CultureCase

Capital projects have the potential to bankrupt arts organisations

This research was conducted by **Dana Elmquist** at **Baruch College CUNY, USA**

Summary

The paper is based on interviews with three cultural leaders in New York who were dealing with the legacy of substantial capital projects. The research concludes that organisations must realise that they are 'masters of their own destiny' in financial terms and cannot be bailed out for bad decisions, that buildings can be a liability as well as an asset, and that buildings to not create an audience and mission, but follow from them.

The organisations studied in the research were Alvin Ailey Dance Foundation, Dance Theatre Workshop and the American Folk Museum

Alvin Ailey made a strategic decision to build a new custom-built facility that had revenue-generation as part of its function, allowing it to be self-sustaining. After undertaking a feasibility study they engaged in a targeted fundraising campaign to raise money to build the facility and create an endowment for the company and building.

The boards of Dance Theatre Workshop and the American Folk Museum did not exhibit the same degree of caution and care and were hit by external crises

The new building in Chelsea built for the Dance Theatre Workshop was supposed to generate income through rent as a party venue (it had no kitchen) and as a performance space (the artistic leadership of the company were reluctant to let it out). When the financial crisis hit in 2008 they ran into a cash-flow crisis and were left exposed to creditors, having overstretched themselves with financing arrangements for their building plans. They merged with Bill T. Jones/Arnie Zane Dance Company.

The American Folk Museum also planned to raise revenue from their new building but visitor numbers were lower than projected (they opened in the aftermath of 9/11). They had always coped with precarious finances but the building created further burden. They sold their new building to MoMA.

Keywords

USA **museum** **sustainability** **interview** **strategy** **capital** **dance** **crisis**

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