

# **Cultural Economic Development**

A Strategy to Leverage Michigan's Creative Talent and Cultural Assets to Spur  
Economic Growth and Build Community Prosperity

December, 2005

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DIRECTOR

December 8, 2005

Dear Michigan Colleagues,

I believe culture, broadly defined, is an untapped economic development resource. When appropriately engaged, at local, regional and statewide levels, our state's cultural resources can leverage significant new tax revenue, provide good paying jobs, and create sustainable enterprise.

Michigan's current challenges demand that every sector share its resources toward strengthening our economy and enhancing our quality of life. I have therefore made every effort to make certain the cultural sector is included as a full partner in these endeavors.

It is well documented that the projects, programs and organizations networked with the Department of History, Arts and Libraries (HAL) alone generate more than 32,000 jobs on an annual basis. Moreover, it was recently reported that the state's overall cultural sector generates more than 108,000 jobs and \$2 billion in economic activity. I believe, with strategic investment, planning, education and training these numbers could double in five years!

Over the last several months, HAL has led the creation of a new comprehensive strategy for cultural economic development. Our goal is for Michigan's cultural sector to reach its economic potential and will be achieved through accomplishment of the following:

- Developing research-based practice and management
- Supporting cultural magnets
- Growing entrepreneurship and jobs
- Fostering community cultural economic development
- Building human capital
- Growing partnerships and collaborations

Enclosed is the *Cultural Economic Development Strategy* to leverage Michigan's talent and cultural assets to spur economic growth and build community prosperity. It was developed through the collective efforts of many individuals reflecting the state's cultural, business, education and government sectors. I take this opportunity to thank them for their participation and dedication. This effort is a starting point, not an end. I consider the Strategy a living document and part of an ongoing sector developmental process. As an immediate next step, an accompanying detailed implementation plan will be crafted with broad-based public input.

I encourage you to carefully review the *Cultural Economic Development Strategy* and join with the Department of History, Arts and Libraries, and our many partners, in its implementation. I welcome your comments. Only the contribution of your special talents, skills, and resources will ensure its success!

Sincerely,

William M. Anderson  
Director

Enclosure

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# Executive Summary

## **Cultural Economic Development**

A Strategy to Leverage Michigan's Creative Talent and Cultural Assets  
to Spur Economic Growth and Build Community Prosperity

### **Introduction**

The experiences and products that grow out of our cultural heritage are an essential component of a healthy and vibrant Michigan economy. They produce direct economic benefit—jobs, a stronger tax base, downtown and neighborhood revitalization, tourism revenue. Equally important is their role in attracting and retaining the people and businesses essential to Michigan's participation in the emerging "New Economy" with its emphasis on knowledge, creativity and innovation. Investing in Michigan's cultural sector will not solve our state's economic problems; but failing to invest in this sector leaves money on the table. We have an extraordinary array of cultural programs and attractions, unique artistic products and an enthusiastic cultural community; what is missing is a holistic effort to enhance and market them.

We have only begun to measure the direct economic benefit of investing in the cultural sector. But we know that \$1 million invested in rehabilitating historic buildings creates 25 new jobs. The same investment in computer and data processing creates 23 jobs; that in manufacturing motor vehicle parts and accessories creates 17. In Grand Rapids, between 1974 and 2002, property values rose 1,200% in the Heritage Hill Historic District; those in the adjacent non-designated district rose half as fast—636%. In Midtown, a 2 square-mile neighborhood located in the heart of Detroit's cultural center, there is a rebuilding boom. It is estimated that between 2000 and 2009 total residential investment will be 3,316 units valued at \$426.9 million; commercial and arts-related investment valued at \$34.25 million; and public improvements investments valued at \$38.05 million.

The 1999 tourism economic impact of visits to Michigan museums was estimated to be \$370 million (about the same as that for golf). A major part of our cultural economic development strategy is to greatly improve our ability to do both market and economic impact research related to different elements of Michigan's cultural sector.

The qualitative value of the cultural sector to Michigan's economy is more difficult to measure, but no less significant. For communities and the state, a brand and image focused on amazingly diverse cultural experiences in a stunning natural setting can contribute to positioning Michigan as a place where people want to live, work and play. Our cultural resources are essential to continuing to build on our heritage of design and music excellence, and they may hold the key to bringing people together across race, geography and economic status to imagine a better future.

This strategy primarily focuses on those activities that fall within the direct purview of HAL and its partners in government and the cultural sector. Although education is not the direct purview of HAL, the department views education as an integral portion of its core activities

and therefore encourages continued investment in one of the most important long-term strategies essential to Michigan's future cultural economic development: making quality cultural education a significant part of every person's life-long experience; educating the state's future cultural leaders; educating creative economy workers.

## **Goal**

Our goal is for Michigan's cultural sector to reach its economic potential. HAL cannot do this alone. However, we are eager to take on the challenge of leadership, working with other state departments, economic developers, regions, communities and the institutions and people who make up our sector. We want to maximize the power of collaboration and to capitalize on the creativity and competence of Michigan's cultural community.

## **Objectives**

1. **Develop Research-Based Practice and Measurement**  
Provide continuous scientific research on the market and non-market values, and best practices regarding cultural sector activity in Michigan.
2. **Support Cultural Magnets**  
Strengthen those places and institutions in Michigan with the power to attract and hold people and businesses, define local or regional cultural heritage, draw tourists, and catalyze economic growth.
3. **Grow Entrepreneurship and Jobs**  
Support and nurture emerging artists, crafts persons, small design and media businesses, and other for-profit and non-profit cultural-based creative enterprises.
4. **Foster Community Cultural Economic Development**  
Increase awareness and understanding in communities of how culture can be leveraged to cause local and regional business growth, strengthen community cultural economic development incentives, and promote and market key cultural industries.
5. **Build Human Capital**  
Provide educational and leadership development opportunities that encourage personal creativity and initiative, and offer Michigan's current and future leaders needed resources for spearheading long-term cultural economic growth and community creative development.
6. **Grow Partnerships and Collaborations**  
Encourage existing partners and grow new partnership and collaborative relationships to strengthen and leverage implementation of this strategy.

## **CED Strategy Component Summary**

### *Continuous Research*

Ongoing market research is essential to setting priorities and making decisions. Making focused, researched choices about where to invest our time and resources is key to success. Economic impact research will ensure good evaluation of our efforts and measurement of our results. HAL is partnering with Michigan State University to create the Cultural Economic Development Online Tool (CEDOT), which will provide real time market and impact research that can be used by the state, communities, and individual cultural institutions. The model is conceptualized and we are currently seeking philanthropic support for full implementation.

