

## THE LONG-TERM GROWTH OF CULTURAL DISTRICTS FOUR CASE STUDIES

Prepared for Texas Cultural Trust by TXP, Inc.  
March 2023



ARTS FORT WORTH



The Texas Cultural Trust is statewide 501(c)(3) nonprofit organization whose mission is to be the leading voice for the arts in education, advocacy, and economic impact in Texas, spotlighting the artistic excellence of our state.

Programs of the Texas Cultural Trust include:

#### **ART CAN**

Through Art Can, the Trust conducts research and publishes data quantifying the economic, educational, and cultural impact of the arts in Texas.

#### **TEXAS YOUNG MASTERS**

Texas Young Masters, a joint program between the Texas Cultural Trust and the Texas Commission on the Arts, awards \$10K scholarship grants to 8th through 11th grade students who demonstrate excellence in the arts.

#### **TEXAS MEDAL OF ARTS AWARDS**

The Texas Medal of Arts Awards is the Trust's signature fundraising event. Every biennium, the Trust recognizes the power of the arts and celebrates excellence in the arts by presenting the Texas Medal of Arts to Texas luminaries and leaders.

#### **ARTS ACCESS**

The Arts Access program examines the needs and opportunities to provide support within Texas communities to increase access to the arts, culture, and arts education.

#### **TEXAS WOMEN FOR THE ARTS**

Texas Women for the Arts is a statewide giving circle and membership program, comprised of influential women from across Texas with the mission to awaken and nurture the artist in every Texas child.

#### **PARTNERS IN THE ARTS**

Partners in the Arts is a membership program with a growing consortium of arts organizations, artists, and arts patrons across Texas.

## **Art Can / 2023 State of the Arts Report**

Through the Art Can program, the Trust conducts research and publishes data to quantify the impact of the arts and creative sectors on the economy, education, culture, and health and well-being of Texas. Published every biennium, the State of the Arts Report demonstrates the unequivocal impact the arts have in shaping the future of Texas. In this way, the State of the Arts Report serves as a resource for Texas artists, arts organizations and advocates, educators, policymakers, parents, philanthropists, and others to increase support and funding for arts and culture in the state.

## **Cultural Districts Case Study**

*Cultural Districts create jobs, generate significant tax revenue, boost tourism, attract business, revitalize communities, and improve the quality of life for all Texans.*

The Texas Cultural Trust commissioned a 2023 study of four Cultural Districts examining and evaluating growth and sustainability over the past five years. Communities with Cultural District designation realized benefits and outcomes that extended beyond the arts. Indicators that were positively affected included: population, local sales tax collections, appraised property values, assessed property values, and event and activity attendance.

# KEY FINDINGS

## Fort Worth Cultural District, from 2017 – 2021

- Received an average of \$427,500 in Cultural District Grant funding annually
- Annual sales tax collection up to \$1.9 million
- Increased sales tax collection by 18%
- Increased property value by 14%
- Draws nearly 2.5 million visitors annually to the community of 2,000 residents and 540 businesses

## Theater District Houston, from 2017 – 2021

- Received an average of \$530,951 in Cultural District Grant funding annually
- Collects \$91,663 in sales tax annually
- Increased sales tax collection by 232.9%
- Sales tax collection more than tripled over the past 5 years
- Increased property value by 33%
- Draws over 1 million visitors annually to the community of 200 businesses

## Waco Downtown Cultural District, from 2020 – 2021

- Received an average of \$42,500 in Cultural District Grant funding annually
- Collected \$1,767,068 in annual sales tax
- Increased sales tax collection by 26%
- Increased property tax value by 35%
- Draws up to 2.1 million visitors annually to the community of 600 businesses

## Winnsboro Cultural Arts District, in 2021

- Received \$199,000 in Cultural District Grant funding
- Collected \$60,000 in sales tax annually
- Increased sales tax collection by 22%
- Increased property value by nearly 30%
- Draws up to 40,000 visitors annually to the community of 3,400 residents and 57 businesses

# THE LONG-TERM GROWTH OF CULTURAL DISTRICTS: CASE STUDIES

The Texas Commission on the Arts (TCA) was given authority in 2005 by the 79<sup>th</sup> Texas Legislature to designate Cultural Districts in communities across the state. These specific areas use existing cultural landmarks and resources to generate economic development and community revitalization. Currently, there are 52 TCA-designated Cultural Districts in 39 cities.

Due in part to the work of the Texas Cultural Trust and its valued partners in arts advocacy, the Texas Legislature has typically appropriated financial resources to TCA for continuing its competitive grant program to support economic development within Cultural Districts. For Fiscal Years 2022 and 2023, 164 grants totaling approximately \$10.0 million were awarded to Cultural Districts throughout the State of Texas. These Cultural District were funded in amounts ranging from \$2,500 to \$225,000 for projects focusing on significant cultural tourism efforts. The funded projects focused on marketing, infrastructure investment, and support for major events. Grant funding is intended to attract additional visitors and revenue to the Cultural Districts and their cultural institutions.

