

# PRELIMINARY FEASIBILITY REPORT

Washtenaw County, MI | April 2022



Photo Credit: Artspace





# EXECUTIVE SUMMARY FOR PRELIMINARY FEASIBILITY REPORT Washtenaw County, MI

## OVERVIEW OF THE REPORT

At the invitation of the Song Foundation, Artspace conducted a Preliminary Feasibility Study to determine the viability of an affordable arts development project within the context of Washtenaw County's unique needs, assets, sites, leaders, goals, and resources. This study was originally focused on Ann Arbor, but as we began the conversations, we quickly realized the porous borders with Ypsilanti and the interconnectedness of the artists' live/work opportunities and thus, expanded the study to encompass Washtenaw County. Creative Washtenaw, the existing arts advocacy/alliance group, also views the sector from the County lens further making it a logical pivot.

Artspace Consulting's Senior Vice President Wendy Homes and Director Aneesha Marwah worked closely with a Core Group of local cross-sector leaders throughout the study. The Core Group was well-equipped by position, experience, and influence to cultivate community engagement and provide County-specific insight. Through virtual focus groups, a public meeting and an in-person Preliminary Feasibility Visit, the study engaged several subpopulations of both communities and analyzed project factors. The focus groups' target audiences included individual artists, arts organizations, civic/finance leaders, and BIPOC community members. During the visit, the Artspace team gathered data, toured potential sites, visited creative spaces, connected with local stakeholders, and shared information about how our projects come together.

## THE ARTSPACE APPROACH

Six elements guide the Preliminary Feasibility Study (at right), providing a holistic framework to assess the viability of an Artspace development and guide community leaders in successful planning. The Executive Summary Table outlines Artspace's findings and recommendations within each of these categories.

### 6 Components of an Artspace Project



## RECOMMENDATIONS AND NEXT STEPS

Both Ann Arbor and Ypsilanti are well-positioned to pursue an affordable live/work mixed-use facility for artists and creatives. There seems to be strong leadership with the will to tackle large projects and demonstrated experience working with nonprofit affordable housing developers, as well as a definite need for sustainable, affordable space for the creative sector. In alignment with the 2017 Creative Washtenaw Study and supported by the findings of our study, **Artspace believes that a mixed-use, live/work artist housing development would address the challenges facing artist in the County.** We anticipate that either Ypsilanti or Ann Arbor has the ability to support 40 or more live/work units in an Artspace project.

**Artspace recommends an Arts Market Study** as the next step. It is a means of gathering statistical evidence of market demand to refine the project concept, generate an interest list of creatives who need space, advocate for the project, and secure project financing from bankers, funders, and mortgage lenders. The study involves an online survey of area residents, followed by analysis and recommendations based on their responses. All survey outreach is conducted by the local Core Group. We recommend including city leadership and young, diverse artist voices in the local team to lead this next effort. An Arts Market Study will also help inform the work currently underway by Avalon Housing, the local developer who is already in the process of planning artist housing and other creative spaces as part of the Catherine Street project in downtown Ann Arbor.

## ADDITIONAL NEXT STEPS

### Strengthen the Arts Sector

- Focus on individual artists
- Reinforce the newly formed Creative District in Ann Arbor
- Start the process of developing a Creative District in Ypsilanti in either downtown and/or Depot Town
- Play up the unique intersection between art and technology
- Better connect higher education resources to the broader community
- Develop a space-finding resource for artists/arts organizations

*Examples of successful approaches to each recommendation can be found in the report beginning on page 51*

### Development Process

After completing the Arts Market Study, the following step would involve entering into a predevelopment agreement. "The Path of an Artspace Project" (Appendix A) provides an overview of the steps involved in advancing a successful Artspace project. Given the availability of American Rescue Plan Act (ARPA) funds and the deadlines associated with this funding source, getting started quickly would be advised.



Thank you for the opportunity to work with an incredible cross section of your vibrant, innovative community!

## Washtenaw County, Michigan Artspace Preliminary Feasibility Study Executive Summary

Criteria	Finding	Recommendation
<p><b>Alignment with Broader Community Goals</b></p> <p><b>Artspace Indicator:</b> Will a potential project help achieve other civic and community goals?</p>	<p><b>(1) Preserving affordability, (2) supporting a diverse cultural community, and (3) sustaining creative businesses and nonprofits</b> are all overlapping community goals indicated by the focus groups and public meeting participants that an Artspace project can align with.</p>	<p>(1) A lack of affordable space for nonprofit organizations and individual artists is causing many, especially emerging artists, to leave the community or gravitate to Ypsilanti. Both cities should seek sustainable long-term funding models. With the recently passed millage, Ann Arbor should capitalize on the increased funding of affordable housing units with an artist live/work style project.</p> <p>(2) To strengthen Washtenaw County's support of a diverse cultural community, there needs to be a concerted effort and focus on making sure BIPOC artists are in-the-know about resources, grants assistance, advocacy and at-the-table for conversations. Organizations we feel could be good connectors to BIPOC audiences include Neutral Zone, Washtenaw My Brothers Keeper, Title Track and Amplify Fellowship. As well as the city's Equitable Engagement Initiative committee and CultureSource's CultureMakers program.</p> <p>(3) An affordable, self-sustaining mixed-use art facility helps to ensure a long-term home for creative businesses and nonprofits, as well as individual artists. Making space or using underutilized space for creative activities/businesses can be one approach. Ypsilanti's Ypsi Alloy and Landline Creative Labs are good models to replicate or for the community to continue to fund.</p>
<p><b>Project Concept</b></p> <p><b>Artspace Indicator:</b> Is there community consensus on a project concept, would live/work space be appropriate for the community?</p>	<p>In alignment with the 2017 Creative Washtenaw Study, our preliminary feasibility work identified a <b>clear desire for affordable live/work housing</b>. Other leading space types include private artist studio space, shared creative space, performance space and public engagement/meeting space.</p>	<p>Artspace recommends the exploration of a mixed-use, live/work artist housing development as the priority project concept in Washtenaw County. A development with affordable live/work housing for artists on its upper floors and private studio/collaborative space/commercial space on the ground floor would be appropriate to pursue in downtown Ypsilanti, and along density growth corridors in Ann Arbor. Both cities, the county, Creative Washtenaw, and other arts advocates should also use these findings as an advocacy tool to prioritize other spaces and policies in the community for the creative sector.</p>
<p><b>Creative Sector</b></p> <p><b>Artspace Indicator:</b> Is there a demonstrated need for an arts facility? Will there be strong demand for a project?</p>	<p>Washtenaw County is home to a wide variety of art forms, with tech and art collaboration particularly unique to this region. Words such as underfunded, vibrant, diverse and passionate were used to describe the arts community.</p> <p>The top challenges for the creative sector in Washtenaw include: affordability/accessibility/availability of space, awareness of spaces, cost/funding constraints, lack of community commitment, and institutions monopolizing the arts funds.</p>	<p>There is a strong market for an Artspace mixed-use project in Washtenaw County and there are merits to both Ann Arbor and Ypsi as the location. Ensuring the preservation of affordable spaces will retain the population of emerging artists who graduate from the U of M and EMU. Ypsilanti is perhaps the more logical starting place due to its well-developed grassroots arts scene. Form partnerships with businesses downtown, organizations who want space, and the Riverside Arts Center to assist in the process. The Catherine Street project in Ann Arbor will create much needed artist housing there.</p> <p>Proceed with an Arts Market Study to quantify the market for an affordable mix-use project and to identify which city/location is most desired by a wide audience of artists/creatives. The study should include facilitated conversations with potential "commercial" tenants interested in new space and in helping to bring creative vitality to the ground floor of a project. Recent graduates of the U of M and EMU and BIPOC artists should also be a targeted outreach group.</p>

Criteria	Finding	Recommendation
<p><b>Local Leadership</b></p> <p><b>Artspace Indicator:</b> Are there private and public sector leaders that can champion an arts-centric project?</p>	<p>This study was privately funded by the Song Foundation. The study's Core Group was composed of an impressive cohort of local cross-sector leaders from the funding, arts, culture, creative, institutional, and development sectors, but no civic leadership from either cities came forward. While Ypsilanti's Community Development Department participated in our site tours and a focus group, we were disappointed by the lack of attendance from the civic side in Ann Arbor.</p>	<p>Early support from civic leaders is a crucial component of successful projects. Attention should be given to increasing engagement at the city-level to leverage financial support and help identify other civic planning priorities that should be taken into consideration with a project like this, such as green initiatives, the TreeLine Trail project, and county-wide public transportation plans.</p> <p>Bringing in organizational partners who can help reach diverse audiences and serve on the Core Group is also key. Creative Washtenaw, the Arts Alliance, CultureSource and others listed in the report will all be vital in advancing the Arts Market Study phase of this feasibility work.</p>
<p><b>Funding and Financing</b></p> <p><b>Artspace Indicator:</b> Are there financing capabilities locally to support predevelopment and gap financing for an arts facility?</p>	<p>The local community plays a significant role in the broader funding and fundraising effort, especially during the early steps of the process. The financial information Artspace gathered during the Civic/Finance Leaders Focus Group, additional meetings, and subsequent research suggests that there is sufficient capacity in Washtenaw County to underwrite an arts market study, predevelopment, and capital funding of an affordable mixed-use, artist live/work project. Private funders potentially have more of an interest in funding a project in Ann Arbor. Additionally, Artspace's breathe of experience in Michigan, including the development of the City hall Artspace Lofts in Dearborn, offers specific knowledge of potential state, regional, and local funding sources.</p>	<p>The largest source of funding for most Artspace mixed-use and residential projects is the federal Low Income Housing Tax Credit (LIHTC) program and we feel that these credits are a very viable funding source for such a project in Ann Arbor or Ypsilanti. We also identified a preliminary list of other potential public sources to further vet (see pages 40-41 of the report).</p> <p>Through our study, the focus groups developed a list of potential funders to engage in conversation (page 37), including several foundations, corporate giving programs such as Ford Motor Company and MASCO, as well as non-profit development organization, Michigan Community Capital. It is not known at this time how many of the Detroit-based foundations might also provide support for the right opportunity in Washtenaw County, but this should be explored upon completion of the Arts Market Study. Many of the key people we met during the course of this study are important connectors to the private funding community.</p>
<p><b>Potential Sites</b></p> <p><b>Artspace Indicator:</b> Are the top sites where artists want to be, easy to acquire, and large enough for the proposed project concept, and/or an Artspace model development?</p>	<p>Artspace toured six potential sites in Ann Arbor and Ypsilanti to evaluate their potential for an Artspace-style development. We also solicited feedback from the open house attendees and found that artists and art organizations would prefer a location in Ypsilanti or a neutral location between the two cities. Some of the sites we visited had potential for reuse as artist housing, but all had significant drawbacks related to location, size, cost of acquisition, or other factors. Artspace's top three sites for a potential project are the Triad Partners site, Ypsilanti's City Hall, and the Ypsilanti Transit Station.</p>	<p>It should be noted that only about 50% of the time the exact site is identified during the preliminary feasibility visit. Site selection is made during the predevelopment phase of the project. The sites mentioned in this section should be prioritized as conversations progress and the project concept is refined, but other possibilities should also be considered.</p> <p>In order to put forth a competitive project application for LIHTCs, a site should aim to score at least 95 points out of the 185-point scale under the new 2021 Qualified Allocation Plan (QAP). The top three sites currently score in the mid 80s (see details on page 46). We recommend targeting the points associated with strategic investment projects to secure 9% LIHTCs for a project in Ann Arbor or Ypsilanti.</p>

*Please refer to the full report for Artspace's full findings, recommendations, and creative space resources.*

# ACKNOWLEDGMENTS

Artspace would like to thank the Song Foundation for their generous support of the Washtenaw County feasibility study. This study would not have been possible without the amazing Core Group led by super volunteer Lisa Sauve of Synecdoche Design. The cross-sector leaders that led the Washtenaw County study represented the funding, arts, culture, creative, institutional, and development sectors in Ann Arbor and Ypsilanti. We thank these leaders for their coordination, participation, helping us build a network, and welcoming us into their community. The Core Group and focus group participants they assembled offered invaluable insight, hospitality, and feedback throughout the process. It was a pleasure to work with such a committed group. We would also like to thank all the 100 focus group and public meeting participants who made their voices heard over the course of this study.

## WASHTENAW COUNTY CORE GROUP

**Devon Akmon** // Board Member, Artspace / A2 Resident, MSU Museum and Science Gallery  
**Michael Appel** // Real Estate and Development, Avalon Housing  
**Jennifer Goulet** // Executive Director, Wonderfool Productions/ Former Ypsilanti Arts Commission  
**Amina Iqbal** // A2 Area Community Foundation  
**Aubrey Patiño** // Executive Director, Avalon Housing  
**Lisa Sauve** // Architect, Synecdoche / Planning Commissioner, City of Ann Arbor  
**Dug Song** // Song Foundation  
**Ryan Tobias** // Real Estate and Development, Triad Partners



### AMERICA'S LEADER IN ARTIST-LED COMMUNITY TRANSFORMATION

Artspace is a non-profit 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, we are able to 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 New York and Washington D.C., Artspace is America's leading developer of arts facilities with 58 to date and has served as a consultant to over 300 communities and arts organizations nationwide.

[WWW.ARTSPACE.ORG](http://WWW.ARTSPACE.ORG)

## FOCUS GROUP AND PUBLIC MEETING ATTENDEES\*

### INDIVIDUAL ARTISTS

**Avery Williamson** // Artist, 306 W Cross Studio  
**Sandra Xenakis** // Art Meets Business, coach WCC  
**Curtis Wallace** // Artist, Be Creative Studio Community Arts & Events, LLC  
**Yiu Keung Lee** // Clay Work Studio  
**Mary Thiefels** // TreeTown Murals  
**Alexa Dietz** // Artist, Ypsilanti Arts Incubator  
**Trevor Stone** // Artist, Teaching Arts, Community Outreach  
**Narooz Salimon** // Artist, Brush Monkeys  
**John Baird** // Furniture designer  
**Jeremy Wheeler** // Artist, Marketing Manager A2AC  
**Ellen Sherman** // Artist  
**Nick Azzaro** // Artist, Photographer, Penny Stamps  
**Yen Azzaro** // Artist, Assn of Businesses of Color, Ypsi Fidelity, Penny Stamps  
**Rik Cordero** // RunPlayBack, A2 Tech Film Showcase  
**Maury Okun** // A2 Resident and President of Detroit Chamber Winds & Strings  
**Nan Plummer** // 22 North Gallery, Treeline Conservancy, former LexArts  
**Hien Lam** // HuckFinch, A2 Awesome Foundation  
**Ilana Houten** // Ypsi Alloy Studios  
**Elize Jakobson (and Jessica)** // Alloy Studios + YDDA + Arts Commission  
**Lynne Settles** // Artist, Ypsi Arts Commission, former YCHS art teacher  
**Aubrey Martinsen** // ED, CultureVerse (gallery/AI technologies)  
**Jason Jay Stevens** // Artist, Owner of Flutter & Wow  
**Pete Baker** // A2AC Artist, Board Chair  
**Kristin Danko** // Neighborhood Theater Group  
**Angela Barbash** // Revalue Ypsi  
**Leslie Sobel** // Artist  
**Greg Shewchuk** // Fireflower Studio  
**Zachary Storey** // Violin Monster  
**Petals Sandcastle** // Express Your Yes  
**Matt Shlian** // Artist, Dharma Initiative  
**Leif Ritchey** // Artist

### Creative Washtenaw Focus Group - Arts Organizations

**Valerie Mann & Lynda** // WSG Gallery  
**Susan Badger Booth** // EMU Arts Management  
**Lizzy Wilson** // Huron River Art Collective (Ann Arbor Women Artist)  
**Josh Williams** // MakerWorks  
**Mike Michelon** // Ann Arbor Summer Festival  
**Petals Sandcastle** // NOW Studio  
**Deb Polich** // Creative Washtenaw  
**Angela Kline** // Ann Arbor Street Art Fair  
**Christina Hamilton** // Stamps Speaker Series  
**Sarah Calderini** // A2SO  
**Amy Fracker** // Riverside Arts Center  
**Karen Delhey** // Guild of Artists & Artisans  
**Marianne James** // ED, The Ark  
**Kate Robertson** // A2AC  
**Meaghan Clark** // A2AC  
**Rod Wallace** // Grove Studios and Program Director at Upward Bound  
**Mary Avrakotos** // Potters Guild  
**Jamal Bufford** // Artist and Program Specialist at WMBK  
**Allison Buck** // Guild of Artists & Artisans, A2 Public Art Commission Chair  
**Maggie Spencer** // Riverside Arts Center  
**Anya Klapischak** // The Hosting  
**Lori Roddy/John Weiss** // Neutral Zone

