

# Contents

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- INTRODUCTION AND PROJECT HISTORY..... 1**
- ARTSPACE PRELIMINARY FEASIBILITY STUDY ..... 3**
  - APPROACH ..... 3
  - PROJECT CONCEPT ..... 3
  - ARTIST MARKET ..... 3
  - SITE ANALYSIS..... 3
  - FINANCIAL FEASIBILITY..... 4
  - CIVIC AND PROJECT LEADERSHIP ..... 4
  - NEXT STEPS ..... 4
- ARTSPACE MARKET ANALYSIS..... 7**
  - OVERVIEW ..... 7
  - LIVE / WORK SPACE FINDINGS..... 7
  - STUDIO SPACE FINDINGS..... 12
  - ARTIST INTEREST IN PARTICIPATION AND ADDITIONAL CONTACT..... 13
- ARTSPACE CONCLUSIONS AND RECOMMENDED NEXT STEPS ..... 15**
- ARTS LIVE-WORK PROJECT STATUS ..... 17**

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## Introduction and Project History

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This paper summarizes work to develop an artist live-work project in downtown Freeport. The concept for arts live-work was initially introduced in the City of Freeport's 2002 *Rawleigh Complex Reuse Plan* which laid out a redevelopment strategy for the reuse strategy for the 450,000 square foot, 5-building Rawleigh Complex in Freeport's downtown riverfront. This reuse strategy was developed to leverage Freeport's many arts-related assets:

- proximity to arts markets in Chicago, Madison and Milwaukee
- strategic location along Highway 20 between Chicago and Galena which attracts 1 million visitors annually
- many local arts assets including the longest-running community theatre group in the country (Winneshiek Players), Freeport High School's Grammy award-winning music program, the Freeport Art Museum which holds the largest repository of fine art in the northwest Illinois region, and strong networks of artists including the Momentum Arts Guild.<sup>1</sup>

After developing the *Reuse Plan*, the City spent several years mostly focused on site control and environmental remediation issues at Rawleigh. In 2005, the City solicited proposals from developers for the Rawleigh Complex and worked with a developer until 2006 when that developer exited the project, unable to put together a financially feasible project. In response, the City and its community partners recognized that it was unrealistic to expect a master developer to step in and redevelop Rawleigh on their own. Rather, a project the scale of Rawleigh would require the City and its partners to advance tenant prospects that are part of an overall mixed-use vision, and when a sufficient number of these tenant prospects were in place, then the City would be prepared to seek a private developer to undertake the project.

Consequently, in 2007 the City established the Rawleigh Collaboration Team (RCT) (modeled on a successful public-private partnership in Moline, IL), including representatives from the City of Freeport (the Mayor and two Council members), Chamber of Commerce, Convention and Visitors Bureau, Freeport Area Economic Development Foundation (now the Northwest Illinois Development Alliance), Freeport Downtown Development Foundation, Stephenson County, and at-large members. The RCT established three working teams to advance different initial priority projects at Rawleigh: a Food Team (advancing food business incubation and retail opportunities), a Buildings Team (to better understand building rehabilitation needs and costs to provide information to developers), and an Arts Team.

The Arts Team included artists and arts supporters from the Freeport area; the team focused on arts live-work as the initial arts-related development opportunity. A number of project supporters visited and were inspired by an underway arts live-work development in Jackson, Michigan—a community which shares many characteristics with Freeport including its relative size, location, economic base, and demographics. After this visit, the Arts Team and full Rawleigh Collaboration Team recommended to the

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<sup>1</sup> City of Freeport, Illinois, prepared with assistance from Vandewalle & Associates, Inc. *Rawleigh Complex Reuse Plan*, May 23, 2002, pp. 14 – 15.

City Council that an analysis be undertaken to understand the potential for an arts live-work project in Freeport, at Rawleigh.

With partial grant assistance from ComEd, the City then commissioned not-for-profit Artspace Projects, Inc. to conduct a study of affordable arts live-work housing in downtown Freeport. Artspace's mission is "to create, foster, and preserve affordable space for artists and arts organizations." Artspace operates 32 affordable arts facilities and has another dozen under development in 21 states. Artspace also consults with communities interested in evaluating the feasibility of arts live-work projects, as they did with Freeport.<sup>2</sup>

This study was undertaken in two parts. First, Artspace conducted a Preliminary Feasibility Analysis in 2007. Artspace then undertook a Market Analysis in 2008 to identify the market for both arts live-work and studio units. Artspace produced three deliverables during this time:

- Preliminary Feasibility Report (January 2008)
- Survey of Artists' Space Needs and Preferences (October 2008). *This report was prepared by Swan Research and Consulting as a sub-contractor to Artspace.*
- Letter to the City of Freeport summarizing Artspace's survey interpretations and recommending next steps (September 2008)

The following sections of this paper provide a synopsis of these three Artspace reports, intended to highlight the findings most relevant to potential developers and stakeholders interested in building arts live-work and studio units in Freeport. The full reports from Artspace include a greater number of findings and level of detail and can be requested by contacting Shelly Griswold, City of Freeport Community Development Director.

Following this summary of Artspace's analysis is a discussion of the project progress since 2008 and opportunities to continue the project moving forward.

