



Preliminary
Feasibility Report

Hamilton, Ohio

December 19, 2006

Prepared for:

City of Hamilton
Planning Department

Introduction

Hamilton, Ohio, is a city of approximately 62,000 in southwestern Ohio. Located midway between Cincinnati and Dayton on the Great Miami River, it is the seat of Butler County, which has a population of more than 330,000.

Fueled by a solid industrial base that once sustained more than 20,000 jobs, Hamilton grew rapidly during the first half of the 20th century: in six decades its population more than tripled, reaching a zenith of 72,000 in 1960. Between 1960 and 2000, however, the city gradually lost about one-sixth of its residents, many of them emigrants to nearby suburbs. Within the last few years, Hamilton's population has begun to inch up again, but its downtown does not yet appear to be flourishing. There are too many vacant or underutilized buildings, too many parking lots, and there is not enough retail activity.

Over the years, Hamilton has been adept at reinventing itself. In 1986 it changed its name to Hamilton! (The exclamation point was rejected by the United States Board on Geographic Names.) A more durable civic improvement occurred in 1993, when the Fitton Center for the Creative Arts opened. This gleaming white edifice on the Great Miami River offers a variety of year-round programs promoting appreciation of the arts for all ages and abilities; it also presents a wide range of performing arts, special events, and competitions. The Fitton Arts Center is of a caliber rare in a community of Hamilton's size. In the late 1990s, Hamilton launched Vision 2020, a twenty-year plan for revitalizing the community with emphasis on the downtown and riverfront areas. In 2000, it was named the "City of Sculpture" by Ohio Gov. Bob Taft, a sobriquet that recognizes the community's large (and still growing) collection of public sculpture.

In keeping with these initiatives, Hamilton's political and administrative leadership contacted Artspace and arranged for a Preliminary Feasibility site visit for the purpose of determining the feasibility of creating an affordable artist live/work project in or close to downtown Hamilton. The visit took place October 17-18, 2006, and was hosted by the City of Hamilton, the Vision Commission, and the Fitton Center. Artspace was represented by Wendy Holmes, its Vice President of Consulting and Resource Development, and Director of Resource Development Roy M. Close.

Findings

The main objective of Artspace's visit to Hamilton was to assess the viability of an affordable mixed-use artist live/work project in or close to the central business district. Over the course of two days, the Artspace team met with artists, civic leaders (including Mayor Don Ryan and City Manager Michael J. Samoviski), members of the business community, and other stakeholders in a series of focus group meetings. A public meeting drew a crowd of more than 50 participants to the Fitton Center ballroom. The Artspace team also toured several buildings and drove by a number of others.

Here is a summary of our findings.

ARTIST MARKET

Before we visited Hamilton, its relatively small population — about 60,000 — was a significant concern. Smaller communities typically have fewer artists, which in turn means smaller projects, which represent a less efficient use of our resources. We prefer projects of at least 30 to 35 units, and not many communities of fewer than 100,000 residents have artist communities of sufficient size to warrant projects of that size.

Hamilton, however, may be an exception to the rule. It is the seat of Butler County, which has more than 300,000 residents. It has a 3,500-student branch campus of Miami University, a major institution (approximately 15,000 undergraduates and 1,400 graduate students) whose main campus in Oxford is only about 10 miles away. The major metropolitan areas of Cincinnati and Dayton are 25 and 35 miles distant, respectively; a number of major educational institutions are located in these communities. Although students are not eligible to live in federally financed affordable housing, many former students choose to remain in the area where they attended school. So there are reasons to believe that an affordable live/work project in Hamilton might be viable.

The artist focus group meeting attracted nearly 20 artists, a respectable turnout. Two identified themselves as musicians, but most said they are visual artists. They expressed interest in a project that would have “gathering spaces,” like galleries and coffeeshops, to make downtown Hamilton “come alive” and attract desirable amenities such as upscale restaurants. They also pointed out that there are several arts schools in the area, including the Pendleton Arts Center in Cincinnati and Oxford Community Arts Center in Oxford, whose faculty members might be drawn to Hamilton by a project that contained studio-only space.

