



Using arts as an economic generator in the Playhouse District

Prepared for the Playhouse District Association

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Introduction and framework

The Playhouse District, one of Pasadena's four downtown districts, is the home of the city's largest concentration of arts and cultural institutions and activities. But, while these institutions and activities serve as anchors for the District and have helped attract new development, they have not yet served as significant catalysts for the District's overall economy. The City and District stakeholders have been engaged in planning and development initiatives in the Playhouse District for several decades, and many of the actions envisioned through these initiatives have been put in place, including development of new affordable and market-rate housing, creation of a business improvement district, streetscape and infrastructure improvements, parking lot improvements, and new public amenities.

These improvements have had a measurable positive impact on the Playhouse District and on public perception of the District. Pedestrian intercept surveys commissioned by the City for the Playhouse District (and for the downtown's other three districts) in 1999 and 2003, for example, demonstrate that public perceptions of the Playhouse District improved in that period of time, particularly with regard to parking and business mix.

But the Playhouse District still struggles with some of the issues that have challenged it for the past few decades, such as:

- encouraging 24-hour activity
- providing adequate and attractive parking
- visually and functionally connecting the District to other parts of downtown Pasadena
- creating synergy between the District's cultural institutions and its commercial businesses
- generating sufficient commercial activity within the District to support investment in activities that do not necessarily generate significant revenues

The Playhouse District Association therefore asked our firm to help identify tangible steps to more effectively capitalize and build on the District's cultural assets as

economic drivers for the District. This report summarizes our findings and recommendations.

It is worth noting that, at the beginning of our assignment, the Playhouse Theatre announced that it was closing, due to significant financial problems. In May, the Theatre filed for bankruptcy protection under Chapter 11 of the US Bankruptcy Code. This has understandably caused some concern within the community. We believe it is likely that those involved in the ownership and management of the Playhouse Theatre will find a solution to returning the Theatre to full operation soon – but that, regardless of how long it might take to do so, the Playhouse District stands on its own merits as an arts and cultural district.

Process

Our work involved several steps: reviewing plans and studies already in place; examining other arts and cultural districts to see what's worked, what hasn't worked, and what might be applicable and transferable to the Playhouse District; getting thoughts and ideas from about 15 District stakeholders; presenting preliminary observations and recommendations at the Playhouse District Association's annual meeting in April 2010; and synthesizing all the information gathered into this report, proposing a set of actions to help the Playhouse District Association and its partners use the District's cultural assets to stimulate economic growth.

1. Review of existing plans and studies.

We began this assignment by reviewing existing plans and studies for the Playhouse District that have been prepared over roughly the past decade. The studies we reviewed included:

- "Playhouse District Revitalization: An Integrated Strategy", by the Playhouse District Association Green Ribbon Committee.

This document proposes a partnership between the City and the Playhouse District Association to develop two City-owned parking lots in the Playhouse District (one on Madison, one on Union and El Molino). It proposes developing the Madison lot as an open space that could be used for public gatherings and cultural events and developing the Union/El Molino lot as a boutique hotel. Both would incorporate underground parking, providing a net gain of 282 new parking spaces for the Playhouse District and demonstrating that revenues from the proposed new spaces would cover their construction and operating expenses.

- *Pasadena Playhouse District Development Strategy Report, June 2008*

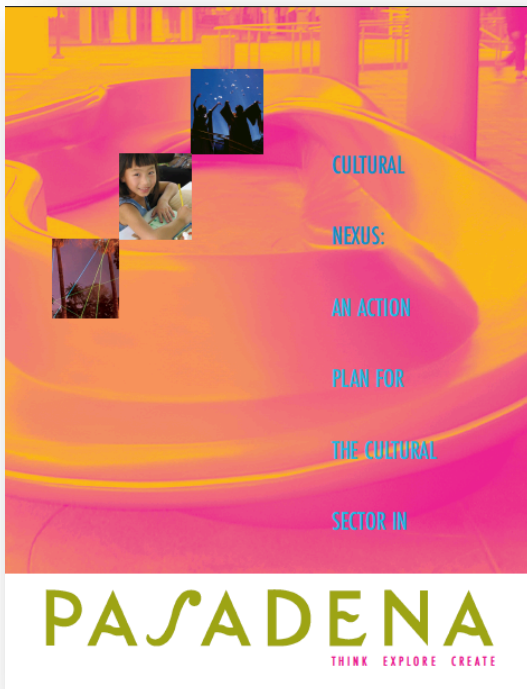
Prepared by MIG, Inc., this report examines five underused sites within the Playhouse District. It concludes that, while the Playhouse District is approaching its residential development caps, the amount of new office space allocated for the District would, if developed, create an estimated three times more peak-hour traffic than a comparable amount of residential space. It therefore recommends that the City adjust the balance of potential office and residential development in the Playhouse District and encourage further residential development.

- *Downtown Pasadena Walkabout Report, September 2008*

Prepared by Deborah Murphy Urban Design + Planning, the Downtown Pasadena Walkabout Report identifies areas that need pedestrian improvements along 25 walking routes. It encompasses all four downtown districts – the Playhouse District, Old Pasadena, Civic Center, and South Lake Avenue.

- *Cultural Nexus: An Action Plan for the Cultural Sector in Pasadena, July 2005*

Prepared by the Pasadena Arts Council, The Cultural + Planning Group, City of Pasadena’s Planning and Development Department’s Cultural Affairs Division, and Cusick Consulting, *Cultural Nexus* distills advice from over 500 people who participated in a series of meetings and workshops over the course of 18 months to develop “... a framework designed to advance the cultural life of Pasadena by drawing together the city’s rich and diverse assets.” The report proposes adding a new element for Pasadena’s Comprehensive General Plan, with nine policy recommendations, including development of a proposed Cultural Nexus Trust that would serve as an advocate for arts and culture and that would link the City and the Arts Commission with the many private and nonprofit arts and culture organizations in Pasadena.



Cultural Nexus: An Action Plan for the Cultural Sector in Pasadena

- *Central District Specific Plan*, adopted by the City Council on November 8, 2004

Prepared by RTKL Associates, Inc., with four sub-consultants, plus four additional consultants to the City, the 2004 *Central District Specific Plan* solidifies the City's overarching goal for downtown Pasadena – the Central District – to "... function as the City of Pasadena's vibrant urban core, providing a diversity of economic, residential, and cultural opportunities." The Plan then provides guidance on land use, physical design, and mobility policy to help the City preserve and improve the characteristics that make downtown Pasadena an economically healthy mixed-use commercial center that is easy to access by multiple transportation modes, encourages walkability, cultivates arts and culture, and respects the district's many historic and cultural resources.

- *Playhouse District Association: Strategic Action Plan 2004-2006*, November 2003

Prepared by Keith Kjelstrom Consulting, the Strategic Action Plan is the outcome of a strategic planning process undertaken by the Playhouse District Association's board of directors, committees, and stakeholders in 2003. The document outlines desired actions for the Playhouse District Association in four categories, corresponding to the National Trust for Historic Preservation's four-point Main Street revitalization approach.

- *A Pedestrian Study Conducted for The Playhouse District*, September 2007

Prepared by Gentleman Associates, this pedestrian intercept study was conducted in order to identify the demographic characteristics, places of residence and employment, shopping patterns, and perceptions of people who visit the Playhouse District.

- *Defining the Market Niche for the Pasadena Playhouse District*, April 1997

Prepared by Linda S. Congleton & Associates for the City of Pasadena, this study identifies several retail sales voids, with recommendations for filling several of them (including expanding the District's existing home furnishings niche), and evaluates characteristics of the Playhouse District that affect retail development, property assembly, and retail marketing.

- *Pasadena Playhouse District Concept Plan for Streetscapes, Walkways & Alleys*, approved by the City Council and the Community Development Commission on April 15, 1996

Prepared by a team consisting of a steering group, City staff, and eight consultants, the *Playhouse District Concept Plan for Streetscapes, Walkways & Alleys* proposes a variety of public space improvements to enhance the Playhouse District's appearance and functionality as a "... center of culture, commerce and community". It recommends actions such as enhanced lighting and landscaping, attractive and functional street furniture, public signs to help identify the District and to provide direction to visitors, and public art emphasizing theatre and entertainment. It articulates a vision for the District built around three characteristics: a sense of place; romance; and blending the day and the night.

