

# PRELIMINARY FEASIBILITY REPORT

## Mount Clemens, MI | April 2019



CITY OF  
**MOUNT CLEMENS** *Michigan*

# ACKNOWLEDGMENTS

Artspace would like to thank the City of Mount Clemens and the Anton Art Center, specifically Mayor Barb Dempsey and Anton Arts Center Executive Director, Phil Gilchrist for their leadership, coordination, and support of this study. The Steering Committee of individuals they assembled offered invaluable insight, hospitality and feedback throughout the process. It was a pleasure to work with such a committed group. We would also like to thank the participants in the focus groups and public meeting that made their voices heard over the course of this visit.

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- Phil Gilchrist, Executive Director, Anton Art Center
- Stephen Saph, Jr., Chairman, Mount Clemens DDA
- Micki Weiss, Marketing/Events, Mount Clemens DDA
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# COMMUNITY PROFILE

## INTRODUCTION

The City of Mount Clemens is located 25 miles northeast of Detroit in Macomb County and is well-connected by the I-94 expressway to downtown Detroit. Established over 200 years ago as a village along the Clinton River, it has had an interesting past as a hub for mineral bath tourism in its early days, as a suburban community for the booming Detroit auto industry in the late 20th century, and throughout as the County seat for Macomb County. Its bicentennial celebration in 2018 looked at 200 years of unique history as well as an anticipation for what the next 200 years may bring.

Beyond its connection to the auto and manufacturing industries, Mount Clemens has a creative history around the arts. The mineral baths and the many bath houses that they spawned in the late 19th century, created a significant tourism industry around the healing arts, with 23 major hotel and bath houses at its height.<sup>1</sup> Its commercial rose gardens proliferated through much of the 20th century. And, Mount Clemens Pottery, once owned by the Kresge Company and now closed, had a strong influence on the local pottery industry and the number of active potters in the region.

Today, it continues to serve as the seat of Macomb County which encompasses 27 cities, towns, and villages with an estimated population of 880,500. Mount Clemens plays a strong regional role as a public administration employment center as well as a center for the healthcare and social service industries.<sup>2</sup> With the largest employers being government services, and McLaren Macomb Hospital, there is an evident interest by residents, city and civic leaders alike to diversify the economy. As of 2015, 46% of the properties in the City were tax-exempt including government buildings, faith-based buildings, as well as many hospitals and educational entities.<sup>3</sup> Artspace's visit and focus on a future potential mixed-use artist housing project is one of those important strategies toward that goal of diversification.

Mount Clemens, like most communities in Southeast Michigan, was greatly impacted by the Great Recession. Between 2007-2014, taxable values declined 28%, making it difficult for the city to invest in economic development and infrastructure. Median Household Income fell by 35%, a higher amount compared to the region.<sup>4</sup> Mount Clemens' population of 16,678 has stabilized since 2010, after a decline from 21,000 at its peak in 1960. However, city and civic leaders continue to focus on a more robust economy and corresponding tax base, as well as ways to attract a younger demographic.



Downtown Mount Clemens Sign



Former Historic Bathhouse

1 <http://www.cityofmountclemens.com/history>

2 <https://onthemap.ces.census.gov/>

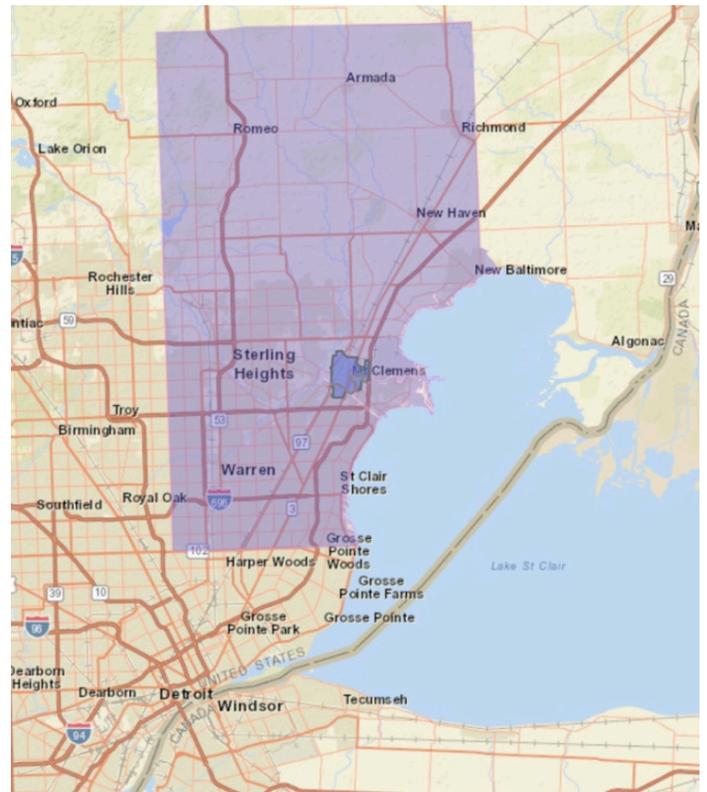
3 Mount Clemens Strategic Plan, July 2015, Southeast Michigan Council of Governments

4 Mount Clemens Strategic Plan, July 2015, Southeast Michigan Council of Governments

Mount Clemens' population is aging, and the largest growth has been in the 55 and over age brackets. However, there has also been a growth in the number of families living in Mount Clemens since 2010. Its historic housing stock is desirable for homebuyers looking to restore traditional homes. Downzoning - converting multi-family homes to single-family - is encouraged by the city. The city is also more affordable than many of its neighboring communities in Macomb County and is attractive to first-time homebuyers.

## MOUNT CLEMENS, MI AT A GLANCE

- Population (2018 est.): 16,678
- Households (2018 est.): 6,893
- Population, % change 2010-2018: +2.2%
- Est. Population Growth 2018-2023: +1.8%
- Vacant Housing Units, 2017: 9.2%
- Median Age (2018 est.): 40.2
- Median HH Income (2018 est.): \$37,764
- Median Gross rent, 2016: \$719
- Renter-occupied Households (2018 est.): 43.6%
- Race and Ethnicity (2018 est.) (top 4):
  - White: 62%
  - Black/African American: 32%
  - Two or more Races: 4%
  - Hispanic/Latino (of any race): 3%



Map of Macomb County (in purple) and Mount Clemens (in blue)

Source: Esri Business Analyst, US Census, 2019

## A FOCUS ON DOWNTOWN

Mount Clemens has an impressive historically intact downtown along the Clinton River. New, high-rise County buildings are juxtaposed by historic buildings, including the centerpiece of the creative community, the Anton Art Center in the historic Carnegie Library. Downtown feels vibrant on some blocks and has vacancies on others, with a breadth of surface parking not unlike many suburban Midwestern towns. The Downtown Development Authority (DDA) has spearheaded impressive initiatives to bring vitality to downtown including festivals along the Clinton River, and the planned permanent Downtown Farmers Market. The external perception of downtown remains that it is "unsafe" and "vacant." Concentrating redevelopment efforts in and around downtown will bolster the image and perception of Mount Clemens.

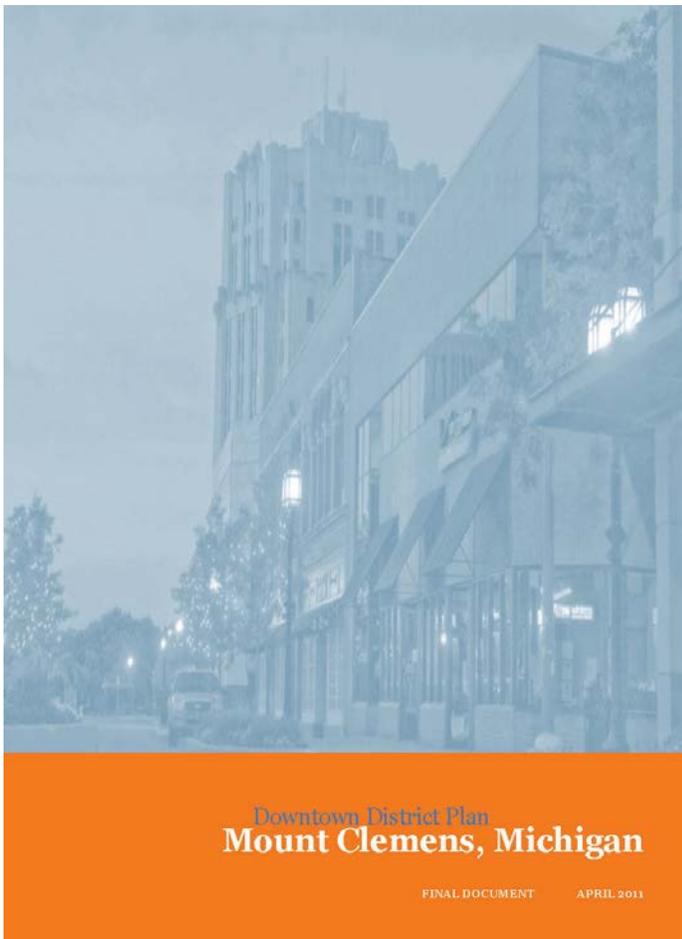
In 2015, The Southeast Michigan Council of Governments (SEMCOG) Mount Clemens Strategic Plan outlined **revitalizing the city's historic downtown to create an urban and diverse city center** as one of the five key priority issues. The DDA has been a great partner in working towards that goal, with several dining and entertainment opportunities downtown and more in the works. The historic center should continue to promote its walkability, and connection to the Clinton River. The proposed Farmers Market pavilion will have a significant impact on this goal and bring new energy and visitors to downtown, a strong indication of recovery from the Great Recession.

The Downtown District Plan, conducted in 2011 by Michigan State University planning students, also focused on resident's perception of downtown. The greatest asset identified was the historical downtown fabric, walkable infrastructure, interconnectedness, Clinton River, and the entertainment/nightlife options.<sup>5</sup>

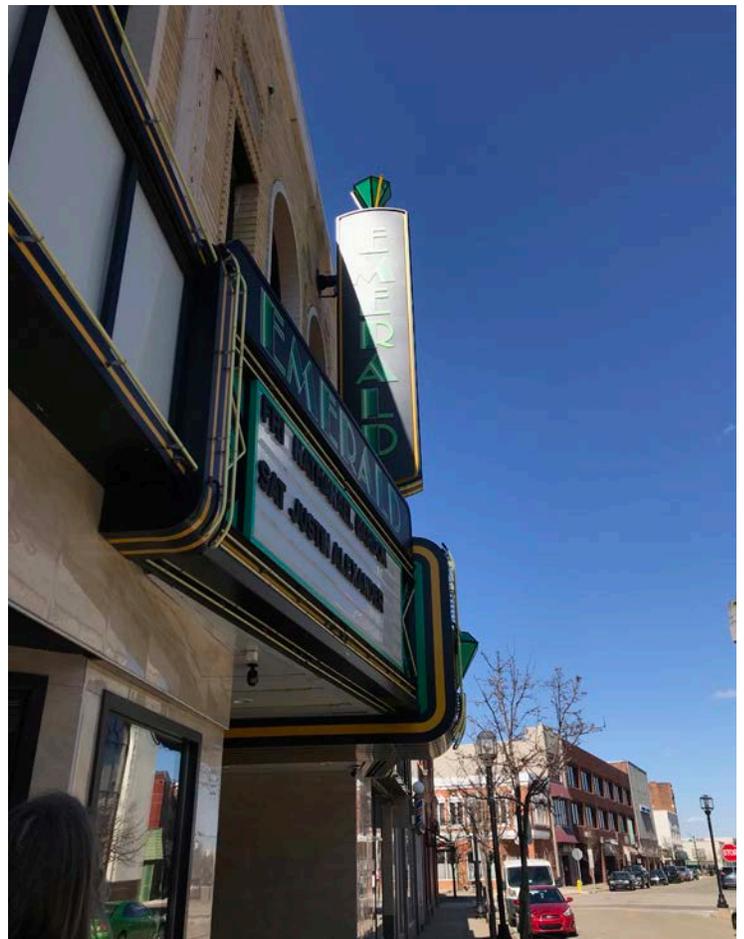
With such a strong partner downtown in the Anton Arts Center, and other local creative assets like Crocker House Museum, Weirdsville Records, Paperback Writer Books, Ardis Music, The Nest Collaborative, the newly reopened Emerald Theatre, and public art sculptures, adding more creative uses could benefit Mount Clemens' core downtown and build on a present strength.

