

TOOLS

Issues

Space is an ongoing cost:

- Space for organizations
- Affordable housing tools
- Artist housing vs. performance space vs. office/admin.
- Housing for artists: (some believe that housing is being addressed by other programs?)

Priority: facilities to house arts organizations

District Boundary

For the initial phase, recommend using the existing Capitol Hill/First Hill urban center boundary (this includes the 12th Avenue urban center village). Recognize that Pike/Pine is at the heart of the district: keep the focus where there is the highest concentration of arts and cultural uses.

Consider other areas for phase 2:

- Pratt and 20th/Yesler/Jackson
- Langston Hughes
- 19th and Yesler

The boundary would reach to the borders of the Central District and the International District.

Tools

1. Capitalize on opportunities as potential partnerships:

- Sound Transit (Broadway station)
 - ◇ Sound Transit: sell sites to developers
 - ◇ Require that part of major use development be for performing arts (restrict from street level, not on Broadway)
 - ◇ ST cannot subsidize (but City can create a bonus program to developer to provide arts facility with retail at street level and arts space above)
- Proposed streetcar connector to First Hill/International District.
- Yesler Terrace.

2. Offer incentives to developers to provide cultural facilities:

- a. new buildings
 - Parking

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- ◇ shared parking with major institutions
 - ◇ Lower parking ratios for arts facilities
 - Height density (height increases on Broadway)
 - Sales tax exemption
 - Reduce or eliminate fees:
 - ◇ business license
 - ◇ building permit fees
 - ◇ other fees
 - Encourage arts organizations to own space: condominium-ize part of new development.
 - Additional density increase bonus
 - FAR increased
 - Flexible building code
- b. Encourage owners of existing buildings to retain existing inventory in arts and cultural related uses:
- grants
 - transfer of development rights
 - Property tax exemption (state authorization required)
 - Priority for fast tracking development, rehabilitation of projects that have arts facilities
 - Exempting cost of upgrading building with arts facility
 - Energy code upgrades exemption on rehabs that do not affect life and safety
3. Explore potential funding sources:
- New market tax credits
 - ◇ Mixed use: 20% of revenue comes from commercial
 - ◇ Must be in correct census tract
 - ◇ City could sub-allocate new market tax credits to developers as incentive to provide arts facilities
 - ◇ City applies to be intermediary in tax credit exchange; City can decide what they want to do with credits
 - ◇ Examples: 17th and Jackson (new market tax deals); Washington Hall (potential); Capitol Hill Housing
 - Historic tax credits
 - ◇ Tax credits for register-listed buildings
 - ◇ Historic tax credits
 - ◇ Create special district to make structure eligible for tax credits
 - ◇ Allow for exemptions of standards that may apply to landmarks to provide flexibility for updated arts space

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- ◇ Energy code requirements: allowances for existing structures to lower the cost of renovations
- ◇ Calculating costs for triggering upgrades: deduct for projects that provide arts space
- ◇ Costs required to turn into arts facility would not be counted to trigger retrofit requirement.
- Section 108 funding
- Tax increment financing

4. Other tools

- City as information source and arbiter:
 - ◇ provide information to developer about neighborhood needs for specific cultural facilities
 - ◇ Prioritize and address needs of various groups, neighborhoods, etc.
- Potential role of major institutions? (college and university, hospitals)
 - ◇ Seattle U has the new arts center, and the community needs to build better partnerships across boundaries that haven't been crossed in the past.
- Grants:
 - ◇ Assistance for arts organizations
 - ◇ Subsidizing organization as opposed to (or in addition to) the space.
- Policy:
 - ◇ as incentive zoning is implemented at locations within the cultural overlay district, arts facilities should be included in the package.
- Provide incentives for arts facilities:
 - ◇ Issues of monitoring program to ensure ongoing use
 - ◇ Floor area exemptions, bonuses, transfer of development rights
 - ◇ Subsidy for space
 - ◇ Administrative issues for ensuring subsidy levels

Timing

CODAC recommendations to city council September 24.

Land use recommendations: council reviews budget in October.

Code change recommendations: within 6 to 9 months.

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City council wants April 2009 “milestone”: action on phase 1 by spring.