

Cool Cities Growth Initiative

<p>Initiative Name</p>	<p>Armory Arts Project</p>
<p>Description of Initiative</p>	<p>The Armory Arts Project is the bold, creative redevelopment of a blighted industrial complex located on the Grand River four blocks from the city center of Jackson into a center for arts, culture and creative industries. The Project, which has captured the imagination of not only Jackson, but communities around the state, will tip the scales in terms of its impact on the local and regional economy and quality of life. Facades of all seven historic industrial buildings included in the Project will be restored to historic preservation standards with the interiors adapted to their new uses. These uses include 39 permanently affordable loft apartments designed to meet the living and working needs of artists and their families, flexible community and nonprofit performance/exhibit space, as well as rental space for arts & culture-related commercial businesses. A creative industries incubator is planned for phase II of the project. In addition to the infusion of 80-100 new downtown residents (the resident artists and their families) increases in property values and disposable income within the surrounding area, the Project is expected to have the following impact on the local economy:</p> <p>Additional Private Investment: * By 2005-2007 - \$20 million * By 2007 – 2009 - \$200 million in immediate surrounding area (market rate housing, offices and retail)</p> <p>New Jobs * By 2005-2007: 75-100 * By 2007-2009: 2,000 – 3,000 in immediate surrounding area (market rate housing, offices and retail)</p> <p>New Business Start-ups: * By 2005 – 2007: 10-20 new business start-ups * By 2007-2009: 20-50 new business start-ups</p> <p>It should be re-emphasized that despite the projected increase in property values in the surrounding area, the financing of the Project ensures the affordability of the resident artists and their families in perpetuity, thus avoiding the downsides of gentrification. The Project will transform the immediate surrounding area into a vibrant mixed use and mixed income neighborhood that will also accommodate the influx of visitors from around the state drawn to the various cultural activities.</p> <p>In addition to the direct quantifiable economic benefits spelled out above, we expect the Project to indirectly impact the economy by adding significantly to a vibrant 24/7 downtown cultural scene, help us retain and attract young knowledge workers, entice additional creatives such as high-tech innovators and entrepreneurs of all kinds to live and work in our community as well as significantly enhance overall livability for all of our residents.</p> <p>Cultural Benefits Jackson has been known for decades as a blue-collar manufacturing town. As history has shown again and again, “blue collar” and “culture” are not mutually exclusive. In fact, some of the most vibrant arts and cultural scenes have sprung up in blue-collar communities or neighborhoods within large urban centers. Although arts attractions are not yet part of its image, Jackson already boasts significant arts and cultural assets, including the Ella Sharp Museum, the historic Michigan Theatre, the Jackson Symphony Orchestra, and the Michigan Shakespeare Festival. The rural areas around Jackson have long been home to individual artists seeking the beauty, inspiration, and affordability of this wooded,</p>

	<p>lake-studded area of the state. The Armory Arts Project will build on Jackson's existing cultural assets by first of all creating a historical district comprised of some of the most significant historic industrial buildings in the community. The site on which the Project is located was the site of Jackson's first major manufacturing companies – Withington Cooley and Austin, Tomlinson and Webster. These were the companies that laid the foundation for Jackson's reputation as a major industrial center. The Project will also create a highly visible place-based arts and cultural footprint that will begin to transform the community's identity. The Project will essentially coalesce and repackage what is already here while significantly adding to the talent pool by attracting artists from around the state who are seeking an affordable, nurturing, creative environment in which to live and work.</p> <p>Educational Benefits The artists and their families who live in The Armory Arts Project will benefit significantly from affordable space tailored to their individual needs as well as from being part of a creative residential community. These practical and inspirational benefits will make it possible for them to derive most, if not all, of their income through their art. In return, the artists will serve the community as a unique and valuable educational resource. Artist tenants will give back to the community by mentoring at-risk youth, partnering with local arts and cultural organizations, and/or working with neighborhood groups, local churches, social service providers, the health care system, classroom teachers, and so on. There will be opportunities for the community to see the artists' work and to learn more about their craft, as well as to participate in workshops and demonstrations all of which will foster a greater understanding and appreciation of the arts in our daily lives.</p> <p>Social Benefits Every one of Artspace's projects around the country has had a positive impact on its surrounding neighborhood. Crime rates have declined, housing stock has improved, and families have thrived. A prime example is the Frogtown Family Lofts project in Saint Paul, Minnesota (for details, go to Artspace's web site, www.artspaceprojects.org, and click on "Neighborhoods"). The experience of other communities tells us that creatively enlisting the power of the arts to address social problems is often more effective than more traditional social service strategies. We also see The Armory Arts Project as a vehicle for bridging racial and ethnic divides that still plague our community. With a more vibrant arts scene comes tolerance and appreciation of differences. This project has been embraced from its inception by a broad cross-section of the community. The various partnerships that will be at the core of the activities generated by the artists will provide myriad opportunities for diverse groups of individuals to work together. The result will be a stronger, more diverse, more vibrant social fabric.</p>				
Action Type	x	Build New		Expanding Existing	Attract From Elsewhere
Timing	The Project is scheduled to begin construction late this year with move in of artist live/work tenants and core commercial and nonprofit tenants by late 2005. We are currently working to close the remaining \$1.5 million funding gap. (Total Project costs =- \$10.6 million)				
Champions	1) Steve Czarnecki, President & CEO – The Enterprise Group of Jackson sczarnecki@enterprisegroup.org – (517) 788-4455 2) Neeta Delaney, Community Development Consultant hired as Project Director by The Enterprise Group of Jackson – neetadelaney@cs.com – (517) 788-4455				
Resources	<ul style="list-style-type: none"> • LIHT Credits • Federal Historic Preservation Tax Credits • State Historic Preservation Tax Credits 				

