

WINTER 2003



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The Magazine of The Heinz Endowments

Mattress Maven

She's created one of the country's edgiest museums, but 30 years later, how does she keep the corners from softening?

INSIDE: Betting On BioScience | Roadie Art

inside

Founded more than four decades apart, the Howard Heinz Endowment, established in 1941, and the Vira I. Heinz Endowment, established in 1986, are the products of a deep family commitment to community and the common good that began with H. J. Heinz and continues to this day.

The Heinz Endowments is based in Pittsburgh, where we use our region as a laboratory for the development of solutions to challenges that are national in scope. Although the majority of our giving is concentrated within southwestern Pennsylvania, we work wherever necessary, including statewide and nationally, to fulfill our mission. That mission is to help our region thrive as a whole community — economically, ecologically, educationally and culturally — while advancing the state of knowledge and practice in the fields in which we work.

Our fields of emphasis include philanthropy in general and the disciplines represented by our grant-making programs: Arts & Culture; Children, Youth & Families; Economic Opportunity; Education; and the Environment. These five programs work together on behalf of three shared organizational goals: enabling southwestern Pennsylvania to embrace and realize a vision of itself as a premier place both to live and to work; making the region a center of quality learning and educational opportunity; and making diversity and inclusion defining elements of the region's character.

h magazine is a publication of The Heinz Endowments. At the Endowments, we are committed to promoting learning in philanthropy and in the specific fields represented by our grantmaking programs. As an expression of that commitment, this publication is intended to share information about significant lessons and insights we are deriving from our work.

Editorial Team Linda Braund, Nancy Grejda, Maxwell King, Maureen Marinelli, Grant Oliphant, Douglas Root. *Design:* Landesberg Design

About the Cover "Age is a pretty thin membrane in this organization," says Mattress Factory Founder Barbara Luderowski, left foreground, acting "not her age" in this staff portrait in a courtyard garden by artist Winifred Lutz. As executive director since the mid-1970s, Luderowski has placed the installation art museum on the international cultural map with a staff that has ranged from college interns to artists in their 80s. Now she and her board face the twin challenges of expanding the museum's reach and grooming young leaders to manage it. Photo by Annie O'Neill

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Founder's Factory

It took years of fire and finesse for Barbara Luderowski to create her glorious Mattress Factory, but the toughest challenge yet may be entrusting it to a new generation.

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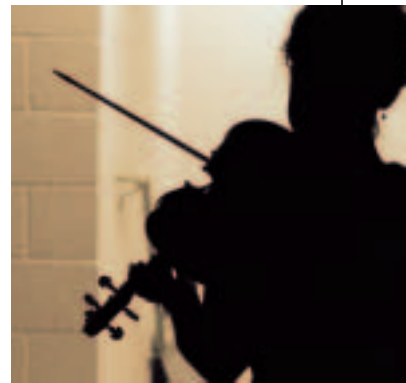
BioBelievers

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All the world may not yet be their stage, but Pennsylvania artists are reaching new audiences as a foundations-supported program plays booking agent.



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From Fall 2002

Tough Love

Regarding “Tough Love,” *h*’s lengthy explanation of why The Heinz Endowments, the Grable Foundation and The Pittsburgh Foundation all pulled their funding from the Pittsburgh Public Schools: I was struck by the line “The foundations have taken an action that can’t be ignored.” But what’s come of it? The net result, now that the story has fallen off the public radar, seems to be the creation of the Mayor’s Commission on Public Education, which has yet to proffer up one single useful piece of information. Yes, analysis takes time, but there is nothing about the work being done to suggest it is being approached with any sense of urgency. It seems to me that the mayor came late to the party and then passed the buck. There is a vacuum where there needs to be strong and vocal leadership.

My own reading, including, in particular, a recent report, “Is It Time for Elected Urban School Boards to Disappear?” by Thomas E. Glass, a University of Memphis professor who has done extensive research on urban school boards, leads me to believe we need to change our board governance model. Toward that end, we need leaders who are willing to step outside the business-as-usual box, who are willing to make hard choices because they’re what’s best for the kids and for the city, rather than easy choices that might be more politically advantageous.

The home page for the commission’s Web site offers this quote from Mayor Murphy: “There is no issue of greater importance to the continued growth and vitality of our community than the sound management of our school system and the promise that we will provide all of our children with the best possible education.” Nice words, but who is keeping the promise? While I applaud the foundations for the controversial and, in my view, correct stand they took, perhaps, sadly, they have taken an action that *can* be ignored.

Judy Wertheimer
Squirrel Hill

Partners In Education

Throughout history, countless generations have addressed when and how their children should be educated. Approaches have included the use of wise and learned individuals to teach the children of privilege; one teacher in a single-room school house for children in rural areas; groups of teachers in multi-floored school buildings for thousands of children in urban settings.

And throughout history, there have been those critics who have jumped on these systems as being inappropriate or not responsive to the needs of the times.

Did the chronicles of the ages take the time to tout what works, in good times and in bad—schools where the principals are in charge, where parents are involved in the education process, where educator collaborations are unleashing the best in teachers? Perhaps we should make sure a copy of *h* gets into a time capsule so that someone in the future can learn from a great commitment to pushing forward in education.

Ambrose P. Murray
Executive Director
Extra Mile Education Foundation

Vira’s Young Ladies

Temple University is one of the institutions whose students have benefited over the years from the Vira Heinz Travel Award. It was a pleasure reading about the origins of the grant, and learning more about the woman whose legacy continues to provide life-changing opportunities for women.

I have worked with students on this award for a number of years, and it is impossible to overstate the impact that Vira Heinz’s early vision still has on Temple University students. Young women who might not otherwise have been able to study and travel overseas have broadened their horizons as a result of her generosity.

The recipients of this award are expected to engage in serious research to further academic and career goals. Recent Temple awardees have studied social work systems while working in a local orphanage in Mexico; researched building

restoration and other planning issues in Cuba; and compared American and British broadcasting systems in London. But regardless of their destinations and academic backgrounds, all of these women share a dream that was realized through this award.

In our post-9/11 world, it is more critical than ever that U.S. citizens have direct knowledge of other cultures, acquire foreign language skills and develop an understanding of people beyond our borders.

Denise A. Connerty
Director of International Programs
Temple University

The Science Bug

After reading your story on Edgeworth Elementary teacher Elise Woodburn’s getting such incredible response using the ASSET teacher training program in her classroom, it’s clear there’s also been a big change in how science teaching is valued in the Quaker Valley School District.

Before the Cornell School District where I teach became involved with ASSET’s hands-on, inquiry-based teaching method, science was the last subject taught (if there was time) in the day. A basic textbook was used and the students were bored. Once we became involved with ASSET, many students came into school each morning asking “When are we doing our science lessons?” Proof that science had become the most popular subject came in a student-run poll.

As a kindergarten teacher, I see my students beginning to question many areas in the modules that I teach—paper, fabric and animal studies. I hear many more “What if...?” questions now, and take more time to observe, predict and test those “what ifs.” I have seen their more in-depth involvement transfer into other subject areas, where questioning techniques continue to develop.

Pamela Gibson
Cornell School District



To our readers

Pick up any newspaper from the past year and you're bound to be confronted with at least one prominently placed story on the tumbling stock market or some other symptom of national economic malaise. Add business-downer TV and radio news reports into the mix and the general impression is that American enterprise is at a low ebb. The productivity engines are not cold, financial experts tell us, they're in a depressing idle.

But if you dig further into the news, you're just as likely to find a story that upends that conventional wisdom. Some quirky, risk-taking, creative individual has managed to ignore the dour Dow or block a budget cut and come up with something promising. Suddenly, it's a Next Big Idea: a new medical device that saves thousands of lives; a new astronomical map to chart the universe; a new business that offers rewarding jobs and a great product; a new brand of political leadership in the face of disaster. In fact, while the evidence may be buried under all those heavy economic indicators, American enterprise is in high gear. The entrepreneurs may not be on the front page, but they're out there, dreaming big.

And that prompts a tough question for the foundation community: why should foundations worry about entrepreneurs in the midst of a tough economy? Why should philanthropy have a stake in turning those big ideas into reality?

Jack Roseman, the founder of two computer firms and now president of a third, On-Line Systems, taught an entire course on entrepreneurship at Carnegie Mellon University for 13 years. The skill set he cites—a creative mind; a keen eye for noticing an unmet need; perseverance; flexibility; outstanding communication skills; an ability to know yourself well enough to trust your own instincts; an ability to understand others well enough to know whom to trust even when they are telling you what you don't want to hear—defines the range of entrepreneurial attitude.

As foundations across the country grapple with their numbers in a down financial year—some forced to suspend funding and lay off staff—we at The Heinz Endowments are fortunate. This is a lean but energetic group guided by board members who have deftly balanced fiscal conservatism with the Heinz family's

entrepreneurial, activist spirit. We have been able to maintain support for our core grantees and still have managed to continue quality-of-life initiatives for southwestern Pennsylvania.

Senator John Heinz was never comfortable with the idea of sitting in idle. Not only did he bring an entrepreneurial mindset to public service, he championed it in his leadership of the Endowments, insisting that staff members do so as well in their work. He also believed programming should foster entrepreneurship among grantees. Teresa Heinz has moved that ideal forward and set a national model with The Heinz Awards, whose winners in this ninth year of the program embody the qualities cited by Roseman.

