



State Senator Sheila Harsdorf

Date: January 13, 2016
To: Senate Committee on Agriculture, Small Business, and Tourism
From: Senator Sheila Harsdorf
Re: Senate Bill 483- Creative Economy

Dear Chair Moulton and Committee Members:

Thank you for holding a public hearing on Senate Bill 483 (SB 483) which seeks to create a grant program through the Wisconsin Arts Board to boost creative industries and job creation in our state. I appreciate the opportunity to testify in support of SB 483.

According to Arts Wisconsin, the nonprofit arts and cultural sector in Wisconsin generates \$535 million in economic activity resulting in \$65 million in local and state revenues and employs over 42,000 full-time jobs among 10,000 businesses. Creative development is happening all over the state. An example in my district is the City of St. Croix Falls' restoration of the civic auditorium as an integral part to the revitalization of the downtown. Later, you will hear from Arts Wisconsin who will highlight projects and developments occurring around the state that are creating jobs and adding to our quality of life.

SB 483 is designed to promote the creative economy where business or local arts agencies provide products or services which have an origin in artistic, cultural, creative, or aesthetic content. This bill proposes to develop a creative economy grant program through the Wisconsin Arts Board under the Department of Tourism. The biennial appropriation of \$500,000 would allow the Arts Board to award grants on a competitive basis to businesses, arts organizations, local arts agencies, and business development organizations that promote creative industries, job creation, and economic development. Applicants applying for the grants are eligible to receive up to \$40,000 and must have secured at least a two-to-one match of non-state funds for the project. The appropriation is one-time funding and requires the Arts Board to develop a process to score the effectiveness of the grants and report back to the Joint Committee on Finance.

Arts and cultural experiences account for a significant number of small businesses that help stimulate the economy through tourism and neighborhood development, as well as creating community assets that improve quality of life measures that businesses and their employees value. This in turn helps to incubate and grow additional businesses, broadens the tax base, and attracts tourists. I am encouraged by the bipartisan support of this bill and urge timely passage of this job creating legislation.



Warren Petryk

State Representative • 93rd Assembly District

Date: January 13, 2016

To: Members of the Committee on Agriculture, Small Business, and Tourism

From: Representative Petryk

Re: Testimony regarding Senate Bill 483 – “Creative Economy”

Good afternoon Chairman Moulton and members of the committee. I appreciate this opportunity to come before you today to speak in favor of Senate Bill 483.

As you know, the focus of this Legislature has been growing jobs in Wisconsin and improving our economy. We have already taken several steps towards attaining this goal and Senate Bill 483 will continue to assist in moving Wisconsin forward. As an artist and small business owner myself, I know firsthand the impact this industry can have both personally and for the state and local community.

Arts and cultural experiences account for a significant number of small business that stimulate Wisconsin's economy. According to Arts Wisconsin, the nonprofit arts and cultural sector in Wisconsin generates \$535 million annually in economic activity, of which \$65 million is local and state revenue and \$479 million is resident income. The industry also employs over 42,000 full-time workers among 10,000 businesses.

In the 93rd Assembly District is the very small Village of Stockholm with just 66 residents. However, this small community offers large and substantial arts and cultural experiences through their Fall Fresh Tour, Flyway Film Festival, and the Summer Art Fair. Their motto is “Small Village...Big Arts” and this couldn't be more true. Communities like Stockholm deserve the support of our state to help them continue to grow their public offerings while giving back to the state through generated revenues. If you would like more information on the events occurring in this wonderful community, please visit their comprehensive website at <http://www.stockholmwisconsin.com/index.html>.

Under Senate Bill 483, applicants can apply for funds through this grant program for up to \$40,000 and must have secured at least a two-to-one match of non-state funds for the project. Under the legislation, the Arts Board would be required to not only develop a process for the grants but also report back on the effectiveness of the grant program to the Joint Finance Committee.

I am proud of the work done by my colleague Senator Harsdorf and for the bipartisan support this legislation has received. I ask for your support today. Thank you for your time and consideration.



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To: Senate Committee on Committee on Agriculture, Small Business, and Tourism
From: Curt Witynski, Assistant Director, League of Wisconsin Municipalities
Date: January 13, 2015
Re: SB 483, Creating a Grant Program for Supporting Creative Industries

The League of Wisconsin Municipalities supports SB 483, creating a \$500,000 creative economy development initiative grant program administered by the Arts Board in the Department of Tourism. Many municipalities across the state are working with their local economic development agencies to attract and promote creative industries. Such arts based economic activity helps build attractive, quality communities where people want to live and work. The grant program created by this bill will help communities support and promote creative industries.

