

City of El Paso, Texas

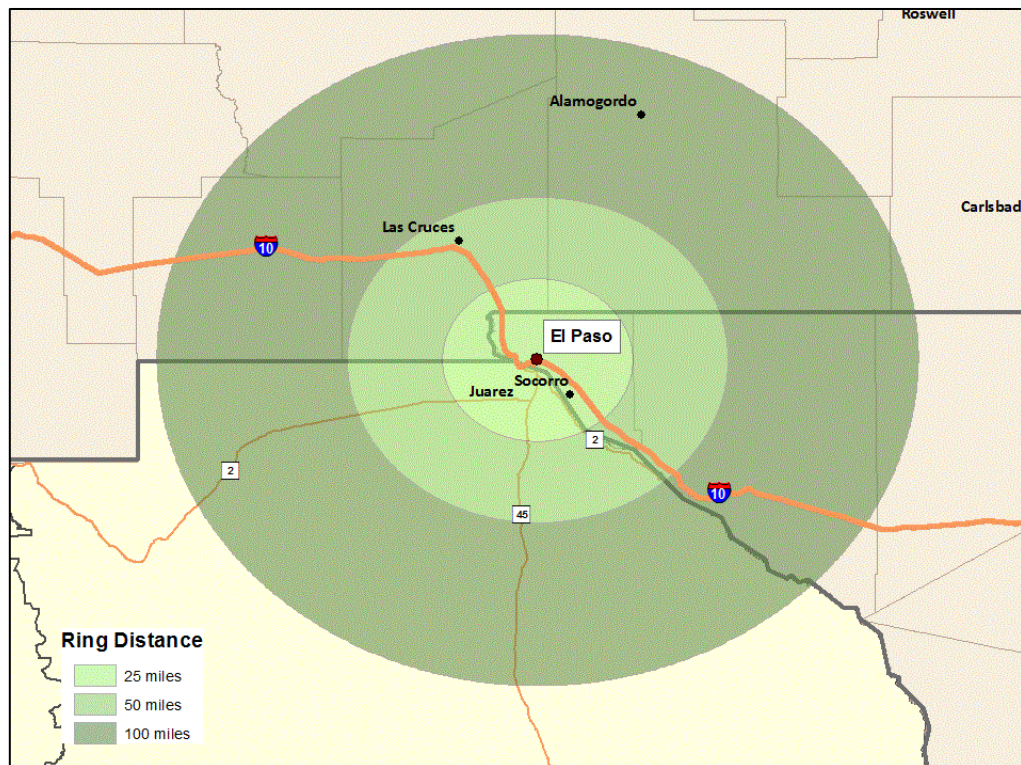
The historic ease of travel between El Paso and Juarez led to the region's unique development as a gateway between the two countries. With consistent growth over the past decade, the City of El Paso's current population is 620,447 residents. The City of El Paso has capitalized on this distinct cross-border heritage in its cultural arts and entertainment offerings. As the second safest large city in the nation, the community has successfully positioned itself to appeal to many different audiences by emphasizing its Latino and Western background. Local residents, domestic tourists, and Mexican nationals visit the area's numerous entertainment venues, museums, and performing arts events. Downtown El Paso has now become the focal point for these efforts.

El Paso's approach to the arts focuses on: 1) enhancing the current cultural arts sector, 2) improving downtown's competitiveness, 3) expanding educational programs for local youth, and 4) attracting tourists to the city's many performing arts venues.

Key Findings & Lessons Learned from El Paso

- The economic impact of El Paso's cultural arts sector should not be underestimated. According to a 2010 Americans for the Arts Impact Study, the arts and culture sector generates \$91.5 million in local economic activity, supports over 2,500 jobs, and provides nearly \$10.0 million in local and state tax revenue.
- The arts have been a significant catalyst for the redevelopment of downtown El Paso. Guided by an overarching downtown master plan, the City is attracting unique residential and commercial developments while fostering a productive and energetic economy.
- Arts education in El Paso extends beyond the classroom. Creative Kids, a local community-based arts education organization, promotes the power of the arts as an important tool for success and development. In 2008, the National Endowment for the Arts (NEA) identified Project AIM, a program that works with pediatric oncology patients at the Providence Memorial Hospital, as a best practice for the use of the arts in healthcare settings.
- Leveraging the federally funded Chamizal National Memorial, the City of El Paso's Museums and Cultural Affairs Department sponsors a number of cultural and artistic events at the park. Now in its 26th season, the Music Under the Stars music series attracts more than 120,000 attendees per year and is the largest free outdoor music festival in the Southwest.