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<sup>2</sup> "Mission and History," Artspace Projects Inc., accessed May 9, 2013, [www.artspaceusa.org/about/mission-history](http://www.artspaceusa.org/about/mission-history)

## Artspace Preliminary Feasibility Study<sup>3</sup>

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### Approach

Artspace conducted a Prefeasibility Site Visit in November 2007 to evaluate the potential for creating a successful artist live-work project in Freeport. Over the course of the two-day assessment, Artspace investigated five areas they have found to be critical to a successful project: project concept, site selection, market need, financial feasibility and local leadership. Artspace summarized their findings in a *Preliminary Feasibility Report* to the City of Freeport in January 2008.

### Project Concept

The project concept proposed to Artspace was a live-work artist loft project at the Rawleigh Complex. Artspace found that the proposed project—a part of a larger planned mixed-use development in a downtown, adaptively reused, historic industrial building—was well suited for arts live-work space.

### Artist Market

Artspace conducted focus group interviews with area artists and arts organizations that offered anecdotal support for the potential market for arts live-work space. These stakeholders highlighted affordability in Freeport as a draw for young artists just starting their careers as well as the draw of Freeport's location along the "entertainment/recreation" corridor between Galena and Chicago. These suggestions of potential market demand supported Artspace's recommendation to undertake an Artist Market Survey to evaluate the market further. Beyond the recommended next step of a survey, Artspace also suggested that "it is critical for the success of the Rawleigh Complex Development and the future of Freeport that the community engage young people generally and young artists specifically about plans for the future."<sup>4</sup>

### Site Analysis

Artspace analyzed the vacant buildings at the Rawleigh Complex and found that the Complex seemed "ideal" for an arts live-work project, which could be undertaken in a number of the buildings on site. Artspace found "Building B" (a 6-story building on Adams Street) to be most amenable to arts live-work due to its high ceiling heights, substantial daylighting from large windows, concrete construction and floors, and manageable number and breadth of columns. Commenting on the Complex as a whole, Artspace found that "[c]onsidering the number of years the buildings have been vacant or underutilized, they are in remarkable condition."

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<sup>3</sup> Unless otherwise noted, the information in this Preliminary Feasibility Section has been drawn from each of the sub-sections of the same name (i.e. Project Concept, Artist Market) from the following report: Artspace Projects Inc., *Preliminary Feasibility Report*, January 2008.

<sup>4</sup> *Preliminary Feasibility Report*, "Next Steps" section.

The City also took Artspace on a driving tour of downtown to highlight a number of other historic buildings that may have the potential for a smaller arts live-work project, the site visit schedule did not include adequate time for Artspace to tour the interior of these sites.

### **Financial Feasibility**

When Artspace participates in the development of a new project, they rely on the local community to fundraise for predevelopment costs, since Artspace is a not-for-profit “fee developer” and therefore does not invest its own funds in projects. Consequently, Artspace considered the likelihood that a community can fundraise for these predevelopment costs, which are “seldom less than \$500,000,” as part of their initial feasibility analysis. Artspace considers both public and private/philanthropic sources in this evaluation. In Freeport, Artspace identified the downtown Tax Increment Finance district, the Enterprise Zone, and state-administered housing grants to be potential public funding sources.

During their site visit, Artspace facilitated a focus group of local and state agencies and local arts patrons. Regarding private fundraising, Artspace noted the focus group participation by local arts supporters including US Bank, the Freeport Community Foundation, and the granddaughter of W.T. Rawleigh. Staff of Freeport’s congressional representatives also participated and voiced their support (See Civic and Project Leadership below).

Artspace noted potential challenges in local fundraising for an arts live-work project. They identified the lack of sufficient donors for the capital campaign for a new building that the Freeport Art Museum in had proposed. Artspace also expressed concern that a community the size of Freeport may experience competition for fundraising for other arts projects (at the time of this study, Highland Community College was fundraising for arts facilities on its campus). Artspace suggested that the Freeport Art Museum should be sought as a potential owner or tenant of space as part of a mixed-use arts live-work project so that fundraising for both projects could be mutually beneficial rather than competitive.

### **Civic and Project Leadership**

Overall, Artspace was impressed by the quality of Freeport’s leadership, including from the City and the Freeport Area Economic Development Foundation (now Northwest Illinois Development Alliance). The City’s investment in Rawleigh redevelopment strategy and implementation support was also an important demonstration of local commitment to the project. Artspace was also encouraged by the participation and interest in supporting the project by the staff of Senator Dick Durbin (who had previously helped Freeport secure a U.S. HUD grant for Rawleigh), Senator Barack Obama, and Congressman Donald Manzullo.

### **Next Steps**

Based on this site visit, Artspace concluded that “the project concept was sound, the site appropriate and the necessary leadership intact.”<sup>5</sup> From their site visit interviews, Artspace concluded that Freeport

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<sup>5</sup> Artspace Projects Inc., *Teri Deaver to Shelly Griswold, September 15, 2008*. Note: This is the aforementioned letter from Artspace detailing its interpretations of the *Survey of Artists’ Space Needs and Preferences* as well as recommended next steps for the project.

is “searching for a contemporary identity including the creation of a ‘hip’ factor that attracts residents and visitors (particularly along the recreational drives from Chicago to Galena and back) downtown.”

