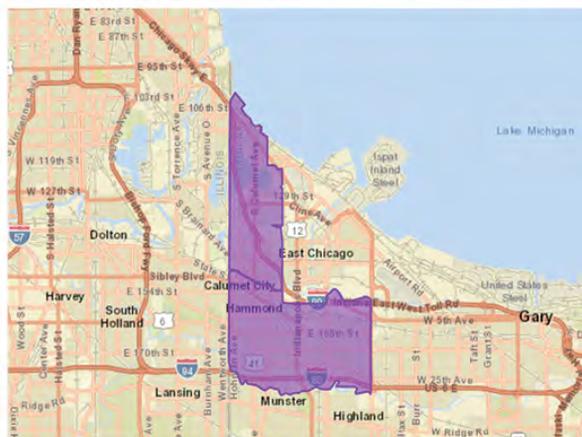




artspace

## PRELIMINARY FEASIBILITY REPORT



## FEBRUARY 2021 // HAMMOND, INDIANA

OFFICES: Minneapolis / New York City / Washington D.C.

250 Third Avenue North, Suite 400, Minneapolis MN 55401  
P 612.333.9012 F 612.333.9089 [ARTSPACE.ORG](http://ARTSPACE.ORG)

# Acknowledgements

## CORE GROUP

- **Anne Anderson**, Director of Economic Development, City of Hammond
- **Micah Bornstein**, Deputy Director, South Shore Arts
- **Jeff Casey & Kevin Bellamy**, Managing Directors, Towle Theater
- **Jackie DeRosa**, Program Director, Hammond Development Corp.
- **Drew Fox**, Owner, 18<sup>th</sup> Street Brewery + Distillery
- **Chris Jones**, Residential Realtor and member Hammond Historic Preservation Commission
- **Felix Maldonado**, Artist, FLEX Studio
- **Tom Roach**, Assoc. Professor of Communications, Purdue Northwest Univ.
- **Summer Scharringhausen**, Director of Education, South Shore Arts
- **Africa Tarver**, Exec. Director of Planning & Development, City of Hammond
- **Karen Maravilla**, President, Downtown Hammond Council

## FUNDING AND SUPPORT PROVIDED BY:



Artspace Consulting would like to thank the City of Hammond for their support of this study.

Due to the global pandemic, Artspace conducted this study virtually. Thank you to the Core Group and focus group participants for their flexibility and feedback.

# Focus Group Participants

## Artists and Arts Organizations Focus Group

- Emily Casella
- Felix Maldonado
- Anne Anderson
- Jeff Casey
- Kevin Bellamy
- Ish Muhammad
- Dave Ryan
- Jackie DeRosa
- Karen Maravilla
- Dado Gyure
- Michelle Golden
- Laura Pachec
- Linda Dorman

## Finance and Funders Focus Group

- Juan J. Moreno
- Katie Bickham
- Africa Tarver
- Rob Ferrino
- Alex Kozlowski
- Art Russell
- Micah Bornstein
- Jennifer Yalowitz
- Summer Scharringhausen
- Alexius Barber
- John Kennedy
- Mark McLaughlin
- Kellie Taillon
- Monica Rubio
- Monica Garcia

## Civic Leaders Focus Groups

- Megan Flores
- Kevin Smith
- Kathy O'Donnell
- Sean Egan
- Dave Westland
- Councilmember Barry Tyler
- Amy McCormack
- Leah Konrady
- Phil Taillon
- Councilmember Janet Venecz

# Introduction to Artspace

Established in 1979, **Artspace** is a national nonprofit real estate developer for the arts. Based in **Minneapolis** with offices in New York and DC.

**Artspace Consulting** has helped cities, artists, nonprofits, and creative businesses with their own space-based initiatives in over 200 communities across the nation

54 projects in operation or development in 38 cities and 27 states



El Barrio's Artspace PSI09,  
New York, NY

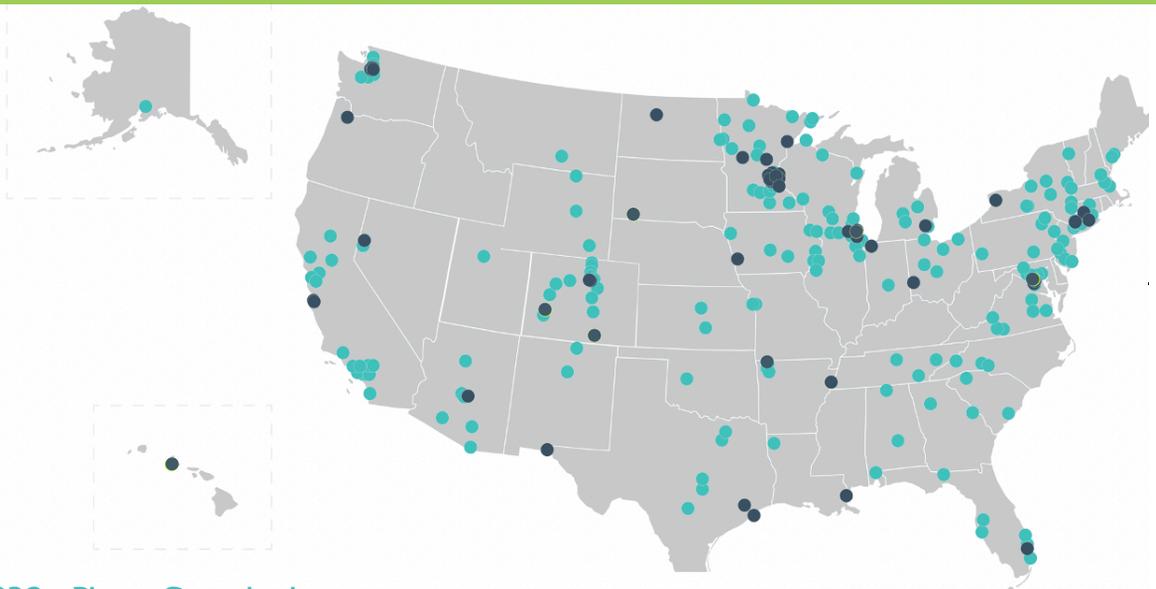


Artspace Uptown Artist Lofts,  
Michigan City, IN



Mesa Artspace Lofts,  
Mesa, AZ

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



**232** Places Consulted  
**53** Properties in Operation or Development

# Artspace's work in Hammond

## The Preliminary Feasibility Study Objectives

1. Assess the need and opportunities to create sustainable, equitable and affordable living and working space for Hammond creatives.
2. Understand the Hammond community, its arts and cultural offerings, unique characteristics, and opportunities around space.
3. Assess the community through the lens of Artspace's six key components of community-led development.

## Six Components of Community-led Development



# The Preliminary Feasibility Study

Artspace's 6 components of community-led development are based on three decades of experience working on development projects in a wide variety of cities. Artspace organizes information through the lens of these six components, defined below:

- **Alignment with Broader Community Goals.** A potential project can help achieve other civic goals, such as economic development or historic preservation. Artspace considers strategies and partnerships that can leverage impact, so that the operating project can be greater than the sum of its parts. Meeting attendees were asked to vote in the virtual poll during Artspace's Zoom focus groups.
- **Local Leadership.** Are there cross-sector 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.
- **Potential Sites.** 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. Recommendations at this stage, may also focus on specific areas rather than specific sites or buildings.
- **Funding and Financing.** Arts facilities typically represent significant investments of civic resources. Although a variety of state and federal programs can be used to generate revenue for the construction of affordable artist live/work projects, Artspace relies on local funding and financing programs to support predevelopment expenses and gap funding. The Preliminary Feasibility Study considers the community's interest and capacity to commit resources to an arts facility, whatever the desired project concept may be. Basic information is gathered about local funding options from both private and public institutions as well as philanthropic donations.
- **Arts/Creative Sector Market.** Is there the demand necessary to support the types of spaces that have been identified as needed or wanted? To answer that question, qualitative data is collected through focus group meetings. Specifically, Artspace asks creatives if they and/or their peers need space to live, work, create, teach, share, and sell their art. It lays the groundwork for an Arts Market Study, the second step on the path to an Artspace project, which provides quantitative data about the creative sector's space needs.
- **Project Concept.** What type(s) of space would the community in Hammond 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?" Would live/work artist housing be appropriate in this community? Information gathered during the visit helps to refine or form a Project Concept.