Figure 7: El Paso Region



Source: TXP, Inc.

Economic Impact of El Paso's Cultural Arts Sector

In 2008, the City of El Paso collaborated with Americans for the Arts on a study to quantify the economic impact of the local cultural arts sector.¹⁰ The Americans for the Arts Study found that the importance of arts and cultural organizations went far beyond their role as entertainment providers and community assets. These organizations are active members of the business community in their own right. In addition to buying tickets to the symphony or ballet, their audiences purchase additional goods and services at local businesses such as restaurants, hotels, bars, and retail stores before and after attending events. In measuring the direct and indirect impact of the creative arts on the El Paso economy, the study collected expenditure and attendance data from 65 cultural arts organization in El Paso and surveyed nearly 1,000 arts patrons. This study estimated that in 2007 the arts and culture sector generated \$91.5 million in local economic activity, supported over 2,500 jobs, and provided nearly \$10.0 million in local and state tax revenue.

The survey results indicated that 17.2 percent of all arts patrons are nonlocals. This is an important finding because nonlocal attendees spend 195 percent more per event than local

¹⁰ Americans for the Arts, *The Economic Impact of Arts and Culture in El Paso, TX*, 2008. http://www.ci.el-paso.tx.us/mcad/_documents/ArtsEco.pdf.

attendees. El Paso cultural arts organizations and events attract over 325,000 nonlocal attendees per year.

Table 8: Economic Impact of the Cultural Arts in El Paso

	Arts & Culture Organizations	Audience Spending	Total Impact
Total Expenditures	\$44,126,595	\$47,388,092	\$91,514,687
Full-Time Equivalent Jobs	1,369	1,163	2,532
Resident Household Income	\$23,494,000	\$26,013,000	\$49,507,000
Local Government Revenue	\$1,456,000	\$3,037,000	\$4,493,000
State Government Revenue	\$1,173,000	\$3,971,000	\$5,144,000

Source: Americans for the Arts. *The Economic Impact of Arts and Culture in El Paso, TX. 2008*

Table 9: Event-Related Spending by Attendees

	Resident	Non-Resident	Total
Total Attendance	1,590,087	327,992	1,918,079
Percent of Attendance	82.9%	17.1%	100.0%
Average Dollars Spent Per Attendee	\$18.50	\$54.64	N/A
Total Event-Related Spending	\$29,416,610	\$17,921,483	\$47,338,092

Source: Americans for the Arts. *The Economic Impact of Arts and Culture in El Paso, TX. 2008*

Plaza Theater Performing Arts Center and Downtown Redevelopment

Like many communities across the country, El Paso’s downtown struggled to adjust to the growth of the suburban housing market. As commercial tenants left the city center, vacancy rates began to rise and it was difficult to attract new businesses. Despite the movement to the suburbs, local leaders designed a long-term strategy to lure El Pasoans back to downtown. The city’s strengths are the focus of downtown redevelopment – arts, culture, and cross-border activity. El Paso is home to a number of historic buildings including many designed by well-known architect Henry C. Trost. In addition, proximity to Ciudad Juárez and its 15,000 residents traveling to El Paso daily for work, shopping, and recreation create tremendous demand for cultural opportunities.

El Paso’s downtown has benefitted from substantial public and private investment over the past decade. Private investors and stakeholders started the master planning process for downtown. Building on this initial effort, El Paso’s City Council created a Tax Increment Reinvestment Zone (TIRZ), a geographic area in which the tax attributed to increased property values is set aside in a special fund for reinvestment in the designated area. In its first year of implementation, the property values in the TIRZ climbed by 52.0 percent. This

was one of the largest annual increases in value in the history of downtown.¹¹ The City also established several historic districts in areas with the most significant historic architecture, such as the Old San Francisco, Chihuahueta, and the Magoffin Historic Districts. This designation allows the City of El Paso and neighborhood organizations to more effectively market the heritage and historic value of these districts.

