

AUGUST 2000

AMERICANS FOR THE ARTS

MONOGRAPHS

VOLUME 4 NUMBER 2

ADAPTIVE REUSE OF BUILDINGS

HISTORIC STRUCTURES
AS CULTURAL FACILITIES

By John Villani for Americans for the Arts

We've all seen them while walking along the streets of our hometowns. In one neighborhood it may be an old high school that grabs our attention, while in another part of town it's the now-closed shoe factory that causes us to pause and consider the possibilities: "Hey, wouldn't that building be a great place for artists' live/work space or studios?"

Monographs is one of the benefits of membership in Americans for the Arts.

Across the country, historic structures that once served as thriving parts of the urban fabric have escaped the wrecking ball and found new life serving the needs of the local arts community, revitalizing downtowns, and turning America's architectural legacies into appreciated assets. For the nation's arts organizations and artists, this is good news. It is a strategy that results in new pathways for developing important elements of a community's arts infrastructure.

Nearly all American cities can point to at least a few (and in some instances, many dozens of) historic structures that have been saved from destruction by being renovated and revitalized into vibrant components of urban neighborhoods. In some communities, these projects come into existence as a mixed-use building that houses artist live/work space, day studios, street-level commercial spaces for art galleries and boutiques, and perhaps even a performance space for live music and theater. Here's more good news: For every Federalist-style office building, Greek Revival library, or brick warehouse that's been carefully brought back to life there are legions of equally deserving structures waiting on the fringes of resurgent urban neighborhoods, pleading for similar treatment. This phenomenon, which in development circles is referred to as "adaptive reuse," has been so widely successful that it has spawned an arts-specific type of adaptive reuse—one that has opened the door to an exciting new way of tapping into a community's arts assets while simultaneously contributing to the preservation of historic buildings and the revitalization of borderline neighborhoods.

Interestingly, in places that had heretofore been ambivalent about supporting the presence of their arts communities with public funds (or just public gestures of appreciation), those very same artists and arts organizations are today viewed as godsend who have achieved important progress toward public sector goals of downtown and neighborhood revitalization. The point to remember

is: every community's needs and development potentials are different, just as every adaptively reused historic building renovated into an arts and cultural facility is architecturally unique. But when combined, this commonality of business, arts, historic preservation and government interests creates infrastructure improvements that elevate the quality of life enjoyed by an entire community and while serve every other party's needs. It's a classic win-win situation.

HEAVY LIFTING

In today's economic and political climates, the provision of facilities addressing a local community's less glamorous arts side (*i.e.*, live/work, studio space, arts education, rehearsal space) often takes a back seat to the high impact possibilities offered by the construction of gleaming, multi-million dollar performing arts centers or the renovation of enormous movie theaters into venues suitable for touring Broadway shows and black-tie gala fundraising events.

But the questions many communities should also be addressing involve the availability of suitable space for art's more nuts-and-bolts functions. Providing artists with affordable studio and rehearsal space, or providing centralized administrative facilities for arts-oriented non-profits willing to share copy machines, phone systems and parking lots may not grab headlines or readily draw in corporate underwriters, yet its these types of projects that exert a great impact on determining the rate at which a local arts scene grows audiences and develops strong artistic identity.

As the nationwide success of these projects attests to their viability from a financial perspective, more local developers are exhibiting the willingness to take

Places that originally were schools, warehouses, manufacturing plants—even power generating facilities and jailhouses—have been turned into arts-related facilities.

on arts and cultural facilities projects. This has opened an important front for communities, local arts service agencies and non-profit arts organizations that benefit from converting historic, underused buildings into places where arts projects are created and presented. And in cities where these types of developers don't yet

exist, there's nothing preventing communities from forming their own development organizations focused on addressing these local needs.

Increasingly, real estate developers now grasp the tremendous potential these projects have in serving as catalysts for urban neighborhood revitalization efforts. Communities of all sizes have been able to get behind efforts to partner with local arts and cultural entities to advance projects like the adaptive reuse of historic buildings as arts centers, housing projects for artists, mixed use buildings, and structures reconfigured as complexes with artist studios. Places that originally were schools, warehouses, manufacturing plants—even power generating facilities and jailhouses—have been turned into arts-related facilities. They make bottom line sense to those who have witnessed the powerful economic impact exerted on their surrounding neighborhoods.

FINANCING

The traditional model used to create arts and cultural facilities from adaptively reused historic buildings was government initiative. In these cases, a city, county or state acted either independently or in concert with each other to rescue a historic building. The Torpedo Factory, located in Arlington, Virginia, and converted during the 1980's into a complex of artists' studios, galleries and other arts functions, is one of the nation's leading examples of this model.

But as today's government deals with the demands of providing civic services, few communities, counties and states are able to earmark the financial resources required for turning older buildings into facilities targeted toward serving a community's nuts-and-bolts arts needs. As a result, the older model of government funding has given way to flexible partnerships involving both public and private sector resources. In many instances, the adaptively reused structures that result from these partnerships are ultimately owned by commercial real estate development interests, while in other instances the ownership is held by entities such as non commercial real estate developers or local arts organizations.