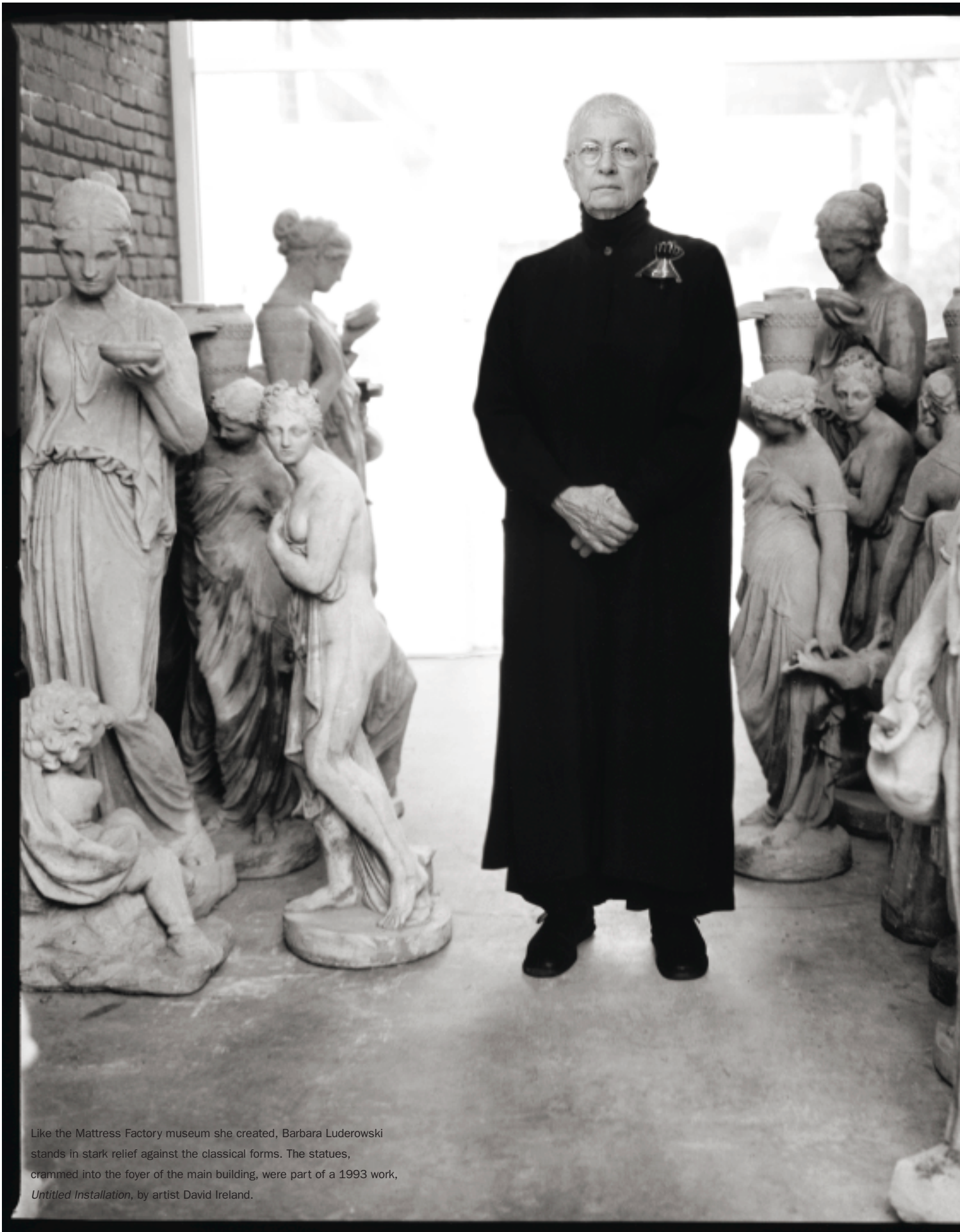
In this issue of the magazine, we explore how central those two missions—embodying the entrepreneurial spirit internally and fostering it in the larger community—are to our grant-making strategies.

Our cover story reports on museum founder Barbara Luderowski, an arts entrepreneur who has turned the Mattress Factory on Pittsburgh's North Side into an international destination for installation art. Her creative energy remains in full force but the story offers an insightful local take on a national trend: thousands of nonprofit organizations are facing succession dilemmas around retiring entrepreneur founders.

In our first inside story, scientist-entrepreneurs are at the core of the Endowments' investment, with three other foundations, in a bold regional campaign to build a bioscience industry in Pittsburgh. The goal is to develop our amazing medical research discoveries and get them into the marketplace.

Finally, we profile Pennsylvania Performing Arts on Tour, an Endowments-created organization that meets the classic "unmet need" requirement basic to successful entrepreneurship. The program encourages performing artists to be more enterprising by freeing them from administrative management in their performances. But it also supplies audiences with superior productions.

There are many instructive lessons for foundations and their grantees in these stories. One of the most important may be that entrepreneurial investment brings the greatest return in tough economic times. *h*



Like the Mattress Factory museum she created, Barbara Luderowski stands in stark relief against the classical forms. The statues, crammed into the foyer of the main building, were part of a 1993 work, *Untitled Installation*, by artist David Ireland.



founder's factory

**Pittsburgh's Mattress
Factory has built an
international reputation
as the anti-museum. But
what's this—an endow-
ment? A museum store?
A frou-frou café? Even
a plan to pass on the
management baton?
The feisty leader behind
it all wrestles with
how to settle in without
settling down.**

*By Christine H. O'Toole
Photography by Annie O'Neill*

It's been voted the best make-out place in Pittsburgh; it's been judged one of the world's premier museums of installation art, and described as a jewel among the city's cultural institutions. It's a century-old industrial building with New York-loft-chic innards. It's a genteel neighbor on a distressed inner-city street. At its core, though, the Mattress Factory is a haven for some of the world's most inspired art and, perhaps, some of its scariest.

One of its few permanent works—a completely mirrored room of fluorescent polka dots and mannequins—evokes wildly clashing responses, from “calming” to “hilarious” to “Augggghhhh!”

But when it comes to describing the firebrand founder of this tour de force, Barbara Luderowski, the critics can't make up their minds. Some days she's an indefatigable visionary; other days she's “an obstreperous old bag.”

The one area of agreement about her is that, just like the Mattress Factory, which still obsesses over its identity as it turns 25, Luderowski resists answering questions about how far along she is in realizing her museum dream. And that prompts many more questions from artists, institutional funders like The Heinz Endowments and museum fans about how an art icon like the Factory stays true to the founder's vision as it plans for the inevitable cutting of apron strings.

Pittsburgh's foundations have helped the museum reach adulthood. The creation of an endowment, through a \$1 million challenge grant from the Endowments, is one acknowledgment of maturity; a second is the \$1.2 million building expansion for staff, education programs, a small cafe and a gift shop. “What am I doing running a gift shop?” Luderowski asks jutting out her chin. “I went into it kicking and screaming, as I do with things that aren't art. But,” she concludes philosophically, “it makes us a more complete institution. And it's not developing elsewhere in this neighborhood.”

A third obligation is the strategic planning process (also funded by the Endowments) that will map the museum's 21st-century course, including, dare anyone broach it, the leader's eventual retirement.

But the delicate question of succession is not just a Mattress Factory issue. The museum is facing the same generational shift as other flower child institutions of the 1970s. The decade was the high-water mark for U.S. museums, with 2,390 opening their doors. Of those that have survived, many are seeking savvy managers to replace luminous founders.

Outside the venerable old-money philanthropies, many foundations and trusts have only come into existence since the 1990s, “...so there's a combination of funders and museums that are new to this issue. That requires some interesting negotiations,” says Philip Nowlen of the Getty Leadership Institute.

With Luderowski, the transition question is still hanging off in the distance. Her single-minded mission still is to invite artists from all over the world to create work in any medium, in whatever space can be offered. In celebrating and opening up the often-mysterious art-creation process, the Factory has pushed installation art to the forefront of contemporary artistic expression and achieved an international reputation.

“It's a wonderful form of idealism that has turned into reality, through the pragmatism of Barbara and [Curator] Michael [Olijnyk],” says Sheena Wagstaff, director of exhibitions and display at the Tate Modern in London. “That is what makes it unique.”

That pragmatism takes uncommon forms. It has included locating rare Roller pigeons for artist Dove Bradshaw and excavating an abandoned lot for landscape artist Winifred Lutz. (Her post-romantic urban garden, a decade in the making on an abandoned lot next to the museum, was a local tabloid's top pick for necking). On other occasions, it has meant sawing and dyeing 1,000 bricks for a Takamasa

“One challenge is getting people to realize that, as unorthodox as we may be, we are orthodox in that we are dealing with fine art. We are grown up.”

Barbara Luderowski
Executive/Artistic Director

Kuniyasu installation, or finding millions of red resin pellets for the floor of Gu Dexin’s basement installation (which also included a gold-painted bed, 20 pornographic pictures and an impressive dildo).

The museum “reflects the hugely personal nature of art-making today,” says Janet Sarbaugh, director of the Endowments’ Arts & Culture Program, which has awarded it more than \$2.7 million in the past decade. “When you go to the Mattress Factory, you’ll be completely confounded. You’ll be challenged and then you’ll be enveloped. You’ll be made to think.”