Artspace noted potential challenges with project funding, but did not find these potential challenges to be substantial enough to dissuade further analysis of the project. Based on the findings of this Preliminary Feasibility Study, Artspace recommended the City move forward with an Artist Market Survey to evaluate the existence of a market for artist live-work space in Freeport.

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## Artspace Market Analysis

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### Overview

Artspace's concluding recommendation in the Preliminary Feasibility Study was to undertake a Market Analysis to more concretely identify and characterize the market for arts live-work units in Freeport. The City of Freeport engaged Artspace in 2008 to undertake this Market Analysis which included a detailed survey implemented and summarized by subcontractor Swan Research and Consulting in the report: *Survey of Artists' Space Needs and Preferences* (October 2008). These survey results were accompanied by a letter from Artspace to the City of Freeport in September 2008 summarizing Artspace's interpretations of the survey and recommended next steps.<sup>6</sup>

### Methodology<sup>7</sup>

The online survey was developed based on a template used successfully by Artspace in many past projects. The survey was advertised through 4,783 postcards mailed to artists and organizations in the Northern Illinois / Southern Wisconsin region, followed up with reminder postcards. Additionally, 2,780 postcards were distributed by hand and at least thirty organizations assisted in announcing the survey through email, web posting, newsletters, and flyers. Additionally, there was local media coverage and a public meeting held to spread word of the survey.

The survey was available online for nine weeks and was completed by 173 people and accessed over 600 times. Swan Research noted several factors that contributed to this response rate including the survey's narrow content and long length. Swan Research did find the survey results to be "grossly representative" of the target population of artists in the region.

Of the 173 respondents, 60 indicated an interest in relocating to a live-work project in Freeport and 93 indicated interest in renting studio-only space within a multi-use facility. This summary describes both the market and space needs for both this live-work and studio-only space.

### **Live / Work Space Findings**

This section summarizes Artspace's findings for the 60 artists interested in live-work space. Note that the term "interested artists" in this section refers to these 60 artists.

#### Number of Potential Live-Work Units

As noted above, the survey found that 60 artists (35% of the total respondents) were interested in relocating to a live-work project. Artspace's threshold for market strength for developments that they undertake is based on a threefold redundancy in the market—i.e. three interested artists for each live-

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<sup>6</sup> Note that the Artspace letter was written in September 2008 based on a complete draft of the *Survey of Artists' Space Needs and Preferences*, but the Survey report was finalized the following month, in October.

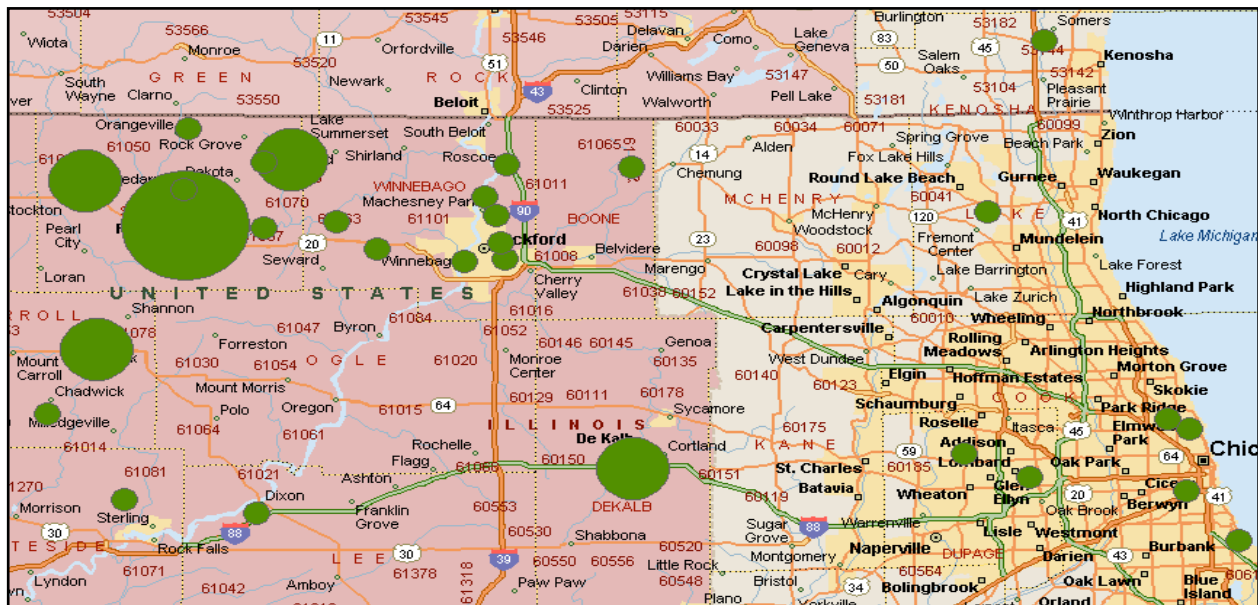
<sup>7</sup> Swan Research and Consulting, prepared for Artspace Projects, Inc. and the City of Freeport, IL. *Survey of Artists' Space Needs and Preferences: Freeport, Illinois*, October 2008, p. 25.

work or studio space created. Based on this formula, Artspace recommended developing **up to 20 live-work units**.<sup>8</sup>