- *Pasadena Playhouse District Plan*, November 1991

Prepared by the Pasadena Playhouse district Task Force, a group consisting of 14 business, neighborhood, and City representatives, the *Pasadena Playhouse District Plan* outlines key strategies to improve the Playhouse District's business mix, physical appearance, and economic performance in ways that will support and enhance its role as an arts and cultural center for Pasadena. The plan advocates for public-sector investment in arts activities, public spaces, integrated design elements,

and other needed amenities that cannot be feasibly provided by the private sector.

- *Pasadena Playhouse District: Mixed-Use Arts-Inclusive Plan*, November 1991

Prepared by Lyndon/Buchanan Associates, in collaboration with three additional consultants and the Pasadena Playhouse District Specific Plan Team for the City of Pasadena, the *Mixed-Use Arts-Inclusive Plan* outlines a vision for the Playhouse District as that of an arts, retail and entertainment district serving the City and the San Gabriel Valley and outlines an urban design framework for realizing this vision.

2. Examination of the factors that contribute to successful arts and cultural districts.

We then looked at information from other arts and cultural districts in other parts of the United States and, to a limited extent, abroad. Our research included several theatre districts:

- Houston Theatre District¹
- London's West End²

We concluded that, while the Playhouse District is home to five theatres – the Playhouse Theatre, the Boston Court, Laemmle's Playhouse, and the Academy Theatre – plus several theatre groups (such as the Furious Theatre Company), the Playhouse District is not a theatre district *per se*. We spoke with representatives of the Theatre Communications Group and the League of Historic American Theatres, and both stated that, while there is no firm definition, most theatre districts consist of at least a dozen theatres in a highly concentrated geographic area, as is the case in both the Houston Theatre District and in London's West End. Houston's Theatre District is home to nine major theatre companies, with facilities offering almost 13,000 seats for live performances, plus another 1,500 seats for film exhibition.

¹ <http://www.houstontheaterdistrict.org>

² http://en.wikipedia.org/wiki/West_End_theatre

London's West End includes more than 40 venues, ranging in size from the 330-seat Ambassadors Theatre to the 2,358-seat Coliseum Theatre.

Our research also included an examination of roughly a dozen arts and cultural districts, all of which include at least one or two theatres but which are also home to many other cultural institutions, such as arts schools and museums. These included:

- Philadelphia's Avenue of the Arts³
- The Dallas Art District⁴
- Times Square, in New York⁵
- Baltimore's Station North Arts District⁶
- Downtown Asheville, North Carolina⁷
- Kansas City's 18th & Vine commercial district⁸
- Pittsburgh's East Carson Street commercial district⁹
- Tucson's Downtown Arts District¹⁰ (now organizationally defunct)

Some of these districts are centered around key institutions (as is the case in Philadelphia, in which the Avenue of the Arts has evolved in large part because of presence of the Philadelphia Museum of Art and the Franklin Institute. Some are focused on specific buildings, or groups of buildings, and on finding new uses for them. This is the case with Baltimore's Station North Arts District and, to an extent, Tucson's Downtown Arts District. Some are in cities with significant residential vacancy rates and therefore lower rents and little risk of displacing arts institutions or artists; others are in cities in which displacement is a significant problem. Some have developed strong networks and symbiotic marketing partnerships between

³ <http://www.avenuethearts.org>

⁴ <http://www.thedallasartsdistrict.org>

⁵ <http://www.timessquarenyc.org>

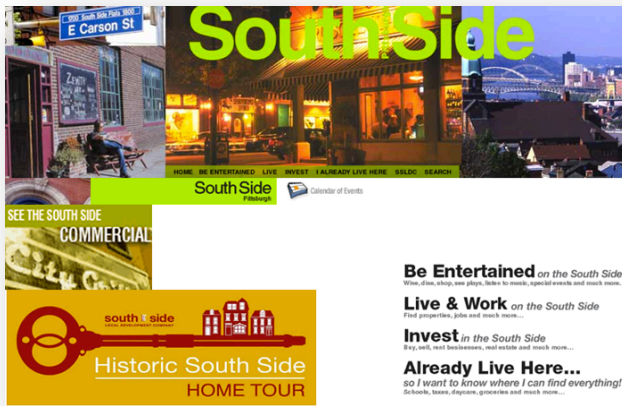
⁶ <http://www.stationnorth.org>

⁷ <http://www.ashevilledowntown.org>

⁸ <http://www.experiencekc.com/18thandvine.html>

⁹ <http://www.southsidepgh.com>

¹⁰ <http://www.tucsonweekly.com/tucson/arts-district-downturn/Content?oid=1068613>



Website for Pittsburgh's South Side Local Development Corporation, home of the East Carson Street Main Street Program

arts institutions and businesses; others are just beginning to make these connections.

And, we looked at several specific components of arts and cultural districts and their business development planning processes. These included:

- Paducah, Kentucky's Artist Relocation Program¹¹

The City of Paducah offers a variety of incentives to entice artists to relocate to Paducah and operate studios there, including free lots for building new live/work units, 100 percent financing for rehabilitating buildings for live/work units, reimbursement of up to \$2500 in architectural fees, and national marketing. Since the program began in 2000, over 70 artists have moved to Paducah from throughout the US.

- The Creative Services department of the Cornwall, UK County Council¹²

This unit of County government stimulates and supports development and growth of creative industries in Cornwall. It provides strategic funding for catalytic projects, organizes arts and literature festivals, oversees restoration of key cultural facilities, and serves as the organizing entity for the County's cultural development strategic plan. The department's Creative Unit was instrumental in converting a group of old school buildings into work spaces, shared conference rooms and studios, and other support services for small creative industries, including jewelry makers, furniture makers, website designers, musicians, theatre companies, and a film lab.

- Pittsburgh's Ultra Violet Loop¹³ (now defunct)

Pittsburgh's Ultra Violet Loop was a municipal bus route that connected the city's arts and cultural districts and landmarks.



Ad for Paducah's Artist Relocation Program

¹¹ <http://www.paducaharts.com>

¹² <http://www.cornwall.gov.uk/default.aspx?page=17634>

¹³ <http://clicknathan.com/2008/04/02/bring-back-the-ultraviolet-loop>

- Mass MoCA, in North Adams, Massachusetts¹⁴
The Massachusetts Museum of Contemporary Art, located in a large complex of 19th century industrial buildings, provides 110,000 square feet of exhibit space, plus a vast amount of studio, rehearsal, performance, and classroom space. It also leases low-cost space to small creative industries, such as commercial photography studios, arts-related law firms, and film special effects companies.

- Innsbruck, Germany's Yellow Arrow project¹⁵
Students at the University of Innsbruck's Institute of Design identified places throughout Innsbruck that have personal significance for them. They geotagged each place with a yellow arrow sticker. Each sticker has a phone number and an ID number. When a person tags a place, he or she calls the phone number on the sticker, punches in the ID number, and records a message explaining the site's significance. Others who visit the site and see the yellow arrow can call the number on the sticker, punch in the number, and hear the student's recorded message. About a dozen other cities have used geotagging stickers or signs to mark significant places, including Berlin (to mark vanished sites from the city's past), Miami (for an art festival, Art Basel), and Helsinki (to guide people to and through galleries, shops, and museums in the city's Design District).



Innsbruck's Yellow Arrow geotagging project

We also reviewed information from several national organizations about the development and evolution of arts and cultural districts:

¹⁴ <http://www.massmoca.org>

¹⁵ <http://www.flickr.com/photos/yellowarrow/sets/72157604395279901>

“Arts and cultural centers and performance spaces are hubs of interaction, drawing people from inside and outside the community. Communities with a dense arts and cultural presence become simultaneously local and regional; they become destination places for arts consumers and regional choice locations for residents and businesses.”