We believe that a formal Artist Market Study is needed to determine the demand for an artist live/work project in Hamilton. A full-fledged survey, designed to reach 7,500 artists within a 50-mile radius of Hamilton, would determine whether a sufficient market exists to support a midsize live/work project in the Artspace model. The City has indicated a strong desire to proceed with such a study as soon as it can be scheduled.

Rick Jones, the Fitton Center's executive director, will be a key liaison in helping us interpret the findings of the Artist Market Study. He attended the majority of our meetings in Hamilton and is an important link between the area's civic leaders and arts community. To the extent that he can help champion this project in the community, it will have a much better chance of success.

PROJECT CONCEPT

The primary goal of an Artspace project, from the City's perspective, is economic revitalization of the downtown area. Downtown Hamilton is by no means an economic disaster zone. We observed a number of businesses that appeared to be thriving on High Street, the main street of downtown Hamilton, including Elder-Beerman, a department store of the kind seldom seen these days in downtown areas. There is also the renovation of the Mercantile Block, a major redevelopment project that will transform three historic buildings into a mixed-use development containing both retail and market-rate housing. And we were told of plans to renovate an existing restaurant and create a new one in the same area. Nevertheless, there are many empty storefronts and underutilized buildings in the downtown area, and the central business district has lost market share to suburban shopping malls.

For these reasons, Hamilton city officials would strongly prefer a project located in or close to the downtown area. Most of the buildings we were shown are located within a three-block radius of the Butler County Courthouse, which is in the center of the downtown district. That said, the same officials indicated that if Artspace were to return with a strong recommendation in favor of a building on Main Street (which is across the Great Miami River, a five-minute walk from downtown) or in Lindenwald, a neighborhood about two miles south of downtown, they would consider it.

We believe the project concept is a valid one and that a live/work project in downtown Hamilton, preferably a mixed-use project that also contains arts-compatible retail space on the street level, makes good sense for the city. We further believe that this is a good time for the community to be considering an Artspace project, because the implementation of Vision 2020 Comprehensive Plan involves other initiatives as well. Taken in aggregate, these projects will do much to revive downtown Hamilton and make it a healthier, more vibrant area.

Of the buildings we toured, there are two viable candidates in the downtown area. If neither of these buildings passes the test of closer scrutiny, other candidates may emerge. New construction is also a possibility, for there is much vacant land in downtown Hamilton. In our discussions with city officials, we asked whether they have a strong preference for adaptive reuse of an historic building as opposed to new construction. Although adaptive reuse is the preferred option, we were told that Hamilton is open to either.

FINANCIAL ANALYSIS

Hamilton city officials clearly understand that an artist live/work project, like a park or an arts center, is a civic improvement — and that it requires not only a conceptual investment but also a financial one. We were very pleased to learn that the city is prepared to make a substantial investment in any project with the use of CDBG funds, HOME funds, and other appropriate

financing tools. City Manager Samoviski noted that “we didn’t blink” when Artspace explained that a full scope of pre-development work — that is, everything leading to construction — will require a city investment of at least \$500,000.

Civic leaders were quick to point out that the Hamilton Community Foundation is a strong, arts-oriented institution and that there is a significant base of established individual wealth in the community — as evidenced by the existence of the Fitton Center itself. Everyone in the civic leaders’ focus group agreed that a philanthropic gap of \$2 million would “not be a problem.”

This being the case, we believe Hamilton has the financial capacity to support the development of a mixed-use artist live/work project.

SITE ANALYSIS

The Artspace team walked through a variety of buildings in and around downtown Hamilton. Some of them were clearly unsuitable for a live/work project; others struck us as strong candidates for adaptive reuse. Here is what we saw and concluded:

Miami Manor, 118-122 S. Second Street

This privately owned building, containing 37,360 square feet on four floors, was most recently used as affordable housing for the elderly. It has been vacant since a fire damaged its front stairwell. The fire forced the residents to move elsewhere but appears to have caused relatively minor damage to the building. The building is for sale but no price was listed in the materials provided by the Economic Development Department.