Multi-family housing downtown would also add activity and generate foot traffic. Nationally, housing has been a trend for downtowns to help with revitalization and post-recession recovery. With very little housing built (less than 10%)<sup>6</sup> anytime since 1970 in Mount Clemens, new downtown developments would likely create significant interest. With the Macomb County Administration Building, topping 9 stories, and the Old Macomb County Building at 13 stories, a new 4-5 story multi-family housing development would fit with the current scale of the skyline.

Given the interest in historic preservation and downtown revitalization in Mount Clemens, Artspace was contacted by the Downtown Development Authority (DDA) around the concept of creating live/work space in the St. Joseph's Sanitarium and Bath House building. The DDA rightfully felt that a live/work development could benefit artists looking for affordable space, as well as Mount Clemens and Macomb County at-large. Over the course of this study, Artspace was impressed by the drive and organization of the local stakeholders, as well as the City's commitment to its history and focus on honoring its past while reinventing its downtown.



Mount Clemens, MI Downtown District Plan  
Conducted by Michigan State University



Emerald Theatre

5 Downtown District Plan, Spring 2011, MSU <http://ced.msu.edu/upload/reports/MountClemensDowntownDistrictPlan%20Spring%202011.pdf>

6 American Community Survey, FactFinder, U.S. Census

# PRELIMINARY FEASIBILITY STUDY

A Preliminary Feasibility Study is the first step in understanding how an affordable arts development project can move forward within the context of a community's unique needs, assets, sites, leaders, and resources. Central to this step is the Preliminary Feasibility Visit, in which Artspace visits the community to gather information, connect with local stakeholders, and share information about how these projects come together. With this approach, Artspace works to encourage community dialogue and build general support for the creation of affordable space for the arts sector.

The Mount Clemens Preliminary Feasibility Visit took place April 2-4, 2019. During these two days, Artspace staff met stakeholders, visited current community assets, toured potential sites, hosted three focus groups and a minority leaders' luncheon, and facilitated a public meeting. Artspace was represented by Wendy Holmes, Senior Vice President and Aneesha Marwah, Project Manager, each from the Consulting and Strategic Partnerships Department.

## ABOUT ARTSPACE

Artspace is a nonprofit organization that uses the tools of real estate development to create affordable, appropriate places where artists can live and work. Because Artspace owns each of the projects it develops, we are able to ensure that they remain affordable and accessible to artists in perpetuity. Over the last three decades, Artspace has led an accelerating national movement of artist-led community transformation. While embracing the value the arts bring to individual lives, Artspace has championed the once-radical idea that artists living on the edge of poverty and chronically underfunded arts organizations can leverage fundamental social change. With headquarters in Minneapolis and offices in New York City, Seattle, Denver, and Washington D.C., Artspace is America's leading developer of arts facilities and has served as a consultant to hundreds of communities and arts organizations nationwide.

## THE ARTSPACE APPROACH

Artspace has identified six key components of community-led development based on three decades of experience working on development projects in a wide variety of cities. These six components provide a framework for assessing feasibility and providing feedback to communities on how to plan for successful, affordable, mixed-use facilities. Thus, for the Preliminary Feasibility Study, Artspace organizes information through the lens of these six components, defined below:

**PROJECT CONCEPT.** What type(s) of space would the community like to see created? Although many communities have a well-developed project concept in mind before embarking on this study, Artspace's first step is to ask different stakeholders, "What type of creative spaces are needed and wanted in your community?"

**ARTS MARKET.** Is there a sufficient market to support an arts facility? To answer that question, qualitative data is collected through focus group meetings. Specifically, Artspace asks artists if they and/or their peers need space to live, work, create, teach, share, and sell their art. It lays the groundwork for an Arts Market Study, the second step on the path to an Artspace project, which provides quantitative data about the creative community's space needs.

**LOCAL LEADERSHIP.** Are there leaders on the ground who are willing and able to advocate for the project, open doors, and keep lines of communication flowing between a developer and the community? These leaders come to the project from all industries, from elected officials who control agencies and program dollars to citizens who are passionate about making their community a better place to live, work, and create.

**FUNDING AND FINANCING.** Arts facilities typically represent significant investments of civic resources. Although a variety of state and federal programs can be used to generate revenue for construction, Artspace relies on local funding and financing programs to support predevelopment expenses and gap funding. The Preliminary Feasibility Study considers the community's interest and capacity to commit resources to an arts facility. Basic information is gathered about local funding options from both private and public institutions as well as philanthropic donations.

**POTENTIAL SITES.** At this stage, the primary goal is not to select the final site, but rather to identify candidates for further study. The factors under consideration include: location, size, ease of acquisition, and potential for sustained positive impact. As a project moves into predevelopment, these (and perhaps other) candidate sites will be evaluated in the context of a refined Project Concept, Arts Market Study data, and a deeper understanding of local development priorities and funding sources.

**ALIGNMENT WITH BROADER COMMUNITY GOALS.** A potential project can help achieve other civic goals, such as economic development or historic preservation. Artspace considers strategies and partnerships that can leverage impact, so that the operating project can be greater than the sum of its parts. Focus group attendees were asked to circle their top priorities during the meetings with Artspace.

While these are not the only factors Artspace considers in making a recommendation to move a project forward, they help frame the discussion – especially in the preliminary feasibility stage.

A strong indication of the desire and need for this kind of project in Mount Clemens, was the number of attendees who chose to attend and participate in multiple meetings facilitated by Artspace during the two-day visit. The excitement was palpable and idea generation beneficial not only to Artspace, but to the other stakeholders in the room.



Steering Committee Touring the Anton Art Center

## PRELIMINARY FEASIBILITY VISIT

During the Mount Clemens visit, the Artspace team:

- Facilitated three focus group meetings:
  - Artists and Arts Organizations (37 attendees)
  - Funders and Financiers (16 attendees)
  - Civic Leaders (32 attendees)
- Hosted a Minority Leaders lunch for 25 individuals.
- Held a Public Meeting at the Mount Clemens Library. The meeting drew nearly 70 participants including artists, neighbors, the media, representatives from arts and cultural organizations, and local elected officials.
- Toured potential downtown sites.
- Visited existing art spaces and creative businesses.

# BRINGING ARTSPACE'S NATIONAL EXPERIENCE TO MOUNT CLEMENS, MI

In addition to the information gathered about Mount Clemens, this report is informed by Artspace's experience working in other cities that have invested in affordable facilities for artists and arts organizations. The following thoughts provide context for evaluating the feasibility and demonstrating the importance of creative spaces in Mount Clemens:

Mixed-use arts facilities with long-term affordability have been shown to:

- **Generate economic revitalization and development.** Each development provides indirect, direct, and induced economic impact as well job opportunities before, during, and after construction.
- **Preserve old buildings, stabilize neighborhoods, and revitalize vacant and underutilized properties.** They help create activity and foot traffic in areas devoid of creativity.
- **Catalyze private and public investment,** such as façade improvements and general beautification, in the surrounding area.
- **Create community spaces** that give the public opportunities to interact with the artist tenants through gallery events, demonstrations, performances, and installations. They also provide opportunities for other local artists to showcase their work.
- **Support independent artists** who are each, in effect, cottage industry business owners, generating economic activity by selling products or services, purchasing equipment and supplies, and paying taxes.
- **Build community.** Artists and creatives are active neighbors and community members. Many collaborate with the educational, cultural, and business communities as teachers, community conveners, and volunteers. The spaces provide a place where cultural art forms can be passed from one generation to the next.



Bottom Left: Focus Group Meeting

Top Left and Above: Artwork by Briana Van Brabant  
Part of the Anton Art Center Student Showcase

# FINDINGS

## PROJECT CONCEPT

Some communities are clear about what they hope to achieve; other communities are starting from scratch. They look to Artspace to guide them through the process of determining whether a new facility makes sense for them – and, if so, what kind of space. While the space needs of creatives in every community are different, Artspace has learned from 30+ years of conversations with artists, arts organizations, and creative businesses and entrepreneurs that there are commonalities across the types of spaces that are needed to live, create, and present creative work. Although affordable live/work space for artists is central to most Artspace projects, residential live/work projects are not necessarily the right fit for every community.

The first questions Artspace asked the artist and arts organization focus group participants in Mount Clemens were, “what kind of creative spaces are in your community?” and “what additional spaces are needed and/or wanted?”

Artspace looks at the needs and goals of the creative sector, the will and resources of the private and public sector, and any well-aligned opportunities that may drive the project concept(s) in a particular direction. From the very first conversation with Mount Clemens' leaders, creating a catalyst for economic growth and increasing the city's tax base have been central topics. Artspace heard that as the County seat of Macomb County, Mount Clemens is a hub for the county, a place where people come for employment, and residents enjoy dining, entertainment, arts, a well-known farmers market, river recreation and more. Creating spaces that attract more visitors to the downtown is still a challenge, due to the vacancies downtown and external perception. Residentially, there is a lack of quality affordable housing that can attract new residents seeking “workforce housing” especially in and near downtown. Creating space that can accommodate affordable housing and meet the goal of Mount Clemens to continue to revitalize downtown will be paramount.

## PRIORITY CONCEPTS

Each focus group provided ideas about what type of artist/creative space they would like to see in Mount Clemens. There was definite interest in live/work housing, as well as a desire for private studios for artists, co-working artist studios, makerspace, and most importantly gallery/flex space. These uses can be accommodated in the ground floor of a mixed-use project concept.

The Artists and Arts Organizations Focus Group attendees were specifically asked to list and prioritize their preferred spaces. The ideas generated in order of priority in the artists' words were as follows:

1. **Gallery space (flexible space/size with technological capabilities)**
2. **Live/Work housing**
3. **Artist studio space**
4. **Fabrication space (shared/multi-purpose)**
5. **Gathering/Networking space**
6. **Co-working space (media arts, clean arts)**
7. **Retail space**
8. **Flexible performing arts space**

It was notable in Mount Clemens that live/work housing was one of the top two choices. Often times, in more affordable communities, people own their own homes and are therefore not as interested in live/work housing. However, the focus group participants were very diverse in terms of age, ethnicity, and city/town of residency – all with a strong interest in Mount Clemens.

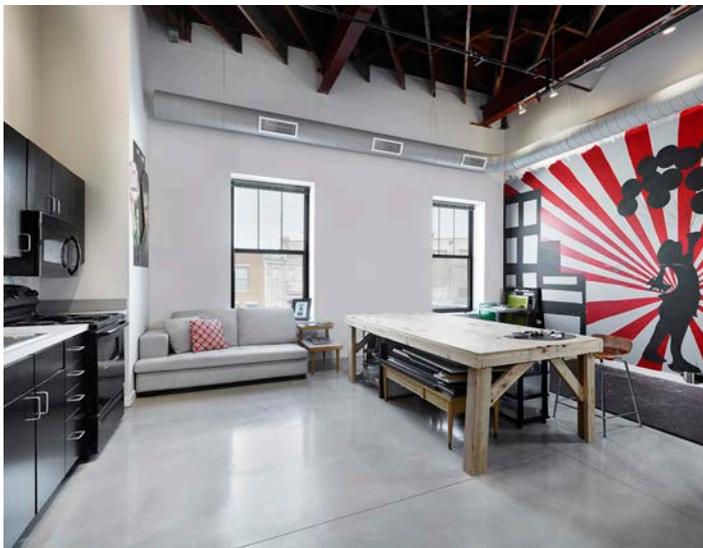
The top five spaces for affordable, creative space downtown are defined and discussed in more detail:

**GALLERY SPACE.** Focus group participants expressed interest in gallery space, where artists can show their work and is flexible to accommodate different art forms as well as community space for the public to enjoy. Somewhere with technology to showcase different types of art such as short films, art presentations, artist talks etc. It was mentioned a few times that a gallery space where artists could also sell their work is much needed. This type of space is usually included as an amenity in Artspace's live/work projects. Most often it is a shared building amenity in the form of un-leased space that the residents have freedom to program with arts activities. It can be indoors and/or outdoors. Artspace designs these spaces flexibly for a variety of uses including: gallery showings, performances, community events, rehearsals, auditions, classes, meetings, gatherings, etc. These spaces foster a strong sense of community within the building and offer opportunities for the broader community to interact and program the space with the artists.



