

Art, Culture, and
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Economic Development
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EXPERIENCES IN BOSTON AND BEYOND

Tufts University
April 1999

ART, CULTURE AND ECONOMIC DEVELOPMENT

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EXECUTIVE SUMMARY

The ACT (Arts, Culture and Trade) Roxbury Consortium was formed early in 1997 to address the possibility of introducing arts and culture as components of economic development. The purpose behind the designation is to attract arts, culture and entertainment businesses as well as recognize the existing culturally-based businesses in the area. Further, it would assist Roxbury in focusing community activity and re-establishing a cultural identity. The Consortium hopes that such action would revive the once vibrant area.

Our task for the Madison Park Field Project was to assist in bringing the goals of the Consortium to fruition. We were asked to analyze the possibility of establishing an Arts and Cultural District and provide potential components to be included its development. In effect we were to perform a pre-feasibility study for a target block in Dudley Square. The analyses will help ACT Roxbury as they refine their goals for the district by offering different options from which to chose. Furthermore, it will provide them with the information to continue the process of moving their vision into reality.

We found a substantial amount of information relating to arts, culture and economic development including potential minority-owned businesses which could provide an anchor for the district. We have divided these findings into the following sections:

- **History and Background** – Provides an overview of the Roxbury neighborhood including:
 - Historical background
 - Cultural make-up of the community
 - Current art and cultural scene

- **Arts and Cultural Case Studies** – Outlines case studies of areas that have successfully implemented art and culture in community development. Each study provides a historical overview, current status, community impacts, financing mechanisms, and how they relate to Roxbury. They are divided as follows:
 - *Art and Cultural Districts* Areas which have been established as an art and cultural district encompassing a mix-use of activity including galleries, restaurants, theatres, and offices.
 - *Art and Cultural Centers* These case studies are single entities which administer art and cultural programming and services. Economic development was not the goal of these centers, however, in some instances they have contributed to revitalization.
 - *Artist Housing Initiatives* Artist housing is a component of art and cultural districts. Communities provide artists with housing in an effort to bring art into the community and revitalize the area.

- **Prospective Minority-Owned Anchor Business Case Studies** – Identifies possible minority-owned businesses interested in branching out into the Dudley Square area as components of the arts and cultural district. As with previous section, each study provides an overview of the business, community impacts, financing mechanisms, and how they relate to Roxbury. They are divided as follows:

- *Boston Based Businesses* Identifies prospective investors from the Boston area, including: Ma Dixon's in Dorchester and Bob the Chef's.
- *Businesses Outside of Boston* Analyzes businesses outside of Boston including: Briscoe-Brown Books, NY; Soul Vegetarian Restaurant, Chicago, IL; Sylvia's Soul Food Restaurant, NY; and HueMan Experience Bookstore, Denver, CO.
- **Financing Mechanisms** – Offers different financing options available to arts and cultural districts and economic development activities. The three general types of funding necessary for a majority of projects are:
 - *Seed or Predevelopment* Money used for feasibility studies, architectural renderings, and site evaluations.
 - *Development* Funds include acquisition, rehabilitation and development for real estate ventures or main start-up costs if a programmatic venture.
 - *Operation* Funds devoted to everyday workings of the organization/program.
- **Recommendations and Conclusions** – Upon analyzing the aforementioned areas we compiled recommendations designed to assist ACT Roxbury as they forward in their development.
- **Appendix** – Provides additional information we have found on case studies and financing mechanisms including:
 - *Additional Art Centers/Projects*
 - *Financing Structures of Two Artspace Projects*
 - *Foundations*
 - *Public and Private Financing Sources*
 - *Possible Questions Investors May Ask*

Our intent was to provide ACT Roxbury with a firm grounding prior to marketing their plan to investors. It is our hope that this report will be useful in establishing a successful Arts and Cultural District in the Dudley Square Neighborhood.

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INTRODUCTION

Throughout the United States, economically depressed neighborhoods have flourished through the incorporation of arts and culture into their economic development plans. The impact of these cultural districts has had highly measurable effects. Elements such as art galleries and theaters have served to make districts attractive to investors, by invigorating areas, drawing in people, and spurring new businesses. Success stories include the Pittsburgh Arts and Cultural District, The Museums at 18th & Vine in Kansas City, and Audubon Arts District in New Haven, Connecticut. In each of these areas, a multiplier effect occurred following the designation of the area as an Arts and Cultural District. Thus, economic development continues as businesses are multiplied and blighted areas are renewed.

A cultural district is a well recognized, labeled, mixed-use area of a city in which a high concentration of cultural facilities serves as the anchor of attraction. The role the arts play in urban redevelopment is substantial. The creation of an Arts and Cultural District provides employment, attracts residents and tourists into the area, compliments adjacent businesses, enhances property values, and expands the tax base. In addition, the area becomes beautified and animated, contributing to a creative and innovative environment. The district reflects the unique traits of the neighborhood, drawing on the history of land use, urban growth, and cultural development. More importantly, the district invites and includes the community in the development, creating a neighborhood in which residents can feel pride.

Citizens of the Roxbury community in Boston, Massachusetts, have aspired to create the next arts and cultural success story in the Dudley Square Neighborhood. Once a booming retail center, the Dudley Square Neighborhood fell victim to urban blight due to unfavorable political and economic forces. In an effort to change the course of the downward spiral of development, citizens rallied to remove the rubble and forge ahead in growth. The ACT (Arts, Culture and Trade) Roxbury Consortium was formed early in 1997 to address the possibility of an arts and cultural district in the Dudley Square area as a component of economic development. The purpose behind the designation is to attract arts, culture and entertainment businesses as well as recognize the existing culturally-based businesses in the area. Further, it would assist Dudley Square in focusing community activity and re-establishing a cultural identity. The Consortium hopes that such action would revive the once vibrant area.

Our task for the Madison Park Field Project was to assist in bringing the goals of the Consortium to fruition. We were asked to analyze the possibility of establishing an Arts and Cultural District and provide potential components to be included its development. In effect we were to perform a pre-feasibility study for a target block in Dudley Square. The analyses will help ACT Roxbury as they refine their goals for the district by offering different options from which to chose. Furthermore, it will provide the Consortium with information to continue the process of moving their idea into reality.

This report is divided into five different sections and an appendix, which can be used as stand alone pieces or read together as one document. Sections are separated as follows:

- **History and Background**– Provides a historical overview of the Roxbury neighborhood including cultural make-up of the community and what is happening today.
- **Arts and Cultural Case Studies** – Outlines case studies of successful cultural districts, arts and cultural centers, and artist housing initiatives. Each study provides a historical overview, current status, community impacts, financing mechanisms, and how they relate to Roxbury.
- **Prospective Minority-Owned Anchor Business Case Studies** – Identifies possible businesses which could branch into the Dudley Square area as components of the arts and cultural district. As with the arts and cultural case studies, this section provides an overview of each business, community impacts, financing mechanisms, and how they relate to Roxbury.
- **Financing Mechanisms** – Offers different financing options available to arts and cultural districts and economic development activities. These include prospective funding for different stages in the development process.
- **Recommendations and Conclusions** – Upon analyzing the aforementioned areas we compiled recommendations designed to assist ACT Roxbury as they forward in their development.
- **Appendix** – Provides additional information compiled throughout our research.

It is our hope that this document will be useful in establishing an Arts and Cultural District in the Dudley Square Neighborhood.

HISTORY AND BACKGROUND

Lower Roxbury was once a vibrant economic community largely supported by the manufacturing industries that emerged in the 1800s. Long-term Roxbury resident Syvalia Hyman III recalls, "Dudley Street at one time was the second largest shopping district in New England second only to downtown Boston."¹ Unfortunately, the stability was disrupted and replaced by a downward spiral when the industries moved out of Roxbury. This led to decades of business disinvestment, unemployment and racial discrimination.

Although Roxbury has continued to experience social and economic hardship, there have been numerous community efforts to revitalize the area. The endeavors undertaken by ACT are a response to the economic blight. As stated earlier, ACT seeks to creatively address these social and economic challenges through art and cultural activities. The goal of the Consortium is to establish a mixed use district.

Reclaiming the energy of Roxbury through such measures is both socially and economically viable because the overall art and culture scene is thriving. Consider the following 1996 data for Massachusetts: 45 million people attended cultural events; 45,000 were employed by cultural organizations; cultural organizations both spent and earned \$1.4 million; and the overall economic impact of cultural organizations was \$2.6 billion². Furthermore, a survey conducted in the Roxbury community reveal a desire by residents to see cultural businesses including sit down restaurants, bookstores, cultural centers, as well as safe public places.

The aforementioned data on the positive trends of art and cultural development demonstrate the feasibility of converting Dudley Square into an art and cultural district.

POPULATION STATISTICS IN ROXBURY

Total Population	53,828
Median Age	31 yrs.
Racial Composition:	
Black	76.0%
Hispanic	19.1%
White	9.5%
Other	13.2%

Information compiled from the 1990 U.S. Census

CASE STUDIES ON ARTS, CULTURE & ECONOMIC DEVELOPMENT

In cities across the country, arts and cultural districts have flourished as a means of revitalization and economic development. The success of these districts was a result of collective action and dedication throughout the community. The Tufts Team decided to analyze a sampling of these thriving districts in an effort to bring together different ideas for the Roxbury target block. Each case study provides a model of the various arts and cultural components that can be used in economic development plans, ranging from large-scale districts to arts centers to artist housing complexes. Through these analyses we hope to gain insight on the program and financing vehicles necessary to forge ahead with Roxbury's Cultural District. Furthermore, we hope to understand which artistic elements would work in Roxbury and those that would not.

In gathering the information for the case studies we came across many districts that could also serve as models for Roxbury. Unfortunately, due to lack of information we could not expand on these studies. We have provided minimal information on those districts, which can be found in the appendix (*Appendix 1*).

