



UNIVERSITY OF CALIFORNIA

Agriculture and Natural Resources

An Economic Impact Analysis of a Proposed
Performing Arts Venue in Rural Northern California.

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1. The Introduction: How to use this report and roadmap

This community economic development (CED) report is meant to be of service to the Partnership for the Performing Arts (PPA), Del Norte Unified School District (DNUSD), Crescent City, Del Norte County, the State of California, and other relevant local stakeholders. This report supports the PPA in better understanding the range of socio-economic outcomes for the Del Norte community resulting from their proposed performance art space on the Del Norte High School campus. It aids PPA stakeholders in crafting their strategic direction, as well as providing the PPA team with additional insights that could assist in advancing the capital campaign. Here we provide a socio-economic analysis of the potential outcomes of the proposed performance hall using input-output models, a community capitals assessment, and a SWOT analysis (conducted by Crescent City). The report serves as a resource for state and local governments as they assess if this project should receive funding or incentives, and what effects to expect on the area. Finally, this report advances the literature in the fields of rural development and economics, arts tourism, and school infrastructure improvement.

The report is structured as follows. First, the history of the development of the PPA concept in Del Norte County. Second, a SWOT analysis of the speculative community economic development outcomes that community leaders might expect as a result of the PPA's development. Third, the report closes with a discussion section, providing closing thoughts as to strategic priorities the community could harness to capture the economic development impacts of the Performing Arts Center.

2. Background

a. The Partnership for the Performing Arts

The Partnership for the Performing Arts was established in 2021 by Nick Rail, an alumnus of DNUSD who is leveraging his business success to advance the County's youth development in the arts. Rail states his motivation as such:

“Nick’s life was changed by a simple act of love: his parents gave him a trumpet when he was a young child. This eventually led to a very successful career in music retail. Now, he and his wife Lisa have decided to pay it forward, by gifting the proceeds from the sale of their business to help improve the futures for Del Norte and Curry counties.”

PPA's mission is to expand access to performing arts education and shows and perform outreach to regional organizations. The proposed 1,000-seat multi-purpose Performing Arts Center on the campus of DNUSD will be the partnership's flagship project. This project will create the only dedicated performing arts venue in Del Norte and Curry Counties. Recently the State of California has put \$2.5 million toward the project.

The PPA envisions the center as first and foremost supporting arts education curricula in DNUSD. Beyond this they envision it as a high-quality venue to attract visiting professional artists for free and paid public concerts and educational experiences. The PPA also sees the center as more than just a PAC and will use it to host regional civic programs, visiting government leaders, community forums and possibly as an emergency shelter or resource center.

b. Del Norte County and Crescent City, California

Del Norte County is the northernmost county on the California coast. In the 2020 census its population was 27,743 with a decline of about 1000 people from the 2010 census. Its only incorporated town is the county seat of Crescent City. Crescent City has a population of 6,673 according to the 2020 census and its population has also declined since the last census. Crescent City's population includes incarcerated peoples at the large Pelican Bay State prison. Del Norte is known for its natural beauty with Redwood National and State parks. The County is home to four recognized tribal nations: The Elk Valley Rancheria, The Resighini Rancheria, The Tolowa Dee-ni Nation and The Yurok Tribe of California. The weather is similar to PNW coastal weather and the county boasts miles of beachfront and mountains up to 6400 feet tall. The region is isolated due to the rough terrain and few narrow roads into the county, US 101 and US 199. The population density is 27.6 people per square mile and the poverty rate is 21.4%.

Crescent City conducted a SWOT analysis for their comprehensive economic development strategy (CEDS).¹ The relevant topics and the PAC's relevance to them are below.

Strengths

- Natural beauty of the region, the theater can leverage eco tourists coming to the region
- There are many Native Tribes in the area, the PAC can be a venue to exhibit their culture, creating programming for the PAC and spreading information about tribal culture.

Weaknesses

- Limited opportunity to increase the appearance of Crescent City to travelers because they often see little of the town. The PAC will bring people off the 101 to see more of Crescent City both directly to the PAC and indirectly if they stay the night or go to businesses after the show.
- The region is lacking strong integrated tourism marketing efforts. The PAC could be a pillar of strong tourism marketing that ties sectors together to market together and capture
- Shortage of living wage jobs. The potential spending that the PAC brings in offers living wage jobs and can attract remote workers with high wages.

Opportunities

- There is a growing sister city relationship with Rikuzentakata Japan which the PAC can play off of for programming and cultural exchange.
- Increases in ecotourism can help bring visitors to the PAC.

¹ The CEDS process is a [federally developed set of standards](#) used in the development of local and regional economic development and strategic planning.

