Frequently Asked Questions—Artspace Project

Artspace

What is an Artspace development?

Artspace is a nonprofit arts organization specializing in creating, owning, and operating affordable spaces for artists and creative businesses. These spaces include live/work apartments for artists and their families, working artist studios, arts centers, commercial space for arts-friendly businesses, and other projects. In Hopkins, an Artspace development would include live/work apartments, gallery space and possibly community space. For additional questions about Artspace, please visit https://www.artspace.org/what-we-do.

Why is the City of Hopkins interested in an Artspace project?

The City of Hopkins has been focused on using art and creative expression to build community for the past two decades. It began with the construction of the Hopkins Center for the Arts, which serves as the home for Stages Theatre, an art gallery, classrooms, community rooms and music and dance offerings. It grew to include Artstreet, an annual installation of public art, on loan from local and national artists. Recently, art was incorporated into the 8th Avenue Artery as a way to tell the unique story of Hopkins for current and future visitors who may come to Hopkins on the Green Line.

This infusion of art has happened at the same time that creative businesses are flourishing. Hopkins is home to four dance organizations, a tattoo studio, music stores and many other creative and experiential enterprises.

Hopkins believes that creative people and the lifting of culture is and will be one of the City’s greatest assets. It will be our competitive advantage and help to make the City resilient and sustainable through all the changes and challenges that lie ahead. To truly become a creative community that supports and values art and artists, artists need to be able to live in the community. Affordability is quickly leaving the Hopkins market and without projects that are built around a model of affordability, Hopkins will not be able to retain or attract emerging artists and creatives.

In an effort to realize our goals, the City of Hopkins invited Artspace to pursue a project in our Downtown. Through early feasibility and market analysis, it has been concluded that Hopkins is an excellent candidate for an Artspace development of approximately 40 units.
**Artist Housing**

**Value of an affordable artist live/work housing development: Artists that qualify for affordable rents – would they bring that much money into the City?**

The goal of having an affordable place in our community for creative people to live and work, allowing them to focus on their artform, has everything to do with the value creative people bring to a community. Creative people often see things differently and therefore can help lead to unique solutions. Artists will support our existing creative businesses as well as add to the strength of the Hopkins Center for the Arts.

It has nothing to do with how much money they have or don’t have. That being said, creative people need groceries, work other jobs, have children and give back to the community, just like everyone else. The development itself would bring money into the community by paying property taxes on a site that is currently tax exempt.

Artspace has studied the impact of their projects on communities and has tangible evidence to show that where their projects are located, the surrounding community thrive.

**Why should artists get lower rent?**

Artists can help create economic opportunity and make communities more livable, but in some cases they are displaced by the very processes they set in motion. Artspace helps artists share in the value they create by ensuring that our properties remain permanently affordable to artists and cultural organizations, even as neighborhoods evolve. Artspace projects benefit communities by animating underutilized spaces and bringing them back on the tax rolls, fostering the safety and livability of neighborhoods without evidence of gentrification-led displacement, anchoring arts districts and expanding public access to the arts, and attracting additional artists, arts businesses, organizations and supporting non-arts businesses to the area. Artspace has championed the once-radical idea that both artists living with financial hardship, and chronically underfunded arts organizations, can leverage fundamental social change.

**What is the definition of an artist... anyone with a pencil and crayon?**

Artspace defines the term “artist” broadly to encompass a wide variety of creative pursuits. This does not mean that the art the artist creates generates any or all of the artist’s source of income. An artist is defined as:

- A person who works in or is skilled in any of the fine arts, including but not limited to painting, drawing, sculpture, book art, mixed-media and print-making.

- A person who creates imaginative works of aesthetic value, including but not limited to film, video, digital media works, literature, costume design, photography, architecture and music composition.
• A person who creates functional art, including but not limited to jewelry, rugs, decorative screens and grates, furniture, pottery, toys and quilts.

• A performer, including but not limited to singers, musicians, dancers, actors and performance artists.

• A person involved in all culturally significant practices, including a culture bearer or practitioner, designer, technician, tattoo artist, hairdresser, chef/culinary artist, craftsperson, journalist, teacher or administrator who is dedicated to using their expertise within the community to support, promote, present, and/or teach and propagate their art form through events, activities, performances and classes.

