



PRELIMINARY  
FEASIBILITY REPORT

TAOS, NEW MEXICO

Prepared for



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# INTRODUCTION

Located in the north central region of New Mexico, the Town of Taos is a community of 5,000 in a county (Taos County) of 35,000 with big city opportunities and challenges from its more than two million annual visitors. Taos has many of the characteristics of its southern cousin, Santa Fe, while being less commercialized and arguably more “authentic.” Its



number one asset, hands down, is arts and culture. Everywhere you turn, there is evidence of a rich artistic past and present. The quaint adobe style of architecture prevails and has become somewhat of a barrier in modern times. For example, the current height restriction for the Town of Taos is 27 feet, resulting in an effective height limit of 2 stories. In order for projects to be more viable, such as an Artspace project, some consideration should be given to increasing this height for certain locations in the community where such height fits with the existing density and surrounding structures and will not impact view sheds or the historic context of the neighborhood in which it would be built.

Taos’ population, over time, is growing older and less diverse. The percentage of Hispanic residents, we were told, has declined over the last decade, though it remains a very strong part of Taos culture – approximately 45% of the populace is of Hispanic descent. There is also a significant population of Native Americans, most of whom live in the Taos Pueblo reservation area. The Pueblo was closed at the time of our visit, so we were unable to see this part of the community; it is clearly an important part of the culture and heritage of the area.

The beauty of the natural world surrounds this area and continues to attract new residents and visitors to its many attractions, from the Pueblo to Taos Ski Valley to the Rio Grande and much, much more. The biggest industries in Taos are tourism, mining, Kit Carson Electric along with schools and government. The citizens of Taos were described to us as being “fiercely independent,” perhaps partly as a result of their relative isolation and unique geography. Taos acts and feels like a much larger city with infrastructure issues and opportunities more typical of larger cities.

The central part of Taos is dominated by the Plaza, once the gathering place for the community, filled with the work of local artisans, now dominated by more commercial retail interests that attract tourists but are largely avoided by local residents. Galleries dominate the blocks around the Plaza, featuring local, regional, and national artists. Ledoux Street offers a prime example of

a wonderful, off-the-plaza, more locally-focused “arts” street peppered with museums, artists, and shops.

The primary issue Artspace was asked to address is how to create and maintain an authentic artist presence in a community where real estate prices, until recently, have been climbing, and where many artists of all ages can no longer afford space to live or practice their art. While addressing redevelopment issues is a part of the Town’s incentive to invest in the arts, concern about affordability dominated our conversations.

With financial assistance from the Town of Taos and leadership from Matthew Spriggs, Economic and Community Development Director, and Matthew Foster, Long Range Planner, the community invited Artspace to conduct a Preliminary Feasibility Visit to begin the process that

could lead to a mixed-use live/work project in the city. The visit took place March 18-19, 2009; Artspace was represented by Wendy Holmes, Vice President for Consulting and Resource Development, and Stacey Mickelson, Director of Government Relations.



*Art Festival in the Plaza*

## FINDINGS

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**D**uring a Preliminary Feasibility Visit, Artspace gathers information in five main areas: project concept, artist market, site feasibility, financial feasibility, and local leadership. While these are not the only factors we consider in making our recommendations, they help us frame the discussion.

If the community is clear about what it wants – that is, if the project concept has been determined – we evaluate that concept in the context of the other factors. For example, if the concept involves adapting a particular historic building for use as an artist live/work project, we consider whether the building in question is structurally sound, suitable for the intended use, available at a price we can afford, and so on. If the project concept hasn't been determined, we weigh the variables and offer recommendations to help the community decide how to proceed.

### PROJECT CONCEPT

Many communities have a clear project concept in mind before they contact Artspace. Buffalo, New York, for example, was interested in a live/work project to catalyze development in an economically challenged neighborhood. Reno, Nevada, wanted to find a use for a long-vacant historic hotel on the city's main street. For Santa Cruz, California, where real estate values are among the highest in the country, the goal was to keep artists from being priced out of the community.

Everyone in Taos with whom we met seemed convinced of the value of an affordable live/work project for artists and open to where and how it might happen. This was evident from our tours of buildings and sites that were regarded as possible candidates for an Artspace project. Over the course of two days, we walked or drove by many potential candidates. Several of the historic properties are sufficient in scale for a typical Artspace project that would serve 40 or more artists and their families as well as creative businesses and nonprofit cultural organizations with a mix of galleries and studios. Other properties we visited were either too small or owned privately in situations where acquisition could be a challenge.

