

CHAPTER 4 MANAGEMENT STRATEGY

ARTS AND ENTERTAINMENT IN THE RIVERWALK DISTRICT REPORT



APPROACH

In order to address the most critical question - How can we make this happen? - the Activation Strategy includes information and recommendations in this chapter that form the basis of a preliminary business plan and management strategy. These recommendations are the first step and are intended to raise critical questions and possibilities that will ultimately need further refinement and adjustment in subsequent efforts to be led by the City.

To complete this work, we have solicited input from key project partners, including the Broward Center, MODS, the DDA and various property owners to assess their needs for a Riverwalk Public Realm/A&E District management organization and to determine what roles the organization should play. We have also spoken with representatives of existing programming and operating organizations (such as the Riverwalk Trust) and their key partners to assess the potential role of these organizations in the management of the Riverwalk Public Realm/A&E District. And we have conducted research on comparable projects to determine how they are programmed, operated and sustained in order to guide initial choices for the Riverwalk project.

1. COMPARABLE PROJECTS

We begin by looking at a series of comparable districts and how they are operated. There are significant physical differences among these examples and the vision for the Riverwalk Public Realm Plan. But, the range of examples, which includes other river walks, arts districts and related entities, is helpful to understand what is required to animate, operate and sustain the Fort Lauderdale Riverwalk.

Newport on the Levee , Newport, KY

Programming & Activities Newport on the Levee hosts a number of festivals each year, including Newport Italianfest, an Annual Spring Family Carnival, the Newport Motorcycle Rally, Newport Oktoberfest, Reggae on the River, Glier's Goettafest, and Riverfest, which attracted 250,000 attendees in 2008. In addition, bands perform throughout the weekends between April and October.

Utilization Newport on the Levee is a 15-acre development in an area once occupied by warehouses, used car lots and liquor stores. District anchor tenants include a 20-screen AMC Theater, GameWorks, Shadowbox Cabaret, Barnes & Noble, and the Newport Aquarium and restaurants. The East Row Historic District, Kentucky's second largest historic district includes 1,070 residential properties all listed on the National Register of Historic Places. Newport on the Levee is also home to a number of other entertainment facilities and businesses, including the Funny Bone Comedy Club, Gallerie Zaum, Monmouth Theatre, the Pendelton Artists Gallery, and Stained Glass Theatre.

Development Scenario The City's 1989 Comprehensive Plan provided guidelines for the future development of the community, and the City's former Economic Development Director worked with developers to acquire financing. Concurrently, developers secured financing for the \$40 million aquarium, when opened in May 1999; While negotiations continued on the entertainment complex, the City moved quickly to acquire the properties and financed the properties, resulting in debts totaling \$10 million.

In January 1999 Steiner and Associates, a partner in the Aquarium development project, announced a joint venture with Excel Legacy Corp. of San Diego. In July 1998 the City sold Steiner a 10-acre property for \$14.8 million and renegotiated the development agreement, which called for the City to retain ownership of the land and lease to the developers. Bonds totaling \$55.8 million (\$11.1 million were taxable and \$44.7 million were tax exempt) were issued to finance the construction of the garage and the plaza.

Operating Scenario Newport on the Levee is owned and operated by a private management company that leases spaces to commercial tenants. The City owns and operates a parking garage on-site. Public transit is provided through TANK (Transit Authority of Northern Kentucky). Tax revenue is a vital component of the project. During land acquisition and construction, tax revenues were lower. In 2002, the first full year of operation, tax revenue grew to \$1.6 million. The Supplemental Reserve Fund had to be used and be replenished every year. Newport on the Levee has annual operating expenses totaling: \$2,896,000, and generates \$4,663,400 in revenue.

Key personnel include a General Manager, Director of Operations, Facilities Manager, Security Director, Event Coordinator/Marketing Assistant, and Marketing/Events Assistant Coordinator, "Guest Assistance Personnel" act as security and monitor activity in common areas.

Partnerships The management company builds strong partnerships with each commercial business that occupies its space. Give Back Cincinnati is a nonprofit organization focused on enhancing Cincinnati's communities through activities of volunteerism while fostering the development of young leadership through participation. Each year Give Back Cincinnati organizes 7 to 10 large-scale one-day volunteer and civic engagement activities, and several social events. A Facebook page allows Newport on the Levee to engage in social networking and buzz marketing. They post regularly about Happy Hours, Taste of the Levee, and more.

RiverWalk, Milwaukee, WI

Programming & Activities The Third Ward is home to Summerfest and many cultural festivals that provide destination entertainment throughout the summer season. Festa Italiana, held in July, is one of the most popular festivals held at the Summerfest grounds and at the Italian Community Center, which is located one block from the grounds. Other events include Riversplash, a three-day celebration of music and entertainment, and the River Challenge, a three-mile regatta on the water.

Description & Utilization The Milwaukee RiverWalk spans nearly 3 miles along the Milwaukee River through the heart of the City's Downtown. The Milwaukee RiverWalk is divided into three distinct sections: the Beerline RiverWalk to the north, the Downtown RiverWalk in the center, and the Third Ward RiverWalk to the south. The Historic Third Ward has become a hub for artistic activity and exhibition within Milwaukee and is currently home to 10 galleries, the Milwaukee Institute of Art and Design (MIAD), the new Off-Broadway Theatre, and the Broadway Theatre Center that houses the world-renowned Skylight Opera Theatre and Milwaukee Chamber Theatre. The Third Ward also includes the Henry W. Maier Festival Park, the location of Summerfest.

Development Scenario The City of Milwaukee launched the RiverWalk Initiative in 1988 to connect the Milwaukee River with a current of business and leisure activities and a focus on the river. In the last decade, the Riverwalk has become a hub of restaurants, clubs and nightlife; with an influx of new residents moving into condominiums.

Financed through a partnership between the Greater Milwaukee Committee and the City of Milwaukee, the first segment of RiverWalk was constructed in 1985. In the late 1990's the City began a focused effort to bring the Beerline "B" neighborhood back to use, beginning with a Redevelopment Plan that created a vision of mixed use, predominately residential development. Next, the City created a TIF District to fund the environmental cleanup of the area, removing rail lines and contaminated soil and adding streets, utilities, bridges, stairs, and public parks.

By the time the RiverWalk Initiative was formalized in 1993, additional segments had been constructed, linking the Riverside Theater, the Pabst Theater, the Milwaukee Repertory Theater, the Grand Avenue Shopping Center, the Performing Arts Center, and the Old World Third Street nightlife area. In 1994, property owners and the City formed a Business Improvement District (BID) for the purpose of constructing and maintaining the downtown RiverWalk and to share the costs of RiverWalk construction and other RiverWalk capital. In 2004, the Third Ward boardwalk opened to the public, and was developed at a cost of \$11 million. Today the Third Ward is home to over 400 businesses and hundreds of loft apartments, and is Milwaukee's showcase mixed-use district. Since 2001, \$87 million in new condominium and mixed-use projects have been constructed and more than 1,000 linear feet of RiverWalk have been completed; plans are in place for the remaining segments.

Operating Scenario The RiverWalk is a partnership between riverfront property owners and the City. In exchange for permanent public access along the river, the City provides financial assistance for upkeep and improvements. The Milwaukee Riverwalk District and the BID program the Riverwalk. The staff in City Development works on funding and regulation, and development agreements for the area. The staff member in the Department of Public Works handles all structural elements, planning, and assists with design. A Tax Incremental Financing (TIF) District helps to pay for the upfront costs of construction within the BID, reimbursing 22% of the RiverWalk costs to the City via annual assessments over 20 years. Property owners with a RiverWalk constructed on their river frontage are solely responsible for maintaining property to acceptable standards.

The Riverwalk has two designated staff members: one in City Development, and one in the City's Department of Public Works.

Partnerships The most substantial partnership is one between the City, BID 15 (representing the downtown) and BID 2 (representing the Third Ward). The City also works with the Condo Association and Beerwalk B, as they are owners in the area. A partnership with State supports the Riverwalk as well, as the water is considered under public trust.

1. COMPARABLE PROJECTS

San Antonio River Walk, San Antonio, TX

Programming & Activities The River Walk's programs and events include the Pachanga del Rio, a festival which offers culinary samplings from local restaurants, the Fall Arts & Crafts Show showcasing unique hand made merchandise, and the Corona Coffins on Parade, a Halloween spectacle. The San Antonio Street Dance & Drum Company is an organization of contemporary, multicultural percussion and dance groups. Programs and events are all listed in Rio, the River Walk magazine.