The districts are categorized into three areas: Cultural Districts, Arts and Cultural Centers, and Artist Housing. Each program has been outlined to provide a historical overview, current status, impact on the community, financing mechanisms, and the relation it has to Roxbury.

CULTURAL DISTRICTS

Pittsburgh Cultural District

Pittsburgh Cultural Trust

125 Seventh Street, Suite 500

Pittsburgh, PA 15222-3410

<http://www.pgharts.org>

Paul A. Kovach, Public Relations Director

(412) 471-6070 x 119

The Pittsburgh Cultural District was revived from a decaying commercial and warehouse district created in the 1960s and 1970s. Prior to the development, the neighborhood was home to increasing numbers of pawn and pornography establishments. Acting in collaboration with a neighboring office complex developer and other downtown investors, the existing Convention Center decided it was in their best interest to ensure the area was used more productively. In 1989, the district was commissioned by the Pittsburgh Cultural Trust and the Urban Redevelopment Authority to provide an area where arts and culture could flourish. The plan was built up from the major performance facilities and projects already underway including, streetscape improvements, refurbishment of the Byham Theater, construction of the O'Reilly Theater, and other building restorations. By 1994 the area was booming with new business, arts and entertainment, and tourism.

The Cultural Trust and its partners are still in the process of developing the Pittsburgh Cultural District, comprised of a 14-block area. Currently, the Trust owns and operates the Benedum Center, Byham and Harris Theaters, and expects to open the O'Reilly Theater in late 1999. The Trust is also supporting the private development of a 25-unit residential project, which will house performers from the Public Theater as well as area residents. In addition to these

developments, the Cultural District has attracted a number of businesses including art galleries, hotels, restaurants, nightclubs, retail space, and office complexes. Future plans include developing a Theater Square, which would consist of a 650-seat theater housing the Pittsburgh Public Theater, a large-scale office building, a central park, and a parking garage with entertainment and retail space at the ground level.

The impact of the Cultural District on downtown Pittsburgh is immense. Economically, the area has grown over the past decade from undesirable to increasingly viable. Businesses have demonstrated these impacts through increasing sales, and have spurred a surge in investors eager to cash in on the Districts' good fortune. In the area of community development, the Trust is equally as successful. They offer a variety of programming, public art, and streetscaping, which adds to the flavor of the community. The administration of programs that subsidize ticket costs, reach out to families, and encourage student involvement ensure that members of the community are able to take part in the Cultural District.

Financing

Funding for the Pittsburgh Cultural Trust comes from three main sources: land lease payments from certain properties located in the district, earned income from various performances in theaters and galleries, and contributed income from individuals, foundations, and corporations. Since 1980, these various projects have been financed through \$112 million of philanthropic investment, \$65 million of public investment and \$650 million in private investment.³ The public and philanthropic support was essential in leveraging the private investment needed to achieve their goals.

Relation to Roxbury

The magnitude of the Pittsburgh Cultural District is quite extensive. It is unrealistic to think Roxbury could exactly model this type of cultural district. Pittsburgh had a number of theaters already at the site, a convention center, and the capacity to open a major arts institute. In relation to Roxbury, this case study provides the following:

- Different areas of funding sources used by the Pittsburgh Cultural Trust may be available to ACT Roxbury in establishing a cultural district. The Trust relies heavily on philanthropic and private investment; therefore these areas should be explored in greater depth.
- In researching how the district got off the ground, it was found that the secret behind their success was collective support by the community. It would be beneficial for ACT Roxbury to include existing business members and possible future investors in the planning of the cultural district.
- The Pittsburgh Cultural Trust maintains a positive presence in the community with their community outreach programs. Roxbury should keep this in mind as their cultural district grows. It is essential to include the members of the community in the growing appreciation of arts and culture.

New Orleans Arts & Cultural Sector

Arts Council of New Orleans

225 Baronne, Suite 712

New Orleans, LA 70112

Shirley Trusty Corey, Executive Director
(504) 523-1465

The Arts Council of New Orleans was established in 1975 and was designated the official arts agency for the City of New Orleans. The Council initiated plans for the Arts & Cultural Sector in the 1980s after city preservationists drew attention to the areas decaying warehouses. The finalized plan, offered in 1989, encompassed the Arts & Cultural Sector within three historic districts: the Historic Warehouse District, the Picayune Place Historic District, and the Lafayette Square Historic District.

Currently, the area is comprised of the Confederate Museum, Contemporary Art Center, Louisiana Children's Museum, private art galleries and have most recently established the Louisiana Artists Guild, home for the "art and soul" of Louisiana artists. Hotels, residential areas, and restaurants also support the district. The Arts Council provides a variety of cultural planning; advocacy, public art, economic development, arts education, and grants and services initiatives focused on its vision of New Orleans as a flourishing cultural center. Such extensive programming enlivens the art in the community.

The Arts Council continues with its original mission to support and expand the opportunities for diverse artistic expression and to bring the community together in celebration of their rich multi-cultural heritage. The presence of the Art Council has had quite a substantial impact on the community. Total economic impacts of the arts industry in 1992 were \$687.2 million

and in the music industry it was \$669.7 million⁴. The Arts Council has positioned the arts as a catalyst for increasing the quality of life for all members of the community. Making the arts accessible, affordable and available has always been their goal and their work has demonstrated that philosophy.

Financing

The Arts Council receives seventy-five percent of revenue from grants and contracts. Corporations, government, foundations, special events, and individuals make up the other twenty-five percent of contributions. The list corporate sponsors and members is quite extensive. The Arts Council provides funding for arts and cultural programs that take place in Orleans Parish through the Community Arts Grants program. Community Arts Grants are made possible by the City of New Orleans and supplemented by Freeport-McMoRan Foundation. Government funding also includes grants from the Louisiana Decentralized Arts Funding Program, which allocates fifty cents for each resident in each parish throughout the state, allowing communities to develop arts programming to meet their needs.

Relation to Roxbury

The Arts Council offers many programs and services, which compliment the Arts and Cultural Sector. The following are ways the district can be related to Roxbury:

- The Arts Council serves as the crux for other programming and arts business in the city. ACT Roxbury may want to consider creating an incubator for arts and cultural activities. This would promote the mission of the organization and enhance the district.
- By establishing a reputation of quality services and promoting their success, the Arts Council is regarded highly in the community. As a result, they are

well financed. It is important for ACT Roxbury to become recognized in the community and to advertise their accomplishments.

- The Arts Council acts as a pass-through agency for government grants. Pursuing such funds could benefit the overall programming for ACT Roxbury. It can also bring in a diverse group of artists and audiences.

Audubon Arts District

Arts Council of New Haven

70 Audubon Street

New Haven, CT 06511

Frances "Bitsie" Clark, Executive Director

(203) 772-2788

In the late 19th century, Audubon Street in central New Haven was a hub of industrial activity. By the 1960s, the neighborhood had crumbled, falling prey to industrial flight from the city and neglect from the community. In 1964, the Arts Council of Greater New Haven was based on the need for a performing and rehearsal space for the New Haven Symphony. Their mission broadened to include the creation of an Arts Center, which would be a public as well as a private space. They envisioned an area where people could meet, live, shop, and work in the ambience of the arts. The original plan included artists who would live and work in the area, owning the shops and selling their wares. Due to economic constraints the original vision has been altered, however, the Council continues to work at incorporating the arts into public spaces.

More than twenty-five years of effort brought the Audubon Arts District to its current state. The district encompasses a block in the northeast section of downtown New Haven. It consists of art institutions, market-rate condominiums, elderly public housing, and retail establishments. The market for art institutions is large due to the presence of Yale University as an institution firmly grounded in the arts. Yale is the only university that houses four graduate schools of art. The university also helps boost the housing market in the arts district, as the district is in close proximity to both downtown New Haven and the school. The district has experienced growth in retail, however they have had some difficulty with current owners not lowering rents or

marketing their property. Thus, buildings still remain vacant. Nevertheless, the district is busy with the Neighborhood Music School, Creative Arts Workshop, Educational Center for the Arts, Media Arts Center, Greater New Haven Arts Council, a few bookstores, and cafes drawing a mixture of community members.

The Audubon Arts District has had a number of positive effects on the community. A 1992-93 study on the economic impact concluded the arts industry in New Haven generated: over 1,100 direct jobs, over \$10 million in salaries, over 1 million attendees, over \$40 million in related audience spending, over \$53 million in arts organization spending, and almost \$100 million in total economic impact.⁵ Clearly, these results exemplify the success of the Arts Council of Greater New Haven.

Financing

Planning grants from the City of New Haven and the National Endowment for the arts helped the Arts Council secure from the New Haven Redevelopment Agency the position of developer for the four-acre site, which had formerly been old warehouses and parking lots. Various arts organizations moved into the area. The Arts Council also combined forces with an education based organization and was awarded a grant from the State Board of Education to renovate a temple into a public art high school for gifted teens. They also purchased some buildings in the area with the help of the New Haven Foundation.

The city was a large supporter of this venture, offering a large amount of property for one dollar per square foot. Some of the land has been resold, such as the condo, while a large part of it is in a leasehold agreement for 99 years, bringing the Arts Council \$82,000 annually in income.

Relation to Roxbury

The Arts Council has persevered for twenty-five years and has learned many lessons crucial for success. The following represent these lessons in relation to Roxbury:

- The project benefited from a lot of political and community support, coupled with strong leadership. People from different skill levels and backgrounds helped shape the district into what it is today. Thus, it is imperative to establish partnerships with those individuals in Roxbury who will help in carrying out the goals of ACT. Political connections and personal expertise should be used wisely.
- The Arts Council identified a goal at its conception and has remained dedicated to it. All along they have harbored the feeling of “never say never.” This should be noted in the establishment of an arts district in Roxbury.
- Having a mix-used district allows for a twenty-four hour neighborhood. This would include housing, businesses, offices, schools, performance spaces, galleries, restaurants, and parks.
- The Arts Council encourages joint usage by all of the Center’s tenants so that it will be a place for cooperative and collaborative efforts. If Roxbury intends to own art space they should be sure it serves a number of artists and community members.

