



State Senator Sheila Harsdorf

Date: February 12, 2014
To: Senate Committee on Agriculture, Small Business, and Tourism
From: Senator Sheila Harsdorf
Re: Senate Bill 568- Creative Economy

Dear Chair Moulton and Committee Members:

Thank you for holding a public hearing on Senate Bill 568 (SB 568) which seeks to create a grant program through the Wisconsin Arts Board to boost creative industries and job creation in our state. I appreciate the opportunity to testify in support of SB 568.

According to Arts Wisconsin, the nonprofit arts and cultural sector in Wisconsin generates \$535 million in economic activity resulting in \$65 million in local and state revenues and employs nearly 50,000 full-time jobs among over 12,000 businesses. Creative development is happening all over the state. An example in my district is the City of St. Croix Falls' restoration of the civic auditorium as an integral part to the revitalization of the downtown. Later, you will hear from Arts Wisconsin who will highlight projects and developments occurring around the state that are creating jobs and adding to our quality of life.

SB 568 is designed to promote the creative economy where business or local arts agencies provide products or services which have an origin in artistic, cultural, creative, or aesthetic content. This bill would create a creative economy development initiative grant through the Wisconsin Arts Board under the Department of Tourism. The biennial appropriation of \$500,000 would allow the Arts Board to award grants on a competitive basis to businesses, arts organizations, local arts agencies, and business development organizations that promote creative industries, job creation, and economic development. Applicants applying for the grants are eligible to receive up to \$40,000 and must have secured at least a two-to-one match of non-state funds for the project. The appropriation is one-time funding and requires the Arts Board to develop a process to score the effectiveness of the grants and report back to the Joint Committee on Finance.

Arts and cultural experiences account for a significant number of small businesses that help stimulate the economy through tourism and neighborhood development, as well as creating community assets that improve quality of life measures that businesses and their employees value. This in turn helps to incubate and grow additional businesses, broadens the tax base, and attracts tourists. I am encouraged by the bipartisan support of this bill and urge timely passage of this job creating legislation.

Feb 12, 2014

Testimony for the Senate, Agriculture, Small Business & Tourism Committee

Jay Salinas- Co-Founder & Director of Special Projects

Wormfarm Institute

I am here today to ask you to support the Creative Economy Development Initiative as a ~~modest~~ ~~yet~~ profoundly necessary boost to the states portfolio of strategies for increasing support for the arts and culture, key elements in vibrant and prosperous communities. This is a strategy I know can be effective as I have seen it 1st hand in my work and in my community.

The Wormfarm Institute is a small non-profit located in Reedsburg in Sauk County with the mission to integrate culture and agriculture to build thriving rural communities. Incorporated in 2000, the Wormfarm partners across disciplines implementing wide-ranging community-based cultural events that are built upon existing assets, and use the arts to highlight these assets. Over the years we have created history-based murals, hosted speakers and resident artists, mounted exhibits and developed community festivals.

Our latest project is Fermentation Fest- a Live Culture Convergence- a 10 celebration of food and farming with an emphasis on fermentation. This of course refers to beer wine, cheese, products for which WI is already well-known. **But fermentation is also a metaphor for transformation- the ongoing transformation and evolution within a community and this is in no small part what we intend by these efforts.**

In 2013, our 3rd year, over 12,000 people came through Reedsburg for some part of the Fest. The centerpiece is the Farm/ Art Dtour **where through the vision of artists we explore the timeless connection between land & people.** It's a 50 mile self guided tour through the beautiful working lands of N Sauk County, thru LaValle, Ironton and Lime Ridge. Visitors pass by a diverse range of working farms from a family operated 1000 cow dairy to small Amish farm both of whom support, contribute to and benefit from its success. They view high quality commissioned artwork, as well as the work of self-taught artists, buy locally produced food from small scale producers and processors. Some are world famous cheese makers some are locally famous picklers. There are educational opportunities that help these visitors- over half who come from Chicago, Milwaukee and the Twin Cities- gain a deeper appreciation of the vital business of farming that feeds us all. And they support dozens of small businesses along the way. Using a recent study on Agritourism by the UW Extension we calculate they pumped over one million dollars into our economy in this 10 day period. We're planning now for the 4th year of Fermentation Fest and expect to host at least 16,000 visitors in 2014.