Because Taos is so closely associated with the arts, we believe that despite its small population, the community will be able to attract enough artists in the city, county, and region to support a project of at least 30 units, if not more. We are pleased that the Town is working on a new strategic plan in which an Artspace project may be cited.

Key participants in the focus group meetings were equally open to the final project concept model. A project may include only affordable live/work units for artists or may also incorporate rental studio space, space for arts/cultural organizations, and/or space for small local businesses. Depending on the location, of course, more or less commercial space may be warranted.

### ARTIST MARKET

An in-depth Artist Market Survey is a necessary step in the early predevelopment phase of an Artspace live/work project. We use the survey to determine both the size and the nature of the

market for the project. It tells us with reasonable accuracy how many live/work units the local arts community can fill, what neighborhoods are of greatest interest to the artists and whether there are special considerations, such as the need for specific kinds of studio space that might influence the design and scale of the project. If a mixed-use project is under consideration, the survey can also be used to identify the need for space for arts organizations, creative businesses, and arts-friendly commercial ventures such as coffee shops and restaurants. Developing the questionnaire, publicizing it (we typically attempt to reach at least 3,000 artists within a 50-mile radius), gathering the responses, and analyzing the data takes about six months. Our hosts and other meeting attendees suggested reaching into Santa Fe and possibly southern Colorado.

We recommend proceeding with an Artist Market Survey if, based on our Preliminary Feasibility Visit, we are confident that the survey will indicate the existence of a market sufficient to support a project of at least 30 and preferably 35 to 40 units.

Although most of the artists who attended our artist focus session would not qualify for affordable housing as defined by Section 42 of the IRS code, which regulates the use of Low Income Housing Tax Credits (LIHTC), we believe that a formal Artist Market Survey will reveal a significant number of income-qualified artists for live/work space. Because the Town of Taos has become increasingly unaffordable for persons of medium or lower income, there is little doubt that a market for affordable housing designed for artists exists. The federal Housing and Economic Recovery Act of 2008 fully supports the right of developers like Artspace to use low income housing tax credits to finance affordable housing targeted to certain specified groups – including artists. New Mexico Sen. Jim Bingaman was instrumental in getting this language into the Act in support of artist housing:

“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.”

The artists who attended the focus group and the community meeting may well need affordable studio (i.e., non-residential) space. We have found that many artists, even though they may be able to afford their own studios, like being part of a larger community of artists because it is less isolating than working in a home or office studio. If an Artist Market Survey is undertaken, it will be important to collect information about the interest in studio-only space. We did not find evidence of a significant need for space for nonprofit arts and cultural organizations, though such need could be revealed through the process of getting the word out about the market survey and the ensuing community dialogue.

Based on our visit, we believe that an Artist Market Survey in Taos will reveal a sizable market for an Artspace live/work project. Artists were well-represented at both our artist focus group session and the evening public meeting, which, in total, attracted an audience of approximately 45 people, including arts leaders, individual artists, and representatives of the University of New Mexico – Taos. We were impressed with the diversity of artistic pursuits among the artists present. Most of the artists who attended the meetings were mid-career artists of Caucasian heritage. In conducting a survey, the community and Artspace would need to put substantial effort into the outreach to the Hispanic and Native American artist populations. One of the



Here is a summary of our thinking about the areas and buildings we toured.

Potential sites abound in Taos. Of the sites we visited, some are owned by the Town, others are privately owned. Some are commercial or residential buildings; others are vacant lots or parking lots. Some are downtown, others on the outskirts of town. While the latter are of interest to us generally, they do not seem to fit within the project concept set forth by the core group, which is to have any potential arts development by Artspace located in or immediately adjacent to the downtown.

While we agree that our first focus should be in the downtown area, it should be kept in mind that any purchase of land or real estate from a private party will increase the project cost and make it more difficult to finance the project though not impossible. We have divided this section into two: one section that includes an overview of privately held properties; another section that includes an overview of publicly held properties.