ARTS & CULTURAL CENTERS

International Institute of Culinary Arts

Master Chef George Karousos, founder

100 Rock Street

Fall River, MA 02720

E-mail: Seafareinn@Meganet.net

Michael J. Rivera, Director of Admissions

1-888-383-2665

The opening of the International Institute of Culinary Arts was an ambition of Master Chef George Karousos, owner of the Sea Fare Inn, Portsmouth, RI, for many years. After several unsuccessful attempts to open the school in Rhode Island, he was invited to open in Fall River. The Fall River Office of Economic Development thought the Institute would compliment plans for economic revitalization in the city. Karousos was offered a Gothic Revival Congregational Cathedral and parish house at a heavily subsidized price. After extensive renovations, the Institute and attached restaurant, Abbey Grill, have become charming accents to the renewed downtown.

The Institute instructs a diverse set of students, ranging from those just out of high school to adults seeking a career change. Students are given the option of a two-year degree, six-month retraining, three-month brush-up, and various cooking seminars, which are open to the public. The Institute stresses the importance of practical education; therefore skills are sharpened through work at the Abbey Grill. Karousos stresses the importance of hands-on learning in providing the true test of skills. Throughout their schooling, students are required to work different positions in the restaurant to thoroughly understand the internal workings of a restaurant. During non-school hours, they are given the

opportunity to work in the restaurant for pay. The Institute has expanded over the years and has planned to open a pastry kitchen and television studio in the near future.

In addition to providing an excellent source of learning, the Institute has had a positive impact on the Fall River community. The renovated church helped beautify the block. Moreover, the Abbey Grill provides the city with an up-scale restaurant, which is frequented by many in the community. Karousos is currently in the process of opening another restaurant in Fall River that will also serve as an educational center. He has formed a commitment to the community by continuing investment. Many of the students in the program are graduates of the local high school culinary arts program. Furthermore, the Institute holds regular cooking seminars attended by members in the community.

Financing

The International Institute of Culinary Arts was almost entirely financed by George Karousos himself. The old church required nearly \$2 million to renovate. The Institute received historic renovation money, however, that covered only twenty percent of the needed capital. Presently, the Institute makes money through tuition, restaurant proceeds and renting out a large function hall. The costs are relatively low. The students work in the restaurant during the day and the Institute has a relatively small staff. The Institute is presently applying for accreditation. Accreditation would increase costs, but would attract more students to the program.

Relation to Roxbury

Interest has been expressed in an advanced culinary arts school in the Roxbury

neighborhood. The International Institute of Culinary Arts relates to this goal in the following ways:

- A culinary school could provide Roxbury with an elegant sit-down restaurant, similar to the Abbey Grill. This would compliment the addition of office buildings in the Dudley Square area, by giving workers a place for lunch and business meetings. It would also offer an evening dining location, which is currently lacking on the target block. Moreover, a restaurant would provide employment opportunities to members of the community.
- A post-secondary culinary institution would offer vocational school students an opportunity to continue their studies in the culinary arts and begin careers in two years or less. If such a plan were initiated in Roxbury it would be recommended that the school be affordable, as the International Institute is.
- The educational attributes offered by the International Institute extend beyond the classroom. The Institute offers community programming and mini-sessions on the culinary arts. Introducing such an institution in Roxbury would be beneficial to those seeking a change in careers or interested in sharpening their skills.

Boulevard Arts Center

Chicago, IL
Patricia Devine-Reed
Executive Director
(773) 476-4900

The Boulevard Arts Center was created fifteen years ago in the Englewood Community of Chicago. Inspired by artist Patricia Devine-Reed, the Center had the original goal of providing a space in the community for family-based, multi-cultural arts programming. She had envisioned a place where youth could discover the basics of the arts. When it was opened in 1984, the Center was based in a small space within a local church. Not too long after, they moved into a separate building and have been growing ever since.

Currently, the Center serves approximately 150,000 to 200,000 community members annually in artistic ventures ranging from mural painting to mastering jazz. It is now broken into three divisions: the School of the Arts, Cultural Center, and Business Development Center. It continues to reach out to the community's youth through programs in the schools and at the arts center. The audience has broadened to include other members in the community, among them adults and prisoners. Programs expanded as well, encompassing a program for job training in the arts, a rehabilitation program, and business services. On the business end, the Arts Center is slowly moving toward contracting out services such as sewing and has opened a store.

The Englewood Community has felt some impact from the presence of the Boulevard Arts Center. Perhaps the most notable is the bringing together of different cultures in the community. The Center was not built as an economic development tool, rather focuses on community development through the arts.

Financing

The members of the community own the Boulevard Arts Center. Their advice is to *never* rely on one source of funding, make many, many partnerships and use everything available. They have had numerous financial nightmares but the community continually gave support (i.e. donated space, teachers working without pay). The Center also draws some empowerment zone funds. Boulevard Arts often develops property in a piecemeal way; develop some, let it sit until more capital comes in, do a little more, then let it sit again.

Relation to Roxbury

It should be noted again that Boulevard Arts is dedicated to community development as opposed to economic development, it has little, economic impact on the area. In any case it can be related to Roxbury in the following:

- Programs used by Boulevard Arts can easily be worked into a program for the Dudley Square Neighborhood. Most feasible is working with elementary and professional schools in educating the community about arts and culture. This could be a nice compliment to the Arts and Cultural District.
- Mural painting has also been a strong program for Boulevard Arts. The murals serve to contextualize an arts center and enhance the surrounding community. For Roxbury, this could act as a vehicle in publicly displaying artists' work, as well involving community members in the district.
- The Business Development Center may provide a model for economic development activities in Roxbury. In Englewood, it serves as an art and business incubator using half for artistic ventures and the other for different types of business services.

Gowanus Arts Exchange

421 Fifth Avenue
Brooklyn, NY 11215
E-mail: GowArts@aol.com
Marya Warshaw, Executive Director
(718) 832-00812

The Gowanus Arts Exchange became an independent nonprofit organization in 1991; however, a number of its educational, presenting, and arts services programs have been in continuous operation since 1985. It serves an economically and culturally diverse constituency throughout the Brooklyn area, with sixty percent under the age of eighteen. The Gowanus is dedicated to interaction between artists and audiences through education and community outreach. In order to reach this goal artists work in the public schools, and the Young People's Performing Workshops perform in community and senior centers along with local schools.

In addition to outreach the Gowanus provides other programming for the community. This includes a year-round performance, rehearsal, and educational venue in the community for aspiring artists to use. Financial assistance programs consist of the work exchange program, financial assistance for classes, and low-income ticket prices. The Gowanus also reaches out to artists through various services such as, artists-in-residence, rehearsal space grants, production support services, and discount performance documentation. Programs allow artists to thrive in the Brooklyn community by inspiring them to surge ahead with their careers.

As with the Boulevard Arts Center, the Gowanus was created as a community development venture (as opposed to an economic development venture).

Nonetheless, the exchange has touched the lives of a number of artists by allowing them to explore their careers in an affordable manner. The Gowanus has also succeeded in bringing together a diverse group of individuals to celebrate the arts.

Financing

The Gowanus Arts Exchange, like most nonprofit organizations, is largely dependent on fundraising. The Gowanus indicates that while an ongoing task, fundraising is not a problem. One of the challenges from the start was that some programs that were inherited from another organization were not looked fondly upon by funders. Support now comes from earned and unearned income. Tuition-based classes and renting out theater space supplements the capital received from the city and state, fifteen foundations and three corporations. Marya Warshaw stressed the importance of having a corporate sponsor or a strong relationship with one. Gowanus also realizes its limitations. From the beginning Gowanus has rented their space; buying property is not financially reasonable at the present time.

Relation to Roxbury

While Gowanus Arts Exchange is not focused on economic development, the programming it offers may be attractive to Roxbury. In an interview with Marya Warshaw, she offered important lessons which will be important in implementing Roxbury's cultural district. These include:

- The importance of community support in the original development plans. If your goal is to assist the community, their support is imperative to success. The neighborhood needs to buy into the plan.
- Work closely with a local bank or corporation in developing the district. It may be beneficial to have a member

from one of these organizations on the board.

- Prior to moving to their current location, the Gowanus Arts Exchange was located in an abandoned warehouse, out of site from the community. Since they have moved to a more central location, participation has risen. Thus, location is imperative.

ARTIST HOUSING PROJECTS

Artspace Inc.

Minneapolis-St. Paul, MN

(612) 339-4372

Casestudy: Lowertown, St. Paul

Artspace is a nonprofit development firm for the arts, created by the Minneapolis Arts Commission in 1979. Its mission is to create space where artists can live, work, exhibit, perform and conduct business. Artspace originally acted as an advocate for the art community, helping artists acquire safe and affordable live/work space. It has become a full-scale real estate developer, working as a consultant locally, regionally and throughout the United States. Artspace discovered that starting with those most affected by the problem, and then building partnerships with other organizations has brought them their success. It uses old buildings and art to find creative solutions to community issues.⁶

Financing

Artspace uses a complex method of patchwork financing from public and private sources along with foundations that are often held together by historic rehabilitation and low-income housing tax credits to make their projects work. Most artists also contribute their own money in addition to a large quantity of sweat equity (See Appendix 2).

Artspace also has complex management and ownership arrangements. Many projects operate under the concept of leasehold cooperative arrangements. Artists pay rent but have a controlling cooperative association. They have primary decision-making ability on how the building will operate. After fifteen years the artists have the option to purchase the building from Artspace. They then would benefit from the

exclusive financial incentives that come along with owning property.