Artspace Hastings River Lofts // Hastings, MN

If created as leasable commercial space in the context of a mixed-use building, this could be future space associated with the Anton Arts Center, as a known operator of artist space in the community.



Elgin Artspace Lofts // Elgin, IL

**LIVE/WORK HOUSING.** This type of residential space allows artists to live and create in the same space. Artspace live/work units meet standard residential codes and are somewhat larger (100 to 150 square feet) than a typical dwelling unit. The units are rentals and include artist-friendly design features, including durable surfaces, large windows, high ceilings, and wide doorways.

Focus group participants mentioned this type of housing would be appealing to artists from all over Macomb County and even Greater Detroit. Although home ownership is still relatively affordable, there is a need for new, quality rental housing. This sort of housing can make it feasible and attractive to live in downtown Mount Clemens and add to the creative vibrancy the city is hoping to achieve.

**ARTIST STUDIO SPACE.** This commercial space is specifically designed for the creation or practice of art. Studio space can be rented under an annual lease agreement or on an occasional, or short-term basis by individual artists or small businesses. Uses can include fine arts studios, industrial work space, teaching, offices, recording studio, sound proof rooms, etc. Keeping the sizes and price points flexible will ensure greater market applicability.

Many participants mentioned that they travel over an hour to access this type of space. Having this sort of space in Mount Clemens would foster artistic expression and allow these small businesses or artists to collaborate and grow. This space could also include “clean” artist co-working space of smaller sizes, in which participants expressed an interest.

**FABRICATION SPACE.** These spaces can be designed for specific purposes such as ceramics, 3D printing, woodworking, foundry. Typically, makerspaces offer memberships, which provide access to space and equipment that is expensive, impractical, or in the case of industrial arts, unsafe to own outright. Mount Clemens creatives prioritized makerspaces such as a fab lab (digital fabrication focused), and woodworking as a compelling type of program and space.



Schack Arts Center, Artspace Everett Lofts // Everett, WA

**GATHERING/NETWORKING SPACE.** There was a general feeling that there was not a space for artists to meet and network. Usually the community room space in an Artspace project can serve this sort of purpose for residents to invite guests and encourage greater collaboration.

If considering a way to create this as leasable space, Artspace has seen many coffee shops as ground floor tenants in its projects around the country that serve this sort of artist need for informal meeting space. This and many of the spaces listed above can also be created beyond an Artspace development by a local entrepreneurs and developers.



Chicago Avenue Fire Arts Center // Minneapolis, MN

Though no singular project can be all things to all people, understanding how the community views these concepts is extremely valuable in understanding the breadth of space needs in Mount Clemens.

## DEFINING A PROJECT CONCEPT IN MOUNT CLEMENS

There is a strong desire in Mount Clemens to develop a facility that provides sustainable affordable space for the creative sector and acts as a destination for the greater community. One or more of the priority spaces can be combined into a future project concept and co-exist depending on the site.

Based on the information gathered during this study, Artspace recommends the exploration of a downtown mixed-use, live/work artist housing development as the priority project concept for Mount Clemens. A development with affordable live/work housing for artists on its upper floors and private studio/collaborative space/commercial space on the ground floor would be appropriate to pursue in downtown. This concept was articulated by City staff and reiterated by participants in the focus groups and public meeting. A project in the core of downtown would have the greatest spillover effect in creating additional creative businesses and excitement downtown.



Artspace Focus Group Meeting at the Mount Clemens Library

The following sections of this report are presented in the context of this priority project concept.

# ARTSPACE & TENANT PARTNERSHIPS

## ARTSPACE BUFFALO LOFTS // BUFFALO, NY

The Buffalo Arts and Technology Center (BATC) is an anchor tenant in our mixed-use affordable artist housing project in Buffalo. The BATC occupies 15,000 sq. ft. of space on the first and lower level of the historic electric car factory that houses 36 units of artist housing on floors 2-5. The focus of the BATC is two-fold: 1. To provide high quality art instruction to low-income children in the neighborhood, with an eye toward potential art careers and 2. To provide medical technology training to low-income adults in the neighborhood and assist with job placement at the nearby medical campus. There is a synergistic relationship with both the nearby hospital and the artist residents, some of whom act as faculty in the BATC program.



Buffalo Arts and Technology Center



Northern Warehouse Artist Lofts  
Photo by: Marc Nordberg

## NORTHERN WAREHOUSE ARTIST LOFTS // ST. PAUL, MN

Springboard for the Arts is an anchor tenant in our mixed-use project in the Lowertown Historic District of St. Paul. Springboard provides resources, workshops and training for individual artists and small to mid-sized arts organizations to help them find access to the resources they need to be successful artists. They also have a resource center available for residents. Springboard has a symbiotic relationship with artists across our all our projects in Minnesota.

## ARTSPACE MT. BAKER LOFTS // SEATTLE, WA

The Hoa Mai Vietnamese Bilingual Preschool located on the ground floor of Artspace Mt. Baker Lofts, is the first bilingual Vietnamese-English daycare in Seattle. It offers a sliding scale for tuition and serves the early education needs of this multicultural neighborhood.



Artspace Mt. Baker Lofts  
Photo by: William Wright



City Hall Artspace Lofts

## CITY HALL ARTSPACE LOFTS // DEARBORN, MI

The Arab-American National Museum is an important partner with The City Hall Artspace Lofts. The Museum rents and operates an artist-in-residence space in the Artspace project, which is located across the street. This dedicated space provides a unique opportunity the Museum to have a regular artist-in-residence who also holds classes and events with the larger community during their stay in Dearborn.

Additionally, Dearborn has recently added the Connector building, between the City Hall and West Annex buildings, a creative hub with commercial space for artists and businesses, nonprofits and cultural organizations. The East Downtown Dearborn Development Authority (EDDDA) has moved its offices there, and the Arts and Tech Learning Lab recently opened for use by residents and students in Dearborn Community Foundation's youth initiative Pockets of Perception (POP).

# ARTS MARKET

The term *arts market* refers to the demand for the kinds of space that artists, creative businesses, and arts non-profits regularly need and use. The goal of the Preliminary Feasibility Visit is to obtain qualitative data from artists and others familiar with the local arts scene. The conversations that developed through the tour, focus groups, public meeting, and Steering Committee discussion all help frame Artspace's understanding of the market need and how that does or does not support the proposed priority project concept and/or location.

Artspace intentionally keeps its definitions of *artist* and *creative* broad to be as inclusive as possible. Residents of Artspace buildings range from veterans, formerly homeless, retirees, service workers, teachers, parents – and they also happen to be creative. They are likely to earn a portion of their income from something other than their art. In fact, a look across the Arts Market Surveys that Artspace has completed in the past 15 years shows that only about 10% of artist respondents make 100% of their income through their art.

## WHO IS AN ARTIST?

Artspace's definition of an artist is very broad. An "artist" is a person who has a demonstrable commitment to the arts or a creative pursuit. While the term is broad and varies from community to community, if affordable housing is utilized in a project, all "artists" must still qualify for affordable housing by income.

- A person who works in or is skilled in any of the fine arts, including but not limited to **painting, drawing, sculpture, book art, mixed-media and print-making.**
- A person who creates imaginative works of aesthetic value, including but not limited to **film, video, digital media works, literature, costume design, photography, architecture and music composition.**
- A person who creates functional art, including but not limited to **jewelry, rugs, decorative screens and grates, furniture, pottery, toys and quilts.**
- A performer, including but not limited to **singers, musicians, dancers, actors and performance artists.**
- In all culturally significant practices, including a **designer, technician, tattoo artist, hairdresser, chef/ culinary artist, craftsperson, teacher or administrator** who is dedicated to using their expertise within the community to support, promote, present, and/or teach and propagate their art form through events, activities, performances and classes.

## ARTS COMMUNITY PROFILE

During the Artists and Arts Organizations Focus Group and other meetings, participants discussed creative space need priorities, current creative assets, barriers, and reflections on the challenges and opportunities faced by Mount Clemens and Macomb County artists more broadly. This information together helps Artspace assess the feasibility of a project concept and lays the groundwork for the quantitative Arts Market Study, the second step on the path to an Artspace project, further detailed in the sidebar and in Appendix II.

Artists and creatives from a broad range of art forms, ages, and career stages participated in Artspace's visit. The profile of the arts community at-large, as described by participants, suggests porous borders beyond just Mount Clemens. The rich history of Detroit's arts and manufacturing scene were noted often in the types of artforms, and in ideas for art collaboration. Participant art forms included: glassblowing, pottery, videography, fashion, music, wirecar art, upcycle art, jewelry making, art teaching, writing, dancing, photography, filmmaking, performing arts, floral design, chalk art, gospel singing, oratory arts, visual art, 3D art, mixed media, fiber art, stone carving, graphic design, jewelry design, arts administration, painting, enamel art, interior design, music composition, gardening, sculpture, framing, illustrating, acrylic arts, woodworking, and ceramic arts.

Artspace was able to visit and tour the Anton Art Center, the new makerspace in the Public Library, new businesses downtown, and see the ten rotating public art sculptures around town. With new murals and art in the center of town, Mount Clemens has a unique opportunity to continue its path as an arts-focused community.

## CHALLENGES

While many artists may live and/or practice in Mount Clemens, many travel significant distances to find adequate workspace. Besides the Anton Arts Center, and Macomb Community College, no other leasable space was mentioned in Mount Clemens for creating art. Many participants mentioned using their homes, garages, basements, kitchens as their de-facto studio space, and would love to have a space to meet and work with other artists and buyers outside of their home. Participants mentioned they travel as far as the Pioneer and Russell Buildings in Detroit, Birmingham Bloomfield Art Center, Eastpointe, Lake Orion, and Cranbrook for workspace.

When asked what barriers exist for creative people in the community, much of the conversation turned to the lack of space for certain uses. This included: lack of gallery and places to showcase work in Macomb County, lack of a quality arts supply store, lack of spaces to work on art with adequate light and a sense of comradery, lack of space for artists to hangout and network, no space for intermediate/advanced arts classes besides Anton Art Center and the local community college, no space for education, no outlet for creative kids to take art class outside of school, and nowhere to produce large scale work.

Other challenges included quality spaces that are also affordable, the availability of space that is the right size, the great distances artists travel for space, parking, and the lack of a regional transit system.

## OPPORTUNITIES

When asked how they would describe the arts scene in Mount Clemens, participants offered the following feedback illustrated in the word cloud.

There were also numerous opportunities mentioned that underscore the need for an Artspace-style development in the community.



Focus group responses to "How would you describe the creative community in Mount Clemens?"

- Mount Clemens' central location and its accessibility to other towns in the Macomb County, and the potential for cross-city collaborations within Macomb County.
- The lack of other opportunities such as a potential mixed-use live/work development in the northeast Detroit region, that could set Mount Clemens apart and brand it as an arts and culture hub.
- The large employment base of healthcare, judicial and county employees who likely appreciate and would buy art.
- The natural resources in and around the Lake St. Clair and the Clinton River and the surrounding natural beauty that is inspirational to artists.
- Empty storefronts that are ripe for activation.
- Opportunity for economic development.
- Walkability of downtown.
- Proximity to Detroit and major art institutions.
- Partnerships with the auto industry and cross-collaboration in large scale, foundry, and/or upcycle type art.
- Educational institutions and their art departments at Macomb County Community College, Oakland University, etc.