A thriving creative sector is a powerful economic development asset. Cultural District designation is one strategy that helps a community boost their economies while realizing other cultural and civic benefits. The outcomes of Cultural Districts extend beyond the arts and can benefit all members of a community.

The creation and promotion of Cultural Districts has increasingly become a successful strategy for communities to rehabilitate historic neighborhoods and revitalize downtown areas. This is sometimes referred to as “creative placemaking.” The establishment of a recognized and branded cultural district has traditionally occurred at the city level. A local nonprofit arts organization usually spearheads the planning effort, coordinates events, and seeks public and private sector financial support. The success of these programs at the city level as economic development projects and as jobs

creators has encouraged numerous states to develop programs to recognize districts dedicated to art-related activities.

To assist local and state arts stakeholders in measuring and communicating the progress of their Cultural Districts, several datasets were identified to capture the spillover impact. Population and employment speak to the general attractiveness of the area to residents, tourists, and local businesses. Many of the existing Cultural Districts are in the urban core or downtown part of the community. The Cultural Districts are also serving the broader role of economic development driver to stimulate growth and redevelopment in these areas. Property tax base (from the certified tax roll) and taxable sales measure tax revenue and return on investment to the public sector. No set of indicators will perfectly capture the quantity, quality, and diversity of the Cultural Districts. If a Cultural District successfully implements its strategic plan, these indicators should generally move in a positive direction.

The following four Cultural Districts were examined to evaluate growth and sustainability over the past five years. Clearly, the pandemic had a negative impact, but the datasets indicate the resiliency and importance of these Cultural Districts to their local communities.

**Table 1: Cultural District Case Studies**

Cultural District Name	Year Designated
Fort Worth Cultural District	2010
Theater District Houston	2010
Waco Downtown Cultural District	2016
Winnsboro Cultural Arts District	2009

Source: TXP, Inc.

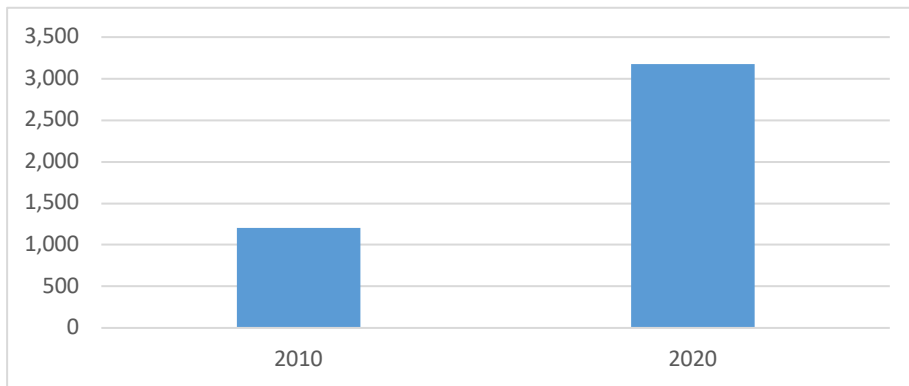
# THE LONG-TERM GROWTH OF CULTURAL DISTRICTS: CASE STUDIES

## Fort Worth Cultural District

As one of the older and more established Cultural Districts, the Fort Worth Cultural District is home to the Will Rogers Memorial Center, Dickies Arena, and five world-renowned museums including the Kimbell Art Museum. Many new hotels and residential properties now use words like “Museum” and “Cultural District” in their names. The core of this Cultural District is based around the nonprofits arts, Fort Worth Botanical Gardens, and Trinity Park. Adjacent to this core, countless new businesses have opened, and new real estate projects have been built. Currently, there are 6,000 people employed at 540 businesses within the District.