### Artists' Familiarity with Freeport

While twenty (33%) of the interested artists live or have lived in Freeport, the majority live outside of the City of Freeport and 23% had never been to Freeport at all.<sup>9</sup> Artspace was encouraged by this demonstrated lack of comparable space in the surrounding region for the feasibility of a project in Freeport.<sup>10</sup> Moreover, 62% of artists interested in relocating to a live-work project indicated interest in using Amtrak passenger rail service between Dubuque and Chicago, through Freeport, when service begins. This helps to demonstrate the real opportunity Amtrak service will bring by connecting Freeport to Chicago, the Midwest's global city.<sup>11</sup>

Figure 1. Artists Interested in Relocation to Freeport Project by Zip Code of Current Residence<sup>12</sup>



### Rent Price Points and Affordable Housing Considerations

Typically, artist live-work projects rely on some financing from affordable housing programs, especially Low Income Housing Tax Credits (LIHTC). Additionally, the demand for arts live-work units is typically driven in large part by a lack of affordable space accessible to artists (hence Artspace's mission as a non-profit to help create and preserve this affordable space). Consequently, Artspace evaluated considerations for developing an affordable arts live-work project in Freeport.

<sup>8</sup> Teri Deaver to Shelly Griswold, p. 1.

<sup>9</sup> Survey of Artists' Space Needs and Preferences, p. 18.

<sup>10</sup> Teri Deaver to Shelly Griswold, pp.2-3.

<sup>11</sup> Survey of Artists' Space Needs and Preferences, p. 13.

<sup>12</sup> Survey of Artists' Space Needs and Preferences, p. 27.

The survey found that forty percent of interested artists have household incomes of \$30,000 or less per year and 30% reported incomes at or below 60% of Area Median Income (AMI).<sup>13</sup> The US Department of Housing and Urban Development (HUD) has designated 60% of AMI as low- or very-low income, and Artspace noted that to be competitive for affordable housing funding, the project would need to target renters whose income is at or below 60% of AMI.<sup>14</sup>

Table 1 below identifies the maximum monthly rent that each of the 60 respondents interested in live-work space could afford in Freeport. As demonstrated in the table, 48% could afford rent up to \$600 which is the maximum monthly rent for households earning 60% or less of AMI, published by HUD.<sup>15</sup> Artspace’s September 2008 letter to the City of Freeport provides a more detailed discussion of affordable housing considerations.

*Table 1. Maximum Monthly Rent for Arts Live-Work Space in Freeport<sup>16</sup>*

<b>Rent Range</b>	<b># Respondents</b>	<b>% Respondents</b>
\$400	14	23.3%
\$500-\$600	15	25%
\$700-\$800	17	28.3%
\$900-\$1,000	8	13.3%
\$1,100-\$1,200	5	8.3%
over \$1,200	1	1.7%
<b>TOTAL</b>	<b>60</b>	<b>99.9</b>

### Artist Profiles

This section summarizes characteristics of the 60 artists interested in live-work space that should be considered when designing a live-work project in Freeport.

- **Ethnic Background:** The survey found that this group of interested artists was less ethnically diverse than residents of the City of Freeport and recommended marketing and outreach to encourage greater diversity, especially through arts, social and cultural organizations that specifically serve diverse populations.<sup>17</sup>
- **Age:** Artspace was pleased by the diversity in age of interested artists. “Having such a high number of artists under the age of 30 (38%) that is equaled by the number of artist between the ages of 31 and 50 is a perfect mix.” Artspace noted that older artists can contribute stability to a project and mentor younger artists. They recommended targeted marketing to artists over the age of 50 who are often attracted to arts live-work when “making a change by downsizing from

<sup>13</sup> *Ibid*, p. 8.

<sup>14</sup> *Teri Deaver to Shelly Griswold, p.4.*

<sup>15</sup> *Ibid*, p.6.

<sup>16</sup> Table adapted from Table 17: Affordable Housing and Work Space Costs from *Survey of Artists’ Space Needs and Preferences*, p. 13

<sup>17</sup> *Survey of Artists’ Space Needs and Preferences*, p. 7 and *Teri Deaver to Shelly Griswold, p.3.*

a home, reenergizing an abandoned arts career, leaving the larger city or trading a suburban location for a more vibrant lifestyle.” Artspace also noted that younger artists bring “electric energy” and are more apt to relocate in search of affordable arts live-work space.<sup>18</sup>

- ***Education:*** The majority of interested respondents received some degree of higher education and 63% earned a Bachelor’s Degree while 17% earned a postgraduate degree. Artspace found this to be consistent with other Artspace surveys as well as research conducted by the National Endowment for the Arts.<sup>19</sup>
- ***Household Composition:*** Eighty percent of interested artists have households with no children. Consequently, a project in Freeport should “anticipate a child-friendly environment” but would not require special design considerations to accommodate a large number of families with children.<sup>20</sup>
- ***Income Sources:*** The majority of the 60 artists (38 artists or 63%) earn less than 10% of their income from their primary art pursuits, instead relying on income from other occupations. Artspace noted that by providing affordable arts live-work space, artists would have increased opportunities for collaboration and resource sharing which may help bolster arts entrepreneurship.<sup>21</sup> See Section “Rent Price Points and Affordable Housing Considerations” above for more on artist income statistics.
- ***Art Forms:*** The survey found that the artists interested in live-work space came from a variety of arts disciplines. The most common were painting/drawing (55%), mixed media (18%), music (18%), writing/literary arts (17%), and photography (15%). Artspace noted that painting/drawing, music, and photography are common disciplines nationally. Artspace recommended more outreach to other performing artists beyond musicians.<sup>22</sup>

