October 9, 2007

Peggy Brady
Executive Director
Council on Culture and Arts
816 South Boulevard St.
Tallahassee, FL 32301

Dear Ms. Brady:

It is our pleasure to submit the enclosed Survey of Artists' Space Needs and Preferences and Survey of Arts Organizations and Interested Businesses report of findings. The survey responses indicate a strong need for live/work and studio or work space for individual artists, as well as for space for arts and cultural organizations and creative businesses that would serve those living, working, and doing business in Tallahassee. You will be pleased to know that the survey found strong support within the arts community for this project to move forward, as evidenced by the number of respondents who indicated an interest in relocation, in learning more about the project, and/or in volunteering to help with the initiative.

In the body of the report you will find a summary of data relevant to the artists interested in relocating to or renting space in a project in Tallahassee as well as summary information pertaining to interested organizations and businesses. For those artists who expressed an interest in receiving more information about the project, we are providing an Excel file that contains their contact information. We have also created an active database containing their email addresses, and we will continue to maintain this database along with a web page to capture contact information for new artists visiting the former site of the active survey. We will maintain this site and provide artists with project updates as necessary through the completion of our current market survey contract.

Included as an attachment to the report are the free text responses submitted by artists in response to the question, which asked respondents to note programs, businesses and organizations they would like to have considered as part of a mixed-use development in Tallahassee.

We have included in a separate Excel file detailed information about the current size, staffing, services, and space needs of interested organizations and businesses. This organization-specific information will be helpful in future site selection and planning phases. Organizations that provided names and contact information may be contacted directly at an appropriate time to discuss in more detail their space needs, organizational capacity, project timing, and leasing. Due to the confidentiality of some information (individual artist contacts, organizations' budgets, rental rates, etc.), we ask that the data in this file be shared only with key members of the project development team.

Here are our interpretations of the most significant findings, based on Artspace's experience with similar projects nationally. We hope you find this information helpful.

ARTISTS: Live/Work Space

The purpose of the survey of individual artists was to determine if there exists sufficient market strength to justify the creation of an artist live/work component of a mixed-use project in Tallahassee. The survey found that 165 artists are interested in relocating to a live/work project and 223 artists are interested in renting studio or workspace. Many of these respondents (133) expressed interest in both relocating and renting. While 90 respondents would only consider renting studio or workspace and 32 others would consider only relocating to a live/work space.

Artspace's threshold for market strength insists on a threefold redundancy in the market, meaning that we recommend identifying at least three artists for each live/work or studio/work-only space created. With this formula, the data supports the creation of up to 55 live/work units and 74 studio or work-only spaces. However, because the number of artists interested in live/work space also includes artists interested in studio or work-only space, some reduction of space is recommended. As stated in the report, we assume that artists would either rent studio or workspace or would relocate, but not both and one would not want to over-build. For this reason we would first recommend a plan that addresses the live/work space needs by creating up to 55 units.

There are a great number of artists who are not interested in live/work space, only in studio/work-only space. Because of this, there is more comfort in considering a fair number of studio/work-only spaces. On the conservative end, based on market need, we could recommend 30 studio or work-only spaces. Although the survey indicates that the market could support more, financing and sustaining studio or work-only space is challenging, even with only 30 spaces. By considering shared-studio concepts and design flexibility that allows for increasing or decreasing studio sizes, some of this risk may be mitigated. The development team would ultimately consider the demand demonstrated by this survey as well as the achievable levels of rent affordability as determined by the financing sources available, when deciding on the final number to build.

Tallahassee artists are engaged in a wide variety of arts disciplines. We do not typically see such a broad spectrum represented in high numbers. While those involved in the visual arts are in the majority, the percentage of visual artists is typically higher. This may be a situation unique to the Tallahassee area, or indicative of the tremendous outreach into groups of varied disciplines. Drawing and painting (at 32%) is typically the highest visual art discipline selected. Photography (at 19%) is also common to see in higher numbers. High percentages of artists practicing creative writing and arts education/instruction, is less common. While we find that artist communities regularly invite public interaction, having artists actively pursuing arts education may encourage even greater activity through classes, workshops and other instruction. With the great variety of disciplines being pursued by artists, the possibility for interdisciplinary collaboration and project vitality is increased.

The number of artists who are interested in relocation and who do not currently have space that they use only for their art is in keeping with what we might expect (50%). Many artists are drawn to a project simply because they do not have the space that they need. Other artists however, are drawn because their current workspace is not satisfactory or they crave the supportive and inspirational community offered by a live/work project.

