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ARE YOU READY FOR A CULTURAL FACILITY PROJECT?

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As the national economy continues to improve, many arts and cultural organizations are re-examining their facilities needs and reconsidering projects that might have been deferred during the recession. Audiences continue to attend cultural venues of all kinds — museums, performing arts centers, theatres, concert halls, opera houses and others — despite changing entertainment priorities and diversity of digital alternatives. Millions of people still feel moved to participate in the programs and activities of arts and culture organizations and, therefore, there continues to be a need for appropriate physical spaces in which these organizations can present programs, house administrative staff, store collections and much more.

As a result, arts and cultural institutions must consider whether their current facilities, of whatever scale, are up to the task of meeting artistic needs, audience demand, and infrastructure requirements. And, while the recession may have put many building projects on hold, the responsibility for maintaining, securing or renewing appropriate facilities continues to be an ongoing part of doing business for many organizations.

This issue of *Arts Insights* helps identify key steps that a nonprofit organization, government agency, educational institution or commercial developer should consider in planning and undertaking any cultural facility project.

Understand the Complex Challenge

Many communities have big dreams when it comes to building arts and cultural facilities. As one of the most complex challenges institutions can undertake, such projects can be daunting to an organization's board and management, as well as to its community, because of the complex nature and infrequency of such projects.

Depending on their type, scope and scale, cultural facilities projects can involve an intimidating range of tasks. They include: artistic program planning, site selection, land acquisition, architectural design, board development, staff changes, negotiations with government, high-level financial responsibilities and, of course, unprecedented capital campaign fundraising efforts. Some projects require a decade or more to go from initial concept to ground breaking to grand opening. It's a marathon, not a sprint.

Achieve Clarity on Mission and Consensus on Vision

Being able to articulate *why* a cultural facility project is important is key to achieving the organization's mission and vision. A new building project should grow out of a cultural organization's basic purpose or fit within a community's urban and/or cultural master plan. It

should be indispensable, even urgently needed, in helping to fulfill the entity's mission, advance its art form or cultural field, and enhance community impact.

The idea for a facility project may start with a single individual — an artistic leader, executive director, board member or elected official. Still, without consensus among the entire board, artistic leadership, community stakeholders, and management that the project is mission-critical rather than elective, the idea will not be able to be prioritized, advanced, and ultimately brought to fruition. A one-day Leadership Summit can be a helpful tool to build consensus on vision and establish next steps.

Make Facility Planning the Centerpiece of Organizational Strategy

Cultural facility projects can transform an organization or community in both planned and unforeseen ways for years into the future. However, managing a major building project while simultaneously running a thriving organization — presenting performances, mounting exhibitions, fulfilling other basic mission-driven activities — can be a challenge that is often underestimated. To ask current artistic and management staff to take on a major facility project and “just add it” to their regular responsibilities may be unrealistic. In that context, appropriate human and financial resources must be researched and allocated for getting the project from inception to completion.

Creating a strategic plan that addresses short and long-term needs for both the organization and the project is a key first step in preparing for the challenges of a major undertaking. Bringing in a specialist with expertise in the entire cultural facilities planning process or tapping an outside source for objective advice, assessment, and strategic planning can be very helpful and cost effective to organizations at this stage. This could start with a baseline cultural facilities summit or other broadly facilitated process to test ideas, concepts and strategic direction.

Engage the Right Team at the Beginning

After an organization or group of civic leaders has established the initial goal of a new, expanded, adapted, or refurbished facility, its overall feasibility still needs testing. Extensive, objective data must be gathered internally and externally, then analyzed. Specific space and program usage plans must be created. Many other steps may need to happen even before commissioning a preliminary architectural or artistic rendering and certainly before allocating the time and financial resources actually to pursue the facility project.

Even the largest cultural institutions and city governments rarely possess the specialized expertise that such unique cultural facilities projects demand. An outside specialist can play a vital advisory role and can be the best choice to lead a group of experts in the specific fields that the project requires. Depending on the type and complexity of the project, these might include: architects, theatre planning consultants, museum planners, acousticians, fundraising counsel, project cost consultants, real estate developers and brokers, and operational/capital cost analysts, among others. Firms specializing in site planning, zoning, traffic, engineering, landscaping, and other areas may also need to be consulted.

