



PRELIMINARY  
FEASIBILITY REPORT

LOVELAND, COLORADO

Prepared for



ERION FOUNDATION



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**ARTSPACE PROJECTS, INC.**

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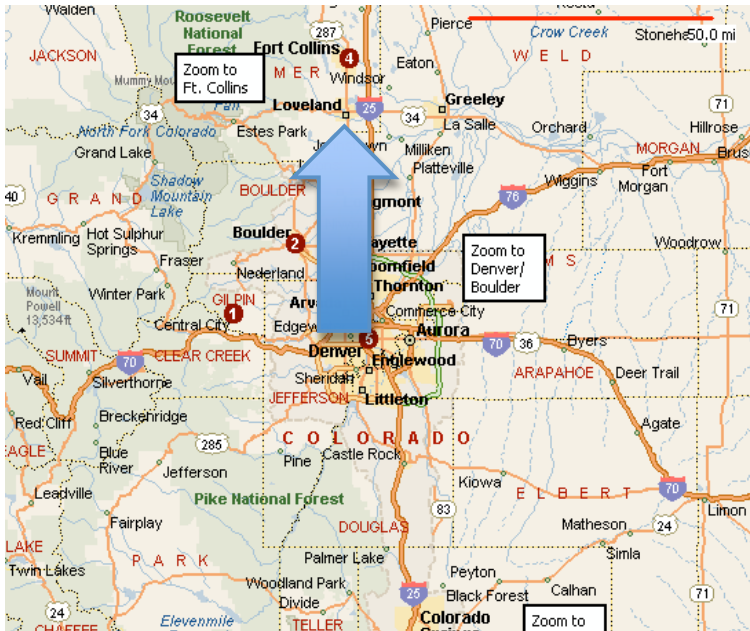
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# INTRODUCTION

Located in the north central, front range region of Colorado and 50 miles north of Denver, Loveland is a community of approximately 60,000 in a county (Larimer County) of 277,000 (2006 information and a 10% increase from the 2000 census). Loveland has



many of the characteristics of a mid-sized western town with its amazing mountain views and emphasis on quality of life and the outdoor experience. But more than that, Loveland has a still privately lauded value of arts and culture. This is evidenced in its downtown cultural assets such as the Loveland Museum/Gallery, the Rialto Theater and quite visibly in its Benson Park Sculpture Garden north of the town center. In 1985, Loveland was the first city in Colorado to enact an Art In Public Places ordinance allocating one percent of all major capital improvement budgets for the

purchase of art. Loveland hosts the largest outdoor sculpture shows in the country each August whose proceeds help fund additional art donated to the city. The City's public art collection now includes 300 pieces and is valued at more than \$7 million; 70% of the value of the collection has been donated.

However, in our opinion, Loveland does not yet tout the arts in a way that lets the world know that living in and visiting Loveland is synonymous with experiencing the arts year-round. With the exception of the annual sculpture shows, the arts are still somewhat underground unlike the Santa Fe's of the world that acknowledge the arts as a huge drawing card.

Loveland has changed dramatically in the past several decades and gone from a sleepy town on the way to Estes Park to a growing urban area with the sophistication and expectations of a larger metropolitan area. The population has grown, the diversity has increased (Latino residents are the largest minority and growing) and artists have begun to flock there. Though we heard about and met artists of many disciplines, it should be noted that Loveland's two foundries have made it a hotbed for sculptors, in particular. Sculptors worldwide are aware of Loveland's large foundries that produce the final pieces for artists far and wide.

The beauty of the natural world surrounds this area and continues to attract visitors who frequent the area as an entry point to Estes Park. But, Loveland is still a "fly over" community and its ability to get passersby to stop and experience its offerings is a challenge and an opportunity. There is definitely a role that arts can play to attract attention and create a draw throughout the

year. The biggest industries in Loveland are healthcare (including veterinary medicine), education, governmental services, retail services, construction and publishing.

