

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Discussion of ShoreLake Arts Funding Request in Support of an Artspace Market Study for Affordable Artist Housing/Space Project in Shoreline

DEPARTMENT: City Manager's Office

PRESENTED BY: Debbie Tarry, City Manager

ACTION: ☐ Ordinance ☐ Resolution ☐ Motion
 ☒ Discussion ☐ Public Hearing

PROBLEM/ISSUE STATEMENT:

ShoreLake Arts engaged Artspace, the national leader in developing space for artists and arts organizations, to do a Preliminary Feasibility study on the potential for an Artspace-type project in Shoreline. The envisioned project would create both a permanent home for ShoreLake Arts and 40 to 75 units of affordable housing for artists. Artspace released the final Preliminary Feasibility Report (Attachment A) in January 2022.

The final report found a demand for both an Arts Center to house community arts events and art education programming and affordable artist housing, and that the project should be in Shoreline. The next required step in the Artspace project includes a market study (\$35,000) and project refinement workshop (\$12,500). Artspace advised ShoreLake Arts to find funding to begin the Market Study by September 2022. On May 6, 2022, ShoreLake Arts sent a letter (Attachment B) to the City requesting City funding of \$20,000 to \$25,000 to help fund the next steps.

The City of Shoreline currently has a contract with ShoreLake Arts for art education and cultural services to the Shoreline community. This contract totals \$137,500 for the 2021-2022 biennium. If the Council were to support the request from ShoreLake Arts, staff could amend this contract to include conducting a market study and refinement workshop. Staff believes that these tasks and the proposed project is in alignment with City goals and policies for arts, cultural services, and housing.

Tonight, Executive Director, Quinn Elliott, and President of the ShoreLake Arts Board, Tracy Thorleifson, will present a summary of the Preliminary Feasibility Report findings.

RESOURCE/FINANCIAL IMPACT

The current request from ShoreLake Arts is for the City to provide up to \$25,000 in funding for the Artspace market study and project refinement workshop. The \$25,000 would come from the General Fund fund balance that is more than the amount required by City policy.

RECOMMENDATION

Staff recommends that Council hear the presentation from ShoreLake Arts Council representatives and discuss an allocation from the City to support the market study and refinement workshop. Staff recommends that Council authorize up to \$25,000 for this one-time allocation.

Approved By: City Manager ***DT*** City Attorney ***MK***

BACKGROUND

ShoreLake Arts engaged Artspace, the national leader in developing space for artists and arts organizations, to do a Preliminary Feasibility study on the potential for an Artspace-type project in Shoreline. The envisioned project would create both a permanent home for ShoreLake Arts and 40 to 75 units of affordable housing for artists. Artspace released the final Preliminary Feasibility Report (Attachment A) in January 2022.

DISCUSSION

The Preliminary Feasibility Report found six summary findings:

1. There's a fair amount of consensus on the basic project concept.
 - The mixed-use affordable live/work development for creatives that includes space for ShoreLake Arts on the ground floor is the concept to pursue.Desired components include:
 - Flexible collaboration and/or event space
 - Performing-arts-specific rehearsal/performance space
 - Education space
 - Private studio space
2. There are overlapping community goals with which an Artspace project can align:
 - Addressing racial disparities
 - Creating and anchoring a creative arts district
 - Increasing access to workforce/attainable housing
 - Sustaining creative businesses and nonprofits
 - Incorporating transit-oriented development
3. There is a definite appetite for space to gather, to collaborate, to perform, and to create.
 - The Arts community was described as under-resourced, hidden, and working in isolation, but also as emerging, developing, innovative, and diverse.
4. Artspace believes that there is a political will and know-how to move a project forward, and a huge step has already been taken by involving the right people and organizations early in the process.
5. Funding is going to be the biggest challenge.
6. There are still site parcels that are large enough for the proposed concept, desirable to artists and centrally located.

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The final report found a demand for both an Arts Center to house community arts events and art education programming and affordable artist housing, and that the project should be in Shoreline. The next required step in the Artspace project includes a market study (\$35,000) and project refinement workshop (\$12,500). Artspace advised ShoreLake Arts to find funding to begin the Market Study by September 2022. On May 6, 2022, ShoreLake Arts sent a letter (Attachment B) to the City requesting City funding of \$20,000 to \$25,000 to help fund the next steps.

ShoreLake Arts is also seeking funding through other public and private sources to complete the market study and refinement workshop.

RESOURCE/FINANCIAL IMPACT

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RECOMMENDATION

Staff recommends that Council hear the presentation from ShoreLake Arts Council representatives and discuss an allocation from the City to support the market study and refinement workshop. Staff recommends that Council authorize up to \$25,000 for this one-time allocation.

ATTACHMENTS

Attachment A: ShoreLake Arts Preliminary Feasibility Report by Artspace

Attachment B: May 6, 2022 Request for Financial Support Letter from ShoreLake Arts

PRELIMINARY FEASIBILITY REPORT

Shoreline & Lake Forest Park, WA | November 2021



Photo Credit: Artspace



Prepared at the request of ShoreLake Arts

ACKNOWLEDGEMENTS

Artspace would like to thank ShoreLake Arts, the City of Shoreline, and the City of Lake Forest Park. Specifically, we thank Lorie Hoffman, Tracy Thorleifson, and Quinn Elliott of ShoreLake Arts for their leadership, coordination, and support of this study. The core group and focus group participants they assembled offered invaluable insight and feedback throughout the process. It was a pleasure to work with such a committed group. We would also like to thank members of the Core Group for their help organizing and also attending many of the meetings, all the focus group and public meeting participants who made their voices heard over the course of this study, and those with whom we held individual follow-up meetings to collect additional contextual information about the community and its history, and public/private funding resources and programs

SHORELINE/LAKE FOREST PARK CORE GROUP

Nathan Daum // *Economic Development Program Manager, City of Shoreline*

Quinn Elliott // *Director, ShoreLake Arts*

Lorie Hoffman // *Community Arts Manager, City of Bellevue*

Jack Malek // *Broker, Windermere*

Megan O'Connor // *Civil Engineer, Port of Seattle*

Bob Pfeiffer // *Board Treasurer, ShoreLake Arts*

Eben Pobee // *Councilmember, City of Shoreline (seated 2022); President, JHP Legacy*

Subhash Prajapati // *Board Member, ShoreLake Arts; Ex.Dir., Dabuli; musician*

Tracy Thorleifson // *Board President, ShoreLake Arts*

Debra Twersky // *Arts Administrator, 4Culture (Retired)*

Perry Welch // *Structural Engineer, Port of Seattle*

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Valencia Carroll // Visual artist

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Brionne Corbray // KulFlix

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Kevin Hallagan // 3-D/Visual artist

Mercer Hanau // Digital/Film/Media/Visual Artist

Peggy Hernandez // North City Collective

Soo Hong // Visual artist

Tina Liberio Lang // Robert Lang Studio

Amy Lillard // Washington Filmworks

Melani Lyons // Dandylyon Drama

Grant McCallum // Barsuk Records

Marc McCartney // Shoreline Schools Theater Lead

Corey McDaniel // Theater22

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Kate Shinn // Digital/Mural/Installation/Visual artist

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Myron Curry // Mural Artist

Sandra Garcia-Arceo // Alma Mia Productions

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Jaki McQuiston // Creativity Loft

Zubi Mohammed // Magnussen Media Group

Olayinka Ola // Fashion Designer, Ayo Collections

E Pruitt // Musician

Angie Ramirez // City of Shoreline, PRSC Supervisor
II - Spartan Recreation Center

Dr. Susana Reyes // Superintendent, Shoreline Public
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Kate Becker // Creative Economy & Recovery Director,
King County Office of the Executive

Tony Doupe // Chair, Shoreline Community College
Film and Theater Program

Tracy Furutani // Councilmember, City of Lake Forest
Park

Lara Grauer // Member, Shoreline Chamber of
Commerce

Patty Hale // Board President, Ridgcrest
Neighborhood Association

Dominica Myers // Director of Diversity, Equity and
Inclusion, King County Library System

John Ramsdell // Incoming Councilmember, City of
Shoreline

Miranda Redinger // Sound Transit

Rep. Cindy Ryu // Washington State House of
Representatives

Debbie Tarry // City Manager, City of Shoreline

Janet Way // Board President, Shoreline Preservation
Society

FUNDERS & FINANCE LEADERS (VIRTUAL)**Megan Adams** // TWG Development**Nick Anderson** // Banner Bank**Michael Greer** // ArtsFund**Emily Hafford** // ArtsWA**Mike Kendall** // Washington Department of Commerce**Jackie Moynahan** // King County Housing,
Homelessness, and Community Development Division**Marcel Neff** // Impact Capital**Matthew Richter** // Cultural Space Liaison, Seattle
Office of Arts & Culture**Beth Robinson** // WA Department of Commerce**Betsy Robertson** // Councilmember, City of Shoreline**Eldon Tam** // 4Culture**Cassandra Town** // Robert B. McMillen Foundation**PUBLIC MEETING WITH 55 ATTENDEES (VIRTUAL), INCLUDING****Clarita Bhat** // Shoreline Rotary**Lisa Bockelie****Christine Bodner****Laura Brodax** // Modern Glaze**Amber Clark** // ShoreLake Arts Board Member**Terri Cleveland** // Cedar Park Senior Affordable
Apartments**Dan Dale****Kean Engie****Keith Gehrig****Courtney Good** // Burke Museum**Steve Hill** // Serrin|Hill Properties**Maddy Larson** // City of Lake Forest Park Planning
Commissioner**Robyn Mah** // I.L. Gross Structural Engineers**E. Mandisa Subira** // artist/producer**Nancy Malek** // ShoreLake Arts Board Vice President**Norma Middleton****Jeanne and Larry Monger****Susana (Susi) Musi****Melissa Newbill** // 4Culture**Subhash Prajapati** // ShoreLake Arts Board Member**Judith Pyle****Audrey Rachelle****Nancy Reithaar****Rep. Cindy Ryu****Kevin Sheen** // ShoreLake Arts Publicity Director**AMERICA'S LEADER IN ARTIST-LED COMMUNITY TRANSFORMATION**

Artspace is a non-profit organization that uses the tools of real estate development to create affordable, appropriate places where artists can live and work. Because Artspace owns each of the projects it develops, we are able to ensure that they remain affordable and accessible to artists in perpetuity. Over the last three decades, Artspace has led an accelerating national movement of artist-led community transformation. While embracing the value the arts bring to individual lives, Artspace has championed the once-radical idea that artists living on the edge of poverty and chronically underfunded arts organizations can leverage fundamental social change. With headquarters in Minneapolis and offices in New York and Washington D.C Artspace is America's leading developer of arts facilities with 58 to date and has served as a consultant to over 300 communities and arts organizations nationwide.

WWW.ARTSPACE.ORG

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EXECUTIVE SUMMARY

There is a strong desire in North King County to develop a facility that provides sustainable affordable space for the creative sector, acts as a destination for the greater community, and catalyzes and celebrates the vibrant creativity of the community that is often overlooked. This project concept began with ShoreLake Arts and its desire for a permanent home in a facility where artists and their families would live and where creative work would happen. ShoreLake Arts took the first step to assess whether they were on the right track with this idea by engaging key public and private stakeholders and embarking on this study. New space for this long-standing, highly regarded nonprofit is the project concept's keystone. As such it is anticipated that ShoreLake Arts will play a significant role in any future development as a community organizer, connector, and facilitator. ShoreLake Arts is also a stakeholder with a voice in the process, would lead the build-out of its new space, and remain involved as an anchor presence in the proposed facility.

The following chart summarizes the findings and recommendations of Artspace's Preliminary Feasibility Study for Shoreline and Lake Forest Park, WA, conducted from August - November, 2021, following the Study's six key components: Alignment with Broader Community Goals; Local Leadership; Potential Sites; Funding and Financing; Arts Market; and Project Concept. Please refer to the full report for Artspace's full findings, recommendations, and creative space resources.

SHORELINE/LAKE FOREST PARK, WA ARTSPACE PRELIMINARY FEASIBILITY STUDY EXECUTIVE SUMMARY		
CRITERIA	FINDING	RECOMMENDATION
Project Concept <i>Artspace Indicator:</i> Is there community consensus on a project concept, would live/work space be appropriate for the community?	Given the feedback from focus group attendees, a mixed-use affordable live/work development for creatives that includes space for ShoreLake Arts on the ground floor is the concept to pursue. In addition, such a project should seek to include flexible collaboration and/or event space, performing-arts-specific rehearsal/performance space, and private studio space.	A creative space project would provide a tremendous boost to the reputation and visibility of Shoreline and Lake Forest Park in the King County creative community. We see many similarities with our project in Everett. It would also provide a permanent home for ShoreLake Arts while simultaneously creating affordable creative space and housing for creatives in North King County. Continue to identify and deepen relationships with potential partners, especially those from Indigenous and other communities of Color, who may be interested in participating in a creative space development. Also reach out to developers who may be open to collaboration and/or inclusion of some of the concepts identified in this study in their already-planned developments in Shoreline and Lake Forest Park.
Alignment with Broader Community Goals <i>Artspace Indicator:</i> Will a potential project help achieve other civic and community goals?	The following are all overlapping community goals indicated by the focus group and public meeting participants with which an Artspace project can align: <ul style="list-style-type: none"> • Addressing racial disparities • Creating and anchoring a creative arts district • Increasing access to workforce/attainable housing • Sustaining creative businesses and nonprofits • Incorporating transit-oriented development 	Explore how a creative space development could align with the City of Shoreline Equity and Social Justice workgroup's goals, especially that of community-centered design. Involve and deepen relationships with communities of Color, particularly Indigenous people, as a creative space development is further explored. Access the State of Washington's Creative District Program and begin the process of exploring certification. Continue to explore how a creative space development could align with other major community development plans, such as the Fircrest master planning process, the City of Shoreline's "Vision 2029" for Town Center/Aurora Ave corridor, Sound Transit light rail station developments, and the Shoreline Parks, Recreation and Open Space Plan.

<p>Arts Market</p> <p><i>Artspace Indicator:</i> Is there a demonstrated need for an arts facility? Will there be strong demand for a project?</p>	<p>In North King County, artists are challenged by lack of affordability and consistent access to creative space. There is a definite appetite for space to gather, to collaborate, to perform, and to create. Words and phrases like under-resourced, hidden, and working in isolation were used to describe the arts community, as well as emerging, developing, innovative, and diverse.</p> <p>With ShoreLake Arts as the catalyst and convener, there is a real opportunity to invest in North King County's creative sector.</p>	<p>Proceed with an Arts Market Study, which involves surveying local and regional artists/creatives, analyzing their responses to help understand the North King County creative sector's needs, and making recommendations. The survey will quantify the interest and need for the various types of creative spaces identified in the Preliminary Feasibility Study, data which will help inform site selection, number of units, amenities, and design.</p> <p>The resulting data will also provide reliable insight to bankers, funders, and prospective LIHTC investors, and may also be shared with private developers and policymakers to help encourage further infrastructure investment in the creative economy.</p> <p>In addition, the Arts Market Study serves to build community interest in a future project.</p>
<p>Local Leadership</p> <p><i>Artspace Indicator:</i> Are there private and public sector leaders that can champion an arts-centric project?</p>	<p>The Core Group that led this Preliminary Feasibility Study was comprised of the type of leaders that are needed from the very beginning for an Artspace project. The group was representative of both public and private sector interests -- including from the arts community, economic development, and real estate -- a key ingredient to the future success of a potential project. Artspace believes that there is the political will and know-how to move a project forward, and a huge step has already been taken by involving the right people and organizations early in the process.</p>	<p>Maintain lines of communication and involvement with the civic leaders, elected officials and their staffs who participated with great enthusiasm for a creative space development during the Preliminary Feasibility Study, including: Shoreline City Manager Debbie Tarry; State Representative Cindy Ryu; State Senator Jesse Salomon's office; King County Executive Dow Constantine's office; and representatives from Sound Transit.</p> <p>Continue to reach out to other elected leaders who have expressed or may have interest, including: King County Councilmember Rod Dembowski; Congresswoman Pramila Jayapal; State Senator David Frockt; and State Representatives Lauren Davis, Gerry Pollet, and Javier Valdez.</p>
<p>Funding and Financing</p> <p><i>Artspace Indicator:</i> Are there financing capabilities locally to support predevelopment and gap financing for an arts facility?</p>	<p>An Artspace development can cost \$20-\$25 million and take many years to develop and most of this equity comes from Low Income Housing Tax Credits (LIHTC), other public sources, and philanthropy. A project like this in North King County will be challenged to obtain a 9% LIHTC allocation, but could compete for a 4% award, which comes with significantly less equity. Other bridge financing would be needed for a project to be viable.</p>	<p>The information gathered during the Preliminary Feasibility Study and subsequent research and meetings reveal several good opportunities for predevelopment and capital funding of an affordable mixed-use, artist live/work project in North King County.</p> <p>Potential public sources of note include: municipal Multifamily Property Tax Exemption Program (MFTE), 4Culture, Washington State's Housing Trust Fund (HTF), Building for the Arts (BFA), the Deep Green Incentive Program (DGIP), and Sound Transit TOD Funding.</p> <p>Private sector and philanthropic sources/partners that should be further explored for low-interest loan and grant opportunities include: Evergreen Impact Housing Fund at Seattle Foundation, The Paul G. Allen Family Foundation, Boeing Foundation, Raynier Institute & Foundation, Impact Capital, Preston Hollow Community Capital, Robert B. McMillen Foundation, ArtsFund, and Banner Bank.</p> <p>ShoreLake Arts may also wish to conduct a philanthropic campaign feasibility study to explore capacity and interest in philanthropic support for a creative space development in North King County.</p>
<p>Potential Sites</p> <p><i>Artspace Indicator:</i> Are the top sites where artists want to be, easy to acquire, and large enough for the proposed project concept, and/or an Artspace model development?</p>	<p>The top four sites for Artspace were the Ridgcrest Bingo Hall, City Storage Courts, Fircrest, and Shoreline Park & Ride. All have their advantages and disadvantages; much will depend on the ability to secure development rights in a rapidly accelerating real estate market. All but the Bingo Hall are publicly owned, which may make financing easier but could also make the process more complex.</p>	<p>Final site selection takes place in a predevelopment phase of work. These sites mentioned should be prioritized as conversations progress and the specifics of the project concept are narrowed down.</p>

COMMUNITY PROFILE

Introduction

Shoreline and Lake Forest Park, WA are sibling cities on the rise. The only two communities to share Seattle's northern border, these relatively young cities were once an unincorporated area of North King County between Seattle and Snohomish County, Lake Washington and Puget Sound. In fact, the name "Shoreline" was first coined when this area's school district boundaries were defined in 1944, from "line to line" (Seattle to Snohomish County) and "shore to shore" (Lake Washington to Puget Sound). Though Lake Forest Park broke off to incorporate in 1961, the school district remained intact, and when the remaining territory incorporated in 1995, it retained the name Shoreline.