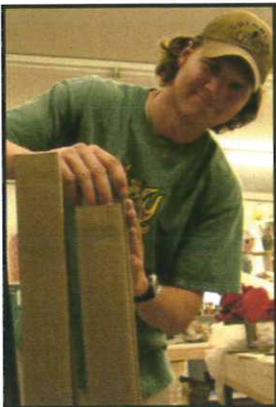
We urge you to recommend passage of SB 483. Thanks for considering our comments.

Creative Economy Development Initiative

growing 21st century jobs, businesses and
quality of life throughout Wisconsin



Woodson Art Museum, Wausau



Potter's Shed, Shell Lake



Mile of Music, Appleton



Whitewater Arts Center



Ko Thi Dance Company, Milwaukee

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MAIN MESSAGE The state of Wisconsin should establish the *Creative Economy Development Initiative*, administered by the Wisconsin Arts Board, as a public/private partnership to leverage and grow assets and resources throughout Wisconsin, providing **local and regional creative economic development** in the creative sector; **arts and creativity in education** as a deliberate strategy for workforce development and skills training, and **strengthening capacity and entrepreneurship** for and in the state's diverse arts infrastructure.

ACTION REQUESTED The state should establish the *Creative Economy Development Initiative*, administered by the Wisconsin Arts Board as a 2:1 matching grant program, in a public/private partnership to leverage and grow assets and resources throughout Wisconsin, providing:

- ▶ **local and regional creative economic development** that creates and expands jobs, businesses and income, through downtown and community revitalization, civic engagement, and cultural tourism programs
- ▶ **arts and creativity in education** as a deliberate strategy for workforce development, to expand skills training; stimulate creative thinking, idea generation, innovation and inspiration; and enable entrepreneurship – all qualities needed in the 21st century world and workforce.
- ▶ **strengthening capacity and entrepreneurship** for and in the state's diverse arts infrastructure.

BACKGROUND Wisconsin has always been a place where the arts spring from the grassroots, a place where people of all interests, backgrounds, and perspectives, in communities of all sizes, are involved in creative endeavors. We've been that way for a long time, because of the Wisconsin Idea and our progressive traditions. "The arts" are not something that only some people are involved with or care about. Wisconsinites are creative, entrepreneurial, imaginative and innovative.

Where Wisconsin has fallen behind in recent years – dangerously so – is in public investment in the arts and creativity as essential components for economic growth, educational advancement, civic engagement, and vibrant communities. In our rapidly changing world, where creativity and innovation are key to economic, educational and civic growth and success, that's unacceptable. Wisconsin must seize the opportunity to grow its economy with a 21st century development strategy.

THE ISSUE *The arts and creativity work for a vibrant, innovative, and successful Wisconsin. Strengthening Wisconsin's creative economy is a critical strategy for the state and all of its communities to compete in the global economy, educate our children, engage residents, and to develop, attract and retain entrepreneurs and a high skilled work force through healthy, vibrant communities where people want to live, work, learn, and play. The Creative Economy Development Initiative will help Wisconsin identify, strengthen and expand its creative programs, workforce, and businesses on the local level, leading to sustainable job growth, a growing talent pool, and community vibrancy and vitality.*

The Wisconsin Arts Board, as the state agency dedicated to creativity, culture, community and commerce, supports systemic and pro-active strategies necessary to:

- ▶ develop, attract and retain a talented workforce
- ▶ capitalize on a region's distinctive assets and culture
- ▶ deepen connections among residents, cities, and regions, and regions to global communities and economies
- ▶ foster innovation and entrepreneurial commercial activity to build sustainable economies.

KEY POINTS Investment in the local, regional and statewide creative economy will move Wisconsin forward to gain:

"Knowledge workers – the people who solve problems for a living, start new companies, and bring new ideas to market – rely on their communities' arts and culture scene to recharge their intellectual and innovation battery. In this way, Arts = Economic Development."
~ Rebecca Ryan, President, Next Generation Consulting, Madison

MODELS CREATIVE DEVELOPMENT AT WORK WEST CENTRAL WISCONSIN

- ▶ **Wormfarm Institute, Reedsburg:** Innovative community arts center and farm in rural Wisconsin. Creators and collaborators with local tourism sector of *Fermentation Fest*, an annual cultural tourism initiative bringing over 5,000 people to Sauk County each October. Nationally recognized with funding from major national private foundations and the National Endowment for the Arts.

