

PRELIMINARY FEASIBILITY REPORT

Grand Lake, CO | April 2019



ACKNOWLEDGMENTS

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Artspace thanks the Town of Grand Lake and the Grand Lake Creative District for their leadership, coordination, and support of this study. Working in concert, they assembled a Core Group that offered us warm hospitality and invaluable insight throughout our visit. It is a pleasure to work with such a committed group of individuals. For a list of Core Group members and affiliations, see page 12.

We also thank Margaret Hunt, Executive Director of Colorado Creative Industries, who joined us in Grand Lake. Her unwavering support and statewide perspective are instrumental to the Space to Create initiative and to Artspace's work in rural Colorado.

In addition, we thank Chantal Unfug, Director of DOLA's Division of Local Government; Alison George, DOLA Housing Director; Tara Marshall, formerly with the Town of Trinidad, Colorado, site of the first Space to Create project, and now a DOLA regional director for the Southeast region; Jennifer Coates, Town Manager of Ridgway, Colorado, site of the second Space to Create project; and the more than 120 individuals who, by participating in focus groups or attending the public meeting, made their voices heard over the course of our visit.

For more information about Space to Create and its partners:

Space to Create, Colorado

www.coloradocreativeindustries.org/communities/space-create

Colorado Creative Industries

www.coloradocreativeindustries.org/about

Colorado Department of Local Affairs

www.colorado.gov/dola

Boettcher Foundation

www.boettcherfoundation.org

History Colorado

www.historycolorado.org

Town of Grand Lake

www.townofgrandlake.com

Grand Lake Creative District

www.grandlakecreativedistrict.org

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, it can 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 Denver, New York, Seattle, 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.

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SPACE TO CREATE

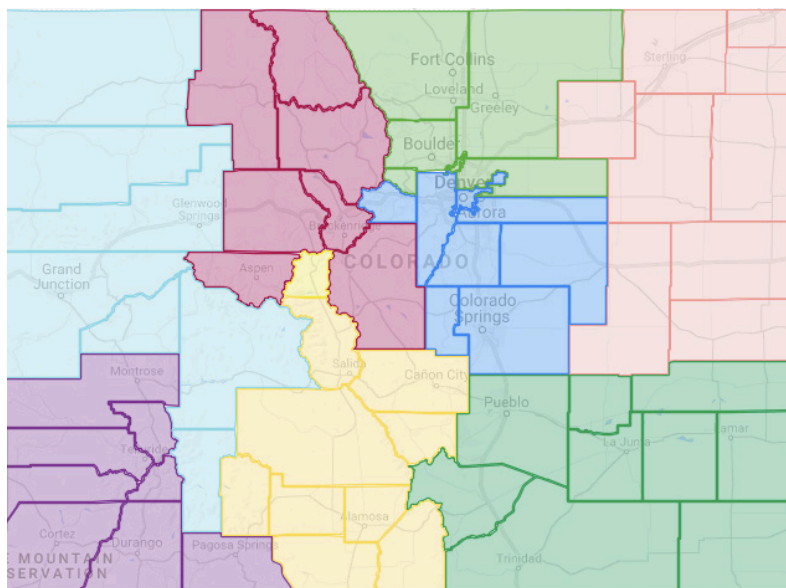
Colorado is a magnet for creative enterprises and creative workers. Indeed, with almost 8,000 businesses and 186,000 jobs, the creative sector is the state's fifth-largest employment cluster with a huge constituency: according to the U.S. Bureau of Economic Research, arts and the creative sector represent 4.3% of the state's Gross Domestic Product (GDP). Space to Create Colorado is a unique public-private partnership administered by Colorado Creative Industries (CCI) that seeks to capitalize on the creative sector's enormous potential to drive economic growth.

Established in 2015, Space to Create is America's first state initiative for the development of affordable space – housing, work space, and commercial space – for artists, artisans, creative industry workers, creative entrepreneurs, and arts organizations. Its goal is to stimulate economic and community development in small towns and rural communities by providing permanently affordable, financially sustainable space for the creative sector.

By 2024, Space to Create will have facilitated the development of nine projects: a demonstration project in Trinidad, now under construction, plus one in each of eight DOLA-defined regions in the state chosen by Space to Create through a competitive process involving five criteria:

- Concentration of creative sector workforce;
- Availability of historic buildings for adaptive reuse;
- Available property for development;
- Commitment of resources by local government; and
- Demonstrated ability to execute community-based initiatives.

To date, all Space to Create projects have been developed by Artspace, the nation's leading developer of sustainable, affordable space for the creative sector. For more about Artspace, see page 2.



Eight DOLA-defined regions in Colorado

FIVE PARTNERS

Space to Create is a partnership among five entities:

space to
CREATE



Colorado Creative Industries (CCI), a division of Colorado's Office of Economic Development and International Trade



The Boettcher Foundation, one of Colorado's largest philanthropic organizations



COLORADO
Department of Local Affairs

Colorado Department of Local Affairs (DOLA), a state agency with broad range of responsibilities



HISTORY *Colorado*

History Colorado

artspace

SPACE TO CREATE TIMELINE

Grand Lake, located in the Northern Mountains Region, is the fourth Colorado community to participate in Space to Create and the third to go through the competitive process. It joins Trinidad, Ridgway, and Paonia in the program.

With both housing and attractions downtown, a plan underway to redo Highway 41, the time is right for redevelopment of the City Square West block across from City Square Park. A task-force is currently studying its reuse, and the City emphasized the need to make this site a downtown destination for residents and visitors alike.