While these are not the only factors Artspace considers, they help frame the discussion – especially in the preliminary feasibility stage.

# The (Virtual) Preliminary Feasibility Study

- Artspace Consulting was represented by Wendy Holmes and Aneesha Marwah.
- Artspace facilitated and presented to three Focus Groups in November-December 2020.
  - Artists and Arts Organizations
  - Finance and Funders
  - Civic Leaders
- Conducted a virtual public meeting via Zoom with ~40 attendees
- Virtually toured sites with City staff via Google maps.
- Reviewed past plans and documents, with a special focus on consultant Jeff Speck's 2019 Downtown Hammond Masterplan.



Hammond Core Group

Investing in creativity and 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 as 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.
- **Catalyze private and public investment,** such as façade improvements and general beautification, in the surrounding area.
- **Create community spaces** that give the public opportunities to interact with the creative residents through gallery events, demonstrations, performances, and installations. They also provide opportunities for other local artists to showcase their work.
- **Support independent creatives** who are each, in effect, cottage industry business owners, generating economic activity by selling products or services, purchasing equipment and supplies, and paying taxes.
- **Build community.** Artists and creatives are active neighbors and community members. Many collaborate with the educational, cultural, and business communities as teachers, community conveners, and volunteers. The spaces provide a place where cultural art forms can be passed from one generation to the next.

More information on the economic impact of creative spaces and how arts spaces benefit artists and communities can be found in the [Taking A Measure of Creative Placemaking report.](#)



# Community Profile: Hammond, IN

The City of Hammond is immediately south of Chicago and is considered part of the Chicago metropolitan statistical area (MSA). Its proximity to the Windy City gives it many advantages, including its own swath of access to mighty Lake Michigan. Hammond itself balances being a suburb of Chicago with the need for its community to have its own thriving downtown. In recent years, the City has put a great deal of attention and resources towards redeveloping its downtown in a thoughtful way that includes a focus on small businesses and residential growth both of which have a symbiotic relationship with the creative sector and led to the city reaching out to Artspace to conduct this feasibility study.

With an easy connection to Chicago and NW Indiana via the Southshore Line, and plans for new stations in Hammond, including one downtown, real estate speculation and interest in Hammond is growing. Urban planning consultants, Jeff Speck & Associates 2019 work on the Downtown Master Plan has laid groundwork for Hammond to make positive changes in strategic ways.

Regionally, Hammond is known for its busy marina, amazing bike trail system connecting to downtown Chicago, its growing brewery scene thanks to 18<sup>th</sup> Street Brewery, and for its top-rated Montessori School on Hohman Avenue.

Locally, Hammond is also known for its access to education. Calumet College of St. Joseph, Purdue University Northwest, Calumet Campus and South Suburban College, the local community college, are all within 7 miles of downtown Hammond. The City of Hammond's award-winning College Bound program provides an impressive \$10,500 per year for eligible students to attend a higher educational institution anywhere in the state.

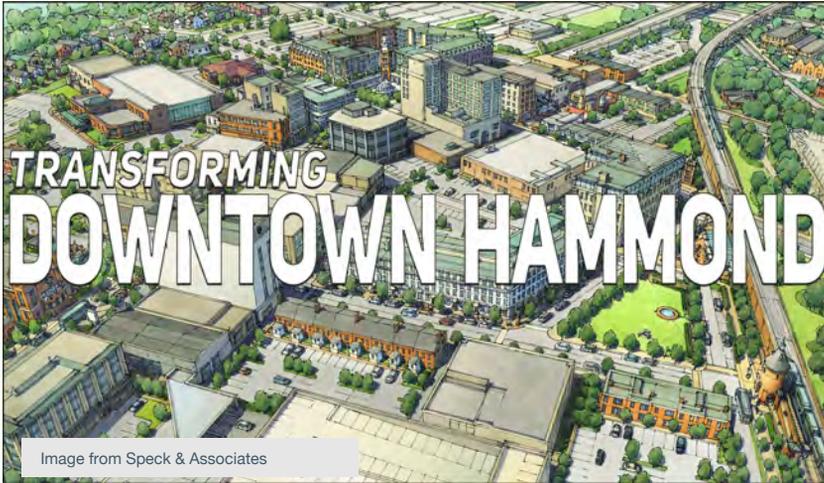
In addition to education, Hammond plays a strong regional role as an employment center in Lake County through healthcare, government, manufacturing and the casino. With the largest employers being Franciscan Hammond Health, the School City of Hammond, Horseshoe Casino, Lear Seating Corporation, and the Indiana Harbor Belt Railroad, there is evidence of an already diverse economy. This can be strengthened by putting more emphasis and quantifying Hammond's regional creative sector as one of its "growth opportunities" and assets.

Between 2010-2020, the population declined by 3% while Indiana overall grew by 15% during the same decade. At that same time, the Hispanic community has grown by nearly 6%. The arts and cultural industries are a great way for people from diverse backgrounds to find understanding and incorporate their heritage. Finding artistic ways to incorporate the diverse backgrounds of the people in Hammond is what makes Artspace developments unique to each city where they are located.

## HAMMOND, IN AT A GLANCE

- Population (2020 est.): **78,351**
- Households (2020 est.): **29,116**
- Population, % change 2010-2020: **-3.1%**
- Est. Population Growth 2020-2025: **-1.7%**
- Vacant Housing Units, 2018: **8.3%**
- Median Age (2020 est.): **35.2**
- Median HH Income (2020 est.): **\$43,575**
- Median Gross rent, 2018: **\$872**
- Renter-occupied Households (2020 est.): **37.2%**
- Race and Ethnicity (2020 est.) (top 3):
  - White: **49.5%**
  - Hispanic/Latino (of any race): **23.2%**
  - Black/African American: **22.3%**

# A Focus on Downtown



The entire Hohman Avenue Commercial Historic District is considered a U.S. Historic District on the National Register—with notable examples of Romanesque Revival, Classical Revival and Colonial Revival style architecture.

However, the external perception of downtown remains that it is “unsafe” and “vacant.” Redevelopment efforts in and around downtown will bolster the image and perception of Hammond. More multi-family housing downtown would also add activity and generate foot traffic. New downtown developments would likely create significant interest.

Given the interest in the arts and downtown revitalization in Hammond, Artspace was initially contacted by the City around the concept of creating live/workspace in the downtown footprint. Artspace senses strong support from the public and private sector participants in the focus groups as well as the City of Hammond in believing that a live/work development could benefit artists looking for affordable space, as well as the city and the region. With arts institutions downtown and creative assets including The Towles Theater, South Shore Arts Substation, and various art studios and classrooms, adding more creative uses could benefit Hammond’s core downtown and build on a somewhat hidden strength. Over the course of this study, Artspace was impressed by the organization of the local stakeholders, as well as the city’s commitment to its history and focus on thoughtful planning for its downtown.

Downtown Hammond has had challenges for decades including:

- Ill-advised urban renewal projects in the 1960s -1970s which demolished commercial buildings.
- The loss of businesses to the suburban office parks and malls from the 1970s - 2010s.
- The sheer amount of surface parking downtown. It is the largest land use downtown.
- Over 300,000 SF of vacant commercial space, much of it in beautiful historic buildings.

Downtown is very spotty in terms of vibrancy. Surface parking and vacant buildings get in the way of making downtown feel safe and a community destination beyond certain events during the year. The 2019 Transforming Downtown Hammond Masterplan puts emphasis on filling vacant spaces, making the city more walkable (current walk scores are very low), adding residential density in historic buildings and by building new facilities on the vacant lots. An Artspace style building can lend itself well to a re-imagined downtown Hammond and the planning principles outlined in the Masterplan.

# FINDINGS: GOALS

## Alignment with Broader Goals



Focus group and Public Meeting participants prioritized their goals for new space:

Artists and Arts Orgs.	Funding and Finance	Civic Leaders	Public Meeting
Downtown Revitalization	Downtown Revitalization	Downtown Revitalization	Downtown Revitalization
Supporting a Cultural Community	Supporting a Cultural Community	Increasing Residential Density	Anchoring an Arts/Creative District
Increasing Residential Density	Transit Oriented Development	Supporting a Cultural Community	Addressing Racial and Economic Disparity
Sustaining Creative Businesses	Addressing Racial and Economic Disparity	Transit Oriented Development	Increasing Residential Density

### Goals Central to all Artspace Projects:

- Meet the creative sector's space needs.
- Ensure long-term affordability.
- Reflect the unique culture and character of the community.
- Include all artists especially BIPOC voices.
- Exemplify sustainable and efficient design.
- Operate all developments sustainably.