We typically find artist live/work projects to be more diverse than the community in which they exist. According to the 2000 U.S. Census, Tallahassee as a whole is 4.2% Hispanic/Latino, 60.4% White, 34.2% Black, 2.4% Asian, 0.2% Native American, 0.1% other races, and 1.67% multi-racial. The interested artists responding to this survey are not as ethnically diverse as the population at large. Although this may simply be reflective of the arts community in Tallahassee, we strongly recommend continued outreach into communities of color during a project's development and lease-up phases. This may entail identifying arts and community leaders who will act as liaisons to arts and cultural groups specifically serving diverse populations as well as various social organizations. It will also be important to identify any barriers (geographic, language, communication infrastructure) that may hinder efforts to reach all artists, and then find ways to overcome those barriers. Continuing to hold public meetings and media events in various neighborhoods, encouraging media coverage in neighborhood papers/newsletters, creating website postings, and sending email blasts will all help to keep the broader arts community invested in the project.

The report states that 32% of the interested artists are 30 years of age or younger, while 33% are over 50. This indicates a great opportunity to bring together a vital, emerging artist population with potentially mid-career artists. Projects populated by artists of all ages create opportunities for mentorship, innovation, community unification around collective projects, and self-managed programs. They also enjoy stability in terms of unit leasing and property management.

The reported data for gender and level of education attained are typical of what we find nationally. The majority of interested artists have households with no children. Although development and design should always anticipate a child-friendly environment, the market does not indicate a need for the specialized considerations sometimes necessary when a large number of families with children are anticipated.

The number of bedrooms the respondents need is reflective of the small family sizes with two or fewer bedrooms being the most in demand. This is also similar to what we see on a national level. Depending upon the affordable housing funding priorities at the time of application, the need for smaller size units (studio and one-bedroom) may or may not impact the competitiveness of a funding request. Some states weight priorities toward "family housing," meaning three-bedroom units or larger. It is just one of many factors to consider as part of the design process and financing strategy.

One-third (33%) of the interested artists' household incomes are at or below 60% of the area median income, which HUD considers to be low or very-low income. Additionally, over half of these potentially income-qualifying artists (households earning 30% or less of the area median income) may qualify for deeper income targeting. In order to be competitive for future low-income housing funding, such as the 9% Low Income Housing Tax Credit (LIHTC) administered by the state, a project would need to target these lower (60% or below) income households.

State housing finance agencies tend to fund projects that serve the neediest of households; thus the lower the targeted income limit (and the lower the rents), the better positioned a project is to receive funding from this extremely competitive funding source. Although the market study results cannot be taken literally (the artists interested today may not be the same artists who move in once the project is completed), our experience suggests that the new pool of artists would meet a similar profile. Our 3 to 1 ratio guide (in this case indicating up to a recommended 55 units) takes into account the fact that not every artist interested will qualify for subsidized housing.

Interestingly, the survey found a number of artists reporting higher income levels, indicating the potential for market rate artist lofts as well. Although it is challenging to put together a mixed-income project, it is worth discussing the potential benefits and downside to such a development plan. Ultimately it would be up to a development team to consider the number of artists interested, state funding priorities, area market rate rents, and what percentage of the interested artists qualify for affordable housing, when deciding the final number of units to build and the best rental rate/unit size for each.

The majority (58%) of the artists earn less than 10% of their income from their art. This is consistent with what we see nationally, although we often see numbers even higher than this. The relatively high percentage (17%) of artists reporting that they earn between 76% and 100% of their income from their art pursuits is highly unusual. We find that artists most often support themselves through jobs and occupations unrelated to their artwork and creative pursuits.

Many of the artists require small to moderately sized studio space (350 square feet or less) in connection with their living space. This is typically attainable with unit sizes on average 30% larger than traditional apartments. A number of artists indicated a need for more space, although the majority would be served by space 500 square feet or smaller. One in five (20%) require space that is 800 square feet or larger. The ability to provide large studio space is limited when creating space using public funds. Creative, open floor plan designs that give the artist the flexibility to arrange their home in a way that best suits their artistic and domestic needs is the goal. Providing additional shared spaces and important amenities all at affordable rates is another goal. The hope is that these strategies will mitigate the need for the larger individual studio spaces that cannot be constructed with affordable housing funds.