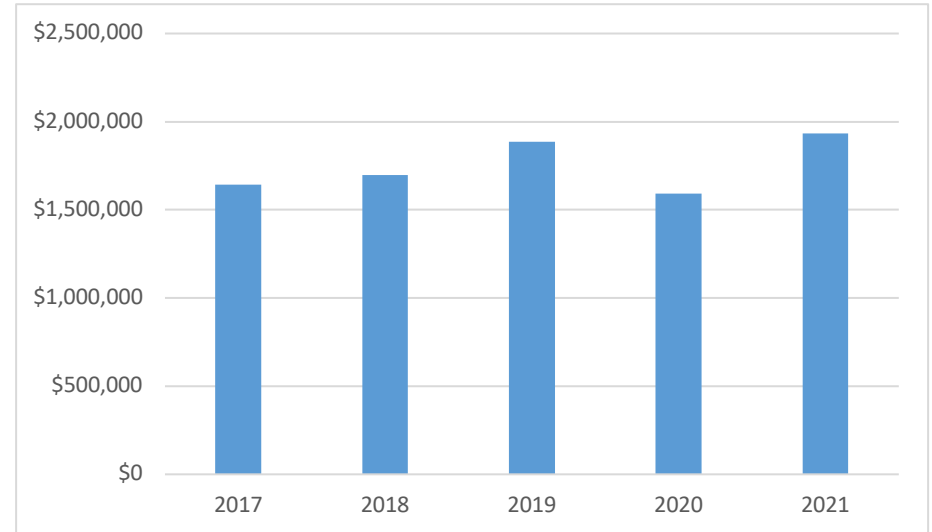
In 2021, over \$1.9 million in local sales tax revenue was generated within the Cultural District. Over the past 5 years, local sales tax collection in this area increased nearly 18.0 percent. The addition of over 2,000 new residents between 2010 and 2022 speaks to the success and attractiveness of this Cultural District. **Attracting 2,000 new residents to the area was critical to help offset the decrease in attendee spending that resulted in 2020 and 2021 from cultural institutions having to close because of the pandemic.**