### *Cultural Magnets*

Cultural institutions and places where artists and creative workers congregate and share ideas and their work attract and hold people and business. These cultural assets define Michigan, draw tourists, and catalyze further economic growth. One need but look at the changes in the neighborhood surrounding the Detroit Opera House to see the potential. In Alpena, the creation of the Thunder Bay national marine Sanctuary has galvanized the community around its heritage and tourism; and the sanctuary's new visitor center is at the core of the \$25 million redevelopment of a former paper mill site. Michigan must ensure that these places and the people whose creativity supports them have the resources needed to remain strong, vibrant and attractive. And it must use these places and people to define its image, attract tourists and grow business. This part of the strategy includes:

- ❑ The Michigan Brand: a new image for Michigan that combines its cultural and natural heritage and grows out of community-based discussion
- ❑ Cultural Tourism: market-research-based development and delivery of destination-quality experiences that can attract new tourists to Michigan
- ❑ Business Attraction: deliberate use of Michigan's cultural resources to create environments aimed at attracting new business and retaining existing business
- ❑ Cultural Resources Trust Fund: built from multiple sources and able to provide loans, grants and venture capital consistent with this strategy

### *Community Cultural Economic Development*

Jobs and investment are created at the local level. The state's role is to help communities and economic developers leverage their cultural resources—historic buildings, cultural magnets, creative workers—and to provide incentives for best practices. This part of the strategy includes:

- ❑ Cultural Economic Development Community Readiness: guidelines and tools that support community planning; MCACA grants that implement plans and provide a model; and eventual integration of the model with existing programs, including Main Street, Blueprints and MSHDA
- ❑ Historic Preservation Technical Assistance and Planning: strengthened laws and participation in programs like local historic districts and Main Street to encourage communities to reach historic preservation's full economic potential
- ❑ Stimulus Package: focusing parts of existing resources in multiple departments (using the Cool Cities model) on strategic investments in the cultural sector, as well as expanding tax credits for historic preservation and creating film production tax credits

- Media Industry Promotion: strengthening the marketing of Michigan to the film/television/commercial industry, which in turn improves Michigan's image

### *Entrepreneurship*

Culture-based creative enterprises include emerging artists as well as small design and media businesses. They make direct and indirect contributions to the Michigan economy, have the potential to be "the next great thing". These enterprises provide the creative environment and infrastructure that supports other industries by providing design and creative services. Their potential is enhanced when they have access to capital, information, larger markets and technical assistance. This part of the strategy includes:

- CraftWORKS: coordination and promotion of the state's craft industry and outstanding artisans, as well as related tourism and investment opportunities
- Online Cultural Marketplace: a Web site that promotes the products of emerging artists and cultural sector businesses to a global market
- Creative Enterprise Support: to ensure that Michigan's efforts to assist small businesses and entrepreneurs include information, technical assistance and training directly applicable to those engaged in cultural enterprises, and working in concert with existing resources such as the Department of Labor and Economic Growth's *Be Your Own Boss* state information and assistance web-based portal
- Live/Work Spaces for Creative Entrepreneurs: include the creation of affordable, appropriate live/work spaces for cultural entrepreneurs, artists and micro-enterprises in the mix of existing economic development tools and incentives for communities
- Node Identification and Assistance: use economic development research to identify emerging cultural industries (design and music, for example) and structure tools and incentives that promote economic success

### *Human Capital*

Sustainable cultural economic development requires that Michigan's cultural leaders have learning resources, mentoring and educational opportunities that allow them to become more adept at using management, planning, financing, community relations, marketing and assessment tools. These resources will be needed by community, government and organizational leaders; cultural/creative sector employees; and artists, artisans and non-profit businesses. Colleges and universities will be partners in the broader effort.

### *Partnerships*

Moving Michigan's Cultural Economic Development Strategy forward in a time of limited resources will require a concerted state effort involving many departments, much like that used to create the Cool Cities Initiative. For example, Travel Michigan is a strong partner in all our cultural tourism efforts. DLEG, including MEDC and MSHDA, contributed time and resources to creating this strategy, including the use of Public Sector Consultants in facilitating and recording our discussions. Other logical partners are MDOT, DNR, DEQ and Agriculture. These partnerships will open opportunities for both more effective use of existing state programs and access to federal funds. The more this strategy is integrated with Grow Michigan initiatives and existing state programs, from entrepreneurial assistance and Small Business Development Centers to Brownfield and other incentives, the more sustainable it will be. As we learned from Cool Cities, that full integration happens best when it happens at the direction of the Governor.

# Michigan's Cultural Economic Development Strategy

## Why Cultural Economic Development Matters.

As Michigan faces significant economic challenges, growth to prosperity and sustainability will require strategic application and leveraging of existing resources, creativity, innovation and prudent investment in promising economic opportunities across all sectors, public and private, toward creation of a more competitive business climate and enhanced quality of life. Success depends on approaching economic development with new creativity and emphasis on sustainability.

One of Michigan's strengths is its people and their special talents and abilities. Michigan is one of the most culturally diverse states in the country. This often-overlooked cultural strength offers unlimited economic opportunities. Enhancing and engaging these skills and abilities will ultimately invigorate the state's economy and create exciting new products and enterprises that will successfully compete in the global marketplace.

### *Vibrancy in the New Economy*

The experiences, products, and jobs that grow out of our cultural heritage are an essential component of a healthy and vibrant economy throughout Michigan. Until recently, this portion of our state's economic activity has been under-valued and not viewed as a significant economic driver or catalyst. With economic distress comes opportunity. As all Michigan sectors have been called upon to marshal their resources in an effort to help grow Michigan's economy, the cultural sector is receiving a serious "second look" and with the emergence of the "New Economy" which emphasizes knowledge, creativity and innovation as keys to competitiveness in a global economy, culture is a key aspect. Culture already makes a significant contribution to Michigan's economy but will make an even stronger contribution when it is included in state, local, regional, urban and rural economic development initiatives. Around the world, culture is taking its place at the epicenter of economic development.

### *What is Cultural Economic Development?*

Cultural economic development means leveraging our creative talent, heritage and cultural assets to stimulate, support and enhance economic growth and build community prosperity. It can emerge from community planning or occur serendipitously. Cultural economic development shares economic development's strategies, complexity, structure, and protocols; utilizes resources drawn from both the for-profit and non-profit portions of the cultural sector; and is driven by all aspects of culture including heritage, arts, sense of place and environment.

