

spice it up

PRESERVING ARTS + AFFORDABILITY IN THE SOUTH END

Thriving arts and maker districts contain varied uses and are in a constant state of motion. The South End needs strategies that support and grow: 1) artist space affordability; 2) spaces and places that allow for that often-talked about “funkiness” factor, including the freedom of artists and makers to “make and break” things at all times of the day and night; 3) visibility and density that bring customers and vibrancy.

As “urban pioneers,” artists benefit from low rents in areas where no one else wants to be. Over time, as neighborhoods gentrify, rising rents leave artists reacting to the forces around them instead of controlling where they work and what they pay. Ownership is a sure-fire way to ensure affordability but being in control requires much more than simply owning space. The capacity to lead and manage the acquisition, development, programming, maintenance, and operations of a building is a must for any organization or individual taking on development. In a city Burlington’s size, capacity will depend on pooling a variety of resources and actors in and outside of the South End. And it’s good business to pull in a variety of people and organizations—many of the skills and resources needed to acquire and manage affordable space go well beyond what most artists or arts organizations have *or wish to have*—becoming a real estate developer and property manager can be a big distraction from the making.

Setting up for success

The City of Burlington is out in front here...committed to ensuring affordable artist and maker spaces are sustained and grown as the city and South End change. What can be done to keep things moving forward?

- **Form a Collaborative Working Group.** Think of it as the “South End Maker Space Water Cooler”—a melting pot of ideas and relationships where conversations happen, ideas are born, and people are connected. What should it do?
 - > **Gather South End property owners** to discuss their goals, worries, needs.
 - > **Create a Technical Assistance team of experts** in brownfields, finance, and property management to help developers and entrepreneurs.
 - > **Engage landlords of artist space in honest (and difficult) conversations** about generational transitions and future plans.
 - > **Get the Burlington City Arts (BCA) market studies out there!** Developers and property owners need solid numbers to help them provide appropriate spaces.
 - > **Maintain a data base of makers with space needs** as a supplement to the market studies.
 - > **Publish the affordability tool kit (a**

“...Form and empower a strong South End steering committee that will be both visionary as well as come up with unique solutions; collaborate in building what will make the arts and businesses grow; empower the artists through creating new studios and maintaining affordability around a core of highly efficient maker structures.”

Community comment from the webtool

companion to this report) online and educate!

- > **Think about capacity and leadership.** What needs to happen? Who can lead?
- > **Don't get overwhelmed! Pick one project, even if small, and focus on getting the system and capacity in place to succeed! Word on the street indicates a cooperative arts/maker retail space would be a great first goal.**



Create the South End Working group, write a mission, and set goals and a timeline for results.



South End Arts and Business Association, with major support from Burlington City Arts. Others: Community & Economic Development Office, state-wide agencies and organizations, developers, and property owners

Strategies

There are multiple opportunities to proactively preserve/create affordable artist space in the South End through partnerships that combine financial, technical and management expertise.

Preserve/create affordable artist space through artist/maker ownership models (a.k.a., the Rosie the Riveter / Dive-in-and-Do-It strategy). Possibilities for artist/entrepreneur-owned spaces are 696 Pine Street and 747 Pine Street.

 Identify underutilized buildings and use the new Burlington City Arts market data to create a viable maker space business plan.

 South End Working Group, property owners, mission-driven developers

Preserve/create affordable artist space through nonprofit and for-profit developers (a.k.a., the Developers as Heroes strategy). Artist space projects are complicated and developers and non-profits offer much-needed expertise and resources. Consider an affordable component in 453 Pine Street or 747 Pine Street. A future opportunity is 339 Pine Street.

 Approach developers about incorporating affordable space into current projects. A cooperative maker retail space might be a good first goal.