	<ul style="list-style-type: none"> • Brownfield SBT Credits • HOME Funds • Federal Home Loan Bank Affordable Housing Grant • MSHDA Mortgage • State CDBG Funds • City CDBG Funds • City PILOT (Payment in lieu of taxes) • EPA Grant • DEQ Grant • Foundation Grants • Individual Contributions • Located in a tax-free Renaissance Zone
Performance Measures	<ul style="list-style-type: none"> • Project Occupancy Rates • Tenant Satisfaction • Jobs creation • New businesses start-ups • Artist tenant partnerships formed throughout the community • Increase in property values in surrounding area • Increase in disposable income in surrounding area • Increase in tourism for the County
Model or Case Study References	<ul style="list-style-type: none"> • Torpedo Factory – Alexandria, VA • Blue Star Arts Complex, San Antonio, TX • Artspace Projects, Inc. projects around the country
Alternative Strategies	<p>The strategic model for the development of The Armory Arts Project is community based and features a nonprofit developer. An alternative strategy to achieve the same end might be a more independent private developer model. An example of this strategic alternative is the Blue Star Arts Complex in San Antonio, developed by private developer James Lipschutz.</p>
Synergy with Other Initiatives	<p>The Armory Arts Project is most accurately characterized as a <i>Tipping Point</i> effort that builds on a number of recent community revitalization efforts and is currently surrounded by a constellation of supporting and aligned efforts including:</p> <ul style="list-style-type: none"> • Development of the Grand River Arts Walk • Companion Redevelopment of National Guard Armory (original 1839 prison, grounds and granite wall) located adjacent to the Project • Downtown streetscape efforts • Fitness Council's Walkable Community efforts • Arts & Culture Alliance's Public Art Program and Cultural Planning Efforts • Development of Mechanic St. Arts Corridor • Revitalization of Partnership Park Neighborhood adjacent to downtown • Restoration of the historic downtown Train Depot • Downtown Residential Loft Development efforts • Redevelopment of the Hayes Hotel • Demolition of the former Consumers Energy Building/development of urban arts-oriented urban mall.
Marketability or Buy-in Potential	<p>From the very beginning of the development of the Armory Arts Project concept, we consciously worked to engage a broad cross section of the community as reflected in the highlights included under our timeline above. We refer to this approach as the "half-baked cake". As we worked our way through the various sectors and groups within the community looking for their engagement and buy-in, we presented them with a "half-baked cake" - a balance between having enough of a feasible plan in place to be taken seriously (and to secure predevelopment dollars, essentially risk capital) without giving the impression that there was no room for input, adjustment and modification. This approach served us well. As the Project has quickly moved from vision to approaching reality, we have continued to keep</p>