### Comments of note from the broader community goals discussions:

- *"Need a space to support our community and showcases our cultural community."* – **Felix Maldonado, artist**
- *"Downtown revitalization the priority and city focus, advancing the Masterplan is already underway."* – **Anne Anderson, City of Hammond**
- *"The artist community of NWI is dispersed all over the place, with no centralized or centralizing force. There needs to be coalescing."* – **Sean Egan, Principal, Hammond Academy of Science and Technology**
- *"Creating an agenda is vital. So many people have a preconceived idea of what is considered "art". Our agenda must be as unique and represent/celebrate the diversity and rich history of our City."* – **Africa Tarver, City of Hammond**
- *"Put our money where our mouth is in terms of investment. The Homan Avenue investment in time and resources, build off that plan and upcoming transit."* – **Rob Ferrino, 3 Corners Development**
- *"Need to have representation of everyone to impact the greater good."* – **Africa Tarver, City of Hammond**
- *"Jeff Speck explained that businesses want to come after residents. We need more apartments downtown, city staff visited Trenton, Newark, Hoboken, Asbury Park, Denver, Grand Rapids, and Pittsburgh to get a sense of this for Hammond."* – **Kevin Smith, City of Hammond**
- *"There is a lot more going on in Hammond, specifically in the arts, than many people realize."* – **Summer Scharringhausen, South Shore Arts**
- *"People don't go to downtown right now, need to unite the neighborhoods to support a Downtown Hammond. We need a good downtown again; I can remember when it was a place to be."* – **Public Meeting Participant**

# FINDINGS: LEADERSHIP

## Partners & Participants



### **Civic, Arts, Community, Finance Meeting Participants and Potential Partners:**

- Lakeshore Chamber of Commerce
- Hammond Development Corporation
- Downtown Hammond Council
- Indiana University NW Arts Department
- First Financial Bank
- First Merchants Bank
- Chase Bank
- First Midwest Bank
- Madison Construction
- People's Bank
- Centier Bank
- 3 Corners Development
- City of Hammond various departments
- Franciscan Health
- Hammond Academy of Science and Tech
- Hammond Redevelopment Commission
- American Structurepoint
- Calumet College of St. Joseph
- Konrady Plastics
- Hammond City Council
- Purdue University Northwest
- Legacy Foundation
- Towle Theater
- South Shore Arts
- NW Indiana Symphony Orchestra
- Books, Brushes, and Bands
- Golden Studio
- Torluemke Studio
- Uncle Freddie's
- Hammond Montessori School
- Horseshoe Casino
- Indiana Arts Commission
- Hammond Academy for the Performing Arts
- 18<sup>th</sup> Street Brewery
- Calumet Collaborative
- Calumet Heritage Area
- NIPSCO
- Moonshine Art Magazine
- It's Just Serendipity
- EAT and El Taco Real
- Paul Henry's Art Gallery
- Strack and VanTil
- Enviro Forensics

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

Authentic community engagement, cross-sector stakeholders, all must act in partnership to advocate effectively for any future projects or space-based initiatives. Leading the charge of this initiative is the City of Hammond with support from arts organization Core Group members including the Towle Theater and South Shore Arts. This team forms a strong foundation from which to launch. We encourage continued outreach to underrepresented communities and as we move into the Arts Market Study phase including more BIPOC and entry level creatives to more broadly represent the diversity of Hammond.

While an Artspace-style development could be a few years away, in the meantime the city can pursue public policies and creative district infrastructure that supports artist live/work projects and creative spaces. More on this on page 30.

# FINDINGS: SITES

## Artspace in Chicagoland



### Artspace Site Selection Criteria

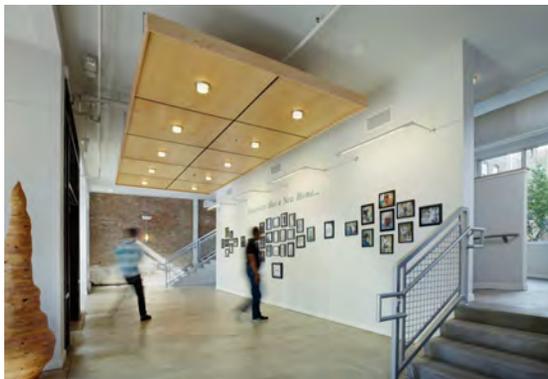
- **Ease of Acquisition** (cost and site control timeframe)
- **Size** (developable sites and adaptive reuse)
- **Building features** (for adaptive reuse)
- **Location** (meeting community objectives and creative sector needs)

#### Uptown Artspace Lofts Michigan, IN

**Established:** 2016  
**Type of Development:**  
Live/work artist housing  
**Number of units:** 44  
**Total SF:** 67,000  
**Commercial Space:**  
5,069  
**Total Project Cost:**  
\$13.7 Million



**Established:** 2012  
**Type of Development:**  
Live/work artist housing  
**Number of units:** 55  
**Total SF:** 80,889  
**Community Space:**  
5,874  
**Total Project Cost:**  
\$15.2 Million



#### Elgin Artspace Lofts Elgin, Illinois

#### Pullman Artspace Lofts Chicago, Illinois

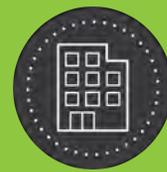
**Established:** 2019  
**Type of Development:**  
Live/work artist housing  
**Number of units:** 38  
**Total SF:** 38,500  
**Community Space:**  
2,000 (Pullman Arts)  
**Total Project Cost:**  
\$18.5 Million



Image Credit: James Harvey Photography

# FINDINGS: SITES

## Comparing the top sites



<b>NAME/ADDRESS:</b>	<b>Bank Calumet Building</b> 5231 Hohman Avenue	<b>Hammond State Bank</b> 5444 Calumet	<b>PIMA Building</b> 5265 Hohman Avenue
<b>LOCATION:</b> Is this an area of interest for creatives? Is it Downtown?	Excellent location. Downtown focus area for new Masterplan.	0.7 miles from the central downtown core; could psychologically be too far.	Excellent location. In the heart of downtown. Closest option to future downtown train station.
<b>SIZE:</b> (1/2 acre- 1 acre ideal); What is the development capacity of the site?	90,000 SF on 7 floors; Approximately 13,000 SF per floor. Floors 2-7 could easily convert to apts; 1 <sup>st</sup> floor has 18-20' ceiling and would make great gallery or other arts-related business space. Market demand may not be there for this large of a project.	10,000 SF historic building on one floor plus 0.88 acres of land. The acre lot could accommodate new construction of 30-40 units plus parking. Historic building could be arts-related business space, working studios, etc.	62,000 SF on 4 floors; would accommodate 35-45 units of housing with ground floor commercial space; Could be best size for the anticipated market demand.
<b>ACQUISITION:</b> Who owns the site? What are potential acquisition costs?	Privately-owned	City-owned which bodes well for acquisition.	Pima Hammond, LLC. 2020 Assessed Value \$256,000
<b>ACCESSIBILITY:</b> What is its walkability score? Looking for 75 or higher. Is it close to transit, schools, grocery, and other cultural assets?	Very walkable; even though downtown Hammond's walkability score is a low 62. A central location in downtown but much more walkable than other areas of the city (average walk score is 52).	Walkable, but further from downtown assets and other businesses.	Very walkable though downtown walkability score of 62 is low for a downtown core.
<b>PARKING:</b> How would parking be accommodated?	No onsite parking	Could create parking as part of vacant site where new construction could be suited.	No onsite parking
<b>ARCHITECTURAL SUITABILITY:</b> Would this be an historic, new construction, or a combination?	Historic rehab; 1925	Historic rehab (1926) plus new construction	Historic rehab; 1925

