



2012 Cultural District Annual Report Executive Summary

The Cultural Districts (CD) program was created by the Louisiana Legislature in 2007 and launched in 2008. It provides tax incentives in areas designated as cultural districts intended to contribute to increased business opportunities; new markets for cultural products; increased artist production; increased renovations of older buildings; increased cultural activity; a greater sense of community identity; and increased property values. It is a locally driven program for community revitalization. The local government nominates an area for Cultural District certification based on the area's cultural assets and its potential to serve as a hub of cultural activity for the community. The Office of Cultural Development in the Department of Culture, Recreation and Tourism administers the program.

The Cultural District program has been widely embraced in communities across the state as a program compatible with, and complementary to, existing community and economic development goals. In five years 63 cultural districts in 37 towns and 25 parishes have been certified. Local governments leverage the Cultural District designation to attract people, businesses, and cultural activity to the districts. In addition to the "branding" opportunities the place-based program offers, state law also provides two targeted tax incentives:

- the rehabilitation of older buildings may qualify for state historic tax credits
- the sale of qualifying works of original art are exempt from state and local sales tax

In accordance with R.S. 47:305.47, the Department of Culture, Recreation and Tourism must report to the legislature on the impact of the Cultural Districts Program. Local governments with certified Cultural Districts in their jurisdictions submit an annual report with information about factors related to cultural and economic development. This executive summary is a compilation and analysis of the Cultural District Annual Reports for calendar year 2012.

The complete report including data on each Cultural District is available online for download at www.crt.la.gov/culturaldistricts.

Demographics-

Information collected in the initial application provides a useful snapshot of demographic features for each district. Here are some demographic totals for the 63 certified Cultural Districts.

Over 800 Cultural Assets including museums, galleries, art schools, music venues, planetariums, riverwalks, educational institutions, arts markets, historic sites, culinary experiences, and festivals exist within the CDs.

Combined population of all CDs is 234,636, with the populations of individual districts ranging between 75 residents and 42,000 residents.

Geographically the area of the smallest CD is 8 acres, while the largest is 4400 acres.

Total number of buildings	131,777
Commercial	23,082
Residential	108,695
Occupied	93,895
Vacant	37,882

Rehabilitation-

One of the goals of the Cultural District program is community revitalization. Local government liaisons reported an estimated 475 commercial renovation projects and about 739 residential projects were begun in 2012 in CDs across the state. The growing number of residential projects is due in part to the purchase and repair of hurricane damaged homes. Most of these renovation projects are being made independent of tax credit incentives, though some of them are among the state historic tax credit projects reported below.

State Tax Credits for Rehabilitation of Historic Buildings -

State Historic Tax Credits are an important component of the Cultural District program intended to spark renovations and reuse of buildings for revitalizing communities and providing facilities for cultural activities. Since the program began in 2008 there have been 397 applications for commercial renovations of historic buildings in 37 different cultural districts in 16 parishes, in various stages of progress. 158 of those projects were completed by the end of 2012 representing an investment of \$655 million of Qualifying Rehabilitation Expenses and another \$161 million in associated costs. So, for \$164 million in earned tax credits in Cultural Districts the total dollars leveraged was \$817 million.

Since 2008 there have been 195 applications for owner occupied residential properties in cultural districts in 18 parishes. 32 of those projects have been completed, leveraging a total of over \$5.6 million in qualifying and associated rehabilitation expenses.

Sales Tax Exemptions-

Liaisons for the Cultural Districts reported approximately 543 businesses, 218 organizations, 1733 events, and 4,256 artists benefitted from the sales tax exemption for original art. These numbers increase each year, due to certification of additional districts and emphasis on arts and cultural development in the designated areas.

Tax administrators in 20 of the 25 parishes that have Cultural Districts reported data to help track the impact of the sales tax exemption for original art. Data is from art/cultural businesses known to handle art and cultural products and therefore might be conducting some tax exempt sales.

Total revenue reported was just under \$1.1 billion.

Total value of tax exempt sales reported was just over \$13 million.

The volume of tax exempt original art sales reported is a small fraction, about one half of one percent, of the overall income reported by art businesses. In 2012 the \$524,000 not collected by the state due to the original art tax exemption generated over \$13 million in art related sales to locals and tourists alike. The local sales tax varies by municipality between 3% and 5%, so a similar amount of sales tax was exempted at the local government level among 20 parishes.

Hubs of Cultural Activity-

The Cultural Districts report a total of 2,794 cultural events were held in 2012 with a total attendance of approximately 3.3 million people. Copies of the annual reports from each district available online, provide details about the cultural events, activities, district organization, and

promotions. While many cultural events in CDs are long-standing and ongoing, liaisons report that attendance at art events is generally higher, sales at art markets are improved, and there is increased community identity.

Vacant Buildings -

About a quarter of the districts reported stability, with almost no change in the number of vacant buildings; most of the other districts reported the vacancy rate decreased by 2% - 20%; no districts reported an increase in vacancy in 2012.