### Drivers for Desired Live-Work Space

An important finding Artspace concluded from the survey was that a majority of artists do currently have some space to create art, so a project in Freeport would need to be designed to truly meet artist needs to encourage artist relocation since many of these artists do not currently have a complete lack of space. Artspace noted that “[t]hese artists appear to be drawn to the project because their current studio/work space is not satisfactory or they crave the support and inspiration offered by an artist live-work community...” Artspace believed the relative low percentage of home ownership by artists (37% own homes) suggested a greater likelihood that artists would relocate to a project in Freeport.<sup>23</sup>

### Unit Size and Work Space Considerations

The survey found a need for both small and large living spaces; 72% of interested artists sought one or two bedroom units, 15% sought three or more bedrooms, and 13% sought studio/efficiency space.

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<sup>18</sup> *Survey of Artists’ Space Needs and Preferences*, p. 7 and *Teri Deaver to Shelly Griswold*, p.4.

<sup>19</sup> *Survey of Artists’ Space Needs and Preferences*, p. 8 and *Teri Deaver to Shelly Griswold*, p.4.

<sup>20</sup> *Survey of Artists’ Space Needs and Preferences*, p. 14 and *Teri Deaver to Shelly Griswold*, p.4.

<sup>21</sup> *Survey of Artists’ Space Needs and Preferences*, p. 9 and *Teri Deaver to Shelly Griswold*, p.6.

<sup>22</sup> *Survey of Artists’ Space Needs and Preferences*, p. 6 and *Teri Deaver to Shelly Griswold*, p.3.

<sup>23</sup> *Survey of Artists’ Space Needs and Preferences*, p. 4 and *Teri Deaver to Shelly Griswold*, p.3.

Artspace noted that bedroom counts affect the competitiveness of affordable housing funding proposals, so unit mix should be determined based on market need as well as funding priorities for affordable housing financing.<sup>24</sup>

Regarding working space within units, Artspace noted that arts live-work units average 30% larger than a traditional apartment. Interested artists needs for work space varied considerably: one-third of the interested artists required spaces of 350 square feet or less, 42% required spaces in the range of 351 – 800 square feet, and 22% of the artists required large studio spaces greater than 800 square feet.<sup>25</sup>

Seventy-three percent of the interested artists were amenable to integrated live-work space (as opposed to separate work space in the same building) which is the preferred model due to both cost efficiencies as well as the ability to use affordable housing funds to finance live-work space. To serve artists requiring space beyond what can be accommodated in a live-work unit, some separate studio-only spaces could also be integrated as well as shared spaces and amenities to meet these artists' needs.<sup>26</sup>

Requested studio design features were consistent with the artistic disciplines practiced by the interested artists including natural light, special ventilation, high ceilings and additional storage space. Additionally, artists sought soundproofing (particularly favorable among music and writing/literary artists) and high-speed data lines.<sup>27</sup>

#### Rent versus Ownership Interest

Eighty-three percent of interested artists were interested in renting an apartment, while 73% were interested in renting space with the option to buy later. 47% indicated a co-housing model to be an acceptable option.<sup>28</sup>

#### Amenities Design

Artspace found the amenities / shared spaces sought by interested artists to be consistent with the art forms practiced by these artists, especially the high percentage of visual artists. These include gallery space (38%), paint room (32%), retail space (28%), ceramics studio/kiln (18%), and a general purpose studio (20%).<sup>29</sup>

Artspace also noted the following regarding amenity considerations:

Given that gallery space was of interest to over one-third of the artists, and that 28% also chose retail space, we assume that this group of artists is very focused on their ability to show, market and sell their works. These are artists who are serious about the pursuit of their crafts and who may feel that there is a lack of opportunity for them to connect with the public and grow their arts businesses... Creating flexible-use space is a cost effective way to meet many needs. For instance, using the top preferred amenities from the survey as an example, a gallery space that

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<sup>24</sup> *Survey of Artists' Space Needs and Preferences*, p. 12 and *Teri Deaver to Shelly Griswold*, p.4.

<sup>25</sup> *Survey of Artists' Space Needs and Preferences*, p. 10 and *Teri Deaver to Shelly Griswold*, p.5.

<sup>26</sup> *Survey of Artists' Space Needs and Preferences*, p. 12 and *Teri Deaver to Shelly Griswold*, p.5.

<sup>27</sup> *Survey of Artists' Space Needs and Preferences*, p. 10 and *Teri Deaver to Shelly Griswold*, pp.5-6.

<sup>28</sup> *Survey of Artists' Space Needs and Preferences*, p. 11 and *Teri Deaver to Shelly Griswold*, p.5.

