

## Twelve Steps to Prepare for a Cultural Facility Project

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As the economies in the United States and Canada continue to grow, more communities and organizations are recognizing the value of arts and culture as community connectors. As a result, many cities, towns, and arts and cultural organizations are examining their facility needs and considering new, exciting projects. Audiences continue to attend arts and culture venues of all kinds—museums, performing arts centers, theaters, concert halls, opera houses, and shared-use spaces. They drive the local economy and serve as hubs of the community. With millions of people participating in arts and culture activities, there is a need for appropriate physical spaces in which nonprofit organizations, universities, commercial developers, and government agencies can present programs, house administrative and production activities, and deepen community participation.

This issue of *Arts Insights* identifies the 12 key steps that community leaders should consider prior to undertaking a cultural facility project, examining their current facilities to determine whether they meet artistic and community needs, audience expectations, market demands, and infrastructure requirements.

### Step 1: 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 an institution can undertake, such projects can be daunting to the board, management, and community leaders because of the complex nature and infrequency of such projects. Cultural facility projects can involve an intimidating range of tasks depending on their type, scope, and scale, including artistic program planning, business and operating models, governance structures, site selection, land acquisition, architectural design, board development, staff changes, government regulations, high-level financial responsibilities, and unprecedented capital campaign fundraising efforts. Some projects require a decade or more to go from initial concept to groundbreaking to grand opening—a marathon, not a sprint.

### Step 2: Clarify Mission and Vision

To build the case for support, organizations must articulate why a cultural facility project is key to achieving its mission and vision and fulfills a vital community need. A new or adaptive reuse building project should grow out of an organization's or government agency's basic purpose or fit within a community's urban or cultural master plan. It should be urgently needed to fulfill the mission, meet the market demand for the arts and culture field, and enhance community impact. The idea for a facility project may start with a single individual. However, without consensus among everyone (the board, artistic leadership, community stakeholders, town or city councils, and management) that the project is mission-critical rather than elective, the idea will not 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 in the planning process.

### Step 3: Integrate Facility Planning into the Organizational Strategy

Cultural facility projects can transform an organization and community in both planned and unforeseen ways for years to come. However, managing a major building project while simultaneously running a thriving organization can be an underestimated challenge. It may be unrealistic to ask current staff and management to take on a major facility project in addition to regular responsibilities. Appropriate human and financial resources must be allocated to move 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 a major undertaking. Objective advice, assessment, and strategic planning from an expert in cultural facilities planning or an outside source can be instrumental and cost effective at this stage, including a baseline cultural facilities summit to test ideas, concepts, and strategic direction.

#### **Step 4: Engage the Right Team**

After establishing the initial goal of the facility, its overall feasibility from a financial and market-driven perspective needs to be tested. Extensive objective data must be gathered and specific space/program utilization plans must be created. An outside specialist can play a vital advisory role in leading the group of experts that the project requires, such as architects, theater planning consultants, museum planners, acousticians, fundraising counsel, project cost consultants, real estate developers and brokers, operational/capital cost analysts, or site planning, zoning, traffic, engineering, and landscaping firms. A cultural facilities and program planning specialist can provide an objective and comprehensive analysis as to whether the project should proceed and how to best achieve the desired results through effective timing and stakeholder engagement strategies. Using such a structured, team-oriented approach in the early planning stages will effectively launch the project while strengthening its credibility with major prospective donors, government agencies, and community leaders.

#### **Step 5: Mobilize Fundraising and Financing**

Cultural facility projects are rarely accomplished without a major fundraising efforts, such as a capital campaign with a goal far higher than the current annual operating budget. Inviting major donors to join a special task force early in the planning stages can formalize their involvement, answer questions, address concerns, and encourage early consensus. In the case of newly formed organizations or groups whose primary focus is the cultural facility project, it is critical to develop relationships that also attract financial and community support. Including prospective donors and community leaders at this early stage helps them understand and support initial project investments that are required beyond post-opening annual operations. It will also pay dividends when the time comes for the campaign planning study and eventual facility capital campaign. Their investment will create broader community ambassadorship and advocacy by all involved in the facility, program, and fundraising planning process.