Lowertown Lofts

In 1982 St. Paul's Office of Planning and Economic Development (PED) started a project entitled *New Works*, which focused on furthering the city's development through the arts. It largely served as a promotional attempt, supported by city funds and the Northwest Area Foundation. It served to establish Lowertown as an arts community but did not succeed in creating a lasting audience for this community of arts. PED realized they needed facilities to achieve a sustained impact. PED surveyed local artists for space requirements and took a parallel inventory of the Lowertown space available. It realized that the existing facilities were not suitable for theaters but were more appropriate for live-work space, offices and exhibition space. The theaters would have to be new construction. There were two other concerns: the artists could not afford market rates in Lowertown and they were dubious about the ability of the neighborhood to attract arts audiences from other parts of the city.

PED went forward with its research and development. The National Endowment for the Arts financed a \$41,000 four-day charette of local artists and architects to brainstorm ideas and visions. This information, along with significant support from the City of St. Paul helped to move the artists in the right direction. St. Paul is largely supportive of the arts and nonprofit organizations. The city offered assistance through direct funds but also through lenient zoning laws and the designation of buildings as historic sites. Public funds provided much needed leverage opportunities for private funds. The community had dreams of becoming a center for artists as opposed to a center for the arts. This more modest goal,

through much support and success, is actually leading them to the latter. The city has realized two things: first, the arts are an industry and need to be supported like other small businesses and second, "...it is important to concentrate on housing. Artists are a stabilizing force in changing neighborhoods" – George Latimer, Mayor of St. Paul.

Fort Point Arts Community

300 Summer Street
Boston, MA
(617) 423-4299

Artists joined in 1980 and formed a nonprofit organization, the Fort Point Arts Community (FPAC). The artists came together because they realized that they had more power as a group and they wanted to participate in the future development of the wharf area. Many artists moved to the area because of increasing loft rents in downtown Boston. The artists received a grant from the National Endowment of the Arts (NEA)⁷ to investigate how artists would be long-term users of the area. Similar to Artspace, FPAC was not originally looking to develop. Its focus was on visibility. FPAC organized the first open studios in Boston, had tours for school groups and classes for the elderly - all in an attempt to get them recognized as an important presence in the neighborhood.

In 1982 a building came on the market that looked perfect as space for artists. It was freestanding, long and narrow and had many windows. FPAC was able to secure private debt financing. Each tenant fronted \$500 of their personal funds and secured individual share loans⁸. They decided it would be a limited equity co-op to keep the units affordable. Decisions were made by consensus and everyone paid the same rate for their units (they felt it was unfair that the rich always were able to get the prime locations).

The units were a minimum of 900 square feet. The feeling was that if less space was needed, the artists could live in a conventional apartment (one-half to two-thirds of the space was intended for the creation of art). The units were also only open to visual artists because of noise issues. Residents put in an incredible amount of sweat equity. The units were absolutely bare, thus, costing a mere \$5.80/square foot. If the artists wanted to live in the space they needed to bring it up to code themselves. They did have rental commercial space for awhile but found it to be undependable income and later renovated it into additional lofts.

FPAC developed another building in 1992, located at 300 Summer Street. It was similarly structured, but included gallery space and a larger laundry room. Many residents in the area did not have access to laundry facilities; FPAC learned from the first project that it was important to provide the units with more infrastructure than the walls. The Summer Street site included small kitchens and bathrooms. This structural improvement, along with providing community space, is recommended for future projects⁹.

Brickbottom Artist's Building

1 Fitchburg Place
Somerville, MA 02143
(617) 776-3333
Property Manager-Robert Martel

Brickbottom also started from the efforts of Fort Point artists. The group received a very small grant to hire a consultant to assist them. They hired Jero Nesson, from the state arts council. They had the political support of the mayor at the time but did not get any public or foundation funds. Similar to FPAC, the group of artists pooled about \$50,000 each and qualified for a commercial mortgage. Much of the financing came from the First Mutual Bank of Boston, which has backed other artist developments¹⁰. This was in the late 1980s during the S&L crisis, and banks were lending money very easily.

Brickbottom used an innovative financing process, slightly different from FPAC's. They started with a condominium complex and within that the artists formed a cooperative of artists who held at least 51% of the units. They wanted a controlling percentage of ownership and also to be able to have subsidized units. The rest of the units were sold at market rate, which subsidized the artists' costs. At opening, 91 units went to artists for about \$65,000 each, while 53 were sold as condominiums for about \$155,000. Approximately \$7 million in condo sales went to subsidize the lofts¹¹. The artists were also able to reduce the costs of their apartments because they were very simple; the walls were not painted, floors were not leveled and the artist units tended to be on the lower floors. They could sell the finished studios to others that would pay the higher prices. All of the units sold within two and a half months. The condo complex never lost money on the deal and they had very good management. There were some foreclosures on an individual basis. However, it worked because of the

tenacity of the people and the charm of the space. Lofts or live/work space was a relatively new idea in 1988. The concrete floors, 13-foot ceilings, freight elevators and windows on 80% of the walls were very attractive.

This financing structure, however, ran into trouble in 1989. Cooperative members decided that their costs were getting too high, many were moonlighting to pay their mortgages and it was taking away from the time they could spend on their art¹². They voted to dissolve the cooperative and join the condominium. This would allow two things. First, they could refinance at residential mortgage rates, which were lower than the current commercial rates¹³. This would save them approximately 20% on their monthly bills¹⁴. Second, they would be able to gain home equity. Most cooperatives have limited equity provisions in which units may only be sold for a very small profit, allowing the housing to remain affordable for future generations of artists. The artists felt that this provision was actually disempowering to artists. Their new plan also relaxed requirements that the former units only be sold to other artists.

Those who owned the market-rate units were upset. Thirteen of them actually hired a lawyer and sued to block the conversion. They had bought into the condominium complex with the understanding that it would be a community of artists. Besides "violating the spirit of the building" the artists were set up to make a lot of money¹⁵. Some say they would make an immediate 100% profit on the conversion¹⁶. This conversion made it very difficult for future artist housing developments to get financed. Artist housing projects were not trusted.

Presently, about 90% of the complex is filled with artists. It is the largest artist housing condo in the country. There is a large artist population in Somerville. For example, the most often-found businesses in Somerville are small design firms. The market rules in the condo. The studios

range in price from approximately \$180,000 to \$250,000, from about \$140 a square foot to \$200 a square foot. 85% of the building is owner-occupied with 23 rental units. The rentals go for about \$1,300/month for 1,000 square feet including heat and hot water. Presently, there are no Section 8 occupants.

The complex is separated into three sections surrounding an award-winning courtyard with over 200 species of plants and flowers. Approximately 70-80 artists make up the Brickbottom Artists Association, a 501(c)(3) organization that owns and operates the Brickbottom Gallery. They do things with the community, such as murals and Neighborhood Beautification projects.

The Piano Craft Guild

791 Tremont Street

Boston, MA

(617) 536-2622

The artists living in The Piano Factory, located in the South End, have had much difficulty in the last few years holding onto the affordable housing that was built over twenty years ago. In 1974, the Piano Craft Guild Associates, a general partner, received a subsidized mortgage from Massachusetts Housing Finance Agency (MHFA) and opened an apartment complex with 174 units, many of which were for low-income tenants. In 1995, the Piano Craft Guild opted to prepay their mortgage. This freed them of the use restriction requiring them to rent a certain number of units to low-income residents. They were able to raise rents, pushing many artists and low-income people out of their homes¹⁷.

ARTIST HOUSING IN RELATION TO ROXBURY

An important question to ask is: what income level do the artists that you are targeting have? This will largely determine what direction your financing will take.

- If the artists can be categorized as low-income, there are federal subsidies available (i.e. HOME, LIHTC).
- Subsidies, however, often have strings attached. If investors put in money they eventually will want to be paid back. Often this means selling off the building or units at market rates (Piano Factory). Caution is advised in regard to expiring use issues.
- Mixed-income developments are a possibility. The higher incomes serve to subsidize units for lower-income persons. One needs to examine if the market rate for an apartment in Dudley Square will be enough to support artists. The reason Brickbottom worked was because people were willing to pay steep prices for their units.
- If using a mixed-income development model, be mindful of incompatible uses (i.e. art noise and families).
- A challenge to developing artist housing, especially when using subsidies (either from mixed-income or federal fund) is that some may see it as unwarranted. Many feel if affordable housing is going to be built it should not go to artists but to poor families.
- If one is looking to keep units affordable to artists for a long period of time, and avoid gentrified rental increases, and the financing is available ownership is often the safest solution (i.e. limited equity co-ops). They serve to slow turnover and build a stable community, with long-term commitments. FPAC found that most artists in their neighborhood did not fit into the low-income bracket, and although often challenging, they could find some money to help finance the deal.
- Affordable housing financing is very intricate. Consultants would be a necessity (Madison Park Development Corp. could pair up with Artspace)

PROSPECTIVE MINORITY OWNED ANCHOR BUSINESS CASE STUDIES

This section includes case studies on some minority-owned businesses that could potentially serve as anchor businesses for Dudley Square. The businesses were identified both within Boston and in other parts of the country. Some businesses are in the restaurant/food business and others are in different lines of work such as bookstores. Tasks included identifying businesses

interested in moving to Boston and locating establishments with business experiences and resources to share. Particular businesses were identified by ACT and this list was supplemented with additional research. The businesses not included in the report, and the status of our contact with these businesses is included in Appendix 3.

BOSTON BASED BUSINESSES

Ma Dixon's

478 Blue Hill Avenue
Dorchester, MA
617-445-4285
Janie Ford

Ma Dixon's Restaurant is a family-owned and run cafeteria style restaurant located on a prominent corner in Dorchester, at the intersection of Washington Street and Blue Hill Avenue. It opened in 1942 and has been in its present location since 1969. Ma Dixon's has occupied two previous locations, opting to move once due to size restrictions and once due to a fire. Ten years after the restaurant moved to its current site, Boston Mayor Kevin White honored Ma Dixon's for its years of community service. The corner was dedicated as "Ma Dixon's Square", and the sign indicating so still stands. Named for Tommie Dixon, who customers referred to as "Ma", Ma Dixon's offers more than food; they provide space to community organizations for meetings, support an informal after-school homework and snack area, and host drop-ins for community members looking to chat. Seating close to 100, Ma Dixon's sports a comfortable dining area, centered around a large fish tank.