Background & Utilization The 6.1-mile River Walk is considered the 'crown jewel' of San Antonio, with over two miles of walkways and many outdoor restaurants and shops. The Walk is home to local museums, art galleries, riverboat cruises, and more. River taxis and dining boats are available for hire. The City of San Antonio Department of Downtown Operations drains the River each year in January. Members of the River Walk receive certain benefits including voting privileges, discounts on advertising in the Rio Magazine, participation in the Operators' Committee, and listing on the River Walk website.

Development Scenario The River Walk was first developed in the 1950's, beginning with redirection of its waters. In 1962, the Department of Parks and Recreation completed a major landscape program with over 17,000 assorted trees, shrubs, vines and ground cover. In 1964 the Paseo del Rio Association was formed, with the Chamber of Commerce funding a staff position and a PR person writing weekly Rio Ramblings for the Express-News. In 1970, voters approved a bond issue for River Walk beautification and floodgate revamping, and development of the River Walk continued with restaurants, hotels, and festivals. In 1973, a feasibility study led to the "River Corridor Plan" to provide long term framework for development along the river. Through the 1980's and 1990's, maintenance and improvements on the riverbank complimented the building of additional hotels, restaurants, and the planning of events and festivals. This year, the City of San Antonio entered phase one of a Capital Improvements Plan for improvements completely essential to maintaining the aging yet beloved attraction. Recent developments also include new Museum Reach Urban Segment extension, adding an additional 1.5 miles of new River Walk access and linear park.

Operating Scenario The River Walk is considered a city park and is maintained and operated by the City of San Antonio Downtown and River Walk Operations. The Paseo del Rio Association was founded as a non-profit organization in 1968 to promote and support the San Antonio River Walk. The Association helps:

1. By producing special events and providing information that attracts visitors and local residents
2. By advocating the preservation of the River Walk's character and the enhancement
3. By working with public and private entities to establish sound planning and operational policies
4. By providing a forum for businesses, residents, and civic and governmental entities to resolve issues.

A Board of Directors, with a 12-person Executive Committee, governs the Association. Key personnel include an Events Director, Administration Director, Project Director, and a Sales & Marketing Director. The Association also involves volunteers, who support the activities on the River Walk by contributing volunteer hours to the planning and production of special events throughout the year.

The City's Downtown Operations include personnel, contractual services and self-insurance.

Revenues are derived from taxi sales commissions (\$4,957,600), patio space leases (\$400,000), storm water fund (\$1,274,700), the capital improvement fund (\$400,000) and licenses & permits (\$30,000). Ticketed admission to the Tower of the Americas, Spanish Governor's Palace and Rio Cruises bring in \$2 million. In FY09, \$3.2 million was allocated toward the capital improvement project.

Partnerships Voting membership in the Association is available at levels ranging from \$200 to \$1,000 per year. Members of the Association elect the Board of Directors.

Red River District, Shreveport, LA

Programming & Activities The Red River District hosts dances, Halloween parties, seasonal live music, ice cream socials and festivals, including Mudburg Madness, Holiday in Dixie and the Red River Revel. In the Purchase Plaza, a cultural celebration honors the history of the Louisiana Purchase with an outstanding public art collection under the Texas Street Bridge. Barnwell Garden & Art Center and American Legion Hall offer special exhibitions.

Background & Utilization The Red River District, located in downtown Shreveport under the Texas Street Bridge, features 60,000 square feet of retail and event space. City-owned properties/facilities include: Festival Plaza, Independence Stadium, Riverview Parkway, Riverview Hall, Municipal Auditorium, Fairgrounds Field, cemeteries and the Government Plaza. The Shreveport Chamber "Walk of Stars" pays tribute to some of the World's most renowned celebrities from Northwest Louisiana. Riverboat casinos are secured to the docks for on-board gambling, reminiscent of the early days when Louisiana Authorities considered gambling illegal and the only way to do so was in a floating casino. On the opposite side of the Red River, the Louisiana Boardwalk in Bossier City joins a vibrant casino district along the riverfront for nearly a half-mile dynamic blend of shopping, marina, restaurants, nightclubs, movie theaters, and other entertainment.

Development Scenario Beale Street's Performa Entertainment Real Estate developed the \$27 million entertainment district in 2002. New construction commercial properties were designed and refurbished with the esthetic of late 19th century buildings. Plans were for the District included events, dining, dancing, live music on the weekends, and the development of new gaming facilities.

In 2009, the Downtown Development Authority (DDA) approved \$3.4 million in spending, including a low-fare trolley to cater to lunch and dinnertime crowds and planned improvements to the Red River District. The Downtown Area Shuttle will form partnerships with hotels, casinos and the Louisiana Boardwalk to move locals and tourists throughout downtown and across the Red River to the boardwalk. City Hall also wishes for DDA to takeover many of the empty commercial buildings under the Texas Street bridge.

Operating Scenario Eldorado Casino and Resort operates the Red River District. The City plans to take back management, but the contract has not yet ended. The change in management will require City Council and Eldorado approval, and if the project is approved, the cost to rent the 35,000 square feet nearly disappear, with tenants paying for utilities, taxes and insurance. Once the contract ends, the district will be under management of Shreveport Public Assembly & Recreation (SPAR). City leadership has also suggested that revamping the district, which may necessitate a new name.

The Riverfront Fund revenue sources include casinos (\$13.5 million), interest (\$180,000), land rent (\$1 million) and a fund balance (\$665,000). Funds are used for general operations (\$8.1 million), civic appropriations (\$1 million), convention center operations (\$1.8 million), debt payments (\$1.6 million), a reserve (\$800,000) and more.

Current staff is part of the Eldorado Hotel management team, in areas of special events, PR, community development, and more. Future operators Shreveport Public Assembly & Recreation (SPAR) have a staff of seven in areas of events, maintenance, planning and administration.

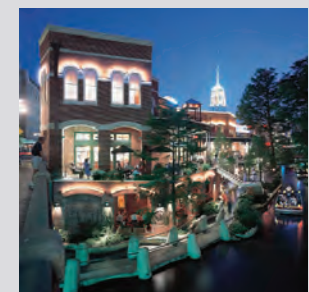
Partnerships The Arts Council supports installations and programs in the District. The SRAC Public Art program is centered on community collaborations and strong community education. Examples of Public Art projects administered by SRAC include the Texas Street Bridge Lighting, a \$650,000 project by nationally respected laser pioneer and lighting artist, Rockne Krebs. The laser, neon, fiber optic and search light installation premiered with a public celebration, which attracted 45,000 people to the bridge.



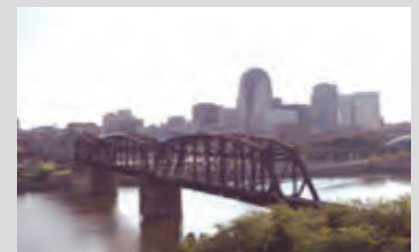
RiverWalk, Milwaukee, WI



Newport on the Levee, Newport, KY



San Antonio River Walk, San Antonio, TX



Red River District, Shreveport, LA

1. COMPARABLE PROJECTS



Avenue of the Arts, Inc. (AIA), Philadelphia, PA



NOHO Arts District, North Hollywood, Los Angeles, CA

Avenue of the Arts, Inc. (AAI), Philadelphia, PA

Programming & Activities One of AAI's primary focuses is on making the Avenue a pedestrian friendly walkway. AAI publishes a transportation guide, "Getting to the Show On Time", for visitors. It also conducts research assessments of traffic patterns and flow. In 2006, AAI assessed the need, advocated for, and secured funding for the installation of new traffic lights and cross walks at key intersections.

Creating a secure quadrant for pedestrian traffic is essential to the vibrancy of the Avenue. The high density of theatres and performance venues ensures a significant volume of nighttime traffic. Therefore, it is imperative that concert and showgoers feel safe within the confines of the Avenue. AAI advocated, coordinated with the City, and secured funding to install lighting for pedestrian safety throughout the entire neighborhood. In addition to addressing nighttime safety and comfort, the lighting is also uniformly designed and marked with wrought iron "A's" to strengthen the identity of the neighborhood.

A major responsibility for AAI is design and maintenance of streetscapes. In 2006, AAI collaborated with the Department of the Streets for a beautification project in the northern section of the district to unify the appearance of all of Broad Street. Defining characteristics are decorative sidewalks, vintage lampposts, landscaping, and signature "A" lighting.

Background & Utilization AAI is located in downtown Philadelphia, and is comprised of two sections. South Broad Street, the center of the Avenue, is one mile long (21-blocks) with one block to the east and west. Added in 2001, a three-mile stretch of North Broad Street and is now AAI's redevelopment initiative. 37 cultural organizations are located on the Avenue. There is no specific membership policy although the idea of one has been discussed.