- *Creativity and Neighborhood Development: Strategies for Community Investment*

- *Arts and the Changing City: An Agenda for Urban Regeneration*, by Jean Horstman, Diana Mayne, and J. Mark Davidson Schuster, and published by the British American Arts Association (1988)
- *Arts and the Economy: Using Arts and Culture to Stimulate State Economic Development*, published by the National Governors Association’s Center for Best Practices
- *Creativity and Neighborhood Development: Strategies for Community Investment*, by Jeremy Nowak, and published by The Reinvestment Fund (2007)
- *Culture and Local Development*, by Xavier Greffe, Sylvie Pflieger, and Antonella Noya, and published by OECD (2005)
- *Cultural Districts and Urban Development*, by Arthur C. Brooks and Ronald J. Kushner, and published by the International Journal of Arts Management (2001)
- *Cultural Districts Handbook: The Arts as a Strategy for Revitalizing Our Cities*, by Hilary Anne Frost-Kumph, and published by the National Assembly of State Arts Agencies
- *Cultivating “Natural” Cultural Districts*, by Susan Seifert and Mark Stern, and published by the University of Pennsylvania’s Social Impact of the Arts Project

From our research and experiences with other arts and cultural districts in the US and abroad, we identified that many of the most economically vibrant arts and cultural districts share these characteristics:

- Critical mass: The district offers a concentration of arts and cultural resources (institutions, studios, arts-related businesses and industries) large enough that the public perceives there to be a significant cluster of arts-related places, events, and experiences there.

- One or more concentrated areas of activity: Concentrated nodes of arts and cultural activities appear to be more successful as economic drivers than arts and cultural activities that are physically dispersed throughout a district.
- Synergy and symbiosis: Arts and cultural institutions have close and productive interrelationships with businesses and other institutions within the district, generating customers for one another, helping market one another's goods and services, and serving as customers and/or suppliers for one another.
- Cultural anchors: The district is home to one or more major arts or cultural institutions that serve as anchors or magnets.
- Diversity: In virtually all economically vibrant arts and cultural districts, those who create art within the district and those who visit the district represent a broad range of ages, cultural and ethnic backgrounds, and economic strata, with interaction and the interchange of ideas helping fuel creativity.
- Identity: The district has a distinctive personality, and its personality is clearly and positively reflected in its public identity.
- Arts visibility: Evidence of the district's artistic and cultural resources is visible in subtle and bold ways throughout the district – in the design of public spaces and public amenities, in storefronts, in ephemera.
- Signature events: The district is the site of one or more special events or festivals that are uniquely reflective of the district's personality, that are unique to the community (and that are often unique globally), and that are, or are becoming, community traditions.
- 24/7 activities: Activity in businesses and on the streets through most of the day, with a substantial residential base in the district.

- Partnerships: Although some arts and cultural districts have evolved organically, with the private sector taking the lead, very few districts ultimately succeed without support from a variety of public- and private-sector partners.
- Affordable commercial rents: Affordable commercial rents for artists is essential. In some instances, rents might be affordable because of underlying market softness; in others, rents might be made affordable through some sort of public and/or private subsidy. While there are some high-end, high-rent arts and cultural districts in the US and the world, these are generally places where arts and cultural activities are exhibited, rather than where they are created.
- Resident amenities: Food markets, laundries, restaurants, and other basic amenities that meet the needs of district residents are essential ingredients.
- Visitor amenities: Restaurants, coffee shops, hotels, public spaces, and accessibility are also essential.
- Pathways to jobs in creative industries: Most of the most economically successful arts and cultural districts have developed formal and/or informal mechanisms to help people find jobs in creative industries.
- Support for the commercial realization of ideas: Artists often lack business development skills. Districts that help artists develop commercial skills, or that help them partner with others with commercial skills, are generally more successful than those that don't.

3. Interviews and meetings.

We conducted two site visits to the Playhouse District during the course of this assignment – one in late February 2010, and one in mid-April (in conjunction with the Playhouse District Association's 2010 annual meeting). During the first visit, we met with members of the Playhouse District Association's board of directors, District business and property owners, representatives of the City of Pasadena, and representatives from the District's arts and cultural institutions.

“There is a sort of invisible barrier between Old Town and the Playhouse District.”

“We need to stop relying so much on the Playhouse Theatre to define the District’s image. The District has much more to offer the public in terms of arts and culture.”

“... you’ll go to the District for one thing – a play, a run to Vroman’s, a museum visit – but you have little reason to stroll around afterwards. [...] If we had galleries, street performers, food vendors, clubs, it would be different.”

- Interview participants

We also conducted interviews with 15 stakeholders, including business and property owners, representatives of partner organizations, City officials, representatives of local arts and cultural institutions, and community residents. During the interviews, we asked five questions:

1. What are the key barriers impeding the Playhouse District’s growth and evolution as an arts and cultural district?
2. What are the Playhouse District’s greatest unrealized opportunities?
3. If there were no constraints or caveats, which several types of new businesses do you think would be great additions to the Playhouse District?
4. What one or two single actions do you think are most needed to catalyze investment and development in the Playhouse District?
5. What questions do you most hope this project answers?

Several consistent themes emerged in these meetings and interviews:

- Concern that the Playhouse District needs more residential, retail, and entertainment space
- Uncertainty about how to attract or develop new businesses, particularly locally owned retail businesses
- Concern that the District might lose some of its oldest and most treasured businesses
- Concern that, while some sections of the District are inviting to pedestrians, other sections are not as inviting, there are “dead zones” throughout the District, and some of the District's buildings are not very street-friendly

- Concern that the quality of the District's retail businesses is deteriorating
- A strong desire for more restaurants (and particularly upscale restaurants)
- Concern that the District does not have adequate parking for its current needs
- A strong desire for new, exciting retail businesses (those with whom we met and whom we interviewed repeatedly used the words "energetic", "vibrant", and "creative" to describe the types of businesses they wish to see)
- Uncertainty about how to better connect the District to the other parts of downtown Pasadena

Observations

STRENGTHS

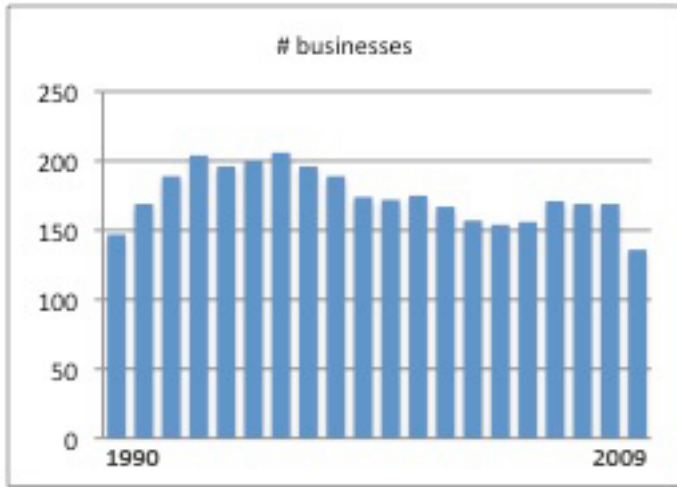
1. The quantity and quality of Pasadena’s cultural resources are enviable.

Pasadena’s cultural resources are among the best in the nation, and the Playhouse District’s are among the best in Pasadena. It is home to two major museums (the Pasadena Museum of California Art and the Pacific Asia Museum), two major live performance venues (Boston Court Performing Arts Center and the District’s eponymous Playhouse Theatre), a theatre company (Furious Theatre Company) two movie theatres (“arts” and first-runs), Le Cordon Bleu College, the Ice House Comedy Club, one of the nation’s largest independently owned bookstores (Vroman’s), a variety of restaurants, several music stores, and a number of dance, yoga, and martial arts studios. The Fuller Seminary is located in the Playhouse District, and the Art Center College of Design and CalTech are relatively close by.

According to Dun + Bradstreet, there were 700 creative businesses in Pasadena in 2004, with arts-related spending among the highest in the United States. As we conducted research on successful arts and cultural districts throughout the US, we found that many of the tools and resources that most other communities need to create in order to cultivate arts and cultural districts are already in place in Pasadena.

2. The Playhouse District, and downtown Pasadena overall, have benefited from some of the best community planning initiatives in the US.

The City of Pasadena has been actively engaged in thoughtful, progressive planning for the Playhouse District, and all of downtown Pasadena, for several decades. The City’s planning activities have had impressive levels of citizen involvement and implementation, with each successive initiative building on earlier ones.



3. The number of taxable businesses in the Playhouse District has remained relatively stable over the past two decades.

In 1990 there were 147 taxable businesses and restaurants in the Playhouse District. By 2008 that number had grown to 169 – but with some dips and peaks in the intervening years. In 2009 the number of taxable businesses in the District dropped to 136 – the largest single-year drop in this 19-year period - most likely reflecting the recent economic downturn.

