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# Broadway Theater District Economic Impact Study

**Broadway West**

**Proposal | September 20, 2024**



HR&A

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# Proposal

## Scope of Work

### Task 0. Project Initiation

This initial task will position our teams to work together effectively for the duration of our project by defining a shared vision of success, sharing access to key data and documents, confirming the path to delivery of our final deliverables, and maintaining regular check-ins and communication.

#### Task 0.1. Project Kickoff

Upon receiving notice to proceed, HR&A will begin a discovery phase to collect any relevant data from Broadway West and establish a common understanding of the overarching goals for this analysis. This phase will include:

- An information request to the client team to confirm the kinds of changes included in the “activation” of all Broadway theaters
- A kickoff workshop to confirm the goals and vision of the project, present the final project approach and timeline, and discuss inputs and assumptions about operating and impact scenario development and modeling, to form the basis of our work and be refined later.
- Identifying project stakeholders to interview and case studies for benchmarking in Task 0.2.

- **Deliverables:** Information request, kickoff workshop agenda
- **Meetings:** Kickoff workshop and site visit

#### Task 0.2. Fact-Finding and Benchmarking

HR&A will develop a comprehensive set of assumptions that will inform the scenarios and economic and fiscal impact analysis and business operating plan that our team will create in Tasks 1 and 2. To achieve this, we will:

- Review data and planning documents covering arts and cultural programs, building and space programs (including construction), financials (both for revenue and expenses), anticipated partnerships with state and local agencies and other organizations, etc., as related to the historic Broadway theater district.
- Interview project personnel and other experts (e.g., local government agencies, developers of adjacent sites, tourism board executives) to learn about operations, programming, funding, and development and to bring to light assumptions, concerns, considerations around transition and operations, cross-partner collaboration, etc. We plan to conduct 6-8 interviews for this task.

This combination of information will provide the inputs for subsequent tasks.

- **Deliverables:** Briefing book summarizing findings from interviews
- **Meetings:** Preliminary findings presentation

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## Task 1. Economic Impact Study

For Broadway West, we will project a broad range of economic, fiscal, and other benefits associated with the construction and operation of the activation of all theaters within the historic Broadway theater district:

- **Operations impacts**, including on-site jobs, compensation, and contribution to regional economic growth from facility operations and programming, along with tax revenues from sales, business, and other taxes. We will project ongoing fiscal impacts as well as economic impact data estimated using IMPLAN economic impact metrics.
- **Visitation impacts**, including a projection of annual local and non-local visitation associated with Broadway West programming and associated per diem spending on hotel, retail, restaurants, and other costs, along with associated economic and fiscal benefits. We will base our analysis of tourism impacts on reasonable visitation projections and typical visitor spending pattern data from reliable regional sources.
- **Cultural tourism and City brand impacts**, including an exploration of the potential for the activation of Broadway's theaters to preserve and advance the attractiveness of Los Angeles as a cultural destination for workers/employers, residents, and visitors. We will outline (a) the current role of arts and cultural destinations in driving growth and visitation in Los Angeles vis-à-vis other regional cultural destinations, and (b) the potential for the theaters' activation to increase Los Angeles' status as a regional cultural destination.
- **Temporary construction impacts** (should construction projects be identified in Task 0), including jobs, compensation, economic growth, and tax revenues from sales, business, and other taxes based on construction data provided by Broadway West and economic impact data estimated using IMPLAN economic impact metrics.<sup>1</sup>
- **Multiplier impacts**, including additional off-site jobs, compensation and economic activity triggered by the initial economic stimuli described above.

### Findings Narrative

We will produce a compelling "briefing book" and presentation summarizing our findings regarding the benefits triggered by the activation of all Broadway theaters. This report will draw on our assessment of the project's qualitative and quantitative impacts on Los Angeles.

- **Deliverables:** Briefing book summarizing findings from economic impact study
- **Meetings:** Preliminary findings presentation

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<sup>1</sup> HR&A generally relies on IMPLAN to estimate indirect and induced economic impacts. IMPLAN is a widely recognized modeling tool developed at the University of Minnesota by the U.S. Forest Service's Land Management Planning Unit. IMPLAN traces the pattern of commodity purchases and sales between industries that are associated with each dollar's worth of a product or service sold to a customer by analyzing interactions among industrial sectors at different geographical levels. This feature allows IMPLAN to estimate the impact of a final-demand change on total gross output, earnings, employment, and value added.

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## Quals

Below is a list of select qualifications demonstrating HR&A's experience and capabilities to execute the proposed scope of work.