Pops Sweets and Treats

## KEY TAKEAWAYS

Given the context and Artspace's understanding of the current arts market and needs of the creative sector, a **mixed-use concept could help support an underserved creative sector and help activate downtown Mount Clemens.**

The Anton Art Center, in its fifty years as a community arts organization, has been the pillar for the creative economy in Mount Clemens and is credited as an important "point of contact" for an otherwise decentralized creative sector. It is the largest of only two art facilities of its kind in Macomb County and has exhibitions and programming ranging from juried statewide shows, a student showcase, and art fairs and markets. It has showcased a wide variety of Michigan artists and has a deep network that will be very helpful for the Arts Market Study phase of Artspace's study.

An Arts Market Study or predevelopment scope of work should include facilitated conversations with potential "commercial" tenants interested in new space and in helping to bring creative vitality to the ground floor of a project and activate downtown. The well-established and skilled DDA could be a big help in this brokering these conversations.

## ARTS MARKET STUDY

An Arts Market Study can determine if the priorities Artspace heard during the visit translate over to a broader cross-sector of creatives and if so, whether there is sufficient demand for the proposed project concept. Identifying enough artists (90 or more households at a minimum) who are interested in relocating to a multi-family, artist live/work project is critical in a next phase of feasibility of an Artspace project. Other types of creative spaces, including makerspace and classroom space, would rely on third party operators interested in renting ground floor commercial space and would be funded through philanthropic and other non-market rate investment. Quantifying the market need for these spaces can help attract funders and operators and related data can be used to plan spaces and programs that are both affordable and self-sustaining, whether in an Artspace project or offered independently in Mount Clemens.



The Nest Retail Collaborative



Weirdsville Records

## STEP 2: ARTS MARKET STUDY

The Arts Market Study will enable Artspace to test the priority project concept, a mixed-use affordable arts facility. The data collected helps refine the project concept, influence site selection, and guide future creative space development. The AMS Study gathers information about:

- Amount artists can pay for studio/work space
- Amount artists can pay for housing
- Types of shared or community spaces that are most important
- Types of private studio workspaces that are most important
- Location preference
- Types of amenities that are important

In addition to providing key information about the need for space within the possible context of a future Artspace project, this survey also provides valuable information for other developers and organizations who might consider carving out space for artists in their buildings and planned projects. Not every type of needed space and can be accommodated in a single project. Having arts market information available to multiple interested parties is important to supporting new creative space opportunities.

## LOCAL LEADERSHIP

Strong local leadership is essential to the success of any community-led development. Authentic community engagement, cross-sector stakeholders, all must act in partnership to advocate effectively for the project. Without voices on the ground locally to keep communication flowing between the developer and the community, there is little chance of success.

## STEERING COMMITTEE

The local leaders who make creative projects possible can come from many industries. The commonality is a willingness to work hard to for a common vision. The Artspace Mount Clemens Steering Committee that led the Preliminary Feasibility Visit were the type of leaders that are needed from the very beginning. Co-chairs Phil Gilchrist, Executive Director of the Anton Art Center and Mount Clemens Mayor Barb Dempsey's organization and network led to engaged and thoughtful community conversation during Artspace's visit. The Steering Committee represented both public and private sector interests, a key ingredient to the future success of a potential project.

From the get-go, Artspace has been impressed with the civic leadership in Mount Clemens. The Steering Committee leaders had been meeting for many months prior to Artspace's arrival on April 2, and had even toured City Hall Artspace Lofts in Dearborn, Michigan together to get acquainted with the Artspace model for live/work housing. This is a terrific indicator of the passion and interest in taking this initiative to the next step. Steering Committee members included the Mayor, City staff, County staff, and staff/board leadership from the Mount Clemens Downtown Development Authority (DDA), a fundraising consultant, and staff from the Anton Arts Center.

The first evening together, Artspace asked the Mount Clemens Steering Committee specifically what they hoped to achieve through the course of this study and visit, and if they had a magic wand, where would this project be and who would be the partners?

The Steering Committee responded that they are interested in the "spillover effect," spurring economic development, capturing people leaving Detroit and looking for affordable space, re-energizing downtown, giving Mount Clemens hope, highlighting the energy of this special place, encouraging dialogue and conversation between community members. And finally, their seriousness about wanting an Artspace project for artists and their families in Mount Clemens. The two locations that were at the forefront in the beginning of the study were St. Joseph's Sanitarium and Bath House and the unused portion of Mount Clemens High School.

## ARTIST PREFERENCE IN AFFORDABLE HOUSING

Artspace live/work projects are unlike most affordable housing in that they apply an "artist preference" policy when leasing the units.

For each project, Artspace appoints a committee of artists and community members who are not applying to live in the project. The committee interviews income-qualified applicants to determine their commitment to their art form or creative pursuit. It does not pass judgment on the quality of an applicant's work, nor is it permitted to define what is or is not art. Artists do not need to earn any of their income from their art form.

Although the IRS challenged the "artist preference" policy in 2007, it dropped the challenge after the Housing and Economic Recovery Act of 2008 became law. That law states: "A project does not fail to meet the general public use requirement solely because of occupancy restrictions or preferences that favor tenants...who are involved in artistic or literary activities." This clause was threatened again in December 2017, but through broad reaching advocacy efforts, the new Tax Cuts and Jobs Act retains the artist preference language in the final signed version of the law.

## CIVIC LEADERS

The Mayor, several councilmembers, Macomb County commissioners, city, county, and Clinton Township staff, as well as staff from Senator Peters' Office and Congressman Levin's Office participated in focus groups. All offered thoughtful comments to the discussion. It was noted that there was an overall lack of quality affordable for-sale or rental housing, making it a challenge for newcomers to move to Mount Clemens. They also reiterated the commitment to downtown, its historic character, walkability, density, and making it more of a destination. Our overall impression is that there is the political will and know-how to move a project forward. In fact, the current leadership feels poised to take on a project at the size and scale of a typical Artspace project.

## POTENTIAL PARTNERSHIPS

Focus group participants and Steering Committee members discussed partnerships that could enrich an arts facility project. Some of the potential partners that were mentioned include:

- Macomb Center for Performing Arts
- YMCA
- Local area non-profits
- Oakland University
- Advancing Macomb
- Detroit Institute of Art (DIA)
- Chamber of Commerce
- Mount Clemens Public Library
- Anton Art Center
- Interfaith Center for Racial Justice
- Macomb Community College
- Clinton Township
- State of Michigan
- Macomb County
- Federal Government



"County Seat" by Gary Kulak



Mount Clemens Steering Committee Touring Potential Sites

# FUNDING AND FINANCING

An Artspace project represents a substantial financial investment in the community where it is located. Strong city and state leaders can often identify and prioritize funding for projects they feel strongly align with their community goals. A typical project of 50 to 70 units of affordable housing for artists plus community and commercial space costs \$15 to \$20 million. Predevelopment expenses - the "soft" costs, such as architects' fees, that must be met before construction can begin - are usually \$750,000, regardless of the size of the project. In most cases, however, only a fraction of the capital investment comes directly from the community itself. This is because Artspace relies mainly on federal programs, such as Low-Income Housing Tax Credits (LIHTC), Historic Tax Credits (HTC), and HOME funds, to provide long-term equity for development projects. These programs, and others like them, exist to encourage the development of affordable housing, the rehabilitation of historic buildings, economic revitalization of neighborhoods, and other public purposes.

Nevertheless, the local community does play a significant role in the broader funding and fundraising effort, especially during the early steps of the process. Artspace looks to the community for private and public predevelopment funds and commitments of affordable housing allocations in a combination of Community Development Block Grants (CDBG) and HOME funds, Tax Increment Financing (TIF), private philanthropic support, or the equivalent. If affordable housing is not part of the project, the community's financial role is likely to be much greater than otherwise.

## 2018 MACOMB COUNTY AREA MEDIAN INCOME AND RENT (ONLY FOR LIVE/WORK SPACE)

HOUSEHOLD SIZE	INCOME MAX. (60% AMI)	# OF BEDROOMS	MAX. RENT (60% AMI)
1	\$29,820	Efficiency	\$745
2	\$34,080	1-bedroom	\$798
3	\$38,340	2-bedroom	\$958
4	\$42,540	3-bedroom	\$1,106

2018 Figures for Detroit-Warren-Livonia, MI HUD Metro FMR Area  
4-person AMI: \$70,900  
Source: Novoco.com

The Funding and Financing Focus Group meeting with members of the local and regional financial sector is a first step to identifying potential local public and private resources. In Mount Clemens, this group had representation from Anton Art Center, Mount Clemens Public Library, Mount Clemens DDA, City of Mount Clemens, Macomb County, Macomb County Chamber of Commerce, Michigan Economic Development Corporation, 5/3 Bank, Consumers Energy Foundation, DTE Energy Foundation, and local artists and community members. St. Joseph's Sanitarium site and the Macomb Daily building were mentioned as priority sites, but most important was to create a space with energy downtown. The group expressed confidence in identifying resources for projects that are a priority for the community.

## PUBLIC FINANCING TOOLS

This is a preliminary list of potential sources that were discussed during the visit and other funding sources that Artspace is familiar with in Michigan.

- **Low Income Housing Tax Credits (LIHTC)** can generate up to two-thirds of the construction budget for a typical Artspace live/work project. 9% LIHTC are highly competitive, and it is not uncommon for a project to submit multiple applications before receiving a tax credit award. In Michigan, LIHTC are administered by the Michigan State Housing Development Agency (MSHDA), an agency Artspace knows through our tax credit project in nearby Dearborn. Whether LIHTC are a possible funding source for a project in Mount Clemens depends both on the Project Concept and the availability of other funding. The City does not have a strong track record of working with the LIHTC program, but Macomb County does. Recently, a developer from Ohio proposed a plan for a 4-story affordable housing project with LIHTC funding on the Hayloft site in downtown Mount Clemens. That development was proposed in 2018 and ultimately rejected by the City Commission because the developer was using a PILOT (Payment in Lieu of Taxes) instead of paying market rate property taxes and because it was viewed that affordable housing might not be the best fit for downtown. In 2013 the City reaffirmed via resolution

a 4% PILOT that dates back to 1979. That project – Clinton Place Apartments and Townhomes – recently applied to MSHDA for rehabilitation funding in the April 2019 funding cycle. While a potential Artspace project would be mixed-use with ground floor community and creative space and upper floor housing, we did not experience any resistance from the local community in any of our meetings. We should also note that affordable rents (see chart on page 19) are very close to market rate rents in Macomb County. That can make the operating side of a future project more challenging in terms of cash flow. That said, Artspace experienced a similar situation in Dearborn and in other communities across the country. It's not a deal-killer but it is something to be aware of going into a project. Having "free" land and low debt will be essential to the success of a Mount Clemens project.

- **Michigan Economic Development Corporation.** Grants are available for brownfield cleanup and redevelopments tied to job creation. Artspace residents are entrepreneurs with their own cottage industries, whether it be filmmaking, soap making, sculpture, or design. This strong tie to job creation aligns with Mount Clemens' goals of bringing more vitality and opportunities to their historic downtown. Artspace's Dearborn development utilized **Michigan Community Revitalization Program (MCRP)** funds. Important to note, this can only be used for commercial space and historic renovation. In Dearborn, the qualifying expenses were for the full commercial building and for the historic components of the residential buildings.
- **Historic Tax Credits (HTCs).** To qualify for the federal program, a property must either be individually listed on the National Register of Historic Places or be listed as a contributing member of a designated historic district. If the priority site includes adaptive reuse of an existing building, further research will be needed to ascertain if the property is eligible for HTCs. It was mentioned that the **State Historic Tax Credit**, may also return.
- **HOME Program.** A federal program that provides funding to state and local governments to fund affordable housing developments. Any HOME funds for a potential qualifying project in Mount Clemens would come from Macomb County.
- **Tax Increment Financing (TIF).** A tool available to local communities for assisting economic development, redevelopment and housing. The Brownfield Redevelopment Financing Act enables the Macomb County Brownfield Redevelopment Authority to authorize tax increment financing for the implementation of redevelopment projects. The incremental increases to property tax revenues can be captured and used to finance eligible activities on a site, including baseline environmental assessments, due care activities and additional environmental response activities. The Macomb County Brownfield Redevelopment Authority and its resources are accessible to all Macomb County communities.
- **Community Development Block Grants (CDBG)** through Macomb County. CDBG funds may be used for a range of activities but all must benefit low- and moderate-income individuals or prevent or eliminate slums and blight. The funds provided vary from year to year but average approximately \$1.7 million annually.