### *Privately Held Properties:*

#### **Couse Pasture**

This 21-acre site known as the Couse Pasture is one of several historic sites we toured. It is best known as the homestead of E. I. Couse, one of the founders of the Taos Society of Artists. Couse



was celebrated for his paintings of Native Americans. This site is coveted not only for its open space within the downtown core but also for its ties to legendary artists. At one time there were a farm house and out-buildings on the site. Today the site is literally an open pasture. While the picture makes the site look isolated from downtown, it is one block from the Town center. The site is currently

owned by the Couse Foundation, a foundation whose mission is to preserve the Couse estate – including the family home and studio. Artspace is well skilled in working on historic properties and understands that the utmost skill and care would need to be given to a redevelopment on this site.

#### **The Mabel Dodge Luhan House**

The Mabel Dodge House also has significant historic importance for the area. At three stories, it is the tallest structure in the central part of town. Mabel Dodge, the matriarch to many of Taos' early artists, built the house on the site as a retreat where



people like Georgia O'Keefe, Ansel Adams, D.H. Lawrence, and others have either visited or lived. The Mabel Dodge House sits prominently atop a hill on a five-acre site near the Couse Pasture. It is surrounded by four other structures that are part of the property assembly; all of it is privately owned and serves the area as a retreat center, though on a small scale.

Our understanding is that a portion of this site could be assembled to create a live/work facility for artists.

Artspace is no stranger to developing historic sites and/or buildings; our portfolio is filled with early 20th century warehouses, schools, hotels, and a hospital that was built atop a cemetery most of whose grave sites were unmarked until we developed the site at the request of the City of Houston and the State of Texas. While we are comfortable redeveloping and re-visioning sites like the Couse Pasture and the Mabel Dodge Luhan House, Artspace would take great pains to ensure community involvement in the development process to address any and all concerns posed by the community.

**Parking lots at the intersection of Camino de la Placitas and Don Fernando Street**

These surface lots are very desirable and would definitely serve the purpose of the core group. They are in the Town core and are on the major thoroughfare through Town where all tourists and recreation enthusiasts travel. Most importantly, they are connected to the Taos Plaza by means of a pedestrian alleyway.



Of additional importance is a sliver of land directly across from these parcels that is owned by the Pueblo Nation of Taos. One concept would be to create the

Artspace development on the parking lots that would be complemented by a development by the Taos Pueblo on its parcel. The Taos Pueblo concept could take any form, but would most likely be successful as an educational and retail/gallery space focused on the traditional arts and culture of the native people to drive tourism to the Pueblo. Cultural tourism is not new to New Mexico or the Southwest and is obviously very successful in Taos.



**Indian Hills Hotel at Paseo del Pueblo  
Trinity Park Hotel at 2175 Trinity Drive**

These two properties, while not near each other, present a unique opportunity to develop a

property more in line with the original project concept of the core group, and something entirely different than any model we've created before – that is, affordable housing combined with a working studio that doubles as a true retail/commercial/gallery space. Both hotels are privately owned. Although neither is in the Town core, both are adjacent to it. If successful, this development could stand alone as a destination separate from the Town core.

The two hotels are two-story structures very much in the mold of vintage motor lodges with all units opening to the front, those on the upper level accessible from a balustrade. A thought is to create the affordable housing on the upper level and develop the immediately adjoining lower units into retail/commercial/gallery space that would be connected by means of stairways within the units. ADA accessibility could be addressed by installing an elevator; elevators, however, are costly to install and maintain.

The U.S. Department of Housing and Urban Development and the Internal Revenue Service are very strict about what portions of a property can be developed using low income housing tax credits. All but two of Artspace's live/work projects were developed using these credits, so we are very familiar with their uses and limits. Developing the purely retail/commercial/gallery spaces underneath the residential units would be challenging, but could yield a spectacular project for the Town of Taos. More investigation would be needed as to what programs and financing would be available to build out that commercial portion.



### ***Publicly Held Sites:***

#### **Convention Center Site**

It was mentioned conceptually that the police department would potentially be moved to a location to the south of downtown and that the convention center could be a candidate for a large scale redevelopment project including civic space, university classrooms, commercial space, and home to the Artspace project.

#### **Affordable Housing Trust Land (adjacent to Fred Baca Park) and Chamisa Verde Affordable Housing Trust land**

We drove by these sites on the northern side of town outside of the historic district. Both of these sites are owned by the Town of Taos and could be used to create an artist community.

#### **Plaza de la Retiro**

This senior housing complex is currently in receivership. There are 50 apartments and 12 casitas on a 10-acre site. It appears to have been built in the 1990s and to be in good condition. It is behind the Town Hall and near the Plaza. We learned that all residents



are scheduled to-be-evicted within 90 days of our visit. If the owner is successful in the restructuring of the property, acquiring it would still be challenging because the Uniform Relocation Act guarantees any displaced resident equal or better housing in a new location.

