Preliminary Feasibility Report
Fort Collins, Colorado
January 2017

Prepared at the request of City of Fort Collins, Downtown Development Authority, and Bohemian Foundation
Artspace Projects Around the Country

Top to Bottom: First residents at the Artspace Tannery Lofts in Santa Cruz, California; Residents in El Barrio's Artspace PS109 in East Harlem, New York; Interior of a live/work unit in the Northern Warehouse Artists' Cooperative in St. Paul, Minnesota; Grand Opening of the Brookland Artspace Lofts in Washington D.C.; Exterior of City Hall Artspace Lofts in Dearborn, Michigan.
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Introduction

Artspace was invited to Fort Collins to assess the feasibility of creating a new affordable, live/work housing project designed for artists, musicians and creatives. To do this, Artspace conducted a Preliminary Feasibility Visit and has summarized its findings and recommendations in this report.

Fort Collins, Colorado may have once been best known for agriculture and education, but the Fort Collins of the 21st century is increasingly defined by music, art and the growing creative community.

While the city’s identity is shaped by a wide variety of art disciplines, music is at the forefront. Fort Collins’ focus on building a music infrastructure has put it on the national independent music scene’s map. Fort Collins is also in a global conversation with cities like Austin, London and Sydney about the importance of music to grow economies and strengthen communities.

A reflection of the creative sector’s depth is the new Downtown Fort Collins Creative District (DFCCD). The district received designation as a certified Creative District in 2016 by Colorado Creative Industries (CCI), a division of the State’s Office of Economic Development and International Trade (OEDIT). The CCI Creative District Program offers access to grant funding, tailored technical assistance, networking and training programs and access to advocacy tools. The DFCCD is still defining its role, but has a focus on downtown art and creativity, particularly in relation to innovation and quality of life. Established as a resource for information, collaboration, industry representation and stewardship, the DFCCD will partner with the City on economic impact reporting and creative industry planning efforts (learn more at www.dfccd.org).

In addition to thriving creative businesses, technology and innovation have a strong presence in the city. Partly due to the advance research facilities at Colorado State University (CSU), many high tech and bio-engineering companies, such as Hewlett Packard, Remote Geo and AllProWebTools, call Fort Collins home. In 2013, the Woodward Company relocated their global headquarters at the immediate edge of the downtown to leverage the urban lifestyle attributes and creative industry vibe as part of an employee recruitment/retention strategy. There have also been discussions about creating an innovation district around Innosphere, a science and technology startup incubator, at the northern edge of North Old Town.

The Downtown Development Authority (DDA) Districts encompass Downtown Fort Collins, from Vine Drive on the north, south along College Avenue to Laurel Street. Downtown Fort Collins is home to a diverse and rich assortment of retail restaurants and galleries, financial institutions, the City and County government buildings, and mixed-use residential buildings.

Like most communities in the Front Range, Fort Collins is experiencing a real estate boom. Real estate prices and rental are continuing to rise significantly. The graphs on page 2 illustrate the rise in rental rates for office and retail space (respectively) in Fort Collins over the last four years.
Office gross lease rates FC

Gross Asking Rent Per SF

$22.00
$21.50
$21.00
$20.50
$20.00
$19.50
$19.00
$18.50
$18.00


Retail NNN Lease rates Fort Collins

NNN Asking Rent Per SF

$19
$18
$17
$16
$15
$14
$13


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The substantive population growth since the 1960s has put additional pressure on affordability (see graphs on page 2). With this kind of growth, paired with escalating real estate values, the Soho Effect\(^1\) can hit the creative sector hard. Many artists and creatives are a subset of the city’s lower income population. As with all lower income people, the creative community will need permanently affordable space to live and work to enable them to stay and contribute to the city’s creative and cultural life as well as the vitality of the City. Housing affordability has become a significant issue only recently as the economy recovered from the 2008 Great Recession and Fort Collins began experiencing the results of a newly established and intentional growth boundary management and infill development became the predominant form of real estate development in the community.

\[
\begin{array}{|c|c|c|}
\hline
\text{Year} & \text{Population} & \% \text{Change} \\
\hline
1960 & 25,027 & 67.6 \\
1970 & 43,337 & 73.2 \\
1980 & 65,092 & 50.2 \\
1990 & 87,758 & 34.8 \\
2000 & 118,652 & 35.2 \\
2010 & 143,986 & 21.4 \\
2015 & 161,175 & 11.9 \\
\hline
\end{array}
\]

Source: Census of Population and Housing. [www.census.gov](http://www.census.gov)

Another sign of a changing economy is the increased number of new residential units completed in recent years. Between 2010 and 2015 the City of Fort Collins issued an average of 987 Residential-Unit Building Permits each year. Residential-Unit Building Permits ranged on a per year basis from a minimum of 312 to a maximum of 1,410 (312 in 2010 and 1,410 in 2014).\(^2\) Most of the new units are market rate apartments, leaving a larger void in the need for affordable housing.

\(^1\) Soho Effect n. When the artists who made a neighborhood hip and exciting are forced to move out because they cannot afford the rents after the area becomes gentrified. Named after the Manhattan neighborhood that experienced staggering increases in property values after artists established residences and retail spaces in the large industrial spaces.