2015

Trinidad Artspace (demonstration project in the Southeast region)

Now under construction, Trinidad Artspace will transform an entire block of downtown Trinidad into a dynamic complex of three historic buildings with linked second stories providing 13 affordable live/work apartments for creatives. Six blocks away, a new building will add 28 more units of affordable live/work housing. In addition, the City of Trinidad will own and operate 20,000 square feet of community space in the historic Main Street buildings which will include a space for their Creative District, Corazon de Trinidad, working studios, flexible use space and more. Plans are currently underway for the programmed uses in City space component of the project.



Renderings of Trinidad Space to Create // Trinidad, CO

2017

Paonia (Northwest Region)

Paonia recently completed an Arts Market Study that revealed a need for 17 units of workforce housing and up to 10 units of creative work space. Armed with that information, the community is now looking at candidate sites in its downtown area.

2016

Ridgway (Southwest Region)

Ridgway has completed the first two steps – a Preliminary Feasibility Study and an Arts Market Study – leading to a creative space project, has identified a downtown site, and Spring/Summer 2019 will apply for funding and financing for a 28-unit mixed-use workforce housing project for creatives and their families.

2018

Grand Lake (Northern Mountains Region)

Grand Lake's Preliminary Feasibility Study site visit took place March 6-8, 2019. An Artspace Consulting team visited the community, toured candidate sites, met with focus groups, and collected information. This report contains the findings from that visit.

Still to come in Space to Create are five more projects in communities to be selected:

- 2020: North Central Region
- 2021: Northeast Region
- 2022: Central Region
- 2023: South Central Region
- 2024: Southeast Region

COMMUNITY PROFILE

A VERY GRAND LAKE

The Town of Grand Lake, Colorado, enjoys a picturesque alpine location overlooking Grand Lake, the state's largest natural body of water, at the western entrance of Rocky Mountain National Park. Established in 1881 as a supply station for nearby mining operations, the community soon evolved into a popular summer destination for the families of wealthy Denver businessmen, four of whom founded the Grand Lake Yacht Club in 1912; its annual midsummer regatta dates from 1903.

Among Grand Lake's other seasonal attractions are the Rocky Mountain Repertory Theatre, a thriving playhouse with a June-September season; the nation's "highest-altitude golf course with grass greens," as the Town website proudly proclaims; an historic downtown with signature boardwalks, and access to a vast wilderness terrain beloved by campers, hikers, hunters, bird watchers, and many others. And, of course, there is the national park itself, the nation's third most visited, which drew nearly 4.6 million tourists in 2018.

Winter is a different story for Grand Lake, however. Despite its proximity to a 300-mile network of groomed snowmobile trails in the Arapaho National Recreation Area, the Town grows much quieter during the winter months, when Trail Ridge Road, the highway through the national park, is closed and the only vehicular access to the community is from the south. Grand Lake's economy is so seasonal that some owners of rental property don't bother to heat their buildings during the winter, for there is no one to use them.

Because Grand Lake has long been an arts-friendly community, a group of civic leaders looking to expand the Town's year-round economy joined forces and approached Colorado Creative Industries (CCI) about formal designation as a creative district. Calling itself the Colorful Creatives, the group consisted of Town of Grand Lake and Grand County administrators, artists and artisans, members of the business community, and others. Their efforts paid dividends in 2018 when CCI certified Grand Lake as Colorado's newest creative district and, a few months later, invited the Town to join "Space to Create," a state program designed to develop affordable workforce housing for the creative sector.



Walking Tour of Grand Lake

GRAND LAKE, CO AT A GLANCE

DOLA Region: Northern Mountains

Population (2017 est.): 498

Housing Units (2017 est.): 992

Median HH Income (2017 est.): \$51,719

Race and Ethnicity (2017 est.):

- White: 86.4%
- Black/African American: 1.2%
- Native American: 1.5%
- Asian: 1.4%
- Hispanic/Latino: 9.5%

Source: Colorado State Demographer, U.S. Census American Fact Finder

PRELIMINARY FEASIBILITY STUDY

Successful projects are the result of good planning. For an Artspace project, planning begins with a Preliminary Feasibility Study, the first step in the process of determining how an affordable arts development project can move forward in the context of a community's unique needs, assets, and resources.

Central to the study is the Preliminary Feasibility Visit, in which an Artspace team travels to the community to gather information, connect with stakeholders, and share information about the development process. Over the course of two or three days, working closely with a core group of local leaders, the team tours existing arts facilities, looks at potential buildings and sites, holds a public town hall-style meeting, and conducts focus group sessions with civic leaders, creatives, and others. Artspace's Grand Lake Preliminary Feasibility Visit took place March 6–8, 2019. Artspace was represented by Wendy Holmes, Senior Vice President, Consulting and Strategic Partnerships; Anna Growcott, Director, Consulting and Strategic Partnerships; and Shannon Joern, Vice President, National Advancement.

PRELIMINARY FEASIBILITY VISIT

Over three days, an Artspace Consulting team:

- Facilitated three focus group meetings (about 50 total participants):
 - Artists, Creatives, and Arts Organizations
 - Finance and Funders
 - Civic Leaders
- Held a public meeting at the Rocky Mountain Repertory Theatre (about 75 participants)
- Toured potential sites and existing creative spaces
- Met four times with the Core Group, including a wrap-up session with DOLA representatives, CCI representative and leaders from Trinidad and Ridgway

INVESTING IN CREATIVE INDUSTRIES

In addition to the information we gathered during our Preliminary Feasibility Visit, this report is informed by Artspace's experience working in other communities that have invested in affordable facilities for creative workers as well as artists and arts organizations. The following thoughts provide context for evaluating the feasibility and demonstrating the importance of creative spaces in Grand Lake.