Development Scenario Founded in 1993, the AAI initially focused on administration and fundraising for the City's key arts facilities including the Freedom Theatre, Kimmel Center, and Clef Club. In 2001, a strategic plan expanded on the vision for the arts district, focusing on the area north of the initial South Broad Street site. In addition to a focus on the arts, the organization actively lobbies for commercial and residential property development in the area. To protect and nurture the arts sector, AAI works closely with the City's Commerce Department and the Philadelphia Planning Commission. Today, it performs the dual role of economic catalyst for the northern corridor while maintaining the rich programming on the developed southern section.

Operating Scenario The Avenue of the Arts has three full-time administrative staff: an Executive Director, an Office Manager, and a Membership and Development Associate. AAI is a nonprofit 501(c)3 organization. The organization has an annual operating budget of \$347,000, with an 86% annual funding requirement. A 33 member voluntary Board that consists of community members, legal and real estate professionals, and civic and educational representatives is responsible for governing the organization.

Partnerships Avenue of the Arts maintains a positive working relationship and enjoys close ties with the arts community. Membership dues are a less than 10 percent of AAI's annual income and are considered a tax-deductible contribution. Membership is optional and open to individuals and businesses in the community. Membership starts at the \$50 level. Corporate sponsorships are also available. Membership is open to individuals and businesses within the Avenue and outside of the area. The membership program is positioned as "The Avenue Society" and is aimed at patrons and supporters of the arts. The program is tax deductible and voluntary.

NOHO Arts District, North Hollywood, Los Angeles, CA

Programming & Activities The NOHO Arts District is a Community Revitalization Area with a business improvement district. Given that the function of these organizations is to revitalize North Hollywood, programs focus on creating a safe, clean and attractive neighborhood for businesses, residents and visitors. The CRA runs a Theatre Marquee renovation program, which provides funding for historic theatres to refinish facades. It also works to update streetscape elements in the District including landscaping medians, widening major streets, replacement of lamps, sidewalks, curbs, gutters, paving and the planting of street trees. Where possible, the CRA commissions area artists to design fixtures. NOHO BID provides graffiti removal for public and private properties. The "Clean Team" also maintains services such as landscaping, trash removal, power washing sidewalks, weed control, and the removal of posters and stickers. In the past, CRA also offered a "free paint" program where property owners who wanted to improve the exterior look of their property at no charge could do so. The CRA also funds the annual NOHO Arts Festival, a showcase of local artists and organizations in public places.

Using a third party security company, the NOHO BID provides bike patrol "Safety Ambassadors" from 11AM to 12AM, seven days a week. The Ambassadors are individuals who act as the "eyes and ears" of the police but are not enforcement officers. They are trained in verbal and physical methods as well as customer service and are dressed in brightly colored clothing. The Safety Ambassadors Program has led to a 60% decrease in crimes in the area, most of which are vandalism, public drinking, panhandling, and trespassing.

Background & Utilization The NOHO Arts district is located in a 20 block-radius in east Los Angeles. There are 22 theatres and venues in the area; resident organizations are offered special retention assistance such as low interest loans, conditional grants, and matching funds.

Development Scenario Community Revitalization Areas (CRAs) receive additional city funding, special attention, and rezoning. Conceived in 1989 as a project of the North Hollywood Community Revitalization Area (CRA), an artist friendly zoning policy was the beginning of rejuvenation. Initial goals included area revitalization, increased public transportation, and prevention of structural deterioration. In 2005, a grass roots movement culminated with the creation of the North Hollywood Business Improvement District (NOHO BID). 168 businesses in the district petitioned the City and voted for the formation of the BID, an independent entity, to oversee security and maintenance. For the CRA, an increase in commercial and residential development in the neighborhood has required a transition of mission. In 2000, the Metropolitan Transit Authority (MTA) created a major transportation hub in the district with a train extension and bus hub. Recent projects have focused on keeping the neighborhood vibrant through arts and cultural organization retention programs providing relocation within the district for arts nonprofits that are misplaced by commercial developments.

Operating Scenario There are 40 staff members (NOHO BID), including security and a clean team. The BID is a three-year renewable agreement with the city as voted upon by a majority of the organizations in the district. The CRA derives its budget from the "Percent for Art" policy, a CRA rule that requires developers who receive support from the CRA to donate 1% of their construction costs back to the District. The annual operating budget for the NOHO CRA is \$1.89 million and has a 100% funding requirement. The annual budget for the NOHO BID is \$689,000, and has a 100% funding requirement. The NOHO CRA does not have a board or committee; staff members work informally with neighborhood groups and the NOHO BID has a 10 member voluntary board. The NOHO BID board is made up of six active members from a cross section of the community including representation from the arts sector and four government representatives.

Partnerships The 320 District property owners within the NOHO BID (60% cultural) are responsible for paying a mandatory tax to support its operations. There is no voluntary membership and no preferential treatment for arts groups. Within the NOHO BID property owners pay a value-based tax collected with city property tax; assessment is based on location, year, and size. Annual tax ranges from \$0.25 to \$0.45 per square foot.

1. COMPARABLE PROJECTS

125th Street BID, New York, NY

Programming	<p>The role of the 125th Street BID is to provide businesses, residents, cultural organizations and visitors with a safe, clean and enjoyable environment. As a result, the 125th Street BID's programs focus on security, street landscaping, and marketing the neighborhood as attractive to tourists and visitors.</p> <p>Cleaning services are provided to storefronts and residences as well as sidewalk areas. Services are provided 7 days a week with the goal of reducing sanitary violations for local businesses and creating a positive environment for residents and visitors. The BID has also purchased and utilizes a "cleaning machine" to efficiently clean sidewalks. During the holiday season, the BID provides decorative lighting for the streetscape. Trashcans are clearly marked and labeled with a 125th Street BID sign. The BID routinely conducts surveys on the quality of life of the district and solicits suggestions and comments on its website. Public Safety Officers keep in contact with City Agencies regarding unsafe conditions in the district such as broken traffic lights, flooding, and abnormal traffic conditions. Created in 2007, the "Safety Ambassador" program employs a unit of public safety officers who patrol on foot, with radios, in uniform. These friendly individuals perform the dual role of protector and customer service representative. They are available to provide directions, assistance, and historical information about cultural venues, but also alert the police to any hazardous situations. The BID also offers joint marketing initiatives such as creating a visitors guide, distributing 125th Street BID matching shopping bags for merchants and their customers, coordinating advertising campaigns, holding workshops, and initiating district wide promotions and discounts.</p>
Utilization	<p>The BID encompasses a five-block commercial area in Harlem, Manhattan. The 125th Street BID is also home to a thriving shopping community and receives heavy city traffic. Given that business members directly determine the BID's initiatives, its programs are constantly evolving but the vision for creating a vibrant Harlem and 125th Street remains the same. The BID is home to 90 arts organizations of every discipline including the Apollo Theatre, the Cotton Club, Lenox Lounge, National Black Theatre, Showman's Café, Sylvia's, the Studio Museum, and the Hip Hop Cultural Center. The BID recently commissioned a study, "Creating a Cultural Destination". The arts community maintains its own nonprofit service organization, the Harlem Arts Alliance (HAA). HAA is primarily responsible for creating an open forum for organizations in the area as well as marketing and promotions.</p>
Development Scenario	<p>Established in 1993, the 125th Street BID was created to improve the quality of life, contribute to economic development, and allow residents and businesses to benefit. Given its rich history, the 125th Street BID has a special focus on enriching and preserving arts and culture within the community.</p>
Operating Scenario	<p>The BID's annual operating budget is \$618,000, with 100% annual funding requirement. Funding for the BID is provided by property owners, who pay an additional charge with their property tax as assessed by the City of New York. Funds are transferred to the 125th Street BID, the nonprofit entity overseeing the project. Arts organizations with nonprofit status are exempt from the tax.</p> <p>The 125th Street BID is a nonprofit 501(c) 3 corporation as created by members of the community under New York State Law. The budget and services provided are determined by the properties and businesses located in the district. The 125th Street District Management Association (DMA) consists of a volunteer board who determines projects on behalf of the community. Primary funding is obtained from a property tax levy; however, property owning arts organizations and nonprofits are exempt from property tax. A 29-member voluntary board governs the nonprofit organization. There are four categories of directors: Property Owners, Commercial Tenants, Residential, Government Officials, and Community Board Members. Five elected Officers oversee the Board.</p>
Partnerships	<p>Approximately 100 businesses and property owners in the community are responsible for paying the tax. As necessary, the BID also seeks grants and private funding. The BID maintains a membership registration that is free for the community. Membership registration is encouraged for commercial and residential tenants, community representatives, and businesses. Constituent membership is free.</p>

