



# Kryvyi Rih City Development Institution

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## Modern Art Center

This presentation does not contain complete exposition of theme and is intended for general informing of potential partners about possible directions of collaboration. Some informational materials are evaluative and require additional research at implementation business planning and estimation of Project efficiency. For more information please apply to the Kryvyi Rih City Development Institution

# Project Summary (Modern Art Center - MAC)

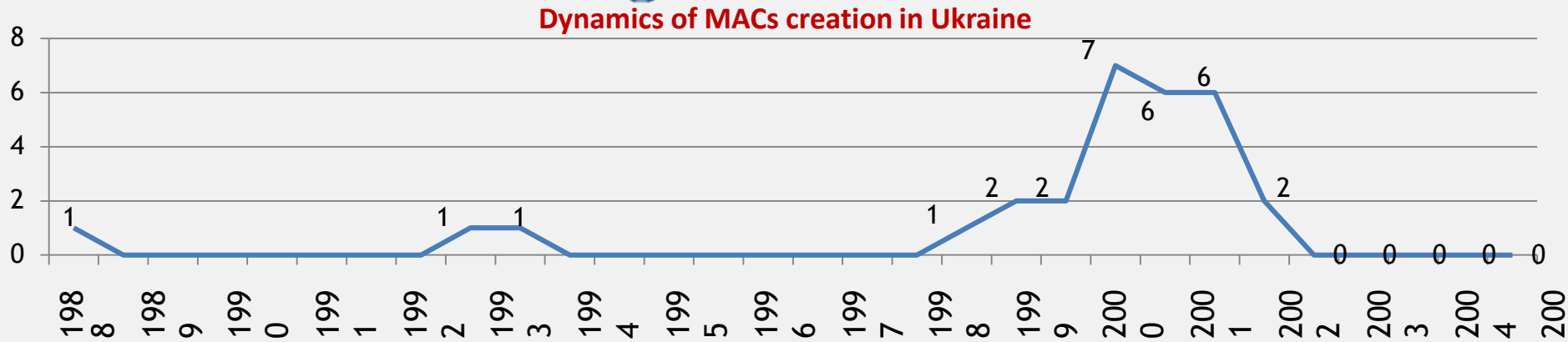
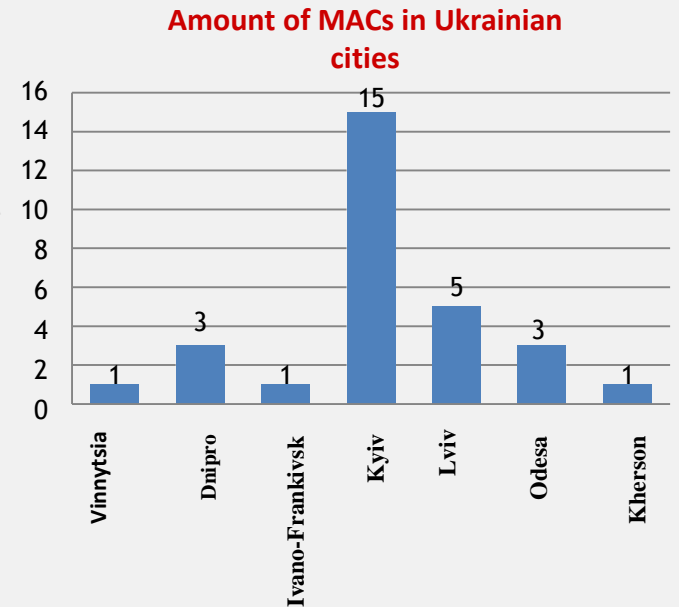
- ❑ **Modern Art Center** is a modern functional innovative cultural Center with a great range of capacities which stimulates practices of dissemination and development of modern arts in the city and is a base for conducting of exhibitions, seminars, presentations, installations, art - performances of the international level, and also renders the educational and artistic services and technical support in the process of organization of cultural events.
- ❑ **There are 29 modern art centers (MAC) in Ukraine**, 15(48,39%) ones are located in the capital - Kyiv. Geographically MACs are located mainly in the north, and a small part in the west, south and east of Ukraine.
- ❑ There is a small number of MAC in the central region of the country and it allows to talk about the necessity of MAC building able to become the center of children, youth and family rest, cultural leisure and artistic education for people with different income level.
- ❑ **The most attractive area for doing business in Ukraine is the Dnipropetrovsk Region.**
- ❑ Kryvyi Rih occupies the first place in the Oblast by the volume of direct foreign investments attracted in the city economy - **1380,18** milliards of dol. of the USA (as of 1 October 2017). The investments come from **29 countries** of the world (Germany, Cyprus, Netherlands, Great Britain, others).
- ❑ **Key attractive points for MAC building in Kryvyi Rih city (Dnipropetrovsk region):**
  - **great population size of the city(632,7 thousands people, 7th place in Ukraine )**. In accordance with expert opinions the MAC construction is expedient due to the presence of the city nearby with a population not less than 600 thousand of people;
  - **absence of similar leisure center** in the city,
  - **well-developed traffic center**, allowing the center to overcome a service territory with a population more than 2,3 million people. 23% of them are pupils and preschool children – potential permanent visitors who will visit the center on regular basis not only with parents but **under the programs of year-round group visits organized by the educational establishments.**
  - **a great part of young population of the Kryvyi Rih** (target group of park visitors) – children and young people under 35 that is more than 45,9% of permanent city population;
  - **center attendance** not only at the weekends and public holidays but also in week-days due to the shift working hours of the main enterprises of the city;
  - **the city residents prefer entertainments in native city** due to high cost of airline and railway tickets;
  - **high tourist potential in industrial tourism.**
- ❑ **Taking into account a sum the city residents are ready to spend on cultural-leisure-educational activities, the evaluation minimum volume of market is 2977,2 million UAN per year.**
- ❑ **Taking into account a sum the city residents are ready to spend on cultural-leisure-educational activities, the evaluation minimum volume of market is 2977,2 million hryvnias per year.**
- ❑ **We are opened for a collaboration and ready to discuss the possibilities of additional support in realization of the Project and easy terms for an investor.**
- ❑ Cooperation in this direction has to mutually beneficial. Regional authorities are ready:
  - To give a ground area on favourable terms. To promote the supply of communications.
  - To assist actively in passing permission procedures.
  - To give additional benefits in terms of their plenary powers.
- ❑ **More information is in respective sections of the presentation.**