\(^2\) Information provided by the Fort Collins’ Housing Authority, now known as Housing Catalyst
Preliminary Feasibility Visit

The first step in the Artspace process is a Preliminary Feasibility Visit. The goals of this study are to gather information from the community to shape the project concept, provide feedback about the feasibility of the proposed project, share information about how these projects come together, and recommend next steps – all of this while encouraging a community dialogue, creating a buzz and building support for the project.

Central to the study is a field visit, in which the Artspace team meets with key leaders and stakeholder focus groups, visits potential sites, and conducts a public meeting. The visit to Fort Collins took place October 10 - 12, 2016. Artspace was represented by: Wendy Holmes, Senior Vice President, Consulting and Strategic Partnerships, Shannon Joern, Director of National Advancement and Artspace’s Colorado consultant, Felicia Harmon.

This report contains Artspace’s observations, findings, and recommendations based on what we saw and heard during our visit. It is also informed by the knowledge we have gained working in other cities around the United States and Colorado that have invested in affordable space for artists and creatives. We believe that those experiences provide a useful context for evaluating the feasibility and importance of creative spaces in Fort Collins. In that regard, we offer the following general thoughts and observations, relevant to the field of creative placemaking:

- Multi-tenant, mixed-use creative spaces are well-known nationally at generating economic revitalization and development.
- Artspace developments also provide stabilization for the creative sector by providing long-term below market-rate rents for artists, musicians and creatives.
- Most creative space projects provide job opportunities before, during, and after construction.
- Every independent creative person is, in effect, the owner/operator of a cottage industry, generating economic activity by selling products or services, purchasing equipment and supplies, paying taxes, and otherwise contributing to the local economy.
- Artists, musicians and creatives are good neighbors and active community members. Many creatives collaborate with the larger educational, cultural, and business communities as teachers, adjunct professors, and volunteers with youth and cultural organizations.
- To create affordable live/work housing for the creative sector with guaranteed long-term affordability is to create and sustain an authentic community who collaborate not only with one another but also with other local, national, and international artists, musicians and creatives.
- In general, arts facility projects help preserve existing buildings, stabilize older neighborhoods and revitalize vacant and underutilized properties. Creative space
projects also help preserve cultural heritage by providing places where cultural art forms can be passed from one generation to the next.

- Creative space projects are catalysts for private and public investment, such as façade improvements and general beautification, in the surrounding area.
- These projects create permanent community spaces that give resident creatives opportunities to interact with the public through gallery events, demonstrations, performances, and installations, and give the larger arts community opportunities to showcase their work. In this regard, Artspace has a 35-year track record of preserving affordability in perpetuity.

We are grateful to the City of Fort Collins, represented by Josh Birks, head of economic vitality, the Downtown Development Authority, represented by Matthew Robenalt, and Bohemian Foundation, represented by Tom Scharf and Bryce Merrill for organizing an engaging, informative series of focus groups and community meeting for the Preliminary Feasibility Visit.

The Artspace Loveland project celebrates and builds upon Loveland’s cultural heritage. There are two buildings on the Artspace Loveland Arts Campus, the Artspace Loveland Lofts which is currently in operation, and the Feed & Grain building which is currently under construction. The project is transforming a prominent but neglected downtown city block into a community asset where the arts are a common thread weaving together affordable housing, community programs, and creative entrepreneurialism.

Artspace, the City of Loveland, and other community partners believe that creating space for a community of artists will be a catalyst for continued downtown development, bring vibrancy and activity to the street, and increase the number of individuals and families living and working downtown.

Artists Preference in Affordable Housing

Artspace live/work projects are unlike most affordable housing in that we use an “artist and musicians 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. 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.”
Findings

During a Preliminary Feasibility Study, Artspace gathers information about six main topics:

**Project concept.** The goal is to define, and then refine, the type of facility that is being considered. Projects can be all residential, all commercial, or a combination of both in a mixed-use project. For mixed-use projects, Artspace wants to know what types of commercial and community spaces would be complementary to residential space. Affordable live/work space for artists is central to Artspace’s development projects, but residential projects are not necessarily the right fit for every town. If the priority concept does not include residential space, Artspace highlights alternate opportunities to advance a project that addresses the needs of the local creative sector.

**Artist market.** Is there a sufficient market to support an arts facility? To answer that question, qualitative data is collected through focus group discussions. Specifically, Artspace asks artists if they need a space to live, work, create, teach, share, and sell their art, how much is considered affordable in rent, and what types of amenities are desired. This information helps assess the feasibility of the project concept and lays the groundwork for the Arts Market Survey. The survey is the second step on the path to an Artspace project, which provides quantitative data about the creative community’s space needs.

**Site assessment.** The primary goal is not to select the site, but to identify candidates for further study. Several factors to consider include location, building capacity, availability, viability, and ability to impact the broader community. As a project moves into predevelopment, these sites and others, will be further evaluated based on the refined project concept, size of the market, local development priorities, and funding sources attached to specific neighborhoods.

**Financial analysis.** Arts facilities typically represent a significant investment 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 from both private and public institutions as well as philanthropic donations to support predevelopment expenses and gap funding.

**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 open between the developer and the community? These leaders come to the project from all industries, from elected officials who control agencies and program dollars to citizens who are passionate about making their community a better place to live, work, and play.