Hiring a specialist in cultural facilities and program planning to manage all of these different experts is often the best first step to help an organization effectively manage the process. In addition to saving the organization from having to engage multiple advisors directly, such a specialist can provide an objective and comprehensive analysis as to whether the project should proceed and how to best achieve the desired results. Working with such a structured, team-oriented approach in the early planning stages will not only effectively launch the project, but strengthen its credibility with major prospective donors and community leaders. There is no reason to be penny wise and pound foolish at this stage.

Consider Fundraising & Financing from the Start

Cultural facility projects in the United States are rarely accomplished without a major fundraising or other funding effort. Generally this means a capital campaign with a goal far higher than the organization's current annual budget. Although many components need to be in place prior to launching the actual campaign, inviting major donors to join a special task force early in the planning stages can formalize their involvement, answer their questions, address their concerns, and encourage their early buy-in in a process that becomes both intellectual and emotional for many involved.

By including prospective major donors and community leaders early in the facility planning process, the organization benefits in two ways. First, because the planning process itself will require expense outlays above and beyond ordinary annual operations, early involvement helps major donors to understand and support such upfront expenses. Second, involving leadership donors from the start will pay dividends when the time comes for both the fundraising feasibility study and the eventual facility campaign. Rather than being surprised by the project announcement or a new fundraising campaign, they will have had a hand in developing both, thus creating broader community ambassadorship and advocacy by all who have been involved in the facility, program, and fundraising planning process.

Conduct a Needs Assessment and Develop Program Schedule

Fundamental to cultural facility planning is an objective inventory of program utilization and space needs. Accurately projecting the number of productions, performances, rehearsals, exhibitions, classes, rentals, meetings, and other events that a new facility needs to accommodate in future years is essential. A pro forma annual schedule takes that one-step further. During this process, the organization and its expert team should itemize the number of square feet each of the proposed uses requires, in addition to other requirements such as special equipment, HVAC, parking, administrative, and storage space.

If outside organizations plan to use the new facility as residents or renters, they will need to be interviewed in detail about their needs and aspirations, preferably by an independent and objective source. Those discussions may result in a "wish list" of space needs that represents a consensus, but it can also result in overlapping or possibly conflicting demands and desires that should be addressed early in the planning. The facilities specialist can conduct this assessment and advise on how a new space can balance and accommodate multiple uses and users in the

community. In the end, not all the space and equipment needs and places in the calendar will make the final cut, as no cultural facility can meet every need.

Analyze Your Audience Market

“If we build it, he will come” may have worked for attracting visitors to a mythical baseball diamond in an Iowa cornfield for Shoeless Joe Jackson, but it has rarely proven true for building arts and cultural facilities. If the proposed facility is considerably larger than the present venue, how is audience attendance to be projected accurately? Again, objective outside analysis of the audience market area, census data, population trends, economic forecasts, demographic characteristics, tourist and visitor figures, seasonal residents, and a host of other demographic factors can all provide the organization quantifiable data to help document and compellingly communicate the need for new, renovated, and possibly larger spaces. Or it may signal the need to scale back plans or redefine the goal.

Engage the Community

Involving the community in focus groups, a broadly distributed survey, and town hall meetings can provide extensive valuable data and insights about everything from programming and ticket pricing to the willingness to support new building and program plans. In particular, an objective survey can confirm, or suggest an adjustment to, key assumptions about the projected audience market.

Looking ahead to the fundraising feasibility study and campaign, an audience market analysis can also help generate confidence among leadership donors that the grassroots community backs the project. As in any good community engagement process, the survey itself provides an opportunity to share organizational vision, communicate the project’s potential impact, demystify the planning process, and spark excitement and curiosity about the project.

Benchmark the Competitive Environment

Once the organization has confirmed its facility needs internally, it is equally important to understand the vision of how the new, expanded, or renovated venue will be viewed from an outside stakeholder perspective. Are other organizations already doing what your organization is planning? Just because a community 30 miles away has a Broadway roadhouse doesn’t mean your city needs one too. In fact, probably the opposite is true. An in-depth, objective inventory of facilities and space resources of similar organizations and facilities already working in your market area can ratify the need for your project and help avoid creating duplicate spaces. Of course, such a “gap analysis” can also inform adjustments to the original vision for the proposed facility.

Commission a Preliminary Facility Concept

With all the information gathered above in hand, the design team, led by specialists in cultural facilities and program planning and working closely with the organization’s project planning committee, is ready to prepare a preliminary facility concept. At this point, a basic building program itemizing the net square footage of each space within the venue should be created. The architect then translates this space list into a “bubble diagram” that shows the relative

sizes of the basic building functions, a simple space adjacency diagram, or even some hand-drawn sketches. With the organization's guidance, design team members can offer suggestions on levels of construction quality, interior finishes, performance and other specialized equipment, location, and other factors affecting building cost.