But the news is mixed for the District’s taxable businesses. On the positive side, 25 percent of the District’s taxable businesses in 2009 were also in operation in 1990 - a relatively high percentage. These include several local landmarks, such as Vroman’s, Canterbury Records, El Portal Mexican Restaurant, and Linden Optometry. On the negative side, first-quarter taxable sales have declined in most of the District’s taxable businesses that have been in operation in their current locations for at least five years. Even if we exclude 2009 from this analysis, because of the (hopefully) anomalous impact of the economic downturn, first quarter sales in most of the District’s five-plus-year-old businesses have eroded a bit.

In general, the business closures over the past two decades reflect the District’s gradual transition away from middle- and upper-middle price-point department-store type merchandise and towards lower price-point merchandise and a higher percentage of non-retail uses. But, as other retail businesses have fallen away, several retail niches have remained solidly in place in the District: home furnishings (at all price points), jewelry (at lower and middle price points), and restaurants (primarily at lower and middle price points).

4. Commercial rents are slightly lower than in other parts of downtown Pasadena.

Commercial rents in the Playhouse District are slightly lower than rents for comparable space in Old Pasadena or South Lake, offering a potential competitive advantage in developing new retail businesses for the District. We examined rental rates for 30 commercial properties along Colorado Boulevard in downtown Pasadena in April 2010 and found that those in the Playhouse District average slightly more than \$1/square foot less than comparable properties in Old Pasadena

and South Lake – not a huge difference, but potentially enough to give the Playhouse District a small edge in developing new retail businesses.

WEAKNESSES

5. Downtown Pasadena’s four districts are inextricably linked – but they lack a coordinated business development strategy.

The Central District Specific Plan provides guidance on the design, land use, and physical development of downtown Pasadena’s four districts, but it does not provide much specificity about the specific business opportunities each district should pursue or about how each district’s business development strategy might reinforce those of the other districts.

6. The Playhouse District lacks several of the core components typical of successful arts and cultural districts.

Virtually all successful arts and cultural events have several components the Playhouse District currently lacks:

- A versatile public gathering place (or a public space whose programming has made it versatile)
- A boutique hotel, reflecting some aspect of the district’s personality and providing space for small conferences, meetings, and events
- A signature festival or event
- Systems for helping small creative businesses and industries market their products, find financing, and build business-to-business networks
- Relatively affordable living space for artists
- Arts in the public realm (signs, public amenities, window displays, etc.)

7. The District’s “creativity” is barely visible on the street.

Most of the Playhouse District’s arts and cultural programming takes place indoors, within its cultural institutions. There is relatively little evidence of the District’s rich artistic and cultural offerings in the public realm – on its sidewalks, in its storefront windows, in its public signs.

8. The District’s cultural resources are geographically scattered, not concentrated.

With only a few exceptions (e.g., the small cluster of arts and entertainment businesses on Mentor, near Boston Court Performing Arts Center, and the cluster of home furnishings stores near the corner of Green and El Molino), the Playhouse District’s galleries, creative businesses, and theatres are relatively isolated from one another. This contrasts sharply with Old Pasadena, whose contiguous activities help create a strong, positive image for the district, encouraging visitors to linger and explore.

Recommendations

1. Diversify the Playhouse District's mix of arts and cultural offerings, adding 'creative economy' businesses.

Nomenclature alone makes it somewhat inevitable to think of the Playhouse *Theatre* when thinking of the Playhouse *District*. But, not only is the Playhouse District home to three other theatres – Boston Court, Laemmle's, and the Academy Theatre – plus several other entertainment venues, such as the Ice House Comedy Club, and the Furious Theatre Company, but it has dozens of other 'creative economy' businesses – businesses like architecture, website design, publishing, software engineering, film production, tailoring, music, landscape design, and arts education. From Le Cordon Bleu to the Red Hen Press, the Playhouse District's creative economy businesses are already, as a group, one of the District's top economic drivers. We believe that one of the keys to the Playhouse District's economic growth is further diversifying the District's mix of arts and cultural offerings, broadening the working definition of "arts and culture" to encompass a wider range of creative industries¹⁶ and businesses.

a. Attract small, 'creative economy' businesses and industries to the Playhouse District.

- i. Develop one or two coworking spaces for 'creative economy' businesses. Like traditional office suites available on a short-term basis, coworking spaces provide shared facilities for tenants, such as conference rooms, office equipment, high speed internet service, and kitchens. But coworking spaces differ from traditional short-term office suites in several important ways. First, they typically have a core group of long-term tenants or members who use the coworking space as their primary place of work. Second, they bring together people with shared or overlapping professional interests,

¹⁶ When we use the term 'industry' in this context, we are not talking about traditional pollution-generating factories, but rather about small, locally owned companies that create things (products, designs, ideas) in environmentally sustainable ways.

creating synergistic working relationships by bringing them together in the same physical environment.

Examples of coworking spaces:

- Affinity Lab (www.affinitylab.com), in Washington, DC
- Independents Hall (www.indyhall.org), in Philadelphia
- The Reactor (<http://reactorsf.com>) and CitizenSpace (www.citizenspace.us), in San Francisco
- Office Nomads (www.officenomads.com), in Seattle

There is also an online wiki providing lots of information about coworking spaces, at <http://wiki.coworking.info>.

- ii. Develop an inventory of creative businesses within the District and the city. The inventory of businesses within the District will be useful in marketing the District's existing creative enterprises and in identifying opportunities for synergistic growth. The inventory of those within the city will be invaluable in identifying potential new businesses for the District and potential new product lines for existing businesses. Those within the District will be relatively easy to identify; those elsewhere in the city might be more difficult to identify, as some are likely to be home-based businesses, and some may not have business licenses.
- iii. Encourage home-based creative businesses to move into the Playhouse District. Identify those businesses in the inventory (1-A-ii, above) that appear to be a good fit for the Playhouse District, and contact their owners to talk about the possibility of locating in the Playhouse District (in either the coworking space – 1-A-I, above – or a freestanding storefront or office). If a business is not ready or able to move, explore options for marketing one or more of their products and services through an existing Playhouse District business as a way to build exposure, serving as an intermediate step in the process of eventually expanding into the District.

- iv. Identify the major suppliers of the city's key creative businesses and explore the possibility of establishing District locations. Businesses that provide goods and services to the city's major creative businesses might benefit from closer proximity to them – and might be good tenants for Playhouse District retail or office space.
- v. Work with CalTech and the Art Center College of Design to help graduates get jobs and launch creative businesses in the District. We recommend appointing a short-term task force to outline a five-year strategy to develop closer relationships between the Playhouse District and these two institutions and to encourage recent grads and alumnae/alumni to live, work, and open businesses in the District. Some of the possibilities the task force might consider:
 - Engage students and classes in designing interactive window displays for District businesses, helping familiarize students with the District and providing a tangible service to businesses
 - Partner with one or both institutions on a class or series of classes on arts economics, using the Playhouse District as a working laboratory
 - Create an arts innovation cluster in the Playhouse District, similar to industrial innovation clusters being developed in Boston and other cities
 - Develop five-year marketing strategies to increase student participation in the District's promotional events

b. Create a multi-purpose public space for events, casual interaction, and a farmers market.

Almost all successful arts and cultural districts have a multi-purpose public space that can function as an entertainment venue, a location for



Involving visual and performing artists in the design of public spaces often results in subtle and engaging touches, as is the case with this lenticular, in Berlin, painted on the sides of fencing slats, but only visible briefly, when viewed from the side.

temporary or short-term public activities (such as an art show or a farmers market), an urban green space, and a place for quiet reflection and casual interaction. We believe that creating a multi-purpose public space will be essential to strengthening the Playhouse District's economy and to bringing activity out of its cultural institutions and into the public realm.

- i. Create a multi-purpose space with underground parking on the Madison lot, as proposed in the Green Ribbon Committee's report. The Playhouse District's Association's Green Ribbon Committee has examined options for the development of the Madison and Union/El Molino parcels and has recommended that the Madison parcel be used as a multi-purpose public space, potentially with an outdoor stage or small arena, with underground parking, and we support this recommendation. Examining the financial feasibility of the site's development is beyond the scope of this assignment, but the Green Ribbon Committee's general outline of development costs and likely parking revenues appears reasonable.
 - ii. Involve visual and performing artists in the design of the multi-purpose space.
 - iii. Base a farmers market at the multi-purpose space.
 - iv. Identify outdoor spaces that can be used on a temporary, interim basis and begin programming events for these spaces. Programming should begin immediately, bridging the time gap between now and the development of the Madison parcel.
- c. Create tools to help capitalize new businesses, business expansions, and business transitions.**
- It is relatively easy for national retail chains to expand into a new community or a new district; the corporations' assets provide credit collateral, and their business models have been tested and honed in (usually) numerous other markets, offering predictability to lenders and

equity investors. But independently owned businesses lack these benefits and, over the past several decades, the financial and, to some extent, the technical resources needed to cultivate and capitalize independently owned businesses have slowly eroded.