Figure 1: Population Change within the Fort Worth Cultural District



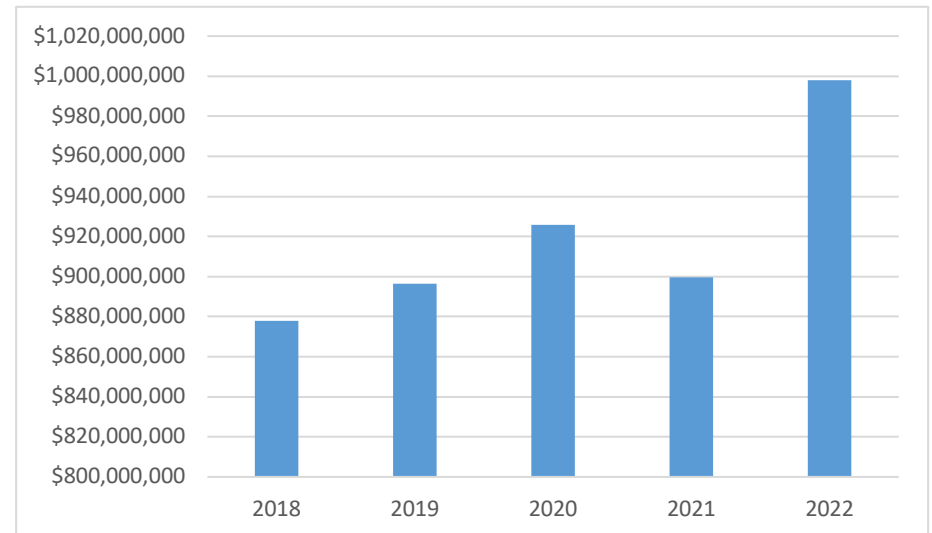
Source: TXP, Inc.; ESRI

Figure 2: Fort Worth Cultural District Local Sales Tax Collections



Source: TXP, Inc.; Texas Comptroller of Public Accounts

Figure 3: Fort Worth Cultural District Appraised Property Value



Source: TXP, Inc.; Tarrant Appraisal District

# THE LONG-TERM GROWTH OF CULTURAL DISTRICTS: CASE STUDIES

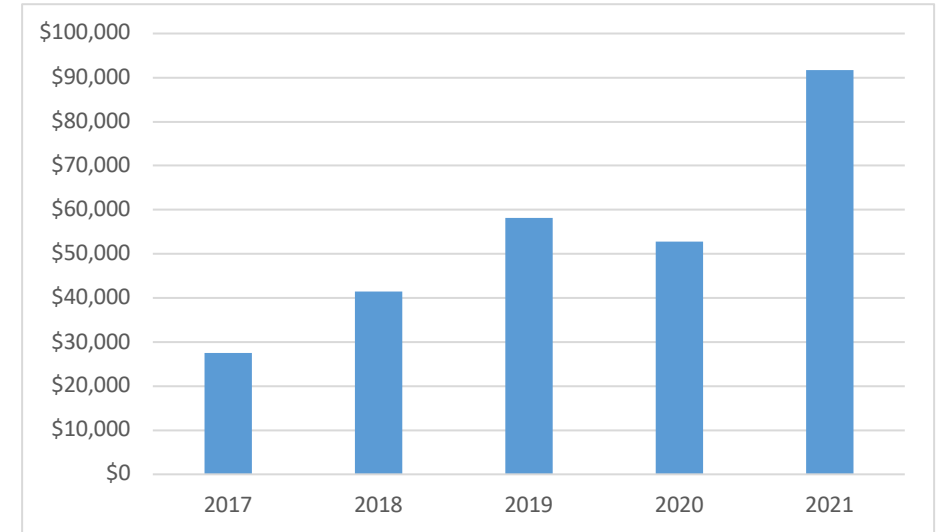
## Theater District Houston

Houston's Theater District is a 17-block area in the heart of downtown. The area is home to nine of Houston's professional performing arts organizations. The District was designated by TCA in 2010. Not only does the district attract over a million visitors in a typical year, but its success has spilled over to the former the historic Barbara Jordan Post Office. **Now named the POST, the private sector project opened in 2021 and serves as hub for culture, food, concerts, and events. The current value of this property is \$86.0 million, up from \$40.0 million in 2018.** Currently, there are 2,700 people employed at 200 businesses within the District.

Building on its success, Theater District Houston has recently embarked on a multi-phase placemaking strategic plan. The placemaking plan will create a sense of identity and community, improve visitor perception, drive the return of sales for arts and cultural institutions, and increase accessibility to arts and culture for diversified audiences. The resulting plan includes opportunities to engage a variety of target audiences (including residents, commuters, and out-of-town visitors) in the District with activities at various points during the day, week, month, and year. The plan also identifies interdisciplinary and non-traditional collaborations or "district-wide" events in service to the community. As important, the plan provides clear direction for the District to partner and collaborate with public sector entities to create synergistic opportunities for increased intrinsic and economic impact.

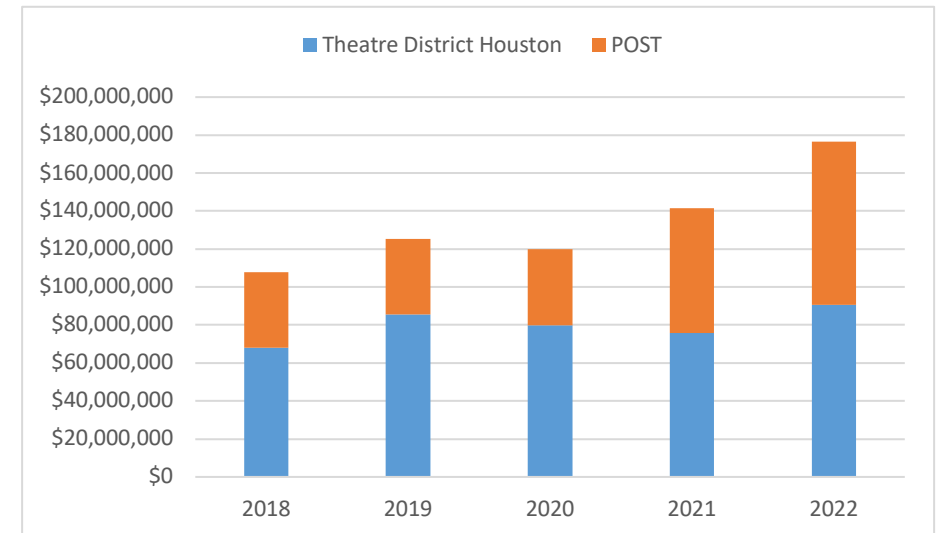
In addition to the Theater District Houston, Houston is home to six additional Cultural Districts. As Houston Mayor Sylvester Turner has stated: "These designations are a great way to celebrate the cultural spirit of our neighborhoods, spur growth, and foster collaboration among artists, community residents, and local businesses."