**Sustained community impact.** Deeply rooted in “creative placemaking” practice, the goal is to start identifying strategies and partnerships that can leverage impact, resulting in a project that is greater than the sum of its parts. Anchor tenants, site selection, and programmatic activities are all components of the overall community impact.

While these are not the only factors Artspace considers in making recommendations to move a project forward, they help frame the discussion.
Project Concept

The first question Artspace asks in a new community is “What are you trying to accomplish with this project?” A few communities are clear about what they hope to achieve. It may involve preserving a specific building or a specific goal. Other communities are starting from scratch. They look to us to guide them through the process of determining whether an arts project makes sense for them – and, if so, what kind of arts project it should be.

In the case of Fort Collins, the Core Group is interested in a project concept that focuses on affordable housing for the creative sector and also includes space to provide connectivity for the creative community.

More specifically, focus group participants described the desire for a mixed-use project with affordable live/work space for artists and creatives. Preliminary conversations also revealed the desire for a priority project to include gathering space for the creative community to convene, hold events and assemble. This concept is in line with the projects Artspace develops around the country, which bodes well for a good fit.

During the Fort Collins Preliminary Feasibility Visit, the Artspace team:

- Facilitated four focus groups, ranging in size from 10 to 35 participants
  - Artists, creatives, and representatives from arts and cultural organizations
  - Civic leaders
  - Business leaders
  - Funders and financers
- Held a Public Meeting at the Lincoln Center, which drew over 100 participants.
- Toured neighborhoods and existing creative space facilities and creative businesses of all types.
- Led strategy sessions with the Core Group of local leaders to discuss next steps and Arts Market Survey process and timing. The core group in Fort Collins was a group of engaged citizens- including artists, community supporters, and business and nonprofit leaders- who joined the primary partners Bohemian, City of Fort Collins, and Fort Collins Downtown Development Authority to support Artspace on the Preliminary Feasibility Visit. This core group met regularly with and without Artspace and provided local context and connections to the creative, business, finance, funder and civic communities in Fort Collins. Group members included:
  - Amy Bradley, Artist and Co-Owner Downtown Artery
  - Diane Findley, Artist
  - Lisa Gedgaudas, Arts and Venues Denver
  - Bruce Hendee
  - Joe Rowan, Funding Partners
  - Andrew Schneider, Create Places
Artist Market

The term “artist market” refers to the demand for the kinds of space that artists regularly need and use. The goal of the Preliminary Feasibility Visit is to obtain qualitative data from artists and musicians and others familiar with the local arts scene. That preliminary data then informs a scientific on-line Arts Market Survey (see page 13) which is often the next step in the process toward a potential creative space project.

During the artists and arts organizations focus group and the community meeting, we ask participants if they need space – residential, studio, exhibition, rehearsal, performance, display, sales, education, office, storage, etc. We also ask them to give us an idea of what they consider an “affordable” rental rate and what amenities are high priorities for them. Our goal is to inform an Arts Market Survey which will help determine whether a probable market exists for an Artspace-like project consistent with the priority concept.

Over the course of the visit, Artspace met several dozen artists, nonprofits, and creative business during focus group meetings and site visits. More than 100 people attended the public meeting and shared comments about current working and living space opportunities in Fort Collins. We met artists/creatives of all ages, practicing a variety of disciplines, including: dance, theater, performance art, music and recording, creative branding, gallery curation, jewelry design, painting, screen-print design, public art, luthierie, arts advocacy, makerspace, city administration, fine art photography, improvisation, writing, mixed-media, pottery, book arts, and community-based creative placemaking.

We toured several neighborhoods and visited creative individuals and businesses in their respective spaces – located both inside and outside of the Downtown Fort Collins Creative District and the city limits.

Other comments we heard included concerns about affordability and a desire for more gathering spaces. We captured information about current living and working situations as well as interest in new space. Together the artists and creatives described a need for more affordable creative space in various areas of the city. Additionally, social cohesion and community networking within the art community was brought up in several discussions.

A sampling of comments and observations from the creative community participants in the focus groups and community meeting:
What creative spaces currently exist in Fort Collins?

- Expensive arts space
- Existing makerspace – that wants to expand
- Plentiful coworking spaces
- A lot of University space – but not always accessible
- Dance studio/rehearsal
- Substantial music rehearsal, recording, and performing space as well as community resources
- Glass studio
- Private studios
- Nonprofit theater performance space Historic Old Town, Creative District galleries, creative businesses
- Near downtown, North College neighborhood seen as business and development opportunity – the incoming Lyric Cinema cited as example of new arts development
- Artists are moving to Fort Collins because they see it as being cool and hip, with emphasis on the infrastructure for musicians. It is also a place where many college graduates stay post-baccalaureate

Perceptions from the creative community about what is needed or missing from the community.

- Performance space that is available for long-term installations
- Available real estate – there are no old buildings left in Old Town and no new construction projects that are affordable to the creative sector
- Industrial spaces – the marijuana industry is taking over available warehouses
- Affordable studio space – affordable spaces are rarely available
- A space that acts as hub of creative activity – artists feel spread out and somewhat isolated
- Dirty or industrial arts studio space, with long-term and secure rental for artists with their own equipment
- More makerspace or space with shared industrial arts equipment
• Cohesion, particularly across sectors/disciplines. There is a fracturing within the art community

• Affordable housing for artists! Micro units with a lot of amenities

• Affordable nonprofit business space

Where do artists congregate?