Financing

Originally funded entirely from personal resources, Ma Dixon's has survived for over 50 years. With each move, funding for renovations came from the Dixon's pockets. The site is currently on the City's list of Neighborhood Enterprise Businesses, which will partially assist in the renovation of the restaurant.

Relation to Roxbury

- Every year the restaurant is approached by a number of interested business people with requests for expansion. These requests come from towns like Lynn in Massachusetts, and from places as far as Washington, D.C. Thus far, the requests for expansion have been turned down by Ma Dixon's. Although Ma Dixon's has not yet expanded, the prospect of moving to Dudley is not ruled out. Ms. Ford explained that she would be willing to open a new place in Roxbury if the younger family members would take it on. If a new site were available, she would pursue the development, however, she is anxious to move ahead soon. Thus, Dudley would need to make an offer soon if they were interested in capturing Ma Dixon's for their Art and Cultural District.
- The required start up capital for a restaurant of this caliber is estimated at \$500,000.
- An important feature of the renovation is the "Wall of Fame", a section of the restaurant currently being designed to reflect the history of Boston's politicians and their relationship with Ma Dixon's. Pictures of former Boston Mayors Kevin White, Raymond Flynn, Thomas Menino, and several members of the Kennedy family adorn the wall, sharing space in a restaurant with a portrait of Martin Luther King Jr., and other important Black historical figures.

Bob the Chef's

604 Columbus Avenue

Boston, MA

617-536-6204

fax 617 536 0907

Darryl Settles, owner

Darryl Settles is the owner/manager of the most successful (as evaluated by profit margins) black-owned restaurant in Boston. Located on the line between Roxbury and Boston, Bob the Chef's attracts a mixed clientele, served by a mixed staff. The restaurant is described as upscale, the food eclectic. Operating since 1955, Bob the Chef's was built upon tradition, yet financially benefits from the gentrified area in which it is located.

Financing

Initially the business was financed with a 100% collateral loan. When renovation began in 1996, local investors were sought to consider the business for inclusion in their investment portfolios. Settles estimates that \$500,000 would provide minimal start-up

costs for an expansion.

Relation to Roxbury

- For Bob the Chef's an expansion would occur primarily based upon a market analysis of the site. In the mid 1990s, Dudley Square was considered as a possible site of expansion but the effort never materialized in large part because the disposable income of the residents was not sufficient to sustain a restaurant with the overhead of Bob the Chef's.
- Footage requirements for a new site would be greater than the 2000 sq. ft. base, 2000 sq. ft. storage, and an 82-seat space. The restaurant prefers to double the base footage, to provide for increased entertainment opportunities. If Bob the Chef's develops interest in Dudley Square, it could provide both a restaurant and a night activity of the area.

BUSINESSES OUTSIDE BOSTON

Briscoe-Brown Books

3907 Dyre Avenue
Bronx, NY, 10466
718-325-0543
Lana Ho-Shing, owner

Briscoe-Brown is a minority-owned bookstore in Bronx, New York. Its content is multicultural, offering a variety of categories of books, special orders and a strong children's department. Community activities include a reading group, book signings, and appearances by celebrities and authors, among them the Reverend Al Sharpton, Virginia Deberry, and Donna Grant. Ho-Shing was interested in the area initially because she noticed a demand and the transportation venues were plentiful (bus, train and automobile).

Financing

Business comes from the neighborhood, and it tends to be inconsistent and undependable. All funding comes from personal sources, and start-up costs were \$200,000. No size requirements were offered, and the most severe problem is cash flow, there exists a need to help ease impact of the slow times. After funding the venture from personal resources, Ho-Shing has revamped her business approach and is looking for increased co-sponsoring opportunities, heightened visibility in the neighborhood and the possibility of establishing a chain of Briscoe-Brown in the future.

Relation to Roxbury

- Ho-Shing expressed concern that her Black, largely Caribbean community, with Latino and Jewish folk, was not sufficiently similar to Roxbury for comparison. However, Roxbury's demographics are in actuality very similar.
- Another similarity between the two locales is that both are easily accessible by car and public transportation. Dudley is serviced by the MBTA (bus and train), and the neighborhood is in close proximity to major highways which run through greater Boston.
- Briscoe-Brown has struggled since its opening in 1996. Even the start-up of the bookstore was difficult, according to Ho-Shing, "I couldn't even get an appointment with the loan officers because I was looking for start-up capital. The banks were funding only established businesses." Start-up capital is difficult to find. However, Dudley Square is part of Boston's Empowerment Zone and there are certain programs aimed at helping minority owned businesses that can be found within Boston.

Soul Vegetarian Restaurant

Chicago, IL
Mr. Prince Asiel
Fax: 773-224-5851

Soul Vegetarian is a unique restaurant that combines the idea of vegetarianism with soul food. It serves an all vegan menu, which excludes all meat and dairy products. This minority owned restaurant has been in Chicago for 18 years and has branches in several cities including Atlanta, Cleveland, Charlotte, St. Louis and Washington DC. The mission of Soul Vegetarian is to promote holistic nutritional awareness in low-income communities of color through education and healthy cooking. In addition to serving a vegan menu, Soul vegetarian organizes community events and forums, and provides culinary training to interested persons. Their chefs are trained in Israel in kosher vegan cooking. Usually the restaurant gathers information on the dietary habits of its clients and attempts to capture the moment as an opportunity to provide healthy eating consultancy.

Although the main objective of Soul Vegetarian is not economic development, in some locations, it is having a trickle down effect and attracting a wide variety of destination clientele. For instance, the Atlanta branch located in a low income African American community has been drawing a diverse group of clients i.e., spenders and stimulating the area economy (article forthcoming from Soul Vegetarian). When considering relocation, the most important factor considered by the restaurant is whether the area in question has a vegetarian population. Usually, the restaurant receives initial contact from a community that is seeking a cultural, vegetarian business. The owners of Soul Vegetarian are followers of the Hebrew Israelite religion and part of the motivation

for a vegan soul food restaurant is to cater to their strictly vegan religious following. Although there is a religious affiliation with the business, not all locations are selected on the population of Hebrew Israelites in a community. The overall vegetarian demand in a location rather than a Hebrew Israelite following serves as a motivation to pursue a venture.

Financing

The financing varies from location to location and involves multiple sources. Local banks and community funds cover most of the costs. The business is usually smaller in size and on average maintains a staff of about twenty people. There are usually 40-60 seats in the restaurants but this size varies depending on demand. Because of the numerous branches of Soul Vegetarian, Mr. Asiel was unable to give us much detail on the intricate financing strategies of each location. There is strong positive cash flow generated from Hebrew Israelites in areas where there is a larger following.

Relation to Roxbury

- This is a business that is used to investing in low-income communities and has a mission that demonstrates a dedication to communities of color. There are branches of Soul Vegetarian in the U.S. and in other countries including Bermuda, Israel and Ghana. They have both an interest and an expertise of branching out in new locations.
- Soul Vegetarian does have an interesting twist to the idea of Soul food. Soul food may be of interest in Roxbury but it is important to find out the demand for a vegan menu both in Roxbury and in the greater Boston area.
- In addition to encouraging healthy

eating, it also supports community based cultural activities. Chicago's branch for instance exhibits art work by local

artists. Soul Vegetarian encompasses the mission of Madison Park almost perfectly.

Sylvia's Soul Food Restaurant

Harlem, NY
Kenneth Woods
212-996-0660

Sylvia's is a very well known soul food restaurant located in Harlem. It has been in Harlem for 37 years and is an integral part of the area's history. In 1997 it opened another restaurant in Atlanta, GA and hopes to become the first African American franchise restaurant in the country. It currently caters to a wide array of clients including a large number of tourists in the New York area. Twenty years ago, about 70% of their customers came from the neighboring areas but within the last fifteen years, they have widened their customer pool and draw a variety of people including tourists in the New York area who are interested in historical Harlem. Sylvia's is considered a significant part of Harlem's history and this connection allows it to attract a local, national and international clientele.

Sylvia's fame brings a number of interested recruiters from many cities. Currently, its being pursued by the Museum on 18th and Vine in Kansas City. A few years ago, the Mayor of Camden, Pennsylvania vigorously tried to get a Sylvia's in his city. At the moment, Sylvia's is solidifying its franchise policies and is not making decisions fast. The main reason for the cautionary approach is the restaurant's experience in Atlanta.

The opening of the Atlanta branch posed a number of obstacles and was a learning experience for Sylvia's for a number of reasons.

- Atlanta is a southern city where soul food is not a local delicacy but a common diet. Sylvia's did not take this into account before venturing into the city.

- In the beginning, Sylvia's did not know much about operating as a sub-tenant business. The building they moved into was a new residential experiment and there was much that was unknown about operating in this type of building. Sylvia's was not used to running both a restaurant and a building.
- The initial operation costs amounted to \$800,000, which is a very large start up cost for a business the size of Sylvia's. Most of the unforeseen costs arose from construction.
- This type of business is highly labor intensive and thus has high labor costs associated with it (although food costs may be lower).
- Due to all the above reasons, the Atlanta experiment has been slow to expand. It took two years to get up from the ground and is just beginning to take root.

Financing the Atlanta Venture

In order to finance the opening of the Atlanta branch, Sylvia's created a new company and brought various investors on board. JP Morgan, the Community Reinvestment Division and Urban Shaz Foundation of New York were the main partners in this endeavor. At the moment, the Board of Directors is not certain whether it is going to use identical financing strategies and is trying to work out a solid plan for venturing.