We think that some of the District's major business development challenges could be solved with some patient capital. We therefore recommend that the Playhouse District Association and its partners augment the tools already available to help capitalize new businesses, business expansions, and business transitions within the Playhouse District, helping attract new businesses to the District and retain catalytic businesses.

- i. Adopt Winston-Salem, North Carolina's 'Restaurant Row' financing model for targeted start-up businesses (not necessarily restaurants). Winston-Salem, North Carolina created a financing program for the purpose of attracting eight new restaurants to a high-vacancy section of its downtown. The Restaurant Row Loan Program blended federal and private financing to provide subordinated loans to qualified restaurateurs willing to open in the targeted section, with repayment deferred for two years to help new restaurants get established. This made it possible for restaurants to more affordably cover start-up costs while gradually developing clientele.
- ii. Encourage creation of one or more private investment groups for targeted start-ups, expansions, and transitions. In a growing number of communities, private investment groups have been formed to provide investment capital for start-up downtown businesses – particularly for retail businesses, restaurants, and businesses likely to have a catalytic benefit on a district or a portion of a district.
- iii. Explore the possibility of community stock ownership to help capitalize targeted businesses. Residents of some communities have launched, purchased, or helped capitalize new or existing

businesses and business expansions by putting together stock ownership programs. Many of these initiatives have taken place in small, rural communities, but a growing number are being launched in urban areas. One of the best-known urban examples is Vox Pop¹⁷, a popular bookstore/coffee shop in Brooklyn, whose customers bought stock in the business when its owner found himself in financial trouble.

A few resources:

- The lead article in the current (June 2010) issue of *Main Street Now* – “Community Owned Businesses: How Communities Become Entrepreneurs” - focuses on community-owned and community-capitalized businesses, with lots of examples¹⁸.
- The Institute for Local Self Reliance’s New Rules Project¹⁹ has articles and references about community-owned businesses on its website.
- Attorney, author, and BALLE executive director Michael Shuman provides some information about community-owned businesses in his book *Going Local*²⁰.

d. Provide marketing assistance to ‘creative economy’ businesses.

One of the challenges artists and arts-focused businesses face is developing markets for their products and services.

- i. Create an InQBox-like shop to market goods and services from Pasadena artisans, and locate this shop on Colorado Boulevard.

¹⁷ www.voxpopnet.net/home.php

¹⁸ www.preservationnation.org/main-street/main-street-now/2010/marchapril-/community-owned-businesses.html

¹⁹ www.newrules.org

²⁰ www.indiebound.org/book/9780415927680



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inQspace™



inQbox™ [in-Q-box] is the first urban retail utility™ concept store of it's kind, conceptualised in 2003 and set-up in 2004. inQbox™ represents a collective of independent designers and entrepreneurs from your city and around the world, whom we call boxPreneurs™.

If you've always wanted to develop and incubate your talents further than just a hobby, home business or side interest and are just waiting to break into the retail market, inQbox™ will give you retail space + gallery space [inQboxlets™] at low cost and low risk.

As inQbox™ strongly encourages creativity & entrepreneurship, we will provide you with not only an accessible retail option but also merchandising and marketing tips for your products. We will give you a chance to create exposure for your brand and merchandise, and at the same time, reduce your retail hassles.

Set in prime location, inQbox™ helps you embark on your dream of having your own shop and being your own boss while letting you continue with your busy life, be it taking care of your children, travelling or working in a corporate firm. Yes, most of our boxPreneurs™ are talented people just like you!

InQBox is a relatively new franchise model developed in Singapore. The shop's walls are lined with small cubbies (approximately three feet high, three feet wide, and two feet deep), each rented by a small business to showcase and market its products. The franchise provides store staff, credit card processing services, and virtually all other sales services to the businesses who rent cubbies.

We believe this model could be replicable in the Playhouse District, providing shelf space, visibility, and marketing and product fulfillment services for artists, artisans, publishers, and others who produce tangible products in the Playhouse District and elsewhere in Pasadena.

- ii. Work with 'creative economy' industry clusters to identify new markets and new distribution channels. Begin with the Playhouse District's small cluster of furniture, antiques and home furnishings businesses. Talk with these businesses' owners to find out which additional businesses or product lines they believe would strengthen their businesses if located in or near the cluster; who their current customer segments are; what new markets they believe might exist for their products and services; and what distribution channels they currently use (e.g., web-based sales, wholesale sales to other retailers, deliveries, online auctions, etc.).
- iii. Organize and promote open studio events for 'creative economy' businesses and business clusters in the District. Talk with business owners about participating in an ongoing series of open studios and events that promote creative businesses in the Playhouse District, and launch the series of events and open houses, perhaps with a monthly event or open house. Identify and secure potential sponsors for each event.

e. Encourage and facilitate development of housing for ‘creative economy’ workers in the Playhouse District.

Discussions about development of live/work housing has been in process in the Playhouse District for a number of years. We believe the need may not be overwhelming, but the opportunity is significant. In other words, while artists, artisans, and other creative economy workers might not necessarily be clamoring for live/work spaces within the Playhouse District, creating live/work spaces could attract creative economy workers and play a catalytic role in strengthening the District’s nascent position as an arts and cultural district.

- i. Explore existing models for artist housing and live/work units from other communities, and select one or more models for the Playhouse District. Many communities have created live/work units for artists and creative economy workers. We particularly recommend looking at the experiences of ArtSpace²¹ (a nonprofit organization that partners with communities to develop live/work space) and Paducah, Kentucky’s Artist Relocation Program²² (which provides significant financial assistance to attract artists to the community).

We also think that a concept developed by Chicago-based developer Bruno Bottarelli for new housing adjacent to Wayne State University in Detroit might be transferable to the Playhouse District. Bottarelli proposed setting aside a small percentage (2-5 percent) of rents paid by Wayne State graduate students and junior faculty in interest-bearing escrow accounts that could then be used by the renters after several years as downpayments for purchasing their units.

²¹ www.artspace.org

²² www.paducaharts.com

- ii. Revise the amounts of housing and office space permitted in order to create more housing in the Playhouse District (*see 3-f later in this report*).
- iii. Create and market an incentive-rich financing program for development of ‘creative economy’ businesses. We suggest appointing a small, short-term task force to recommend a collection of financing tools and products to stimulate creative economy business development, expansion, and stabilization. We recommend that the task force:
 - 1. conduct interviews with 12-15 creative economy business owners, representing a range of business stages, to learn about their financing needs and suggestions;
 - 2. explore tools and resources from other communities (e.g., the Winston-Salem model mentioned in 1-c-i, above);
 - 3. talk with lenders, City agency representatives, and area foundations to discuss the task force’s findings, ask for input in shaping resources, and gauge their level of interest in participating; and
 - 4. present its findings to the Playhouse District Association’s board of directors for discussion and action.

f. Develop a program to identify and provide visibility and special assistance to heritage businesses.

We define ‘heritage businesses’ as businesses that have reached an age milestones (25, 50, 75, or 100 years), that have been the site of historic events, and/or that offer a product or service that is culturally or historically significant. Heritage businesses often play a key role in defining a commercial district’s personality and public image. They are often community landmarks and important district gathering places, and

preserving them – by helping them continue to thrive - is often as important to maintaining and cultivating a commercial district's as preserving the district's historic buildings.

We therefore recommend that the Playhouse District Association and the City develop a program to identify and provide visibility and special assistance to the District's heritage businesses. Ideally, the program should be a city-wide program – but we recommend developing and launching it in the Playhouse District first, then expanding it to the city's other commercial districts.