**Does Artspace select tenants?**

An Artist Interview Committee meets all applicants. The committee looks for evidence that applicants are seriously committed to their art and that they will be mindful and positive contributors to the building and community. The application and qualification process does not include judgment of quality of work.

**Artists can sometimes be noisy, will noise be an issue?**

The zoning code has performance standards related to noise which require any use to be in compliance with and regulated by the standards of the Minnesota Pollution Control Agency. Artistic processes that are extremely noisy, do not comply with local zoning regulations or involve hazardous materials are typically not allowed to be practiced on the premises.

**What will the cost be to an artist?**

In setting rents, Artspace adheres to affordable housing guidelines established by the U.S. Department of Housing and Urban Development. HUD uses a formula based on the local area median income (AMI), the degree of affordability of any given unit (expressed as a percentage of the AMI), the number of bedrooms in the unit, and the number of people in the household. While rents vary by community, the goal is to provide affordable space that is adequate for artists both to live and to work in their units. Artspace buildings provide live/work spaces that are larger than other affordable spaces and usually less expensive than other comparable spaces. As part of its sustainability model, Artspace buildings remain affordable in perpetuity.

**What will the cost be to providing artist tools?**

Artspace does not provide artist tools.
Site Selection

Why is the City considering an Artspace development on Lot 800?

There are several factors that make Lot 800 a good candidate for an Artspace development including:

- **The site is underutilized.** The site is currently used as a free, unrestricted public parking lot. It has a total of 85 parking spaces but a week of counts in Spring 2019 showed an average daily use of 17 parking stalls. The lot is currently being used as a temporary park and ride for Metro Transit while Southwest Light Rail is under construction, so the cars there today are primarily from people parking there to take the bus.

- **The site does not produce any revenue for the City.** The property does not generate property taxes or permit income today. An Artspace project provides the ability to create significant taxable-value on an underutilized, tax-exempt site.

- **The site is City-owned, so there would be no displacement of existing businesses or residents.**

- **The location** is in close proximity to downtown, the Lake Minnetonka LRT Regional Trail, and arts-related activities and businesses downtown including the Hopkins Center for the Arts and Stages Theatre. The development will allow people to live in close proximity to jobs in the creative economy.

- **The site is within the 10-minute walkshed of the Downtown Hopkins LRT Station** so it will support transit ridership, meets the Metropolitan Council density requirements, and is eligible for transit oriented development grant programs.

- **The site is zoned as R-4, Medium Density Multi-family Housing.**
What happened to the homes that were on the site-why were they torn down?

There were two houses on the site that were removed in the early 1970s. Records show that the houses were removed from the property rather than demolished in place. A review of historic aerial photography shows that the site was paved for a parking lot sometime between 1978 and 1984.

What other properties were considered? Why wasn’t Katherine Curren site considered? Or the Old Sinclair site? What was the process for eliminating other properties?

First, the City has to look at either property we own or properties where there is a willing seller. We do not have the ability to use eminent domain (condemnation) for economic development purposes under State law. Several sites were identified but are not available or not feasible.

The Katherine Curren site is owned by the Hopkins School District. They are undertaking a comprehensive evaluation to determine the future needs of all of their facilities and have not indicated an interest in selling all or a portion of the site at this time.

The former Sinclair gas station site on Mainstreet is being held for redevelopment, to be combined with the Hopkins Park Plaza when the owners decide to sell. On its own, it is too small for an Artspace development.

In addition to site size and availability, other criteria that has been applied to the search includes: within ½ mile radius of LRT, close proximity to Mainstreet and the Hopkins Center for the Arts, zoning, and site conditions. City staff looked at all parking lots in our downtown
system and concluded Lot 800 was the one that was most viable due to the location, lack of revenue and its low use.

How did this site get chosen?

This site, Lot 800, was chosen because it is a viable location that has been identified to date. Other possibilities are either unavailable because they are privately-held and/or not on the market for sale, or they are publically-held but too small or are well-utilized for public parking today.

Preliminary Feasibility Report conducted by Artspace, at the request of the City, has Katherine Curren as the top site for this project. Why not this location?