Threats

- A lack of community pride can be partially remedied by this project originating from the community and made for its use.

c. Arts as economic development

The arts are seen as a strong driver of economic development and have been used by municipal government agencies to reinvigorate communities and attract new residents. (13) Nationally, the arts contributed \$166.3 billion to economic activity in 2015 with arts organizations spending \$63.8 billion and audiences spending \$102.5 billion. (18) The arts also support 4.6 million full-time equivalent (FTE) jobs nationally and produce \$27.54 billion in government revenue annually. (18) This means that nationally the arts industry employs just shy of the total number of lawyers and law enforcement officers combined. (18) With an average audience member spending of \$31.47 outside of the admissions cost per event the arts support economic development outside of the art industry with audience spending supporting local business. (18) For small communities, bringing in outside dollars can be crucial. An Americans for the Arts study found that one-third of arts attendees are from out of county, two-thirds of this group said that the arts were their main reason for visiting the community and 41% said they would go somewhere else if the arts event was not there. (18)

Outside of direct spending benefits, the arts encourage economic development through various ripple effects. Arts institutions attract a diverse, high-skill, high-salary workforce. (14) The arts are a cornerstone of placemaking, a strategy to build the uniqueness and magnetism of a community to retain and attract residents. In a region such as North Western California where youth flight is an issue, placemaking provides another tool to retain youth in the community and encourage them to contribute to its prosperity. (16)

This project has multiple avenues for place-making. It is unique for the region's small towns, as many do not have arts infrastructure of this scale. Additionally, as this space will be used for showcasing Native American and non-Native American culture, it provides even more placemaking opportunities than a strictly arts space and leverages the unique cultural landscape of the North Coast region. By cultivating professionals to push creativity and innovation in business and civic life, the arts play a key role in the entrepreneurial ecosystem. (15) Throughout this report we will continue to show how both in terms of spending and in terms of "ripple effects," the arts -properly harnessed- may spur community economic development.

3. Literature Review: How The Arts Can Be Leveraged For Community Economic Development

In this section, we examine the existing research into how art relates to community economic development strategies. Richard Florida's work on the creative class exemplifies this body of research. To assess the creative economy of a city, Florida created the Creativity Index which weights scores in five fields: Percent of Creative Workers, Creative Rank, High-Tech Rank, Innovation Rank, and Diversity Rank. These creative class members work in all fields, not just the arts, and are highly paid and highly educated. (14) They "create new forms" like new

products, software, art, or ideas. (14) These people bring with them wealth and high incomes that can spur economic growth in areas that can attract them. (14) The group also includes a larger periphery of workers in knowledge-intensive jobs. (14) Florida finds that many areas with high Creativity Index scores are less population-dense regions. (14) Florida points to diversity of all kinds and vibrant nightlife with strong arts venues as draws for this creative class. (14) Florida also points to outdoor recreation as of prominent interest to this class. He cautions against Institutional Sclerosis, where communities fail to adapt to changing desires of the populous and lose out on economic possibilities because they are stuck in the past. (14)

Markusen and King in their paper *The Artistic Dividend* illustrate how art plays a complementary role to businesses and artists' role as business people. The arts sector provides creative talent to aid local businesses in their marketing and design as well as attracting high-income and high-skill individuals. (15) They stress artists as entrepreneurs and highlight their ability to bring an entrepreneurial spirit and skill to a region. (15) The authors point to an "artistic dividend" which is produced through long-term commitments from the public sector, philanthropists, and arts patrons. (15) Quality of life and numerous arts institutions are cited as attractors for artists and the authors stress the need for unconventional art spaces to build the artist network. (15)

Creative place-making and creating an identity unique to your community is a strategy increasingly turned to by small towns to set themselves apart, attract talent and form a sense of community. (16) Rural arts tend to foster "collective capacity building", community collaborations, and build networking opportunities. (16) Duxburry and Campbell describe rural arts as "the glue which holds rural communities together". (16) The authors cite a lack of financial and human capitals as barriers to creating arts institutions in rural communities. (16) Duxburry and Campbell call attention to the role of arts institutions in stopping the rural-to-urban migration of youth, artists, and creative entrepreneurs, three demographics frequently of interest to many small towns. (16) The authors raise the importance of community control and careful planning in areas dominated by tourism to avoid rural gentrification which may result in lost economic gains for marginalized populations, a loss of small-town charm, over-commercialization, and eventually -paradoxically- a reversal of creative placemaking that brought in tourists. (16) They also draw our attention to the need for community economic development models designed for small towns. (16) Directly importing urban community economic development models ignores the differences in the two economic structures. (16) Six categories are identified as keys to the success of these rural institutions: community buy-in, youth engagement, leadership development, increased funding to achieve self-sufficiency, education, and policy implementation. (16)

Stolarick et al. examine the case of Prince Edward County, Ontario, a small town that relies heavily on tourism, and provides insightful parallels for Del Norte County. The authors note that tourism-centered economies can stagnate due to the predominantly low-paying and unsteady jobs in the tourism industry. (17) To combat this the authors point to Florida's work and the idea of unique placemaking. (17) The County has positioned itself for economic development by becoming a culinary and artistic hub while keeping its historical culture front

and center. (17) The authors have identified three common approaches to rural community economic development: place-based development, economic gardening, and cultivating creativity and talent. (17) The first of these focuses on capitalizing on the things that make your small community special, the second consists of fostering entrepreneurship, and the final approach involves focusing on growing creative resources and their ripple effects to the industry through attracting and cultivating creative individuals, both for the arts and traditional business. (17)

Quebec Canada has turned to co-ops as a community economic development strategy. (29) Quebec has over 3500 coops with over 80000 employees across almost all sectors of the economy. (29) They boil down their strategy to 3 key points: technical assistance to coops, research centers, and partnership with government to provide policy and tax support to coops. (29) These coops have better survivability and lower costs of bringing on employees than traditional businesses. (29) In Appalachia some have moved to coops for economic development that is community controlled. (30) Many parts of this region have struggled after mining or logging companies pull out as communities often relied on one company or industry for almost all economic activity. (30) Authors conducting lengthy interviews with cooperatives found that they all placed importance on economic success and also to some extent local control. (30) The coops in the study were in some way a reaction to forces similar in Del Norte and Appalachia, both have been left struggling after the decline of a major and often the only industry in the region. After the calamity caused by being reliant on natural resource extraction directed from outside the community, the co-op members were keen to not allow the tourism industry to repeat this. Through co-ops, they have taken local control over their natural resources (beauty) and employment to build a strong sustainable locally controlled economy.

