

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	• Information Gathering and Outreach
PRIMARY ACTIVITIES	• 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	• Written report with recommendations for next steps
PREREQUISITES FOR MOVING FORWARD	• Demonstrated support from local leadership • Critical mass of artists and arts organizations with space needs • Established base of financial support
TIME FRAME	• 3-5 months
FEE	• \$35,000

STEP 2: ARTS MARKET STUDY

OVERVIEW	• Assessing the Market
PRIMARY ACTIVITIES	• 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	• Written recommendations and technical report of survey findings
PREREQUISITES FOR MOVING FORWARD	• Sufficient number of responses from eligible, interested artists to support an Artspace live/work project
TIME FRAME	• 6 months
FEE	• \$35,000

STEP 3: PREDEVELOPMENT I

OVERVIEW	• Determining Project Location and Size
PRIMARY ACTIVITIES	• 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	• 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	• Site control agreement with property owner • Growing stakeholder/leadership group • Both parties' agreement on project scope and feasibility
TIME FRAME	• 3-6 months
FEE	• \$150,000

STEP 4: PREDEVELOPMENT II

OVERVIEW	• Project Design and Financial Modeling
PRIMARY ACTIVITIES	• 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	• 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	• Award of Low Income Housing Tax Credits (first or second application) or commitment of alternative funding
TIME FRAME	• 12 months+
FEE	• \$300,000

STEP 5: PREDEVELOPMENT III

OVERVIEW	• From Tax Credits to Financial Closing
PRIMARY ACTIVITIES	• 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	• Successful closing and commencement of construction
TIME FRAME	• 4-6 months
FEE	• \$350,000+

STEP 6: CONSTRUCTION

OVERVIEW	• Construction and Lease-up
PRIMARY ACTIVITIES	• 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	• Completed project ready for occupancy
TIME FRAME	• 6-10 months
FEE	• Depends on project (not part of predevelopment contract)