### *Cultural Economic Development, a Collaborative Process.*

Cultural economic development is not a "silver bullet" for all of our economic challenges. It should be viewed as a valuable, creative, energetic, flexible, under-utilized, cost-effective and available resource for job creation and retention, entrepreneurship and community revitalization. It is but one of the arrows in the quiver of economic development that may be effectively applied in urban, suburban and rural communities. Successful cultural economic development requires vision, integrated planning, broad-based engagement and



collaboration, and a vibrant and sustainable creative community. As so aptly stated by Americans for the Arts, "It is common for creative economic initiatives to be embedded into broadly-conceived community planning. The community planning then positions the initiatives for funding from sectors that would otherwise ignore cultural developments. Cultural economic development does not succeed in isolation." **1**

*Cultural and Heritage Tourism, Economic Growth through Collaboration*

Cultural and heritage tourism is a subset of cultural economic development. As stated in *A Position Paper for the 2005 U.S. Cultural & Heritage Tourism Summit*, "Over the past decade, communities throughout the U.S. have developed successful programs linking the arts, humanities, history and tourism. Cultural and heritage organizations – such as museums, performing arts organizations, festivals, humanities, and historic preservation groups – have formed partnerships with tour operators, state travel offices, convention and visitors bureaus (CVBs), hotels, and air carriers to create initiatives that serve as models for similar efforts across the U.S. An integral and often invisible component of the cultural heritage sector are the artists, performers, writers and other creative workers whose skills and vision bring to life our nation's genius and ideas. These living traditions are often supported by the cultural and heritage tourism infrastructure of institutions, galleries, performance spaces and other community venues that make a significant contribution to economic and community development." **2**

In 2003, Travel Industry Association of America called cultural tourism the fastest growing segment of the industry and reported the following economic assessment of cultural and heritage tourism:

- Eighty-one percent of the 146.4 million U.S. adults who took a trip of 50 miles or more away from home in the past year can be considered cultural tourists. Compared to other travelers, cultural & heritage tourists:
  - Spend more: \$623 vs. \$457
  - Use a hotel, motel or B&B – 62 percent vs. 55 percent
  - Are more likely to spend \$1,000 =/: 19 percent vs. 12 percent
  - Travel longer: 5.2 nights vs. 3.4 nights
- Historic/cultural travel volume is up 13 percent from 1996, increasing from 192.4 million person-trips to 216.8 million person trips in 2002.
- The demographic profile of the cultural heritage travel segment today is younger, wealthier, more educated and more technologically savvy when compared to those surveyed in 1996.
- 35.3 million adults say that a specific arts, cultural or heritage event of activity influenced their choice of destination. **3**

### *Cultural Economic Development Comprises Non-Profits and For-Profits*

Although the non-profit portion Michigan's cultural sector is currently significantly under-capitalized, it is nonetheless highly resilient and poised to participate as a full partner and catalyst in economic and community development across the state. The Center for Arts and Public Policy at Wayne State University indicates this industry sector "comprises the creative and supportive activities involved in providing the public an artistic and/or cultural good or service with an artistic [or cultural] activity central to its core. This includes goods and services that also have artistic or cultural content at their core." Noting the unique character of this industry, the Center further states, "In addition, the arts and culture industry can be naturally divided into two sectors: for-profit and non-profit; there is no corresponding non-profit sector in the automotive or aerospace industries, for example. In 1997's *Mapping Arts and Cultural Funding in Michigan*, the Center identified non-profit arts and cultural agencies networked with and funded by the Michigan Council for Arts and Cultural Affairs. When comparing the geographic distribution of the entire sector to that of the non-profit sector alone – except for volume – they were virtually identical." 4

The non-profit part of the cultural sector often serves as research and development, and demonstrations for for-profit cultural industries. Theater is a dramatic example of the relationship between the for-profit and non-profit industries in the cultural sector. "The production of *A Chorus Line* allowed the Public Theater to build a quasi-endowment of an estimated \$18-20 million. (Source: Bernard Gersten, Lincoln Center Theater. In 1996, another musical successfully moved to Broadway. *Rent* originated at the nonprofit New York Theater Workshop and, like *A Chorus Line*, grew out of a long developmental process. The production evolved through workshops during spring 1993 and fall 1994, and a full off-Broadway production, capitalized at \$255,000, previewed on January 26, 1996. The Broadway production of *Rent* opened April 29, 1996. This production was capitalized at \$3.5 million, plus \$800,000 for atmospheric renovations of the Nederlander Theatre." 5

The significance and interaction, based on the duality of the cultural sector, is further articulated in the U.S. Cultural & Heritage Summit position paper, "the success of cultural and heritage tourism has prompted many states, regions and cities to undertake a comprehensive look at their cultural and heritage industry as a tool for economic and community development. This holistic policy and investment approach to nurturing the physical and human resources of culture and heritage, both its for-profit and non-profit sectors, has been labeled the creative economy, which includes (but is not limited to) the arts, preservation, design, film and music industries. Such a holistic investment by the public and private sectors will create a stronger, more competitive economy, destination and vibrant community." 6

### *Culture, the 24/7 Economy*

Another unique feature of the cultural sector economy is its role as an "evening economy": a "consumption-based economy" focused on culture, entertainment and leisure. As reported in *Cultural Industries and Evening Economy*, "Cultural activity need not be confined to the normal pattern of the working day. Indeed it rarely is. Since much cultural consumption occurs in the evenings, it can form the basis for the development of an evening economy. Many towns and cities are now wary of missing out on the economic benefits of having lively urban areas and town centers at night as well as during the day. There are now a number of places where experiments are in progress – shops remaining open longer, and other mixes of activities –

cafes, restaurants, arts venues, gyms, and so on – being deliberately seeded. The overall aim, usually, is to break out of the constraints imposed by the 9 to 5, and to generate new economic activity by diversifying the town centre economy.” **7** This evening economy is particularly attractive to New Economy workers and accommodates the daily lives of busy adults and families.

### *Value in Small Organizations and Rural Communities*

Generally, cultural economic development strategies focus on the contributions and potential of large cultural organizations and projects in large metropolitan areas. But, as Kim Johnson, Executive On Loan to the State of Michigan, Office of the Governor, noted earlier this year, “Small community cultural organizations have different measures. The major way they contribute to economic development has little to do with them as businesses. They stimulate broader civic engagement, expand residents’ sense of capacity and strengthen bridges between neighborhoods. They contribute to a rich, diverse and respectful cultural mix.” **8** Together, these non-market and quality of life contributions enhance the capacity of communities – enhance the capacity of these communities to attract and sustain economic development.

Although the scale is different, small places provide an appealing environment where people can escape their busyness and intensity and slow down the pace of life. Rural Michigan, like rural America, has a distinctive character of its own unique culture. Because of size, visitors are likely to have more intimate cultural experiences often partaking in what the locals cherish. In the mountain region of North Carolina the visitor experience is filled with discovery and creativity. “Up the Toe River, in and around Bakersville and Spruce Pine, throughout the surprising nooks and crannies of the Celo Community, at Little Switzerland where the world unfurls beneath you...” and travelers can appreciate a variety of crafts along this heritage trail. **9**

The cultural economic development opportunities to capitalize in unique cultural and natural resources abound in small Michigan communities. Tiny Hillman located on Route 32 west of Alpena is a sterling example. Using its heritage of mills on the Thunder Bay River that flows through this very small village, community leaders and residents re-created a historic gristmill that once generated electrical power with a water wheel. Today this replica mill produces electricity that is fed into the grid of an area electrical cooperative, is an educational experience for school children where they learn about the evolution of power generation, and grinds cornmeal for visitors and local residents.