In 1998, the El Paso Museum of Art moved to its current downtown location. The new site, formerly a Greyhound Bus station, was renovated using proceeds from a city bond election. The Museum of Art's proximity to the historic Camino Real Hotel, El Paso's Performing Arts Center, and Plaza Theatre concentrated many cultural attractions into a distinct and walkable district. Building upon the success of this district, El Paso's citizens approved \$6.5 million for a new downtown El Paso Museum of History building. The two-story facility opened in 2007.

In 2004, the renovation of the Plaza Theatre Performing Arts Center played a key role in advancing the community's broader redevelopment efforts. This renovation exemplifies the public-private partnerships that have driven El Paso's downtown revitalization plan as the El Paso Community Foundation, El Paso Convention Center and Visitors Bureau, and City were all integral participants in the project. With a combination of public and private funding, the Plaza Theatre restoration cost approximately \$38 million. In addition, the City of El Paso reports that 13 buildings took advantage of its Facade Improvement Grant program, resulting in a more attractive downtown.

The restoration of the historic Plaza Theatre, construction of several museums, remodeling of the convention center, and redevelopment of vacant buildings are examples of individual projects that have begun to transform the downtown area.¹² In a four-block area, downtown now contains the main public library, the Plaza Theatre Performing Arts Center, several major hotels, city hall, the convention center, the Insights Science Museum, the El Paso Museum of Art, the Holocaust Museum, and the El Paso Museum of History. In this neighborhood, the City has instituted the Al Fresco Fridays program of local bands playing in the Art Museum plaza each week. The proximity of these cultural attractions has improved the ability of each venue to draw visitors. With more activities and sites, downtown is an increasingly attractive destination for tourists and locals alike.

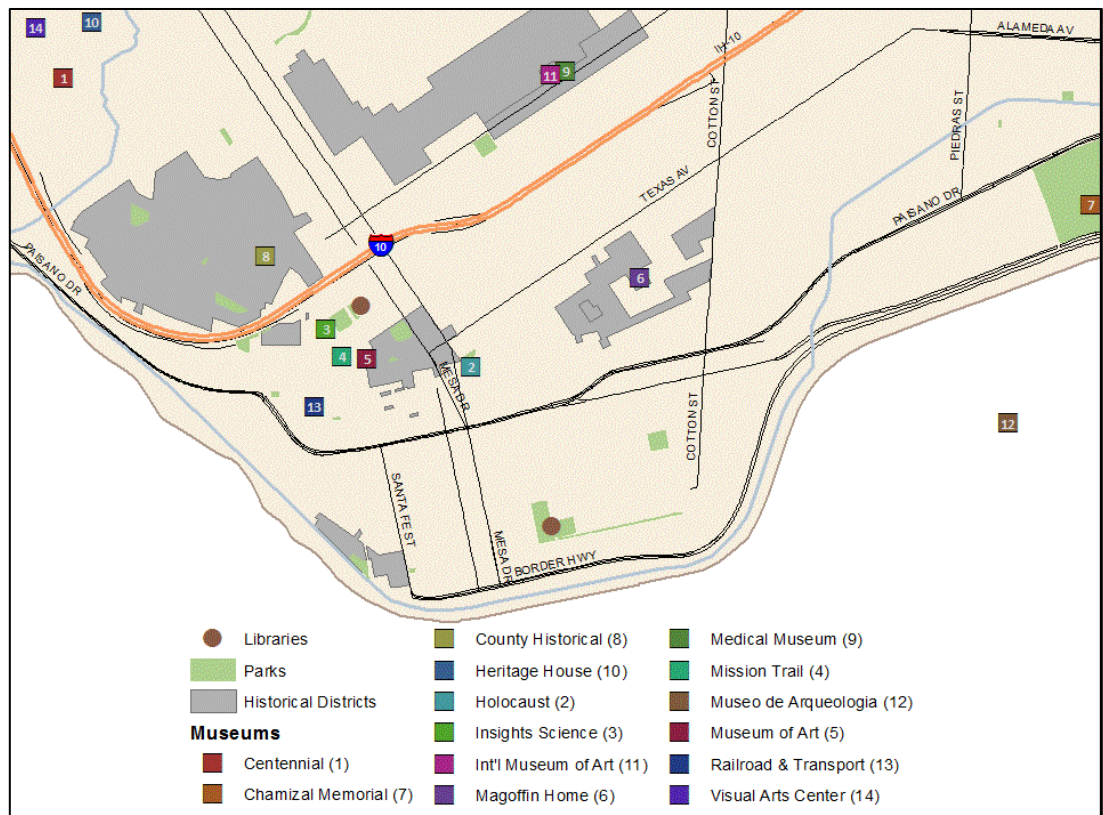
¹¹ City of El Paso, *The El Paso Economy*.

http://www2.elpasotexas.gov/econdev/_documents/El%20Paso%20Economy.pdf.

