

TO: Hillside Development Council
SUBJECT: Background Materials for Brewery District Study
DATE: October 20, 2009
RE: Technical Advisory

Please find following a summary of reports relating to the Brewery District Development Concept. Reports are organized by subject area.

1.0 The Creative Arts and Redevelopment

1.1. Economics and Overview the Business Case

1.2 Supporting Reports and Precedent Studies

1.3 What does this mean for Tacoma?

1.1 Economics and Overview the Business Case

As part of an initiative for continued downtown revitalization, the City's 2008 Strategic Plan focused on a set of "target sectors." The Brewery District was identified as a potential area for Creative Arts and Design. Upon further study, it is clear that these economic objectives provide a synergy with the area's existing built environment attributes. Located within walking distance of a cluster of existing museums, the Convention Center, and the future Le May Museum, a district focusing on creativity, production and the arts can build on existing investments.

Supporting creativity is a tested policy model whereby the municipality actively promotes benefits related to creative industry or "makers" and can develop a regulatory tool box of incentives, or other regulations. From Arlington Virginia, to Pittsburgh PA this has resulted in leveraging city assets many times over, reducing risk for new development, and bringing forward an active and engaged community.

From the public sector's perspective, potential goals for district development may include:

- Attracting *creative industry* and cultural enterprises
- Encouraging business and job development for the existing business sector
- Supporting destinations such as TAM, the WA State Museum of History and the Museum of Glass.
- Preserving and reusing historic buildings
- Enhancing property values
- Beginning by engaging with temporary uses that can transform and encourage into longer term uses

Why Here?

The Core Brewery District is a small, cohesive area that is already well connected, centrally located with a stock of underutilized and under appreciated buildings that are highly valued by residents. Its potential can be maximized through creativity and taking an alternative approach to these existing resources. Furthermore the creative environment will be supported by significant growth in university student and employee population on the adjacent campus. This

growth, coupled with the provision of a mix of workforce housing, arts-related activities and a possible new museum or destination can coalesce into a hive of downtown activity, drawing the core of the City towards the South. With the economy in recession and lenders requiring more equity than in the recent past, older existing buildings offer cities an opportunity to continue urban renewal efforts in the down economy by engaging developers in public/private partnerships and providing incentives to fill gaps in financing.

Artists and students can represent strength in markets that lack appeal to other types of households. As such, within the Brewery District, arts-related development can help act as a hedge against other investment risks - such as perceived safety. Tacoma has a strong and active creative arts community; however it is dispersed throughout the City. This results in dampening the energy already at work within the City. Artists or “makers” should be considered as not earning income from local activities but as contributors to the local economic base- goods and services are exported out of the region that enable producers to earn incomes that are spent in support of local serving business as well as on imports of yet other goods and services.

Within the Brewery District, an on their private initiative - several shared community artist-studio spaces have sprung up within the Study Area boundaries - including Tacoma Arts Space, M-Space - as well as the Robert Daniel Gallery. Within the District and its local environment, these spaces are now taking advantage of low rents, good accessibility and in some cases industrial-styled buildings.

The Policy Agenda:

The Policy agenda for the Brewery District has been consistent for some time, with a desire by the local community for revitalization – from the Destination Downtown, to the HDC BluePrint Vision to the 2008 Economic Strategic Plan which outlines specific action strategies to work towards this goal.

The Downtown Economic Strategic Plan actions for a “Creative Arts and Design District” have generally been folded into the Downtown Plan, but it may be useful to itemize them here.

1. Create an **advisory group of area artists** to help plan for the needs of the future residents/workers in this district as well as to promote it among the artist community.
2. Establish a **Creative Arts Complex** to serve as a growth stimulus for the City’s creative businesses and as a cultural attraction for residents and visitors. The Complex should be composed of several distinct, but interrelated programs.
3. Establish a **Creative Arts Training Center** as a joint program between higher education and community partners to offer certification and degree programs in creative and culinary arts, as well as community education programs.
4. Establish a **Creative Arts Entrepreneurship Accelerator** to offer services to help creative entrepreneurs take business ideas from fruition to reality. These services could include business-planning curriculum, programs to link funders with entrepreneurs, grant programs, low rent space, and office support services.
6. Provide **incentives** and support packages to make the District a residential and tourist destination.
7. Enliven the district for visitors with **specific festival programming** related to Showcase Tacoma.

8. Recommend alternative locations for the public works facilities in the Brewery District and Dome District, in order to begin enhancement to the Creative Arts District.
9. Understanding **barriers to restoration costs** pursue legislative strategy to reduce or provide a credit on seismic retrofit costs to encourage restoration of historic structures within the Brewery District.