During initial discussions and early meetings, organizations may be tempted to ask an architect to prepare a rendering "for fundraising purposes." It should be noted that before a clear design approach has been settled upon, creating such an artistic drawing may be premature and even unwise. An artist's rendering can be harder to "read" than a basic diagram. And because most building projects go through an iterative planning process, the initial design concept may look nothing like the final design. Some key donors may object to the particular exterior design approach suggested in the rendering as being "too classical," "too modern," etc. A design that seems fixed too soon may spoil an otherwise successful fundraising feasibility study interview that should be entirely focused on programs and community impact rather than exterior architecture. Bear in mind that the selection process for the ultimate project design team can be a fascinating exercise in itself, offering further opportunities for involving leadership donors and other stakeholders.

Anticipate Project Capital and Operating Cost Estimates

The space list, construction quality statements, and basic diagrams of the pre-design facility concept are usually sufficient for the project cost consultant to make a preliminary, order-of-magnitude construction cost estimate.

New facilities can have a major impact on an organization's ongoing financial operations, affecting everything from artistic programming, ticket sales and admissions, and staffing to insurance and utility costs. Clear-eyed long-range forecasts of the organization's financial operations are essential. These should encompass not only the planning, design, construction, and fundraising phases, but the opening year and several years of stable post-opening operations as well. Detailed financial operating estimates not only prepare the organization for the impact of a new venue on future annual budgets. They also help prepare capital campaign donors for their role in providing higher annual operating support.

Many organizations have seen major donors increase their annual giving levels as a result of excitement about a new venue, a successful capital campaign, and the impact their involvement will achieve. Alternatively, others have opened a new hall only to be crushed by optimistic or unforeseen annual operating costs of the venue.

Commission a Fundraising Feasibility Study

All of the above capital and operating cost estimates, as well as program and facility plans, ancillary space needs, intended staffing structures, and much more will be crucial to developing the draft case statement that the fundraising counsel will use in the ensuing feasibility study interviews. A fundraising feasibility study not only tests the case statement but also helps determine a community's capacity and willingness to support such a project, and identifies the organizational components necessary for campaign success.

Getting candid feedback from prospective leadership donors on their interest in and willingness to support the project is an essential next step. Engaging independent outside counsel – often part of the cultural facilities planning team who has deep knowledge in the evolution of the project – to conduct confidential interviews can also be helpful in maintaining strong relationships with an organization's donors. This happens by sharing the organization's vision, as well as demonstrating that the individual, family, corporation, or foundation is valued enough to be invited to participate in the interviews. The outcomes and recommendations will provide the organization an opportunity to have objective discussions and develop action plans that ready the organization for launching the project, or to re-think its relevancy as currently envisioned.

Find Great Leaders to Create a Community Treasure

A major cultural facility project may happen only once in a generation. They often last for decades and become beloved landmarks, visitor attractions, philanthropic statements, monuments of civic pride, and even brands and symbols of their communities (think Sydney Opera House, Carnegie Hall, Walt Disney Concert Hall, and many others). In order to turn a big idea into a vibrant reality, it is imperative for any organization, municipality, or start-up community group to get many things right during the initial planning stages. Following a pre-determined planning process, doing your homework, gathering data and feedback from your community, and creating an integrated program, facilities, and fundraising/financing plan will help ensure that great ideas become unique treasures.

Undertaking an arts and cultural building project can be daunting. Nevertheless, hundreds of communities have successfully accomplished them over the years, sometimes against great odds. In the end, a small group of professionals and volunteer leaders can create long-lasting benefits for their entire community. Above all, every project requires passion — the vision that strengthens the hearts of a group of great leaders and drives them to create a permanent and wonderful new addition to their local arts and culture landscape.



Arts and culture industry expert Willem Brans has more than 30 years' experience in cultural facility planning, financial analysis, development and fundraising, arts management, and strategic planning. He has served in senior management positions and as a consultant to numerous arts, cultural, education, social welfare and environmental organizations internationally. At Arts Consulting Group, his clients have included the AT&T Performing Arts Center (Dallas); Center for the Performing Arts (Carmel, Indiana); and Walton Arts Center (Fayetteville, Arkansas) among many others.

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