

# Is It Feasible? The Reality of Developing a New or Revitalized Cultural Facility

**Victor Gotesman, Vice President**

The stakes are very high when developing a new visual art or performance venue, requiring a significant investment of time, money, and knowledge to successfully launch the venture. Whether a municipality, college or university, school district, nonprofit arts organization, or service agency, leading the effort to develop an arts and culture facility requires vision, a strong mission, clear plans, and a compelling case for support – all of which begins with a feasibility study. A comprehensive process, including facility needs assessment, program plan development, stakeholder and community engagement, market analysis, regional and national benchmarking, capital and operating cost estimation, financing/fundraising assessment, and a tremendous amount of additional data collection and analysis, is necessary to align dreams and reality, both known and yet to be discovered. In this issue of *Arts Insights*, we explore the importance of conducting a feasibility study and critical steps that should be taken before embarking on the lengthy journey of creating a new or revitalized cultural facility.

## **The Importance of Feasibility Studies**

Unlike other construction projects, cultural facilities and performing arts venues are some of the most complex to design and build. How well the structure supports the artwork, historical or cultural artifacts, or performers is crucial to the venue's cultural and artistic success as well as its long-term sustainability. Understanding organizational readiness, building usage (artistic program disciplines), market demand (audience, visitors, or members) and needs (other partner organizations) for specific programs, competitive environment of comparable venues, and the overall financial capacity of the community are necessary discovery steps. These projects also require a great deal of political and community support, which often begins with early feasibility testing, data collection, and analysis.

Done right, facility and program planning feasibility studies become the first step in mapping a critical path forward, highlighting decision milestones, and leading to the ultimate building concept. The key to success is measured in a multitude of ways, including long-term sustainability, artistic and cultural growth, broad community impact, and programmatic enhancements. The knowledge gained through a feasibility study fosters confidence in a vision and provides affirmation that the proper mix of size, architectural configuration, technical capabilities, seating or visitor capacities, and ambience is appropriate for the new venue's intended mission and goals. Notwithstanding these elements, a deep understanding of the capital and operating cost implications is critical to further financing and fundraising feasibility assessment to ensure that the nonprofit, government, or university entity and its community have the financial capacity to support such a project.

It is imperative that feasibility study findings form the foundational basis for early building plan development and should occur before or at the same time as the design team selection and conceptualization begin. The facility, program, and funding feasibility study is the first step in confidently determining the best path forward.

## **Why the Stakes Are High**

- It costs millions, often hundreds of millions, to adaptively reuse or construct a new arts and culture facility;
- The architectural creation could become an iconic community fixture;
- New venues frequently carry significant political and social capital;
- Successful artistic programming can attract thousands of visitors annually;
- New visual or performing arts venues are typically community centers with very public profiles;
- The building must support the artistic or cultural content for which it was intended;
- Ongoing strong and visionary leadership is essential;

- The building must uphold the mission for which it was conceived; and
- Success will require a solid financial model to ensure sustainability.

### **Community Needs Assessment**

The first phase of a feasibility study is the community needs assessment which typically includes a review of internal data, the formation of a task force, market and demographic analysis, stakeholder interviews, and a benchmarking study, among other elements.

Nonprofit cultural organizations, universities, or government agencies must first examine all existing background materials, including intended operational, financial, and concept plans. Once an analysis of this data has been completed, an advisory task force comprised of community stakeholders should be formed. This group will provide important background information, specifically regarding the community's needs and expectations. A key element of facilities and program planning work is gaining a deep understanding of the project's motivation and goals (the vision). It is imperative to convene major stakeholders so that they can articulate the project's vision and intended goals. This is perhaps the most important step in the entire process, as it uncovers the core reason for the study and sets the stage for community, political, and financial support throughout the rest of the process.

### **Facility Inventory & Arts Organization Analysis**

Facilities and program planning studies must also factor in the competitive landscape of the region, the audience or visitor influencers that already exist, and into whose eco-system a new facility will enter. The inventory will assist in identifying facility needs that are not being met by the current venues in the region, including performing arts centers, museums, entertainment facilities, churches, art galleries, municipal auditoria, school auditoria, college facilities, and non-traditional performance or visual art venues. The review should focus on relevant arts or cultural disciplines, presenting and producing opportunities, facility specifications, audience or visitor estimates, and organization sizes, including operating budget and staff.

### **Community Engagement & Market/Demographic Analysis**

A robust community engagement process is essential to gather vital data from other local arts and culture organizations, business leaders, educators, and many others who could become users or attendees of the facility. Simultaneously, it rallies support for the building project and develops lasting relationships which will be needed in future stages. Understanding how the local market currently responds to arts, culture, and entertainment participation is necessary to predict how they will respond to a new building, new exhibit, and new programming. Demographic profiles and use patterns inform decisions concerning audience potential and concept development.

