

**PRESERVING  
& CREATING  
SPACE FOR  
ARTS & CULTURE IN SEATTLE**

Cultural Overlay  
District Advisory  
Committee



## **Preserving & Creating Space for Arts & Culture in Seattle**

Final Recommendations

Cultural Overlay District Advisory Committee

Submitted to Seattle City Council on April 30, 2009

**"You never want a serious crisis to go to waste. This is an opportunity to do things you thought you could not do before."**

– Rahm Emanuel, chief of staff to President Barack Obama

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## A Vision

In 2008 the sudden purchase and repurposing of Odd Fellows' Hall on Seattle's Capitol Hill made homeless dozens of arts organizations and continued a trend of artists and their organizations being pushed out of neighborhoods due to escalating real estate prices. The loss of this and other spaces is devastating for a neighborhood that relies on arts for creating community, providing education, and driving creativity and beauty. But there is more to the story.

Seattle competes nationally and globally as a city, and to do so relies on one of the most highly educated and artistic populations to be found. Latest theories in urban planning strongly suggest a correlation between livability and a city's ability to maintain healthy commercial cores and attract work force, businesses, and residents. For more than 40 years arts and entertainment have been drivers in our region's development. Our unique cultural assets stimulate the local economy through commerce, job creation, retail traffic, and neighborhood development. Many studies have confirmed the value and return on investment that cultural investment has given back to its community nationally (Americans for the Arts) and regionally (Arts Fund/Creative Vitality Index). Studies in 2005 by the Urban Institute, working with Leveraging Investments in Creativity (LINC) verify this, both nationally and locally.

In May 2008 Seattle City Council members Nick Licata and Sally Clark recognized this crisis and worked with other Council members to commit resources to finding solutions the city could undertake to ease the loss and ensure the arts and

culture remain a vibrant component of Seattle's vitality and livability. The Council appointed a committee of citizens representing the arts, development, business, non-profit, and finance to investigate the root of the problem and to recommend actions for the City to consider. The Council named this committee the Cultural Overlay District Advisory Committee (CODAC). CODAC used Capitol Hill as the pilot neighborhood to identify specific problem causes and solutions within a tight geographic area. CODAC, however, continued to stress the citywide need for solutions and to stress the individual character of the City's diverse neighborhoods.

While we have previously implicitly relied upon arts and culture both contributing to livability and serving as an integral input to overall economic growth, that can be taken for granted no longer. In 2008, the Urban Land Institute named Seattle the number one real estate market in the nation, while Americans for the Arts identified Seattle as the number one city as measured by artists and arts organizations per capita. This combination points toward a high correlation of artists and arts organizations per person, with relatively unaffordable real estate for them to be able to survive. Over the last few years, these pressures have mounted to displace key cultural institutions, organizations and individual artists across Seattle. The recent economic downturn, far from reversing this trend, has exacerbated it. As the larger economic environment deteriorates, funding is consistently being cut for arts and culture, both directly (grants, earned revenues) and indirectly (donations, sponsorship).

These challenges, however, create opportu-

nity. Recent community events (January 2008, April 2008) have brought together hundreds of stakeholders including artists, retailers, architects, developers, small businesses, non-profit organizations, residents, and entertainment organizations. These stakeholders, far from being in conflict, are united in their desire to produce and preserve arts and entertainment space. Private development has, thus far, not been able to accomplish this. Markets, while efficient, are not perfect—they tend to emphasize short-term gains over long-term sustainability and health, a balance that can be rectified by government, not only for reasons of social equity but to optimize economic outcomes over the long term. There are numerous long-term external costs and benefits that accrue to the community: but these costs and benefits are not just cultural, they are also economic. These factors can and must be mitigated with innovative public policy.

This issue for the arts and cultural organizations is exactly analogous to issues that have faced historic preservation endeavors, affordable housing lobbies and sustainability initiatives (such as curbing CO2 emissions). While the external benefits are hard to quantify, we know they're there. Cities with thriving cultural hubs attract more residents and more desirable businesses over the long term. Many communities have sought to institutionalize this opportunity by creating different types of cultural incentives and policy tools, often coming in the form of cultural districts that preserve and produce arts and cultural spaces. The list is long, and includes New York City, Philadelphia, Los Angeles, Cleveland, Columbus, and many others.

The vision of a cultural district is a defined, limited geographic area within a neighborhood. Inside this area, developers would be able to access incentives that would allow for the creation of permanently affordable space for designated cultural uses. CODAC proposes a district model that would integrate with existing planning processes, including neighborhood planning, neighborhood councils, and existing overlays, incentives and other zoning tools that are in place or in process in the neighborhoods (including affordable housing and historic preservation).

Our vision addresses the growing concerns about long-term affordable space for arts and culture organizations, and creates a dynamic neighborhood and economic development strategy for the city in this challenging financial hour. The CODAC vision is driven by community demand for urban development tools that will empower us to build on local cultural assets, invest in creativity and reward efficient collaboration on a neighborhood scale. By leveraging the unique character of the cultural economy, this cultural district approach can create measurable, sustainable outcomes that would enhance the current vision for the future of Seattle.

**"Whenever and wherever societies have flourished and prospered rather than stagnated and decayed, creative and workable cities have been at the core of the phenomenon..."**

**— Jane Jacobs**

## Introduction: Urgent Action for the Arts

In July 2008, the Cultural Overlay District Advisory Committee (CODAC) was convened by members of the Seattle City Council in response to the urgent need to act on issues involving the rapid loss of arts-related spaces and activities on Capitol Hill and to devise creative ideas for long-term promotion and preservation of arts and cultural activities and spaces in Seattle neighborhoods.

The committee members expressed the interests of artists, art and cultural organizations, neighborhoods, business and real estate owners, real estate professionals, city and county government, and finance professionals. Thus, it represented a unique bridging of cultural needs with public and private interests.

CODAC's vision addresses the growing concerns about long-term affordable space for arts and cultural organizations, using arts and cultural space as the vehicle to create dynamic neighborhoods and as an element in an economic development strategy for Seattle in this financially challenging time. The CODAC vision is driven by community demand for urban development tools that will empower Seattle to build upon its local cultural assets, invest in creativity, and reward collaboration on a neighborhood scale.

Within each cultural district, an array of tools would be made available to all the creation of new arts & culture spaces, and the conservation of existing spaces. Creation or designation of the cultural districts would be done through the work of integrating existing planning processes into an arts & culture 'brand'.

By giving neighborhoods and small, commu-

nity-based arts and cultural organizations a strong say in the decision process, the resulting arts and cultural community will then have greater control over its own destiny, in part because of the reliable availability of spaces for arts and culture. By leveraging the unique character of the cultural economy, this cultural district approach can create measurable, sustainable outcomes that would complement the City's broader vision for its future.

### Context

Seattle has already made the case for arts and culture. It is nationally recognized for its flourishing arts and cultural life. The number of arts and cultural spaces and facilities that exist in Seattle is large, and there is a sophistication in the variety of types of artist living and working spaces available, many of which the City has participated in as a funding partner.<sup>1</sup> Seattle has recognized the long-term benefits that accrue to the community, culturally and economically, through the availability of space for arts and culture to thrive. This is analogous to other issues of collective societal benefit, such as historic preservation or curbing CO<sub>2</sub> emissions.

And yet, even so, artists are still lacking space to live, work, rehearse, and perform or present in Seattle. With the sale of the Odd Fellows Building and the closing of the Capitol Hill Arts Center (CHAC) within the past year, there has been a loss of two major performing and presenting spaces in the neighborhood, and as many as 40 performing ensembles or arts-related groups. Another 42 artist organizations occupying a federally (GSA)-owned building in the Georgetown neighborhood are currently

1. The City of Seattle also has a history of creating public space for the arts. That legacy now includes the Langston Hughes Performing Arts Center, the Hiawatha Community Center, arts uses at the redeveloping Magnuson Park, the Seward Park Clay Studio, the Green Lake Bathhouse Theatre, and Spectrum Dance Theater.

The vision of the CODAC is to create cultural districts to preserve existing space for arts and culture in Seattle's neighborhoods, and to encourage the development of new cultural spaces.

2. Research for the Pike/Pine neighborhood conservation study showed that each facility was home to approximately twenty arts organizations, so there is a potential loss of as many as 40 arts organizations.

pondering an uncertain future in that building.<sup>2</sup> This need for space is a critical one for artists, and it exists in various levels of urgency in cities across the country, and throughout the developed world. In Seattle, there are currently disincentives to retaining or creating cultural spaces. The real estate market and the cost of operating an arts or cultural facility are now beyond the grasp of many smaller community-based arts and cultural organizations, as well as individual artists.

One of the main roles of government is to intervene for the greater good of the public, for reasons of social equity and also to optimize economic outcomes over the long term. The external benefits of arts and culture to a city are hard to quantify but we know they're there: cities with thriving cultural hubs attract more residents and more desirable businesses over the long haul.

There is a fragile nature to artist space, here and in many "over-successful" (i.e., expensive) cities — New York, San Francisco, and Boston, to name a few. In these successful cities artists are displaced when real estate values and development pressures increase.

If arts and culture are to continue to thrive and grow in Seattle's neighborhoods, provisions for space (living, working, presenting and performing) must be made, because, just as in the aforementioned cities, the market is not providing these types of spaces at an affordable cost.

CODAC wishes to protect against the loss of these types of affordable arts and cultural spaces, as well as the impacts of such a loss to

the community and the city at large. The goal of CODAC is for Seattle to retain the essence — the heart, the soul, and the character — of our city.

## Findings

The committee identified the following seven findings to be considered in preserving and creating affordable arts and cultural space in Seattle, and on Capitol Hill in particular:

### 1. There is an organic quality to arts and cultural spaces.

The density of artists living and working on Capitol Hill is essential to the Zeitgeist of the neighborhood. Its high residential density, combined with its diversity of people and of land uses, yields a proximity of thousands of different uses within a small walking radius. These stimuli are necessary to a thriving and creative urban environment. Further, the proximity of arts-related living and work/performing spaces to each other allows for the social, intellectual, and cultural exchange that is part of the ecology of arts and culture-related neighborhoods.

The arts in the Pike/Pine portion of Capitol Hill have grown 240% between 1991 and 2008, from 59 to nearly 200 arts-related businesses in the neighborhood.

### 2. Cultural "space" is an element of the infrastructure of the city. Therefore, there is a need for a systematic (as opposed to piecemeal) approach to providing affordable and stable space for arts and culture.

The infrastructure that supports cultural space is:

- physical (boundaries, access, proximity, critical mass, compatibility)
- political (technical and financial support, policy, regulatory)
- organizational (foundations, management, research, outreach, information, advocacy, coordination and networking).

Creative infrastructure would provide the connectivity to build the interlocking and inclusive environment that would permit arts and culture to thrive.