When government and private business partner in the development of arts and cultural facilities from historic buildings, they can make use of a wide variety of financing vehicles to get the project completed.

Because these financing packages do not originate through traditional sources such as banks and mortgage companies, they are referred to as being the result of developers working with “non-traditional funding sources.” Developers of these properties often assume ownership of their buildings at the token rate of \$1 in order for these quilted-together financing packages to meet the project’s bottom line

In most cases, tax credits are among the key elements allowing commercial developers the opportunity to take on the complicated and costly challenges of renovating distressed buildings. But many other financial vehicles are packaged along with tax credits to form the complete mosaic required to finance a structure’s adaptive reuse. And what’s available from one city to another varies widely. In some places developers access traditional lenders for a portion of their financing, government sources for other portions, and foundations for still other financing portions. There is also the possibility of partial financing through groups promoting broadly-based goals such as downtown revitalization, neighborhood redevelopment, economic development, small business incubation, preservation of historic buildings, and the creation of housing for low and moderate income residents. These projects have even gained partial financing through their provision of desirable civic amenities such as urban parks or parking facilities. Other potential financing vehicles are public and private grants; subsidized loans developed by state and local government authorities to promote everything from flood control to the provision of childcare and vocational training, and community reinvestment loans available through locally active banks.

By using a variety of non-traditional funding sources, developers are able to assemble the bottom-line financial inducement necessary to reasonably assure the potential profitability of a project. This allows commercial developers to achieve a market rate of return on their investment, while also creating a facility whose purpose serves a community’s arts and cultural interests. Non-commercial developers, on the other hand, relate to the project’s bottom-line incentives in a long-term perspective, one that’s different because it’s partially driven by a commitment to developing unique types of infrastructure serving the needs of a region’s arts and cultural entities.

It’s easy to see that this is tricky turf for any developer to navigate, and the process of stitching together

the project’s financial quilt is one that requires lots of time, energy and patience to pull the components together. But for developers who have successfully completed arts-oriented adaptive reuse projects, established a solid record of finishing their projects on time, met their financial obligations, and extended a positive economic impact on their surrounding neighborhoods, the opportunities for receiving funding from traditional lenders on future arts infrastructure projects becomes greatly improved.

An evolving bright spot in the matrix of funding mechanisms that make these adaptive reuse projects possible for arts and cultural facilities involves increased levels of participation from private foundations. Interest in projects that achieve community-building goals such as neighborhood revitalization is why some foundations are supportive of efforts to develop arts and cultural facilities. This is especially true for projects that are centered on the adaptive reuse of historic buildings in neighborhoods where those foundations have already made investments. It’s important to keep in mind that foundations are regionally selective in choosing the areas in which they’re active.

ONE DEVELOPER’S PERSPECTIVE

Historic Restoration Inc. (HRI) is one of the nation’s largest adaptive reuse developers of historic buildings. Pres Kabacoff, HRI’s founder and president, describes the 200-employee HRI as “...a mission-driven company whose purpose is to renew cities through the adaptive reuse of historic buildings as well as through new construction in certain parts of a city.”

HRI, which has completed the renovation and revitalization of more than a half dozen major and historic buildings in its headquarters city of New Orleans, develops historic properties throughout Louisiana, as well as in Missouri, Nebraska and Texas. Three of HRI’s Louisiana projects (one in Hammond and one in Shreveport) have adapted historic buildings for reuse as low and moderate income artists’ live/work facilities. These include amenities such as visual arts exhibition space, performing arts facilities, as well as modern and well-appointed apartments.

According to Kabacoff, arts organizations and artists are a dynamic force whose potential as an effective weapon in civic strategies that promote community

development and neighborhood revitalization has yet to be realized. “Artists tend to see things happening in cities before other people catch on to what’s taking place. We find that in our urban downtown projects the arts community lends itself very well to our goal of occupying these buildings with tenants. That’s why we are designing more of our building inventories to suit artists’ needs. Once artists are attracted into living and working in certain parts of a city there’s a good chance that a broader and more gentrified type of development will follow throughout the neighborhood or downtown blocks where the artists are living.”

In making its decisions about where and how to become involved in the adaptive reuse of historic buildings as arts and cultural facilities, Tom Leonhard, HRI’s senior Vice President of development said that the opportunity of working in conjunction with local arts agencies is one of the key ingredients to HRI’s evaluating a project’s prospects for success. “As a developer, we want to retain ownership,” he said. “But we also don’t want to become involved with the day-to-day management responsibilities for these projects.”

“That’s why we rely on local arts agencies in our project communities for giving us a clear picture as to what the local arts community can support in terms of infrastructure improvements. We make a point of listening closely to what the local artists need, and once we decide on a suitable infrastructure addition to a local arts community we develop a facility with all the appropriate amenities. After we’re done, we then turn the management of that portion of the facility over to the local arts agency,” he said.