1 - analysis of the Kryvyi Rih City Development Institution

2 - Annex to the decision of the Kryvyi Rih city council №2389 dated January 31, 2018 - "On approval of the report on implementation of the Economic and Social Development Program of Kryvyi Rih in 2017-2019".

# Modern Art Centers in Ukraine

“That’s why so great the power of art as it is impossible to divine its effects beforehand” Yuriy Grachevsky



# Kryvyi Rih attractiveness for doing business

## Kryvyi Rih :

- ❑ **1-st place** by volume of industrial products sold
- ❑ **6-th place** by area
- ❑ **7-th place** by population size \*

Area (km <sup>2</sup> )	431
Population (thousands)	632,7
Густота населення (Population density)	1 535

## Investments :

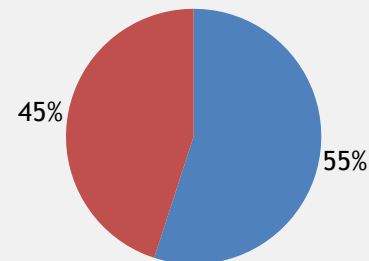
- ❑ The amount of foreign direct investment attracted to the economy the city as of October 1, 2017 amounted to **1 380.18 billion dollars**. USA .. Investments came from **29 countries** (Germany, Cyprus, the Netherlands, Great Britain, etc.).

## The city took measures to improve the conditions for conducting business:

- ❑ **Development of electronic information resources.** Within the framework of the "Open Government" project, the development and organizational maintenance of the implementation of the activities of the multipurpose software complex «Kryvyi Rih Resource Center» was continued. An interactive multimedia electronic encyclopedia of city infrastructure has been created. A single city information service, uniting 12 sensory information kiosks, is put into operation..
- ❑ **Improving the quality of municipal governance.** In the municipal service center of Kryvyi Rih, a single information and reference support system with the use of e-government technologies has been created.
- ❑ The Office of Business Development of the City Executive Committee created a virtual "Business Incubator".