4. Economic Development as Community Economic Development: The Community Capitals Framework


The prior section elaborated on the ways that the arts have been successfully utilized for community economic development. There are also several critical assessments of the use of the arts in economic development. And while no economic development intervention can be said to be 100% effective or guaranteed, there are methods for better shepherding art-led economic development.

Flora et al's, ideas of Community Capital Frameworks (CCF) are brought in by Stolarick et al. as a tool to analyze economic development in small communities. (17) The authors provide a key insight, leverage what draws in tourists, and additionally focus on creative placemaking to help diversify from a tourist-dominated economy to one that attracts, cultivates, and retains creative class workers. (17) A word of caution is offered around income inequality and rural gentrification with a possible influx of creative class workers and careful planning is advised by the authors.

The dominant approach to economic development has two flaws that Flora's CCF attempts to address. First, there is the tendency to reduce all economic development activity to mere financialization. While financial sustainability is central to the benefit of any endeavor,

there exists other forms of capital which may otherwise be obscured through the financialized lens. Second, the focus on “stocks” to the exclusion of investigating “flows” of capital obscures the necessary redistributive aspects of economic development, namely that the purpose of such an initiative is intended to *spread the wealth*.

TABLE 1 The Seven Types of Community Capitals

	DEFINITION	EXAMPLES
 Natural	The quality and quantity of natural and environmental resources existing in a community.	Parks; lakes; rivers; wildlife; forestland; farm land; mountains; other natural resource features.
 Cultural	The values, norms, beliefs and traditions that people inherit from the family, school and community. Also includes material goods produced at a specific time and place (such as paintings, books) that have historical or cultural significance.	Cultural events/festivals; musical heritage, libraries; museums; multi-lingual populations; historical associations.
 Human	Attributes of individuals that provide them with the ability to earn a living, strengthen community, and otherwise contribute to community organizations, to their families, and to self-improvement (Flora et al. 2004). It includes access to education and knowledge development, training and skill building activities and efforts to build and expand local leadership.	Formal and informal educational institutions; workforce training programs; adult and youth leadership programs; lifelong learning activities.
 Social	Connections existing among people and organizations that help make things happen in the community. Includes close ties that build community cohesion (bonding) as well as weaker ties with local and outside people and organizations that help promote broad-based action on key matters (bridging).	Activities that build trust among people and groups of different races and ethnic backgrounds; citizen involvement in community discussions and events; community celebrations or parades; involvement in civic and service groups; organizations that link diversity of people and organizations together.
 Political	The ability to influence and enforce rules, regulations, and standards. Access to individuals and groups with the power to influence decisions. Participating in civic discourse on difficult public issues.	Elected and appointed government officials; citizen participation in issue forums; Congressional representatives and staffers; political organization leaders; voting rates in local, state and national elections.
 Financial	The variety of financial resources available to invest in local projects or economic development initiatives. Efforts to build wealth to support community development activities.	Community foundations; grants; micro-loan programs; revolving loan funds; community development financial institutions; banks.
 Built	Represents the infrastructure of the community - the basic set of facilities, services and physical structures needed by a community.	Broadband and other information technologies; utilities; water/sewer systems; roads/bridges; business parks/incubator facilities; hospitals/health care buildings; main street buildings; housing stock.