The Feasibility Report did not rank possible sites. Rather, it identified three sites that have potential for an Artspace development: Katherine Curren, the “Raspberry Site” (parking lot #700 on 8th Avenue across from the raspberry sculpture) and the Downtown Park parking lot #300. The report stated that these sites should be prioritized as conversations progress, but also indicated that this recommendation was based on currently available information and that much can and will likely change between the writing of the report and site selection.

It was concluded that both Lot 700 and Lot 300 are currently utilized by a wide variety of people and needed for downtown parking today.
What are other uses for this lot?
The process of finding a site for an Artspace development led to identifying Lot 800 as a possible candidate. The conversation has not been focused on the underutilized lot and what we should do with it. Now that it has been identified as underutilized and many agree it is underutilized, the City Council will decide on the future use.

A couple factors that will inform the discussion are its location within 0.5 mile from an LRT Station and the desire to maximize our tax base, but those will not likely be the only factors considered. The R-4 district allows multiple family dwellings (apartment buildings), Hopkins-owned park and recreation uses, and a number of conditional uses such as ground floor commercial, motels, group homes, public/quasi-public buildings, nursing homes, private clubs, and off-street parking for the B-2 district.

If the City isn't actively trying to bring development to this property, why do they use underutilized as a factor?
While the City didn’t come at this from a goal of development on this site, we do look for underutilization as a criteria for any redevelopment project. Maximizing a property’s use and taxable value is important. Hopkins is a fully-developed city and has a need to continue to increase the taxable value in order to keep our property taxes reasonable. If a piece of property is not producing any money for the City, not meeting a critical need and is not part of a larger redevelopment plan, it is only fiscally-prudent to consider development that increases the tax base.

Is the Hennepin County Regional Railroad Authority (HCRRA) involved?
Not at this point. If through the site design process the need or desire for HCRRA property is identified, we will have those conversations.

What’s the hurry? As time goes on, lot will become more valuable.
The City has been working to bring an Artspace development to Hopkins since 2017. We have been focusing on Lot 800 since approximately April of 2019.

Artspace is a highly-sought out developer throughout the country. They have finite resources to put towards project development and conducting site feasibility due diligence takes time and money. Their team, including BKV architects, need to plan their schedules and if this site isn’t viable they will need to move on to other projects in other places. With no other viable site, this could mean an Artspace development in Hopkins would not be realized.

The City of Hopkins is not interested in an Artspace development on Lot 800 solely for profit. In undertaking redevelopment in Hopkins, the City looks through many lens and what the
development brings to the four environments identified in the 2040 Comprehensive Plan: built, social, natural and economic.

**What is the future of Lot 800 if not used for an Artspace development? Has there been any thought to have developers look at the property for other proposals?**

It is impossible to say what the future of this site holds. Disposing of City-owned property is a City Council decision. It may continue to be used as a City parking lot into the foreseeable future, or another development proposal could come along (solicited or unsolicited) that they support and they could choose to dispose of it.

The lot is not in an ideal location to make it a permitted lot. Many people are not willing to pay for parking in Hopkins, even in the central business district. It is also not centrally-located or visible from Mainstreet which makes it impractical for restaurant and bar parking.

Future demand for parking is not easy to predict. Demand may increase in the near term but may also decrease as ridesharing, LRT, increase in biking and driverless cars will influence demand for automobile parking, especially in the periphery of Downtown Hopkins. The impact of the development of the site on our overall public parking system will be evaluated through feasibility analysis. Capacity does exist within other municipal lots.

**Has Artspace gone into other single family residential neighborhoods before?**

Artspace has extensive experience working in similar communities such as Hopkins and with single family neighborhoods. The Pullman project in Chicago, Silver Spring, MD, Mesa, AZ are just recent examples. One closer to home is Jackson Flats in Minneapolis. This nearby project is an Artspace development in a lower-density residential neighborhood. [https://www.artspace.org/jac-flats](https://www.artspace.org/jac-flats). The architecture is unique in every one of Artspace’s developments so they will scale, size and design the project to be uniquely tailored for Hopkins and the surrounding site characteristics.

**How tall could a fence erected along the alley be?**

Fences along the rear property line can be as tall as six feet.