<sup>29</sup> *Survey of Artists' Space Needs and Preferences*, p. 11 and *Teri Deaver to Shelly Griswold*, p.6.

includes track lighting and an open, flexible floor plan can double for retail space and/or be subdivided for general working studio space and a paint room.<sup>30</sup>

In addition to amenities directly for arts purposes, Artspace also noted that 85% of interested artists would consider using alternative modes of transportation such as shared bikes or cars or a carpooling program. In addition to making for a “greener” development, such programs would reduce parking needs.<sup>31</sup>

## Studio Space Findings

### Summary of Findings

Integrating studio-only space into a live-work project would add additional vibrancy to a live-work project, according to Artspace. Among the 173 survey respondents, 93 indicated an interest in studio-only space. This number includes 53 of the 60 artists interested in live-work space (who would be interested in live-work or studio space, presumably not both), plus an additional 40 artists interested only in studio space. For purposes of this summary, statistics are provided from the *Survey of Artists’ Space Needs and Preferences* for all 93 artists who indicated interest in studio space to characterize their desired space needs, recognizing that if a project proceeded, some of these artists may pursue the live-work option while others may prefer studio-only space.<sup>32</sup>

### Number of Potential Studio Units

As noted previously, Artspace recommends developing no more than one unit (apartment or studio) for every three people with interest. Based on this formula, Artspace recommended developing **up to 13 studio units** in addition to 20 live-work units. Should a project develop with only studio units (no housing), then the survey results would support up to 30 studio spaces.<sup>33</sup> However, as noted previously, financing for artist developments that do not include housing cannot access affordable housing funding, so are less likely to be financially viable unless other funding sources can be secured.

### Artists’ Familiarity with Freeport

Of the interested artists seeking only studio space, 36% lived in Freeport, 10% have lived in Freeport previously and all but 18% have visited Freeport in the past. As these artists would need to live nearby to justify a drive to studio space in Freeport, these findings are not surprising. That 64% of these artists do not currently live in the City does suggest the role this project could play in bringing together a community of artists from across the county and beyond.<sup>34</sup>

### Drivers for Desired Studio Space

Of artists seeking studio space, half did not have space specifically for making art and 24% did not have space for their art at all. “These numbers coupled with the mere 9% of artists who own or rent studio space outside their homes, points to a great opportunity to provide much needed and desired space in

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<sup>30</sup> Ibid.

<sup>31</sup> *Survey of Artists’ Space Needs and Preferences*, p. 13 and *Teri Deaver to Shelly Griswold*, p.6.

<sup>32</sup> *Survey of Artists’ Space Needs and Preferences*, p. 2.

<sup>33</sup> *Teri Deaver to Shelly Griswold*, p.2.

<sup>34</sup> *Survey of Artists’ Space Needs and Preferences*, p. 18.

the city of Freeport.” Artspace found that the primary drivers for demand for studio-only space are lack of current adequate space and a desire to be part of an artistic community.<sup>35</sup>

### Studio Design Considerations

- ***Art Forms and Desired Features:*** Four of the five disciplines practiced by artists interested in studio space were the same as those seeking arts live-work space (painting/drawing, music, writing/literacy, photography); the fifth discipline was graphic arts. The top requested studio design features reflect these disciplines (and mirror those requested by artists seeking live-work space) and included natural light, special ventilation, high ceilings, additional storage space, high-speed data lines, and soundproofing.<sup>36</sup>
- ***Size:*** Sixty-five percent of artists require studio space of 500 square feet or less and 16% require large studio spaces greater than 800 square feet. Artspace was encouraged by the fact that 42% of artists require small studios (up to 350 square feet) and the majority require 500 square feet or less since smaller studios can be rented more affordably than larger studios.<sup>37</sup>
- ***Cost:*** Seventy-eight percent of artists seeking studio space could afford to pay \$250 or less per month. Artspace indicated that studio space “is always challenging to fund and to sustain at affordable rates” though they were encouraged by the relative small spaces required by artists as these can be rented more affordably per square foot than larger studios. To ensure affordable space to attract artists to the project, Artspace recommended considering shared and flexible spaces (that could be increased/decreased in size as units turn over) as well as potentially subsidizing the cost of studio spaces with income generated from market-rate units.<sup>38</sup>

### Amenities for Studio Space Tenants

Artspace found the amenities / shared spaces sought by artists interested only in studio space to be consistent with their art forms and include the same top five as was sought by artists seeking live-work space. These top amenities include gallery space, a general purpose studio, retail space, ceramics studio/kiln, and paint room.

### **Artist Interest in Participation and Additional Contact**

Artspace was encouraged by the enthusiasm for the project expressed by respondents’ interest in staying in touch after the survey’s completion. Specifically, Artspace stated the following:

Finally, the fact that 119 (69%) of the responding artists are interested in more information about the project and 48 (28%) would volunteer, regardless of their interest in relocating to the project or renting space, indicates to us general support for the project being proposed. It is also important to point out that 39 (23%) of artists would be interested in being placed on a waiting list. While we rely on the number of artists interested in relocating or renting as a gauge for determining the number of spaces to create, this added level of enthusiasm and commitment

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<sup>35</sup> *Survey of Artists’ Space Needs and Preferences*, p. 19 and *Teri Deaver to Shelly Griswold*, p.7.

<sup>36</sup> *Survey of Artists’ Space Needs and Preferences*, p. 18 and p.21.