Third Street Promenade & Downtown Santa Monica, Santa Monica, CA

Programming	<p>Cultural programming at the Third Street Promenade & Downtown Santa Monica includes a twice-weekly farmers market and special public and private events. The Third Street Promenade is prominently known as having one of the most dynamic street performer programs in the country. The neighborhood hosts approximately 8 formal events per month, including an Arts Festival, Sri Kanka Day Expo and corporate events. The Bayside District Corporation (BDC) employs a Venue Manager to liaise with the Police Department, performers, renters and the City. Additionally, the BDC coordinates still photo shoots and commercial film photo shoots. BDC also provides festive "Winterlit" decorations and produces ICE at Santa Monica, a winter skating rink that attracts over 70,000 visitors each year.</p> <p>Funded by an assessment district, BDC services include maintenance, an ambassadors program, a neighborhood watch, homeless outreach, branding and marketing. The BDC publishes a monthly newsletter, and recently installed illuminated business directories throughout the district. Special projects, including research and studies on branding, parking, transportation and strategic planning are also included in the BDC's mission. The ambassadors program employs 24 FTE "good will ambassadors" to provide directions, monitor for maintenance and repairs issues, security, information and customer service to visitors. Ambassadors are uniformed and are deployed on foot, bicycle and Segway.</p>
Utilization	<p>The Third Street Promenade is an award winning pedestrian only neighborhood located in Santa Monica, just steps from the beach and Pacific ocean. Entertainment, retail and dining are the primary businesses in the area. The neighborhood is home to theaters, cinemas, 60 stores and 25 restaurants. Many programs, performers, restaurants and retailers operate outdoors, and in-door events are held at the Santa Monica Library Auditorium, the Santa Monica Playhouse, Magicopolis, First Presbyterian Church of Santa Monica, Mi's Westside Comedy Theater, and at bars, restaurants and retail operations.</p>
Development Scenario	<p>The Third Street Promenade was created as one of the nation's first pedestrian malls in 1965. In 1984, the City of Santa Monica's City Council established the Third Street Development Corporation to manage the Promenade. Third Street Development Corporation was later renamed the Baydistrict Development Corporation, which is the public-private management entity responsible for managing the district today. Following a \$13 million bond referendum (1986), a revitalized Third Street Promenade opened in 1989. Using property assessments, the district generates funding to offset the costs of police department services, utilities, marketing programs, operations, maintenance, landscaping and repairs. In fiscal 2008/2009, BDC established a new assessment district that secured additional funding from property owners for the next 20 years. The size of the district was expanded to include additional city blocks in 2009.</p>
Operating Scenario	<p>Third Street Promenade is a section of Downtown Santa Monica, which is managed by the Bayside District Corporation (BDC). A 13-member Board of Directors and a staff of 7 manage BDC. BDC operates under a balanced \$5 million budget, which is funded primarily by property-based assessment districts, film revenue, ice rink admissions and special events revenue.</p>
Partnerships	<p>BDC works closely with a number of organizations, including the farmers market, the Santa Monica Convention & Visitors Bureau, the Chamber of Commerce and the Shop America Alliance (for its Buy Local campaign). BDC liaises with the City to make repairs and select and manage vendors for landscaping, vector control and fountain maintenance. Additionally, BDC works with the City to issue street performer permits to musicians, buskers, dancers and other artists.</p>



125th Street BID, New York, NY



Third Street Promenade & Downtown Santa Monica, Santa Monica, CA

LESSONS LEARNED

- Use of a BID (Business Improvement District) guarantees an annual revenue stream and has an immediate impact on constituents
- Addressing the safety of visitors and residents assures repeat visitors, lower crime, and a healthier neighborhood
- Partnerships and involvement of local businesses, cultural anchors and commercial property owners is key
- Outdoor programming, particularly cultural festivals and arts events can attract visitors to the region, create a sense of a vibrant neighborhood, and enforce the brand of the district as a cultural destination
- A lasting, memorable branding campaign can be generated through the creative design and installation of banners, furniture, and other streetscape elements

1. COMPARABLE PROJECTS

Conclusions

The arts districts and river walks examined above are diverse in composition; entities can be self sufficient, benefit from partnerships between two or more organizations, and function efficiently as a project or program within a larger, presenting organization or agency. Each entity values cultural activity occurring within their district, and supports arts groups and artists through programs, services and presenting events. Additionally, a number of these districts effectively address community issues, promotion, and governance on behalf of their relative constituents. Following are a number of factors that our research indicates are critical to the facilitation of a successful district.

- The use of a business improvement district (BID) guarantees an annual revenue stream and has an immediate impact on constituents. Funds are used for improving infrastructure, safer, cleaner streets, and fostering a welcoming environment for visitors, tourists, and members of the community. The most important emphasis of a BID is its benefit to the entire community and surrounding area. It is of note that many of the districts we examined remain actively involved in the determination of how to spend the funds, either through a management or an advisory role. With this authority, a district can assure that funds are spent properly and in a manner consistent with the consensus of its stakeholders.
- Addressing the safety of visitors and residents assures repeat visitors, lower crime, and a healthier neighborhood. This includes concern for pedestrian safety in addition to crime prevention. A number of the districts we examined enlisted a private security contractor or partnered with another neighborhood organization to provide patrol during the evening and periods of high-activity, six to seven days a week. Well-lit walkways, sidewalks, and pedestrian pathways were a commonly-used but secondary preventative measure.

- In all districts, partnerships and involvement of local businesses, cultural anchors and commercial property owners is key. Comparable districts engage constituents through voluntary membership programs, board of directors' appointments, and advocacy for cultural organizations, joint marketing initiatives, façade improvement programs and more.
- Several of the districts examined procured and maintained a parking lot or garage in the vicinity. This alleviates the shortage or parking in the area, positions the service as an extra benefit for arts patrons, and is a means for generating earned income.
- Outdoor programming, particularly cultural festivals and arts events can attract visitors to the region, create a sense of a vibrant neighborhood, and enforce the brand of the district as a cultural destination. Destination cultural events are frequently produced in partnership with other organizations with an established following, and can provide local businesses with an influx of new visitors and customers.
- A lasting, memorable branding campaign can be generated through the creative design and installation of banners, furniture, and other streetscape elements. Functionality adds to the landscape while reminding visitors and residents of a district's significance. Although some organizations have the resources to administer and fund such a project, it is also appropriate to coordinate with a City Department or Agency to align scheduled infrastructure improvements with the needs and atmosphere of a district.

2. RESPONSIBILITIES

Bringing the Riverwalk Public Realm to Life

Let's now identify how the District comes to life in terms of the programs it supports and all that it takes to operate and sustain.

2.1 Programming Activity

The first element of the District is its programming and how that is managed. There are a series of components to this:

- **Public space programs:** First of all, there is the development and execution of informal programs in the park and other public spaces within the District. This might include tours, street performers, buskers, painting/drawing classes and demonstrations, speakers' corners. Here, someone must book the artists or programs, schedule them into particular places and times, promote the event or program, ensure that the program is delivered, clean up after and settle any fees and charges.
- **Amphitheater programs:** We have imagined a series of programs and events in amphitheaters, some of which would be gated (i.e. a ticket is required to enter). For these programs, artists must be booked and promoted, the event must be managed, cleaned up after and settled.
- **Temporary indoor space programs:** We have also suggested the animation of existing under-used facilities, perhaps for exhibitions, performances or special events. Again, this requires skills in the areas of booking, marketing, event management, clean-up and financial settlements.
- **New indoor space programs:** Our first round of work led to recommendations on the development of new small (200 and 400 seat) performance spaces. These facilities will require a more intense level of management, which includes their programming by the operator, and rent to outside groups. The intention is that these new facilities are developed as a part of a mixed-use development, as and when such projects are moving forward again.

- **Festival programming:** As indicated within the Public Ream Plan, the Riverwalk and all of its facilities provide a tremendous opportunity to develop and promote festivals, whether they are based in program types (e.g. a folkloric dance festival), the calendar (e.g. Cinco de Mayo), specific cultures (e.g. Brazilian Cultural Festival) or events (e.g. New River Canoe Racing). The scale is much greater, but it still boils down to having strong skills and resources in the areas of booking, marketing, event management, clean-up and finance, including sponsorships, fee negotiations and settlements.

- **Food and beverage services:** While technically an operating function, we see the delivery and management of food and beverage services as being fundamental to the animation of the Riverwalk, with the opportunity to support programs described above and also to be a program – a means of cultural expression for all of the diverse ethnic communities in and around Ft. Lauderdale.