• Hot Dish – a monthly artist food/drink gathering; some were unsure if it was still happening

• The Carnegie Building is recognized as the one, main physical space that can accommodate gathering, there are no other artist community spaces

• Downtown Artery is a dynamic artist hub, with 11 studio spaces, 3 overnight rooms, performance/rehearsal, and gallery space

• Cohere Bandwidth (adjacent to Downtown Artery) offers fully equipped music rehearsal spaces for rent

• The Alley Cat coffee shop and area around The Music District is a growing hub

• Old Town is the general area many artists exhibit, perform and gather – but spaces there are expensive or unavailable

• Young artists, students and recent graduates live near campus and orient to campus arts activities

• And the newest of creative space – The Music District which is a dynamic gathering hub, workspace, and creative playground for the music community.

Where do artists want to be?

• Old Town is where artists want to sell – though affordability has long-since been compromised

• Wherever artists and creatives can capitalize on tourism

• North College is an up-and-coming area

• The Airpark industrial park currently seems unavailable. Artists perceive that there are no existing buildings and/or the land is already sold. It is currently not bike-friendly and lacking infrastructure

• South of downtown is considered another potential area for affordable arts development or available space but it is viewed as suburban and disconnected from the urban core
AFFORDABILITY

Affordability is a key concern for younger artists, in particular. Market rate rents in Old Town are out of reach for many artists. Our initial impression is that affordable creative work space and live/work housing are equally important and equally challenged in the current state of the Fort Collins market. We also had a strong sense from creative people of all ages that there is still a preference for living and working in the core of the city, i.e. Old Town, North Old Town, and perhaps the North College as well. New affordable space was mentioned as a way to help retain the 18-30 year olds who may otherwise leave for Denver or other larger cities once graduated from CSU. It could also help preserve space for those who return in their 30’s to start families.

THE NEED FOR HOUSING

The average rent for a unit in a multi-family complex in Fort Collins is currently $1290.30 – a striking increase from $902.87 in 2011 (Source: Third Quarter 2016 Colorado Multi-Family Housing Vacancy & Rental Survey). Participants reported that there is a dearth of subsidized, affordable or “workforce” housing and that housing is informally considered “affordable” if the rent is $800 or less per month. Artists interested in residential or live/work space suggested that rents should not exceed $1500 per month – though these anecdotes may not reflect the arts market at-large.

Units developed using Low Income Housing Tax Credits (LIHTC) are income restricted and must not exceed set monthly rental rates. See below for 2016 LIHTC Income Limits by Household Size and Maximum Monthly Rents

<table>
<thead>
<tr>
<th>LIHTC Income and Rent Limits for Larimer County, Colorado</th>
<th>Fort Collins MSA 2016</th>
</tr>
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<tbody>
<tr>
<td><strong>Family size</strong></td>
<td><strong>30% AMI income restriction</strong></td>
</tr>
<tr>
<td>1 person</td>
<td>$16,440</td>
</tr>
<tr>
<td>2 person</td>
<td>$18,780</td>
</tr>
<tr>
<td>3 person</td>
<td>$21,120</td>
</tr>
<tr>
<td>4 person</td>
<td>$23,460</td>
</tr>
<tr>
<td>5 person</td>
<td>$25,350</td>
</tr>
<tr>
<td><strong># of Bedrooms</strong></td>
<td><strong>30% AMI/ max monthly rent</strong></td>
</tr>
<tr>
<td>1 bedroom</td>
<td>$440</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>$528</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>$610</td>
</tr>
</tbody>
</table>

Source: www.novoco.com
THE NEED FOR STUDIO-ONLY SPACE

For an arts community of its size, Fort Collins has a significant amount of music rehearsal space. There is also traditional working studio space and video/media space, available for relatively low-cost rental and/or membership rates at both the Downtown Artery and the Articulate. The Downtown Artery is a unique, private studio complex with affordable member rates and related services and onsite amenities such as gallery exhibition and performance space. During our tour, we learned that there is a waiting list at the Artery for studio space. The need for working studio space will be among the types of spaces tested in a future Arts Market Survey.

As for other opportunities, alternate downtown workspace is less available and some of the industrial warehouse spaces may be out of reach in terms of affordability. Many artists do accommodate studios within their homes and garages.

During our visit, we learned that some artists pay between $1/SF to $1.25/SF per month for their working studio spaces. This is a typical range for studio space rentals in a community the size of Fort Collins. In Artspace’s experience, many artists need affordable rents in the $150-300/month range. Mid-career artists can sometimes afford to pay more for their studio/rehearsal spaces but it also depends on the amount of space needed for their particular creative pursuit.

These numbers and assumptions from the focus groups and community meeting will need to be further tested in the on-line Arts Market Survey.

ARTS ORGANIZATIONS/CREATIVE BUSINESSES

Nonprofits and organizations, like individual artists, talked about the need for more gathering and community networking across arts sectors. They also talked about expanding upon existing collaborations with a focus on space opportunities and leveraging existing assets.