<sup>37</sup> *Survey of Artists’ Space Needs and Preferences*, p. 20 and *Teri Deaver to Shelly Griswold*, p.7.

<sup>38</sup> *Survey of Artists’ Space Needs and Preferences*, p. 23 and *Teri Deaver to Shelly Griswold*, p.8.

demonstrated by the artists adds weight to the findings. It should also serve to confirm for the city of Freeport that a project providing affordable space for artists would be well received.<sup>39</sup>

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<sup>39</sup> *Survey of Artists' Space Needs and Preferences*, p. 24 and *Teri Deaver to Shelly Griswold*, p.8.



## Artspace Conclusions and Recommended Next Steps

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Based on the findings from the *Preliminary Feasibility Analysis* and from the *Survey of Artist' Space Needs and Preferences*, Artspace drew a number of conclusions and recommended next steps for Freeport in advancing an arts live-work project which they summarized in a letter to the City in September 2008. A number of Artspace's interpretations regarding specific survey results from this letter were integrated into the previous section of highlights from the Market Analysis. This section summarizes Artspace's additional major findings and recommendations as outlined in the September 2008.

### Artist Live-Work Housing and Studio Space Development Approach<sup>40</sup>

Artspace identified a market for approximately 20 live-work units plus an additional 13 studio spaces: “[c]learly the results of the market survey in addition to the strength of the [Preliminary Feasibility Analysis] supports the creation of a small to moderately sized project in Freeport.” Artspace did not pursue continued involvement in developing this project as they have not historically developed projects with fewer than 30 units outside of Minnesota. However, Artspace was “encouraged by the number of artists interested in both live-work and studio spaces at a scale that seems more appropriate for a community of Freeport's size and geography.”

Artspace suggested that the project would be most feasible if developed as a mixed-use project, including arts live-work, studio-only space, as well as non-arts oriented affordable housing to create a larger affordable housing tax credit-financed project. These additional housing units could be marketed broadly, including targeted marketing to people working in creative industries, entrepreneurs, or start-up businesses to build on the overall synergy of the development. Additionally, Artspace suggested continued marketing of the project could support additional demand for artist units. Artspace recommended the City seek out a local developer experienced with affordable housing financing “with a sensitivity to arts and commitment to long-term affordability.”

Additionally, Artspace also recommended pursuing strategies to maximize the number and variety of arts and creative tenants in a project. In encouraging the inclusion of studio-only space in addition to arts live-work, Artspace commented that “non-housing space would certainly add vibrancy to the project and would serve those artists who own homes in the area and who would benefit from the synergy of renting space in proximity to other artists.”<sup>41</sup> Additionally, Artspace recommended pursuing other anchor arts organizations and creative businesses as tenants. “The synergy created within mixed-use facilities strengthens a project's viability and is more attractive to funders who also recognize the benefit of uniting the arts community.” Specifically, Artspace suggested that:

the Freeport Art Museum could be a player in considering potential reuse of a portion of the Rawleigh Complex. We have seen examples in other communities where established local arts centers have renovated space for specific museum programs such as an Artist in Residency

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<sup>40</sup> This section has been summarized from *Teri Deaver to Shelly Griswold*, pp. 8-9 unless otherwise noted.

<sup>41</sup> *Ibid*, p. 2.

program that provides earned revenue to the museum and was created at a very low cost. This specific example is in Salina, KS. See <http://www.salinaartcenter.org/Pages/Warehouse.html>

### Recommended Case Studies

Artspace recommended that Freeport study examples of other successful small-scale arts projects that could serve as models for Freeport. Artspace pointed to the following Artspace-developed projects:

- *Franklin Lofts, Brainerd MN*: This twenty-five unit project “incorporates the needs of both struggling young artists who want live-work space and more mature, established artists who want to be part of a community of artists and who feel more productive getting out of their basement and garage studios.” <http://www.artspaceusa.org/our-places/franklin-arts-center>
- *Kaddatz Artist Lofts, Fergus Falls, MN*: This ten-unit live-work project is developed above ground floor space for A Center for the Arts, Fergus Falls' civic arts organization. “Although challenging to finance a project of this size, it does offer artists in this community of 13,000 an alternative for living/working space among peers.” <http://www.artspaceusa.org/our-places/kaddatz-artist-lofts>

### Recommended Next Steps

Artspace recommended the following major next steps to advance an arts live-work project in Freeport:<sup>42</sup>

- Identify a local affordable housing developer - preferably with a sensitivity to the arts
- Evaluate the potential of local arts organizations to become tenants in the building
- Explore funding options in addition to LIHTC
- Keep interested artists updated and continue to reach out to new artists
- Explore suggested, successful project models
- Use the findings of the Prefeasibility visit and market survey to shape the development and bring funders and stakeholders on board
- Capitalize on the overall development concept for synergy, artist space rental subsidy and vitality

The following section describes the progress of the arts live-work project since Artspace concluded the Market Analysis in 2008.

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<sup>42</sup> Bullet points directly quoted from: Roy Close and Stacey Mickelson, Artspace Project Inc. “Freeport Artist Survey Space Needs and Preference Findings.” PowerPoint presentation, Stephenson County Farm Bureau, Freeport, Illinois. October 28, 2008, Slide 28.

