

PRELIMINARY FEASIBILITY REPORT

Oneonta, NY | January 2019



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ACKNOWLEDGMENTS

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CORE GROUP

- Richard Barlow, Art Faculty, Hartwick College
- Colleen Brannan, Chief of Staff, SUNY Oneonta (**Project Facilitator**)
- Joanna Cacciola, Board Secretary, Community Arts Network of Oneonta / Development Assistant, Hartwick College
- Betsy Westad Cunningham, Owner, Artware
- Kerri Harrington, Deputy City Clerk, City of Oneonta
- Gary Herzig, Mayor, City of Oneonta
- Carol Mandigo, Artistic Director, Catskill Puppet Theater / Prevention Specialist, LEAF
- Melissa A. Nicosia, Council Member, City of Oneonta
- Judy Pangman, Community Development Director, City of Oneonta
- Elizabeth Raphaelson, Owner, Underground Attic Vintage Boutique

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Governor Andrew M. Cuomo's Downtown Revitalization Initiative Grant Funding

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COMMUNITY PROFILE

INTRODUCTION

The City of Oneonta, the “City of the Hills” as it is sometimes referenced, is in the northern foothills of the Catskill Mountains between Binghamton and Albany along Interstate 88. This college town, connected to other local cultural centers, is 3.5 hours north of New York City and 24 miles east of Cooperstown which is home to the National Baseball Hall of Fame.

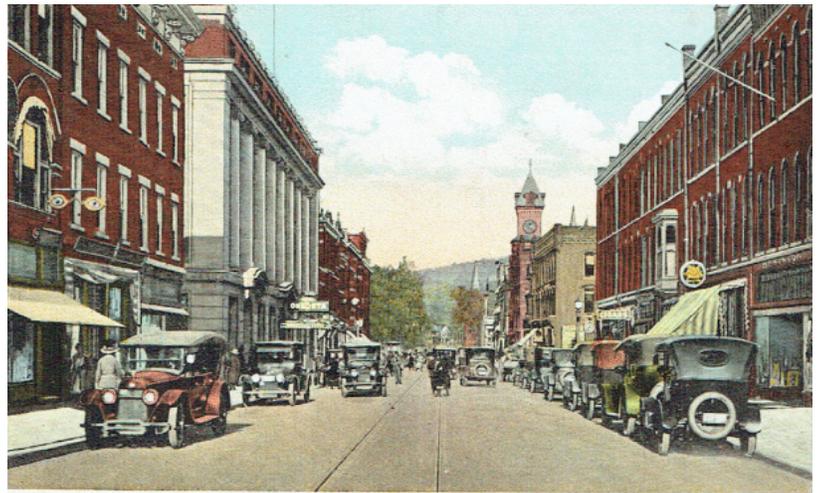
The 1970s was the peak of Oneonta’s residential population of over 16,000. Since that time, the closing of one of the country’s largest rail yards and changes to the retail environment contributed to disinvestment and high poverty rates. The urban renewal program of the 1970s demolished several blocks of mixed-use buildings on Main Street, precipitating further decline of the downtown historic buildings.

Hartwick College and SUNY Oneonta make up half the City’s current population of about 14,000, creating a unique dynamic. The presence of the colleges is evident in the culture, economy, and demographics of the city. 43% of its population is between 18 and 24 years of age. This represents both a challenge and an opportunity for growth. Of its full-time residential population outside of the colleges, 29% is below the poverty level, well above the U.S. average of 16%.

Despite Oneonta’s relative affordability, it has become very challenging to find quality housing. Newcomers, recent graduates, and others looking for rental housing are particularly affected because so many of the single-family homes have been converted to student housing. Nonetheless, Oneonta is filled with creative people – from faculty and students to owners of creative businesses, nonprofit arts organizations, and community arts supporters.

Oneonta is seeking new ways to improve on the city’s cultural relevance to its citizens and in the region. They hope to attract more creative people, provide opportunities for students to stay, attract quality faculty, and increase downtown vibrancy.

These factors, along with Artspace’s track record in New York, as well as a strong investment from the State through Oneonta’s Downtown Revitalization Initiative (DRI), which provided funds for this study, are what led Oneonta Mayor Gary Herzig to contact Artspace in 2018. The City asked Artspace to assess the feasibility of developing artist housing and other creative spaces in downtown Oneonta to serve the local and regional creative sectors.



59. MAIN STREET, SHOWING THE ONEONTA HOTEL, ONEONTA, N. Y.

Historic Downtown Oneonta

Source: Greater Oneonta Historical Society



Main Street, Oneonta, N. Y.

Historic Downtown Oneonta Postcard

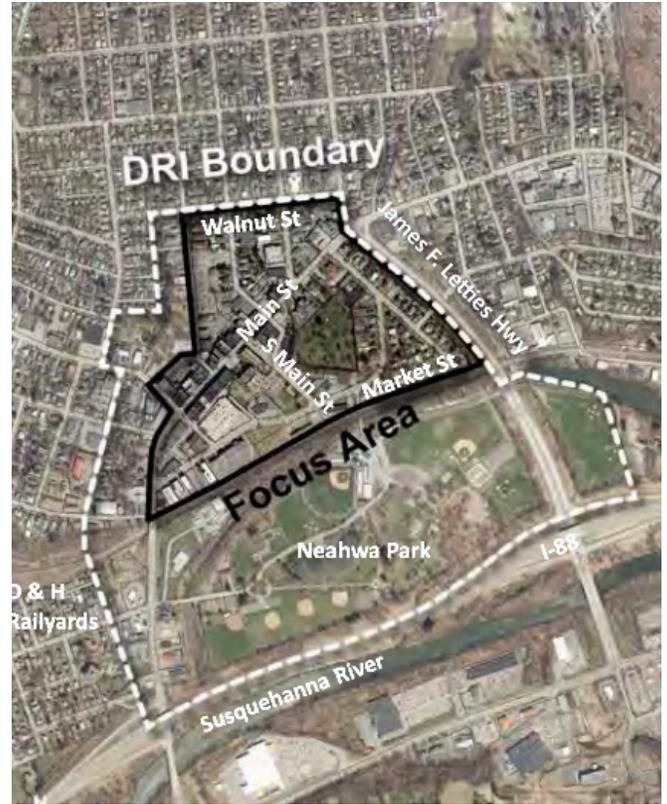
Source: CNY News

BACKGROUND

Oneonta has not shied away from ambitious plans for its downtown. These plans are moving forward with strong city leadership and a large investment from the State of New York through the Downtown Revitalization Initiative (DRI). The DRI comes with \$10 million in state investment that is to be matched by local investment. Ten New York communities were identified by the Governor's Regional Economic Development Councils (REDCs) to participate in the first round of the DRI because their downtowns were deemed ripe for development into vibrant areas to live, work, and raise families. Since then, 20 additional communities have been awarded DRI funding.

“The program emphasizes using DRI investments to reinforce and secure additional public and private investment within and near downtown neighborhoods, building upon growth supported by the REDCs. To fully leverage the impact of the DRI, local planning committees identified projects that totaled in excess of the available DRI funds to ensure a continued pipeline of projects ready for funding within the community in the event that alternate funding sources are identified for projects.”¹

The DRI plan outlines several goals that relate to the Artspace study and affordable space for the creative sector. The vision includes:



Oneonta DRI Boundary Map
Source: Stantec

Goal: Foster Economic growth:

- *Strategy:* Create jobs for a diverse population including high paying jobs for a skilled workforce
- *Strategy:* Create a unique destination that will support local healthy food, agribusiness, and other innovative businesses
- *Strategy:* Grow local property tax base

Goal: Be a regional center of culture, heritage, and education:

- *Strategy:* Create more opportunities for arts, culture, entertainment
- *Strategy:* Establish strong ties between the colleges and downtown
- *Strategy:* Become more widely recognized as a tourism destination in the region
- *Strategy:* Create a sense of identity that will appeal to both the current and next generations

Goal: Provide a high quality physical environment:

- *Strategy:* Create more housing options in downtown
- *Strategy:* Support local retail with small business assistance and improvements to retail spaces
- *Strategy:* Reclaim underutilized land along Market Street
- *Strategy:* Establish a cohesive downtown with a wide variety of high quality urban spaces and places for entertainment
- *Strategy:* Provide adequate infrastructure to support new development
- *Strategy:* Integrate sustainable practices in the downtown core

¹ Downtown Revitalization Initiative Strategic Investment Plan, Mohawk Valley REDC.