The National Trust for Historic Preservation in Washington, D.C. touts a preservation-based approach to economic development for rural areas as follows:

- The authentic heritage, cultural assets, products, and human skills and talents found in rural areas can be a catalyst for locally-owned entrepreneurial business development
- Rural tourism offers an exciting opportunity for rural areas to diversify their economy using the region’s unique heritage as key for economic revitalization, offering an authentic visitor experience, enhancing the overall quality of life in the region, and creating a ‘sense of place’ that encourages companies and individuals to live and work in the area in addition to attracting visitors

- The utilization of rural historic structures such as barns, commercial and industrial buildings, and other structures for traditional and new emerging uses can help retain jobs, attract new residents, and provide new, sustainable economic bases. **10**

### *Culture, the Growth Sector*

The investment of public and private dollars in culture, a highly labor-intensive sector, provides a significant and measurable return in tax revenue and other indicators of economic impact. A Congressional Report, entitled *Creative Industries 2005*, indicates "There are more than 578,000 'arts-centric' businesses in the country that employ 2.965 million people. Arts-centric businesses represent 4.4 percent of all businesses and 2.2 percent of all jobs in the United States." The report states further, "Comparing trends in data from 2004 to 2005, our analysis further reveals that creative industries are a growth sector, outpacing total U.S. business growth. According to our analysis of Dun & Bradstreet data, the number of arts-centric businesses grew 5.5 percent (548,281 to 578,487) as compared to a growth rate of only 3.83 percent for all U.S. businesses (12.8 million to 13.3 million). Similarly, at a time when Dun & Bradstreet data shows a dip in the total number of U.S. employees from 135 million (-1.9 percent), the drop-off of employment by arts-centric businesses was less than half that rate, from 2.989 million to 2.965 million (-0.8 percent)." **11**

"We all know that many blue- and white-collar jobs are moving to Asia. And it's no secret that robots and other machines have displaced millions of manufacturing workers. But Pink (Daniel Pink, author of the best selling *Free Agent Nation*) says an abundance – some would say an over-abundance – of consumer goods demands that businesses employ more designers and right-brained marketers so they can sell products that stand out from their competitors' offering. Even toilet bowl brushes. Target Corp., that hip purveyor of inexpensive design, sells one designed by renowned architect Michael Graves. And if anything can save financially troubled General Motors Corp., it may well be designers and engineers who use the creative right side of their brains, as well as the analytical left side. GM Vice Chairman Bob Lutz, who was hired to revamp GM's bureaucratic, data-driven product development process, told the *New York Times* that GM is in the "art business. It's more right brain...art, entertainment and mobile sculpture, which, coincidentally, also happens to provide transportation." **12**

An example of a growth industry, within the cultural sector, is craft. The Craft Organization Directors Association 2001 survey, *The Impact of Craft on the National Economy*, found the direct impact from sales of American handmade crafts totals \$14 billion. The survey also reported that:

- 106,000 to 126,000 craftspeople work in the US
- Average gross sales/revenue per craftspeople is \$76,025
- Total impact of craft sales is \$12.3 to \$13.8 billion per year, one-third the volume of shoes purchased in the U.S. and four times the value of taxi cab rides
- Median household income of craftspeople is \$50,000 per year, 26 percent above the national medium of \$39,657
- Craft activity income comprises 47 percent of household income on average
- 22 percent of craft households derive all of their income from craft. **13**

An impact study conducted for the State of Florida, in four-year spans since 1989, indicated "the arts industry is a tremendous growth industry, tripling in growth over the 12-year period. In fact, the arts and cultural sector of the economy grew significantly more rapidly than did the state's economy as a whole. During this same period, the Florida economy (as measured by gross state product) has only doubled, proving that the arts and cultural industry is indeed a leading sector of the state's economy." **14**

This is also confirmed in the global marketplace. The UK, as an example, defines its creative industries as "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through generation and exploitation of intellectual property. They include Advertising, Architecture, Art & Antiques Market, Crafts, Design, Designer Fashion, Film and Video, Interactive Leisure Software, Music, Performing Arts, Publishing, Software and Computer Services, Television and Radio." The UK readily acknowledges that "The creative industries in London are among the fastest growing sectors in the London economy. The broadcast media, interactive leisure software, visual and performing arts have achieved faster than average growth while even sectors like software and computing and publishing that have been hit by recent slowing of the economy are vital sources of competitiveness and employment. Change and turbulence create opportunities for new and emerging entrepreneurial communities." **15**

#### *Educating for the New Economy*

An essential ingredient of a preferred quality of life is quality cultural education. Within the context of this cultural economic development strategy, education is viewed as quality disciplinary and cultural learning as well an effective resource for leadership and career development, community creative cultural growth, entrepreneurial training and workforce preparation. Implicit in this strategy is the need for HAL and its partners to work with education providers to push forward the common goals of cultural economic development.

Cultural education, arts, culture, libraries and recreation benefit the community as a whole, not just those who participate or can afford to purchase these services in private markets. Libraries, for example, have many new roles in the New Economy. The State Library responds to more than 25,000 requests each year through Michigan's State Data Center/Business & Industry Data Center Program which was designed to increase access to census-related information and to facilitate its appropriate use. The program offers access to and education on census data and information, custom data extractions, database design and management, a Web site containing Michigan census data, library and internet research, customized presentations and consultations, and population estimates and projections. In addition, libraries across the state are impacting local economies by building new facilities, providing industry, employment, and consumer information, offering outstanding literature programming and providing access to genealogical collections. Public access to these resources directly impact cultural economic development and contribute to some of its most important activities, enterprise development and the creation of cultural tourism destinations.

The National Trust for Historic Preservation's Center for Preservation Leadership published an article entitled *Trades Education in the 21<sup>st</sup> Century* that offers a wide range of challenges and unique opportunities for educating and training trades-based cultural workers. "Over the past century the preservation movement in America has grown by leaps and bounds...As the

movement has gained momentum, the need for highly trained and educated craftspeople has followed suit. One of the chief complaints echoed by preservation architects, museum administrators, and homeowners is that they can't find craftspeople sensitive, educated, and skilled enough to do preservation work, especially at the local level. This problem is not unique to the United States; it's a worldwide issue in all but Third World countries where the trades are still at the top of the wage scale and considered highly desirable careers." **16**

### *Michigan, Leaving Money on the Table*

What does cultural economic development mean to Michigan? Michigan must aggressively pursue its cultural economic development opportunities or it will be "leaving money on the table" for its competitors.