	<p>everyone informed and engaged. We have also very consciously strived to make the Project as visible as possible not only within the community but around the state. The purpose is to force our entire team to sustain the excitement and momentum. In the addition to the Armory Arts Project, our partner and developer Artspace Projects, Inc. is engaged in projects in several other states. We believe the high visibility of the Project works to make it a priority for them.</p>
<p>Risk Factors</p>	<ul style="list-style-type: none"> • Existence of a deep Artist tenant market • Proximity to that market • Viability and suitability of the particular buildings, site and location for the intended uses • Ability to finance the project in a way that will ensure that it will be self-sustaining • Community leadership • Community support and buy-in
<p>Supporting Documentation</p>	<p>Full description of project, related newspaper articles, selected photos of existing buildings and selected concept renderings available at www.enterprisegroup.org. Click on Armory Arts Project.</p>
<p>Success Factors</p>	<p>At this point, we believe that our ability to move the Project forward can be attributed to:</p> <ol style="list-style-type: none"> 1. Community readiness as evidenced by increased investment of time, talent and dollars in revitalizing the community as well as the existence of critical pieces of organizational infrastructure including The Enterprise Group of Jackson (economic development umbrella for the County) and the new Arts and Culture Alliance of Jackson County. 2. Deliberately seeking out members of the Arts and Cultural sector of our community as partners and advisors. This includes artists, nonprofit arts and cultural organizations, for-profit arts and entertainment businesses, historic preservationists, etc. 3. Being up front from the beginning about the intended outcomes - both quality of life and economic impacts with the emphasis on the economy. 4. Taking a hard yet open-minded look at our community's unique assets even those historically perceived as liabilities (abundance of old vacant industrial buildings, 1839 walled prison, etc.) 5. Seeking out and learning from the successes and failures of communities around the state and country. 6. Engaging a wide range of community stakeholders from the beginning. 7. Developing a solid plan for financial and programmatic sustainability. 9. Launching the effort from that economic development platform (The Enterprise Group of Jackson rather than an arts platform.) 10. Identifying an individual (Project Director/Champion) who can concentrate full-time on the effort. 11. Financing the Project in a way that avoids putting a millage or bond issue before the voters or launching a capital campaign, both of which would have failed in the current economic environment.
<p>Tactic and Action Plan</p>	<p>Project Timeline/Action Plan Highlights:</p> <p>2002</p> <ul style="list-style-type: none"> • The Enterprise Group of Jackson hired Neeta Delaney as Project Director to lead the effort • Concept development (researched efforts in over 25 communities around the country) • Preliminary artist tenant market study • Preliminary Business Plan • Town Hall meetings to engage the community • Focus groups (artists, arts organizations, governmental, civic and financial leaders) • Presentations to City Council, DDA, Chamber, Planning Commission, County BRA, service clubs, etc. • Preliminary Assessment of Project Feasibility by Artspace Projects, Inc. • Fundraising for Predevelopment Costs • Formal 6,500 person artist tenant market survey • Phase I and Phase II environmental assessments on property • Predevelopment agreement between Artspace and The Enterprise Group of Jackson • Donation of the property to Artspace Jackson, LLC from The Weatherwax Foundation

	<ul style="list-style-type: none"> • Initial meetings with Michigan State Housing Development Authority to discuss low income tax credits • Initial meetings with State Historic Preservation Office to discuss historic preservation tax credits • Initial meetings with MEDC • Initial meetings with Great Lakes Cap Fund <p>2003</p> <ul style="list-style-type: none"> • Historic research on buildings and apply for national and local historic designation • Hire architects McIntosh & Poris • Develop Site Plan • Meet with potential nonprofit and for-profit tenants for input and to gauge interest • Continued predevelopment fundraising • Ongoing meetings with MSHDA and SHPO • Low Income Housing Market Study • Establish partnerships with Community Action Agency and LifeWays for empowerment programs for artist tenants • Fund raising for development dollars – total costs of \$10.6 million <p>2004</p> <ul style="list-style-type: none"> • Select General Contractor • Secure Brownfield SBT Tax Credits • Hire civil Engineer • Site plan rezoning approval • PILOT approved by City • Apply for MSHDA Low Income Housing Tax Credits • Secure remaining funding - close • Demolition and environmental clean-up • Issue RFP for commercial tenants • Rehab to begin in Fall <p>2005</p> <ul style="list-style-type: none"> • Construction • Lease up of residential tenants • Move in of residential and core commercial and nonprofit tenants late 2005
Notes	