## FOCUS GROUP AND PUBLIC MEETING ATTENDEES\*

### EQUITY IN SPACE

**Jess Letaw** // Building Matters, A2AF

**Jenny Jones** // Title Track

**Abhishek Narula** // Artist/Asst. Professor of Art MSU

### CIVIC AND FINANCE

**Sean White** // AAACF: Impact Investing Manager

**Jennifer Olmstead** // SPARK, Director of Business Development

**Larry & Lucie Nisson** // Art philanthropists

**Bill Kinley** // Praxis, property development, RAC Board

**Eli Neiburger** // AADL, Director

**Rich Chang** // Board, United Way, A2 Chamber

**Jonathan Bowdler** // BoAA, Sr VP

### PUBLIC MEETING

**Kristin Gapske** // WCC: Center for Entrepreneurship

**David Esau** // Architect

**Mia Risberg** // Artist

**Sophie Grillet** // Artist

**Decky Alexander** // Engage @ EMU

**Laura Seligman**

**John Mirsky** // EA2, energy commission

**Monica Wilson**

**Shirley Beckley**

**Sue McDowell** // A2 Fiber Guild

**Mary Underwood**

**Liz Fall** // Trust Art Studios

**Anne Rogers** // Huron River Art Collective

**Steve Pierce** // Cofounder, The Ypsi

**Tia Dye** // Huron River Art Collective, Marketing Chair

**Courtney Wollet**

**Tooya Ritchey**

**Jen Eastridge** // Unicorn Feed and Supply

**Hannah Baiardi** // Artrain

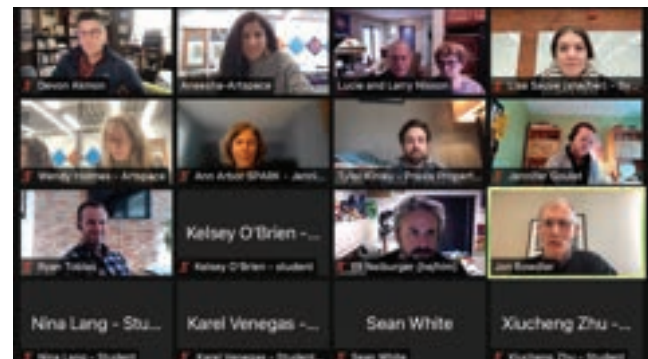
**Adrian Ace**



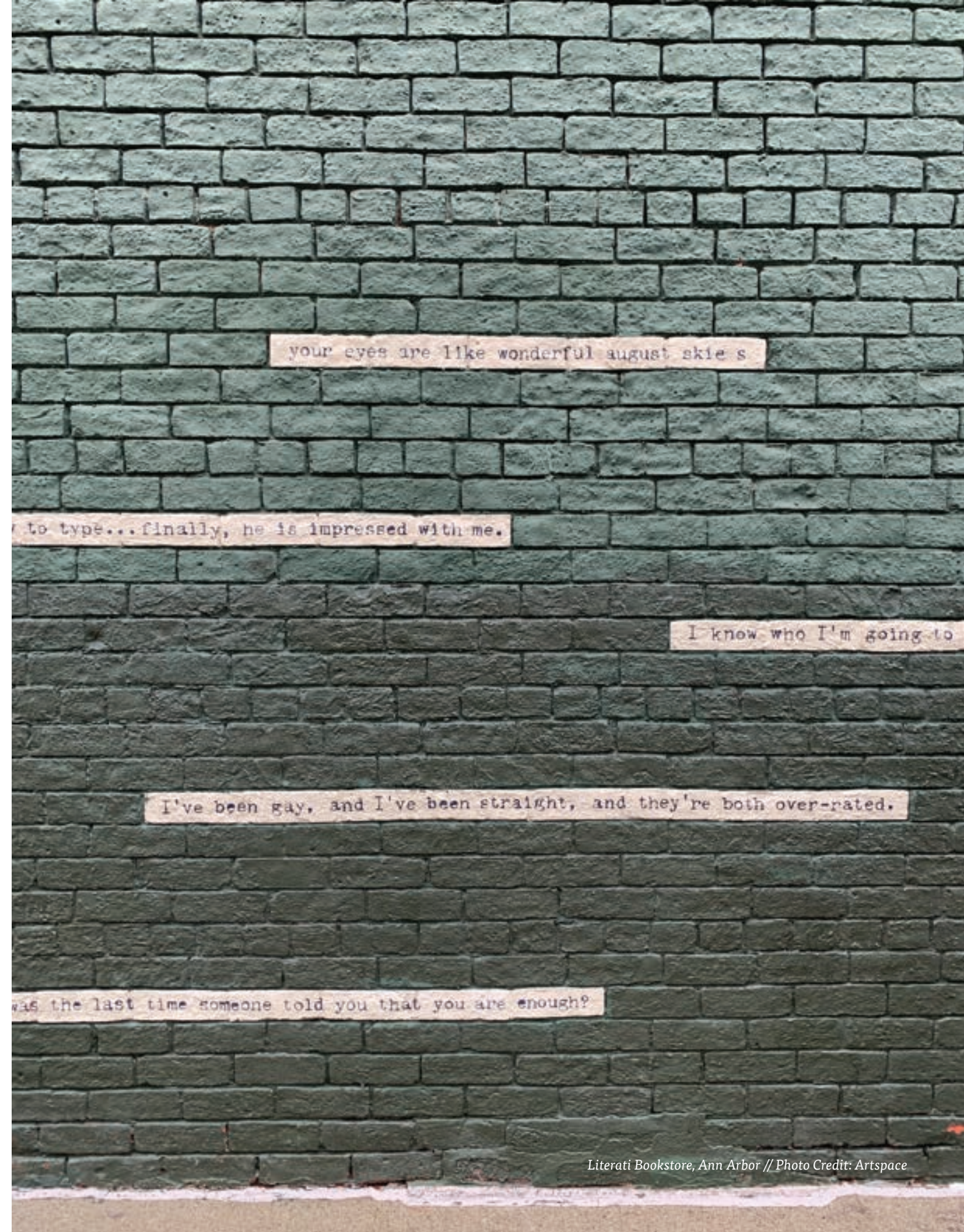
February 17th



February 17th



February 23rd



\*The participants represent about a 50/50 split of Ann Arbor and Ypsilanti residents. Due to the virtual nature of these meetings, this list is to the best of the Core Group's ability and may not include all attendees. We apologize in advance for any omissions.

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# I. INTRODUCTION

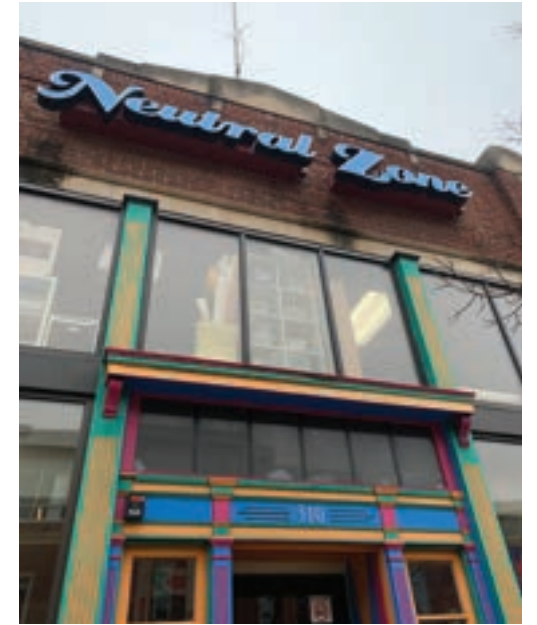
## Community Profile

The cities of Ann Arbor and Ypsilanti in Washtenaw County are two sides of a coin with colleges and creatives in common. For being so close in proximity – one elides into another – they are in some aspects many worlds apart. Ann Arbor has the largesse, the national reputation, the University of Michigan campus downtown, the larger year-round population and student body, the historic venues, and the famous Ann Arbor Art Fair. Ypsilanti is more working class, has two downtowns (Downtown and Depot Town, along the Huron River), a growing arts scene, and leans into the “YpsiReal” branding. The city also has one-tenth of the population, fewer resources, Eastern Michigan’s campus is on the edge of town and more commuter-focused and not as central to the downtown identity. The flip side of the “scrappier” nature of Ypsilanti is that fewer rules have existed and more experimentation has occurred in the creative sector, partly due to political will and a lot to do with more affordable space – both to buy or rent. Each city seemed to desire to be a bit more like the other.

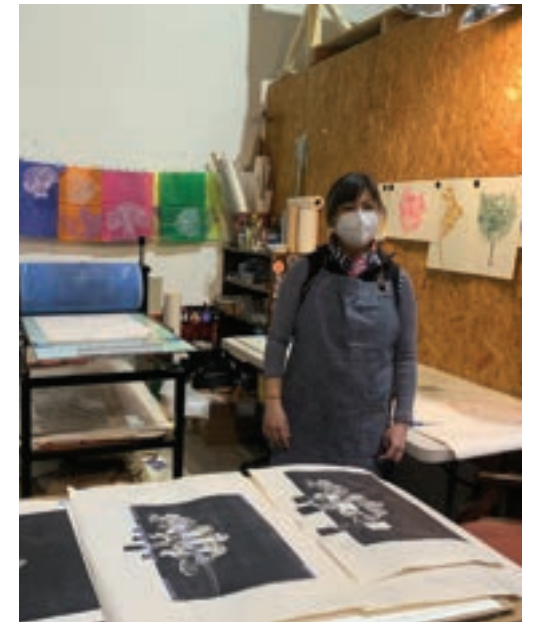
**Both cities have a host of creative venues.** Ann Arbor has famous music venues – The Ark and the Blind Pig – and the larger performing arts spaces – Power Center for the Performing Arts and Hill Auditorium – and the more established Ann Arbor Arts Center and Maker Works. It also has unique spots like CultureVerse, the Neutral Zone, Express Your Yes Foundation, to name a few that we toured.

While Ann Arbor may seem like a classic upscale college town, we heard how that cleaned up college town and increasingly tech town dynamic has affected affordability and the creative sector. The once punk rock grunge underground artsy town image of the 1990s has completely changed. Commercial space on State Street by the University of Michigan campus in the heart of downtown now rents for \$65 a square foot in 2022. Without measures in place to foster and engage the artists, recent grads, locals who want to live and create in Ann Arbor, those creatives are leaving.

Though Ypsilanti has fewer larger venues, it rises to the occasion with having creative work spaces, the type unavailable in Ann Arbor. We toured an impressive array including Ypsi Alloy Studios, Ingrid Ankersen’s LetterPress Print Studio, Worthwhile Paper and adjacent studios, EMU’s sculpture studios, and Grove Studios’ recording spaces. Downtown Ypsilanti and Depot Town also feel “creative” with wonderful creative businesses and retail spaces such as Unicorn Feed & Supply and Stone & Spoon, the Riverside Arts Center, 22 North Gallery, and Landline Creative Labs. Even Back Office Studios, where we had co-working space for the day, has creativity ingrained in its space.



Neutral Zone, Ann Arbor // Photo Credit: Artspace



Ypsi Alloy Studios, Ypsilanti // Photo Credit: Artspace

There seemed to be a genuine community feel and benevolence around space in Ypsi that was different from Ann Arbor. Many “Ann Arborites” are in turn finding space more affordable nearby in Ypsilanti. Ypsi is feeling the pressure of new residents and interest from its neighboring city are starting to drive up costs in this working class community. Ypsilanti also has very little new housing development in its downtown areas, and increased foot traffic can greatly benefit its downtown businesses. A development such as an Artspace-style housing project would also preserve affordability, even if the community continues to become more expensive.

We came away with an understanding that each city has different needs, goals and desires when it comes to affordable and creative space. This study was originally focused on Ann Arbor, and as we began the conversations, we quickly realized the porous borders and that many artists are now in Ypsi and vice-versa and expanded the study to encompass the County. Creative Washtenaw, the existing arts advocacy/alliance group also views the sector from the County lens which made it a logical pivot.

WASHTENAW COUNTY, MICHIGAN AT A GLANCE			
	Ann Arbor	Ypsilanti	Washtenaw County
Population (Full time. 2021 est.)	122,028	20,245	368,689
Households (2021 est.)	50,211	8,231	145,292
Population % Change 2010-2021	+7.2%	+3.9%	+6.9%
Est. Population Growth 2021-2026	+3.1%	+1.7%	+2.9
Vacant Housing Units, ACS 2020 est.	5.7%	7.4%	5.7%
Median Age (2021 est.)	28.7	26.4	35.1
Median Household Income (2021 est.)	\$70,678	\$40,299	\$76,450
Median Gross Rent (Monthly), ACS 2020 est.	\$1,299	\$872	\$1,161
Renter-Occupied Households (2021 est.)	55.1%	65.2%	38.3%
Race/Ethnicity (Top 5. 2021 est.)	<b>White:</b> 70% <b>Black:</b> 7% <b>Asian:</b> 17.1% <b>Hispanic:</b> 5.2% <b>Two or more races:</b> 4.3%	<b>White:</b> 60.3% <b>Black:</b> 28.3% <b>Asian:</b> 4.2% <b>Hispanic:</b> 5.1% <b>Two or more races:</b> 5.3%	<b>White:</b> 72.5% <b>Black:</b> 12% <b>Asian:</b> 9.6% <b>Hispanic:</b> 5.1% <b>Two or more races:</b> 4.1%

Source: Esri Business Analyst, US Census, 2021



Mural by Martin Kazan, Ann Arbor // Photo Credit: Artspace

Beyond our observations, the demographic, housing, and income statistics of Ann Arbor and Ypsilanti also demonstrate the differing dynamics between these two cities. While both share a young median age, are college towns, and have sizable renter populations, the Census statistics demonstrate how different the two communities are. Ann Arbor's population has increased at a greater rate over the past decade, it has a much higher median household income/median rents, and a very different racial w. Ann Arbor reflects the general Washtenaw County demographic more closely, while Ypsilanti is more unique. Given how different each place is, Artspace's findings in each section of this report reflect ideas for both Ann Arbor and Ypsilanti, as well as the County to the best of our ability.

Making sure any new development is right-sized and properly reflects the needs of that specific city will be very important going forward. Each community has a desire to invest in and make spaces for creatives. We appreciate the Song Foundation recognizing this and supporting this initial Preliminary Feasibility Study to help determine whether a mixed-use affordable housing project for artists and their families could be created in Washtenaw County and how it could benefit both cities.

### Housing Needs

Artspace's observations were formed based on additional context from the community. In 2018-2019, the City of Ypsilanti issued a Housing Accessibility and Affordability Survey for community input. The results revealed that 59% of rental households in Ypsilanti are cost-burdened (pay more than 30% of income on rent), and 70% of the households in Ypsilanti are rentals, meaning this is a significant portion of the community. The study also revealed the following:

- Housing prices are increasing quickly.
- Measures for housing affordability and accessibility don't reflect the needs of current Ypsilanti residents.
- Ypsilanti does not have adequate land available to build new housing.
- Zoning codes put constraints on housing types and locations.

Some of the solutions put forward in the City of Ypsilanti's report included prioritizing public lands available within the city to develop affordable housing units to avoid the high costs of market-rate properties (including, but not limited to, Water Street and 220 N. Park). The report also recommended partnering with nonprofits and creating affordable live-work spaces for creatives/artists.

### Supporting Other Communities' Efforts

- Housing affordability in Ypsilanti is influenced by affordability in the surrounding region.
- Advocating for Ann Arbor and other communities to increase affordable housing options could help relieve price pressures in Ypsilanti.
- Collaboration with county initiatives (Washtenaw Urban County, One Community Racial Equity Initiative, Affirmatively Furthering Fair Housing) will be important to achieving and sustaining results.

Source: Housing Affordability & Accessibility Open Forum // May 2, 2019

### WASHTENAW COUNTY, ANN ARBOR, AND YPSILANTI MAP



Green box signifies Washtenaw County, with Ann Arbor highlighted in green and Ypsilanti highlighted in orange // Source: Esri Community Analyst

Likewise, in Ann Arbor the constraints and limited publicly available land was also mentioned many times, especially in downtown. Prioritizing the little space that is available for public good is a council/civic priority. Most notably, early in 2022, the city's Housing Commission chose nonprofit Avalon Housing (through a competitive RFP process) to co-develop the city-owned site at 121 E. Catherine St., a public parking lot in the historically African-American Kerrytown district. The project has many overlapping goals for the community that align with our discussions as well. Half the apartments are intended to be supportive housing for people exiting homelessness. Avalon plans the other half of the housing units to be for income-qualified artists.