 South End Arts and Business Association, Community & Economic Development Office, South End Working Group



SOURCE: AS220.ORG



SOURCE: MIDWAYFUND.COM

Developers are important partners! In Boston, the pending sale of Midway Studios, an 89-unit artist live/work rental building with 24,000 SF of commercial space, brought the artists to action. They teamed with New Atlantic Development to create a viable financing structure and a credible offer of a \$20 million purchase price. Within 72 hours, the artists raised over \$500k by crowdfunding from friends, family, and arts advocates. Private Investments, with an 8% return, were easy to make online in amounts ranging from \$1,000 to \$1.7 million. An artists' organization now holds ownership and the units will remain affordable rentals. The property is managed by a Board of Directors, half appointed by New Atlantic Development and half by the residents.

In Providence, RI, the non-profit AS220 acquired the 21,000 SF Empire Street building and then the Dreyfus Hotel and the Mercantile Block a few years later. AS220 financed acquisition with City loans, foundation donations, and capital campaigns. The strategy was simple: do a minimum build-out to meet code (artists got bare-bones spaces with no walls and minimum plumbing/kitchens) but nothing more, and use market rate tenants to help the bottom line. Strong support from foundations and the operation of AS220 Industries (the Community Print Shop, AS220 Labs, and AS220 Media Arts) fund operations.

PROCEED WITH CAUTION!

Developing and managing affordable artist space is not for the faint of heart. Some combination of the following elements is needed for success:

- Vision
- High risk tolerance
- Resources (capital campaign, crowdfunding, grants)
- Building management expertise
- Revenue stream for ongoing building expenses
- Technical assistance for development and property management
- Ability to be an effective player/partner within real-world constraints and expectations (dealing with banks, regulatory bodies, end-users, design teams, engineers, etc.)
- Patience
- A "can do" attitude
- Social and political capital



Preserve/create affordable artist space through City actions

(a.k.a., the City as Developer strategy).

Consider a City policy that new development on City-owned land

incorporate an affordable

arts component. The City may

also explore evaluating all City-owned buildings for artist space suitability and using the info to guide disposition and/or developer RFP guidelines. Properties to consider include 339 Pine Street.



Evaluate all City-owned property in the South End for suitability for artist/maker space and develop affordability requirements for development RFPs and disposition that incorporate affordable space.



Community & Economic Development Office, Burlington City Arts

Create zoning and development regulations that help expand the supply of workshop and work-live space (a.k.a., the City as Policy Maker strategy).

Zoning strategies can be used to encourage and require new affordable spaces for production and display. A balanced, feasibility-based approach is important here. Make the regulations too weak, the South End has lost an opportunity to expand its inventory of artist and maker space. But require projects to provide too much subsidy—either in the amount of artist/maker space or in the limits on rent or sales price—and a project could become financially undoable.

Potential strategies:

- **Require new office or housing projects to incorporate a set portion of arts space** to ensure that the inventory of arts/maker space grows along with other uses. A typical range is 5-10% of the project square footage. Some things to consider?
 - > Allowing projects to provide work space, work-live space; performance

or exhibit space; or a combination of those uses, to meet requirements.

- > Allocating to artists a set component of any affordable housing required under the City's inclusionary zoning policies for new housing developments. Require income verification and artist certification.
- > Requiring space for public art in ground floor and exterior spaces.



Explore city development economics to determine the correct proportion for affordable space requirements and write requirements for artist space inclusionary zoning and public art spaces.



Department of Planning and Zoning, Community & Economic Development Office, Burlington City Arts, South End Arts and Business Association

- **Require artist and income certification for eligibility for any subsidized work or work-live spaces in the South End** to ensure a proper use of subsidies and prevent gentrification/displacement of artists by non-artists within arts space projects.



Develop an artist certification strategy and create a peer review panel to oversee the process. Coordinate income certification with affordable housing requirements.



South End Arts and Business Association / Burlington City Arts for artists, with support from Department of Planning and Zoning



Work with landlords to understand their challenges. Investigate possibility for zoning FAR bonuses and other incentives to allow infill/additions on developed sites. Investigate possible grant sources.