**Building Concept**

**Will studio spaces for artists who don't live there be a consideration?**

Artspace is still in the early stages of concept and project development. Specific layout and uses for the first floor are not completely solidified. Non-resident studio spaces remain a potential option.

**Will there be space for ceramics?**

This is undetermined at this point. However, kilns often present a safety challenge in residential development and it is rare that Artspace includes them.
Will artists be able to rent commercial space only?

Artspace is still in the early stages of concept and project development. If the final project includes commercial studio spaces, they are able to be leased by both residents and non-residents.

If there is gallery space, how much traffic is needed to bring people in?

The gallery space included in the project will be a resident gallery that is only open for special events or shows. The gallery is not open to the public during regular business hours and will not result in consistent levels of increased traffic.

How many stories?

Based on feedback received during the community engagement sessions about the desire for structured parking, separation from single family homes, and green space, the concept plan includes a four story building that is located on the southeast corner of the site facing the existing commercial development.

Parking

Stages productions during day - buses park on 11th Ave. N, shouldn't they be parking in this lot?

Bus drivers are directed to park in the Maetzold Field parking lot while waiting for Stages productions to end. Most drivers do use Maetzold Field but if parking on 11th is an issue, the City's parking enforcement officer can reinforce Maetzold Field as the preferred location.

Underground parking - how many stalls? 40 underground parking stalls not feasible because they are too expensive (Is this true?)

Underground parking is more expensive than surface parking. The concept plan that was developed based on the community engagement sessions envisions 40 underground parking for residents of the building and surface parking spaces for visitors.

Does Hopkins have a comprehensive plan to address what will be increasing parking needs, both for this project, and for future developments to increase density in the city?

This project and other future residential developments will need to provide adequate parking on the development site for their residents. The municipal parking system has approximately 1,000 parking spaces for downtown visitors and employees. There will be an additional 1,000 parking spaces at the Shady Oak Light Rail Station. There are many factors that may impact future downtown parking needs, including light rail, ride sharing and Lyft/Uber, and increases in biking. City staff will begin having discussions on planning for the future of downtown parking.
There are 25 to 35 cars on that lot daily where will all those cars go and the cars from the 40 unit affordable housing building and their visitors go?

The lot is currently serving as a temporary park and ride for Metro Transit during construction of Southwest Light Rail, so the cars you’re seeing today are primarily from people parking there to take the bus. The City of Hopkins has a municipal parking system consisting of surface lots and a ramp with almost 1,000 public parking spaces downtown.

The proposed Artspace building will be required to provide adequate parking for its residents and visitors on the site.

US Bank employees moved to Excelsior Crossings; when new renters come where will they park?

Lot 800 has historically been an underutilized public parking lot due to its location on the edge of the downtown core. Other lots in the municipal parking system have capacity and options exist to create more efficiency in the existing system in the areas that are in demand.

Does Hopkins have a comprehensive plan to address what will be increasing parking needs, both for this project, and for future developments to increase density in the city?

This project and other future residential developments will need to provide adequate parking on the development site for their residents. The municipal parking system has approximately 1,000 parking spaces for downtown visitors and employees. There will be an additional 1,000 parking spaces at the Shady Oak Light Rail Station. There are many factors that may impact future downtown parking needs, including light rail, ride sharing and Lyft/Uber, and increases in biking. City staff will begin having discussions on planning for the future of downtown parking.

Could City funding be used to provide more parking space?

The Artspace development will be required to provide adequate parking for the people who live there and their visitors, based on the results of a parking study.

Planning and Zoning

When did the lot become zoned for R4? Does the plan conflict with the 2030 Comp Plan?

The 2030 Comprehensive Plan identified the zoning as R-4 but guided as low density residential.

The oldest zoning map in the City’s records is dated August 2, 1966 and shows this property as R-5. The next major revision of the zoning ordinance was in 1977. That zoning map shows the property zoned R-4 as of February 1, 1977.

The site is on the edge of the downtown district, surrounded by commercial uses on two sides and residential on two sides. At the time the 2030 Comp Plan was adopted, Southwest LRT was
still uncertain. The City changed the future land use designation to Downtown Center on the 2040 Future Land Use map based on the existing R-4 zoning, proximity to downtown and the fact that its located within the ½ radius of the Downtown Hopkins light rail station. The Metropolitan Council requires cities to guide land within ½ mile of a light rail station to have average minimum residential densities of at least 50 units per acre. All these factors led the City to change the future land use classification from Low Density Residential to Downtown Center.