Relation to Roxbury

- Boston is a northern city and the Soul Food market is not saturated as it is in Atlanta. It might be of interest to Sylvia's to tap into the Boston market, where soul food is a unique cuisine.
- This restaurant is very well known and

is being pursued by a number of cities trying to do similar revitalization efforts as Madison Park. However, Sylvia's is currently debating whether or not it wants to move into mainstream markets or serve as an anchor business in low-income communities. They have not resolved this tension at the moment and are currently working on a venture plan. Although the Mayor of Camden offered Sylvia's a rather attractive incentive, the restaurant turned down the opportunity because the market potential was not

appealing enough.

- Although the Atlanta venture is finally picking up, the demographic profile of the Atlanta location is quite different from the Roxbury population. In Atlanta, Sylvia's opened in the government section of downtown. It was tapping into an upper income, professional market and it is mainly serving the business people in that area.

4*

HueMan Experience Bookstore

Denver, CO
303-293-2665

This African American bookstore has been located in Denver for 15 years. It is adjacent to downtown Denver and is a destination store, i.e., most of its customers come from outside the community where it is located. It is in a predominantly African American and Hispanic, low income neighborhood and about 90% of the clients are African Americans who live in the greater Denver area. HueMan has not branched into any other location and the owner did not indicate interest of doing so.

Financing

Due to time constraints, the owner was not willing to elaborate on the details of the financing mechanism used by HueMan. However, she did mention that the entire project was self-financed with loans from a local bank.

Relation to Roxbury

- The demographic profile of HueMan is identical to that of Roxbury. HueMan suggests that a business can be successful even if it is located in an area where the residents are not its main clients.
- Competition from large chain bookstores in the area should be analyzed. This is especially important to consider for Boston, where there are numerous universities and a number of large scale bookstores. Although there may not be African American bookstores in an area, large bookstores carry sections of black literature and can afford to give much larger discounts than smaller stores. In addition, schools usually do not do sustained business with small bookstores.
- This bookstore is not a franchise nor does it have a branch and there is not an experiment of a venture activity to look back and analyze.

FINANCING A CULTURAL ARTS PROJECT

As seen through the various case studies, financing a project is usually a tremendously complex endeavor. Financing structures of anything from micro-enterprises to cultural arts districts are very intricate, vary greatly and resist easy generalizations. They depend on factors such as available funds, support for the particular venture, and organizational reputation and qualifications. Most ventures utilize public and private capital, in addition to debt and equity financing.

Three general types of funding are necessary for most projects:

- *Seed or Predevelopment* – This money is often used for feasibility studies, architectural renderings, or site evaluations.
- *Development* – This is the largest category and includes acquisition, rehabilitation and development if a real estate venture, or main start-up costs if a programmatic venture.
- *Operation* – These funds are devoted to the regular, everyday workings of the

organization/program and are often the most difficult to get. Typically arts organizations need specific subsidies to cover operating losses on arts facilities.

Where to go for funding depends on the project; where some funding sources are very general, such as Community Development Block Grants, and allow a wide range of uses, others are more specific, such as the Urban Initiative Fund, which limits funding to minority owned businesses in urban low-income areas. Listed on the following page is a flow chart directing one in the general direction for financing. It is important to note that there are more financing sources available than can be summarized in this chart, however this chart and subsequent appendices provide important starting points. Appendix 4 lists places that offer public and private financial assistance locally, regionally and nationally (aside from commercial banks). Appendix 5 directs one to a sampling of foundations offering grants to culturally based and/or economic development projects.

SEED/PREDEVELOPMENT
Massachusetts Cultural Facilities Project
Massachusetts Development Finance Agency
Massachusetts Preservation Projects Fund
National Endowment for the Arts

DEVELOPMENT
<i>GRANTS</i>
Department of Neighborhood Development (CDBG funds)
Department of Housing and Community Development
Empowerment Zone Incentives
Massachusetts Preservation Projects Fund
National Endowment for the Arts
<i>LOANS</i>
Boston Community Capital
Boston Empowerment Center
Boston Local Development Corp.
CDC Collaborative Capital
CEDAC
JVS Microenterprise Lender
Local Initiatives Support Corporation
Massachusetts Community Development Finance Corporation
Massachusetts Cultural Facilities Project
Massachusetts Development Finance Agency
Small Business Administration
<i>EQUITY</i>
Boston Community Capital
CDC Collaborative Capital
Local Initiatives Support Corporation
Massachusetts Community Development Finance Corporation

OPERATING/WORKING CAPITAL
Boston Empowerment Center
CDC Collaborative Capital
Massachusetts Community Development Finance Corporation
Massachusetts Office of Business Development

RECOMMENDATIONS

Paralleling the broad divisions of the report, recommendations to ACT Roxbury are divided into two sections, Art and Cultural Recommendations and Business Recommendations. It is our hope that these recommendations lay the foundation for the next steps of visualizing and developing an Art and Cultural District for Dudley Square.

Art and Cultural Development Recommendations

Existing Resources Recommendations

- Involve stakeholders from the beginning of the development process and then build upon existing partnerships.
- Utilize the ACT Roxbury Board of Directors. The Board's expertise should be utilized to gather investors in the district. It may be beneficial to include corporate representatives and leaders of financial institutions on the Board. Their influence can work in the favor of the organization in the long run.
- Continue the efforts to include the community in developing plans for the district.
- Take an inventory of local artists and art organizations.
- Keep the development accessible to community members, keep costs reasonable for the market.

Financing and Marketing Recommendations

- Assess the availability of arts activities

and audiences. "Due to the predominant pattern of metropolitan development, the audience for the arts is largely in the suburbs." Dudley needs to analyze how much of this market they want to capture, how much they need to capture to make a project feasible and how that can be done.

- Successful projects rely upon market studies. Assess the need within the community affected. Crucial to success is providing the public with something they want and/or need.
- Pursue a combination of public and philanthropic support, to leverage private funds. Appendix 6 provides a list of questions investors may ask when researching potential programs/projects.
- Advertise past achievements and future plans. Producing attractive marketing materials will captivate investors and help in gaining support from the community.

General Recommendations

- Identify art anchors in the community. Successful art districts typically are associated with one or more art facilities, which serve as "anchors". It provides focus, gets people excited and facilitates fundraising, financing and development.
- Plan development with creation of some early, tangible, attainable goals, to boost support. It is important that there are early, viable results to share with the community and the investors.
- Use murals and sidewalk art as quick and easy venues to provide context for an arts center.

- Plan development with both short-and long-range vision, recognizing that major arts districts can take over twenty-five years from conception to completion.
- In all successful efforts showcased in this report, the city government has played an important role (not necessarily financial, Cleveland offered encouragement and support, however, the county and state gave significant resources). It is important that a city or municipality demonstrates that the arts are industries which deserve encouragement and support. The impact of artists as a stabilizing force should be recognized.
- Establish a central arts incubator from which to operate ACT Roxbury. This would provide a community-owned space for a variety of arts and cultural activities. The Consortium can use this space to develop various programming to compliment the district and work on community development issues.
- Ensure that the district offers a mixed-use of activity to allow round the clock presence. This would include residential, dining, retail, and night-time entertainment facilities.
- Form partnerships with other organizations in the Dudley Square area. Collaborations will have a positive effect in future efforts to gather support for the district.

including next steps (include scope of what activities can be supported in the community).

- Identify local entrepreneurs with the interest and capability of pursuing potential business ventures.
- Evaluate additional models of community organizations acting as developers for business (*Appendix 3*).
- Enhance community partnerships with businesses; business owners have market experience, and can lend their expertise to the development of a successful market plan.
- Target collaborations with businesses which have expansion experience.
- Collaborate with area business and design schools, for low-cost assistance in development and data collection.
- Capitalize on the historical richness of Roxbury. Sylvia's restaurant in Harlem has done exactly this, capturing the imagination of a well-known community and turning this history to the advantage of the business.

Anchor Business Recommendations

- Complete surveys and analyze information.
- Identify specific goals for development,

CONCLUSION

Using arts as an economic development tool will certainly be a challenge. Traditionally the arts have not been supported as other industries have. However, by illustrating how this device has worked successfully around the nation, ACT and Dudley Main Streets can build support for these types of endeavors. The art and culture case studies have shown when homework is done, stakeholders are involved, and partnerships are formed, art can be used as an engine for new growth. The business case studies have shown that when market factors gel with businesses that incorporate an area's cultural history they have strong economic benefits, as well as community building effects.

The next step in the development process should be to determine what the arts and economic priorities are. To the greatest extent possible ACT and Dudley Main Streets will use art as a development tool. How to do this the most effectively will be determined by research. This document and attached appendices can be used as a springboard into exploring potential strategies. Those that deserve further attention will serve to strongly match the community needs and the available resources. It is essential to know what is out there but also to know what the community already has. An artistic inventory should be

taken along with more traditional market studies.

Once some of these goals are narrowed down, it is essential to formulate a plan with both short-term goals and long-term goals. Remembering that a successful art district can take over twenty-five years to develop, it will be essential for some early, visible results. This will help to gain the support and enthusiasm of the community members as well as show investors a glimpse of what is to come. Successful initial projects will be used as a leveraging tool for future projects.

Developing the richness already present in Roxbury, working closely with the community and slowly reigning in advocates will move the Consortium even closer to its goal of a strong Art and Cultural District. What is clearly illustrated through the above research, is the essential and pivotal role local support plays in the success of any project. What will work is a matter for local decision. This cannot be overstated. The project will thrive when there is a strong working relationship between powerful market conditions and the creativity of the people of Roxbury.

APPENDIX 1 - ADDITIONAL ART CENTERS/PROJECTS

Baltimore City Life Museums

Baltimore, MD
(410) 396-8394

An urban history museum, consisting of eight historic landmarks in three inner-city sites deeply involved in neighborhood revitalization.

Cheyenne Botanic Garden

Cheyenne, WY
(307) 637-6458

A public garden staffed by at-risk youth and elderly volunteers that provides vegetables for food shelves and plants for city green spaces.