- **Maritime programs:** Finally, there are maritime programs such as River tours and canoe races to be promoted and coordinated with private operators.

2.2 Marketing Activity

The second set of skills and resources required to run the District relate to marketing, as follows:

- **District branding:** A person or group must soon work on the development and then maintenance of a brand identity for the District. This is likely to require to employment of outside specialists, but there must still be a “client” for that exercise and the resources to maintain brand identity over time.
- **Web site and materials:** The brand of the District must be clearly identified and advanced with a strong web site and supporting materials that promote programs, facilities and activities to regional residents and visitors.

SUMMARY OF RESPONSIBILITIES

Programming Activity

- Public Space Programs
- Amphitheater Programs
- Temporary indoor space programs
- New Indoor Space Programs
- Festival Programming
- Food and Beverage Services
- Maritime Programs

Marketing Activity

- District Branding
- Web Site Materials
- Event Calendar
- Local and Regional Promotion
- Tourist Promotion
- Cruise Line Marketing
- Event Ticketing
- Manage Customer Database

Communications

- Community Relations
- Promoting Local Businesses
- Measuring Success

Operations

- Public Safety
- Horticulture
- Public Space Cleaning & Upkeep
- Building Cleaning & Maintenance
- Parking Operations
- Traffic Management
- Volunteer Management
- Maritime Operations
- Equipment Maintenance

Finance

- Funding Source
- Member Fees and Dues
- Banking and Accounting

Real Estate

- Temporary Space Management
- Space Rental Agreements
- New Space Development

2. RESPONSIBILITIES

- **Event calendar:** It will be critically important to develop and maintain a calendar for all programs and events occurring in the District, and for programs and events occurring in neighboring buildings such as the Broward Center and Museum of Discovery and Science. This will require calendar software, the time and energy to maintain it through regular communications with programmers and partners, and the ability to keep the calendar available to all interested parties, both online and offline.
- **Local and regional promotion:** Events and programs in the District should be promoted to local and regional audiences with a combination of online and offline advertising, direct and email marketing and other promotional activities. This is a fairly intense and specialized skill-set that requires creative staff, business skills and relationships with the key outlets in the region.
- **Tourist promotion:** Similarly, events and programs should be marketed to visitors. The skills are the same, but the message is slightly different and it requires a different set of relationships, starting with the CVB.
- **Cruise line marketing:** This is a sub-set of the promotion of the District to visitors, but we see this group as being unique and requiring a much-more focused marketing effort, starting with building relationships with the cruise lines, developing and packaging programs that might be of interests to cruise ship passengers and then working closely with those partners to constantly evaluate and evolve those programs depending on the needs and interests or particular groups.
- **Event Ticketing:** Event ticketing is critical for a range of events in outdoor, temporary indoor and additional new facilities in order to manage access to drive revenues. The world of event ticketing is changing rapidly, with sophisticated systems and services now available to facilities, producers and presenters. The process of selecting a ticketing system is complicated, the expense is significant, and there are extensive training and maintenance

requirements.

- **Manage customer database:** Finally, we would stress the importance of collecting information on those who attend and participate in District programs as the basis for more focused and effective marketing programs, from email blasts to direct mail promotions.

2.3 Communications

Related but distinct from the marketing effort is the need to build and maintain an effective communications program, including the following elements:

- **Community relations:** The district must undertake an ongoing program to stay in touch with the community around the district, advising of coming events and programs, staying in touch with community issues and responding to criticisms and other comments about the operation of the District.
- **Promoting local businesses:** A related challenge will be to stay in touch with businesses in and around the District, providing promotional support to those enterprises relative to district programs and related activities.
- **Measuring success:** Finally, we would stress the importance of measuring and communicating the success of the District over time to key constituencies, including the City, civic and business leaders. This should include periodic measurements of economic impacts.

2.4 Operations

Now we consider the nuts and bolts of basic operating functions to maintain the District:

- **Public safety:** Success in the district depends on a strong focus on public safety. In our minds, this means a high level of police (or special event security staff) presence to support larger

2. RESPONSIBILITIES

events and programs, but also to build a strong perception of the District as a safe place for people at all times of day and night.

- **Cleaning and upkeep:** Parks, sidewalks and other public areas must be maintained. This will be most intense during and after larger events, but again it is critically important to build a reputation for the District as being clean and well-maintained, all the time.
- **Horticulture:** Vegetation, trees and gardens are to be a significant part of the attraction and experience of the District. Support is needed to design, plan, plant, prune, water and move pieces, as well as promote the larger elements of the landscape design as an integral part of the District.
- **Building cleaning and maintenance:** Existing, temporary and new facilities must be clean and maintained over time, most importantly in relation to programs and events.
- **Parking operations:** It is very important that there be good parking that is safe, close and affordable for large events and just for non-event based visitations. Parking operators must anticipate and staff operations for peak requirements, consider discounts and packages built around programs and also consider a valet parking option for certain events.
- **Traffic management:** Larger events will require traffic control to move cars and people in and out of the area, working closely with City police.
- **Volunteer management:** There is an opportunity to build a significant volunteer base to support operations of the District, with individuals providing additional event staff, leading tours of the District and acting as guides and ambassadors for the community. We believe strongly that volunteers must be well-trained, closely-monitored and properly evaluated. As with other BID's, we would advocate for uniforms for both on-site staff and volunteers to

enhance its image as a safe and professionally-managed area.

- **Maritime operations:** There is the planned operation of ferries, plus the building and maintenance of docks along the River.
- **Equipment maintenance:** Finally, specialized equipment for performances (sound and lighting) and more basic equipment such as displays, tables, chairs and more, must be maintained and stored in close proximity.

2.5 Finance

There is a set of roles and responsibilities relative to the financial management of the District, including:

- **Funding source:** The key financial question is who or what organization is able to give or get the funds necessary to sustain the District and its programs. As we will discuss later, we would advocate for multiple funding sources from both the public and private sectors, reflecting the benefits of the District to regional audiences and artists, local businesses, and taxpayers. So the skill-set likely includes to ability to design and execute ongoing funding campaigns.
- **Member fees and dues:** This is really a sub-set of the Funding task above, but we would want to stress the importance of having someone able to organize and maintain a membership program for businesses and individuals that provides significant ongoing funding for the operation of the District.
- **Banking and accounting:** There will be the need to maintain bank accounts and also manage the income and outflow of funding through a set of accounts to sustain the District.

2. RESPONSIBILITIES

2.6 Real Estate

Finally, there is a set of duties related to the development and management of the real estate in the District

- Temporary space management: We have recommended that existing under-used spaces be inhabited and programmed as arts spaces. This will then require a person or group that is able to match up spaces with needs, negotiate deals and manage the use of the space for that use.
- Space rental arrangements: For all indoor and outdoor programmable spaces, a person or group must take responsibility of soliciting bookings, negotiating deals, collecting rent and managing the relationship.
- New space development: Finally, we as we have recommended the development of new cultural facilities, an individual or group must take on the job of leading the planning, design, construction and then operation of new spaces. In the operating phase, key skill-sets include the programming of spaces with a combination of rentals, programs, presented and produced events, their physical maintenance, financial operations and then ongoing fundraising to sustain operations.

3. BUILDING AN OPERATING ORGANIZATION

The descriptions in the above chapter make it clear that the organization or organizations needed to run the project must be skilled and experienced in many areas. The good news is that there are already a series of groups in place that could take on some of these tasks. They include:

The **City of Fort Lauderdale** itself is involved in many of the functions and roles described above, from the maintenance of parks and delivery of programs through Parks and Recreation and assurance of public safety of the police to the promotion of Fort Lauderdale by Economic Development and management of property development by the Planning Department. The challenge for the City relative to the District is that it is a large and complicated bureaucracy not easily navigated by those seeking to program the District or further develop its resources.

The **Riverwalk Trust** is a 501c3 nonprofit corporation with a mission to build and nurture the Riverwalk and downtown Fort Lauderdale as a vibrant community connected by the New River. They are engaged in advocacy, communications, programming the Riverwalk and fundraising to support these activities. They publish a successful magazine that promotes the District and its events to local and regional residents. With a new Executive Director on board, the Trust is pursuing design guidelines, funding for capital improvements and regular programming, all designed to make a place that people from and visiting the region want to be.

The **Broward Center for the Performing Arts** is a successful performing arts venue that has played a significant role in cultural, economic and community development in Fort Lauderdale and Broward County. They are skilled and sophisticated programmers and managers of facilities, and also marketers of cultural programming. They raise money and run various customer service programs, as well as ticketing systems and food and beverage services. And most importantly, their base of operations is essentially an anchor at one end of the Riverwalk District.