Figure 4: Theater District Houston Local Sales Tax Collections



Source: TXP, Inc.; Texas Comptroller of Public Accounts

Figure 5: Theater District Houston and POST Appraised Property Value



Source: TXP, Inc.; Harris County Appraisal District

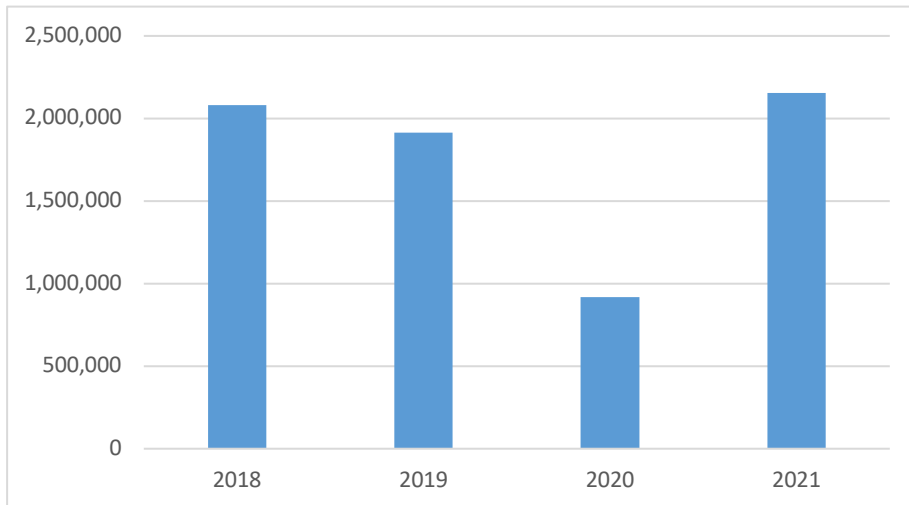
# THE LONG-TERM GROWTH OF CULTURAL DISTRICTS: CASE STUDIES

## Waco Downtown Cultural District

While a more recent addition as a Cultural District in 2016, Waco's Cultural District contains museums, art galleries, public art, and performance venues. Cultural attractions include a thriving downtown farmer's market, diverse festivals, live music, exhibitions, and other events for the whole family. Currently, there are 7,500 people employed at 600 businesses within the District. **Over the past five years, both sales tax collections and property values within the Waco Cultural District have increased over 25.0 percent.**

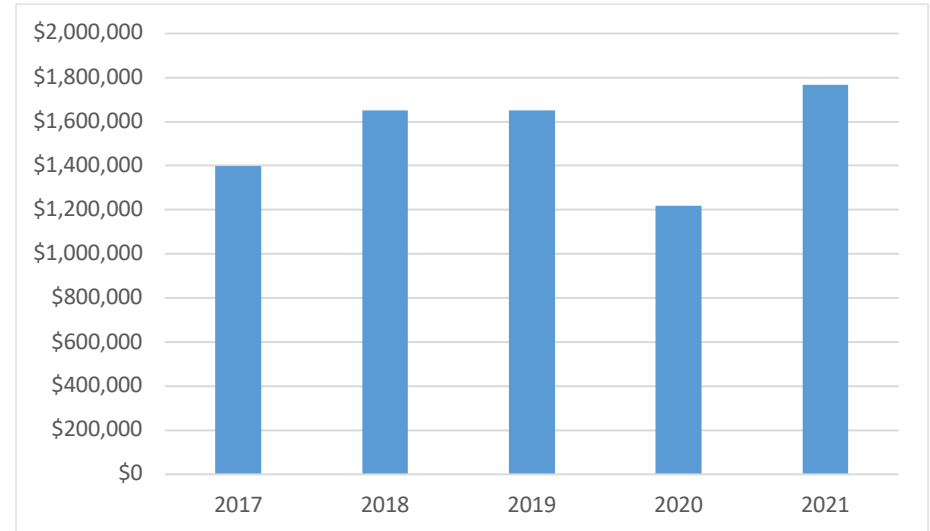
Waco's Downtown Cultural District was able to offer area residents outdoor cultural activities during the pandemic. For example, 2021 Chalk Waco was the first post-pandemic public event held attracting 12,000 people for a downtown outdoor event featuring chalk muralists and over 100 vendors of handmade and artisanal goods. In just one year, attendance doubled to 24,000 people when the event was held in 2022.

**Figure 6: Visitors who Attended Events and Activities in the Cultural District**



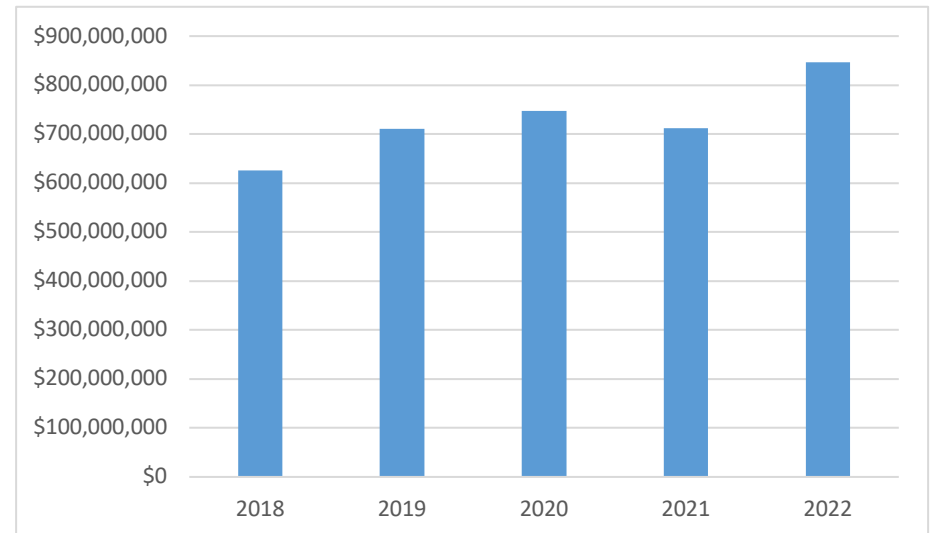
Source: TXP, Inc.; Texas Commission on the Arts