“To thrive, rural America will need infusions of new people, new ideas, and new sources of vibrancy. The Wormfarm Institute is an asset for Reedsburg that delivers on all three of these needs. With the collaboration among Wormfarm, Sauk County and The Reedsburg Chamber on the Fermentation Fest, we can create a model to jump start our economy that is grounded in who we are.”

~ *Reedsburg Mayor Dave Estes*



- ▶ **Public arts development for community vitality, Baraboo**

- ▶ The Smithsonian Magazine named Baraboo #4 on the list of *20 Best Small Towns to Visit in 2013*.
- ▶ Circus World houses the world's largest collection of antique circus wagons, and provides \$3.2 million in economic impact to the area from visitors to the museum, with over 71,000 visitors in 2012.
- ▶ The Al Ringling Theatre has been an ornate fixture in downtown Baraboo for over 80 years, as an economic driver and community gathering place.

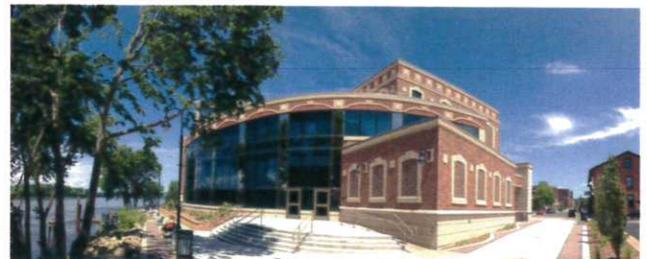


“We’re celebrating our local culture and history. I think public art reflects the soul of a community.”

~ *Baraboo Mayor Mike Palm*

- ▶ **Arts planning and downtown Cultural District, La Crosse:**

- ▶ The city Planning Department and mayoral-appointed arts development committee’s 2013 strategic creative economy development plan will grow government revenue, support job growth, and expand cultural tourism for the La Crosse area.
- ▶ The new Weber Center for the Performing Arts is a public/private collaboration and a cornerstone of revitalization efforts along the riverfront and the growing Riverfront Arts District.



Learn more about Wisconsin’s creative economy

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- ▶ ***Downtown Cultural District/Thelma Sadoff Center for the Arts, Fond du Lac:***
- ▶ leveraging Fond du Lac's assets and creating new facilities for arts and entertainment to encourage and stimulate business development
- ▶ City-commissioned 20-year downtown comprehensive plan
- ▶ Arts and Entertainment District vision plan with government and community leader endorsement



"We're advancing a compelling, market and strategy driven vision enhancing community connectivity, economic sustainability and cultural vibrancy making the downtown a local and regional destination, including expanding entertainment offerings through the rejuvenated Thelma Sadoff Center for the Arts and other restoration projects, creating public spaces for special events and recruiting artists into the downtown."

~ Kevin Miller, Director, Thelma Sadoff Center for the Arts

- ▶ ***Fox Valley cultural development***

- ▶ Fox Cities residents attending arts or culture events spend \$16/person above the cost of admission. On average, 24% of Fox Cities Performing Arts Center audiences travel from outside the Fox Cities, spending \$31/person in the community. Those staying overnight spend \$85+ per person as a result of their attendance at an arts event.
- ▶ The Fox Cities 2012 *Arts and Economic Prosperity IV* study shows that nonprofit arts and culture organizations are a significant industry generating \$32.3 million in total economic activity annually in the Fox Cities region.
- ▶ Downtown Appleton's *Mile of Music* Festival attracted 15,000 people in 2013 as a catalyst for cultural change.