Indeed, the school district was and is a defining feature and point of pride for the communities, boasting schools that are consistently ranked near the top in the state. When considered in addition to the abundant natural beauty and verdant environs, soaring mountain views and serene waterfronts, and proximity yet seclusion from the city bustle, it is easy to see why residents in search of a family-friendly, ethnically and racially diverse bedroom community are drawn to Shoreline and Lake Forest Park.

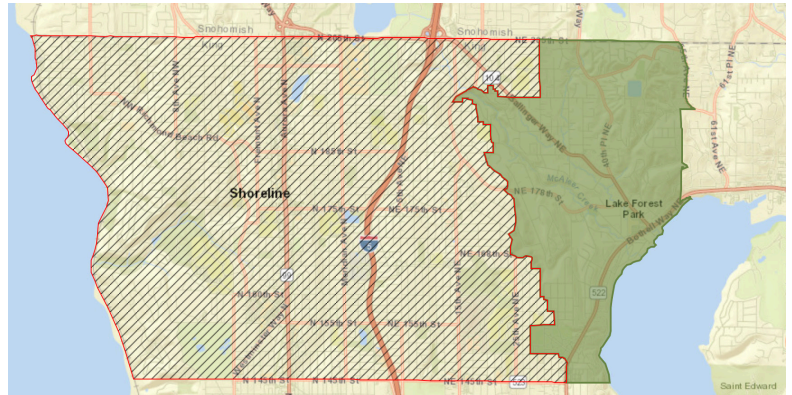


Image Source: ArcGIS Community Analyst

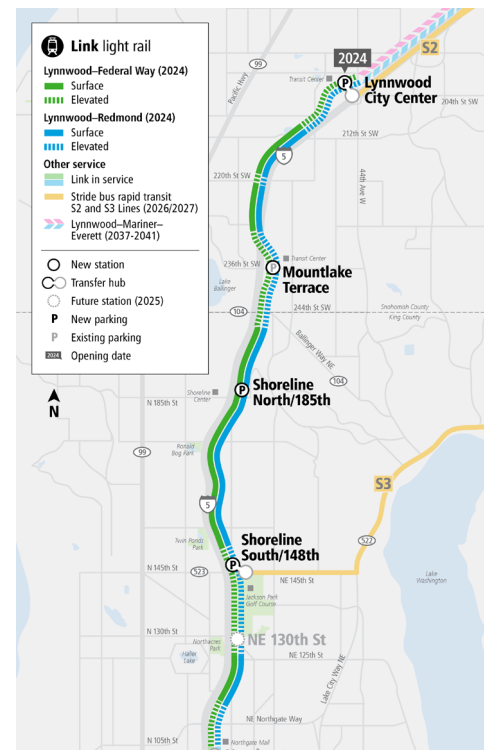
Simultaneously and perhaps unsurprisingly, artists are drawn to the area for the very same reasons: beauty, seclusion, access to the city, diversity, and notably, relative affordability. Indeed, art and creativity have been a part of Shoreline and Lake Forest Park's DNA for decades. For example, Robert Lang Studios has been a legendary asset in the Pacific Northwest music scene (perhaps the region's most identity-defining cultural endeavor) for more than 40 years, having recorded out of their DIY Shoreline studio the likes of locally-formed, world-renowned superstars Alice in Chains, Brandi Carlile, Dave Grohl, Dave Matthews, Death Cab for Cutie, Foo Fighters, Heart, Macklemore, Nirvana, and many, many others. Still, recognizing that many of Shoreline and Lake Forest Park's creative assets were not accessible to all, a group of volunteers came together in 1989 and formed the Shoreline-Lake Forest Park Arts Council. Its mission was to support, present, and encourage the arts in Shoreline and Lake Forest Park, by promoting public awareness of the arts and making the arts available in all its forms. In its 30+ years, the Council - now called ShoreLake Arts - has created an impressive and diverse slate of programs that bring the arts to North King County residents, including the Shoreline Arts Festival, Concerts in the Parks series, Artists in Schools program, the Edible Book Festival, 6X6NW art and photography exhibition, Dia de Muertos Celebration, and the Shoreline Short Short Film Festival. Additionally, over the past 10+ years, the ShoreLake Gallery at Town Center in Lake Forest Park has been selling the work of 90+ local artists, with over 8,000 visitors annually.

Despite a wealth of creative activities and arts opportunities driven by private businesses like Robert Lang Studios and nonprofits like ShoreLake Arts, the creative community in Shoreline and Lake Forest Park often feels disconnected, underinvested, hidden, and overshadowed by creative communities in larger cities like Seattle, Bellevue, Everett, and even nearby Edmonds. As summarized by one of the artist participants in our focus groups, "Artists are ever-present, but there are very few visual cues that artists are here." Indeed, many creative endeavors in Shoreline and Lake Forest Park take place in the private spaces of small businesses, homes, and backyards. Much of ShoreLake Art's public programming is held in schools, parks, or at space controlled by other organizations like libraries, community colleges, and senior centers. This is in many ways reflective of Shoreline and Lake Forest Park's highly residential character -- the cities and their arts communities lack true dedicated gathering places.

For this reason and others revealed during the Artspace study, ShoreLake Arts contacted Artspace to conduct a Preliminary Feasibility Study to learn more about how a new, expanded home for ShoreLake Arts might be created in the context of a new centralized mixed-use arts center that would include affordable housing for artists and their families in Shoreline or Lake Forest Park.

All this comes at an auspicious moment for the cities of Shoreline and Lake Forest Park, which, like the rest of the region, have experienced rapid growth over the past 10-15 years. While young families continue to move to North King County for the stellar Shoreline School District, the cities have also seen an influx of younger residents and artists priced out of the Seattle rental market. Still attracted by the beauty and relative tranquility that Shoreline and Lake Forest Park offer, these younger and increasingly ethnically and racially diverse residents also want accessibility, connectivity, and entertainment. The Sound Transit Link expansion will bring two new light rail stations to Shoreline (at 145th and 185th, now under construction) in 2024, connecting south to Seattle and beyond, and eventually north to Lynnwood, as well as Rapid Transit Bus service to the Eastside of Lake Washington by 2026. These additional transit options, along with envisioned enhancements of the Aurora Avenue corridor (Highway 99) in Shoreline, will completely transform the character of North King County. Managing this potential transformation in a way that mitigates displacement, includes residents of all backgrounds and socioeconomic statuses, and retains the identity and character that have made Shoreline and Lake Forest Park special will be a crucial and daunting task for community leaders over the next 5-10 years and beyond.

This has not been lost on leadership in either city. The 2012 Shoreline Comprehensive Plan¹ includes a "Vision 2029"² based on the city's original Framework Goals created in 1998 and updated in 2009, which include to:



Lynnwood Link Extension Project Map // Image Source: SoundTransit.org

- Encourage an emphasis on arts, culture, and history throughout the community
- Support diverse and affordable housing choices that provide for Shoreline's population growth
- Provide a variety of gathering places, parks, and recreational opportunities for all ages
- Respect neighborhood character and engage the community in decisions that affect them
- Create a business-friendly environment that supports small businesses . . . and encourages innovation and creative partnerships
- Make decisions that value Shoreline's social, economic, and cultural diversity.

Framework Goals

The original framework goals for the City were developed through a series of more than 300 activities held in 1996-1998. They were updated through another series of community visioning meetings and open houses in 2008-2009. These Framework Goals provide the overall policy foundation for the Comprehensive Plan and support the City Council's vision. When implemented, the Framework Goals are intended to preserve the best qualities of Shoreline's neighborhoods today and protect the city's future. To achieve balance in the city's development, Framework Goals must be viewed as a whole, without one being pursued to the exclusion of others.

Shoreline is committed to being a sustainable city in all respects.

- FG1:** Continue to support exceptional schools and opportunities for lifelong learning.
- FG2:** Provide high quality public services, utilities, and infrastructure that accommodate anticipated levels of growth, protect public health and safety, and enhance the quality of life.
- FG3:** Support the provision of human services to meet community needs.
- FG4:** Provide a variety of gathering places, parks, and recreational opportunities for all ages and expand them to be consistent with population changes.
- FG5:** Encourage an emphasis on arts, culture, and history throughout the community.
- FG6:** Make decisions that value Shoreline's social, economic, and cultural diversity.
- FG7:** Conserve and protect our environment and natural resources, and encourage restoration, environmental education, and stewardship.
- FG8:** Apply innovative and environmentally sensitive development practices.
- FG9:** Promote quality building, functionality, and walkability through good design and development that is compatible with the surrounding area.
- FG10:** Respect neighborhood character and engage the community in decisions that affect them.
- FG11:** Make timely and transparent decisions that respect community input.
- FG12:** Support diverse and affordable housing choices that provide for Shoreline's population growth, including options accessible for older adults and people with disabilities.
- FG13:** Encourage a variety of transportation options that provide better connectivity within Shoreline and throughout the region.
- FG14:** Designate specific areas for high-density development, especially along major transportation corridors.
- FG15:** Create a business-friendly environment that supports small and local businesses, attracts large businesses to serve the community, expands our jobs and tax base, and encourages innovation and creative partnerships.
- FG16:** Encourage local neighborhood retail and services distributed throughout the city.
- FG17:** Strengthen partnerships with schools, non-governmental organizations, volunteers, public agencies, and the business community.
- FG18:** Encourage Master Planning at Fircrest School that protects residents and encourages energy and design innovation for sustainable future development.

1 [Long-Range Planning Projects](#)
2 [Vision 2029](#)

Similarly, the City of Lake Forest Park's 2016-2020 Strategic Plan includes the goal of Community Vitality, defined as "creating a sense of community pride and identity in order to facilitate and maintain thriving neighborhoods and vibrant business districts where people can gather, engage and grow together."

An Artspace style-project can align with all of these goals and could help catalyze the visions both cities have laid out for their futures.

LAKE FOREST PARK STRATEGIC PLAN GOALS:

1. Mobility

Providing, maintaining and enhancing a safe, accessible and integrated mobility system, emphasizing bicycle, walking, safe streets and transit connectivity, consistent with the character of Lake Forest Park.

2. Healthy Environment

Ensuring the community and environmental health of Lake Forest Park through the effective policies that protect lands, waters, trees, and wildlife, promoting human health while managing the effects of climate change on a local level.

3. Community Vitality

Creating a sense of community pride and identity in order to facilitate and maintain thriving neighborhoods and vibrant business districts where people can gather, engage and grow together.

4. Public Safety & Access to Justice

Maintaining a safe community and an accessible justice system through fair, equitable and responsive service driven systems.

5. Accountable and Engaged Government

Delivering a financially sustainable, publicly transparent, model government that is responsive to the people of Lake Forest Park.

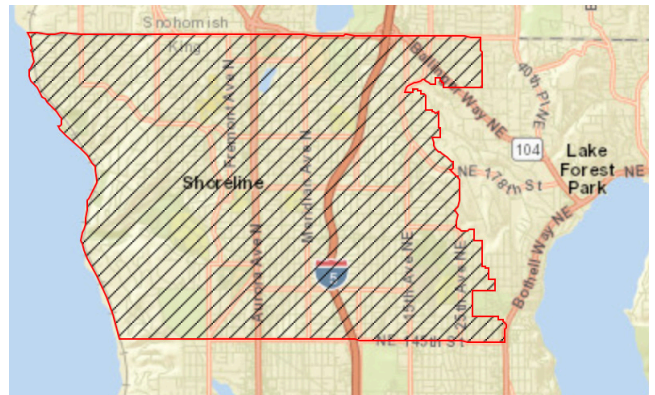


Image Source: ArcGIS Community Analyst

SHORELINE, WA AT A GLANCE

Population-Full Time (2021): 58,940

Households (2021): 23,685

Population, % change 2010-2021: +11.2%

Est. Population Growth 2021-2026: +7.1%

Vacant Housing Units, 2021: 5.4%

Median Age (2021 est.): 44.4

Median HH Income (2021): \$92,778

Median Gross rent, 2019: \$1,574

Renter-occupied Households (2020): 35.5%

Race and Ethnicity (2021 est.) (top 4):

- White: 62.3%
- Asian: 22.3%
- Hispanic/Latino (of any race): 7.7%
- Black/African American: 5.6%
- Two or more Races: 5.6%

Race and Ethnicity Index - Upward Trend

- 2010: 53
- 2021: 62.2
- 2026 (projected): 65.8

Source: Esri Community Analyst, US Census, 2021

A Crisis of Affordability

The backdrop for all of this is an explosive decade-plus of growth in the Puget Sound region, the effects of which have become especially apparent in North King County over the last five years. Population in Shoreline has increased 10% since 2010 and a 1.38% annual rate of growth is anticipated from 2021-2026. Population for Lake Forest Park has increased 9% since 2010 and a .85% annual rate of growth is anticipated from 2021-2026. King County is anticipated to experience a 1.45% annual growth rate between 2021-2026. Population for the county as a whole has increased 16% since 2010.

Accompanying this growth has been a dramatic rise in property values and housing costs. As the population surges, affordable housing becomes both more scarce and more important regionally.

Attachment A

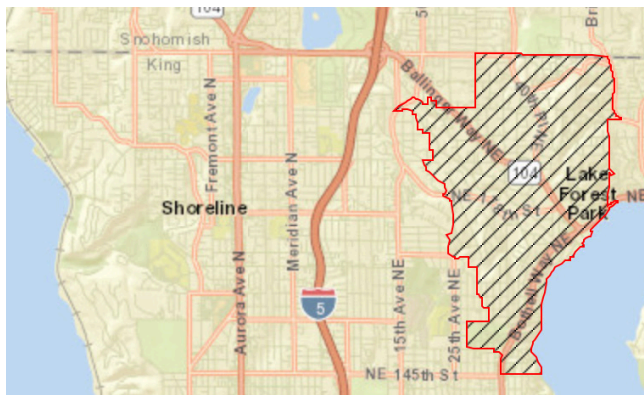


Image Source: ArcGIS Community Analyst

LAKE FOREST PARK, WA AT A GLANCE

Population-Full Time (2021 est.):	13,856
Households (2021 est.):	5,466
Population, % change 2010-2021:	+9.9%
Est. Population Growth 2021-2026:	+4.3%
Vacant Housing Units, 2021:	4.2%
Median Age (2021 est.):	47.1
Median HH Income (2021 est.):	\$122,648
Median Gross rent, 2019:	\$1617
Renter-occupied Households (2021 est.):	20%
Race and Ethnicity (2021 est.) (top 4):	
• White:	75.4%
• Asian:	14%
• Two or more Races:	6%
• Hispanic/Latino (of any race):	4.8%
Race and Ethnicity Index - Upward Trend	
• 2010:	35.2
• 2021:	46.5
• 2026 (projected):	51.2

Source: Esri Community Analyst, US Census, 2021

In 2017, representatives from King County, the City of Seattle and other cities in the county convened to form the Regional Affordable Housing Task Force to develop a regional plan to address the affordable housing crisis in King County. The Task Force found that not only did median home sale prices in King County increase 53% from 2012 to 2017, with average rents in the county increasing 43% over the same time period, but also that 156,000 households in the county at the time were paying over 30% of their income in housing costs. In fact, housing affordable to households making less than 80% of Area Median Income (AMI) had decreased significantly over the previous decade, to the point that if that trend continued, the county would “lose all unsubsidized homes at less than 50% AMI and nearly half of units affordable to households earning 50 to 80% AMI” by 2040. The Task Force concluded that an additional 244,000 affordable homes would be needed by 2040 in order to ensure no household earning 80% AMI or less was cost burdened.³

Additionally, the King County Urban Growth Capacity Report, mandated by state law, measures each county jurisdiction's progress towards stated 2035 growth and density targets, as well as whether there is adequate buildable land to meet projected growth. For context, in 1997, the Washington State legislature adopted the Buildable Lands amendment to the Growth Management Act, (RCW 36.70A.215), which requires seven Washington counties (including King County) and their cities to determine the amount of land suitable for urban development, and evaluate the capacity for growth, based upon measurement of recent actual development activity.⁴ The most recent report, released in 2021, illuminated that from 2006-2018 Shoreline has experienced housing growth at 64% of the rate needed to meet projected 2035 needs. To add the more than 4,200 housing units needed to achieve its 2035 target, Shoreline will need to grow its housing stock by 1% every year, nearly double the rate of the previous 12 years. Lake Forest Park, by contrast, grew at 89% of its target rate from 2006-2018, and will need to slightly increase its housing growth rate to 0.4% per year to meet its target. However, it is important to note that due to general size, land availability, and zoning, Lake Forest Park's total 2006-2035 housing growth goal of 551 units is less than a tenth of Shoreline's 5,800 units.⁵ More information about the City of Shoreline's affordable housing needs and objectives can be found in its 2021 Housing Action Plan.

³ [Final Report and Recommendations for King County WA](#), Regional Affordable Housing Task Force, 2018

⁴ [King County Urban Growth Capacity Report](#)

⁵ [2021 Urban Growth Capacity Report](#), King County Council, 2021

PRELIMINARY FEASIBILITY STUDY

A Preliminary Feasibility Study is the first step in understanding how an affordable arts development project can move forward within the context of a community's unique needs, assets, sites, leaders, and resources. Due to the COVID-19 pandemic, Artspace approached this study in a mostly virtual fashion, with virtual focus groups and a virtual public meeting supplemented by an in-person initial tour of potential sites. Artspace virtually gathered information, connected with local stakeholders, and shared information about how these projects come together. With this hybrid, primarily virtual approach, Artspace was able to safely gather community feedback and build general support for the creation of affordable space for the arts sector from a wide range of residents and constituents, while gaining on-the-ground insights into the landscape of options in North King County.

The Shoreline/Lake Forest Park Preliminary Feasibility Study kicked off initially on August 16, 2021, with a tour of potential sites for a creative space project in North King County. Artspace then continued the study with virtual focus groups, which took place from September 20 - October 14, 2021. A virtual focus group with artists and arts organizations was first, followed by virtual convenings around Equity in Space with a diverse group of local artists and stakeholders, community priorities with Civic leaders, and capital resources with leaders in the funding and finance sector. The study concluded with a virtual public meeting open to any and all interested on October 14, 2021. Artspace was represented by Wendy Holmes, Senior Vice President, Consulting; Teri Deaver, Vice President, Consulting; and Jaron Bernstein, Seattle-based project consultant. The in-person site tour was attended by Bernstein and Aneesha Marwah, Director, Consulting.