Studio preferences and shared amenity preferences for the live/work units were in keeping with the artistic disciplines identified and what we often see nationally. For instance, the desire for natural light and shared gallery space is typical for visual artists, and a preference for soundproofing is not surprising given the number of musical artists. The interest in high speed data lines may be indicative of graphic designers, digital photographers, and web-savvy artists using the internet for marketing, sales and even instruction/teaching. The outdoor work area is something we run across mostly in mild climates and should be considered in the site selection and project design. Given the lower percentages of artists involved in the performing arts and video/film, the interest in performance space and a video/audio editing facility is surprising.

Affordable live/work projects are often focused on the bricks-and-mortar rather than the programmatic element of flexible-use space. For instance, a gallery space that includes track lighting, is designed for workshops and various studio work, incorporates a paint room, and is adaptable for public invited events and private tenant functions, is the most cost-effective. An outdoor work area can easily be de development plan would need to address this need for parking space. It is encouraging, however, that the great majority of artists would consider alternative modes of transportation as well. This is important for discussion during the development phase. Perhaps the project could integrate a program (shared cars or bikes), or at the very least be located near currently operating systems. Discussions with the City could also be important if the municipality would consider developing alternative programs that could also serve the project's residents and renters.

Artist communities help to retain artists within a city and attract new artists interested in relocating. 89% of the interested artists currently reside in Tallahassee/Leon County. This is a very high number. Often we work in communities that are relying primarily on enticing artists to relocate from larger urban areas or outlying suburbs. Having such a strong interest by area artists would indicate an even greater likelihood that artists would indeed relocate. They are already familiar with the community and can easily participate during the development and lease-up phases.

There is a reportedly wide scope of rents that artists would be willing to pay for combined housing/studio space. The majority of artists could pay a maximum of $800 per month in rent, which is similar to the HUD published rents for 60% income restricted units. However, consistent with the reported incomes many artists could pay much less, and 12% are willing to pay more than $1,200 per month. A development team will need to consider closely the maximum rents charged for units at all targeted income levels and compare these to the interested artists' qualifying income levels and the property manager's screening criteria which projects a tenant's ability to pay the set rents. All this would be analyzed against the project's projected operating costs (vs. income) to definitively determine the financial feasibility of the project and the final financing package.

ARTISTS: Studio/Work Space Rental

For the purposes of the following overview and interpretation, we are commenting on those artists (90) who are interested only in studio or workspace and not in both studio or workspace and live/work space.

The majority of the interested artists (51%) either have space within their home for their art or they rent/own studio or workspace outside of their homes (21%). The majority of these artists (83%) own their homes. Surprisingly, only 19% do not have space to practice their art. These artists, like those interested in live/work space, may be drawn to the project to work alongside other artists in a creative community and/or to have space that more adequately addresses their unique needs. It appears that the lack of appropriate space, rather than a general lack of space, is driving this market. Studio or workspace and shared amenity designs and costs will have a great impact on marketability.

As with those interested in relocation, the artists interested only in renting studio or workspace are involved primarily in the visual, crafts/fine crafts and music arts and arts education/instruction. Fewer artists seeking studio or work-only space are in the literary arts. Theater and performance arts, as well as ceramics are ranked higher for studio/workspace needs than for relocation. Given the high number of individual performing artists, it is surprising not to see them place greater emphasis on shared performance/rehearsal space as a preferred amenity. It may be that individually they consider their studio/workspace to fulfill these needs as seen in the preference for space with a sprung dance floor (ranked higher here than by artists seeking live/work space). Many may also defer to the organizations in which they are involved as performers for their rehearsal/performance space needs. Otherwise, the amenity preferences and interests in shared/specialized spaces are similar to those interested in live/work space and consistent with the practiced art disciplines.

As noted earlier, should the project include both housing and studio or work-only space, along with space for arts and cultural organizations, as many shared spaces and amenities as possible should be incorporated. A creative design and operating plan would be the most cost effective, efficient and community oriented approach.

Studio or work-only space is always challenging to fund and to sustain at affordable rates. More than two-thirds (70%) of the interested artists have expressed a need for moderately sized space (up to 500 square feet), while the remaining artists selected a wide variety of larger sized studio or workspace.