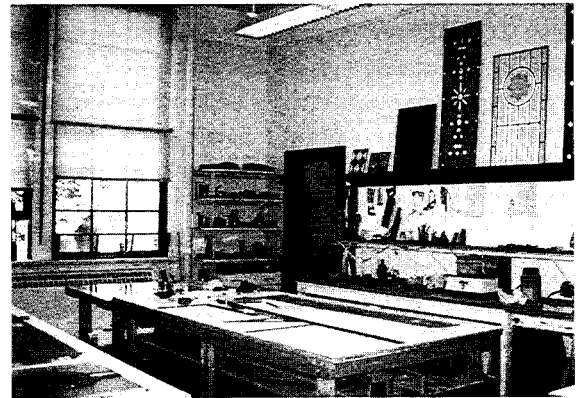
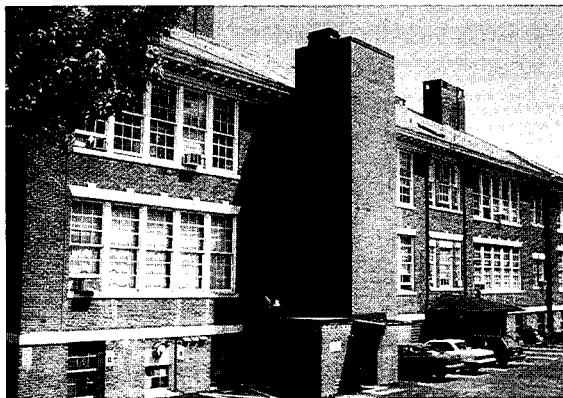
**CASE STUDY:
MCGUFFEY ART CENTER
CHARLOTTESVILLE, VIRGINIA**

This successful project was created from the traditional model of government financing for the adaptive reuse of a historic building as an arts facility. Once a downtown schoolhouse, the McGuffey has become this university town’s hip place for artists, art exhibitions, and the community’s monthly gallery strolls. There’s always a waiting list of artists wanting to rent space in the McGuffey, with motivation provided by many reasons including the building’s lower-than-average studio rents in Charlottesville’s heated real estate market. The center’s 800 sq. ft. studios, which formerly were classrooms, rent for \$105 to \$125 monthly, while half studios rent for \$55 to \$65 monthly.

Set on a landscaped hillside adjacent to the busy, pedestrian mall, the converted elementary school that’s now the center of Charlottesville’s fast-growing arts scene is home to 40 artists working in 23 studios carved from the shells of old classrooms. Beautiful from the outside and in the hallways of its two floors of public gallery spaces, the actual working quarters of McGuffey’s artists are no-nonsense studios where the emphasis is on art creation’s nuts-and-bolts.

Owned by the city of Charlottesville and leased to the McGuffey Art Association (a for-profit corporation) for slightly more than \$20,000 annually (enough to cover the building’s utilities and maintenance), the building’s artists serve as members of the association’s board. Through this entity they employ part-time staff for the center’s maintenance and administrative functions. Artists pay rent to their association.

McGuffey Art Center
Charlottesville,
Virginia



The city renovated the McGuffey and opened it as an arts center in 1975. To participate as an artist, McGuffey tenants agree to keep their studios open to the public for 17.5 hours weekly (a restriction which eliminates out-of-area artists as tenants), and most artists offer public art classes for modest enrollment fees. Rebuilt by the city in 1981 following a severe fire, the structure was again renovated in 1996. According to Fay Clark, the McGuffey's administrator from its 1975 inception until 1998, the structure was always maintained to city building code levels. "The first time the interiors were renovated was 1975, and the artists did that themselves," she said. "But after the fire in 1981 a contractor came in and repartitioned the entire building while the artists worked on the interior's damaged areas."

Over the years, the McGuffey's artists periodically raised money to finance building improvements, while "...the city has always been there to work hand-in-hand with us through our difficult financial times," she said. McGuffey was perceived as something of a local treasure, according to Clark. So much of a treasure, she said, that the McGuffey's artists worked tirelessly at building strong ties to community education and citizen groups as a strategy for embedding the McGuffey's position as a mainstay of downtown Charlottesville. "We always knew," said Clark, "that the best thing we had to offer the public was use of our building as a magnet for attracting people into downtown, so we worked across the board to run it that way."

One of the McGuffey's saving graces came about in an unusual way, she said. "We were turned down for tax exempt status back when we first opened, which became an advantage. We never had to hire a grants writer. Instead it was the artists themselves who became responsible for the McGuffey's success or failure. Once we tried out life as a for-profit corporation, we never looked back. We pay all our state, federal and local taxes, including our property tax, and we operate on a zero-balance budget."

WHAT WE WOULD DO DIFFERENTLY?

"I'd be very careful at the outset about deciding upon whatever sort of rules get written about how the artists function or about the project's direction. You cannot manage a large cooperative of creative individuals if everything becomes sacred territory."

CHALLENGES FOR SUSTAINING PROJECT'S SUCCESS

"Maintaining the need to allow a balance of all the artists' visions to be given equal consideration in the project's management and dealing with conflicting views. Also, maintaining a centralized position of responsibility and power in the form of some entity that the city and media can continuously refer to when they have questions that need answering."