SHORELINE PUBLIC SCHOOLS AT A GLANCE (2020-2021 Enrollment)

Female: 48.2%

Gender X: 0.0%

Male: 51.8%

American Indian/Alaskan Native: 0.3%

Asian: 13.1%

Black/African-American: 8.3%

Hispanic/Latino of Any Race(s): 13.8%

Native Hawaiian/Other Pacific Islander: 0.6%

Two or More Races: 12.4%

White: 51.5%

English Language Learners: 9.6%

Low-Income: 26.2%

Homeless: 1.5%

Students with Disabilities: 11.9%

Source: Shoreline Public Schools, 2021

Community Tour

As part of our orientation to the area, ShoreLake Arts leadership took members of the Artspace team on a driving tour of North King County with an emphasis on areas of interest that would be valuable to surface during our focus group and public meeting conversations. This tour helped familiarize us with Shoreline Town Center and the Aurora corridor, Ridgcrest, the Fircrest campus, and North City. Visiting these areas helped us understand the history and context around these sites.

Initial Reflections from the Visit

Now could be the time to capitalize on overlapping opportunities and to invest in the future of North King County's creative sector. Shoreline and Lake Forest Park lack a true gathering space or centralized, accessible home for arts and culture. The rapid

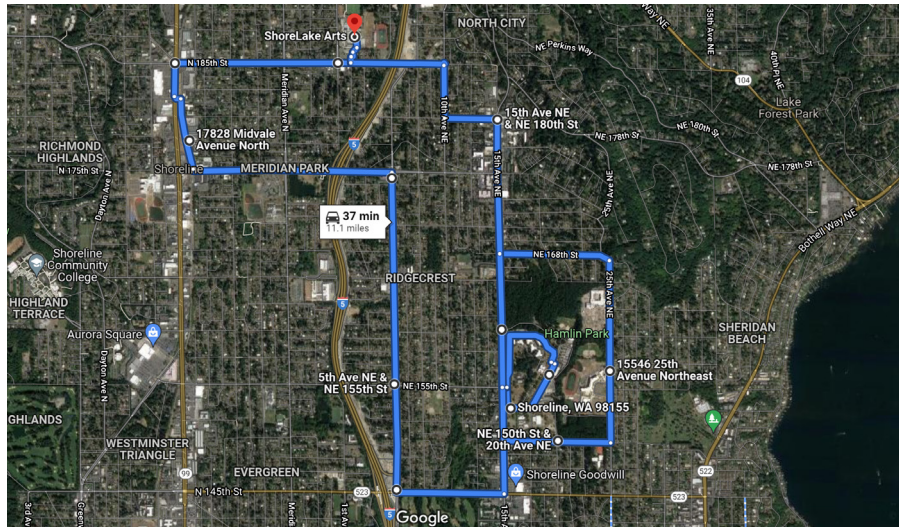
PRELIMINARY FEASIBILITY ENGAGEMENT

During the Shoreline/Lake Forest Park study, the Artspace team:

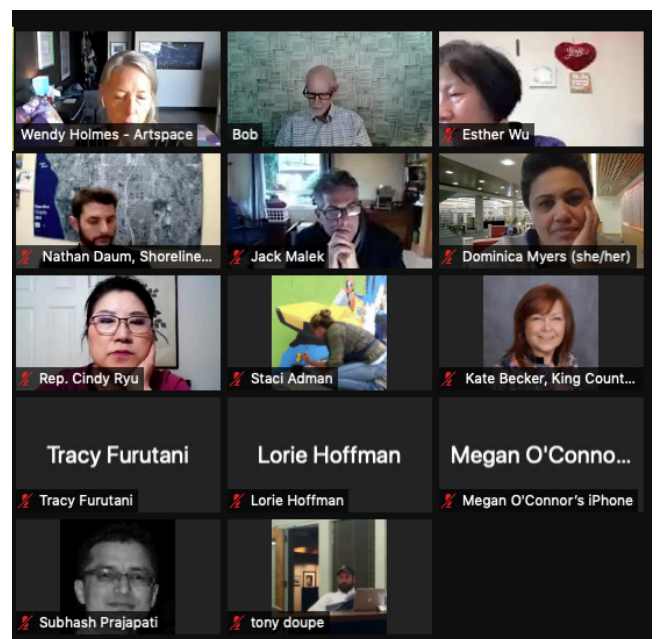
- Facilitated 4 virtual focus group meetings with 64 total participants
 - Artists and Arts Organizations
 - Equity in Space Diverse Leaders
 - Civic Leaders
 - Funders and Finance Leaders
- Led virtual public meeting with 55 attendees
- Toured 6 potential sites and learned about several others

regional growth and public sensitivity to housing affordability; the catalyzing nature of Sound Transit's expansion; an influx of funding from federal ARPA (American Rescue Plan Act) and infrastructure packages; and a general recognition of the power of the arts to bring people together and create a sense of place --- make up a confluence of factors that favor advancing a project.

This auspicious timing is enhanced by the number of engaged and supportive attendees participating in meetings facilitated by Artspace during the course of our study. In particular, several elected officials at the city, county, and state level, and their representatives, were actively engaged in the process and expressed interest in finding synergies between a potential creative space development and other community goals and priorities. The excitement among these participants and those representing the arts and culture sector was palpable; many indicated a desire to be involved in future conversations and to make connections with other like-minded organizations and individuals. The Core Group members are highly engaged and represent many of the key organizations and constituencies that should be involved moving forward, and thus are well positioned to keep a potential project moving.



Site Tour Route, August 16, 2021



Funder Focus Group meeting October 6, 2021 //

Photo Credit: Artspace

The Artspace Approach

Artspace has identified six key components of community-led development based on three decades of experience working on development projects in a wide variety of cities. These six components provide a framework for gathering information used to assess feasibility and provide feedback to communities on how to plan for successful, locally relevant, affordable, mixed-use facilities. Artspace relies on community input gathered during focus group and public meetings, conversations with a local core group of project leaders, individual interviews, and through a review of municipal planning and other relevant documents., Artspace's findings and recommendations are organized and presented through the lens of these six components, defined below:

PROJECT CONCEPT. What type(s) of space would the community like to see created? Although many communities have a well-developed project concept in mind before embarking on this study, Artspace's first step is to ask different stakeholders, "What type of creative spaces are needed and wanted in your community?"

ALIGNMENT WITH BROADER COMMUNITY GOALS. What goals have community members and civic leaders voiced and invested in reaching? A potential project can help achieve a number of civic goals, such as economic development or addressing racial disparities. Artspace considers strategies and partnerships that can leverage impact, so that the operating project can be greater than the sum of its parts.

ARTS MARKET. Is there a sufficient market to support an arts facility? To answer that question, qualitative data is collected. Specifically, through conversations with the creative sector Artspace seeks to better understand the existing arts community, its assets, challenges and opportunities. What we learn lays the groundwork for an Arts Market Study,

the second step on the path to an Artspace project, that provides quantitative data about the creative community's space needs. See Appendix B for more information about an Arts Market Study.

LOCAL LEADERSHIP. Are there leaders on the ground who are willing and able to advocate for the project, open doors, and keep lines of communication flowing between a developer and the community? These leaders come to the project from all industries, from elected officials who control agencies and program dollars to citizens who are passionate about making their community a better place to live, work, and create.

FUNDING AND FINANCING. What private and public funding sources and tools are available to finance and fund a project? Arts facilities typically represent significant investments of local, regional and sometimes national civic and private resources. Although a variety of state and federal programs can be used for capital costs, Artspace relies on local funding and financing programs to support pre-development expenses and the inevitable capital funding gap. The Preliminary Feasibility Study considers the community's interest and capacity to commit resources to an arts facility. Basic information is gathered about local funding options from both private and public institutions as well as philanthropic donations.



Artspace Tannery Lofts, Santa Cruz, CA // Photo Credit: Artspace

POTENTIAL SITES. Where might a potential creative space development realistically be located? At this stage, the primary goal is not to select the final site, but rather to identify candidates for further study. The factors under consideration include: location, size, ease of acquisition, and potential for sustained positive impact. As a project moves into predevelopment, these (and perhaps other) candidate sites will be evaluated in the context of a refined Project Concept, Arts Market Study data, and a deeper understanding of local development priorities and funding sources.

While these are not the only factors Artspace considers in making a recommendation to move a project forward, they help frame the discussion – especially in the preliminary feasibility stage.

Commitment to Equity in Creative Space

Artspace is committed to using our platform as consultants and nonprofit developers to elevate the voices of those that are all too often not included in real estate decisions. There is room for growth in all six criteria for every community to work on diversity, equity, inclusion, and access (DEIA) issues and Shoreline and Lake Forest Park are no exception. In each finding, there is a mention of where DEIA opportunities exist from Artspace's perspective. Creative space is not developed in a vacuum, and communities such as Shoreline and Lake Forest Park have historic imbalances of power and instances of racism that need to be further evaluated for all parties to truly feel welcome in any future community driven space.

One way we sought to understand the DEIA challenges in Shoreline and Lake Forest Park was through convening artists and cultural leaders who identify as Black, Indigenous, or a person of Color (BIPOC) to share their challenges and issues around creative space in North King County and offer their unique perspectives. Reflections from those conversations are included throughout the report. Specifically, they are included in discussing the alignment with broader community goals section, because addressing racial disparities surfaced as a top goal for the cities of Shoreline/Lake Forest Park and because promoting racial equity, access, and inclusivity in the arts is Goal #1 in ShoreLake Arts' strategic plan.

Bringing Artspace's National Experience to Shoreline/Lake Forest Park

In addition to the information gathered about Shoreline and Lake Forest Park, this report is informed by Artspace's experience working in other cities that have invested in affordable facilities for artists and arts organizations. The following thoughts provide context for evaluating the feasibility and demonstrating the importance of creative spaces in North King County.

Mixed-use arts facilities with long-term affordability have been shown to:

- **Generate economic revitalization and development.** Each development provides indirect, direct, and induced economic impact as well job opportunities before, during, and after construction.
- **Preserve old buildings, stabilize neighborhoods, and revitalize vacant and underutilized properties.** They help create activity and foot traffic in areas devoid of creativity, as the public seeks out nonprofit programs, services from creative business and interactions with artists and their work.
- **Catalyze private and public investment** in the surrounding area such as façade improvements and general beautification.
- **Create community spaces** that give the public opportunities to interact with the artist tenants and residents through gallery events, demonstrations, performances, and installations. They also provide opportunities for other local artists to showcase their work and organizations to offer programs.
- **Support independent artists** who are each, in effect, cottage industry business owners, generating economic activity by selling products or services, purchasing equipment and supplies, and paying taxes.
- **Stabilize Arts Nonprofits.** Long-term affordable and accessible space for nonprofit organizations, allows for long-term planning and deep community engagement through on-site programs, convenings and other activities and services.
- **Build community.** As residents, artists and creatives are active neighbors and community members. Many collaborate with the educational, cultural, and business communities as teachers, community conveners, and volunteers. Arts centers, nonprofits and creative businesses operating from an arts facility can address the unique needs of the local community and offer a place to gather and to learn. These spaces also provide a place where cultural art forms can be passed from one generation to the next and where all can feel welcome.

CORE GOALS

At the heart of every Artspace development are these goals:

- Meet the creative sector's space needs
- Ensure long-term affordability
- Reflect the unique culture and character of the community
- Include diverse BIPOC voices at the table
- Exemplify sustainable and efficient design
- Operate in the black

FINDINGS

Project Concept

The hopes, concerns, and ideas expressed by those we meet with during a Preliminary Feasibility Study are the raw materials that go into the making of a Project Concept. The needs of the community — such as affordable housing, activating underutilized spaces, economic opportunities, and others — go into it, too. So do the observations we make during our site tour and conversations around existing physical space assets and infrastructure challenges within the creative sector. In a sense, the Project Concept is the outcome of everything we learn during a Preliminary Feasibility Study.

In Shoreline and Lake Forest Park, we heard repeatedly that affordable space is increasingly difficult for artists to find, that the region is growing and diversifying, that new transit and development will change the landscape in the coming years, and that there is a deep desire to support and preserve the North King County creative community and address deeply rooted racial disparities. Importantly, we also heard that participating local stakeholders welcome the idea of ShoreLake Arts having a permanent home from which to operate and serve the community.

With early input from ShoreLake Arts and the Core Group, we came into the Preliminary Feasibility Visit with this specific Project Concept in mind: a mixed-use, affordable artist live/work facility with ShoreLake Arts as the ground floor anchor presence. Our task was to test the concept using our community-led development approach. To begin the process, the first questions Artspace asked the artist and arts organization focus group participants in Shoreline/Lake Forest Park were, “what kind of creative spaces are in your community?” and “what additional spaces are needed and/or wanted?” Artspace also asked the BIPOC participants in the Equity in Space focus group “how would you like to be included in the conversation around any new creative space that is developed in North King County?” These and other questions helped to solidify this Project Concept as the right one and to inform our recommendations.

Space for ShoreLake Arts

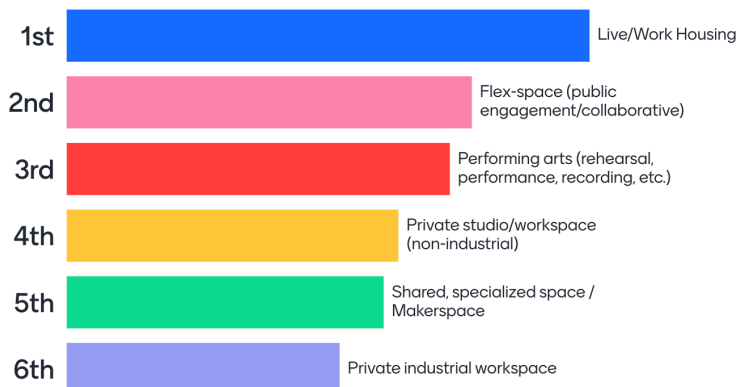
As noted above, a specific impetus for this study and a key goal will be to identify a permanent home for ShoreLake Arts. As previously alluded to, the 30-year-old nonprofit has grown tremendously in recent years, annually producing 60-80 community programs and events and serving approximately 30,000 people, including serving youth through camps and in-class programming. ShoreLake's offices are currently housed at the Shoreline Center, a former school site owned by Shoreline School District. Also housed there are the North Seattle French School, the Shoreline Chamber of Commerce, offices for several local lawmakers, and the School District's administrative offices. ShoreLake used to have access to several multi-purpose rooms, including one with a small stage, and an 800-seat auditorium for meetings, performances, and other programming, but the District decided to stop renting these facilities. Thus, most of ShoreLake's impressive programming now takes place in schools, in parks, or at other community organizations throughout Shoreline and Lake Forest Park – but expanding current programs or adding additional events is constrained by the lack of readily accessible space.

Any creative space development in North King County should include a permanent home for ShoreLake Arts. It is, after all, the vision upon which this project concept is conceived. The following sections discuss the types of spaces potentially needed in Shoreline[QE1] and Lake Forest Park, and how they might align with this goal.

Priority Project Concepts

The Artists and Arts Organization Focus Group, Equity in Space Focus Group, and Public Meeting attendees were asked to prioritize the type of artist/creative space they would like to see in Shoreline/Lake Forest Park. There was definite interest in affordable artist live/work housing, as well as a desire for flexible public engagement/community space, performing arts space for rehearsal and performance, and private studio space for fine arts. Many of these uses could be accommodated on the ground floor of a mixed-use building.

What types of affordable spaces do artists/creatives most need to thrive in Shoreline/Lake Forest Park? (rank in order of importance)



The Artists and Arts Organization Focus Group, Equity in Space Focus Group, and Public Meeting attendees were asked to prioritize the type of artist/creative space they would like to see in Shoreline/Lake Forest Park. There was definite interest in affordable artist live/work housing, as well as a desire for flexible public engagement/community space, performing arts space for rehearsal and performance, and private studio space for fine arts. Many of these uses could be accommodated on the ground floor of a mixed-use building.

Artists and Arts Organization Focus Group attendees prioritized:

The top four types of creative space prioritized by the Focus Groups for Shoreline/Lake Forest Park are defined and discussed in more detail:

Live/Work Housing residential space allows artists to live and create in the same space. Artspace live/work units meet standard residential codes and are somewhat larger (100 to 150 square feet) than a typical dwelling unit. The units are affordable rentals for those earning between 30%-60% of Area Median Income and include artist-friendly design features, including durable surfaces, large windows, high ceilings, and wide doorways.

For individual Artists/Creatives:

- Live/Work Housing: 7
- Flex-space (public engagement/collaborative): 4
- Performing arts (rehearsal, performance, recording, etc.): 2
- Private studio/workspace (non-industrial): 2
- Private industrial workspace: 1
- Shared, specialized space / Makerspace: 1

For Arts Organizations/Creative Businesses:

- Flex-space: 7
- Performing arts (rehearsal, performance, recording, etc.): 3
- Fine arts studios/workspaces: 3
- Storefront: 3
- Shared, specialized workspaces: 2
- Artist-in-residency: 1

Flexible Collaboration/Public engagement/Event Space There was a general feeling that there was not a space for artists to gather and collaborate. Artspace has a number of smaller flexible community spaces in many of our buildings for residents to invite guests and encourage greater collaboration, as well as for more formal events and even public rentals. Typically, finding an organization that is interested in running/renting/programming this sort of space would be key. ShoreLake Arts can serve this purpose in Shoreline/Lake Forest Park and incorporating this kind of space into the ground floor of a project would be appropriate.

Performance Space serves organizations and individuals looking to rent space for private events, performances, rehearsals, or community gatherings. This would usually be on a fee or hourly basis and can take the form of a

proscenium theater, black box, music venue, or flexible event space.

Shoreline has existing, high-quality performance arts space at each of the school district's two high schools, as well as at Shoreline Community College (mostly suitable for film screenings). However, these spaces are in high demand and, understandably, first priority goes to the education institutions who run them. Thus, finding availability for performances of outside groups is nearly impossible. Additionally, these spaces are quite large (450 seats for each of the high school spaces, and 800 seats at the community college), and therefore are not suitable for every group. There is a need not only for space that is more available and accessible to community groups, but also that is more suitably sized for smaller groups and performances.