Cultural Collaborative Jamaica

Jamaica, NY
(718) 291-0282

Eight cultural organizations, two businesses, one university and one development company that work together to create programs that use cultural resources to address community issues.

Forsyth County Library

Winston-Salem, NC
(910) 727-2556

Library that undertook a community visioning process to ensure it will be a welcoming resource and community focal point.

The Guadalupe Cultural Arts Center

San Antonio, TX
(210) 271-3151

The foremost Latino multidisciplinary cultural center in the country, providing a host of programs in a wide range of media and promoting economic development among the Latino population.

The Museums at 18th and Vine

Kansas City
(816) 474-8463

Consist of the Kansas City Jazz Museum, Negro League Baseball Museum and Gem Theater.

Artworks

New Bedford, MA
(508) 984-1588

Nonprofit that created art galleries and artist studios in downtown New Bedford.

Museums in the Life of the City

Philadelphia, PA
(215) 732-2038

A project assisting in partnership building between museums and ethnic organizations to facilitate better understanding between the two parties.

Northwestern University Settlement Association

Chicago, IL
(312) 278-7471

A social service agency providing services ranging from food shelves to video, dance and drumming programs. Currently they are renovating a theater to create a community arts center.

South Bend Heritage Foundation

South Bend, IN
(219) 289-1066

A CDC that was the developer and is the manager of the Colfax Cultural Center Complex, a space for educational, artistic and social service agencies.

APPENDIX 2 - FINANCING STRUCTURES OF TWO ARTSPACE PROJECTS

The following are two examples of the complex financing structures used in Artspace projects.

Tilsner Building

St. Paul, Minnesota St. Paul, Minnesota

Artspace developed the Tilsner Building for artist housing with \$7 million of invested money.

- Pre-development money: Received from Artspace's long-term real estate fund, which was endowed by local foundations, and a loan from the Local Initiatives Support Corporation (LISC).
- Interim funds: Provided by two dozen local, regional and national foundations and local and state government agencies. The building holds six mortgages by four entities: local banks, St. Paul Department of Planning and Economic Development, and two local nonprofit companies that are backed by the McKnight Foundation.
- Equity investment: Given through the National Equity Fund, a company created by LISC to syndicate tax credits.

Lowertown Lofts

St. Paul St. Paul

Neighborhood Partnership Program	Loan	\$250,000
City Government	Loan	\$77,500
(through UDAG, CDBG and Energy Rehab)	Tax-exempt bond	\$540,000
Lowertown Redevelopment Corporation(LRC)	Loan	\$177,500
Asset Development/LRC	Loan guarantee	\$66,000
Asset Development	Private equity funds	\$337,500
Asset Development	Soft development costs	\$200,000
National Endowment for the Arts	Grant	\$41,000
3 local firms	Grant	\$50,000
Bush Foundation	Grant	\$20,000
Artists	Sweat equity	

*Most services were donated or provided at reduced rates

APPENDIX 3 – OTHER BUSINESSES

BOSTON BASED BUSINESSES

City Fresh Foods
Dorchester, MA
Status: No contact

Cruz Construction Company Inc.
(617) 236-7159
A local construction company with a new contract to build 115 units of mixed-income housing in the Mt. Pleasant section of Roxbury. Cruz Construction has pledged 85% of the units to low and moderate income residents and is aiming to hire 60% of its workers from the Roxbury area.
Status: Made several calls but made no contact.

BUSINESSES OUTSIDE BOSTON

African Arts and Objects
7600 W. Roosevelt Rd
Forest Park, IL
(708) 366-9220
Status: No contact

B Smith's
New York
Status: No contact

Dusavo Museum
Chicago, IL
Status: No contact

Gladys' Luncheonette
4527 S. Indiana Ave.
Chicago, IL (also in Atlanta, GA)
(773) 548-6848
Manager: Ugu
Status: After several calls, we managed to make one contact but the person in charge was not available.

Johnson Development Corporation
Los Angeles, CA
(310) 205-5415
Magic Johnson Theaters (MJT)
Status: We have not been able to speak with anyone at this number. However, there are numerous internet resources available.

The Shark Bar
Chicago, New York
Status: No contact

The Shrine of the Black Madonna
(African American Bookstore)
Detroit, MI (also in Atlanta, GA)
Status: No contact

APPENDIX 4 - PUBLIC AND PRIVATE FINANCING SOURCES

LOCAL ASSISTANCE

Boston Local Development Corp. (through the Boston Empowerment Center)

617-445-3413

Private nonprofit corporation sponsored by the Boston Redevelopment Authority; benefits the community by fostering increased employment opportunities and expansion of business and industry.

General Loan Fund

- Loans of \$15,000 to \$150,000 for existing businesses in, or relocating to, Boston
- Used for acquisition, equipment/machinery, construction, leasehold improvements, working capital

Boston Small Business Fund

- Loans of \$5,000 to \$15,000 to start-up or existing Boston businesses
 - Need to demonstrate positive benefit through job creation and/or providing needed community services
-

CDC Collaborative Capital

Madison Park CDC (617 445-8338 x 225)

Represents a partnership between CDCs, the federal government and the private sector to infuse capital into Boston's most distressed neighborhoods.

- Eligible to any small- or medium-sized business which creates employment in defined areas
 - Loans may be used for working capital, furniture, fixtures, machinery and/or equipment; not real estate
 - Loans between \$15,000 and \$250,000
 - Equity investments up to \$250,000
-

Department of Neighborhood Development (Formerly known as Boston Public Facilities)

(617) 635-3880

www.ci.boston.ma.us/dnd

This department is the lead agency for developing and implementing Boston's Consolidated Plan. The Consolidated Plan specifies how certain federal funds will be spent, including Community Development Block Grant (CDBG) money. CDBG money may be spent for numerous economic development activities in Boston, including property acquisition, rehabilitation and assistance to for-profit businesses focused on economic development. Boston was allocated \$33,699,000 in 1995-96.

Jewish Vocational Services (JVS) Microenterprise Lender

617-445-3413

Serves as SBA MicroLoan Lender; works with very small business start-ups.

- Short term loans up to \$25,000 for small-scale financing

STATE ASSISTANCE

Boston Community Capital

(617) 522-6768

Provides capital for sustainable investments that create affordable housing and jobs and/or provide services for low-income or disadvantaged people and communities.

The Loan Fund

- Supplies capital to organizations that might otherwise not be financed
- Funds are often used to build affordable housing and provide social and community services

The Venture Fund

- Equity investments in high-potential, emerging businesses that create stable jobs, provide quality goods and supply valuable services to low-income communities
- Businesses must have less than \$25 million in annual sales
- Fund investments range from \$50,000 to \$500,000

Community Economic Development Assistance Corporation (CEDAC)

(617) 727-5944

Largely a technical assistance provider for nonprofit organizations, provides professional expertise and equity capital.

Acquisition Loan Program (ALP)

- Short-term acquisition loans to nonprofit developers up to \$300,000 at low interest rates (no more than one above prime)

Department of Housing and Community Development

(617) 727-7001

www.magnet.state.ma.us/dhcd/

Community Development Action Grants (CDAG)

- Used to stimulate economic development activities that will attract and leverage private investment, create or retain long term employment opportunities, support commercial revitalization, create affordable housing, and revitalize distressed neighborhoods

Community Enterprise Economic Development (CEED)

- Provides support specifically to CDCs to carry out housing and economic development activities in targeted lower income neighborhoods

Chapter 121A

- Provides tax incentive to develop or redevelop blighted land
- 121A status exempts an organization from local property taxes for 15 to 40 yrs.
- Applications are accepted by the Boston Redevelopment Authority

Local Initiative Support Corporation (LISC)

(617) 338-0411

www.liscnet.org

Serves as a financial intermediary, channeling grants, investments and technical support to CDCs. LISC operates the National Equity Fund, a large provider of equity to numerous projects

Massachusetts Community Development Finance Corporation (CDFC)

(617) 482-9141

Primary goals are growth in the small business sector, creation of affordable housing and commercial development in economically distressed communities.

Venture Fund

- Debt and equity financing to established businesses to enable them to expand or retain local employment
- Funds available for working capital, expansion and acquisition. Preferred investment range: \$100,000 to \$300,000

Real Estate Fund

- Flexible, short-term financing for CDC developed residential, commercial and industrial real estate projects
- Provides 20% of the project cost, up to \$250,000

CDC Working Capital Fund

- Fills pressing market gaps for CDCs by providing flexible financing to cover operating expenses.
-

Massachusetts Cultural Facilities Project

(617) 727-3668

www.massculturalcouncil.org

Planning Grants

- Can be used for predevelopment needs, including market studies, site selection surveys, architectural feasibility work, business planning
- Only Massachusetts based 501(c)(3)s are eligible
- \$10,000 max. award (occasionally more)

Loan Program

- For Massachusetts based 501(c)(3), have revenues between \$250,000 and \$10 million, been in existence 3 years, at least one full time staff
 - Can be used for acquisition, construction, renovations or leasehold improvements, equipment, soft costs such as architectural/engineering assistance and construction management
 - Average \$25,000 to \$250,000 loan
 - Terms: flexible, 6 months to 10 yrs, fixed interest rate, closing fee of 1%, collateral may be required
-

Massachusetts Development Finance Agency (MDFA)

(617) 451-2477

Predevelopment Assistance

- Funds available to 501(c)(3) institutions for pre-construction or reuse analysis
- \$5,000 to \$25,000 (\$20,000 max for nonprofit organizations)
- Sponsor must match at least 50% of the predevelopment activity cost
- May be used for environmental testing, market or feasibility analysis, preliminary architectural/engineering plans, structural or mechanical analysis, historic consultants, topographic

mapping, capital campaign studies, delineation of wetlands, appraisals, development consultants, traffic studies, legal organization or titles, marketing or pre-leasing materials

Bond Programs

- MassDevelopment issues tax-exempt bonds on behalf of 501(c)(3) institutions. There is a strong demand from investors for bonds of nonprofit institutions because they are exempt from federal and state income tax and are not subject to the Alternative Minimum Tax, providing not-for-profit borrowers with significant savings through low interest rates

Large Scale Real Estate Development

- Provides financial as well as technical assistance to large-scale development projects across the state.