## Arts Live-Work Project Status

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Artspace submitted its letter to the City of Freeport interpreting the Market Survey and recommending next steps for the project on September 15, 2008. At the time, this Artspace study was the most publicly-visible initiative underway to redevelop the Rawleigh Complex as Artspace held a number of stakeholder interviews and community presentations and mailed their survey postcard to thousands of area artists. While the report provides support for and encouragement of Freeport's pursuit of a mixed-use arts development, many community members and City leaders had hoped that the results would indicate a large enough market for Artspace to express interest in participating directly in developing a Freeport project. Consequently, when Artspace did not choose to pursue the development, the project lost some important momentum.

Likely of much greater significance for the advancement of the project was the fact that at this time the economy took a sharp turn, shifting everyone's focus. In the same week in September 2008 that Artspace submitted its Market Analysis findings to the City, Lehman Brothers filed for bankruptcy and the national subprime mortgage concerns turned into a full-blown crisis—a critical month affirming the country was in the midst of recession. Consequently, at this time the Freeport City Council focused its priorities on more imminent municipal finance and City- and region-wide economic concerns rather than on advancing initiatives like this arts live-work project.

However, this is not to say that progress has not been made at the Rawleigh Complex redevelopment since 2008. Highlights of work undertaken since the 2008 Artspace report include:

- ***Site Cleanup:*** The City secured \$1 million in U.S. Environmental Protection Agency (USEPA) grants to clean up environmental contamination at Rawleigh. The City anticipates receiving a final “No Further Remediation” letter from the Illinois EPA by Summer 2013, affirming that the City has adequately cleaned up subsurface contamination on site. While some environmental contamination still is present within the buildings (mostly lead-based paint), receiving this letter is a major milestone to ready the site for redevelopment since environmental investigation and clean-up first began in the late 1990s.
- ***Rawleigh Reuse and Regional Economic Development Planning and Grant Funding:*** In addition to the \$1 million in environmental cleanup grants from USEPA, **the City of Freeport has also been awarded \$2,175,000 in highly competitive federal and state grants** to advance economic development and riverfront redevelopment projects including (but not limited to) Rawleigh and arts live-work. These projects and grants include:
  - ***Food Enterprise Center: \$50,000 U.S. Department of Agriculture (USDA) Rural Business Opportunity Grant (2009):*** Grant for a market analysis and business plan for a **Food Enterprise Center**, including a commercial kitchen for value-added processing and a retail outlet to grow the regional food economy. This concept was initiated as part of the Rawleigh mixed-use project and is a targeted tenant for Rawleigh. Both the analysis and business plan have been completed and in 2012 the City established an Advisory Team with diverse stakeholders interested in advancing the regional food economy.

- *Riverfront Enterprise Initiative: \$295,000 U.S. Department of Housing and Urban Development (HUD) Community Challenge Planning Grant (2011)*: This grant is funding planning and implementation activities to support new living, working, and recreation opportunities in Freeport’s riverfront. This grant has supported a number of initiatives including the proposed Freeport Multimodal Station (see below), the Food Enterprise Center, Third Ward neighborhood initiatives led by the CAPS Neighborhood group, and a downtown housing market analysis.
- *Food Enterprise Center: \$80,500 USDA Farmers Market Promotion Program Grant (2012)*: This grant is funding the current start-up activities for the Food Enterprise Center, including funds to hire a staff person to operate the Center in its first year.
- *Brownfields Program: \$1,200,000 USEPA Brownfields Planning, Assessment, and Cleanup Grants (2013)*: Freeport was awarded six \$200,000 grants to continue its nationally-recognized brownfields program. These grants will fund reuse planning and implementation, environmental assessment, and cleanup of a contaminated East Side site on Album Street proposed to be part of the extension of the Pecatonica Prairie Path.
- *Freeport Station: \$500,000 Illinois Department of Transportation Capital Project Grant (2013)*: This grant will fund architecture and engineering of the **Freeport Station** multimodal project located at Rawleigh. Since the State of Illinois made a commitment of \$60 million to upgrade the rail line connecting Chicago to Dubuque through Freeport, the City has been aggressively working to design a dynamic station integrating passenger rail, regional bus, local transit, and the regional bicycle trail. The State has also expressed its support in helping Freeport to secure funding to rehab “Building E” (the 8-story metal-clad building) for the station. The Artspace Market Analysis found that 62% of artists interested in relocating to a live-work project would use Amtrak passenger rail service between Dubuque and Chicago, underscoring the opportunity that this new rail service presents for connecting Freeport-area artists with the robust Chicago arts scene.<sup>43</sup>

As this list indicates, the City is taking proactive steps to reposition its economy, focused on catalytic projects in City’s historic downtown riverfront. The momentum that has been created, especially around the Multimodal Station, will greatly improve the viability of an arts live-work project. By securing state and federal funding for Freeport Station, the City will be positioned to attract private investment to develop the balance of the Freeport Station building which has been challenging to do. Consequently, the timing is right for the City and its community partners to take a fresh look at the Artspace study to introduce the opportunity to potential developers for the Freeport Station project at Rawleigh.

Additionally, the Artspace study should be shared with downtown property owners developing upper-floor apartments who may have an interested in developing units suitable for arts live-work as well.

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<sup>43</sup> *Survey of Artists’ Space Needs and Preferences*, p. 13.