

A Plan for Preserving and Expanding

# Affordable Arts Space in Portland



**Mayor Ted Wheeler**

**Commissioner Nick Fish**

**Commissioner Chloe Eudaly**

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# Acknowledgements

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To each of you who helped contribute to our final product, thank you.

### **Portland City Council**

- Ted Wheeler – Mayor
- Nick Fish – Commissioner
- Chloe Eudaly – Commissioner
- Amanda Fritz – Commissioner
- Dan Saltzman – Commissioner

### **External Stakeholders**

- Stan Penkin – Oregon Children's Theater, Arts Oversight Committee
- Kelley Roy – ADX
- Toni Tabora-Roberts – Esper House, Arts Workers for Equity
- Bruce Fife – Musicians Union Local 99
- Pippa Arend – p:ear
- Ken Unkeles – North Coast Seed Building
- Subashini Ganesan – New Expressive Works
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### Internal Stakeholders

- Jamie Dunphy – Office of Commissioner Nick Fish
- Amira Streeter – Office of Commissioner Nick Fish
- Pollyanne Faith Birge – Office of Commissioner Chloe Eudaly
- Lisa Taylor – Office of Mayor Ted Wheeler
- Jennifer Arguinzoni – Office of Mayor Ted Wheeler
- Jeff Hawthorne – Regional Arts and Culture Council
- Kristin Calhoun – Regional Arts and Culture Council
- Mark Moffett – Bureau of Development Services
- Terry Whitehill – Bureau of Development Services
- Debbie Bischoff – Bureau of Planning and Sustainability
- Soo Pak – Portland Parks and Recreation
- Alison Wicks – Prosper Portland
- Lisa Abuaf – Prosper Portland
- Kyra Straussman – Prosper Portland
- Nate Takara – Portland Fire and Rescue
- Heather Hoell – Venture Portland
- Thomas Lannom – Revenue Bureau
- Betsy Ames – Office of Management and Finance

### Partners

- Oregon Cultural Trust
- Oregon Arts Commission
- Multnomah County Cultural Coalition

# Introduction

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The cost of living in Portland is rising rapidly. This has created a housing crisis. Displacement, gentrification, aggressive development, and real estate market dynamics are making it impossible for artists to afford to live here. We stand at a moment where we risk losing many of the things that make Portland a desirable place to live, work, and play.

Portland has long been known for its vibrant, diverse creative economy – from fine art to arts and crafts, art galleries to craft fairs, ballet to flamenco, jazz to classical, and everything in between.

Public support of the arts has never wavered. In 1992, 73% of individuals surveyed by local arts leaders said that Portland is a better place to live because of the arts. By 2009, that number had increased to 77%. And in 2012, Portland voters overwhelmingly approved the Arts Education and Access Fund, commonly known as the Arts Tax. So, the question of supporting the arts is not whether, but how.

Our creativity drives innovation, inspires the founding of new companies, draws new employers and residents to our city, provides good jobs, and helps burnish our quality of life. Every aspect of our community would suffer without our creative culture.

But creative organizations, as well as the people who practice their crafts here, are increasingly being priced out of the Portland market. The need for affordable performance space, rehearsal space, studio space, gallery space, and office space must be addressed by the City of Portland, the Regional Arts and Culture Council (RACC), and the greater arts community. This can only be done by fortifying partnerships and expanding on efforts by private, public, and non-profit parties. Portland's reputation as a creative hub is not inevitable. If we aren't intentional in our actions, we risk losing the soul of our city.

**The value of art in our city is undeniable. It's core to the fabric our identity.**

Art is a powerful instrument for equity. We must be explicit in recognizing the different ways our creative economy works in all our individual communities, and we must strive to ensure that everyone sees the benefits. Through all our work, the City and our partners will approach solutions with an equity lens, seeking broad representation from communities throughout the city. This will include working directly with culturally specific organizations such as Latino Network, the Muslim Educational Trust, Milagro Theater, New Expressive Works, Disability Arts and Culture Project, PHAME, and Arts Workers for Equity. We will also work with our trusted partners at the Oregon Arts Commission, Oregon Cultural Trust, the Multnomah County Cultural Coalition, and the RACC.

Art is a powerful economic tool. From the vibrant array of booths at Saturday Market to the powerhouses of Nike, Adidas, Under Armor, and the many design and apparel companies that call Portland home, the creative economy supports thousands of jobs and generates millions of dollars in economic activity annually. This creative sector gives Portland a unique appeal, and drives nearly every sector of our economy.