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

- **Generate economic revitalization and development.** Every project provides job opportunities before, during, and after construction.
- **Preserve old buildings, stabilize neighborhoods, and revitalize vacant and underutilized properties.** They help preserve cultural heritage by providing places where cultural art forms can be passed from one generation to the next.
- **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, in effect, cottage industry owner-operators, for they generate 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 ARTSPACE APPROACH

Over three decades and more than fifty projects, Artspace has identified six components that are essential to successful community-led development of an arts project. These components provide a sturdy framework for assessing the feasibility of a proposed project and helping community leaders plan for successful, affordable, mixed-use facilities. They are:

PROJECT CONCEPT. How will the space be used? Although many communities have a well-developed project concept in mind before embarking on this study, we take nothing for granted. The first thing we ask stakeholders is: “What kinds of creative spaces does your community need and want?”

ARTS MARKET. Is there a sufficient market to support an arts facility? To find out, we collect qualitative data through focus group meetings. We ask artists if they need space to live, work, create, teach, share, and/or sell their art, how much rent they consider affordable, and what types of amenities are important to them.

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 developer and community? Leaders can come from all sectors, from elected officials to business leaders to artists to ordinary 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.

POTENTIAL SITES. At this stage, the goal is not to select a site but to identify candidates for further study. The factors we consider include location, size, ease of acquisition, and potential for sustained positive impact. As a project moves forward, 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. Good projects are more than the sum of their parts. 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. During our visit, we ask community members to identify their top priorities.

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.



Sign for the Artspace Public Meeting

FINDINGS

PROJECT CONCEPT

The importance of creating a project that contributes to Grand Lake's year-round economy cannot be overstated; the subject came up again and again. During our first evening with the Core Group, for example, we asked its members, "Beyond a physical project, what do you hope to achieve through this process? Are there intangible things we should be aware of?" Their responses: A year-round economy. Sustainability. Positive growth. Similarly, at each of our focus group sessions, we distributed a list of "community goals" and asked everyone to circle the three goals they regarded as most important. The top three responses were all related to economic issues:

1. Creating a sustainable year-round economy (24)
2. Preserving affordability (15)
3. Promoting tourism (10)

Although "creating a sustainable year-round economy" received almost as many votes as the other two combined, the need for addressing Grand Lake's affordable housing shortage was also a high priority. The need for affordable workforce housing "is critical," a member of the Civic Leaders focus group said. "Young people can't afford to live here anymore."

These responses, and many others, lead us to believe that Grand Lake – like Trinidad, Ridgway, and Paonia, its older siblings in the Space to Create program – is probably looking at a mixed-use project that provides affordable live/work housing for artists and their families on the upper floors above commercial spaces for the creative sector on the ground floor. In addition to commercial space, the ground floor could include gathering, education, and work space for creatives. But however that space is designed to be used, the project needs to be built with the goal of helping Grand Lake build a sustainable year-round economy.

What 3 complementary goals are a top priority for you?

- Increasing Residential Density Downtown
- Preserving Affordability
- Historic Preservation
- Activating Vacant Lots
- Downtown Revitalization
- Supporting a Cultural Community
- Supporting Rural Artists
- Sustaining Creative Businesses and Nonprofits
- Anchoring a Creative District
- Enhancing Healthy Lifestyles
- Promoting Tourism
- Programming/Constructing Artist-Focused Facilities on the Lakefront
- Increasing Public Art and Placemaking
- Attracting Entrepreneurs and Creatives
- Holding Classes and Vocational Programs
- Creating a Sustainable Year-Round Economy



Wendy Holmes Presenting at the Artspace Public Meeting

ARTS MARKET

The term “arts market” refers to the demand for the kinds of space that creatives regularly need and use. During the Artists, Creatives, and Arts Organizations Focus Group, we ask participants what they consider “affordable” in terms of rent, and what amenities are high priorities for them in the spaces they have identified as high priorities. This information not only helps us assess a project’s feasibility but also lays the groundwork for an Arts Market Study, the next step on the path of an Artspace project.

Artspace intentionally keeps its definition of artist and creative broad; our goal is to be as inclusive as possible. That broad definition aligns well with Colorado Creative Industries’ inclusive perspective. Residents of Artspace buildings around the country include veterans, the formerly homeless, retirees, service workers, teachers, parents, and many others. They are very likely to earn part of their income from something other than their art. In fact, a review of Arts Market surveys completed by Artspace in the last 15 years shows that only about 10% of artist respondents make 100% of their income through their art. This means that many creative people also hold other jobs, some of which are not related to their creative pursuits and could even be related to the seasonal economy, in a purposeful way that recruits creatives as part of the seasonal workforce. One focus group participant who works in the tourism industry spoke about this opportunity and others nodded in agreement.