This is a project that links tourism, agriculture, the arts and economic development in what is called "creative placemaking" and Fermentation Fest is acknowledged as a nationwide model of how it can tangibly benefit a community. This work that is being supported on the national level through the National Endowment for the Arts and Art Place- a consortium of 13 private foundations in partnership with federal agencies including the USDA.

But before we had this kind of attention and support we had it on the local and state level. We are incredibly fortunate to live in Sauk County- the only rural county in the state that has an arts & cultural funding program. With modest grants from this program we have received funding from the WI Humanities Council and WI Arts Board which in turn has given us the capacity to seek & receive national funding. We have in turn leveraged private dollars and have subsequently invested several hundred thousand dollars directly into local businesses, like accountants, graphic designers, farmers, sign-makers. And notably we are preparing to hire more staff for our own organization.

Economic activity is the natural byproduct resulting from our efforts. We have created a fertile environment in which entrepreneurs have successfully launched new businesses, where existing businesses in out-of-the-way places now have customers drive long distances to patronize them, and long-time merchants have had their best sales in 30 years of business.

Investment in culture and creativity helps grow the new economy. When thoughtfully deployed, financial support for the arts and humanities not only helps artists and scholars but helps communities. If we are serious about job growth and economic development we should be imaginative in our approaches to it. Chasing smokestacks and offering tax incentives is an old and increasingly obsolete method of job creation. Today, job growth and economic stability is achieved by using creativity and imagination to spark innovation. Innovation does not have to mean new smartphone apps and can instead refer to sustainable agritourism that builds upon our history, culture and existing infrastructure.

I am here today to ask you to support Senate Bill SB568 Creative Economy Development Initiative. WI currently spends 15 cents per capita on the arts, placing us 47th in the nation. Support for the arts is a vital element of a comprehensive strategy to re-invigorate communities and spur economic development.

I finish by saying how gratifying it was to see my representatives have signed on as sponsors of this bill. Assemblyman Brooks actually sent us the initial announcement for the 1st NEA Our Town grant that really got this thing rolling. And Senator Schultz has been a supporter of this work years.

Wormfarm Institute - Economic Impact in Sauk County

State and Federal funding (private and government) Wormfarm has brought to Sauk County since 2010

8,000	WI Humanities Council 2010 (Key Ingredients)
23,000	WI Dept. of Tourism
10,000	WI Arts Board
2,000	WI Humanities Council mini grant
21,000	WI Dept. of Tourism 2011
5,600	WI Arts Board
2,000	Alliant Energy Foundation
3,000	WI Farmers Union
50,000	National Endowment for the Arts (NEA), Our Town grant
6,800	WI Dept. of Tourism 2012
100,000	ArtPlace America grant
10,000	Brico Fund
2,000	Alliant Energy Foundation
6,000	WI Arts Board
35,000	NEA, Presenting grant, 2013
75,000	ArtPlace America grant
2,000	Alliant Energy
6,000	WI Arts Board
<u>100,000</u>	NEA, Our Town grant 2014
\$467,400	

Attendance

Key Ingredients , Traveling Smithsonian 2010 (6 weeks)	4000
Fermentation Fest, the pilot	4000
Fermentation Fest year two	8500
Fermentation Fest, year three, conservative estimate	12,000
Fermentation Fest year four, projected	16,000-20,000

Economic impact

- A recent UW Extension study on Agritourism reports median spending during respondents’ last trip involving agritourism was \$137. Based on these figures in 2014 Fermentation Fest could contribute up to \$2,740,000.00 – in direct spending in Sauk County. This will be over and above any grant funds .
- In 2013 over 30 business or attractions in five towns (LaValle, Lime Ridge Ironton, Valton and Reedsburg) saw direct benefit with increases in business compared to non-fest weekends up 25%- 800%.
- Entrepreneurial efforts also were very successful from pop restaurants, to farmers selling straw to church ladies selling soup and baked goods, to hay rides and more