Rendering by Landon Bone Baker Architects

Artspace Consulting has partnered with Avalon as a technical consultant for this project.

As a mission-driven nonprofit developer, Artspace Consulting will lend our expertise developing and managing spaces for the creative sector to the Avalon development team in Ann Arbor. The prime location, need for spaces, mission to develop affordable housing in perpetuity, and similar goals of both developers led us to this partnership. Avalon hopes to have the 2,000 SF ground floor include an art gallery and small business incubator supporting BIPOC business entrepreneurship. The development team also plans to work with the African American Cultural and Historical Museum of Washtenaw County to incorporate art and design that honors and celebrates the historically Black neighborhood and business district.

### HOUSING AFFORDABILITY AND ECONOMIC EQUITY ANALYSIS

Ann Arbor needs to focus its attention on the preservation and production of affordable non-student rental housing for low and moderate-income workers who are helping to keep so much of the Ann Arbor economy vibrant. Pittsfield also needs to focus its efforts on existing and future demand for affordable non student rental housing for low and moderate-income workers. Meanwhile: Ypsilanti cannot remain the de facto affordable housing policy for Ann Arbor and Pittsfield; continuation of this default way of operating will ensure further decline of property values and fiscal stability. Ypsilanti must find partners to intervene in the destabilizing cycle of foreclosure, disinvestment, abandonment, flipping, and distress. Ann Arbor and Pittsfield need to add 3,139 non student affordable rentals in the next 20 years and Ypsilanti (City and Township) need to grow demand by 4,178 college educated HHs next 20 years.

Report excerpt prepared by czb for the Office of Community and Economic Development, Washtenaw County, MI

### Past Studies on Creative Sector Needs

Artspace's study comes on the heels of decades of work by the creative and civic sectors seeking to address the needs of artists in Washtenaw County. As early as 2009, both Ypsilanti and Ann Arbor commissioned Cultural Plans that discussed the needs of the creative community. Previously, there was an architectural study on making a creative center at 415 W. Washington that did not come to fruition though a mixed-use affordable housing project is now slated for that site.

In 2017, the Washtenaw County Creative Center Assessment Report was released detailing the need for affordable creative arts space. The report cited many Artspace Projects around the Midwest as examples. The Arts Alliance and Creative Washtenaw also led impressive asset mapping studies and COVID-19 studies. The Washtenaw County Community College's annually updated [Artist Resource List](#) is a worthwhile and excellent resource for the community. The one missing aspect has been a study on what it will take to get a development off the ground and that is exactly where Artspace's expertise lies.



Past Studies in Washtenaw County that have led to Artspace's work





Art Alley, Ann Arbor // Photo Credit: Artspace

## II. PRELIMINARY FEASIBILITY STUDY

A Preliminary Feasibility Study is the first step that Artspace takes to determine whether an affordable arts development project can move forward within the context of a community's unique needs, assets, sites, leaders, and resources.

Due to the ongoing pandemic, Artspace approached this study in a hybrid fashion, with virtual focus groups and a public meeting and an in-person Preliminary Feasibility Visit. An Artspace team visited the community to gather information, tour potential sites, visit creative spaces, connect with local stakeholders, and share information about how these projects come together. With this hybrid approach, we were able to gather community feedback in many different formats, meet artists in both communities, and build general support for the creation of affordable space for the arts sector.

The Core Group had a dedicated email address ([artspace.washtenaw@gmail.com](mailto:artspace.washtenaw@gmail.com)) to communicate and coordinate the meetings and receive comments from those who were unable to attend either the in-person or virtual meetings.

The focus group sessions and in-person visit took place in February 2022. We began February 17th with a virtual focus group consisting of individual artists in both communities, and had an additional focus group with arts organizations that was hosted by Creative Washtenaw on February 18th. We had additional research conversations, one with Teresa Gillotti at Washtenaw County Community and Economic Development and one with Mary and Mike Levine of Fraser Law Group, Michigan Low-Income Housing Tax Credit specialists. Our final virtual wrap-up with the Core Group on March 11th completed our fact-finding portion of the study.

During the in-person visit from February 22-24th, we met with stakeholders, visited current community assets, toured potential sites, hosted virtual meetings for civic/finance leaders, a discussion on "equity in space" for BIPOC (black, indigenous, people of color) participants, and facilitated a virtual public meeting for Washtenaw County community members. Artspace was represented by Wendy Holmes, Senior Vice President, and Aneesha Marwah, Director, both from the Artspace Consulting Department. When Artspace asked members of the Core Group what they hoped to gain beyond a future potential Artspace project, the responses included:

- The opportunity to elevate creative voices in our community.
- More awareness of artist needs in both communities and broader general awareness of the arts/creative sector.
- Long-range planning for arts priorities and help shaping opportunities more broadly.
- Opening more doors and inviting more people into this conversation.
- Having so many conversations in our community now - needs a third party lens to reorganize.
- Identifying someone or some organization in the community who could help artists and creatives find space.
- An internal look at what makes us unique, fear of the homogeneous that's developing in Ann Arbor.
- Integration of tech into this sector.
- A centralized resource for individual artists to find each other, network, and learn about space opportunities.

Artspace addresses these wonderful insights throughout the report and in the Recommendations section on page 50.

## PRELIMINARY FEASIBILITY ENGAGEMENT

During the visit, the Artspace team:

- Facilitated focus group meetings:
  - Individual Artists (Virtual)
  - Arts Organizations with Creative Washtenaw (Virtual)
  - Equity in Space Diverse Leaders (Virtual from Back Office Studios)
  - Civic/Finance Leaders (Virtual from Back Office Studios)
- Hosted a Public Meeting (Virtual from Synecdoche Design)
- Toured potential sites
- Visited existing art spaces and creative businesses in Ann Arbor and Ypsilanti



JOIN  
CREATIVE  
ORGANIZATION  
VIRTUAL FOCUS GROUP



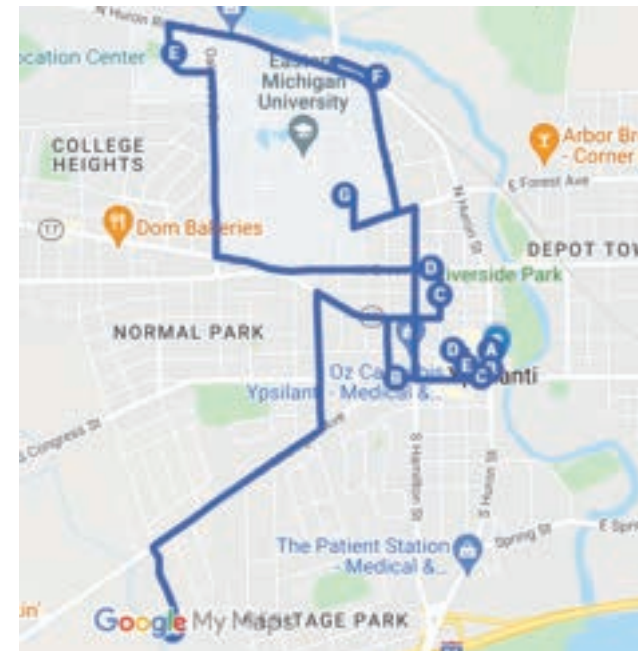
## Community Tour

As part of our orientation, the Core Group took the Artspace team on a whirlwind tour of Ann Arbor and Ypsilanti with an emphasis on creative spaces and areas of interest mentioned by participants in our focus groups. This tour helped us familiarize ourselves with the dynamics between the two communities, the type of spaces that exist, the challenges around space, and where artists have found opportunities to create.

In Ann Arbor Artspace and the Core Group toured/visited:

- 2355 W Stadium (Potential Site)
- 2040 W Stadium (Potential Site)
- 2500 Packard (Potential Site)
- 2111 Packard
- Ann Arbor Art Center
- CultureVerse
- Neutral Zone
- Kerrytown
- Gutman, Catherine St Project (Avalon Housing Site)
- Arts District - Yellow Barn, LIVE, Circ, Blind Pig
- 415 W Washington
- Express Your Yes Foundation's NOW Studios

In Ypsilanti, our team was joined by City of Ypsilanti Community and Economic Development staff, Elize Jekabson, Downtown Development Coordinator and Joe Meyers, Director of Economic Development. We toured:



Map Courtesy of Elize Jekabson, City of Ypsilanti

- Ypsi Alloy Studios
- Ingrid Ankerson Letterpress Studio
- The Ypsi
- Worthwhile Paper / The Hosting
- EMU Sculpture Studio
- Grove Studios
- Jones - Goddard Residence Hall EMU (Potential Site)
- Riverside Arts Center - Theater-Art Studios-Dance Studio
- 22 North Gallery
- Stone & Spoon & Gallery
- Landline Creative Labs
- Back Office Studio

## Initial Reflections From the Visit

A strong indication of the desire and need for this kind of project in Washtenaw County was the number of attendees who participated in multiple meetings facilitated by Artspace during the course of our study. The excitement was palpable. On our final day, we asked Core Group members to state one new thing they learned or a new opportunity they saw for their community that came from interactions with their peers through the course of the visit. Some of their responses were:

- The need for affordable space is greater than some realized.
- Surprised by the number of new faces and new places. They should be brought into more conversations. The Ann Arbor Community Foundation's convenings are one avenue for these conversations.
- Refreshing optimism, and realizing how good our regional quality of life is.
- There needs to be different entry points into the creative conversation, perhaps a sub krew of younger/emerging artists at Creative Washtenaw.
- Careful with messaging going forward and promising too much.
- An artist-services organization, like Springboard, is needed to work with individual artists.
- This can be a case study on regional cooperation, the cities historically do not work on many initiatives together. Moving forward the Arts Market Study together could be a good way to introduce that.
- EMU has more of a regional draw and students tend to stay versus the U of Michigan has weaker staying power - students are international and national it's harder to keep them in Ann Arbor/Washtenaw post-graduation.
- U of Michigan resources are more internally-focused rather than community-focused. Their internal resources are very good, but artists are left out once they graduate.
- The Avalon project can activate ground floor spaces in the short-term and is really needed in Ann Arbor.

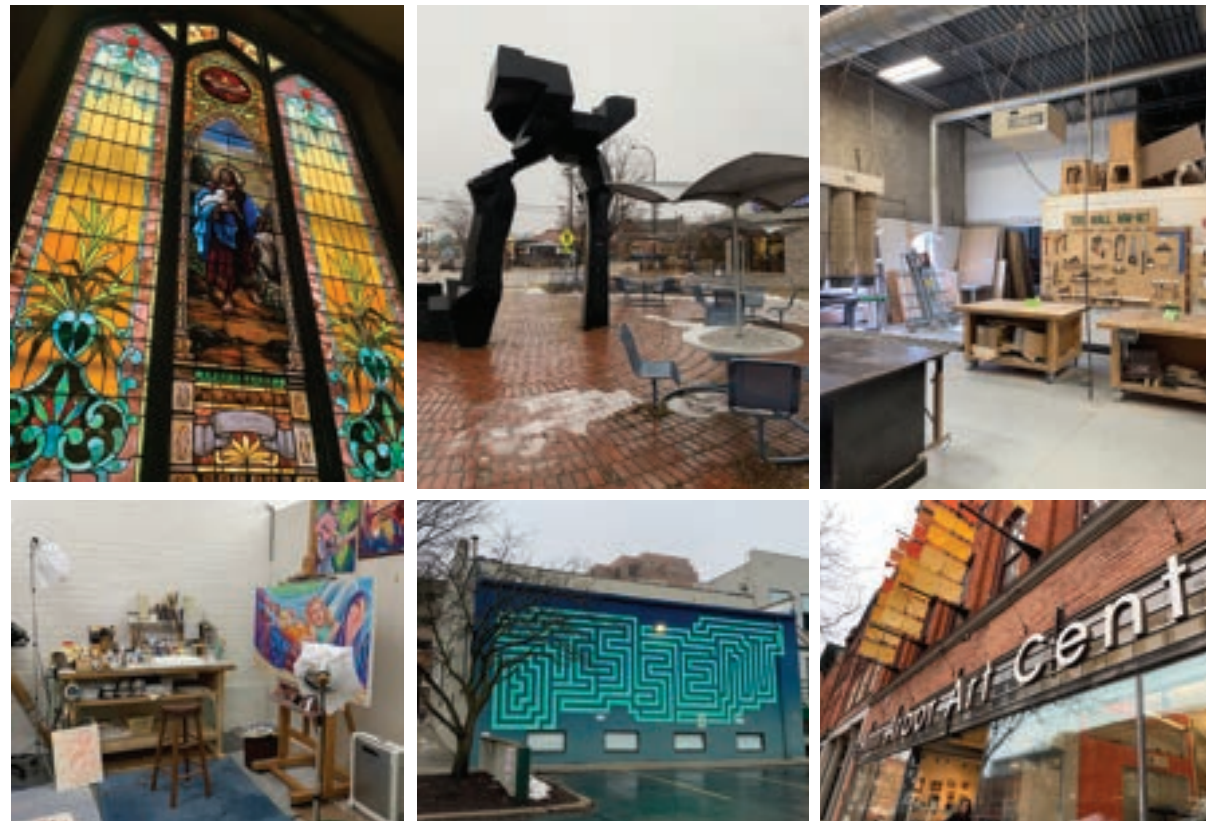


Photo Credit: Artspace

## The Artspace Approach

Artspace has identified six key components of community-led development based on three decades of experience working on development projects in a wide variety of cities. These six components provide a framework for assessing feasibility and providing feedback to communities on how to plan for successful, affordable, mixed-use facilities. Thus, for the Preliminary Feasibility Study, Artspace organizes information through the lens of these six components, defined below:

**ALIGNMENT WITH BROADER COMMUNITY GOALS.** 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, so that the operating project can be greater than the sum of its parts. Focus group attendees were asked to circle or rank their top priorities during the meetings with Artspace.

**LOCAL LEADERSHIP.** Are there leaders on the ground in Washtenaw County and both cities who are willing and able to advocate for the project, open doors, and keep lines of communication flowing between a 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 create.

**CREATIVE SECTOR.** Is there a sufficient market to support an arts facility? To answer that question, qualitative data is collected through focus group meetings. Specifically, Artspace seeks to better understand the existing arts community, its assets, challenges and opportunities. It lays the groundwork for an Arts Market Study, the second step on the path to an Artspace project, which provides quantitative data about the creative community's space needs.

**PROJECT CONCEPT.** What type(s) of space would the community like to see created? Although many communities have a well-developed project concept in mind before embarking on this study, Artspace's first step is to ask different stakeholders, "What type of creative spaces are needed and wanted in your community?"

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.

**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. Basic information is gathered about local funding options from both private and public institutions as well as philanthropic donations.

**POTENTIAL SITES.** At this stage, the primary goal is not to select the final site, but rather to identify candidates for further study. The factors under consideration include: location, size, ease of acquisition, and potential for sustained positive impact. As a project moves into predevelopment, these (and perhaps other) 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.



Artspace Tannery Lofts, Santa Cruz, CA // Photo Credit: Artspace

## Commitment to Equity in Creative Space

At Artspace, we are committed to using our platform as consultants and nonprofit developers to elevate the voices of those who all too often are not included in real estate decisions. Every community has room to improve in addressing diversity, equity, inclusion, and access (DEIA) issues, and Washtenaw County is no exception. In each of the findings of this report, we identify areas where DEIA opportunities exist for the community. Creative space is not developed in a vacuum, and communities like Ann Arbor and Ypsilanti have historic imbalances of power and instances of racism that need to be further evaluated for all parties to truly feel welcome in any future community driven space.

One method we used to identify DEIA challenges in Washtenaw County was by inviting artists and cultural leaders who identify as BIPOC – black, indigenous, or a person of color – to share their challenges and issues around creative space and offer their perspectives. Reflections from those conversations are included throughout the report, most notably in the alignment with broader community goals section, especially since **supporting a diverse cultural community** was mentioned as a top goal for Washtenaw County creatives.

## Bringing Artspace's National Experience to Washtenaw County

In addition to the information gathered about Ann Arbor and Ypsilanti, this report is informed by Artspace's experience working in other cities that have invested in affordable facilities for artists and arts organizations. The following thoughts provide context for evaluating the feasibility and demonstrating the importance of creative spaces in Washtenaw County.

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

- **Generate economic revitalization and development.** Each development provides indirect, direct, and induced economic impact as well job opportunities before, during, and after construction.
- **Preserve old buildings, stabilize neighborhoods, and revitalize vacant and underutilized properties.** They help create activity and foot traffic in areas devoid of creativity.
- **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 each, in effect, cottage industry business owners, generating 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 spaces provide a place where cultural art forms can be passed from one generation to the next.