**Figure 7: Waco Downtown Cultural District Local Sales Tax Collections**



Source: TXP, Inc.; Texas Comptroller of Public Accounts

**Figure 8: Waco Downtown Cultural District Assessed Property Value**



Source: City of Waco



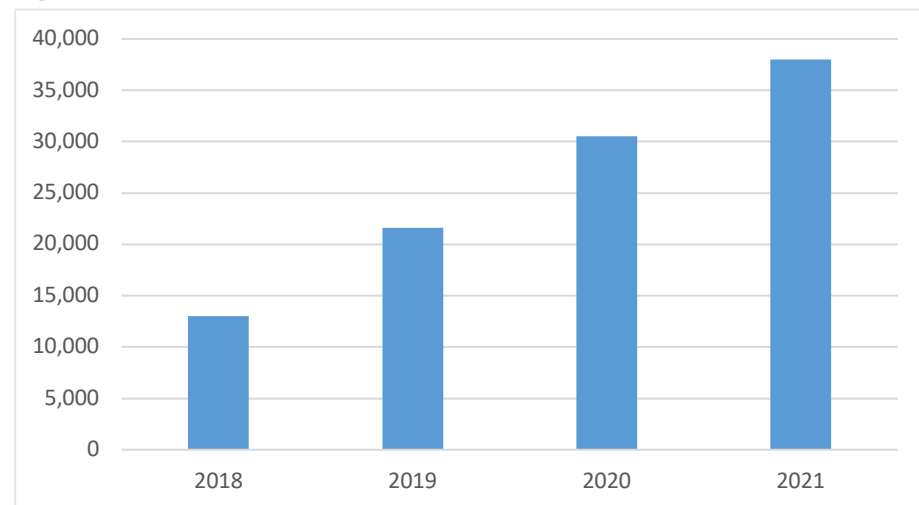
# THE LONG-TERM GROWTH OF CULTURAL DISTRICTS: CASE STUDIES

## Winnsboro Cultural Arts District

In 2009, TCA selected the Winnsboro Cultural District to be included as one initial designated Cultural Districts. With a population of 3,400 residents, Winnsboro is one of the smallest communities with a Cultural District designation. The Historic Downtown Cultural District continues to add visual, literary, and performing arts to the many existing shops and venues. The Winnsboro Center for the Arts is the anchor of the Cultural District and serves communities throughout Northeast Texas. Currently, there are 250 people employed at 57 businesses within the District.

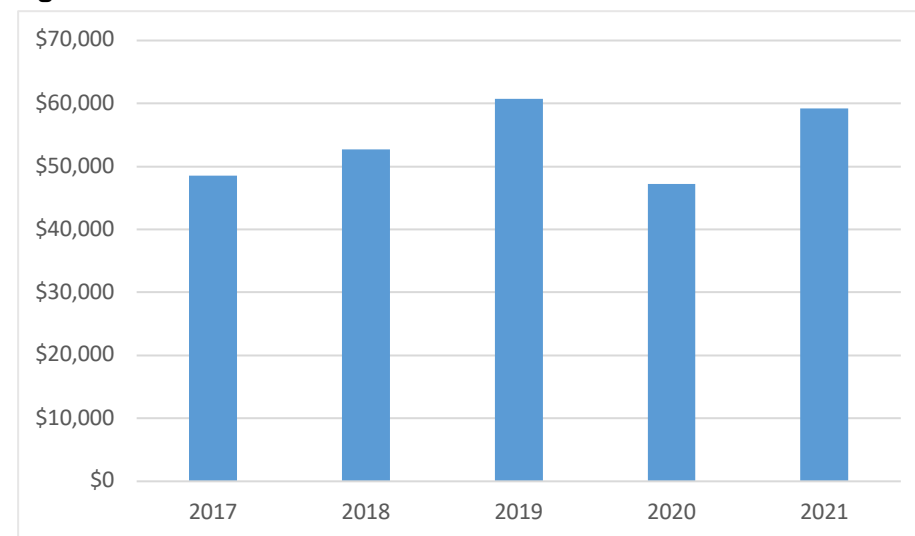
Visitor statistics and tourism activity are a primary indicator used to evaluate the success of a Cultural District. Nearly 40,000 people visited the Winnsboro Cultural Arts District in 2021, an increase of 25,000 annual visitors since 2018. Businesses within the District generate \$50,000 to \$60,000 in local sales tax revenue.