The document detailed the vision for Oneonta and laid a framework for downtown redevelopment, including several catalyst sites that Artspace visited and incentive programs, including:

- Establish Mohawk Valley Food and Beverage Innovation Center
- Develop Oneonta Parking Garage Renovation and New Transit Hub Connect Muller Plaza Passage
- Westcott Lot Redevelopment on Main Street
- Develop Upper Story Housing on Main Street
- Develop Water Street Boardwalk
- Improve Market Street and South Main Street
- Develop Oneonta Public Space and Art Project

ONEONTA, NY AT A GLANCE

Population (2018 est.): 13,592

Households (2018 est.): 4,175

Population, % change 2010-2018: -2.2%

Est. Population Growth 2018-2023: -1.8%

Median Age (2018 est.): 23.8

Median HH Income (2018 est.): \$41,949

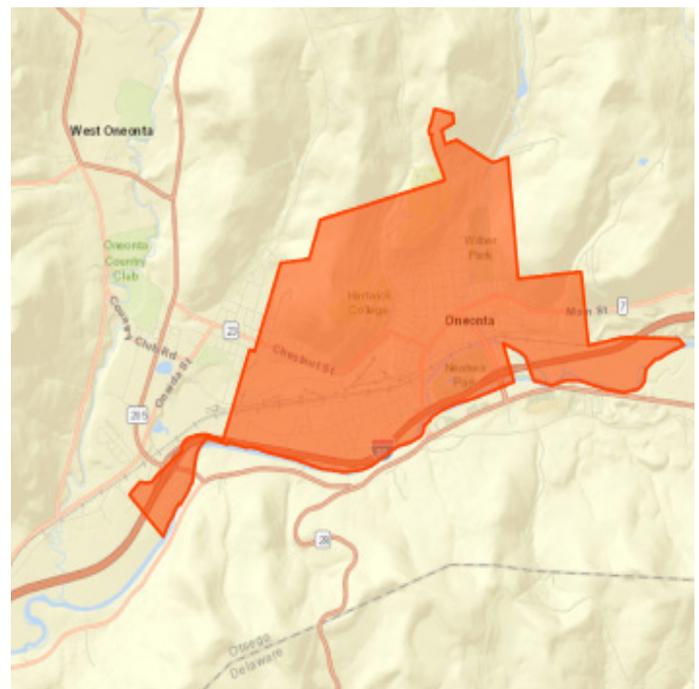
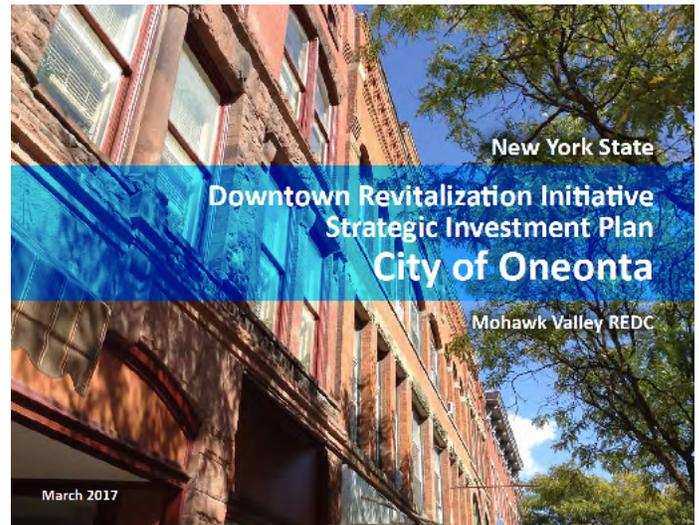
Median Gross rent, 2016: \$835

Renter-occupied Households (2018 est.): 56%

Race and Ethnicity (2018 est.) (top 4):

- White: 87%
- Black/African American: 5%
- Asian: 3%
- Hispanic/Latino (of any race): 7%

Source: Esri Business Analyst, US Census



PRELIMINARY FEASIBILITY STUDY

A Preliminary Feasibility Study is the first step in understanding how an affordable arts development project can move forward within the context of a community's unique needs, assets, sites, leaders, and resources. Central to this step is the Preliminary Feasibility Visit, in which Artspace visits the community to gather information, connect with local stakeholders, and share information about how these projects come together. With this approach, Artspace works to encourage community dialogue and build general support for the creation of affordable space for the arts sector.

The Oneonta Preliminary Feasibility Visit took place October 24-25, 2018. During these two days, Artspace staff met stakeholders, visited current community assets, toured potential sites, hosted four focus groups, and facilitated a public meeting. Artspace was represented by Wendy Holmes, Senior Vice President and Anna Growcott, Director, each from the Consulting and Strategic Partnerships Department.

THE ARTSPACE APPROACH

Artspace's six key components of community-led development provide a framework for assessing feasibility and providing feedback to communities on how to plan for successful, affordable, mixed-use facilities. These six components are defined below:

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 stakeholders for their input.

ARTS MARKET. Is there a sufficient market to support an arts facility? To answer that question, Artspace asks artists if they and/or their peers need space to live, work, create, teach, share, and sell their art. This 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.

LOCAL LEADERSHIP. Are there leaders on the ground who are willing and able to advocate for the project, open doors, and keep lines of communication flowing? These leaders come from all industries, including city staff and elected officials, foundations, business owners, and arts nonprofit representatives.

FUNDING AND FINANCING. What is the community's interest and capacity to commit public and private resources to an arts facility? 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.

POTENTIAL SITES. What are the priority sites and areas for redevelopment? At this stage, the goal is not to select the final site, but rather to identify candidates for further study. As a project moves into predevelopment, sites will be evaluated in the context of the Arts Market Study data and a deeper understanding of local development priorities and funding sources.

ALIGNMENT WITH BROADER COMMUNITY GOALS. What are the other community goals that can be addressed through this initiative? Artspace considers strategies and partnerships that can leverage impact, so that the operating project can be greater than the sum of its parts

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.

BRINGING ARTSPACE'S NATIONAL EXPERIENCE TO ONEONTA, NY

In addition to the information gathered about Oneonta, 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 Oneonta:

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 as 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** whom 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.

ABOUT ARTSPACE

Artspace is a nonprofit 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 City, Seattle, Denver, and Washington D.C., Artspace is America's leading developer of arts facilities and has served as a consultant to hundreds of communities and arts organizations nationwide.



Artspace Tannery Lofts // Santa Cruz, CA

FINDINGS

PROJECT CONCEPT

While the space needs of creatives in every community are different, Artspace has learned from 30+ years of conversations with artists, arts organizations, 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 live/work 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.

In Oneonta, the desire for live/work housing was clear from the very first planning calls. During the visit, Artspace asked the broader community about their interest in live/work housing, and inquired about additional, complementary spaces that would serve the creative sector.

PRIORITY SPACE USES

Each focus group provided ideas about what types of creative space they would like to see in Oneonta. The Artists and Creatives Focus Group attendees were asked to list and prioritize their preferred spaces. The top three ideas were:

1. Collaborative Workspace / Makerspace. These spaces can be designed for specific purposes such as ceramics, 3D printing, culinary arts, and/or woodworking. Typically, makerspaces offer memberships, which provide access to space and equipment that is expensive, impractical, or in the case of industrial arts, unsafe to own outright. Oneonta creatives expressed interest in both “clean” spaces (e.g. for digital art, graphic design, video/sound/music production and editing, and robotics, etc.) and “dirty” spaces (e.g. for fire arts, spray paint, metal working, etc.). Currently, participants primarily use their homes, garages, and basements for their creative work. A collaborative space in Oneonta would help artists transition from students to working artists, encourage collaboration, and provide an attainable entry point for individuals exploring a new medium.