Artists and creatives representing a wide range of ages, disciplines, and career stages participated in the Grand Lake Artists, Creatives and Arts Organizations Focus Group. Looking around the table, we saw delegates from the Grand Lake Creative District, the Grand Arts Council, the Rocky Mountain Repertory Theatre, and the Rocky Mountain Wooden Boat School, whose motto is “If God had meant us to have fiberglass boats, he would have given us fiberglass trees.” There were also quilters, musicians, painters, sculptors, photographers, cooks, metal workers, and a restorer of antiques, among others. Some described themselves as “serial entrepreneurs” with passion for many forms of artistic expression.

Although they were a diverse group in terms of their creative interests, they agreed about one thing: any project in Grand Lake needs to be “a positive experience for the town,” as one participant put it. And they had plenty of suggestions about how this might be achieved: by providing opportunities for young people to stay in Grand Lake and continue to contribute to the community; by creating a synergy of the full-time and seasonal workforces; by addressing economic diversity; and so on.

In our experience, it’s not uncommon for a community’s artists and creatives to focus quite specifically on their own needs. What impressed us most about Grand Lake’s artists and creatives was their commitment to the welfare of the entire community.

When asked what types of facilities are most needed or desired, the top three answers were:

1. Affordable Living Space
2. Community Gallery/Display Space
3. Maker’s Space

STEP 2: ARTS MARKET STUDY

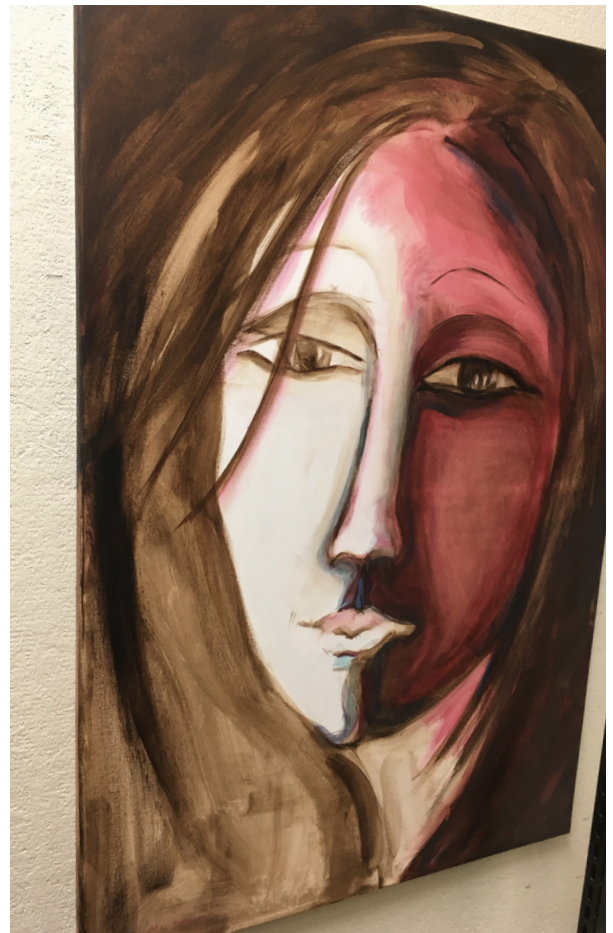
The Arts Market Study will enable Artspace to test the priority project concept, a mixed-use affordable arts facility. The data collected helps refine the project concept, influence site selection, and guide future creative space development. The AMS Study gathers information about:

- Amount artists could pay for studio/work space
- Amount artists could 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 can be accommodated in a single project. Having arts market information available to multiple interested parties is important to supporting new creative space opportunities.



Art Displayed at the Grand Lake Center



WHO IS AN ARTIST?

Artspace's definition of an artist is very broad. An "artist" or "creative" 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 funding is utilized as part of the 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 fixtures, edible products, furniture, straw bale homes, 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, craftsman, 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.

LOCAL LEADERSHIP

Strong local leadership is essential for any community-driven arts project, especially one involving a non-local developer. Without someone on the ground to open doors, advocate effectively for the project, and keep communication flowing, there is little chance of success.

The local leaders with whom Artspace works often include elected officials and city/town administrators who manage departments responsible for initiatives involving economic development, affordable housing, and public access to art. Other leaders can range from artists and nonprofit leaders to bankers and foundation heads, from business owners and real estate agents to developers or architects. In short, the local leaders who help make creative projects possible come from many walks of life. What they have in common is a willingness to work hard to make things happen. And in a town the size of Grand Lake, many leaders wear multiple hats.

Artspace invests time and effort at the very beginning of a proposed project to identify local leaders well-equipped – by position, experience, and influence – to serve as members of the Core Group. We meet with the group frequently over the course of a Preliminary Feasibility Visit, and we encourage its members to attend as many other events, including focus group sessions and the public meeting, as their schedules permit.

GRAND LAKE CORE GROUP

- DiAnn Butler ————— Grand County Economic Development/Project Leader
- Jim White ————— Grand Lake Town Manager
- Nate Shull ————— Grand Lake Town Planner
- Ken Fucik ————— Grand Lake Creative District President
- Mike Long ————— Grand Lake Creative District Board and Photographer
- Steve Kudron ————— Grand Lake Town Council/Main Street business owner
- Debbie Fitch ————— Grand Lake Creative District Board, Merchant and Investor
- Mike Tompkins ————— Grand Lake Creative District Board and Investor
- Megan Ledin ————— Grand Foundation Executive Director
- Sheena Darland ————— Grand County Housing Authority
- Cyndi Cunningham ————— Grand Lake Creative District Board Member and Realtor
- Laura Kratz ————— Grand Lake Creative District Board and Merchant



Grand Lake, CO Core Group

FUNDING AND FINANCING

When considering financial feasibility and return on investment, Artspace takes into consideration the multiple points of impact of a potential project. Returns on investment can include not only affordable housing but also blight remediation, adaptive reuse of historic buildings, and infrastructure investment in the cultural economy.