- i. Outline the heritage business program's goals, criteria, incentives, and operating guidelines. We suggest the following as starting points:
 1. Program goals: To identify, celebrate, and assist qualifying businesses
 2. Criteria: Businesses that have reached a 25-year age milestone; that have been the site of historic events; or that offer a product or service that is culturally or historically significant
 3. Incentives such as:
 - a. Media advisories, press releases, and feature stories released to local and regional news media when businesses are added to the program
 - b. Periodic on-site, in-store events and open houses
 - c. Exterior plaques designating qualifying businesses
 - d. Special designation in printed and online business directories
 - e. Bonus points in awarding any technical assistance funds or services
 - f. Periodic check-ins from District and City staff to ensure the business is economically healthy – and, if not, targeted technical and financial assistance

- ii. Make preliminary determinations of qualifying heritage businesses in the Playhouse District. The City's business license and retail sales tax records should be able to identify most businesses that are at least 25 years old. We recommend including a representative from Pasadena Heritage in the task force that develops the heritage business program, with this representative focusing particular attention on identifying businesses that have historic and/or cultural significance.
- iii. Develop and launch a marketing strategy for the heritage business program. Integrate the marketing strategy into the Playhouse District Association's overall marketing strategy.

2. Strengthen and expand the District's retail offerings, emphasizing artisan products and services, in particular.

The Playhouse District's retail mix is relatively weak. It has a handful of destination retailers and a few budding retail clusters, but its retail clusters are small and are separated by long gaps of streetscape with little retail cohesion. We believe that the most efficient strategy for strengthening the Playhouse District's retail performance is to expand one of its strongest clusters, gradually develop a second significant cluster, launch one or two catalytic businesses that provide informal (non-ticketed) entertainment, and gradually strengthen all the District's retail businesses.

In all instances, we strongly recommend that business development – whether adding new product lines to existing businesses, helping existing businesses reposition themselves, cultivating new businesses, or recruiting businesses to the district from other locations – emphasize arts and culture. This does not mean that the Playhouse District Association should not be open to other possible businesses interested in locating within the District – but, when possible, should encourage businesses to incorporate arts and culture into their visual merchandising, product mix, and marketing programs so that the overall experience of shopping or conducting business in the Playhouse District is one that reinforces the District's overall image as the city's primary arts and cultural center.

a. Strengthen and expand the District's home furnishings cluster.

A home furnishings cluster appears to have taken root around the intersection of Green and El Molino, offering a variety of design services and retail products. We believe this is an important business cluster for the Playhouse District, both reinforcing the District's role as an arts and cultural district and also serving as a regional destination relatively distinct from other commercial districts in the city.

- i. Add 5-10 additional specialized home furnishings and custom construction businesses. Over the next three years, we recommend that the Playhouse District actively cultivate or recruit an additional 5-10 businesses, at a minimum, that augment its home furnishings cluster.

There are scores of businesses and product lines that could augment the District's home furnishings cluster. These include:

- Antique hardware
- Antique radios and televisions
- Architectural salvage
- Artificial/silk plants
- Bath linens
- Bird feeders and bird houses
- Bonsai
- Cacti and exotic plants
- Candles
- Carpets and rugs
- China, crystal, glassware
- Clocks
- Closet organizing fixtures and supplies
- Cutlery
- Decorative hardware
- Dining linens and table accessories

- Dried flowers
- Fireplace accessories, mantles
- Floor cloths
- Furniture covers
- Furniture refinishing
- Futons
- Gourmet cookware
- Hammocks
- Hot tubs
- House plants
- Jewelry boxes
- Knock-down furniture
- Lamps, lamp shades, and light fixtures
- Lawn and patio furniture
- Log and willow furniture
- Loft and trundle beds
- Mirrors
- Office furniture
- Picture frames
- Pillows
- Posters (new and vintage)
- Scandinavian-design furniture
- Shelving
- Shutters
- Small kitchen appliances
- Tansu chests
- Upholstery fabric and upholstering services
- Vintage kitchen appliances
- Weather vanes
- Wicker and rattan furniture and accessories
- Window treatments

- ii. Create a name for the home furnishings cluster. For example, a cluster of art, antique, and unique home furnishings stores in

downtown Hilo, Hawaii has adopted the name “The Keave Collection” for joint advertising and marketing purposes. We think that creating a “brand” for the Playhouse District’s home furnishings cluster might boost its marketing effectiveness.

- iii. Develop and integrate a marketing strategy for the home furnishings cluster into the District’s ongoing promotional plan.

b. Create a small, specialized apparel cluster.

There is no shortage of apparel stores in downtown Pasadena, particularly in Paseo Colorado and Old Pasadena. But the clothing, shoes, jewelry, and clothing accessories their stores offer are relatively predictable. We believe that this presents a potential opportunity for the Playhouse District to create a small, specialized apparel cluster, offering goods and services that might appeal to both Paseo Colorado and Old Pasadena customers but that might also appeal to less mainstream customers looking for something different. We therefore recommend that the Playhouse District Association develop a small, specialized apparel cluster to fill this niche and to help solidify the District’s position as the city’s arts and cultural center.

Specialized apparel might include product lines like:

- Clothing by the pound
- Artisan/handmade clothing
- Bespoke suits
- Hats, scarves, ties
- Specialized shoes
- Vintage clothing
- Costumes
- Clothing made from environmentally sustainable materials

- i. Develop the cluster along Colorado, primarily between Madison and El Molino. Doing so would build on shopping patterns on Colorado in Old Pasadena, helping draw shoppers into the Playhouse District.



RAG Co-op, in San Francisco, has provided retail space for more than 70 artisan clothing manufacturers since opening in 2002.

- ii. Identify artisan clothing makers within the region and discuss the possibility of opening or participating in a store/studio. Store space could be shared by several clothing makers, as a group of clothing makers have done in the Residents Apparel Group²³ – RAG Co-op – in San Francisco.
- iii. Develop and integrate a marketing strategy for the apparel cluster into the District’s ongoing promotional plan.

c. Develop a combination restaurant/performance space/gallery.

Many of the people we interviewed expressed a strong interest in having one or more gathering places for neighborhood residents in the Playhouse District – not formal spaces, like theatres and galleries, but casual gathering places like the places Ray Oldenburg wrote about in his 1999 book, *The Great Good Place: Cafes, Coffee Shops, Bookstores, Bars, Hair Salons, and Other Hangouts at the Heart of a Community*. In his book, Oldenburg describes “third places” – places that take prominence after home and work (first and second places) in providing the social interactions and community experiences that people need to live fulfilling lives. We recommend that the Playhouse District Association play a catalytic role in developing a combination restaurant/performance space/gallery to help fulfill this need.

- i. Explore similar business models in other communities. Busboys and Poets²⁴, in Washington, DC, is perhaps one of the best emerging business models for a “third space” like this. It combines an 18-hour restaurant with a bookstore (operated by a nonprofit organization), art gallery (restaurant walls), and meeting space (for small performances and for bookstore-related author readings).
- ii. Identify an entrepreneur, or a group of investors, and develop a business plan for the new business.



Busboys and Poets, in Washington, DC, combines a restaurant with a bookstore, art gallery, and meeting/performance space.

²³ www.ragsf.com

²⁴ www.busboysandpoets.com

- iii. Assist in programming the gallery and performance space, drawing on District artists and performers whenever possible.

d. Launch an annual business plan competition for creative businesses.

Business plan competitions provide an incentive for business owners to explore ways to strengthen their businesses. They typically offer fairly hefty prizes, great public visibility, and generous amounts of technical assistance. They are often sponsored by economic development organizations, but they can be organized and sponsored by any type of public- or private-sector entity, or by several entities that choose to collaborate on a competition. Entries are usually reviewed by a panel of 3-5 business experts (management, merchandising, marketing, financing, etc.), with the panel selecting a winner from the entries received.

We recommend that the Playhouse District Association launch an annual business competition specifically focused on developing, strengthening, and expanding creative economy businesses.

- i. Design the business plan competition (goals, application materials, marketing materials, selection materials)
- ii. Develop a specific focus for each year of the competition's first five years.
- iii. Raise money from area corporations and foundations for the competition's marketing, technical assistance, administration, and prizes.
- iv. Offer one-on-one technical assistance to District businesses to prepare for each year's business plan competition.

e. **Help businesses develop new distribution channels.**

In past decades, most downtown retail businesses made most of their sales by selling goods to people who physically visited the store. Now, however, sales generated in bricks-and-mortar stores represent only a portion of the sales generated by successful retailers. The advent of overnight delivery service and the internet, in particular, have made it vastly easier for customers to buy things from businesses throughout the country (and the world). At the same time, many Americans have less time available for shopping, making it even more critical that businesses find alternate, additional ways to reach customers.