### 3. Neighborhood or community arts and cultural spaces need to be relatively cheap. Older buildings seem to fit the bill.

Artists' annual earnings are frequently well below the national median income, and are often not distributed in regular paycheck form. Thus, rent increases for housing and for work spaces are often difficult for artists to absorb.

There is a wealth of early twentieth-century masonry and concrete-frame former industrial buildings on Capitol Hill. These buildings are part of the intrinsic character and culture of this neighborhood. Their age and condition makes them, mostly, within the range of affordability for artists. Many of these buildings also appear to meet the spatial needs for artists. (See Finding 4, below.)

Gentrification is occurring with older, adaptable, cheaper, rentable buildings being replaced by newer, less adaptable, more expensive con-

dominium buildings.

### 4. Performing and presenting arts have specific space requirements.

Artists have specific space needs, for example: large spaces, open floorplates, broad spans, tall ceiling heights, loading facilities, and wide corridors. Visual artists require generous natural light, and performing spaces require a "black box," where outside light can be sealed off. Resilient, sprung wooden floors are optimal for dance and theatre stages.

76% of the buildings in the Pike/Pine neighborhood are more than 60 years old. Several of these buildings are home to arts-related businesses.

An inventory of available arts spaces would provide information on the current capacity of arts spaces, by type. The City of Seattle's Arts Resource Network provides some information on studio, live/work, performance and rehearsal space, but it is admittedly not comprehensive or adequately maintained, and not taking advantage of the latest technology.

### 5. Arts and culture contribute to the local economy, citywide and at the neighborhood level. However, the economic value is difficult to quantify.

Cultural spaces are anchors that attract people and contribute greatly to the economic vitality of their neighborhoods. Cultural spaces are often the drivers of increased retail traffic, higher property values and tax revenue, and,

most importantly, better social health and quality of life. Entrepreneurs are often drawn to such creative and sophisticated markets. The establishment and development of cultural spaces is an organic long-term process that is inseparable from the growth of a neighborhood. Cultural spaces can be swiftly eliminated and, once gone, cannot be recreated. Citizens of Seattle, including property owners and developers, have made it clear that they value cultural spaces in their neighborhoods and consider them an important public benefit.

The value of arts-related businesses to a neighborhood or community is acknowledged and recognized, but difficult to quantify, because creative industries do not follow traditional business models.

Although the economic value of the arts is acknowledged, natural market forces will never close the gap between the arts' cultural and economic value and their actual dollar return on investment.

Artists and cultural organizations do not traditionally develop partnerships with those who own or control use of public or private property, with sources of capital such as charitable foundations and corporations that donate to the arts, or with those with knowledge about other projects and needs that may provide opportunities for collaboration. Arts organizations do not necessarily know about transactions that may threaten current leases. Arts and cultural activities are often chronically under-capitalized, and the artists and organizations are not customarily experienced with complex real estate, finance, and development decisions. Because of

this, arts and cultural organizations must often live with a constant threat of a rent increase, or an actual eviction. In such cases, the shift of arts and cultural organizations to a new space can be chaotic, or may simply not occur.

**6. There are currently disincentives to retaining or creating cultural space. Some of these are inherent in the real estate market, and others can result from regulatory requirements. These disincentives appear to be inconsistent with neighborhood policies to preserve neighborhood character.**

There are fundamental cost barriers such as land cost, construction costs, tenant improvements, and utility connection fees that are prohibitive for arts organizations, which are generally low and moderate income uses.

In addition, disincentives exist in regulatory requirements for cultural uses. Costs associated with permit processing, and some regulations add costs to projects that result in higher per-square-foot cost. While regulations to protect life safety, such as fire exiting and seismic upgrade requirements are important, there is no technical assistance available to help provide lower-cost options for meeting these regulations when arts uses attempt to remodel older structures.

Construction costs to implement some of the potential density bonus incentives are prohibitive because more expensive construction types are required once certain height thresholds are reached.<sup>3</sup>

These factors are all visible in the Capitol Hill

3. The incentives and finance subcommittee reviewed information from a "live" project (Capitol Hill Housing's 12th Avenue Seattle Police East Precinct parking lot site), discussed common values, and then decided upon a menu of three incentives from each of the three categories (nine in total) that could be used by a qualified community in a cultural overlay district. An expert real estate financial consultant, Greg Easton, performed analysis. See Appendix I for details of this analysis.

neighborhood. Disparate ownership of buildings on Capitol Hill, and different interests on the part of building owners, prevent economies of scale to occur, such as subsidizing of one space by another.

In light of zoning regulations on Capitol Hill, and Building Code requirements, developers may see a greater return on investment by demolishing existing older buildings and building new mixed-use residential buildings to the maximum zoning allowable.

Property owners and developers with knowledge about prospective projects are not necessarily aware of the crisis of losing arts space or the value that arts spaces can provide to their projects and the surrounding neighborhood. They also do not have a contact person to alert them about potential collaborations. Arts organizations do not have an advocate or facilitator available to help them navigate the complex real estate development process or package incentives for cultural uses.

#### 7. Existing land use incentives are not sufficient, and land use incentives alone cannot solve the problem.

Except in downtown zones, existing incentives are not applicable to arts space as arts space, only when arts space is part of another goal such as historic preservation, multi-family housing, or low-income housing.<sup>4</sup> Downtown Seattle has special TDR for historic theaters, Benaroya Hall, and the Olympic Sculpture Park)

Rules do not encourage preservation of older properties unless they are designated as 'historic'.

Incentives are a land use or regulatory specialty not easily accessible to artists or arts advocates. Many stakeholders do not know what incentives are already available.

There is no process to review proposed public capital projects and provide the opportunity to examine the potential for inclusion of cultural spaces.

#### We make these recommendations while keeping in mind:

The recommendations included in this report acknowledge the economic value of the arts to Seattle. *Where arts & culture drive the economy of a neighborhood, as they do in several of Seattle's neighborhoods, investing in arts & cultural space is an investment in the local economy, as well as an investment in quality of life.*

Even though we recognize there is a changed economic climate due to the deep recession that is gripping the globe, Seattle must still compete for the kinds of people that make a city strong and vibrant. Also, the current recession may give some breathing room for careful consideration of the problem, as it pertains to real estate prices and scarcity of space. A slower real estate market may be an opportune time for action, as Toronto discovered in the mid-1990s.<sup>5</sup> And, as has been noted so often in the past several months, "You never want a serious crisis to go to waste. This is an opportunity to do things you thought you could not do before."

4. Downtown Seattle has special TDR for historic theaters, Benaroya Hall, and the Olympic Sculpture Park.

5. "Imagine a Toronto... Strategies for a Creative City", 2006.

TICKETING & TRAINS

TICKETING & BAGGAGE



## Summary of Recommendations

CODAC is recommending that the City of Seattle take action in six broad categories, to help preserve and create affordable arts and cultural spaces. (These recommendations are presented in greater detail for implementation in the next section of this report.)

1. Allow for the creation of designated cultural districts within Seattle's neighborhoods, to preserve and enhance space for arts and culture to thrive in local communities.
2. Allocate a staff position as a district cultural manager, to work specifically with cultural districts, and be a liaison with other City departments, community organizations, and cultural agencies.
3. Use existing City processes, such as incentives and regulations, and create and re-imagine these tools and processes under a cultural space 'brand'. Regulatory relief, financial incentives, and land use incentives are the basic tools to be used.
4. Provide technical assistance to ensure the most effective use of these tools.
5. Conduct outreach and build awareness about how neighborhoods can provide arts and cultural space to encourage economic sustainability, express community identity, provide community building through participation in the arts and culture, and enhance overall quality of life.
6. Develop partnerships with organizations, foundations, government agencies, institutions, and individuals. Identify and pursue those potential partnerships with aligned goals, mutual support, and advocacy to achieve success.

## Recommendation #1:

Allow for the creation of designated cultural districts within Seattle's neighborhoods, to preserve and enhance space for arts and culture to thrive in local communities.

## Recommendation #1

Allow for the creation of designated cultural districts within Seattle's neighborhoods, to preserve and enhance space for arts and culture to thrive in local communities.

Identify incentives that are specific to cultural districts, as well as those that could be applied to any cultural facility anywhere in the city.

### Cultural Districts

#### 1. Create cultural districts to serve as an economic development strategy for neighborhoods:

- a. "Arts and culture" are intrinsic to each neighborhood, and grow organically from it. The vision of a cultural district is to first define a limited geographic area, which may be a neighborhood, or a portion thereof. Inside this area, developers would be able to access incentives that would allow for the creation of permanently affordable space for designated cultural uses. This district model would integrate with existing planning processes, including neighborhood planning, neighborhood councils, and existing overlays, incentives and other zoning tools that are in place or in process in the neighborhoods (including affordable housing and historic preservation).
- b. Provide programs and incentives to lower the development and/or operating costs of projects in an established cultural district that contains eligible cultural uses. The process of creating a district should include sufficient added value to a project as an incentive to the developer. Project incentives will yield

specific public benefit as measured by economic development outcomes, livability and safety outcomes, and the positive effects of arts and culture in a community.

- c. Use Capitol Hill as a model for other potential cultural districts in the city, and expand the program to include cultural districts throughout the city. CODAC was convened specifically in response to the loss of arts-related spaces and activities on Capitol Hill. Capitol Hill is an excellent case study for creating an arts & culture district, because it is an 'urban center' neighborhood that is already attractive to arts & culture, has strong social fabric, has a thriving arts community, and is now encountering real estate development pressures that make low-cost space for arts & culture less available. By using a cultural district on Capitol Hill as a pilot, the program can be developed and refined for future districts.

#### 2. Set a geographic boundary:

The cultural landscape and the urban context are inextricable, and nowhere is this more true in Seattle than on Capitol Hill. Using the Capitol Hill/First Hill Urban Center as a boundary line, the committee wishes to focus upon several key spines or corridors where cultural and artistic activity takes place and should be emphasized. Thus the CODAC study area for a pilot incentives program is Capitol Hill. CODAC has identified three primary spines within its study area: Broadway (from Union Street to Aloha Street), 12th Avenue (between John and Jefferson streets), and the Pike/Pine district (between Boren Avenue and approximately 14th Street).

The boundary would reach to the borders of the Central District and the International District. This broad boundary ensures that land use and/or zoning issues, such as the transfer of development rights, could be addressed within one geographic area, while focus can be maintained on the existing and emerging spines of arts and culture. (A map of the proposed boundary for the Capitol Hill cultural overlay district is included as Appendix N to this report.)