In addition to these sources, mixed-use arts projects of the kind Artspace has developed over the years can tap into several federal and state funding programs. Among these are Low Income Housing Tax Credits (LIHTCs), a federal program established in 1986 to encourage the development of affordable housing. This program, and others like it, exist to encourage the development of affordable housing, rehabilitation of historic buildings, economic revitalization of neighborhoods, and other public purposes.

Artspace has experience with Colorado's funding tools for mixed-use affordable housing projects. However, each town and county is unique in its approach and in the sources available for important "gap" funding. 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.

GRAND LAKE AREA MEDIAN INCOME AND RENT (Only for Live/Work Space)

HOUSEHOLD SIZE	INCOME MAX. (60% AMI)	# OF BEDROOMS	MAX. RENT (30%-60% AMI)
1	\$33,000	Efficiency	\$412 - \$825
2	\$37,680	1	\$441 - \$883
3	\$42,420	2	\$530 - \$1,060
4	\$47,100	3	\$612 - \$1,224

2019 Figures for Grand County, CO; 4-person AMI: \$78,500

Source: Novoco.com

In Grand Lake, the Funding and Financing Focus Group was quick to grasp that every

Artspace project relies on a mix of national, state, and local funding. The group was very engaged and optimistic. Its members clearly understood that it will take a creative "out of the box" approach to fund a project in Grand Lake.

Even LIHTC projects have funding gaps, which typically amount to about 40% of the total project cost. Other sources from public programs, such as Community Development Block Grants and HOME funds, can help close the gap but are not typically available in towns and counties of Grand Lake's size. Additionally, Artspace relies on the philanthropic community for the final dollars and seeks those dollars in collaboration with the community. Philanthropy comes in the form of gifts from foundations, corporations, and individuals.

In every case, an Artspace project must be prioritized by civic leadership for the development sources to be secured. Project partners undertake a tandem effort to identify and secure the necessary predevelopment funding. Strong town and state leaders can often identify and prioritize funding for projects that align with their community goals.

PUBLIC FINANCING TOOLS

During our Preliminary Feasibility Visit, we discussed the following potential funding sources with the Finance and Funders Group and the Core Group:

- **Low Income Housing Tax Credits (LIHTC)** can generate up to two-thirds of the construction revenue needed for a typical Artspace live/work project. LIHTCs come in two versions: 9% and 4%; the former are highly competitive, the latter are easier to obtain but generate less revenue. In Colorado, LIHTCs are administered by the Colorado Housing Finance Agency (CHFA), an agency we know through our projects in Loveland and Trinidad, both of which secured LIHTC funding.
- **Historic Tax Credits (HTC).** To qualify for the federal program, a property must be listed on the National Register of Historic Places either individually or as a contributing member of a designated historic district. In Colorado, a state HTC program provides additional funding for projects that qualify for federal credits. The Colorado Office of Economic Development and International Trade (OEDIT), of which CCI is a part, administers both the federal and state historic tax credit programs.

- **The State Historical Fund** provides grants for the preservation and renovation for historic projects through History Colorado.
- **The USDA Rural Loan** program has several low-interest loan and grant programs for which mixed-use affordable housing projects may be eligible. Areas of interest include business development, housing, technical assistance for job relocation, and capacity building. For example, the program for community facilities offers 30-year loans at a 2.75% interest rate.
- **Enterprise Zone Tax Credit Program**, managed by OEDIT, includes a 25% tax credit for individual donors making contributions to charitable projects located in an Enterprise Zone. This program is not a revenue source but an incentive for private contributions. Artspace used it in Loveland.
- **DOLA (Department of Local Affairs)** has grant and loan programs that may be applicable from both the Division of Local Government and the Division of Housing. These programs can be used for community facilities, affordable housing, technical assistance, business development, job creation and more. These include Energy/Mineral Impact Assistance Fund (EIAF), Rural Economic Development Initiative (REDI), and Community Development Block Grants (CDBG).
- **Federal Home Loan Bank – Topeka** is one of twelve government-sponsored Federal Home Loan Banks that provide equity to support housing financing and community investments.
- **Private philanthropy.** Most Artspace projects rely in part on gifts from community foundations, private foundations and individual donors to close the gap between project costs and revenue from all other funding sources. Although a full-fledged capital campaign is not typically necessary, it is important for local leaders to know that private philanthropy is likely to be required and to help us identify and cultivate prospective donors. One selling point is that Artspace projects are financially self-sustaining and do not need annual gifts for operations. In the case of Grand Lake, many focus group participants and Core Group members spoke highly of the potential of generous families with homes in Grand Lake who would be prospective donors to a Space to Create project. In addition, there are several state foundation partners that are invested in Space to Create, as well as county-based community, corporate and family foundation opportunities.
- **Colorado Office of Economic Development and International Trade** provides financial and technical assistance for small business development, employee owned businesses, Enterprise Zone tax credits, Opportunity Zone technical assistance and guidance for tax credits for private investors, funding for creative districts.

ARTIST PREFERENCE IN AFFORDABLE HOUSING

Artspace live/work projects are unlike most affordable housing in that we use an “artist preference” policy to fill vacancies.