An investment in Michigan's cultural assets is an investment in economic growth and quality of life. This industry sector:

1. Creates jobs
2. Strengthens a community's tax base
3. Attracts and retains talented people to live and work in Michigan
4. Influences business development and expansion decisions
5. Inspires downtown revitalization and historic preservation
6. Builds community identity and pride of place
7. Promotes diversity
8. Grows creative enterprise

A recent report by the W.E. Upjohn Institute for Employment Research estimated that the state's cultural sector yearly generates more than \$2.0 billion in economic activity in Michigan and provides more than 108,000 jobs. In its household survey findings, the Institute indicated "Michigan households spent, on average \$30.72 on art and cultural activities in 2004. These activities covered a wide range of performances and exhibits, offered in both public and private venues. Not surprisingly, household expenditures on arts and cultural activities increased with household income." **17** Communities in Michigan and across the nation are just beginning to fully comprehend, and develop appropriate tools to accurately measure, the "ripple or multiplier effect" of consumer spending in this sector.

A closer examination of several parts of Michigan's cultural sector clearly demonstrates its tremendous economic potential.

The direct economic impact of feature films shot in Michigan in the past five years ranged from \$2.0 million to \$20.0 million, depending on the number of feature films worked in the state in a given year. This pattern is static. "The movie *8 Mile* brought \$8.2 million to Michigan, but actually grossed \$116.7 million. Grosses from other films shot (at least partially) in Michigan include *Road to Perdition* (\$104.4 million), *Presumed Innocent* (\$86.3 million) and *Out of Sight* (\$37.6 million). Even the bad *Soul Plane* made \$14 million. Movies smartly set up, produced and marketed, make money." **18** Movies also create continuing visitor attractions. For example, *Somewhere In Time*, filmed on Michigan's Mackinac Island has served as a magnet attracting hundreds of thousands of tourists to this historic community.

The economic impact of film elsewhere varies widely, from perhaps a few thousand in some states to nearly a half billion in others. These are reported totals for several states in 2004,

Illinois - \$75 million, Louisiana - \$330 million, New Mexico - \$450 million, Florida – over \$150 million.

As reported by the Michigan Hotel, Motel & Resort Association at the recent *Michigan Tourism Outlook and Legislative Conference*, tourism is Michigan's 2<sup>nd</sup> largest industry and contributes over \$2.4 billion annually in federal, state and local receipts; 6% of every tourism dollar goes into the State Treasury in the form of sales receipts. Tourism is 100% dependent on discretionary spending.

In 2003, Michigan State University released a 2001 study of the economic impact of museums on Michigan tourism. The study, commissioned by Travel Michigan and the Michigan Museums Association, concluded that:

- In 2001, Michigan's nearly 400 museums hosted 10.9 million general admission visits; 41% of these visits involved an overnight stay in the area.
- Local visitors spend an average of \$45 per party (average 3 people) on their whole trip; day trip visitors spend \$70; and overnight visitors spend \$569.
- For every dollar spent in a museum, another \$7.75 is spent in the surrounding community.
- Of that spending, 46% is directly related to the decision to visit a museum, giving Michigan museum visits a direct annual impact on Michigan's economy of \$334 million.

Without Michigan's museums, the state would lose nearly 15, 000 jobs and \$331 million in economic activity from payroll and operations. **19**

In 2002, the newly formed Michigan Department of History, Arts and Libraries began work to combine regional cultural resources in Maritime Heritage Tours marketed by Travel Michigan. The first two tours went on-line in 2004.

The W. E. Upjohn Institute for Employment Research further noted in its 2005 report on *Arts and Cultural Activities and the Michigan Economy*, "In our household survey we asked whether the respondents would travel outside the state to experience arts and cultural events and performances if they were not available in the state. In all, 38.6 percent of the households answered in the affirmative, and on average, they estimated that they would spend \$392 annually in traveling out-of-state to enjoy the art and cultural exhibits available in other states. These expenditures are lost to the state and clearly must be included in the overall impact of arts and cultural activities in the state."

Based on the number of state residents whose primary occupation was art-related, the Institute estimated "that the state's 20,230 independent artists earned, on average, \$15,421 last year in carrying out their artistic activities, for a total of approximately \$312 million." This represents partial annual income as some artists work in other sectors and in cultural and educational organizations to earn a living. A review of seven disciplinary areas, crafts, design, media, music, performing arts, visual arts and writing, revealed only craft artists gave

Michigan an acceptable rating as an environment for their activities. Researchers attributed this to the "state's tourism industry, which offers many opportunities for sale of their work, especially at the numerous summer arts and crafts fairs. **20**

Developing an environment that nurtures creativity and talents, grows their entrepreneurial skills and personal income, markets their creative products, and fully engages their abilities in communities to help strengthen local economies. Moreover, it significantly increases the state's ability to retain and attract talent and leverage the currency of the 21<sup>st</sup> century, ideas. Dr. Shalini Venturelli, author of *From The Information Economy To The Creative Economy: Moving Culture to the Center of International Public Policy*, makes it clear: "A nation without a vibrant creative labor force of artists, writers, designers, scriptwriters, playwrights, painters, musicians, film producers, directors, actors, dancers, choreographers, not to mention engineers, scientists, researchers and intellectuals does not possess the knowledge base to succeed in the Information Economy, and must depend on ideas produced elsewhere." **21**

In summary, cultural economic development is a crucial component of an effective strategy to strengthen and diversify Michigan's economy, enhance its communities and quality of life, and contribute to the common good. Cultural sector growth industries, where opportunities abound, include, but are not limited to, cultural and heritage tourism, craft, film and video, design, music, interactive leisure software, and designer fashion.



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## **Cultural Economic Development Strategy Components**

This strategy focuses on those activities that fall within the direct purview of the Department of History, Arts and Libraries (HAL) and its partners in government and the cultural sector.

### **Goal**

Our goal is for Michigan's cultural sector to reach its economic potential. HAL cannot do this alone. However, we are eager to take on the challenge of leadership, working with other state departments, economic developers, regions, communities and the institutions and people who make up our sector. We want to maximize the power of collaboration.

### **Objectives**

#### **1. Develop Research-Based Practice and Measurement**

Provide continuous scientific research on the market and non-market values, and best practices regarding cultural sector activity in Michigan.

Continuous research on all of the strategy's activities will play an important role in its ongoing implementation. The State Demographer, Travel Michigan, the Michigan Historic Preservation Network, and other professional service organizations will be partners with HAL in continuing existing programs and building new ones.

- HAL and Michigan State University will develop an online measurement tool that will become the definitive source for measuring the economic impact generated by Michigan's cultural sector.
- The proposed activities conducted in conjunction with this statewide initiative will be data driven.
- Good analysis and insightful interpretation will play a critical role in determining the overall effectiveness and impact of the Cultural Economic Development Strategy, as well as changing trends and barriers to growth that emerge over time.
- Measures will be used to assess the implementation of all key activities undertaken in conjunction with the Cultural Economic Development Strategy.
- Ongoing research will identify best practices.
- Valid measures will be developed to capture how these activities contribute to strengthening Michigan's economy.