Assessment: Miami Manor is centrally located, but it is too small for a live/work project of 30+ units, and its interior spaces — small rooms with low ceilings and relatively small windows — do not lend themselves to adaptive reuse as live/work units. We do not recommend further consideration of this building.

Haven House, 317 Maple Avenue Joffe Building, 216 S. Third Street

The Haven House, a privately owned office building built in 1899, is for sale at a listed price of \$225,000. It has 16,800 square feet on three floors and is across the alley from the Joffe Building, which means that a multi-building project might be feasible.

The Joffe Building is actually three connected buildings, the oldest of which dates from the 1890s and is a fine example of Richardsonian Romanesque architecture. Currently used for furniture storage, the buildings are for sale for \$450,000. The Joffe’s aggregate square footage is 28,840, which means that a project that combined Haven House and the Joffe Building would provide 45,640 square feet, sufficient for a midsize artist live/work project.

Assessment: Haven House does not have sufficiently high ceilings or natural light to be a good candidate for live/work space. The Joffe Building is a better prospect, but its square footage is

insufficient and there are stronger candidates in the vicinity. We do not recommend further consideration of either Haven House or the Joffe Building.

Ohio Casualty Building, 131 N. Third Street

This four-story structure, dating from 1975, was built to house an insurance company's offices and print shop. Large (100,000 square feet), solidly built, and in excellent condition, it is owned by the Ohio Casualty Insurance Co., which is asking \$3 million for it. However, it has narrow windows that cannot be enlarged without significant remodeling.

Assessment: For a variety of reasons, including its size (too large), price (too high), and lack of natural light, this building is not suitable for an Artspace live/work project.

Ringel Building, 223 S. Third Street

Ringels is a six-story brick building with high ceilings and large windows on its east and south sides, but few or none on the other two. Built in 1913 and still used as a retail furniture store, it is for sale for \$695,000 but might be obtainable for less. It appears to be in excellent condition. Ringels boasts an attractive art deco mezzanine that could be used for a gallery or coffeeshop.

Its principal drawback is size: Ringels has only 38,000 square feet and is therefore too small to be a candidate for a midsize live/work project. However, the site includes a 20-space parking lot immediately behind the building. By using some or all of this space for new construction, a developer could substantially increase the building's total floor area.

Assessment: Ringels has many of the attributes we seek in an older building that can be adapted for use as a live/work project. Its size is a significant drawback, but because there is room to expand the building on the site, this problem may not be insurmountable. At this time, we think Ringels should be considered as a possible candidate for a live/work project involving a combination of adaptive reuse and new construction.

Hamilton Center, 222 High Street

Built in 1907, the Hamilton Center is ideally located less than a block from the Courthouse in the heart of downtown Hamilton. It has 70,390 square feet on four floors and a full basement — ample for a midsize live/work project plus compatible commercial uses on the ground floor.

An historic photo shows a handsome façade with a mansard roof; the front of the building, however, has been completely masked by a metal screen that was added in a misguided attempt to make the building look “modern.” The building has a direct connection to a municipal parking ramp behind it. An attractive complementary market-rate development in the next-door Mercantile Block — three historic buildings now being renovated by a private developer — is a plus.

The Hamilton Center is apparently not on the market, but city officials believe that its owner, Harry Wilks, founder of the Pyramid Hill Sculpture Park on the outskirts of Hamilton, might agree to sell it at a reasonable price for an arts-related purpose.

The building's chief drawback is natural light. Although it has large windows in front and smaller windows in back, its long sides are window-poor. There is potential to add windows on the west side, which overlooks two currently vacant lots, or to introduce light from above by creating one or more interior atriums (as was done in the Tilsner Artists' Cooperative, an Artspace project in downtown Saint Paul), but further investigation will be needed to determine whether windows can be added without endangering the building's eligibility for historic tax credits.