# FINDINGS: SITES



## Comparing the top sites continued

NAME/ADDRESS	Bank Calumet Building 5231 Hohman Avenue	Hammond State Bank 5444 Calumet	PIMA Building 5265 Hohman Avenue
<b>ENVIRONMENTAL CONDITIONS:</b> Are there known issues or has site-clean-up been completed?	Unknown but the building looks to be well-maintained.	Unknown, but building has been well maintained in its vacancy.	Unknown but the building looks to be well-maintained.
<b>ZONING:</b> What is the zoning and parking requirement?	C4 – General Commercial District – commercial, office, service, residential, public activities and uses. No onsite parking.	C4 – General Commercial District– commercial, office, service, residential, public activities and uses. Parking could be added to the vacant lot.	C4 – General Commercial District – commercial, office, service, residential, public activities and uses. No onsite parking.
<b>TOPOGRAPHY:</b>	N/A	N/A	N/A
<b>COMMUNITY IMPACT:</b> Does this site have the potential for sustained community impact?	Very desirable location, aligns with what Artspace heard from the community; important local building to restore. Named as one of the most important buildings for redevelopment in Jeff Speck’s Downtown Hammond Masterplan.	Could be a catalyst site, expanding development toward the center core. Hard to tell if it’s too far away currently.	Very desirable location, aligns with what Artspace heard from the community; important local building to restore.
<b>FUNDING:</b> What is the potential for support (Public/Private):	Private ownership	City-owned which bodes well for a partnership.	Pima Hammond LLC owned. Private ownership could make it more challenging to negotiate.
<b>ADDITIONAL INVESTMENT:</b> Is this site in an OZ, QCT, TIF or another overlay zone?	Opportunity Zone and Downtown TIF District	Opportunity Zone and Downtown TIF District	Opportunity Zone and Downtown TIF District

# FINDINGS: SITES



## Comparing the top sites continued

As of the writing of this report, Artspace believes the Bank Calumet Building is the best prospect to investigate further. The **positives** include:

- It would be a catalyst site for other development near or on the site.
- It is close to the psychological center of downtown where the city and the state are investing money for downtown redevelopment and transportation.
- It is a highly visible site that has had several failed development plans.
- Could utilize federal historic tax credits in addition to State Historic Renovation grants.
- 100% alignment with Downtown Masterplan.

At the same time, the Bank Calumet Building could be challenging, the **negatives** include:

- Market demand must be very high to accommodate and lease up 50 units of artist housing.
- Large building envelope; construction costs could be disproportionately high.
- It is privately owned, and acquisition cost is unknown with no dedicated on-site parking.

### 5231 Hohman, Bank Calumet Building



The historic Bank Calumet Building (aka Calumet National Bank) on Hohman Avenue is a prime candidate for adaptive reuse.

### 5444 Calumet, Hammond State Bank



### 5265 Hohman, PIMA Building



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 predevelopment stage of work (see Appendix II, “Path of an Artspace Project”). These sites mentioned should be prioritized as conversations progress and the type of project is narrowed down.

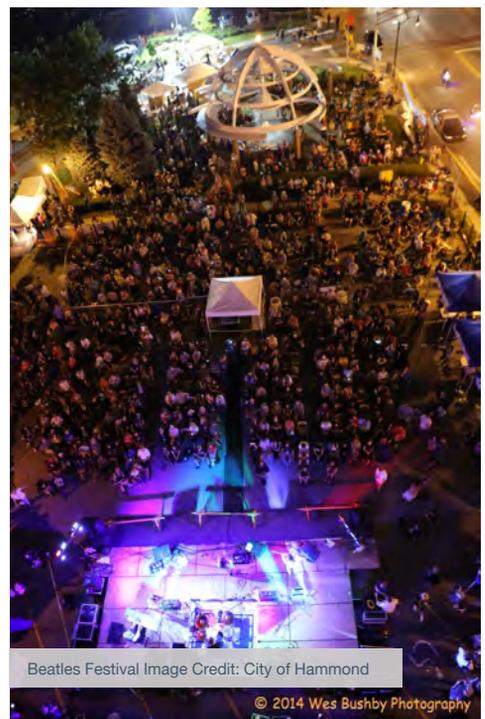
# FINDINGS: SITES

## Property Redevelopment Suggestions



Today, there are 300,000 square feet of available space in Downtown Hammond, a statistic at-first seemingly alarming but one that is not uncommon to many other U.S. cities. Much of this vacancy is within historic infrastructure that is still intact. The Transforming Downtown Hammond Masterplan focuses on the opportunity these historic buildings provide to bring downtown back to life, including a major focus on adding much-needed residential density and taking advantage of the federal historic tax credit resources and state historic grants. From Artspace's experience working around the country, the creative sector can really help activate a downtown area through creative placemaking. Here are a few suggestions:

- Pop-up shops and temporary storefronts can make a big impact on the walkability of an area. Vacancies discourage people from walking in an area and can even make them less happy. By filling vacant storefronts with temporary displays and galleries it can bring life to the street again and encourage visitors and investment.
- Creative placemaking activities can capitalize on community assets to promote positive feelings about the community by creating an environment where people want to be and repeatedly visit. Hammond can capitalize on placemaking by infusing the environment with elements about its history and culture. The downtown festivals are a great example of this already.
- Meet regularly with downtown property owners to discuss investment potential, property goals, and to provide guidance for decision making.
- Help prepare development sites by proactively making infrastructure improvements.
- Attend regional Chicago and NW Indiana real estate and development industry events to reach out to new partners. Support local creative developers on their space initiatives like 18<sup>th</sup> Street Brewery and South Shore Arts.
- Common types of incentives that are possible to assist developer's financial needs that Artspace has seen used in other communities include:
  - Tax Increment Financing (TIF)
  - Property tax rebates / abatements
  - Municipal paid infrastructure improvements
  - Grants or rebates
  - Fee waivers
  - Municipal support for projects seeking tax credits
  - Donation of city-owned land
  - Updated zoning to support multi-family or mixed-use style development
  - The **Center for Community Progress** specializes in turning vacant spaces into vibrant spaces. Their many resources and case studies can be accessed [here](#).



Beatles Festival Image Credit: City of Hammond

© 2014 Wes Bushby Photography



# FINDINGS: FUNDING

## What financial support is available?



An Artspace project represents a substantial financial investment in the community where it is located. Strong city and state leaders can often identify and prioritize funding for projects they feel strongly align with their community goals. A typical project in a community the size of Hammond would be in the 30 to 40 units of affordable housing for artists (though the market may be stronger due to Hammond's proximity to Chicago) plus community and commercial space costs \$10-\$15 million. Predevelopment expenses (the "soft" costs) such as architects' fees must be met before construction can begin, and are usually \$750,000, regardless of the size of the project. In most cases, however, only a fraction of the capital investment comes directly from the community itself. This is because Artspace relies mainly on federal programs, such as Low-Income Housing Tax Credits (LIHTC), Historic Tax Credits (HTC), and HOME funds, to provide long-term equity for development. These federal programs, and others like them, exist to encourage the development of affordable housing, the rehabilitation of historic buildings, economic revitalization of neighborhoods, and other public purposes.

Nevertheless, the local community does play a significant role in the broader funding and fundraising effort, especially during the early steps of the process. Artspace looks to the community for private and public predevelopment funds and commitments of affordable housing allocations in a combination of Community Development Block Grants (CDBG) and HOME funds, Tax Increment Financing (TIF), private philanthropic support, or the equivalent. If affordable housing is not part of the project, the community's financial role is likely to be much greater than otherwise.

The Funding and Finance Focus Group meeting with members of the local and regional financial sector is a first step to identifying potential local public and private resources. In Hammond, this group had wide representation from its banking community. The group expressed confidence in identifying resources for projects that are a priority for the community and could bring energy to the downtown area.