We also learned that existing collaborative spaces such as the Creatorhub and the Creative Community Center may be underutilized. While these types of shared spaces are in demand and highly popular throughout the country, the fact that these spaces may be underutilized in Fort Collins should be further explored, including through the Arts Market Survey. The underutilization of these spaces may be a communications issue.

Representatives of small theater companies and improvisation groups also said they would like more long-term, rental performance space where they can mount productions and rehearse.

We also heard from representatives of nonprofit and small creative businesses who said they need commercial space that is below market-rate and located in a cluster with other creative and arts-compatible operations. In addition to space, we perceived a need for systems and organization within the larger arts and creative business community.

To address these perceived needs, we recommend a clearinghouse for information related to space availability. There may also be underutilized creative commercial space to fill the needs of some of the arts organizations and creative businesses and performing arts companies that may seek occasional space.
OTHER MARKET INDICATORS

Following are additional comments, themes, and ideas that we heard from the community and that provide context for our recommendations and next steps.

- Creative enterprises have already played a role in reinvigorating Old Town as well as some of the edgier neighborhoods in Fort Collins. The timing is good to help retain these pioneers and build upon their investments through an affordable creative space initiative.

- Arts Market Survey findings, if conducted, can be used to advocate for the inclusion of affordable artist housing within the city’s comprehensive plan and housing element.

- Comments made at the community meeting and the creative sector focus group indicated there may be an interest in short-term space for visiting artists, but it is not known who would operate it. An Arts Market Survey can help measure the level of need and identify potential stakeholders interested in taking on the capital and operational costs and management of such space, if built into a mixed-use project.

- A participant shared that it can be difficult to qualify artists for home loans, further exacerbating the lack of affordable housing options. This underscores the need for policies that consider the unique financial circumstances of artists and other creatives who are self-employed or work under temporary contracts.

Arts Market Survey

Though we collect anecdotal data, related to the creative sector’s space needs and affordability needs during the Preliminary Feasibility Visit, an Arts Market Survey is a required step in the predevelopment of an Artspace project. It is an in-depth analysis of the space needs of artists and creatives in a community. We start with a proprietary survey template we developed in 2000, modify it to reflect the unique characteristics of the proposed project concept, and then host it online for eight weeks. Customizing the survey, publicizing it, collecting data, analyzing the results, and preparing the report takes about six months.

The goal is to determine the size and nature of the market for an affordable mixed-use arts project. It tells us how many live/work units and studios the local arts community can fill and what design features and amenities are desired. We also use it to effectively demonstrate need to the public and private entities that decide whether or not to financially invest in our projects.

The Arts Market Study can include one or two targeted surveys. The Individual Artist Survey gathers a wealth of data about the area’s creative individuals, including the arts disciplines; amenities and neighborhoods of interest; current income range and the percentage of it that is generated by art; current workspace arrangement; amount they are willing to pay for housing and studio space; and general demographic information. The survey tells us with reasonable accuracy how many live/work units or studios the local arts community can fill. It also informs specific design questions and identifies the need for the kinds of amenities needed for specific arts uses.

The Organization/Business Survey is recommended when the Preliminary Feasibility Study reveals a need for commercial spaces in a mixed-use project in addition to affordable live/work housing. This survey collects data on interested creative, arts, and cultural organizations and businesses including their: space needs, amenity preferences, and capacity to take on new space. The resulting information about interested entities can serve as a starting place for space design planning and lease discussions. This data can also help inform other developers who may be interested in non-residential spaces for the creative sector in their mixed-use projects.
Although no single project can be all things to all people, it is valuable to collect this feedback about what is needed and wanted in Fort Collins. As Artspace has seen in other communities, demonstrating the support for creative space concepts and programs can pique the interest of independent developers and local businesses that can step in to fill unmet needs once they understand the market demand.

NEIGHBORHOOD AND SITE REFLECTIONS

The site tour focused on several areas: Downtown Fort Collins; The Music District and the University Center for the Arts; North College district; the Airpark district; and Old Town and the North Old Town neighborhoods. Our tour included existing Fort Collins arts assets as well as opportunity sites, some of which could be readily available for development, while others have not yet been vetted for availability.

Arts Assets

The Lincoln Center, 417 W. Magnolia Street, hosts a 1,180 seat Performance Hall as well as the 226 fixed-seat Magnolia Theater. This newly renovated arts complex also features convention, ballroom and gallery spaces. Within walking distance of both the CSU campus and Downtown Fort Collins, the Lincoln Center neighborhood has experienced a renaissance with new multi-family and student housing projects with easy access to the new MAX Rapid Transit Service.

The Music District campus, one block north of CSU along College Avenue has already become a thriving arts catalyst in the months since it opened. Musicians from all over northern Colorado are excited about the studios and rehearsal and performances spaces created with the support of the Bohemian Foundation. We believe this addition to the Fort Collins arts scene will pay substantial dividends to the entire Fort Collins arts community.
Community Creative Center at the Carnegie Building, 200 Matthews Street, in Library Park began its life as the Fort Collins Public Library, a gift from Andrew Carnegie in the early 1900s. The historic building is owned and operated by the City and managed through the Lincoln Center. The Community Creative Center serves as gallery, performance and meeting spaces for use by “artists from various disciplines, employing a wide range of artistic expression.” Its location anchors the east side of the Downtown Fort Collins Creative District.

