

# Maine Business and Technology Expo

## What is the Creative Economy: Lessons Learned in Portland

Presentation of James I. Cohen

May 12, 2010

---

My introduction to the arts came early in life. As an elementary school student growing up in Portland, I attended most of the PSO's 50<sup>th</sup> anniversary season with my mother. Later I took guitar lessons on a loft on Exchange Street across the street from Portland's then new art cinema -- The Movies. As a graduating high school senior, I was honored to attend the grand opening of the Portland Museum of Art -- and still enjoy this amazing facility. And in my adult life I had the honor of serving as a vice president on the board of the PSO while my wife (here today) served on the board of the Portland Stage Company. And as Mayor, I held my inaugural celebration at the Maine College of Art.

Today, arts and culture is an integral part of Portland's fabric, and why many of us live there -- or in the area. Arts and culture are key elements of what people mean when we talk about "Quality of Place."

**Portland's past.** But, Portland wasn't the same place 25, or 40 years ago when I first moved there with my family. The Portland of those days was an industrial city, with vacant warehouses, decaying wharves, and almost nowhere to

## Maine Business and Technology Expo

### What is the Creative Economy

Remarks of James I. Cohen

May 12, 2010

Page 2

eat out – other than Boone's. But little by little, that changed. And the arts have helped lead the way. When Exchange Street and later Congress Street were down on their luck, local artists and cultural enterprises took advantage of low rents and took a risk to establish businesses, and the City of Portland helped support this growth – although much of the effort has been private. Now the arts community is helping to pave the way to revitalize the Bayside area of Portland and areas of the waterfront. It is doing the same in Saco, and Westbrook, and Waterville, and Lewiston.

**Art means business.** In this regard, art is not a luxury. The simple fact is that art means business. According to Americans for the Arts in 2006, the non-profit arts represent a \$134 billion industry employing nearly 2.9 people nationwide, and arts and cultural activities were a significant driver of tourism visits and spending.

**Arts as a basis for the knowledge-based economy.** In Portland – and in other parts of Maine, arts and culture also contributes to jobs in other parts of the economy, including jewelry design, furniture design, the recording industry, and knowledge-based industries like bio-technology. These are jobs that could locate anywhere, but they choose to locate in Greater Portland – and other places in Maine -- because of the cultural vitality and the critical mass of well-educated

people -- and we have our growing universities and strong public schools to thank for that.

I learned this first-hand several years ago while working with representatives of the marine science community as we studied how Portland could become a “marine science city” – high on the list of assets needed to attract top-level talent was culture and diversity. This is the link between our “arts community” and our “knowledge-based economy.” It is why arts and culture is a cornerstone for a 21<sup>st</sup> century, knowledge-based economy.

**Looking Out for Portland Report.** A 2007 Study by the Portland Regional Chamber, in which I was an active participant, actually bears this out. In the creative economy sector, we found that Portland exceeded the national average in arts, entertainment, and hospitality establishments per capita, nearly 30% higher than other Maine benchmark cities, nearly 20% higher than national peer cities, and almost double the national average. Portland and the region also have a much higher level of individuals with at least a college degree, which is central to success in a knowledge based economy. And in this regard, the statistics bear out that the Portland area has experienced wage and personal income growth in excess of the state and other peer regions nationally.

**Other Mayors interested in Portland.** Portland's success is also not a secret, and the city has received many national honors. During my term as mayor, I met with delegations from Wilmington, N.C. and Colerain, Northern Ireland, for example, who were very interested in learning about Portland's creative economy – and the fact that Portland's young demographic had been growing – an anomaly among many American cities, and certainly an anomaly in Maine. In my dealings with the U.S. Conference of Mayors, I heard from many other mayors of prominent American cities that they believed that Portland was a great place to live. I was gratified to receive this feedback, and I was also gratified to learn that growing creative economy activities was considered a “best practice” among the top cities of America. From Burlington, to Iowa, to Nashville, to Providence, to Charleston, S.C., cities were investing in arts, and seeing big returns.

**Muskie Report: a threat of erosion.** But there have been storm clouds surrounding Portland's creative economy as suggested by a study undertaken by the Muskie School in 2005 – authored in part by Dick Barringer. In particular, as rents have gone up, the cost of space for traditional galleries, art spaces, non-profits, and artist residences have become ever more expensive, which creates pressure to leave the City – or the state.