### 2020 HUD Lake County Income and Rent Limits for LIHTC Projects

Household Size	Income Max (30% - 60% AMI)	Income Max (80% AMI)	Bedrooms	Max Rent (30% - 60% AMI)	Max Rent (80% AMI)
1	\$15,750-\$31,500	\$42,000	Efficiency	\$393-\$787	\$1,050
2	\$18,000-\$36,000	\$48,000	1-bedroom	\$421-\$843	\$1,125
3	\$20,250-\$40,500	\$54,000	2-bedroom	\$506-\$1,012	\$1,350
4	\$22,470-\$44,940	\$59,920	3-bedroom	\$584-\$1,168	\$1,558

2020 4-person Lake County, IN Area Median Income = \$74,900

(Source: novoco.com)

# FINDINGS: FUNDING

## Public funding sources for Indiana projects



- **Low Income Housing Tax Credits (LIHTC)**. These funds can generate up to two-thirds of the construction budget for a typical Artspace live/work project. 9% LIHTC are highly competitive, and it is not uncommon for a project to submit multiple applications before receiving a tax credit award. In Indiana, LIHTC are administered by the Indiana Housing and Community Development Authority (IHCDA) and is an agency Artspace knows through our tax credit project in downtown Michigan City. Whether LIHTC are a possible funding source for a project in Hammond depends both on the final project concept, the location and market depth and ultimately on the State's Qualified Allocation Plan (QAP) to be competitive. The City does not have a strong track record of working with the LIHTC program, but Lake County does. We should also note that affordable rents (see chart on page 17) are very close to market rate rents in Lake County. That can make the operating side of a future project more challenging in terms of cash flow. Artspace experienced a similar situation in Michigan City. It's not a deal-killer but it is something to be aware of going into a project. Having "free" land and low debt will be essential to the success of a Hammond project.
- **Historic Tax Credits (HTCs)**. To qualify for the federal program, a property must either be individually listed on the National Register of Historic Places or be listed as a contributing member of a designated historic district. If the priority site includes adaptive reuse of an existing building, further research will be needed to ascertain if the property is eligible for HTCs. **A state historic tax credit was instated in 2016 and is worth 20% of eligible rehabilitation costs and is available for buildings listed in the National Register of Historic Places, as well as recorded Indiana Historic Landmarks. The program is administered by Indiana Landmarks.**
- **HOME Program**. A federal program that provides funding to state and local governments to fund affordable housing developments. Any HOME funds for a potential qualifying project in Hammond would come from the State of Indiana.
- **Community Development Block Grants (CDBG)**. CDBG funds are allocated directly and may be used for a range of activities but all must benefit low- and moderate-income individuals or prevent or eliminate slums and blight.
- **Opportunity Zones**. Downtown Hammond is a designated Opportunity Zone (OZ): A ten-year national initiative created by the Tax Cut and Jobs Act of 2017; Opportunity Zones provide tax breaks to investors who reinvest capital gains in "economic catalyst" projects in low-income areas identified as Qualified Census Tracts (QCT).
- **Economic Development Administration (EDA)**. Funds are focused on job creation and disaster mitigation and works in conjunction with local dollars..The city is in the process of working with EDA regarding downtown funding.

# FINDINGS: FUNDING

## Public funding sources for Indiana projects



- **Tax Increment Financing (TIF).** A tool available to local communities for assisting economic development, redevelopment and housing. The incremental increases to property tax revenues can be captured and used to finance eligible activities on a site, including baseline environmental assessments, due care activities and additional environmental response activities. In the case of Hammond, most of downtown is in a TIF District.
- **Federal Home Loan Bank (FHLB).** Any of the government-sponsored banks that provide equity to support housing financing and community investments. The Indianapolis FHLB serves Indiana through its regional member banks. In our experience, FHLB loans are generally between \$250,000 and \$500,000 per project. A local member bank such as People's Bank assumes the role of project sponsor for funding applications.
- **Community Reinvestment Act (CRA):** The CRA was passed to reverse the urban blight that had become evident in many American cities by the 1970s. One goal was to reverse the effects of redlining, a decades-long practice by which the federal government and banks had actively discouraged and avoided making loans to lower-income and minority neighborhoods. The objective of the act was to strengthen existing laws that required banks to sufficiently address the banking needs of all members of the communities they served. Artspace spoke with People's Bank about their interest in this project and they could be interested in supporting this sort of project that aligns with many overlapping goals of the community either through CRA or FHLB.
- **Transit Development District (TDD).** In 2017, the Indiana state legislature authorized a new kind of taxing districts – the Transit Development Districts to aid development around the South Shore Line. Similar to Tax Increment Financing districts, they would capture the increase in property tax revenue in zones around new projects, although unlike Chicago's TIFs, they also capture the increase in local income tax revenue. As the name suggests, they can only be set up around transit stations, occupying no more than 0.5 square miles (320 Acres) of the surrounding land. Source: [Streetsblog.org](http://Streetsblog.org)



Left: Outside Paul Henry's Gallery, Right: FLEX local artist in action Image Credit: City of Hammond

# FINDINGS: FUNDING



## Private Funding Sources in Northwest Indiana

In addition to public funding sources, philanthropy is an important tool for funding Artspace developments. This comes in the form of gifts from foundations, corporations, and in some cases, individuals. Our experience with fundraising for projects like this, tells us that there is often local and regional private support for the arts and the “gaps” in funding after the public sources are committed can be filled by local and regional foundations.

It is not known at this time how many of Northwestern Indiana-based foundations might provide support for the right opportunity in Hammond, but this should be explored upon completion of the Arts Market Study.

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 Hammond.

While no funding process is ever easy, the resources and tools exist that support affordable housing for a priority project that is aligned with local goals.

Additionally, Artspace’s development experience in Michigan City provides a head start in identifying and navigating state, regional, and local funding sources.

### Potential Philanthropic Arts/Downtown Development Funders:

- Legacy Foundation
- Unilever
- Hammond’s Horseshoe Casino
- Lake County Community Foundation
- Cargill
- Franciscan Health
- People’s Bank
- Calumet College
- BP
- Wintrust Bank
- First Financial Bank
- Individual family foundations such as the White and Anderson families
- Lily Endowment
- Strack & Van Til



Left: Jeff Speck, the author of the Downtown Masterplan, Right: Downtown artist Mark Anderson’s studio Image Credit: City of Hammond



# FINDINGS: FUNDING

## Artspace Funding Examples



See page 12 for more information on both projects.

### EXAMPLE: Artspace Uptown Artist Lofts // Michigan City, Indiana

SOURCE	AMOUNT	PERCENT
<b>Public Sources</b>		
Low-Income Housing Tax Credits (9%)	\$9,400,000	64%
State of Indiana HOME Funds	\$500,000	3%
Historic Tax Credits	\$2,600,000	18%
<b>Private Sources</b>		
Affordable Housing Program through Federal Home Loan Bank	\$500,000	3%
Private Philanthropy	\$1,400,000	11%
Deferred Developer Fee	\$300,000	1%
<b>TOTAL</b>	<b>\$14,700,000</b>	<b>100%</b>

### EXAMPLE: Artspace Elgin Lofts // Elgin, Illinois

SOURCE	AMOUNT	PERCENT
<b>Public Sources</b>		
Low-Income Housing Tax Credits (9%)	\$8,346,218	57%
Federal Historic Tax Credits	\$417,650	3%
State HOME Funds	\$1,500,000	10%
State Tax Credits	\$1,097,891	8%
<b>Private Sources</b>		
First Mortgage	\$1,365,000	9%
Philanthropic Gifts	\$1,200,000	8%
Artspace (predev. grant applied to capital)	\$350,000	2%
Deferred Developer Fee	\$261,561	2%
<b>TOTAL</b>	<b>\$15,200,000</b>	<b>100%</b>

# FINDINGS: ARTS MARKET

## Artists/Creatives in Hammond



### Who is a Creative?

Artspace's definition of a creative is very broad. A "creative" 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 "creatives" must still qualify for affordable housing by household 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.

Artspace intentionally keeps its definition of artists and creatives broad to be as inclusive as possible. Residents of Artspace's 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 Studies that Artspace has completed in the past 15 years shows that only about 10% of creative respondents make 100% of their income through their art or creative work.



*Above: Artspace Virtual Public Meeting Invite*

*Below: Words used by focus group participants to describe the arts community in Hammond.*



# FINDINGS: ARTS MARKET

## Challenges and Opportunities



During the Artists, Creatives and Arts Organization Focus Group participants discussed current creative assets and reflected on the challenges and opportunities faced by artists who live or work in Hammond. Positioning an artist-space project to help alleviate some of the challenges and leverage some of the opportunities will be allow for the best success. Page 30 discusses Artspace’s recommendations based on this feedback in more detail.