CODAC members discussed the need to create scarcity through the designation of cultural districts. Scarcity adds value to the incentives offered within the district; it also allows a measure of selectivity in the designation of cultural districts. This selectivity appears to be consistent with other notions of what is necessary in an arts and cultural district, namely, a dense concentration of fine-grained buildings and spaces, including cultural uses, an environment that is attractive for social gatherings, is well served by fast and frequent mass transit, is pedestrian-friendly, and is conducive to daytime as well as evening cultural offerings, as witnessed by a high density of people on its streets and sidewalks day and night. While it is not possible to predict which areas of the city make the most sense for arts and cultural districts, it might be most useful to observe the success of the Capitol Hill cultural district, and expand the program slowly, giving priority to other urban centers and hub urban villages that have sufficient critical mass and high density (or potential for it) to embody the type of environment described above.

### 3. Integrate with existing planning efforts:

a. This includes the comprehensive plan, neighborhood planning updates, streetscape plans, commercial district plans, institutional plans, and station area planning (where appropriate). Integration would be overseen by the district cultural manager. (See recommendation #2.)

### 4. Designate districts through the neighborhood planning process:

a. Designation of future districts could be by representative neighborhood organizations during the neighborhood planning updates, or could build upon the cultural component of existing neighborhood plans. Currently, 24 of 36 adopted neighborhood plans contain goals or policies pertaining to arts and culture. A list of neighborhood plans with cultural components, and their goals and strategies, are in Appendix E.

Adoption of neighborhood plans by City Council would effectively grant the official designation of the cultural district.

### 5. Form a non-profit corporation to manage the cultural district:

a. CODAC recommends that a City staff person be allocated to support the start-up and maintenance of the cultural district program (see recommendation #2). Initially, recognized neighborhood organizations and groups, such as community councils and chambers of commerce, will be involved in the creation and incubation of each cultural district. Ultimately, however, we recommend

that a non-profit organization be formed for overall management, marketing, financing, and fundraising. There are already models for this, including business improvement areas, community development corporations and public development authorities. (See recommendation #3.)

- b. Other potential models for district management include community partnerships for local district management, using, for example, by creating a business improvement area, or working with neighborhood chambers of commerce to manage the district.
- c. Community partnership models for management also exist, including, for example, the organization component of the Main Street "four-point" approach.<sup>6</sup>

**6. Provide effective incentives:**

- a. Integrate cultural districts into existing city policies, plans and processes.
- b. Make land use and building code changes, including upzones, density bonuses and transfer of development rights (TDRs) for cultural developments.
- c. Make financing incentives available such as financing to clean up polluted sites (brown-fields) and expansion of the Office of Economic Development (OED) financing programs.
- d. Provide regulatory incentives such as tax abatement, expedited permitting, reduced city fees, and relaxation of parking requirements for arts and cultural spaces.

- 7. Have enough flexibility within the City's regulations to allow for certain of the incentives and financing programs (listed in recommendation #3) to apply to individual cultural space projects that are outside of a designated cultural district.

6. The National Main Street Center, a division of the National Trust for Historic Preservation, uses a four-point approach to revitalization of neighborhood commercial districts: organization, promotion, design, and economic restructuring. More information can be found here: [The Main Street Approach](#)

## **Recommendation #2:**

**Allocate a staff position as a district cultural manager, to work specifically with cultural districts, and to be a liaison with other City departments, community organizations, and cultural agencies.**

## Recommendation #2

Allocate a staff position as a district cultural manager, to work specifically with cultural districts, and to be a liaison with other City departments, community organizations, and cultural agencies.

This staff person should be responsible for coordination with all existing overlays and districts (pedestrian, station area, major institution, preservation, conservation) and neighborhood plans, and integration of cultural overlays with the comprehensive plan.

### District Cultural Manager

Based on CODAC's first set of recommendations issued last September, the City Council adopted a Statement of Legislative (SLI) intent as part of the City's budget. The SLI (#94-2-A-3) stated the Council's intent that the "Executive create and fund an Arts Liaison position to be hired in the second half of 2009". The Executive's response to the Council is due on June 1, 2009. Recommendation #2 provides more guidance from CODAC about the proposed functions of this position.

#### 1. In order to implement CODAC's recommendations, name a staff person within Seattle city government to assist neighborhoods to:

- identify their culturally significant land uses;
- preserve the cultural amenities that make the neighborhood attractive;
- educate citizens, property owners, and developers on the importance of the arts and

cultural community to property values and neighborhood character;

- be knowledgeable of tools and incentives for retaining arts and cultural spaces and developing new ones.

- a. Work across City departments and in coordination with other planning efforts.

A cultural district staff position should be created and charged with working cross-departmentally between the Office of Economic Development (OED), the Department of Neighborhoods (DON), the Mayor's Office of Arts and Cultural Affairs (MOACA), the Seattle Arts Commission, the Department of Planning and Development (DPD), and the City of Seattle Office of Housing. The district cultural manager should assist in building neighborhood cultural identity, establishing cultural districts, helping neighborhoods work with City departments, facilitating the process of district designation, and promoting the use of district incentives by developers.

The staff person would work in conjunction with transit station area planning and design efforts, neighborhood plan updates, neighborhood and district councils, and other planning efforts, and would coordinate different programs to leverage public and private investment.<sup>7</sup> The staffer would spend significant time working in partnership with DPD, to help manage this integrative approach.

#### 2. Create a full-time staff position, housed within OED.

It is likely that a full-time position could be

7. The approach will look slightly different in each community, as communities organize differently: some contain chambers of commerce, neighborhood councils, and other mainstream bodies, while others (such as immigrant and refugee communities) may organize through neighborhood public development authorities (PDAs), community development corporations (CDCs), or informal groups.

created with funding from multiple departments. The position might be a new one, or could be a reassignment of duties for an existing position. Training and staff development would be necessary before the program could begin.

Working to retain and secure space for the arts and culture comes down, ultimately, to working with real estate development and economics. Thus, it is no surprise that the cultural development offices for cities such as London, New York and Toronto are housed within those cities' economic development offices. CODAC recommends that the staff person be housed within OED, although other locations are possible. The cultural district manager could be responsible specifically to:

- Work with DPD to finalize and implement incentives and financing tools, as well as regulatory changes.
- Work with DPD to create the overlay district structure.
- Work with DPD and DON to integrate CODAC's recommendations into current neighborhood plan updates, station area planning, and existing overlay districts.
- Work with OED on leveraging arts and culture as a means of neighborhood driven economic development and job creation.
- Within the OED, work with the Office of Film and Music to weave CODAC's recommendations more closely into the Office of Film and Music's 'Seattle City of Music' initiatives and incentives (e.g., admissions tax exemption,

see Appendix H) to accomplish a shared for Seattle's cultural future.

- Work with MOACA on understanding the broad arts and culture landscape, and how the arts can best be connected to other city initiatives.
- Work with MOACA's civic partners to ensure widespread awareness of the City's adopted cultural and arts space vision and recommendations.
- Work with DON to make sure that district and neighborhood councils are aware of these recommendations, understand their value, and can begin to integrate them into their own programs and projects.
- Work with OPM and City Council central staff to ensure alignment of work and priorities and measure outcomes
- Work to support the 4Culture<sup>8</sup> real estate task force. (See recommendation #4.)
- Seek partnerships to development a web-based tool for artists to search for live, work, studio, rehearsal, or performing spaces. This would replace existing sites on the City's website.
- Through neighborhood and district councils, and neighborhood service centers, assist neighborhoods in the development of their cultural planning for space needs, as well as implementation and funding. This could also include grant applications and advocacy for funding from non- City Of Seattle resources.

8. 4Culture is the cultural services agency for King County, providing programs, financial support and services in the arts, public art, heritage and historic preservation for all residents and visitors in King County.

### 3. Develop a two-year work plan.

#### First Year:

1. Develop and refine the policy and framework for incentives and overlays with DPD and the CODAC team.
2. Outreach and work closely with current neighborhood planning updates near new rail stations (North Beacon Hill, North Rainier, and MLK@Holly).
3. Make presentations to select district councils and arts communities, making sure to reach: Capitol Hill (including station area, Broadway Action Agenda, PPUNC), Central District, International District and South Lake Union.
4. Make presentations to arts organizations through a variety of forums ranging from workshops, conferences, participation in arts membership organizations and with executive directors and staff.
5. Reach out to individual artists through Artist Trust, 4-Culture, MOACA, and web-based forums.
6. Emphasize job retention and creation as key components in the planning and development of neighborhood arts & cultural space.

#### Second Year:

1. Draft and implement the citywide incentives that are not tied to overlay districts.
2. Work with upcoming neighborhood plan updates.

3. Outreach more broadly across neighborhoods and cultural communities.

During the review of the 2009 budget last fall, the City Council adopted Statement of Legislative Intent #59-4-A-1, requesting a proposal for the reorganization of OED. The Council intent for the reorganization was to focus the mission of OED on "three primary policy areas: workforce development; business and neighborhood business district support; and film & music industry promotion". CODAC's recommendation for an arts liaison position meets all three of these goals, particularly if the emphasis on film and music is expanded to cover promotion of other types of art and culture.

### **Recommendation #3:**

**Use existing City processes, such as incentives and regulations, and create and re-imagine these tools and processes under a cultural space 'brand'. Regulatory relief, financial incentives, and land use incentives are the basic tools to be used.**

## Recommendation #3

Use existing City processes, such as incentives and regulations, and create and re-imagine these tools and processes under a cultural space 'brand'. Regulatory relief, financial incentives, and land use incentives are the basic tools to be used.

The CODAC study is focused on arts and culture, but these of course exist within the very fabric of the city. We recommend highlighting existing policies, programs, processes, and incentives, and repackaging them in a single place under the 'brand' of arts and cultural space.

While working within frameworks of overlapping and related studies and projects (such as neighborhood conservation, transit-oriented development, open space, and affordable housing), those who are charged with implementing the CODAC recommendations will be able to integrate the CODAC package into planning and capital programming and projects throughout the city.

### Create the Arts & Culture 'Brand' Through Integration of Programs, Policies, and Agencies

1. The foundation for cultural districts is in the cultural resources element of the City Comprehensive Plan. The comprehensive plan is a policy anchor for CODAC recommendations; we therefore recommend amending and clarifying the cultural resources element of Seattle's Comprehensive Plan to provide a policy basis and home for the cultural district program.
  - a. Immediate action must be taken on this recommendation; May 15, 2009 is the deadline for the next round of Comprehensive Plan amendments.
  2. Integrate with neighborhood plan updates (work with NPAC<sup>9</sup> and DON). This is an immediate opportunity for CODAC to request that arts and culture be a priority in neighborhood plans.
    - a. Neighborhood planning could allow CODAC to jump-start its recommendations. Include cultural resources information from neighborhood plans that demonstrates that communities want permanent cultural facilities in their neighborhoods, and work with neighborhoods that have similar priorities (such as a conservation district in Pike/Pine).
    - b. CODAC's proposed panoply of tools could become a resource or a form of assistance in the update to a neighborhood plan.
    - c. Add preservation and promotion of arts and culture as a criterion for deciding priorities for neighborhood plan updates. Twenty-four neighborhood plans currently mention arts and culture in their policies and/or goals (see Appendix E.)
  3. Integrate cultural overlay districts with existing overlay districts. Overlay districts allow land use changes in order to promote certain types of use. Within Capitol Hill, there are overlay districts for the Pike/Pine corridor as a neighborhood

9. 2009-10; begin coordination with Neighborhood Planning Advisory Committee now.