Fort Collins Museum of Art, 201 S. College Avenue, in the historic Post Office building, anchors the Oak Street Plaza and regularly hosts nationally and internationally acclaimed exhibitions.

CSU’s University Center for the Arts (UCA), located in the historic Fort Collins High School immediately east of the CSU campus. The UCA houses the CSU School of Music, Theatre and Dance as well as the Gregory Allicar Museum of Art and the Avenir Museum of Design and Merchandising.

Downtown Fort Collins

Trimble Court Artisans, a local artists’ cooperative founded in Old Town in 1971. Located in Trimble Court, this co-op has more than 50 member artists and has been a stable arts anchor for Downtown Fort Collins for nearly half a decade.

Artist Les Sundae’s storefront located on Pine Street between LaPorte and Jefferson in Old Town. Sundae, an artist, purchased the block of historic buildings in the 1970s. They now house a chocolate shop, an artisanal cheese shop and Sundae’s own studio.

Downtown Artery, 252 Linden Street, a relatively new collaborative art studio complex. Home to 11 working studios, a coffee house, a co-op arts gallery and three bed and breakfast rooms for visiting musicians. The Artery serves a total of 44 in-house artists, as most of the studios are shared between 2-6 artists. The building is also home to Cohere Bandwidth, a rehearsal, recording and performance space.

Articulate, a professional photo and video studio located across Jefferson Street from the Artery proves that a critical mass of artists can bring additional arts development. The Articulate is also home to 6,500 square feet of coworking space for digital artists.

North Old Town

Wolverine Farms Letterpress and Publick House, 316 Willow Street, this new venture in North Old Town features a letterpress publishing company, a coffee house and a gathering and performance space above the coffee house and bookshop.

Bas Bleu Theatre Company, 401 Pine Street, an award-winning theatre company in a “salon” setting is celebrating its 25th anniversary. Bas Bleu moved from Old Town to the 1910 Giddings Factory at the corner of Willow and Pine in 2006, leading an arts migration to that formerly industrial neighborhood. Its opening production in its new space was Tony Kushner’s “Angels
In America,” a collaboration with OpenStage Theater, CSU and the Museum of Contemporary Art.

The Center for Fine Art Photography, 400 North College, is supported by memberships, donations and grants. The Center provides support for photographic artists through exhibitions, education and connection to a large community of artists, galleries, curators and the public.

Buckingham

Museo de las Tres Colonias, 425 10th Street, in a 1925 adobe house, the Museo “provides a living history highlighting Hispanic life, working conditions in the sugar beet industry and community life.”

“Drive by” of the burgeoning Breweries neighborhood south of Vine Street between Linden and Lincoln Streets and the Backstage Arts Cooperative Warehouse owned and funded by the DDA.

Airpark district

The Airpark District is east and north of the City limits. Originally the Fort Collins Air Park, whose runways closed in 2006, this area has a raw, edgy industrial feel, with the kind of large open warehouse spaces that attracts artists. We viewed the Fort Collins CreatorHub, a membership-based makerspace, Higher Ground, a membership-based rehearsal and recording space, the Northern Colorado Potters’ Guild and some artisanal breweries on our tour through the area.

North College Avenue

An emerging arts district with the future site of the Lyric Cinema Cafe complex, an art film house originally located in Downtown, which has recently purchased land on North College to develop a larger film complex. Other notable assets include Launch Creative Center, and Create Places. Create Places is a nonprofit organization focused on linking the unique skills and talents of creative people to help envision and create a new North College district. Create Places began with a cluster of North Fort Collins advocates who are exploring a district visioning and strategy process designed to encourage collaboration on pursuing an aligned neighborhood vision.
SUMMARY

Although Fort Collins is experiencing major growth in many areas of the city, there are still viable sites for an Artspace-style project. Several of the sites toured are well-suited for a mixed-use live/work project, assuming affordable acquisition costs and access to funding sources.
FINANCIAL ANALYSIS

An Artspace project represents a substantial financial investment in the community where it is located. But in most cases only a small fraction of that investment comes directly from the community itself. This is because Artspace relies mainly on federal programs, such as Low Income Housing Tax Credits (LIHTC), Historic Tax Credits, and HOME funds, to pay for the projects we develop. These programs, and others like them, exist to encourage the development of affordable housing, the rehabilitation of historic buildings, economic revitalization of neighborhoods, and other public purposes.

However, the local community does play a significant role in the broader funding and fundraising effort. The focus group meeting with local funders, foundations, and other members of the financial sector is a first step in identifying potential local public and private resources. Participants included representatives from two local banks, the Housing Catalyst (formerly the Fort Collins Housing Authority), Funding Partners for Housing Solutions (a CDFI lending and advocacy organization for affordable housing in Colorado), the Downtown Development Authority, Bohemian Foundation and the City of Fort Collins. These conversations gave us a sense that the community is strongly behind an Artspace-style project. To be successful, this type of project will need to be positioned as an affordable housing project as much as an arts facility project.