New Businesses -

This is among the most encouraging of the report results. CDs reported a total of 820 new businesses opened within the boundaries of their districts since certification. Of those, 204, or 24% were art/cultural businesses. The same districts reported 288 businesses closed; 45, or 15%, of which were art/cultural businesses. That is a net growth of 532 businesses in districts that are targeted for cultural development. And even more impressive is the fact that the percentage, or density, of art/cultural businesses in our Cultural Districts is increasing!

Conclusion-

The Department of Culture Recreation and Tourism believes the successes evidenced in this report summary strongly support the initial premise for the creation of the Cultural District program. By incentivizing cultural development a community's economic development grows. With each application cycle new communities see certification as a way to spark the cultural economy in their towns and neighborhoods. Dire state budget shortfalls each year since the Cultural District program was created have prevented pursuit of funding as originally planned. We hope the program continues to thrive with the direction we can provide, the great volunteers in the communities, and their creative determination to find resources. Eventually we hope to build even greater successes with funding to assist the certified Cultural Districts through state sponsored promotions and advertisement, initial startup grants, or competitive grants for infrastructure, promotions, or signage. The Louisiana Cultural District program is already a model recognized by the National Association of State Arts Agencies and featured in the NEA and Mayors' Institute on City Design's (MICD) publication, *Creative Placemaking*. Louisiana takes pride in the creation and positive impact of this initiative.

**To learn more about the Cultural District Program ~ www.crt.la.gov/culturaldistricts
Or contact Gaye Hamilton, 225-342-8161**

A Small Sample of Events in Cultural Districts~

Abbeville- Hosts a wide range of events where local artists have booth space including Christmas Stroll, La Cattle Festival, the Giant Omelet Festival, and "Taste of Vermilion" a social event where local chefs promote their restaurants

Charlestown (Lake Charles)- Festivals and cultural events continue to move to the Charlestown District in order to take advantage of the economic advantages of the district along with the increased beauty and aesthetic of the area improvements. Festivals include Arts & Crabs Fest, The Great Acadian Awakening, Culture Fest, and Live @ the Lakefront, each with over 2,000 attendees.

Natchitoches- major festivals that sell art work like the Natchitoches Christmas Festival, Jazz/R&B Festival, Fleur de Lis Arts and Crafts Show, the Green Market and multiple art walks held throughout the year

Houma- Downtown Live After Five, Art After Dark, Waterlife Museum Exhibits, Bayou Walk, Outdoor movies and Halloween event for children, Cajun French table

Arnaudville- Étouffée Festival, La Bizarre de la Jonction, Le Feu et l'Eau--Fire and Water Rural Arts, Bayou Blues Revival, Christmas Fete Do-Do and the Big A Square Dance,. weekly and monthly events include the *La Table Française*, Brown Bag Arts and Crafts Workshop for Kids, Acoustic Organic Jam, Music of Acadiana Performance Series, Celtic Circuit Performance Series, T'boned Select Blues Series and the anticipated Food Imitating Music Series.

Lower Ninth Ward- A weekly farmers, and art market has become a gathering place for community activity and art commerce, with cooking demonstrations and classes for old and young alike.

Magazine Street Gallery- Magazine Street Merchants Association: marketing nationwide, real estate listings, White Linen Night, Art for Arts Sake, Merriment on Magazine

Alexandria- Spring and Autumn ArtWalk located within the District was the most attended in the events history. Downtown businesses and Alexandria Museum of Art have benefited from Taking It to the Streets, a performance event on Saturdays.

St. Claude- The St Claude Main Street was awarded an ArtPlace grant for \$275k, which is being used to support the local cultural community and make streetscape improvements along the corridor.

Lower 9th Ward - All Souls Episcopal Church began a Youth Orchestra where youth from the area are taught how to play musical instruments. The Sankofa Market and supporting garden engage community and teach healthy lifestyles.

Lower Garden District- Widespread participation of galleries and shops selling art and cultural items for Art for Art's Sake Event; over 300 attended. The Music Shed Studios provides services to local, regional and international artists, and multiple movies and TV shows filmed within the district on locations and at Second Line Studios. Property values continue to increase, with a reduction in blighted property and renovations of existing structures throughout the district.

Crowley- boasts many events Carnival D'Acadie, Children's April Sketches, Witchy Way, International Rice Festival, Christmas in Crowley, Taste of Crowley. Exterior restoration of the Grand Opera House of the South completed and exterior restoration of Brandt building began.

Gretna- Monthly Art Walks on the second Saturday in conjunction with the Gretna's Farmers' Market, ongoing renovations of an 1840's bargeboard Creole Cottage, the future home of the city's Welcome Center.

Lafayette- Organizations designed a new comprehensive visitor guide emphasizing the historic buildings, public art, galleries, museums and the arts center.

Grand Cane- The DeSoto Art Council and Gallery attracts artists, provides art lessons for adults and children, art shows, meeting spaces for community groups. It attracts visitors from throughout the area. Two DAC Gallery artists opened their own businesses in the cultural district this year.