10. Seattle University's development program is of particular interest to the committee because of its current master plan update, in process, and its expressed desire to turn its campus outward to 12th Avenue and extend further east into the neighborhood.

commercial and pedestrian-oriented district, Seattle Central Community College and Seattle University<sup>10</sup> as educational institutions, and in the vicinity of the future underground rail station for high(er) density development.

4. Integrate with other City departments to promote and encourage arts and cultural space:
  - a. Office of Economic Development: lay groundwork early, perhaps during the period of reorganization (OED's reorganization recommendations report is due to Council by late June.)
  - b. Other City of Seattle departments: Parks and Recreation, Planning and Development, Transportation, Police (who own prime, underutilized real estate in the pilot area), Neighborhoods, the offices of Housing, Arts and Cultural Affairs, Fleets and Facilities, and the Seattle School District.

5. Information:

- a. Use existing arts organizations and artist and social networks to gather and disseminate information.
- b. Create and maintain an interactive information database of available arts and cultural spaces, to replace that currently on the City of Seattle's website:  
ActiveSpace and spaceFinder

Re-imagine Tools to Preserve and Encourage Space for Arts and Culture Activities

Relationship to Existing Plans and Policies

6. Create additional incentives to lower development and/or operating costs of building projects in order to preserve and create space for arts and cultural uses.

Those incentives would be concentrated in cultural districts but some tools should be available citywide to address unique opportunities. Existing City Comprehensive Plan policies and neighborhood plan policies all provide a policy basis for creating such incentives. (See Appendices D and E).

7. Add a cultural overlay district designation to the land use code that includes eligibility for land use and regulatory incentives, such as floor area ratio (FAR) and/or height incentives, and exemptions for arts uses from other standards.

The following forces affect the cost of space for artists and arts uses: cost per square foot for space whether to rent or to buy is affected by the cost of land, zoning, development costs, regulatory requirements, construction costs, operating costs and profit. CODAC members took each component of these cost factors and identified three categories of tools that would result in making space affordable for the arts:

- Land use incentives
- Regulatory relief
- Financial incentives

Within these categories, tools were examined as shown in Table 1 below.

In order to evaluate the effectiveness of these potential tools, CODAC members looked at a value equation that applied these tools in hypothetical situations on Capitol Hill. The members looked at the effect each of these tools would have in making affordable space available to arts uses. The members also examined the likelihood of the tool being used as a practical matter by developers. Some questions the members used in evaluating potential incentives included:

- Do the tools address financial and economic realities?
- Are the incentives practical for developers to use?
- Does the incentive add more "process," thereby increasing uncertainty and time for a real estate developer to complete a project?
- Would the incentive really make a difference in a developer's decision?
- How would the benefit of space for the arts and culture be "sold" to a developer?

Table 1: Matrix of Land Use and Financial Incentives, and Regulatory Tools

Land Use Incentives	Regulatory Relief	Financial Incentives
Cultural district designation and eligibility for incentives	Streamline and expedite permit process	City of Seattle <ul style="list-style-type: none"> <li>• City property tax exemption</li> <li>• City surplus property priority</li> <li>• City B&amp;O and square footage taxes</li> <li>• City levies</li> <li>• City permit fees</li> <li>• City bonds and loan guarantees</li> <li>• City Office of Economic Development grant programs</li> </ul>
Affordability criteria	Technical assistance with permit process	Federal tax credits
Density Bonuses <ul style="list-style-type: none"> <li>• Height and bulk</li> <li>• Floor area ratio</li> </ul> Transfer of development rights	Exemptions from parking requirements	Other non-profit and private financing models
Add arts uses to the allowable street-level activities in pedestrian and mixed-use projects.	Financial assistance to building owners for building improvements to meet new energy, environmental, and safety requirements  Street use, utility and transportation requirements	Brownfield redevelopment incentives

- Will the tool be in place as soon as possible so that cultural space will be developed in the near future?
- Does the incentive spell out measurable outcomes?
- Does the incentive “pencil out”?
- Does the incentive leverage existing incentives in place for historic preservation, housing, and high-density, mixed-use development near rail transit stations?

Members identified next steps and roles for bringing these tools into action. The potential tools, next steps and responsibilities are depicted in an implementation matrix, Table 2.

#### Land Use Incentives

#### 8. Within cultural districts allow for a variety of incentives to create affordable arts and cultural space.

Present existing incentives comprehensively and in an educational manner in order to make the opportunity for incentives clear to developers and to leverage the incentives with other incentives for other compatible city goals such as historic preservation, affordable housing, high-density mixed-use development near rail transit stations, conservation of older building stock that is not necessarily historic but which lends character.

#### 9. Establish affordability criteria for arts and cultural spaces.

Develop criteria that will help each cultural district determine the characteristics of affordability within each district. (The criteria can be applied to arts spaces citywide, as well.) Factors that the CODAC discussed included organizational budget, an income factor (below 50% of area median income is used by the City of Seattle for affordable housing programs), and an index of arts space rents. Use these factors to estimate an affordable monthly rent, either by arts group, or do by the type of space required.

The City Council is now considering amendments to the zoning in the Pike/Pine neighborhood, which were sponsored by Councilmember Tom Rasmussen. Pike/Pine is part of the Capitol Hill/First Hill Urban Center, and is regulated by the Pike/Pine Overlay District. The proposed changes to the zoning include several incentives for arts uses that are described below, and are described in detail in Appendix G.

Allow for regulatory flexibility and density bonuses within cultural districts:

#### 10. Height and bulk bonus

One of the identified dilemmas for workable incentives in the prototype Capitol Hill Cultural Overlay District is that many sites are already zoned for heights of 65 to 85 feet. Permission to grant additional height in exchange for the creation of arts and cultural space is not practical, because further height bonuses would necessitate more expensive construction methods and negate the value of the incentive. While a height bonus may not ‘pencil out’ in all areas of Capitol Hill, it should be made available.

In the proposed zoning amendments for the Pike/Pine neighborhood, mixed-use projects that include arts spaces would qualify for exceptions to the requirement that limits the square footage of building floors above a height of 35 feet.

### 11. Floor area ratio (FAR)

FAR determines the allowed gross amount of square feet in a building. CODAC recommends that additional FAR be granted to projects that include within them permanently designated space for arts and cultural uses. The specific FAR bonus to be granted would depend on the size and type of arts and cultural space to be provided: space might include but not be limited to studios, galleries, assembly space, and other arts or retail uses that allow public access. This incentive would exempt the space taken up by arts uses from the FAR limits, as is proposed in the Pike/Pine neighborhood.

### 12. Allow TDR programs within cultural districts outside of downtown.

Currently, TDR programs are only available in downtown. CODAC recommends allowing the sale of development rights from sites that are not developed to the zoned maximum, when the site includes permanent affordable arts and cultural space (this is called the 'sending site'). These additional development rights then allow a larger building to be built on the site that purchases the rights (the 'receiving site'). As is the case in downtown, each cultural district would need to specify a sending and receiving

area within the district or (by agreement) with another district. The receiving area would then be upzoned to permit larger buildings when development rights are purchased.

A consideration on Capitol Hill, and possibly within other potential cultural districts, is that some sites that can accommodate greater density and would be logical receiving sites (for example in the vicinity of rail transit stations) have already been zoned for additional development potential. It may be difficult to further upzone such sites, due to market demand, development costs and/or neighborhood resistance.

In addition, the City's Building Code requires more expensive steel construction for buildings that are taller than 75 feet. CODAC's evaluation found that the cost of increasing heights above 75 feet was generally not recouped until the building reached a height of 125 feet. It will likely be more difficult to find areas that can accommodate 125-foot tall buildings that can act as receiving zones for TDRs.

### 13. Add arts and cultural uses to the allowable street-level activities in pedestrian and mixed-use projects.

The proposed Pike/Pine conservation district includes incentives that are appropriate for cultural districts, including counting arts spaces towards the requirements for street-level uses on pedestrian designated streets. See Appendix G.

## "The greenest building is the one that's already built." — Richard Moe, National Trust for Historic Preservation

### Other Land Use Programs

#### Preservation and sustainability

Cultural amenities support demand for dense city living. CODAC recognizes the role that the arts play in building a sustainable city. CODAC recommends building upon programs that support sustainable solutions, such as the inclusion of an arts and culture facility in combination with a community center, an historic preservation project involving arts and cultural space, projects to retain neighborhood character and locally owned small businesses, and affordable housing projects including (or favoring) artists.

#### 14. Preserve low-cost older buildings.

One of the most effective ways to achieve permanent affordable space for artists, arts organizations and entertainment businesses is to preserve our supply of low-cost older properties. (Low-cost means the landowner can charge a lower rent in an older property than in high-cost new construction.). Even with incentives, there is no substitute for older space (either existing or created through adaptive reuse, such as at Youngstown Arts Center in West Seattle, which reused an old elementary school). No newly created space in a development project will be a complete substitute for what is lost in the development cycle.

Historic preservation and sustainability are aligning their interests, as witnessed by the 'green lab' pilot program that opened in Seattle in March 2009):

### National Trust Green Lab in Seattle

Supporting environmentally sustaining buildings and environments for arts and culture would align with City of Seattle and Obama administration priorities. Building on programs already in progress, and those just beginning (see paragraph above), could allow CODAC to jump-start its recommendations.

An example of recently constructed green cultural space was built in 2008 in Brooklyn: <http://www.galapagosartspace.com/green.html>

#### 15. Preserve locally owned small businesses.

Preserving locally owned small businesses is another facet of community sustainability. Independent and locally owned businesses reflect their community and culture, contribute to its unique flavor, and strengthen it through their contributions to civic and cultural life. Locally owned businesses also create business opportunities by keeping profits circulating within the local economy, supporting a variety of other local businesses.

Chain stores contribute far less to the local economy than do independent businesses. Most national chains prefer to deal with large manufacturers, and not with small or mid-size companies. Chain stores typically centralize these functions at their head offices. They keep local investment and spending to a minimum. They bank with large national banks. They favor national advertising. In this way, much of the dollar spent at a chain store leaves the community immediately.

**BECK'S**  
Imported from Germany

**LAGER BEER**

**PACIFIC**

Try Our  
**BEEF STEW** *Chili*

PHILIPPE'S Proudly SERVES...  
**DOLORES CHILI**

**CASH ONLY**  
ATM AVAILABLE

*Up*  
**COFFEE**  
Edw. A. Phelps  
LOS ANGELES



We reserve the right to refuse service to anyone.