Other potential sources of funding available for a project in Mount Clemens include the Michigan Council on the Arts that has a capital program that provides up to \$100,000 for eligible projects.

# UNDERSTANDING LOW-INCOME HOUSING TAX CREDITS (LIHTC)

STEP 1 (OF 10)

The **low-income housing tax credit — LIHTC** — is the government's primary program for building affordable housing. **Here's how it works...**



STEP 2 (OF 10)

The **IRS** has a pool of tax credits that it divvies up every year among **58 state and local housing finance agencies**, based on population size.



STEP 3 (OF 10)

Let's say you're a **developer** and you want to build an apartment building with units designated for low-income people. To decrease rents, you'll need help to offset your costs. That's where those tax credits come in.



STEP 4 (OF 10)

First, you go to your **housing finance agency** to request money to build. You promise to:

- Offer a certain amount of low-income units and keep it that way for at least 30 years.
- Meet the housing agency's requirements. For example, you might set aside units for veterans or the homeless.



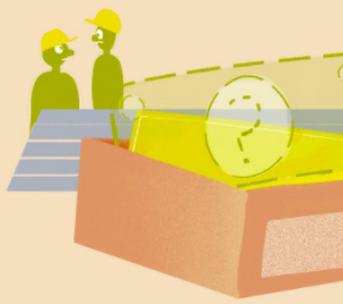
STEP 5 (OF 10)

If your application is approved, the housing agency gives **about 70 percent of your allowable cost in tax credits**, which you can claim for 10 years once the building is completed.



STEP 6 (OF 10)

But tax credits are just a promise that you won't have to pay as much at tax time and are not very useful for buying concrete or labor.



STEP 7 (OF 10)

To solve that problem, you can sell your credits for cash to an **investor** — often, a big bank. Many developers use **syndicators** (who are like brokers) to help connect with investors.



STEP 8 (OF 10)

Everybody in this process earns a fee for their work.



STEP 9 (OF 10)

Investing in LIHTC buildings helps banks meet their obligations under the Community Reinvestment Act, which requires banks to invest in the poorer communities where they do business.



STEP 10 (OF 10)

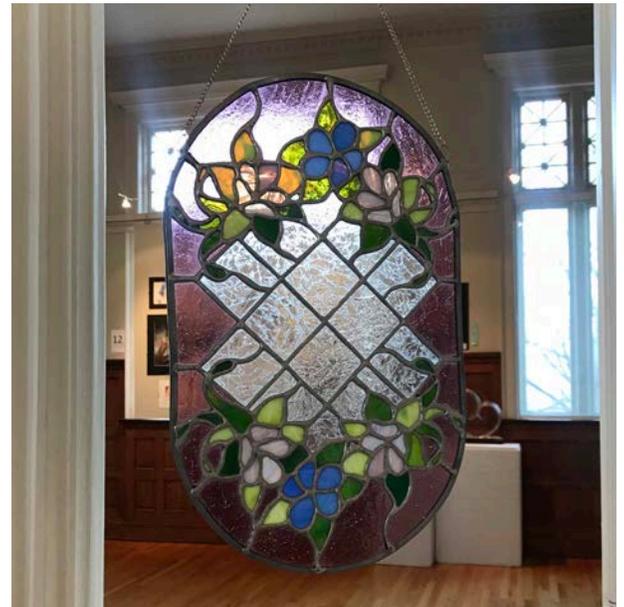
**When the project is complete**, the investor owns the majority of the building and gets 10 years of tax benefits. Because taxpayers subsidized the building, the rents on the low-income units are cheaper than market rate.



Source: NPR, Illustrations by Chelsea Beck/NPR. Explainer by Meg Anderson, Alicia Cypress, Alyson Hurt, Laura Sullivan and Ariel Zambelich/NPR and Emma Schwartz/Frontline

## PHILANTHROPY

In addition to public funding sources, philanthropy is an important tool for funding Artspace developments. This comes in the form of gifts from foundations, corporations, and in some cases, individuals. For example, this study's funding was secured partially through DTE Energy and the Mount Clemens Foundation. As a grant writer, Steering Committee member Linda Davis-Kirksey is an important connector with the regional funding community. Major funders and individual donors to the Anton Art Center, including Gabe Anton who attended the Civic Leaders Focus Group, are all potential sources for predevelopment in Mount Clemens. Other sources that were mentioned include: Kresge Foundation, Wilson Foundation, DTE Energy, Consumers Energy Foundation, Community Foundation of SE Michigan, Richard and Jane Manoogan Foundation, Ford Foundation, Ford Auto Company, GM Foundation, Mercedes Benz Financial Services, PNC Banking, First State Bank, and Community Development Block Grant funds. Artspace is also familiar with sources from our work in Dearborn which was supported by the following philanthropic sources: Ford Motor Company, Ford Foundation, Southeast Michigan Community Foundation, Illinois Facilities Fund, Michigan Council on Arts and Cultural Affairs and AK Steel. It is not known at this time how many of the Detroit-based foundations might provide support for the right opportunity in Mount Clemens, but this should be explored upon completion of the Arts Market Study.



Art at the Anton Art Center Student Showcase

## ARTSPACE FUNDING EXAMPLES

Two funding and financing examples from Artspace's portfolio in comparable settings are City Hall Artspace Lofts in Dearborn, Michigan and Artspace Elgin Lofts in Elgin, Illinois, a northwest suburb of Chicago. The charts below show in simplified form the financial sources for each of these developments.

### CITY HALL ARTSPACE LOFTS // DEARBORN, MI

Source	Amount	Percent
<b>PUBLIC SOURCES</b>		
Low-Income Housing Tax Credits (9%)	\$7,999,420	48%
State Historic Tax Credits	\$2,383,307	14%
City of Dearborn HOME Loan	\$500,000	3%
City of Dearborn / EDDDA Brownfield Loan	\$400,000	2%
Michigan Economic Development Corporation (MEDC) - Commercial	\$1,000,000	6%
<b>PRIVATE SOURCES</b>		
Illinois Facilities Fund (IFF) Bridge (AK STEEL GRANT)	\$1,450,000	9%
GP Equity / Predevelopment Contract	\$485,000	3%
Private Sector (Sponsor Loan)	\$861,692	5%
Commercial Acquisition Bridge Loan	\$550,000	3%
Deferred Developer Fee	\$809,435	5%
<b>TOTAL</b>	<b>\$16,513,854</b>	<b>100%</b>

#### Building statistics:

- Opened 2015
- Total area: 105,500 square feet
- Live/work units: 53
- Commercial/ Community space: 25,000 square feet
- Located in the former City Hall and Annex buildings, with a commercial connector building that includes the Arts and Technology Learning lab and 7 business spaces



City Hall Artspace Lofts // Dearborn, MI

#### Community partners:

- City of Dearborn
- East Dearborn Downtown Development Authority (EDDDA)
- Arab-American National Museum

#### Waitlist:

- There is currently a wait for the studio – two-bedroom units, that can be up to 2-3 years.
- The highest demand in Dearborn is for the 50% of AMI units (\$19,200 minimum income, with a rent of \$624 in 2019)
- 2-bedroom units have a waitlist of at least two years, this is compounded by the fact that residential transfers take precedent over an outside applicant.
- There is strong interest from the community in the Dearborn project.

## ARTSPACE ELGIN LOFTS // ELGIN, IL

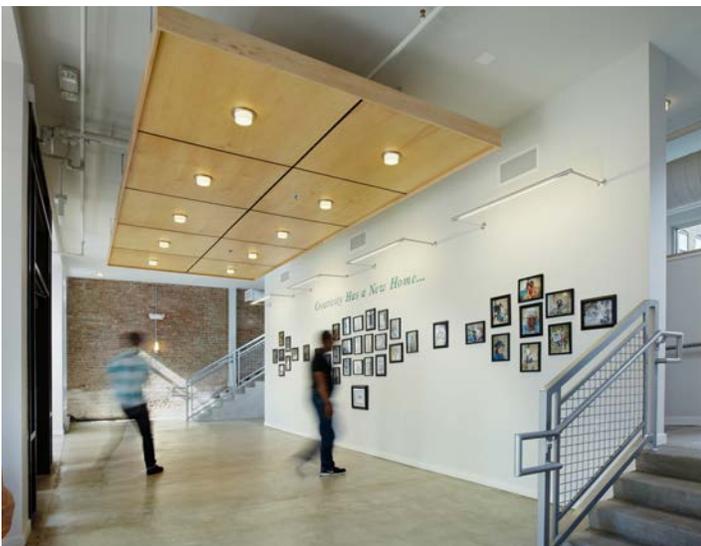
Source	Amount	Percent
<b>PUBLIC SOURCES</b>		
Federal Low-Income Housing Tax Credits (9%)	\$8,346,218	57%
Federal Historic Tax Credits	\$417,650	3%
State HOME Funds	\$1,500,000	10%
State Tax Credits	\$1,097,891	8%
<b>PRIVATE SOURCES</b>		
First Mortgage	\$1,365,000	9%
Philanthropic Gifts	\$1,200,000	8%
Artspace (predevelopment grant applied to capital)	\$350,000	2%
Deferred Developer Fee	\$261,561	2%
<b>TOTAL</b>	<b>\$15,200,000</b>	<b>100%</b>

**Building statistics:**

- Opened 2012
- Total area: 80,900 square feet
- Live/work units: 55
- Commercial/ Community space: 6,900 square feet
- Historic Sears structure and formerly the Elgin Community College with a new construction addition
- Transit Oriented Development in downtown Elgin walking distance to Metra Station

**Community partners:**

- City of Elgin
- Elgin Community College
- Elgin Cultural Arts Commission



Artspace Elgin Lofts // Elgin, IL

The information gathered during the Preliminary Feasibility Visit and subsequent research and meetings reveal several good opportunities for predevelopment and capital funding of an affordable mixed-use, artist live/work project in the City of Mount Clemens. While no funding process is ever easy, the resources and tools exist that support affordable housing for a priority project that is aligned with local goals. Additionally, Artspace's recent development experience in Dearborn, Michigan provides a head start in identifying and navigating state, regional, and local funding sources.

## POTENTIAL SITES

During a Preliminary Feasibility Visit, Artspace's primary goal is not to select a site, but to identify candidates for further study should the project move forward. Several factors that contribute to eventual site selection include: location, size, conditions, adaptability to project concept(s), construction type, zoning/land use, ease of/opportunity for acquisition, and potential for sustained impact on the broader community. While site selection is a critical component of a future project, it should not drive the project. The key is to gain a deeper understanding of the elements that make a site feasible and assess the sites for adaptability to a given project concept, alignment with broader community goals, and financial wherewithal.

Artspace toured six potential sites in or near downtown Mount Clemens to evaluate their potential for a mixed-use residential project for artists and their families as well as creative businesses and other complementary organizations (see map). Artspace hopes to find catalytic sites that can help transform communities through the arts and create a space where the creative community wants to be located. Given the financing that Artspace developments use and the mission to keep them affordable, Artspace looks for properties or available land that can be conveyed below market rate. The following pages include a basic review of each site as well as a summary review.