- Relevant education and training will be provided to online system users and cultural leaders to help ensure long-term use, viability and application. (Refer to Appendix for more detailed information on the status of the *Cultural Economic Development Online Tool (CEDOT)*)

## **2. Support Cultural Magnets**

Strengthen those places and institutions in Michigan with the power to attract and hold people and businesses, define local or regional cultural heritage, draw tourists, and catalyze economic growth.

These cultural assets, large and small, define Michigan’s cultural heritage, draw tourists, and catalyze further economic growth. Michigan must ensure that these places and institutions, and the people whose creativity supports them, have the resources needed to remain strong, vibrant, and attractive.

- **Cultural Resources Trust Fund.** The fund will be developed to keep capital in Michigan and reinvest in Michigan communities by providing loans, grants, and venture capital to cultural organizations, programs, and enterprises. It will be created from a variety of sources that could include a percentage of the cost of demolition of historic structures (reserved for historic preservation), public and foundation funding, private and corporate donations, bonding, tax credits, conversion of surplus State assets, redirecting fees, and venture capital formation.
- **Cultural Tourism.** Michigan’s cultural tourism product and its economic impact will be expanded through destination tour development, improved visitor services and experiences, and stronger marketing. A system for real-time research on tourist behavior and economic impact will be created.
- **Business Attraction.** Michigan’s cultural assets will be actively engaged to help attract, retain, and expand business and trade. State cultural leaders will serve as “cultural attachés”, serving as liaisons between the cultural and business sectors to ensure that state trade and business attraction missions take full advantage of existing cultural relationships and cultural amenities. Efforts to create models of cooperation between the two sectors in attracting, retaining employees and investors and drawing people to business opportunity events will be supported.

## **3. Grow Entrepreneurship and Jobs**

Support and nurture emerging artists, crafts persons, small design and media businesses, and other for-profit and non-profit cultural-based creative enterprises.

The cultural sector is one of the fastest growing sectors in the nation. It is creative, versatile and adaptable to a range of cultural and economic environments. Small design, crafts, music and digital media businesses are well suited for growth in

Michigan. Generally, the sector offers limitless opportunities for entrepreneurship and job creation in urban, rural and suburban communities throughout the state.

- **Online Cultural Marketplace.** A web site will be built and designed to promote the products of Michigan's cultural creative entrepreneurs to a global market. Interdepartmental government web site links will be included to increase consumer awareness and use. Private sponsorships will be sought to ensure long-term sustainability.
- **Live/Work Spaces for Creative Entrepreneurs.** In collaboration with state and federal partners, local developers and civic organizations development of affordable, appropriate live/work spaces for creative entrepreneurs and micro-enterprises will be stimulated. Such spaces could include artist incubators, studios, production facilities, shops, and galleries. These spaces may be created by using certification, as well as existing business development zones and tax credits, to encourage adaptive reuse of historic, tax-reverted, abandoned, and other available properties. The results may serve as a catalyst for expanded neighborhood revitalization, mixed-use development, attraction of new economy workers or "cultural creatives," and private investment by artists, developers, and municipalities.
- **CraftWORKS!** Growth of creative enterprises and sustainable regional cultural economic development will be stimulated by assisting, coordinating and promoting the state's craft industry and outstanding craft artisans. Craft artisans have indicated that Michigan offers a suitable environment for their endeavors. This industry is also well suited for collaboration with heritage and cultural tourism initiatives, and offers new opportunities for private investment, job creation and apprenticeship training.
- **Creative Enterprise Support.** Accessible, one-stop-shopping small business development assistance, designed specifically for creative enterprises and cultural entrepreneurs, will be created. It will be connected to other online services, such as the Department of Labor and Economic Growth's *Be Your Own Boss* Web portal, and function collaboratively with other existing technical assistance, training, mentoring, and educational resources.
- **Node Strategy.** A node is defined as a significant concentration of cultural entrepreneurs, creative enterprises or related business startups. The presence of cultural sector nodes in Michigan has not been sufficiently researched. Appropriate research will be used to identify nodes in both rural and urban areas of the state and to assess possible policy changes, programs, and opportunities available for strategic investment that would accelerate their expansion and growth. The research will also identify the occupations that make up various nodes, numbers of jobs involved, what regions, states and countries are most competitive, and what might be done to grow, create, retain and attract related sector jobs.

#### **4. Foster Community Cultural Economic Development**

Increase awareness and understanding in communities of how culture can be leveraged to cause local and regional business growth, strengthen community cultural economic development incentives, and promote and market key cultural industries.

Civic leaders and community economic developers will be actively engaged to increase awareness and understanding of how culture can be used to leverage local and regional business growth and how to strengthen the incentives that support such work through the following:

- **Cultural Economic Development Community Readiness Assistance.** Assistance will be provided to communities to help guide them through the requisite steps toward becoming ready for cultural economic development and creation of initiatives that value and support culture and its economic potential. Communities fully participating in this process will have increased access to state resources and marketing. Components may include creating a Michigan Council for Arts and Cultural Affairs grant initiative to encourage readiness and expand cultural economic development, and integrating cultural economic development readiness into the Main Street and Blueprints planning programs. Requirements may include community cultural economic development planning and commitment to arts and cultural resources management.
- **Historic Preservation Technical Assistance and Planning.** The Department of History, Arts and Libraries already provides historic preservation technical assistance and participates in the Main Street Program and state community assistance efforts. The state can legislatively strengthen the tools available to communities seeking to use historic preservation to preserve their unique character and their neighborhoods. This should include recognizing historic preservation as a public good, increasing the penalties for destroying historic buildings, giving preservation organizations clear legal standing in courts, and ensuring that state funding is not used to demolish historic structures without adequate review of alternatives. The state may also modify its tax credit legislation along the lines of the “Missouri Model” to allow for the full 25% state tax credit for commercial properties, the same as for owner-occupied residential, and to allow the assignment of tax credits.
- **Stimulus Package.** Create a Cultural Economic Development Stimulus Package (i.e., incentives, funds, grants, and loans) for strategic investment in qualifying communities to:
  - Stimulate creative cultural enterprise development, job creation, mixed-use development, and infrastructure enhancement
  - Promote historic preservation
  - Attract new private investment

The package will refocus existing resources, including some Michigan Council for Arts and Cultural Affairs arts and cultural grants, State Historic Preservation

Office tax credits and historic preservation, lighthouse, historic organization and certified local government grants, and some library funds. Some Department of Labor and Economic Growth-administered incentives might also be focused on this purpose. The package hopefully will be enhanced by film production tax credits, expanded historic preservation tax credits, and creation of a cultural trust.