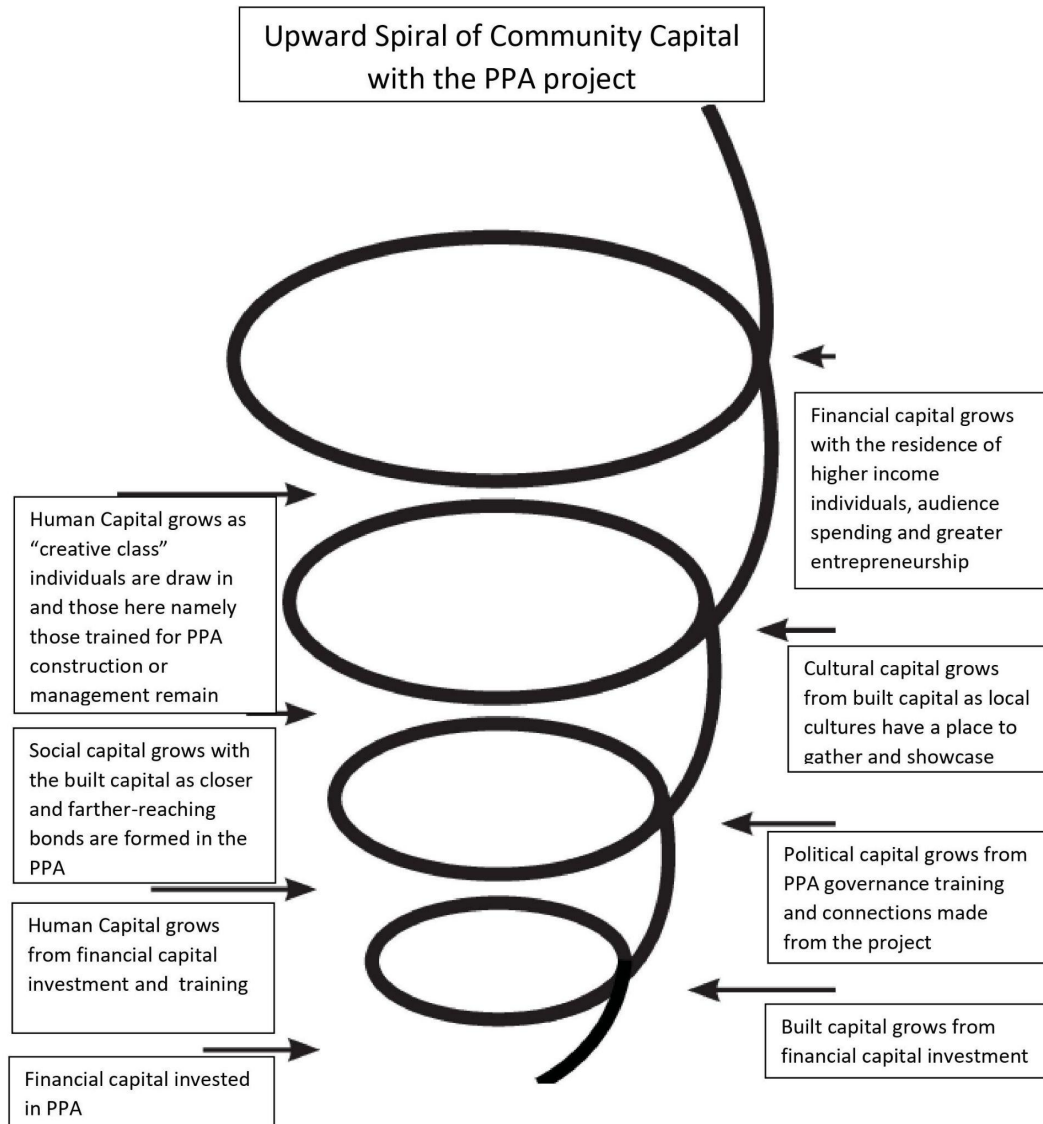
Sources: Flora and Flora (2008); Flora, Flora and Fey (2004); Jacobs (2011a, 2011b, 2011c, 2011d); Flage and Hauser-Lindstrom (2007); Emory, Fey and Flora (2006).

Table source (25)

With CCF there is a broader view of the assets that go into the communities capital stocks. (12) The CCF incorporates value in natural, cultural, human, social, political, financial, and built capital, taking a less reductive view of what it means for a community to prosper economically. (3, 12) The creation of this framework led by Cornelia and Jan Flora in the early 2000s allows for a more comprehensive understanding of natural resource use, poverty reduction, social equity, and inclusion. (12) This framework takes the existing capital stocks as the starting point and then focuses on how the existing assets can work synergistically to cause an upward spiral of community capital stocks. (3,12) As this framework focuses on how the

community can utilize its assets it puts the community in the driver's seat of its development and builds lasting community empowerment instead of relying on outside assets and direction.

Community governance is essential to durable, lasting community well-being. Bowles and Gintis address the issue of community governance and its relevance to economic development in their paper *Social Capital And Community Governance*. (24) They start by identifying the community as useful to good governance because it can be more flexible and nimble than government and markets; additionally, collective action exhibits far more potential for broad-based community impact than individual citizens operating on their own. (24) The authors call this middle ground "collective efficacy".(24) Plywood worker-owned firms in Washington and Oregon are cited as successful examples of community governance with workers being owners; the companies remained competitive largely through cutting supervision costs. (24) These firms better manage risk and produce more output per unit of labor and capital combined. (24) These successful community governance schemes are also seen in the provision of local public goods, again, assisting with the flow of community stocks throughout. (24)



The community scale allows for more informed decision-makers as they are living and/or working in the community, bypassing the pitfalls of acting alone (adverse selection). (24) The community scale leverages the relationships, trust, and knowledge of the community that an outsider likely would not have, providing for better decision-making. A community can expand on the benefits of a traditional market as it has greater access to information than most firms in a market. (24) The community has many repeat transactions with its members and limited actors which makes it more beneficial to act in a "socially beneficial" way as you will likely encounter this person many more times, this also provides incentives to seek more information out as it will be useful for the likely repeated transactions with someone. (24) With its small size the community is well positioned to fight the free-rider problem as it is easier to identify and punish those individuals. (24)

Bowles and Gintis examine studies that find that the more rounds of exchange groups of subjects have with each other free riding tends to decrease and when punishment of free-riders is

allowed the rates of free riding decrease. (24) This lends credence to the economic ideas laid out above using human behavior studies. The downsides of communities are acknowledged, they tend to be limited in size and largely homogeneous. The authors pose ways to address this, in economics the homogeneity of community can be overcome through the economies of scale it can achieve through binding smaller producers. (24)