Direct Loan/Guarantee Program

- Direct loans up to \$3 million at competitive interest rates for 18 year max. term
- Must demonstrate need due to insufficient available funds and a commitment to job retention/creation and community revitalization
- Permanent first position financing for multi-tenant commercial, industrial, retail and mixed-use
- Can be used to acquire, renovate, construct
- Make loans to targeted industries also, such as minority owned businesses
- Can provide insurance when there is collateral shortfall, to enable companies to preserve cash for working capital

Tax-exempt Lease/Purchase Financing Program

- For equipment needs
-

Massachusetts Office of Business Development (MOBD)

(617) 727-1515 or (800) 5-CAPITAL

Capital Access Program

- Streamlines access to bank loans for small businesses
- Guarantees loans up to \$500,000

Urban Initiative Fund (administered by CDFC)

- Provides loans to minority owned businesses with less than \$500,000 in annual sales
- Used for working capital, equipment, leasehold improvements, new product development
- Also provides loans and grants to support minority nonprofit organizations for a range of innovative economic development and human service projects
- Must be 51% minority owned and located within an urban low income area
- Most loans range from \$20,000 to \$100,000.

Working Capital Funds

- Economic Development Fund
- Massachusetts Community Capital Fund

Venture Capital Fund

- Administered by CDFC (see above for description)
-

Massachusetts Preservation Projects Fund

(617) 727-8470

- 50% matching grant
- Predevelopment funds: \$5,000 to \$30,000
- Development or acquisition: \$7,500 to \$150,000
- Site must be listed on State register

FEDERAL ASSISTANCE

Community Development Block Grants
See Department of Neighborhood Development

Empowerment Zones
Boston Empowerment Center
(617) 445-3413

Tax incentives (tax exempt bonds)

- Private activities bonds available at below-market rates

Section 108 Loans

- Primarily real estate, fixed asset financing, slightly below market rate, 20 year max.
- Acquisition, rehabilitation, economic development activities

Economic Development Initiative

- Used for reserve accounts, interest subsidy, operating expenses, and issuance costs

Social Services Block Grant

- Human services for Zone residents

Brownfields Tax Incentive

- Funds provided to clean up and redevelop contaminated industrial sites
-

Global Visions – Small Business Solutions

(888) 976-1049

- Government sponsored small business loans provided
 - High approval rate and includes funds for start-ups, expansions and franchise
-

National Endowment for the Arts

(202) 682-5400 arts.endow.gov

Promotion of the Arts Grants

- Serve to foster the excellence, diversity and vitality of the arts in the United States and to broaden public access to the arts
- \$5,000 - \$500,000 awards

- Planning to implementation but not general operating expenses, construction, purchase, renovation, or startup costs for new organizations
Usually leverage \$12 for every \$1 they give
-

Neighborhood Reinvestment Corporation

(617) 450-0410

Serves as a national nonprofit intermediary providing technical and financial assistance

Small Business Administration (SBA)

(617) 565-5590

Offer a variety of programs to eligible small businesses to meet both long term and short -term credit needs. The large majority of SBA business loans are made by private lending institutions with partial guarantees by the SBA

- Loan guarantees- up to 80%, not to exceed \$750,000; acquire from participating banks
 - Low-Doc Loans
 - MicroLoans- see Jewish Vocational Services above
 - Equity funds
-

APPENDIX 5 – FOUNDATIONS

FUNDING FOR ARTS AND CULTURE

The Arca Foundation
202-822-9193

The AT&T Foundation
1-800-428-8652

Charles E. Culpeper Foundation
203-975-1240

The Nathan Cummings Foundation
212-787-7300
Arts@cummings.ncf.org

The Enterprise Foundation
410-772-2454

The Fieldstone Foundation
714-851-8313

The Ford Foundation
<http://www.cof.org>

GE Fund
203-373-3216
Edith.nelson@corporate.ge.com

GTE Foundation
781-449-2000
(Mainstream Museums and Galleries)

IBM Corporation
1-800-772-2227
(Multimedia Kiosk)

JP Morgan
60 Wall Street
NY, NY 10260

John S. and James L. Knight Foundation
305-908-2600

Ome Biscane Tower, Suite 3800
2 S. Biscayne Blvd.
Miami, FL 33131-1803

Andrew W. Mellon Foundation
212-838-8400
140 E. 62nd St.
NY, NY 10021

New England Foundation for the Arts
<http://www.cof.org>

Shell Oil Company Foundation
<http://www.cof.org>

The Sierra Club Foundation
<http://www.cof.org>
(Environmental-Based artistic Activity)

Surdna Foundation Inc.
Request@surdna.org
(Art and Economic Development)

Texaco Foundation
<http://www.cof.org>
(Jazz, Opera, Concerts)

Lila Wallace-Reader's Digest Fund
212-251-9800
2 Park Ave.
NY, NY 10016
Lwrd@wallacefunds.org
(Urban Parks etc.)

FUNDING FOR ECONOMIC DEVELOPMENT PROJECTS

Bank America
<http://www.cof.org>

Bank's Trust Foundation
212-250-7065
(Economic Development in Inner Cities)

Bell Atlantic Foundation
Foundation@Bellatlantic.com
(Technology Based Economic Development)

The Edna McConnell Clark Foundation
1-800-424-9836
Foundation Center, A Resource
79 Fifth Ave.,
NY, NY 1003-3076
(Economic Development and Art Education)

The Enterprise Foundation
410-772-2454

The Fannie Mae Foundation
215-575-1511
1900 Market St., Suite 800
Philadelphia, PA 19103

The Ford Foundation
<http://www.cof.org>

Ewing Marion Kauffman Foundation
816-932-1000
4801 Rockhill Road
Kansas City, MO 64110-2040
(Funded Initiative for a Competitive Inner City
in Boston)

W.K. Kellogg Foundation
InfoKCE@Emkf.org
(Social/Economic Capital on Diversity)

Metropolitan Life Foundation
1 Madison Ave.
NY, NY 10010

Charles Stewart Mott Foundation
1-800-645-1766
Infocenter@mott.org

Public Welfare Foundation
202-965-1800
2600 Virginia Ave., NW Suite 505,
Washington DC 20037-1977
General@publicwelfare.org

APPENDIX 6 - QUESTIONS INVESTORS MAY ASK

Physical Environment

- What are the dimensions and conditions of the proposed area?
- Are there any potential development issues with the site (i.e. Brownfields)?
- What are the hours of operation?
- What will the environmental impact be?
- Who will staff your business?

Development Climate

- What are the trends in the districts surrounding the arts district?
- What are the current price changes in the economy and real estate market?
- What the attitude of local developers towards arts related projects?
- What is the role of local leadership organizations?
- What do the relationships look like among key players in the community?
- What is the customer base?
- What is the product?
- What means of marketing, public relations will you use?
- What is your development and entrepreneurial experience? What are your qualifications?
- What are your start-up costs? Do you have quotes from vendors?
- What are your 12 and 24 month business plans?
- What research has been collected on the site?
- May we see your Balance Sheet (assets, liabilities, net worth)?
- May we see your projected Cash Flow Sheet for the first two year?
- May we see your projected Income Statement for the first two years?

Ownership

- What are the area's current real-estate ownership patterns like?
- Is there a large presence of city-owned land? (City owned land helps to mitigate gentrification)
- What role does the CDC or other organization interested in playing?

ENDNOTES

¹Bailey, R., Turner, D., Hayden, R., and Jones, Danette. 1993. *Lower Roxbury: A Community of Treasures in the City of Boston*. Boston: The Lower Roxbury Community Corporation and The Afro Scholar Press. (p. 7)

² ACT Roxbury Consortium Economic Development Plan, 1998 Draft

³ Pittsburgh Cultural Trust, *A Unique Draw for Downtown*, brochure.

⁴Timothy P. Ryan, *The Economic Impacts of the Arts, Music & Sports Industries in New Orleans*, University of New Orleans, May 1993.

⁵Economic impact study was carried out by Executive MBA students of the University of New Haven and commissioned by the Shubert Performing Arts Center and the Arts Council of Greater New Haven.

⁶Currier, R. and Deidre Schmidt (1996). "Restoring Historic Buildings To Their Communities" *Historic Preservation Forum*, Spring.

⁷Design/Demonstration Grants are no longer available, but there are funds available through them listed in Appendix 5.

⁸Initially they went through the National Co-op Bank because they thought local banks would not finance their effort. This turned out to be false and went through a local bank that no longer exists. Boston Community Capital coordinated much of the financing.

⁹ Information gathered from a conversation with Suzanna Schell, one of the FPAC founders and former residents, on April 12, 1999.

¹⁰"Boston Artists See End For Real Estate Wars" *The New York Times*. August 9, 1987; Section 1; Part 2, Page 40, Column 1.

¹¹Ibid.

¹²Canellos, Peter (1989). "Neighbor vs. Neighbor at Artists' Refuge" *The Boston Globe*, August 16, pg.29.

¹³Canellos, Peter (1989). "Artists Deny Profiteering in Condo Plan." *The Boston Globe*. March 10, pg. 21.

¹⁴"Boston Artists See End For Real Estate Wars" *The New York Times*. August 9, 1987; Section 1; Part 2, Page 40, Column 1.

¹⁵Canellos, Peter (1989). "Neighbor vs. Neighbor at Artists' Refuge" *The Boston Globe*, August 16, pg.29.

¹⁶Canellos, Peter (1989). "Artists Deny Profiteering in Condo Plan." *The Boston Globe*. March 10, pg. 21.

¹⁷"Creating Space for Artists" *Boston Globe*, Editorial page, February 8, 1998.