¹² SMWM Architecture Planning Urban Design, *El Paso Downtown 2015 Plan*, 2006.

http://www.elpasotexas.gov/downtown/information/downtown_plan/draft_dt_2015_plan.pdf.

Figure 8: Downtown El Paso Cultural Map



Source: TXP, Inc.

Private developers and the public sector recognized the importance of creating synergies among these different projects in order to maximize the return on investment. Currently, the City of El Paso is working with the Minneapolis-based nonprofit ArtSpace to assess available buildings for the development of affordable artists housing. As part of this process, ArtSpace is working with local real estate developers to identify properties best suited for bringing these new residents and businesses to downtown.

Creative Kids

The nonprofit Creative Kids has operated classes and workshops for more than ten years with the goal of enhancing the lives of children through the arts. Creative Kids works specifically with under-served, at-risk, and under-privileged children. They run programs in partnership with other organizations who reach out to children of migrant farm workers, children living in housing projects, children in long-term care hospital facilities, foster children, and children with disabilities. Taking a nontraditional setting and working with children who historically have been without access to arts, Creative Kids' programs afford these children the opportunity to develop their creative-thinking and self-expression skills. These programs have been an overwhelming success. With the assistance from a community development block grant to renovate its current space, Creative Kids is now part of a

neighborhood that houses the up-and-coming downtown entertainment district. The building is a self-contained multidisciplinary educational and community space containing the oLo Gallery, the Creative Kids Art Studios, a multi-media technology lab, offices, and classrooms.

The success of the organization's programs in reaching out to these children is also evident in their recognition by state and national-level arts agencies and other funders. Creative Kids' Project AIM (Arts-in-Motion), a program specifically geared toward pediatric oncology patients at the Providence Memorial Hospital in El Paso, was identified in 2008 by the NEA as a best practice for the use of the arts in healthcare settings.

Creative Kids also proactively markets its programs to alternative funding sources for arts education. For example, the organization receives support from the Texas State Office of the Governor's Criminal Justice Division for its Project ABLE program. Focused on at-risk youth, the Creative Kids' Project ABLE serves more than 450 young people each year at a cost of \$125,000. By comparison, the cost to the state to house one person in a juvenile detention facility is \$71 per day or roughly \$26,000 per year.

Creative Kids has been very successful demonstrating that its arts education program that targets at-risk youths (Project ABLE) not only cultivates creative skills, but it also develops self-discipline, reduces violent behavior, and decreases gang activity. Only 15.0 percent of participants in Project ABLE end up in juvenile probation. In fact, the program receives referrals from local judges who believe youth who have already offended would benefit from attending the Project ABLE program. Clearly, this program has demonstrated its effectiveness and the potential cost savings it can provide the state regarding the criminal justice system.