Bowles and Gintis cite ways of increasing the efficacy of community governance. They point to the need for communities to “own the fruits of their success or failures.” (24) This increases the community's gain from its hard work from a wage to a share in the value produced by their labor. (24) They also use a housing example with a change from getting just quality of life improvements from a project to also getting home value improvements, in a case where homeownership generates financial value increases for owners when the quality of life in the community increases. (24) The above and the studies it cites show the need for community members generally, not a few elites, to own the assets they work with and the assets that could gain value as money is invested into the community. (24) The authors continue by stating the importance of mutual monitoring and the ability to implement multilateral punishment for shirkers or non-compliance. (24) They note that mechanisms for this must be enshrined in some way and it must not be assumed these things can happen without structures in place to support them. (24) Bowles and Gintis point to the need for government and legal institutions to support the community governance structures and for government and markets structured in a way that complements the community governance structure. (24) Class inequalities are cited as posing difficulties to cooperation inside the community, again showing the need for the community members to own the fruits of their labor. (24) Finally the need for anti-discrimination policies to combat us vs them mindsets and the downfalls of the homogeneity of communities is emphasized. (24)

Kinds of community capital and how the PAC fits in

a. Human capital-

Human capital includes education, both formal and informal, skills and capacity of the population and specifically of the leadership to “lead across differences” and to act to shape the future of the community. (2,3).

The PAC creates opportunities for k-12 students which would otherwise not exist. It directly creates opportunities through its link to the high school and indirectly through its support of artistic culture. (14,16) Youth flight generally and a brain drain of youth specifically plague rural communities, Del Norte included. (19) This PAC can help stem the flow of youth, namely creative youth from the community. This increase in human capital can balloon out to increase other capitals; more skilled individuals with more intellectual and entrepreneurial capabilities as there is less brain drain and more financial capital will come as high-skill employees remain here.

Lack of human capital is common in rural communities and the ability of this project to cultivate local and bring in external human capital is one of its strong points. The PPA has

calculated that over ten years it can provide 725,300 opportunities to view performances meant only for local school students from the school district and local charter schools. (28) This comes from the approximately 3000 students in the Del Norte Unified School district and 550 from local charter schools attending multiple performances a year by DNHS performance groups as well as local community partners. Students could attend even more events during the public performances.

As noted by scholars like Florida and Duxbury the arts play a role in increasing the human capital of the workforce. (14,16) The arts do this through retaining, growing, and attracting talented and generally high-income workers. (14,16) Better marketing has been cited by Crescent City as a goal for its economic development. (20) The creative workers attracted to the arts are a great fit to directly address the need they have identified. (15) The city listed diversity as a goal particularly looking for attracting internet commuters and quality of life improvements to attract high human capital individuals. (20) Again this project directly addresses the goals of the community to grow its human capital stocks. From this workforce development, there is a clear path to financial capital, and the diversity it will bring along increases social capital.

In addition, the project is an opportunity to increase leaders' human capital as board members receive governance training and build skills through working closely with disparate groups: the school district, arts nonprofits- local government, and Native Tribes.

b. Social Capital-

Social Capital is often divided into bonding and bridging social capitals. Bonding capital ties together closely-knit groups and bridging capital brings together disparate groups across their networks for a common good. (2,3) This kind of capital exists on a group or institutional level as well as individual. (3) This project leverages the existing bridging social capital in the community as the PPA has been able to work with various entities from arts nonprofits, to the state legislature, to individuals and beyond.

As for growing social capital, community centers are an area where both bridging and bonding social capital can be built. (3) As high school students become closer at band practice and build bonding social capital so do separate groups bond to form bridging capital at say, a county board of supervisors town hall, or a showcase of the Native Tribe's culture. This social capital is the third leg in the stool of what is called entrepreneurial social infrastructure (ESI) also made up of human and built capitals. (5) Social capital works synergistically with the other two capitals to put entrepreneurship into action as without the community connections human and built capitals can not be put into motion in business. (5) This provides a clear example of the need to use the CCF and how capitals inside the CCF interact. With the social capital boosting the entrepreneurial social infrastructure it feeds into a growing financial capital with stronger local entrepreneurship, a goal identified by the Del Norte CEDS.(20)

As mentioned above, diversity is a goal of Del Norte County from their CEDS. (20) As Florida notes, diversity and inclusion are key aspects of attracting and retaining the creative class

and strong art ecosystems can help promote those values. (14) This project along with the front street outdoor theater and other improvements creates more spaces for diversity. As this rural community has been unable to easily access the arts this PAC will bring artistic opportunities to them and create new spaces for inclusion. As a community space and as part of an ongoing project of community development through governance training the PAC can help bridge structural holes in community networks. In regards to equity, this project helps to minimize the gap between urban and rural students and communities.

c. Financial Capital-

Financial Capital is a necessary but not the only community capital. With financial capital, it is particularly useful to use the definition of capital as value in motion. (6) Financial capital is liquid assets like currency or “banked” assets like equity that are put into motion to accumulate more value and are not used for consumption. (3) With over \$50 million planned to be invested in this project the financial capital will be a significant component of this project. As financial capital, this money is not simply consumed but put in motion to create more capital of all kinds for the community in which it is invested.