Downtown Development Authority is a taxing district set up by the City of Fort Lauderdale that collects money from commercial property owners within a defined geographic area that includes all of the Riverwalk Public Realm District and then spends those funds on programs, marketing and public space improvements. They are governed by a 7-member board appointed by City Council.

The **Museum of Discovery and Science**, another major cultural organization within the District, is a successful exhibitor, programmer, facility manager and event producer, able and interested in providing additional services in the area.

Finally, we have the **Riverwalk A&E Consortium**, which is a marketing organization established as a consortium of five organizations receiving Tourism Development Tax from Broward County. The conception of the group was based on the idea that greater value might be received by pooling these funds, matching them with an additional annual investment and spending those funds in a strategic fashion to promote the District to regional residents and tourists. The Broward Center also pays for a staff person to run the program on behalf of the consortium and provides office space and administrative support. Programs include monthly e-blasts, in-room magazines, out-of-market advertising and a web site.

What is apparent from these brief descriptions is that each of these groups has some particular skills that might be brought to bear on the operation of the District, but that no group has all of the skills and experience necessary to do it all. Here is a chart that attempts to show what might be done to run the District by each of the partners we've identified. Our approach has been to note tasks that are currently performed by these groups or could be performed given relevant skills and experience there already.

In some cases, there is more than one organization able to provide the necessary skills and services. But we are encouraged by the fact that there is at least one organization or department able to

3. BUILDING AN OPERATING ORGANIZATION

take on the tasks needed to program, operate the sustain the District. But we should be clear that the level of service required to program and maintain the District will be higher than other public or private facilities. It is to be an intensively programmed area that shows off the best of the community to the world. It must be absolutely safe, absolutely clean, and absolutely unique.



Responsibility	Role	City Parks	Eco. Develop	City Parking	City Police	Riverwalk Trust	Broward Center	MODS	DDA	Riverwalk A&E
Programming	Public space programs	◆				◆	◆	◆		
	Amphitheater programs					◆	◆			
	Temporary indoor space programs	◆				◆	◆	◆		
	New space programs	◆					◆	◆		
	Festival production	◆				◆	◆	◆		
	Maritime programs	◆								
	Food & beverage						◆	◆		
Marketing	District branding									◆
	Web site/materials	◆				◆	◆	◆		◆
	Event calendar					◆				◆
	Local and regional promotion					◆	◆	◆		◆
	Tourist promotion									◆
	Cruise line promotion									◆
	Event ticketing						◆	◆		
Operations	Manage customer database						◆	◆		◆
	Public safety				◆					
	Park cleaning	◆								
	Horticulture	◆				◆				
	Building cleaning	◆								
	Building maintenance	◆								
	Parking operations			◆						
Communications	Traffic management				◆					
	Volunteer management					◆	◆	◆		
	Maritime operations	◆								
	Equipment maintenance						◆	◆		
	Measuring success						◆	◆	◆	
	Promote local businesses		◆						◆	◆
	Community relations		◆			◆			◆	
Finance	Funding source					◆			◆	
	Member dues collection					◆			◆	
	Banking & Accounting					◆	◆	◆	◆	◆
Real Estate	Temporary space management						◆	◆		
	Space rental arrangements						◆			
	New space development						◆			
							◆			

4. RECOMMENDED ROLES AND RESPONSIBILITIES

Given the above, we would make the following recommendations:

1. Fundamentally, the City should be in charge. They own the public spaces and control departments that provide important services to the District. And they are the largest beneficiaries of an active and branded District. Therefore, we would recommend the creation of a new position, “Riverwalk Coordinator,” reporting to the City Manager that facilitates and manages the delivery of City services to the Riverwalk and then manages a series of outside contractual relationships with other organizations and their delivery of programs and services. The skills and experience of the Riverwalk Coordinator are critical. The job requires significant talent and past success in areas such as programming, marketing, fundraising, operations and all of the effort of negotiating and delivering services working with internal City departments and outside contractors.

2. The City should establish a “Board of Partners” representing key partners who provide contractual services to help carry out the services/programs for the district and advise the City Manager and Commission.

3. The City should undertake a series of outside contractual relationships with other organizations for the delivery of programs and services. Potential contractual relationships could include:

- The Riverwalk Trust should be contracted by the City to provide programming services (focusing on community and educational programs), horticultural services and private sector fundraising that supports what they do and funds a higher level of City services to the District.

- The Broward Center for the Performing Arts should be contracted to provide cultural programming, the marketing of specific events and the management of physical spaces, particularly those closest to the Broward Center. They might also be contracted to manage the short-term rental of temporary spaces.

- The Museum of Discovery and Science could also be contracted to run events, lead educational programs and potentially manage temporary spaces for exhibits and other events close to their mission.

- The Riverwalk A&E District should be expanded to lead the development and execution of marketing programs to bring regional residents and tourists to the District on the basis of programs and amenities. This should include the development and maintenance of a more comprehensive Website and ongoing marketing services, with a more aggressive push towards cruise line passengers coming through Fort Lauderdale.

- The DDA should be charged with managing and expanding funding sources for the District, starting with membership dues and fees to businesses located in and around the District, essentially operating a BID within the downtown area. They should also play a key role in running periodic economic impact studies in order to measure and monitor the impacts of the District relative to City and partner goals. As regards the formation of a BID, one option would be to expand the Himmarshee BID now under consideration to include the entire Riverwalk District.

4. The City should issue Requests for Service Proposals from local and regional service providers in such areas as food service and ticketing. These services could be provided by some of the groups described above, but it might be advantageous to open up options to other service providers. That same approach might also be appropriate for the management of temporary spaces. Fundamentally, the approach should be that inside departments and outside groups compete for the opportunity to provide services to the District with an open and inclusive RFP process.

5. The City should establish a “Riverwalk District Advisory Group” made up of district stakeholders such as retailers, developers, cultural partners, educators, residents, etc., who advise the Riverwalk Coordinator.



Here is an organizational chart that describes these relationships, showing the option of an internal staff. The Board of Partners is made up of representatives of key constituencies such as retailers, developers, cultural partners and educators, those groups having an advisory role to the City Manager. The Riverwalk Coordinator then is focused on the management of contractual relationships with external partners (e.g. the Riverwalk Trust and MODS), the ongoing support of the Riverwalk by internal departments (e.g. Parks and Rec.), the management of a small and dedicated staff, and finally a second advisory group made up of representatives of cultural organizations in and around the District who might have a role in its programming.

5. PRO-FORMA OPERATING BUDGET

We have developed and attached a preliminary pro-forma operating budget for the fully developed District. The budget is contained in three spreadsheets; one to describe activity in the District, the second to estimate activity and financial performance for our two new recommended performance spaces for its operator and then a third spreadsheet to quantify resulting revenues and expenses for the District. The pro-forma should be considered a “live” model, one that can be adjusted based on changing circumstances and assumptions. It is fundamentally a tool to help prepare for the operation of the District.

The first spreadsheet suggests that the Riverwalk comes to life with a variety of programs, including informal performances and events in the area, larger events (like festivals) that take up the entire District, and then programs in outdoor facilities, temporary facilities and new indoor facilities. We also show the combination of events produced by the District (such as education programs), presented events (such as touring performers in the parks), short-term rentals (for example a local arts organization renting a temporary exhibit space for the day) and long term rentals (most likely the way an operator is put in place for new cultural facilities.) We have projected a conservative level of activity in all of these programmable spaces in order to keep financial expectations reasonable, but at the same time we would stress the point that bringing a high and consistent level of activity to the Riverwalk District should be the first priority of those leading the project.

The second spreadsheet details activities, revenues and expenses associated with the development and operation of two new performance spaces in the District. We have approached these differently than the other programmable spaces in the District because of the cost and complexity of their operation. Our approach is to show the entire budget for the organization charged as operator of the spaces and then determine how that is managed financially as a part of the District. Essentially, we see the two spaces as having a break-even budget with the operator being paid a \$150,000 management fee and an additional \$200,000 operating subsidy.

For the overall District budget (a summary of which is shown to the right), we first estimate earned revenues coming directly from the activity spreadsheet. Then we add some additional income from a valet parking service and memberships fees, the funding that comes from commercial and cultural organizations inside and near the District. The scaling of fees is a critical issue. We would propose mandatory fees for cultural and commercial organizations inside the boundary of the District, then optional fees for cultural and commercial groups outside the boundary. There is also some fee income from vendors and advertisers active in the District.