As previously mentioned, Artspace has a number of smaller flexible performance spaces in our buildings. Performance space is compatible with artist housing and ShoreLake Arts could be an operator of performance space in a future facility.

Private Artist Studio Space is commercial space specifically designed for the creation or practice of art. Studio space can be rented under an annual lease agreement or on an occasional, or short-term basis by individual artists or small businesses. Uses can include fine arts studios, industrial work space, teaching, offices, recording studio, soundproof rooms, etc. Keeping the sizes and price points flexible will ensure greater market applicability. This type of space has often been incorporated into mixed-use Artspace projects like the Tashiro-Kaplan Building in Seattle's Pioneer Square, which includes private studio space, artist live/work housing, and flexible community space (as well as retail space housing galleries, a cafe, and 4Culture's offices). For some art-making, space for private studios could be managed by ShoreLake Arts in connection with community classroom studio space, potentially allowing for shared use of equipment and infrastructure (e.g., ceramics).

Other Spaces of Interest

Participants in the Artists and Arts Organization focus group and in the Equity in Space discussion were asked what other spaces besides those listed may be needed. Ideas include: classroom space, spaces for youth and childcare, shared office space/equipment for nonprofits, indoor/outdoor gathering space and outdoor workspace, bar/cafe/restaurant space, ceramics studio and other industrial work space, music venues, photography studio, creative enterprise incubation space, dance rehearsal/performance space, more gallery/shared storefront space, printmaking space/equipment, meditation space and space for mental health professionals to work with artists, music/audio/podcast recording space, film production space, space for poets to gather and share ideas, and many others. Participants emphasized the need to ensure space is accessible to people with disabilities, and the Equity in Space participants emphasized the need for space that centers around diverse communities and specific cultures. All of this input helps inform a potential project concept and lays the foundation for a future market needs assessment to test early assumptions and prioritize spaces for a future facility.

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

Defining a Project Concept in Shoreline/Lake Forest Park

There is a strong desire in North King County to develop a facility that provides sustainable affordable space for the creative sector, acts as a destination for the greater community, and catalyzes and celebrates the vibrant creativity of the community that is often overlooked.

Based on the information gathered during this study, **Artspace recommends the exploration of a mixed-use, live/work artist housing development as the priority project concept for Shoreline/Lake Forest Park.** A development with affordable live/work housing for artists on its upper floors and private studio/collaborative space/performance space on the ground floor, including a home for ShoreLake Arts, would be appropriate to pursue in North King County.

The mixed-use concept would be a strong addition to the other higher density projects recently completed or under development along Aurora Avenue, to catalyze equitable development in transit oriented development (TOD) corridors

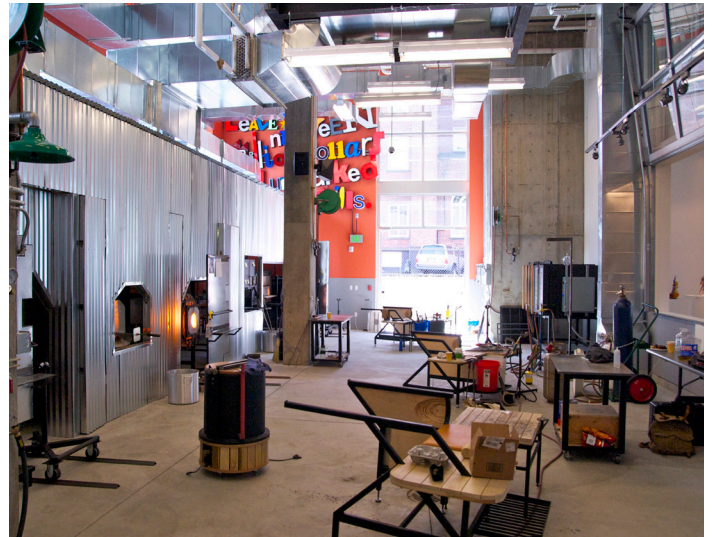
or in more residential areas, or to complement other large complex redevelopment initiatives in the works. Going forward, the curation of the mix of businesses that could be located on the ground floor of a mixed-use housing development would be a great way to engage diverse cultural leaders and business. This provides an exciting opportunity to be more intentional about making space specifically for and with BIPOC businesses and nonprofit organizations in mind.

ARTSPACE & TENANT PARTNERSHIPS

Buffalo, NY - The Buffalo Arts and Technology Center (BATC) is an anchor tenant in our mixed-use affordable artist housing project in Buffalo. The BATC occupies 15,000 sq. ft. of space on the first and lower level of the historic electric car factory that houses 36 units of artist live/work spaces on floors 2-5. The focus of the BATC is two-fold: 1. To provide high quality art instruction to low-income children in the neighborhood, with an eye toward potential art careers and 2. To provide medical technology training to low-income adults in the neighborhood and assist with job placement at the nearby medical campus. There is a synergistic relationship with both the nearby hospital and the artist residents, some of whom act as faculty in the BATC program.

Everett, WA - Schack Art Center, formerly called the Arts Council of Snohomish County, occupies a two-level ground floor space at Artspace Everett Lofts. The Council and the City of Everett invited Artspace to develop the Lofts as part of the City's efforts to evolve from its industrial past into a vibrant urban center with a strong focus on quality-of-life amenities — including the arts. The new-construction four-story building features 40 units of affordable live/work housing for artists on the upper three floors above the Schack on the ground floor, whose space features the most advanced glass works facility of its kind on the West Coast — with glassblowing, flameworking and sandblasting, as well as a gift shop, a gallery and two studio spaces that can be rented for special events, meetings and celebrations.

Seattle, WA - The Hoa Mai Vietnamese Bilingual Preschool located on the ground floor of Artspace Mt Baker Lofts, is the first bilingual Vietnamese-English daycare in Seattle. The Transit-Oriented Development is ideally located and offers a sliding scale for tuition based on family income. It serves the multicultural needs of the neighborhood.



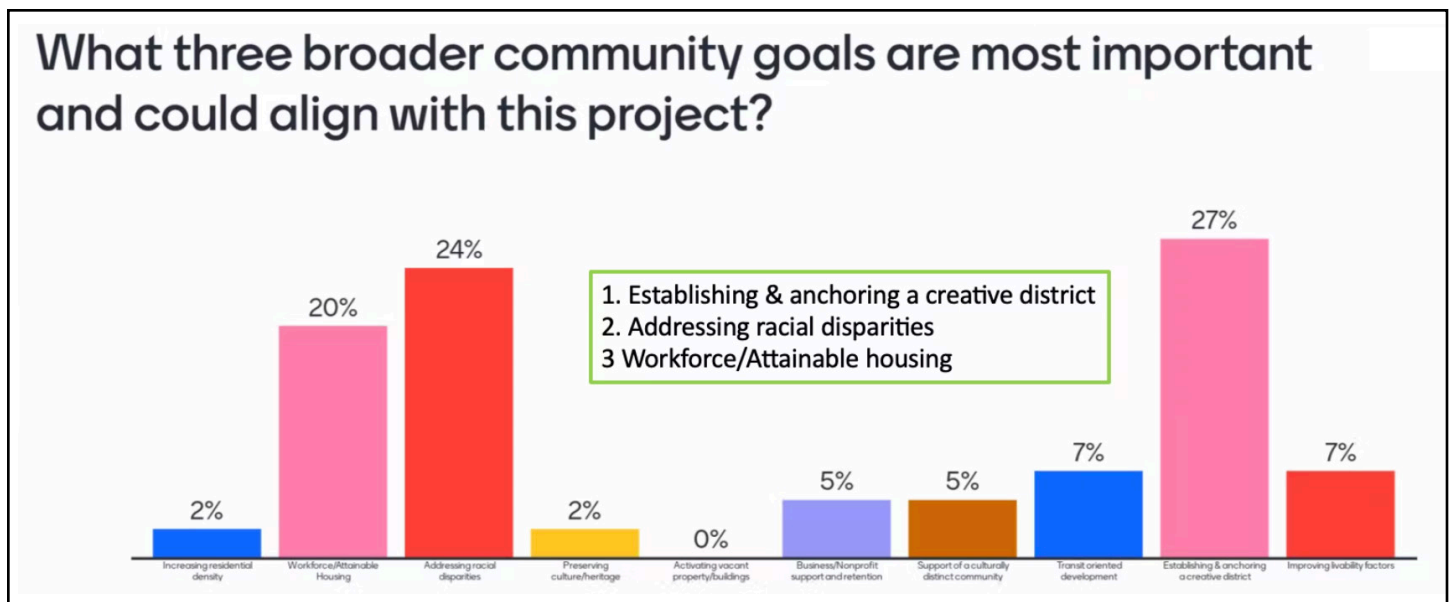
Schack Art Center at Artspace Everett Lofts // Photo Credit: Artspace

Alignment with Broader Community Goals

In Artspace's perspective, successful arts buildings serve not only their residents and tenants, but also the surrounding community. Development projects can accomplish this by aligning with as many complementary goals as possible and can be more than a sum of their parts. When multiple goals, such as walkability, downtown revitalization, or historic preservation can be addressed with an Artspace initiative, it has the potential to foster long-term, sustainable impact. It also helps to bring more stakeholders to the table who are eager to see the project succeed.

To help us determine the goals that matter most in a community, Artspace uses the Preliminary Feasibility Study to obtain input and qualitative data from a broad cross-section of stakeholders. Once we understand these community priorities, we look for ways to align them. During the Shoreline/Lake Forest Park focus groups and public meeting, Artspace outlined the mission-driven goals that we know could be possible through creative space development in Shoreline/Lake Forest Park. Participants were asked to choose their top three goals from the list. They were also encouraged to add anything that might be missing. The overwhelming top three goals for those who participated in this activity were:

- Addressing Racial Disparities
- Establishing & Anchoring a Creative District
- Workforce/Attainable Housing



Results from the Artists and Arts Organization Focus Group

- 1. Addressing Racial Disparities** – Consistently, across all focus groups, the need to address historic and current racial disparities rose to the top as a paramount goal. There was a general recognition among participants that inequities continue to exist in North King County and that they would continue to be perpetuated, and indeed worsen, if not proactively addressed. Especially as the populations of Shoreline and Lake Forest Park grow, and those populations diversify, centering the need to ensure accessibility, belonging, and security of BIPOC artists and residents will be imperative.

As framed by one participant, “it’s almost hard to choose ‘addressing racial disparities’ as a priority because it really should be inherently included as part and parcel of all the other goals listed. But at the same time, if we don’t call it out specifically, that’s how it gets overlooked.”

The City of Shoreline, for one, recognizes this paradox. In November 2020, the City adopted a resolution

SHORELINE EQUITY & SOCIAL JUSTICE WORKGROUP PRINCIPLES:⁶

- 1. Actionable:** Structure sessions to identify actions that are sustainable and with accountability to build trust.
- 2. Community-Centered Design:** Prioritize Black, Indigenous, Hispanic/Latinx, Asian, and other People of Color (BIPOC) communities. Build respectful partnerships which honor culture and co-design listening sessions that are tailored to specific needs.
- 3. Build an Anti-Racist Community Movement:** Support community network and organizing through strengthening relationships and engaging broad participation.
- 4. Support Systems Change/Transformation:** Be strategic and thoughtful to make institutional change and support community leadership development.

declaring the City's commitment to building an anti-racist community.¹ In April 2021, it convened an Equity and Social Justice workgroup to review four topics: Shoreline's racial history, police services, affordable housing and homelessness, and community resources. The workgroup identified four principles to guide subsequent work and community listening sessions. One principle is Community-Centered Design (see sidebar).

Investing in creative space could be one way for the City of Shoreline to fulfill its ESJ workgroup's goal of community-centered design. The arts and cultural sector has the power to bridge cultural divides and breakdown barriers and silos. ShoreLake Arts, for one, has made efforts in recent years to more fully reflect the community, with, for example, the addition of the Día de los Muertos Celebration and the Festival of Lanterns Lunar New Year celebration. A private Shoreline business, Black Coffee Northwest, is a unique and innovative creative enterprise blending

coffee, art, and "meeting space rooted in current culture" to build community through youth development. Additionally, we know that there are many vibrant, culturally specific arts groups in North King County - like Just Humanitarian Project (JHP) Legacy, International Performing Arts, and Youth for Culture Promotion - whose art and operations would be more sustainable, accessible and, frankly, visible, with access to permanent, affordable, and culturally specific space.

Another important point that was voiced in multiple focus groups was the need to specifically include Indigenous communities in whatever project may arise from this study. The original stewards of the land that Shoreline and Lake Forest Park now occupy, Indigenous peoples are often overlooked in conversations around welcoming all members of the community, particularly when those conversations are focused on new communities who may be moving into the area. It is important to remember that the Indigenous community is and has been living in Shoreline and Lake Forest Park for thousands of years. Any project should honor and celebrate their continuous connection to and care of these lands. According to the interactive map at Native Land Digital, Shoreline and Lake Forest occupy the traditional lands of the Coast Salish, including the Stillaguamish, Suquamish, and Duwamish peoples, but this is not necessarily an exhaustive list. Artspace recommends further outreach to the Coast Salish Indigenous communities.

Through the development process of an Artspace project, we encourage ShoreLake Arts and Core Group members to make a concerted effort to keep the goal of Addressing Racial Disparities at the top of mind, as it is apparent the community hopes that a creative space project can help address it.

- 2. Establishing/Anchoring an Arts District** – As mentioned previously, Shoreline and Lake Forest Park lack a dedicated centralized gathering place for arts and cultural activity, with the potential exception of Third Place Commons in Lake Forest Park Town Center, which was referenced several times by participants as a place where arts programming happens, and people come together. The establishment of a creative district with multiple creative businesses and activities to draw residents and visitors was of particular interest to focus group participants. There are several possibilities for establishing an arts district in Shoreline/Lake Forest Park (see Potential sites), and the Washington State Creative Districts program could eventually provide modest funding and technical assistance if certified.

An Artspace-style project could be an anchor to create more of a sense of place and add significant year-round activity to the heart and soul of North King County. Residential artist tenants are also their own cottage

⁶ [City of Shoreline Resolution 467](#)
⁷ [Building an Anti-Racist Community](#)

industries that contribute to economic growth and abundance. Artists and nonprofit arts organizations support creative businesses through the purchase of materials and services and by offering classes, workshops, arts retail and coordinating art crawls and exhibitions/performances.

- 3. Workforce/Attainable Housing** - Creating permanently affordable space is core to any Artspace-style development and the type of financing used (described in the Funding section) ensures keeping any new development affordable for artists and their families. Many artist households qualify for workforce housing, but find the units' designs and management policies restrictive for the practice and creation of art. Thus, they are doubly burdened with finding both housing and separate creative work and studio space. It was mentioned repeatedly that there was not affordable space for nonprofit organizations or individual artists in Shoreline or Lake Forest Park. This is also true for young professionals and families who are being priced out of Seattle and other larger area cities. Affordable housing and creative space is critically needed in the community in order to attract and retain creatives in North King County, but also to attract and retain new residents of all ilks, as well as to meet the targets for projected housing needs in the coming decades.

Additionally, two further community goals that surfaced were:

- 4. Sustaining Creative Businesses and Nonprofits** - An affordable and long-term self-sustaining mixed-use art facility

will, at its core, help to ensure a long-term home for creative businesses and nonprofits as well as individual artists. A critical mass of creatives also offers increased visibility to the buying public and an opportunity for artists to share networks, materials, and ideas. Additionally, the knock-on effects of thriving creative enterprises that are often felt by other nearby shops, restaurants, and other small businesses were mentioned as a desirable outcome. These economic ripple effects can be a significant benefit of investing in creative small businesses and nonprofits.

- 5. Transit Oriented Development** - The goal of incorporating Transit Oriented Development (TOD) elements into a potential creative space development was top of mind, given the Sound Transit light rail stations opening in Shoreline in 2024, as well as the new

Rapid Bus Transit line that will connect Shoreline and Lake Forest Park with the East Side. Additionally, in our conversations with funders and financiers, which included representation from Sound Transit, it was mentioned that the ideas of placemaking and live/work space come up frequently in conversations around TOD. Given the rapid growth of the area and the attention paid to creating accessible, multi-modal communities, targeting a project site that could take advantage of TOD funding would be advisable.

TRANSIT-ORIENTED DEVELOPMENT EXAMPLE: ARTSPACE MT. BAKER LOFTS

Building Statistics:

- Opened 2014
- Total area: 55,397 SF
- Live/work units: 57
- Commercial/ Community space: 8,613 SF
- Located adjacent to the Mt. Baker Light Rail Station on Seattle's Central Link light rail line
- Features: Roof deck with spacious garden area; large community room; ample bicycle storage; open floorplans to accommodate creative activities; high ceilings; large windows and doors; durable surfaces; wide hallways

Community Partners:

- Sound Transit
- SMR Architects
- MarPac Construction

Artspace projects have often incorporated TOD funding sources, most notably the Mt. Baker Lofts in Seattle (see Funding for more detail). Siting a project around transit presents a wealth of opportunity, not just for additional funding sources, but to address the other community goals previously discussed.

Articulating how project goals may align with community goals helps to establish the vision for the initiative and to guide future decisions, conversations, partnerships, and outreach. However, this process is not limited to one

study. It evolves by continuing to listen to community members as a project progresses and by inviting new and diverse voices to the table.

Arts Market

The term “arts market” refers to the demand for the kinds of space that artists, creative businesses, and arts nonprofits regularly need and use, and the arts uses that exist in the community. The goal of the Preliminary Feasibility Study is to obtain qualitative data from artists and others familiar with the local arts scene. The conversations that developed through the tour, focus groups, public meeting, and Core Group discussions all help frame Artspace's understanding of the arts scene, whether there is grassroots support for new space, and how that does or does not support the proposed priority project concept and/or location.

Artspace intentionally keeps its definitions of artist and creative broad to be as inclusive as possible. Residents of Artspace buildings range from veterans, formerly homeless, retirees, service workers, teachers, parents – and they also happen to be creative. They are likely to earn a portion of their income from something other than their art. In fact, a look across the Arts Market Surveys that Artspace has completed in the past 15 years shows that only about 10% of more than nearly 50,000 artist respondents make 100% of their income through their art.

TAKING A MEASURE OF CREATIVE PLACEMAKING

The Artspace live/work model has been proven to benefit communities by:

- Anchoring arts districts and expanding public access to the art
- Attracting additional artists, arts businesses, organizations, and supporting non-arts businesses to the area
- Fostering the safety and livability of neighborhoods
- Bringing vacant and/or underutilized spaces back on the tax rolls and boosting area property values
- Animating deteriorated historic structures and/or underutilized spaces



[Taking a Measure of Creative Placemaking](#)

WHO IS AN ARTIST?