South End Arts and Business Association, South End Working Group, Department of Planning and Zoning (zoning bonuses)

"Use social housing funds together with private foundation grants to build a number of artist/artisan only spaces for work and living and work to be affordable in perpetuity and run a board composed of residents and artists as well, I suppose, as the initial funders."

Community comment from the webtool

• Provide incentives for creation/preservation of arts space in existing commercial buildings.

South End artists benefit greatly from benevolent landlords. Consider:

- > Creating a code/regulations advocate to help landlords understand what and how to improve and upgrade spaces while retaining affordability.
- > Providing tax breaks or grants to offset costs of code compliance and systems upgrades in order to retain affordability.
- > Allowing increased density or infill on existing sites to help retain affordability through cross-subsidy of uses.

In 1991, the City of Lowell, MA, issued an RFP for the disposition and redevelopment of two adjacent brownfield sites housing former factories. EA Fish, a Boston-area private developer, won the RFP, purchased the land for \$120, and invested an additional \$3.9 million in redevelopment. The project helped increase the city's tax revenue by approximately \$350,000/year. These 49 loft-style artist homeownership units sold for an average of \$175,000 at the project completion.



- **Allow artist work-live housing within the existing Enterprise Zone.** Work-live housing can protect the characteristics and purpose of the Enterprise Zone by providing affordability and an alternative to traditional residential areas: noise, density, bare bones open floor plans, and proximity to light industrial and commercial uses would be a given. Consider:

- > Allowing (potentially by-right) creation of permanently affordable artist work-live units anywhere within the existing Enterprise Zone north of Sears Lane.

 *Revise the zoning code.*

 *Department of Planning and Zoning*

Continue to incorporate the arts into the physical fabric of the South End. Strengthen visibility of the arts by prioritizing the retention (and expansion where possible) of existing buildings to support small artists and makers; and encourage creative use of building façades and public space.

 *Create a Pine Street Arts Corridor and Linear Arts Park*

 *Parks, Recreation & Waterfront department; Department of Planning and Zoning; South End Arts and Business Association; Burlington City Arts*

For more information, jump ahead to Reinforce the Arts Hub: Maple Street to Locust Street.

Support Burlington City Arts (BCA), SEABA (South End Arts and Business Association) and other arts organizations. BCA can play an instrumental role in ensuring South End artists continue to thrive and grow by offering mentorship and technical assistance. SEABA can lead the way locally, by engaging in collaborative relationships and participating in the recommended South End Working Group. BCA and SEABA will need to work closely together to achieve goals.

 *Form South End Working Group, set goals and craft a work plan*

 *South End Arts and Business Association, with assistance from Burlington City Arts*



I THINK WE NEED TO TRY AND FIND WAYS FOR THE ARTISTS TO BE ABLE TO DO SOME KIND OF A CO-OP, GAIN FINANCIAL CONTROL OVER THEIR SPACES SO THEY'RE NOT AT THE WHIM OF OWNERS THAT DECIDE TO SELL...TO OTHERS WHO MIGHT BE ABLE TO PAY A LITTLE MORE.

Artist P.J. McHenry and the Arts Riot team repurposed a vintage phone booth to create a video recording station, where community members shared their ideas about the future of the South End.



The South End has a great model for artist-owned and managed space. The district's very own Soda Plant and S.P.A.C.E. embody this ownership/management option. Steve Conant, owner of Conant Metal and Light bought a building and had more space than he needed. He also had very little time to manage the rental of artist studios. Enter Christy Mitchell—the answer to the artist space management challenge. Today, the Soda Plant houses 18 artists and a gallery and Conant's business. Most importantly, Mitchell is the person handling the master lease of the artist space...allowing Conant to focus on his business and giving Mitchell an expertise in artist space management and operations that has allowed her to branch out—managing spaces in two other South End locations.