About two of every five artists (38%) could pay less than $150 in monthly rent and another 37% say that they can pay between $250 and $350 per month. Although the artists have not been overly optimistic about the size of their space needs vs. the amount they can afford to pay, most of the studio or work-only space would need to be priced at very affordable rates to be marketable. If the project is to include some studio or work-only space, creative models will need to be considered, such as some shared-use studios or shared semi-private studios or workspaces; subsidizing rents with market rate commercial rentals; tenant-financed improvements; etc. The development team would also take a look at the local commercial market rental rates as part of any non-residential development component planning.

ALL INTERESTED ARTISTS: Additional Information

Finally, the fact that 259 of the responding artists are interested in more information about the project and 130 would volunteer indicates strong support for the concept being considered by COCA. It is also encouraging that 113 artists would be interested in being placed on a waiting list and that 82 would be willing to secure a space with a letter of interest and/or a deposit. 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 commitment by the artists further strengthens the findings. It should also serve to confirm for the community that the vision being pursued is a worthy one in the eyes of the artists in the area.

ARTS ORGANIZATIONS AND INTERESTED BUSINESSES

Representatives of 88 arts organizations and interested businesses completed the Survey of Arts Organizations and Interested Businesses. This is a high level of response compared to many of our surveys conducted nationally and demonstrates that outreach was strong and ongoing.

Even more positive is the strong interest by these organizations in the project. Sixty-nine organizations and businesses expressed interested in utilizing the facility in some capacity and 55 are interested in long-term rental (relocating, expanding, or launching a new enterprise), which is a high rate of interest and demonstrates significant demand for a vital non-housing component to the project.

While the data is sufficient to begin the general visioning and concept design process, it is intended as a first step only. Direct conversations with potential tenants would need to occur in a subsequent development phase to determine exactly what types of space and what leasing terms would be feasible. For instance, 47 of the arts and cultural organizations are interested in short-term or occasional rental. This indicates a need for comprehensive planning that would consider shared-use space and an operating plan for scheduling and management.

There is a strong mix of organizations. The variety of arts activity involvement, age and size of organizations, along with interest by for-profit businesses, nonprofit organizations, and even non-arts related businesses opens the door for an eclectic and complementary mix of tenants. It also suggests ample opportunity to work with a variety of potential tenants to settle on the "right mix" of commercial activity for the project.

With 31 of the organizations having been in business for 10 years or more, there is confidence in the stability that will accompany their involvement in the project. Many others (26) have been in business for five years or less, and 22 have small budgets (less than $25,000). Although this may at first glance seem to indicate a potential for instability, the project could fill a much needed incubator role, helping fledgling organizations to continue their growth.

It is positive that many stated that their organizations or businesses have existing plans to relocate, expand, or launch a new enterprise. The fact that many also anticipate a growth in budget, space requirements, audience/constituency population, or range of services, demonstrates they also have a good sense of their own needs, have begun some planning, and may be better positioned to make a location change. Although the timeline to complete a project may seem extensive, it can go quite quickly for an organization that needs to implement a growth plan and obtain funding for capital and operating expenses. Organizations and businesses already planning for this are ahead of the curve. By the same token, it would never be too early to have preliminary discussions with interested organizations to better ascertain their true space needs and capacity as well as to provide them with some parameters regarding the project vision and projected timeline.

It will be important to learn in more detail about the organizations/businesses' needs for short-term or occasional rental space and what needs might be served in a shared-use model. For instance, a number of organizations stated a need for theater/performance space, gallery/display space, conference/meeting rooms and classrooms. Some of these needs are duplicative of those expressed by individual artists interested in both live/work space and studio or work-only space. When meeting with these potential tenants, it would be important to determine if any shared-use spaces could be used by both individual artists and those who completed the organizations/businesses survey. For instance, would an organization require gallery space that would be proprietary to its artists/students, or could this space be programmed for multiple users? What is the breakdown of theater/performance space size needs, and programming schedules? How many organizations could use it throughout the year and could the space double for other uses as well (meeting or teaching space)? Although no single project can meet all space demands, careful planning could make the best use of shared space.

The attached report includes additional and more detailed survey response data. I hope that this information gives some light to our perspective on the market results and how these results begin to inform our development recommendations. Certainly the market strength and space preferences are just one component of overall project feasibility, but it is certainly the foundation of any discussion about a future project. If you have any questions about anything included here, please do not hesitate to contact me.

Sincerely,

Teri Deaver
Director of Consulting and New Projects

cc: Wendy Holmes
Greg Handberg