Artspace's definition of an artist is very broad. An “artist” is a person who has a demonstrable commitment to the arts or a creative pursuit? While the term is broad and varies from community to community, if affordable housing is utilized in a project, all “artists” must still qualify for affordable housing by income:

- A person who works in or is skilled in any of the fine arts, including but not limited to **painting, drawing, sculpture, book art, mixed-media and print-making.**
- A person who creates imaginative works of aesthetic value, including but not limited to **film, video, digital media works, literature, costume design, photography, architecture and music composition.**
- A person who creates functional art, including but not limited to **jewelry, rugs, decorative screens and grates, furniture, pottery, toys and quilts.**
- A performer, including but not limited to **singers, musicians, dancers, actors and performance artists.**
- In all culturally significant practices, including a **designer, technician, tattoo artist, hairdresser, chef/ culinary artist, craftsperson, teacher or administrator** who is dedicated to using their expertise within the community to support, promote, present, and/or teach and propagate their art form through events, activities, performances and classes.

Arts Community Profile

During the virtual Artists and Arts Organizations Focus Group and other meetings, participants discussed creative space needs, current creative assets, barriers, cultural barriers faced by artists who identify as Black, Indigenous, People of Color (BIPOC), and the challenges and opportunities for North King County artists more broadly. This information helps Artspace assess the feasibility of a project concept and lays the groundwork for the quantitative Arts Market Study, the second step on the path to an Artspace project, further detailed in the sidebar and in Appendix B.

CREATIVES WE MET:

- Small Business Owner
- Muralist
- Producer
- Ceramics Artist
- Recording Artist
- Audio Engineer
- Photographer
- Playwright
- Filmmaker
- Actor
- Performance Artist
- Teaching Artist
- Painter
- Installation Artist

CREATIVES ASSETS:

Participants were asked about current community arts assets in Shoreline and Lake Forest Park that we should know about. The artists and arts organizations virtual focus group populated this list that shows the variety of space where creative activities take place in North King County. Few of the spaces mentioned are solely or primarily dedicated to arts and cultural endeavors, and many of those that are, are a part of educational institutions. As mentioned in the introduction, the patchwork nature of these creative assets leads to an arts sector that feels disconnected from one another and the community, despite the obvious wealth of creativity that exists in Shoreline and Lake Forest Park.

- | | | |
|--------------------------------|--|--|
| 1. Kruckeberg Botanic Garden | 7. Public Parks where ShoreLake Arts presents programs | 12. Cafe Aroma |
| 2. ShoreLake Arts Gallery | 8. The Crest Theater | 13. Ridgecrest Pub |
| 3. Shoreline Arts Festival | 9. Third Place Commons | 14. Monka Brewing |
| 4. Robert Lang Studios | 10. Theaters at the High Schools | 15. Local 104 (a pub) |
| 5. Robert Lang Studios Academy | 11. Shoreline Community College auditorium | 16. Black Coffee Northwest Cafe |
| 6. North City Bistro | | 17. Residency cottage at Richmond Beach Saltwater Park |

STEP 2: ARTS MARKET STUDY

The Arts Market Study will enable Artspace to test the priority project concept, a mixed-use affordable arts facility. The data collected helps refine the project concept, influence site selection, and guide future creative space development. The AMS Study gathers information about:

- Amount artists can pay for studio/work space
- Amount artists can pay for housing
- Types of shared or community spaces that are most important
- Types of private studio workspaces that are most important
- Location preference
- Types of amenities that are important

In addition to providing key information about the need for space within the possible context of a future Artspace project, this survey also provides valuable information for other developers and organizations who might consider carving out space for artists in their buildings and planned projects. Not every type of needed space can be accommodated in a single project. Having arts market information available to multiple interested parties is important to supporting new creative space opportunities.

- | | |
|-----------------------------|----------------------|
| • Printmaker | • Singer/Chanter |
| • Educators | • Arts Administrator |
| • Digital Artist | • Poet |
| • Illustrator/Sketch Artist | • Fashion Designer |
| • Public Artist | • Textile Artist |
| • Mixed Media Artist | • Artistic Director |
| • Animation Artist | • And more... |
| • Musician | |
| • Drummer | |

18. 1% Public Art program
19. Shoreline Community College's Film Program and Arts Program
20. Urban forest trails
21. Dive bars
22. Modern Glaze ceramic studio,
23. Arcane Comics and Art
24. JoAnn Fabrics



DESCRIBING THE ARTS SECTOR:

The profile of the arts community at-large, as described by participants in the artists and arts organizations virtual focus group, can be seen in the word clouds below. Words such as emerging, developing, innovative, and diverse all rose to the top. Also included were words and phrases like under-resourced, hidden, and “working in isolation.”

CHALLENGES:

Participants in the artists and arts organizations virtual focus group were asked about the greatest challenges/barriers the creative sector faces in Shoreline/Lake Forest Park with a focus on space. This feedback is important for Artspace and for the local civic leaders to help understand what stands in the way of progress and what opportunities there are to address these challenges. While the financial impact of the COVID-19 pandemic on the local creative sector was not explicitly discussed it is reasonable to assume that it has exacerbated many of the challenges faced by individual creatives and organizations. Decreases in earned and contributed income have been substantial across the sector as venues shuttered and people have been reluctant to gather for in-person events. Individual creatives who, may for example also work as art educators or in the hospitality industry have found themselves doubly impacted over the past two years. This context is important to consider alongside pre-existing trends we heard about including the expense and cost of Shoreline and Lake Forest Park and the lack of available space of all kinds, particularly for events. As one participant put it, “It’s chicken and the egg: since there are so few spaces, there are few arts organizations; but since there are so few arts organizations, there are no spaces.” Artspace hopes one outcome of this study is to show that artists and arts organizations do exist in Shoreline and Lake Forest Park, and that there is demand for space. Regardless of an ultimate creative space development, we have seen proof of this kind of demand lead to other initiatives in the private sector in other communities in which we’ve worked.

We received over 75 comments and have synthesized them into the list below.

- Affordability: Spaces are all demanding high end commercial rates
- Risk-averse and inflexible rental venues
- No financial incentives to stay
- Not enough support for creatives
- Parking
- Accessibility
- Lack of larger gathering space
- Lack of arts classroom space
- Lack of enough gallery space
- Lack of creative district where people can walk/shop/browse/see art
- Lack of value placed on arts education
- No small theaters
- Bars are few and far between - nowhere to dream!
- Event venues not controlled/run by artists
- Lack of sufficient Public Transportation, especially between North King County and Seattle/East Side
- North King County shies away from conversation around racial equity
- Avoid contributing to gentrification

OPPORTUNITIES:

Similarly, Artspace asked artists in the virtual focus group and at the Open Meeting about the opportunities that exist for artists/creatives in the community with a lens to “space.” The following is a sampling of comments on these opportunities. Many of the participants focused on potential locations in the responses, which is not uncommon -- several of their suggestions will be discussed in the Potential Sites section on page 37.

- My dream is to buy Sky Nursery and create an amazing arts/food hub inside their gigantic greenhouse
- More covered outdoor performances spaces in parks
- Town square? Outdoor gathering space with restaurants, live music, bar, nightlife
- Shoreline Place (former Sears Property)
- North City
- Fircrest
- Coming Sound Transit/Light Rail stations
- Ridgecrest neighborhood (where The Crest is located) could become a creative district -- bones are there
- Arts & Nature

Key Takeaways

There is a strong market in Shoreline and Lake Forest Park for an Artspace project. Artists are challenged by lack of affordability and difficulty identifying consistent, sufficient space for artistic creation and events, but there is an appetite for space to gather, to collaborate, to perform, to create. There is a bit of a feeling of “if you build it they will come” here, and with ShoreLake Arts as the catalyst and convener, there is a real opportunity to invest in North King County’s creative sector.

Given the context and Artspace’s understanding of the current arts market and needs of the creative sector, **a mixed-use concept could help support an underserved creative sector by filling a real gap in available space, while simultaneously activating the surrounding area where it is located.**

Any Arts Market Study and pre-development scope of work should include facilitated conversations with potential “commercial” tenants interested in new space and in partnering with ShoreLake Arts to bring creative vitality to the ground floor of a project. It should also explore in more depth the specific types of spaces most needed by the creative community, as well as potential partnerships with other community organizations and developers pursuing projects in North King County that could provide synergy.

Arts Market Study

An Arts Market Study can determine if the priorities Artspace heard during the Focus Groups translate over to a broader cross-sector of creatives and if so, whether there is sufficient demand for the proposed project concept. Identifying enough artists who are interested in relocating to a multi-family, artist live/work project is critical in the next phase of feasibility of an Artspace project. Other types of creative spaces, including makerspace and classroom space, would rely on third party operators interested in renting ground floor commercial space and would be funded through philanthropic and other community-minded investment. Quantifying the market need for these spaces can help attract funders and operators and related data can be used to plan spaces and programs that are both affordable and self-sustaining, whether in an Artspace project or offered independently in Shoreline or Lake Forest Park.

Local Leadership

Strong local leadership is essential for any community-driven arts project, especially one involving a non-local nonprofit developer. Without someone on the ground to open doors, advocate effectively for the project, and keep communication flowing, there is little chance of success.

The local leaders with whom Artspace works often include elected officials and city administrators who manage departments responsible for initiatives involving economic development, affordable housing, and public access to art. Other leaders can range from artists and nonprofit leaders to bankers and foundation heads, from business owners

ARTIST PREFERENCE IN AFFORDABLE HOUSING

Artspace live/work projects are unlike most affordable housing in that we use an “artist preference” policy to fill vacancies.

For each project, we appoint a committee that includes diverse artists who are not applying to live in that project. The committee interviews income-qualified applicants to determine their commitment to their chosen art form or creative pursuit. It does not pass judgment on the quality of an applicant’s work, nor is it permitted to define what is or is not art. Artists do not need to earn any of their income from their art form.

Although the IRS challenged the “artist preference” policy in 2007, it dropped the challenge after the Housing and Economic Recovery Act of 2008 became law. That law states: “A project does not fail to meet the general public use requirement solely because of occupancy restrictions or preferences that favor tenants...who are involved in artistic or literary activities.” This clause was threatened again in December 2017, but through broad reaching advocacy efforts, the new Tax Cuts and Jobs Act retains the artist preference language in the final signed version of the law.

and real estate agents to developers or architects. In short, the local leaders who help make creative projects possible come from many walks of life. What they have in common is a willingness to work hard to make things happen.

Artspace invests time and effort at the very beginning of a proposed project to identify local leaders well-equipped – by position, experience, and influence – to serve as members of the Core Group.

Core Group

The local leaders who make creative projects possible can come from many industries. The Artspace Shoreline/Lake Forest Park Core Group members that led the Preliminary Feasibility Study are the types of leaders that are needed from the very beginning. ShoreLake Arts Board Chair Tracy Thorleifson and then-Executive Director Lorie Hoffman assembled a diverse group representative of both public and private sector interests -- including leaders and experts in the arts community, economic development, and real estate -- a key ingredient to the future success of a potential project.

Artspace met with members of this group several times over the course of the Preliminary Feasibility Study and encouraged all to attend the focus group sessions and the public meeting, as their schedules permitted. Indeed, we had several core group members participate in all sessions, a testament to their commitment and interest in this initiative.

Civic Leaders Focus Group

We dedicated one of the four focus groups specifically to Civic and Community leaders. This focus group included perspectives from the City of Shoreline, City of Lake Forest Park, King County, the State of Washington, regional advocacy groups and neighborhood associations, private business and industries, nonprofits, educational institutions, and the community at-large.

As is the objective for bringing together stakeholders with such broad and deep community experience, the conversation cracked the door on the state of funding opportunities, community priorities, potential partnerships, and how a project of this type might best serve the community, future residents, and users of the spaces.

Shoreline City Manager Debbie Tarry, State Representative Cindy Ryu, several council members and candidates for both Shoreline and Lake Forest Park City Councils, and representatives from State Senator Jesse Salomon’s office, King County Executive Dow Constantine’s office, Sound Transit and others participated in the focus group. All had great enthusiasm for a creative space development in North King County. It was noted that there was an overall lack of quality affordable for-sale or rental housing, making it a challenge for low to moderate-income residents to remain in Shoreline and Lake Forest Park and for new residents to move there. They also reiterated the desire to create

more of a centralized destination district in Shoreline, similar to Lake Forest Park Town Center, but with even more amenities, complementary uses, and accessibility. There was an acknowledgement that the region is and will continue to change rapidly, and especially with the impending opening of Sound Transit in Shoreline, there is a huge moment of opportunity to plan for and move towards a vision for a future North King County now. Our overall impression is that there is the political will and know-how to move a project forward, and the Core Team has already taken a huge step by involving the right people and organizations early in the process during this Preliminary Feasibility Study.

Potential Partnerships

Formal partnerships, as well informal ones, can help projects address multiple community goals. Local leaders are instrumental in bringing important opportunities to our attention and making meaningful introductions. We heard how the community would like to ensure the remarkable growth the cities are experiencing doesn't come at the expense of a diverse and vibrant cultural community; bringing in organization partners from North King County that need space can help maintain some of that needed diversity.

Focus group participants and Core Group members were asked what partners could enrich an arts facility project or be complementary. Some of the potential partners and complementary developments that were mentioned include:

- Shoreline Chamber of Commerce
- Shoreline Community College
- Robert Lang Studios
- Shoreline Library/King County Library System
- ArtsFund
- Volunteers of America
- Shoreline Historical Museum
- Shoreline Place development

Community Planning Priorities

In the Civic and Finance leaders focus groups and in discussions with the Core Team, Artspace heard about other civic planning priorities that a project like this should take into consideration. In addition to the coming public transit additions, which are top of mind for everyone in North King County, we also heard a lot about the following community development goals/projects that should be kept in mind for potential synergies with a creative space development:

- **Shoreline Town Center/Aurora Corridor:** A central tenet of Shoreline's Vision 2029⁸ is the transformation of Aurora Avenue into a "grand boulevard - a thriving corridor, with a variety of shops, businesses, eateries and entertainment, and clusters of some mid-rise buildings, well-designed and planned to transition to adjacent residential neighborhoods gracefully." A particular focus is being placed on the Town Center section of Aurora, which includes Shoreline City Hall, between NE 175th St and NE 185th St. A creative space development could help achieve the kind of "compact, mixed-use, pedestrian-friendly development" desired in this area to draw residents and businesses to it, while also incorporating public and green spaces that can "serve as gathering places for neighborhood and citywide events throughout the year."
- **Fircrest:** A sprawling, 75-acre campus in East Shoreline, the Fircrest complex houses Fircrest School, a home to citizens with developmental disabilities run by the Department of Social and Health Services (DSHS), the Washington State Department of Health laboratories, Food Lifeline (a food bank), and several other social service agencies.⁹ The campus has been the subject of community use discussions essentially since the Naval Hospital that originally occupied the site closed following WWII. The possibility of incorporating a creative space development as part of its current Master Planning process was explored during this study (See Potential Sites).
- **Spartan Community Center and Shoreline Parks, Recreation and Open Space Plan:** Another community priority that came up was Shoreline Parks and the possibility of aligning a new arts facility, anchored by ShoreLake Arts with a Shoreline Parks planned project. For example, the facility could be co-located with the Spartan Community Center, which is reaching the end of its useful life and proposed to be renovated or replaced. This co-location strategy could align with the current Parks plan strategic action initiatives

8 [Vision 2029](#)

9 [City of Shoreline: Comprehensive Plan](#)

by: incorporating a community garden, playground, and/or green space; supporting diverse communities by creating space for culturally specific arts activities; and including public art. Co-locating an Artspace creative space development with other community spaces could also create synergies that would meet Shoreline Parks' goals.¹⁰

Funding and Financing

An Artspace live/work project represents a significant investment of civic resources. A typical project of 50 to 70 units of affordable housing for artists plus community and commercial space costs \$20-\$25 million. While a number of federal programs, most notably Low-Income Housing Tax Credits (LIHTC), can be used to generate funds for construction, LIHTCs typically cover only 40% to 60% of construction costs. The rest must come from elsewhere.

Other locally allocated, national affordable housing programs, such as The HOME Investment Partnership Program's "HOME" funds, can help close the gap. We ask every community where we work to prioritize a portion of its affordable and workforce housing resources to the project. We also look to the community to fund pre-development expenses, the "soft" costs, such as surveys and architects' fees, that must be met before construction can begin.

During a Preliminary Feasibility Visit, we ask the Funders and Finance Focus Group to help us begin to identify potential public and private sources. Some of these, like LIHTC and HOME funds are long-established programs we know well; others, like Opportunity Zones, are less familiar to us and challenging to use in an LIHTC model. Still others are state, regional, or local programs such as transit-oriented development initiatives or economic development funds that vary from one city to another. The Funders and Finance Focus Group invariably includes bankers and others who can educate us. The group often also includes representatives from the philanthropic community, for it is to this sector that we turn for the final dollars needed to complete the project. Philanthropy comes in the form of gifts and forgivable loans from foundations, corporations, and individuals.

Low-Income Housing Tax Credits

One of the most important funding tools in Artspace's toolbox — we have used it in 47 of our 58 projects — is the federal Low-Income Housing Tax Credit (LIHTC) program. LIHTCs typically provide between 40% and 60% of the equity needed to develop an Artspace mixed-use project of 40 or more units. In Washington, LIHTCs are administered by the Washington Housing Finance Corporation (WHFC), an agency we know through our work developing the Artspace Mt. Baker Lofts, Artspace Hiawatha Lofts, and Tashiro-Kaplan Artist Lofts in Seattle, and the Artspace Everett Lofts in Everett. The LIHTC program comes in two versions: 9% tax credits and 4% tax credits. The former are highly competitive, the latter are easier to obtain but generate less than half as much equity. Both types impose a variety of cost limits on the development. For example, tax credit awards may be withheld from a project applying for 4% tax credits if the project costs are not approved in the review process. The 9% tax credit program limits how much a developer can claim for site acquisition costs, and costs above that limit must be met through increased funding from other sources — another reason why high real estate prices are a deterrent to an Artspace project.