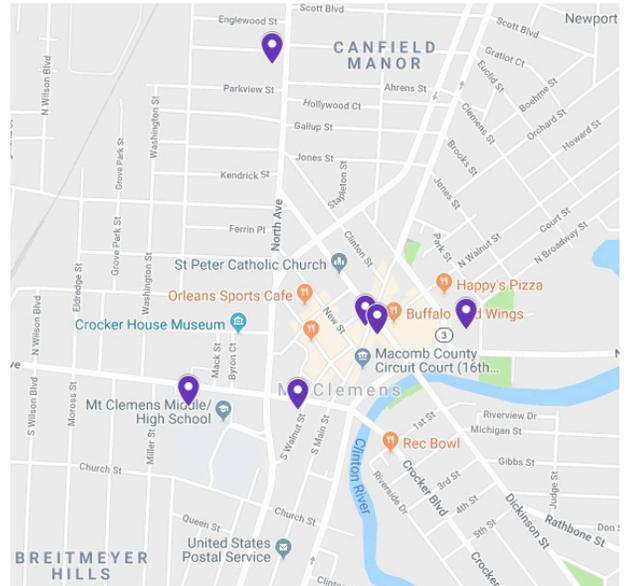
In Mount Clemens, land values are slowly increasing after the recession. However, several private owners are holding onto properties for tax reasons while others are listing their properties for prices typically seen in much larger municipalities. These properties have been vacant for so long, they contribute to the unwelcoming and unsafe feeling downtown, yet the owners do not seem to have incentive to sell or reuse them in timely manner. While there are several interesting historic properties in or near downtown that could be easily converted to mixed-use artist housing, only one of those properties, Saint Joseph Sanitarium and Bath House, could be acquired for a reasonable cost.

## SITE TOUR OBSERVATIONS

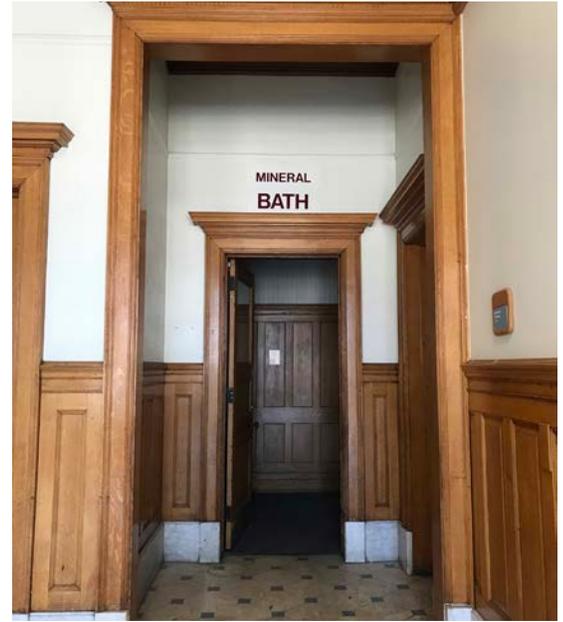
### 1. Saint Joseph Sanitarium and Bath House, Grotto and Chapel

215 North Avenue (Built 1899 with additions up to 1960)

The entire site is approximately 2.5 acres, situated 8 blocks from the downtown core. This site includes multiple structures, the newer of which is still in use by Select Specialty Hospital (SSH). The remaining 92,200 square foot 3-story 1899 constructed historic building is in immaculate condition as well as its adjacent 1960 era Chapel and protected outdoor space (the Grotto). The baths have not been in operation since 1952, and there are no plans afoot for redevelopment at the Sanitarium, making it a liability for Select Specialty Hospital. The family who runs SSH has mentioned they are interested in seeing the space used for a public purpose, and the DDA believes a space for artists and their families and community space around the arts would fit the bill.



Map of Sites Toured in Mount Clemens



Saint Joseph Sanitarium and Bath House

The Sanitarium is a remarkable structure. It is listed on the local historic register, but also has potential of national significance, particularly because it is the last standing Bath House in Mount Clemens. While Artspace was in awe of the building's history, majesty, and character, the size of the building is too large for what is likely to be artist market demand for 30-40 units with complementary working studios and nonprofit arts organization and creative business space. Our second concern is its proximity to downtown Mount Clemens. While only five blocks from the edge of downtown, there is nothing that draws pedestrians from downtown to this site. Single family homes line North Street from downtown to the Sanitarium. It is psychologically further away than it is. For this reason, Artspace does not believe it would have a catalytic effect on downtown development that was mentioned multiple times during the focus groups, nor would the site be synergistic to the Anton Art Center or the Emerald Theatre.

## 2. Office Building

*85 North Main Street*

At 37,000 square feet, this office building has been vacant since 2010 in the core of downtown. Built in 1990, it is a rabbit warren of office spaces on 3 levels with underground parking. While the location and the parking are very attractive, it is rare for an office building to convert well to artist housing and other kinds of space for the creative sector. The property is privately owned and listed at \$2.7 million, a prohibitive cost for a future potential Artspace project.



Office Building at 85 North Main Street

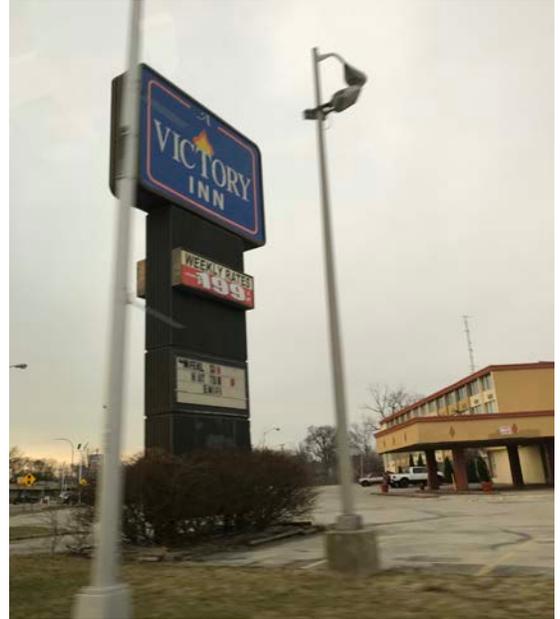
### 3. Victory Inn

1 North River Road

This 3-story hotel has been a challenging development for the City. The hotel has never performed as hoped. It continues to attract folks needing temporary housing rather than tourists and visitors, which speaks to the need for more quality affordable housing. The City would love for the site to be redeveloped. It sits on a 3-acre site and is a prime gateway location, on North River Road and Gratiot Avenue (Highway 3). However, the owner of the hotel, a Comfort Inn franchise, has no serious plans to sell at this time and has listed the property at \$1 million. The building would likely need to be razed, and the site could be redeveloped into several things but the selling price and the proximity to a used car lot, make it more challenging for redevelopment at this time.



Victory Inn



### 4. Macomb Daily Press Building

67 Cass Avenue

At 67,000 square feet and in the heart of downtown, this 7-story building was a favorite for its location and historic character, and adjacent available land for parking. This building has been vacant since the mid-1990s. At one time this building was a theater, a printing press, and the lower floors of the building housed creative businesses, including a gallery and other dynamic retail stores. Its vacancy leaves a gaping hole on a very visible, one-acre site downtown. Bringing this building back to life will be critical to downtown redevelopment.

This site was very well-liked by Artspace, but the tiered layout makes it a challenge to fit more than 2-3 live/work units per floor, making development costs a little inefficient. While not officially listed on the open market, the Steering Committee felt the owner of this building and site would ultimately list it for top dollar, which is unfortunately a non-starter. If the owner was interested in conveying this for much below market rate, it could be a great possibility. It should be noted that this building was listed as having the perception of the downtown landmark, during the Downtown District Plan assessment in 2011, restating its importance to the community.<sup>7</sup>



Macomb Daily Press Building

7 Downtown District Plan, Spring 2011, MSU <http://ced.msu.edu/upload/reports/MountClemensDowntownDistrictPlan%20Spring%202011.pdf>

## 5. Mount Clemens High School

155 Cass Avenue

While we did not enter the building, we understand the high school buildings are not fully utilized because of shrinking enrollment and “schools of choice.” It, too, is slightly outside the beaten path of downtown and is still in use in part, by the school district. At this time, we do not see this as a viable site to consider.

## 6. Macomb County Site: Vacant Parcel

On Main Between Gratiot Avenue and Market Street by the County Courthouse

Our top site for consideration, this vacant parcel or “grassy knoll,” as some called it, is also a gateway location for the community. At 2.4 acres and owned by the County, there is physical space to do a larger project with outdoor space and parking. Or, it could be divided into multiple parcels for several uses, including a potential future mixed-use artist housing development. Its proximity to the central business district is very appealing to Artspace and would create significant foot-traffic on a block that is currently not used and fenced in. At the wrap-up luncheon with the Steering Committee, there was definite interest in exploring this site and possibility further.



Vacant Parcel

## TAKING A MEASURE OF CREATIVE PLACEMAKING

artspace

Taking a measure of Creative Placemaking



Temporary Artist Center, an Artspace project in Santa Cruz, California

How art spaces benefit artists and communities

This report summarizes the findings from two studies, “How Artist Space Matters” and “How Art Spaces Matter II,” which examine the long-term impact and sustainability of five Artspace projects: the Northern Warehouse Artists’ Cooperative, the Tilsner Artists’ Cooperative, the Traffic Zone Center for Visual Art (all in MN), the Tashiro Kaplan Artist Lofts (Seattle, WA), and the Riverside Artist Lofts (Reno, NV). These studies found that creative spaces benefit communities by:

- Animating deteriorated historic structures and/or underutilized spaces.
- Bringing vacant and/or underutilized spaces back on the tax rolls and boosting area property values.
- Fostering the safety and livability of neighborhoods without evidence of gentrification-led displacement.
- Anchoring arts districts and expanding public access to the art.
- Attracting additional artists, arts businesses, organizations, and supporting non-arts businesses to the area.

Read the full report at:  
<https://www.artspace.org/taking-measure-creative-placemaking>

## COMPARING THE TOP SITES

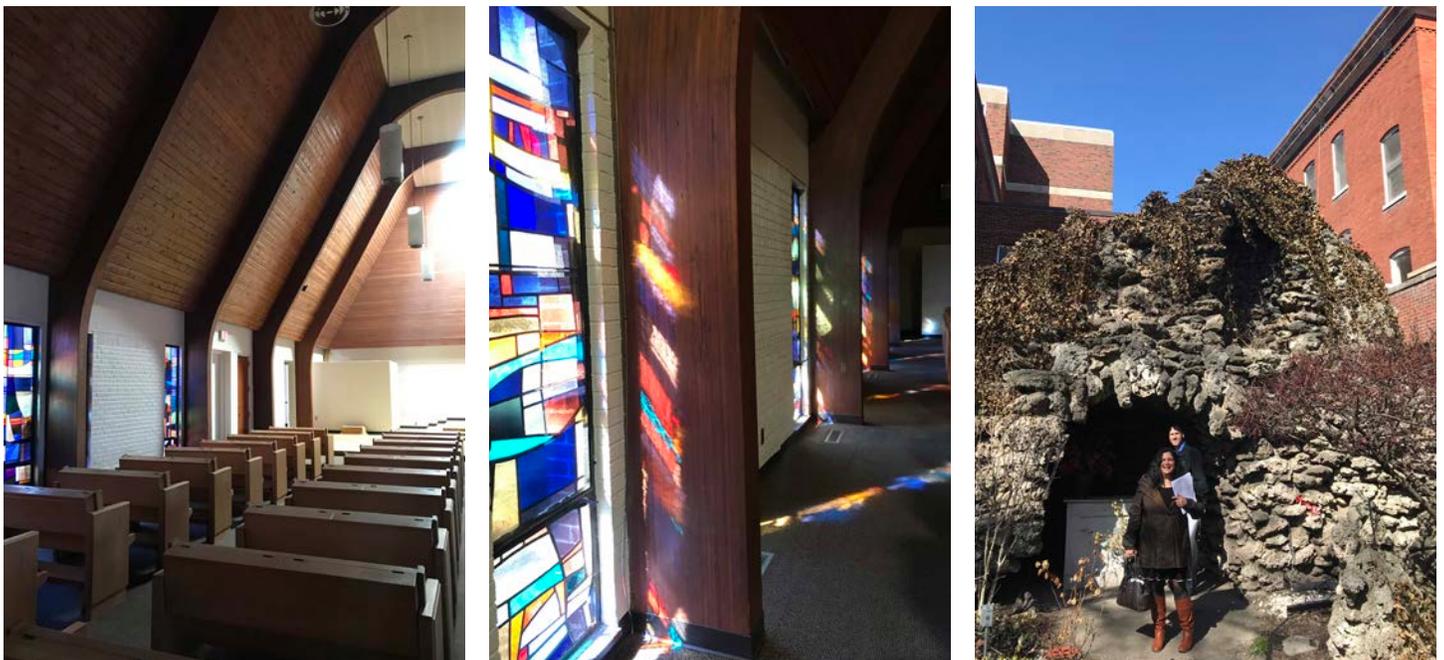
Artspace's top three sites for a potential project are 1. Macomb County Site, 2. Saint Joseph's Sanitarium and Bath House, and 3. the Victory Inn site.

