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Persistence Keeps Public-Private Projects Moving, Even in the Recession

By Louise Anderson

The bad economy certainly has slowed development, but it doesn't have to stop it. It takes a long time for major public-private projects – such as sports facilities, convention centers, hotels or performing arts centers – to come together, so now is a good time to do the pre-project planning required for when the market comes back. Here's a look at how one town has pushed its planned performing arts center forward, one step at a time.

Laying the groundwork

Asheville is a town of about 75,000 in rural, mountainous western North Carolina, where tourism is a major economic driver. Known for its arts scene, local arts groups and patrons had long realized the limitations of the city's existing auditorium, due to sorely outdated facilities and challenges to the structure itself. The seeds of a new performing arts center sprouted in 2004, when a group of arts stakeholders traveled to visit the RiverCenter for the Performing Arts in Columbus, Ga., to view an example of a successful project in a comparable community.

Following a series of visits to cities with successful performance venues, leaders took the next steps to create a board and commission a feasibility analysis to determine the true need of the product in Asheville. A market study and an operating/business plan followed. Projecting demand from a 30-mile radius around Asheville up to a 22-county region, the studies indicated a market of almost 400,000 patrons, of which 20 percent would be tourists from outside the region.

The research also showed that the performance center would have an economic impact of up to \$23 million annually, create nearly 200 new jobs, and increase tax revenues from \$1.7 million to \$4.45 million annually.

In August 2008, the Asheville City Council reserved a 2.4-acre downtown site for the project – currently a parking lot for city employees – and an executive director, James Baudoin, was hired. A team of architects and consultants experienced in performing arts center design was assembled during 2009 and is currently developing a conceptual plan for the site. The plan will be turned into a request for proposals to engage a developer in the project, in addition to informing the city of infrastructure improvements required in the area.

The project aims to be more than a place for the performing arts. Its downtown location, close to a newly renovated central park, a cultural center, art museum and theater, will make it the cornerstone of a cultural district. In addition, the site is adjacent to an area long planned for redevelopment, where plans were recently introduced for a large, mixed-use development. A parking structure and at least 30,000 square feet of potential retail, restaurant and living spaces are planned for development on the performance center's parcel as well.

The center itself is proposed to include a 2,000-seat multipurpose theater; a rehearsal hall; a 250-seat black box theater; a digital media center; space for classes, lectures and small performances; plus a café, gift shop, and lobby envisioned as "downtown's living room."

Fundraising: First private, then public

The project got off the ground with \$1 million in foundation money, committed as a challenge grant for a three-to-one

match. About \$5 million in private funds have been raised so far, some of which is being used for planning and some for an endowment bequest. In the long term, the goal is to raise at least \$30 million in private funds for the project. Its total estimated cost was \$85 million as of 2007, but a final budget is still nearly a year away, pending the results of the site plan and design work.

So far, the city's participation includes allocating the property; discussions are ongoing for infrastructure improvements and facilitating parking. Buncombe County commissioners passed a resolution to commit an unspecified amount of funding for the project once certain goals have been met. Securing state funding has been a goal from the beginning, but given North Carolina's budget woes, it likely will be years before any state money is available. As is typical for this type of project, public dollars would be used in the construction phase.

According to Baudoin, these kinds of projects can take 10 to 15 years to complete even in the best of times, and the recession has certainly impacted the Asheville center's progress. "We definitely did an expansion of our schedule to allow some recovery time," said Baudoin. The group had finished the first phase of fundraising and chose to table phase two – planned to start in early 2009 to raise \$8 million – realizing that additional major gifts were unrealistic until the recession began to lift.

In the meantime, the center's board has been planning the formal fundraising campaign – developing the case for support, recruiting the volunteer fundraising committee, identifying and cultivating major prospects, and determining key goals, strategies and policies. During this "silent phase," it can take more than a dozen educational and information meetings to secure a million-dollar donation from a donor. The campaign won't be publicized until a major fundraising milestone is reached and a formal goal is announced.

Patience and persistence

The performance center aims to solidify Asheville's reputation as a premier arts destination, increasing hotel nights and restaurant revenues, adding to the vibrancy of downtown and the revitalization of an adjacent neighborhood. If your community is planning a project like this, here are some key pieces of advice from Baudoin:

Study successful venues from around the country and learn from them. Talk to the boards of directors, not just the executive directors; generally, all are very willing to share information. Compile case studies and visit those venues. Communities similar in size to Asheville with successful venues, according to Baudoin, include Paducah, Ky., Appleton, Wis., and Columbus.

Groundwork is critical. The feasibility study, market study and business/operating plan have been key – first, of course, to know whether the project should be pursued at all. Second, the documents have been key to fundraising, said Baudoin. There is a high level of sophistication among major donor prospects, who want to make sure the appropriate homework has been done. A series of studies at \$30,000 to \$50,000 each adds up, so funding needs to be in place for these from the beginning.

Stay focused and optimistic. Pulling off this kind of project takes more time, effort and money than most people realize. "These are projects where you take it a day at a time," said Baudoin. Success with this kind of major initiative almost always traces back to a key private sector champion who is able to consistently push the project forward, a little at a time, working hand-in-hand with key elected officials.

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