Chief among capital sources for any affordable housing project are Low Income Housing Tax Credits (LIHTC), a federal program established in 1986 to encourage the development of affordable housing. LIHTCs come in two “flavors,” 9% and 4%, that reflect their relative value. Competition is fierce for the 9% credits, which can generate more than half the funds needed for an affordable housing project. The 4% credits are much less competitive, but even though they come with a supplemental allocation of bonds, they fall well short of the 9% credits as a funding source.

Artspace has experience with Colorado’s funding tools for mixed-use affordable housing projects. However, every municipality is unique in its approach and in the sources available for important “gap” funding. Every Artspace project – even one supported by 9% credits – has a funding gap, typically between 12% and 15% of the total project cost that must be closed with income from other sources. When 9% LIHTCs are secured, the funding mix also includes a healthy

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**Relevant Excerpts From the City’s Affordable Housing Strategic Plan for 2015-2019:**

This 2015-2019 Affordable Housing Strategic Plan (Plan) is the third update to the original plan produced in 1999.

The Plan specifically targets affordable housing, which is for residents earning 80% Area Median Income (AMI) or less. The goal of this plan is to have 6% of Fort Collins’ housing stock comprised of affordable housing built utilizing affordable housing programs by 2020. The City’s long-term goal is for this ratio of supported, affordable housing to overall housing units increase to 10% by 2040.

Over the course of this plan, Housing Catalyst will reposition their public housing units and direct the funds to the development of additional affordable housing through its non-profit subsidiary, The Villages, Ltd., whose mission is to develop, acquire and preserve affordable rental housing.
allocation of HOME funds from the City and/or County as well as other sources geared toward economic development, historic preservation (when applicable), affordable housing, etc.

The philanthropic community is instrumental for the final dollars. In a typical Artspace project, 10-15% of the capital funds comes from philanthropic sources. For 4% LIHTC deals, the gap is larger and the reliance on philanthropy is correspondingly larger. Philanthropy comes in the form of gifts from foundations, corporations, and in some instances, individuals. In every case, city and civic leadership must prioritize the project for the development sources to be secured.

Fort Collins is currently doubling its efforts in affordable housing. See inset for affordable housing goals in the 2015-2019 Affordable Housing Strategic Plan. Compared to similarly sized communities, Fort Collins is doing quite well in this regard; 5% of their total housing units are already affordable and/or deed-restricted. See inset for a list of projects in Fort Collins that received an LIHTC allocation in the last five years.

Most of the areas we visited are within the state's Enterprise Zone (see map page 22), allowing for a tax deduction for individuals and companies who donate money, goods or services to a project. Artspace used this resource in Loveland and anticipates using it again in our Lakewood and Denver projects, too.

At the time of the visit, there was a pending $6 million allocation for Scientific and Cultural Facilities District in Larimer County on the ballot. In the following election, it was unfortunately defeated. Had the proposal passed, there would have been significantly more financial support for the creative sector.

Nonetheless, there are two promising City programs to highlight: 1) through a semi-annual competitive process, the City awards grants from HOME funds, CDBG funds and its own affordable housing funds directly to affordable housing developers; and 2) the City has a Land Bank program which acquires unimproved land parcels that are appropriate for affordable housing uses and sells those sites at a discount to nonprofit or for-profit developers of affordable housing.

In summary, we feel positive about the funding and financing mix. More private foundation resources will need to be explored in addition to the public funding needed through the City and County.

Recently Funded LIHTC Projects in Ft. Collins, 2011 to 2016:

- Provincetown Green Communities, Care Housing, Provincetown Green LLLP, 6909 Autumn Ridge Drive, 84/85 affordable units, 9% 2011
- Caribou Apartments - Phase II, Hendricks Communities/FC Caribou II LP, 4110 Verbena Way, 96/96 affordable units, 9% 2013
- Legacy Senior Residences, Cornerstone Associates LLC, Legacy Fort Collins Partners, LP, 411 Linden Street, 72/72 affordable units, 9% not in operation
- Redtail Ponds Permanent Supportive Housing, Fort Collins Housing Authority, 5046 Fossil Blvd, 60/60 affordable units, not in operation
LOCAL LEADERSHIP

What we love and admire about communities who connect with Artspace is their strong leadership. In the case of Fort Collins, that leadership was in the form of a triumvirate between the Fort Collins Downtown Development Authority, the City, and Bohemian Foundation. Leaders from all three entities helped plan and prepare for the Preliminary Feasibility Visit. This kind of collaborative leadership bodes well for a future initiative or project.

City Council and Larimer County participation was also important to see. Art facility projects are only successful when there is full City participation and often the County, too. Later in the process, it will be critical for the City and/or County to prioritize a future project. This support comes in the form of program dollars and funding associated with economic development, affordable housing, and the like.

Fort Collins Enterprise Zones (in GREEN), image from http://larimer.org/info/epzonefortcollins.pdf
POTENTIAL OF SUSTAINABLE COMMUNITY IMPACT

Artspace’s best projects, we believe, are those that make a significant difference in their communities, not only immediately but over time. This relates both to our nonprofit mission “to create, foster, and preserve affordable space for artists and arts organizations” and to our goal of “building better communities through the arts.” Whatever gets built should address as many broad community goals as possible. So we look for projects that have this potential, and given two otherwise equal development opportunities, we gravitate to the one with the greater potential upside over the long haul.