The museum has achieved the same milestones of maturity as more conventional institutions: the endowment, a million-dollar physical expansion and even a current blockbuster exhibition by superstar perceptual artist James Turrell. But under Luderowski’s direction, a dedicated Gen X staff has achieved them in unconventional ways.

“I don’t think it was an easy thing—to survive,” says Turrell, recalling other cities’ “alternative spaces” founded along with the Factory a generation ago. “But those that did have become part of the establishment, in a strange way. I don’t know that Barbara would like that description. [But] she did the things that made the Mattress Factory live.”

Luderowski will never be described as a “Suit,” but her powerful dream has an accountant’s practicality that has enabled the museum to attract a powerful following. “One challenge,” she says, “is getting people to realize that, as unorthodox as we may be, we are orthodox in that we are dealing with fine art. We are grown up.”

The Endowments’ Sarbaugh says the progression is particularly interesting in the case of the Factory. “It’s more chameleon-like. It has the ability to change faster, but it is elusive. That is why the leadership transition issue is interesting. Where do you find another Barbara?”



Not your great-grandmother’s museum: *Infinity Dots Mirrored Room*, a 1996 creation by Japanese artist Yayoi Kusama, often gives first-time Mattress Factory visitors a jolt, especially with the polka-dot-covered mannequins that are part of a linked installation known as *Repetitive Vision*. Both creations are on long-term loan.



The eyebrow-raising quirks and sharp edges that separate the Mattress Factory from the museum pack can be traced to the unique partnership between, at top, Director–Promoter Barbara Luderowski and long-time soulmate–collaborator–curator Michael Olijnyk. Middle: A Factory staff member leads an elementary school class on a tour of the Factory’s outdoor garden. Each year, hundreds of schoolchildren and university art students visit the museum for lectures and hands-on art creation sessions. Bottom: Assistant Director Sara Radalet talks with a guest at a recent exhibit opening. The 32-year-old, who moonlights as a guitarist in a local band, is an example of the younger staff being groomed for key management positions.



“I am not retiring,” snaps Luderowski. From all accounts, no one wants her to. The museum’s board, staff and volunteer group have unanimously embraced her artistic vision and sense of daring. Their concern now is how to ensure that it continues with the same vitality for the next 25 years.

Reality bites: Luderowski is 73. Even though it’s an I-dare-you-to-keep-pace 73, a museum’s lifeblood is in fresh ideas and new perspectives.

She has evolved into something of a mother superior to a community of sharp, devoted and slightly wacked-out young acolytes—rock musicians, video artists, Web designers, dot-commers and risk-takers. Of the 16-person staff, only five are over 30; only four of its 21 board members are over 50. “It’s the kind of environment where you dive in and there’s constant room for learning and taking on new challenges,” says 32-year-old Sara Radalet. By day, she’s assistant director of the museum; by night, she’s the bass guitar player for Pain Dogs, a local bar band.

“The age barrier is a pretty thin membrane in this organization,” Luderowski observes proudly.

“What you get with the Mattress Factory is a high-energy, imaginative arts organization,” says David Bergholz, former president of Cleveland’s Gund Foundation and a member of the museum’s advisory board. “Chaos is the price you pay.”

As the staff readies its 25th anniversary auction, to be conducted live and on eBay, there’s thunder overhead. Century-old floorboards shriek as a group crosses the second floor of the Turrell exhibit. A bell rings on the loading dock; a construction foreman barks into a cell phone while leaning against “Gas Works,” a 12-foot sphere by Turrell into which visitors are waiting in line to be inserted—like gurneyed hospital patients in an MRI machine. Three dozen wine glasses and a heap of keys adorn the empty reception desk. A white cat makes a break through an open door.



“Someone’s coming to this neighborhood that doesn’t look like a museum neighborhood, to a building that doesn’t look like a museum—that doesn’t really have a front door,” says Michael Olijnyk through a built-in smile. “We want them to have a great time.” Olijnyk trains eager students as docents; the unpaid volunteers keep the museum open six days a week. But the road leading to this special blend of high-tech art, dressed-down attitude and youthful exuberance has been long and hard.

A sculptor and former industrial designer, Luderowski purchased the former Stearns & Foster building in 1973, envisioning a food-and-arts cooperative.

“We had everything. Performance art, experimental theater, a children’s theater group, a lot going on, all the different disciplines,” she recalls. “A lot of people didn’t get accepted to a [local] Pittsburgh Associated Artists show, so we did a ‘salon de refusee,’ which just burned their asses completely,” she says gleefully. “In some ways I miss that aspect of it, because it’s now more businesslike and it’s serious stuff.”

By the mid-1980s, Luderowski and Olijnyk began narrowing the Factory’s scope to installation art. “There was no decision that this was a niche that was available—just an enthusiasm for what it is,” says Luderowski. “It fits into the multidisciplinary approach that started the organization. It’s a really great meeting ground for art, architecture, painting, sound, music and flexibility.”

After its first decade, the Factory’s managers and board members sought to expand. But instead of seeking one building with a blockbuster design, they chose a Monopoly-board approach, picking up distressed rowhouses around the block. Seven houses and storefronts, including a once-notorious nuisance bar, now provide galleries and apartments for artists in residence; two will connect with the original six-story factory with office space now under construction.

“It’s a tour. You move around on foot, which is good for the neighborhood, but also good for us,” says Luderowski. She

would love to take on the renovation of the Garden Theater, the neighborhood’s X-rated movie house, envisioning it as a venue for performance art.

Her ability to conceptualize an idea and make it real is one of the reasons city officials tapped her, in 1993, to lead a sorely needed redevelopment, beginning in her own backyard and stretching through a business district bordered by Federal Street and North Avenue. The shabby section around Sampsonia Way is in desperate need of a makeover. The economic malaise that hangs there stands in sharp relief against the gentrified blocks of the Mexican War Streets district nearby.

The redevelopment progress has been disappointing. Luderowski has not been successful as a rallying figure in a neighborhood where groups tend to pick away at one another. “What the North Side lacks is a viable commercial district,” says *Pittsburgh Post-Gazette* columnist Brian O’Neill, a Factory neighbor. “The area doesn’t need another live theater—it needs a bowling alley.” Development differences aside, even the smartest urban planners have been stymied by the protracted court battle waged by the porn theater operator, and the bankruptcy of the North Side’s largest employer, Allegheny General Hospital.

While the Factory hasn’t been able to transform the North Side, it has managed to grow further into the neighborhoods. At the same time, the arts mainstream has been drawn toward it. The Carnegie Museum of Art made Factory installations part of its prestigious International in 1991. That show “emphasized the Mattress Factory as a place in which art that was significant to the time could be seen,” says the Tate’s Wagstaff. Group exhibits of artists from Central and Eastern Europe (in 1995) and Asia (1999) further raised the museum’s international profile.

“Our biggest transition was changing from an organization to a museum,” remembers Alice Snyder, a 12-year board member. “The breadth of recognition changed. Our ability to raise funds changed.”

Big-numbers funding from big names—the MacArthur Foundation, National Endowment for the Arts, the Institute of Museum Services, the Rockefeller Foundation and AT&T among others, created more opportunities—and a conundrum. Audience development had been a challenge for the institution; now donors were prodding the museum to show it could boost attendance and enlist members. Young staffers took on responsibility for a new Web site, marketing and financial reporting. Earned income, though well below \$100,000 in recent years, has risen steadily. So has attendance, which is expected to surpass 30,000 this year.

In an unusual display of loyalty, artists themselves have helped the Factory raise cash. Grateful for the career-launching boost the museum provided, 50 artists donated works to the recent fall auction, generating \$90,000. Eager bidders paid thousands of dollars for pieces by Ann Hamilton, Bill Anastasi, Jessica Stockholder and Turrell—former unknowns now of world-class repute.

“Barbara is learning. She is very adroit. There are more public programs,” says Tom Sokolowski, director of the nearby Andy Warhol Museum (and the rabble-rousing ally who playfully dubbed Luderowski an “old bag”). He sees the contradiction in demanding that small, unconventional institutions meet conventional measures of success. “Lenders demand accountability,” he laments. Still, he champions the Factory’s role as a laboratory for art. “The world needs this. It’s not elitism, it’s preservation of the species.”

As possibly the only member of its own species, the Factory has a singular burden in the continuing effort to ensure its preservation. To that end, it is just as likely to resist formulaic

“It’s the kind of environment where you dive in and there’s constant room for learning and taking on new challenges.”

Sara Radalet
Assistant Director

institutional planning as it has in the past. “We are extremely structured. We just don’t have a corporate structure,” says Luderowski. “Our structure is organic; it grows from the program on out.”

The “nothing is impossible” mantra applies to the board’s open approach to Luderowski’s future role. She has begun informal discussions with friends and directors about the succession plan.

“Successful organizations outgrow their founders,” says board member Dave D’Appolonia, a former venture capitalist who’s founded and advised many start-ups. “Founders need to recognize that.” D’Appolonia is one of the advisors drafting the transition part of a long-range plan, which he expects to bring to the board by mid-summer. But he cautions, “we will not impose a timetable.”

For funders, the prospect of supporting a freewheeling institution through its next iteration is more hair-raising.