2. Live / Work Housing. This type of residential space allows artists to live and create in the same space. Artspace live/work units meet standard residential codes and are somewhat larger (100 to 150 square feet) than a typical dwelling unit. The units include artist-friendly design features including durable surfaces, large windows, high ceilings, and wide doorways. Focus group participants expressed interest in live/work housing, both for themselves and for others interested in moving to the city. Oneonta is an expensive housing market, and this concept would increase downtown living opportunities and add to the city's creative vibrancy.

PRELIMINARY FEASIBILITY VISIT

During the Oneonta visit, the Artspace team:

- Facilitated four focus group meetings:
 - Business Leaders
 - Civic Leaders
 - Funders and Financing Leaders
 - Artists/Creative Leaders
- Held a Public Meeting at the Foothills Performing Arts Center. The meeting drew more than 50 participants, including artists, neighbors, the media, representatives from arts and cultural organizations, and local elected officials.
- Toured potential downtown sites.
- Visited existing art spaces and creative businesses.



Artists Performing During the Public Meeting

3. Gallery Space. Focus group participants expressed interest in gallery and exhibition spaces, with both a commercial and experimental focus. These are spaces artists can show their work, and are flexible to accommodate different art forms. In Artspace's mixed-use projects, gallery spaces are either included as a commercial space (leased to a local organization that operates it as a for-profit or nonprofit) and/or as an amenity (as an un-leased space that the residents have freedom to program with arts activities). Artspace designs community spaces flexibly for a variety of uses including: exhibitions, performances, community events, rehearsals, auditions, classes, meetings, etc. These spaces foster a strong sense of community within the building and offer opportunities for the public to interact with the artists.

Though no singular project can be all things to all people, understanding how the community views these concepts is extremely valuable in understanding the breadth of space needs in Oneonta.

DEFINING A PROJECT CONCEPT IN ONEONTA

Based on the information gathered during this study, **Artspace recommends the exploration of a downtown mixed-use, live/work artist housing development as the priority project concept for Oneonta.** This project concept was articulated by the Core Group and reiterated by participants in the focus groups and public meeting. It could include affordable live/work housing for artists on the upper floors and non-residential space for artists on the ground floor.

The following sections of this report are presented in the context of this priority project concept.

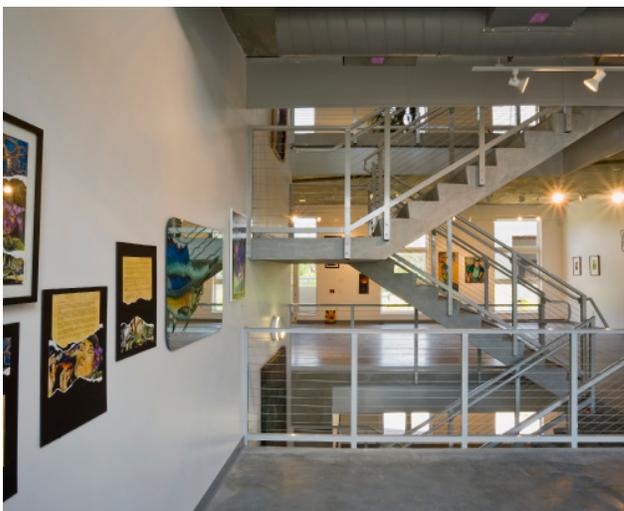
ARTSPACE GALLERIES ACROSS THE COUNTRY



Kaddatz Artist Lofts // Fergus Falls, MN



Washington Studios // Duluth, MN



Sailboat Bend Artist Lofts // Fort Lauderdale



Elgin Artspace Lofts // Elgin, IL

ARTSPACE & TENANT PARTNERSHIPS

ARTSPACE BUFFALO LOFTS // 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.



Buffalo Arts and Technology Center



Northern Warehouse Artist Lofts
Photo by: Marc Nordberg

NORTHERN WAREHOUSE ARTIST LOFTS // ST. PAUL, MN

Springboard for the Arts is an anchor tenant in our mixed-use project in the Lowertown Historic District of St. Paul. Springboard provides resources, workshops and training for individual artists and small to mid-sized arts organizations to help them find access to the resources they need to be successful artists. They also have a resource center available for residents. Springboard has a symbiotic relationship with artists across all our projects in Minnesota.

ARTSPACE MT. BAKER LOFTS // SEATTLE, WA

The Hoa Mai Vietnamese Bilingual Preschool located on the ground floor of Artspace Mt. Baker Lofts, is the first bilingual Vietnamese-English daycare in Seattle. It offers a sliding scale for tuition and serves the early education needs of this multicultural neighborhood.



Artspace Mt. Baker Lofts
Photo by: William Wright



City Hall Artspace Lofts // Dearborn, MI

CITY HALL ARTSPACE LOFTS // DEARBORN, MI

The Arab-American National Museum is an important partner with The City Hall Artspace Lofts. The Museum rents and operates an artist-in-residence space in the Artspace project, which is located across the street. This dedicated space provides a unique opportunity the Museum to have a regular artist-in-residence who also holds classes and events with the larger community during their stay in Dearborn.

ARTS MARKET

The term “arts market” refers to the demand for the kinds of space used by artists, creative businesses, and arts nonprofits. The goal of the Preliminary Feasibility Visit is to obtain qualitative data from artists and others familiar with the local arts scene. Focus groups, public meeting, Core Group discussion, and the tour all help frame Artspace’s understanding of the market need for the proposed project concept. This information also lays the groundwork for the quantitative Arts Market Study, the second step on the path to an Artspace project, further detailed in the sidebar (page 13) and in Appendix II.

Artspace’s definition of “artist” is broad and includes creative people across demographics. 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 an artist is very inclusive. An “artist” is a person who has a demonstrable commitment to the arts or a creative pursuit.

- 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.

A large number of artists representing a range of art forms, ages, and career stages participated in the visit. The focus group included approximately 30 artists. At the public meeting, a majority of attendees also identified themselves as artists. Some of the represented art forms included: visual artists (painting, wood burning, photography, sculpture, mixed-media, lithography), performing artists (acting, singing, music, puppetry, dance), industrial artists (glass, metalsmith, blacksmith), literary artists (creative writing, journalism, poetry), functional art (tattoo, lamp work), fine crafts (paper making), creative business owners (fashion, art supplies, gallery, online art sales), cultural practice (art therapy, art education). The diversity of art forms represented rivaled many communities in which Artspace has conducted studies.

During the Artists and Creatives Focus Group, participants discussed creative space need priorities and current creative assets. They expressed a high level of interest in renting space downtown. In general, the hourly or membership-based spaces, such as gallery space or makerspace membership appealed to the most people. However, those interested in housing made very strong cases for why and how an affordable live/work unit would improve their living and working situation.

A few artists and creatives shared the amount that they are currently paying for space. For commercial space, one pays \$500 per month for gallery space, another pays \$1,200 for retail space. A teaching artist reported that \$20 to \$25 per hour is standard for classroom rental. As for residential, they reported ranging from \$550 to \$950 per month for a one bedroom, but some added that the units are substandard.

Rental housing affordability is a concern for both artists and non-artists. The U.S. Census estimates the median rent as \$865 per unit, and that 67% of renters pay more than 30% of their income towards rent, meaning that two-thirds of renters are rent-burdened. Oneonta is seeing high rental vacancy rates (10.7%) compared to homeowner vacancy rates (1.2%), this could be due to the large number of students and the expensive rental housing in the community. New affordable housing units created using Low-Income Housing Tax Credits would be priced according guidelines set by HUD (see table on page 16).

During the Visit, Artspace visited several of Oneonta's current creative and cultural assets. Though there was not time to visit every creative space in town, this tour provided context for where creatives work, teach, sell, and present their crafts downtown, including:

- Community Arts Network of Oneonta (CANO)
- Foothills Theater
- The Artisans' Guild
- Artware
- Main View Gallery
- Underground Attic Vintage Boutique
- Autumn Café
- Roots
- Green Toad Bookstore
- B Side Ballroom

Close-knit
contributing
collaborative
quality
city
diverse
vast
hungry
Spread

Focus group responses to "How would you describe the creative community in Oneonta?"