The initial stage of this project has brought in financial capital of \$4 million in donations that have almost entirely come from outside of Del Norte. Lack of financial capital was cited by Duxburry and Campbell as a common problem in rural communities and it can be seen in Crescent City with few local sources of large capital. (16) This project’s capital campaign will help address the undercapitalization of the region and lessen that barrier to an upward spiral of economic development. The PAC puts Financial capital in motion in the construction phase and produces built financial and cultural capital. The performance center is the built capital and its creation is an increase in cultural capital as a symbol of the increasing possibility of change. Once operational, the center creates financial capital for the community through direct and indirect effects. Directly it puts forth the salary of its employees and maintenance costs. The center brings in financial capital to Del Norte through ticket sales and concession sales as well as sales tax. The PAC also helps retain financial capital in the region by keeping people from having to go to Arcata or farther for performances. Indirectly the performance center can induce retail, restaurant, and hospitality spending which brings in financial capital. (1) Art and tourism have a close complementary relationship, one in which the performance center will continue to bolster and benefit. (8,9) Resultantly the performance center will likely bring in financial capital as it increases and or prolongs tourist visits.

The Financial capital from this project spirals out to other financial capital through its ability to attract and retain the “creative class” as well as attract and retain other higher-income individuals looking for more local amenities.(14,16,17) Falling incomes were cited by the Del Norte CEDS and this along with a synergistic economic development strategy can help reverse that fall in incomes. (20) With high-income individuals comes higher tax revenue for the local government and more disposable income to circulate throughout the local economy if there is a coordinated effort to capture this value.

While this project may create high incomes or more jobs it is essential to note that we must go beyond a paycheck. Bowles and Gintis emphasize the need for community members to fully reap the benefits of their labor and the improvements to their community. (24) Without worker control over workplaces, profits, losses, and general community development plans workers miss out on most of the project's benefits and are left with simply trickle-down economic benefits. Co-ops are one way of addressing this and have been shown to be successful in rural tourist-driven economies. (30)

The Americans for the Arts has created an input-output model to help assess the economic impact of arts organizations. The model is specified for communities of 50,000 people or fewer so Crescent City is on the low end of the range for this tool. Given expenditure predictions from the PPA the authors were able to generate a matrix of data using various attendance numbers. The tool calculates audience expenditure, FTE jobs created by the audience, and FTE jobs created by the organizational spending as well as state and local government revenue generated. Expected PAC operations costs were estimated by averaging those of 5 similar size and location theaters to find their per-seat operating costs. The results below are computed using operating costs of 1,153,470. Using expense data from the Ross Ragland, The Craterian, The Rogue, and the PAC of Rapid City an average of \$1153.47 per seat was found.

	FTE Jobs	Household income	Local revenue	gov	State revenue	gov	Total economic impact
15000 yearly attendance	48	\$947,979	\$51,261		\$85,195		\$1,601,019
25000 yearly attendance	55	\$1,077,305	\$63,595		\$102,965		\$1,899,383
35000 yearly attendance	61	\$1,206,631	\$75,929		\$120,736		\$2,197,748

Dr. Michael Seman at Colorado State Univ. has put together another input-output model generating Economic impact and FTE job creation for music venues.(27) This model predicts the economic impact as \$2,536,143 per year and 28.2 FTE jobs supported.(27)

d. Built Capital-

If the community was a skyscraper the natural capital would be the bedrock and the built capital would be the foundation that the rest of the building relies on. (3) This is the physical infrastructure that supports the community. (2) This project will utilize built infrastructure like the WASH systems of the city and its patrons will utilize the roads and gas pumps of the region.

The performance hall is itself a piece of built capital increasing the city's built capital stock as well as showing that built capital projects are possible in this region to help spur future investments in built capital. The performance space will be a serious improvement to the facilities at DNHS, and facility quality has been shown to be a factor in teacher retention. (11) The location at the high school means that the most can be gotten out of this space, students are most likely to use it 8-5 during school days, and concerts are mostly held at night or on days with no school like summer break and weekends. The lack of student use during the summer will fit well with the tourist boom that occurs in the summer. Outside of its role as a PAC, the space can be used as a tsunami command center. Crescent City is often called the Tsunami capital of the continental US and the city has been looking for a relief center to deal with this. The location is out of the Tsunami zone and has access to the kitchens and other facilities at the high school and the College of the Redwoods Crescent City campus.

Economic development literature typically breaks construction effects into seven categories. (17) Employment impacts which encompass direct and indirect employment. With Del Norte's limited contractor capacity most labor will have to come from out of the region. 2 and 3. Accommodation impacts and service impacts, because of Crescent City's size even a small number of workers can have a great effect on accommodation options and local services like schools and law enforcement. 4. Spending, while spending impacts from workers can aid the local economy it is unlikely that project materials will be sourced from the area. 5. Traffic impacts this is unlikely to be a problem here 6. Compliance, we are unsure of the full compliance picture but trucking restrictions could complicate work. 7. Perceived nuisance, this includes things like noise pollution, the project is not directly adjacent to any non-school property.