“It won’t be the usual long-range planning, strategic thing,” says the Gund Foundation’s Bergholz. “Are foundations risk-takers and innovators, or not? They don’t find it easy to be. It’s complicated, but there’s a collection here. . . . How long has the museum been around? Twenty-five years. How long has it been expanding its reach? Twenty-five years. I’d bet on her.”

Curator Olijnyk, one of Luderowski’s closest confidants, stresses that a tight focus will be the key to a smooth transition. “We’re planning the longevity of the institution—not looking at Barbara’s leaving, but how we are going forward,” he says. “We do that by truly understanding what has set us apart from any institution, anywhere. By artists, for artists: that’s the center of the spoke, the beginning of the story...” *b*



A crew from Rycon Construction, hired for a phase of the Mattress Factory expansion project, howls as a co-worker, empty boots in foreground, is coaxed onto a gurney-like platform by Museum Director Barbara Luderowski for his first interactive installation art experience. The platform functions as a conveyor belt taking viewers into the globe-shaped *Gas Works*, by artist James Turrell, which plays with light to alter the psychology of perception.



BioBelievers

By Seth R. Beckerman and Douglas Root

Photography by Karen Meyers and Chris Rolinson

The stakes are high as four Pittsburgh foundations invest millions to turn the region into a national bioscience powerhouse. But they see it as one of the wisest bets in grantmaking.

In an office cluttered with reference material for a book chapter on artificial lung technology, Dr. Brack Hattler pulls a slim device from a clear plastic tube. The University of Pittsburgh Medical Center surgeon, a veteran of more than 1,000 organ transplants, doesn't get excited easily, but his face, framed by a full head of wavy, white hair, lights up and he smiles proudly as he turns his strange creation delicately. He points to various parts, running through phrases like "pneumatic delivery shaft," "pulsating balloon" and "hollow fiber membrane."

Hattler, whose demeanor is more Norman Rockwellesque country doctor than super-surgeon, has such passion for the tool's life-saving potential that he keeps one in the trunk of his car for any spur-of-the-moment lecture he might be asked to give.



NICHOLAS KUHN AND BRACK HATTLER, M.D.

When University of Pittsburgh Medical Center transplant surgeon Brack Hattler founded ALung Technologies in 1997 in an effort to spur production of an artificial lung device, he was moving from familiar hospital-based research to the strange territory of bioscience business. He never imagined running a company or playing the role of entrepreneur. This year, as Hattler's Intravenous Membrane Oxygenator heads toward regulatory approval, he has the business side covered after recruiting Nick Kuhn, a bioscience management veteran from San Diego. Kuhn helped develop an award-winning business plan and is preparing the company for higher-level funding.

Seth Beckerman, a Pittsburgh-based freelance writer specializing in technical and economic issues, has written for the United Nations and the World Bank.

Douglas Root is a member of h magazine's editorial team. His last story about the Endowments' efforts to develop effective grantees in its Education Program appeared in the fall issue.

Kort Eckman, a research programmer at Carnegie Mellon University's Medical Robotics Technology Center, uses a lab-developed imaging technique known as XAlign that provides two-dimensional and three-dimensional registration of pelvic X-rays after surgery. The tool helps surgeons make more precise measures of implants in hip replacement surgery, ensuring more effective results for patients.

For the uninitiated in the mysterious world of bioscience research, the toyish-appearing artificial lung looks as if it couldn't begin to meet the high expectations set out for it. But for experienced innovators like Hattler, the man-made device is a triumph over a thousand laboratory obstacles. In little more than a year, he is sure it will prove its worth in human clinical trials, saving thousands of lives and helping build a star company in the region's emerging life-sciences sector.

Hattler began work on the artificial lung in the early 1980s after two young men injured in a car accident died from lung failure. The organs failed, not from any impact trauma, but from an invasion of proteins produced by the crushing leg injuries. "If we'd been able to keep them alive for two weeks while their lungs healed, these boys would be alive today," says Hattler. The experience moved him to start building a device in his own basement. Today, his home tinkering has evolved into one of the region's most promising medical device start-ups, ALung Technologies, a six-employee firm with prospects for dozens more by 2007 if regulatory approvals go smoothly.

Hattler is just one of dozens of bioscience entrepreneurs in Pittsburgh who hope to create products that save lives and, in the process, build money-making companies that contribute to economic growth. Key regional leaders have long believed

these entrepreneurial efforts stand as the Pittsburgh region's best hope for becoming a national power in the new economy. In a rare coalescing of financial support, a total of \$120 million is being pooled to establish the Pittsburgh Life Sciences Greenhouse, which includes an unprecedented five-year investment of as much as \$73 million from the region's four largest foundations and nearly \$34 million from the state's share of national tobacco lawsuit settlement money.

Managers of the Greenhouse effort hope to take that relatively modest pot of seed money and leverage it through the next decade to raise a total of \$600 million in bioscience funding for the region, which would make it a contender for a spot among the national leaders.

Its chief partners come right off the Top-10 list of the region's largest and most influential institutions: the Commonwealth of Pennsylvania, the University of Pittsburgh, Carnegie Mellon University, the UPMC Health System, The Heinz Endowments, and the Richard King Mellon, Hillman and McCune Foundations. The nonprofit Greenhouse, which has been operating for about a year, is supposed to serve as a clearinghouse and a provider of resources and services to help support the emergence of life-sciences start-ups, help recruit star researchers along with seasoned life-sciences business

“NOTHING IN ECONOMIC DEVELOPMENT IS A SURE BET, BUT THERE ARE ASSETS WE HAVE HERE THAT OTHERS MUST ENVY. CLEARLY, THE LIFE-SCIENCES SECTOR WILL BE A SIGNIFICANT ECONOMIC DRIVER IN THE COUNTRY DURING THE NEXT SEVERAL DECADES SO, WHY NOT IN PITTSBURGH?”

Maxwell King President, The Heinz Endowments



executives and speed up the routing of products from university laboratory to public marketplace.

Foundation leaders see a carefully crafted and exciting plan backed by influential leadership and supported by a workable level of private and government funding. But there are critics on the periphery who see the Greenhouse as, at best, a dicey proposition. They question whether so many resources—especially of the philanthropic variety—should be expended on a risk-laden economic-development project. Even with leadership, money and products in hand, Pittsburgh, they argue, is only now getting to the point of keeping pace in a pack of similarly sized regions across the country, each vying to launch the next bioscience boom.

Foundation executives and their board members have signed on for the challenge of life-sciences economic development because they're impressed with Pittsburgh's standing—and its potential to create a significant bioscience industry.

Based on a detailed study of the region's strengths and weaknesses by the Battelle Institute, the Greenhouse plan will focus on four market segments for which it believes Pittsburgh has a strong chance to be nationally and internationally competitive: drug discovery, medical devices, neurological disorders and tissue engineering. Each of these markets is a research area in which Pittsburgh is currently strong, and in which the connections between the region's life-sciences and information-technology resources are seen as key—but largely untapped—regional resources.

"I suppose there is an element out there that says we're gambling with funds that could go to some worthy community service program," says Heinz Endowments President Maxwell King. "The foundation community is still investing in a wide range of community-service programs, as it has for decades, but everyone knows that's not enough to create significant economic development in the region." After extensive research by way of the Battelle study and analysis from key regional investors, the foundations have decided to invest in a specific area—"the potential synergy of the research institutions here: Carnegie Mellon, Pitt and UPMC," says King, who has a seat on the Greenhouse 10-member board. "Can we develop a life-sciences industry based on our medical research and information technology strengths that will generate significant long-term employment in the region? Nothing in economic development is a sure bet," says King, "but there are assets we have here that others must envy. Clearly, the life-sciences sector will be a significant economic driver in the country during the next several decades so, why not in Pittsburgh?"

Richard King Mellon Foundation Trustee and Vice President Mike Watson says he and his colleagues recognize that they are making a call on the region's future direction. "We have studied this very carefully and it's clear we have many of the required ingredients. If we get them coordinated and give adequate funds to expand, we think Pittsburgh can be a major player in the bioscience field."

But outside critics throw in their own study to contend that, in the bioscience game, the foundations, governments, universities and private investors may be offering too little, too late.

“Biotechnology may be the latest gleam in the eyes of Pittsburgh’s economic development officials, but it’s a long way from being an industry the region can count on for growth,” business reporter Pamela Gaynor wrote just last summer in the *Pittsburgh Post-Gazette*, the area’s largest circulation daily newspaper. That was the lead-in to a story reporting the results of a Brookings Institution study that charted 50 major metro areas’ strengths and weaknesses in the race to become the next Silicon Valley of bioscience. Pittsburgh was rated a ho-hum market, relegated to the third of four rungs on the bioscience activities ladder. Rating categories ranged from the flow of government research dollars to private venture capital to number of patents developed to number of companies created.

“I think it’s going to be extremely expensive and risky to develop a life-sciences industry where you don’t have one,” says the study’s author, Joseph Cortright, a principal with the Portland-based consulting firm Impresa. “Growing this industry isn’t the same as the old-time industrial recruiting game.”

Indeed, even with the Pittsburgh region’s unity of purpose, its drive to be cash competitive and its confidence in local

entrepreneurial scientists, there have been some bumps right out of the gate. With only six months on the job as head of the Life Sciences Greenhouse, Dennis Yablonsky, a seasoned software company and public sector executive, has been tapped by Pennsylvania’s new Democratic governor, Ed Rendell, to become secretary of community and economic development. Though Yablonski will retain a seat on the Greenhouse board, that still leaves a management vacuum. Also, the sour economy is making it more difficult to secure private investor funding to qualify for a \$60 million venture capital fund set aside from the state’s share in the national tobacco lawsuit settlement.