**Figure 9: Visitors who Attended Events and Activities in the Cultural District**



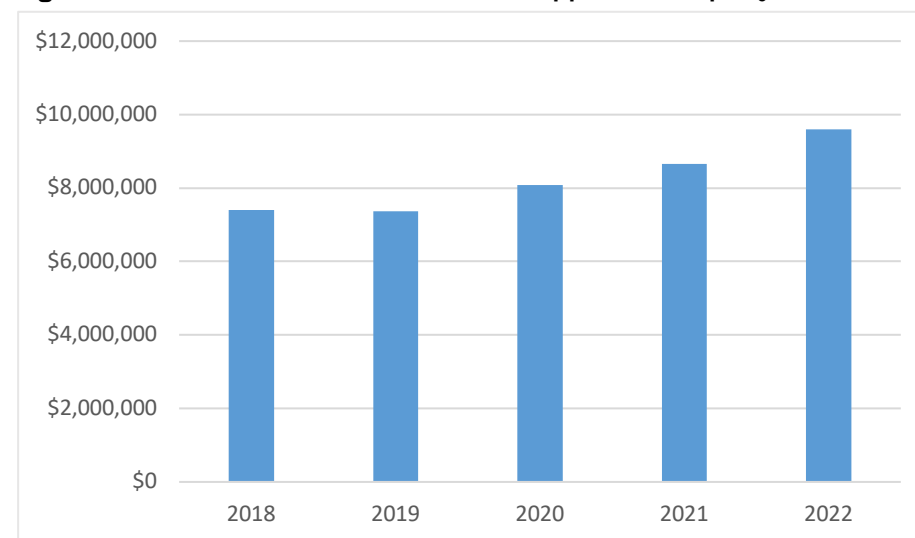
Source: TXP, Inc.; Texas Commission on the Arts