Related Comprehensive Plan Policy:

See: Downtown Plan Theme “City of the Arts.”

See: Downtown Character Area “Brewery District”

- 2.4A Continue to enhance Tacoma’s regional position in cultural tourism
- 2.4B Establish the Creative Arts and Design as a primary target sector in Downtown Tacoma
- 2.4C Establish a public-private partnership for a creative arts incubator or cultural arts center in the Creative Arts District.
- 2.4D Continue to support working artists locating in Downtown
- 2.4 H Collaborate with the UW and the School of the Arts to encourage a post secondary design curriculum

Related Comprehensive Plan Actions:

- Identify and implement economic development strategies to support a creative district including the following:
 - tax abatement and exemption programs,
 - aggressive public/private financing,
 - creation of a gap financing pool for small projects.
 - meet with local financier to discuss low-interest or subsidized loans for creative economy projects – historic preservation, or arts-related projects.
- Appropriate zoning for artist spaces and workshops in the Brewery District to preserve quality of the setting for creative industry (residential as secondary use)
- Extend or tailor existing business assistance programs to Creative Arts and Design
- Build a network of local entrepreneurs

Promote a robust marketing strategy, both internally and externally, downtown identity and highlighting on: a. workforce development, b. recruiting target sectors, c. raising the international profile of downtown.

1.2 SUPPORTING REPORTS AND CASE STUDIES

1.2.1. The Artistic Dividend: Urban Artistic Specialization and Economic Impact

Over the past two decades, urban and regional policymakers have increasingly looked to the arts and culture as an economic panacea, especially for the older urban core. The arts’ regional economic contribution is generally measured by totaling the revenue of larger arts organizations, associated expenditures by patrons, and multiplier effects. ***This approach underestimates the contributions of creative artists to a regional economy, because of high rates of self-employment and direct export activity, because artists’ work enhances the design, production and marketing of products and services in other sectors, and because artists induce***

innovation on the part of suppliers. Artists create import-substituting entertainment options for regional consumers and spend large shares of their own incomes on local arts output. We take a labor-centered view of the arts economy, hypothesizing that many artists choose a locale in which to work, *often without regard to particular employers but in response to a nurturing artistic and patron community, amenities, and affordable cost of living.* Because evidence on such economic impacts and location calculus is impossible to document directly, we use the distribution of artists across the largest U.S. metropolitan areas as a proxy, using data from the PUMS for 1980, 1990 and 2000. We find artists sort themselves out among American cities in irregular fashion, not closely related to either size or growth rates. We further explore variations in the definition of artist, the relationship between artistic occupation and industry, and differentials in artists' self-employment rates and earnings across cities. We conclude that artists comprise a relatively footloose occupation that can serve as a target of regional and local economic development policy, and we outline the components of such a policy.

1.2.2 Artist Space Development: Making the Case

This report explains how advocacy for artist space development is carried out in different realms, the impacts of artist space development, and how to make it a priority within the context of community development and public policy. Based on case studies of 23 projects around the country, this report focuses on how artist space developments are positioned to garner support, the advocacy strategies pursued, and the impacts they claim or anticipate.

1.2.3 TACOMA Arts and Economic Prosperity Study III (FY 2005)

The study was conducted by [Americans for the Arts](#), in cooperation with 156 communities and regions representing all 50 states and the District of Columbia. The diverse communities range in population (four thousand to three million) and type (rural to urban). The study focuses solely on nonprofit arts and culture organizations and their audiences and excludes spending by individual artists and the for-profit arts and entertainment sector. Detailed expenditure data was collected from 6,080 arts and culture organizations and 94,478 of their attendees. Project economists from the Georgia Institute of Technology customized input/output analysis models for each study region to provide the resulting specific and reliable economic impact data. By demonstrating that investing in the arts and culture yields economic benefits, this study lays to rest the common misconception that communities support the arts and culture at the expense of local economic development. In fact, communities that support the arts and culture not only enhance their quality of life, they also invest in their economic well-being. The arts mean business!

The study found that over the 2005-2006 cycle, Tacoma's City-funded arts organizations brought 417,560 visitors to downtown whose valuable outside dollars were spent in the community. This includes purchases on food, lodging, and entertainment that supports local businesses, and creates additional jobs, income, and tax revenues. As such there is a growing recognition that the arts are an "industry." Arts organizations are proud members of the business community.