According to the 1989 Arts Plan, Portland's creative economy directly created \$84 million in economic activity every year. By 2009, that number had increased to \$330 million annually. That's nearly double what can be accounted for by inflation!

We must also remember that the creation of art provides an end in and of itself. The creative process is a deeply personal one that adds to the general well-being of individuals everywhere, usually without any intention of creating art professionally. Every successful society in human history has encouraged creativity.

In recent years, we have seen the displacement of hundreds of artists and dozens of creative spaces, including Towne Storage, Troy Laundry, Artichoke Music, Crossroads Music, Theater! Theater!, Jimmy Mak's, Conduit Dance, The Fremont Theater, the PSU Dance Department, and the Ash Street Saloon.

Cities have been facing these same problems for decades, and community leaders have worked to find new solutions to old problems. This means that there is a wealth of information from trusted partners about what works, and what doesn't.

### **In short, we don't need to reinvent the wheel.**

Over the past two years, Commissioner Nick Fish and his staff have been researching national best practices, studying local trends, and meeting with artists, non-profit leaders, developers, property owners, and colleagues in different cities to craft a set of recommendations for discussion.

When they took office in January of 2017, Mayor Ted Wheeler and Commissioner Chloe Eudaly joined this effort. After many meetings with stakeholders, both internal and external to City government, these three City Council offices have developed these recommendations for a “Portland-sized” approach to help deliver real results in the short-, medium-, and long-term.

We began with an agreed set of values for how to approach this problem: Any proposal for a sustained effort to preserve our creative economy should not be limited to existing and new funding by the City of Portland. Instead, the City should consider policies that provide incentives for new development; encourage preservation, active reuse and direct investment; and harness private and philanthropic investment to create long-term shared prosperity in our creative economy.

This must never be an “either/or” conversation. The City must continue to focus on affordable housing, homelessness, livability, job creation, and public safety while also finding ways to preserve, support, and expand our creative economy. The recommendations in this report, if properly implemented, will not cause conflict between our goals, but will instead work in harmony to better accomplish our objectives.

These recommendations are designed to stimulate further conversations and inform future policy making. We recognize that not all of the recommendations in this document can be or will be implemented. We encourage City Council to work with bureau staff to find appropriate and timely ways to evaluate each of these recommendations.

**Our goal is to make Portland accessible and affordable to the artists who choose to live and work here.**

**We recognize that Portland continues to thrive thanks to our creative economy.**

**We are driven by a sense of urgency, because neither success nor failure are inevitable.**

Thank you to all the community members, colleagues, and stakeholders who helped participate in developing this set of recommendations.