### CORE GOALS

At the heart of every Artspace development are these goals:

- Meet the creative sector's space needs
- Ensure long-term affordability
- Reflect the unique culture and character of the community
- Include diverse BIPOC voices at the table
- Exemplify sustainable and efficient design
- Operate in the black



Ann Arbor mural by M.A.S. Murals // Photo Credit: Artspace

# III. FINDINGS

## Alignment with Broader Community Goals

Successful arts buildings serve not only their residents and other tenants but also the surrounding community. They accomplish this by aligning with as many complementary goals as possible, effectively becoming more than the sum of their parts. When multiple goals, such as walkability, downtown revitalization, or historic preservation, can be addressed by an Artspace initiative, it has all the more potential to foster long-term, sustainable impact. It also helps to bring more stakeholders to the table who are eager to see the project succeed.

To help us determine the goals that matter most in a community, Artspace uses the Preliminary Feasibility Study to obtain input from a broad cross-section of stakeholders. Once we understand their priorities, we look for ways to bring these goals into alignment. During the Washtenaw County focus groups and public meeting, Artspace outlined the mission-driven goals that we know could be possible through creative space development. Participants were then asked to choose their top three goals from the list in the table below. The top choices, with almost double the votes than the fourth-place choice, are shaded in the table below. We quickly understood that the broader community goals for each city are different. This exercise is meant to highlight the overall goals that were selected. The top three goals were fairly aligned for all four meetings where this question was asked.

FOCUS GROUP AND OPEN HOUSE ALIGNMENT WITH BROADER GOALS RESULTS					
Community Goal	Artists	Civic / Finance Leaders	Equity in Space Leaders	Pubic Meeting	TOTAL
Preserving Affordability	20	7	4	17	<b>48</b>
Supporting a Diverse Cultural Community	17	7	4	15	<b>43</b>
Sustaining Creative Businesses and Nonprofits	9	2	0	11	<b>22</b>
Increasing Residential Density	4	3	3	4	<b>14</b>
Anchoring an Arts District	7	2	0	4	<b>13</b>
Downtown Revitalization	2	2	2	5	<b>11</b>
Activating Vacant Lots	4	3	2	2	<b>11</b>
Retaining Recent Graduates	2	1	0	5	<b>8</b>
Connecting the Youth/Elderly Communities	1	0	0	4	<b>5</b>
Historic Preservation	1	0	0	3	<b>4</b>
Developing a City/County Identity	0	0	0	1	<b>1</b>
Promoting Tourism	1	0	0	0	<b>1</b>

In Washtenaw County, the top goals were:

1. **Preserving Affordability.** Long-term affordability is a high priority for artists and a core value of every Artspace project. We heard repeatedly from artists around the County that there is a lack of affordable space for nonprofit organizations or individual artists in the community. Emerging artists therefore tend to leave the community or gravitate to Ypsilanti. Affordable housing and creative work spaces are needed in Washtenaw County to attract and retain young professionals/recent graduates.

Ypsilanti has more studio and creative spaces primarily due to cheaper rents and the ability to make entrepreneurial spaces possible. Almost all the burgeoning creative spaces we saw in both cities were being underwritten through philanthropy/benevolent landlords. While that shows kindness in the community, it is an unsustainable long-term model.

Ann Arbor recently passed a millage to address the affordability crisis happening in the community and to fund more affordable housing units.

2. **Supporting a Diverse Cultural Community.** In conversations with artists and community leaders who attended the Equity in Space discussion, it appears that both cities have progress to-be-made to make non-white artists feel they have a true voice in the community.

The recent study, *Reimagining Economic Opportunity in Washtenaw County (May 2021)* brought together BIPOC entrepreneurs into a steering group and through their research saw egregious disparities. The report's main recommendation was, "well-planned, targeted and strategic investments in entrepreneurs of color will grow the local economy and expand economic participation by building individual, family and community wealth, and creating independence and agency for our neighbors."

At Artspace, we see artists/creatives as entrepreneurs, small business owners, teachers, makers, and could not agree more with this finding. Creatives are often bridge-makers and important community storytellers. To strengthen Washtenaw County's support of a diverse cultural community, there needs to be a concerted effort and focus on making sure BIPOC artists are in-the-know about resources, grants assistance, advocacy and at-the-table for conversations. We met community connectors who would be well-suited at bringing more people to the table. We were also impressed and encouraged by the activities of the Neutral Zone with their strong commitment to diversity and their outstanding staff. We also heard from representatives of Washtenaw My Brothers Keeper, Title Track and the Amplify Fellowship which would all be good connectors to BIPOC audiences.



Neutral Zone, Ann Arbor // Photo Credit: Artspace

Discussing the creative sector needs and alignment with other community goals could also be a good conversation with the City's newly formed Equitable Engagement Initiative in Ann Arbor. Artspace Board member and Core Group member, Devon Akmon is a member of this committee.

Before the pandemic began, CultureSource had launched a new CultureMakers program in Washtenaw county, made up of 17 diverse cultural leaders. It may be worth revisiting members of this group to see if this program could re-emerge. Having an existing group like this to work with to launch the Arts Market Study and talk through creative space ideas would be very worthwhile and address many of the goals and ideas mentioned by both cities.

Through the development process of an Artspace project, we encourage local leaders and the Core Group to make a concerted effort to keep this goal at the top of mind, as it is apparent the community hopes that a creative space project can help address it. This work can take time, be uncomfortable at times, but we've seen amazing results in projects across the country when this is done well.

**3. Sustaining Creative Businesses and Nonprofits.** Both cities in Washtenaw County are supportive of its arts and creative sector to varying degrees. We came away with the feeling that Ypsilanti is more willing to put civic/financial resources towards this sector, and allow "creative stuff" to just happen. While in Ann Arbor it is not a top "City Hall" priority, but is well supported by privately-funded initiatives (such as the new murals, this study etc.).

An affordable, self-sustaining mixed-use art facility helps to ensure a long-term home for creative businesses and nonprofits as well as individual artists. A critical mass of creatives also offers increased visibility to the buying public and an opportunity for artists to share networks, materials, and ideas. The presence of affordable housing and creative space for artists with significant public investment and support could make a huge difference in the perception of civic support.

Ann Arbor's recently branded Creative District on the west side of town along First Street and the Ann Arbor's Art Center's 2020 mural project are adding great vibrancy to downtown and forming the semblance of an arts district. However, without arts businesses or more affordable rents, it's hard to see this district being a thriving "creative district" beyond a cosmetic one. Making space or using underutilized space for creative activities/businesses can be one approach. In other communities, we've seen examples of space sharing agreements, using space on off days/ after hours, such as galleries for meetings/teaching space etc. as a way to make space and activate these areas after-hours in an affordable manner. Having shared value agreements in place is also key to space sharing agreements.

In Ypsilanti, there were many creative businesses and entrepreneurs we met who have made space possible. Looking at the Ypsi Alloy or Landline Creative Labs as a model for support and replication would be a good starting point.

An Artspace-style project could be an anchor to create more of a sense of place and add significant year-round activity to the heart and soul of either City.



CultureVerse, Ann Arbor // Photo Credit: Artspace



Landline Creative Labs, Ypsilanti // Photo Credit: Artspace

## Other Community Goals

Increasing residential density and anchoring an arts district were the fourth and fifth top goals for Washtenaw County. Residential artist tenants are their own cottage industries, so having these tenants in downtown areas would address both these goals in either downtown. Artists support local creative businesses through the purchase of materials and services and by offering classes, workshops, arts retail, and coordinating art crawls and exhibitions/performances.

Articulating the ways in which project goals align with community goals is useful in that it helps to establish the vision for the initiative and to guide future decisions, conversations, partnerships, and outreach. This process is not limited to one study. It evolves as the project moves forward and Artspace continues to listen to community members and invites new and diverse voices to the table.

### ARAB-AMERICAN MUSEUM AND BLACK LIVES MATTER 360 EXHIBITION PARTNERSHIP IN DEARBORN, MICHIGAN

#### CITY HALL ARTSPACE LOFTS // DEARBORN, MI

City Hall Artspace Lofts in Dearborn, Michigan is a great example of how an Artspace project can foster relationships between artists in and out of the building. During the development process as early as 2010, the Arab-American Museum, which is located directly across the street from the property, was an early partner. City Hall Artspace Lofts now houses an artist in residency unit for visiting artists who are exhibiting at the museum, and have welcomed artists from Lebanon, Palestine, Saudi Arabia and beyond. Artspace Consulting also coached the Arab American Museum through our Immersion program on their expansion and incubator space.

The artists in the building, led by original resident Julia Denguhlanga, also have transformed the ground floor into a community gallery space. The Black Lives Matter 360 Exhibition that went up in response to the death of George Floyd showcases work from artists within the building, and from other mission-driven community organizations.



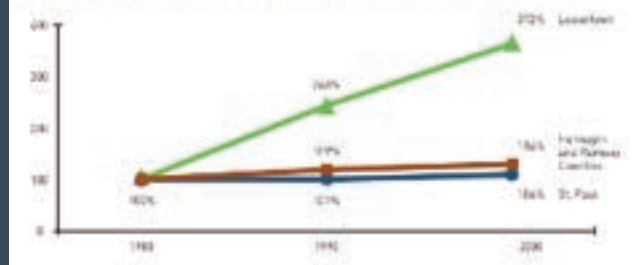
Photo Credit: Artspace

### LOWERTOWN, ST. PAUL FASTEST GROWING RESIDENTIAL NEIGHBORHOOD IN ST. PAUL

#### NORTHERN WAREHOUSE // LOWERTOWN, ST. PAUL, MN

From the 2011 Study, "How Artist Space Matters: Impacts and Insights from Three Case Studies drawn from Artspace Projects' Earliest Developments" community members credited the Northern and Tilsner with helping spur neighborhood revitalization in St. Paul's Lowertown and anchoring it as a home for working artists.<sup>1</sup>

#### THE NORTHERN [1990] AND TILSNER [1993] PROJECTS SPARKED SUSTAINED POPULATION GROWTH IN LOWERTOWN, FAR OUTPACING ST. PAUL AND HENNEPIN AND RAMSEY COUNTIES



<sup>1</sup><https://www.giarts.org/sites/default/files/How-Artist-Space-Matters.pdf>

## Project Concept

Some communities are clear about what they hope to achieve; others are starting from scratch. They look to Artspace to guide them through the process of determining whether a new facility makes sense for them – and, if so, what kind of space. While the space needs of creatives in each community are different, Artspace has learned from more than 30 years of conversations with artists, arts organizations, and creative businesses and entrepreneurs that there are commonalities across the types of spaces that are needed to live, create, and present creative work. Although affordable live/work space for artists is central to most Artspace projects, residential projects are not necessarily the right fit for every community.

Artspace looks at the needs and goals of the creative sector, the will and resources of the private and public sector, and any well-aligned opportunities that may drive the project concept(s) in a particular direction. From our very first conversation with the Core Group in Washtenaw County, it was evident that a residential project was desired. This work builds upon the 2017 Creative Washtenaw Study which identified these needs:

### WASHTENAW COUNTY CREATIVE CENTER ASSESSMENT REPORT, 2017

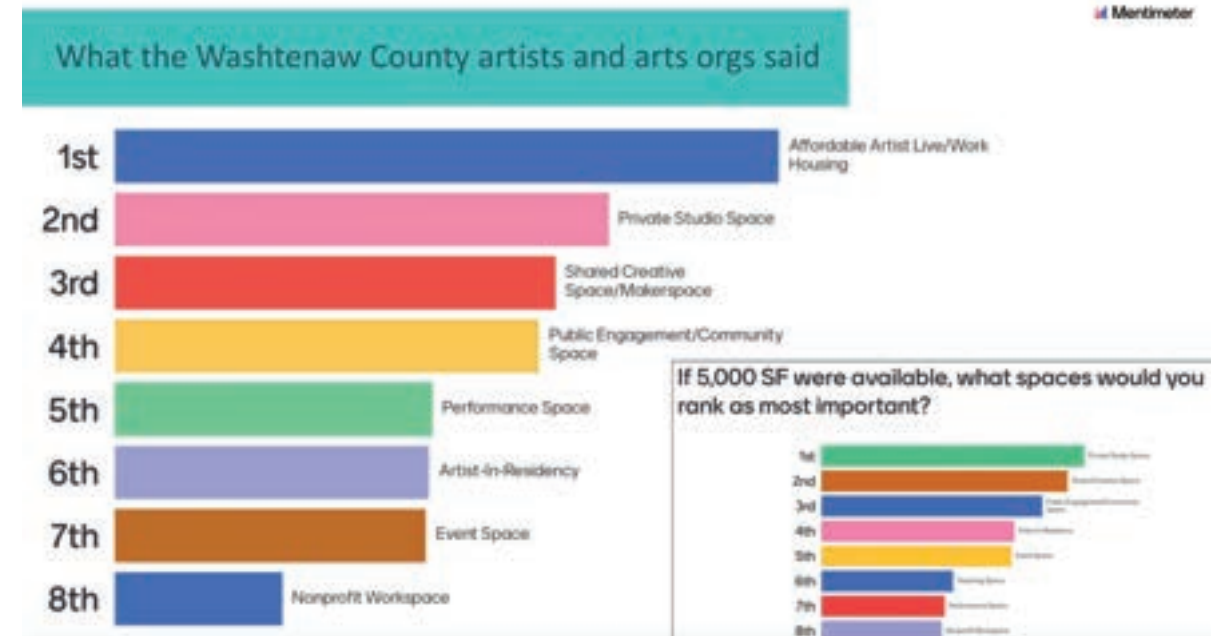
Space Needs/Wants	Equipment Needs/Wants
Commercial gallery space	Makers space Microwave, refrigerator
Rehearsal, performance and storage spaces	Musical microphones, instrument, amps Woodworking power tools
Clean secure space that is climate-controlled, has janitorial and safety services	Projector PA system
Set, costume, prop shop spaces	Exhibit space Internet, printers
Space that can accommodate material safety concerns and hazardous waste.	Chairs, tables Kilns for glasswork
Event spaces that can hold many people, with retail, gallery and bathrooms	Recording studio equipment Gas lines Staging tables
Space that can be used for rental (weddings or offices for architects or graphic designers)	Exhibit support Easels
	Kiln, pug mill, slab roller Lighting
	Pottery wheels Dark room
	Stage, drinking fountains Laser cutting equipment
Service Needs	Other Needs
Fundraising/capital advice	Finding spaces
Business/entrepreneurial advice	Leasing assistance
Communication/marketing/public relations	Small business loans
Legal assistance	Grant application assistance
Accounting/bookkeeping	Grant fiduciary
Order management/fulfillment	Regulatory requirement assistance
Skill classes	

Source: The Arts Alliance

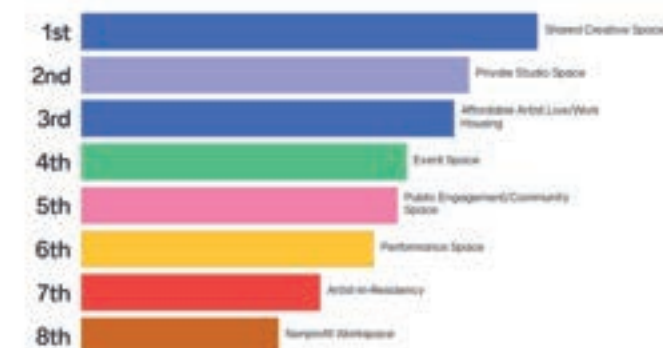
## Priority Concepts

Artspace asked the artists (Feb 17th) and arts organizations (Feb 18th), and the public meeting (Feb 23rd) participants, “What kind of creative spaces are needed in your community?” and “What additional spaces are needed and/or wanted?” Artspace also asked the Equity in Space leaders focus group how they would like to be included in the conversation around any new creative space that is developed. Given the number of studies Creative Washtenaw has produced on creative space needs, we asked arts organizations specifically if 5,000 square feet were available in a new development what they would prioritize. This is a more realistic amount of square footage that might be possible in the ground floor of a mixed-use development.

The individual artists had the strongest interest in affordable artist live/work housing, arts organizations prioritized private studio space, and public meeting attendees chose shared creative space. Other desired spaces included public engagement/community space, performance space, event space, and artist-in-residency space. Many of these uses can be accommodated in the ground floor of a mixed-use project.



### What types of creative spaces are needed for artists and arts organizations in Washtenaw County? Rank these in order of importance.