INFORMATION ABOUT THE NEA GRANT

National Endowment for the Arts (NEA) OUR TOWN Grant

This is a new grant program established in 2011 to help fund Creative Placemaking efforts across the country (see below for definition). Wormfarm received a grant for \$50,000 in its first year of funding to launch The Farm/Art DTour and has since been featured as an exemplary project. The grant application is listed on the NEA website Arts.gov as an example of innovative arts programming. In 2011 Wormfarm was one of 51 recipients nationally and the only one in Wisconsin.

In 2013 Wormfarm's proposal was one of 56 projects nationwide selected to receive an Our Town Grant for 2014 for \$100,000. It was one of only three projects to receive this award a second time and the only rural one. This was due to a strong proposal, innovative project, demonstrated success and strong proposed local (County) support

OUR TOWN Goals:

Our Town will invest in creative and innovative projects in which communities, together with arts and/or design organizations seek to:

- Improve their quality of life;
- Encourage greater creative activity;
- Foster stronger community identity and a sense of place; and
- Revitalize economic development.

Creative Placemaking is defined as:

"In creative placemaking, partners from public, private, nonprofit, and community sectors strategically shape the physical and social character of a neighborhood, town, tribe, city, or region around arts and cultural activities. Creative placemaking animates public and private spaces, rejuvenates structures and streetscapes, improves local business viability and public safety, and brings diverse people together to celebrate, inspire, and be inspired." -

Grant eligibility

To be eligible for an Our Town grant application must include a nonprofit arts organization (Wormfarm Institute) and a government partner (Sauk County)

The grant must be matched dollar for dollar (at minimum) Strong proposals demonstrate strong local support

IMPORTANT FACTS TO NOTE ABOUT 2014 and BEYOND

- Fermentation Fest is recognized nationally as "...the poster child for rural creative Placemaking" Rocco Landesman former Chair of National Endowment for the Arts. This is an asset based interdisciplinary economic development strategy that has national momentum and attention.
 - As the project matures we will reach further into and across the county ensuring this becomes a key part of a larger effort to grow the region both culturally and economically. We will work in partnership with Chambers of Commerce, tourism, SCDC, UW Baraboo
 - WI Dept. of Tourism has declared 2014 to be the year of AgriTourism – summit held at Wollersheim Winery Nov 12, 2013
 - Wisconsin Foodie television show filmed during 2013 Fermentation Fest. Three will be an upcoming episode featuring this event show on Public television stations across the state
 - USDA Rural Development has championed this project throughout the country as a prime example of an innovative rural development strategy

Wormfarm Institute

Recent publicity on Fermentation Fest- regional, national, international

Articles 2011-14

1. Grow magazine, Agriculture/ Life Science, UW Madison 12
2. Forecast Public Art magazine, national 12
3. Mary Jane's Farm, national 12
4. Ensia magazine, MN/ national 13
5. Realtor magazine, national real estate 13
6. Electric Cooperative News 2011, 13
7. Art of the Rural interview, national 13
8. Howl Round article, national 12
9. WI People and Ideas magazine, WI 12
10. Midwest Living 13
11. Brava Magazine (women's health style) Madison 13
12. Growler Magazine, craft beer industry – Midwest 13
13. WI State Journal article 13
14. Milwaukee Journal Sentinel article 13
15. New York Times Travel section, article 13
16. WI Foodie TV show WPR `(upcoming) 14
17. WPR Best of Our Knowledge, feature story 14
18. ArtPlace book on creative placemaking, international 14