As Crescent City moves forward with its Front Street improvement project the PAC will fit well with the plans to create a more vibrant downtown area. While the 2-mile walk might be too much for some, a walk from Beachfront Park to the PAC runs along part of the tsunami walking tour and past the Del Norte Historical Society. A drive from the main tourist areas of Front Street to the PAC follows a similar route and takes you by several local businesses. The Front Street improvement project includes an outdoor theater which will complement the PAC well as it further bolsters the potential for art activity. The Front Street project will create a new Redwood Visitors Center which will drive outdoor recreation tourists into Crescent City, this brings in more potential theater attendees.

e. Cultural Capital-

Cultural Capital references how people know, act, and see possibilities to change in the world as well as cultural traditions all of which shape what voices are listened to in the community. (2,3) Florida's term Institutional Sclerosis, the stagnating of communities because of a lack of willingness to change bolsters the importance of these possibilities of change. The case study of Prince Edward County also shows the need for agile changing communities as the local economy had to adapt to changes in consumer demand and pivoted to be a gastronomic center for tourists. (17) The PPA also ushers in a possibility of change in the entrepreneurial spirit and process in Del Norte. It shows that changes can come out of Del Norte and that Del

Norte can generate creative voices that make serious changes. The lengthy process of the PAC project also shows the need for more platforms and support for the entrepreneurial voices of Del Norte to expand and come to fruition. Cultural capital also includes the physical embodiments of culture, artifacts, ceremonial dress, etc. (4)

The PAC provides opportunities to directly leverage and increase cultural capital as a space to showcase the rich culture of the region, particularly that of the many Native Tribes. As a part of the high school, this project can directly boost the cultural capital of the community through its contribution to music education. The PAC brings world culture to Del Norte and more fully integrates Del Norte into world culture. As a first-of-its-kind undertaking in the region, this helps shape cultural capital by expanding what people think is possible to change in the region. Lack of cultural capital and limited social activities has long been a recruiting barrier for rural public schools and this problem aids in rectifying that. (10) Finally the PAC would contribute to gains in the entrepreneurial mindset of the community. (15) The increased cultural capital especially the entrepreneurial mindset can translate to increased financial capital through business ventures and business support.

f. Political Capital-

Political Capital addresses access to political power, not simply does the region have the power to change legislations, etc. but who in the community gains this political power and who has access to it. (2,3) Political capital is often a gate to other forms of capital both for individuals and regions and there must always be a multilevel analysis of political capital from individual to group to region. (3) With a low population comes few elected officials in the state and federal government. Del Norte is the second least populous county in its massive 6 county federal house and state senate districts with the same boundaries, from Oregon down to and including Mendocino County. It is the second smallest county in its State Assembly district that stretches from Oregon along the coast to Santa Rosa; there are 80 districts in the State Assembly. The PPA has been able to overcome this lack of political capital and has gotten state funds to use for the project and can share this information to help bolster the power of the region. As members of the PPA board pursue governance training this puts them in contact with centers of political power and creates opportunities for political action. Additionally, the governance training means more members of the local community have the formal qualifications many people associate with running for elected office.

g. Natural Capital-

The CCF provides deeper insights that might otherwise go unnoticed looking at a PAC. Natural capital refers to the natural resources and beauty of a region as well as its weather and geography and is “the base on which all other capitals depend”.(2,3) The performance center plays off the natural beauty and geography of the region as a driver of tourism to help bring people to shows. The proximity to so much natural capital means the PAC can incorporate ecotourism into its marketing and possibly gear events to eco-tourists.

6. Discussion:

a. Capturing financial capital benefits

How can businesses capture the potential spending of the performance center visitors? In a small town like Crescent City, this is of the utmost importance. (1) If there is no serious cooperation between businesses that could benefit from the center and the PPA, potential financial capital will slip through the fingers of the community. While this might present itself as another barrier, using the CCF, the social capital created by this necessary cooperation can be accounted for as a significant asset that the community could leverage in a more closely linked art and business sector.

Civic engagement and collective capacity building are potential benefits from this project that will help in capturing some of the value created. (16) In Crescent City and many small towns, limited capacity in civic and economic matters is a serious problem. The capacity built by governance training will help in local government functions as well as capturing more value through these improved functions.

b. Similar projects in the region. How do we plug in?

This project is geographically aligned with existing theaters, as acts go up from San Francisco to Portland they often stop in Eureka at Cal Poly Humboldt or the Arkley Theater. Crescent City is then en route from Eureka to Portland. Connecting with these venues will be crucial to bringing in bigger acts as they tour up or down the West Coast. In addition to the above-mentioned theaters, there are The Craterian in Medford, The Cascade in Redding, and The Ross Ragland Theater in Klamath Falls. Medford and Redding are more than 10 times the population of Crescent City and Eureka and Klamath Falls are 3 or more times the population. Unfortunately, there has not been an economic analysis done on the impact of these theaters, and assessing their impact on their downtown committees could not be conducted for this report.

On a local level Crescent City is planning an outdoor theater in Beachfront Park, this integrates perfectly with the theater. In a region with such volatile weather, a close relationship between the two gives the flexibility to have a backup location indoors if outdoor shows are rained out. Again this shows the need to integrate this project into the larger Del Norte economic development ecosystem to get the most value out of the project.

Regional partnerships can be a strong method for expanding and there are regional partners that pick up where the PAC leaves off. Enriching Lives through Music (ELM) is a non-profit based in Marin County Ca. They provide a variety of full scholarship musical and performance opportunities to students, offering multi-year music education programs in a variety of music fields. ELM works primarily with disadvantaged mostly Latinx youth in the Canal District of San Rafael. ELM and the Rails both provide musical instrument access to students, but ELM focuses on music education. While ELM focuses on a limited geographic area their work fills a gap that the theater leaves. A program expansion to our area or starting a similar program would mean that the theater can be leveraged to further meet the needs of the underserved youth of the region.

c. The PAC in the larger economic development plan.