Here's a more detailed look at the top categories in context of what we observed in Washtenaw County:



El Barrio's Artspace PS109 // New York City, New York

**AFFORDABLE LIVE/WORK HOUSING** is residential space where artists can work as well as live. Artspace live/work units meet standard residential codes and are somewhat larger (100 to 150 square feet) than typical dwelling units. They are rental units financed in part by federal Low Income Housing Tax Credits and subject, therefore, to certain restrictions. A common restriction limits units to households whose annual incomes are between 30% and 60% of the Area Median Income. Artspace live/work units include such artist-friendly design features as durable surfaces, large windows, high ceilings, and wide doorways. There are no live/work units of housing in Washtenaw County currently but there are plans in the near-term for artist units to be included in Avalon Housing's Catherine Street development in downtown Ann Arbor. The project will also include some non-residential space for the creative sector. Artspace plans to stay on as best practices consultant to Avalon Housing as they work with the Ann Arbor Housing Commission on this prime downtown site.



Pullman Artspace Lofts // Chicago, Illinois

**PRIVATE ARTIST STUDIO SPACE** is commercial space specifically designed for the creation or practice of art. Studio space can be rented under an annual lease agreement or on an occasional or short-term basis by individual artists or small businesses. Uses can include fine arts studios, industrial work space, teaching, offices, recording studios, soundproof rooms, etc. Keeping the sizes and price points flexible ensures greater market applicability. Artspace considers \$1/SF a sustainable and affordable rental rate when modeling these sorts of spaces. We saw many examples of private studio spaces in Ypsilanti, but it seemed most in Ann Arbor had been shuttered over the years due to high operating costs.



Schack Art Center at Artspace Everett Lofts // Everett, WA

**SHARED CREATIVE SPACE** offers shared equipment, education, and community for working creatively and/or making things. These spaces usually are run by nonprofits or businesses and can be accessed through a membership basis. They include co-working and makerspaces and can be designed for specific purposes such as ceramics, 3D printing, community kitchens, and woodworking. These types of spaces provide access to space and/or equipment that is expensive, impractical, or in some cases hazardous. Interest in these types of spaces has increased nationally in the last few years. Shared creative space is a growing trend that is rooted in many traditional and contemporary art forms. Makerworks and The Guild in Ann Arbor are examples of these types of spaces. Many people at the public meeting prioritized this space as their first choice.



Artspace Hiawatha Lofts // Seattle, WA

**PERFORMANCE SPACE** serves organizations and individuals looking to rent space for private events, performances, rehearsals, or community gatherings, usually for a fee or hourly rate. A typical space could take the form of a proscenium theater, black box, concert hall, or flexible event space. Ann Arbor has a number of well-known venue spaces and Ypsi has the Riverside Art Center. Many times, the larger performing arts venues are not well suited or economical for community-based activities and organizations. That said, some venues may be very open to more community uses but are not getting the word out about their availability or cost.

Artspace has a number of smaller flexible performance, rehearsal, and meeting spaces in many of our buildings. If such a space were included in an Artspace project in Ann Arbor or Ypsilanti, finding an organization interested in running/renting/programming would be key.



South Main Artspace Lofts // Memphis, TN

**PUBLIC ENGAGEMENT/MEETING SPACE** was identified in more than one discussion as a kind of space that is lacking. Artspace residential projects invariably have community rooms that serve this function not only for residents but for the public too. In our projects around the country, Artspace has also welcomed coffee shops that serve as informal meeting spaces.

Many of the kinds of spaces mentioned above can also be created beyond an Artspace development by local entrepreneurs and developers.



## Other Spaces of Interest

At the virtual meetings participants were asked what other spaces are needed in the community and if any specific organizations need space. Among the responses:

- 3D working space
- Affordable retail space
- Ann Arbor Fiber Arts Guild looking for a space
- Ann Arbor Film Festival office space
- Ann Arbor Potters Guild additional space
- Arts supply store
- Artist collectives need space
- Back office space
- Contemporary art space for young/emerging artists
- Flexible studio space for teaching
- Flower artist space
- Equipment sharing space
- Exhibition space - galleries are all full
- Express your Yes Foundation/ Now studios looking for more space
- Entrepreneurial training/services space focus on arts social services space (law, lawyers, healthcare, insurances),
- The Hosting
- Huron River Art Collective needs private studio space/storage space
- Maker works/Tinker Tech/ All Hands Active need a shared tool/training/making space
- Michigan Theater/ Cinetopia International Film Festival
- Motion capture/video production studio
- Musician/Dancer collaboration space
- Rehearsal space for musicians
- Storage space
- Welding space
- Ypsi art incubator office space/community workshop space
- Ypsi alloy studios additional space

Although no project can be all things to all people, understanding how the community views these concepts and other wants/desires is extremely valuable in understanding the breadth of space needs in Washtenaw County. Connecting artists to some of the existing and planned spaces feels crucial as well.

## Defining a Project Concept in Washtenaw County

There is a strong desire in Washtenaw County to develop a facility that provides sustainable affordable space for the creative sector. In Ypsilanti a space like this downtown would add households and more activity and act as a destination for the greater community. In Ann Arbor, an artist-centric space would confirm a civic commitment to the creative sector and secure space for creatives in a city that has largely become unaffordable. Either way, we believe a project concept would be successful in Washtenaw County.

Based on the information gathered during this study, Artspace recommends the exploration of a mixed-use, live/work artist housing development as the priority project concept in Washtenaw County. A development with affordable live/work housing for artists on its upper floors and private studio/collaborative space/commercial space on the ground floor would be appropriate to pursue in downtown Ypsilanti, and along density growth corridors in Ann Arbor. Both cities, the county, Creative Washtenaw, and other arts advocates should also use these findings as an advocacy tool to prioritize other spaces and policies in the community for the creative sector.

Going forward, BIPOC leaders mentioned having additional focused conversations about their space needs would be worthwhile and being intentional about including BIPOC voices. Engaging with the artists and teachers we met at Neutral Zone, or the former CultureMakers leaders could be a great way to meet new audiences and add to our Core Group.

## ARTSPACE & TENANT PARTNERSHIPS

**BUFFALO, NY** - The Buffalo Arts and Technology Center (BATC) is an anchor tenant in our mixed-use affordable artist housing project in Buffalo. The BATC occupies 15,000 sq. ft. of space on the first and lower level of the historic electric car factory that houses 36 units of artist housing on floors 2-5. The focus of the BATC is two-fold: 1. To provide high quality art instruction to low-income children in the neighborhood, with an eye toward potential art careers and 2. To provide medical technology training to low-income adults in the neighborhood and assist with job placement at the nearby medical campus. There is a synergistic relationship with both the nearby hospital and the artist residents, some of whom act as faculty in the BATC program.



**SEATTLE, WA** - The Hoa Mai Vietnamese Bilingual Preschool located on the ground floor of Mt. Baker Station Artist Lofts, is the first bilingual Vietnamese-English daycare in Seattle. The Transit-Oriented Development is ideally located and offers a sliding scale for tuition based on family income. It serves the multicultural needs of the neighborhood.



Photo Sources: [www.buffaloartstechcenter.org](http://www.buffaloartstechcenter.org) and Artspace

## INVESTING IN CREATIVE INDUSTRIES

### Taking a measure of creative placemaking

The Artspace live/work model has been proven to 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.
- <https://www.artspace.org/taking-measure-creative-placemaking>

## Creative Sector

The conversations that develop through the tours, focus groups, and Core Group discussions all help frame Artspace's understanding of the arts scene and whether or not there is grassroots support for the proposed priority project concept and/or which locations.

Artspace intentionally keeps its definition of artist and creative broad to be as inclusive as possible. Residents of Artspace buildings range from veterans, formerly homeless, retirees, service workers, teachers, parents – and they also happen to be creative. They are likely to earn a portion of their income from something other than their art. In fact, a look across the Arts Market Surveys that Artspace has completed in the past 15 years shows that only about 10% of artist respondents make 100% of their income through their art.

### WHO IS AN ARTIST?

Artspace's definition of a creative is very broad. An "artist" 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 is utilized in a project, all "artists" must still qualify for that housing by income. An artist is:

- 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 screens and grates, furniture, 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, craftsperson, 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.

## Importance of Affordability in Arts Districts

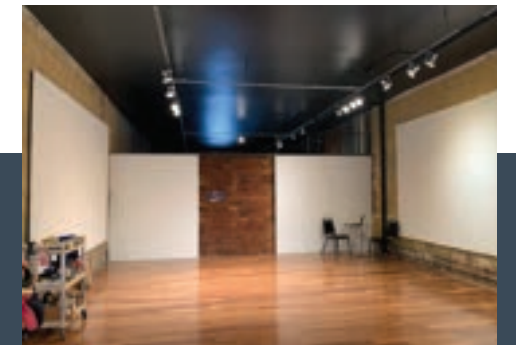
The cycle of art-oriented developments can sometimes "speed up" the market forces that lead to gentrification if proper interventions are not put in place. Artspace's model is to ensure long-term affordability for all its projects and make affordable/below market rate space available where upward market trends may already be happening. In the third party economic impact study Artspace conducted in 2011, we were able to prove that Artspace developments did not "speed up" market forces – mostly because of the preservation of long-term affordability. That is the biggest single factor that causes displacement – having artists move into a neighborhood and using them to increase property values. A commitment to long-term affordability is key in any development.

Artspace also produced a White Paper in 2019 on "The Importance of Affordable Artist Communities: Measuring Impact & Thrive-Ability in Artspace Live/Work Properties Nationwide" based on a resident survey in 36 of our buildings. We received 622 responses on the "thrive-ability" of living in an Artspace building. This indicator measures the potential benefits within five categories—financial, social, safety/security, artistic practice, and stability impacts—within Artspace projects. Findings included:

- Artspace artist live/work housing stabilizes residents in place and affords financial benefits.
- Artspace buildings foster community building, grow artistic reputations, and enhance networking.
- Artspace buildings are safe environments.
- Artspace artists are growing their artistic practices within their Artspace building.

Artspace plays a critical role in creating and maintaining healthy arts ecosystems and thriving communities across the country. We bring these values to projects on which we consult as well and look for partners like the Housing Commission and Avalon who also have long-term commitments to affordability for their projects.

Analysis of results from Artspace's inaugural nationwide survey reveals that, by providing affordable and sustainable space where creative people can safely live, work, collaborate, raise families, and weave deeper relationships, the results show strong, positive impacts. We have found that artist housing alleviates displacement of low-income artists and stabilizes them in place, while providing opportunities to increase creative production and earnings in a supportive community of fellow creatives, located in a safe building with culturally appropriate workspace. Artspace's artist live/workspace directly contributes to the vitality, stability, and resilience of low-income artists and their families, and increases their positive impact within their communities, nationwide.



Riverside Art Center, 22 Gallery, Ypsilanti // Photo Credit: Artspace



## Challenges and Opportunities

We asked artists at the focus group and public meeting to share their thoughts about the greatest challenges and barriers the creative sector faces in Washtenaw County, and we encouraged them to focus on space-related issues. We also asked the arts organization group how they rate support services on a scale of 1-5. This feedback helps Artspace plan for subsequent steps if project planning moves forward, and it helps civic/arts leaders understand local challenges and opportunities that can address them.



Both cities have strong university identities and their many programs and resources serve the student populations incredibly well. This region is home to the world renown programs at Penny W. Stamps School Of Art & Design and EMU's School of Art and Design, but with few resources, networks, or places for students to land once they leave the university bubble. This context led the Ypsi Alloy artist collective to create their individual studio and maker spaces in Ypsilanti and underlies a number of struggles we learned about during our visit. We also heard there is little grant funding and government support towards the arts because of the strong existing university arts dynamic.

Networking wise, Creative Washtenaw has done a great job of hosting happy hours, conversations and regrating dollars to artists during Covid. Networking ranked highest in terms of services available to the arts community.

One comment we heard repeatedly was the affordability in Ann Arbor that has led many artists to relocate to Ypsi. This tells us that there is a significant need for affordable live/work housing for artists in Ann Arbor, and demand for a project in Ypsi as well. The **top challenges** for the creative sector that were repeated include:

- Affordability, accessibility and availability of space
- Awareness of spaces
- Cost/funding constraints
- Community not committed
- A few institutions take most of the arts funds
- High costs everywhere
- Lack of affordable housing anywhere

### NETWORKING

Respondents were invited to share social media handles and websites for future networking:

#### INSTAGRAM

- @expressyouryes
- @sobelleslie
- @peterbaker
- @alexadietz
- @ypsiartinc
- @naroozpaints
- @aubdiggitydog
- @cultureverse2
- @22north\_art
- @rikcordero
- @jessicatenbusch
- @flutterwow
- @treetownmurals
- @brushmonkeys
- @ilanasola
- @clayworkstudio.lee
- @Neighborhoodtheatregroup
- @synecdochedesign
- @secretwaves
- @ellen\_the\_lemon
- @barickuda
- @miarisbergart

#### WEBSITES

- jeremywheeler.com
- lesliesobel.com
- ptrbkr.com
- alexadietz.com
- johnbairddesigns.com
- cultureverse.org
- rikcordero.com
- nickazzaro.xyz
- flutterwow.com
- ntgypsi.org
- art-ops.org
- ehsherman.com
- wonderfoolproductions.org
- trustartstudios.com
- a2techfilm.com
- huronriverartcollective.org
- miarisberg.com
- annarborfiberarts.org
- mattshlian.com
- trustartstudios.com
- lizbarickfall.com
- limelightlive.org
- mo-wilson.com
- rosietooya.com
- westsidearthop.com

- Lapse in audiences and willingness to pay for art
- Lack of community support for the arts
- Lack of diversity
- No one is moving to the region for arts opportunities; it's not known for this.
- Transient population
- Zoning, parking requirements and construction costs

Similarly, we asked artists to share their thoughts about opportunities that exist for artists/creatives in the community, again with a lens on space. The top space-related needs are discussed in more detail in the Project Concept section, but a few **opportunities** beyond space needs include:

- Ypsilanti as the new arts hub/horizon in Washtenaw County
- Libraries as underused creative hubs/programming spaces
- Unused manufacturing spaces (Ford, Michigan Ladder)
- Ann Arbor vacant warehouse spaces could be used for collaborative projects
- Leveraging the three higher education institutions and their resources for more community-oriented programs
- Training programs for artists leaving college
- Bringing more voices into this conversation and creating an emerging talent network

### Key Takeaways

There is a strong market for an Artspace mixed-use project in Washtenaw County and there are merits to both Ann Arbor and Ypsi as the location. Many emerging artists and creatives in Ann Arbor who graduate from the University of Michigan leave the community, as there isn't a great network or places for emerging artists to live or create. Eastern Michigan University in Ypsilanti has more of a commuter student base and given its relative affordability, artists and creatives have remained in the community giving it more of a grassroots artistic feel - YpsiReal. With fear of gentrification and rising prices, making sure there is affordable space in both cities seems imperative. Ypsilanti, being more affordable, is perhaps the more logical starting place for artists due to its well-developed grassroots arts scene.

Forming partnerships with businesses downtown, organizations who want space, the Riverside Arts Center and gleaning best practices from Creative Washtenaw will all help this process. Having residential space for artists will make a big difference in keeping the arts graduates and could attract them back to the region if they have left. Reaching out to recent graduates (past 10 years) of U of M and EMU would be an important area of outreach for the Arts Market Survey (see page 33).

Given Artspace's understanding of the current creative sector needs, we believe that **a mixed-use arts-centric development concept would support an under-served creative sector in both communities and address the affordability challenge facing artists in Washtenaw County.**

An Arts Market Study or predevelopment scope of work should include facilitated conversations with potential "commercial" tenants interested in new space and in helping to bring creative vitality to the ground floor of a project.

## ARTS MARKET STUDY

During the Preliminary Feasibility Visit, Artspace heard from many artists and a broad cross-section of community leaders about the need for affordable space for artists in Washtenaw County. The next step is to quantify the market for an affordable mixed-use project and to identify which city/location is most desired by a wide audience of artists/creatives.

For this information we rely on an Arts Market Study, an online survey of the area's artists and creatives to determine if there is sufficient demand for such a project, how many residential units should be planned, where it should be, how large it should be, and what other kinds of creative spaces the project should contain.

Other types of creative spaces can include makerspace, classroom space, studios, and a variety of arts-related and arts-friendly uses. Quantifying the market need for these spaces can help attract funders and operators, and related data can be used to plan spaces and programs that are both affordable and self-sustaining, whether in an Artspace project or developed independently in the area.

We recommend that for Washtenaw County, the Arts Market Study be conducted county-wide with civic leadership from both cities participating in the Core Group. The arts are a known community bridge and this can be a great opportunity for regional cooperation. The findings will benefit both cities whether or not the market is stronger in one or the other.

