

North Shore Creative Economy Market Analysis and Action Plan: Literature Review and Emerging Best Practices

FINAL REPORT

**Prepared by:
ConsultEcon, Inc.**

**In association with:
Karl F. Seidman Consulting Services**

**Prepared for:
The Enterprise Center at Salem State College
The Salem Partnership
Creative Economy Association of the North Shore**

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Section III

LITERATURE REVIEW AND EMERGING BEST PRACTICES

This chapter provides the findings from a literature review of creative economy initiatives undertaken in selected cities and regions across the globe. It includes an overview of consultant team's research approach and background, a summary of the tools, programs, and approaches of creative economy initiatives, and the identification of the issues, challenges, and emerging best practices among creative economy initiatives.

Research Approach and Background

To inform the formulation of an effective action plan to develop the North Shore creative economy, the project team undertook a literature review on current strategies and practices used in creative economy development initiatives. This review focused on strategy and plan documents that have been prepared for cities, states and regions. In some cases, information from websites that summarized and updated initiatives were also used. A final information source was several comparative reports or studies on creative economy development initiatives and approaches.

A total of twelve initiatives in the United States, Canada, Great Britain and New Zealand were reviewed. This is not a comprehensive review, as the creative economy is a new and rapidly developing area in economic development and many cities and regions across the US and internationally. Given the large number of potential initiatives, the project team selected initiatives that represent a diverse set of cities and regions including areas in New England that might be directly competing with the North Shore, areas with developed and documented strategies and plans.

This section summarizes the information and findings from this literature by incorporating:

- ◆ A discussion of the patterns, issues and challenges that emerge from the review of these creative economy development initiatives, including key issues and challenges for the Creative Economy Initiative partners to consider in preparing its action plan;
- ◆ Tables summarizing activities by area and across eight main programmatic areas; and

- ◆ Data in **Appendix A** includes a brief summary of each strategy and action plan.

It is important to note that the literature review relies primarily on the descriptions of programs, projects and activities on websites and in plan documents. Thus, it is best understood as what state, cities and regions are proposing and seeking to undertake to develop their creative economy rather than what is being implemented and what has proven to be effective. In some cases, the resources or funding to implement projects or programs may not have materialized and the proposals may have not gone forward. In other cases, the design and content of programs and projects might have changed during implementation. Moreover, these self-identified creative economy initiatives may not represent everything that cities, states or regions are doing to advance creative industries. Many areas will have other programs and projects that benefit creative industries, such as arts grants, film production tax credits, education programs, etc. The literature review addressed plans that are explicitly designed to promote and develop a defined set of creative industries. Finally, creative economy initiatives are still quite young—almost all are less than five years old. Consequently, it is too early for any codification of best practices or evaluation of what works to have occurred. Nonetheless, this review helps to frame the options available to Creative Economy Initiative partners in designing their action plan, identifies some of the issues and challenges it is likely to face and serves as a stimulus for creative thinking about appropriate and innovative actions.

Summary of Tools and Approaches Used

A compilation of specific actions—policies, projects, programs and the like—included in each area’s plan was compiled and is summarized in **Table III-1**. Activities were grouped into seven categories and a catchall other category:

1. Branding
2. Business Industry Technical Assistance
3. Business/ Industry Recruitment
4. Finance
5. Networking/Association Development
6. Real Estate
7. Workforce Development or Attraction

8. Other Activities

Following are several observations about the extent to which these eight categories are utilized in creative economy strategies include.

- ◆ Business technical assistance and financing were the most common approaches adopted in ten of 12 plans. Technical assistance mechanisms varied considerably from information guides to specialized assistance and training program to business incubators targeted to creative industries firms. Finance tools also varied by helping gain access to existing financing sources to the creation of new grant and investment funds.
- ◆ Business or industry recruitment was the least common action—employed in only four of the 12 plans. Thus, *most areas are giving priority to building their creative economy from within*, and leveraging their existing creative economy assets and enterprises, rather than generating growth and new businesses from the outside. Two attraction efforts were focused on film and media production and one on biotechnology.
- ◆ Activities in the Other Activities category were included in a large majority of plans, either eight or nine of the 12 plans. Real estate and branding activities were slightly less likely to be used than workforce development and networking/association development.
- ◆ Half of the initiatives had comprehensive agendas that proposed actions across seven or eight categories while four areas had more focused strategies with actions in three to four categories. Two other plans fell in between with proposed activities in five categories.