The PAC links into the larger economic development plan for the community. For Crescent City, that comprehensive economic development plan is largely the front street improvement project. While across town from Front Street, both projects promote the arts. Beachfront Park will have an outdoor theater put in which will complement the indoor PAC and the PAC can serve as a backup location for the outdoor theater in case of bad weather.

d. Workforce development

The workforce development from this project can be broken into two bins, developing the skills of existing Del Norte Residents and attracting talent from outside the region. The development of local skills would be concentrated on construction skills for the construction and to a lesser extent maintenance. In Crescent City the College of the Redwoods would be the natural vehicle for this kind of workforce development for adults. They have expressed interest in expanding to provide these kinds of vocational courses as they currently do not offer them. DNUSD offers some related vocational education classes but it is not enough to supply qualified workers to the construction field. The NPS has also expressed interest in creating a heavy machinery training program in nearby Klamath but this is still being stood up and not yet functional. The NPS would largely use these operators for forest and watershed maintenance. This upskilling of the Del Norte workforce for construction and maintenance jobs is coming more and more to the forefront as the Front Street development and the offshore wind projects come closer to the building stage. As Chadwick et al. note there are serious economic impact differences if the labor for construction projects comes from outside the community. (7) With an investment in vocational workforce training there are increases in the human and financial capitals of the region and these gains would be amplified by the other projects coming to the region. These upskilled workers would result in more wages moving through the local economy and higher tax revenue.

The other workforce development angle is attracting and retaining high-income “creative class” workers. This brings up questions, where will workers be housed in a community with a housing shortage, how will schools absorb extra students, whether will this cause gentrification, etc.(22) These questions point to the need for comprehensive economic development strategies, CEDS. The Crescent City Economic Development Plan noted the city’s desire to bring in these high-income individuals and posed some of the critical questions mentioned above. (20) These higher-income individuals would help the local government raise tax revenue, increase wages flowing through the local economy, and would contribute to an increase in financial and human capital for the region.

e. Tourism

The Del Norte economy is largely tourism based with hospitality being the second largest sector of employment and has an average yearly wage of \$16,736.(20) Arts are seen as a tourism driver for many of the same reasons that they attract the “creative class” to a place. (9,14) Locally Humboldt is renowned as a music tourism destination, bringing in large acts, and Ashland Oregon is known for its Shakespeare Festival. The city is already planning on

leveraging arts tourism with its Front Street outdoor theater project and its plan to show art from a local Ukrainian artist.

The NEA has found that if a rural town has a National Forest or National Park close by it is 60% more likely to have a theater company than those who do not have the NF or NP, and “recreation-dependent” economies are more likely to have theater companies than those that do not. (21) This implies there is already a co-location of arts tourism and more traditional recreation tourism and this region is known for its outdoor recreation activities. Rural art institutions tend to have audiences from farther away with 31% of audiences traveling “more than a reasonable drive” as opposed to 19% in urban theaters. (21) The Ross Ragland Theater in Klamath Falls has found they sell 10% of tickets to out-of-county residents. (23) The Craterian in Medford Oregon indicated there out of county attendance around the 10-15 percent range. According to phone tracking data, Crescent City has a Tourism influx of 1,474,871 people per year. The PPA is anticipating 50 touring acts a year and an average attendance of 500 per event. This totals to 25,000 attendees expected at touring shows, using the Americans for the Arts per audience member expenditure of \$31.47 which could be \$786,750 spent outside of the ticket price. With similar theaters in the region having a 10-15% out-of-county attendance rate that would be 2,500 out-of-county residents and \$78,675 out-of-county dollars at 10% or 3,750 out-of-county residents and \$118,012.50 out-of-county dollars at 15% out of county attendee rate. The PPA plans on having 5 conferences per year and 85 non-profit or civic organization events. The spending impacts of these events were not calculated due to a lack of reliable spending data from these kinds of events.

Suggested Community Economic Development Readings:

The Rise of the Creative Class - Richard Florida

Unanticipated Gains: Origins of Network Inequality in Everyday Life- Mario Smalls

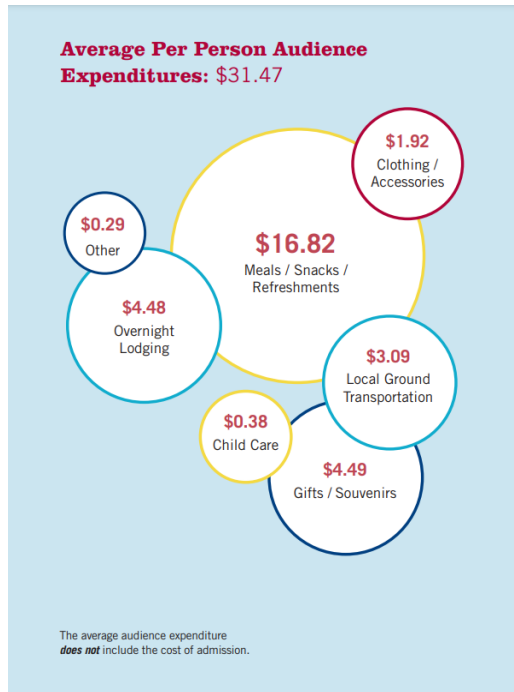


Diagram From [Americans for the Arts](#)

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