STEP 2: ARTS MARKET STUDY

The Arts Market Study (AMS) can determine if the priorities Artspace heard during the visit translate over to a broader cross-section of creatives. The data collected helps verify and refine the project concept, influence site selection, and can help attract funders and operators. The AMS gathers information about the:

- Number of artists interested in live/work space and working studio space (a minimum of 90 interested artists demonstrates the demand for an Artspace-style project)
- Amount artists can pay for housing and work space
- Types of shared or community spaces that are most important
- Types of amenities that are important

Quantifying the market need can be used to plan spaces and programs that are both affordable and self-sustaining, whether in an Artspace project or offered independently in Oneonta. No single project can accommodate every space need, so providing arts market information to other interested parties can help catalyze new creative space opportunities.

LOCAL LEADERSHIP

Strong local leadership is essential to the success of any community-led development. Local leaders can include elected officials and staff working in economic development, affordable housing, and public art. Leaders also include arts and nonprofit leaders, bankers, foundation heads, business owners, or architects. In short, the local leaders who make projects possible come from many industries. Their commonality is a willingness to work hard for a common vision. Their ability to advocate for the project and keep communication flowing between the developer and the community is irreplaceable.

The Core Group that led the Preliminary Feasibility Study included the type of leaders that are needed from the very beginning. They provided valuable information and insights about Oneonta's history, unique culture, and goals, as well as its strengths and weaknesses. Their vision for a vibrant and creative downtown is contagious.

CIVIC LEADERSHIP

Starting with the Core Group, the civic leadership in Oneonta is very impressive. City staff in the Community Development Department and Office of the City Clerk, the Mayor, and a Council Member were all represented on the Core Group. A State Senator, additional Council Members, and Huntington Memorial Library staff attended focus groups.

Collectively, they expressed interest in serving the housing needs of the community and excitement about collaborative possibilities with an arts-based project. For example, participants talked about possibilities for a community kitchen for upstart businesses and the potential expansion of the library to create a makerspace. They also commented on the overall lack of affordable for-sale or rental housing, which makes it a challenge for newcomers to move to Oneonta. Participants reiterated the commitment to downtown, its historic character, walkability, density, and making it an experiential destination. Artspace's overall impression is that there is the political will and know-how to move a project forward.

PRIVATE LEADERSHIP

Several small business owners and representatives from Oneonta participated in the Preliminary Feasibility Study, both on the Core Group and in the focus groups. The participants saw a potential project as having the opportunity to make downtown a more thriving business destination and pull artists and visitors into Oneonta from surrounding towns.

ARTIST PREFERENCE IN AFFORDABLE HOUSING

Artspace live/work projects are unlike most affordable housing in that they apply an "artist preference" policy when leasing the units.

For each project, Artspace appoints a committee of artists and community members who are not applying to live in the project. The committee interviews income-qualified applicants to determine their commitment to their 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.

Additionally, representatives from Hartwick College and SUNY Oneonta were excited to talk about how a potential project could offer opportunities for faculty, alumni to find space, for students to connect to professional artists, even for possible collaborations with the colleges themselves.

Though there was significant public sector support for a potential project, these discussions had minimal participation from local philanthropies and foundations. As any project moves forward, it will be important to work towards connecting and communicating with potential donors, sponsors, and lenders.

CREATIVE SECTOR LEADERSHIP

The creative sector leaders on the Core Group represent a strong and connected presence within the community and beyond. Additionally, the individual creatives that participated in the visit were excited, informed, and very clear that artist housing in Downtown Oneonta would help artists stay and contribute back to the city. As a whole, the creative sector's positive reaction to the concept gives Artspace confidence that they will be supporters of any new project.

POTENTIAL PARTNERSHIPS

Focus group participants discussed partnerships that could enrich an arts facility project. Some of the potential partners that were mentioned include:

- SUNY Oneonta
- Hartwick College
- Huntington Memorial Library
- Property owners of downtown buildings and lots
- Main View Gallery
- CANO
- The ARC Otsego
- Springbrook
- Oneonta Housing Authority
- New York State Department of Housing and Community Renewal

Another substantial indicator of local leadership is the federal and state funding sources allocated to programs and projects in Oneonta in the last two years. These include:

- \$3.79M Federal Transportation Admin (FTA) grant (2018) administered by NYSDOT for the new transit hub
- \$3.7M ESD Grant (2017) awarded to Otsego Now for the Craft Food and Beverage Innovation Center
- \$477,915 RestoreNY Grant (2017) for the Craft Food and Beverage Innovation Center
- Graduate to Homeownership Program through SONYMA (2017), a bonus program for DRI Communities to provide low interest loans through local banks for recent college graduates purchasing homes in the City
- \$750,000 RestoreNY Grant (2018) for redevelopment of the Stevens Hardware Building on Main Street with commercial space on the first floor, and market rate housing on the second and third floors.
- \$1M State and Municipalities Facilities Program (SAM) grant (2018) for the Damaschke Field grandstand at Neahwa Park

FUNDING AND FINANCING

An Artspace project represents a substantial financial investment in the community where it is located. A typical project of 30 to 50 units of affordable housing for artists plus community and commercial space costs \$10 to \$15 million. Predevelopment expenses, the “soft” costs, such as architects’ fees are usually \$750,000, regardless of the size of the project. In most cases, however, only a fraction of that investment comes directly from the community itself. This is because Artspace relies mainly on federal programs, such as Low-Income Housing Tax Credits (LIHTC), Historic Tax Credits (HTC), and HOME funds, to pay 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.

2018 HUD INCOME AND RENT LIMITS FOR LIHTC PROJECTS IN OTSEGO COUNTY, NY

| HOUSEHOLD SIZE | INCOME MAX. (60% AMI) | INCOME MAX. (80% AMI) | # OF BEDROOMS | MAX. RENT (30%-60% AMI) | MAX. RENT (80% AMI) |
|----------------|-----------------------|-----------------------|---------------|-------------------------|---------------------|
| 1 | \$13,530-\$27,060 | \$36,080 | Efficiency | \$338-\$676 | \$902 |
| 2 | \$15,450-\$30,900 | \$41,200 | 1-bedroom | \$362-\$724 | \$966 |
| 3 | \$17,370-\$34,740 | \$46,320 | 2-bedroom | \$434-\$868 | \$1,158 |
| 4 | \$19,290-\$38,580 | \$51,440 | 3-bedroom | \$501-\$1,003 | \$1,338 |

4-person AMI: \$63,800 for Otsego County, NY
Source: Novoco.com

Nevertheless, the local community does play a significant role in the broader funding and fundraising effort, especially during the early steps of the process. We look to the community for 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), private philanthropic support, or the equivalent. If affordable housing is not part of the project, the community’s financial role is likely to be much greater than otherwise.

The Funding and Financing Focus Group meeting, though low in attendance, provided positive information. Of note, Darren Scott with the New York State Department of Housing and Community Renewal was in attendance. Mr. Scott addressed the audience and spoke highly of Artspace’s reputation and work as a nonprofit developer and consultant in New York. He also shared that there has been one large-scale (90+ units) affordable multi-family housing project in recent years in Oneonta. The Mayor indicated that other affordable housing developments are currently in the works. It is important that Oneonta is viewed favorably by the State as a community in which to invest.

Otsego Now was also represented at the focus group. This organization is made up of the County of Otsego Industrial Development Agency (COIDA), the Otsego County Capital Resource Corporation (OCCRC), and the Otsego Now Workforce Training Center. It facilitates financing and tax incentives for capital projects, such as Payment in Lieu of Taxes and Industrial Development Bonds.

Also in attendance was a City Council Member, an independent grant writer, and several artists who had attended the Artist and Creative Focus Group returned to learn more.

