

Public Art

Put Your Town at an Economic Advantage

by **Cindy Ellen Hill, Esq.**



Looking for some maps at a tourist office in Amsterdam a few years back, I happened to pick up a brochure aimed at encouraging investors and entrepreneurs to place their businesses in that city. That random moment changed my view of public art forever. In the brochure, the city's economic development agency had laid out the foundation of the economic status of Amsterdam. Prominent among their claims regarding the city's fiscal condition was the fact that, due to Amsterdam's long association with the fine arts, the city now owned many, many millions of dollars worth of art.

Appreciating Assets

Artwork is an appreciating asset – an item which ING Financial Services glossary of finance terms defines as “an asset or holding that has, or is expected to, increase in value over time.” When firms such as Moody's or Standard and Poor's provide a bond rating to a municipality, they take into account the town's level of asset protection and their capacity to repay the bond, which includes an analysis of the city's assets and debts. Most municipal assets are depreciating assets, both short term – cars, fire trucks, paving equipment – and longer term – buildings and other major infrastructure. But unlike just about everything else that is publicly owned, art increases in value over time.

Amsterdam's appreciating art assets created a very high bond

rating, strong borrowing power, and even with several large development projects under way, assets that outweighed debt. And in addition to the spreadsheet benefits was an air of stability and a positive business climate: a city that owns Rembrandts and Van Goghs is an attractive place to shop and work in.

If it works for Amsterdam, I thought, why can't it work just about anywhere else? Granted, small-town America is not likely to accumulate the same kind of art collection – including such renowned pieces as The Night Watch – found in the major municipalities of the Netherlands. And yet, Amsterdam acquired many of its core pieces at little public expenditure. Some were taken in lieu of cash tax payments; others were donations from the artists or from their

estates. Many of these were worth little at the time they were initially acquired. Yet today they form a legacy which benefits the city's residence both culturally and economically.

While the aesthetic benefits of public art should be obvious, the economic benefits of public art are sometimes elusive even to passionate arts supporters. Yet study after study has demonstrated that the arts are often a significant component of a regional and local economy. See, for example, <http://www.arts.state.tx.us/news/newspage.asp?nid=ecoimp> a report of the Texas Council for the Arts detailing the impact of arts and cultural resources in the state of Texas. Art attracts visitors and expenditures, and investment in public art creates an environment encouraging to private and nonprofit investment in arts and cultural facilities in the same area.

“There is a great body of empirical evidence research to suggest that cultural facilities are indeed important in influencing inward investment,” writes Professor A.G.

Bovaird of Aston University in Birmingham, UK, in his

recent thorough study, Public Art in Urban Regeneration: An Economic Assessment. Bovaird notes that public art improves the competitive advantage of a municipality, attracting professionals to live and work in the area and making it a more desirable place to locate businesses.

A study by the Brookings Institute's Metropolitan Policy Program on the economic condition of the State of Maine indicated that Maine's 'stellar quality of place' – in that case, Maine's superb communities, historical townscapes, and beautiful natural landscapes – constitute a major appreciating asset; the study recommended that Maine do everything it can to maintain and even increase its uniqueness in order to improve its economic attractiveness to investors and future sustainability. Maintaining a 'stellar quality of place' by investing in the unique features of the local community, including local heritage reflected in local artwork, is wise fiscal advice for any municipality or region. It improves the quality of life and resources in areas from education (using public art as an open museum in public and private teaching programs) to tourism to business investment.

How to Get Started

Many municipal leaders shy away from a suggestion of investing in public art because they believe it will cost money out of pocket, and the last thing they want to do is raise taxes to purchase a sculpture or painting when housing, fire and police services, and roads are in need of attention. But public arts programs can also be started with little to no initial public expenditures.

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their town. There may already be a list of publicly-owned art which has been filed with the municipality’s insurer. But in many small rural towns, there are likely paintings hanging in town hall or sculptures in the lobby of the library or school with no publicly available documentation whatsoever. Listing these items and presenting them to the municipal leaders will likely attract their interest: the town already owns art that it has not been taking advantage of. If a small grant can be obtained from a state or regional arts council, or volunteers rustled up from the arts department of a nearby college or high school class, the town can create a catalog of information about its artwork which can make the art an accessible resource to residents and visitors, as well as provide an appropriate list for insurance and damage restoration purposes. Photographing the pieces and putting the inventory online is another great project for a high school tech class.

Once the public and municipal leaders become aware of public art in the community, and can demonstrate their interest in providing public art as well as a level of knowledge about maintaining and displaying art, they can begin to solicit donations of artwork. Local artists looking for a display venue, as well as local residents seeking to donate appreciated assets for tax purposes or simply to make a lasting gift to a town they’ve lived in

all their lives, will over time contribute to a growing collection. The more the town acknowledges and publicizes its art assets, the faster the collection will grow, and the more valuable the donations will become – and all the while, each and every piece in the collection will be contributing to a rising positive fiscal balance sheet. Admittedly, no municipal art collection will start out with millions of dollars in assets, and your small town’s collection might never get to that level. But in the face of shifting world economies and public belt-tightening, any competitive advantage and financial improvement that a municipality can generate at low or no cost to its residents is a positive investment indeed.

How FAR Can Help

Established provenance and public listings of art assets are some of the best ways to maintain and improve art’s value, as well as to help organize collections. Fine Art Registry™ provides an extremely low cost method for even the smallest towns to register their art online and participate in a tagged identification system that will be quite valuable in tracking and providing proper security for publicly owned art. Some towns may be wary of taking even donated art out of fear of theft in public buildings with minimal security; Fine Art Registry enrollment of public pieces provides an inexpensive but invaluable level of security that should help to convince reluctant public officials to go ahead and take the plunge into public art display. FAR® members web pages can also provide the perfect place to organize a town’s art collection on line where it can be easily accessible to the public. And the array of information and artists resources and contacts displayed at the FAR site can inspire and inform town officials and residents to develop their most economically beneficial and lasting public assets