For each project, we appoint a committee that includes diverse artists who are not applying to live in that project. The committee interviews income-qualified applicants to determine their commitment to their chosen 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.

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

ARTSPACE FUNDING EXAMPLE

Two funding and financing examples from Artspace's portfolio are Artspace Loveland Arts Campus in Loveland, CO and Trinidad Space to Create in Trinidad, CO. The charts below show in simplified form the financial sources for each of these developments.

ARTSPACE LOVELAND ARTS CAMPUS // LOVELAND, CO

Source	Amount	Percent
PUBLIC SOURCES		
Low-Income Housing Tax Credits (9%)	\$5,598,880	68%
CO State Housing Trust Fund / HOME Funds	\$300,000	4%
Loveland City Contract	\$413,674	5%
Loveland City Loan	\$300,000	4%
HACOL - Sponsor Loan	\$50,000	1%
PRIVATE SOURCES		
Residential First Mortgage	\$912,000	11%
Private Sector (Philanthropic Gifts)	\$619,584	8%
TOTAL	\$8,194,138	100%

Building statistics:

- Total area: 49,700 Square Feet
- Live/work units: 30
- Commercial/ Community space: 12,000 Square Feet
- Community space: 4,600 SF
- Located on the Big Thompson River



Artspace Loveland Arts Campus // Loveland, CO

TRINIDAD SPACE TO CREATE // TRINIDAD, CO

Source	Amount	Percent
PUBLIC SOURCES		
Low-Income Housing Tax Credits (9%)	\$10,215,244	56%
CO Department of Local Affairs - Housing	\$600,000	3%
CO Department of Local Affairs	\$2,000,000	11%
City of Trinidad	\$1,800,000	10%
Federal Historic Tax Credits	\$1,307,464	7%
CO State Historic Tax Credits	\$1,149,663	6%
History Colorado	\$200,000	1%
PRIVATE SOURCES		
Private Sector Philanthropy	\$525,000	3%
Sponsor Loan - Philanthropy	\$372,500	2%
Deferred Developer Fee	\$215,433	1%
TOTAL	\$18,385,304	100%



Renderings of Trinidad Space to Create // Trinidad, CO

Building statistics:

- Expected to open: Late 2019
- Development cost: \$18 Million
- Location: Historic preservation on Main Street and new construction on Elm Street
- Total area: 49,000 Square Feet
- Live/Work Units: 41
- Creative and Community Space: 20,000 Square Feet

POTENTIAL SITES

In preparing for our visit to Grand Lake, we asked the Core Group to identify ten potential sites in the community that might be candidates for a mixed-use arts project. We further asked the group to identify five of these as “priority sites” for Artspace to visit and discuss in this report. In fact the Core Group came up with a dozen sites, all of them within the town limits, ranging from less than a quarter of an acre to nearly 4½ acres. Of these, the group duly selected five as priority sites. After completing our site tour, we elected to add a sixth site, the former Putt-Putt mini-golf course, for further consideration. It was one of the original dozen but not listed as a priority site.

SITE TOUR OBSERVATIONS

1. “Car Wash” Lots

605-615 Center Drive

The Car Wash lots are two vacant parcels with a combined area of slightly more than one-half acre. Located in a residential neighborhood several blocks southwest of downtown Grand Lake, they stand between the administrative office of the Grand Lake Area Historical Society at 601 Center Drive and the Grand Lake Center, another priority site, at 301 Marina Drive. Their development as an arts facility would therefore create a mini-cultural district in this corner of the town. The Car Wash lots are owned by the Town and are for sale at a listed price of \$139,800.

2. Grand Lake Center

301 Marina Drive

The largest of the priority sites (4.48 acres) is this one-story former elementary school, built around 1970. It is now owned by the Town of Grand Lake, which has converted about half of the building for use as a community center as well as a clinic and office space for Middle Park Health. In April 2020, the lease with Middle Park Health will expire, giving the town an opportunity to consider a redevelopment plan for the building as well as the playground and baseball field. Like the adjacent Car Wash lots, Grand Lake Center is a bit off the beaten path, and many of our focus group participants stressed the importance of either a downtown or gateway location for any project. Nevertheless, we think Grand Lake Center warrants further consideration, and we have included it in our “top three” group of sites.

3. Sunset Motel

505 Grand Avenue



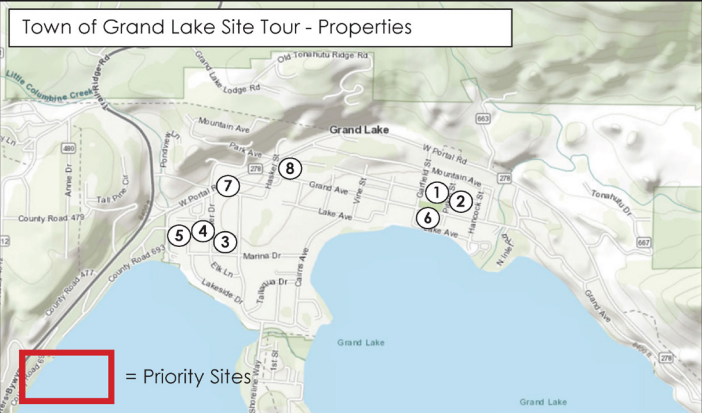












The Sunset Motel occupies a site of about one acre in the 500 block of Grand Avenue, the Town's “Main Street,” about halfway between Portal Road and the heart of the commercial district. Built in 1954 and expanded in 1996, it has been vacant for a decade or more; it is privately owned and listed for sale at \$1.13 million. Although Artspace has converted several former hotels into live/work facilities, the transformation can be difficult; and the Sunset is in such disrepair that it would probably make more sense to raze the structure and erect a new building if this site is chosen.