Assessment: The Hamilton Center is in most respects an excellent candidate for a live/work project. It has many assets and few drawbacks. It has the best location of any building we visited. In our view, it is the leading candidate for a live/work project.

Shuler & Benninghofen Mill, Pleasant and Williams Street

This is a spectacular historic woolen mill located in Lindenwald, a business district about two miles from downtown Hamilton. The building, which dates from 1893 and has had multiple additions, is huge — 240,000 square feet — and has abundant natural light provided by large windows on all sides as well as clerestory windows over a large central atrium. The mill is privately owned by a development group that would clearly love to have Artspace involved. This site, however, is not within walking distance of the central business district and it would not be a catalyst for redevelopment in the downtown area. For Artspace, a project that would occupy only a portion of another developer's building is a situation generally to be avoided.

Assessment: Although the Shuler & Benninghofen Mill is a magnificent building, its extremely large size, distance from downtown, and private ownership are significant obstacles both for Artspace and for the City of Hamilton. While we do not recommend removing it from consideration at this time, we believe the Hamilton Center and Ringels Building are stronger candidates and should be investigated first.

LEADERSHIP

Hamilton is fortunate to have progressive leadership in Mayor Don Ryan, City Manager Michael J. Samoviski, and their colleagues. Three of the six City Council members (plus the Mayor, who is the Council Chair) attended the public meeting Hamilton's representative to the Ohio State House of Representatives, Courtney Combs, attended the public leader focus group. The City arranged our visit and the Fitton Arts Center provided space for our meetings. All of the civic leaders who spoke to us declared their support for an Artspace project in Hamilton and appear committed to do what is necessary to enable it to be built.

Their support, coupled with the leadership that a strong, arts-oriented Hamilton Community Foundation can bring to bear, suggest that an Artspace project in Hamilton would have a very high chance of succeeding. This suggestion is reinforced by what is already happening in the

community. As a result of recommendations outlined in the Vision 2020 Comprehensive Plan and the work of the Vision Commission, the city has recently provided many incentives to developers to create new housing in the downtown area. A prime example is the redevelopment of the vacant Mercy Hospital, which will be razed to create room for more than 100 units of new for-sale housing and retail/commercial uses.

Next steps

Based on the foregoing, Artspace believes that Hamilton may be a very good candidate for a live/work project. Our chief concerns at this point are whether a sufficient artist market exists and whether the buildings identified as candidates are indeed suitable for adaptive reuse as affordable housing and studio space for artists.

We recommend moving to a full-scale Feasibility Study, beginning with an Artist Market Survey. The survey should attempt to reach at least 7,500 individual artists within a 50-mile radius of Hamilton — including both Cincinnati and Dayton.

Our hope is that the Market Survey will identify a sufficient number of artists in need of affordable housing to support a live/work project of 30 to 40 units. The survey will also provide valuable information about the kinds of spaces needed; the most desirable blend of residential, studio, nonprofit, and/or commercial spaces; the rents that artists can afford; and so on. In addition, the survey will provide important documentation for prospective lenders and tax credit investors whose willingness to invest in the project will largely depend on their confidence that a market exists.

Once the survey is complete and we have an analysis, we will be in a better position to advise on the next steps. These could range from development of a full-fledged Artspace project to a working relationship with Artspace serving as an advisor to the project, with no ownership or management responsibilities.



ARTSPACE 101:

OUR MISSION, HISTORY AND PROGRAMS

Artspace Projects' mission is to create, foster, and preserve affordable space for artists and arts organizations.

FINDING AND RETAINING affordable space is an age-old problem for artists — painters, sculptors, dancers, and others who require an abundance of well-lit space in which to work. Many artists gravitate to old warehouses and other industrial buildings, but their very presence in an industrial neighborhood often acts as a catalyst, setting in motion a process of gentrification that drives rents up and forces the artists out.

