

Finding Funding

Money... it is, of course, fundamental to your creative district's success. But how do you get started in raising funds, where can you look for money and how do you create a sustainable stream of revenue to support a long-term vision? In this webinar news, we cover a variety of funding topics, including how to utilize non-profit status to tap grants and donations and how special district funding tools can help ensure your district has funding for a long time to come.



Opportunities for Impact

The most important funding consideration for creative districts is creating sustainable revenue streams. Funding is easiest to come by when it's targeted to your priorities, allowing you to focus more on doing than on fundraising.

The most important questions your creative district organization should be asking itself as it looks for funding are:

- How much money do you need to sustain yourself and what tools exist for operational purposes?
- What resources would you like to have in order to achieve your ultimate vision and goals, and what resources can be tapped to do projects and programs?

Understanding what your operational versus programmatic funding needs are helps you understand how much you'll need to get where you want to go.

Funding Your District

So how exactly do you find the funding you need once you've answered those questions? First, remember these important funding rules:

- There is no silver bullet or single source of funding for the work you want to do
- It will be necessary to explore a menu of funding options that bring in resources for different purposes
- You must match what you are trying to do, to the tools available; thus, the importance in answering the questions above FIRST. Money often comes with strings attached, so knowing how to work with (or around) that will help you get to the dollars faster
- A public/private sector partnered approach is essential. Both sectors have dollars they can provide and reasons that may compel them to invest. Figure out the selling point for each and leverage resources from both.

Some Common Ways to Get \$

Every district must put together their own distinctive cocktail of funding that individually suits them. However, there are a few primary resources that every district should consider exploring. The following provides more information on these:

Association/Membership Dues

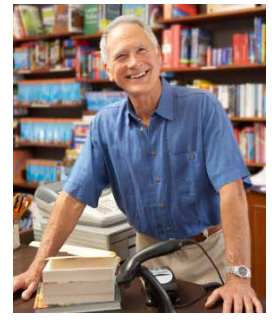
Many district organizations begin bringing in funding through an association or membership structure. As you design a dues structure, there are two important considerations:

- What type of organization are you? (i.e. are you an arts-based ONLY membership organization, or do you want broad representation from everyone in the district?)
- What is your purpose? (i.e. are you looking to be a membership/networking-based group, or are you looking to fulfill broader roles such as economic development, advocacy, etc?)

Answering these questions will help you determine an effective association and membership structure that delivers the best value to the most people.

Sponsorships

Event and programming sponsorships are a fantastic way to bring in money. The important question for you to ask is how can you best package sponsorships to leverage a bigger impact year-round? Many districts look to develop multi-event sponsorship packages that allow them to make one BIGGER sponsorship pitch at the beginning of the year to cover multiple events. Other organizations look at different sponsorship opportunities beyond just events, including sponsorships for websites, printed materials, signage and public realm improvements. Being creative in what you sell allows you the opportunity to do more.



Grant Funding

Grants are another great resource for often large pots of money, though it's important to note that they do take significant investments of time. You can look to the following locations for grants:

- Local, state, national government
- Foundations
- Arts-based organization (NEA)

Hiring a dedicated grant writer who knows how to position these grants and is effective at bringing in money is often the best approach to grant writing.

Business Improvement Districts (BIDs)

BIDS are special districts created by stakeholders in a district, FOR stakeholders in a district. They are funded through a self-assessment on commercial property within a defined area in which everyone must mandatorily pay. The revenue generated is ringfenced for reinvestment into the district to fund a variety of services, including marketing, advocacy, economic development and public realm improvements, as well as the management of the district. BIDs are created through both a petition and vote of stakeholders in an area and provide a guaranteed funding stream for an extended period of time.

Tax Increment Financing (TIFs - DDA/URA)

Tax Increment Financing (TIF) utilizes the incremental increase in property and sales tax in an area over an extended period of time to be reinvested to improve an area. In Colorado, there are two primary delivery vehicles for TIF: a Downtown Development Authority (DDA) and an Urban Redevelopment Authority (URA). TIF can be used to fund infrastructure, economic development, real estate development and, in certain cases, district management. Like BIDs, most TIF districts require stakeholder support.

Community Development Corporations (CDCs)

CDCs are community-based non-profit corporations focused on physical development, economic development and community development. They leverage a diversity of funds (general fund, grants, fees, private investment/donations, etc.) to invest in a company that is focused on improving a specific area, and they are flexible and able to fund diverse projects because they are a non-governmental non-profit organization.

Crowdfunding

Crowdfunding is a collective funding effort of individuals who network and pool their money, usually via an online source, to support efforts initiated by other people or organizations. It's a new way of funding interesting projects that have broad interest and has been found to be particularly helpful in funding community-serving projects. The most well known crowdfunding tool to date is Kickstarter.