Table III-1
Overview of Creative Economy Initiatives

| City/Region | Branding | Business /Industry Technical Assistance | Business /Industry Recruitment | Finance | Networking/ Association Development | Real Estate | Workforce Development/Attraction | Other |
|---------------------|---|---|--|---|---|--|---|---|
| Berkshire County | Unified Branding. Promotion and marketing campaign. E-newsletter, briefings with key stakeholders & leaders | Creating an artist/designer incubator space | | Creative Product Seed Fund. Angel Financing Network | Project that connects designers with Berkshire-based manufacturers ; The Angel Network to connect aspiring entrepreneurs with individual investors. | Creating an artist/designer incubator space | Fostering relationships between K-12 students and creative industries. Educate residents on creative economy job and career opportunities | Berkshire Biennale signature event/festival |
| Boston | | Provides tax credit and permitting assistance, will act as liaison with City Hall; business plan assistance via university MBA programs | | Offers loans via the Boston Local Development Corporation (BLDC) (\$15 to \$150,000). Access to tax-exempt bonds. | | Real estate location assistance; help with permitting. Advocate for incorporating creative enterprise into area plans and projects | | Research creative economy impact |
| Broward County (FL) | South Florida brand focused on quality of life, cultural tourism and creative industries. Airport advertising on creative | Countywide resource center for business assistance | Encouraging creative industries by government policies, tax and zoning incentives and permitting | Promoting venture capital activity | Create vehicle for communication, idea sharing, research among artist, educators and businesses | Artist Live/Work project; promote design excellence in public and private developments | Recruit, train, and mentor future business leaders to participate in creative industries; create system to match employers and employees | Expand public art. Unified advocacy effort for creative industries. |
| Fresno, CA | Marketing campaigns to focus on high technology, arts | | | | Networking events, blog and listserv to bring together, encourage and support creative professionals, also provide access to financial resources | | | Promote Fresno as national leader in green technology. Mural-public art project Open studios/gallery events |
| Louisiana | Gain designation of New Orleans as World Heritage City or UNESCO Cultural City. National & international trade missions | Information clearinghouse developed statewide. Create technical assistance and workshops targeted to cultural enterprises; clearinghouse and resources on funding | | Louisiana Cultural Economy Foundation created; raised \$1 million for grants to creative industries; Legislation filed to create tax incentives for individual artists. | | | Develop listing of information on training programs for cultural sector | Press hospitality industry to buy local food and artistic work |