Raising contributed income each year to sustain the expanding operations of the District will be a significant challenge. We start with special event proceeds, presuming one fundraiser a year. Then we suggest the re-directing of some Tourism tax proceeds to support District marketing. The third funding source is direct fundraising to support educational programs, then additional government funding. We have added a small amount from regional foundations recognizing the value of the District. Then there is the provision of funds and/or services from government, a reasonable option given the value and impact of the District on the City and County. Finally there is additional fundraising, money raised most likely from individuals wishing to directly support the District.

Given the approach of contracting to City Departments and other outside groups to animate and operate the District, staffing requirements are minimal. But an Executive Director and an Administrative Assistant are critically important to mobilize City resources in support of the District and manage relationships with all of these outside groups.

There are direct program costs and fees to service providers in such areas as marketing and fundraising. Finally there are direct operating costs to cover the administration, marketing efforts and fundraising costs to bring the District to life. The marketing budget is substantial, recognizing the importance of attracting regional residents and visitors to the District and its programs.

5. PRO-FORMA OPERATING BUDGET

Riverwalk District Budget Summary	
EARNED INCOME	
Riverwalk Tours	\$25,000
Festival Receipts	\$400,000
Presented Event Ticket Sales	\$19,430
Education Program Fees	\$70,000
Daily Space Rentals	\$202,500
Catered Event Income	\$137,690
Valet Parking Income	\$4,500
Vending Fees	\$25,000
Advertising Income	\$50,000
Membership Fees	\$156,250
Total	\$1,090,370
CONTRIBUTED INCOME	
Special event proceeds	\$150,000
Tourism tax proceeds	\$300,000
Educational program Grants	\$75,000
Other government grants	\$75,000
Foundation income	\$75,000
Government funding/services	\$300,000
Other fundraising	\$50,000
Total	\$1,025,000
Total Income	\$2,115,370
OPERATING EXPENSES	
Full-time Staff	\$195,000
Part-time Staff	\$86,250
Contract Staff	\$450,656
Direct Program Costs	\$147,063
Service Providers	\$500,000
<i>Operations</i>	\$295,000
<i>Administration</i>	\$51,500
<i>Marketing</i>	\$290,000
<i>Fundraising</i>	\$90,000
Total Expenses	\$2,105,469
Result of Operations	\$9,901

Overall, the district is able to cover half of its operating budget through earned income, including the significant membership fees of commercial and nonprofit organizations in the area.

This budget summary is expanded in the pages that follow.

5. PRO-FORMA OPERATING BUDGET

Activity Summary	(Base Year)	Non-Site Specific	All-District Events	Temporary Space #1	Temporary Space #2	Outdoor Performance Space #1	Outdoor Performance Space #2	New indoor Space #1	New indoor Space #2	Totals	Category
Capacities			5,000	200	100	600	400	200	400		
Buskers											
	# of Hours Contracted	1800									
	Hourly Rate Paid	\$20									
	Labor Costs	\$36,000								\$36,000	Labor Costs
	Other Direct Costs	\$9,000								\$9,000	Other Direct Costs
	Total Direct Costs	\$45,000									
Riverwalk Tours											
	# of Annual Events	100									
	Average Attendance	25									
	Average Ticket Price	\$10									
	Total Gross Revenue	\$25,000								\$25,000	Total Gross Revenue
	Labor Costs	\$5,000								\$5,000	Labor Costs
	Other Direct Costs	\$2,500								\$2,500	Other Direct Costs
	Total Direct Costs	\$7,500									
	Net Revenue	\$17,500									
Festivals											
	# of Annual Events		2								
	Average Attendance		20,000								
	Average Ticket Price		\$10								
	Total Gross Revenue		\$400,000							\$400,000	Total Gross Revenue
	Artist Fees		\$150,000							\$150,000	Artist Fees
	Labor Costs		\$100,000							\$100,000	Labor Costs
	Other Direct Costs		\$75,000							\$75,000	Other Direct Costs
	Total Direct Costs		\$325,000								
	Net Revenue		\$75,000								
Presented Events											
	# of Annual Events			3	3	6	10	15	20		
	Average Attendance			134	67	402	268	134	268		
	Average Ticket Price			\$20	\$20	\$0	\$10	\$20	\$20		
	Total Gross Revenue			\$8,040	\$4,020	\$0	\$26,800	\$40,200	\$107,200		
	Share to Partner			50%	50%	50%	50%	100%	100%		
	Riverwalk Revenue Share			\$4,020	\$2,010	\$0	\$13,400	\$0	\$0	\$19,430	Riverwalk Revenue Share
	Artist Fees					\$5,000				\$5,000	Artist Fees
	Labor Costs			\$2,000	\$1,500	\$2,500	\$7,500			\$13,500	Labor Costs
	Other Direct Costs			\$1,000	\$500	\$500	\$2,500			\$4,500	Other Direct Costs
	Total Direct Costs			\$3,000	\$2,000	\$8,000	\$10,000				
	Net Revenue			\$1,020	\$10	-\$8,000	\$3,400				
Education Programs											
	Annual Program Hours	200		400			600	200	400		
	Average Students/Hour	10		20			30	30	30		
	Average Fee	\$5.00		\$5.00			\$5.00	\$5.00	\$5.00		
	Total Gross Revenue	\$10,000		\$40,000			\$90,000	\$30,000	\$60,000		
	Share to Partner	50%		50%			50%	0%	0%		
	Riverwalk Revenue Share	\$5,000		\$20,000			\$45,000	\$0	\$0	\$70,000	Riverwalk Revenue Share
	Labor Costs	\$2,500		\$10,000			\$30,000			\$42,500	Labor Costs
	Other Direct Costs	\$625		\$2,500			\$7,500			\$10,625	Other Direct Costs
	Total Direct Costs	\$3,125		\$12,500			\$37,500				
	Net Revenue	\$1,875		\$7,500			\$7,500				
Daily Space Rentals											
	Annual Days of Rent			150	150	100	75	150	150		
	Average Rental Rate			\$600	\$300	\$1,800	\$1,200	\$600	\$1,200		
	Rental Income			\$90,000	\$45,000	\$180,000	\$90,000	\$90,000	\$180,000		
	Share to Partner			50%	50%	50%	50%	100%	100%		
	Riverwalk Revenue Share			\$45,000	\$22,500	\$90,000	\$45,000	\$0	\$0	\$202,500	Riverwalk Rental Income
Catered Events											
	Annual Number of Events			10	10		2	10	10		
	Average Rental Rate			\$800	\$400		\$1,600	\$800	\$1,600		
	Base Rental Fee			\$8,000	\$4,000		\$3,200	\$8,000	\$16,000		
	# Attendees			134	67		268	134	268		
	F&B Gross/Attendee			\$15	\$15		\$15	\$15	\$15		
	F&B Income			\$20,100	\$10,050		\$8,040	\$20,100	\$40,200		
	Total Event Income			\$28,100	\$14,050		\$11,240	\$28,100	\$56,200	\$137,690	Total Event Income
	Labor Costs			\$9,273	\$4,637		\$3,709	\$9,273	\$18,546	\$45,438	Labor Costs
	Other Direct Costs			\$9,273	\$4,637		\$3,709	\$9,273	\$18,546	\$45,438	Other Direct Costs
	Total Direct Costs			\$18,546	\$9,273		\$7,418	\$18,546	\$37,092		
	Net Revenue			\$9,554	\$4,777		\$3,822	\$9,554	\$19,108		

5. PRO-FORMA OPERATING BUDGET

New Indoor Theater Pro-forma	New indoor Space #1	New indoor Space #2	Totals
Capacities	200	400	
Presented Events			
# of Annual Events	15	20	
Average Attendance	134	268	
Average Ticket Price	\$20	\$20	
Total Gross Revenue	\$40,200	\$107,200	
Share to Operator	100%	100%	
Operator Gross Revenue	\$40,200	\$107,200	
Artist Fees	\$30,000	\$60,000	
Marketing Costs	\$10,000	\$20,000	
Other Direct Costs	\$1,000	\$5,000	
Total Direct Costs	\$41,000	\$85,000	
Net Revenue	-\$800	\$22,200	\$21,400
Education Programs			
Annual Program Hours	200	400	
Average Students/Hour	30	30	
Average Fee	\$4.00	\$4.00	
Total Gross Revenue	\$24,000	\$48,000	
Share to Operator	100%	100%	
Operator Gross Revenue	\$24,000	\$48,000	
Labor Costs	\$15,000	\$30,000	
Other Direct Costs	\$7,500	\$15,000	
Total Direct Costs	\$22,500	\$45,000	
Net Revenue	\$1,500	\$3,000	\$4,500
Daily Space Rentals			
Rental Performances	100	100	
Average Attendance	134	268	
Annual Days of Rent	150	125	
Average Rental Rate	\$300	\$600	
Rental Income	\$45,000	\$75,000	
Additional User Fees	\$45,000	\$75,000	
Operator Gross Revenue	\$90,000	\$150,000	\$240,000
Catered Events			
Annual Number of Events	10	10	
Average Rental Rate	\$800	\$1,600	
Base Rental Fee	\$8,000	\$16,000	
# Attendees	134	268	
F&B Gross/Attendee	\$35	\$35	
F&B Income	\$46,900	\$93,800	
Total Event Income	\$54,900	\$109,800	
Labor Costs	\$18,117	\$36,234	
Other Direct Costs	\$18,117	\$36,234	
Total Direct Costs	\$36,234	\$72,468	
Net Revenue	\$18,666	\$37,332	\$55,998
Concessions Income			
Presenting Attendance	2,010	5,360	
Rental Attendance	13,400	26,800	
Total Attendance	15,410	32,160	
Net F&B Income/Capita	\$1.00	\$1.00	
Net F&B Income	\$15,410	\$32,160	\$47,570
Ticketing Fees			
Total Ticket Buyers	15,410	32,160	