PUBLIC FUNDING

Discussions during the visit, along with Artspace’s experience in New York, identified the following potential public resources for a mixed-use affordable artist housing project in Oneonta:

- **Community Development Block Grant (CDBG) funds.** The City applies to the State in its annual funding round for CDBG housing programs, or through the Consolidated Funding Application for non-housing CDBG programs. Oneonta received an allocation of \$200,000 in 2017-2018.

- **HOME funds.** The City is a participating jurisdiction relative to its HOME dollars. It applies to the State in its annual funding round. It received \$414,400 in 2016-2017.
- **Payment in Lieu Of Taxes (PILOT)** is a 10-year graduating tax abatement program for projects that create community benefit, such as affordable housing, and other projects that support larger community goals, such as job creation and workforce development. Otsego County has an Industrial Development Agency (“IDA”) with PILOT programs that could be of great benefit for a project in Oneonta. The Otsego County IDA’s PILOT program can be of longer duration and more flexible than typical programs, and therefore more appropriate for projects focused on long-term affordability.
- **Social Impact Bonding (SIB),** a Governor Cuomo-initiated program that provides 1% of total development costs for all projects with a measurable public benefit. Placemaking is called out as one of the criteria for this program.
- **Federal Low-Income Housing Tax Credits (LIHTC).** LIHTCs can generate up to two-thirds of the construction budget for a typical Artspace live/work project. 9% LIHTCs are highly competitive, and it is not uncommon for a project to submit multiple applications before receiving a tax credit award. In New York, LIHTCs are administered by the New York State Department of Housing and Community Renewal (NYSHCR), an agency Artspace knows through tax credit projects in Buffalo, Patchogue, and New York City and through consulting work with the Albany Housing Authority. Whether LIHTCs are a possible source for a project in Oneonta depends both on the project concept and the availability of other funding.
- **State Low-Income Housing Tax Credits through the Housing Trust Fund.** New York has a state LIHTC program that supplements federal LIHTCs up to 130% AMI. This wider range of affordability especially benefits affordable developments in lower income areas, where operating sustainability can be challenging. Thus, this tool is a significant advantage in a community such as Oneonta, where roughly one-third of all households have incomes below poverty levels.
- **Federal and State Historic Tax Credits (HTC).** To qualify for the program, a property must either be individually listed on the National Register of Historic Places or be listed as a contributing member of a designated historic district. Except for the Westcott Lot, most downtown Main Street buildings are on the National Register and are part of a downtown historic district. These buildings would be eligible for both State and Federal Historic Tax Credits.
- **Downtown Revitalization Initiative (DRI).** The City of Oneonta received a \$10 million grant from the State of New York in 2017.
- **Restore New York Communities Initiative (RestoreNY)** is a program through Empire State Development that provides municipalities with financial assistance for revitalization of commercial and residential properties. The program encourages community development and neighborhood growth through the elimination and redevelopment of blighted structures.

Recent 9% LIHTC Project in Oneonta



Housing Visions, a nonprofit developer, opened Oneonta Heights in 2017. This \$15.9 million project provides 60 units of affordable housing in seven scattered sites throughout the city. The sites include a combination of rehabbed homes, new construction homes and a new 40-unit senior housing building. Sources of funding for this project are as follows:

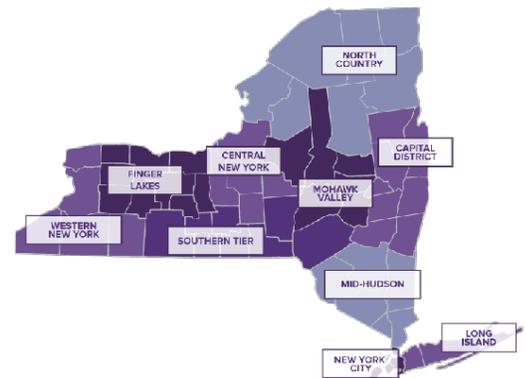
- \$8.4 million LIHTC equity
- \$3.8 million HOME funds
- \$2.6 million State Housing Trust Fund
- \$300,000 City of Oneonta
- \$150,000 New York State Energy Research and Development Authority

Image Source: Apartments.com

OTHER PROGRAMS

Other programs catalytic projects in Oneonta may be eligible for include:

- **Empire State Development** provides grant funding for capital-based economic development projects intended to create or retain jobs and increase business or economic activity in a region.
- **Energy incentives** from the New York State Energy Research and Development Authority and the New York Power Authority.
- **Low-cost financing (e.g. industrial development bonds)** through the statewide private activity bond allocation, which provides lower cost tax-exempt bond financing for qualified projects by authorized state or local government issuers.
- **New Markets Tax Credits (NMTC).** Most of the Southern Tier qualifies for NMTCs, a tax credit program that focuses on commercial projects and works best when total development costs are more than \$5 million. NMTCs are seldom used for mixed-use developments such as Artspace's. However, they might be of use in a 100% commercial project in the \$8 to \$10 million range, provided the project is in a Qualified Census Tract (QCT). This could be focused on the creative sector and include working studios, theater space, makerspace, etc.
- **The Appalachian Regional Commission,** a federal program administered by the Department of State, has a competitive funding program that provides up to \$150,000 (with a one-to-one matching requirement) to projects that involve workforce development, infrastructure and economic development, affordable housing, asset development, and more.
- **Southern Tier 8** is a regional planning agency that offers leadership support and technical assistance in project development, grant writing, program administration, and data analysis across the Southern Tier region of New York.



Source: State of New York

PHILANTHROPY

Philanthropy plays an important role in every Artspace project. In a typical live/work project, between 10% and 15% of the total revenue comes in the form of gifts from foundations, corporations and, in some cases, individuals. For a non-residential project, the ratio of philanthropic funding can be considerably higher. While Artspace has regional and national funding relationships, it always takes a local lead to help open the doors to potential philanthropic partners.

Other philanthropic entities with an interest in Oneonta and the Mohawk Valley region include:

- **The Community Foundation for South Central New York in Johnson City** has funding programs that include “assisting arts organizations with special projects, built or renovated libraries, theaters and other community use buildings.”
- **The A. Lindsay and Olive B. O’Connor Foundation** is focused primarily in Delaware County but also includes surrounding counties in Upstate New York, including Otsego County. The Foundation makes grants directly to municipalities, religious organizations, and 501c3s. It has made recent and significant investments in the Catskill Revitalization Corporation in Arkville.
- **Clark Foundation** in Cooperstown was mentioned but is solely focused on providing scholarships to students.
- **The Riley J. & Lillian N. Warren and Beatrice W. Blanding Foundation** is an independent foundation specifically focused on funding organizations and projects in the City of Oneonta.

UNDERSTANDING LOW-INCOME HOUSING TAX CREDITS (LIHTC)

STEP 1 (OF 10)

The **low-income housing tax credit — LIHTC** — is the government's primary program for building affordable housing. **Here's how it works...**

STEP 2 (OF 10)

The **IRS** has a pool of tax credits that it divvies up every year among **58 state and local housing finance agencies**, based on population size.

STEP 3 (OF 10)

Let's say you're a **developer** and you want to build an apartment building with units designated for low-income people. To decrease rents, you'll need help to offset your costs. That's where those tax credits come in.

STEP 4 (OF 10)

First, you go to your **housing finance agency** to request money to build. You promise to:

- Offer a certain amount of low-income units and keep it that way for at least 30 years.
- Meet the housing agency's requirements. For example, you might set aside units for veterans or the homeless.

STEP 5 (OF 10)

If your application is approved, the housing agency gives **about 70 percent of your allowable cost in tax credits**, which you can claim for 10 years once the building is completed.

STEP 6 (OF 10)

But tax credits are just a promise that you won't have to pay as much at tax time and are not very useful for buying concrete or labor.

STEP 7 (OF 10)

To solve that problem, you can sell your credits for cash to an **investor** — often, a big bank. Many developers use **syndicators** (who are like brokers) to help connect with investors.

STEP 8 (OF 10)

Everybody in this process earns a fee for their work.