### WHAT IS THE ARTSPACE 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 can pay for studio/work space
- Amount artists can pay for housing
- Types of shared or community spaces that are most important
- Types of private studio workspaces that are most important
- Location preference (Ypsilanti, Ann Arbor, elsewhere in Washtenaw County)
- 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.



## Local Leadership

Strong local leadership is essential to the success of any community-led development. Authentic community engagement and cross-sector stakeholders all must act in partnership to advocate effectively for the project. Without voices on the ground locally to keep communication flowing between the developer and the community, there is little chance of a project succeeding. We also want to make sure a project succeeds if there is turnover in political or volunteer leadership. We have found that having a broad base of supporters early on can be instrumental in moving a project forward.

## Core Group

Artspace invests time and effort at the very beginning of the process to work with local leaders in the community who are well-equipped by position, experience, and influence to serve as members of the Core Group and lead the study.

The local leaders who make creative projects possible can come from many sectors but must share a willingness to work hard toward a common vision. The Core Group that led the Preliminary Feasibility Study in Washtenaw County exemplified this quality.

The Core Group (for a list of members, see page 2) met for months prior to Artspace's first virtual focus group on February 17 and in-person visit on February 22. There were representatives from the funding sector, development, creative sector, higher education and community members in this impressive group of movers and shakers but no civic leadership from either cities or the county participated in the Core Group. On our first evening together, we asked Core Group members what they hoped to achieve through the course of this feasibility study, and – if they had a magic wand – where the project would be located and who would be involved as partners?

In responding, they expressed a shared interest in regional connectivity between both Ypsilanti and Ann Arbor and having a creative project to bridge the communities. Ypsi and Ann Arbor voices were both well represented at the table. They were also interested in having fresh eyes to “see new opportunities.”



Photo Credit: Artspace

## Civic Leaders

In Ypsilanti, Elize Jekabson and Joe Meyers from the City's Community Development Department both participated in our tours and a focus group. While invited, we were disappointed by the lack of attendance from the civic side in Ann Arbor. This study was privately funded, but having support early on from civic leaders is very important. Artspace did speak separately with Teresa Gillotti, Director of the Washtenaw County Office of Community and Economic Development who was very enthusiastic about the possibilities a development like this can bring to the County.

It was noted that the community's overall lack of affordable housing, both for-sale and rental, makes it a challenge for newcomers to move to Ann Arbor or for students to stay. Ann Arbor's new 1-mill affordable housing fund advocated by the Partners for Affordable Housing (including Avalon Housing) is a step to address this and the County has additional tools to support (more in the Funding and Financing Section). It was mentioned to us that the workforce housing need is so great that the U of M and the University Hospital are developing their own private housing for their service employees.

## Community Planning Priorities

In the Civic and Finance Focus Group, Artspace asked attendees about other civic planning priorities that a project like this should take into consideration (see page 3 for a list of attendees.) We heard that Ann Arbor has a number of green initiatives (A2Zero), an upcoming TreeLine Trail project going through downtown, the Border 2 Border Trail improvements, and TheRide Ann Arbor-Ypsilanti public transportation system is undergoing a long-range plan. Transit between the two cities and in the region is a huge issue and this County also has the highest tax rate in Michigan. “Washtenaw County residents on average paid \$4,232 annually in property taxes, the highest such tax levies among all regions of Michigan,” according to a 2020 Tax Foundation analysis. Ann Arbor also is planning a Comprehensive Plan update in 2023-2024.

## Potential Partnerships

Both formal and informal partnerships can help Artspace-style projects address multiple community goals. We rely on local leaders to bring important opportunities for such partnerships to our attention and to make meaningful introductions. We heard from arts leaders and public meeting participants on the importance of a more diverse cultural community, bringing in organizational partners who can help reach those audiences and serve on the Core Group is key. Creative Washtenaw, the Arts Alliance, CultureSource and others mentioned earlier will all be crucial in advancing the Arts Market Study phase of this feasibility work.

## 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.

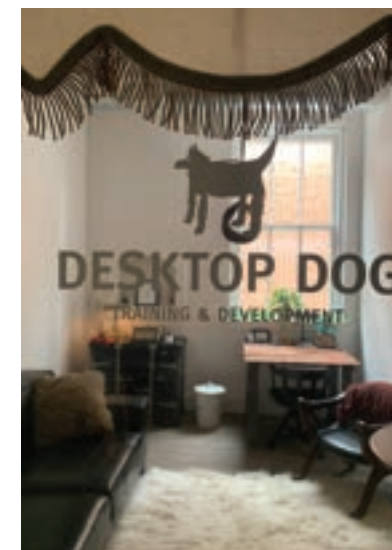


Photo Credit: Artspace

## Funding and Financing

An Artspace project represents a substantial financial investment for the community where it is located. Strong city and state leaders can often identify and prioritize funding for projects they feel strongly align with their community goals. A typical project of 40-60 units of affordable housing for artists plus community and commercial space costs \$15-20 million. Predevelopment expenses, the “soft” costs, such as architects’ fees, that must be met before construction can begin, are usually about \$750,000, regardless of the size of the project.

In most cases, however, only a fraction of the capital investment comes directly from the community itself. This is because Artspace relies on its track record and 40+ years of experience in 27 states to tap into federal programs, such as Low-Income Housing Tax Credits (LIHTC), Historic Tax Credits (HTC), and HOME funds, to provide long-term equity for development projects. 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.

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.

2021 FIGURES FOR WASHTENAW COUNTY, ANN ARBOR, MI MSA			
Area Median Income and Rent (Only for Live/Work Space) - 4-Person AMI: \$106,600			
HOUSEHOLD SIZE	INCOME (30-60% AMI)	# OF BEDROOMS	MAX. RENT (30-60% AMI)
1	\$22,380-\$44,760	Efficiency	\$1,119
2	\$25,560-\$51,120	1	\$1,198
3	\$28,770-\$57,540	2	\$1,438
4	\$31,950-\$63,900	3	\$1,662

Source: novoco.com

The local community plays a significant role in the broader funding and fundraising effort, especially during the early steps of the process. We look to the community for applicable private and public predevelopment funds and commitments of affordable housing allocations in a combination of Community Development Block Grants (CDBG) and HOME funds, Tax Increment Financing (TIF), and private philanthropic support. If affordable housing is not part of the project, the community's financial role is likely to be much greater.

## Philanthropy

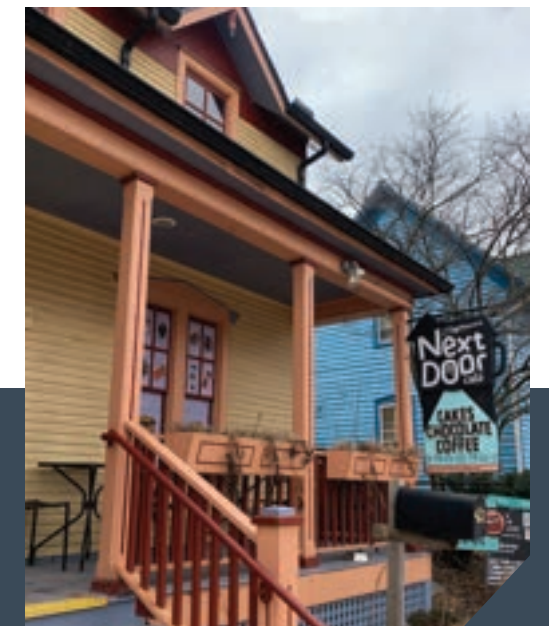
In addition to the public funding sources identified on the following pages, philanthropy is an important tool for funding Artspace developments. This comes in the form of gifts from foundations, corporations, and in some cases individuals. For example, this study was funded by the Song Foundation, a private family foundation. Many of the key people we met during the course of this study are important connectors to the private funding community. Major funders and individual donors to community-based projects, including to arts and cultural institutions, should be considered including the private and foundation funders listed on the following pages. It is not known at this time how many of the Detroit-based foundations might also provide support for the right opportunity in Washtenaw County, but this should be explored upon completion of the Arts Market Study.

## BRAINSTORMING POTENTIAL FUNDERS

The Civic and Finance Leaders Focus Group was a first step to identifying potential public, private, and philanthropic resources for a potential project in either Ann Arbor or Ypsilanti. These meetings had representation from the Lucie and Larry Nisson, Song Foundation, SPARK, Praxis Properties, Ann Arbor DDA, Ann Arbor Library, Bank of Ann Arbor, Ann Arbor Area Community Foundation, Ypsi Arts Commission, Ann Arbor Housing Commission, other local business representatives and community members. Sites in both Ann Arbor and Ypsilanti were all discussed as potential locations with the goals of adding vibrancy, energy, affordability and diversity to the area. The group expressed confidence in identifying resources for projects that are a priority for the community.

The focus groups brainstormed potential funders to engage in conversations about a mixed-use live/work project:

- Lucy and Larry Nisson were mentioned because of the generosity they exhibited in funding the murals recently completed in downtown Ann Arbor.
- [MASC0](#), a local manufacturer of home improvement and building products has a corporate giving program that contributes to housing projects, among other focus areas.
- [Ann Arbor Community Foundation](#) does competitive grantmaking for community-based projects as well as providing support through its donor-advised funds.
- [Song Foundation](#), Dug and Linh Song’s Foundation (and the sponsor of the Artspace feasibility study) was founded in 2019 with a focus on investing in the innovative people and organizations who are improving the quality of life in Southeast Michigan.
- [Ralph C. Wilson Jr. Foundation](#) focuses on southeast Michigan and western New York. The Foundation plans to sunset which means it is often making larger and bolder gifts to community-based projects that align with their focus areas including economic development and entrepreneurship as well as the arts.
- [Ford Motor Company](#) that has a corporate giving program that funds projects throughout its primary operations based in southeast Michigan. Ford Motor has made several grants to Artspace for our work in Dearborn.
- [Michigan Community Capital](#) is a non-profit development organization that focuses on the creation of affordable housing in very low-income neighborhoods and is also an allocatee of New Markets Tax Credits (NMTC). While NMTC would most likely not be a capital source for this project, these tax credits can and have been used for arts-related facilities. They are not typically used in combination with LIHTC or with projects that have a significant number of housing units. The focus is typically on non-residential projects.
- [DTE Energy Foundation](#) grants are invitation-only and include funding priorities that could align with an Artspace initiative, including Community Transformation/Economic Progress and Human Need/Arts & Culture. Funding applications are accepted once a year in each program area.



Zingerman's Next Door Cafe, Ann Arbor // Photo Credit: Artspace

## Low Income Housing Tax Credits

The largest source of funding for most Artspace mixed-use and residential projects is the federal Low Income Housing Tax Credit (LIHTC) program, administered by the U.S. Department of Housing and Urban Development (HUD) and state housing agencies in accordance with Section 42 of the IRS Code.

LIHTCs come in two varieties, known as 9% credits and 4% credits after the variable in the formula used to calculate them. Of these, 9% credits are much more popular with developers because they can pay for up to two-thirds of a project's construction budget, more than twice as much as 4% credits. They are therefore extremely competitive, and it is not uncommon for a developer to have to apply two or more times before receiving an award; 4% credits, which take the form of tax-exempt bonds, are easier to obtain and less competitive. That said, Artspace was successful in receiving an allocation of 9% LIHTC in its first application to the Michigan State Housing Development Agency (MSHDA) in 2014 for a 53-unit mixed use project on Michigan Avenue in Dearborn. LIHTCs are a very viable funding source for a mixed-use affordable live/work housing project in either Ann Arbor or Ypsilanti.

Other recent projects to receive allocations of LIHTC include the redevelopment of the 86-unit Parkridge project in Ypsilanti developed by the Ypsilanti Housing Commission and Chesapeake Community Advisors and several projects in Ann Arbor developed by Avalon Housing and the Ann Arbor Housing Authority.

### Examples of the funding sources for recent affordable housing projects

#### Sources of financing for the \$17.9 million Parkridge project included:

- \$1.3 million loan from Cinnaire
- \$8 million in LIHTC equity
- \$915,000 from the Washtenaw County Office of Economic and Community Development
- \$600,000 from the Ypsilanti Housing Commission

And, perhaps even more instructive is looking at the sources of financing for Avalon Housing's most recent projects in predevelopment, Hickory Way, Phases I and II ( 34 and 36 units, respectively, of new construction affordable housing):

#### Hickory Way, PHASE 1

Sources for the \$10.5 million project include:

- \$700,000 Washtenaw Urban County Award
- \$130,000 Ann Arbor Affordable Housing Fund
- \$8.2 million anticipated in LIHTC equity
- \$1.1 million Loan

#### Hickory Way, PHASE II

Sources for the \$10.7 million development include:

- \$8.3 million in anticipated LIHTC equity
- \$1 million loan
- \$450,000 Ann Arbor Housing Fund
- \$300,000 Ann Arbor Millage
- \$36,500 County HOME Funds 2020
- \$200,000 County HOME Funds 2021
- \$320,000 Federal Home Loan Bank

Recent LIHTC awards in both cities bode well for a potential future Artspace initiative. While an Artspace project would probably be a mixed-use facility, with non-residential uses (which cannot be paid for with LIHTC-generated funds) on the ground floor and housing above, we encountered no resistance to this concept in any of our meetings and believe it is a viable model for any project of this nature in Washtenaw County. Applications for 9% LIHTCs in Michigan are typically due in February and October.

## UNDERSTANDING LOW-INCOME HOUSING TAX CREDITS (LIHTC)



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



## Potential Public Sources

This is a preliminary list of other potential public sources discussed during the study as well as other Michigan funding sources with which Artspace is familiar.

- **MSHDA** also has a **Mortgage Resource Fund** and **HOME** funds that can be used to fill gaps in projects utilizing the less lucrative 4% LIHTCs.
- The **Michigan Economic Development Corporation** offers grants for brownfield cleanup and redevelopments tied to job creation. Artspace projects frequently qualify for job creation initiatives because so many artists are self-employed entrepreneurs running their own cottage industries.
- **Michigan Community Revitalization Program (MCRP)** funds can be used for the non-residential components of a project. Artspace's project in Dearborn, the City Hall Artspace Lofts, includes a separate commercial building which received \$1 million in MCRP funds. Up to \$10,000,000 (not to exceed 25% of the eligible investment) for flexible term and condition loans and grants. Projects must be in a downtown or commercial center.
- **Federal Home Loan Bank.** The Indianapolis office serves the state of Michigan and is one of twelve government-sponsored Federal Home Loan Banks that provide equity to support housing financing and community investments.
- **Illinois Facilities Fund (IFF)** is a CDFI (community development financial institution) that serves the Midwest region. IFF provides bridge loans, gap financing, and other kinds of technical assistance for affordable housing and other kinds of community development projects. IFF has played an important role with Artspace projects in the Chicago area as well as in Dearborn.
- **State and Federal Historic Tax Credits (HTCs).** 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. Only one of the properties we discussed, the City Hall building in downtown Ypsilanti has the potential of being listed on the National Register and qualifying for historic tax credits.
- **HOME Program.** A federal program that provides funding to state and local governments to fund affordable housing developments. Although Ypsilanti is an Entitlement Community, it does not have a dedicated allocation of HOME funds. Any HOME funds for a potential qualifying project in Ypsilanti or Ann Arbor would come through Washtenaw County.
- **Tax Increment Financing (TIF).** A tool available to local communities for assisting economic development, redevelopment, and housing. Washtenaw County has a brownfield redevelopment agency authorized for redevelopment projects.
- **Community Development Block Grants (CDBG)** are tools that cities can use for a range of activities that benefit low- and moderate-income individuals or prevent or eliminate slums and blight. The funds vary from year to year but average about \$2 M annually for Washtenaw County; 15% are designated for social services, while the remaining 85% are typically used for infrastructure improvements.
- **City of Ann Arbor** has a new affordable housing tax that will be available as a gap filling resource on projects targeting 30-60% Area Median Incomes. The city is entering the second year of the 20-year tax with an estimated \$6.5 million in revenue from it in the 2022-23 fiscal year. This fund could potentially raise around \$160 million over the next two decades, according to city estimates. These funds are intended to help leverage other funding to create new affordable housing for people earning up to 60% of the area median income, furthering the city's goal of socioeconomic diversity.
- **Ypsilanti Housing Commission and the Washtenaw County Office of Economic and Community Development** both provide capital grants for affordable housing.
- The **Michigan Council for the Arts and Cultural Affairs** has a capital program that provides up to \$100,000 for eligible projects.
- **Personal Property Tax Exemption for Ann Arbor and Ypsilanti.** Allows local governments to offer a personal property tax exemption to spur investment in the Industrial Development District, Brownfield Redevelopment District, Local Development Financing District/ Smart Zone, or the Downtown Development District. New personal property (equipment) leased or owned by eligible businesses and located within these established districts could be 100% exempt from local and state personal property taxes. This incentive is not project-specific and extends to all personal property investments during the time of the exemption.