Downtown is an area of growing investment and focus though still relatively hidden from the highway. The Rialto Theater and the Loveland Museum/Gallery are two of the largest downtown cultural assets. A dance studio, graphic design firm, fiber arts magazine publisher, several architects' offices and numerous galleries and sculpture studios complete the cultural fabric of the downtown core. Part of what the community wanted us to evaluate is how to create space for this diverse collection of artists and organizations and to attract more artists to live and work in Loveland. Hence, much of our focus was in the downtown area though the nearby Timberlane Farm Museum could also be a potential location for arts activity. The focal point of our conversations about creating artist space downtown was the potential of reusing the Loveland Feed and Grain Building and its surrounding properties.

With financial assistance from Novo Restoration, Inc and the Erion Foundation, the community invited Artspace to conduct a Preliminary Feasibility Visit to begin the process that could lead to a mixed-use live/work project in the city. The visit took place April 28-29, 2009; Artspace was represented by Wendy Holmes, Vice President for Consulting and Resource Development, and Teri Deaver, Director of Consulting and New Projects. The Loveland communities' core group who organized this visit included Erin McLaughlin and Felicia Harmon with Novo Restoration, Marcie Erion and Doug Erion with the Erion Foundation.



Loveland Feed and Grain



Timberlane Farm Museum

## FINDINGS

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**D**uring a Preliminary Feasibility Visit, Artspace gathers information in five main areas: project concept, artist market, site feasibility, financial feasibility, and local leadership. While these are not the only factors we consider in making our recommendations, they help us frame the discussion.

If the community is clear about what it wants – that is, if the project concept has been determined – we evaluate that concept in the context of the other factors. For example, if the concept involves adapting a particular historic building for use as an artist live/work project, we consider whether the building in question is structurally sound, suitable for the intended use, available at a price we can afford, and so on. If the project concept hasn't been determined, we weigh the variables and offer recommendations to help the community decide how to proceed.

### **PROJECT CONCEPT**

Many communities have a clear project concept in mind before they contact Artspace. Buffalo, New York, for example, was interested in a live/work project to catalyze development in an economically challenged neighborhood. Reno, Nevada, wanted to find a use for a long-vacant historic hotel on the city's main street. For Santa Cruz, California, where real estate values are among the highest in the country, the goal was to keep artists from being priced out of the community.

Everyone in Loveland with whom we met was open, if not enthusiastic, about the value of a mixed-use affordable live/work project for artists and open to where and how it might happen. This was evident from our tours of buildings and sites that were regarded as possible candidates for an Artspace project. Over the course of two days, we focused our time on evaluating the Feed and Grain Building, first and foremost, and visited the Timberlane Farm Museum as a secondary option. We also walked or drove by other parts of downtown and visited the Benson Park Sculpture Garden as well as a community of live/work condominiums near one of the foundries.

Because Loveland is growingly associated with the arts, we believe that despite its relatively modest population, the community may be able to attract enough artists in the city, county, and region to support a project of at least 30 units, if not more.

A project may include only affordable live/work units for artists or may also incorporate rental studio space, space for arts/cultural organizations, artist-in-residency space for visiting artists and/or space for small local businesses. Depending on the location, of course, more or less commercial space may be warranted.

### **ARTIST MARKET**

An in-depth Artist Market Survey is a necessary step in the early predevelopment phase of an Artspace live/work project. We use the survey to determine both the size and the nature of the market for the project. It tells us with reasonable accuracy how many live/work units the local arts community can fill, what neighborhoods are of greatest interest to the artists and whether

there are special considerations, such as the need for specific kinds of studio space that might influence the design and scale of the project. If a mixed-use project is under consideration, the survey can also be used to identify the need for space for arts organizations, creative businesses, and arts-friendly commercial ventures such as coffee shops and restaurants. Developing the questionnaire, publicizing it (we typically attempt to reach at least 3,000 artists within a 50-mile radius), gathering the responses, and analyzing the data takes about six months. Our hosts and other meeting attendees suggested reaching into Ft. Collins and Greeley, both of which have arts programs at their universities, as well as the northern part of the Denver metropolitan area.

We recommend proceeding with an Artist Market Survey if, based on our Preliminary Feasibility Visit, we are confident that the survey will indicate the existence of a market sufficient to support a project of at least 30 and preferably 35 to 40 units.