Nick Fish  
Portland City Commissioner  
Arts Commissioner



Chloe Eudaly  
Portland City Commissioner



Ted Wheeler  
Portland Mayor

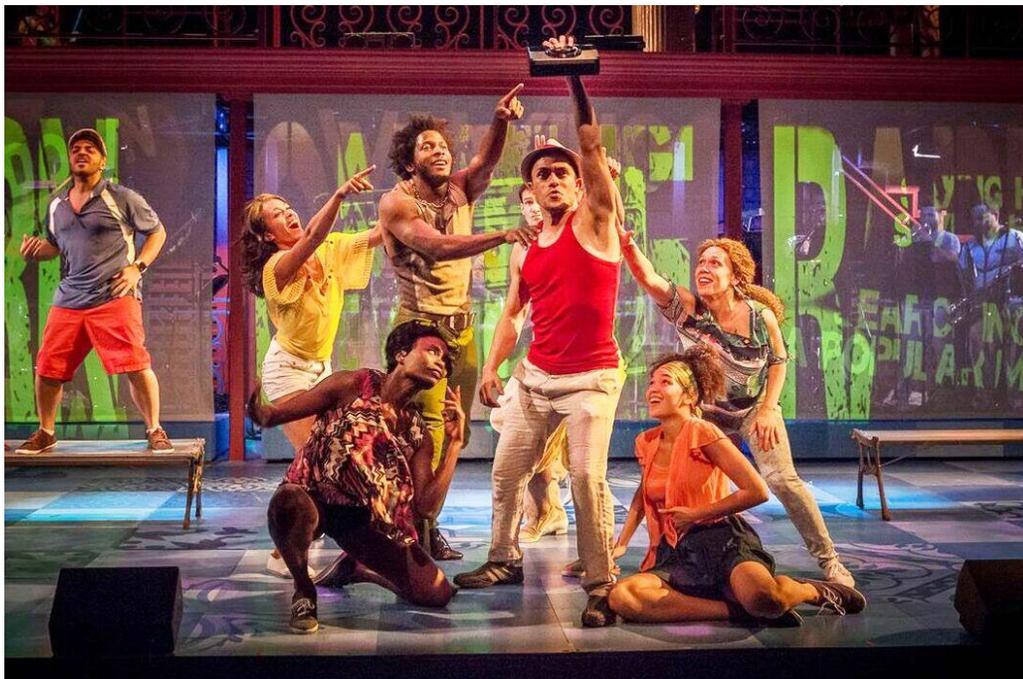
# Executive Summary

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## 24 IDEAS FOR PRESERVING AND EXPANDING AFFORDABLE ARTS SPACE IN PORTLAND

- I. Re-establish, expand, and empower the position of Arts Concierge in the Bureau of Development Services.
- II. Create an inventory and map of creative spaces in Portland.
- III. Certify creative spaces.
- IV. Expand opportunities for rooftop creative spaces.
- V. Explore and minimize obstacles to the creation of new gallery spaces.
- VI. Explore options to incentivize creative space landlords.
- VII. Refine requirements for new “live-work” spaces.
- VIII. Establish a “Creative Space” definition in the Mixed-Use Zoning Code.
- IX. Exempt creative space from FAR and height limits in certain projects.
- X. Tailor the 2% For Art program.
- XI. Incorporate creative space into the commercial spaces of affordable housing developments.
- XII. Require creative space in public buildings of a certain size.
- XIII. Create an Artist-in-Residence program in certain public buildings.
- XIV. Create a system of “art pods” in public spaces.
- XV. Explore the creation of an arts-specific real estate investment model.
- XVI. Priority access in the City Disposition process.

- XVII. Provide short-term affordable leases for interim uses ahead of future development.
- XVIII. Work with community-based organizations to explore opportunities and develop a strategy for culturally-specific creative spaces.
- XIX. Invest in retrofitting existing underused City property for creative space.
- XX. Work with Neighborhood Associations and Business Districts to establish Creative Districts.
- XXI. Build affordable creative space into district plans.
- XXII. Encourage colleges and hospitals to increase gallery spaces on campus.
- XXIII. Coordinate with other governmental partners on regional solutions.
- XXIV. Find ways to expand and organize Portland's philanthropic community.



# Recommendations

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## I. Arts Concierge Service

The Bureau of Development Services (BDS), under the leadership of Commissioner Eudaly, will reestablish a position that is dedicated to working with anyone who calls themselves an artist, or is working on a project directly related to the creative economy. Recognizing that artists and arts-related organizations are not necessarily well-versed in leasing, acquisition, or development of commercial space, this position will be explicitly tasked with finding ways to see that projects can happen.

This is not a new idea. This position was held by Ms. Suzanne Vara for many years, until she retired. In developing these recommendations, we worked directly with Ms. Vara to identify duties that need to be recreated, expanded, and empowered.

This position will be both internally- and externally-facing – developing processes, project management, predevelopment guidance, and potentially helping with real estate searches, financial incentive programs, or matchmaking. The Concierge will be empowered within the bureau, and will be able to offer flexibility for individual projects and to propose changes where appropriate.

This position will be asked to:

- **Streamline permitting and processes for creative space projects**

On an ongoing basis, this position will be tasked with examining the permitting process through the lens of developers creating creative space, and finding ways to streamline it.

Additionally, this position will explore electronic resources, such as YouTube videos, permitting checklists, FAQs, and other accessible forms of communication that can be available to the broader public.

- **Streamline communication and connection between City bureaus**

The Arts Concierge will act as a single point of contact for the arts community, helping constituents work with the City's decentralized permitting structure. This position will ensure that no one ever hears, "I can't help you with that."

This position should also consider the benefits of creating complementary positions in other bureaus or City entities, such as the Mayor's office or Prosper Portland, in order to have a more robust approach to the navigation function.

- **Streamline opportunities for reuse of older buildings for creative uses**

The Arts Concierge will have an on-going responsibility to help identify opportunities for system improvements. This includes options such as reducing fees or providing additional “hand-holding” for property owners who would like to change their spaces into live-work or other creative space.

This position will be empowered to work across bureaus to make recommendations for improvements, and will be able to present the Commissioner-in-Charge with suggestions.

- **Explore options for scaling permit fees for certified non-profit creative projects**

As part of on-going improvements to our permitting process, the Arts Concierge will look for opportunities to assist creative organizations, or developers who have partnered with creative organizations, by waiving or reducing City fees, SDC’s, or other costs on a case-by-case basis.