NAME/RANK	1. MACOMB COUNTY SITE	2. ST. JOSEPH SANITARIUM AND BATH HOUSE	3. VICTORY INN SITE
<b>LOCATION (ADDRESS):</b>	Main Street between Gratiot Ave and Market Street adjacent to the County Courthouse. Heart of downtown	215 North Avenue. 5 blocks north of Anton Art Center and downtown core.	1 N. River Road. 3 blocks southeast of the Anton Art Center. Gateway site to downtown and Clinton River
<b>SIZE: (1/2 ACRE - 1.5 ACRE IDEAL)- WHAT IS ITS DEVELOPMENT CAPACITY?</b>	2.4-acre mega block, former parking garage. A portion of this site can be Artspace, right in the core of downtown.	92,200 square feet including the historic 1899 structure and 1960s era chapel. Building itself is very large for an Artspace project	3 acres including the existing building that would need to be razed. A portion of this site could be good for an Artspace building
<b>ACQUISITION: (LOCAL GOVERNMENT-OWNED, VERY LOW ACQUISITION COST WITH A PATIENT SELLER)</b>	County-owned which bodes well for acquisition	Select Specialty Hospital owns and maintains the building, would only need to pay to separate utilities. Another nonprofit/ willing seller bodes well for ease of acquisition	Comfort Inn ownership wants \$1 million for the site, making it difficult to acquire in the context of creating affordable space for artists
<b>ACCESSIBILITY: WALKABILITY SCORE (75 OR HIGHER). CLOSE TO TRANSIT, SCHOOLS, GROCERY, CULTURAL ASSETS</b>	Very walkable, central location in downtown	Walkable, but further from down-town assets	Gateway site, near river, would have to add street improvements for pedestrian safety
<b>PARKING CAPABILITY:</b>	Enough space for adequate parking	Parking lot adjacent to site, would need to share or make agreement with SSH	Enough space for adequate parking
<b>ARCHITECTURAL SUITABILITY: HISTORIC, NEW CONSTRUCTION, OR COMBINATION</b>	New construction	Historic rehab	New construction
<b>KNOWN ENVIRONMENTAL CONDITIONS OR CLEAN-UP ALREADY DONE?</b>	Clean-up appears to be done already from the former parking structure	Not known, but building has been well maintained in its vacancy	Not known, building would need to be cleared and site tested

NAME/RANK	1. MACOMB COUNTY SITE	2. ST. JOSEPH SANITARIUM AND BATH HOUSE	3. VICTORY INN SITE
<b>ZONING (PARKING REQUIREMENTS):</b>	Central Business Zoning. Currently, 1.5 parking spaces per unit. However, the City is currently in the process of preparing amendments to its zoning ordinance that would reduce that requirement to 0.75 spaces per unit. Whether or not this is ultimately approved is not a given, but there is a push to reduce parking requirements.	Multi-Use Zoning. Currently, 2 units per each 1 bedroom unit, plus 0.5 spaces for each additional bedroom are required. Looking at removing the additional 0.5 spaces requirement.	Central Business Zoning. Currently, 1.5 parking spaces per unit. However, the City is currently in the process of preparing amendments to its zoning ordinance that would reduce that requirement to 0.75 spaces per unit. Whether or not this is ultimately approved is not a given, but there is a push to reduce parking requirements.
<b>TOPOGRAPHY (IS IT RELATIVELY FLAT? UNENCUMBERED BY DIFFICULT EASEMENT, ROW ISSUES, OR INFRASTRUCTURE?):</b>	Relatively flat, small incline	N/A	Very flat site. Potential ROW issue with Gratiot M-3 being state-owned
<b>POTENTIAL FOR SUSTAINED COMMUNITY IMPACT:</b>	Very desirable location, aligns with what Artspace heard from the community	Beautiful historic connection to the community, further from downtown for economic spillover effect	Good entry site to downtown, and clear nuisance use for downtown
<b>POTENTIAL FOR SUPPORT (PUBLIC AND PRIVATE):</b>	County and City would need to work together. Seems likely there would be support	Definitely	Yes, seems like there would be support. Asking price still very high, which would need to be negotiated
<b>OPPORTUNITY ZONE, QCT, OR OTHER AREA WITH ADDITIONAL INVESTMENTS:</b>	Yes, east of Main Street is in an OZ and QCT	No, just outside	Yes, east of Main Street is in an OZ and QCT
<b>INTANGIBLES:</b>	Central location, publicly owned, already cleared, great site for residential housing and density	Beloved historic building by the community	Gateway location to downtown, currently an eyesore

NAME/RANK	1. MACOMB COUNTY SITE	2. ST. JOSEPH SANITARIUM AND BATH HOUSE	3. VICTORY INN SITE
<b>SUMMARY:</b>	Downtown with great potential to be a complementary hub for the arts to the Anton Art Center, 2 blocks away.	Historic building would convert well to live/work housing with large interior hallways, potential for artist studios on the ground floor and exhibition space at the entrance and lower levels of the building. Utility costs could be a challenge.	Gateway location at entrance to downtown on North River Road but difficult to acquire and used car lot adjacency problematic.

These findings are preliminary and based on currently available information, much can and will likely change between the writing of this report and site selection. Final site selection would take place in a predevelopment stage of work (see Appendix II, "Path of an Artspace Project"). These sites mentioned should be prioritized as conversations progress and the type of project is narrowed down.



Saint Joseph Sanitarium and Bath House

# ALIGNMENT WITH BROADER COMMUNITY GOALS

In Artspace’s perspective, successful arts buildings serve not only their residents and tenants, but also the surrounding community. Development projects can accomplish this by aligning with as many complementary goals as possible. When multiple goals, such as walkability, education, or historic preservation can be addressed with the Artspace initiative, it has the potential to foster long-term, sustainable impact. It also helps to bring more stakeholders to the table who are eager to see the project succeed.

To set the stage for success, the Preliminary Feasibility Study engages local artists, neighbors, and community members from the very beginning. During focus groups, Artspace outlines the mission-driven goals that are central to every Artspace development and consulting project. Then, participants are asked to circle three goals from the list below and share how a future project would align with their goals and how a new arts facility can help accomplish them.

**What 3 complementary goals are a top priority for you?**

- Residential Density
- Preserving Affordability
- Historic Preservation
- Urban Infill
- Downtown Revitalization
- Preserving Cultural Community
- Supporting Rural Artists
- Transit Oriented Development
- Supporting Creative Businesses and Nonprofits
- Anchoring an Arts District
- Enhancing Healthy Lifestyles
- Promoting Tourism

**CORE GOALS**

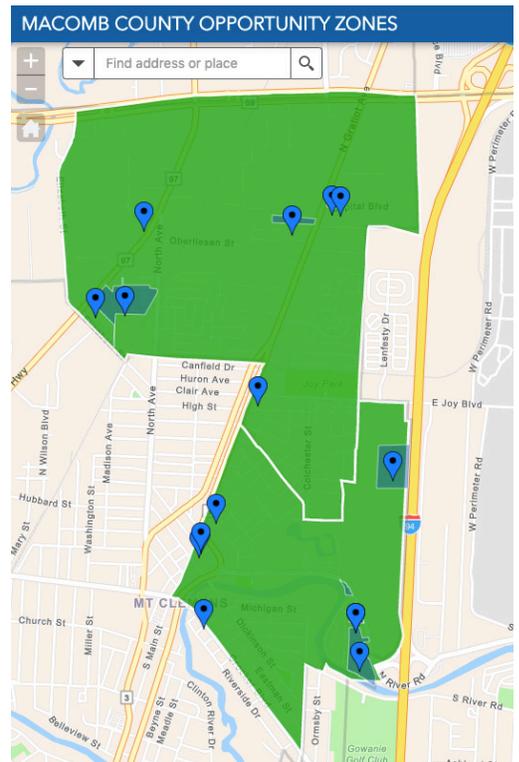
At the heart of every Artspace development and consulting project, are these goals:

- Meet the creative sector’s space needs
- Ensure long-term affordability
- Reflect the unique culture and character of the community
- Exemplify sustainable and efficient design

In Mount Clemens, focus group participants identified their priority community goals from a list of twelve that could be addressed by a mixed-use arts facility. Overwhelmingly the top four were:

**1. Downtown Revitalization.** Participants agreed that enhancing downtown vibrancy and supporting economic development is a primary community goal. We heard this from the Mayor, the DDA, Anton Art Center, community members from near and far. Mount Clemens has great historic downtown fabric, good grid system for walkability, a beautiful natural resource in the Clinton River, and the Anton Art Center and other arts businesses downtown. Mount Clemens was described as a “diamond in the rough,” that just needs something to make it more of the happening place. The new Farmers Market that is moving downtown is expected to bring 3,200 people downtown. Synergy with those visitors will be key for future downtown revitalization. Artspace believes a project in the core of downtown will have the most catalytic spillover effect for future economic development. A development downtown also aligns with what was discussed as the main priority for all stakeholders involved. New affordable workforce housing will bring more residents to the immediate area and help better create a 24/7 environment.

**2. Anchoring an Arts District.** Mount Clemens is uniquely situated as the home to the Anton Art Center and Emerald Theatre, with a historic downtown, to become a unique arts district in Michigan and Macomb County. It was mentioned many times that other cities and towns in Macomb County are not situated to develop an arts district nor have the infrastructure in place to be one. The idea to have central places for artists to coalesce and gather from coffee shops, to work space, would all



Macomb County Opportunity Zones  
Source: Macomb County

promote the area as an arts destination. The public art program is a great step in the way of branding for an arts district. Further investigating historic main street programs, and signage programs, can help brand the downtown more of an arts area.

**3. Supporting Creative Businesses and Non-profits.** Mount Clemens is a city supportive of its arts and creative sector. This came through in earnest as ideas for how the City could help not only with advancing the development of a mixed-use arts facility, but through promotion of activities including makerspace or shared space programs in the new Public Library makerspace. The DDA recently opened The Nest, a business incubator space for women, to promote creative business and activate a downtown storefront. Participants embraced the idea of supporting the arts for the social and economic benefit of local resident artists, families, and visitors. An affordable and long-term self-sustaining mixed-use art facility at its core helps to ensure a long-term home for creative businesses and non-profits and individual artists. A critical mass of creatives also offers increased visibility to the buying public and an opportunity for artists to share networks, materials, and ideas. For all of these reasons, professional growth is often experienced by artists and creatives in an Artspace project.

Residential artist tenants are also their own cottage industries. Artists support creative businesses through the purchase of materials and services and by offering classes, workshops, arts retail, and coordinating art crawls and exhibitions/performances.

**4. Historic Preservation.** Mount Clemens boasts a unique 200-year history and plenty of well-preserved historic homes dating back to the bath and rose industry eras. The Macomb Daily building's beautiful art deco exterior and the former Carnegie Library that is now the Anton Art Center exemplify this connection to the past. But most striking is the beautiful asset the St. Joseph Sanitarium and Bath House. The upkeep and preservation of such a historic building is commendable. Being able to tell the story of the baths for the public to enjoy and see those spaces come back to life was reiterated as a community goal. The future use of the building should take into consideration its importance to the community and its history.

Articulating project goals and how they may align with other community goals helps establish the vision for the initiative and a roadmap for future decisions, partnerships, and outreach. Other community goals that came up in conversation and scored in the mid-range were focused on **Preserving Affordability and Preserving Cultural Community.**

Ensuring that a future project aligns with community goals is not limited to this study and report. It can evolve by continuing to listen to community members and leaders as a project progresses and by inviting new and diverse voices to the table. New opportunities for partnerships, funding, and programs to support these community goals and perhaps new ones, will likely arise through the process.