To be eligible to reside in a LIHTC-funded project with below market rate rents, an applicant household must meet certain total household income requirements. These requirements (and the corresponding rents charged) vary depending on how the project is financed, the household size, the number of bedrooms in the live/work unit, and other factors, but in general households in most of Artspace's projects must demonstrate an annual income no greater than 60% of the Area Median Income (AMI). Some may need to qualify at or below 50% or 30% of AMI in order to qualify for the least expensive units. In King County, the 2021 AMI for a family of four is \$115,700. That income translates to a maximum income limit of \$69,420 for a family of four to qualify for a 60% AMI unit with a maximum monthly rent of \$1,805 for three-bedrooms. To qualify for lower cost housing intended for households with incomes at or below 30% AMI in King County, that would mean an income limit of \$34,710 for a family of four and a maximum monthly rent of \$902 for a three-bedroom unit.

¹⁰ "Parks, Recreation, and Open Space Plan, 2017-2023," Shoreline Parks, Recreation & Cultural Services

2021 FIGURES FOR KING COUNTY, SEATTLE-BELLEVUE, WA HUD METRO FMR AREA

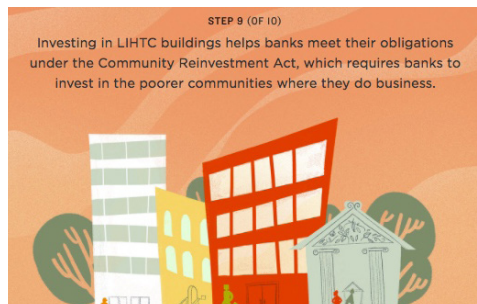
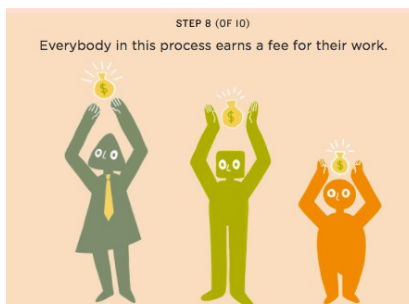
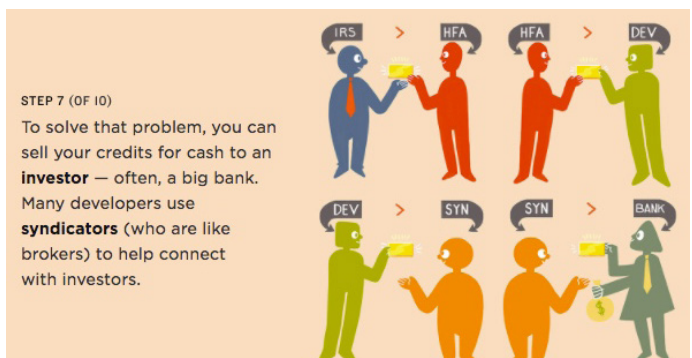
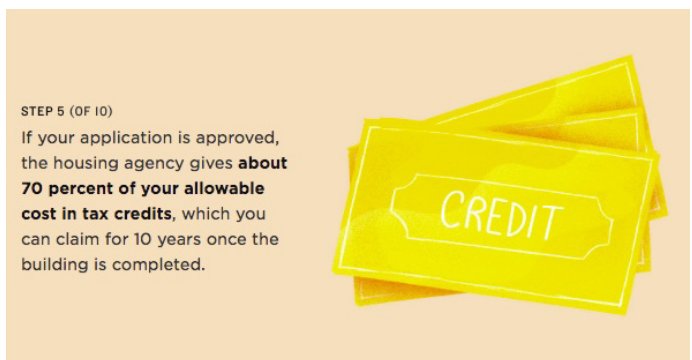
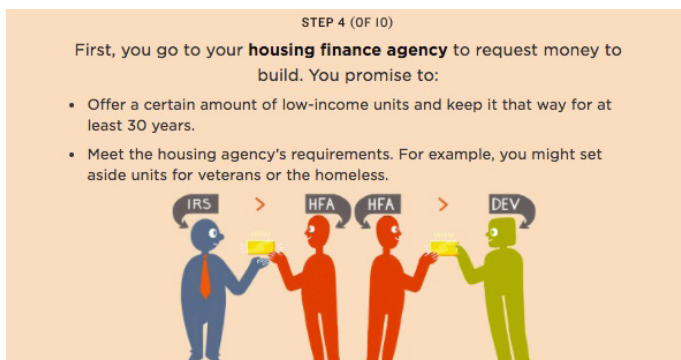
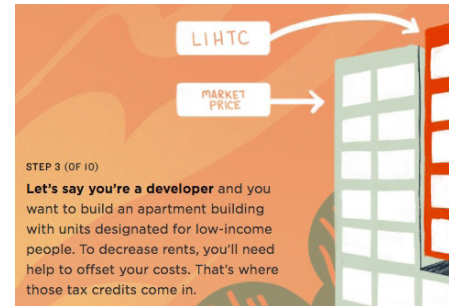
Area Median Income and Rent (Only for Live/Work Space) - 4-Person AMI: \$115,700

(Source: novoco.com)

HOUSEHOLD SIZE	INCOME (30-60% AMI)
1	\$24,300-\$48,600
2	\$27,780-\$55,560
3	\$31,260-\$62,520
4	\$34,710-\$69,420

# OF BEDROOMS	MAX. RENT (30-60% AMI)
Efficiency	\$607-\$1,215
1	\$651-\$1,302
2	\$781-\$1,563
3	\$902-\$1,805

UNDERSTANDING LOW-INCOME HOUSING TAX CREDITS (LIHTC)



Source: NPR, Illustrations by Chelsea Beck/NPR. Explainer by Meg Anderson, Alicia Cypress, Alyson Hurt, Laura Sullivan and Ariel Zambelich/NPR and Emma Schwartz/Frontline

The LIHTC program requires developers to guarantee a minimum of 15 years of affordability, after which a project can be converted into a market-rate facility. Artspace, however, is committed to the long-term affordability of its projects and typically ensures affordability for a minimum of 50 years. This fact, coupled with our national track record, usually makes our LIHTC applications competitive with regard to commitment to long-term affordability.

It does not guarantee an award of tax credits, however, especially on a first application, because of the significant need for affordable housing in the region and a long queue of projects. In many states, Artspace has applied 2-3 times for the same project before receiving a 9% LIHTC award, even when well-aligned with the state's scoring systems. In some states, 9% credits are prioritized for projects serving particularly disadvantaged households including homeless, transitional housing, and very low-income. Artspace knows from an initial review of Washington's Qualified Allocation Plan (QAP) for the 9% program that the state's priorities may make a 4% LIHTC Bond application more realistic (see Potential Sites). An award of 4% credits would be within reach, but also come with a significant funding gap that would need to be filled with other public and private financing sources, as well as philanthropic support. Ideas for this gap financing are discussed in the following pages.

Brainstorming Potential Funders

The Civic Leaders and Funders & Financing Focus Groups, with members of the local and regional civic and financial sectors in North King County, was the first step to identifying potential local public, private, and philanthropic resources. These meetings had representation from: 4Culture; Artist Trust; ArtsFund; ArtsWA; Banner Bank; Impact Capital; King County Housing, Homelessness, and Community Development Division; King County Library System; King County Office of the Executive; Robert B. McMillen Foundation; Ridgecrest Neighborhood Association; Seattle Office of Arts & Culture; Shoreline Community College; Shoreline Chamber of Commerce; Shoreline Preservation Society; Sound Transit; TWG Development; Washington State House of Representatives; and Washington State Department of Commerce. Both groups expressed enthusiasm for the project concept and were extremely helpful in identifying resources for projects that are a priority for the community.

Public Gap Financing Tools

This is a preliminary list of potential funding sources that were discussed during the Focus Groups and individual interviews, as well as other funding sources that Artspace is familiar with in Washington.

FUNDING SOURCE	JURISDICTION	RELEVANCE
Multifamily Property Tax Exemption Program	Municipal	<p>The MFTE Program is a voluntary affordable housing incentive for new apartment development, providing an exemption from property taxes paid on the housing portion of qualifying projects for a period of time in exchange for setting aside a percentage of the units for income-eligible households.</p> <p>In Shoreline, the MFTE provides a 12-year exemption in exchange for a 20% set-aside for income-eligible households. As of 2021, a new 20-year exemption is available for projects with a covenant for 99-year affordability. Studio and 1 bdr units must be affordable at 70% AMI and 2+ bdr units must be affordable at 80% AMI. In all likelihood the project would not only meet but exceed these set-aside requirements. Projects must be located in targeted mixed use residential areas. Four of the five potential sites are located in areas targeted through this program. Fircrest is the only site not currently included but will need rezoning if and when it is sold by the state, so future inclusion is possible. It is adjacent to a currently targeted area.¹¹</p> <p>Lake Forest Park also recently created a MFTE program, offering an 8-year or 12-year exemption in exchange for a 10% set-aside of units affordable at 80% AMI in several target areas. The 12-year exemption is offered in exchange for an additional 10% set aside at 60% AMI. None of the potential sites currently being discussed are in Lake Forest Park, but if of interest these MFTE areas should be explored.¹²</p>

11 [Multifamily Property Tax Exemption \(MFTE\) Program](#)

12 [Town Center Process](#)

FUNDING SOURCE	JURISDICTION	RELEVANCE
King County Housing Financing Programs¹³	County	<p>HOME - a program of the federal Department of Housing and Urban Development, administered locally by the King County Department of Housing and Community Development. Funds are available for building, buying and/or rehabilitating affordable housing for households with incomes at or below 60% AMI. In 2016, \$3.1 million in HOME Funds were distributed in King County. In 2020, of the three projects to receive HOME Funds in King County - one in Bellevue and two in Burien - two were targeted towards the homelessness crisis, offering an indication of current funding priorities.¹⁴</p> <p>Capital Funding Round - capital funding from a variety of funding sources is administered annually through a Request for Proposals (RFP) process.</p> <p>Interim Loan Program - provides low-cost financing for the acquisition of property that will be developed to provide low-income housing, prioritizing projects proposing the development of permanent affordable housing with at least 25% of the units for homeless households. Additionally, units must be affordable to households at or below 50% of area median income, with homeless units to be at or less than 30% of area median income.</p> <p>Credit Enhancement Program - an initiative to assist in the development of affordable housing. On select projects that meet King County priorities, King County will provide a credit enhancement which reduces the financing costs for housing developments. In exchange for project savings, the developer agrees to set aside affordable units within the project.</p> <p>TOD Funds - A bond fund through King County Housing, Homelessness and Community Development Division for projects targeting households with income between 30% and 80% AMI that are located within ½ mile of a high-capacity transit station, defined as fixed rail (light rail or Sounder train), bus rapid transit or other high frequency bus stops. Projects must also identify 10% of the units within the TOD rental project to have a preference for tenant referrals from King County or a King County-approved agency. There may be changes to this program in the near future, and like all funding sources, will need to be evaluated for future modifications.</p>
4Culture	County	Grant support for Cultural Facilities is available through 4Culture, King County's cultural funding agency. Funding is designated for nonprofit arts and culture organizations - as well as public agencies - to build, remodel, or buy permanent specialized facilities to house cultural work.
Washington Housing Trust Fund (HTF)	State of Washington	<p>The State HTF is a program of the State of Washington Department of Commerce. Funds are used to help fill gaps in both 9% and 4% funding deals. The application is completed in two stages and funds are allocated every two years in the fall. As much as \$3 million can go to any one project if there is a good fit between the project and the state's goals. This fund primarily develops projects serving 30% to 60% of Area Median Income.¹⁵</p> <p>According to the State's website, "projects can serve people with incomes up to 80% of Area Median Income, but the majority of projects funded to date serve households with special needs or incomes below 30% of Area Median Income, including homeless families, seniors, farmworkers, and people with developmental disabilities."¹⁶</p>
Building for the Arts (BFA)	State of Washington	This unique Washington State of Commerce Department, bond-generated funding source is allocated on a Biennium calendar that mirrors the Housing Trust Fund. It may be used toward capital costs related to the residential and commercial components of the project. BFA grants can provide up to \$2 million and can be used to pay up to 20% of eligible project costs. Applications require control of the site/facility (ownership or long-term lease). BFA can be used for predevelopment costs (including design, architectural and engineering work, building permits/fees, and archaeological/ historical review); construction labor and materials; property acquisition. Applications for the 2021-2023 Building for the Arts Grant will open in Spring 2022. Conditions for funding such as prevailing wage requirements and Department of Commerce administrative fees may result in increased project costs, in excess of the fund's benefits. ¹⁷

13 [King County Funding Awards and Compliance](#)

14 [2020 King County HFP Capital Round Funding Awards](#)

15 [Building for Equity: Cultural Facilities](#)

16 [Washington State Department of Commerce: Housing Trust Fund](#)

17 [Washington State Department of Commerce: Building for the Arts](#)

FUNDING SOURCE	JURISDICTION	RELEVANCE
Deep Green Incentive Program (DGIP)	Municipal	The City of Shoreline offers a Deep Green Incentive Program (DGIP) that gives green developments access to increased density, taller buildings, and reduced fees. The DGIP applies to development projects that register with a third-party certification entity, such as the International Living Future Institute (IFLI), Built Green, US Green Building Council, Passive House Institute US, or Salmon-Safe. ¹⁸
Sound Transit TOD Funding	Regional Transit Authority; Loans	As part of the voter-approved Sound Transit 3 plan, Sound Transit is contributing \$4 million per year for five years into a revolving loan fund to create affordable housing near high-capacity transit stations. In November 2018, the Sound Transit Board of Directors' Executive Committee confirmed five goals for the revolving loan fund and a process approach for implementation. The goals provide high-level direction on Sound Transit's vision and expected outcomes for the fund. The process and approach include the development of a business plan for how Sound Transit can best deploy its \$20 million contribution to a Revolving Loan Fund to support the development of affordable housing in the Sound Transit district. ¹⁹

Philanthropy and Private Sector Gap Financing

In addition to the public funding sources listed, private sector financing and philanthropy are two important tools for funding Artspace developments. Private sector financing often comes in the form of low-interest loans or grants from non-government entities like Community Development Financial Institutions (CDFIs), which specifically serve low-income communities, to cover gaps in predevelopment or other “soft” costs. Philanthropy in support of Artspace developments comes in the form of gifts from foundations, corporations, and in some cases, individuals. While Artspace projects typically do not involve a traditional philanthropic capital campaign, some organizations we partner with choose to embark on this path. For example, the Schack Arts Center located on the ground floor below the Artspace Everett Lofts conducted its own capital campaign to cover its portion of the development costs. This could be an avenue that ShoreLake Arts could explore to fund its costs associated with a new space. During a development phase, Artspace applies for grants that are determined to be a good fit for the project. Philanthropic funds usually make up less than 15% of the overall project sources but can be more. A list of several key foundations, corporations, and private partners who have previously supported Artspace's work in Western Washington are included below (some are geographic-specific, others are not). The Core Team and Funders Focus Group also made suggestions for private funders. However, more study would be needed to explore the interest of these potential partners - and that of individual donors - in a project in North King County.

FUNDING SOURCE	JURISDICTION	RELEVANCE
Evergreen Impact Housing Fund	Foundation Fund; Low-interest Loans	The City of Shoreline offers a Deep Green Incentive Program (DGIP) that gives green developments access to increased density, taller buildings, and reduced fees. The DGIP applies to development projects that register with a third-party certification entity, such as the International Living Future Institute (IFLI), Built Green, US Green Building Council, Passive House Institute US, or Salmon-Safe
The Paul G. Allen Family Foundation	Private Foundation	Previous Artspace funder
Boeing Foundation	Corporate Foundation	Previous Artspace funder
Raynier Institute & Foundation	Private Foundation	Previous Artspace funder
Seattle Foundation	Private Foundation	Previous Artspace funder

18 [Build Better with the Deep Green Incentive Program \(DGIP\)](#)

19 [Transit-Oriented Development](#)

FUNDING SOURCE	JURISDICTION	RELEVANCE
Impact Capital	CDFI; Loans and land acquisition grants	Impact Capital is a CDFI that provides predevelopment loans for feasibility and market studies as well as some architectural work in the \$85-\$150K range for projects that are likely to come to fruition. They also do larger predevelopment loans once a commitment of primary public sources is made, and the project has a schedule. Additionally, Impact Capital has a land acquisition fund that can be combined with the State's LAP (Land Acquisition Program) fund, but is targeted for longer-to-develop projects (5+ years)
Mackenzie Scott	Private Philanthropist	Individual philanthropist with ties to Shoreline. Ms. Scott's name came up in conversations because of her prominence, but we know there are other individuals of means in the area. She is listed here as one - but not the only - example of a local philanthropist who could be interested in such a project.
Preston Hollow Community Capital	Equity Investor	An investment group providing specialized impact financing for projects of significant social and economic importance to local communities, debt financings that deliver meaningful and measurable social impact to its borrowers and their respective communities across a broad range of project types that are not easily or efficiently financed through traditional lending channels, including affordable housing.
Robert B. McMillen Foundation	Private Foundation	A foundation based in Ellensburg but giving throughout Washington and Alaska. Grants in the area of "social enhancement" center on organizations with an art-related mission.
ArtsFund	Nonprofit Funder	Seattle-based advocate for the arts on the local, regional, state and national levels, providing cash grants, capacity building, and other services that make arts groups stronger. ArtsFund partners with the Washington State Dept. of Commerce on the Building for the Arts program.
Banner Bank	Corporation	Western US Bank based in Walla Walla that makes investments in the communities it serves, with a focus on the Seattle area.

Artspace Funding Example

Two relevant funding and financing examples from Artspace's portfolio are the Artspace Mt. Baker Lofts in Seattle and the Artspace Everett Lofts in Everett, which includes the Schack Art Center. The charts below show, in simplified form, the financial sources for these developments. Mt. Baker Lofts is a 55,397 sq.ft., 57-live/work unit mixed-use, new construction project and Everett Lofts is a 62,158 sq.ft., with 40 units of live/work housing above the Schack in a new construction project.



Artspace Mt. Baker Lofts, Seattle, WA // Photo Credit: Artspace

ARTSPACE MT. BAKER LOFTS // SEATTLE, WASHINGTON

Source	Amount	Percent
PUBLIC SOURCES		
Federal Low Income Housing Tax Credits (LIHTC)	\$7,473,319	41%
City of Seattle Office of Housing Levy Funds	\$5,500,000	30%
Washington State Housing Trust Fund	\$900,000	5%
PRIVATE SOURCES		
Residential Mortgage	\$1,350,000	7%
Commercial Mortgage	\$600,000	3%
Artspace Sponsor Loan (Philanthropic)*	\$922,000	5%
FHLB AHP Sponsor Loan*	\$500,000	3%
Sponsor Loan (Developer Contribution)*	\$78,000	<1%
Purchase Price Hold Back**	\$641,741	4%
GP Capital Contribution	\$10,185	<1%
Deferred Developer's Fee	\$110,000	1%
TOTAL	\$18,085,245	100%

*The term "Sponsor Loan" references the philanthropic dollars that were aggregated and "lent" to the project in the form of a zero percent interest loan. For many Artspace projects the proportion of philanthropic contributions falls approximately in the 10-15% range of the total development cost.