This must closely align with existing scalable permit waivers that are offered to other sectors.

- **Examine the Special Event permitting process for improvements**

Build on the success of programs like PBOT's Livable Streets and look at national best practices to make recommendations to Council and bureau leadership on ways to improve the system for permitting special events, from street fairs and block parties to large events like the Rose Festival and The Bite of Oregon.

## **II. Create an inventory of creative spaces within the city and display on a map on PortlandOregon.gov**

A common best practice in other major cities, including Seattle and San Francisco, is to map creative spaces, and make that information publicly available.

The Regional Arts and Culture Council (RACC), the Bureau of Planning and Sustainability (BPS), and the Bureau of Technology Services ArcGIS staff will create an interactive map that is displayed on PortlandOregon.gov or perhaps an arts webpage hosted by RACC, akin to the maps for the Central City 2035 and the Cannabis Program. This is guided by the principle that unless we know exactly what we are working to save, we will never save it.

# Recommendations

RACC and BPS will coordinate on an agreed definition of “creative space,” recognizing that not every art studio, music rehearsal space, and basement woodshop can or should be included.

**Spacefinder** Search spaces  Browse Spaces Log In List a Space

383 Listings Ordered by recently updated Filters Page 1 of 16

- 1 North Park Studios (The Oye Building)**  
Studio/Shop space in North Park Studios  
Studio Art | Storage | Raw Space  
\$335/month  
10219 Aurora Ave. N, Seattle 98133  
Last updated 12/19/17 • Added 12/12/17
- 2 FLUTTER Studios**  
FLUTTER Studios - Seattle Photo Rental Studio & Event Venue  
Rehearsal | Exhibition | Studio Art | Meetings | Workshops / Classes | Events | Screenings | Readings | Retail | Raw Space | Film Location  
\$35-\$125/hour \$350-\$1500/day  
114 Alaskan Way S, Seattle 98104  
Last updated 12/18/17 • Added 02/20/15
- 3 Kin On Community Health Care Community Center**  
Performance | Rehearsal | Exhibition | Studio Art | Meetings | Workshops / Classes | Events | Screenings | Readings  
HIGH AVAILABILITY  
\$50-\$100/hour \$1/day  
4416 S. Brandon St, Seattle 98118  
Last updated 12/11/17 • Added 07/11/17
- 4 All Pilgrims Christian Church Weld Room**

Map Satellite Map data ©2017 Google Terms of Use Report a map error

Courtesy Seattle Spacefinder

### III. Creative Space Certification

RACC, in coordination with the City, will create a certification process tied to the information collected in the map database. This RACC designation will:

- **Certify buildings**

This designation is for existing spaces as well as new ones in development. This certification provides the benefits described in this document, as well as restrictions and protections.

- **Certify people**

This designation is for arts leaders, developers, property owners, financiers, and neighborhood leaders. This would be required for access to any of the benefits described in this document.

- **Brand creative space**

There is already precedent for this in Portland, including the Alberta Arts District, the Makers District in the CEID, the Old Town Nightlife District. This could be a proactive opportunity for the City to incentivize creative development in areas that are affordable but unlikely to gentrify in the short- to medium-term, such as Gateway, Midway, or Rockwood.

### **IV. Expand opportunities for rooftop creative spaces**

The City of Portland allows many different rooftop uses. However, these often come with stormwater management and other requirements. The Arts Concierge will work with BDS, the Bureau of Environmental Services (BES), the Fire Bureau, and other permitting bureaus to align priorities and find ways to create opportunities while ensuring that other City Council priorities, such as health-life-and-fire safety requirements and ecoroof standards, are met.

### **V. Explore and minimize potential obstacles to the creation of new gallery spaces**

The Arts Concierge will work with gallery owners, as well as City bureaus, to look at and address potential occupancy requirements, or other regulatory obstacles that could limit the development of new gallery space.

### **VI. Explore options to incentivize creative space landlords**

The Revenue Bureau will explore financial incentives to offer to landlords of existing commercial buildings that offer creative space at below-market lease rates. These could include offering non-refundable credits toward a business license tax, SDC waivers, or other benefits as appropriate. The ideal option will recognize the public benefit that landlords provide by offering space below market rate for creative uses. The Revenue Bureau will consider enforcement, scale, financial impact, and competing City goals.

The intention is not to offer a financial incentive great enough to offset the difference between the market value and the rent collected, but instead to recognize the public benefit of these spaces.