ADVICE TO OTHERS

"First, find an angel willing to do for you what the City of Charlottesville did for us in terms of providing a building for free. Second, don't take for granted that your project can only succeed as a 501C3, because our success is closely linked to our status as a self-sustaining organization. Third, understand that if you want to fulfill the role of being a community arts center and an artists' cooperative that you have to set up your governing body in a way that invests authority in the artists themselves and not to a central management group."

HAS THE PROJECT BEEN A SUCCESS?

"Yes, in terms of what the community and city government expected of us we have more than fulfilled all the expectations placed on the project and have become the arts focal point for anyone enjoying downtown Charlottesville."

Responses by Faye Clark, Administrator, McGuffey School, Charlottesville, Virginia

CASE STUDY: THE KRAMER SCHOOL LITTLE ROCK, ARKANSAS

When Todd Rice and Paul Esterer, the managing partners of Little Rock-based Vanadis Group (a commercial real estate developer) took over ownership of that city's Kramer School, this 1895-era schoolhouse was "...about three months from having its walls cave in," according to Rice. Today, following a 10-month construction project that cost \$3.5 million, the Kramer

School is the hub of this resurgent city's visual and performing arts scene, serving as home to 30 artists and family members living in 22 comfortable live/work apartments. For its tenants, rents at the Kramer School are based on the median income of Pulaski County (Arkansas) citizens, according to Rice. One-bedroom apartments cost \$475 per month, two-bedroom units cost \$590, while three bedroom apartments rent for \$675. Utilities are included in the rental rates. The building's hallways serve as a community art gallery while the school's gymnasium is a performance and rehearsal space for Little Rock musicians and actors.

In late 1995, the City of Little Rock sold Vanadis Group the Kramer School for \$1—a symbolic financial arrange-

Acquire your property at the lowest possible price because that's what makes your success feasible. —Todd Rice,

Kramer School, Little Rock, Arkansas

ment not untypical of the ways some municipalities bend over backward to make historic properties as attractive as possible for developers targeting these properties for adaptive reuse renovation projects. During the ensuing year, as Rice and Esterer assembled their financing matrix, the structure's floors and walls were stabilized in preparation for the main construction project that began in January 1997. Ten months later, in November 1997, the first of Kramer School's resident artist families moved into this gleaming, multi-disciplinary and multi-ethnic project.

"This building was interesting to us as an investment because we were wanting to develop loft-style housing in Little Rock, but couldn't seem to identify the right place for this type of work," said Rice. "Then, in 1995,

Paul and I attended a seminar run by Artspace Projects of Minneapolis on the subject of adaptively reusing historic buildings as live/work facilities for artists. Right then and there we decided to go after the Kramer School and turn it into this same type of use. We hired Artspace Projects as a consultant on the project, secured a predevelopment loan of \$45,000 for our feasibility study, from The Local Initiatives Support Corporation and went to work on this beautiful old building in one of the city's most attractive historic neighborhoods."

It's important to note that it took Rice and Esterer, two experienced financial wizards with deep roots in this part of the nation, a full year to assemble the diverse and complicated matrix of financing mechanisms necessary to bring the Kramer School through its renovation process. The adaptive reuse of their 38,000 square foot schoolhouse, which had originally been built in three stages stretching out over four decades, was a project that ultimately required the pulling of 15 financial levers. Still, "...by keeping the whip on our construction crews", as Esterer joked, the Kramer School's renovation was completed a month ahead of schedule.

"The hardest part of this project was figuring out where the money was going to come from," said Rice. "It was especially difficult to close our "gap financing", which we ultimately received from the City of Little Rock, Arkansas Historic Preservation Program and the Entergy Corporation. But along the way to getting there, the process of identifying and applying for funding from non-traditional sources was time consuming and very demanding. The best thing I can say about the process, now that we're done with it and the Kramer School is a success, is that the entire situation was unique."

**The Kramer School
Little Rock, Arkansas**



Vanadis Group, which is on its way to becoming one of the mid-South's premier developers of adaptively reused historic buildings, has turned its expertise toward several historic renovation projects within the city limits of Little Rock. It has also taken a lead role as designer and developer of an important project in Hot Springs, Arkansas that involves the adaptive reuse of the old Hot Springs High School. This massive structure will eventually encompass live/work facilities for artists, administrative offices for the region's non-profit arts organizations, artists' studios, performance space for theater groups and music organizations, exhibition space, and even a café. Upon the building's completion, it will become the Clinton Cultural Campus, named after President Bill Clinton, a graduate of Hot Springs High School.

WHAT WE WOULD DO DIFFERENTLY?

"I'd pick a building in better condition. I'd keep the layers of project financing to a lower level than the 15 layers we used for the Kramer School. Finally, I'd find a consulting firm with experience in these types of projects to work with."

CHALLENGES FOR SUSTAINING PROJECT'S SUCCESS

"First, maintenance on a 100 year old building. Second, keep the operating costs to a reasonable level so they don't eat into our cash reserves. Third, make sure the cooperative style of living in an artists' project really works by identifying effective tenant leadership."