Table III-1 (cont.)
Overview of Creative Economy Initiatives

| City/Region | Branding | Business /Industry Technical Assistance | Business /Industry Recruitment | Finance | Networking/ Association Development | Real Estate | Workforce Development/ Attraction | Other |
|---|--|---|--|--|--|--|---|---|
| Maine | | Creative Economy Community Handbook is guide and resource to foster creative industries | Tax credits to attract media production to the state | New Century Grant Fund provides funds for infrastructure improvements to cultural institutions | Midcoast Magnet brings innovative people together through series of networking events | Proposals for publicly supported or affordable housing for artists, studio and performance space. University of Maine moved Art Museum to downtown Bangor | | |
| Toronto | Promote Design Industries | Expand specialized creative industry TA via existing providers, sector programs, incubators and business to business commerce | | Expand risk capital, mortgage investment fund for creative businesses and non-profits. Sustained stable funding for creative initiatives | New coordinating body to promote, connect, coordinate creative industries and initiatives | Establish new creative convergence center. Manage ground floor uses of waterfront. Promote good creative urban design. Systematic approach to supplying affordable space | Expand youth creative programming; Fund creative/arts in public education. Promote design careers in schools | Creative use of city's ravines; Build creative community hub-link creative industry to neighborhood revitalization |
| Providence | Marketing campaign to position city as creative hub. Arts & Entertainment District | TA for artist-owned studios, live-work space. Center for Design & Business (RISD/Bryant College) | Biomedical Industry strategic plan | Grants for emerging creative people. Fund for Downcity projects | Virtual & physical network Business Innovation Factory to promote experimentation | AS220 Creative Center. Develop Downcity as creative neighborhood. Revitalize neighborhood centers | Internships, expand creativity-based education programs | New city offices for Cultural Affairs, Economic Develop. Downtown BID |
| Greater Philadelphia | | Entrepreneurial guide. Business development events. On-line RFP guide and business director. | | Creative Economy Investment Fund | Hold networking events, blog | | Web site with resources for young talent; Young Person's Consortium to generate ideas | Leadership Council to explore ideas & develop strategies |
| North London Four Greens Strategy and Action Plan 2006-2012 | Joint marketing of all North London area clusters | New funding for specialist services; expand capacity/resources for TA organizations | | Create sub-regional area investment plan w/London Development Agency Realign public funding strategies | Four Greens web site to link businesses; Organize sub-regional events; Establish sub-regional focus groups | Work with local planners to expand workspace, ensure space meets incubation needs. Link creative centers to Town Center revitalization. Expand venues for arts provision | Map training programs and career paths for workers; Survey businesses on needs. Expand professional development of arts practitioners | Create arts access and development strategy; Integrate creative industry into all local regeneration strategies; Secure new resources for Four Greens to implement plan |

Table III-1 (cont.)
Overview of Creative Economy Initiatives

| City/Region | Branding | Business /Industry Technical Assistance | Business /Industry Recruitment | Finance | Networking/ Association Development | Real Estate | Workforce Development/ Attraction | Other |
|-------------------------|--|---|--------------------------------|---|---|---|---|---|
| Auckland New Zealand | Holding diverse signature events. International marketing. Branding districts within city. | Arts Regional Trust mentoring and advice. Arts Alive program provides access to info and resources, skill development | Film industry program. | Seed grants to emerging non- and for-profit enterprises. Fund major arts & cultural facilities and organizations | | Incorporating art and public art in major developments and city facilities, parks, libraries. | Career path development as strategy but no actions detailed | Use libraries to showcase, promote and support creative enterprises art collection. Public art & installations. Creative district planning. |
| Tampa Bay | | | | | Web-site, newsletter, networking events, several groups to foster networking, civic initiatives among young professionals | | Networking and information resources to promote supportive environment for creativity and creative workers. | Non-profit organization to promote creative economy. Expand public understanding and support via research, public forums. |

Source: Profiled initiatives, Karl Seidman Consulting Services, and ConsultEcon, Inc.

Table III-2
Tools Used by Creative Economy Initiatives

| Category | Tool 1 | Tool 2 | Tool 3 | Tool 4 | Tool 5 | Tool 6 | Tool 7 | Tool 8 |
|---|--|---|---|--|---|--|----------------|--------------------------------------|
| Branding | Brand definition/ formulation | Marketing, advertising, media campaigns to promote brand | Gain recognized international designation | Define/ Name Creative District(s) | Signature Events | | | |
| Business/ Industry Technical Assistance | Business incubators | General business advise or brokering of services | Information clearinghouse, directory, or guides | Industry specific assistance or training | Specialized university assistance centers | Mentoring | Trade missions | Creative industry development agency |
| Business/ Industry Recruitment | Establish pro-industry zoning and policies | Tax credits targeted to one or more creative industries | Target recruitment/ promotion of one or more creative industries | | | | | |
| Finance | Advice/ referral to existing financing sources | New grant programs | New loan or investment funds | Angel investment network | Public sector investment plans | | | |
| Networking/ Association Development | Networking events | Virtual networking via web sites, blogs | Centers to foster networking, innovation | New entity to promote networking, coordination | | | | |
| Real Estate | Convergence centers to stimulate experiments, innovation across realms | Business incubators | Expand supply of creative production space (studios, live/work space) | New/ expanded arts and cultural venues | Creative design of (and art in) public spaces and buildings | Include creative industries in downtown revitalization plans | | |
| Workforce Development/ Attraction | K-12 education programs | Information on creative jobs, careers, training; job matching | Training programs for creative industry jobs or careers. | Youth arts programs | Web sites, networks, associates to support young creative professionals | Professional development for artists, arts practitioners | | |
| Other | Regional creative events; industry events/trade shows | Advocacy, education, build awareness of creative industries | Promote purchasing/ audience development | City offices devoted to creative industries | Expand capacity, funding for arts/cultural organizations | | | |