There is evidence that chain store proliferation has weakened local economies, and eroded community character.

A 2004 survey of three Maine towns by the National Trust for Historic Preservation showed that, for chain retailers, only 14% of revenue taken in by the local stores is re-spent within the community. For locally owned businesses in the same towns, the re-spending rate was 54%, or more than three times as much as the chains.<sup>11</sup>

The strict formulas of chain retail store — store design and layout, employee dress, lighting and signage, and selection of merchandise — does not reflect the character and individuality of the community or neighborhood. This is especially true in arts and culture-based neighborhoods, where formulaic conformity is not valued.

Restrict formula retail and other businesses within cultural districts:

Formula business restrictions have been documented in twenty-one (21) U.S. cities.<sup>12</sup> San Francisco's typical approach has been to restrict chain retail and restaurants, through land use, zoning, or other regulation.

The successful methods that have been applied elsewhere are similar in that they focus primarily on preventing formula retail and fast-food outlets, and in that they do so through land use, zoning, or regulations. They include outright prohibition, prohibition in certain districts of a community, a cap on the number of formula-

retail establishments permitted, prohibitions on retail businesses exceeding a certain square footage, impact reviews, and neighborhood vote for approval of chain stores. There are also design requirements intended to foil the formula approach, by requiring an incoming store to resemble or operate like no other branch.

Encourage small, independent and locally owned businesses within cultural districts:

There are few examples of strong efforts to retain and encourage local small businesses, and these include tax deductions for employers, and "buy local" ordinances. San Francisco, which has the strongest formula retail restrictions of any large city, identifies all formula retail as a conditional use requiring a special permit.<sup>13</sup>

#### Regulatory Relief

#### 16. Streamline and expedite permit processes

The adage that time is money is apt when looking at ways to reduce costs for affordable arts and cultural space. By speeding the development approval process the cost of developing a project can be reduced with the savings contributing to more affordable prices for arts and cultural space.

There are two variations on this potential tool. One way is to find ways to streamline the permits by perhaps assigning a team to coordinate and facilitate permit approvals for qualifying projects. The other way is to put qualifying projects at the head of the queue.

11. National Trust for Historic Preservation: National Main Street Center

12. Institute for Local Self-Reliance: newrules.org

13. In San Francisco, conditional uses require a special permit, which means review and approval by the planning commission, a public hearing, and neighborhood notification. A neighborhood vote can prevent the formula retail outlet from acquiring the required permit, which has happened at least twice. Formula retail is banned outright in two neighborhoods (North Beach and Hayes Valley), and permitted outright in two others (Union Square and Fisherman's Wharf).

### 17. Provide technical assistance with permits and compliance

For qualifying projects, provide technical assistance to navigate the range of available land use incentives, potential ways to reduce code compliance costs, and assistance with negotiating reduced requirements. The city has at least two analogous programs: one is the assistance provided by the design review committees in the landmark process and the technical assistance available to developers of affordable housing.

### 18. Reduce parking requirements

Parking is a very powerful driver of cost for both housing and cultural spaces. City parking policies are already relaxed on Capitol Hill and other urban centers. Appendix J provides a matrix that shows the number of parking code options already available. This incentive should be expanded to all cultural districts within urban centers and hub villages, and also be applied in the case of public assembly projects such as small performance spaces and theatres in urban neighborhoods.

### 19. Energy and other environmental protection compliance assistance

Many of the properties in the potential Capitol Hill cultural district that are vulnerable to demolition pressures are older buildings. Compliance assistance may mean technical assistance with ways to achieve sustainability goals while also achieving affordable arts space. It might

also mean financial assistance to building owners for building improvements to meet new energy, environmental, and safety requirements

### 20. Street use, utility and transportation requirements

Examine City of Seattle requirements for the potential of costs savings from exemptions or reduction of requirements for qualifying arts and cultural use projects. A workshop involving city staff expert in these requirements, arts advocates, and knowledgeable developers might identify in a checklist of potential waivers or relaxed requirements.

### 21. Brownfield redevelopment incentives

Offer incentives for owners of polluted sites subject to environmental cleanup that would accomplish cleanup and creation of arts space. A model to be considered is that used when the former Unocal fuel terminal on Seattle's downtown waterfront was sold to the Trust for Public Land and then transferred to the Seattle Art Museum for the Olympic Sculpture Park. Provide technical and financial assistance to help remediate the cleanup, in exchange for the cultural uses.

#### Financial incentives/support

CODAC members explored a wide range of financial incentive programs. The ideas included in this report are those with the most potential in the current economic situation of a recession. Meeting notes included in the Appendices

14. See Appendix Q

to this report<sup>14</sup> include a comprehensive list of ideas. CODAC looked at financial tools possible from the private sector, non-profit sector, and government. CODAC looked at existing and potential federal, state and city financing options.

### City of Seattle

#### 22. City property tax exemption

The City currently offers a multi-family housing tax credit for projects that aims to encourage housing for households at or below 80-90% of median. The City should provide a comparable tax exemption program that aims to encourage affordable arts and cultural spaces. The multi-family tax exemption program is an excellent template. A cultural-space tax-exemption would be limited to designated cultural districts, would be available for the creation and preservation of arts space, would remain in place as long as the property remains in compliance with the rules of the program, and would be transferrable to a new owner. Eligibility criteria would define the requirements for the cultural space to be eligible and would define the parameters for rental and purchase affordability. The details of such an exemption would need to be prepared with the assistance of legal counsel to amend necessary state and local laws. There may be statewide interest in such a tool and the Association of Washington Cities might be an organization that could assist in efforts to revise state statutes.

#### 23. City surplus property priority

The City sometimes surpluses real estate it

owns. Give preference to buyers who include arts and cultural space as part of their project when the city sells buildings and land. Preference could be in the form of land donation, discounts, or development bonuses. Arts and culture should be added to the list of priorities in Resolution 29799 that sets policies for surplus property.

#### 24. City business & occupation and square footage taxes

Reinvest local business taxes collected within cultural districts to a fund created by the city that would help offset costs of developing projects that preserve or create arts and cultural space. A tax credit program could also be used to offset City costs of providing the incentives provided to cultural districts.

This incentive, like others, is a policy decision for the City to make. Also, legal counsel would be needed to structure such a credit. The key to this recommendation is that the arts help the economic vitality of city neighborhoods and where districts are defined, that value can be captured and returned as a reinvestment.

#### 25. City levies

Include arts and cultural space within upcoming bond levies for housing, Seattle Center, or other City of Seattle capital programs. This incentive could apply citywide, not just in cultural districts. One recent example is the renovation of the Langston Hughes Performing Arts Center, which is a City-owned structure, by the 2008 Parks and Green Spaces Levy.



## 26. City permit fees

Reduce permit fees for qualifying projects. Criteria would be developed to clarify the characteristics of qualifying projects.

## 27. Bond and loan guarantees

Provide loan guarantees and debt issue assistance to benefit the preservation of affordable arts spaces. Objective criteria would allow qualifying projects to obtain assistance.

## 28. City Office of Economic Development grant programs

Obtain assistance from grants provided by the Office of Economic Development.

### Federal Tax Credits

Examine the creation of business models such as community development entities and tax-credit syndicates in order to facilitate the use of existing tax credit programs for the purposes of preserving affordable arts spaces. Historic preservation and new market tax credits are examples of existing programs.

### Other Non-Profit and Private Financing Models

## 29. Form a non-profit corporation or association.

Seattle has three models for public benefit corporations and associations. The public develop-

ment authority, the community development corporation, and the business improvement area represent three possible models for cultural districts to emulate, especially for management, financing, and fundraising purposes.

### Public Development Authorities

Public Development Authorities (PDAs) are unique, independent entities of Seattle government, which are legally separate from the City. This allows accomplishment of public purpose activities without assuming them into the regular functions of City government. Each PDA is governed by a volunteer council, commonly called a governing board, which sets policies and oversees activities and staff. Thus, the success or failure of a public corporation is dependent on its council's abilities.

State and federal law require PDA contracts to contain language to the effect that liabilities incurred by the corporation must be satisfied exclusively from their own assets, and that no creditor or other person shall have a right of action against the City due to any debts, obligations, or liabilities of the public corporation.

PDAs:

- have flexibility under State law to administer federal funds.
- can combine public taxes and private donations.
- may qualify for tax-exempt borrowing rates.

The first PDA was chartered in 1972. There are currently eight PDAs in Seattle, with assets valued at over \$192 million. They own and manage more than 1,287 housing units (mostly

low-income), health clinics, community space, commercial and office space, and parking garages.

PDA's are all entirely self-sufficient (they require no City funding) and rely heavily on volunteers. Because of this, community participation in projects is not only allowed, it is a necessity. PDA's in Seattle include Capitol Hill Housing Improvement Program, Historic Seattle PDA, Pike Place Market PDA, and Seattle Chinatown/International District PDA.

#### Community Development Corporations

The Office of Economic Development (OED) works closely with local community development corporations (CDCs) to create affordable housing and new commercial space in Seattle's distressed communities.

OED provides direct financial support to CDCs through community development block grants. The corporations work to support strong, vital neighborhoods through a variety of projects, with major accomplishments to their credit. There are seven CDCs in Seattle, including the Central Area Development Association, the Delridge Neighborhoods Development Association, and SouthEast Effective Development.

#### Business Improvement Areas (BIAs)

A BIA provides a source to fund improvements in neighborhood business districts by assessing property and/or business owners who benefit from the improvements. BIA funds can be used for services such as parking, joint marketing, cleanup and maintenance, security, special

events, beautification, and management and administration. The City of Seattle contracts with an agency to manage each BIA, and each BIA has a ratepayer's advisory board. The City collects the assessments and reimburses the Agency for BIA expenses. There are currently six BIAs in Seattle, one of which is the Broadway/Capitol Hill BIA. While BIAs are not likely to be a primary agent for major fundraising or financing of capital projects, a BIA might be one example of a successful management approach for a cultural district. Another might be a neighborhood chamber of commerce.

For more information on PDA's, CDCs, and BIAs, please refer to Appendix P.

### 30. Loan Funding

Finance projects by creating a loan or grant fund with funding provided by private foundations and commercial bank community reinvestment requirements. A micro-loan program is another potential model. San Francisco has such a program:

San Francisco Non-Profit Finance Fund

### 31. Foundation Grants

There are private foundations that fund arts activities and community development. Such funding is typically on a project basis. Foundation funding is not typically a sustainable source. An approach the City might consider is to identify foundations with program goals that match the problem the City is trying to solve: preserving and creating affordable arts

space. Foundation funding might provide seed money to help fund a position or create a measurable program that can be replicated in other cities.

The intent of this recommendation is not to delve into the arena of capital project specific funding that project owners would be seeking.



## **Recommendation #4:**

**Provide technical assistance to ensure the most effective use of these tools.**

## Recommendation #4

Provide technical assistance to ensure the most effective use of these tools.