ADVICE TO OTHERS

"Acquire your property at the lowest possible price because that's what makes your success feasible. Second, get your municipality involved in the funding needed for your project and in supporting the zoning variances and code changes you will need. Last, get your surrounding neighborhood and the community at-large involved by building a consensus of support among key citizen constituency groups"

HAS THE PROJECT BEEN A SUCCESS?

"It has been a tremendous success. We were shooting

for a way to give this historic building back to the community and for a way to get the building's resident artists involved in the life of this community. We've made this place a functioning part of so much that takes place in the east side of Little Rock and have become part of the community through our extensive outreach programs."

Responses by Todd Rice, Kramer School, Little Rock, Arkansas

CASE STUDY: EMERSON CULTURAL CENTER BOZEMAN, MONTANA

In some communities, the challenge of providing arts and cultural facilities has been taken-up by the artists themselves. One of the nation's leading examples of this approach to the adaptive reuse of a historic building is the Emerson Cultural Center—a 70,000 square foot former junior high school in Bozeman, Montana. A local nonprofit group formed specifically for the redevelopment task purchased the building from the local school district for \$425,000 in the early 1990's.

Today the Emerson is a vibrant, mixed-use cultural center housing 42 tenants that include a writer-in-residence, environmental organizations, website designers, architects and interior designers, ceramicists, music instructors, painters, photographers, graphic artists, arts festivals, art galleries, and even two art-filled cafes. The Emerson also serves as a hub for Bozeman's gallery walk evenings as well as the community's very popular Christmas Stroll. During the summer months, the Emerson's cafes serve lunch during free concerts held on the building's expansive lawns. Church groups, civic organizations and local theater companies rent the Emerson's 700-seat performance facility for their presentations.

According to Bobby Bear, the Emerson's treasurer, the original \$425,000 was assembled from three sources: a gift of \$250,000 from a local arts patron, a gift of \$100,000 from a second local arts patron; and a non-interest bearing note of \$75,000. "Our first floor spaces rent in the range of \$10 to \$11 per square foot, while the second floor spaces rent from \$7 to \$8 per square foot," said Bear. "That's roughly the market value of similar space in downtown Bozeman. Utilities are included as well as improvements like carpeting, repainting the walls, and the building's maintenance.

Our annual operating budget is around \$370,000.”

The impetus for turning what had been a school building into a multi-disciplinary, mixed commercial and non-commercial use facility came from “...a group of artists and other arts-focused people who perceived an arts facility need in this community long before the rest of Bozeman decided there was a need,” said Joanne Eaton, a founding board member of the Emerson Cultural Center. “We heard the school was on the market, so we started calling everyone we knew in a search for the money. Now, the building is 100 percent ours, and we’re glad we did it this way.”

At the time it changed hands, the Emerson was not considered to be a distressed building. The school district had kept the structure well maintained and in near-constant use through the years. One of the first tasks, however, the new owners of the Emerson faced was funding a \$30,000 asbestos removal program. Another early challenge was realizing, according to Eaton, that the Emerson’s tenant mix was going to need to be somewhat different than what had originally been planned.

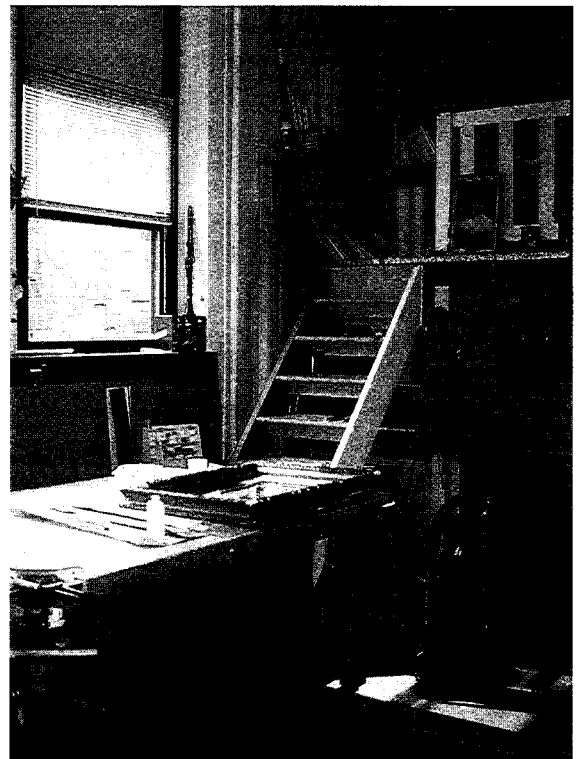
“We had this idea in mind that the entire building was going to be all about inexpensive studios for artists and musicians,” she said. “But we soon came to realize that in order for the project to become self-sustaining, we were going to have to be realistic about charging rents

that were consistent with the market rates in town. We also realized that—in refocusing from an ideal situation to a very real situation—we were going to need to open the building up to renters involved in arts-related uses, which is why we now have architects, cafes, a flower shop, and website designers as tenants.

“So that’s how we’ve come to positioning the Emerson as an attractive rental property in Bozeman’s competitive real estate market. We offer reasonably priced space with great lighting in a creative environment that’s a block off downtown’s main street. What we’ve found by doing this is that there are many arts-related businesses in town, like the architects and designers, who are willing to pay market rates for the opportunity to be in a building that’s also an environment where the arts are presented and created.”