**Client:** New Jersey Performing Arts Center  
**Location:** Newark, NJ  
**Completed:** 2014

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### Creating the New Jersey Performing Arts Center

HR&A developed a complex economic and fiscal impact study, and a long-term financial plan, for the half-billion dollar New Jersey Performing Arts Center (NJPAC) in downtown Newark, a redefining development for the city. At the project's inception, HR&A projected NJPAC's development, visitation, and spending impacts. To create a 30-year cash flow, HR&A reviewed feasibility studies of entertainment facilities, researched funding sources, and assessed infrastructure requirements. HR&A's study of NJPAC's effectiveness in revitalizing the Newark economy was integral in securing federal, state, city, and private funds including grants, bond and tax increment financing, and special assessments. After this initial engagement, HR&A continued to advise NJPAC. The firm created and facilitated a Request for Qualifications to develop adjacent sites. We consulted on the use of a variety of incentive programs for this development, such as Low Income Housing Credits, New Markets Tax Credits, and others, and identified a highly qualified development partner. More than a decade later, NJPAC is considered a pioneering project that ushered in development such as the Prudential Center, the New Jersey Devils' arena, several corporate headquarters, and residential development.

**Client:** New Jersey Performing Arts Center  
**Location:** Newark, NJ  
**Completed:** 2019

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### NJPAC Real Estate

The New Jersey Performing Arts Center (NJPAC) was always conceived as both a performing arts center and a local economic development project. In addition to the main theaters, NJPAC has long controlled surrounding property which was intended for residential and other development to support NJPAC and broader community needs. NJPAC engaged HR&A in advance of an RFP to provide market analysis, financial analysis, and strategic development advisory service in advance of an RFP to developers.

**Client:** American Ballet Theater  
**Location:** New York, NY  
**Completed:** 2016

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### Facilities Evaluation and Relocation Options Assessment for the American Ballet Theater

HR&A evaluated the facility and relocation options for a non-profit performing arts company in New York City. Currently, the company owns approximately 50,000 square feet of space in a high-value submarket. In partnership with a local architecture firm, HR&A defined the quantity and type of space required to properly support the organization's growth objectives. Additionally, HR&A assessed the existing space and financial conditions to support the development of "stay in place" test fits and alternative site requirements to ground disposition and/or relocation recommendations.

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**Client:** Vulcan  
**Location:** Washington, D.C.  
**Completed:** 2015

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## Economic Impact of a Proposed Museum in Washington, DC

On behalf of a cultural organization, HR&A completed an economic and fiscal impact analysis for a major private museum considering expansion to Washington, DC. Based on a review of current data and the business plan for the museum, HR&A produced a study that demonstrated the role of the Museum as a unique addition to the District's tourism industry. Analysis included the economic and fiscal benefits of the proposed museum, projected job creation that would be generated by the museum, and the impact of public benefits such as District-centered programming and educational partnerships with DC public schools.

**Client:** Seneca Nation of Indians  
**Location:** Salamanca, NY  
**Completed:** 2022

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## Haudenosaunee Sports Museum Study

The Seneca Nation is the largest of six Native American nations in New York State that comprise the Haudenosaunee—also known as the Iroquois Confederacy. On behalf of The Seneca Nation, HR&A is conducting a feasibility study and implementation roadmap for a museum or cultural center dedicated to Haudenosaunee sports, the most famous of which is lacrosse. HR&A's feasibility analysis will include a market analysis, including case studies of similar cultural and sports centers and an assessment of the regional competitive landscape, in order to estimate potential ranges of visitation for the museum and identify the programming and features most likely to attract guests. HR&A will then work with the Seneca Nation to craft an implementation roadmap that defines a detailed concept for the sports center and outlines next steps, funding, and other resources needed to realize its vision.

**Client:** Tennessee Performing Arts Center  
**Location:** Nashville, TN  
**Completed:** 2022

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## Tennessee Performing Arts Center New Facility Impacts

For the Tennessee Performing Arts Center (TPAC) in Nashville, HR&A evaluated both the Center's current economic and fiscal impacts on the regional economy as well as the impacts of a new, expanded facility. TPAC has a 40-year history of bringing the world's best artists and artistic programming to the region, developing arts education and enrichment opportunities, and providing a home for local ballet, opera, and theater companies. However, a deteriorating facility, growing regional competition, and insufficient programming space threatens TPAC's ability to sustain historical levels of positive impacts. HR&A's analysis compared the ongoing operations, programming, and visitor spending impacts at each facility as well as the one-time construction-related impacts of a new facility to make the case that the benefits of a new performing arts center outweighed the costs to renovate the existing facility and justified new facility development costs. The final report distilled both the qualitative benefits of a new facility for the region's cultural positioning, educational offerings, and reputation for prospective residents and businesses as well as the quantitative benefits of an expanded center on the local and regional economy, and is currently being leveraged by TPAC to advocate for state funding and incentives.