"The Fox Valley's economic and community development strategies are all about our outstanding human and cultural resources. Our plans for the region's future include using the arts and culture as essential tools for economic development, education, and quality of life. The arts make the Fox Valley such a great place to live, work, visit and enjoy life." ~ Kathi Seifert, President, Katapault LLC, Neenah

- ▶ ***Life of the River public art initiative, Green Bay***

- ▶ Publicly supported and privately funded public art project administered by the Green Bay Neighborhood Leadership Council in partnership with the City of Green Bay
- ▶ Celebrating the historical nature and natural beauty of the Fox River
- ▶ Honored with Arts Wisconsin's *Arts in the Community* award in 2010



"The arts are a catalyst for vibrant community development and growth, and we're living that idea here in Green Bay. Our "creative economy development initiative" is all about investment in economic development through the arts, creativity in education, and support of the arts sector and infrastructure throughout our city. Public/private partnerships and investment are critically important to the long-term success of these efforts on the local level."

~ Mayor Jim Schmitt, Green Bay

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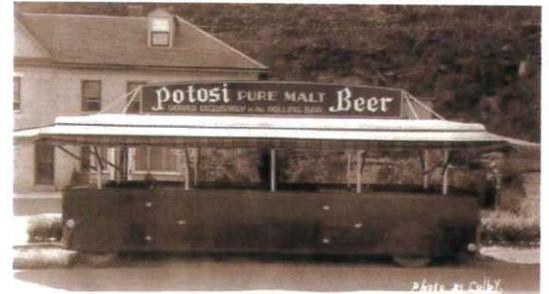
- ▶ **Waunakee Creative Economy Initiative:** leading strategic planning for community growth and success, *Waunakee's Creative Economy Initiative* is a multi-year effort to identify existing sources of creativity and innovation in the Village, and foster their growth into a formidable sector of the local economy. This effort is devoted to enhancing Waunakee's profile as a creative, innovative place, with financial and administrative endorsement from the village Board of Trustees.



- ▶ **National Brewery Museum, Potosi:** a world class national museum featuring Wisconsin's historic beer industry.

"According to Len Chylack, president of the American Breweriana Association, Potosi was selected over cities such as Milwaukee and St. Louis because of their passion for beer, brewery history and beer-making culture."

~ National Brewery Museum website

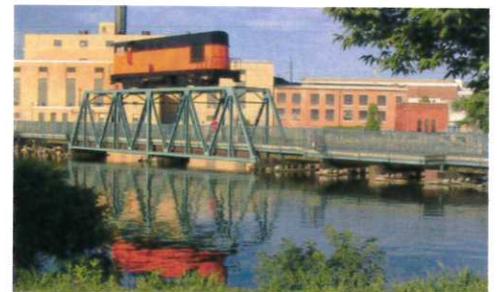


- ▶ **Driver Opera House Center for the Arts, Darlington:** Built in 1883 and in the process of restoration with leadership from a group of respected and interested citizens from around Lafayette County and municipal, regional and state support. An important link in the cultural chain of southwest Wisconsin, welcoming film festivals, traveling arts and humanities shows and theatrical and musical touring companies as an economic generator in the community and the region.



- ▶ **Beloit arts development:**

- ▶ The former Beloit Corporation's Ironworks Building, revitalized by the Hendricks family, is home to creative entrepreneurs and small manufacturing businesses
- ▶ Beloit International Film Festival as economic development and tourism initiative
- ▶ Beloit's Rock Riverfront is alive with public art and community festivals.



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- **Confluence Project, Eau Claire:** this public-private partnership initiative will redevelop a blighted area in the heart of Eau Claire, at the confluence of the Eau Claire and Chippewa Rivers. The project includes UW-Eau Claire and community space, and mixed-use retail and housing. The City of Eau Claire has pledged \$5 million to support the project. *“The Confluence Project ... would realize positive operating balances of more than \$100,000 in its first year of operations, with those positive operating balances growing steadily.”* VenuWorks Consulting, Ames, Iowa.



“Once in a lifetime does an opportunity come along to do something like this – to build a center for the cultural expansion of Eau Claire and finally hold a mirror up to the deep rivers of talent that flow here.”

~ Justin Vernon (UW-Eau Claire '04), of Grammy-winning indie folk band Bon Iver

- ▶ **St. Croix Falls Civic Auditorium:**
 - ▶ The City of St. Croix Falls is providing leadership for this theater restoration project as integral to downtown revitalization and cultural tourism development
 - ▶ Grants from the Wisconsin Arts Board and National Trust for Historic Preservation
 - ▶ major funding application pending to USDA Rural Development
- ▶ **Northwoods Nijji, Inc, Lac du Flambeau:** a partnership of the Lac du Flambeau Band of Lake Superior Chippewa, Menominee Indian Tribe of Wisconsin, and Sokaogon Chippewa Community of Mole Lake, supported by municipal, county, state and federal governments. Economic development programs include apprenticeships with elders, business planning, and restoration of cultural heritage centers and the Woodland Indian Art Center.