The only way this property becomes a viable option is if the residents are displaced and relocated through the foreclosure/bankruptcy process. Keep in mind that displacing seniors, or any resident from an established property for the purpose of creating affordable housing for artists, can be a political quagmire and is not a scenario that Artspace would be likely to pursue.



### **Conclusion**

There are ample real estate opportunities for an Artspace development to be created in the Town of Taos. Identification of an artist market and a deeper understanding of the potential financing of an Artspace development in Taos will help us determine which opportunity to pursue.

### **FINANCIAL ANALYSIS**

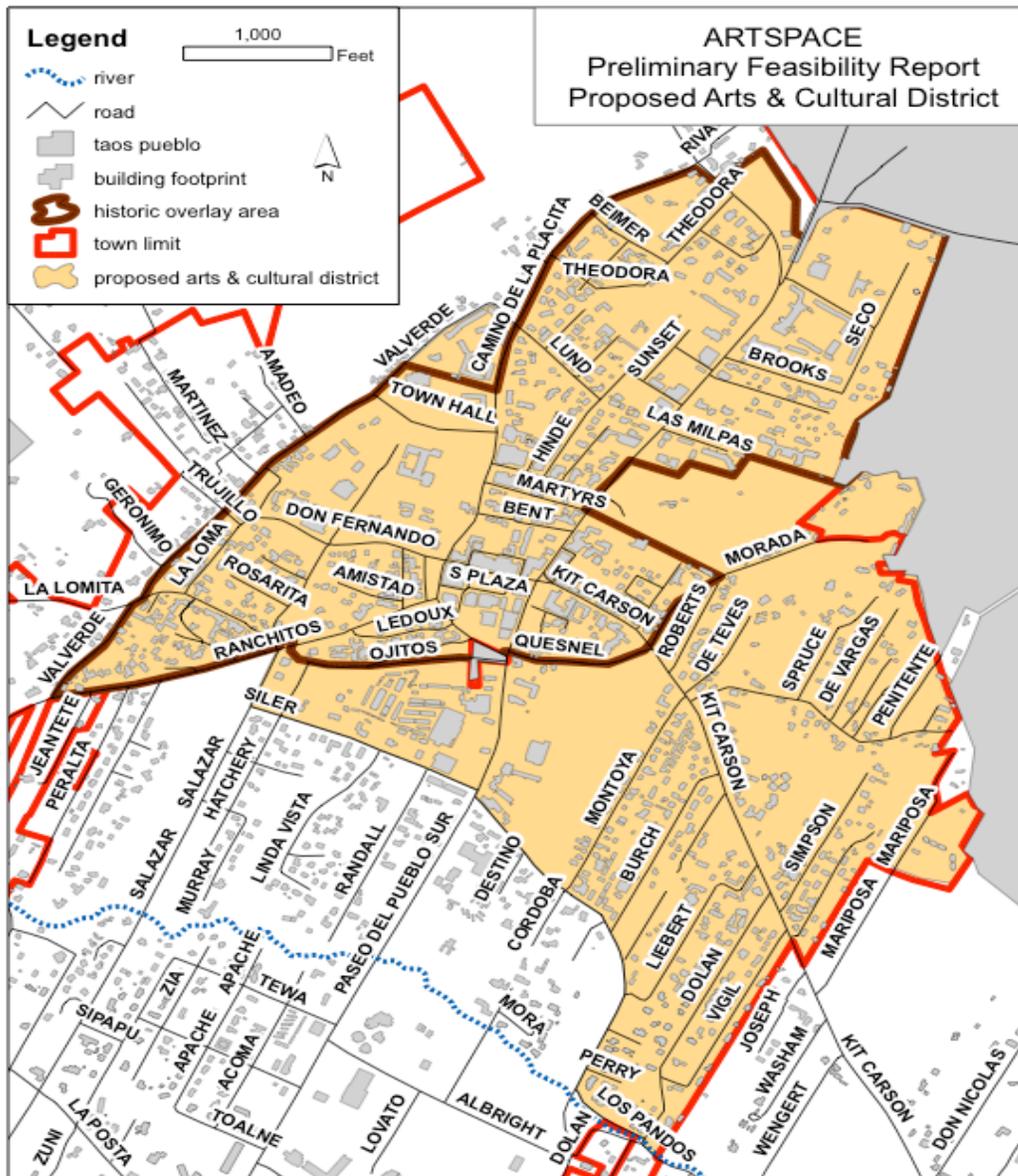
An Artspace live/work project represents a significant investment of civic resources. A typical project of 30 to 60 units costs \$15 to \$20 million, and predevelopment expenses – the “soft” costs, such as architects’ fees, that must be met before construction can begin – are seldom less than \$700,000. Although a variety of federal programs, such as low-income housing tax credits, can be used to generate revenue for construction, we look to the community for predevelopment revenue and commitments of affordable housing allocations in a combination of Community Development Block Grants (CDBG) and HOME funds, or the equivalent.