Although most of the artists who attended our artist focus session would not qualify for affordable housing as defined by Section 42 of the IRS code, which regulates the use of Low Income Housing Tax Credits (LIHTC), we believe that a formal Artist Market Survey will reveal a significant number of income-qualified artists for live/work space. Because Loveland has become increasingly unaffordable for persons of medium or lower income, there is little doubt that a market for affordable housing designed for artists exists. The federal Housing and Economic Recovery Act of 2008 fully supports the right of developers like Artspace to use low income housing tax credits to finance affordable housing targeted to certain specified groups – including artists:

“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.”

Though the majority of artists who attended the focus group and the community meeting were older and more established than those who typically need affordable live/work space, there was discussion of the need for affordable studio (i.e., non-residential) space. We have found that many artists, even though they may be able to afford their own studios, like being part of a larger community of artists because it is less isolating than working in a home or office studio. If an Artist Market Survey is undertaken, it will be important to collect information about the interest in studio-only space.

The focus group also relayed interest in community gallery and revolving exhibit space, small performance spaces, i.e. black box theater space, artist-in-residency space for visiting artists as well as live/work housing. A faculty representative from the University of Northern Colorado spoke passionately about the need for live/work space for graduates in the arts fields. A graphic design firm noted interest in being part of a project that included space for the arts. Interest from the for-profit creative sector is typical and highly compatible with the more traditional arts space.

There was an overwhelming interest in an arts-focused project in the downtown area. When asked, the artists practically leapt out of their chairs in response to the question about where a project should be located. Several noted that the Feed and Grain building could be a great

inspiration for the arts. Others noted that a project with live/work space would bring a lot of synergy and energy to the area.

Several artists noted that Loveland is “known” for sculptors but that Loveland is much more diverse in its artistic assets than first meets the eyes. Those who talked about performance space lauded the Rialto Theater but also spoke about its limitations due to its frequency of use and its larger size – 446 seats, and lack of support space. They also indicated that other rentable spaces were out of the price range for small and youth oriented productions.

Based on our visit, we believe that an Artist Market Survey in Loveland could reveal a sizable market for an Artspace live/work project. Artists were well-represented at both our artist focus group session and the evening public meeting, which, in total, attracted an audience of approximately 100 people, including arts leaders, individual artists, and representatives of the University of Colorado. We were impressed with the diversity of artistic pursuits among the artists present. Most of the artists who attended the meetings were mid-career artists of Caucasian heritage. In conducting a survey, the community and Artspace would need to include outreach to the Hispanic and emerging artist populations.

We typically find that 10% of any group of artists earns 100% of their income from their art. This is confirmed in our national survey work. Loveland is a different story. We estimate that a larger percentage of the participants make the majority of their income from their art. Affordability is a growing concern especially among the younger artists participants.

## **SITE ANALYSIS**

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. Accordingly, we toured many sites and conducted “drive-by” inspections of several neighborhoods.

Here is a summary of our thinking about the areas and buildings we toured.

### **Loveland Feed and Grain Building**

A local, if not regional treasure, the Feed



and Grain Building has been the subject of much loving care and controversy in its post-industrial lifetime of nearly a decade. The Feed & Grain was in operation until 2003. Slated for demolition in 2006, together, a local buyer and a newly formed non-profit, Novo Restoration, have put much time and energy into raising funds to successfully preserve the building and stabilize it for future use.

The Feed and Grain Building is on a one-acre site at 3<sup>rd</sup> and Railroad, literally across the tracks from the main commercial downtown district. It is an historic gem, approximately 65,000 square feet with 4 stories at its peak. Interior spaces are voluminous with high ceilings and wood plank floors. Some of the spaces

have adequate light; others do not. Its reuse as a hub for the arts is spot-on. From an Artspace perspective, the Feed and Grain building has much potential to be reused as an arts center with a combination of for-profit and non-profit activity, all within the realm of the creative economy. And it's in a location that is a priority for the city's redevelopment plans.

Several of the spaces would make beautiful galleries; while others could be used as small performance spaces, office, classroom and administrative spaces. The community has discussed all of these ideas. Its history and its "bones" make the Feed and Grain Building an exciting prospect for reuse for the arts. Many asked us about housing and the discussion centered on the development of adjacent housing behind the building or across the street. The block across the street on 4<sup>th</sup> Street and Railroad has potential for reuse as well. The open lot immediately north of the Feed & Grain could be used for a parking and entry corridor from Fourth Street and is under negotiation between the City and the Railroad for acquisition by the City.