First, sustainable impact relies on a financially sustainable project; it must be fully capitalized and the annual operating budget must fully cover both operating costs and ongoing contributions to reserve accounts. The unique Artspace model prioritizes both long-term affordability and long-term financial sustainability. From that premise we can begin to build in opportunities for broader sustained community impact.

In Fort Collins, participants discussed several potential paths to achieve positive community impact, including:

ALIGNMENT WITH CITY AND COMMUNITY IDENTIFIED GOALS

Incorporating multiple community goals not only makes for a stronger project, but also helps advance plans for what the community has already identified as important and impactful.

- **Create an additional 1,000 units of new affordable housing units by 2020** (from page 14 of the Fort Collins Strategic Plan for Affordable Housing 2015-2019). Artist housing is just one approach among a variety of affordable housing models that each serve different needs within the low-income population. Artist housing serves all ages, abilities, and cultural backgrounds. It is also unique in that it provides arts-compatible shared spaces and design elements that are rare in traditionally designed and managed affordable housing projects.

- **Incorporate multi-modal principles**, including biking, walking and car sharing. As noted by a focus group participant, artists are “early adopters.” A new artist live/work project could become a model or demonstration project for future developments. This also supports the healthy lifestyle brand of Fort Collins that the City is already investing in, through parks, trails, and sustainable agriculture.

- **Have sufficient cultural facilities to support the creative community.** This was high on the list of goals of the City’s 2008 Cultural Plan (currently being updated). An Artspace-style project can help meet goals already identified as important to the community and/or be inserted into the goals of an updated Cultural Plan which is expected to be completed next year.
Increase street level activity, walkability and connections between active nodes, especially in and around Old Town. If the project includes commercial and publicly accessible spaces and storefronts, it can increase the creative placemaking potential and vibrancy of an area. Introducing a critical mass of creatives can help draw foot traffic and strategically anchor emerging areas of the city and connect with adjacent nodes.

PARTNERSHIPS

Artspace looks for formal and informal partners and commercial tenants (both nonprofit and for-profit) that create meaningful, long-term relationships with the community.

- Integrating concepts of urban agriculture and equitable access to healthy foods into the project by 1) providing space to organizations working in this field, and 2) incorporating green space and urban garden opportunities into the project’s design.

- Working with an educational partner, like CSU, to support and advance the existing infrastructure and ongoing educational programs. While it can be challenging to coordinate timelines with educational institutions, a partnership can also add value by offering collaboration and teaching opportunities for the artist tenants.

- Providing temporary, artist-in-residency units for visiting artists. In a handful of affordable mixed-use projects, Artspace has included 1-2 units of flexible space in partnership with a local organization that programs that space for visiting creatives. There seems to be a market for this type of space in Fort Collins, between visiting arts faculty at CSU to visiting musicians and theater professionals. This type of space aligns with what we observed at the BnB spaces in the Downtown Artery as well as in the Music District.

- Partnering with community development corporations and housing authorities. Artspace has found success in these types of partnerships in several communities, including in Loveland CO. For the Artspace Loveland Arts Campus, the Loveland Housing Authority was both our minority development partner and our property management company. In Fort Collins, the Housing Catalyst could participate in similar fashion, bringing significant benefits to a project. These types of partnerships help ensure that the variety of needs of the low-income community are met in most locally significant and strategic way.

There are multiple ways to ensure that a future project is as long-lasting and meaningful as possible. Information gathered during this visit is just the beginning of an exploratory process that would be advanced during the Arts Market Survey.
Next Steps and Recommendations

1. Initiate an Arts Market Study with both surveys: one for individual artists and one for creative businesses and organizations (described in the Arts Market section of this report, page 13).

2. If an Artspace project is a priority, begin discussions between the City and the DDA, about a timeline for a potential LIHTC application.

3. Begin exploration of predevelopment and capital “gap” sources to gain confidence in the community’s leadership capacity in this arena. Research and connect with foundations mentioned in focus group meetings. The goal is to find prospective resources for filling the 10-15% gap, which is necessary for successfully completing the funding for a mixed-use affordable live/work project. We were pleased to hear positive comments from the funding community as well as the housing community about their receptivity to a creative space affordable housing development.

4. Incorporate specific goals for affordable live/work and workspace for the creative sector in the City’s soon to be updated Cultural Plan. Supportive language in the document will help sustain momentum and perhaps result in a new task force for implementation of creative space-related goals and initiatives. Position the Preliminary Feasibility Visit and a future Arts Market Survey to help articulate space-related goals for the creative sector.

5. Help match creative people with existing affordable space. A new or existing organization, such as the Downtown Fort Collins Creative District, could act as a clearinghouse and/or coalesce information about available spaces. Alternatively, a savvy individual with knowledge of the commercial real estate market and the creative community could take on a more active role as a “broker” for the creative community’s space needs. The few communities that have such a person have enjoyed the benefits of providing access to and arrangements of long-term leases for artists and creative businesses.
APPENDIX I

ABOUT ARTSPACE

Established in 1979 to serve as an advocate for artists’ space needs, Artspace effectively fulfilled that mission for nearly a decade. By the late 1980’s, 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), 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 New York, Los Angeles, Seattle, New Orleans, and Washington D.C.

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

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.
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 41 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 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.

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.