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- ▶ **Jake's Café, Sheboygan:** a highly collaborative, multi-disciplinary community of creative thinkers that enjoy working together to solve business problems in unique ways, on a 20,000 square foot creative campus comprised of four beautiful landmark buildings in downtown Sheboygan. Businesses involved include architects, audio production companies, graphic design firms, and film production companies.



- ▶ **Museum of Wisconsin Art, West Bend:** *"The new museum is the first step in West Bend's plan to revamp the riverfront, a process that's already in the works, and revitalize the downtown area. Winters hopes to create a cooperative campus that connects MOWA to the nearby shops and restaurants on Main Street and the riverfront, which she envisions becoming something like what San Antonio boasts in terms of culture, beauty and development. The city has already invested more than \$800,000 to build a pedestrian bridge across the river to link the cultural side with the commercial side, and other old bridges could be reconstructed, as well. 'MOWA may well be the economic engine that provides a spark for downtown commerce this year,' says T.J. Justice, the West Bend director of development. 'Its impressive presence is now a cornerstone of the city's downtown infrastructure.'"* ~ Milwaukee Magazine, 4-3-13



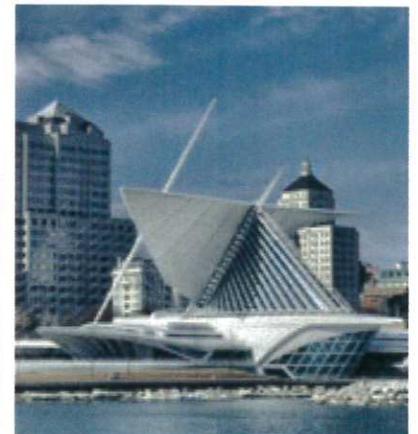
- ▶ **Downtown Racine:**

- ▶ Arts and cultural destinations for residents and cultural tourists
- ▶ Racine Art Museum celebrated 10 years as a centerpiece of downtown Racine in 2013
- ▶ Downtown Racine is the only city in the country that has sponsored a public art project for more than 10 consecutive years.



Racine Art Museum

- ▶ **Milwaukee Art Museum:** Milwaukee's symbol of the city and the largest art museum in the state of Wisconsin, with almost 400,000 visitors each year and a stellar art education program serving over 50,000 Milwaukee-area youth each year through programs, tours, and internships.



"Man does not live by bread alone, and nothing could be more true when it comes to the arts. Great societies have always been defined by the high quality of their arts. Our ability to attract visitors and jobs to our state depends on our ability to differentiate ourselves in Wisconsin by high quality arts and cultural offerings."

~ Stephen H. Marcus, President, The Marcus Corporation, Milwaukee

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► *Small town arts development*

- LuCille Tack Center for the Arts, Spencer
- Chestnut Avenue Center for the Arts, Marshfield
- InCourage Community Foundation, Wisconsin Rapids, is leading Tribune Building creative incubator development, supported by ArtPlace national grant program and local investment
- Central Wisconsin Cultural Center, Wisconsin Rapids



► *Leigh Yawkey Woodson Art Museum, Wausau:*

- Employs 31 people in this north central Wisconsin community (14 FTEs)
- Spends ~ \$ 1,570,000 annually on goods and services in the Wausau area and throughout Wisconsin
- Serves an estimated 56,000 visitors each year, including 33% from out of the local area
- Serves more than 11,000 schoolchildren each year through classroom visits to the Woodson.



► *Stevens Point creative economy development:*

- extensive downtown revitalization with the Fox Theatre redevelopment project as a cornerstone
- The 2013 *Portage County Creative Economy Inventory Study* quantifies the community power and impact of the arts and creative industries
- Partnerships and planning for creative sector growth involve Portage County and North Central Wisconsin Regional Planning Commission
- Stevens Point Sculpture Park bringing together arts and environment



Fox Theatre

“The Arts Alliance of Portage County has received strong support from our community and governmental leaders in proactively developing a strategy to understand and expand our local Creative Economy. They understand the economic and social value of art, culture, entertainment, education and quality of life when looking at the future. Portage County is an exciting place to be right now as it embraces creativity as part of its economic future.” ~ Bill Schierl, Team Schierl Companies | President, Arts Alliance of Portage County

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Jobs and economic vitality: growing and sustaining prosperity.