The public plays an important role in this stage of the facilities and program planning study. Engaging the community in conceptual discussions early in the process uncovers important assumptions and expectations about the prospective project. Individual meetings and facilitated focus groups can provide a view of the public's understanding and acceptance of the project as well as uncover areas where support may need a boost. The use of surveys is another valuable tool to discover key motivators, barriers to participation, programming interests, familiarity of the project, and potential frequency of visits. By surveying constituents, they begin thinking about the new arts or cultural facility in a more tangible way. Demographic analysis can also identify potential audiences based on national, regional, and market-specific trends. Market analysis also includes community profiles of values, attitudes, and likely arts participation rates. Through rigorous data collection and analysis, assumptions will be tested to better ensure long-term sustainability.

### **Benchmarking**

Benchmarking is necessary to take a close look at comparable cultural facilities with a community makeup similar in size and demographic profile to the one being studied. Benchmarking will consider the programming activity, number and type of performances, programs, or exhibits, as well as the distribution of producing, presenting, resident companies, and touring attractions. A review of annual attendance, budget, earned and contributed revenues, and governance versus management structures provides best practices information on programming and sustainable business models.

## Capital & Operating Financial Plans

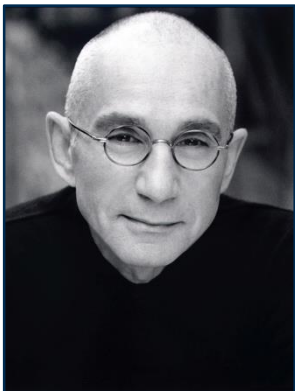
Based on the data and findings of the previous steps, and in further discussions with leadership and stakeholders, the team can then prepare capital and operating financial estimates and plans, from pre-opening through the first five years of stable operations. These estimates incorporate data on the frequency of the facility's programming (presentation and/or production), touring attractions (impresario, self-presentations, and outside event promoters), educational programs, concessions, commercial rentals, and other community uses.

It is then possible to project the expense levels to run the facility, including artistic, managerial, and operational staff as well as administration, marketing, development, utilities, and maintenance costs. Earned revenue projections incorporate ticket or membership sales, rental income, concessions, and other sources to be derived from the operation of the proposed facility. Contributed income estimates include private individual, corporate, and foundation gifts and grants and public funding. These estimates can determine the need for endowment income.

## Is it Feasible?

No single finding will determine the overall feasibility of a major cultural facility project, particularly considering that regional or worldwide social, political, and economic factors are an underlying element. However, the facility and program planning discovery process will test the case for moving forward and at what level (size, configuration, and programming). There are times when the internal analysis and external factors do not support the feasibility of a viable project. This is when the project leaders and their experienced advisors must consider their options and alter the course to create the optimal arts or cultural facility that best serves the long-term needs of the community.

Facility and program planning is an iterative process with each step leading to the next as information and data is gathered. The goal is to create the foundation on which a project can blossom and leadership can proceed with confidence, having the necessary tools to successfully mount the facility initiative. The data and verification of assumptions are key to testing project feasibility, but not the only key. Any feasibility study must also include experienced observation and assessment of the organization's preparedness to take on a major construction project. In the end, all projects need strong leadership and governance, a compelling case for support, and a vision and mission that is at the heart of the new cultural destination.



**Vice President Victor Gotesman** joined ACG in 2016 to lead the firm's Facilities & Program Planning practice. Mr. Gotesman is a career arts administrator with more than 40 years of experience working in the performing arts. He has held leadership positions at an array of nonprofit performing arts organizations and government agencies, including Executive Director of ODC in San Francisco, Executive Director of the Cerritos Center for the Performing Arts in Los Angeles, and President and Principal-in-Charge of major feasibility studies and planning projects at Theater Projects Consultants (TPC). While at TPC, he acted as lead consultant on numerous facility redevelopment master plans, cultural facility studies and program plans, and new performing arts center market feasibility studies. As co-founder of The Center for Creative Resources (CCR), Mr. Gotesman provided consulting services in arts management, marketing, and fundraising to artists and arts organizations in the New York region. Serving as President, he was contracted by *The New York Times* to develop and implement an operating business plan for the Times Center, a 378-seat venue within its Times Square headquarters. The three-year contract included implementation of the business plan and full management of the Times Center during its first year of operation. Mr. Gotesman has also held executive arts positions as Managing Director of Jaffe Holden Acoustics, Director of Programming for the Fine Arts Center at the University of Massachusetts, Amherst, Program Manager Consultant at the University of Montana, and Director Marketing at the University of Nebraska. He holds a master of fine arts in arts administration from the University of Iowa and a bachelor of arts in music from the University of Rochester/Eastman School of Music.

**Contact ACG for more information on how we can help your organization  
conduct a feasibility study for a new or revitalized facility.**

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