One likely challenge to the location for housing is the proximity to a very active rail line. The final site selection and design considerations will need to take into account HUD regulations with regard to allowable distance from the tracks and necessary sound attenuation measures. This may also be a design consideration for performance space that may develop as part of the Feed and Grain project concept.

If housing were to be created on an adjacent site or to the west of the Feed and Grain Building, the arts center could be part of the same project. Another valid concept being discussed is space for visiting artists. Although we did not see the upper floors, we had a sense that some of the upper floors might be able to be used for Artist in Residency space within the context of the Feed and Grain Arts Center.

### **Timberlane Farm Museum**

A working farm museum, the Timberlane Farm Museum is owned and managed by descendants of the same family that homesteaded the property in the late 19<sup>th</sup> century. Located in suburban Loveland, it is an important vestige of Loveland's farming roots. Under discussion is the



possibility (with the family's permission) of creating an arts center and residency space on the farm property. This concept would add another dimension to the "museum" experience and could be focused on craftspeople in areas related to farming, such as woodworking, fire arts, metalsmithing, millinery, etc. Providing working space for artists practicing industrial arts, may also be complimentary

to a residential facility in downtown that may not be able to accommodate the full production of such crafts under its roof. While a beautiful property and adjacent to a charter school, we feel that a downtown location for an arts center with residency and live/work spaces is much more compelling for many reasons, location among them. When asked, the artists in our focus group responded overwhelmingly in favor of a downtown location. This reason, combined with the fact that downtown is a redevelopment priority for the city, make the Feed and Grain Building a more compelling site.

### **Site Analysis Conclusion**

There are ample real estate opportunities for an Artspace development to be created in Loveland. If the concept does not work on either the Feed and Grain Building site or the Timberlane Farm Museum, we believe the community is interested enough to continue to pursue other possible sites. Identification of an artist market and a deeper understanding of the potential financing of an Artspace development in Loveland will help us further evaluate these sites and others.

### **FINANCIAL ANALYSIS**

An Artspace live/work project represents a significant investment of civic resources. A typical project of 30 to 60 units costs \$15 to \$20 million, and predevelopment expenses – the “soft” costs, such as architects’ fees, that must be met before construction can begin – are seldom less than \$700,000. Although a variety of federal programs, such as low-income housing tax credits, can be used to generate revenue for construction, we look to the community for predevelopment revenue and commitments of affordable housing allocations in a combination of Community Development Block Grants (CDBG) and HOME funds, or the equivalent.

Whether the city of Loveland, the philanthropic community, or a combination of the two is prepared to make this kind of commitment remains to be seen, but we were encouraged by the active participation of City, County and State administrators and elected officials, including city council members, staff to state legislators and Mayor Gene Pielin. City staff participants included the Finance Director, a Senior City Planner and the administrator of the Community Partnership Office. Other participants in the Finance focus groups included the Executive Director of the Loveland Housing Authority, as well as representatives from the Community Foundation of Northern Colorado, the City’s Business Development Manager, Director of Public Outreach for the State Historical Fund, JVA Consulting, Loveland Bank of Commerce and a local architect. This coordination gave us an extremely good impression of the cooperation both interdepartmentally at the City level and between organizations in the community. These are all key indicators for us, in that projects seldom become reality without strong civic support.

Philanthropy plays an important role in every Artspace live/work project. In a typical project, between 10% and 15% of the total revenue comes in the form of gifts from foundations, corporations, and, in some cases, individuals. Although the philanthropic community in Northern Colorado may be small, we believe there are private foundations, corporations and individuals who may be willing to provide important support. This area of potential support needs to be more thoroughly understood before taking on a full-scale project. The Community Foundation of Northern Colorado was present at several meetings and expressed a keen interest in the arts and community development. The Community Foundation manages 350 individual trusts, some of which have interests in these areas of funding. Other foundations that were mentioned at our