**One item that may not be clear is the source titled "Purchase Price Holdback". The Federal Transit requirement for Market Value Sale did not allow for consideration of known soil and foundation piling requirements. We knew about this and so did Sound Transit. The solution created was to escrow a portion of the purchase price to pay for increased costs associated with foundation pilings. Once we closed, the general contractor issued a change order for foundation pilings which was the basis for requesting a release of escrowed funds. In effect, this was a seller "give-back" for inflated acquisition price.



Residents of Artspace Everett Lofts, Everett, WA // Photo Credit: Artspace

ARTSPACE EVERETT LOFTS // EVERETT, WASHINGTON

Source	Amount	Percent
PUBLIC SOURCES		
Federal Low Income Housing Tax Credits (LIHTC)	\$3,593,880	21%
Washington State Housing Trust Fund	\$2,325,000	14%
City of Everett	\$1,903,942	11%
City of Everett Acquisition Loan	\$1,140,000	7%
Snohomish County HOME Funds	\$170,000	1%
PRIVATE SOURCES		
First Mortgage (CitiBank)	\$3,200,000	19%
Deferred Developer's Fee	\$1,030,208	6%
Artspace Sponsor Loan (Philanthropic)*	\$667,939	4%
Total Residential Sources	\$14,030,969	82%
Schack Art Center Commercial Space**	\$3,000,000	18%
TOTAL	\$17,030,969	100%

*The term "Sponsor Loan" references the philanthropic dollars that were aggregated and "lent" to the project in the form of a zero percent interest loan. For many Artspace projects, the proportion of philanthropic contributions falls approximately in the 10-15% range of the total development cost.

**In the case of Artspace Everett Lofts, Artspace and the Arts Council of Snohomish County pursued a condominium structure. As such, the Council -- now called the Schack Art Center -- separately raised money to purchase and build out their space, which occupies the ground floor of the building and contains specialized heavy equipment. The \$3M in the above chart is for the acquisition and construction of the space only. Additional funds were raised by Schack Art Center for their customized build-out, equipment and furnishings.

The information gathered during the Preliminary Feasibility Study and subsequent research and meetings reveal many opportunities to explore for arts market study, predevelopment and capital funding of an affordable mixed-use, artist live/work project in North King County. While no funding process is ever easy, there are resources and tools that support affordable housing for a priority project aligned with local goals. It is important to note that the funding landscape is in a period of rapid change, both due to an influx of federal dollars from the American Rescue Plan Act and the acknowledged need to address the region's increasing affordable housing crises. Ongoing evaluation of how the funding puzzle pieces can come together is critical as opportunities change. This is particularly true due to the likely significant need for gap financing in a 4% funding model, which has been a difficult hurdle for Artspace initiatives in Washington located outside the City of Seattle where there is a significant Housing Trust Fund to help fill gaps. On the plus side, Artspace's recent feasibility work in Bellevue, Washington and other experience working in Puget Sound and state-wide provide a head start in identifying and navigating state, regional, and local funding sources and aligning a project to be successful.



Artspace Everett Lofts, Everett, WA // Photo Credit: Artspace

Potential Sites

During a Preliminary Feasibility Study, Artspace's primary goal is not to select a site, but to identify candidates for further study should the project move forward. Several factors that contribute to eventual site selection include: location, size, conditions, adaptability to project concept(s), construction type, zoning/land use, ease of/opportunity for acquisition, cost, and potential for sustained impact on the broader community. While finding an appropriate and financially feasible site is a critical component of a future project, it's important to keep an open mind about sites at this phase of study. A beloved site may not be the right fit or may not be available by the time the project moves to a predevelopment phase of work, so stakeholders should be flexible and willing to consider many options. The primary objective at this time, is for stakeholders to gain a deeper understanding of the elements that make a site feasible and to rank the sites in the context of the factors mentioned earlier. Those sites that warrant further consideration are highlighted as the top sites later in this section.

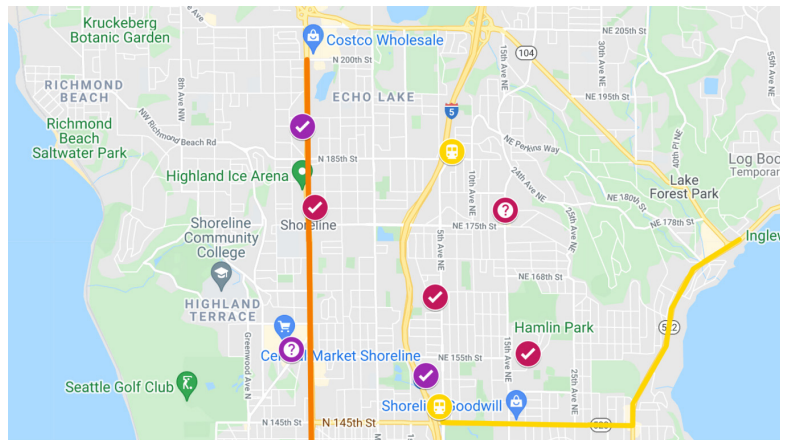
Site Tour Observations

The sites toured included vacant land or those with minor underutilized structures throughout Shoreline. All of the sites present interesting opportunities for a mixed-use artist housing project. The ones that stood out as best aligned with community goals are discussed in more detail on the following pages.

1. Bingo Hall at 16325 5th Ave NE

This 2½ acre site contains a large, 24,000 SF building originally built in 1955 as a grocery store. Now utilized as a warehouse, at one time, it was a community bingo hall and is still referred to as such in the neighborhood. The remainder of the site is a large, paved lot currently rented by Veolia Transportation for vehicle storage and a smaller unimproved area immediately south of the warehouse. It is located in the Ridgecrest Neighborhood of Shoreline, equidistant between the two Sound Transit light rail stations opening in 2024. A planned pedestrian/bike trail along the light rail right-of-way would provide non-vehicle connectivity only a few blocks away. The Bingo Hall sits on one of the highest points in the City of Shoreline and on a clear day the site boasts views of both the Olympic and Cascade mountain ranges.

Ridgecrest also boasts a strong and engaged neighborhood association and budding sense of place. Across the street from the site is the Crest Theater moviehouse, and nearby are the Ridgecrest Public House (a bar/restaurant with small music stage), Silesia Guitars (a guitar repair shop and luthiery offering guitar and bass lessons), and Café Aroma, a local independent coffee shop. Previously there were discussions of locating an arts center in this neighborhood. In Artspace's opinion this site provides the best potential for anchoring a creative district with a mixed-use development, given the



Bingo Hall at 16325 5th Ave NE // Photo Credit: Artspace



Ridgecrest Neighborhood // Photo Credit: Artspace



Ridgecrest Public House //
Photo Credit: Artspace

creative assets already in the area and the neighborhood support.

The site is privately owned and is currently assessed at \$3.9M by the county. It is not currently known whether the owner is open to selling nor what the asking price would be, but given the real estate market in North King County it is likely to be significantly higher than its assessment. This anticipated valuation presents a significant challenge to an Artspace-style project, which typically relies on publicly owned, donated, or discounted land under \$1M to ensure long-term affordability. Given that the process from Preliminary Feasibility Study to construction completion for a typical Artspace project often takes between three to five years, if this site is of interest, conversations should begin sooner rather than later with the owner and city leaders to see if an arrangement regarding cost and timing could be possible for this site.

2. Storage Courts at 17828b Midvale Ave N

At 4.2 acres and situated in the heart of Shoreline's Town Center, this property is large enough to accommodate multiple uses, including an Artspace project. This could catalyze the kind of redevelopment and transformation envisioned by the City for the area. Facing Aurora Avenue, the site is separated from the major thoroughfare by the Interurban Bike Trail and a park parcel that features public art. This site presents an interesting opportunity for programmatic collaboration for ShoreLake Arts should a project include space for the organization. Currently occupied by one-story rentable storage sheds, the site is city owned and zoned for 7 stories, making its utilization for an Artspace project potentially feasible. Nearby developments of new market-rate housing, two grocery stores, a pharmacy, and bus rapid transit line would

add to the attractiveness of artist housing units at this location.

Artspace also considers this location to have high potential for a mixed-use development due to its size (though an Artspace project would utilize less than an acre), its proximity to current and future town center amenities, transportation, and park space. The publicly owned nature of the site also makes it intriguing; the current \$12 million valuation would otherwise put the property out of reach for an affordable housing/creative space development. The site's history as a potential site for a public, olympic-caliber pool that was met with resistance by the community would likely require significant messaging and communication with the public for any highly visible project, like an Artspace-style development. It should also be noted that while Artspace's conversations with artists did highlight the



Storage Courts at 17828b Midvale Ave N // Photo Credit: Artspace

desire by some to be near town center and the kinds of amenities located there, the current walkability and urban design of the Aurora corridor, as well as its somewhat negative reputation, would likely require intentional design elements and engagement with the creative community around the vision for the neighborhood in order to evoke an enthusiastic response from artists.



Pictured: Park parcel and Interurban Bike Trail (left). Mural by artists Myron Curry and Cynnecar Easley on the City Storage Courts fence (right). The mural was created in partnership between the City of Shoreline and ShoreLake Arts for Juneteenth 2020. // Photo Credit: Artspace



Fircrest Complex, 2000 NE 150th St // Photo Credit: Artspace

3. Fircrest Complex: 2000 NE 150th St

Originally the 165-acre location of a Naval Hospital complex built during World War II,²⁰ Fircrest is a well-known and long-debated site in Shoreline community development conversations. Since the Naval Hospital's closure after the war, the site has seen a variety of uses and carve-outs, including for Shorecrest High School, Washington State Public Health Labs, and, more recently, a dog park. The majority of the site's remaining 75 acres are owned by the State Department of Natural Resources but

are under State Department of Social and Health Services (DSHS) control. The site currently houses Fircrest School, a DSHS residential facility providing support to people with intellectual and developmental disabilities.²¹ Approximately 20 acres of currently undeveloped accidental open space on the Fircrest campus are under consideration for development at the prompting of the State and King County. DSHS is currently undertaking a Master Planning process to identify potential uses. These include many ideas for community benefit, including affordable housing -- a stated goal of the state -- and an arts center. The planning process is somewhat complicated by the legal requirement that DNR sell the land for fair market value, defined in this case as assessed land value not free market value.

This site is intriguing to Artspace given the many possibilities to partner with other nonprofits and community organizations that have expressed interest in the site to create a unique and symbiotic development. Its location is fairly close to one of the two light rail stations, and a few blocks from the new bus rapid transit line coming to 145th St. that will connect to the East Side. It is also adjacent to Hamlin Park, a large urban forest park with trails, that would be attractive to those creatives seeking to live near the beauty, tranquility, and inspiration of nature. The availability of several open parcels in the Fircrest complex, in a city and region with very little undeveloped property, could simplify the construction process. A project that includes affordable housing would fulfill the community benefit provision for the sale of any state-owned land.

Given the history and notoriety of the site, as well as the complexity of current and potential stakeholders, a project at this site would require strong stewardship and coordination with local leadership to navigate the master planning and public engagement process. Artspace would like to note that State Rep. Cindy Ryu, a vocal proponent and champion of Fircrest redevelopment, has been highly engaged in the Preliminary Feasibility Study process, attending multiple focus groups, and will be an important ally if pursuing this site.

²⁰ [Naval Hospitals in Washington](#)
²¹ [Fircrest Residential Habilitation Center](#)

4. Shoreline Park & Ride: 19000 Aurora Ave N

This 5-acre+ parcel is currently occupied by King County Metro's Shoreline Park & Ride, which is anticipated to see a reduction in use due to the new light rail station. King County has begun the feasibility process to look into possible redevelopment of at least part of the land. The site is at the north end of the envisioned Town Center section of the Aurora Corridor, and a project could have the potential to be catalytic in activating the intersection at 192nd St and creating greater connectivity along Aurora towards the intersection with 175th St. near City Hall.

Though the team did not visit this site during its tour, Artspace believes this site shares many of the same potential for an Artspace development as the Storage Courts site because of the Park & Ride's public ownership, proximity to transit and the Interurban Bike Trail, and future envisioned Town Center amenities. The site is also close to Sky Nursery, a destination gardening store, green space at Echo Lake, and other planned and recently completed housing projects. The future potential for a cluster of activity at this intersection is definitely clear, but, similar to Storage Courts, artists and creatives may need some help to imagine that vision initially.

Because King County Metro is just embarking on the feasibility process for this site, the timing is perfect to begin conversations about the potential of locating an Artspace development on this site. Artspace recommends engaging Metro officials and including them in subsequent phases of this project.

5. True Church of Jesus: 225 NE 152nd St

This site was not visited during the site tour, but was identified in subsequent conversations with the Core Team. This approximately one acre lot is currently occupied by a 2,900 sf masonry structure that was built in 1972 and currently houses a church. The site may be a little small for an Artspace development, and there is a possible wetland concern, however it is worth exploring given its proximity to the coming 145th St light rail station and the East Side bus rapid transit line. An extension of 3rd Ave NE is also planned that will connect the site to the station, as well as the pedestrian/bike trail along the light rail right-of-way. The lot backs directly onto this right-of-way and the freeway, which could present problems for inclusion of audio recording/sound stage amenities in a potential development without significant sound attenuation investment.

This site would likely have the greatest potential for TOD funding. It is worth exploring further current ownership's desire to sell. Artspace understands that Enterprise Community Partners is currently helping to fund feasibility for affordable housing on former church sites and recommends approaching them for partnership should this site be of interest.



True Church of Jesus // Photo Credit: Google Maps

Additional Sites discussed

In the course of our conversations during this Preliminary Feasibility Study, many other possible sites or general areas were discussed. These included: North City, the Shoreline Place development at the former Sears location on Aurora Avenue, the Seattle City Light property on 185th just east of the freeway/coming light rail station, the former Police Station on 185th and Midvale, and the former Shoreline King County District Courthouse. These sites were determined to have less potential than the five described in more detail above, but they should certainly be kept in mind as possibilities as this process progresses.

Comparing the Stop Sites

Without considering the cost of acquisition, which is unknowable at this time, and with the caveat that this is a very high-level assessment, Artspace's top four sites for further consideration as a potential project are 1. the Bingo Hall site, 2. the Storage Courts site, 3. Fircrest, and 4. Shoreline Park & Ride.

Name/Rank:	1. Bingo Hall	2. Storage Courts	3. Fircrest	4. Shoreline Park & Ride
Location: Is this an area of interest for creatives? Is it Downtown?	16325 5th Ave NE Currently occupied by Veolia Transportation. Strong interest from creatives and neighborhood.	17828b Midvale Ave N Potential for catalytic development, not currently desirable location for creatives.	2000 NE 150th St Fair location, transportation options and access to green space are attractive.	19000 Aurora Ave N Potential for catalytic development, less central than Storage Courts. Not currently a desirable location for creatives.
Lot/Parcel #:	Parcel #730130-1850	Parcel #072604-9005		Parcel #728390-0500
Size: (½ acre-1 acre ideal); What is the development capacity of the site?	Existing building is 23,900 SF on a 2.5 acre site; the building would need to be razed.	4.2 acres. Site is large enough to accommodate multiple uses, including higher density multi-family housing.	Approx 20 acres developable. Site could accommodate dense multi-family housing.	Over 5 acres. Site could accommodate higher density multi-family housing, depending on how much is parceled for redevelopment.
Acquisition: Who owns the site? What are the potential acquisition costs?	Owned by BLACK BRANDT LLC. Acquisition costs are likely significantly higher than \$4.4M appraised value.	Owned by the City of Shoreline. Acquisition costs unknown - would require abandonment of previously identified use, likely public input.	Owned by the State of Washington Department of Social and Human Services (and partially Department of Natural Resources). Acquisition costs unknown - dependent on state laws governing sale of state-owned land for public benefit.	Owned by King County Metro. Acquisition costs unknown - part of KCM feasibility process.
Accessibility: What is the walk score? Looking for 75 or higher. Is it close to transit, schools, grocery, other cultural assets?	Walk Score 38. Nearby existing culture & entertainment, schools, and parks. Transportation options are limited but will increase with light rail. No nearby grocery.	Walk Score 74. Bus Rapid Transit, grocery, pharmacy, other errands all along Aurora within Town Center. Interurban Bike Trail adjacent as well. Aurora Ave is not yet particularly pedestrian-friendly.	Walk Score 56. Minor business cluster at NE 145th and 15th NE with groceries and some errands. Bus Rapid Transit in 2026 will connect to light rail/East Side along 145th. Ample park space nearby.	Walk score 72. Bus Rapid Transit, grocery, pharmacy, other errands all along Aurora, though not as close to some as the Storage Courts site. Interurban Bike Trail adjacent as well. Aurora Ave is not yet particularly pedestrian-friendly.
Parking: How would parking be accommodated for residents?	Possible space for onsite parking	Possible space for onsite parking	Possible space for onsite parking	Possible space for onsite parking
Architectural Suitability: Would this be historic, new construction, or combined?	New Construction	New Construction	New Construction	New Construction
Environmental Conditions: Are there known issues or has site clean-up been completed?	Unknown	Unknown	Unknown	Possible wetland issue

Community Impact: Does this site have the potential for sustained community impact?	Could establish an anchor arts district in Ridgecrest Neighborhood with existing cultural assets.	Shoreline City leadership envisions transformation of Town Center into a more liveable, exciting, attractive area. An Artspace-style project fits this bill and could help catalyze this transformation.	Activate underutilized land in well-known high-profile location. Opportunity to partner with other nonprofits and organizations seeking social and community impact.	Could anchor the north end of envisioned Town Center transformation.
Topography: What is the layout of the site from the tour?	Top of hill. Mostly flat with slight grade to the west and south.	Slight grade away from Midvale Ave. Mostly flat.	Most parcels are flat.	Mostly flat, surface lot.
Funding/ LIHTC Scoring: What is the potential for support (Public/Private)? What is the 2021 QAP Self-Score?	Unlikely to qualify for 9% LIHTC funding; 4% more likely	Unlikely to qualify for 9% LIHTC funding; 4% more likely Site is within ½ mile of BRT (TOD)	Unlikely to qualify for 9% LIHTC funding; 4% more likely	Unlikely to qualify for 9% LIHTC funding; 4% more likely Site is within ½ mile of BRT (TOD)
Zoning: What are the zoning and parking requirements of the site?	Community Business	7 Story Commercial	Special Use. Acquisition would require zoning change.	Mixed Business
Summary:	Nice integration to residential neighborhood and with existing nearby cultural assets. Not walkable per se to coming light rail stations, but potential to anchor stretch of 5th Ave NE connecting them, as well as planned bike/pedestrian path. Centrally located to serve both Shoreline and Lake Forest Park creatives. Opportunity for creative district. Private ownership and potential price are problematic.	Size and location suitable for an Artspace development. City ownership potentially makes acquisition more possible, despite land value. Potential to add to the transformation of Town Center, but likely not the first choice of creatives in its current state.	Intriguing opportunity to partner with other organizations for unique project activating underutilized public land. Multiple parcels potentially available providing flexibility. Close to parks, schools, some amenities, and coming public transit. Master Planning process and transfer from state ownership could complicate timing.	Size and location somewhat suitable for an Artspace development. County ownership potentially makes acquisition more possible, but they are conducting their own feasibility process. Potential to add to the transformation of Aurora corridor, but likely not the first choice of creatives in its current state.