STEP 9 (OF 10)

Investing in LIHTC buildings helps banks meet their obligations under the Community Reinvestment Act, which requires banks to invest in the poorer communities where they do business.

STEP 10 (OF 10)

When the project is complete, the investor owns the majority of the building and gets 10 years of tax benefits. Because taxpayers subsidized the building, the rents on the low-income units are cheaper than market rate.

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

- **Dewar Foundation** is focused on giving in Oneonta, with a focus on education, health, youth and social service organizations, and Protestant churches.
- **Corning, Inc** has a strong and growing presence in Oneonta where the company recently invested an additional \$11 million in the Oneonta Plant. The corporation has a foundation with four primary giving areas: education, human services, culture, and volunteerism.

Prospects for philanthropic support for a mixed-use live/work project would need to be informally tested. One way to test this is to solicit multiple funding entities for the next phase of work in conducting the Arts Market Survey as well as early predevelopment support. While its experience in other New York communities makes Artspace cautiously optimistic about the potential to fill a gap in the \$1 to \$2 million range once other sources are in place, the gap is still a heavy lift for a project of this nature in a community of Oneonta's size and stature.



Murals by Carol Mandigo on the side of the Oneonta History Center

ARTSPACE FUNDING EXAMPLES

Two funding and financing examples from Artspace's portfolio are Artspace Hastings River Lofts in Downtown Hastings, MN, a riverfront community of comparable size to Oneonta and Buffalo Artspace Lofts in Buffalo, NY. The charts below show a summary of financial sources for both developments.

ARTSPACE HASTINGS RIVER LOFTS // HASTINGS, MN

| Source | Amount | Percent |
|---------------------------------------|---------------------|-------------|
| PUBLIC SOURCES | | |
| Low-Income Housing Tax Credits (9%) | \$10,546,001 | 83.8% |
| Dakota County HOPE Loan | \$750,000 | 6.0% |
| DEED Brownfield Grant (State of MN) | \$167,531 | 1.3% |
| Met Council TBRA Brownfield Grant | \$29,100 | 0.2% |
| City of Hastings TBRA Match | \$26,886 | 0.2% |
| PRIVATE SOURCES | | |
| Residential First Mortgage | \$500,000 | 4.0% |
| Deferred Developer Fee | \$259,679 | 2.1% |
| Artspace Sponsor Loan (Philanthropic) | \$300,000 | 2.4% |
| TOTAL | \$12,579,197 | 100% |

Building statistics:

- Opened 2018
- Total area: 49,000 SF
- Live/work units: 37
- Commercial space: 2,060 SF
- Community space: 4,600 SF
- Located on the Mississippi River

Community partners:

- Hastings Prescott Area Arts Council (HPAAC)
- City of Hastings
- Dakota County Community Development Agency



Artspace Hastings River Lofts Rendering // Hastings, MN



Artspace Hastings River Lofts // Hastings, MN

ARTSPACE BUFFALO LOFTS // BUFFALO, NY

| Source | Amount | Percent |
|--|---------------------|-------------|
| PUBLIC SOURCES | | |
| Federal Low-Income Housing Tax Credits | \$6,592,060 | 41% |
| State Low-Income Housing Tax Credits | \$2,796,404 | 17% |
| Federal Historic Tax Credits | \$1,678,775 | 10% |
| HOME Funds (\$900,000 from state, \$400,000 from city) | \$1,300,000 | 8% |
| Community Development Block Grant (City) | \$300,000 | 2% |
| Federal Allocation | \$250,000 | 2% |
| PRIVATE SOURCES | | |
| Private Sector (Philanthropic Gifts) | \$1,400,000 | 9% |
| First Mortgage | \$1,200,000 | 7% |
| Deferred Developer Fee | \$670,944 | 4% |
| TOTAL | \$16,188,183 | 100% |

Building statistics:

- Opened 2007
- Total area: 118,000 SF
- Live/work units: 60 (36 in historic building and 24 in six newly constructed fourplexes)
- Commercial Space: 13,500 SF
- Anchor tenant: Buffalo Center for Arts and Technology (See page 11 for details)



Artspace Buffalo Lofts // Buffalo, NY



Buffalo Center for Arts and Technology

When considering financial feasibility and return on investment, it is important to note the multiple points of impact of a potential project site. "Returns on investment" include not only affordable housing but also blight remediation, adaptive reuse of historic buildings, and infrastructure investment in the cultural economy. Communities, civic leaders, and politicians must share in this vision to maximize impact.

The information gathered during the Preliminary Feasibility Visit and subsequent research and meetings reveal several good opportunities for predevelopment and capital funding of an affordable mixed-use, artist live/work project in the City of Oneonta. While no funding process is ever easy, the resources and tools exist that support affordable housing for a priority project that is aligned with local goals.

POTENTIAL SITES

During a Preliminary Feasibility Visit, Artspace's goal is not to select a site, but to identify candidates for further study should the project move forward. Several factors that contribute to eventual site selection include: location, size, conditions, adaptability to project concept(s), zoning, ease of acquisition, and potential for sustained impact on the broader community. While site selection is a critical component of development, it should not drive the project. The key is to gain a deeper understanding of the elements that make a site feasible and to take a cursory look at priority sites and areas.

The Core Group showed Artspace several potential sites in Downtown Oneonta. Their focus is on a relatively small area of the city, as each of the sites were on the three-block commercial area of downtown on Main Street between Chestnut Street and South Main Street. Downtown Oneonta's Main Street is a designated historic district with several buildings on the National Register of Historic Places.

Of these sites, Artspace only toured inside one building, the renovated office portion of the historic Oneonta Hotel. All the other buildings or sites were primarily viewed from the outside, with the exception of stepping into the ground floor spaces of the Latte Lounge and the County Office Building. The following observations are based on a cursory exploration of priority areas of development; at the time of writing, details, such as the square footage, were not known.



Oneonta Core Group Touring Potential Sites

SITE TOUR OBSERVATIONS

1. Westcott Lot

226 - 236 Main Street

This City-owned site is approximately 3/4 acre, adjacent to the County Office Building between Main Street and South Main Street. It has the most immediate potential for a mixed-use artist housing project with creative businesses on the Main Street side of the building. Because it would be new construction, development of this site has the flexibility to address multiple goals. Through thoughtful design, it has the potential for outdoor space, walkways between Main Street and South Main Street, and ties to the existing buildings on either side. The Mayor shared that the overarching goals for this site are to attract visitors and residents to downtown Oneonta. Indeed, filling this site with creative uses would bolster the existing businesses on Main Street while seeding a stable creative residential community in the downtown core. This catalytic site could be an excellent location for mixed-use, Artspace-style project.



Westcott Lot

2. The (former) Oneonta Hotel

195 - 201 Main Street

This beautiful former historic hotel near the corner of Main Street and Dietz Street was separated into three distinct parcels with two separate owners a number of years ago. The west side of the building was recently renovated and converted into office space and is not available for an Artspace project. The east side of the building is currently low-cost housing in poor condition on the upper floors with commercial space on the ground floor. The building is currently listed for sale. Walking through the office spaces on the west side revealed high ceilings and interesting architectural elements. Converting even a portion of the building into creative space would make a spectacular statement and add great vibrancy to Main Street, particularly if converted to mixed-use housing with ground floor arts-related commercial space. Though there are many unknowns about this property, it is an attractive opportunity for a mixed-use project.



Former Oneonta Hotel

3. Otsego County Office Building

242 Main Street

Located adjacent to the Wescott Lot on Main Street, this historic building is another priority redevelopment opportunity called out in the DRI plan. The building is currently occupied by Otsego County as a satellite office building, but Artspace got the sense that the County is open to relocating. Though the tour did not go through to the upper floors, our sense is that it could accommodate live/work housing on the upper floors and commercial and community space on the ground floor. Square footage and ease of acquisition are unknown at this time. However, based on the location, adjacency to another priority development site, and historic nature of the building, it is a strong candidate for further study.