meetings include the Kroh Trust Foundation, McKee Charitable Trust, Sutherland Family Foundation, the Bohemian Foundation, Boettcher Foundation, Gates Family Foundation, the Adolph Coors Foundation, Colorado Brownfields Foundation<sup>1</sup> and the Orton Foundation, noted for doing planning grants. More research needs to be done to understand the depth of the funding community and which, if any, national funders might be interested in a unique community development/arts center concept in this region of the country. Typically, 10-15% of the total project costs of an Artspace project come from private sector philanthropic sources. That number has ranged from \$1-2 million in recent years, depending on the size of the project and the availability of local, state and federal sources of financing/funding. Coordinated planning will need to be a top priority if both the Feed and Grain Art Center concept and an adjacent mixed-use live/work project were to fundraise under a shared development timeline.

Specific programs that could aid a mixed-use affordable housing development include Tax Increment Financing (TIF<sup>2</sup>), Public Improvement Fees (PIF<sup>3</sup>), Community Development Block Grants (CDBG), state and historic tax credits and low-income housing tax credits, among others. If the development is within a designated redevelopment area or URA (Urban Renewal Area), it could be a catalyst project and therefore be eligible for other funding sources. Other sources mentioned include: Revolving Loan Fund (for the gap), fee waivers, height and density bonuses, Enterprise Zone as well as an energy program through the Governor's office to promote density, green and sustainable architecture and building materials. The State Historical Fund (SHF) of the Colorado Historical Society provides matching funds for historic rehabilitation projects. Colorado was also one of the first states to offer a State income tax credit for historic preservation that could apply to individual, private funders to a future project involving an historic structure. There may be additional opportunities through the Colorado Council on the Arts that has an expressed interest in projects that combine economic development with the arts. The Colorado Department of Local Affairs (DOLA) has housing, energy impact and job training programs that could also apply to such a project.

When discussing an Artspace-style project, community leaders used the following phrases in regard to how a project like this could be beneficial – Economic Engine, Cottage Industries, Downtown Destination. Betsey Hale, Business Development Manager for the City, and her associate, Stacy Johnson, of the Small Business Development Office, were immediately enthusiastic about the entrepreneurial business aspects of a project and suggested that some of the funds for the Artist Market Survey could be paid for through funding from their office or other city funds. The City's Finance Director, Alan Krcmarik, was enthusiastic about the benefits of such a project for the City and optimistic about the support a major arts project could receive from the city. This is a huge testament of support and an enormously positive signal that a mixed-use arts project will provide solutions to many goals expressed by the community.

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1. Colorado Brownfields Foundation is a 501(c)(3) Colorado nonprofit provides services to promote the cleanup and reuse of environmentally impaired sites. Their mission is to remove environmental obstacles to economic and community development. CBF partners with communities, local governments, other nonprofits, and commercial enterprises to help reuse and redevelop brownfields sites. 2. In the case of Loveland, TIF is structured on a deal by deal basis. 3. PIF is used for infrastructure improvements and was a tool used in much of the Centerra development.

## Affordable Housing

Loveland is increasingly expensive for local residents. Many families from California and Texas have moved to Loveland in the past years and with them increased real estate values. Although one can still purchase a home for under \$200,000, the number of homes in this price range is dwindling (current market notwithstanding). This sets the tone for an increasingly expensive market for artists as well. Related to that need, city staff and county officials noted the following:

- Zoning: looking at creating higher density residential; 30 units possible on north or west sides of F&G; height standard being revised; transitional zone - at least 4 stories
- Larimer County housing needs: 30%-60% AMI
- Enterprise tax zone: 25% additional tax credit for those donating in an Enterprise Zone (complements the state income tax credit for preservation)

## LOCAL LEADERSHIP

We were very impressed by the depth and quality of the Loveland leadership in its many forms. Our hosts were supremely organized and adept at assembling the kinds of civic and cultural leaders we need to meet with to assess the potential of creating an artist community. It was not uncommon for key individuals to attend more than one session. We came away with the clear sense that local leaders are not only excited about the possibilities but that they have a better sense of how to move forward and the motivation to do so. It will be important for our hosts to carry through and continue to communicate with interested parties; to connect the arts, civic, and development communities; and to keep the momentum up. We have no doubt they will be successful.