All of the sites had a moderate Walk Score between 38-74, which will likely increase with added light rail station and transit routes. Overall, the City of Shoreline's score is 48 and the City of Lake Forest Park's score is 67. For comparison purposes, Seattle's overall score is 74, Edmonds' is 45, and Lynnwood's is 53.

Artspace also conducted a preliminary review of how each site would score on a 9% Low Income Housing Tax Credit (LIHTC) application if, illustratively, submitted under the 2021 Qualified Allocation Plan (QAP), which would be awarded in January 2022. In January 2021, four projects in King County received awards, with an additional seven on the waiting list. All eleven projects awarded and, on the waitlist, included 75% set-asides for homeless housing, helping them to score extremely high on the QAP. Additionally, all four awarded projects included half of the units at 30% AMI and half of the units at 50% AMI.

None of the five sites analyzed above are in a Qualified Census Tract (QCT) or Difficult Development Area (DDA) zone, and some do not currently qualify as Transit-Oriented Development under the QAP (that may change). Still, it would be extremely unlikely that an Artspace project would competitively secure a 9% LIHTC award in Shoreline or Lake Forest Park.

Where Artists/Creatives Want to Be

Focus Group Site Feedback

Arts and arts organization virtual focus group participants were asked to give their feedback on where artists want to be. This was an open-ended question; the above potential sites were not discussed in detail. We've left this list in the artists' own words, because it is important to note how many times similar themes or answers were mentioned.

- Near coffee
- With other artists- collaborating is the best!
- A view of the water or mountains is always refreshing!
- Where universal design is in effect and everyone feels welcome
- Where there is color
- Close to public transportation & green space
- Close to supermarket and parks
- Near an emerging new business sector such as North City or the upcoming Shoreline Place.
- Bordering a neighborhood and business sector
- In my backyard
- A arts community all in one space to visit
- New downtown
- Shoreline Place
- Beautiful outdoor space
- Near some nightlife
- Near an outdoor space
- Where I can meet with other people and gather
- Somewhere that feels "solid" like it won't be gone in a year or two
- Somewhere where you can hear some music
- In Ridgecrest near the pub
- Somewhere where I don't create or spearhead gentrification
- Natural Environment (Live/Work)
- Downtown (Art Exhibit, Sale, Community activity)
- Where rent is cheap / subsidized
- Near transportation lines
- Near urban forests like Hamlin, Boeing Creek
- Shoreview
- Near Shoreline Community College
- Near the water / with water view
- Near other artists in a building with studios

Site Selection Disclaimer

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

RECOMMENDATIONS AND NEXT STEPS

In Shoreline and Lake Forest Park there are both great opportunities and great barriers to pursue an affordable live/work mixed-use facility for artists and creatives that includes a home for ShoreLake Arts. With an underserved creative sector, an established nonprofit leading the charge, engaged civic leadership, alignment with broader community goals, demand and urgency for affordable housing, and community excitement about the possibilities of added public transit, the concept of an Artspace project in North King County is very attractive and seems timely. At the same time, limited financial resources, low availability and high cost of developable land, a competitive and fast-moving real estate market, low likelihood of significant tax credit investment (9% LIHTC award), and competing priorities could make building and maintaining momentum for an Artspace project difficult. ShoreLake Arts has already engaged many of the important allies and stakeholders necessary to be successful, and Artspace has full confidence in the capability of this team to achieve success if the stars align.

If ShoreLake Arts wishes to continue the pursuit of a mixed-use artist live/work housing development, Artspace recommends proceeding to an Arts Market Study, to help understand the depth and breadth of its creative sector's needs. The Study involves surveying local and regional artists/creatives, analysis and recommendations based on responses, and building community interest in a future project. The survey will quantify the interest and need for affordable live/work housing, private studios, and other types of shared creative spaces. This data informs site selection, number of units, amenities, and design. It also provides reliable information on the needs of the arts sector to bankers, funders, and prospective LIHTC investors. Resulting data may also be shared with private developers and policymakers to help encourage further infrastructure investment in the creative economy.

Based on the preliminary findings from this study, we believe Shoreline/Lake Forest Park have the ability to support a 50+ unit mixed-use Artspace project, but this qualitative hunch alone is not sufficient to obtain financing from bankers, funders, and mortgage lenders. The statistical evidence of market demand can only be provided through an Arts Market Study.

In addition to the Arts Market Study, Artspace also recommends ShoreLake Arts consider a separate philanthropic feasibility study to measure the community appetite and capacity for private philanthropic contributions in support of a creative space development in North King County. This will be important given the unlikelihood of receiving a 9% LIHTC allocation with its corresponding equity and thus the need to identify funding to bridge what could be a \$3-5 million gap on a mixed-use project. In addition, ShoreLake Arts will likely need to raise funds for its portion of any new facility. A study of this nature could be conducted for both purposes (Artspace' project gap and ShoreLake Arts capital needs) and done prior to, concurrently with, or following the Arts Market Study, using the findings from this Preliminary Feasibility Study as test material. The gap funding for the housing component of the project would most likely be filled using foundation grant sources with less emphasis on individual donors, while ShoreLake Arts fundraising may follow a more traditional capital campaign process. The results of the philanthropic feasibility study would help ensure strategic fundraising coordination between the Artspace development team and ShoreLake Arts as well as give the fundraising team at Artspace clear direction at the start of predevelopment work, should the project progress.

Next Steps

- Begin preparing for the Arts Market Study
 - a. Pursue funding for the study.
 - b. Gather a diverse group of leaders to serve as an advisory committee to the survey process. This could be an extension of the existing Core Group. This working and advisory group is critical to the Arts Market Study and helps with community engagement and promotion of the survey among other tasks. Special attention should be made to engaging Indigenous leaders into the group while also maintaining the diverse make-up of the initial Core Group.

- Identify philanthropic and other gap funding opportunities
 - a. Connect with potential private sector funders. The cultivation process can be a lengthy one, and it is never too early to start.
 - b. Consider engaging counsel for a philanthropic feasibility study to look at both gap funding and funding for ShoreLake Arts' proposed space.
- In addition to ShoreLake Arts, determine if there are other partners that could be brought to the table.
 - a. Make efforts now to identify and reach out to Indigenous communities whose ancestors lived on or around the land that is now Shoreline and Lake Forest Park. Gauge their interest and involve them authentically in the process.
 - b. Maintain connections with Core Group members and other interested parties who participated in this process, while remaining open to new formal and informal community stakeholders who share an interest in advancing this project. Keeping the community engaged and up to date on progress toward a project and new space for ShoreLake Arts will be useful at various points including the Arts Market Study and future predevelopment work.

After completing the Arts Market Study, the next step toward an Artspace project would involve entering into a predevelopment agreement. See “The Path of an Artspace Project” (Appendix A), which provides an overview of the steps involved in advancing a successful Artspace project. Given the availability of the ARPA funds and the deadlines involved, getting started quickly would help move a project forward. We recommend getting an AMS underway before fall of 2022 if possible.

In summary, Artspace believes a project concept that includes both affordable live/work housing and space for ShoreLake Arts and other arts organizations would provide a tremendous boost to the reputation and visibility of the North King County creative community. It would also provide a stable, permanently affordable space for the creative sector as market pressures continue to increase and affordability decreases. The additional presence of creative people in a centralized community would help create an exciting destination for residents and visitors drawn to Shoreline and Lake Forest Park by growing transit options, while simultaneously investing in and preserving a sense of place and the elements that make North King County special.

Artspace greatly appreciates the opportunity to work with ShoreLake Arts and learn from the residents and leaders of Shoreline and Lake Forest Park. Artspace came away with a strong sense that an artist live/work mixed-use facility could be a tremendous community asset and transformative venture at an auspicious and exciting moment for North King County. Insights and recommendations in this report are solely intended to guide a project to the next phase of development and set Shoreline and Lake Forest Park on the path to becoming home to a new arts facility.

APPENDIX A

PATH OF AN ARTSPACE PROJECT



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

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

STEP 1: PRELIMINARY FEASIBILITY VISIT	
OVERVIEW	<ul style="list-style-type: none"> • Information Gathering and Outreach
PRIMARY ACTIVITIES	<ul style="list-style-type: none"> • Meet with artists, local funders, businesses, civic leaders, and other stakeholders • Conduct a public meeting to introduce Artspace and solicit community feedback • Tour candidate buildings and/or sites • Extend outreach as needed to ensure that people from underrepresented communities are included in the process
DELIVERABLES	<ul style="list-style-type: none"> • Written report with recommendations for next steps
PREREQUISITES FOR MOVING FORWARD	<ul style="list-style-type: none"> • Demonstrated support from local leadership • Critical mass of artists and arts organizations with space needs • Established base of financial support
TIME FRAME	<ul style="list-style-type: none"> • 3-5 months, kicked off by a 2-day visit
FEE	<ul style="list-style-type: none"> • \$30,000 (Completed)

STEP 2: ARTS MARKET STUDY	
OVERVIEW	<ul style="list-style-type: none"> • Assessing the Market
PRIMARY ACTIVITIES	<ul style="list-style-type: none"> • Three phases to the study: survey preparation, data collection, and analysis/reporting • Quantify the overall demand for arts and creative spaces • Identify the types of spaces, amenities and features that artists want/need • Inform site selection, design, and programmatic decisions • Maintain community involvement throughout the project • Help build support and secure funding
DELIVERABLES	<ul style="list-style-type: none"> • Written recommendations and technical report of survey findings
PREREQUISITES FOR MOVING FORWARD	<ul style="list-style-type: none"> • Sufficient number of responses from eligible, interested artists to support an Artspace live/work project
TIME FRAME	<ul style="list-style-type: none"> • 6 months
FEE	<ul style="list-style-type: none"> • \$35,000

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

STEP 4: PREDEVELOPMENT II	
OVERVIEW	<ul style="list-style-type: none"> • Project Design and Financial Modeling
PRIMARY ACTIVITIES	<ul style="list-style-type: none"> • Establish process for selecting architectural team • Confirm development goals and space program with architectural team • Engage architect to create conceptual plans and schematic designs • Engage contractor or cost consultant to provide pre-construction services • Resolve any contingent conditions relating to site control • Create capital and operating budgets • Obtain proposals and/or letters of interest from lender and equity investor financing partners • Prepare and submit Low Income Housing Tax Credit application • Submit other financing applications as applicable • Maintain excitement for the project within the creative community • Encourage and guide local artists to activate the site with arts activities
DELIVERABLES	<ul style="list-style-type: none"> • Schematic designs • Financial pro-forma detailing capital and operating budgets • Preliminary proposals and letters of interest for project mortgage and equity financing • Summary of project status
PREREQUISITES FOR MOVING FORWARD	<ul style="list-style-type: none"> • Award of Low Income Housing Tax Credits (first or second application) or commitment of alternative funding
TIME FRAME	<ul style="list-style-type: none"> • 12 months+
FEE	<ul style="list-style-type: none"> • \$300,000

STEP 5: PREDEVELOPMENT III

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

STEP 6: CONSTRUCTION

OVERVIEW	<ul style="list-style-type: none"> • Construction and Lease-up
PRIMARY ACTIVITIES	<ul style="list-style-type: none"> • Oversee project construction • Engage property management company • Identify commercial tenants and sign lease agreements • Reach out to potential artist tenants, providing education on the application process • Conduct residential tenant selection process
DELIVERABLES	<ul style="list-style-type: none"> • Completed project ready for occupancy
TIME FRAME	<ul style="list-style-type: none"> • 6-10 months

APPENDIX B

THE ARTS MARKET STUDY

Understanding the market for residential and other spaces that artists need and use is an important early step in the planning for an Artspace live/work or mixed-use arts project. We usually recommend an in-depth Arts Market Study even if the city has a large arts community and even if Artspace is not a candidate to be the developer.

The primary goal of the survey is to determine the size and nature of the market for a live/work or mixed-use arts project in the community. We use the information we collect not only to aid our own planning but also to satisfy the various public and private entities that make financial investments in our projects, including the banks that provide mortgages and the investors that purchase Low Income Housing Tax Credits.

The centerpiece of the Arts Market Study is a survey that gathers a wealth of data about the area's creative individuals, including:

- age, gender, ethnicity, household size, and other demographic information;
- the arts activities they practice;
- the arts facility features and neighborhoods of most interest to them;
- their current income range and the percent of it that is generated by art;
- their current studio or work space arrangement; and
- how much they are willing and able to pay for housing and studio space.

Most important, the survey tells us with reasonable accuracy how many live/work units or studios the local arts community can fill and whether a LIHTC model is appropriate to the market. Artspace live/work projects range in size from 10 to 100 units; most contain at least 40. Because smaller projects are more expensive in terms of their demands on our staff resources, in most communities a 30-unit project is the smallest that Artspace will consider if we are to be the developer.

The Arts Market Study uses a survey template we developed 20 years ago, have modified over the years, and have used more than 90 times to quantify the space needs of more than 40,000 artists across the country. The experience and lessons learned from surveying artists and creatives around the country plays heavily into the market considerations, assumptions, and recommendations in this report. In each community, using local input, we customize the template to reflect unique characteristics of the proposed project and the local arts scene, then host it online for up to six weeks. Developing the questionnaire, publicizing it, collecting the data, analyzing the results, and preparing a report takes up to six months.

The Arts Market Study is a flexible tool. In addition to its primary purpose of informing decisions about the market for artist housing in a community, it can easily be modified to provide useful data about specific features, such as working studios and makerspaces, that have been identified as potential project elements.

The study process and methodology is flexible can be used to inform decisions about project concept and feasibility of an artist housing project or be re-tooled and used to drill-down on data specifically useful to a makerspace concept development and business planning.



May 6, 2022

City Council
City of Shoreline
17500 Midvale Ave N
Shoreline, WA 98133-4905

Sent via email to: council@shorelinewa.gov

Re: Request for assistance paying for Artspace Market study for affordable artist housing/space for ShoreLake Arts project in Shoreline

Dear Shoreline City Council,

ShoreLake Arts would like to share with you the results of the Preliminary Feasibility Study conducted by national expert Artspace regarding the potential for developing affordable artist housing and a home for ShoreLake Arts – and the next steps on the path towards such a project. We deeply appreciate your support for the arts in our community and we are excited about the possibility of making this vision a reality. We cannot do that alone!

As discussed further below, if we are to move forward with this project, we need to raise \$47,500 for more detailed studies of the project's viability. We are asking the City of Shoreline for \$20,000 to \$25,000 to help fund these studies. We are also seeking funding from other government partners and individuals.

To briefly recap, ShoreLake Arts engaged Artspace, the national leader in developing space for artists and arts organizations, to do a Preliminary Feasibility study on the potential for an Artspace-type project in Shoreline. The envisioned project would create both a permanent home for ShoreLake Arts and 40 – 75 units of affordable housing for artists. (Artspace's local projects include the Schack Arts Center and the Artspace Everett Lofts in Everett and the Hiawatha Lofts, Mt. Baker Lofts, Tashiro Arts Building, and Tashiro Kaplan Artist Lofts in Seattle. See <https://www.artspace.org/our-places>.)

As part of the study, Artspace conducted four focus groups of potential stakeholders in Shoreline, Lake Forest Park, and King County and held a public meeting. In addition, they reviewed potential building sites, conducted additional interviews, and researched

the economic climate and the availability of tax credits and other funding sources for such a development. They released the final report in January, 2022.

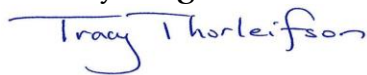
The final report, available on our website: <https://www.shorelakearts.org/reports>, found a demand for both an Arts Center to house community arts events and art education programming and affordable artist housing, and that the project should be located in Shoreline. They noted that there is the political will and know-how to move a project forward, and that a huge step has already been taken by involving the right people and organizations early in the process. That said, they also noted that funding will be the biggest challenge to moving forward, especially in such an expensive real estate market. All of the steps towards an Artspace Project, and the associated costs, are outlined in Appendix A to the report.

The ShoreLake Arts Board reviewed the report and voted to move forward with finding funding for the next steps in the Artspace project: a market study (\$35,000) and project concept refinement workshop (\$12,500). The Board noted that both studies would be useful even if we did not end up partnering with Artspace. The Board is excited about the prospect of partnering with Artspace to help make affordable housing available to artists, but even if that is not possible it is clear to the Board that ShoreLake Arts cannot achieve its growth goals and serve the needs of our community without finding permanent space for arts education classes and arts events.

Artspace has strongly urged us to find funding to begin the Market Study by September, 2022 so we can keep momentum for the project going (and because land is not getting any cheaper!). In addition to seeking funds from the City of Shoreline, we are speaking with Councilmember Rod Dembowski, and plan to approach the City of Lake Forest Park, Sound Transit, and anyone else we can think of that might have funds available.

We would be pleased to respond to any questions that the Council, or any individual Councilmember, has about our request for funding, the proposed Market Study, Artspace, or any other aspect of this project. We deeply appreciate the City's support for the arts in our community and for our organization. With your partnership we already create amazing arts opportunities for Shoreline residents, and I know that with your support we can make this new vision of a home for ShoreLake Arts and dedicated affordable artist housing a reality.

Thank you again,



Tracy Thorleifson
President, ShoreLake Arts Board



Quinn Elliott
Executive Director

