The Impact of the Arts on Downtown Redevelopment for a Traditional City

Executive Summary

Joanna Ganning, PhD
Assistant Professor, Department of City & Metropolitan Planning
Executive Director, Metropolitan Research Center
University of Utah
joanna.ganning@utah.edu
801-587-8129

This project was supported in part or in whole by an award from the Research: Art Works program at the National Endowment for the Arts: Grant# 13-3800-7002.

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Abstract

While the relationship between the arts and economic redevelopment has been studied extensively in world-class cities, it remains understudied in weaker market or slow-growth cities. With tight municipal budgets, weak market cities cannot afford not to understand both the benefits of the arts for downtown redevelopment, and the impact of redevelopment on the arts. This research project uses block-level data on employment, population, and investments for a United States declining city’s downtown (St. Louis) to study a series of inter-related questions about the relationship between redevelopment and arts-based employment. Those analyses are presented in two manuscripts presented herein.

The first paper investigates two questions. First, is there evidence that the arts anchor redevelopment in a weak market city? Second, does redevelopment pressure then force out the arts or simply make use of excess real estate capacity, leaving the arts in place and building around them a wealthier market with stronger demand? Using multiple spatial and non-spatial quantitative methods, the paper finds that the arts have neither anchored redevelopment nor been driven out of the downtown by redevelopment. In fact, up to a point, increasing redevelopment also increases arts-based employment changes at the block level. This finding seems to provide evidence for a competing hypothesis: that in weak market cities, excess, pre-existing real estate allows a place for redevelopment to occur without forcing out the arts. Since effectively no cultural planning had been done for downtown St. Louis, this case study provides a “no treatment” or control case against which future studies can compare the effects of planning interventions. As a control case, the St. Louis data suggests that arts-based employment can complement and grow in a weak market city’s downtown.
While the first paper finds that block-level redevelopment is associated with arts-based employment growth, the second paper investigates the downtown’s changing economy and demography and changes in the character of arts-based employment. This analysis rests on the construction of a typology of arts-based employment for blocks in 2000 and 2010, followed by quantitative analysis (using regression and ANOVA techniques) of the change in type between years. While most blocks were characterized by small-scale, diverse arts employment in both 2000 and 2010, arts-based employment shifted to a downtown with more artists employed in white collar firms and fewer in firms with small-scale arts employment. Consistent with the first paper, the results also find that block-level disinvestment is associated with a downgrading of arts-based employment in those blocks. This change in the character of the downtown arts is not adequately addressed in current planning, sounding an alarm to increase cultural planning for downtowns.

Taken together, these papers find that block-level redevelopment in a weak market downtown encourages arts-based employment growth (though significantly not the number of arts-based business storefronts), but that arts-based employment does concentrate more in white collar firms as each block changes. Overall, these findings suggest that the arts can be part of downtown redevelopment without the threat of encroachment seen in places like SoHo, but that cultural planning should be engaged in to ensure that the arts community’s voice is reflected in the process of redevelopment.
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Introduction

The idea that arts and artists play a critical role in transforming blighted neighborhoods into hip enclaves is well established in the literature (e.g., Currid 2009; Lloyd 2002). Reduced to its simplest, artists seek out low-rent areas, bringing with them a creative vibrancy and authenticity that attracts new businesses and residents. While this process is well understood for globally recognized art capitals like New York City, the role of the arts in the redevelopment of shrinking, weak market cities is less understood.

The fundamental differences in character between world-class cities like New York City and shrinking cities like St. Louis dictate a different intersection of arts and downtown redevelopment. As Molotch and Treskon (2009) showed in New York, after helping to make SoHo attractive to investors, artists and arts-based businesses found themselves priced out, and consequently relocated to Chelsea, a lower-rent neighborhood (this process is called the “SoHo effect”). However, it is unclear whether redevelopment pressures price the arts out of downtowns in a weak market context, and if so, at what magnitude of redevelopment? On its face, the rising rents of downtown suggest that arts-based businesses requiring low overhead might struggle in an environment of rapid redevelopment. However, this hypothesis may be ill-suited to shrinking cities, which often suffer from excess, vacant downtown real estate to which artists and their businesses could move. In this case, downtowns like St. Louis’ might provide an ideal scenario for arts-based employment growth; a balance can be struck between proximity to density and prosperity while also maintaining affordable rents.

This project analyzes the relationship between the arts and redevelopment in downtown St. Louis between 2000 and 2010. St. Louis was chosen as the case study for several reasons.
First, St. Louis offered unparalleled data access through proprietary data sets to which I had license to use for research, and through professional networks, which granted me access to other non-public data. Second, St. Louis lost a larger percentage of its population between 1950 and 2010 than nearly any other city in the U.S.\textsuperscript{1}, making it in some ways the poster child for shrinking cities, though it bears noting that findings are not necessarily generalizable and should be ground tested in other settings.

**Research Questions**

This research project investigates these themes of downtown arts in shrinking cities by studying the following questions in the context of downtown St. Louis between 2000 and 2010:

1. Does arts-based employment anchor downtown redevelopment?
2. Does downtown redevelopment force arts-based jobs to leave the downtown?
3. Did downtown redevelopment change the character of arts-based employment?