Whether the Town of Taos, the philanthropic community, or a combination of the two is prepared to make this kind of commitment remains to be seen, but we were encouraged by the presence of Town administrators and elected officials. In addition to the office of Economic and Community Development and the Planning Division, Judith Tamm, Executive Director of the Taos Housing Corporation played a significant role in attending meetings and participating in the discussions about what makes sense for Taos. The Taos Housing Corporation has been set up as a Community Housing Development Organization (CHDO) and focuses on both affordable for-sale and affordable rental housing. This coordination gave us an extremely good impression of the cooperation both interdepartmentally at the Town of Taos and between organizations in the community. We also met Mayor Darren Cordova, City Manager Daniel Miera, and one of the four Town Councilors, Rudy Abeyta. Rudy attended one of our meetings, is a realtor with development experience, and had much enthusiasm for an Artspace project in Taos. These are all key indicators for us, in that projects seldom become reality without strong civic support.

Philanthropy plays an important role in every Artspace live/work project. In a typical project, between 10% and 15% of the total revenue comes in the form of gifts from foundations, corporations, and, in some cases, individuals. Although the philanthropic community in Taos may be small, we believe there are private foundations, corporations and individuals who may be

willing to provide important support. This area of potential support needs to be more thoroughly understood before taking on a full-scale project. Foundations that were mentioned at our meetings include the Taos Community Foundation, the Wurlitzer Foundation and the Burnett Foundation.

Specific programs that could aid a mixed-use affordable housing development include tax increment financing (TIF), Community Development Block Grants (CDBG), state and historic tax credits and low income housing tax credits, among others. If the development is within the boundaries of the Arts & Culture District, the value of the State historic tax credit doubles. Outside of the central Town area, new TND (Traditional Neighborhood Development) “Smart Code” incentives have been created to promote density, green and sustainable architecture and building materials, etc. While we did not spend much time in the TND-designated areas, creating a project in a TND zone would create more flexibility in terms of density and height.



Other programs we were alerted to include the Northern Rio Grande Heritage Area, a 501©3 organization with the National Park Service oversight and federal appropriations, provides funding for projects that involve cultural conservation and stewardship that also result in community revitalization. In addition, an Artspace development could include the use of tax increment financing districts, tax increment development districts, New Mexico local option Quality of Life taxes and state and local affordable housing grant and trust monies. There may be additional opportunities through the State of New Mexico Cultural Affairs Division. However, it appears that these grants may be focused on programmatic activity and not cultural development.

## LOCAL LEADERSHIP

We were very impressed by the depth and quality of the Town of Taos' leadership in its many forms. Our hosts were able to assemble the majority of the kinds of civic and cultural leaders we need to meet with to assess the potential of creating an artist community in a community. It was not uncommon for key individuals to attend more than one session. We came away with the clear sense that local leaders are not only excited about the possibilities but that they have a better sense of how to move forward and the motivation to do so. It will be important for our hosts to carry through and continue to communicate with interested parties; to connect the arts, civic, and development communities; and to keep the momentum up.

## NEXT STEPS

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**T**aos impresses us as a strong candidate for an Artspace live/work project. Although the project concept hasn't been clearly defined, there seems to be a consensus in favor of an affordable mixed-use live/work project in or close to the downtown core. We had a strong sense that there are at least several good candidates for a mixed-use live/work project. The opportunities that are before us today may be different than those that are present a year from now. If a project has merit, multiple sites will work for different reasons.

The downtown core may be the most advantageous if the Town's priority is to identify catalysts for revitalization as well as create affordable living and working spaces for working artists in the Town's center. The impact of an Artspace-style project could be profound in and around the downtown core where several vacant or underdeveloped and underutilized sites exist. These kinds of projects often provide a sign of progress that can act as an additional incentive for other kinds of development.