4. Sombrero Stables

304 W. Portal Road

Built in 1926 as a stable for horses, Sombrero Stables now consists of several structures of various vintage, one of which has been converted into a makerspace by the Rocky Mountain Wooden Boat School, a nonprofit organization dedicated to the “construction, restoration, maintenance and enjoyment” of wooden boats “through research, public outreach and education.” For those who prefer a gateway site to a downtown location, the Sombrero is ideally located near the intersection of Portal Road and Grand Avenue. Its site is slightly less than one acre. Although the Core Group's site lists says that the Sombrero Stables are for sale (for about \$520,000), we were told that the owners would prefer a long-term lease. Either way, this is a site worth considering, and we have included it in our top three group.

Site Tour Information Used During Artspace's Visit to Grand Lake

Town of Grand Lake Site Tour - Properties			
 <p>1</p>	 <p>2</p>	 <p style="text-align: left; margin-left: 20px;">= Priority Sites</p>	
<p>Name: Grand Lake Community House Address: 1025 Grand Ave Acres: 1.97 (Property)/2800 sq. ft. (Building)</p>	<p>Name: Pitkin Annex Address: 318 Pitkin Street Acres: 1.97 (Property)/1000 sq. ft. (Building)</p>		
 <p>3</p>	 <p>4</p>		
<p>Name: Grand Lake Center (includes ballfield/playground) Address: 301 Marina Dr Acres: 4.48</p>	<p>Name: "Car Wash" Lots Address: 1025 Grand Avenue Acres: 0.53</p>		
 <p>5</p>	 <p>6</p>	 <p>7</p>	
<p>Name: Winters Pioneer Park Address: None Assigned Acres: 2+</p>	<p>Name: Former Putt Putt Address: 1010 Grand Ave Acres: 0.35</p>	<p>Name: Sombrero Stables Address: 304 W. Portal Rd Acres: 0.9</p>	
 <p>8</p>			
<p>Name: Sunset Motel Address: 505 Grand Ave Acres: 0.95</p>			
 <p>9</p>	 <p>10</p>		
<p>Name: "Mountain Paddlers" property Address: 347 W. Portal Rd Acres: 0.43</p>	<p>Name: Wakanda Address: 725 Grand Ave Acres: 0.23</p>		
 <p>11</p>	 <p>12</p>		
<p>Name: Poncho and Lefty's Address: 1144 Grand Ave Acres: 0.23 (possibly 0.46)</p>	<p>Name: Former Grand Camp Subdivision Address: 600 Mary Dr Acres: 1.2</p>		

5. Mountain Paddlers Property

347 Portal Road

Diagonally across from Sombrero Stables on Portal Road is the Mountain Paddlers Property, a triangular parcel of about half an acre that includes a small building. Privately owned, it is for sale at a list price of \$399,000. Although the site has development potential, the nearby Sombrero Stables property is larger and in a better location.

6. Putt-Putt Mini-Golf

1010 Grand Avenue

As noted, the Putt-Putt site was not identified as a priority site by the Core Group. And at about one-third of an acre, it is one of the smallest sites we visited. But having walked by it several times over the course of our visit, we decided not only to make it a priority site but also to include it among our top three on the strength of its central location in the commercial core. Although its small footprint means it is probably unsuitable for a conventional mixed-use project, the Putt-Putt site might prove viable for a different kind of project; the example of Trinidad, with its two-site Space to Create project, springs to mind.

CONCLUSION

Which of the priority sites will emerge as Grand Lake's best choice for an arts project depends on information that we hope to obtain from a Creative Industries / Arts Market Study, which can provide more specific data than can be collected during a Preliminary Feasibility Study. That said, we found three sites that merit serious consideration: Sombrero Stables, the Putt-Putt site, and Grand Lake Center. For a comparison of these sites, see page 19. Once we have the results of the Arts Market Study, we will be in a better position to say which of these sites – or another site not yet identified – makes the most sense.

COMPARING THE TOP SITES

Artspace's top three sites for a potential project are Sombrero Stables, Putt-Putt Lot, and Grand Lake Center.

The sites are compared below, based on location, size, possible project concept(s), acquisition, and summary thoughts.

NAME	SOMBRERO STABLES 304 W. Portal Road	PUTT-PUTT LOT 1010 Grand Avenue	GRAND LAKE CENTER 301 Marina Drive
DESCRIPTION	Combination of land and historic stables	Small vacant lot formerly used as mini-golf course	Former elementary school now used as community center
LOCATION	VERY GOOD: "Gateway" site outside but near the commercial core; highly visible to those entering Grand Lake from the south	EXCELLENT: Next door to popular Squeaky B's restaurant and directly across from Town Hall in the center of the business district	GOOD: Outside the downtown core but fairly close to everything
SIZE	VERY GOOD: 0.9 acres, suitable for a variety of uses	FAIR: 0.35 acres, not enough for some uses	EXCELLENT: 4.48 acres, including playground and ballfield
EASE OF ACQUISITION	VERY GOOD: Privately owned and not for sale, but owners open to long-term lease	GOOD: Privately owned and for sale; listed at \$500,000	EXCELLENT: Owned by Town of Grand Lake, which supports the project
POTENTIAL FOR POSITIVE IMPACT	VERY GOOD: Gateway site combined with sufficient size	FAIR: Central location offset by limited options due to lot size	VERY GOOD: Proximity to existing community center is a big plus
SUMMARY	VERY GOOD: A prime candidate for redevelopment; already colonized by boat builders	GOOD:: Location couldn't be better but a tight site and a high price	VERY GOOD: Slightly off the beaten path, but a large, flexible site