Make use of City or Federal funds for technical assistance to property owners, real estate developers, artists and arts organizations.

1. **Work with 4Culture on a cultural real estate development program, with King County as the lead agency.**
  - a. In May 2009, 4Culture launches its real estate task force, comprised of community advisers directly engaged in leadership and innovation in real estate. The task force will investigate opportunities for actions that 4Culture may undertake to increase the effectiveness of real estate development in contributing to long-term cultural sustainability. As a PDA, 4Culture is authorized to engage in a full range of real estate activities, including the purchase, ownership, sale, lease, improvement, and transfer of real property. In addition, there are a range of information-based tools, advocacy and leadership-building possibilities that can improve the sustainability of cultural development in the built environment. In Seattle, this could mean providing information to developers about neighborhood needs for specific cultural facilities.
2. **Seek partners to disseminate information regarding arts and cultural space, and upgrade Seattle's existing online tools to inform artists and organizations of available space for performing or rehearsing. These partners may be volunteers, and**

**may include existing arts organizations, and artist and social networks.**

There are numerous examples of well-designed and organized online programs to inform artists and organizations of available arts spaces, such as:

Fractured Atlas performing arts spaces (dance, live music, theatre):

Sample of available music spaces

Massachusetts Artist Link:

Artistlink

3. **Consider technical assistance models for a cultural overlay district.**

The Seattle Chinatown International District Public Development Authority (SCIDPDA) has created the ID 2030 Design and Resource Center as a means to access tools. Although the actual storefront will not open until August, it is already providing neighborhood technical assistance. The center acts as a catalyst, bringing together neighborhood stakeholders to identify issues and work collaboratively to implement strategies to address them. Projects in which ID 2030 is leading the effort:

- a. Redesign of International Children's Park to make it safer and more welcoming to neighborhood families. ID 2030 is leading a team of residents who wanted to redesign the park and came to the center for help. On behalf of these stakeholders, ID 2030 applied for and received a neighborhood matching fund grant and have hired a landscape architect. ID 2030

will do additional fundraising to complete the project.

- b. Creating a brand identity and marketing strategy for the ID in collaboration with a group of neighborhood stakeholders.
- c. Completing a retail strategy plan for historic King Street.
- d. Working with the City of Seattle to implement a 'green' streets program in the district.
- e. Working with Wing Luke Museum, and neighborhood businesses, to create an official neighborhood art walk

Consider ID 2030 as one technical assistance model for a cultural overlay district.

Another excellent model for the ease of accessing incentives is below:

New York City Economic Development Corporation access to incentives:

#### NYC Financing Incentives

- 4. **CODAC's proposed panoply of tools could become a resource or form of assistance in the update to a neighborhood plan. This array of tools should also be available on the Internet, in a variety of places.**
- 5. **Seattle City Council has set aside some staff funding for the Department of Planning and Development (DPD) to continue to work on the issue of creating a cultural overlay district from the land use and zoning side.**

- 6. **Provide technical architectural and engineering support for nonprofit arts groups to help them move into existing buildings, similarly to the way the City has done in the past for nonprofit social service agencies. DPD also have an internal team to advise people on how to construct environmentally sustainable buildings. (See Appendix K.)**

Environmental Works also provides sustainable architecture and planning services to community-based and non-profit organizations, as well as other groups under-served by the architectural profession.

#### Environmental Works

- 7. **Use successful models from other cultural districts around the world to increase knowledge, share information, inspire, and implement the CODAC vision.**

Successful models of cultural districts exist throughout the world. Each district has strengths to emulate, whether a successful integration into other programs, methods of financing and fundraising, overall vision, management style programming, branding, or resource capacity. One district is a cautionary tale of unforeseen consequences, Examples are given below; numerous others exist:

- a. DUMBO<sup>15</sup>, Brooklyn: example of a historic district as cultural district, and of district integration with government agencies  
DUMBO Improvement District

15. "Down Under Manhattan Bridge Overpass"

b. Downtown Brooklyn Cultural District: expanding an existing cultural facility (Brooklyn Academy of Music) into a mixed-use cultural district, including affordable housing

BAM Cultural District

c. Harlem Re-zone: example of including the first bonuses for arts & culture spaces in New York, and generous amounts of affordable housing

125th Street Re-Zoning

d. London Development Agency: an example of recognizing arts & culture as part of London's infrastructure; and the integration of arts & culture into economic development schemes

The London Development Agency

e. Short North, Columbus: an example of good cultural district management and programming

Short North

f. SoMa, San Francisco: the unintended consequences of re-zoning a district for artist lofts.

In the 1990s, loft-style condominiums began to appear in the gritty SoMa neighborhood, many of which were built under the guise of "live-work" development ostensibly meant to maintain a studio arts community in San Francisco. However, the occupant of a SoMa "live-work" loft is much more likely to be a software or other well-to-do professional than an artist.

g. Creative City Berlin: a web portal for the city's cultural sector and creative industries, for both creators and audiences

Creative City Berlin

h. Developing the Creative City, Toronto: example of clear collective vision for cultural districts throughout Toronto's neighborhoods, including cultural landscapes. Rigorous attention to implementation of a 2003 plan, with regular updates:

Toronto, Creative City

**Recommendation #5: Conduct outreach and build awareness about how neighborhoods can provide arts and cultural space to encourage economic sustainability, express community identity, provide community building through participation in the arts and culture, and enhance overall quality of life.**

## Recommendation #5

Conduct outreach and build awareness about how neighborhoods can provide arts and cultural space to encourage economic sustainability, express community identity, provide community building through participation in the arts and culture, and enhance overall quality of life.

By grounding arts and culture in existing plans and programs—City of Seattle Comprehensive Plan, neighborhood planning, design review, and existing boards and commissions—these points of entrée will gain a “seat at the table” in decision-making for arts and cultural space priorities.

### Outreach and awareness

#### 1. Create an outreach plan for the general public.

Seek support that is broad-based, but specific to the need for space for arts and culture. Support must be political, financial, and collaborative; therefore, it must come from a broad spectrum of the local community. Done well, outreach can mobilize the community to be advocates for arts & cultural space. Additionally, outreach can enhance the potential for broadening the local consumption and production of arts and culture, and find creative reservoirs in distinct populations, such as the elderly, the young, and local ethnic communities.

##### a. Develop a message:

Key messages for proponents of space for arts & culture should emphasize neighborhood

conservation, the intrinsic value of the arts & culture, as well as their economic value and ability to create jobs. Real estate and development professionals should be educated about the impact of the arts and culture on the community and the local economy. The request in the message is for collaboration, where appropriate, and advocacy.

##### b. Identify goals:

Broad, yet specific, support for CODAC's recommendations, depending on the organization, agency or individual. CODAC is seeking political, financial, collaborative, and community support

##### c. Identify desired outcomes:

An audience that is educated on the value of arts & culture to Seattle's neighborhoods and that will advocate for arts & culture space; a community organized around the issues of arts & culture; representation of the arts in every level of planning. Begin by gaining letters of support for CODAC's recommendations from the relevant organizations.

##### d. Determine who the audience is:

CODAC research has identified approximately 44 organizations that should be contacted as potential supporters or advocates of CODAC's recommendations. These organizations represent Capitol Hill organizations and institutions, arts & culture organizations, other non-arts organizations, major and mid-size institutions, the City of Seattle, other government, media, and the general public. Ask what CODAC want from each, what can

CODAC offer each.

- e. Develop media. Begin with letters of support from the 44 organizations identified above, and expand to include print, web-based, audio/visual, and social networking media,
- f. Get the message out. Broadly identify the ways in which CODAC's recommendations and its message can be disseminated throughout the community.

A more detailed draft outreach plan is included as Appendix A. Appendix B identifies the organizations from which CODAC is seeking support.

### Work with the City and Council

#### 2. Work with the Seattle City Council to gather support for arts & culture related efforts within their purview:

- a. Ensure that the statement of legislative intent (SLI #94-2-A-3) pending in Council (re: an "arts liaison" position) is aligned with CODAC's latest recommendations for the "district cultural manager" as described in these recommendations.
- b. Support the proposed bill in City Council to allocate DPD staff time to the cultural overlay district project.
- c. Notify Council of CODAC's support and advocacy for proposed zoning amendments in the Pike/Pine overlay district that would create a conservation district and encourage arts and cultural uses.<sup>16</sup>
- d. If the affordable the housing bond measure is passed by popular vote in November 2009,

16. See Appendix G, proposed incentives for the arts in the Pike/Pine Conservation Overlay District.

CODAC recommends that Council advocate for program guidelines in its spending plan that support arts & culture space, such as directing funding to affordable housing for artists, or that direct funding toward the preservation of unreinforced masonry buildings.

- e. Urge Council to take immediate action to amend the cultural resources element of the Comprehensive Plan to address policy issues in the CODAC recommendations. This recommendation is urgent because May 15, 2009 is the deadline for the next round of Comprehensive Plan amendments.
- f. Meet informally with Seattle City Council members who sponsored or supported the work of CODAC: council member Sally Clark, council member Nick Licata, and council member Tom Rasmussen.

#### 3. Integrate CODAC's recommendations and priorities into the work plans of various City Council committees. Assign specific tasks to the responsible committee. Assigning tasks to Council committee work plans will create accountability and allow results to be benchmarked, for use in the designation of future cultural districts.

- a. Ensure that CODAC recommendations are included in Council committees' one-year, three-year, and five-year work plans.
- 4. Find areas where CODAC's goals are in common with or can implement solutions to the economic crisis. Raise support for

arts & culture as part of Council's economic recovery initiative, emphasizing the economic value and job creation aspects of arts & culture.

## Recommendation #6:

Develop partnerships with organizations, foundations, government agencies, institutions, and individuals. Identify and pursue those potential partnerships with aligned goals, mutual support, and advocacy to achieve success.

## Recommendation #6

Develop partnerships with organizations, foundations, government agencies, institutions, and individuals. Identify and pursue those potential partnerships with aligned goals, mutual support, and advocacy to achieve success.

Develop partnerships with those who own or control the use of public or private property, with sources of capital, and at nexuses of other projects and needs, and know the competition (or opposition.)

### Partnerships

1. Identify major and mid-sized institutions within the CODAC boundary. Identify upcoming and ongoing capital projects within the CODAC boundaries that may benefit from coordination or partnerships on projects regarding cultural space:

CODAC members have identified several potential alliances (public and private, for-profit and not-for-profit) that could be of strategic benefit to the cause of arts and cultural space. Examples include:

- Seattle University is updating its master plan, a major element of which involves opening the campus into the surrounding neighborhood, particularly along 12th Avenue, from Madison Street south to Jefferson Street.
- Capitol Hill Housing is considering two mixed-use developments as part of its Twelfth Avenue initiative (Twelfth Avenue, from John to Jefferson streets). One project proposes a mix of housing and cultural/arts

space at the current Seattle Police Department East Precinct parking lot (12th Avenue north of Pine Street).