The artist market in Taos appears at first glance to be large enough to support a project in the 30-to-40-unit range. The size of the lot or building needed to accommodate what we expect to be a significant market could determine the location of the project as much as any other factors. Of course, availability and price are also key in this regard. Civic, arts, and institutional leaders are solidly behind the idea of artist housing.

Some of the challenges for development in Taos include the acquisition of property. We were told that land is still relatively expensive and the construction industry strong though real estate prices are suppressed at this time. The Town's vision for artist space may be more flexible than in many other communities in which Artspace works. Retail studio spaces with living quarters on the second floors are a viable option. If the project is created in the central part of the Town, the 27-foot height restriction may apply. Therefore, a project with 30 to 40 units of live/work space would require more land and a larger building envelope than is typical for an Artspace project. These are all details to be worked out but require advance consideration.

As an immediate next step, we recommend an Artist Market Survey. The survey's primary goal will be to determine the size of the market for an affordable live/work project. In our experience,

a three-to-one redundancy is sufficient to ensure the success of a proposed project – that is, for every unit under consideration, we seek three responses from artists who say they would be interested in relocating if the project is built. In other words, if a 50-unit project is contemplated, the survey should identify at least 150 artists who would like to become residents. The Taos artists with whom we met seem ready to participate in such a survey. We had a sense that for every artist who attended our meetings, many more are in need of space and interested in being part of a larger arts community.

The survey also will help determine other variables, such as the ratio of one-, two-, and three-bedroom units, what is truly affordable in the Town of Taos, the need for amenities to serve specific kinds of artists, and perhaps preferences for location. Although it is impossible to build a live/work project that addresses every artist's needs, we can use the data collected by the survey to inform our planning. Should local developers wish to incorporate space for the arts in their current or planned projects, the information could also be useful to them, if you would wish to disseminate information from the report.

A market analysis of this magnitude will take four to six months to plan, execute, and analyze. We conduct our surveys online, which not only simplifies data processing but also makes it easier to determine the need for midcourse corrections. For example, if early responses suggest that some artist groups are not responding to the survey in representative numbers, we can conduct additional marketing and outreach to make them aware of the survey, establish a telephone response system for artists who lack computer access, and so on. Several leaders were vocal in their desire to participate in organizing these efforts. Additionally, we will want to reach out to the Pueblo community to meet with leadership there and to create a mutually developed strategy for communicating with native Pueblo artists who may be interested in this project.

We encourage a continued dialogue among artists, the development community, and civic leaders. It is important to maintain the momentum that has been begun and to ensure that everyone works in tandem or cooperatively toward the goal of creating either a single project or setting the stage for multiple initiatives. A core committee of town staff and arts leaders is a great place for the initiation of next steps to occur. This public/private partnership will be key in addressing the market survey and public relations and generating the “muscle” it takes to continue the dialogue about an artist-focused project. An online resource that may be helpful in this regard is [www.artistlink.org](http://www.artistlink.org). Here you will find case studies and information for both municipalities and developers that want to create space for the arts.

Additionally, as discussed at the public meeting, arming artists with talking points about arts development, economic impact, and creative tourism will be essential to keeping the grassroots effort unified and bringing on board additional support at the city level. Website updates that connect the arts community and keeps everyone up to date on initiatives and meetings is a great idea that should be pursued.

## GENERAL THOUGHTS ON CULTURAL DEVELOPMENT

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**F**or the past 20-plus years, Artspace has been at the forefront of the creation of long-term, affordable space for individual artists, their families, arts organizations, and creative businesses. As such, we think it's important to note the following:

1. Multi-tenant, multi-use creative spaces generate positive economic revitalization and development. Each project provides job opportunities both before and after construction. Each artist is, in effect, his/her own cottage industry, an entrepreneur contributing to the job market and helping to employ others along the way.
2. Artspace's projects create permanent, community arts space that provides resident artists with opportunities to interact with the public and creates opportunities for the larger arts community to showcase members' work.
3. Creating permanently affordable live/work space helps to build an authentic community of local artists who collaborate with each other as well as with other local, national, and international artists.
4. Artspace's projects are catalysts for streetscape improvements and general beautification around our buildings.
5. Artists are known to be pioneers and as such are willing to move into older industrial areas of a city, creating "buffer zones" between these areas and the residential areas nearby.
6. Creating live/work space also helps to preserve cultural and historic heritage, a key component of any potential Taos project.
7. Artspace artists are known for collaborating with the larger educational and cultural/business communities, often as teachers, adjunct professors and/or volunteers for youth and cultural organizations.
8. Artspace sometimes partners with for-profit developers that may have incentives or quotas to meet in the affordable housing realm. Affordable housing for artists can be seen as an amenity to those doing market-rate housing and other developments.