Challenges	Opportunities
Affordability	Create an agenda for the arts in Hammond
Silo-Busting	Nurture the arts community
Arts funding getting cut	Meeting space for the arts community
Downtown has a “scary” perception	Gathering space
Tension	Developing BIPOC artists and audiences
Impact of COVID-19 pandemic on funding/arts	Be forward-thinking
Security/Safety in and around Downtown	Innovate
Getting the neighborhoods on board with supporting development and funding in downtown	Create new messaging for Downtown
Vacancies downtown	IUN School of the Arts proximity and state of the art spaces
Regional funds have been generally centered around Gary, IN	IUN Arts Admin program needs space
	Proximity to Chicago and train location
	Spaces needed range from finished, raw, industrial, open, flexible for multi-disciplinary arts
	New creative spaces (SS Substation, 18 <sup>th</sup> Street Brewery, EAT studios)
	Indiana Arts Commission resources

# FINDINGS: ARTS MARKET

## Artists/Creatives in Hammond



### Creatives Activities in/around Downtown Hammond

- Towles Theater
- Mark Anderson Studios
- EAT art studios
- 18<sup>th</sup> Street Brewery
- IUN School of the Arts
- South Shore Arts
- NW Indiana Symphony
- Books, Brushes, and Bands for Education
- Original Art and Entertainment Magazine
- Paul Henry's Art Gallery
- FLEX Creative Arts Studio
- Moonshine magazine
- Arts on the Avenue
- Beatles Festival
- Downtown Hammond Council events
- Laughing Right Productions

### Creatives We Met

- Muralist
- Theater Artists
- Teacher
- Graffiti Writer
- Arts Activist
- Visual artist
- Calligrapher
- Book Binder
- Arts Educator
- Gallery owner
- Fine artist
- painter
- Musician
- Graphic Design
- Illustrator
- Art studio owner
- Art Center Coordinator
- Brewer
- Ceramicist
- Magazine writer
- Broadcast arts
- Interior designer
- Director/actor
- Drawer/Painter
- Photographer
- Installation artist



*The Arts Alley Concept proposed by Jeff Speck by the Towles Theater downtown  
Source: Transforming Downtown Hammond Masterplan*

# FINDINGS: ARTS MARKET

## Assessing the Need



Artspace learned about several creative spaces in/around downtown Hammond whose timeline for development/expansion would coalesce well with an **Arts Market Survey**. Artspace's Arts Market Study is the second step in our development process and quantifies the market need for creative spaces in Hammond. The study involves two parts, one a six-week online survey that asks about artists' interest in live/work housing, private studio space, and shared creative workspace and performing arts space, and secondly a thorough report of findings and estimated market demand for each type of space, including rental rates, size, types of programs, etc.

This data is owned by the community and helps attract funders, other developers, investors and operators. The subsequent data and interest lists can be used to plan spaces and programs that are both affordable and self-sustaining whether in an Artspace project or created locally. Both 18<sup>th</sup> Street Brewery's plans for expansion and incorporating visiting artists and arts programming and South Shore Arts' underutilized NIPSCO Substation downtown could greatly benefit from a widespread community survey like this. Artspace proposes working in partnership with interested organizations to craft the Arts Market Survey and market it to reach a widespread audience into Chicago and Northwest Indiana. This would make it a true cross-sector collaboration. This data can also inform other developers who will build out ground floor commercial space downtown, as well as the artists who have studio spaces downtown.

### South Shore Arts

Based in Munster, Indiana, South Shore Arts is a visual arts organization that offers both studio arts instruction and exhibitions. They are a Regional Arts Partner of Indiana Arts Commission; in which capacity they function as a regional arts agency. In downtown Hammond, South Shore Arts programs the gallery at the Towles Theater and operates a satellite location, Substation No. 9, where they present pop-up exhibitions and subsidized studio art classes. Looking forward, South Shore Art sees the Substation No. 9 space as the hub for its Teen Arts Board and increased community-based outreach events.

### 18<sup>th</sup> Street Brewery

Founded by Drew Fox in 2010, 18<sup>th</sup> Street Brewery was named best brewpub in 2019 by USA Today, and has quickly made its mark on the Chicagoland beer scene. Quickly outgrowing its Gary, IN space, 18<sup>th</sup> Street purchased a 32,000 sf warehouse in Hammond that houses production, packaging, barrel program, a taproom and a full-service kitchen. Expansion plans include a distillery, housed in an old brick factory building at 5417 Oakley Ave. This space will also have an outdoor entertainment area, botanical garden and apartments. 18<sup>th</sup> Street has become a destination and its connection to the creative community should continue to be supported.



South Shore Arts Substation No. 9 and 18<sup>th</sup> Street Distillery, both in downtown Hammond. Source: Googlemaps

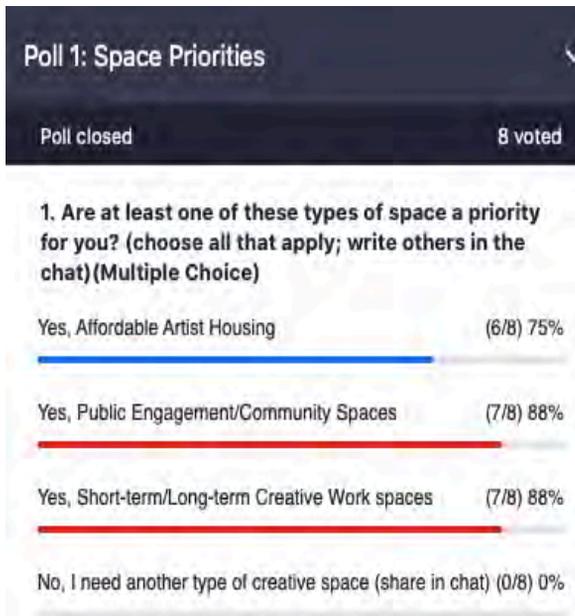


# FINDINGS: PROJECT CONCEPT

## Types of Spaces Needed



The first questions Artspace asked the Artists Focus Groups in Hammond were, “what kind of creative spaces are in your community?” and “what additional spaces are needed and/or wanted?” The Artspace process begins by listening to stakeholders in the community. The results of the poll are below, and these types of spaces are further explained in the following pages.



Paul Henry's Gallery Source: City of Hammond

### Preferred Project Concept

- In Hammond, the Core Group's priority concept going into the study was a mixed-use live/work development for individual creatives as well as creative businesses. This is in line with the types of projects that Artspace has developed around the country including in Michigan City, Indiana.
- Given the feedback from focus group attendees, a mixed-use live/work development for creatives, is the one to pursue, specifically in Downtown.
- Artspace believes it is a valid project concept and one that is supported by the study findings and goals of the community. We also believe that the timing for Artspace to embark on a project in Hammond and the timing for the city to help advance it are in alignment.
- Not all concepts or needs can be met within one Artspace building. Understanding the demand for some of the preferred spaces, especially coming out of the pandemic will be part of the market study and can inform new spaces beyond an Artspace-style project.

### Other comments of note from the artist focus group discussions:

- Affordable studio spaces with ownership options for artists would be well received
- Event space is needed, Hammond has outdoor event space but needs more indoor event space.
- Need a cultural space to support our community and showcase our cultural community
- Need affordable rehearsal space desperately for Books, Brushes, and Bands

# FINDINGS: PROJECT CONCEPT

## Live/Work Artist Housing



**Affordable live/work artist housing** was identified as a need by focus group participants not only out of personal interest, but as a representative need for creatives in Chicago and NW Indiana region who might be interested in relocating to downtown Hammond.

This type of residential space is the foundation of most of Artspace's projects. Units are designed for creatives and their families to live and create in the same space and shared spaces offer opportunities for residents to meet, share work, host events, collaborate and engage with the broader community. Artspace live/work units meet standard residential codes and are somewhat larger (100 to 150 square feet) than typical multi-family workforce housing. The units include artist-friendly design features (i.e. durable surfaces, large windows, high ceilings, wide doorways.) Capital costs are financed through a combination of public and private funding tools. We suggest for cities interested in creating this sort of housing to clearly identify it as a priority housing type in their housing plans as one strategy to meet the needs of its work force and low-income populations.

Creative workforce housing is not limited to the Artspace model. There are other models for long-term affordable and sustainable space, if a developer or property owner is dedicated to the vision. For example, market-rate housing developers can set aside space for the creative sector, using market-rate profit as an offset to affordable creative space. Mixed-use projects can direct revenue from commercial components to subsidize live/workspaces. There are also models that emphasize working space over living space (as a percentage of the space) to allow for light industrial and creative workspaces to also be used for housing. This model requires a city to adopt supportive work-live zoning but would not qualify for federal low-income housing tax credits.