Because the Emerson functions as a facility renting to non-profit arts and cultural organizations, as well as for-profit businesses, such as cafes and architecture offices, the building is regarded by local government as having a partial for-profit use. This translates into the Emerson Cultural Center being responsible for paying property taxes on those portions of the facility rented to commercial businesses. The complicated formulas determining which portions of the building’s common areas (hallways, entrances, *etc.*) are considered

Emerson Cultural
Center
Bozeman, Montana



taxable property have required the Emerson's board of directors to stay sharply focused on the intricacies of Bozeman's property tax structures, according to Eaton.

WHAT WE WOULD DO DIFFERENTLY?

"I'd create my management organization before the project opened its doors. I'd develop the project's long-range plan at the beginning of its operation. I'd aim for an interactive tenant mix that creates community within the building."

CHALLENGES FOR SUSTAINING PROJECT'S SUCCESS

"First, maintaining a board of directors willing to take responsibility for all the problems that need to be addressed in a project like this. Second, continually deciding about whether the project is run as a straight landlord-tenant relationship, or as some sort of a family. Third, writing our building's rulebook and having the tenacity to enforce those rules."

ADVICE TO OTHERS

"Do a top-to-bottom feasibility study at the very beginning of your efforts to determine the degree to which your community is going to be able to support your project from the financial side and from the sociological side, not to mention the physical involvement required in terms of endless volunteer time."

HAS THE PROJECT BEEN A SUCCESS?

"Yes, we're a success because we still exist. The Emerson continues to provide opportunities for community arts education, artist exposure, and the incubation of arts-related businesses."

Responses by Joanne Eaton, Founding Board Member, Emerson Cultural Center, Bozeman, Montana

CASE STUDY: ARTSPACE, INC. SALT LAKE CITY, UTAH

While most adaptive reuse projects for arts and cultural facilities renovate single buildings, in Salt Lake City this

phenomenon has resulted in the revitalization of an entire neighborhood. Artspace, Inc., the creation of Utah sculptor Stephen A. Goldsmith, has since its inception in the early 1980's matured into a significant force for positive change in one of that city's most blighted downtown commercial districts. Along the way, Goldsmith has balanced his successful career as an artist with a second career as president of a nonprofit real estate development company whose mission is the adaptive reuse of historic buildings as arts and cultural

"Our role is to advance arts and culture through the process of urban redevelopment," said Goldsmith.

facilities in this fast-growing city's urban core.

Artspace, Inc. (a separate entity from Minneapolis-based Artspace Projects) started to exert its urban revitalization impact with the renovation of a former produce shipping terminal (called Artspace Pierpont) into a facility encompassing 30 artists' studios, offices for four nonprofit arts groups, two commercial tenants, a nonprofit art gallery, and 23 artists' residences. This 1980 project, which Goldsmith characterized as "...the beginning of a 20-year battle to make our arguments understood by local government that we must have at least some measure of public support if we were going to achieve our goals of providing living and working facilities for artists, as well as Salt Lake City's downtown revitalization," was only the first of this Utah-born artist's plans for building an arts community in a distressed part of the city's urban core.

Since then, Artspace, Inc. has renovated a nearby tire warehouse into the Artspace Rubber Company building. This fully occupied structure has 53 live/work units for artists as well as a day care center and three, street-level commercial businesses. Now, Goldsmith has launched a new venture, called The Bridge Projects, which will use a dingy complex of warehouses and transportation vehicle sheds as the center of an \$18 million complex. The aim of these facilities is to provide 157 units of mixed-income housing for artists and single-parent families, as well as a child care center, administrative office complex for local non-profits, public radio station broadcast studios and a bakery/market.

Rents in the Artspace Pierpont building, which was Goldsmith's first development venture, range from \$263 monthly for a small studio apartment to \$514 monthly for a 2500-square-foot arrangement with a studio apart-

Artspace, Inc.
Salt Lake City, Utah



ment upstairs and a working studio downstairs. At the Rubber Company building, which sets its rents according to IRS Section 42 guidelines for affordable housing, price levels are set according to area median income levels and do not include utilities. One-bedroom units rent for as little as \$285 monthly, while three bedroom apartments run as high as \$669 monthly.

“Our role is to advance arts and culture through the process of urban redevelopment,” said Goldsmith. “We have a mission to preserve historic buildings, to provide safe and affordable housing for the families of Utah’s artists, and to subsidize local artists and arts organizations through the availability of suitable living and working space at reduced market rents. Basically, you can say we’ve stepped outside the safety of our “arts box” and have jumped feet first into the frying pan of urban revitalization.

At their core, these adaptive reuse projects are not art projects—they are a real estate development strategy and a revitalization tool.

“The idea here is that Salt Lake City can serve as a small-scale model for determining what can be done nationally to tweak local government rules and regulations for the ultimate purpose of serving a local arts community. We need to consider ourselves in terms of the ways a community at large perceives the utility of that community’s arts and cultural sector. If we can step outside our organizational roles as artists and members of an arts community, then we have the chance to be seen as a useful way for positively impacting the community’s broader goals of revitalizing and reconnecting its downtown through the support and subsidization of adaptive reuse and revitalization projects that are culturally driven,” said Goldsmith.”