Pittsburgh’s bioscience leaders argue that some of the bumps will actually turn into boosts in the long term. “Dennis will be tough to replace, but the upside is that the Greenhouse now has the best ally we could ever hope for in Harrisburg,” says King.

The weakness of the Brookings study, says Don Smith, vice president of economic development for both Pitt and Carnegie Mellon, is that it focuses primarily on the life-sciences industry of the past, meaning the large pharmaceutical industry. “A significant part of the future of the life-sciences industry will be in new industries such as bioinformatics, medical devices and tissue engineering. These are areas in

LIFE SCIENCES SECTOR TIMELINE

ESTABLISHMENT OF SPECIALIZED ASSETS

1917 →

University of Pittsburgh’s Medical School purchases Presbyterian Hospital

1955 →

University of Pittsburgh medical researcher Jonas Salk announces development of polio vaccine

1985 →

Pitt’s Starzl and Bahnon perform world’s first double transplant operation for heart and liver

1987 →

University of Pittsburgh Center for Biotech and Bioengineering opens

1992 →

Kleck Center for Advanced Training in Computational Biology established with Pitt and CMU

Focused Foursome: A rare unanimity of agreement among key regional leaders to grow a bioscience industry was a key factor in foundation officials' decision to join the effort. Dennis Yablonsky, far left, now freshman Democratic Gov. Ed Rendell's economic development secretary, sits with University of Pittsburgh Chancellor Mark Nordenberg, second from left; Carnegie Mellon University President Jared L. Cohen; and Pittsburgh Mayor Tom Murphy at a press conference last year announcing his appointment as director of the Pittsburgh Life Sciences Greenhouse.



Photo by D. M. Scott, courtesy of Pittsburgh Business Times

which Pittsburgh has strong potential," says Smith. "We're not just chasing 'Big Pharma.'"

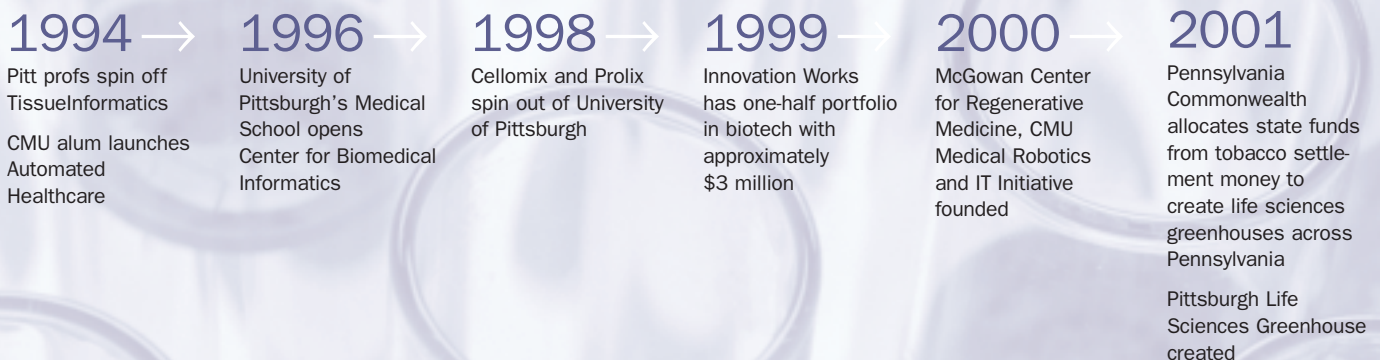
Other area bioscience managers see aspects of the Brookings study as more positive for Pittsburgh's fortunes than sour headlines reflect. Blocking out the national leaders, the San Diegos and the Bostons that ramped up decades ago and have been flying high for years, the study concentrates on comparisons of the 28 medium-sized metros with bioscience growth ambitions. "If I'm any one of those other cities and I see how this region stands out in most of the categories, I have a lot of Pittsburgh envy," says David Smith, former senior vice president and general counsel for TissueInformatics, a South Side company pioneering the production of comprehensive digital data on tissue. "The findings tell me our claim to have a strong future in bioscience is a lot more credible than many others."

That abiding confidence in Pittsburgh's course has also made its way into production expectations for the Greenhouse. In addition to Yablonsky's stated \$600 million goal in Greenhouse fundraising through the next decade, there is a five-year plan to create 30 new start-up firms and recruit nine companies for a total employment impact of about 3,300 jobs. Also included in the Greenhouse production plan, with university assistance, is the recruitment of at least 35 star faculty researchers, with funding and lab space to help them bring their products and processes to market.

If there is a significant weak point in the Pittsburgh region realizing its bioscience dreams, it lies in the soft local venture capital market. One of the requirements that must be met by each region in order to receive its full \$20 million share of state-sponsored venture capital is to raise three times as much in private investment. The venture capital firms responsible for fundraising are finding the job tougher in a down economy, and bioscience entrepreneurs are nervous.

"For 2002, it was like a nuclear winter," pharmaceutical entrepreneur Richard Ekstrom told the *Post-Gazette* in January. His Braddock Hills drug development firm, Demegen, is counting on investor funding to begin clinical trials on one of its new developments. He's also anxious to leverage grant money to attract funds to support other trials.

ACADEMIC AND EMERGING SPINOUTS



PETER JOHNSON

From his work as a reconstructive surgeon at the University of Pittsburgh Medical Center in the 1990s, Peter Johnson had an early view of the region's potential in life sciences. He founded the Pittsburgh Tissue Engineering Initiative in 1994 as a resource center to connect funders with scientist-entrepreneurs. Now, as chairman and CEO of TissueInformatics, a six-year-old South Side start-up that catalogs and analyzes tissue for pharmaceutical companies, hospitals and research institutions, he's on the front line of the campaign to realize the region's potential. Johnson also has served as president of a statewide bioscience trade association and an international tissue engineering society.



But access to venture capital is not just a Pittsburgh challenge. “It’s a national issue and it affects multiple sectors,” says Brian Kelley, director of The Heinz Endowments’ Economic Opportunity Program. “This type of investment is tightly concentrated in a few regions such as Boston, Seattle and Silicon Valley. Given the length of time that it takes to develop a life-sciences firm—research, product development and FDA approvals—the region,” says Kelley, “is focusing on developing market opportunities that do not face as many regulatory and market barriers, such as medical devices and drug discovery techniques.”

Several years before the Greenhouse’s creation, the region’s two largest foundations—the Endowments and Richard King Mellon—already were doing some investing in bio-science-connected projects such as the McGowan Center for Regenerative Medicine. “We have recognized that Pennsylvania, and, in particular, Pittsburgh, has been at a disadvantage in attracting significant investment money—that it was bypassed in favor of other regions in the 1990s,” says Kelley. “You look at that for what it is and you make a decision about whether you’re strong enough in other areas to catch up and attract investor attention. We think the region can move

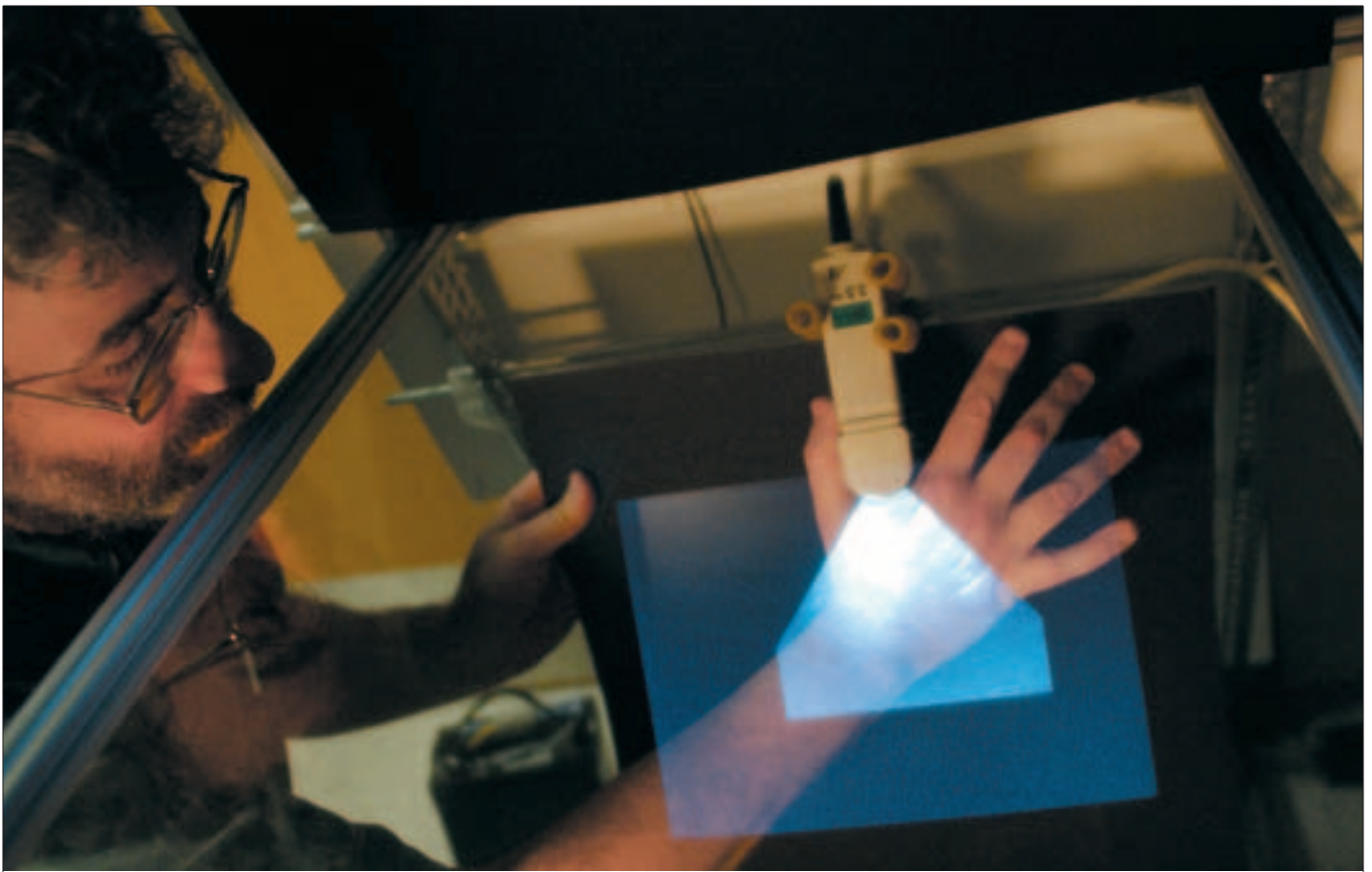
beyond catch-up to establish a strong market niche. The key will be to focus on our medical research and information technology assets.”