## HISTORIC PRESERVATION IN PULLMAN



Pullman Artspace Lofts, a mixed-use affordable live/work space for artists and their families, is being developed in partnership with Artspace, Chicago Neighborhood Initiatives, and PullmanArts. In 2015, President Obama designated the Pullman Historic District a National Monument. The goal of the Pullman Historic District is to preserve and interpret the significant labor, industrial, social, civil rights, and architectural history associated with the Pullman legacy.

The Artspace site consists of approximately 18,500 square feet of vacant land book-ended by two historic apartment buildings. It provides the opportunity to integrate historic preservation with cutting edge new construction and create an iconic group of buildings that anchor Pullman's eastern boundary. The development will include 38 affordable live/work units, exhibition space, and ample community space and is estimated to cost \$18 million.

# RECOMMENDATIONS AND NEXT STEPS

Mount Clemens is well-positioned to pursue an affordable live/work mixed-use facility for artists and creatives. With an underserved creative sector, strong City leadership, alignment with broader community goals, experience working with nonprofit affordable housing developers, and the will to tackle large projects, the feasibility of moving a project forward is very positive.

Artspace strongly recommends proceeding to an Arts Market Study, to help understand the depth and breadth of its creative sector's needs. The Study involves surveying area residents, analysis and recommendations based on responses, and building community interest in a future project. The survey will quantify the interest and need for affordable live/work housing, private studios, and other types of spaces. This data informs site selection, number of units, amenities, and design. It also provides reliable information on the needs of the arts sector to bankers, funders, and prospective LIHTC investors. Resulting data may also be shared with private developers and policymakers to help encourage further infrastructure investment in the creative economy.

Based on the preliminary findings from this study, we believe Mount Clemens has the ability to support a 30-40 unit mixed-use Artspace project, but this qualitative hunch alone is not sufficient to obtain financing from bankers, funders, and mortgage lenders. The statistical evidence of market demand can only be provided through an Arts Market Study.

## NEXT STEPS

- **Begin preparing for the Arts Market Study**
  - a. Pursue funding for the study.
  - b. Gather a diverse group of leaders to serve as an advisory committee to the survey process. This group is critical to the Arts Market Study and also can be reengaged for future activities related to the project such as advocacy and marketing. Special attention should be made to engaging diverse racial and ethnic leaders into the Steering Committee as well.
  - c. Brainstorm ideas for outreach and engagement.
- **Connect with potential private sector funders.** The cultivation process can be a lengthy one, and it is never too early to start.
- **Begin conversations with potential commercial tenant partners** in any future mixed-use facility. This should include suggestions from the Anton Art Center or satellite programming for them.

After completing the Arts Market Study, the next step toward an Artspace project would involve entering into a predevelopment agreement. See “The Path of an Artspace Project” (Appendix II), which provides an overview of the steps involved in advancing a successful Artspace project.

In summary, Artspace believes a project concept that includes both affordable live/work housing and space for arts organizations would provide a tremendous boost to the reputation and visibility of Mount Clemens and Macomb County. It would also provide a stable, permanently affordable space for the creative sector. The additional presence of creative people would help create a critical mass to ensure permanent affordability for artists, and an exciting destination and more 24/7 foot traffic and commerce in downtown.

Artspace greatly appreciates the opportunity to work with the City of Mount Clemens and learn from its residents and leaders. Artspace came away with a strong sense of the potential for an artist live/work mixed-use facility to be a successful venture and an asset to the community. Insights and recommendations in this report are solely intended to guide a project to the next phase of development and set Mount Clemens on the path to becoming home to a new arts facility. One that complements the Anton Art Center and provides both working and living space for Detroit-area and Mount Clemens-specific artists and creatives.

# APPENDIX I

## ABOUT ARTSPACE



### ARTISTS AT WORK

With affordable space to live and work, our resident artists can unleash their creativity



### LIVELY NEIGHBORHOODS

Our projects spur economic activity and dynamic street life in the area.



### SUSTAINABLE SOLUTIONS

Our projects provide long-term affordable space without ongoing fundraising.

Established in 1979 to serve as an advocate for artists' space needs, Artspace effectively fulfilled that mission for nearly a decade. By the late 1980s, however, it was clear that the problem required a more proactive approach, and Artspace made the leap from advocate to developer. Since then, the scope of Artspace's activities has grown dramatically. Artspace is now a national leader in the field of developing affordable space that meets the needs of artists through the adaptive reuse of historic buildings and new construction.

Artspace's first three live/work projects were in Saint Paul: the Northern Warehouse Artists' Cooperative (1990), 653 Artist Lofts (formerly Frogtown Family Lofts) (1992), and Tilsner Artists' Cooperative (1993). In the mid-1990s, Artspace broadened its mission to include non-residential projects. The first of these, The Traffic Zone Center for Visual Art (1995), transformed an historic bakery in the Minneapolis Warehouse district into 24 studios for mid-career artists.

Since then, Artspace has expanded its range of activities to include projects in operation or development in more than 20 states across the nation. In all, these projects represent nearly 2,000 live/work units and millions of square feet of non-residential community and commercial space. Artspace has evolved from a Minnesota organization with a few national projects into a truly national organization based in the Twin Cities, with offices in Denver, New York, Seattle, and Washington D.C.

Artspace programs fall in three broad categories: Property Development, Asset Management, and Consulting Services.



## PROPERTY DEVELOPMENT

Development projects, which typically involve the adaptive reuse of older buildings, but can also involve new construction, are the most visible of Artspace's activities. To date, we have completed more than 50 major projects. A dozen more are under construction or in the development pipeline. Artspace live/work projects are operating from coast to coast.

## ASSET MANAGEMENT

Artspace owns or co-owns all of the buildings it develops; our portfolio now comprises more than \$600 million worth of property. We strive to manage our properties so that they will be well-maintained, yet remain affordable to the low-and moderate-income artists for whom they were developed in the first place. Revenues in excess of expenses are set aside for preventive maintenance, commons area improvements and building upgrades.



## CONSULTING SERVICES

In addition to its roles as developer, owner, and manager, Artspace acts as a consultant to communities, organizations, and individuals seeking information and advice about developing affordable housing and work space for artists, performing arts centers, and cultural districts, often within the context of historic preservation.

# APPENDIX II

## PATH OF AN ARTSPACE PROJECT



Rome wasn't built in a day, and neither is an Artspace project. In fact, a typical Artspace live/work project takes from four to seven years to complete. Although no two projects are precisely alike, they all travel a similar path through the development process.

Here is a brief look at a typical Artspace live/work project as it proceeds from first inquiries through preliminary feasibility studies, an arts market survey, predevelopment, and development to completion and occupancy. Please note that this is not an exhaustive list of every activity that goes into an Artspace project, and that some actions may occur in a different order.

STEP 1: PRELIMINARY FEASIBILITY VISIT	
<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>Information Gathering and Outreach</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>Meet with artists, local funders, businesses, civic leaders, and other stakeholders</li> <li>Conduct a public meeting to introduce Artspace and solicit community feedback</li> <li>Tour candidate buildings and/or sites</li> <li>Extend outreach as needed to ensure that people from underrepresented communities are included in the process</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>Written report with recommendations for next steps</li> </ul>
<b>PREREQUISITES FOR MOVING FORWARD</b>	<ul style="list-style-type: none"> <li>Demonstrated support from local leadership</li> <li>Critical mass of artists and arts organizations with space needs</li> <li>Established base of financial support</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>April 2019</li> </ul>

## STEP 2: ARTS MARKET STUDY

<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>• Assessing the Market</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• Three phases to the study: survey preparation, data collection, and analysis/reporting</li> <li>• Quantify the overall demand for arts and creative spaces</li> <li>• Identify the types of spaces, amenities and features that artists want/need</li> <li>• Inform site selection, design, and programmatic decisions</li> <li>• Maintain community involvement throughout the project</li> <li>• Help build support and secure funding</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>• Written recommendations and technical report of survey findings</li> </ul>
<b>PREREQUISITES FOR MOVING FORWARD</b>	<ul style="list-style-type: none"> <li>• Sufficient number of responses from eligible, interested artists to support an Artspace live/work project</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>• 6 months</li> </ul>
<b>FEE</b>	<ul style="list-style-type: none"> <li>• \$30,000</li> </ul>

## STEP 3: PREDEVELOPMENT I

<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>• Determining Project Location and Size</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• Work with City and other stakeholders to establish (a) preliminary project scope and (b) space development program for evaluating building and site capacity</li> <li>• Analyze candidate buildings/sites with respect to cost, availability, and other factors impacting their ability to address development program goals</li> <li>• Review existing information about potential site(s) to identify key legal, environmental, physical, and financial issues affecting their suitability</li> <li>• Negotiate with property owners with goal of obtaining site control agreement</li> <li>• Continue outreach to artists and arts organizations</li> <li>• Connect with potential creative community partners and commercial tenants</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>• Confirmation of development space program and goals</li> <li>• Assessment of site suitability and identification of any contingent conditions to be resolved through continued due diligence</li> <li>• Site control agreement or update regarding status of site control negotiations</li> <li>• Summary of project status</li> </ul>
<b>PREREQUISITES FOR MOVING FORWARD</b>	<ul style="list-style-type: none"> <li>• Site control agreement with property owner</li> <li>• Growing stakeholder/leadership group</li> <li>• Both parties' agreement on project scope and feasibility</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>• 3-6 months</li> </ul>
	<ul style="list-style-type: none"> <li>• \$150,000</li> </ul>

## STEP 4: PREDEVELOPMENT II

<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>• Project Design and Financial Modeling</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• Establish process for selecting architectural team</li> <li>• Confirm development goals and space program with architectural team</li> <li>• Engage architect to create conceptual plans and schematic designs</li> <li>• Engage contractor or cost consultant to provide pre-construction services</li> <li>• Resolve any contingent conditions relating to site control</li> <li>• Create capital and operating budgets</li> <li>• Obtain proposals and/or letters of interest from lender and equity investor financing partners</li> <li>• Prepare and submit Low Income Housing Tax Credit application</li> <li>• Submit other financing applications as applicable</li> <li>• Maintain excitement for the project within the creative community</li> <li>• Encourage and guide local artists to activate the site with arts activities</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>• Schematic designs</li> <li>• Financial pro-forma detailing capital and operating budgets</li> <li>• Preliminary proposals and letters of interest for project mortgage and equity financing</li> <li>• Summary of project status</li> </ul>
<b>PREREQUISITES FOR MOVING FORWARD</b>	<ul style="list-style-type: none"> <li>• Award of Low Income Housing Tax Credits (first or second application) or commitment of alternative funding</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>• 12 months+</li> </ul>
<b>FEE</b>	<ul style="list-style-type: none"> <li>• \$300,000</li> </ul>

## STEP 5: PREDEVELOPMENT III

<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>• From Tax Credits to Financial Closing</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• Secure final gap funding commitments</li> <li>• Raise funds for equity, including private sector philanthropic dollars</li> <li>• Complete construction documents and submit permit applications</li> <li>• Negotiate construction and permanent loan commitments</li> <li>• Negotiate limited partner equity investment commitments</li> <li>• Advance project to construction closing</li> <li>• Communicate the progress of the project to the creative community to keep up the involvement and excitement</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>• Successful closing and commencement of construction</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>• 4-6 months</li> </ul>
<b>FEE</b>	<ul style="list-style-type: none"> <li>• \$300,000+</li> </ul>

## STEP 6: CONSTRUCTION

<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>• Construction and Lease-up</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• Oversee project construction</li> <li>• Engage property management company</li> <li>• Identify commercial tenants and sign lease agreements</li> <li>• Reach out to potential artist tenants, providing education on the application process</li> <li>• Conduct residential tenant selection process</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>• Completed project ready for occupancy</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>• 6-10 months</li> </ul>
<b>FEE</b>	<ul style="list-style-type: none"> <li>• Depends on project (not part of predevelopment contract)</li> </ul>