A summary of findings below:

- \$36.76 million in economic activity every year
- \$18.9 million in spending by organizations

- \$17.86 million in event-related spending by audiences (not including cost of event admission)

More information on the study is located at: <http://www.tacomaculture.org/arts/AEP.asp>

A one page summary is included in the folder. The Downtown Economic Strategic Plan also summarizes (using a different methodology) the impact of arts and cultural related spending.

1.2.4 TACOMA Artist Survey of Live and Work Spaces (FY2003)

A nonprofit organization, Artspace has established a reputation nationwide for creating affordable artist live/work spaces in both existing and new structures. In the Puget Sound region, they are developers of the Tashiro/Kaplan Artists Lofts in Pioneer Square and the Hiawatha Artists Lofts in South Seattle. Recently they broke ground on a combined artist housing/arts center facility in Everett. They are now beginning work in Olympia WA. The organization's mission is to create, foster and preserve affordable space for artists and arts organizations. More information about Artspace is available at www.artspaceusa.org

In 2003, [ArtSpace](http://www.artspaceusa.org) a 501c3 that is dedicated to the creation of Artist live-work space often in the renovation of historic buildings worked with the City of Tacoma to conduct a survey of over 6,000 Puget Sound area artists. Of the survey's 764 respondents, 356 indicated that they would potentially relocate to an artist' live/work community in Tacoma. Artspace concluded that it was one of the most successful turnouts that the non-profit had experienced, and likely demand was seriously underestimated. Many of the families had college and upper level degrees – and were able to earn a significant income from their art. Most importantly the demand meets or exceeds a proposal for 35 to 55 units of artist housing.

At that time, the City was not able to move forward with the proposal due to a lack of funds, and political glue. In addition, housing costs were high and the private market was already moving ahead with several developments in the downtown.

*A scanned version of the Survey is located in the project folder.

1.2.5 Washington State Creative Vitality Index (2008)

The Washington State Arts Commission has also started to track this data with the Creative Vitality Index.

1.3 Case Studies

1.3.1 Gooderham and Worts Distillery, Toronto, OR

For many decades, this important piece of Canada's heritage languished in neglect as a storage facility and occasional location for the film industry. Now, the 40-plus buildings set on 13 acres in downtown Toronto is the city's newest arts and entertainment district. Surrounding buildings accommodate commercial enterprise. The Distillery contains the largest preserved collection of Victorian architecture in Canada.

The distillery closed its doors in 1990, purchase by developers CutySpace Holdings in 2001. It is a critical example of culture-led regeneration. Through a unique partnership with Artscape Cityscape and partner Dundee Realty signed a below-market, 20-year lease for two buildings on the site. This included the conversion of 400 studios for a variety of artists, from photographers to dance studios. Following a \$3-million renovation, Artscape moved 60 arts groups and related tenants into 440,000 square feet in The Case Goods Warehouse and Cannery Building in March 2003.

1.3.2 Granville Island

This is Vancouver's most visited tourist destination and contains elements of historic preservation, public markets, creative spaces, working businesses, and education. The Urban Design of Granville Island highlights the tendencies of an industrial space, and elevated them to design principle that were worthy of retention and safeguarding. These aspects were as important to the persistence of place character as the retention of actual buildings, which was a major tenet of the plan.

a. Urban Design

- Redevelopment Plan set out design criteria that were to be used on any ensuing development, concerned primarily with the creation of Place and the weaving together of old architecture with new.
- Bright colors – and industrial architecture, including the Emily Carr School of Art
- Angular functional buildings
- Interior public spaces, alleyways, covered walkways
- Mix of uses and public space addresses a range of ages – children, students, adults, seniors

b. Uses

- Kid-friendly zone
- Emily Carr school of Art – 100,000 sq ft.
- Brewery
- Restaurants
- Public Market
- Marina
- Three museums
- Cooking School
- Performance Works Theater – 150-350 seats

- Water taxi
- Kayak rental
- Artisan shops
- Concrete plant
- Public open space - esplanade

c. Cost and Governance

Underwritten by the Canadian Federal Government for first major projects, the redevelopment was led by one team. The government, acting for the Canada Mortgage and Housing Corporation (CMHC), appointed the Granville Island Trust, an advisory, and eventually administrative body, composed of officials and professionals of various backgrounds.

Current:

Owned and Operated by City

Granville Island Cultural Association (programs the spaces)

Granville Island Business and Community Group

d. Lessons learned

Need to bring together LOTS of different uses-residents can live near to industrial uses, incubator spaces, students and productivity.

Open spaces that are actively programmed.

Views and distinctive location act as a draw

Identification of a Phased approach