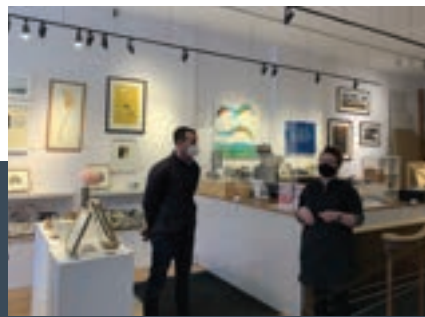


Photo Credit: Artspace

## The Dearborn Example

City Hall Artspace Lofts in Dearborn, Michigan, completed in 2015, consists of two residential buildings — the former City Hall and Annex — containing 53 live/work units for artists and their families, plus a connecting structure that houses an Arts and Technology Learning Lab and seven commercial spaces. The total project area is 105,500 square feet. The project was developed by Artspace with the assistance of three community partners: the City of Dearborn, the East Dearborn Downtown Development Authority (EDDDA), and the Arab-American National Museum. The table shows in simplified form the financial sources that made the project possible.



City Hall Artspace Lofts // Dearborn, Michigan

SOURCES OF FUNDING AND FINANCING CITY HALL ARTSPACE LOFTS // DEARBORN, MICHIGAN		
PUBLIC SOURCES		
Low Income Housing Tax Credits (9%)	\$7,999,420	48%
Historic Tax Credits	\$2,383,307	14%
City of Dearborn / HOME Loan	\$500,000	3%
City of Dearborn / EDDDA Brownfield Loan	\$400,000	2%
Michigan Economic Development Corporation (MEDC)	\$1,000,000	6%
PRIVATE SOURCES		
Illinois Facilities Fund (IFF)	\$1,450,000	9%
GP Equity / Pre-development Contract	\$485,000	3%
Private Sector (Sponsor Loan)	\$861,692	5%
Commercial Acquisition Bridge Loan	\$550,000	3%
Deferred Developer Fee	\$809,435	5%
<b>TOTAL</b>	<b>\$16,513,854</b>	<b>100%</b>

## Conclusion

The financial information Artspace gathered during the Civic/Finance Leaders Focus Group, additional meetings, and subsequent research suggests that there is sufficient capacity in Washtenaw County to underwrite an arts market study, predevelopment, and capital funding of an affordable mixed-use, artist live/work project with private funders potentially having more of an interest in funding a project in Ann Arbor. Although no funding process is ever easy, it is clear that the resources and tools exist here to support an affordable housing project aligned with local goals. Additionally, Artspace's development experience in Dearborn, recent predevelopment award in Mount Clemens, and feasibility work in East Lansing have given us a head start in identifying and navigating potential state, regional, and local funding sources.

## Potential Sites

While site selection is a critical component of any project, it should not drive the project. During a Preliminary Feasibility Visit, therefore, Artspace's primary goal is not to choose a site but to identify candidates for further study should the project move forward. Our goal is to gain a deeper understanding of the project concept and to assess each site we visit for its ability to serve that concept, its alignment with broader community goals, and issues that affect its cost of acquisition and development. Factors we consider include location, size, physical conditions, adaptability to project concept(s), construction type, zoning and land use restrictions, ease of acquisition, and potential for sustained impact on the broader community.

Given our mission to keep our projects affordable in perpetuity, Artspace gives high priority to sites that can be conveyed below market rate. Sites owned by government agencies, which can often donate them as part of their contribution to the project, are especially valuable.

## Site Tour Observations

Artspace toured six potential sites in Ann Arbor and Ypsilanti to evaluate their potential for an Artspace-style development. We also asked attendees at the February 24th open house to identify which of the two communities they preferred.

Some of the sites we visited had potential for reuse as artist housing, but all had significant drawbacks related to location, size, cost of acquisition, or other factors. Here are our impressions, followed by a comparison of the three that stood out as being best aligned with community goals. Readers of this report should be aware that only 50% of the time, does Artspace identify the site that becomes the project site during the preliminary feasibility visit. The Artspace Dearborn project site, in Dearborn's former City Hall buildings, was not identified until the team was fully into predevelopment. In Loveland, Colorado, we were contacted by the community for the restoration of an historic feed and grain building. That said, we explored 13 other sites before coming back to this iconic historic building. In both cases, Artspace purchased the buildings and adjacent land for well below market value. In many cases, sites are donated by government entities because of the project goals which include long-term affordability and stability for the community's creative sector.

In Ann Arbor, all the sites were privately-owned. In Ypsilanti, the sites we discussed were municipally-owned.

## ANN ARBOR SITES:

In cities of Ann Arbor's size, Artspace usually focuses on or near city centers. In the case of Ann Arbor, there are few, if any, development opportunities in the city center. Ann Arbor has very few vacant storefronts, empty lots (other than parking) or industrial buildings that have not already been developed. Therefore, the core group brought forward to Artspace sites that are privately owned and in key transportation growth corridors or areas that are "taking off" and planned for higher density. This list is a sampling of the sites we briefly visited, followed by an overview evaluation of the top three sites from both cities.

### 1. 2355 West Stadium, 19,000 SF buildings on a 1.8 acre lot

This privately-owned office and industrial building was originally used for manufacturing. The campus, including a surface parking lot, is listed at \$4.4 million on 1.8 acres with a zero-lot line. This area is in the process of being rezoned for higher density that allows 4-5 stories. The buildings are not historically significant and would most likely be demolished for a future new construction project.

The West Stadium area is a major transportation corridor for cars and buses and is on the verge of turning into a mixed-use area with increased mixed-use multi-family housing and pedestrian friendly initiatives in the works.

### 2. Triad Partners site: 2111 Packard Street, 1.71 acres

Triad Partners has all the zoning and planning approvals in place for what had been planned as a 72-unit mixed-use multi-family project. There is a remaining tenant that would be in place for three years, making it align more closely with Artspace's timeline than for a for-profit development one. Triad is considering letting go of the site and would be willing to sell it for the value of the improvements and architectural/site work they've already completed, approximately \$3 million.

### 3. Bacchus Building: 2500 Packard Street; 31,000 SF, 2 acres

This building and large lot is listed at \$3 million. The lot is surrounded by other multi-family housing and is in a transportation corridor. Current uses are office, small businesses and parking. There are currently a number of creative businesses in the building including a healing arts organization (acupuncture, yoga). The basement level had a long-standing french wine warehouse and wine club giving the building its namesake. This building is not historically significant and would need to be demolished to make way for higher density new construction.



French wine warehouse in Bacchus Building // Photo Credit: Artspace

We briefly touched on other potential sites but spent the most time touring and discussing these three. All of the sites are important redevelopment areas for the City of Ann Arbor and represent an opportunity to provide incentives to developers of market rate housing to include affordable units in the mix. None of the sites we toured are in the Downtown Development Authority area which currently has the most incentives for the inclusion of affordable housing units in new developments.

## YPSILANTI SITES:

### 1. Ypsilanti's Current City Hall Building, 1 South Huron at the intersection of South Huron Street and East Michigan Avenue

The Romanesque style building that houses City Hall was erected in 1887. It was designed by the Detroit-based architectural firm, Mason and Rice to house the Ypsilanti Savings Bank, along with several professional offices and the Knights of Pythias lodge room. Centrally located and with a small adjacent lot, the building itself would be too small for a 30-40 unit housing project unless combined with new construction.

### 2. Ypsilanti Transit Station Bus Stop Site. 220 Pearl at North Adams and Pearl Streets.

This parcel, presumably owned by Ann Arbor Area Transportation Authority (TheRide) is well located right at the north end of Downtown. This site could anchor an Arts District in Ypsilanti.

### 3. Eastern Michigan University's Goddard Residence Hall

This residence hall has been vacant for a decade. The city and EMU are working on potential redevelopment plans for this site. It is adjacent to EMU's art and design school. The units are currently configured as two-bedroom and have communal bathrooms. To convert to affordable live/work units, the building would be a gut rehab. Goddard Hall is on the southeastern edge of the campus and only one mile from Downtown Ypsilanti but feels enclosed by the university itself and distant from other community amenities.

### 4. Eastern Michigan University's Gary M. Owens College of Business, 300 W. Michigan Avenue

Located right along W. Michigan Avenue, the College of Business vacated this building in 2020 and moved to the main campus. Built in 1988, this 122,000 square foot building is an icon for Ypsilanti. With its unique "Michigan Modernist" style, this could be a very cool conversion into office space. But it is far too large and would not work for an Artspace-style development. The most recent offer was for \$2.7 million, and EMU like most institutions is looking for a market-rate buyer. There have also been a number of proposals in the works for this site.



Current City Hall Building // Photo Credit: Artspace



EMU's Goddard Residence Hall // Photo Credit: Artspace

## Comparing the Top Sites

Artspace's top three sites for a potential project are the Triad Partners site, Ypsilanti's City Hall, and the Ypsilanti Transit Station. Here is a head-to-head comparison of the three.

Name	Triad Partners Site	Ypsi City Hall + Lot	Ypsi Transit Site
<b>Location</b>	2111 Packard Street	1 South Huron Street	220 Pearl Street
<b>Relation to Downtown</b>	2.5 miles SE of downtown	Heart of downtown at intersection of South Huron and East Michigan	Heart of downtown at intersection of North Adams and Pearl
<b>Size and Development Potential</b>	1.71 acres, large enough for 4-5 story, multi-family, mixed-use project + parking	TBD	TBD
<b>Projected Ease of Acquisition</b>	Fair: Owned by Triad Partners; willing seller with \$2.8M acquisition	Excellent: Owned by City of Ypsilanti	Excellent: Owned by City of Ypsilanti
<b>Accessibility</b>	Walk Score: 67. 2 miles southeast of U of M main campus; close to public transit on Packard. Not many walkable amenities yet but the area is changing fast	Walk Score: 90. In the heart of downtown; walking distance to many shops and restaurants	Walk Score: 89. In the heart of downtown; walking distance to many shops and restaurants
<b>Parking</b>	Enough space for onsite parking		Enough space for onsite parking
<b>Renovation or New Construction</b>	New Construction	Historic Preservation + New Construction	New Construction
<b>Environmental Issues</b>		Unknown	Unknown
<b>Potential for Sustained Community Impact</b>		Well-located downtown and very walkable	Well-located downtown and very walkable, near galleries and other arts/cultural uses
<b>LIHTC Scoring*</b>	LIHTC Score: 84	LIHTC Score: 85	LIHTC Score: 85
<b>Summary</b>	Attractive site with zoning approvals in place. Challenge to see if the funding can work with a \$2.8M acquisition cost.	City Hall site may be too small for the size of the market. Its adaptability into housing may also be challenging.	Well-positioned site in the heart of downtown. A development on this site would be a huge catalyst for other positive growth in the area, including on the 34-acre brownfield site between City Hall and Depot Town.

\*Qualified Allocation Plan self-scoring

## READING THE NUMBERS

Two of the three sites had very high walk scores — 75 is considered good — which is very favorable; Ann Arbor's overall walk score is 52; Ypsilanti's is 62. For comparison purposes, downtown Ann Arbor and Ypsilanti have walk scores of 92 and 91 respectively.

Artspace thanks Mary and Mike Levine of the Fraser Law Firm, our tax credit consultants for the Dearborn project, for preparing preliminary information about how each of these sites would score on a Low Income Housing Tax Credit application submitted under the new 2021 Qualified Allocation Plan (QAP). They concluded that each of these sites would score in the mid 80s on a 185-point scale. The majority of the remaining points are awarded for supportive housing projects — for instance, housing for very low-income families that also need a large service component — that are outside the income range of Artspace projects. Projects that are awarded are usually at least 95 points.

In 2021, MSHDA awarded LIHTCs to 44 projects. Of these, 12 were preservation projects, 18 rural, and 14 "strategic investment" projects that were approved by the Governor. Fifteen of the 44 applications were from nonprofit developers. Artspace would probably need the points associated with strategic investment projects to secure 9% LIHTCs for a project in Ann Arbor or Ypsilanti.



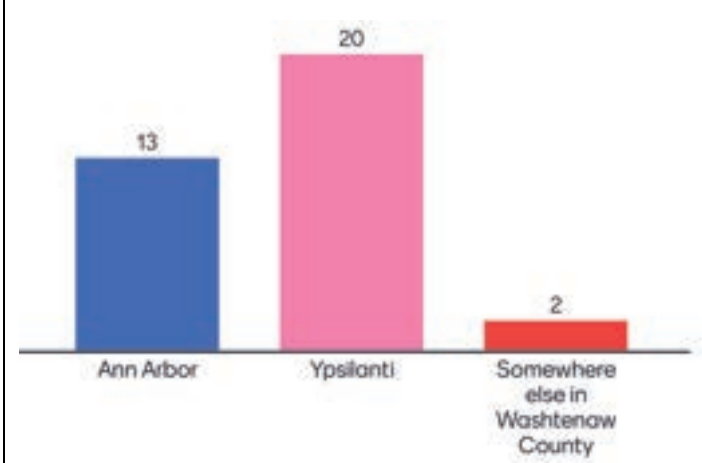
Ypsi Alloy Studios, Ypsilanti // Photo Credit: Artspace

## WHERE ARTISTS WANT TO BE

Virtual focus group participants were asked to give their feedback on where artists want to be. We've left this list in the artists' own words, because it is important to note how many times each city was mentioned. Finding a neutral location between Ann Arbor and Ypsi came up a few times as well, although we did not see any possible sites there for an Artspace project. Comments on location included:

- Between AA and Ypsi
- Between Ann Arbor and Ypsilanti
- Border of A2 and Ypsi
- Closed schools in Ypsilanti would be ideal, personally
- Don't mind being in Ypsi either, but maybe a little north of Ypsi.
- Downtown Ann Arbor
- Downtown Ann Arbor
- Downtown Ann Arbor - lots of eyeballs, foot traffic, chances to get work in front of people
- Downtown spaces because people don't walk to events further out - you want to be opportunistic about capturing the audience out for dinner - Ypsi or Ann Arbor.
- Downtown Ypsi
- East Side
- Generally - walking distance to grocery store / transportation lines.
- Near walkable amenities - food, coffee etc.
- Park spaces rather than downtown areas. Too much congestion.

## ARTISTS AND ART ORGANIZATIONS' DESIRED LOCATIONS



- Rural for specific artist-in-residencies
- Rural setting
- Someplace that's walkable and near public transit
- South and East Ypsi.
- South Industrial
- Sycamore, West Willow, Macarthur Blvd
- Walkability and access to public transportation/ bikeability
- Where we can still call it Ann Arbor and possibly a few miles north of Ann Arbor.
- Ypsi has vacant buildings that need development.
- Ypsilanti
- YPSILANTI

## COMPLEMENTARY DEVELOPMENTS

The Catherine Street Development in downtown Ann Arbor, led by Avalon Housing, will contain artist housing units and creative commercial spaces on the ground floor as well as supportive services. In the near-term this is an excellent opportunity to make space for the creative sector and add arts uses to downtown.

The plans for 415 W. Washington/former YMCA site also includes affordable housing units and more residences downtown. Ann Arbor feels ripe for higher density housing downtown.

## SITE SELECTION DISCLAIMER

Finally, it must be stated that these findings are preliminary and based on currently available information. Much can and often does change between the writing of a Preliminary Feasibility Study report and actual site selection, which usually takes place during predevelopment (see Appendix A, "Path of an Artspace Project"). The sites mentioned in this section will be prioritized as conversations progress and the project concept is refined, but no one should rule out the possibility that a site not yet on the radar will be the one chosen for the project.



## IV. RECOMMENDATIONS AND NEXT STEPS

Both Ann Arbor and Ypsilanti are well-positioned to pursue an affordable live/work mixed-use facility for artists and creatives. There seems to be strong leadership with the will to tackle large projects and experience in working with nonprofit affordable housing developers. Each city has a robust creative sector with Ann Arbor's creatives already experiencing a generation of displacement due to challenges with affordability.

### Recommendation: Arts Market Study

Artspace recommends an Arts Market Study as a means of helping inform a future potential Artspace project as well as the Core Group, Creative Washtenaw and Avalon Housing who are already in the process of planning artist housing and other creative spaces in downtown Ann Arbor.

Based on the preliminary findings contained in this report, we believe that either Ypsilanti or Ann Arbor has the ability to support 40 or more live/work units in a mixed-use Artspace project. But our belief is not enough to secure project financing from bankers, funders, and mortgage lenders. They want statistical evidence of market demand, and to obtain that data we need to conduct an Arts Market Study.