## **ARTSPACE 101: OUR MISSION, HISTORY AND PROGRAMS**

*Artspace Projects' mission is to create, foster, and preserve affordable space for artists and arts organizations.*

**F**INDING AND RETAINING affordable space is an age-old problem for artists — painters, sculptors, dancers, and others who require an abundance of well-lit space in which to work. Many artists gravitate to old warehouses and other industrial buildings, but their very presence in an industrial neighborhood often acts as a catalyst, setting in motion a process of gentrification that drives rents up and forces the artists out.

This is precisely what happened in Minneapolis' historic Warehouse District in the 1970s and led to the creation of Artspace in 1979. Established to serve as an advocate for artists' space needs, Artspace effectively fulfilled that mission for nearly a decade. By the late 1980s, however, it was clear that the problem required a more proactive approach, and Artspace made the leap from advocate to developer. Since then, the scope of Artspace's activities has grown dramatically. Artspace is now a national leader in the field of developing affordable space for artists through the adaptive reuse of old warehouses, schools, and commercial buildings.

Artspace's first three live/work projects were in Saint Paul: the Northern Warehouse Artists' Cooperative (1990), Frogtown Family Lofts (1992), and Tilsner Artists' Cooperative (1993). Since then, Artspace has expanded its range of activities to include live/work projects in Duluth (Washington Studios, 1995); Pittsburgh (Spinning Plate Artist Lofts, 1998), Portland, Oregon (Everett Station Lofts, 1998), Reno (Riverside Artist Lofts, 2000), Galveston (National Hotel Artist Lofts, 2001), Chicago (Switching Station Artist Lofts, 2003), Seattle (Tashiro Kaplan Artist Lofts, 2004), and Artspace Hiawatha Lofts, 2008), Fergus Falls, Minnesota (Kaddatz Artist Lofts, 2004), Bridgeport, Connecticut (Sterling Market Lofts, 2004), Mount Rainier, Maryland (Mount Rainier Artist Lofts, 2005), Houston (Elder Street Artist Lofts, 2005), Buffalo (Artspace Buffalo Lofts, 2007), Fort Lauderdale (Sailboat Bend Artist Lofts, 2007), Brainerd, Minnesota (Franklin Art Center, 2008), and Santa Cruz, California (Tannery Artist Lofts, 2009). In all, these projects represent 846 live/work units.

In the mid-1990s, Artspace broadened its mission to include non-residential projects. The first of these, the Traffic Zone Center for Visual Art (1995), transformed an historic bakery in the Minneapolis Warehouse District into 24 studios for mid-career artists. Other non-residential

Artspace projects include the Minnesota Shubert Performing Arts and Education Center, a \$41 million, three-building cultural complex in downtown Minneapolis. Over the last few years, Artspace has evolved from a Minnesota organization with a few national projects into a truly national organization based in the Twin Cities. We now have projects in development, predevelopment, or feasibility in more than a dozen states. Our national consulting program has helped communities in 40 states address their arts-related space issues. The nature of our work is evolving, too, to include multiple-facility projects, long-range planning, and arts districts.

Artspace programs fall in three broad categories: property development, asset management, and national consulting.

#### *Property development*

Development projects, which typically involve the adaptive reuse of older buildings but can also involve new construction, are the most visible of Artspace's activities. To date, we have completed 23 major projects. Artspace live/work projects are operating or in development from coast to coast.

#### *Asset management*

Artspace owns or co-owns all the buildings it develops; our portfolio now comprises more than \$250 million worth of real property. We strive to manage our properties so that they will be well-maintained yet remain affordable to the low- and moderate-income artists for whom they were developed in the first place. Revenues in excess of expenses are set aside for preventive maintenance, commons area improvements, and building upgrades.

#### *National consulting*

In addition to its roles as developer, owner, and manager, Artspace acts as a consultant to communities, organizations, and individuals seeking information and advice about developing affordable housing and work space for artists, performing arts centers, and cultural districts – usually, but not always, within the context of historic preservation.