This credit would only apply to properties or property owners certified as significant by RACC.

### **VII. Refine requirements for new “live-work” spaces**

BDS, and the Fire Bureau will coordinate to address building code and other issues for intentionally built spaces where artists can live and work in the same building. This will include having examples for developers on how to design these spaces using the best available practices. These requirements must be explicit and clear, and allow additional flexibility where it is allowed by our code, while ensuring that the tragedy that happened in Oakland cannot happen in Portland.

### **VIII. Establish a “Creative Space” definition within the Mixed-Use Zoning Code**

BPS will develop a new category of allowable use within the commercial space of a mixed-use development. The “creative space” designation would be finished to building standards that meet fire and life safety requirements within the commercial spaces of a mixed-use project.

By allowing the commercial space to be finished to the level of “four walls, a drain in the floor, and a plug in the wall,” while ensuring that all fire and life

safety requirements are met, these spaces could have lower development costs, and therefore could be rented for an amount lower than the standard commercial market rate.

Any development that uses this standard must be permanently affordable. BPS and BDS will create a set of rules to prevent future owners from abusing the system and raising the rent after saving money in the development stage.

### **IX. Exempt creative space in developments from Floor-Area-Ratio and height considerations in certain projects**

BPS and BDS will examine ways to exempt space dedicated to the arts from certain developments' FAR and height limits. This exemption would not apply to all developments, and all other restrictions on design and development would continue to apply. Successful implementation of this rule would require that the space dedicated to the arts be used for creative purposes in perpetuity.

If this is not feasible, BPS will explore a bonus structure for both FAR and height specific to the creative economy.

### **X. Tailor the 2% for Art program**

RACC and City bureaus will prioritize placing art in underserved neighborhoods as part of the 2% for Art requirement. This option already exists under the program, but bureaus and RACC will prioritize opportunities to place art in neighborhoods that have historically lacked public art.

The City will also consider changes to the 2% for Art program that would include the option to develop space, rather than add discrete art installations.

### **XI. Incorporate “creative spaces” into the commercial spaces of affordable housing developments**

Historically, commercial spaces in affordable housing developments have been difficult to lease. The Housing Bureau and Prosper Portland will institutionalize the newly-created “Creative Space” building code, and consider artists and creative businesses for unrented, newly-developed spaces. Possible uses include gallery space, studios, or performance space, where appropriate.

This is intended to be complementary to the affordable commercial space initiative being pursued by Prosper Portland.

### **XII. Require creative space in certain public buildings of a certain size**

When new public buildings are constructed, part of those developments will include dedicated creative space. This could be commercial space for a designated non-profit, dedicated gallery space, public performance space, or studio space, as appropriate.

This would not be appropriate for all public buildings. A specific set of criteria must be defined. The Office of Management and Finance (OMF) and City Council will work to explore the best options.

### **XIII. Artist-in-Residence Program**

The City has an opportunity to integrate artists and art-making into City government and civic life by leveraging under-used spaces and properties owned by the City. Where applicable, all property-owning bureaus, including Parks & Recreation, PBOT, OMF, and the City Archives, will look for opportunities to create or expand Artist-in-Residence programming. This program would allow artists to use space in City facilities for office, studio, or performance space at deeply-affordable rates. In exchange, artists and organizations would commit to offering a public good, such as free activities for the public.

### XIV. Art Pods

Emerging artists and organizations with limited resources are currently working around the space crisis by creatively using campers, trucks, trailers, and tents for creative space. The City will explore creating destination "art pods," akin to Portland's signature food cart pods, in centrally located but undeveloped lots or City-owned properties, like parks.

This program will be considered successful if we are able to establish art pods in neighborhoods across the city, especially in communities underserved by the arts. BDS, PBOT, Parks, Fire, and Prosper Portland will collaborate to create a clear, simple permitting process that ensures proper spacing between pods and adequate safety requirements.

Additionally, the Arts Concierge will work with land-owning bureaus to maintain a list of sites where this may be most appropriate, including in parks, near Waterfront Park, or in areas in the right-of-way.

### **XV. Explore options for a dedicated real estate investment model**

Prosper Portland will consider, within its affordable commercial framework, options to assist in the creation of an organization that invests in real estate specifically to create ownership opportunities for arts organizations.

For many arts organizations in this market, ownership is the only long-term solution to affordability.

This would require partnership between a new real estate holding company, arts organizations, foundations, banks, Community Development Financial Institutions (CDFIs), City government, real estate developers, and other private funders.

