



**SENATE & HOUSE URBAN AFFAIRS COMMITTEES PUBLIC HEARING
ON THE FUTURE OF PENNSYLVANIA'S CITIES, LARGE AND SMALL**

Wednesday, May 29th at 10 a.m.

Allegheny County Courthouse's Gold Room (436 Grant Street, Pittsburgh)

20 minutes to testify and 10 minutes to answer questions

Speaker: Rona Nesbit, Executive Vice President

Introduction & History

- I'd like to begin by thanking Senator Argall and Senator Brewster and the Senate and House Urban Affairs Committees for inviting the Pittsburgh Cultural Trust to take part in today's public hearing. In addition, I see so many people with whom we have partnered with over the past 30 years and me thank you all for your partnership.
- The history of the Trust is a shared history and I do not stand here alone, but with each of you who have contributed to, and remain committed to, the work of development and revitalization with the region.
- For those who may not know, just about 30 years ago, the Cultural District was a teeming "red light" district littered with noxious enterprises and criminal activity.
- Pioneering Pittsburgh visionary H.J. "Jack" Heinz II and his "Band of Dreamers" were determined to turn a seedy, downtrodden section of downtown into a world-class destination for arts and entertainment.
- Heinz took a critical first step towards realizing this noble vision by establishing the Pittsburgh Cultural Trust in 1984 as the catalyst behind the Cultural District's creation, development and promotion.
- By way of introduction, The Pittsburgh Cultural Trust (or the Trust as I will refer to it heretofore) is a non-profit organization that has grown from a \$170k budget in 1984 to a \$53M budget today. Importantly, 90% of the annual budget is allocated to our mission and programs and we have maintained a balanced budget year to year.
- We have 90 full-time employees and in comparison with other Arts consortiums in our peer group (in the US and abroad) we are within the top 5% in terms of efficiencies and one of the lowest for personnel costs as a percentage of overall operating budget.
- Our role was clear at our founding and remains the same today. We are a Facility Owner, Presenter, Arts Servicer and Real Estate Catalyst.



Facility Owner

- With generous community support, the Trust built and restored seven world-class theaters and four visual art galleries and multiple art spaces in the Cultural District, including:
 - ✓ The Benedum Center, Byham Theater, O'Reilly Theater, Harris Theaters, Cabaret at Theater Square, Katz Plaza, SPACE and Wood Street Galleries.
- The Trust maintains and operates these facilities to the highest standard – ensuring they are accessible and efficient. This benefits all users of the theaters, including Pittsburgh's resident companies – the Pittsburgh CLO, Pittsburgh Public Theater, Pittsburgh Ballet Theater, and Pittsburgh Opera, among others.
- As a facility owner, the Pittsburgh Cultural Trust continually explores and implements enhancements to improve the Cultural District experience for all visitors to our theaters, accessibility achievements include:
 - ✓ Sign language interpretation; The Trust has had a regular signer as a part of the Broadway series for 12 years. We also provide interpretation upon request.
 - ✓ I-Captioning at the Benedum, providing an integrated, non-segregated way of inclusion.
 - ✓ Open Captioning for smaller venues and venues with different configurations, such as Heinz Hall.

Arts Presenter

- Each year, the Cultural District is home to more than 3,000 performances, events and exhibits welcoming more than 2 million people annually (double the number of people from just ten years ago).
- In comparison with other Arts consortiums in our peer group in the US and abroad, the Trust's theaters are the busiest year round.
- Programming is diverse and varied: PNC Broadway Across America, Cohen & Grigsby Trust Presents, Cabaret Series, Pittsburgh Dance Council, Pittsburgh International Children's Theater in our theaters. Outdoor community programming includes the Dollar Bank Three Rivers Arts Festival, Pittsburgh JazzLive International Festival, Highmark First Night, Pittsburgh International Children's Festival, and quarterly gallery crawls and year-round varied visual art exhibitions.
- The Trust is not genre specific, but offers something for everyone in the community and 30% of Trust programming can be considered diverse.
- One-third of visitors to the District hailed from beyond the 12-county region, coming from all 50 states and countries around the globe. The Trust's presentations are essential for building arts audiences for the region and attracting people to the Cultural District.