- i. Improve the web presence of the District's retail businesses. We recommend that the Playhouse District Association encourage all District businesses to develop online storefronts. There are a number of companies that provide ready-to-go websites for retail businesses, making the process of setting up an online storefront very easy. We particularly like Shopify.com, which provides a variety of attractive website templates, webhosting services, credit card processing services, and a Google AdWord allowance for a very low monthly fee (currently beginning at \$25 for an online storefront offering 25 items or under). After setting up the online storefront (a process that literally takes only an hour or two), businesses simply print out and fulfill the orders received at the end of each work day.

Pasadena has many skilled web designers, and the Playhouse District Association might also consider contacting them and asking if one or more of them might be interested in providing a similar service, for a similar price, to District businesses.

In some communities, downtown businesses have outsourced fulfillment of orders received from their websites to other businesses or to school groups. For example, Chutters, a candy and gift store in Littleton, New Hampshire, outsources its order fulfillment business to a high school class whose students are

interested in learning more about retail business management. The business provides the students with a work area in the basement for packing and shipping orders and pays them a percentage of each online order.

- ii. Explore options for a downtown delivery program and of mobile vending for District retail and creative economy businesses.
- iii. Circulate articles and examples of innovative distribution channels to District businesses on an ongoing basis. Sometimes, hearing about how other businesses have added a new distribution channel or are using a distribution channel effectively is the most persuasive technique for encouraging businesses to make positive changes. We recommend including examples of innovative distribution channels in the Association's newsletter. A few suggestions for initial columns:
 - Art*o*Mats sells small art objects in old cigarette vending machines.
 - Waitrose, a British supermarket, offers free home deliveries within the community, often by bicycle.
 - A group of independent business owners, artists, and craftspeople in downtown Asheville, North Carolina has formed the Asheville Etsy Street Team to help jointly market their goods and services on Etsy.com.
 - Common Studio, a Los Angeles-based business, sells seed bombs in repurposed gumball machines.
- iv. With the City and other downtown BIDs, pursue development of a circulator bus/streetcar to connect downtown Pasadena's four districts. We have seen similar circulator buses or streetcars work

well in other cities²⁵ and believe that a similar bus or streetcar could encourage movement between downtown Pasadena's four districts, benefiting each district and helping distribute parking use more effectively. We recommend separating the issues of the transportation service itself from the *format* the service eventually takes (e.g., bus or streetcar).

f. Work with the City to create a collaborative retail development strategy for downtown Pasadena's four districts.

We recommend that the City create a comprehensive and collaborative business development strategy for the entire downtown that outlines a distinctive direction for each subdistrict. There are several reasons why we believe a collaborative retail development strategy is needed. For example, to an extent, the Playhouse District has served as a *de facto* incubator for small businesses that have then relocated to Old Pasadena, South Lake, and other parts of the downtown. The Playhouse District has a wider variety of commercial spaces available, and with a wider range of rental rates, than many of the city's other commercial districts, and, in part, these factors have encouraged business development in the Playhouse District. But, ultimately, other districts benefit at the Playhouse District's expense, in terms of business mix, occupancy rates, and BID revenues.

The retail development strategy might take the form of an economic development element in the City's next comprehensive plan, or it could be a freestanding plan that parallels other planning documents.

3. Animate and enliven the District's streets, shops, and storefronts, bringing the arts out into the public realm.

The Playhouse District's arts and cultural activities take part almost exclusively within the District's cultural institutions (its theatres, museums, etc.) and during

²⁵ See, for example, Washington, DC's Circulator (www.dccirculator.com) and the now-defunct Ultraviolet Loop in Pittsburgh (www.post-gazette.com/pg/04247/372908.stm).

these institutions' operating hours. With only a small handful of exceptions, expressions of the District's creative energy do not spill out onto its sidewalks and public or semi-public spaces.

We believe that bringing some of the District's creative energy out into the public realm will be *absolutely essential* not only to shifting public perception of the district but also to building the visibility it needs to transform its creativity into a significant economic driver.

a. Create an ongoing storefront arts initiative, placing art and staging events in storefront windows.

Activity in storefront windows has countless benefits for both the business and the commercial district. Active storefront windows attract customer attention, encouraging potential shoppers to step inside and browse around. And they encourage pedestrians to continue exploring the street and the district, providing a steady flow of interesting displays and experiences.

Storefront windows can also provide a venue for ephemeral entertainment and art exhibition. Whether a window display exhibits something static (like a piece of artwork) or is used as a "stage" for activity within, storefront windows can play a dramatic role in enlivening a street.

We recommend that the Playhouse District Association create an ongoing storefront arts initiative, programming exhibits and events inside storefront windows as well as encouraging businesses to make their storefront window displays more active.

- i. Encourage all businesses – retail and non-retail – to place something active in their storefront windows.
- ii. Partner with CalTech and the Arts Center College of Design to create and install interactive storefront displays and exhibits. In particular, encourage students to design and install interactive video and

electronic displays and exhibits; motion within a storefront window is more likely to attract attention from the street than static exhibits.

- iii. Create one or two promotional events annually that draw attention to the District's storefront windows.

A few examples from other communities:

- Hancock, Michigan's Main Street organization hosts an annual holiday window decorating competition. Business owners cover their storefront windows (from the inside) with brown Kraft paper, hiding their storefront displays from public view while working on them. Then, at a designated time, all the businesses simultaneously unveil their storefront displays.
 - Several years ago, Washington, DC organized a "Power Lunch" promotion, with pairs of local celebrities eating lunch in storefront windows.
 - A small town in western Kansas with a large collection of historic glass slide images of the prairie printed storefront window-sized enlargements of some of the slides onto transparent vinyl, adhered these to storefront windows, turned on the store lights, and marketed the experience as a walk-through or drive-through evening art gallery.
- iv. Encourage businesses to put storefront lights on timers, providing ambient sidewalk lighting through the evening. This will help make the District appear safer and more vibrant. By placing lights on timers, lights can turn off automatically at programmed times, even when the business is closed.

In addition, we recommend encouraging all District businesses to create special window displays whenever a market event or promotional activity is taking place within the District. This might be something with which CalTech and Arts Center College of Design students could provide assistance.

b. Develop a casual lunchtime entertainment program.

One of the Playhouse District's greatest assets is its proximity to thousands of downtown workers during the daytime. We recommend that the Playhouse District Association place significant marketing emphasis on increasing shopping, dining and browsing by downtown workers in the Association's promotional planning.

- i. Identify locations for casual and *impromptu* performances and exhibits. Even before the multi-purpose public space is developed (see 1-B-i, above), events can be programmed for temporary spaces, with property owners' permission. We believe that, in conjunction with enlivening the District's storefront windows (3-A, above), outdoor programming of performances and exhibits will be critical in quickly changing public perception of the District and in positioning the District as a true arts and cultural district.

Outdoor programming need not be time-consuming or extensive; it can (and should) include small, seemingly spontaneous performances and exhibits. For example, Washington, DC's National Opera recently surprised locals and tourists lunching outdoors with seemingly *impromptu* five-minute performances from Verdi's "La Traviata" and Ambroise Thomas's "Hamlet" in courtyards and on street corners in downtown Washington²⁶.

²⁶ <http://www.washingtonpost.com/wp-dyn/content/article/2010/05/15/AR2010051503369.html?hpid=artslot>

- ii. Identify partners for programming lunchtime entertainment and exhibits.
- iii. Market the lunchtime entertainment program. In addition to traditional marketing venues, the Playhouse District Association might consider creating a loyalty card program to reward downtown workers, residents, and other frequent visitors for patronizing the District's businesses. The Boston Main Streets program, for example, launched a successful loyalty card program several years ago. Businesses can provide any special offers they wish – a free soft drink with lunch, 20 percent off all purchases between 5-6 pm, etc. – and can change their offers as quickly and often as they wish via a website. Businesses pay a small amount to participate in the program; one-third of the resulting revenues are donated to the neighborhood Main Streets organization, one-third are donated to a nonprofit organization of the consumer's choice (which encourages nonprofits to market the loyalty card through their own networks), and one-third is returned to the consumer as a rebate at the end of the year.

c. Develop an after-work entertainment program.