Other Sites Mentioned:

- **Oneonta Sales Building, Market Street.** This building is at Chestnut Street and Market Street across from the Foothills Performing Arts Center and may be slated for demolition. The building intrigued Artspace and would be well-suited to industrial arts such as glass blowing, metal working, neon-sign making, furniture making, pottery, and the like. While not necessarily adaptable for a mixed-use residential project, the demolition of this building prevents a rare opportunity to showcase the industrial arts in a unique, historic, and appropriate building for this type of activity. For example, Artspace heard that a local glass blower was looking to move their glass blowing studio to downtown Oneonta.



Otsego County Office Building
Source: Otsego County Daily Newspaper

If redeveloped with these types of creative uses in mind, this location could draw tourists and provide an important linkage from Market Street to Main Street. Artspace does not have information about the structural integrity of the building but thinks it is important to evaluate this building's potential before demolition. However, if the building does need to be demolished for structural or other reasons, this site would be well suited to a mixed use residential project.



Oneonta Sales Building

- **Upper stories of Main Street buildings**, such as the Java Island building and the Key Bank building. These are examples of underutilized Main Street buildings that could make a big difference in creating a sense of vibrancy downtown, if filled with creative uses. A portion of the DRI funding is available for the redevelopment of upper floors to residential space. However, not many owners have taken advantage of this opportunity. Understanding the barriers to utilizing these incentives, as well as details about the owners' willingness to sell will be important to know. Though square footage of the buildings were not provided, none of the individual buildings appear large enough for a typical Artspace project of 35+ units of live/work housing. However, any moves to create quality, moderately-priced housing on the upper floors and rent out commercial space on the ground floor, would be impactful. For example, Java Island's commercial space could be interesting for CANO, entrepreneurial art students/classes, or other arts groups to consider.



Main Street Buildings, Downtown Oneonta

The Westcott Lot, the Otsego County Office Building and the former Oneonta Hotel building were discussed as the strongest possibilities for redevelopment for a mixed-use housing project. These sites were also called out in the DRI plan and are in prime locations on Main Street. However, the acquisition of the Otsego County Office building and the Oneonta Hotel building is unknown. Oneonta's biggest and most immediate opportunity lies in the redevelopment of the Westcott Lot.

These findings are preliminary and based on currently available information. Much can and will likely change between the writing of this report and site selection. Final site selection would take place in a predevelopment stage of work (see Appendix II, "Path of an Artspace Project"). These sites mentioned should be prioritized as conversations progress and the size and type of project is refined.



Java Island

ALIGNMENT WITH BROADER COMMUNITY GOALS

By Artspace's definition, successful mixed-use artist space facilities serve not only their residents and tenants, but also the surrounding community. Development projects can accomplish this by aligning with as many complementary goals as possible. When multiple goals, such as walkability, education, or historic preservation can be addressed with the project, it has the potential to foster long-term, sustainable impact. It also helps involve more stakeholders who are eager to see the project succeed.

The Preliminary Feasibility Study engages local artists, neighbors, and community members from the very beginning. During focus groups, Artspace outlines the mission-driven goals that are central to every Artspace development and consulting project:

- Meet the creative sector's space needs
- Ensure long-term affordability
- Reflect the unique culture and character of the community
- Exemplify sustainable and efficient design

To again reference the goals previously outlined in Oneonta's Downtown Revitalization Initiative plan, there are several that overlap with goals of an Artspace-style project. These include:

- Create a unique destination that will support local healthy food, agribusiness, and other innovative businesses
- Create more opportunities for arts, culture, entertainment
- Create a sense of identity that will appeal to both the current and next generations
- Create more housing options in downtown
- Establish a cohesive downtown with a wide variety of high quality urban spaces and places for entertainment

What 3 complementary goals are a top priority for you?

- Enhancing Healthy Lifestyles
- More Opportunities for Arts, Culture, and Entertainment
- Sense of Identity
- More Downtown Housing
- Preserving Affordability
- Historic Preservation
- Urban Infill
- Downtown Revitalization
- Supporting Rural Artists
- Supporting Creative Businesses and Nonprofits
- Anchoring an Arts District
- Promoting Tourism

Community Goals Handout Used During Focus Groups

A summary of write-in responses about broader community goals:

- *"Retain youth population and college grads"*
- *"Integrate colleges into the downtown"*
- *"Attract people to live, work, and visit"*
- *"Increase the public excitement for the arts"*

To dig deeper on how a project might address broader community goals, participants are each given a sheet of paper with a list of twelve community goals (see above). They are asked to circle three goals and share their thoughts with the group. In Oneonta, the top four were:

1. More Opportunities for Art, Culture, and Entertainment. This community goal was included in the list because of its prominence in the DRI plan. Focus group participants echoed this priority; it was the most circled answer. One of the write-in comments expanded on the idea, noting that it should be "for all levels of income and geographic areas."

2. Downtown Revitalization. Participants agreed that enhancing downtown vibrancy and supporting economic development is a primary community goal. Locating an artist mixed-use facility downtown and activating space on the ground floor and allowing that activity to spill outdoors, creates opportunities for the public to gather, spend time, experience and participate in the arts. The design of a future project should encourage this type of public interaction through shared community space programmable by building tenants and residents.

3. Supporting Creative Businesses and Nonprofits. Participants embraced the idea of supporting the arts for the social and economic benefit of local resident artists, families, and visitors. An affordable and self-sustaining mixed-use art facility helps to ensure a long-term home for creative businesses, nonprofits, and 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. Through this creative ecosystem, artist residents support creative businesses by purchasing materials, hiring services, and coordinating art crawls, exhibitions, and performances.

4. Anchoring an Arts District. A building, or group of buildings, with a mixture of uses and year-round street-front activity can be catalytic to a street or neighborhood. Indeed, one of the write-in answers indicated hopes that a new project would “bring new life to the Oneonta Theater and the Foothills Performing Art Center.” Additionally, when spaces are sustainable and affordable, it gives artists and creative entrepreneurs the additional confidence to start their own ventures in the same area. Along those lines, one participant wrote the goal to “inspire owners and new/existing business owners/operators to invest in development and operations.” By ensuring that the artist residents do not get priced out once the real estate market shifts, Artspace-style projects can encourage naturally-occurring arts districts, without making artists victims of their own success.

Articulating how project goals may align with community goals helps to establish the vision for the initiative and to guide future decisions, partnerships, and outreach. However, this process is not limited to one study. It evolves by continuing to listen to community members as a project progresses and by inviting new and diverse voices to the table.

CHALLENGES AND OPPORTUNITIES FOR DOWNTOWN ONEONTA

Challenge: Assembling the finances for projects in a rural community.

Opportunity: New York State supports affordable housing development projects through a variety of dedicated resources. In addition, Artspace has mixed-use projects in three New York cities and is beginning predevelopment work in a fourth city, Utica.

Challenge: Resolving the disconnect between the number of underutilized buildings and the creative sector’s interest in renting space on Main Street.

Opportunity: The momentum that brought this study about can help make connections through the advancement of a single development and/or through advocacy and education within the development community. The Arts Market Study data can reveal the strength of the creative market in and around Oneonta.

Challenge: Retaining young people.

Opportunity: The advancement of an arts development initiative that considers the needs of recent college graduates. Although Artspace projects have resident artists of all ages, people under 45 occupy the majority of the live/work units.

TAKING A MEASURE OF CREATIVE PLACEMAKING



This report summarizes the findings from two studies, “How Artist Space Matters” and “How Art Spaces Matter II,” which examine the long-term impact and sustainability of five Artspace projects: the Northern Warehouse Artists’ Cooperative, the Tilsner Artists’ Cooperative, the Traffic Zone Center for Visual Art (all in MN), the Tashiro Kaplan Artist Lofts (Seattle, WA), and the Riverside Artist Lofts (Reno, NV). These studies found that creative spaces 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.

Read the full report at:
<https://www.artspace.org/taking-measure-creative-placemaking>

RECOMMENDATIONS AND NEXT STEPS

Oneonta is well-positioned to pursue an affordable live/work mixed-use facility for artists and creatives. With an underserved creative sector, alignment with broader community goals, and strong City leadership, the feasibility of moving a project forward is very positive.