- Arts activity in the Cultural District led by the Pittsburgh Cultural Trust has an estimated annual economic impact exceeding \$250 million and generates approximately \$3 million in amusement, parking and real estate tax revenue.
- Highly popular Broadway presentations such as Wicked bring thousands of new ticket buyers to the Theater – of the 85,000 that bought tickets to Wicked, half were new ticket buyers.
- Much of the Trust’s activity is low-cost or totally free or charge. Since 2008, the Trust has increased its free programming reach by 280% and in 2012 more than half a million people enjoyed free programming in the Cultural District. Events such as the Three Rivers Arts Festival, which became a project of the Trust in 2008, bring hundreds of thousands of young people to downtown Pittsburgh. These events are key for audience development and community vitality.
- The Trust goes beyond presenting artists in Pittsburgh and strives to fully engage artists and the community on multiple levels - 80% of Trust presentations have an ancillary community activity such as workshops or master-classes, working with many local schools and universities.
- By reaching and serving more than 110,000 students, educators and community members annually, the Pittsburgh Cultural Trust provides diverse programs for people of all ages and interests to explore the arts.
- As mentioned before, the Trust also is fully committed to accessibility in all our activities. As part of that, we will be holding our very own Autism-Friendly Performance of the Lion King on September 21.

Arts Servicer

- At the core of the Cultural District’s success is a strategic consortium of arts organizations that collectively reduces overhead in efforts to redirect financial resources for artistic endeavors. In 2000, the Pittsburgh Cultural Trust pioneered Shared Services, which includes these separate 501c3 non-profits: August Wilson Center for African American Culture, Pittsburgh Ballet Theatre, Pittsburgh Civic Light Opera, Pittsburgh Cultural Trust, Pittsburgh Opera, Pittsburgh Public Theater and Pittsburgh Symphony Orchestra.
- Cumulative savings and cost avoidance for the Cultural District community has exceeded \$10 million since Shared Services’ inception in 2000.
- One of the world’s largest multi-organization users of Tessitura (shared arts management and ticketing software), the Pittsburgh Cultural Trust manages an aggregate \$90 million in annual ticketing and fundraising activity for 10 separate organizations.
- The Pittsburgh Cultural Trust sets the stage for resident performing arts companies, small arts organizations and individual performance and visual artists by providing Cultural District theaters, galleries and arts spaces at highly subsidized rates, providing more than \$3 million in



support annually. The Cultural Trust further supports more than 1000 area artists and arts organizations by creating awareness of the local arts community and building audiences.

- Increase in investment in collaborative projects and subsidy to other arts organizations has increased by 100% since 2006, today reaching \$90 million.

Real Estate Catalyst

- The Pittsburgh Cultural Trust manages more than one million square feet of real estate in the Cultural District, and is one of downtown Pittsburgh's leading land owners and pays close to \$750,000 annually in real estate taxes.
- The Trust has facilitated the redevelopment/repurposing of 11 commercial building spaces that previously housed noxious uses ranging from several adult book stores to massage parlors to adult movie theaters to live peep shows. New uses include art galleries, Trust Administrative Offices, a coffee shop, small theaters and a public art parklet.
- The Trust partnered financially on almost ½ of the 482 residential units developed between 1999 – 2012 on the following projects:
 - ✓ 25 loft style units at 900 Penn with TREK Development in 1999
 - ✓ 151 units at 7th & Ft. Duquesne (Encore) with Lincoln Properties in 2006
 - ✓ 61 units at 130 7th in with TREK Development (Century Building) in 2009
 - ✓ Just in the period starting 1/1/2013 approximately 450 new residential units are being created by private real estate developers in historic buildings in the Cultural District
- The Trust provided elevator loans for the following residential renovations:
 - ✓ \$50,000 for development of 7 units at Bruno Lofts at 945 Liberty
 - ✓ \$100,000 for development of 30 units at 930 Penn, Rubgy Realty
- The Trust, along with the URA, established and funded a Cultural District Façade Renovation Program for the Penn Liberty Historic District (52 qualified buildings within the Cultural District) and to date has provided program funding in the amount of \$1.8M for over \$5M in total reinvestment for the renovation of historic facades which were part of larger building renovation projects.

Closing Remarks

- The Pittsburgh Cultural Trust was founded at a crucial juncture for the Pittsburgh region, and played a significant role in our city's growth and development.
- However, even our successes have not been easily won. The continued support of our public and private partners, stakeholders and community members is essential.



- Just a few years ago, in 2008, with a change in financial markets, the Trust was forced to make prompt, responsible, but difficult decisions by decreasing our full-time complement by 15%. This was done with the realization that we are not only responsible for ourselves but we have a responsibility to those with whom we collaborate, share services with and support.
- Indeed, this is one of our many challenges. How do we balance our prominent role in revitalization and as a catalyst for cultural development, alongside providing high quality and free programming necessary for the continued cultural vitality within our region?
- Additionally, our work is far from finished. There is much room for growth within the Cultural District and in defining what the Trust's role will be in the future, such as: continued demand and growth for housing (from workforce development to marketplace rates), how to attract more people downtown more often and continue to develop arts audiences in the face of cultural shift, and how to address fragile areas while creating safe and welcoming environments.