- ▶ Wisconsin's nonprofit arts and cultural sector is a \$535 million industry, resulting in \$65 million in local and state tax revenues, 22,872 full-time equivalent jobs, \$479 million in resident income
- ▶ According to Dun & Bradstreet, Wisconsin's creative sector encompasses nearly 10,000 businesses and employs over 42,000 people in full-time jobs - mostly with small, entrepreneurial companies.
- ▶ The U.S. Bureau of Economic Analysis (BEA) and the National Endowment for the Arts (NEA)'s **Arts and Cultural Production Satellite Account** is the first federal effort to provide in-depth analysis of the arts and cultural sector's contributions to current-dollar gross domestic product (GDP), a measure of the final dollar value of all goods and services produced in the United States. **According to these new estimates, 4 percent -- or \$698 billion -- of current-dollar GDP in 2013 was attributable to arts and culture.**
- ▶ Communities thrive through arts investment, involvement and infrastructure
- ▶ Cultural tourism is a fast-growing segment of Wisconsin's tourism economy
- ▶ A vibrant community-based arts scene increases and strengthens capacity to:
 - ▶ attract, retain, incubate, and grow businesses
 - ▶ broadens the tax base
 - ▶ attracts tourists interested in the arts and culture, who spend more time and money as visitors
 - ▶ improves quality of life for all residents.

"The positive value of arts and culture on society has been understood on a human level for millennia. With this new effort, we are now able to quantify the impact of arts and culture on GDP for the very first time. Better utilizing this type of knowledge and information is part of the Department of Commerce's 'Open for Business Agenda,' through which we are seeking to provide more transparency and data to enhance decision-making, create more value, and better understand and grow our economy."

~ U.S. Secretary of Commerce Penny Pritzker

Healthy communities and engaged residents: Building better places to live, learn, work, play.

- ▶ Stimulate economic, community and neighborhood development
- ▶ Make our cities and towns attractive and vibrant places to live and work
- ▶ Attract tourists and out-of-town visitors
- ▶ Educate our children to succeed in school and beyond
- ▶ Beautify livable neighborhoods
- ▶ Provide important social and creative outlets for all residents
- ▶ Bring people of diverse backgrounds together in productive and cooperative ways.

"Museum visits increase test scores, generate social responsibility and increase appreciation of the arts by students."

~ New York Times, 11-24-13

Educational advancement, skills training, and improved academic performance: Preparing our children for the 21st century world and workforce.

- ▶ Research from around the world proves that arts education and the integration of creativity in the academic process is proven to keep students in school, increase high school graduation rates and prepare students for college and for the careers of the 21st century economy.
- ▶ The fundamental and permanent shifts in local and global economies require highly disciplined, entrepreneurial, collaborative, innovative, imaginative, creative and focused workers-*the traits the arts teach*.
- ▶ Arts in education, outreach and engagement programs are critical for success throughout Wisconsin.

True prosperity and opportunity: Enriching everyone, everywhere in Wisconsin.

- ▶ Wisconsin residents value the arts for themselves, their children and their communities.
- ▶ People who are involved in the arts are also more civically engaged – they volunteer and they vote.
- ▶ State funding leverages a great deal of local and private funding, but many communities, particularly in rural areas, are unable to raise enough private dollars to sustain arts programs without state support.
- ▶ The arts significantly increase the return on Wisconsin's investment in education by addressing issues such as workforce development and childhood poverty and health, while broadening the tax base statewide.



Lucius Woods Arts Center, Solon Springs



Big Top Chautauqua, Bayfield



The Potter's Shed, Shell Lake



Northwoods Art Tour, Boulder Junction



Confluence Project, Eau Claire



Fox Theatre development, Stevens Point



Northern Sky Theater, Fish Creek



Weber Center for the Performing Arts, La Crosse



Oshkosh Grand Opera House



Arts businesses, Cedarburg



Driftless Area Art Festival, Soldiers Grove



Electronic Theatre Controls, Middleton



Riverfront art walk, Milwaukee



National Brewery Museum, Potosi



Beloit International Film Festival



Kenosha Public Museum