Beyond investor stagnation brought on from recent stock market tumbles, the longer view of the region’s private investment attraction potential shows strong success in leveraging. The amount of private, locally available venture capital has increased significantly over the last few years. Birchmere Ventures, one of several local venture capital firms, created its first Pittsburgh-based technology fund in 1996 with investments in 12 start-ups. This year, Birchmere has \$75 million invested in 30 companies in the region. “This is a small fund that wouldn’t even cast a shadow in Silicon Valley,” says Birchmere partner Sean Sebastian. “But that small fund has attracted \$480 million from larger funds that also are invested here.”

In addition to the Greenhouse effort, Innovation Works is another state-funded early seeding initiative that works to bridge the funding gap between company owner investment and capital from larger-scale, outside investors. The \$3 million awarded to 48 companies—many of them in southwestern Pennsylvania—in pre-seed funding during the past four years

“IT’S SELF-DEFEATING FOR PITTSBURGH TO MEASURE ITSELF AGAINST BIG PHARMA-DOMINATED REGIONS THAT ARE NATIONAL BIOSCIENCE LEADERS....WE KNOW WE’RE MAKING PROGRESS. YEARS LATER, WE CAN THINK ABOUT HOW WE COMPARE AGAINST BOSTON AND SAN FRANCISCO.”

Dr. Peter Johnson CEO TissueInformatix



Carnegie Mellon research scientist George Stetten, left, demonstrates his “sonic flashlight,” which makes the human body seem translucent. The spatula-like screen shows an ultrasound image floating over its actual location on the patient and detailing internal anatomy. Colleague Charlie Reverte, right, works with another surgical imaging tool, the Hip Nav, which overlays three-dimensional models over actual body parts for more accurate incisions.

has attracted \$80 million in leveraged dollars, says CEO and President Florri Mendelson. About 32 percent of the Innovation Works portfolio is invested in life-sciences companies.

Until the creation of the Greenhouse, much of the management recruiting and venture capital hunting has been left to individual entrepreneurs. UPMC surgeon Hattler, for instance, went out on his own to recruit San Diego bioscience executive Nick Kuhn as the CEO for ALung. The presence of an experienced, market-oriented manager at the helm is critical to the company’s fortunes during the next few months. ALung is just a year away from clinical trials and it already has received a total of \$6 million in Department of Defense grants, based on the artificial lung’s potential to save soldiers’ lives in the event of chemical warfare. Kuhn also is responsible for wisely spending a \$300,000 Innovation Works grant and for developing a process to attract more investment. “I feel pretty good about where we are now,” says Kuhn, “We’re in a good situation as far as start-ups go, but significant risk will disappear only when our [next level] financing is complete.”

In times of scarce resources, concentration of effort becomes most important. “The foundations are good at doing that.

One of the risks the region runs is that we don’t have as much time as we might in other economic development projects,” says Alan Russell, executive director of the Pittsburgh Tissue Engineering Initiative and director of the McGowan Institute for Regenerative Medicine. The most efficient life-sciences growth strategy for the region, Russell says, is to identify 10 companies showing the most promise and to lavish resources on those rather than to parcel out funds to keep dozens of start-ups from starving. “We can’t wait for the rising tide that will lift all boats,” says TissueInformatics’ Smith. “To be successful, we’re going to need some flash floods of venture funding, steady management and technology.”

Making tough funding choices in a limited time frame is stressful but it’s a strategy that the Greenhouse staff and board have come to embrace. “We need to move Pittsburgh forward exponentially, rather than incrementally,” says Pitt Chancellor Mark Nordenberg, who co-chairs the Greenhouse with Carnegie Mellon President Jared L. Cohen. The two universities, lynchpins in the region’s bioscience growth plan, account for a combined total of \$375.5 million in government-supported research grants in life sciences, computer sciences and engineering. “[Rapid progress] can only happen if we work together, linking all stakeholders... and leveraging existing efforts,” says Nordenberg. “In this competitive environment, a piecemeal approach is destined to fail.”

In a structural effort to ensure greater unity, several of the Greenhouse board seats go to civic leaders not directly tied to bioscience or academia—the Endowments’ King,



Kirkpatrick & Lockhart law firm partner Charles Queenan and Pittsburgh Regional Alliance Chairman David Shapira, who also is CEO of the Giant Eagle grocery chain. For their part, the foundation investors see their insider–outsider role as assisting in the task they know well: making wise funding choices with limited resources.

Ron Wertz, president of the Hillman Foundation, also a Greenhouse investor, says the strategic plan behind growing bioscience companies is not too much different at its core than the strategy his board championed in its recent funding of a new cancer-treatment center at Shadyside Hospital. “You look for an organization with the institutional strength to support

what you’re trying to do,” says Wertz, “and you look for its ability to attract talented people who can make a difference. With those elements in place, it’s always a risk well taken.”

Other experienced bioscience proponents believe that no matter how many good strategy questions are asked in the Greenhouse boardroom, and no matter how many regional leadership assets can be brought to the table, the defining element of success will be the ability to trust basic convictions and ride with them, even through mistakes.

The same Pittsburgh that has been able to produce world-class researchers and hold them here is also a place that has a history of not trusting itself to take the next step of investing

“WE NEED TO MOVE PITTSBURGH FORWARD EXPONENTIALLY RATHER THAN INCREMENTALLY. THAT CAN HAPPEN ONLY IF WE WORK TOGETHER, LINKING ALL STAKEHOLDERS... AND LEVERAGING EXISTING EFFORTS. IN THIS COMPETITIVE ENVIRONMENT, A PIECEMEAL APPROACH IS DESTINED TO FAIL.”

Mark Nordenberg Chancellor, University of Pittsburgh

in homegrown ideas, says Chris Gabriel, vice provost for corporate partnerships and technology development at Carnegie Mellon. “We can go head-to-head with anyone on quality of technology,” she says, “but we have trouble with both public and private investment dollars because Pittsburghers tend to trust outsiders more than themselves.”

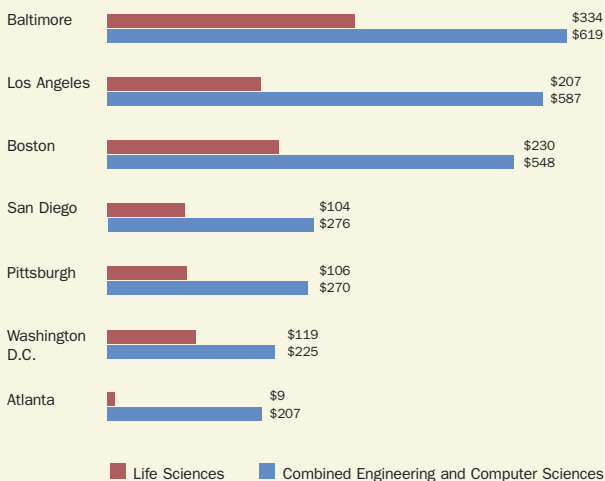
Alan Russell, of the Tissue Engineering Initiative, agrees. “We should accept that 20 percent of the things we do will fail, and just get on with it.”

A prime source for the Pittsburgh region’s historical reluctance to strike out into new territory like bioscience is intimidating benchmarking. TissueInformatics Chairman and CEO Peter Johnson, also a UPMC surgeon, says “it’s self-defeating for Pittsburgh to measure itself against Big Pharma–dominated regions that are national bioscience leaders. . . . We know we’re making progress. Years later, we can think about how we compare against Boston and San Francisco.”

HOW DOES PITTSBURGH COMPARE?

Pittsburgh is among the top seven regions in the country with at least a \$200 million life-sciences research base and \$25 million in engineering–computer sciences funding.