### CASE STUDY: NON-ARTSPACE LIVE/WORK HOUSING



Photo Credit: Brew House

#### **BREW HOUSE ARTIST LOFTS**

PITTSBURGH, PENNSYLVANIA

*After the Duquesne Brewing Company buildings sat dormant in the late 1980s the vacant buildings became the homes and workspaces for local artists in the South Side of Pittsburgh. Those artists started organizing in 1990 and in 1993 officially became a non-profit group, the Brew House Association.*

*In 2001, the Brew House Association (BHA) purchased several of the former Brewery buildings—from the City of Pittsburgh in an effort to further expand their already dynamic public programming, enhancing the cultural map of both the city and the region.*

*The Brew House supports emerging artists by providing live/work housing, opportunities for collaboration, interaction, and professional development. In return, the artists give back to the community through classes and workshops that are open to the public, gallery shows, and other public services. Brew House Lofts is a 76-unit apartment building with a mix of affordable workforce and market rate apartments for the artist community.*

# FINDINGS: PROJECT CONCEPT

## Community/Multi-Use Space/Creative Workspace



**Creative Workspaces/Makerspaces** can be designed for specific purposes such as ceramics, 3D printing, culinary arts, and/or woodworking, or general flexible workspace. Typically, makerspaces offer memberships, which provide access to space and equipment that is expensive, impractical, or in the case of industrial arts, unsafe if the space does not have the safety features required. Makerspaces can also incorporate a tool or resource library. Space can be developed as “clean” or “dirty” depending on the interest of users. More information would need to be gathered by a potential operator in order to deliver the type of space and equipment required and ensure a sustainable business plan. Space in an Artspace project or locally developed mixed-use project would be rented to an operator who can develop and implement programs. An Arts Market Study can help to identify the most pressing types of specialized workspace needs. **Community/Multi-use space** was also mentioned. This can be used for teaching space and should be kept as flexible as possible. These spaces foster a strong sense of community within any building and offer opportunities for the broader community to interact with the artists. This type of space can also be developed locally as a stand-alone business model as was done by the City of Aurora in the case study below.

### CASE STUDY: MAKERSPACE “DESKTOP ARTS”

#### LOVELAND CREATORSPACE

LOVELAND, COLORADO

*The Loveland CreatorSpace is a non-profit, members funded and operated, cooperative “makerspace” for engineers, artists, musicians, and tinkerers of all sorts to come together and create. The primary objective of CreatorSpace is to provide a community-driven workshop that offers its members access to tools, machinery and classes to help promote creative engineering in Loveland and Northern Colorado. A comprehensive collection of tools combined with an assortment of community-owned light-manufacturing equipment provides engineers, artists, and musicians with the resources they need to complete almost any project.*



Photo Credit: Creatorspace

*CreatorSpace also has a focus on education and exposing Northern Colorado’s youth to a group of skilled and talented role models where they can learn skills ranging from art and music to electronics, programming, and manufacturing. They also have a unique collaboration with Loveland’s arts community. Gallery and performance space is offered for artists to present their craft, and the CreatorSpace allows artists to experiment with new arts by offering opportunities and equipment to paint, play music, and wax creative. By offering space for painting, musical performance, and many other artistic ventures, CreatorSpace provides a great space for artists to share their work and engage the community.*

### CASE STUDY: COMMUNITY EXHIBITION SPACE

#### THE PEOPLE’S BUILDING

AURORA, COLORADO

*Once a ski shop and then a rent-to-own furniture store, it was acquired by the City of Aurora’s Office of Urban Renewal and Redevelopment. The city invested over two million into the building’s revitalization and it is now utilized as a gallery and a flexible event space for cultural events, workshops, meetings, independent artists, musicians, dancers, and event planners. The space consists of The Gallery, The Flex open concept venue with 191 seats, and The Conference Room.*



Photo Credit: The People’s Building

# FINDINGS: PROJECT CONCEPT

## Examples of Artspace Buildings Bridging Diversity and Equity Boundaries



Artspace is committed to the arts being a catalyst for social justice and economic mobility. This theme of diversity and equity was mentioned by the focus group and public meeting. A few examples from our portfolio where the developments and Artspace process are helping to bring diverse communities together detailed below. This work can be difficult, uncomfortable, and takes time, but we believe artists of all background need to be included in any eventual project.

**Griffin, Georgia:** Artspace completed an Arts Market Survey in this community south of Atlanta. The community has historically been segregated by the railroad tracks. The local advocates of an Artspace project identified historic preservation and bridging cultural communities as their priority goals and the site identified for a future project to be developed by the Griffin Housing Authority with Artspace as a consultant is a former African-American school. You can learn more about this project at [www.GriffinArtspaceSurvey.org](http://www.GriffinArtspaceSurvey.org).

**El Barrio's Artspace PS109, New York, NY:** Artspace worked very intentionally with our community partner El Barrio to make sure the development had Latino voices at the forefront and held many meetings with neighbors in the Black and Hispanic neighborhoods before the development broke ground. Learn more about that development at [www.artspace.org/ps109](http://www.artspace.org/ps109).

**Ola Ka'Ilima Artspace Lofts, Honolulu, Hawaii:** Artspace worked in partnership with the native Hawaiian Pai'i organization, and our building includes a space for their organization. Funded in part by the Ford Foundation, key to this work was the intentionality of bringing Native Hawaiian populations into the conversation and providing space for native Hawaiian artists [www.artspace.org/Hawaii](http://www.artspace.org/Hawaii).

**Pullman Artspace Lofts, Chicago, Illinois:** Artspace's 38 unit live/work housing development in Pullman developed in partnership with PullmanArts, and Chicago Neighborhood Initiatives (CNI), was dedicated to finding renters from the community. Pullman has attracted significant attention to protect and promote its historic assets. On February 19, 2015 President Obama designated the Pullman Historic District a national monument. The goal of the Pullman Historic District is to preserve and interpret the significant labor, industrial, social, civil rights and architectural history associated with the Pullman legacy. <https://www.artspace.org/pullman>.

**Artspace Buffalo Lofts, Buffalo, New York:** In 2004 the City invited Artspace to redevelop the historic Buffalo Electric Vehicle Company factory, which was built in 1911 and played a role in the thriving automobile industry. Artspace Buffalo Lofts now provides 60 units of affordable housing for artists and their families, with 36 in the previously vacant factory and 24 in six newly constructed fourplexes, built on vacant land behind the factory. The project also includes commercial space, a gallery, and the Buffalo Center for Arts and Technology, which offers after-school visual arts programs for at-risk urban high school students and health sciences career training for under-employed and unemployed adults [www.artspace.org/buffalo](http://www.artspace.org/buffalo).

# Artspace's Recommendations and Next Steps

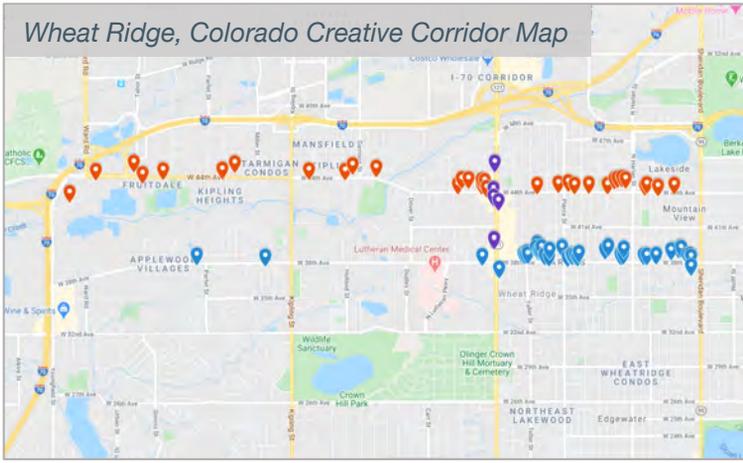
- **Prepare for an Arts Market Study.** An Arts Market Study can determine if the priorities Artspace heard during this study translate over to a broader cross-sector of creatives and if so, whether there is enough demand for the project concept. Quantifying the market need for these spaces in Hammond will help attract funders, other developers, investors and operators and the subsequent data can be used to plan spaces and programs that are both affordable and self-sustaining whether in an Artspace project or created locally.
  - **Initiate conversations** with local property owners and developers, particularly those who are already operating creative businesses or have an interest in serving the creative sector. Invite them to share their ideas and any market questions they may have that could be addressed through the Arts Market Survey.
  - Artspace proposes conducting a **market survey** with 18<sup>th</sup> Street Brewery and South Shore Arts (or another local arts organization) as two strong partners. The data would help all creative organizations plan for space, and the local assistance would help Artspace disseminate the survey in this virtual world.
- **Access the State of Indiana's Cultural District Program.** To be accepted into the Indiana Cultural District Program, a city would enter the Creative Community Pathway program, a capacity building program that helps align local creative assets – artists, arts and culture strategies, partner and resources – to support a community's unique goals and dreams. The State provides free technical assistance to help communities build a sustainable, healthy creative ecosystem. Artspace spoke with two of the State leaders at IAC who were encouraged that Hammond may be interested in applying the contact for the program is Anna Tragesser and can be reached at [atragesser@iac.in.gov](mailto:atragesser@iac.in.gov). More information can be found on the Indiana Arts Commission website [here](#).