See other side

Speaking Engagements as a result of Fermentation Fest

1.	Midwest Bioneers - panel	2013
2.	ArtPlace summit, Creative Placemaking - Miami	13
3.	NEA on line storybook , national Selected as “exemplary project” for in-depth analysis	14
4.	NEA profiles – interview Jay Salinas Online interview, national	11
5.	Rural Arts conference, Mass	12
6.	Rural Arts Summit MN	13
7.	Smart Growth conference KC, Kansas	13
8.	Federal Reserve Bank, ST Louis- Arts and Economic Development	13
9.	One State for Arts conference, Moline IL Arts & Community, John Deere headquarters	13
10.	WI Academy, Academy Evenings	12
11.	USDA – meeting presentation, Wash DC	13
12.	NEA grant review panel, Wash DC	13
13.	Alliance for Artists Communities, San Jose CA	13
14.	Rural Sociological Society Award – Distinguished Service to Rural Life NY, NY	13
15.	Michigan Arts Summit, Grand Rapids MI "Rural Initiatives: Empowering Creativity in Rural Regions"	13
16.	ArtPlace Summit on Creative Placemaking, LA CA	14
17.	Building Communities Conference, Lansing MI	14
18.	Community Building Through Art- Earth Day, Madison	14
19.	Creative Placemaking Symposium, Milwaukee	14



Mission

Creative Alliance Milwaukee exists to drive economic prosperity as a catalytic hub, growing our creative industries by leveraging applied creativity in education, commerce and culture.

We link, **leverage, promote and grow** the creative industries in the Southeastern Wisconsin region, **attract and retain talent** across *all* industries and **connect creatives with commerce**.

This is part of a **state-wide effort** to develop the creative economy and **creativity as a competitive life skills advantage** for our state's workforce; to foster **public-private partnerships**; and to establish Wisconsin as a state that **imagines, creates and innovates**.

Why?

With targeted focus, the creative industries **create jobs and businesses, enhance competitiveness** of other businesses, are an important asset to **attract and retain talent**, and **increase the vitality and quality of life** throughout the region.

The legacy of creativity and innovation that provided the foundation for the region's past growth will continue to be the key to a successful future, with a focus on developing innovative talent. **A region's capacity to innovate depends on the breadth and depth of its creative capital – people, businesses, and support systems.** Identifying, quantifying and understanding the value of a region's creative assets will help maximize creative capital, which in turn will optimize innovation capacity.

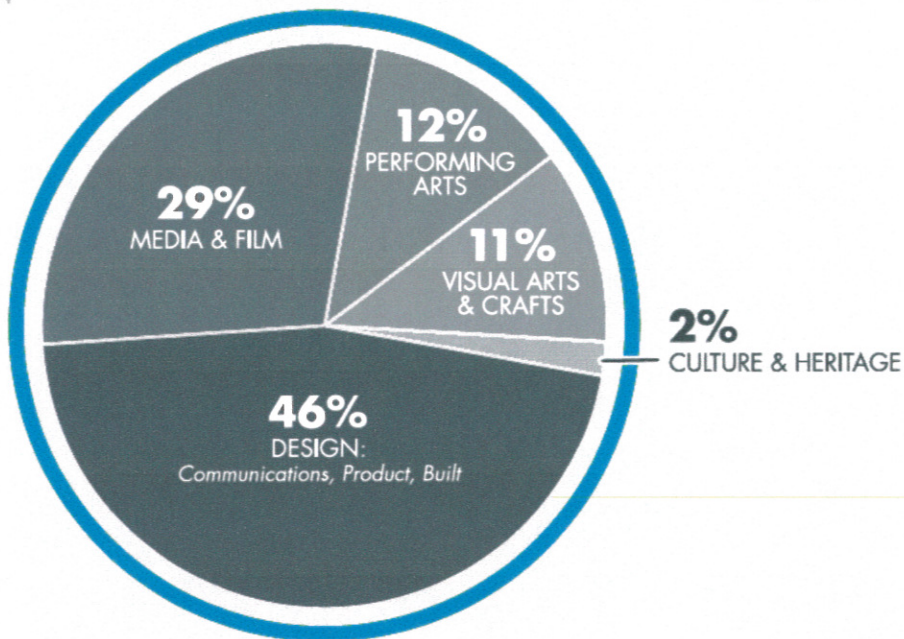
What are the "creative industries"?