In addition to the primary benefits of increased economic growth and community prosperity, the idea and existence of a stimulus package that solely supports economic development caused by investment in creative cultural assets creates a new 21<sup>st</sup> century paradigm that will help shift perceptions from cultural grants as expendable gifts supporting marginal activities, to vital strategic investments in community revitalization through sustainable engagement of cultural resources (organizations and individuals) toward readily achievable intrinsic and instrumental returns on investment. The stimulus package also positions the State, in this challenging fiscal environment, to base its cultural investment in communities on outcomes, performance, needs, and opportunities.

- **Media Industry Promotion.** The Michigan Film Office's efforts to market Michigan to the film/television/commercial industry will continue to be strengthened and supported. With over 10,000 Michigan residents directly involved in the business, increased work in the state equals increased economic impact, both in personal income and tax revenues. Those most affected by a healthy filming climate include crew, talent, production houses, post-production houses, hotels, rental companies, and local businesses. An ancillary benefit of support to this industry is worldwide visual exposure of the state, with resulting tourism economic impact.

## 5. **Build Human Capital**

Provide educational opportunities that encourage personal creativity and initiative, and offer Michigan's current and future leaders needed resources for spearheading long-term cultural economic growth and community creative development.

To ensure the long-term viability of the cultural economic development strategy and the long-term vitality and sustainability of the cultural sector the State must nurture and leverage Michigan's human capital. This will include providing learning resources, programs, institutions, consultants, and assessment measures for the following:

- Community, government, and organization leadership (leaders)
- Creative sector workforce development (workers)
- Creative enterprise development (for-profit businesses)
- Cultural creatives and cultural organizations development (artists, artisans, craftspeople and nonprofit businesses)

## **6. Grow Partnerships and Collaborations**

Encourage existing partners and grow new partnership and collaborative relationships to strengthen and leverage implementation of this strategy.

Moving Michigan's Cultural Economic Development Strategy forward in a time of limited resources will require a concerted state effort involving many departments, much like that used to create the *Cool Cities* Initiative.

- State, sector and others partners will be convened to explore opportunities for leveraging and sharing resources toward successful accomplishment of mutual cultural economic development goals and objectives.
- New collaborative initiatives, programming and services will be developed.



## Implementation of the Cultural Economic Development (CED) Strategy

### State role:

- The State will convene a broadly-representative working group to create a detailed CED Strategy **Implementation Plan** and lead strategy implementation in partnership with other relevant organizations. Success will hinge upon the collaborative efforts of stakeholders at many different levels.
- Working together, State agency partners will ensure a coordinated approach that leverages all existing government and related partner resources.
- Community-level organizations and stakeholders will be encouraged to play leadership roles in forming partnerships to further regional cultural economic development goals.
- Both public and private entities will be encouraged to align their work with the overall cultural economic development strategic direction.

### Resources:

- A collaborative approach involving agencies, cultural organizations and universities will be used to help leverage a broader range of resources in support of the Cultural Economic Development Strategy.
- Financial incentives, in the form of a stimulus package and a trust fund, will be developed and used to encourage specific initiatives that are aligned with the Cultural Economic Development Strategy.

### Priorities:

- **Fostering Effective Cultural Economic Development and Investments.** Special effort will be made to identify and encourage investment in cultural attractions and products that have the greatest potential for contributing to immediate and longer-term economic benefits and build upon existing resources.
- **Measuring Sector Performance.** Accurately and comprehensively measuring the health and performance of the cultural sector and its contribution to state and local economic development priorities is key to the successful implementation of the Cultural Economic Development Strategy. Michigan's cultural sector market and non-market values will be scientifically documented, measured and monitored.
- **Growing Cultural Tourism.** HAL and Travel Michigan will launch a strategic Michigan cultural tourism enhancement effort. HAL will expand Maritime Heritage tourism efforts. It will also identify new opportunities to develop and expand linkages between cultural and agricultural tourism.

- **Establishing a Cultural Economic Development Readiness Pathway.** Creating a series of action steps, requirements, programming, resources and training for communities actively seeking to engage in cultural economic development is an essential ingredient for building a foundation for longer-term cultural economic development sustainability.
- **Growing Cultural Sector Jobs.** Developing CraftWORKS!, supporting preservation trades education, and marketing independent artists and creative enterprise products will be initial steps taken to begin the process of growing cultural sector jobs.
- **Stimulus Package.** Obtaining legislative adoption of film production tax credits, seeking expansion of historic preservation tax credits, and reviewing HAL grant and funding programs for greater to incentivize cultural economic development are important steps toward creation of a stimulus package that will sufficiently support the growth of cultural economic development investment and activity throughout the state.

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Sue Mosey, University Cultural Center Association, Detroit

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Steve Hamp, The Henry Ford, MEDC, Historical Commission

Sue Mosey, University Cultural Center

## APPENDIX

### Cultural Economic Development Online Tool (CEDOT)

The Department of History Arts and Libraries (HAL) is in the process of designing Michigan's first Cultural Economic Development Strategy. As part of this strategy, and also as a means for evaluating its accomplishment and the well being of Michigan's cultural sector, HAL and Michigan State University are spearheading the development of a Cultural Economic Development Tool (CEDOT), the first online system of its kind in the nation. CEDOT is being developed in collaboration with Wayne State University, Lawrence Technological University and the Michigan Humanities Council.

According to an April, 2005 W.E. Upjohn Institute for Employment Research report entitled *Arts and Cultural Activities and the Michigan Economy*, "The economic presence of the state's arts and cultural activities, measured in employment and income, is estimated to be 108,460 employees and \$1.9 billion in income in 2004...While the estimation of the economic *presence* of arts and cultural activities is useful in illustrating the size of these activities relative to other economic sectors such as retail trade or finance, it should not be mistaken as representing the activities' economic *impact* on the state...If the state stopped offering arts and cultural activities this year, then after 10 years, it would have 30,580 fewer people employed and \$811.2 million less in personal income than if it had maintained today's level of arts and cultural activities during the period." While this information may have had some currency and cache earlier this year, it is nonetheless "dated" as the economic circumstances of our state's artists, cultural organizations and industries, like the state's economy, have changed due to decreased gifts, grants and other revenue.