ALIGNMENT WITH BROADER COMMUNITY GOALS

It's a statement that bears repeating: good projects are more than the sum of their parts. This maxim rings especially true for Grand Lake and the other rural Colorado communities that the Space to Create program was designed to help. Given Grand Lake's desire to improve its year-round economy by bringing more artists into its permanent population, the importance of having a project that addresses economic development cannot be overstated. This suggests a mixed-use project that includes both live/work space for artists and non-residential space such as studios or commercial space.

An arts project can help Grand Lake achieve other civic goals as well, such as historic preservation or promoting tourism. As planning for a Grand Lake project moves forward, Artspace will consider strategies and partnerships that can leverage its impact.

ECONOMIC IMPACT STUDY

The "Taking a Measure of Creative Placemaking" 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. 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>



Artists in Jackson Flats // Minneapolis, MN
Photo Credit: UrbanWorks



Artspace Buffalo Lofts // Buffalo, NY
Photo Credit: Melodie Bahan

RECOMMENDATIONS AND NEXT STEPS

Grand Lake enjoys a spectacular setting cradled by the Rocky Mountains beside one of Colorado's most beautiful lakes. For its residents, it is a very special spot: "We live in a place of unending inspiration," declared Core Group member Steve Kudron. But its beauty comes at a price: Grand Lake is also a long drive from almost everywhere, especially during the winter months. Fortunately for the community, the Space to Create program provides the means for Grand Lake to address its need for a stronger year-round economy.

Given the financial underpinning provided by Space to Create and a strong, committed leadership group, Artspace believes that an arts project can succeed in Grand Lake. Accordingly, we recommend proceeding to an Arts Market Study to obtain more detailed information about the depth and breadth of the space needs of Grand Lake's creative community.

The Arts Market Study includes a survey that will quantify the need for creative live/work, working studio, and other kinds of production and exhibition spaces. This data will inform site selection, project size, and project amenities. It will also provide reliable information to others whose support is necessary for a successful project, including bankers, funders, and prospective tax credit investors. Data from the survey can also be shared with private developers and policy makers to help encourage further infrastructure investment in the creative economy.

Based on the Preliminary Feasibility Study, we think that Grand Lake can support 15 to 20 units of artist housing in addition to other types of non-residential spaces that support the creative industries. These qualitative findings alone, however, are not a sufficient reason for bankers and funders to offer a grant or loan; the statistical evidence of market demand can be provided only through an Arts Market Study, the next step in the feasibility process.

NEXT STEPS

- **Begin preparing for the Arts Market Study.** Coordinate with Artspace to confirm the scope of work and discuss timeline. To further preparations, 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 can be reengaged for future activities related to the project such as advocacy and marketing.
- **Continue to explore private sector funding opportunities** and how they might be pursued for a Space to Create project in Grand Lake. A creative approach will be needed, one that does not take away from support for existing organizations and helps to identify new resources that could help future creative space and ongoing program initiatives.
- **Check in with DOLA, CHFA, and other agencies** to discuss the types and likely timing of predevelopment and development support that might come from various state programs. Collaboration among the agencies and new ideas about funding will be critical for a successful initiative in Grand Lake. Artspace is happy to participate in these conversations.

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

Artspace greatly appreciates the opportunity to work with the Town of Grand Lake 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. Insights and recommendations in this report are solely intended to guide a project to the next phase of development and set Grand Lake on the path to further support its creative sector through stable and affordable creative spaces.

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 I

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

STEP 2: ARTS MARKET STUDY

OVERVIEW	<ul style="list-style-type: none"> • Assessing the Market
PRIMARY ACTIVITIES	<ul style="list-style-type: none"> • Three phases to the study: survey preparation, data collection, and analysis/reporting • Quantify the overall demand for arts and creative spaces • Identify the types of spaces, amenities and features that artists want/need • Inform site selection, design, and programmatic decisions • Maintain community involvement throughout the project • Help build support and secure funding
DELIVERABLES	<ul style="list-style-type: none"> • Written recommendations and technical report of survey findings
PREREQUISITES FOR MOVING FORWARD	<ul style="list-style-type: none"> • Sufficient number of responses from eligible, interested artists to support an Artspace live/work project
TIME FRAME	<ul style="list-style-type: none"> • Starting May 2019

STEP 3: PREDEVELOPMENT I

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

STEP 4: PREDEVELOPMENT II

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

STEP 5: PREDEVELOPMENT III

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

STEP 6: CONSTRUCTION

OVERVIEW	<ul style="list-style-type: none"> • Construction and Lease-up
PRIMARY ACTIVITIES	<ul style="list-style-type: none"> • Oversee project construction • Engage property management company • Identify commercial tenants and sign lease agreements • Reach out to potential artist tenants, providing education on the application process • Conduct residential tenant selection process
DELIVERABLES	<ul style="list-style-type: none"> • Completed project ready for occupancy
TIME FRAME	<ul style="list-style-type: none"> • 6-10 months