The examples of the Community Arts Stabilization Trust (CAST) in San Francisco, CulturalDC in Washington DC, and Equinox Development Unlimited in Seattle are all opportunities to model best practices.

In conjunction with the proposal for a dedicated real estate investment model, the City and Prosper Portland will explore opportunities to work with arts organizations directly to make it easier for private individuals or organizations to pool funds and purchase land.

### **XVI. Priority Access in City's Property Disposition Process**

The City has a formal process to dispose of surplus property. When a property is authorized as surplus, City bureaus and government agencies are offered the opportunity to purchase the property before it is made available for public purchase.

Moving forward, once City bureaus and government agencies have declined to purchase surplus property, the City will allow arts organizations, certified developers with a commitment to designating significant creative space in their project, or a future dedicated real estate investment entity priority access to purchase the property.

### **XVII. Short-Term Leases in future developments**

Prosper Portland will explore leasing existing spaces to artists for a fixed term in properties it already owns but is not yet redeveloping.

### **XVIII. Culturally-specific creative space development**

Prosper Portland should look for opportunities to partner with culturally-specific organizations, such as the Portland African-American Leadership Forum (PAALF), to create arts spaces designed for artists of color in neighborhoods of historical significance. This will be focused on City-owned assets, especially in areas of town without community centers, and will prioritize public-private partnerships.

### **XIX. Invest in Retrofits**

Property-owning bureaus will look for opportunities to retrofit existing City-owned spaces that are underused, such as auditoriums, community center gyms, or storage spaces, to allow shared use with other public institutions.

This could range from the installation of professional-grade features like sound and lighting, acoustical paneling, and stages for performances; or more minimal features for studio space.

We must also encourage existing arts organizations to consider active uses for all of their spaces, especially those who own property but have significant amounts of unprogrammed time in their buildings.

### **XX. Create an Arts District designation available to Neighborhood Coalitions, Neighborhood Associations, and Business Districts**

ONI and Venture Portland will coordinate with neighborhood and business groups to create an Arts District designation. This voluntary self-identifying designation would largely be a branding opportunity. But it will also provide a representative of the district a seat at the table when decisions are being made regarding opportunities for street murals or installation in neighborhood parks, performances, possible future design guidelines, as well as a streamlined process for permits for creative events in their district.

### **XXI. Incorporate affordable creative space in district plans**

As major property owners plan for development, such as the long-term plans for OHSU, OMSI, Zidell, South Waterfront, or the Post Office site, the City and Prosper Portland will encourage the intentional inclusion of affordable creative space into these district plans.

### **XXII. Encourage local higher education institutions and medical campuses to create or increase dedicated gallery space within their campuses**

The City will work with local universities, colleges, and medical campuses to encourage the creation of publicly accessible gallery spaces on their campus.

Our universities and hospitals are already viewed as enormous assets to our city. By adding additional gallery spaces, these institutions will provide opportunities for developing artists to showcase their work and create great connection with their neighborhoods. The Arts Concierge, as part of their outreach and relationship building duties, will explore options to make this effective.

### **XXIII. Work with regional partners to improve processes, and look for creative solutions to complex problems**

The City will work with its partners in neighboring cities, county, and state level to find opportunities where programs can be strengthened to help incentivize the preservation of our creative economy. This could include opportunities for using public land, reconfiguring non-profit tax incentives to include arts organizations that serve artists, and cross-jurisdictional projects.

### **XXIV. Look for best practices nationwide to increase the amount of philanthropic activity in the arts**

Portland has a relatively small philanthropic community compared to cities like Seattle, San Francisco, Los Angeles, and Vancouver BC. In these cities, philanthropic communities provide a significant funding for the arts, and City governments rely heavily on their investments to sustain their creative communities.

But Portland isn't Seattle, or San Francisco, or Los Angeles. We are unique. The City and RACC must continue to encourage, focus, and expand the efforts of generous local donors, and encourage them to reach out to their peers who are like-minded, but haven't yet been asked to do their part. Their generosity could be the determining factor in the long-term vibrancy of Portland's creative economy, and we should look for opportunities to recognize and expand upon local giving.

*“Some people have said we have no business spending money on the arts when our city is wracked by crime and drug problems.*

*But it is neither necessary nor desirable to ignore the positive facets of our city’s life and character while we address these issues.*

*We must build on the life-giving elements while we do everything we can to check those elements which sap the life-blood of our neighborhoods and our cities.”*

*- Former Portland City Commissioner Mike Lindberg 1992*