## Workforce :

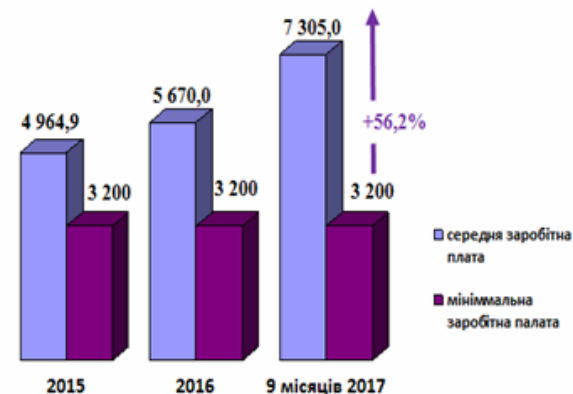
- ❑ Kryvyi Rih occupies 7th place according to the population of Ukraine



■ women ■ men

During 9 months of 2017, the average salary increased by almost 29.0% and amounted to UAH 7,305, which is 9% more than in the Dnipropetrovsk region. This indicator exceeds the average monthly salary in Ukraine by 6.6% and 2.3 times the size of the minimum wage (3 200 UAN)

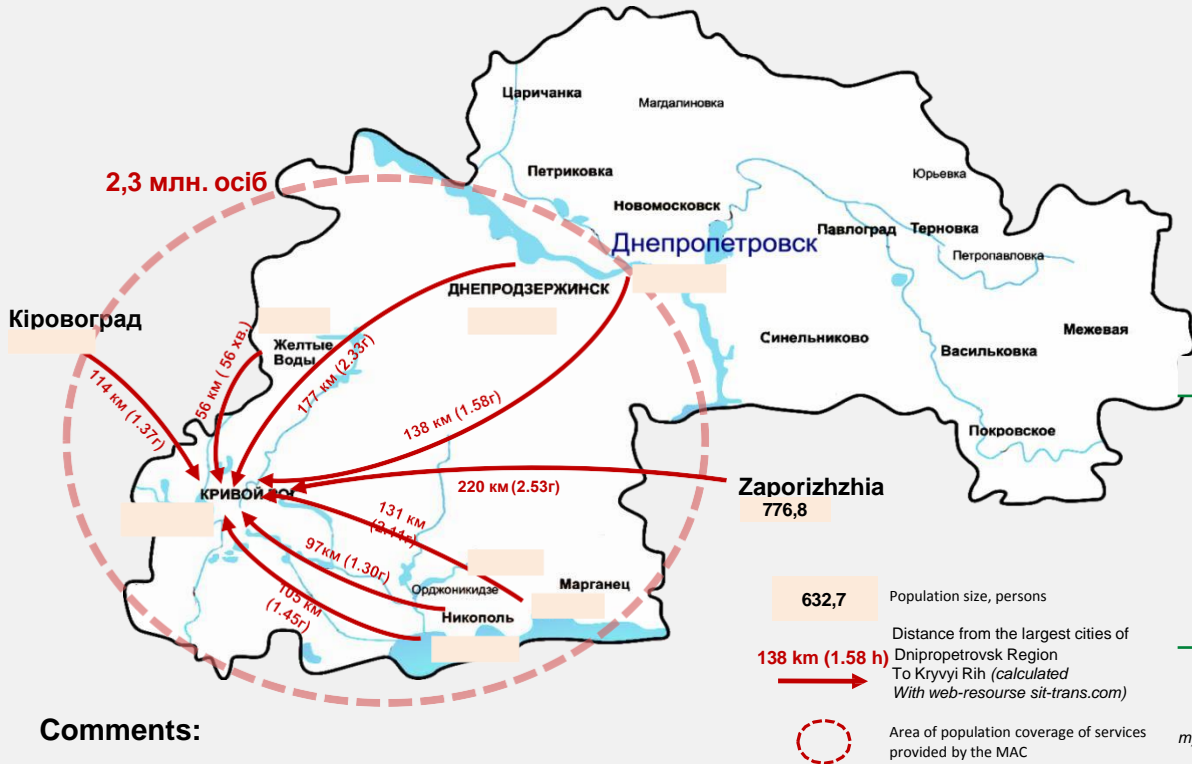
Динаміка середньої заробітної плати, грн.