Source: Karl F. Seidman Consulting Services

Data in **Table III-2** summarize the different tools, programs, and projects included across the twelve creative economy initiatives across the eight categories. It omits proposals that were general or vague without specifying the tool to be used. Consistent with the summary of initiatives, the most diverse tools (eight) are applied to business technical assistance while the smallest range of tools (three) is used for industry/business recruitment. A large toolbox is also being applied for real estate and workforce development activities, each of which have six

distinct tools across the twelve initiative. It is noteworthy that creative industry initiatives, for the most part, are not creative in generating new tools. *Initiatives are largely relying on established economic development, urban design, downtown revitalization, and social networking tools.* One new tool is the Convergence Center, which is a facility designed to promote idea exchange, experiments and innovation the spans different industries and creative realms but providing work space for different types of creative businesses along with space for socializing (e.g., cafes).

Two comparative studies¹ also found that creative industry initiatives are relying on established tools and mechanisms. *Strategies for Creative Spaces*, an international comparative review of creative industries initiatives in major cities, reported the following mechanisms were used to advance creative economy development goals:

- ◆ Provision and protection of property and premises that supply workspace for artists and creative production
- ◆ Business development, advice and network building (within and across creative sectors)
- ◆ Direct grants and loans to creative business and enterprises
- ◆ Fiscal incentives and local taxes benefiting creative activity
- ◆ Physical infrastructure – including transport, information and communication technologies, urban design and the public realm
- ◆ Investment in “soft infrastructure” that includes education and training, standard setting and regulation

Issues, Challenges and Emerging Best Practices

Beyond the type and variety of tools and approaches used in creative economy initiatives, several issues, observations and concepts emerged from the literature review that are relevant to CEANS and efforts to develop the North Shore’s creative economy. Several issues relate to the unique needs of and challenges faced by creative industries while others relate to challenges to implementing creative industry initiatives. Finally, some best practices appear to be emerging based on the *Strategies for Creative Spaces* report.

¹ *Strategies for Creative Spaces* (London Development Agency, 2006) and A. Simeti, *The Creative City: Moving from Ideas to Planning Practice* MIT Master Thesis, 2006

The key issues related to creative industry needs and challenges include:

- ◆ There is a need for specialized services among creative industries that often are not addressed by general enterprise and small business programs. Creative industries tend to face more intellectual property issues and have different financing needs and challenges. General small business programs may also lack knowledge and professional relationships in the many components of the creative economy. The United Kingdom has gone the furthest to address this need with several cities establishing Creative Industry Development Agencies to focus explicitly on the needs of creative firms.
- ◆ Workforce development is another key issue for creative industries and is particularly challenging since the type of jobs and career paths in creative industries are not well understood in the workforce and the required credentials, training and career paths are often not formalized. This issue was identified in several studies, although specific approaches to addressing it often were not very developed or focused on assembling and providing information on jobs and training.
- ◆ Supplying long-term affordable space to emerging creative businesses is an on-going need and firms often get priced out of space as creative industries grow and make previously lower cost areas more expensive. To address this need, some studies believed it is necessary to create public or non-profit owned space that is protected from market forces.
- ◆ Creative activity reaches its full economic potential when it is linked to other creative enterprises and activity, and to urban life and communities. This requires can be facilitated by creating physical and virtual spaces at both the city/regional level and within neighborhoods.