- As it moves all of its facilities to the Denny triangle area, Cornish College is considering how to dispose of its older properties on Capitol Hill, such as Kerry Hall at the north end of the Broadway business district.
  - Activities of neighborhoods near to Capitol Hill, such as Seattle Housing Authority's Yesler Terrace master plan redevelopment, and their cultural efforts.
  - Sound Transit is seeking uses for the street level spaces to be created above its future underground rail station near Broadway and John Street.
  - Sound Transit has also planned to construct a surface rail line, or streetcar, to connect the Broadway business area (and its underground rail station) with the medical and employment center on First Hill, and the International District. The streetcar route would extend from the north end of the Broadway business district (presumably along Broadway) through the major medical centers, continuing via Broadway and Jackson Street to the International District, and terminating at Union Station on Jackson Street and Fifth Avenue.
2. Identify essential elements to be prioritized into any proposed capital project partnerships. These include:
    - Early discussion and coordination among partners (which may include City of Seattle staff) on project scope and partner roles;

17. North Beacon Hill, North Rainier, and Martin Luther King, Jr. @ Holly.

18. In this real estate economy, Windermere Real Estate has properties in Seattle that is looking to sell on a "quick-sale" basis.

willingness of all partners to work toward solutions;

- Have a genuine project or project prototype that fills an expressed community need for arts and culture. Develop space and cost estimates for a capital project based upon the specific type and size (number of seats, size of stage, etc.) of space needed. Ideally, have identified and be working with an arts group that is the potential (or contractual) occupant of the space.
- Sufficient incentives or regulatory relief for the developer, investor, or property owner to see a financial benefit for including or retaining arts & culture space in a project.
- Community awareness, and support, and advocacy.

### 3. Explore potential non-capital partnerships, short-term projects, and non-geographic projects.

- Pike/Pine neighborhood conservation district.
- Seattle Central Community College community engagement:  
SCCC is seeing shrinking enrollment, is seeking ways to integrate and engage further with the surrounding Capitol Hill community.
- Seattle City of Music (located in the City's Office of Film and Music within OED)
- Community development corporations and chambers of commerce
- Real estate developers
- City agencies and departments

- Sound Transit
- Neighborhoods engaging in neighborhood plan updates<sup>17</sup>, as well as Capitol Hill.
- Educational institutions
- "Non-traditional" alliances: connect arts and culture capital projects with historic preservation, housing, transit construction, school facility closures, neighborhood planning, master planning for major institutions, and mixed-use development projects.<sup>18</sup>
- Engage with other arts groups for mutual support and benefit. Artist Trust and Allied Arts have expressed general interest in supporting CODAC's recommendations. 4Culture have expressed specific interest in supporting CODAC's recommendations, aligning them with their recently launched real estate initiative (see recommendation #3).



# Implementation, Oversight, and Accountability

## Implementation, Oversight, and Accountability

### Time Line for Implementation

Build a matrix for implementation, including a time line for implementation of recommendations, identification of responsibilities by agency or department, coordination required, and order-of-magnitude cost estimates.

The matrix is attached to this report, as Table 2.

### Oversight and Accountability

#### 1. Continue the cultural space advisory committee.

Continue the advisory committee in some form (arts and cultural space round table, or as a task force within the Seattle Arts Commission) to oversee and support related City efforts and make recommendations to Councilmember Licata's committee (or future equivalent) and to City of Seattle executive departments.

#### 2. Establish an accountability measurement system.

Several leading universities in the United States and internationally house cultural policy centers to incubate new ways of understanding arts and culture, incorporating the work of demographers, survey design specialists, and quantitative sociologists, legal scholars, economists and philosophers. The Cultural Policy Center at the University of Chicago is a nationally recognized interdisciplinary research center for metrics:

Harris School of Public Policy Studies

National Opinion Research Center at the University of Chicago.

### Measure Outcomes

#### 3. Make use of measures of arts & culture to serve as models to measure outcomes:

##### a. Cultural data collection programs

Calgary cultural space assessment:

Arts and Cultural Space Assessment in Calgary

Pew Charitable Trusts Cultural Data program: Financial and organizational data is collected annually, and performance against peer groups can then be gauged.<sup>19</sup>

Pew Trusts Cultural Data Program

Arts space inventory programs (e.g. Fractured Atlas music spaces inventory):

Sample of available music spaces

##### b. Levels of community participation in arts & culture

##### c. Arts & culture space inventory

##### d. Cultural vitality index (CVI)

#### 4. Identify measurable outcomes to determine program success:

##### a. Number of arts organizations

##### b. Number of arts & culture spaces

19. The Cultural Data Project is a standardized, Web-based data-collection system for arts and culture organizations. This system allows groups to file their financial and organizational data online once a year and then use this information in applying for grants.

This project helps groups gauge their performance against the aggregated data of their peers, while also giving researchers and policy leaders a source of reliable and comprehensive information about the state's cultural sector.

The project is currently available for arts and culture groups in California, Maryland, and Pennsylvania, and is expanding nationwide.

- c. Number of days facilities used
- d. Number of events
- e. Number of attendees
- f. Community participation in arts & culture
- g. CVI ranking
- h. "Census"/status (use) of older buildings in cultural district.

#### 5. Establish a cultural certification program.

This idea was brought up in one of last year's work sessions by a committee member. It would involve the development of criteria and standards for buildings within cultural districts. The benefits of such a certification are several: it would define a certain standard or minimum threshold for a building to be culturally certified, and would identify benefits for building developer/owners associated with the certification.

Further development of this idea was included in the work scope for the second phase of the CODAC round, but it was decided early by the committee co-chairs to place this on a low priority for this time and by this committee. This is not a field that has received much attention heretofore, so research would likely be lengthy.

The notion of recruiting students from the University of Washington to accomplish the task may ultimately be the most successful approach. However, it will require much more development of this from a notion to a defined project, some lead time with students to define a distinct scope of work and tasks, and extensive participation and coordination from the

side of the committee member(s) who choose to participate in this research effort.

#### Act Now

In convening for the first time, CODAC members identified the loss of arts & culture space as an "arts emergency." These recommendations attempt to address that emergency. Here are other things that CODAC members are doing now:

- Speaking to the community (presented at Sound Transit public forum regarding Capitol Hill station on March 25)
- Participating in meetings about related projects and cultural space (attended April 21 Pike/Pine Conservation Overlay District briefing at City Council chambers; attended Capitol Hill Housing's annual meeting and Twelfth Avenue discussion on April 22)
- Received letters of support from Capitol Hill Chamber of Commerce, Seattle University, Seattle Arts Commission, SCIDPDA, Artist Trust.
- Contacted NPAC, through DPD staff, to schedule a presentation at the May or June meeting.

Table 2: Recommendations Implementation Matrix

a. Summary of Recommendations

Recommendation	Potential Lead	Time-frame to Enact	Cost factors
<p>Allow for the creation of designated cultural districts within Seattle's neighborhoods, to preserve and enhance space for arts and culture to thrive in local communities. Cultural districts should:</p> <ul style="list-style-type: none"> <li>• Include a defined geographic area within a neighborhood.</li> <li>• Meet specific land use, functional, physical, and planning characteristics.</li> <li>• Integrate with existing policies and planning efforts, including the Comprehensive Plan, neighborhood planning updates, and station area planning.</li> </ul>	<p>City Council Mayor: Department of Planning and Development</p>	<p>Immediate</p>	<p>Cost of staff time to write code change</p>
<p>Allocate a staff position to work specifically with cultural districts, and liaison with other City departments, community organizations, and cultural agencies.</p>	<p>City budget team</p>	<p>June – November 2009 adoption</p>	<p>Options:</p> <ul style="list-style-type: none"> <li>• New FTE: \$110K with benefits</li> <li>• Redefine existing FTE</li> <li>• Seek grant support for position</li> </ul>
<p>Use existing City processes, such as incentives and regulations, and create and re-shape these tools and processes for cultural space purposes. Amend comprehensive plan. Regulatory relief, financial incentives, and land use incentives are the basic tools. Technical assistance must be provided to ensure the most effective use of these tools.</p>	<p>City land use team</p>	<p>May 15 Immediate – 2014 Policy basis Code changes Plan updates</p>	<p>City staff to write code Fiscal impact analysis: cost-benefit of tax relief</p>
<p>Conduct outreach and build awareness about how neighborhoods can provide arts and cultural space to encourage their community identity and economic sustainability.</p>	<p>City elected officials Citizens Arts organizations Arts agencies District mgr.</p>	<p>Immediate</p>	<p>Built into staff roles</p>
<p>Develop partnerships with organizations, foundations, government agencies, institutions, and individuals.</p>	<p>City elected officials Citizens Arts organizations Arts agencies District mgr.</p>	<p>Immediate</p>	<p>Volunteer District mgr. position</p>

Table 2: Recommendations Implementation Matrix

## b. Recommendation #1: Cultural Districts

Allow for the creation of designated cultural districts within Seattle's neighborhoods, to preserve and enhance space for arts and culture to thrive in local communities. Identify incentives that are specific to cultural districts, as well as those that could be applied to any cultural facility anywhere in the city.

Recommendation	Task Required	Stakeholders
Create a cultural district category in city code	<ul style="list-style-type: none"> <li>• Write definition for city code</li> <li>• Insert in appropriate policy plans</li> </ul>	DPD DON OED MOACA City Council
Designate a geographic boundary for Capitol Hill Cultural District and provide criteria guidance for other neighborhoods	<ul style="list-style-type: none"> <li>• Begin with Capitol Hill boundary including Broadway, 12th Avenue and Pike/Pine</li> <li>• Adopt boundary in land use code</li> <li>• Create criteria for boundaries to guide other neighborhoods</li> <li>• Create process to set boundary within available plans</li> </ul>	DPD DON City Council Arts representatives
Create menu of city land use incentives available within cultural districts	<ul style="list-style-type: none"> <li>• Take incentives recommended in this report and compile in code section on cultural districts</li> </ul>	DPD City Council
Create menu of city financial incentives available within cultural districts	<ul style="list-style-type: none"> <li>• Obtain legal guidance on city tax credits</li> <li>• Analyze fiscal impacts to city both cost and benefit</li> <li>• Analyze opportunities for bonds</li> <li>• Expand economic development grant criteria</li> </ul>	OMB OED Office of Housing City Attorney City Council
Create menu of regulatory relief options available within districts	<ul style="list-style-type: none"> <li>• Consult with regulators on feasibility of options</li> <li>• Write legislation or rules to authorize</li> <li>• Develop criteria and instructions to ensure public safety</li> </ul>	DPD SDOT SPU City Attorney City Council
Identify incentives from menus above to be available citywide outside of districts	<ul style="list-style-type: none"> <li>• Identify process for exceptions to allow for selected incentives outside of districts</li> </ul>	DPD Arts Developers City Council

**Table 2: Recommendations Implementation Matrix**

**c. Recommendation #2: District Cultural Manager**

Allocate a City of Seattle staff position to work specifically with cultural districts, and liaison with other City departments, community organizations, and cultural agencies. This staff person should be responsible for coordination with all existing overlays and districts and neighborhood plans, and integration of cultural overlays with the comprehensive plan.