\* - Annex to the decision of Kryvyi Rih City Council dated January 31, 2018 - No. 2389 "On approval of the report on implementation of the Program of economic and social development of Kryvyi Rih city in 2017 for 2017-2019"

# Favourable geographical position of the city for broadening the range of MAC's visitors

“Every work of art belongs to its time, people, surrounding” Hegel



## Comments:

- It is potentially possible to attract visitors among approximately 540 thousands of children of preschool age and pupils within the framework of all-year group visits, organized by educational establishments<sup>1</sup>.
- Distance from Kryvyi Rih to the largest cities of the Oblast and Oblast centers of the nearest Oblasts is no more than 4 hours' drive
- MAC will potentially overcome the territory with a population of 2,3 millions of persons.
- Taking into account the age-dependent structure of the mentioned population, more than 23% (540 thousands of persons) - are pupils and preschool children.

1 - analysis of Dnipropetrovsk investment agency based on data given by the Main Department of Statistics in Dnipropetrovsk Region

2 - Kryvyi Rih Investment Passport

## Key structural advantages of the region :

- Developed transport logistics:
- Favourable economical and geographical position. (Dnipropetrovsk Region is the only one in Ukraine bordering on 7 Oblasts of the country.
  - Developed road network;
  - Powerful railway net;
  - Airport.

## Transport infrastructure in Kryvyi Rih city

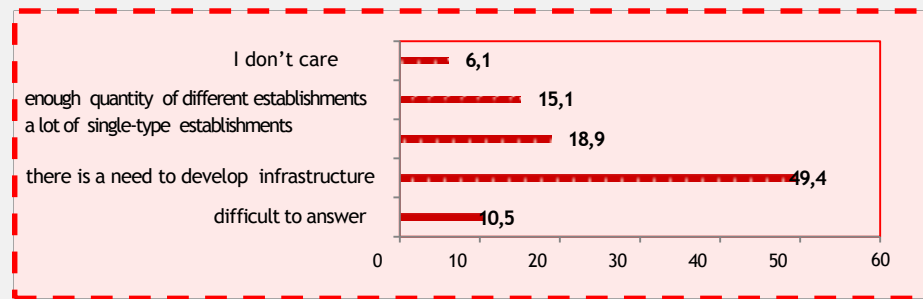
Mode	Parameter	Value	Notes						
Auto	Length, km	2788	Roads area versus the city area						
	Quantity of stations, items	4							
	Quantity of the operators in the market, items	1	<table border="1"> <tr> <td>Київ</td> <td>18 670</td> <td>2%</td> </tr> <tr> <td>Кривий Ріх</td> <td>27 106</td> <td>6%</td> </tr> </table>	Київ	18 670	2%	Кривий Ріх	27 106	6%
	Київ	18 670	2%						
Кривий Ріх	27 106	6%							
Quantity of airports, items	1	Airport is capable to take different classes planes, has a favorable geographical and atmospheric position							
Runway length, m	2500								
Bandwidth (take-off), operations / hour	9								
Air	Quantity of the operators in the market, items.	1							
	Quantity of stations, items	3	Provides 17% All national volume of railway cargo traffic						
Railway	Length, km	120							
	Quantity of stations, items	3							
	Quantity of the operators in the market, items.	1							

# Non-competitive conditions

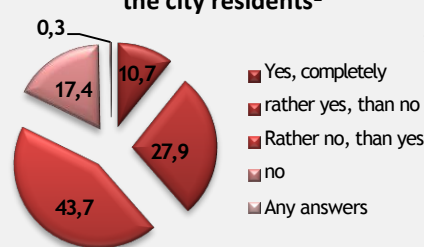
## Comments:

- City infrastructure in culture, sport and leisure activities is represented by :
  - 3 theaters;
  - 3 cinemas;
  - Kryvyi Rih State Circus;
  - 15 palaces of culture;
  - 50 libraries;
  - 19 music schools;
  - 2 buildings with manufactured ice;
  - 3 night clubs.
  - MI of culture “Municipal exhibitory hall”
  - MI of culture “Municipal local history museum” and its two branches
  - 3D Video gallery of MI of culture “Municipal local history museum
  - PU “Kryvyi Rih municipal Taras Shevchenko drama and musical comedy theater” presented 6 new performances. In total, in 2017 theater was visited by more than 43.5 thousand spectators, including 11.8 thousand - welfare beneficiaries, which reviewed 249 performances.
  - The repertoire of PU «Kryvyi Rih municipal theater of musical plastic arts «Academy of motion» has been updated with five new performances. In 2017, the theater presented 146 performances to the city’s inhabitants, including 16 charitable ones, visited by 27 thousand spectators, of which 18 thousand were welfare beneficiaries.
  - PU «Kryvyi Rih municipal puppet theater» presented 4 new performances. During the reporting period there were 368 performances, which were viewed by 36.1 thousand viewers. In total, 763 performances took place in theaters in the city, which was more than 72 in the 2016 year, and 106,600 people viewed it, which is 13,600 more than in the previous year.
  - The municipal exhibition hall of the "City Exhibition Hall" hosted 40 exhibitions of works by leading artists, 280 excursions, which were visited by more than 45 thousand spectators..
  - PU «Kryvyi Rih local history museum» and its branches organized 48 static and off-site exhibitions from the institution's funds, works of fine art artists, craftsmen of folk art, conducted more than 1.4 thousand excursions, various cultural and logical events, 3 and the museum collections and exhibits of the institution were visited by about 55 thousand inhabitants and guests of the city.
  - Thanks to the implementation of innovative forms, new creative ideas, the Kryvyi Rih State Circus is favorite place for children. In 2017, the city residents viewed 91 circus performances, including 8 premieres, which is 21 more compared to 2016. Performances visited more than 59 thousand viewers, of which 1,3 thousand - welfare beneficiaries .

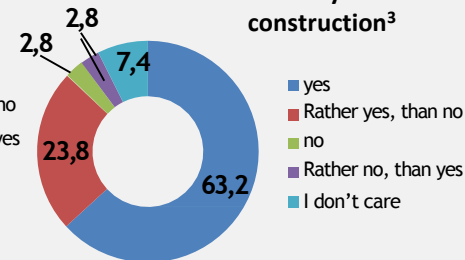
Level of cultural infrastructure development<sup>1</sup>



Satisfaction of cultural needs of the city residents<sup>2</sup>



Advisability of MAC construction<sup>3</sup>



Results of the city residents polling showed:

**68,3%** consider city cultural infrastructure as not enough developed one. City infrastructure does not meet the demands of **61,1%** of the community.

**87%** consider reasonable to build MAC.

**90%** of parents want their children to attend cultural and entertainment and educational events and objects in prospective MAC.

Taking account cultural, educational and art, investment potential, prospects for industrial tourism development, historical favorableness of the region, community’s needs there is **a necessity in creation of MAC** oriented at interaction of different cultures and people, science and art, styles and trends.

1,2,3 – sociological research of the city residents «Cultural priorities of the Kryvyi Rih city residents (Art center, its perspective content and essence)»

# Structure of the Modern Art Center

**“Art is useful only if it develops one’s mind instead of distracting it” . Einstein**

**Modern Art Center**– dynamic modern innovative **culture center** with a broad range of capacities, which stimulates practices of dissemination and development of the **modern arts** in the city and is a base for conducting exhibitions, seminars, presentations, installations, art - performances of the international level, and also renders the **educational and artistic services** and technical support in the process of organization of cultural events.

**Modern Art Center of an international level embodies:**

- Increase competitiveness of the national art, which enables city to take part in the cultural processes globally
- Fostering creative generation of the nation through the prism of the contemporary art
- Stimulating the intellectual development of the city citizens
- Contribution to the development of the cultural potential of the community
- Development of the applied alternative art education

**Directions of activities:**

- Organizing and conducting of concerts
- Photo-exhibition
- Reviewing of thematic films
- Museum activity
- Collecting
- Art-cafe
- Media-center
- Photographic studio
- Video studio
- Bookstore
- Art-shop
- Master-class
- Exhibition activity
- Art-performance
- Video-installation
- Literature evenings
- Art education
- Art projects
- Researches
- Publications
- Communication
- Leasing of the venues