A useful framework for thinking about fostering the development of creative industries and the scope of activities need to establish a virtuous cycle to sustain creative economy growth is provided by Charles Landry² who describes a five stage “Cycle of Urban Creativity”. The five stages are:

1. Helping people generate ideas and projects;
2. Turning ideas into reality;
3. Networking, circulating, and marketing ideas and projects;
4. Creating delivery mechanisms (e.g., affordable space, incubators, exhibition/showcase opportunities); and
5. Disseminating results, building markets and audiences, discussing them so new ideas are generated.

² *The Creative City: A Toolkit for Urban Innovators* (London, Earthscan Publications, 2000)

Stage one might be fostered through informal forums that promotes idea sharing and matching people with ideas to practitioners experienced in implementing them and by programs that foster peoples' latent capacity for creative ideas and problem solving. Stage Two entails training, consulting assistance and financing to help implement new ideas and business plans. It might also include learning and further skill development for existing creative industry entrepreneurs and workers. In stage three, branding, promotion of creative industries and cultural activities and the creation of networking opportunities and collaborative experimentation sites (e.g., a convergence center) might be established. Stage four involves expanding the spaces that house, support, nurture creative enterprises and exhibit their "products". In stage five, actions might include evaluating, reviewing and debating new directions for the local creative economy, events, conferences, trade shows, and contests and challenges to spur more creativity.

A number of challenges and issues related to the implementation and sustainability of creative industries initiatives were also identified in creative industry plans and studies:

- ◆ Maintaining unique branding and competitive advantage is likely to become more difficult as more cities and regions build their creative industries and aggressively brand and market themselves as creative centers
- ◆ The need to expand and better link universities to in creative industry research and development and talent generation.
- ◆ Creative economy development is often linked to broader economic and social goals such as neighborhood and urban revitalization, tourism development, urban design and social inclusion. This is especially true for large cities, particularly those outside the United States. These goals may be difficult to achieve through creative industry initiative alone but may benefit by better coordination and the incorporation of creative industries into their plans.
- ◆ Advances in creative activities are hard to formalize. Visionaries and grassroots level organizations are often critical to launching innovative projects and reaching and engaging creative people in new ways.
- ◆ Successful implementation, which often entails a large and diverse set of organizations and stakeholders in very challenging and initial momentum can dissipate without strong leadership, defined roles and buy-in from multiple organizations and stakeholders. Providence's initiative faced this problem as its strategy relied on "distributed implementation." In other words, there were multiple implementing parties identified, but the strategy was development without clear and accepted roles and garnering new resources for implementation.

- ◆ Sustaining funding for specialized industry technical assistance programs is a challenge. Programs in the United Kingdom have relied on European Union and national grants that will can readily be cut back or discontinued.
- ◆ With many new and untested programs and projects, there is a need to create sound evaluation tools, real evidence of what works and benchmarks to evaluate effectiveness and document success.

Summary

Despite the relative youth of creative industry development initiatives, several important lessons and potential best practices are emerging:

- ◆ *Sector initiatives* or organizations to provide specialized services for creative economy enterprises and distinct niche industries.
- ◆ *Convergence centers* that combine entrepreneurs from several creative sectors with business development, technology, incubation, marketing activity all in one complex. The idea is to stimulate “collisions” that inspire new ideas, processes, products and companies.
- ◆ Industry-specific centers that combine higher education, technology transfer, and showcasing all in one center. Several examples cited in the studies include Fashion City-Milan, Media@22 –Barcelona, Automotive Design Center in Los Angeles.
- ◆ Creating mechanism to ensure long-term affordable space for creative activities that can withstand gentrification.
- ◆ Using the built form (both private and public sector buildings), public spaces and creative spaces as an expression of a city’s creativity and to help showcase and reinforce city’s image and branding. These efforts entail design standards and review, display of art, performances and activities in public spaces and buildings, and fostering high quality design in public sector projects.
- ◆ The use of special events and festivals to strengthen the city’s role as a center for creative industries and to strengthen creative economy branding. For example, Auckland is pursuing multiple civic festival and industry specific events to achieve this end.