Recommendation	Task Required	Stakeholders
Create a city cultural district position to facilitate creation of cultural districts and to promote and explain incentive programs to developers. It is likely that a full time position could be created with funding from multiple departments. The position might be a new one, or could be a reassignment of duties for an existing position.	<ul style="list-style-type: none"> <li>• Write job description using recommendations in this report</li> <li>• Develop classification and salary range</li> <li>• Identify funding sources from multiple departments</li> <li>• Include in 2010 budget</li> <li>• Include work plan</li> </ul>	DPD DON OED MOACA OMB Human Resources City Council
Recruit, hire, train	<ul style="list-style-type: none"> <li>• City personnel processes</li> </ul>	Human Resources
Monitor	<ul style="list-style-type: none"> <li>• Need process to ensure check-in on success and measurement of results</li> </ul>	City Council

**Table 2: Recommendations Implementation Matrix****d. Recommendation #3: Integrate with Other Policies, Programs, and Agencies**

Highlight existing policies, programs, processes, and incentives, and repackage them in a single place under the 'brand' of arts and cultural space. Work within existing frameworks to integrate the CODAC package into planning and capital programming and projects throughout the city.

Recommendation	Task Required	Stakeholders
Amend City Comprehensive Plan for explicit language on cultural districts.	<ul style="list-style-type: none"> <li>• Draft Comprehensive Plan Amendment</li> <li>• Submit to City Council</li> <li>• Advocate for amendment</li> </ul>	CODAC City Council DPD
Integrate with neighborhood plan updates (NPAC and DON). This is an immediate opportunity for CODAC to request that arts and culture be a priority in neighborhood plans.	<ul style="list-style-type: none"> <li>• Meet with Neighborhood Planning Advisory Committee</li> </ul>	CODAC
Add preservation and promotion of arts and culture as a criterion for deciding priorities for neighborhood plan updates.	<ul style="list-style-type: none"> <li>• Request legislation or policy intent by City to include cultural district opportunities as a priority in deciding the sequence of neighborhood planning updates</li> </ul>	CODAC
Integrate cultural overlay districts with existing overlay districts.	<ul style="list-style-type: none"> <li>• Make necessary changes to city rules and codes related to overlay districts</li> </ul>	DPD City Council
Integrate with other City departments to promote and encourage arts and cultural space:	<ul style="list-style-type: none"> <li>• Meet with Office of Economic Development to lay groundwork on these recommendations.</li> <li>• Meet with other city departments to provide information about vision, goals, and recommendations.</li> </ul>	CODAC District manager
Integrate with arts organization networks.	<ul style="list-style-type: none"> <li>• Distribute information to existing arts organizations and artist and social networks</li> <li>• Create method to gather information from these networks.</li> </ul>	CODAC District manager MOACA
Build upon existing database of available arts and cultural spaces.	<ul style="list-style-type: none"> <li>• Clarify entities to build and maintain database</li> <li>• Look to existing well-designed and organized online programs.</li> </ul>	MOACA 4Culture Artist Trust
Build upon successful city technical assistance programs and apply to arts and cultural needs.	<ul style="list-style-type: none"> <li>• Coordinate with successful model programs</li> </ul>	Cultural District manager

**Table 2: Recommendations Implementation Matrix**

**e. Recommendation #3: Re-imagine Tools to Preserve and Encourage Space for Arts & Cultural Activities**

Use existing incentives and create additional incentives to lower development and/or operating costs of building projects in order to preserve and create space for arts and cultural uses.

Recommendation	Task Required	Stakeholders
Present existing incentives comprehensively and in an educational manner in order to make the opportunity for incentives clear to developers and to leverage the incentives with other incentives for other compatible city goals such as historic preservation, affordable housing, high-density development, conservation of older buildings of character.	<ul style="list-style-type: none"> <li>Write pamphlet on existing incentives and their application to arts and cultural spaces.</li> </ul>	DPD
Establish affordability criteria for arts and cultural spaces	<ul style="list-style-type: none"> <li>Work with arts organizations and city staff to develop method for establishing affordable guidelines</li> </ul>	CODAC MOACA
Allow for density bonuses within cultural districts: <ul style="list-style-type: none"> <li>Height and bulk bonus</li> <li>Floor area ratio (FAR)</li> <li>Allow TDR programs within cultural districts outside of downtown.</li> </ul>	<ul style="list-style-type: none"> <li>Work with city technical staff to write specific codes</li> </ul>	DPD City Council
Add arts and cultural uses to the allowable street-level activities in pedestrian and mixed-use projects.	<ul style="list-style-type: none"> <li>Work with city technical staff to write specific codes</li> </ul>	DPD City Council
Streamline and expedite permit processes Technical assistance with permits and compliance Reduce parking requirements Energy and other environmental protection compliance assistance Street use, utility and transportation requirements Brownfield redevelopment incentives	<ul style="list-style-type: none"> <li>Work with city technical staff to write specific codes</li> </ul>	DPD City Council
City property tax exemption	<ul style="list-style-type: none"> <li>Add to City legislative agenda with state</li> <li>Work with Association of Washington Cities</li> </ul>	City Council Cultural district mgr. Arts Alliance
City surplus property priority	<ul style="list-style-type: none"> <li>Add arts and culture to the list of priorities in Resolution 29799 that sets policies for surplus property</li> </ul>	City Council
City business & occupation and sq. footage taxes City permit fees Bond and loan guarantees Loan fund created from "fees in lieu of development"	<ul style="list-style-type: none"> <li>Identify legal and fiscal hurdles</li> <li>Write necessary legislation and rules</li> </ul>	
Make use of Federal tax credits	<ul style="list-style-type: none"> <li>Examine creation of business models (CDCs and tax-credit syndicates) to facilitate the use of existing tax credit programs to preserve affordable arts spaces.</li> </ul>	
Explore other non-profit and private financing models	<ul style="list-style-type: none"> <li>Financing projects by creating a loan or grant fund with funding provided by private foundations and commercial bank community reinvestment requirements. A micro-loan program is another potential model.</li> </ul>	

Table 2: Recommendations Implementation Matrix

## f. Recommendations #5/6: Conduct outreach, forge partnerships to leverage resources and opportunities

Seek support that is broad-based, but specific to the need for space for arts and culture. Develop partnerships with those who own or control the use of public or private property, with sources of capital, and at nexuses of other projects and needs, and know the competition (or opposition.)

Recommendation	Task Required	Stakeholders
Explore capital and other long-term projects with opportunity to include space for arts and cultural uses	<ul style="list-style-type: none"> <li>• Schedule briefings with the following currently relevant partners:</li> <li>• Capitol Hill Housing is considering a mixed-use development of housing and cultural/arts space in its proposed East Precinct project.</li> <li>• Seattle University is updating its master plan, a major element of which involves opening the campus into the surrounding neighborhood, particularly along 12th Avenue, from Madison Street south to Jefferson Street.</li> <li>• Seattle Central Community College is seeking ways to integrate and engage further with the surrounding community.</li> <li>• Cornish College is considering how to dispose of its older properties, such as Kerry Hall, at the north end of the Broadway business district.</li> <li>• Sound Transit is seeking uses for the street level spaces to be created above its future underground station near Broadway and John Street.</li> </ul>	CODAC Cultural district mgr. MOACA OED
Create community partnerships for local district management, using, for example, the National Trust's Main Street "four-point" approach.	<ul style="list-style-type: none"> <li>• Identify business leadership</li> <li>• Invite Main Street to brief City</li> </ul>	Private sector Arts representatives
Support sustainable solutions: inclusion of an arts and culture facility in combination with a community center, an historic preservation project involving arts and cultural space, affordable housing projects including artists.	<ul style="list-style-type: none"> <li>• Brief sustainability partners on cultural use opportunities</li> </ul>	CODAC DON
Engage with arts groups for mutual support and benefit.	<ul style="list-style-type: none"> <li>• Keep Artist Trust, Allied Arts, and 4Culture informed of progress on recommendations</li> </ul>	City Council Cultural district mgr.
Add policies supporting artist housing in the plan for implementing the housing levy, which is up for renewal this fall.	<ul style="list-style-type: none"> <li>• Identify contact person working on levy</li> <li>• Obtain city council policy support</li> </ul>	City Council
Testify at the Pike/Pine hearings in support of the land use measures that would create a conservation district.	<ul style="list-style-type: none"> <li>• Invite arts community to Pike/Pine land use hearings and actions</li> </ul>	City Council
Connect with nearby neighborhoods and their cultural efforts, such as Yesler Terrace and the International District.	<ul style="list-style-type: none"> <li>• Hold city council briefing, workshop, or open house on cultural progress within city neighborhoods.</li> </ul>	City Council

# Appendices

## List of Abbreviations in this Report

B & O – business and occupation (tax)

BIA – business improvement association

CDBG – community development block grant program

CDC – community development corporation

CODAC – Cultural Overlay District Advisory Committee

CVI – cultural vitality index

DON – City of Seattle Department of Neighborhoods

DPD – City of Seattle Department of Planning and Development

FAR – floor area ratio

MOACA – Mayor's Office of Arts and Cultural Affairs

NPAC – Neighborhood Planning Advisory Committee

OACA – Office of Arts and Cultural Affairs, (same as MOACA)

OED – City of Seattle Office of Economic Development

OPM – City of Seattle Office of Policy and Management

PDA – public development authority

PPUNC – Pike-Pine Urban Neighborhood Council

SCIDPDA – Seattle Chinatown International District Public Development Authority

SHA – Seattle Housing Authority

TOD – transit oriented development

TDR – transfer of development rights, transferable development rights

## Appendices

- A. Outreach Plan
- B. List of organizations whose support CODAC is seeking
- C. Letters of support
- D. Comprehensive Plan cultural resources element
- E. Neighborhood plans with cultural components
- F. Establishing cultural districts (proposed)
- G. Proposed incentives for the arts in the Pike/Pine Conservation Overlay District
- H. Admissions tax exemptions
- I. Real estate analysis of facility prototype with financial incentives
- J. City of Seattle parking requirements
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- L. Transfer of development rights in Seattle
- M. Index of arts and culture–related spaces on Capitol Hill (2008)
- N. CODAC area map, Capitol Hill pilot
- O. Capitol Hill cultural organizing
- P. Information on BIAs, CDCs, and PDAs in Seattle
- Q. CODAC meeting summaries, July 2008 through March 2009