**Data**

Arts-based employment was estimated at the Census block level for 2000 and 2010 for downtown St. Louis using business-level employment data purchased from InfoGroup and heavily processed by the PI. Arts-based employment was estimated from this database by identifying industries which employ artistic occupations (as defined by Markusen and Schrock 2006), then using national, industry-level data from the Bureau of Labor Statistics’ Employment and Wages from Occupational Employment Statistics (OES) Survey to estimate the proportion of total employment at those firms that might be employed within the arts occupations. The number of arts-based businesses was estimated using a tiered system, with a bifurcated third tier:

- **Tier 1**: Business employs artists and makes a product with direct artistic value
- **Tier 2**: Business likely employs artists, but end product is not directly artistic

\textsuperscript{1}For a discussion of the methodology and full dataset, see Markusen and Schrock (2006).
Tier 3S: Business supplies artists’ inputs

Tier 3V: Business provides a publication opportunity, venue, or forum for artists’ work

Other data used includes data from the U.S. Census Bureau on population change, and data on investments made in the downtown between 2000 and 2010, obtained through local professional networks.

Results

Question 1: 1. Does arts-based employment anchor downtown redevelopment?

In short, there was no evidence that arts-based employment anchored the location of downtown redevelopment. Through an analysis of tabular data, no statistically significant correlation was found between block level redevelopment (calculated as an index of population change, investments, and total employment change), and either arts stability (the percent of arts-based businesses open in 2000 and still open in 2010) or the number of arts-based businesses open in 2000. The same metrics were tested for spatial relationships; none were found.

Question 2: Does downtown redevelopment force arts-based jobs to leave the downtown?

In short, there is no evidence that downtown redevelopment forced the arts out of the downtown, as the SoHo effect might suggest. This question was tested by testing the statistical correlations between block-level redevelopment and the numeric change in arts businesses, and the change in arts-based employment. These associations were again tested in both tabular and spatial data. No statistically significant correlation was found between block-level redevelopment and change in the number of arts store fronts. In contrast, the relationship between redevelopment and arts employment change is statistically significant. While disinvestment is related to losses in arts employment, positive redevelopment benefits arts employment, with decreasing (though still positive) returns on arts-based employment only in
the midst of extremely high redevelopment. Since this measure deals with employment rather than businesses, it stands to reason that either employment grew in existing arts businesses, or that firms that closed were replaced by larger businesses or were replaced by other arts businesses with a higher percentage of artist employment.

**Question 3: Did downtown redevelopment change the character of arts-based employment?**

In short, yes. While most blocks were characterized by small-scale, diverse arts employment in both 2000 and 2010, arts-based employment shifted to a downtown with more artists employed in white collar firms and fewer in firms with small-scale arts employment.

This question was investigated by categorizing all downtown blocks (for 2000 and 2010 as separate observations) according to a typology of arts-based employment. This typology was constructed by dividing observations into 12 groups according to the size of arts-based employment by industrial composition per block. A cross-tabulation of blocks by arts-based type in 2000 and 2010 provides information describing how the character of arts employment changed over the decade as blocks experienced demographic and economic change and massive financial investments. These results indicate that while some blocks lost white-collar arts employment positions between 2000 and 2010, more blocks were characterized by similarly classified gains. Also, while a larger number of blocks saw diverse, small-scale arts employment appear over the decade, these new positions were outnumbered by increases in arts-based employment at white collar firms. Overall, there was a decline in blocks classified as having small-scale, diverse arts-based employment; in 2010, 64 blocks were characterized as having small-scale arts-based employment, compared to 74 blocks in 2000. These changes are associated with block-level changes in redevelopment, measured in various ways.
Conclusion

These analyses find that block-level redevelopment in a weak market downtown is not anchored by arts-based businesses, but does encourage arts-based employment growth (though significantly not the number of arts-based business storefronts). Amid a downtown changed by large-scale redevelopment, arts-based employment does concentrate more in white collar firms as the downtown changes. Changes in the character of arts-based development are driven by different combinations of population change, employment change, economic restructuring, and investments.

Overall, these findings suggest that the arts can be part of downtown redevelopment without the threat of encroachment seen in places like SoHo, but that cultural planning should be engaged in to ensure that the arts community’s voice is reflected in the process of redevelopment. The work presented here represents St. Louis—a weak market city that has not engaged in serious cultural planning for its downtown. As such, this case study provides a “no treatment” or a control case against which the effectiveness of planning interventions can be gauged when applied in other shrinking cities in the U.S.

Other further work remains to be done. The work presented here captures only arts-based employment, though many artists are self-employed or hold day jobs in non-artistic occupations. Future research might implement data collection methods that would allow analysis incorporating this reality. Additional work that might gauge residential relocation of artists would also add a layer of understanding to the present research. In the future, qualitative research could allow scholars to better understand the tensions that arise in shrinking cities as downtowns evolve from manufacturing economies to “Creative Class” or New Economy futures.