New Indoor Theater Pro-forma	New indoor Space #1	New indoor Space #2	Totals
Service Fees/Ticket Sold	\$3.00	\$3.00	
Service Fees	\$46,230	\$96,480	\$142,710
Facility Mgmt Fee/Ticket	\$1.50	\$1.50	
Facility Management Fees	\$23,115	\$48,240	\$71,355
Facility Management Fee			\$150,000
Operating Subsidy			\$200,000
Total New Revenue to Facility Manager			\$933,533
Direct Costs			
Full-time Staff			
Facility Manager		\$60,000	
Technical Director		\$50,000	
Asst. TD/Electrician		\$45,000	
Admin Assistant		\$35,000	
Sub-total		\$190,000	
Benefits at 30%		\$57,000	\$247,000
Shared Staff			
Technical staff		\$30,000	
Ticketing Staff		\$20,000	
House Staff		\$10,000	
Cleaning Staff		\$10,000	
IT Staff		\$10,000	
Sub-total		\$80,000	
Benefits at 15%		\$12,000	\$92,000
Administration			\$50,000
Ticketing Operations			
Cost/Ticket Sold		\$0.7	
Total Tickets Sold		47,570	\$30,921
Ticket Costs			
Marketing Support			\$50,000
Occupancy Costs			
Core Occupancy Costs/sf		\$6.00	
Total GSF		75,000	
Core Occupancy Costs			\$450,000
Total Operating Costs			\$919,921
Result of Operations			\$13,613

5. PRO-FORMA OPERATING BUDGET

Riverwalk Operating Organization Pro-forma Operating Budget		
INCOME		
Earned Income		
Riverwalk Tours	25,000	
Festival Receipts	400,000	
Presented Event Ticket Sales	19,430	
Education Program Fees	70,000	
Daily Space Rentals	202,500	
Catered Event Income	137,690	
Valet Parking Income	4,500	
Vending Fees	25,000	
Advertising Income	50,000	
Membership Fees	156,250	
Total		1,090,370
Contributed Income		
Special event proceeds	150,000	
Tourism tax proceeds	300,000	
Educational program Grants	75,000	
Other government grants	75,000	
Foundation income	75,000	
Government funding/services	300,000	
Other fundraising	50,000	
Total		1,025,000
Total Income		2,115,370
OPERATING EXPENSES		
Full-time Staff		
Executive Director	110,000	
Administrative Assistant	40,000	
Sub-total	150,000	
Benefits	45,000	
Total		195,000
Part-time Staff		
Event Services Manager	40,000	
Grantwriter	35,000	
Sub-total	75,000	
Benefits	11,250	
Total		86,250
Contract Staff		
Buskers	36,000	
Riverwalk Tour Staff	15,000	
Festival Artist Fees	150,000	
Festival Staff	100,000	
Presented Event Artist Fees	5,000	
Presented Event Labor Costs	13,500	
Education Program Staff	42,500	
Catered Event Staff	45,438	
Valet Parking Staff	2,250	
Sub-total	409,688	
Benefits	40,969	
Total		450,656
Direct Program Costs		
Buskers	9,000	
Riverwalk Touring	2,500	
Festivals	75,000	
Presented Events	4,500	
Education Programs	10,625	
Catered Events	45,438	
Total		147,063
Service Providers		
Marketing Services	50,000	
Programming Services	50,000	
Security Services	50,000	
New Theaters Management Fee	150,000	
New Theaters Operating Subsidy	200,000	

Riverwalk Operating Organization Pro-forma Operating Budget		
		500,000
Operations		
Public Space Cleaning and Maintenance	100,000	
Facility Cleaning and Maintenance	100,000	
Equipment Maintenance	25,000	
Security operations	15,000	
Communications software and systems	25,000	
Horticulture	25,000	
Miscellaneous	5,000	
Total		295,000
Administration		
Office Rent	15,000	
Other services	5,000	
Supplies	5,000	
Telecommunications	2,500	
Postage and Shipping	1,500	
Insurance	5,000	
Travel, Hotel and Transportation	5,000	
Entertainment	5,000	
Conferences and Meetings	5,000	
Miscellaneous	2,500	
Total		51,500
Marketing		
Online marketing programs	75,000	
Database operations	15,000	
Web maintenance	15,000	
Direct mail	50,000	
Printing and photography	25,000	
Public relations	25,000	
Advertising	75,000	
Miscellaneous	10,000	
Total		290,000
Fundraising		
Special Events	75,000	
Membership and Annual Fund	10,000	
Sponsorship expenses	5,000	
Total		90,000
Total Expenses		2,105,469
Result of Operations		9,901
RATIOS AND FORMULAS		
% of Budget Covered by Earned Income		52%
Valet Parking Revenue		
Annual Number of Users	300.00	
Average Price of Valet Surcharge	\$15	
Average Membership Fees		
In-District cultural	\$2,500	
In-District commercial	\$5,000	
Neighboring cultural	\$1,250	
Neighboring commercial	\$2,500	
Number of Members		
In-District cultural	10	
In-District commercial	20	
Neighboring cultural	5	
Neighboring commercial	10	
Benefit Levels		
Full-time	30%	
Part-time	15%	
Contract	10%	

6. NEXT STEPS

This work, in combination with the physical plans already presented, completes the picture as to the feasibility and sustainability of the Riverwalk District. Now the challenge is to build support for the plan within the City and to key outside partners. Once the City and partners are moving in the same direction (which is the key next step), we would suggest that additional work be undertaken, as follows:

- **Positioning strategy:** Working with the Trust and other project partners, and based on the experience of other districts, develop a positioning strategy for the Riverwalk Public Realm/A&E District that will provide the basis for its inclusion in the overall marketing of Fort Lauderdale as an international tourist destination.
- **Community relations plan and implementation:** There is much work to be done to gain support for the further development of the Riverwalk Public Realm from those living in or close to the area. They are not taxed as part of the DDA and are generally represented by condo associations more likely to see the downside of a busier area as opposed to all of the benefits. We would thus encourage a pro-active and methodical effort to reach out to these groups to build support for the plan and lay the groundwork for future fundraising.
- **Direct and quantitative economic impacts:** Forecast the economic impact of recommended programs and facilities, including the impacts of construction, operation and ancillary spending associated with attendance at facilities and district events. Use the RIMS II input-output model to estimate the direct and indirect impacts of the project on the market area, including outputs, increased earnings and employment.
- **Spin-off and qualitative impacts:** Using information on comparable projects, the economic impacts estimated above and attendance figures, analyze the impact of the project on the City of Fort Lauderdale in terms of spurring new business and real estate investment. Direct spin-offs will focus on potential spending by arts patrons at downtown businesses. Indirect spin-off will come from the bolstering of the image and profile of the downtown as a whole. Analyze synergies between recommended facilities and programs and other plans and projects proposed for downtown. Document the positive impacts of an animated Riverwalk Public Realm/A&E District on community character and quality of life.
- **Critical path plan:** Create a critical path plan that identifies key milestones and deadlines towards the execution of the business plan. Also show how the governance and operating organization(s) develop and evolve over time as the needs of the Riverwalk Public Realm/A&E District shift from planning and design to fundraising and operations.
- **Funding plan:** Finally, we would advocate for additional work on the development of a funding plan for program and operate the District, with additional input from the City, the DDA and key beneficiaries of the District on the sources of funding and the appropriate split between public and private sector support over time. The real challenge here is to use existing organizations like the DDA to develop and manage a distinct funding source for the District that will be supported by those who will be asked to pay for (and benefit from) the animated Riverwalk Public Realm.