**Step One: Creative Economy Summit.** So, to maintain and grow our creative economy in Portland, we took a very systematic – and inclusive – approach. It began with a Creative Economy Summit in May of 2006. But we didn't want an ordinary summit, with brainstorming, speeches, cheering, only to have the good work and energy of the group reduced to a report that would sit on a shelf and gather dust. We had been down that road too many times.

Instead, we wanted an “action-oriented” summit so that, when the summit was over, we had a blue-print for further action. This required more than speeches. It took months of hard work by volunteers to brainstorm, weed out bad ideas, develop good ideas, and bring that work product – with proposed action steps -- to the summit for review and reaction. We also worked hard to include the three separate groups of the creative economy: creative individuals, creative organizations, and creative enterprises.

The summit itself was a success, with over 200 people attending, and the end result of the summit was a recommendation for three specific action steps:

1. **Build Portland's identity as an international creative center;** includes efforts to develop arts related events, establish a unique brand, and cluster marketing;
2. **Develop publicly supported and/or affordable public space for artists, including performance space, office space, studio space, housing, and exhibition space;**

3. **Increase collaboration, coordination, and communication;** including creating an infrastructure for the creative economy, fostering public/private partnerships, and a city office of arts & culture.

With these recommendations in mind, we got to work again – because we didn't want any moss to grow under our feet. We spent nearly six months planning the next phase, which was the establishment of a Steering Committee to implement these three recommendations. We took this route because, in cities like Portland, action requires extensive process in order to create a mandate – individuals are not empowered to lead, and even individual politicians are not empowered to lead. Leadership requires community consensus, and that is what we sought to achieve.

**Step Two: Creative Economy Steering Committee.** So, as Mayor in late 2006, I appointed a 17-member task force called the Creative Economy Steering Committee. The membership spanned the three sectors, and included members with financial and real estate experience. Then we met for nearly 18 months – as our former director of Planning and Development Lee Urban used to say, “sometimes you have to move slow to move fast.”

Well, we did just that. We researched, we studied, we considered, and then we moved. Our focus was on achievable objectives, something Portland could actually *do*.

**Step Three: The Creative Portland Corporation.** Our first recommendation was to form a public/private corporation called the Creative Portland Corporation to “capitalize upon and grow Portland’s creative economy to achieve its greatest potential.” Forming this entity addressed concerns that growth of this sector required sustained leadership, and a public private partnership. Forming the Creative Portland Corporation would ensure that the work of the creative economy lives on beyond the individuals of the moment. It would also ensure that these activities remained a priority for a city with many priorities.

Second, we had to figure out the funding challenge, particularly in an era of declining government revenues. One tool we utilized was the new “Arts District TIF” that the Legislature had just created – this allowed the city to dedicate revenues to the creative economy at a lower cost than simply using general fund revenues – it stretched our local dollars about 30%. We also set up the entity as a 501(c)(3) so it could receive private donations, which funding stream is expected to grow over time. It was also our hope that activities of the Corporation might be revenue generators, e.g. through the hosting of events, which revenues would help sustain the activities of the corporation.

Third, we developed a startup work plan for the Corporation that included the following elements:

**Maine Business and Technology Expo**

**What is the Creative Economy**

**Remarks of James I. Cohen**

**May 12, 2010**

**Page 8**

1. Designing a system to benchmark growth of the creative economy in Portland, including contributions to the City's tax base
2. Hiring a full time executive director, and a part time assistant
3. Undertaking a feasibility analysis for creation and location of a Center for the Arts, including other actions to grow Portland's Arts District and identify "tipping point" projects.
4. Promoting/Marketing Portland to the Creative Economy, including branding, developing promoting clusters, marketing and public relations associated with creative businesses, and the development and promotion of events – particularly during the "offseason"
5. Serving as a "one stop shop" or "clearinghouse" of information and resources for creative economy businesses, including helping to link businesses to funding opportunities, economic development assistance, education resources, and other community resources.

**Step Four: City Council Approval.** Finally, in my last meeting as a member of the Portland City Council almost exactly one year ago, Portland approved the formation of the Creative Portland Corporation and the creation of an Arts TIF to help finance the enterprise.

And so, after years of planning and effort, the foundation for future success is in place. Sometimes, you do have to go slow to go fast.