Chamizal National Memorial and Music Under the Stars

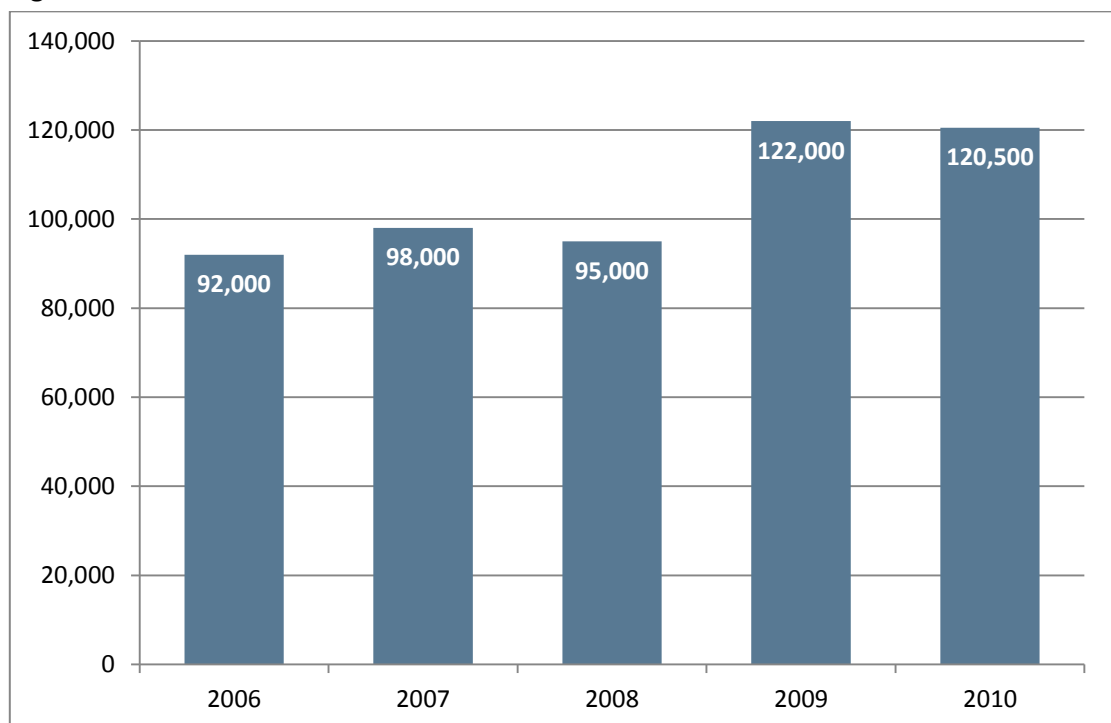
After the resolution of the "Chamizal Issue," a hundred-year border dispute between the United States and Mexico, the United States government created a national park as a memorial for the peaceful dispute settlement. The 55-acre Chamizal National Memorial in the center of El Paso provides a space to present activities that foster goodwill and understanding between the two countries. Its onsite galleries display artwork that portray the El Paso area's geography and history as well as commemorate the historic agreement between the two governments that established the park. The Chamizal National Memorial also promotes cultural exchange by hosting a number of performing arts series.

For the past 26 years, the City of El Paso's Museums and Cultural Affairs Department has produced the Music Under the Stars World Music Festival series in the park. This live music series, featuring both internationally acclaimed and local artists, has become El Paso's leading family event and the largest free outdoor music festival in the Southwest with more

than 120,000 attendees per year.¹³ The biggest draw is the 4th of July Extravaganza which features a concert by the El Paso Symphony Orchestra and a closing fireworks display. This event alone attracts nearly 25,000 attendees. Throughout the season, Music Under the Stars showcases all types of musical groups including rock classics, jazz, swing, flamenco, German folk, tribute bands, salsa, and merengue. The touring artists give free music classes to underserved youth to help foster El Paso's budding musicians.

The Chamizal hosts other cultural programming events, including the *Siglo de Oro* Spanish Drama Festival. This presentation of classical Spanish plays by international theatrical companies, begun 35 years ago to honor the nation's bicentennial, has drawn an audience of more than 135,000 people. It is in this way that the Chamizal National Memorial continues to serve as a cultural center for the celebration of the cross-border heritage shared between the two countries.

Figure 9: Chamizal Attendance



Source: Museums and Cultural Affairs Department - City of El Paso

¹³ City of El Paso Museums and Cultural Affairs Department, Music Under the Stars 2010 Season. http://www.elpasotexas.gov/MCAD/_documents/SponsorshipPackage.pdf


Summary

The redevelopment of downtown El Paso demonstrates the important link between the public sector and private developers. While the City of El Paso has been supportive of the arts and culture, particularly in the context for downtown redevelopment, the public sector does not have the financial resources to support all of these important projects. Therefore, it is imperative that the community work together to jointly fund projects. El Paso has had great success in demonstrating that supporting the arts not only improves the quality of life of its citizens, but proximity to the arts and culture provides a positive return to real estate developers. The renovation of the Plaza Theatre and the clustering of several museums in downtown occurred earlier this decade. This created public support for the implementation of the Tax Increment Reinvestment Zone and Downtown Plan.