**Venues:**

- Concert hall for 4 – 10 thousands places
- 2 conference-halls: 80 and 150 persons
- Media center for press-conferences, 100 places
- Video- studio
- Photographic studio
- Collecting Hall
- Venues for exhibitions, video-installations and art-performances
- Art-laboratory (educational art classes)
- Halls for seminars, lectures and master-classes
- Art-cafe
- Art-shop
- Bookstore
- Museum

**Venues leasing for:**

- Conferences
- Business - meetings
- Seminars, master-classes, lectures
- Presentation of products and goods
- Closed corporate events and parties
- Art-events
- Video-recording
- Photographing
- Others



# Conception 1: Through the industrialization into the art

“Art is like nature. If you don't let it into through the door it will go through the window.” Samuel Butler

17,6% of the city residents consider it reasonable<sup>1</sup> to place the Modern Art Center in a venue of the abandoned industrial enterprises (European experience)

## Advantages:

- ❑ Engaging of industrial premises, which are no longer in use, by the means of transforming them into the modern art center
- ❑ Factories and mines, which functioned in the beginning of the XX century, will get a second life (preserving of the historic industrial heritage of the city).
- ❑ World tendency of engaging industrial premises into the cultural life of the country



## Disadvantages:

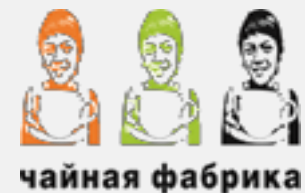
- ❑ Cost of the restoration works
- ❑ Conducting of the thorough analysis the technical state of the object of the restoration for its safe usage

## Potential places:

- ❑ The premises of the former electricity station of the Galkivsiy pit , which was built in 1914
- ❑ Administrative-service industrial complex of the «Artem - 1» mine
- ❑ "Northern" Mine

## Examples of the functioning Modern Art Centers in Ukraine<sup>2</sup>

- ❑ «Tea Factory» (former tea-sorting factory), Odessa city
- ❑ «Art center of Jacob Greter» (plant «Bilshovyk»), Kyiv city
- ❑ «ArtPRYSTAN» (pier №2), Kyiv city



1 - sociological poll of the Kryvyi Rih residents «Cultural priorities of the Kryvyi Rih city residents »

2 - analysis of the Kryvyi Rih City Development Institution

# Conception № 2: Modern Art Center on the basis of the premises of the non-functioning shopping-leisure center

“In every work of art, small or big one, everything comes down to the conception ” Goethe

**16,9% of the city residents consider it reasonable<sup>1</sup> to place the Modern Art Center in a venue of the abandoned shopping center**

## Advantages:

- ❑ Absence of time-consuming procedures of concordance with local authorities, of project development and putting into operation of a newly-built premises.
- ❑ Possibility of favorable location in the premises of non-functioning supermarkets and shopping malls near the residential areas with a high density of population.

## Disadvantages:

- ❑ Ready-made design with limited possibilities of architectural advancements.
- ❑ Impossibility of introducing modern energy efficiency facilities into the construction of the existing building.

## PREREQUISITES:

- ❑ The provision of the city residents with trading areas is 446,6 sq. m. <sup>2</sup> per 1000 residents and exceeds the standard in Ukraine (319 m<sup>2</sup>) for 40%.
- ❑ The factual number of the trading areas of shops, malls and supermarkets in the city comprises 430,0 sq. m. per 1000 residents, which exceeds the standard in Dnipropetrovsk oblast (353 sq.m,) over 21,8 %<sup>2</sup>

## Examples of the functioning Modern Art Centers in Ukraine<sup>3</sup>

- ❑ «Art passage» (TP «Arcadia»), Kyiv city
- ❑ «DARA» (former cinema «Druzhba»), Kyiv city
- ❑ «Art center of Jacob Greter» (plant «Bilshovyk» in the shopping center «Bilshovyk”), Kyiv city



## Potential premises:

- ❑ Trade-entertainment center «Esenino»
- ❑ Supermarket «TAKO»



1 - sociological poll of the Kryvyi Rih residents «Cultural priorities of the Kryvyi Rih city residents »