(in millions)



In the unforgiving world of bioscience start-up funding, entrepreneurial self-confidence and investor confidence are pivotal. As a Carnegie Mellon student in the 1980s, Sean McDonald had an idea for an automated pharmacy that he pursued after graduation in the founding of Automated Healthcare in 1987. Building on some seed financing from angel investors, McDonald obtained his first round of venture capital in 1994. He remembers that the next round of financing should have been easier. “A guy sat across the table from me and said it was the dumbest thing he had ever heard.” Six months later McDonald sold the company to McKesson Corp. for \$65 million.

Pittsburgh physician Steve Heilman, one of the country’s most successful bioscience entrepreneurs, founded his first company, Medrad, back in the 1960s when venture capital didn’t even have a name. He realized how a lack of regional access to investment capital was hindering economic opportunity.

Medrad, a producer of diagnostic imaging equipment, added 850 well-paying jobs to the Pittsburgh region and, in 2001, pumped \$217 million in revenues into the economy. But in just the past several years, Heilman and other managers have progressed from that to selling a Medrad spinoff, Intec Systems, which manufactures implantable cardiac defibrillators in a \$2.2 billion market. A year ago, LIFECOR, another start-up founded by Heilman and manager Larry Bowling, received federal approval for a defibrillator vest that delivers an electrical shock directly to the heart within 30 seconds of detecting abnormal rhythms.

While it may be the primary responsibility of Pittsburgh’s Greenhouse to support high-potential entrepreneurs like Heilman and Bowling, a second responsibility may be to promote regional self-confidence and a willingness to take risks. “The foundations’ presence in this is helping us do that,” says Carnegie Mellon President Cohon. “There is some risk-taking in acting as donors, but, in being part of the process, they’re standing up as leaders, and that sends a very powerful message about the depth of the regional commitment.” *b*

ALAN RUSSELL

As a key promoter-manager for the region's fledgling bioscience industry, Alan Russell motors around town sporting a personalized license plate that reads "ENZYMES." Part of that passion reflects back to his training as a biochemist and his position as chair of the University of Pittsburgh's chemical and petroleum engineering department. But it also hints at his technical credentials for directing the Pittsburgh Tissue Engineering Institute and the McGowan Center for Regenerative Medicine. "If we do mediocre science and have the world's best tech transfer mechanism," Russell told reporters at his appointment to McGowan last year, "tech transfer still won't occur."





Violinist Julie Andrijeski, of the four-member classical music ensemble Chatham Baroque, warms up in a hallway before the group's appearance on stage at the Byham Theater as part of Pennsylvania Performing Arts on Tour Artist Showcase. The event, previously open to presenters who book performers, was opened to the public for the first time last year. The internationally known Chatham Baroque, which has released five best-selling CDs, is the ensemble in residence at Chatham College and WQED-FM, Pittsburgh's classical music station.

*By Jeffrey Fraser
Photography by Richard Kelly*

25

HAVE VIOLIN...WILL TRAVEL

Scores of Pennsylvania performing artists are the new cultural ambassadors to the mid-Atlantic region, wowing audiences with everything from lofty Baroque to backroom jazz to underground opera.



Rebecca Stenn, top left foreground, and Michele de la Reza require several hours of prep time as performers with Attack Theater, which fuses dance, music, video and drama into a production that gives audiences a bold theatrical experience. Directors de la Reza and Peter Kope also commit the troupe to workshops and master classes for dance professionals in the community. Below left: Cabaret singer Daphne Alderson, with her band, offers a medley of American, French and Brazilian love songs to the PennPAT audience at the Byham. A *Post-Gazette* music critic described her as “an artist of dignified passion.” PennPAT has helped her expand her reach from the sophisticated cabaret rooms of New York to smaller-city concert halls.

Below: Two members of Pittsburgh's Dance Alloy rehearse for the upcoming PennPAT-funded production, “Stirring the Mud.” The project uses dance, a musical work by New York composer Alice Shields and essays by Frostburg State University's Barbara Hurd around themes of mystery and imagination generated from a rural Maryland swamp.

Mucking around in the mud is a key part of this experience, part Boy Scout Camp, part business trip. Mark Taylor, the artistic director of the modern dance company, Pittsburgh Dance Alloy, is a long way from the dance studio that defines his daily existence, a renovated former car dealership on a traffic-clogged corner in the city's East End. Taylor has happily journeyed to the Maryland outback to take part in an unusual art project—an expression of the bog and all it conjures in movement, music and words—commissioned by nearby Frostburg State University, where it is scheduled to debut this spring.

New work is always risky business for audience-conscious presenters. Modern dance and electronic music with a bog theme is certainly no exception—a fact not lost on Frostburg State officials, who hired Taylor to direct Dance Alloy and New York composer Alice Shields in a work inspired by *Stirring the Mud: On Swamps, Bogs, and Human Imagination*, a collection of essays by Frostburg's own Barbara Hurd. “It not only presents a financial risk, but we're asking our audience to reach beyond traditional programming,” says William Mandicott, chairman of the school's Cultural Events Series Advisory Board. “We're asking patrons to trust us. That's a risk. But taking risks is what takes the arts to the next level.”

The school would not have been so bold had it not been for a groundbreaking grant from Pennsylvania Performing Arts on Tour (PennPAT). The \$15,000 check, one of the first awarded by PennPAT to promote development of new works, allowed Frostburg State to hire Dance Alloy and to leverage the rest of the \$50,000 cost to finance its collaboration of art

and environmental science. “Honestly,” says Mandicott, “we wouldn't have gone forward without it.”

PennPAT supports Pennsylvania performing artists by publishing a roster of performers who meet artistic quality and touring readiness standards. The management-funder group offers grants to presenters who cover a share of the cost of hiring artists, or who, like Frostburg State officials, commit to develop new works. It is the product of a partnership among the largest philanthropies in the state—The Heinz Endowments, The Pew Charitable Trusts, William Penn Foundation and Pennsylvania Council of the Arts—to develop and fund the only statewide initiative to ensure the vitality of Pennsylvania's performing arts community.

The program, which awarded its first grants in 1997, is based on a model used successfully by its forerunner, Pittsburgh Arts On Tour, an initiative of the Vira I. Heinz Endowment created in the 1980s to support western Pennsylvania performing artists. The idea is to help local talent in performing arts build fruitful careers by helping them get work and exposure. “Artists want to work and need to work,” says PennPAT Director Katie West.

“Hopefully, they can make a decent living and we can keep the arts accessible.”

It is not for lack of talent that the 127 Pennsylvania artists selected for the roster need a hand finding engagements. Most have chosen to travel a road less commercial. Between the covers of the PennPAT roster are virtuosos in voice, cello, guitar, African drums, bagpipe, Baroque violin and an exotic giraffe-necked musical instrument known as the archlute. Their tastes range from choir and chamber music to Piedmont blues and



Photo by Cylla von Tiedmann

The PennPAT program fulfills an important cultural heritage and historical archiving mission by offering the work of performers who might get lost in the competition for mainstream entertainment. Debby McClatchy uses the fiddle at the Byham Theater Showcase to introduce the audience to music from several regions. Her mother was from the Tennessee Appalachian Mountains; her Irish father was lured to this country by the California Goldrush. *The Boston Globe* hailed her, in reviewing a recent performance, as "...a bona fide American folk singer, accompanying her honest voice with an array of accoustic instruments."



cabaret; there are dancers of tap, ballet, Ukrainian, Khmer Classical, flamenco, sambas and salsas; and stage-tested performers of mime, puppetry, storytelling and children's theater.

PennPAT makes booking these performers more appealing by offering presenters grants to cover up to 50 percent of the artist's fee. These fee-support grants account for nearly half of the \$2.4 million the program anticipates spending this year through 2005. The majority of the grants awarded are for \$5,000 or less and typically range from 30 to 50 percent of an artist's fee, but some have gone as high as \$20,000.

For many nonprofit presenters, even a 30 percent subsidy will tip the scales in favor of hiring a PennPAT artist. Booking acts such as chamber music, ethnic dance and storytelling

almost always requires a significant infusion of cash from grants and other sources of unearned income. Presenters expect to recover only about one-third of their costs from ticket sales, 50 percent if they are lucky. "I look for ticket revenues to cover my ancillary expenses—lodging, meals, marketing, any special transportation, printing, mailing," says Frank Knerr, director of public events, The Lively Arts at Indiana University of Pennsylvania and president of Pennsylvania Presenters, a statewide performing arts managers' association. "We're not doing *Cats*. We're doing quality events, but they're not quite as popular."

Still, PennPAT reports show that a lot of performance activity can be generated with even modest underwriting.

During the past four years alone, the group has awarded more than \$1.9 million to help ensure 642 engagements by Pennsylvania artists. Those on the PennPAT roster earned a total of \$4 million in fees from those engagements.

Nearly 90 percent of Dance Alloy’s annual touring income is earned through engagements underwritten in part by PennPAT grants. Touring income, projected to be \$86,000 for 2002–2003, represents more than 13 percent of revenues—a significant amount for a company with five contract dancers, a school and a studio to support at a time when the market for dance is lean. “Financial resources are tight,” says Taylor. “Dance is expensive and it’s scary for presenters, so audiences need a little coaxing and nurturing. PennPAT helps. We can go and say, ‘Look, we have money that can follow us.’”