Those individuals and businesses whose products and services originate in aesthetic, artistic or cultural content.

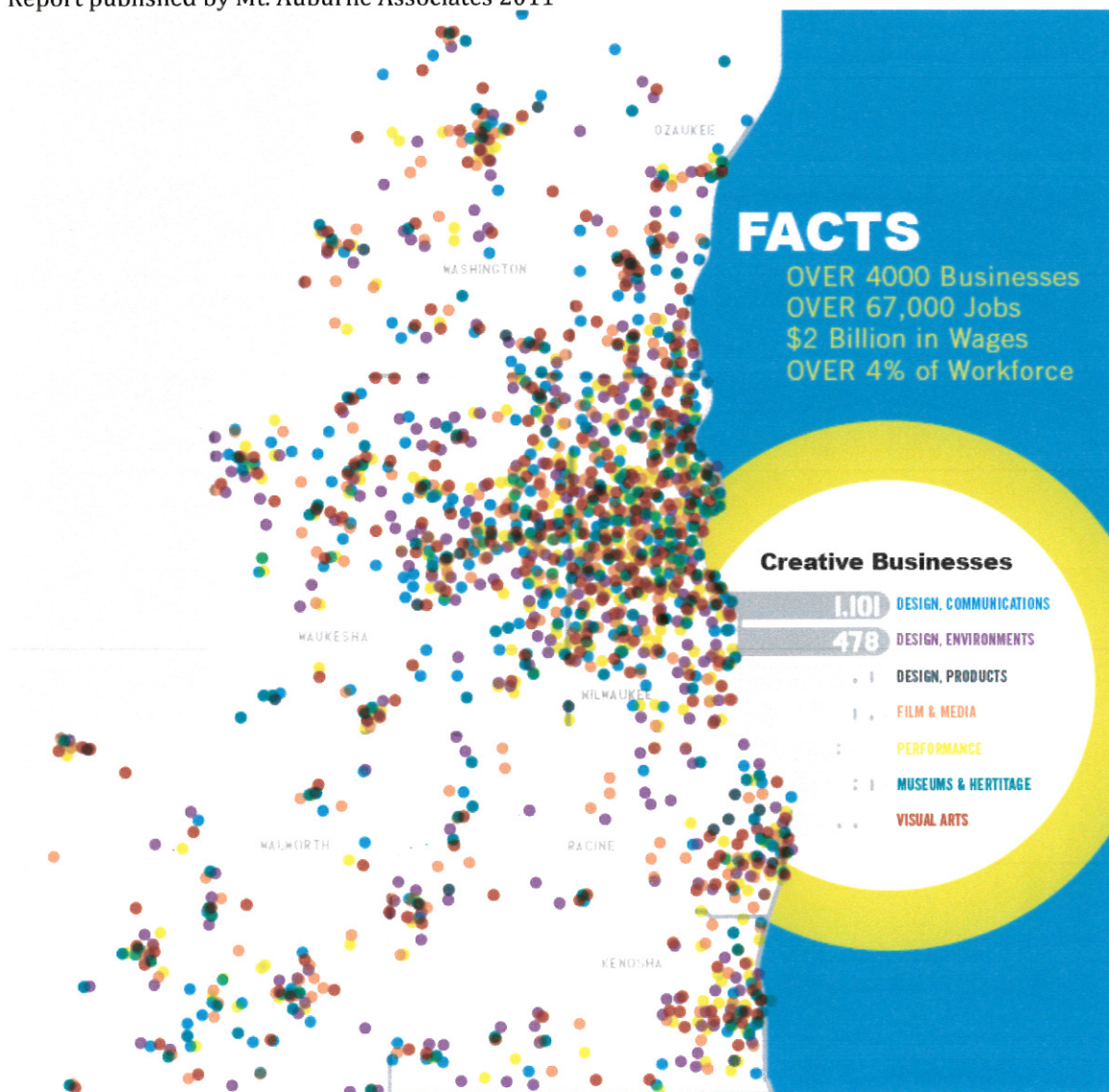
What is the economic impact of SE Wisconsin's creative industries?