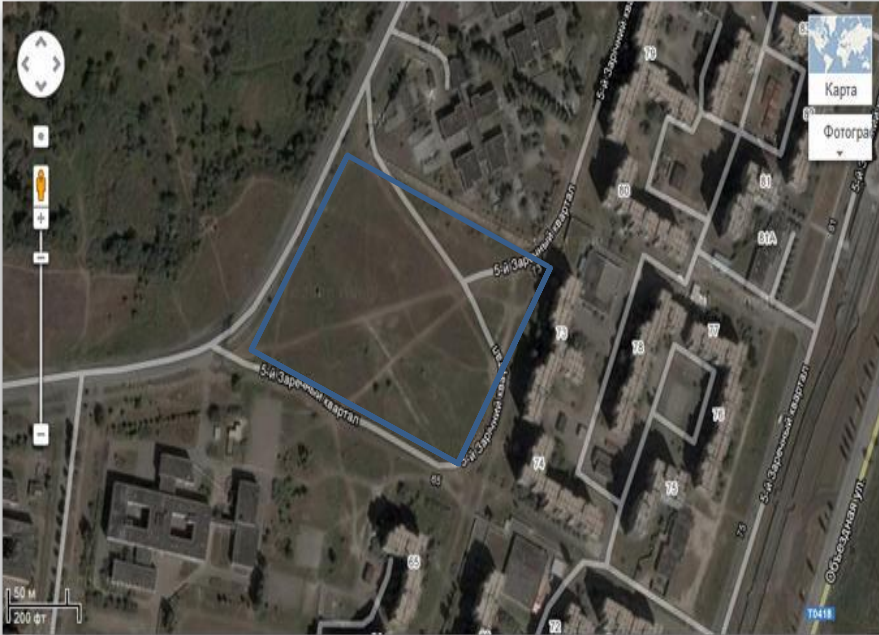
2 - Investment passport of the Kryvyi Rih city

3 - analysis of the Kryvyi Rih City Development Institution

## Conception 3: Building of a new premises

“Architecture - is like frozen music” Fr. Shelling

57,8 % of the city residents consider it reasonable<sup>1</sup> to place the Center of the Modern Art in a venue built specifically for the mentioned purposes.



### DISADVANTAGES:

High cost of the project development, as well as building, architect and design works, etc.

### ADVANTAGES:

- ❑ Modern building with the consideration of architect tendencies, where the creative and aesthetic exterior is inline with the art and educational purposes of the Modern Art Center
- ❑ The construction of the building is satisfactory for the most demanding modern world artists with regards to the material and technical parameters. The possibility of technical conditions varying: air-conditioning, light, humidity of the air, etc.
- ❑ Modern construction, where the functionality and comfort are united with energy-efficiency and ecological conditions.
- ❑ Favorable location of a building (location near the residential area on the **Parkova Street**, near the schools and kinder-gardens.
- ❑ Easy-attainable transportation center – near the underground tram station «Zarichna» and near the stop or the route taxi).

1 – sociological poll of the Kryvyi Rih residents «Cultural priorities of the Kryvyi Rih city residents » (Art Center, its future content and essence)

# Prospective Partnership

“Refuse a risk means refuse a creative work” A.S. Makarenko

The grounding principle of the future partnership is the attainment of the mutual benefit from the partnership,

## CITY AUTHORITY

- ❑ Supporting investor with information for optimal decision-making measurement.
- ❑ Land allocation on preferential terms. Assistance in bringing up communications.
- ❑ Providing effective assistance in passing permitting procedures.
- ❑ Additional privileges within the power of their authority.



- ❑ Creating new work places.
- ❑ Delivering of unique services to the city residents.
- ❑ Additional income to the local budget in the form of additional taxes and charges.
- ❑ Formation of interest in modern art among youth.



## CITY DEVELOPMENT INSTITUTION

- ❑ Accompaniment in going through the approval procedures and help in implementation of investment project.
- ❑ Organization and coordination of activity of the Modern Art Center in conjunction with the Administration of Culture and Tourism of the Kryvyi Rih City local Council



## PRIVATE INVESTOR

- ❑ Conducting business analysis and risk
- ❑ Expert knowledge and technologies.
- ❑ Investments into production.
- ❑ Competency in managing business in the given sphere.



- ❑ Gain from business, which functions effectively
- ❑ Forming of strong positioning of a company for further business growth in Ukraine.
- ❑ Creating of the state-of-the-art experience and advancing company's image.
- ❑ Reputation of a socially responsible company.

## Contact Information

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