As lunchtime events do to encourage downtown workers to patronize Playhouse District businesses during lunch, after-work entertainment events can entice downtown workers to linger for a while in the Playhouse District after work. The Playhouse District Association has already organized several after-work events, and we encourage the Association to continue organizing and promoting them. Many communities have organized successful after-work events, from Charlottesville, Virginia's Fridays After Five to Des Moines, Iowa's Seniors (Des Moines, spelled backwards).

- i. Identify locations for casual and *impromptu* performances.
- ii. Identify partners for programming after-work entertainment and exhibits.

iii. Market the after-work entertainment program.

d. Create a year-round farmers market in the Playhouse District.

We recognize that there have been a number of plans for creating a permanent, year-round farmers market in Pasadena. Because of the Playhouse District's role as the city's cultural center, and because it is home to the California Academy of Culinary Arts / Le Cordon Bleu, we believe that the Playhouse District should be the home of the city's year-round farmers market and encourage the Playhouse District Association and its partners to work towards creating it.

e. Develop a boutique hotel within the Playhouse District.

We recognize that this possibility has been discussed for several years, with divided opinions. We believe that a boutique hotel would, in fact, help support and encourage growth of the District's arts and cultural activities.

- i. Move ahead with the concept proposed for the Union/El Molino site (or other comparable site within the District).
- ii. Issue an RFP, carefully defining the hotel concept, and select a developer for the hotel. We recommend that the hotel concept include an emphasis on arts and entertainment. For example:
 - Hotel 1000, in downtown Seattle, has a virtual golf center, making it possible for guests and community residents to play (via 3D glasses and a room-sized video screen) some of the top golf courses in the world. Hotel 1000 also actively programs spontaneous activities and incorporates unusual, unexpected events into its operations – for example, it placed a snow machine on its roof the week before Thanksgiving in 2009, simulating a gentle snow as people entered the hotel.

- The James, in Chicago, features a private TV channel that exhibits video art.
- 21C Museum Hotel, in Louisville, uses surprising spaces within the hotel to exhibit art by local artists – including bathrooms, the sidewalk outside the hotel, and the hotel’s exterior walls. The hotel provides guests with an iPod with narrated, self-guided tours of the hotel’s art collection at check-in.

f. Re-visit the zoning regulations specifying the amounts of housing, commercial space, and office space permitted in the Playhouse District.

While a close review of zoning regulations was not within the scope of this assignment, we heard many comments during our interviews about the need to revise the permitted square footages of housing, office space, and retail space in the Playhouse District. From our interviews, it appears to us that the response to development of new housing within the District is regarded as positive, but response to office development (and, to an extent, to the proposed development of the site on El Molino between Green and Colorado) has caused many to question whether the District has too much office space.

Our sense is that the increasing *visibility* of office space within the Playhouse District is perhaps more a problem than the actual quantity or proportion of office space. We recommend that the City and the Playhouse District Association briefly re-visit the issue of the amount and proportion of space permitted and make whatever adjustments might now seem to be needed. In general, we suggest:

- Encouraging retail, studio, and other active uses in ground-floor spaces (rather than office uses)
- Encouraging ground-floor offices to animate their storefronts, minimizing the visual ‘dead zone’ that ground-floor offices sometimes create

- Increasing the number of District residents and the diversity of housing types available within the District

g. Use blank walls in the District for murals, poems, and projected video.

Using blank exterior walls for artwork is a relatively easy and low-cost way to bring arts activity outside, into the public realm, within the District. Painted, embedded, or projected art can be either subtle (as with Pasadena’s well-known T.E. Lawrence quote/mural in Fair Oaks (painted over in 1995)²⁷, or they can be bold, depending on the specific site, property owner interest, and public opinion.

- Identify key walls throughout the District (high visibility; nearby gathering space; key nodes and vistas; property owner interest).
- Work with area visual and video artists to plan installations.
- Implement the installations and programming.

h. Develop an interactive, geotagged tour of the District’s arts and cultural institutions and creative businesses.

The Playhouse District has a rich history, representing the work of generations of residents and business people, and many of its buildings and businesses have taken on special significance for many members of the community. Over time, these personal memories create deep layers of meaning that help shape the community's personality and public identity.

Several communities in North America and Europe have experimented with programs that make it possible for people to geotag places with special significance for them, then to connect the geotag to a website or message database where information about why a particular place has significance for the person who tagged it can be recorded. Some examples:



A poem painted on a blank exterior wall in Berlin (top), and a projected performance in Warsaw (bottom).

²⁷ “My people are the people of the dessert,” said T.E. Lawrence picking up his fork.’



- The Yellow Arrow Project²⁸ (now defunct) provided participants with code-numbered stickers. Participants placed the arrow stickers so that the arrow pointed towards the significant site. They then sent a text message to a website explaining why the site is significant to them. People who saw the arrows could then go online and read the tagger's message.
- [murmur]²⁹, a project launched in Toronto and now also taking root in the US, the United Kingdom, and Brazil, ties recorded messages from people to geotagged locations. People who see a [murmur] sign can call the phone number on the sign, punch in the code number on the sign, and hear the recorded message. They can also go to [murmur]'s website, view a map of a neighborhood, and click on a [murmur] location to hear the tagger's recorded message.

We recommend that the Association consider the possibility of launching a similar program in the Playhouse District.

- i. Explore similar programs in other communities. In particular, we recommend exploring the Yellow Arrow Project and [murmur].
- ii. Identify and involve partners in identifying Playhouse District sites to geotag.
- iii. Create a website and marketing campaign to publicize the geotagged tour.

²⁸ <http://yellowarrow.net>

²⁹ <http://murmurtoronto.ca>

What next?

Transforming the economy of an older or traditional commercial district requires diligence, creativity, and coordination of many groups working together collaboratively. A few suggestions for implementing the recommendations in this report:

- **Break large tasks into small steps:** Large tasks often seem impossible until they are broken down into small, discreet steps that can be easily implemented by an individual, organization or agency in a relatively short period of time.
- **Divide and conquer:** It would be impossible for any one entity to singlehandedly undertake all the tasks that need to take place to strengthen the Playhouse District. Just as there are literally hundreds of small actions that have contributed to physical and economic deterioration in the Playhouse District over the past several decades, strengthening the District's economy and improving its infrastructure to effectively encourage and facilitate commercial activity will require literally hundreds of small actions.
- **Leverage resources:** Every agency, organization, constituency, and individual interested and involved in the Playhouse District's retail improvement has particular skills, resources, and vantage points that can be useful to the revitalization process. When breaking the major objectives contained in this report into smaller action steps, give careful thought to which entities might already have the skills and resources needed for each particular action step. In this way, the initiative can leverage existing knowledge, financial, and skill resources as fully as possible.
- **Start with many small projects ... and a few catalytic ones:** Starting with small projects helps participants develop the skills and collaborative partnerships needed to gradually tackle more complicated projects - and doing so can mobilize hundreds or even thousands of volunteers, building a broader base of support for the overall initiative. At the same time, moving forward with a few catalytic projects can accelerate the timeline and provide tangible evidence that positive change is taking place.

- **Monitor changes:** Over the next 3-5 years, carefully monitor changes in the numbers of businesses opening and closing, the numbers of people who attend special events and festivals, and new investment in physical improvements to existing buildings as well as investment in new commercial construction in the Playhouse District.
- **Spread the word broadly:** It is particularly important that *all* businesses and property owners in the Playhouse District be kept up to speed on what's happening and that no business or property owner feel left out. As with so many aspects of commercial district revitalization, there is no one single tool that will reach all business and property owners. Use a variety of tools, including e-mail distribution lists, announcements in community bulletins, announcements at public meetings, websites, postcards, and personal contact.
- **Take a leap of faith:** In our 25-plus years of working with communities throughout the United States and around the world on commercial district revitalization and development, we have consistently found that the single biggest obstacle to revitalization is skepticism. When people believe that revitalization will succeed, it almost always does.

About the CLUE Group, LLC

The Community Land Use and Economics Group is a small, specialized consulting firm that helps community leaders create vibrant downtowns and neighborhood commercial centers. We work with local and state governments, nonprofit organizations, business improvement districts, developers, planning firms, and others to develop practical and innovative economic development strategies, cultivate independent businesses, identify regulatory and financial barriers, attract new investment, and make solid, forward-looking decisions about the economic uses of older, historic and traditional commercial districts.

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