## NEXT STEPS

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Loveland impresses us as a strong candidate for an Artspace live/work project. Although the project concept is still fluid, there seems to be a consensus in favor of an affordable mixed-use live/work project in or close to the downtown core. The need and passion for affordable space for the creative community included discussions of space for creative businesses, galleries, working studios, artist-in-residency spaces, etc. The Feed and Grain Building and the surrounding land and adjacent block are a strong candidate for such a development. We are confident, however, that should this site not be feasible others will present themselves. The opportunities that are before us today may be different than those that are present a year from now. If a project has merit, multiple sites will work for different reasons.

A development in downtown Loveland may be most advantageous if the City of Loveland's priority is to identify catalysts for revitalization as well as create affordable living and working spaces for working artists in the city center. The impact of an Artspace-style project could be profound in and around the downtown core where multiple vacant or underdeveloped and underutilized sites exist. These kinds of projects often provide a sign of progress that can act as an additional incentive for other kinds of development.

The artist market in Loveland appears at first glance to be large enough to support a project in the 25 to 35-unit range. Some of the challenges for development in Loveland are similar to

challenges Artspace experiences in markets of this size. These challenges surround the financial industry and the tax credit equity and the current dearth of investors, particularly in smaller markets. The City's housing authority made a point of this and we acknowledge that this has become more of an issue in the past 8 months. Please note that while we do not want to come across as overly confident, Artspace closed the only 9% tax credit deal in the state of Washington in the 4<sup>th</sup> quarter of 2008 and this was in Everett, WA, a similarly sized community equidistance to Seattle as Loveland is to Denver.

As an immediate next step, we recommend an Artist Market Survey. The survey's primary goal will be to determine the size of the market for an affordable live/work project. In our experience, a three-to-one redundancy is sufficient to ensure the success of a proposed project – that is, for every unit under consideration, we seek three responses from artists who say they would be interested in relocating if the project is built. In other words, if a 50-unit project is contemplated, the survey should identify at least 150 artists who would like to become residents. The Loveland artists with whom we met seem ready to participate in such a survey and excited about telling their peers. We had a sense that for every artist who attended our meetings, many more are in need of space and interested in being part of a larger arts community.

The survey also will help determine other variables, such as the ratio of one-, two-, and three-bedroom units, what is truly affordable in Loveland, the need for amenities to serve specific kinds of artists, and perhaps preferences for location. Although it is impossible to build a live/work project that addresses every artist's needs, we can use the data collected by the survey to inform our planning. Should local developers wish to incorporate space for the arts in their current or planned projects, the information could also be useful to them, if you would wish to disseminate information from the report.

A market analysis of this magnitude will take four to six months to plan, execute, and analyze. We conduct our surveys online, which not only simplifies data processing but also makes it easier to determine the need for midcourse corrections. For example, if early responses suggest that some artist groups are not responding to the survey in representative numbers, we can conduct additional marketing and outreach to make them aware of the survey, establish a telephone response system for artists who lack computer access, and so on. Several leaders were vocal in their desire to participate in organizing these efforts.

We encourage a continued dialogue among artists, the development community, and civic leaders. It is important to maintain the momentum that has been begun and to ensure that everyone works in tandem or cooperatively toward the goal of creating either a single project or setting the stage for multiple initiatives. A core committee of town staff and arts leaders is a great place for the initiation of next steps to occur. This public/private partnership will be key in addressing the market survey and public relations and generating the "muscle" it takes to continue the dialogue about an artist-focused project. An online resource that may be helpful in this regard is [www.artistlink.org](http://www.artistlink.org). Here you will find case studies and information for both municipalities and developers that want to create space for the arts.

Additionally, as discussed at the public meeting, arming artists with talking points about arts development, economic impact, and creative tourism will be essential to keeping the grassroots

effort unified and bringing on board additional support at the city level. Website updates that connect the arts community and keeps everyone up to date on initiatives and meetings is a great idea that should be pursued.