An Arts Market Study involves an online survey of area residents followed by analysis and recommendations based on their responses. Its primary function is to quantify the need for affordable live/work housing, private studios, and other types of spaces, but it also provides a wealth of data that Artspace uses to inform site selection, project amenities, and other design factors. In addition, it provides reliable information on the needs of the arts sector that can be used by bankers, funders, and prospective LIHTC investors. Not least, it helps generate community-wide interest and serves as a marketing tool for a future project. It allows Artspace to begin building relationships with the area's artists and creatives that the project will eventually serve and broaden our core team beyond the Core Group. From the many amazing leaders we met, we suggest having artist activists like Petals Sandcastle, Jenny Jones and Elize Jakobson all join the Core Group to launch the regional Arts Market Study. Likewise having a connection to younger artists and recent grads will be important in the survey outreach. Having leaders from both cities will be important and can make this a model for regional cooperation. Artspace has conducted many arts market studies with a regional focus.

The survey can be customized to address specific questions of interest to the community even if they involve properties that are not under consideration for an Artspace project. In Washtenaw County for example, the survey could include questions related to specific sites to help each city better understand how to plan for future creative uses or ask about interest in specific cities.

The Arts Market Survey could serve many purposes for the community:

- Understand the depth of the creative market and individual/family space needs.
- Create an interest list of creatives who need space
- Help inform other nonprofit and for-profit developers, such as Avalon Housing, about the creative sector's need for space and potential users.

The data from the study could then be shared with private developers and policymakers to help encourage further infrastructure investment in the creative economy.

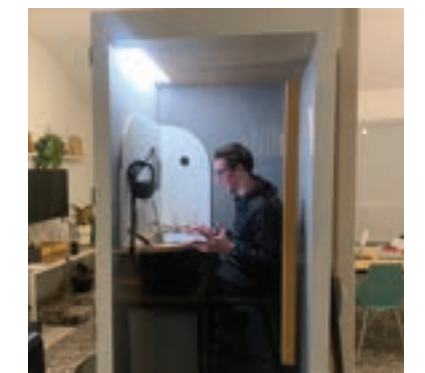
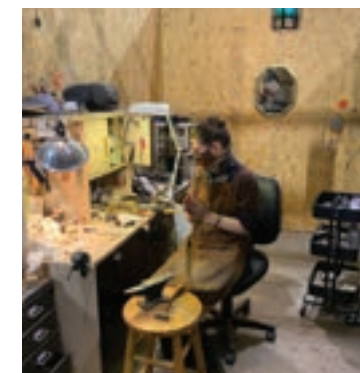
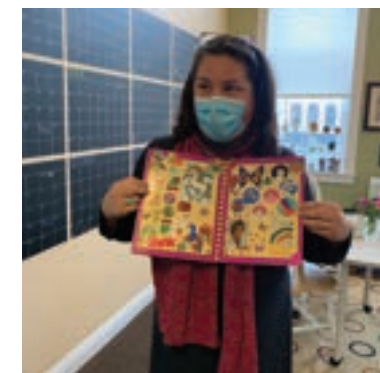
### Next Step: Strengthen the Arts Sector

1. **Focus on Individual Artists:** Creative Washtenaw does an outstanding job of focusing on creative businesses and studying the impact of the arts on the region. Could they or another entity also focus on individual artists? That focus on providing support to individual artists seems to be lacking in the area. Creative Many played somewhat of that role statewide before they folded in 2021. Having an arts service organization focused on the needs of individual artists and entrepreneurs could go a long way in supporting a more robust creative sector. The Washtenaw County Community College (WCCC) Resource list was one of the best compilations Artspace has seen a community create. However, many people in the focus groups did not know about it or the resources available. Connecting individuals to these is very important. In Artspace's experience, it's common for cities to focus on institutions and businesses and the individual artists are often left out. Cities that also focus on the space needs and business training for individual artists are generally more successful in attracting and retaining creatives. A few suggestions from Artspace include:
  - a. Reviving CultureSource's CultureMakers program that was briefly around before the pandemic. This was a diverse group of local artists who convened regularly around issues facing creatives.
  - b. Having artist networking convenings/conversations. Ann Arbor Community Foundation would be a good partner, as are the other creative businesses in the "Creative District" in Ann Arbor.
  - c. Make the WCCC Resource List more widespread and accessible to new audiences.
  - d. Include a focused program and resources for individual artists and creatives at Creative Washtenaw.

**Examples:** [Springboard for the Arts](#) and [SpaceWorks Tacoma](#) are two mature service organizations that have made a huge difference in the communities they serve and both are a good example for Washtenaw County.

2. **Reinforce the newly formed Creative District in Ann Arbor:** In 2021, Ann Arbor's west side was dubbed a "Creative District," partly because of the creation of a corridor of murals and partly because of the new and existing creative and cultural assets in this 4 block area. In Artspace's experience, creative districts tend to erode over time if attention is not also focused on affordability of space. This phenomenon, called the "Soho Effect," most famously happened in NYC but the impact of artists making areas hip and cool and then being displaced happens across the world and is a phenomenon whose cycle is hard to break. Having the city provide incentives for building owners to keep some spaces affordable for the creative sector would go a long way toward a flourishing arts scene rather than one that collapses from market pressures and increased taxes. There is no one perfect solution for this but in Artspace's work, we have seen great examples of city interventions.

**Example:** The tax abatement program started in the Crossroads neighborhood of Kansas City, MO. The expressed intent of the Arts PIEA (Planned Industrial Expansion Authority) is "to retain and expand the arts and cultural uses within the Crossroads area by stabilizing assessed values in order to promote long-term affordability."



**3. Start the process of developing a Creative District in Ypsilanti in either downtown and/or Depot Town.** While Ypsilanti does not have an official creative district, the look and feel of the downtown and Depot Town (the “other” downtown) shops and artist spaces read like funky creative districts in the making. In the case of Ypsilanti, rental rates are much more reasonable than in Ann Arbor. It would be smart for city planners to think ahead to creating a “zone” of affordability before it’s too late. In that way, Ypsilanti has opportunities that Ann Arbor will find harder to fulfill.

- a. A great resource to start thinking about this process is Colorado’s Call yourself [Creative Toolkit](#). It is a DIY step-by-step guide on how to make this happen.
- b. This resource document from Portland, Oregon also has a multitude of ideas on creating affordable space for the creative sector from a civic level. [A Plan for Preserving and Expanding Affordable Arts Space in Portland, 2018.](#)
- c. The Michigan Economic Development Corporation’s Michigan Arts and Culture Council (MACC) is a grantor and great resource to talk about an initiative like this.

**4. Play up the unique intersection between art and technology.** Businesses like CultureVerse, TinkerTech, and Makerworks make this region unique. Washtenaw County has attracted a lot of tech businesses and start-ups in the past decade. This mini-“Silicon Valley” image is becoming a part of the DNA of the area and is certainly represented in CultureVerse, a new “arts and tech” start-up that is a community-based makerspace for entrepreneurs and innovators. Artspace has also toured many makerspaces, but very few have included prototyping car manufacturing components like we saw at Makerworks. The tech connection with the creative sector can be seen as a unique opportunity for the region and a way to access new funding streams.

Example: The City where we’ve seen the most focus and attention on “makers,” including the intersection of art and technology is in Knoxville, TN. In addition to being known as the “Makers City,” the Mayor has formed an advocacy group within the Makers community to promote makerspaces and activities.

**5. Engage with new voices.** Individual artists such as Petals Sandcastle (aka Ricky Herbert) and Jenny Jones (thejennyjones.com) who are born leaders could play a role in activating underutilized spaces in both cities. The Avalon project on Catherine Street could be one of those first opportunities to workshop new ideas for the ground floor spaces.

Example: The [Lower Manhattan Cultural Council](#) was originally set up to pair artists with building owners to help activate vacant office spaces. It was a very robust program though times have changed in NYC and there are few, if any, vacant spaces in Lower Manhattan.



*Petals Sandcastle at Express Your Yes Foundation, Ann Arbor // Photo Credit: Artspace*



*Makerworks // Photo Credit: Artspace*

**6. Better Connect Higher Education Resources to the Broader Community.** Washtenaw County is home to three institutions of higher learning (University of Michigan, Eastern Michigan University, and Washtenaw County Community College). It was mentioned that once students leave the education system they are usually left on their own and there are not enough creative networks or resources to ground them in the community.

- a. The [WCCC Resource list](#) and arts advocacy and business planning tools are vital resources and seemingly underutilized. Having “office hours” or technical assistance training on specific arts topics (insurance, branding, marketing, licensing, copyright etc. seems valuable from the feedback we heard). Pairing this kind of resource help with networking events akin to the type Creative Washtenaw and the Community Foundation have begun to do would have a powerful impact to retain and attract creatives. Focus somewhat on younger and emerging artists.
- b. EMU’s Sculpture Studio and program was such an impressive facility, given that it is the only one of its kind in the county. Connecting students with public art fabrication opportunities would be worthwhile. As public art becomes more and more popular, making sure students and recent grads have opportunities to create in the county makes the possibility of working as an artist after graduation more feasible.

Example: [Forecast Public Art](#) based in St. Paul, Minnesota is an international resource with many guides on public art best practices including how cities can commission work, how artists can join databases etc.

**7. A space-finding resource for artists/arts organizations would be helpful in Washtenaw County.** In the project concept section many types of spaces were mentioned as a need. It also seemed that many of the spaces that attendees represented were lesser known or hidden. Coming out of the pandemic, space sharing will likely be more economical so thinking about ways that Creative Washtenaw and the Arts Alliance can help to fill this gap would go a long ways toward matching vacant or underutilized spaces with artists and creatives space needs.

Example: [Peerspace.com](#) is sort of an Airbnb model for hourly space rentals for events, pop-ups, music shoots, photo shoots, meetings etc. This website only has a few listings in Washtenaw County right now. Having more awareness and popularity in Washtenaw County would be beneficial. It is easy to sign up to include space on the rental list. While not permanent, it can be a way for creative activities to happen in existing spaces.

Another example is the [space finder program](#) of MASS MOCA.



*Worthwhile Studio, Ypsilanti // Photo Credit: Artspace*



*Graduate Hotel, Ann Arbor // Photo Credit: Artspace*

## Next Steps: Toward an Artspace Project

After completing the Arts Market Study, the next step toward an Artspace project would involve entering into a predevelopment agreement. See “The Path of an Artspace Project” (Appendix A), which provides an overview of the steps involved in advancing a successful Artspace project. Given the availability of ARPA funds and the deadlines involved, getting started quickly would help move a project forward.

In summary, Artspace believes a project concept that includes both affordable live/work housing and space for arts organizations as well as studio or shared space for individual artists or cooperatives would provide a tremendous boost to the reputation and visibility of Washtenaw County's creative sector. It would also provide a stable, permanently affordable space for the creative sector as market pressures increase and affordability decreases.

Artspace greatly appreciates the opportunity to work with the leaders in the Core Group from both cities and the County and private sector. Artspace came away with a strong sense of the potential for an artist live/work mixed-use facility to be a successful venture and an asset to the community no matter where it is located. Insights and recommendations in this report are solely intended to guide a project to the next phase of development and set either or both cities on the path to becoming home to a new mixed-use arts facility.



Ingrid Ankerson Letterpress studio, Ypsilanti // Photo Credit: Artspace



Express Your Yes Foundation, Ann Arbor // Photo Credit: Artspace



# APPENDIX A

## THE PATH TO 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	
<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>Information Gathering and Outreach</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>Meet with artists, local funders, businesses, civic leaders, and other stakeholders</li> <li>Conduct a public meeting to introduce Artspace and solicit community feedback</li> <li>Tour candidate buildings and/or sites</li> <li>Extend outreach as needed to ensure that people from underrepresented communities are included in the process</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>Written report with recommendations for next steps</li> </ul>
<b>PREREQUISITES FOR MOVING FORWARD</b>	<ul style="list-style-type: none"> <li>Demonstrated support from local leadership</li> <li>Critical mass of artists and arts organizations with space needs</li> <li>Established base of financial support</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>3-5 months, kicked off by a 2-day visit</li> </ul>
<b>STATUS</b>	<ul style="list-style-type: none"> <li>Completed</li> </ul>

STEP 2: ARTS MARKET STUDY	
<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>Assessing the Market</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>Three phases to the study: survey preparation, data collection, and analysis/reporting</li> <li>Quantify the overall demand for arts and creative spaces</li> <li>Identify the types of spaces, amenities and features that artists want/need</li> <li>Inform site selection, design, and programmatic decisions</li> <li>Maintain community involvement throughout the project</li> <li>Help build support and secure funding</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>Written recommendations and technical report of survey findings</li> </ul>
<b>PREREQUISITES FOR MOVING FORWARD</b>	<ul style="list-style-type: none"> <li>Sufficient number of responses from eligible, interested artists to support an Artspace live/work project</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>6 months</li> </ul>
<b>FEE</b>	<ul style="list-style-type: none"> <li>\$35,000</li> </ul>

STEP 3: PREDEVELOPMENT I	
<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>• Determining Project Location and Size</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• Work with City and other stakeholders to establish (a) preliminary project scope and (b) space development program for evaluating building and site capacity</li> <li>• Analyze candidate buildings/sites with respect to cost, availability, and other factors impacting their ability to address development program goals</li> <li>• Review existing information about potential site(s) to identify key legal, environmental, physical, and financial issues affecting their suitability</li> <li>• Negotiate with property owners with goal of obtaining site control agreement</li> <li>• Continue outreach to artists and arts organizations</li> <li>• Connect with potential creative community partners and commercial tenants</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>• Confirmation of development space program and goals</li> <li>• Assessment of site suitability and identification of any contingent conditions to be resolved through continued due diligence</li> <li>• Site control agreement or update regarding status of site control negotiations</li> <li>• Summary of project status</li> </ul>
<b>PREREQUISITES FOR MOVING FORWARD</b>	<ul style="list-style-type: none"> <li>• Site control agreement with property owner</li> <li>• Growing stakeholder/leadership group</li> <li>• Both parties' agreement on project scope and feasibility</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>• 3-6 months</li> </ul>
<b>FEE</b>	<ul style="list-style-type: none"> <li>• \$150,000</li> </ul>

STEP 4: PREDEVELOPMENT II	
<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>• Project Design and Financial Modeling</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• Establish process for selecting architectural team</li> <li>• Confirm development goals and space program with architectural team</li> <li>• Engage architect to create conceptual plans and schematic designs</li> <li>• Engage contractor or cost consultant to provide pre-construction services</li> <li>• Resolve any contingent conditions relating to site control</li> <li>• Create capital and operating budgets</li> <li>• Obtain proposals and/or letters of interest from lender and equity investor financing partners</li> <li>• Prepare and submit Low Income Housing Tax Credit application</li> <li>• Submit other financing applications as applicable</li> <li>• Maintain excitement for the project within the creative community</li> <li>• Encourage and guide local artists to activate the site with arts activities</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>• Schematic designs</li> <li>• Financial pro-forma detailing capital and operating budgets</li> <li>• Preliminary proposals and letters of interest for project mortgage and equity financing</li> <li>• Summary of project status</li> </ul>
<b>PREREQUISITES FOR MOVING FORWARD</b>	<ul style="list-style-type: none"> <li>• Award of Low Income Housing Tax Credits (first or second application) or commitment of alternative funding</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>• 12 months+</li> </ul>
<b>FEE</b>	<ul style="list-style-type: none"> <li>• \$300,000</li> </ul>

## STEP 5: PREDEVELOPMENT III

<b>OVERVIEW</b>	<ul style="list-style-type: none"> <li>• From Tax Credits to Financial Closing</li> </ul>
<b>PRIMARY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• Secure final gap funding commitments</li> <li>• Raise funds for equity, including private sector philanthropic dollars</li> <li>• Complete construction documents and submit permit applications</li> <li>• Negotiate construction and permanent loan commitments</li> <li>• Negotiate limited partner equity investment commitments</li> <li>• Advance project to construction closing</li> <li>• Communicate the progress of the project to the creative community to keep up the involvement and excitement</li> </ul>
<b>DELIVERABLES</b>	<ul style="list-style-type: none"> <li>• Successful closing and commencement of construction</li> </ul>
<b>TIME FRAME</b>	<ul style="list-style-type: none"> <li>• 4-6 months</li> </ul>
<b>FEE</b>	<ul style="list-style-type: none"> <li>• \$300,000+</li> </ul>

## STEP 6: CONSTRUCTION

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



“Zoom Sketches” by Sarah Innes, Ann Arbor Art Center // Photo Credit: Artspace