CONCLUSION

While many urban structures are potentially convertible as arts and cultural facilities, the viability of this type of project will depend on the developmental, political, financial and artistic forces at play in each community. In some places, government support may not be available or non-traditional funding sources may attach strings that are too encumbering for some developer and organizational interests. In almost every instance, those willing to engage in the process of creating one of these buildings need patience and resourcefulness in order to assemble the necessary financing. There are no easy answers to the financing issue, as national funding sources for these projects do not exist. The project is funded locally, or it is not funded at all.

For local arts communities seeking to promote the creation of artists’ live/work housing, studio-only buildings and mixed use commercial and residential structures, a key challenge is to stay abreast of government’s plans for the revitalization of its downtown business districts and neighborhoods. In many communities, Main Street Project organizations are set up to specifically match developers with renovatable buildings and potential tenants. It would be very wise to put together a team that knows how to work with a real estate developer and that can speak the developer’s bottom-line language without getting caught up in tangential arts discussions. Remember, at their core these adaptive reuse projects are not art projects—they are a real estate development strategy and a revitalization tool.

ABOUT

AMERICANS FOR THE ARTS

BOARD OF DIRECTORS

CHAIR

William Lehr, Jr.
*Hershey Corporation,
Retired*

IMMEDIATE**PAST CHAIR**

Fred Lazarus IV
*President,
The Maryland Institute,
College of Art*

CHAIR-ELECT

Kathryn Murphy Burke
Milwaukee, WI

FIRST VICE CHAIR

Nancy Matheny
*Vice President of
Corporate Affairs,
Binney & Smith, Inc.*

SECOND VICE CHAIR

Peter F. Donnelly
*President, Corporate
Council for the Arts*

SECRETARY

Jerry Allen
*Director, Office
of Cultural Affairs,
City of San Jose*

TREASURER

Steven D. Spiess
*Director of Finance,
Cravath, Swaine
& Moore*

AT LARGE

Ramona Baker
*Executive Director,
Arts Council of
Indianapolis, Inc.*

Madeleine Berman
Franklin, MI

Raymond A. Boyce
*Joseph E. Seagram &
Sons, Inc., Retired*

Adrian King
*Manager, Arts &
Cultural Programs,
The Coca-Cola
Foundation*

Mrs. Michael A. Miles
*Women's Board, Art
Institute of Chicago*

Harriet Sanford
*President,
Arts and Science
Council Charlotte/
Mecklenburg*

Michael Spring
*Executive Director,
Miami-Dade County
Cultural Affairs Council*

BOARD MEMBERS

Dean R. Amhaus
*President,
Forward Wisconsin*

Buzz Bartlett
*Vice President,
Corporate Affairs
Lockheed Martin*

Caroline Bock
*Vice President, Affiliate
Marketing & Public
Relations, BRAVO,
Film & Arts Network*

Dr. John Brademas
*President Emeritus,
New York University*

Carol R. Brown
*President,
Pittsburgh
Cultural Trust*

Robert Bush
*President,
Bush & Associates*

Ken Fergeson
*Chief Executive Officer,
National Bank of
Commerce*

Gretchen Freeman
*Freeman/
Whitehurst Group*

Stephanie French
*Vice President, Cultural
and Contributions
Program, Philip Morris
Companies, Inc.*

Stephanie French
*Philip Morris
Management Company*

Susan S. Goode
Norfolk, VA

Mrs. John R. Hall
Lexington, KY

John Haworth
*Deputy Asst. Dir. for
Public Programs,
National Museum of
the American Indian,
Smithsonian Institute*