This is precisely what happened in Minneapolis' historic Warehouse District in the 1970s and led to the creation of Artspace in 1979. Established to serve as an advocate for artists' space needs, Artspace effectively fulfilled that mission for nearly a decade. By the late 1980s, however, it was clear that the problem required a more proactive approach, and Artspace made the leap from advocate to developer. Since then, the scope of Artspace's activities has grown dramatically. Artspace is now a national leader in the field of developing affordable space for artists through the adaptive reuse of old warehouses, schools, and commercial buildings.

Artspace's first three live/work projects were in Saint Paul: the Northern Warehouse Artists' Cooperative (1990), Frogtown Family Lofts (1992), and Tilsner Artists' Cooperative (1993). Since then, Artspace has expanded its range of activities to include live/work projects in Duluth (Washington Studios, 1995); Pittsburgh (Spinning Plate Artist Lofts, 1998), Portland, Oregon (Everett Station Lofts, 1998), Reno (Riverside Artist Lofts, 2000), Galveston (National Hotel Artist Lofts, 2001), Chicago (Switching Station Artist Lofts, 2003), Seattle (Tashiro Kaplan Artist Lofts, 2004), Fergus Falls, Minnesota (Kaddatz Artist Lofts, 2004), Bridgeport, Connecticut (Sterling Market Lofts, 2004), Mount Rainier, Maryland (Mount Rainier Artist Lofts, 2005), and Houston (Elder Street Artist Lofts, 2005). In all, these 14 projects represent more than 560 live/work units. Projects in Buffalo, Fort Lauderdale, and Seattle are under construction; when completed, they will add another 158 affordable live/work units to Artspace's portfolio.

In the mid-1990s, Artspace broadened its mission to include non-residential projects. The first of these, the Traffic Zone Center for Visual Art (1995), transformed an historic bakery in the

Minneapolis Warehouse District into 24 studios for mid-career artists. Other non-residential Artspace projects include the Minnesota Shubert Performing Arts and Education Center, a \$37 million, three-building cultural complex in downtown Minneapolis. When completed in 2009, it will serve as a performing home for the Saint Paul Chamber Orchestra and more than 15 small and midsize dance, music, and theater groups. It will also have a multifaceted education program that will include interactive long-distance learning technology capable of reaching every school district in the state.

Over the last few years, Artspace has evolved from a Minnesota organization with a few national projects into a truly national organization based in the Twin Cities. We now have projects in development, predevelopment, or feasibility in more than a dozen states. Our national consulting program has helped communities in 40 states address their arts-related space issues. The nature of our work is evolving, too, to include multiple-facility projects, long-range planning, and arts districts.

Artspace programs fall in three broad categories: property development, asset management, and national consulting.

Property development

Development projects, which typically involve the adaptive reuse of older buildings but can also involve new construction, are the most visible of Artspace's activities. To date, we have completed 18 major projects. Three more are under construction. Artspace live/work projects are operating or in development from coast to coast.

Asset management

Artspace owns or co-owns all the buildings it develops; our portfolio now comprises more than \$175 million worth of real property. We strive to manage our properties so that they will be well-maintained yet remain affordable to the low- and moderate-income artists for whom they were developed in the first place. Revenues in excess of expenses are set aside for preventive maintenance, commons area improvements, and building upgrades.

National consulting

In addition to its roles as developer, owner, and manager, Artspace acts as a consultant to communities, organizations, and individuals seeking information and advice about developing affordable housing and work space for artists, performing arts centers, and cultural districts — usually, but not always, within the context of historic preservation.

Artspace's experience in creating, fostering, and preserving affordable space for artists has led us to the following conclusions:

- Aesthetically pleasing spaces create a safe working environment that helps artists grow professionally and achieve financial stability.
- Artist live/work projects help increase pedestrian traffic in urban areas by making neighborhoods safer and streetscapes more lively and attractive.

- Artspace projects serve as catalysts for neighborhood revitalization. Invariably, the community that evolves within an artist live/work project soon spreads into the surrounding area, breathing new life, energy, and stability into the entire community. Other neighborhood development typically follows within three years of the completion of an artists' live/work project. This development in turn helps generate other cultural activity and creates a general increase in visitors to the area.

Last update: 10/25/06