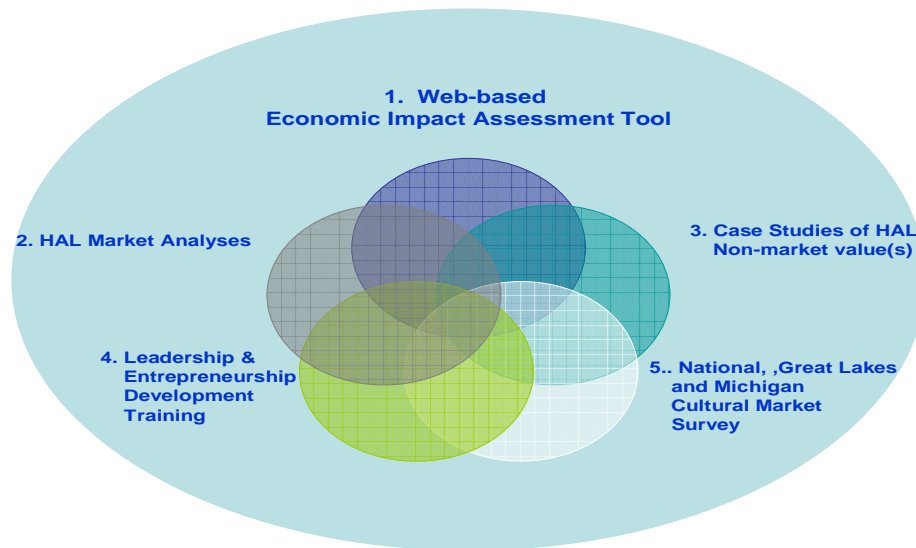
CEDOT is critical to Michigan's cultural sector -- its ability to realize its economic potential and preferred future -- and the effective and efficient implementation of Michigan's Cultural Economic Development Strategy for a number of reasons. First, although Michigan's cultural sector is a key economic driver it lacks current scientific measures of its economic performance and contributions to economic development. There is no cost-effective, comprehensive tool available to them to help them quickly update and verify their current economic circumstance and impact, and project into the future. The cultural sector lacks an accessible, uniform, scientific-based method for collecting, measuring, managing, analyzing and reporting data related to its market and non-market value(s). This makes it more difficult to affirm and articulate: (1) its value to different stakeholders including elected officials, (2) its capacity to contribute to community and economic development and (3) the contribution of the Cultural Economic Development Strategy. This problem exists across the country, even among our most prestigious federal cultural agencies like the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH). Second, the cultural sector does not have access to current information about the size of the cultural market or the preferences and behaviors of cultural consumers including cultural tourists. Finally, there is no information to reliably assess the health of the sector in terms of income and market share or the well being of organizations and creators.

CEDOT will integrate the following components. (1) "Web-based tool" for estimating the economic impacts of cultural facilities and programs, (2) On-line HAL Panels that will be used continuously to collect information on HAL markets and suppliers (e.g., artist, craftsperson's, entertainment venues) and to monitor the "health" of the cultural sector. (3) Scientifically conducted case studies that will describe and verify different values associated with HAL facilities and programs, (4) A partnership to design and deliver training that will develop the next generation of cultural leaders and entrepreneurs. (5) A regularly re-occurring survey of households throughout the United States with emphasis on residents of the Great Lakes and Michigan. The system will provide the cultural sector convenient access to: up-to-date scientific information on cultural customers (e.g., tourists, purchasers of art), verification of different HAL values, and what Michigan's cultural sector generates in terms of spending, income, and employment. Members of Michigan's cultural sector will be trained on how to access and utilize the information supplied by the CEDOT. Michigan Foundations will be able to utilize the system both enhance (i.e., requiring grant proposals to include CEDOT information in framing their arguments) and to evaluate grants proposals.

CEDOT will recruit and regularly survey on-line panels consisting of individuals and organizations representing artists/creators, cultural consumers and tourists, arts education, libraries, arts and cultural organizations, historic preservation, and retailers/distributors to gather information on (1) performance (e.g., sales, attendance, contributions, volunteerism), (2) cultural consumerism (e.g., purchase of arts and crafts, participation in cultural programs), (3) cultural sector related spending and tourism, and (4) needs and issues confronting the cultural sector including barriers to entrepreneurship. This survey information will be used along with the case studies and other credible data sources (e.g., federal Census and Labor statistics, state demographic findings and national industry research, etc.) to create a multi-dimensional base of information to monitor, assess and enhance the performance and contribution of the cultural sector.

In addition, every other year CEDOT will conduct a national and Great Lakes Region survey that will provide information to identify and assess cultural markets and provide Michigan's cultural sector a better understanding of its potential and performance from a national and regional perspective. Michigan State University has secured an opportunity for CEDOT to partner with Harris Poll, to conduct a national survey of over 4,000 households (with an emphasis on Michigan and other Great Lakes states) to collect information including: (1) awareness of cultural opportunities and offerings, (2) perceptions of Michigan as a destination for cultural tourism, (3) cultural consumerism and tourism (e.g., purchase of art and crafts, performance arts attendances), (4) cultural engagement (e.g., education, volunteerism, contributions), and (5) perceptions of the value(s) of culture and its quality of life importance. The national survey will provide needed benchmarking data and information, and offer Michigan's cultural sector a comparative, comprehensive and up-to-date understanding of its markets and stakeholders.

## Cultural Economic Development Tool



### 2006/07 Actionable Items

#### ***CED Strategy Implementation Plan Development***

2006: HAL will convene a special task force comprised of key cultural, civic, business sector leaders to develop a feasible and detailed CED Strategy implementation plan

#### ***Continuous Research***

2006: HAL and MSU will implement the first modules of the Cultural Economic Development On-line Tool, a real-time on-line system that will become the definitive source for market research and measuring the economic impact generated by Michigan's cultural sector

2007: HAL and MSU will refine and complete all CEDOT modules

#### ***The Michigan Brand***

2006: HAL will work with Travel Michigan, community economic development and university partners to pre-position Michigan as a cultural tourism destination image and begin using it in local, regional and state marketing efforts

#### ***Cultural Tourism***

2006: HAL and Travel Michigan will initiate a regional planning and marketing effort that will integrate and market natural and cultural resources tourist attractions

HAL and Travel Michigan will create and implement a marketing plan for their existing maritime heritage tour product

### ***Cultural Resources Trust Fund***

2006: HAL will convene a task force to investigate, design, and propose the structure, sources, and viability of a Cultural Resources Trust Fund and create a strategy for further action

### ***Cultural Economic Development Community Readiness***

2006: HAL will develop guidelines and tools and revise MCACA grant programs to encourage recipients to enhance the economic development potential of proposed projects and programs

2007: HAL will work with MainStreet, Blueprints and other economic development programs to more widely incorporate the use of the tools and guidelines and reward such use.

### ***Historic Preservation Technical Assistance and Planning***

2006: HAL will continue to promote the use of tax credits, preservation planning and the use of all preservation tools

### ***Stimulus Package***

2006: HAL will continue its work with Cool Cities, MainStreet and Michigan State Housing Development Authority

The Michigan Historic Preservation Network will seek legislation expansion of the historic preservation tax credits.

HAL will review all grant and funding programs to more tightly focus resources on community cultural economic development.

2007: HAL will work with other agencies to seek broader up-front inclusion of culture as a part of traditional economic development programs at the state and local levels

### ***Media/Industry Promotion***

2006: The Film office will continue to market Michigan to the film/television/commercial industry taking advantage of anticipated new incentives

### ***CraftWORKS!***

2006: HAL and university partners will implement the pilot effort to identify, organize and market Michigan craft products and craftspersons

2007: CraftWORKS! will expand to additional regions of the state