- **66,707 workers**
- **\$2.1 billion in wages**
- **4100 individual enterprises--85% for profit and 11% nonprofit**
- **4.2% of the regional workforce**

Creative Industries Enterprises Workforce Composition By Segment



Source: *Creativity Works!* a joint project of the Cultural Alliance of Milwaukee and the Greater Milwaukee Committee. Report published by Mt. Auburn Associates 2011



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Testimony of George Tzougros
Executive Director, Wisconsin Arts Board
On behalf of Senate Bill #568
Before the Senate Committee on Agriculture, Small Business, and Tourism
February 12, 2014

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- The Wisconsin Arts Board was created in 1973. It has a 40 year record of careful stewardship of taxpayer support and smart, catalytic investments in arts-related projects that develop community and the economy.
- We successfully use a Peer Panel Process to review all applications. These panels are chaired by a non-voting member of the Arts Board. The panelists come from around the state and bring industry knowledge and expertise, geographic and cultural diversity, and a balance of women and men. The panels are staffed by our excellent, professional staff. These panels review grant narratives and budgets, support materials and works samples in order to make their recommendations to the members of the Wisconsin Arts Board. The Arts Board makes the final funding decisions.
- A criteria sheet is developed for each application the Arts Board offers. These criteria are published in advance so applicants know on what basis they will be judged. These sheets also help focus the panelists' review of the applications. Issues covered by these sheets include responsible management, community outreach, artistic quality, and project assessment and evaluation. The Peer Panel Process uses a criteria sheet that is developed by the Arts Board and its staff, with ongoing feedback from the industry.
- Our grants normally require a one-to-one match. They often generate far more than that match, in both cash and in-kind donations of goods and services. Both types of contributions are important indications of community support.
- The Arts Board has been engaged in the promotion of and education about the creative economy since the early 1990s. Goal #1 of our current agency plan is "Assist Wisconsin communities to engage the creative industries in sustainable community and economic development."

- In fact, the Arts Board is a state and national leader in discussions regarding the creative economy and the creative industries. For example the Arts Board's Executive Director is the Board Chair of the National Creativity Network, which believes a sustainable future depends upon imaginative, creative, and innovative solutions to profound and complex challenges facing education, culture, and commerce.
- The Arts Board thanks the Committee for considering Senate Bill #568 and stands ready to answer any questions.



Testimony to the Senate Agriculture, Small Business and Tourism Committee In support of SB #568 – *Creative Economy Development Initiative*

February 12, 2014

Anne Katz, Executive Director, Arts Wisconsin

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The state of Wisconsin should establish the *Creative Economy Development Initiative* as a public/private partnership to leverage and grow assets and resources based in the creative industries. The Initiative will:

- **provide local and regional economic development** through the state's creative industries;
- **support arts and creativity in education** as a deliberate, pro-active strategy for workforce development and skills training
- **strengthen capacity and entrepreneurship** for and in the state's diverse arts businesses.

"Creative industries" are for-profit and non-profit locally-owned and directed businesses, economic development organizations, and agencies of local government whose products or services have an origin in artistic, cultural, creative, or aesthetic content.

The Wisconsin Arts Board, a state agency with a 40-year history of service, excellence, and transparency, will administer the program.

Here are some economic impact numbers that demonstrate the potential for arts and creative industry investment in Wisconsin:

- According to Americans for the Arts and the Wisconsin Arts Board, Wisconsin's nonprofit arts and cultural sector is a \$535 million industry, resulting in \$65 million in local and state tax revenues, 22,872 full-time equivalent jobs, \$479 million in resident income.
- According to Dun & Bradstreet, Wisconsin's creative sector encompasses over 12,000 businesses and employs nearly 50,000 people in full-time jobs – mostly with small, entrepreneurial companies.
- The U.S. Bureau of Economic Analysis (BEA) and the National Endowment for the Arts (NEA)'s new Arts and Cultural Production Satellite Account is the first federal effort to provide in-depth analysis of the arts and cultural sector's contributions to current-dollar gross domestic product (GDP), a measure of the final dollar value of all goods and services produced in the United States. According to these new estimates, 3.2 percent — or \$504 billion — of current-dollar GDP in 2011 was attributable to arts and culture.