As outlined in the Path to an Artspace Project (Appendix II), Artspace's prerequisites for moving forward to the Arts Market Survey are: demonstrated support from local leadership, critical mass of artist and arts organizations with space needs, and established base of financial support. The Preliminary Feasibility Study found that Oneonta demonstrates the leadership, the space needs, and the financial support. Thus, Artspace strongly recommends proceeding to an Arts Market Study, to help understand the depth and breadth of its creative sector's space needs. The study involves an online survey of area artists, analysis, and recommendations for affordable live/work housing, private studios, and other types of spaces. Data informs site selection, number of units, amenities, and design. Resulting data may also be shared with private developers and policymakers to encourage further infrastructure investment in the creative economy.

Based on this study and Artspace's experience working in similar communities, Artspace believes Oneonta has the ability to support a 30+ unit mixed-use Artspace project. But this preliminary assessment is not sufficient to obtain financing from bankers, funders, and mortgage lenders. The statistical evidence of market demand can only be provided through an Arts Market Study.

NEXT STEPS

- **Begin preparing for the Arts Market Study**
 - a. Pursue funding for the study.
 - b. Gather a diverse group of leaders to serve as an advisory committee to the survey process. This group is critical to the Arts Market Study and also can be reengaged for future activities related to the project such as advocacy and marketing.
 - c. Brainstorm ideas for outreach and engagement.
- **Connect with potential private sector funders.** The cultivation process can be a lengthy one, and it is never too early to start.
- **Begin conversations with potential commercial tenant partners** in any future mixed-use facility. This should include SUNY Oneonta, Hartwick College, CANO, and Main View Gallery. Representatives of each of these organizations expressed interest in either moving (in the case of CANO and Main View) or having a stronger presence downtown (in the case of the colleges).
- **Begin thinking about Predevelopment funding.** 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 II), which provides an overview of the process.
- **Create a Cultural Asset Map.** A map of all the cultural, arts, and creative assets in Oneonta would identify the breadth of offerings and help communicate them to visitors, prospective employees, students, and others. It could also complement the DRI plan by providing the specifics needed to advance more commercial development downtown. For instance, asset clusters may reveal organic cultural district boundaries or emerging areas of arts activity that warrant development incentives. A Cultural Asset Map can also be used as a tool for branding and ensuring that new creative space projects do not duplicate existing assets.

In summary, Artspace believes a project concept that includes both affordable live/work housing and creative commercial space would provide a tremendous boost to the reputation, visibility, and financial stability of Oneonta's arts community.

Artspace greatly appreciates the opportunity to work with the Oneonta and learn from its residents and leaders. 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. Insights and recommendations in this report are solely intended to guide a project to the next phase of development and set Oneonta on the path to becoming home to a new arts facility.

APPENDIX I

ABOUT ARTSPACE



ARTISTS AT WORK

With affordable space to live and work, our resident artists can unleash their creativity



LIVELY NEIGHBORHOODS

Our projects spur economic activity and dynamic street life in the area.



SUSTAINABLE SOLUTIONS

Our projects provide long-term affordable space without ongoing fundraising.

Established in 1979 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 that meets the needs of artists through the adaptive reuse of historic buildings and new construction.

Artspace's first three live/work projects were in Saint Paul: the Northern Warehouse Artists' Cooperative (1990), 653 Artist Lofts (formerly Frogtown Family Lofts) (1992), and Tilsner Artists' Cooperative (1993). In the mid-1990s, Artspace broadened its mission to include non-residential projects. The first of these, The Traffic Zone Center for Visual Art (1995), transformed an historic bakery in the Minneapolis Warehouse district into 24 studios for mid-career artists.

Since then, Artspace has expanded its range of activities to include projects in operation or development in more than 20 states across the nation. In all, these projects represent nearly 2,000 live/work units and millions of square feet of non-residential community and commercial space. Artspace has evolved from a Minnesota organization with a few national projects into a truly national organization based in the Twin Cities, with offices in Denver, New York, Seattle, and Washington D.C.

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



PROPERTY DEVELOPMENT

Development projects, which typically involve the adaptive reuse of older buildings, but can also involve new construction, are the most visible of Artspace's activities. To date, we have completed more than 50 major projects. A dozen more are under construction or in the development pipeline. Artspace live/work projects are operating from coast to coast.

ASSET MANAGEMENT

Artspace owns or co-owns all of the buildings it develops; our portfolio now comprises more than \$600 million worth of property. We strive to manage our properties so that they will be well-maintained, yet remain affordable to the low-and moderate-income artists for whom they were developed in the first place. Revenues in excess of expenses are set aside for preventive maintenance, commons area improvements and building upgrades.



CONSULTING SERVICES

In addition to its roles as developer, owner, and manager, Artspace acts as a consultant to communities, organizations, and individuals seeking information and advice about developing affordable housing and work space for artists, performing arts centers, and cultural districts, often within the context of historic preservation.

APPENDIX II

PATH OF AN ARTSPACE PROJECT



Rome wasn't built in a day, and neither is an Artspace project. In fact, a typical Artspace live/work project takes from four to seven years to complete. Although no two projects are precisely alike, they all travel a similar path through the development process.

Here is a brief look at a typical Artspace live/work project as it proceeds from first inquiries through preliminary feasibility studies, an arts market survey, predevelopment, and development to completion and occupancy. Please note that this is not an exhaustive list of every activity that goes into an Artspace project, and that some actions may occur in a different order.

| STEP 1: PRELIMINARY FEASIBILITY VISIT | |
|---|--|
| OVERVIEW | <ul style="list-style-type: none"> Information Gathering and Outreach |
| PRIMARY ACTIVITIES | <ul style="list-style-type: none"> Meet with artists, local funders, businesses, civic leaders, and other stakeholders Conduct a public meeting to introduce Artspace and solicit community feedback Tour candidate buildings and/or sites Extend outreach as needed to ensure that people from underrepresented communities are included in the process |
| DELIVERABLES | <ul style="list-style-type: none"> Written report with recommendations for next steps |
| PREREQUISITES FOR MOVING FORWARD | <ul style="list-style-type: none"> Demonstrated support from local leadership Critical mass of artists and arts organizations with space needs Established base of financial support |
| TIME FRAME | <ul style="list-style-type: none"> October 2018 - January 2019 |

STEP 2: ARTS MARKET STUDY

| | |
|---|--|
| OVERVIEW | <ul style="list-style-type: none"> • Assessing the Market |
| PRIMARY ACTIVITIES | <ul style="list-style-type: none"> • Three phases to the study: survey preparation, data collection, and analysis/reporting • Quantify the overall demand for arts and creative spaces • Identify the types of spaces, amenities and features that artists want/need • Inform site selection, design, and programmatic decisions • Maintain community involvement throughout the project • Help build support and secure funding |
| DELIVERABLES | <ul style="list-style-type: none"> • Written recommendations and technical report of survey findings |
| PREREQUISITES FOR MOVING FORWARD | <ul style="list-style-type: none"> • Sufficient number of responses from eligible, interested artists to support an Artspace live/work project |
| TIME FRAME | <ul style="list-style-type: none"> • 6 months |
| FEE | <ul style="list-style-type: none"> • \$30,000 |

STEP 3: PREDEVELOPMENT I

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

STEP 4: PREDEVELOPMENT II

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

STEP 5: PREDEVELOPMENT III

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

STEP 6: CONSTRUCTION

| | |
|---------------------------|--|
| OVERVIEW | <ul style="list-style-type: none"> • Construction and Lease-up |
| PRIMARY ACTIVITIES | <ul style="list-style-type: none"> • Oversee project construction • Engage property management company • Identify commercial tenants and sign lease agreements • Reach out to potential artist tenants, providing education on the application process • Conduct residential tenant selection process |
| DELIVERABLES | <ul style="list-style-type: none"> • Completed project ready for occupancy |
| TIME FRAME | <ul style="list-style-type: none"> • 6-10 months |
| FEE | <ul style="list-style-type: none"> • Depends on project (not part of predevelopment contract) |