Betty Jo Hays
*Southwest Arkansas
Arts Council*

Eleanor Holtzman
*President,
National Executive
Service Corps*

Ken Kahn
*Executive Director,
Greater Hartford
Arts Council*

Margie Reese
*Director,
City of Dallas Office
of Cultural Affairs*

Dr. James M. Rosser
*President,
California State
University, Los Angeles*

Mrs. LeRoy Rubin
*Stamford, CT/
New York, NY*

Janet Sarbaugh
*Program Officer,
Heinz Endowments*

Joan Small
*First Deputy
Commissioner,
Chicago Department
of Cultural Affairs*

Patricia Holihan
Steinhardt
*Binfield, Berks
England*

John Straus
New York, NY

Shirley Trusty Corey
*President/CEO,
Arts Council of
New Orleans*

STAFF MEMBERS

EXECUTIVE OFFICE

Robert L. Lynch
*President and CEO
rlynch@artsusa.org*

Melissa Palarea
*Manager,
President's Office
mpalarea@artsusa.org*

EXTERNAL RELATIONS

Brian Saber*
*Vice President
bsaber@artsusa.org*

Miriam Rosen*
*Director of
Institutional Support
mrosen@artsusa.org*

Heather Rowe
*Membership/
Marketing Coordinator
hrowe@artsusa.org*

Sadia Robinson*
*Development Assistant
srobinson@artsusa.org*

Rebecca Proch*
*Administrator
rproch@artsusa.org*

Sean Butler*
*Publications
sbutler@artsusa.org*

Ann Faith*
*Intern
afaith@artsusa.org*

EDUCATION

Howard Spector
*Vice President
hspector@artsusa.org*

FINANCE &

ADMINISTRATION
R. Brent Stanley
*Vice President
bstanley@artsusa.org*

* New York Office

Daniel M. Andrejco
*Technology Coordinator
dandrejco@artsusa.org*

Millie Lee
*Administrative Assistant
mlee@artsusa.org*

GOVERNMENT**AFFAIRS &****PARTNERSHIPS**

Nina Z. Ozlu
*Vice President
nozlu@artsusa.org*

Lilian von Rago
*Government Affairs
Coordinator
lvonrago@artsusa.org*

PROGRAMS &

MEMBER SERVICES
Mara Walker
*Vice President
mwalker@artsusa.org*

Marc Ian Tobias
*Director, Meetings
& Events
mtobias@artsusa.org*

Jamie Ward
*Program Assistant
jward@artsusa.org*

RESEARCH &

INFORMATION
Randy I. Cohen
*Vice President
rcohen@artsusa.org*

Mark A. Hager
*Director of Research
mhager@artsusa.org*

Lori Robishaw
*National Arts Policy
Clearinghouse Director
lrobishaw@artsusa.org*

Rebecca Costanzo
*Research &
Information Assistant
rcostanzo@artsusa.org*

ABOUT AMERICANS FOR THE ARTS

Americans for the Arts

Washington Headquarters

1000 Vermont Ave, NW
12th Floor
Washington, DC 20005
T 202.371.2830
F 202.371.0424

New York Office

One East 53rd Street
New York, NY 10022
T 212.223.2787
F 212.980.4857

Visit our website!
www.artsusa.org

Americans for the Arts MONOGRAPHS

DESIGN

KINETIK
Communication
Graphics Inc.

EDITOR

Randy Cohen,
Americans for
the Arts

MONOGRAPHS is produced
bimonthly for the member-
ship of Americans for the
Arts. For more information,
please call 202.371.2830.

© Copyright 2000,
Americans for the Arts.
Printed in the
United States.

Americans for the Arts is the national organization for groups and individuals dedicated to advancing the arts and culture in communities across the country. To this end, Americans for the Arts works with cultural organizations, arts, business and government leaders and individuals to provide leadership, education and information to advance support for the arts and culture in America.

MONOGRAPHS

TO ORDER ADDITIONAL COPIES OF THIS AND PAST *MONOGRAPHS*, write or fax Americans for the Arts, c/o Whitehurst and Clark, 100 Newfield Avenue, Edison, NJ 08837, fax 732.225.1562 (credit card orders only). Copies are available for \$6 each for members, \$8 for nonmembers (plus postage); 50 or more copies of a single issue are \$4 each. SPECIAL DOUBLE ISSUES are \$12 each, \$8 for 50 or more.

The Survivability Factor: Research on the Closure of Nonprofit Arts Organizations	MAY 00
From Stability to Flexibility: Relevance, Excellence & Cultural Participation	JUN 99
Allies, Arguments and Actions: Making a Case for Arts Education Advocacy	MAY 99
Living the Arts Through Language+Learning: A Report on Community-based Youth Organizations	NOV 98
Arts in Medicine: Linking Culture to Care	SEPT 98
Workplace Giving: Raising Funds for the Arts	JULY/AUG 98
The 1998 Nancy Hanks Lecture on Arts and Public Policy: Billy Taylor	MAY 98
Local Arts Agency: Facts 1998	MAR/APR 98
Arts Programs for At-Risk Youth: How U.S. Communities Are Using the Arts to Rescue Their Youth and Deter Crime	FEB 98
Involvement in the Arts and Success in Secondary Schools	DEC 97/JAN 98
Community Cultural Planning: Development and Design to Meet Local Needs	OCT 97
The 1997 Nancy Hanks Lecture on Arts and Public Policy: Alan Simpson	SEPT 97
Program Planning and Evaluation: Using Logic Models in Arts Programs for At-Risk Youth DOUBLE ISSUE	JUNE/JULY 97
The Minnesota Model: Reaching New Audiences with Literature	MAY 97
Hatching Art: Creating a Vital Arts Presence in Your Community	APR 97
United Arts Funds: Meeting the Challenge of Increased Private Sector Support for the Arts	MAR 97
Making Advocacy a Habit	FEB 97
Cultural Tourism: Bridging America Through Partnerships in the Arts, Tourism and Economic Development	JAN 97
The Arts and Older Americans DOUBLE ISSUE	NOV/DEC 96
For Immediate Release: Strategic Media for Local Arts Agencies	OCT 96
The Arts, Education and Technology DOUBLE ISSUE	JUN/JUL 96
Cultural Diversity and the LAA	APR 96

FOR MORE INFORMATION ON THESE AND OTHER *MONOGRAPHS* TITLES, as well as related publications, please call Americans for the Arts' publications department at 800.321.4510 x241.