**Figure 10: Winnsboro Cultural Arts District Local Sales Tax Collections**



Source: TXP, Inc.; Texas Comptroller of Public Accounts

**Figure 11: Winnsboro Cultural Arts District Appraised Property Value**

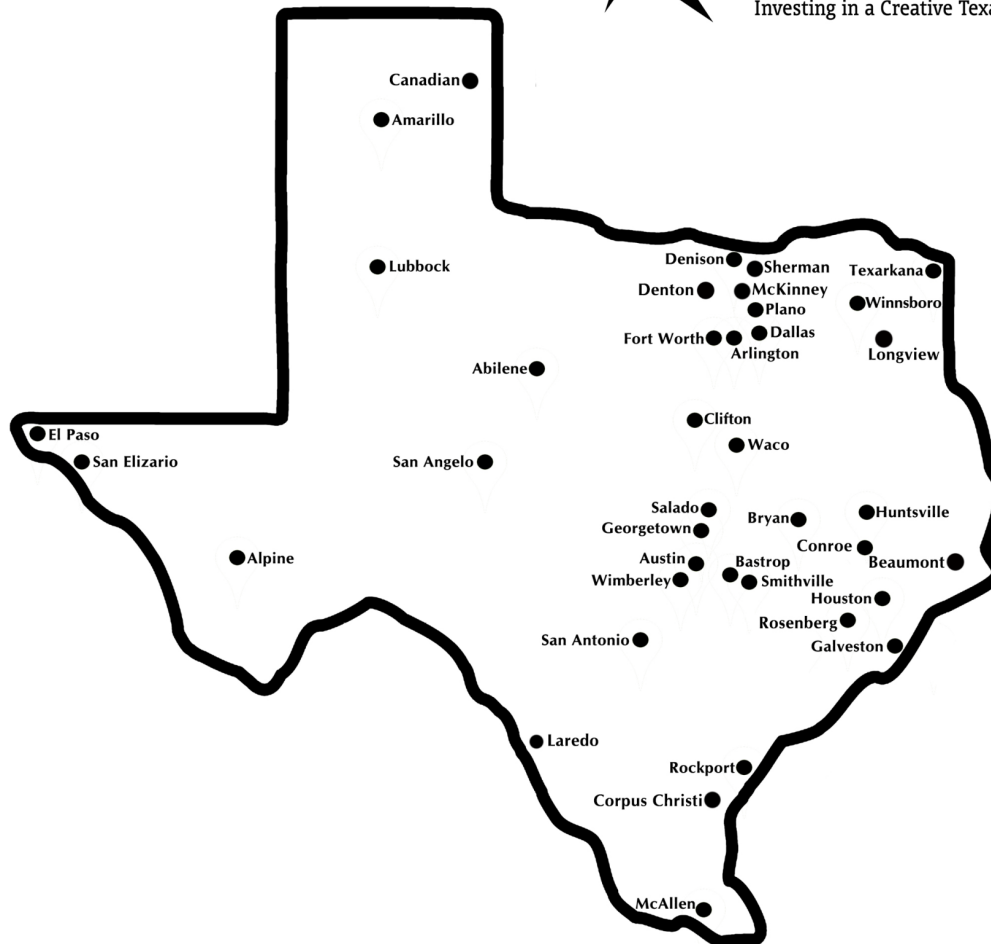


Source: TXP, Inc.; Wood County Appraisal District

# TEXAS COMMISSION ON THE ARTS CULTURAL DISTRICTS

## TCA CULTURAL DISTRICTS (YEAR DESIGNATED)

Abilene Cultural District (2010)  
 Alpine Cultural District (2011)  
 Amarillo Cultural Arts District (2016)  
 Arlington Cultural Arts District (2016)  
 Arts! Longview Cultural District (2019)  
 Arts District Houston (2013)  
 Bastrop Cultural Arts District (2012)  
 Bryan Downtown Cultural District (2014)  
 Canadian Cultural District (2018)  
 Clifton Cultural Arts District (2011)  
 Conroe - Downtown Conroe Cultural District (2022)  
 Corpus Christi Downtown Cultural District (2017)  
 Dallas Arts District (2010)  
 Deep Ellum Cultural District (2020)  
 Denison Arts and Cultural District (2009)  
 Downtown Beaumont Cultural Arts District (2019)  
 El Paso Downtown Cultural District (2011)  
 Fair Park Cultural District - Dallas (2021)  
 Fifth Ward Cultural Arts District - Houston (2020)  
 Fort Worth Cultural District (2010)  
 Galveston Arts and Cultural District (2012)  
 Georgetown Cultural District (2013)  
 Houston East End Cultural District (2014)  
 Houston Midtown Cultural District (2012)  
 Houston Museum District (2010)  
 Houston Theater District (2010)  
 Huntsville Cultural District (2009)  
 Laredo Cultural District (2021)  
 Lubbock Cultural District (2009)  
 McAllen Cultural District (2009)  
 McKinney Historical Downtown Cultural District (2018)  
 Near Southside Arts - Fort Worth (2020)  
 Plano Downtown Cultural District (2016)  
 Red River Cultural District (2020)  
 Rockport Cultural Arts District (2016)  
 Rosenberg Historical Downtown Cultural District (2013)  
 Salado Art and Cultural District (2016)  
 San Angelo Cultural District (2009)  
 San Antonio King William Cultural District (2011)  
 San Antonio Old Spanish Trail Cultural Corridor (2018)  
 San Antonio Zona Cultural (2015)  
 San Elizario Historic Arts District (2013)  
 Sherman Cultural District (2018)  
 Six Square - Austin's Black Cultural District (2009)  
 Smithville Cultural District (2013)  
 Texarkana Arts and Historical District (2016)  
 The Original Denton District (2019)  
 The Third Ward Cultural District (The Tre) (2020)  
 Waco Downtown Cultural District (2016)  
 Westside Cultural Arts District - San Antonio (2021)  
 Wimberley Valley Cultural District (2015)  
 Winnsboro Cultural Arts District (2009)



# TEXAS COMMISSION ON THE ARTS



## **TEXAS COMMISSION ON THE ARTS (TCA)**

Grants, Information, and Technical Assistance for the Arts  
The Texas Commission on the Arts was established by the Texas Legislature in 1965 to advance the state economically and culturally by investing in a creative Texas. By providing resources to enhance economic development, arts education, cultural tourism and artist sustainability initiatives, the Texas Commission on the Arts supports a diverse and innovative arts community statewide.

# ABOUT TXP, INC.

TXP, Inc. is an economic analysis and public policy consulting firm founded in 1987 in Austin, Texas. Our clients have discovered that we are the firm to hire when there is not an immediate, obvious, or simple solution to their economic or public policy challenge. In addition to drawing on the expertise of our firm members, we regularly partner with urban planning, engineering, and public policy firms to put together teams uniquely suited to our clients' needs.

TXP offers a full-range of economic analysis and forecasting services to public and private clients. The firm specializes in applying focused primary research to enhance secondary data. TXP offers a number of other services to clients, including periodic reports highlighting economic trends in regional economies and presentations to a range of stakeholders. TXP currently serves as economist-on-retainer for a number of high-profile private and public sector clients throughout Texas.

TXP has successfully helped clients manage the balance between economic development, land use planning, and infrastructure development to ensure overall community prosperity. Our team provides in-depth analysis on the connection between tax base enhancement and service cost reduction, and works with communities, state agencies, local governments, universities, and developers to facilitate growth and redevelopment.

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