## GENERAL THOUGHTS ON CULTURAL DEVELOPMENT

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**F**or the past 20-plus years, Artspace has been at the forefront of the creation of long-term, affordable space for individual artists, their families, arts organizations, and creative businesses. As such, we think it's important to note the following:

1. Multi-tenant, multi-use creative spaces generate positive economic revitalization and development. Each project provides job opportunities both before and after construction. Each artist is, in effect, his/her own cottage industry, an entrepreneur contributing to the job market and helping to employ others along the way.
2. Artspace's projects create permanent, community arts space that provides resident artists with opportunities to interact with the public and creates opportunities for the larger arts community to showcase members' work.
3. Creating permanently affordable live/work space helps to build an authentic community of local artists who collaborate with each other as well as with other local, national, and international artists.
4. Artspace's projects are catalysts for streetscape improvements and general beautification around our buildings.
5. Artists are known to be pioneers and as such are willing to move into older industrial areas of a city, creating "buffer zones" between these areas and the residential areas nearby.
6. Creating live/work space also helps to preserve cultural and historic heritage, a key component of any potential Loveland project.
7. Artspace artists are known for collaborating with the larger educational and cultural/business communities, often as teachers, adjunct professors and/or volunteers for youth and cultural organizations.
8. Artspace sometimes partners with for-profit developers that may have incentives or quotas to meet in the affordable housing realm. Affordable housing for artists can be seen as an amenity to those doing market-rate housing and other developments.



## ARTSPACE 101:

### OUR MISSION, HISTORY AND PROGRAMS

*Artspace Projects' mission is to create, foster, and preserve affordable space for artists and arts organizations.*

**F**INDING AND RETAINING affordable space is an age-old problem for artists — painters, sculptors, dancers, and others who require an abundance of well-lit space in which to work. Many artists gravitate to old warehouses and other industrial buildings, but their very presence in an industrial neighborhood often acts as a catalyst, setting in motion a process of gentrification that drives rents up and forces the artists out.

This is precisely what happened in Minneapolis' historic Warehouse District in the 1970s and led to the creation of Artspace in 1979. Established 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 for artists through the adaptive reuse of old warehouses, schools, and commercial buildings.

Artspace's first three live/work projects were in Saint Paul: the Northern Warehouse Artists' Cooperative (1990), Frogtown Family Lofts (1992), and Tilsner Artists' Cooperative (1993). Since then, Artspace has expanded its range of activities to include live/work projects in Duluth (Washington Studios, 1995); Pittsburgh (Spinning Plate Artist Lofts, 1998), Portland, Oregon (Everett Station Lofts, 1998), Reno (Riverside Artist Lofts, 2000), Galveston (National Hotel Artist Lofts, 2001), Chicago (Switching Station Artist Lofts, 2003), Seattle (Tashiro Kaplan Artist Lofts, 2004, and Artspace Hiawatha Lofts, 2008), Fergus Falls, Minnesota (Kaddatz Artist Lofts, 2004), Bridgeport, Connecticut (Sterling Market Lofts, 2004), Mount Rainier, Maryland (Mount Rainier Artist Lofts, 2005), Houston (Elder Street Artist Lofts, 2005), Buffalo (Artspace Buffalo Lofts, 2007), Fort Lauderdale (Sailboat Bend Artist Lofts, 2007), Brainerd, Minnesota (Franklin Art Center, 2008), and Santa Cruz, California (Tannery Artist Lofts, 2009). In all, these projects represent 846 live/work units.

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. Other non-residential Artspace projects include the Minnesota Shubert Performing Arts and Education Center, a \$41 million, three-building cultural complex in downtown Minneapolis. Over the last few years, Artspace has evolved from a Minnesota organization with a few national projects into a truly national organization based in the Twin Cities. We now have projects in development, predevelopment, or feasibility in more than a dozen states. Our national consulting program has helped communities in 40 states address their arts-related space issues. The nature of our work is evolving, too, to include multiple-facility projects, long-range planning, and arts districts.

Artspace programs fall in three broad categories: property development, asset management, and national consulting.

#### *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 23 major projects. Artspace live/work projects are operating or in development from coast to coast.

#### *Asset management*

Artspace owns or co-owns all the buildings it develops; our portfolio now comprises more than \$250 million worth of real 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.

#### *National consulting*

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 – usually, but not always, within the context of historic preservation.