The PennPAT roster helps answer other questions that cause presenters to lose sleep: Are the artists of high quality? Do they negotiate in good faith? Are they cooperative? Will they show up on time? Help promote the show? Take part in educational activities in schools and community? Roster artists are screened for artistic quality, but they’re also put through a panel review that determines whether performers can handle the business end of show business. Only about half the artists who apply make the cut.

Those who do earn a distinct marketing advantage, says New York booking agent Marty Sonnenfeld, who handles out-of-state engagements for the Pittsburgh-based Paul Cosentino & the Boilermaker Jazz Band, a PennPAT member. “Presenters want to know that an artist is top quality,

professional, someone they can trust,” he says. “Being on the PennPAT roster tells them all of those things have been taken care of, that the homework has been done.”

Many presenters, particularly those in arts-poor regions, also see PennPAT’s attention to arts education as complementary to their missions. In rural Somerset County, Pennsylvania, for example, much of the responsibility for exposing residents to performances falls on Laurel Arts, a nonprofit operating out of an 1896 farmhouse on five green acres. “We are it,” says Dody-Jane Svetahor, educational/programming director. “If we don’t bring the arts to this county, I don’t think anyone else will.” She books as many as five PennPAT roster artists a year, several of whom participate in workshops and other community activities. “PennPAT enables me to offer an educational aspect. It almost forces me to include one,” she says. “And I’m a better presenter because of it.”

The PennPAT approach is one long embraced by the Endowments. The program’s more geographically narrow predecessor, Pittsburgh Arts On Tour, showed that developing an artist’s ability to travel builds creative capital—a goal of the Endowments’ Arts & Culture Program’s grantmaking. “It helps artists make a living,” says Mary A. Navarro, program officer, Arts and Culture Program. “That’s an important enough reason on its own to have the program. But another factor is that this is a statewide collaborative arts project. Coming together on a regular basis to discuss these issues is significant.”

A 2001 evaluation done by the OMG Center for Collaborative Learning suggests that PennPAT has had a

“Presenters want to know that an artist is top quality, professional, someone they can trust. Being on the PennPAT roster tells them all of those things have been taken care of, that the homework has been done.”



Paul Cosentino Paul Cosentino & the Boilermaker Jazz Band

Clarinetist Paul Cosentino, top foreground, sets the pace at the Byham Showcase for his Boilermaker Jazz Band. Performing in the New Orleans tradition, the group mixes the sounds of brass bands, spirituals, gritty blues, street parades and back-street jazz in performances that have thrilled audiences around the world. Below, comedy-performance artist Dan Kamin reacts to Byham audience laughter after one of his signature provocative skits. Kamin has performed on a range of stages, from New York's Lincoln Center to London's theater district to packed high school auditoriums in Pennsylvania.

significant impact on Pennsylvania artists. In six focus groups and in written surveys, artists generally reported that they got more work, booked better-paying jobs and enjoyed a higher level of credibility after they were added to the PennPAT roster. And the longer artists were on the roster, the more financially stable they tended to be.

In 2001, nearly four years after awarding its first grant, PennPAT took a bold step. The partnership that founded it agreed to expand the program beyond Pennsylvania and extend grant eligibility to presenters in a nine-state area—Mid-Atlantic Arts Foundation jurisdiction, plus Ohio. “There is no state large enough geographically and in terms of population to provide enough of a marketplace for artists to make their career

One year later, expansion appears to be paying dividends. PennPAT officials report receiving about 220 applications from presenters seeking grants to hire Pennsylvania artists—nearly twice the previous record.

Beyond that heartening statistic, both presenters and performing artists laud the expanded program as an arts appreciation generator for audiences and an experience builder for artists. “It’s a way of stirring up the pot of performers, getting them connected to new audiences and challenging them to adapt and learn,” says Navarro. Sometimes, the added exposure prompts artists to take personal stock about where they are and push off in a different direction. “It can jump-start a new way of thinking about their work; it can

“I’m so thankful that I have a major project like this as a final work for the Dance Alloy...The PennPAT program allowed us to do a piece that is site-specific and also very personal.”



Mark Taylor Artistic Director, Dance Alloy

touring,” says Philip Horn, executive director of Pennsylvania Council on the Arts. “I worked in California, the largest touring market, and it wasn’t big enough.”

The decision to make Pennsylvania dollars available to out-of-state presenters went against the grain. Most states are loath to help underwrite out-of-state performances, even if it means restricting the market for their own state’s artists and passing up an opportunity to greatly increase the return on every fee-support grant they award. But says Horn, “When we send a dollar to a presenter in Virginia and it comes back as two dollars in the hands of one of our Pennsylvania artists, that’s something I can do all day and not feel disloyal.”

push a performer to move to the next level. It’s a program that nurtures and challenges at the same time,” says Navarro.

Pittsburgh Dance Alloy Director Mark Taylor, for instance, will be leaving the company he has directed for 12 years to work one-on-one with dancers. But it won’t happen until after *Stirring the Mud* premieres in April at Frostburg State. “I’m so thankful that I have a major project like this as a final work for the Dance Alloy. It ties together a lot of the strands of ideas I’ve tried to model into the company. The PennPAT program allowed us to do a piece that is site-specific and also very personal.” *h*



here&there



Members of The Heinz Endowments' two boards pay close attention to a homework tutoring session in a cramped, basement computer lab as part of a tour detailing a \$6.2 million expansion of Sarah Heinz House on Pittsburgh's North Side.

Administrators of the youth development center founded by Heinz Foods Co. patriarch Henry J. Heinz told board members that the long-awaited project will allow staff to deliver better social and recreational programs to students in surroundings that fit the times.

The brick and marble building at Chestnut Street and Route 28 will have a gymnasium, a swimming pool, a fitness center and studios for dance and martial arts classes. There also will be renovation to provide for an expanded computer lab and cafeteria.

Planning for the expansion began three years ago with a \$3 million Heinz Endowments grant that launched a fundraising effort directed at other regional foundations and corporations. Since its 1915 dedication, more than 100,000 children have been served by its programs, 80 percent from low-to-middle-income city neighborhoods.

Board members and Endowments staff touring the center include, from left, Barbara Robinson, Mallory Walker, Shirley Malcom, Howard Heinz Endowment Chairman Teresa Heinz and Vira I. Heinz Endowment Chairman James Walton.

SARAH HEINZ HOUSE EXPANSION



Board Member Awarded National Sciences Medal

Dr. Shirley Malcom, an internationally known leader in science and technology education, and a member of the Howard Heinz Endowment Board, has been selected by the National Academy of Sciences to receive its prestigious Public Welfare Medal.

Malcom, who heads the Directorate for Education and Human Resources Programs of the American Association for the Advancement of Science, has been a leader, for more than 30 years, in developing innovative ways to improve the teaching of science and technology. She also has been an international activist for extending science learning opportunities to minorities and others under-represented in the sciences.

“She has served science with extraordinary vision and scope, originality and achievement,” Academy Home Secretary R. Stephen Berry said in announcing the award. “With each young mind that experiences the value of science through science education, there is a new chance that the world will have the next Pasteur, Salk or Einstein,” said Berry, who also chairs the selection committee. “Dr. Malcom has helped bring science to millions of students who otherwise might not have had the opportunity.

Malcom, who holds seven honorary degrees and serves on several boards, has been advising Endowments staff on strategies for expanding economic and educational opportunities for minorities in southwestern Pennsylvania.

ENDOWMENTS PROMOTES TWO

A key member of the Arts & Culture Program staff and the director of planning and communications are working in new positions after being promoted in January.

Grant Oliphant, who has been in charge of strategic planning and communications for the Endowments since 1999, now assumes expanded duties as associate director. His new responsibilities involve assisting Endowments President Maxwell King with initiatives in program evaluation, organizational learning and personnel development. “Grant has provided us with important leadership in these areas already,” said King, “and we look forward to the added value he will bring as a senior member of our management team.”



Kerry Spindler, an associate in the Arts & Culture Program since 2000, has been promoted to program officer, in recognition of her strong management of the Endowments’ Small Arts Initiative and Creative Heights Program. She also assists Program Director Janet Sarbaugh in general arts programming evaluation.

“Her superb planning skills and keen understanding of the creative and cultural issues facing our region more than qualify her for this new role,” said Sarbaugh. Spindler first joined the Endowments as a program fellow in 1997.

Information Analyst Joins Endowments

Wayne Jones, an information analyst and consultant to Allegheny County government and the Virginia Legislature, has joined the Endowments staff as an associate in the Children, Youth & Families Program.

Jones will assist Program Director Marge Petruska by developing information systems, reviewing policy research and analyzing statistics collected from grantees.

An MBA graduate of Yale University, Jones, 32, worked for Great Lakes Behavioral Research as a consultant to Allegheny County’s Department of Human Services

before joining the Endowments. Before that, he conducted management reviews of state agencies for a commission of the Virginia State Legislature.

“For the last several years, the Endowments has been moving toward a much more concentrated process of evaluating the impact of our grantmaking, and Wayne’s skills are going to bring incredible value to our efforts,” said Petruska.

In addition to his information compiling and analysis work, Jones will manage a small grants portfolio and coordinate the Endowments’ summer youth internship program.

THE HEINZ ENDOWMENTS

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