"The Creative Community Pathway is a roadmap for any Indiana community to start or deepen culture-based strategies to grow community wellbeing."



# Artspace's Recommendations and Next Steps Continued

- Create an Asset Map.** Work in collaboration with South Shore Arts, or any of the area universities including University of Illinois at Chicago's Master's of Urban Planning Program to create a map of cultural and creative assets within Downtown Hammond's boundaries. Indiana Arts Commission's Creative Community Pathways program is also a great starting point to get organized. Having a strong graphic representation of the location of creative assets will go far in elevating the case for further investment in arts and culture and as a drawing card for a strong and vibrant creative community. Doing this work now will also provide a baseline from which to check back in over time to see the growth of the sector. This effort can be as simple or elaborate as the community desires. Below are a few examples from communities Artspace has worked in:



# Artspace's Recommendations and Next Steps Continued

- Highlight diverse arts and **creativity happening locally** in Hammond through different local publications and social media, especially for art forms, studio practices, and events that may not be widely known. Tap into local creative influencers and Downtown Hammond Council to help with elevating the profile of the creative arts in Hammond. A downtown banner art program featuring local artists is a great way to highlight talent. <https://www.promotionandarts.org/about-us/banner-program> and <https://www.hopkinsartscenter.com/179/Mainstreet-Banners>
- Identify those most interested in creating space, offering space in their planned developments and those open to collaboration such as Three Corners Development and Madison Construction. **Help bridge any divide between creatives who need space and those who may offer it.** Sometimes education is required to help both sectors (creatives and real estate developers) share knowledge, from what affordable means to a small creative business to helping creatives navigate leases and zoning codes.
- **Share talking points** about the benefits of artist space developments to the broader community. Some are listed on page 10 in the Alignment with Broader Community Goals section.
- **Review best practices** by other creative districts nationally and the examples at the end of this report. Artspace knows many leaders working on these creative initiatives around the country and would be happy to make introductions.

---

Artspace Consulting believes a creative space project would provide a tremendous boost to the reputation and visibility of Hammond. It would also provide a stable, permanently affordable space for the creative sector. We also see many great ways the community can work together to strengthen its creative identity.

Hammond has the public and private leadership necessary and clear interest in increasing the visibility of the creative sector and advance long-term, sustainable space opportunities. We suggest reviewing the national examples provided by Artspace at the end of this report in the context of creating any new space and planning for the downtown creative district.

We greatly appreciate the opportunity to work with the City of Hammond and the Core Group and to learn from Hammond area residents and leaders. Insights and recommendations in this report are solely intended to guide a project to the next phase of development and set Hammond on the path to becoming home to a new creative arts facility.

---

# National Creative Economy Resources

Following are some national organizations that work in the field of economic development and the creative economy that Artspace Consulting knows well and may offer some inspiration.

- **Spaceworks** in Tacoma, Washington started by offering business development support and securing vacant storefronts for small business promotion and limited business operations. It then helped those same businesses secure long-term leases. Eventually it master-leased new permanent space for studios and small creative businesses. They oversaw the build-out and manage the space. <https://www.spaceworkstacoma.com/>
- **SFMade's** successful locally made branding effort supports small manufacturers in San Francisco. <https://sfmade.org/> and seems like LocalWorks "Live Local" program that could lend itself to creative efforts.
- **Forecast Public Art**, a nonprofit in St. Paul, MN works nationally and often in tandem with Artspace, fosters dynamic, inclusive and resilient communities through public art, community-engaged design and transformative placemaking. <https://forecastpublicart.org/>
- **Bridgeway Capital**, a Community Development Financial Institution (CDFI) based in Western Pennsylvania started a **Creative Business Accelerator (CBA)** in 2016 to support entrepreneurial artists, designers, makers, and craftspeople with building businesses that impact the regional economy in meaningful ways. The CBA empowers creative businesses to contribute more actively to equitable economic growth. <https://www.bridgewaycapital.org/> <https://www.bridgewaycapital.org/creative-business-accelerator/>
- **Springboard for the Arts** is an economic and community development organization for artists in Minnesota. They work to build to cultivate vibrant communities by connecting artists with the skills, information, and services they need to make a living and a life. They create simple, practical solutions and systems to support artists such as healthcare, artist grants, resources, fiscal sponsorship, insurance, legal advice, job openings, and consultations. <https://springboardforthearts.org/>.
- **40 West Arts District**, the nonprofit in operation in Lakewood, Colorado is a certified creative district supporting artists and economic development efforts and is a great example of a successful arts district that Hammond can look for as a model. <https://40westarts.org/>.

# Incentive Program Examples

## EXAMPLES FROM ACROSS THE NATION

Hammond can use incentive programs and planning tools to seed more opportunities for creative space development. Some national examples of how communities have paved the way for private investment include:

- **Tax abatements for new development of creative space.** Kansas City, MO, to develop the Crossroads Arts District. The City provides property tax abatements for properties occupied by artists and arts activities in the arts district. Previously, tax abatements had gone to developers to attract new residents with high-end condominiums and lofts, however rising property values and the threat of gentrification-led displacement prompted a re-focusing of the tax abatement program. Created in 2006 and renewed in 2017 for another 15 years. This Planned Industrial Expansion Authority (PIEA) program has successfully retained, attracted and encouraged the kind of artistic activities that have helped the neighborhood thrive and grow.
  - **Assistance with obtaining approvals within the district.** The Fredericksburg Arts and Cultural District, Fredericksburg, Virginia. City provides arts and cultural businesses with a 100% reduction in planning, zoning and special event and building permit application fees incurred in the initial establishment of a business, an expansion of a business in the district, or a new special event.
  - **Enterprise Zones.** Enterprise Zone program in Rhode Island. Companies in the Zone can receive tax credits to cover 50% of wages paid to newly hired employees, if the new hires increase the company's employment by 5%. Additionally, business owners living in the Zone receive a \$50,000 deduction on personal income tax for three years. Tax credits are also available for low-interest loans to businesses located in the Zone.
  - **Funding for capital improvements.** Arts and Cultural District Micro Grant Program in Richmond, Virginia. The City has partnered with CultureWorks, a nonprofit arts organization, based in NYC, to administer two types of grants. One type of grant is provided to businesses, nonprofits, and individuals organizing an event, project, program or activity in the district; the other grant applies to capital improvements made to a site or building within the district.
  - **Brokering of spaces.** Spaceworks Tacoma in Tacoma, Washington A joint initiative of the City of Tacoma and the Tacoma-Pierce County Chamber launched the program in 2010 to activate empty storefronts with art and creative enterprise. Property owners donate vacant spaces for artists to transform with installations, short-term projects, pop-up retail, and events.
  - **Adding live/work zoning language** to housing plans. Tacoma, WA has a tip sheet and some really clear language around setting up the zoning for this sort of district and why it is important. They also talk about Work/Live and Live/Work which is a slightly different model.
- Retail Challenge Red Wing, MN. A contest that offers a prize valued at up to \$40,000 to support a business owner in opening a retail store in Red Wing's historic downtown business district. This program was created as a partnership between Red Wing Downtown Main Street, the Red Wing Port Authority, and the Red Wing Housing & Redevelopment Authority.