#### **Step 6: Conduct a Needs Assessment**

An objective inventory of program utilization and space needs is fundamental to cultural facility planning. It is essential to accurately project the number of productions, performances, rehearsals, exhibitions, classes, rentals, meetings, and other events that a facility needs to accommodate in future years. A pro forma annual schedule takes that one step further. Itemize the number of square feet each of the proposed uses needs, as well as other requirements like special equipment, HVAC, parking, guest services, concessions, and administrative and storage space. Outside organizations that plan to use the facility will need to be interviewed (preferably by an objective source) to determine their needs and aspirations. Those discussions may result in a list of overlapping or conflicting space needs, demands, and desires that must be addressed early in the planning process. A facilities specialist can conduct this assessment and advise on how a new space can balance and accommodate multiple uses that best serve community needs. In the end, not all the space, equipment, and calendar requests will make the final cut, as no cultural facility can meet every need.

#### **Step 7: Analyze the Market and Engage the Community**

Objective analysis of the audience market area, census data, population trends, economic forecasts, tourist figures, seasonal residents, and a host of other demographic factors can provide quantifiable data to demonstrate the need for new, renovated, or larger arts and culture spaces. An analysis of like-sized communities and their cultural spaces can be an effective way to save time and money in the long term. It may also signal the need to scale back plans or redefine the goal. How can potential audience attendance be projected accurately? Involving the community in focus groups, surveys, and town hall meetings can provide valuable insights on topics such programming, ticket pricing, and willingness to support new building plans. A survey provides an opportunity to share organizational vision, communicate potential impact, demystify the planning process, and spark excitement.

#### **Step 8: Benchmark the Competitive Environment**

Once the organization, municipality, or community has confirmed its facility needs, it is equally important to understand how the new, expanded, or renovated venue will be viewed from an external stakeholder perspective. Are there other facilities with competing visions and program offerings? An in-depth inventory of similar or neighboring facilities and spaces can ratify the need for a new facility project and avoid creating duplicate spaces. Such a gap analysis can also inform adjustments to the original vision for the proposed facility. It is also important to consider the business and governance models of similar facilities in comparably sized communities.

#### **Step 9: Commission a Preliminary Facility Concept**

Using all this information, the project planning committee and a design team, typically led by specialists in cultural facilities and program planning, are now ready to prepare a preliminary facility concept. At this time, 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, the design team can offer suggestions on levels of construction quality, interior finishes, performance equipment, location, and other factors affecting building cost.

During initial discussions, organizations may be tempted to ask an architect to prepare a rendering for fundraising purposes. Creating such an artistic drawing may be premature and even unwise. An artist's rendering can be hard to read and, because most building projects go through an iterative planning process, the initial concept may look nothing like the final design. Some donors may object to the particular design approach in the rendering. A design that seems fixed too soon may spoil an otherwise successful campaign planning study interview that should be entirely focused on programming and community impact rather than architecture.

### **Step 10: Anticipate Capital and Operating Cost Estimates**

The special requirement analysis, construction quality statements, and basic diagrams of the pre-design facility concept allow 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 artistic programming, ticket sales and admissions, staffing, insurance, and utility costs. Precise, long-range forecasts of the organization's financial operations are essential. These should encompass the planning, design, construction, and fundraising phases as well as opening year and several years of stable post-opening operations. Detailed financial operating estimates prepare the organization for the new venue's impact on future annual budgets. Many organizations see major donors increase annual giving levels as a result of excitement about a new venue.

### **Step 11: Commission an Integrated Campaign Planning Study**

Capital and operating cost estimates, endowment needs, program and facility plans, ancillary space requirements, and intended staffing structures are just a few crucial factors to develop a draft case statement that fundraising counsel can use in campaign planning study interviews. Such a study will test the case statement, determine a community's capacity and willingness to support the project, and identify the components necessary for campaign success. Candid feedback from prospective donors on their interest in and willingness to support the project is essential. Engaging independent outside counsel to conduct confidential interviews can be helpful in maintaining strong relationships with donors. Share the organization's vision and demonstrate that the individual, family, corporation, or foundation is valued enough to participate in the interviews. The objective discussions and recommendations will provide an opportunity to develop action plans that ready the organization to launch the project or to re-think its relevancy as currently envisioned.

### **Step 12: Create a Community Treasure**

A major cultural facility project may happen only once in a generation—lasting for decades and becoming beloved landmarks, visitor attractions, philanthropic statements, centers of civic pride, and community symbols. To turn a big idea into a vibrant reality, it is imperative to be thorough in the initial planning stages. Following a pre-determined planning process, gathering data and feedback from the community, and creating an integrated program, facilities, fundraising, and financing plan will ensure 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. Above all, every project requires passion and a vision that drives arts and culture leaders to create long-lasting benefits to the community and a wonderful new addition to the local landscape.