Wisconsin has always been a place where the arts spring from the grassroots, a place where people of all interests, backgrounds, and perspectives, in communities of all sizes, are involved in creative endeavors. "The arts" are not something that only some people are involved with or care about. Wisconsinites are creative, entrepreneurial, imaginative and innovative.

Where Wisconsin has fallen behind in recent years – dangerously so – is in public investment in the arts and creativity as essential components for economic growth, educational advancement, civic engagement, and vibrant communities. In our rapidly changing world,

where creativity and innovation are key to economic, educational and civic growth and success, that's unacceptable. Wisconsin must seize the opportunity to grow its economy with a 21st century development strategy.

I regularly travel around the state as director of Wisconsin's statewide arts, service and development organization. Here are just a few of the exciting developments happening right now, in our cities and small towns:

- Downtown revitalization projects:
 - Confluence Project, Eau Claire
 - St. Croix Falls Civic Auditorium
 - Museum of Wisconsin Art, West Bend
 - Driver Opera House Center for the Arts, Darlington
 - Grand Theater redevelopment, Wausau
 - Fox River public art in Green Bay
- Small business entrepreneurship
 - Northland Artisan, Chequamegon Bay area – a small business cooperative of artists and craftspeople
 - Northwoods creative economy – arts centers and creative industry development in Rhinelander, Minocqua, Eagle River, Three Lakes, Land o' Lakes
- Civic planning
 - Harborfront redevelopment in Racine and Kenosha
 - Oshkosh Grand Opera House – city investment in this community resource
 - Waunakee Creative Economy Initiative – an ongoing civic initiative to grow the creative economy
 - City of La Crosse Arts Board and City of Kenosha Arts Commission – municipal planning committees
 - The Arts Alliance of Portage County - downtown development through the re-emergence of the Fox Theatre and ongoing policy and planning with city and county.

The arts and creativity work for a vibrant, innovative, and successful Wisconsin. Strengthening Wisconsin's creative industries is a critical strategy for the state and all of its communities to compete in the global economy, educate our children, engage residents, and to develop, attract and retain entrepreneurs and a high skilled work force through healthy, vibrant communities where people want to live, work, learn, and play.

This is a small investment with a big, ongoing payoff. The *Creative Economy Development Initiative* will help Wisconsin identify, strengthen and expand its creative programs, workforce, and businesses on the local level, leading to sustainable job growth, a growing talent pool, and community vibrancy and vitality. Thank you.





In Transit

A Guide to Intelligent Travel

September 20, 2013, 3:16 pm | Comment

A Celebration of Fermentation

By KATHRYN SHATTUCK



Donna Neuwirth

Corn "Field Notes" along the Farm/Art Dtour.

"Fermentation is transformation, whether it's from grain to beer, or cabbage to kimchi, or one sort of community to another," said Donna Neuwirth, the founder with her partner, Jay Salinas, of the [Fermentation Fest — A Live Culture Convergence](#) in [Reedsburg, Wis.](#)

From Oct. 4 through 13, festivalgoers can pick and choose from two weekends of food-fermentation classes; advice on beekeeping and vermiculture; and lectures like "Cultivating Your Dream Livelihood" and "So, You Bought a Farm. Now What?" The MacArthur-winning food activist Gary Paul Nabhan will speak on "Fermenting a Revolution of Human Health, Soil Health and Community" on Oct. 6; Nikiko Masumoto, an agrarian artist and organic peach farmer, will teach a storytelling workshop on Oct. 13.

Visitors can also drive or bike the Farm/Art DTour, a 50-mile self-guided excursion through the hills of Sauk County, an hour north of Madison, punctuated by art installations, roadside culture stands, field notes and pasture performances. And D-Composition, on Oct. 5, features the string ensemble Graminy in "Germinations, a Blue Grass Symphony in D."

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