**Client:** Van Wezel Foundation

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**Location:** Sarasota, FL

**Completed:** 2023

### **Sarasota Performing Arts Center Strategic Support**

The Sarasota Performing Arts Center Foundation engaged HR&A to support their efforts to realize a new \$275M performing arts center to be located at the heart of The Bay, a new waterfront park and cultural district in downtown Sarasota, FL. HR&A initially supported the Foundation by projecting a set of plausible capital funding scenarios drawing from both philanthropic and public funding sources. We developed a series of projections demonstrating the potential of the TIF district that HR&A helped to create in 2019 to support a portion of both park and performing arts center construction costs and presented our findings to local government officials and other stakeholders. HR&A also helped the Foundation update and refine its operating model for the new performing arts center based on a detailed analysis of operating revenues and costs over time. Finally, to support the Foundation's public outreach and fundraising efforts, HR&A prepared a detailed projection of the economic, fiscal, and community benefits associated with the proposed performing arts center, including impacts related to the building's construction and operation, visitation impacts, regional cultural brand impacts, and neighborhood redevelopment impacts.

**Client:** Glenstone

**Location:** Potomac, MD

**Completed:** 2020

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### **Assessing Mission and Economic Impacts of Glenstone Museum**

On behalf of Glenstone Museum, HR&A conducted a mission and economic impact analysis to highlight the qualitative and quantitative impacts of the museum following a \$200 million expansion completed in 2018. Based on the museum's operations and visitor data, HR&A demonstrated the role of Glenstone as a world-class cultural and economic asset in Montgomery County, MD and the surrounding Washington DC region. The analysis highlighted the economic and fiscal benefits of the museum and the visitor spending it generates, in terms of economic output, jobs, and labor income in Montgomery County and the State of Maryland. Further, it evaluated Glenstone's mission impact in providing art and culture to the community, offering educational opportunities, promoting environmental stewardship, and reinforcing Montgomery County as a unique regional and national destination. Glenstone is using these findings to communicate the benefits the museum provides to the surrounding community and to help to advance its mission to promote art, architecture, and nature.

**Client:** Institute of Museum and Library Services

**Location:** Washington, D.C.

**Completed:** 2021

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### **IMLS Library and Museum Impact**

The Institute for Museum and Library Studies (IMLS) has been developing a framework for measuring the impacts of libraries and museums around the country. Working with the Reinvestment Fund, and building on prior work to develop a Community Wellbeing Index, HR&A expanded the existing study to include the economic impact of these institutions, as well as to develop a map of the "network impact" of groups of institutions in rural, suburban, and urban communities throughout the country. The study illustrated the importance of these institutions from a multi-dimensional point of view.

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**Client:** Open Space Institute  
**Location:** Montclair, NJ  
**Completed:** 2021

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### Essex Hudson Greenway Governance

On behalf of the Open Space Institute (OSI), HR&A conducted a preliminary analysis of approaches to governance and operations for a potential open space on a disused freight line in northern New Jersey. At the time of the study, the purchase of the right-of-way was under consideration, and one of the key questions was the extent to which approaches to governance and management of a linear space might present opportunities for revenue generation, realization of public policy goals, and high-quality operations of a complex physical space.

HR&A conducted an analysis of these questions through a mix of case studies, analysis of precedents in New Jersey and elsewhere, and specific considerations of the line and adjacent communities. Through this work, HR&A was able to identify a series of key issues for the future development and management of the Greenway.

Subsequent to the completion of the analysis, the State of New Jersey elected to provide capital funds for the purchase of the rail right-of-way.

**Client:** Major Museum  
(Confidential)  
**Location:** New York City, NY  
**Completed:** 2023

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### Impact Study for a Major New York City Museum

On behalf of a major museum in New York City, conducted an impact study to support the museum in attracting local and philanthropic funders and determine long-term plans for potential expansion of the museum. Projected one-time and ongoing economic and fiscal impacts of the museum's current operations and potential construction projects. Analysis also included cultural, educational, social, placemaking, and other impacts of the museum's current operations, such as the museum's ability to attract visitors and contribute to the cultural economy of New York City, the museum's position as a civic leader, and the ways in which the museum functions as a resource for the city's residents.

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