**Editor's Note:** This article was inspired by an earlier version written by former ACG Senior Consultant Willem Brans, published in January 2015.



### **Martin Bragg, Senior Vice President**

Martin Bragg joined ACG in 2015 as Senior Vice President to lead the firm's Canadian subsidiary. With a career spanning more than 30 years, Mr. Bragg has a wide range of experience in presenting, producing, and managing large cultural organizations and facilities throughout Canada. Since joining the firm, Mr. Bragg has guided numerous executive searches, innovative arts center facilities and program plans, board governance and organizational assessments, and strategic planning initiatives throughout North America. Mr. Bragg has extensive leadership experience in dance, theater, and performing arts center management, with a focus on organizational development, strategic planning, and sustained growth in earned and contributed revenue. Prior to joining ACG, he served as Executive Director of Alberta Ballet, Executive Director and Artistic Director at Canadian

Stage in Toronto, Executive Director of the Vancouver Playhouse and Vancouver Playhouse Acting School, and Vice Commissioner and Producer for the Canadian Pavilion and Expo '92. Mr. Bragg has held various management roles at the Stratford Festival, National Arts Centre, Theatre New Brunswick, Vancouver East Cultural Centre, and many theaters in Toronto. Working both in the nonprofit and for-profit sectors, he has been responsible for creating innovative partnerships with companies in Canada, the United States, England, and Ireland. Mr. Bragg has a long history of volunteerism and community service, including serving as President of the PACT Communications Centre, Vice Chair of the Professional Association of Canadian Theatres, and National Chair of the Equity Negotiating Committee for two successful collective agreements. He was also a founding member of the Minister's Advisory Counsel for Arts and Culture for the Province of Ontario.



### **Douglas R. Clayton, Senior Vice President**

Douglas R. Clayton joined ACG in 2019, bringing more than 20 years of experience in the arts and culture industry, specifically within opera, theater, and arts service organizations. Passionate about innovative business models in the arts and culture sector, he leads ACG's Planning & Capacity Building area, guiding strategic planning and community engagement, facilities and program planning, organizational benchmarking studies, board governance summits, team building retreats, and a variety of services that strengthen nonprofit organizations, universities, government agencies, and the communities they serve. Mr. Clayton has an extensive background in cross-sector collaboration in public-private partnerships and the dynamic relationships that exist in the creative industries. Prior to joining ACG, Mr. Clayton served in various roles at Chicago Opera Theater, ultimately becoming General Director. He has also served as Director of Programming and Operations for LA Stage Alliance, as Chair of the Host Committee for the record-breaking 2011 Theater Communications Group national conference, and as a member of the Directors Lab West's steering committee. Mr. Clayton has worked artistically as a stage director, playwright, and performer and has hands-on experience as both an artist and producer with a range of theatrical unions in the United States, including the Stage Directors and Choreographers Society, Actors' Equity Association, American Guild of Musical Artists, and United Scenic Artists. Mr. Clayton holds a bachelor of science from the University of Southern California and earned a master of business administration from the Anderson School of Management at the University of California, Los Angeles. In 2018 he was named to Crain's Chicago Business 40 under 40 list as a leading innovator in the business of culture.



### **Peter Mraz, Associate Vice President**

A classically trained pianist, Peter Mraz brings a unique combination of strategic insight, leadership, artistic sensitivity, and business acumen to all his consulting engagements. Since joining ACG in 2016, he has been an integral part of several teams that have completed projects in a wide variety of functional disciplines, including executive searches, board summits, organizational management assessments, audience and community surveys, competitive market analysis, audience demand estimates, extensive benchmarking studies, and programming and financial pro forma plans for new arts and culture facilities. His varied background and experience allow him to provide a global perspective, identify tailored and innovative solutions that build consensus, incorporate best management practices, and deliver practical and enduring results that enhance the mission and sustainability of ACG's clients. Mr. Mraz began his career with the Slovak Ministry of Foreign Affairs in Bratislava and KPMG in Prague. He later joined the London Symphony Orchestra and Royal Opera House at Covent Garden. A native speaker of Slovak, Mr. Mraz is fluent in English and Czech and has a working knowledge of Russian and French. A former Slovak and Irish folk dancer, Mr. Mraz completed his piano studies at Košice Conservatory of Music in his native Slovakia. He holds a bachelor of science in business administration from City University of Seattle and a master in public policy from Harvard Kennedy School.

**Contact ACG for more information on how we can help your organization achieve new or revitalized cultural facilities.**

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