.
17 For somebody who's open to all facets of the city and is
18 willing to see art even in neighborhoods that don't look
19 so pretty around the art, then I would say the North or
20 the West Philly tour. We have some outstanding murals
21 in those communities. For somebody who's, you know,
22 more interested in what center city Philadelphia has to
23 offer and the feel of a central business district, then
24 I would say the center city tour.

25 REPRESENTATIVE MANDERINO: Uh-huh. Thank

1 you. Thank you very much for being here.

2 CHAIRMAN PETRONE: Jon Castelli.

3 MR. CASTELLI: You mentioned a 1.6 million
4 payroll. You mentioned -- maybe I missed -- where's
5 your funding come from? Do you have start-up money from
6 -- you receive money from the Council on the Arts of
7 Pennsylvania and you mentioned copyrights.

8 MR. MASSAR: Uh-huh.

9 MR. CASTELLI: Would you explain a little
10 bit about your funding and --

11 MR. MASSAR: Sure. We have several large
12 sources of funding and then many, many small sources of
13 funding. Our largest source of funding is the City of
14 Philadelphia itself. This coming year it will be giving
15 us a million dollars for our general operations, and
16 that includes a good portion of that payroll. Then in
17 addition, the City of Philadelphia Department of Human
18 Services hires us to work with some of the children and
19 the students who are in their DHS programs and that's
20 about another \$2 million but that's directly for certain
21 services. Then the Pennsylvania Council on the Arts has
22 been a consistent funder of the Mural Arts Program as
23 well as several other local corporations and foundations
24 and then different fund-raising efforts that we do to
25 raise smaller amounts of money from larger numbers of

1 people. So the total is about \$6 to \$7 million, where
2 you could say at least half of it is private. If you
3 take out that DHS funding because it's really a fee for
4 service, then the multiplier you get between the million
5 dollars that the city gives us and the rest that we
6 raise is about 1 to 4 -- or 4 to 1.

7 MR. CASTELLI: And you pay the artists and
8 then they also get a share of the copyright royalty?

9 MR. MASSAR: Yeah. So we pay the artist by
10 the project for each project. A mural generally has
11 several artists working on it, a lead artist who's
12 really responsible for the design and then he or she
13 will have assistant artists working with them because
14 painting a wall takes a lot of time and it's easier to
15 do with several people. It's also a way that we
16 essentially create a training program for artists,
17 apprenticeship program; so as an assistant you learn how
18 to be a muralist and then eventually you can become a
19 lead muralist. I think there was a second half to that.
20 Oh, the copyright. So we do pay all the artists and
21 then we share the copyright and we both have the right
22 to use images of the art however we would like, so we
23 can use it to promote our own programs; they can use it
24 to promote their own artwork.

25 MR. CASTELLI: Thank you.

1 CHAIRMAN PETRONE: Thank you. Christine.

2 MS. GOLDBECK: I've been watching for years.
3 It's a fascinating project and beautiful, too, in many
4 senses. Do you have zoning issues? Any zoning concerns
5 about this? You know, do you run into it?

6 MR. MASSAR: If I just smile and say no, is
7 that okay?

8 MS. GOLDBECK: No.

9 MR. MASSAR: Not too many. The Mural Arts
10 Program is 25 years old. This coming October it will be
11 25 years old, so we have had zoning problems. Most of
12 them have been ironed out. We do occasionally have
13 problems, and I think it more reflects the zoning
14 process in Philadelphia than necessarily just the Mural
15 Arts Program. This is not news. The Philadelphia
16 Zoning Code is rather old. It's being looked at right
17 now for, you know, renovation, reinvigoration and in the
18 meantime what's happened is that community groups have a
19 very, very strong influence on zoning variances or
20 decisions that are anything different from what's
21 actually in the code and we applaud that; we're
22 community oriented.

23 So occasionally though if we're working in a
24 community where there's a small subsection of the
25 population that's not interested in murals, it can

1 complicate and has actually forced us to stop doing
2 murals; but that's really a very, very small fraction
3 and we work in every single Council district in -- there
4 are ten Council districts in Philadelphia, and we work
5 within all ten of them.

6 MS. GOLDBECK: Thank you.

7 CHAIRMAN PETRONE: Thank you. Any other
8 questions? Thank you, Mr. Massar. We appreciate your
9 dedication to the arts, and hopefully -- and all of the
10 people that participated today. We really appreciate
11 your dedication in making it a better world, a brighter
12 world, more interesting; and I mean that sincerely. And
13 hopefully we in the legislature, who we know you're
14 dependent upon us for funding, hopefully we can make our
15 contribution to this purpose and make it count so
16 everybody in Pennsylvania, all of you who are part of
17 the art, the culture of the arts and the arts will share
18 good things that we need.

19 MR. MASSAR: Thank you. We agree.

20 CHAIRMAN PETRONE: Appreciate you coming
21 taking the time and everybody's patience, and we're
22 going to do it again. We're adjourned.

23 (The hearing concluded at 2:00 P.M.)

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1 CERTIFICATE

2
3 I hereby certify that the proceedings and
4 evidence are contained fully and accurately in the notes
5 taken by me on the within proceedings and that this is a
6 correct transcript of the same.

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9 Tracy L. Markle,
10 Court Reporter/Notary
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