The new comprehensive plan (2040 Comprehensive Plan) has a smaller set-back on the street side—how will this affect the 10th Avenue neighbors?

The Comprehensive Plan is a high level planning document and does not regulate setbacks. That is done through the City’s Zoning Code, which will be updated over the next 18 months.

Financial Considerations

What are the specific city “inputs” to the project? (cash, land, etc.)? Will tax dollars be used to support this?

This has not yet been determined. We wanted to have a robust community engagement process to help inform the concept plan for the site (rather than develop the concept plan first and then get feedback from the community). The concept plan will be presented to the Planning Commission (2/24) and the City Council (3/4). The City Council will decide whether the City enters into a development agreement with Artspace. The details of City participation in the project would be negotiated as part of a development agreement.

Who is paying for what?

It is too early to know how the financing will be structured. Every redevelopment project has its own variables. Artspace relies on many financial partners in order to put a project together. The City of Hopkins looks at each project independently and evaluates our role. It is too early in the development process to know the answer to this question.

How else will the project be funded? (city, state or county community development grants? private funding? other sources?)

The City received a grant from the Metropolitan Council for predevelopment work, including the community engagement and concept plan, geotechnical work (soils testing), and a stormwater management plan. We also got a grant from Hennepin County/Minnesota Brownfields for a Phase I Environmental Site Assessment. This work will help inform whether the City Council enters into a development agreement with Artspace. If the project moves forward, Artspace would likely seek funding for construction of the project from a variety of
sources (that have not yet been identified), such as Housing Tax Credits, grants from the County and Metropolitan Council, private funding, and other options. Private sector funding often includes conventional bank financing as well as individual and community philanthropic support.

**Will the project be classified as commercial or residential?**

The project will be classified as residential for property tax purposes.

**What would Artspace bring the city of Hopkins in terms of taxes?**

Rough calculations show that the annual taxes would be approximately $68,000.

**How does this compare with 5-6 Single Family homes on the site?**

The zoning on the site does not allow for the development of single family houses. However, for purposes of comparison, if the single family zoning code requirements were applied to the site, it would allow 4 lots (not 5-6). Rough calculations show total annual taxes of approximately $24,000.

**How would this compare with comparable with market rate housing? Is this the highest and best use?**

This is difficult to quantify with a number, since an Artspace project and a market rate multifamily project would be very different. Artspace builds high quality projects, but does not include the same level of finishes and amenities as market rate apartments. This affects the total value of the development, which taxes would be based upon. Generally speaking, market rate apartments pay a higher tax rate. However, the City is not interested in an Artspace development solely for profit. We see a lot of benefits to Hopkins from an Artspace development, including strengthening Hopkins as an arts community, supporting the local creative businesses by providing new customers and housing for their employees, and providing affordable housing that will stay affordable.

**What is the appraised value of the lot? Will Artspace pay for it/full price, reduced price or free?**

The property has not been appraised but a value will be established prior to the City of Hopkins entering into a purchase/development agreement. The City has not begun to negotiate a development agreement that would establish the terms of sale, but would offer the following:

The City wants to provide only the amount of financial assistance that is necessary so it is likely that the project would include a “look back” provision so that after the development is completed, we will be able to review the actual cost vs. the original project proforma and if the developer could have paid more for the land we will be able to capture that.
Feedback Received

Do you feel like there has been enough community support for the project to continue moving forward?

The decision whether to move forward with the project will be decided by the City Council. We have been working with Artspace for 3 years—the Preliminary Feasibility Study (2017) and Market Study (2018) were positive and demonstrated support and a market for a project in Hopkins. We have also heard excitement and support through the community engagement sessions that were held in 2019.

Where has there been resistance to the project?

We have heard concerns about the project through the community engagement process related to parking and traffic, height of the building, size of the site, privacy and impact on the neighborhood. There have also been people who are resistant to the project because it is affordable housing. These concerns were taken into consideration in the development of the concept plan.

Next Steps

Will the city council have to approve the project? If so, what specifically will it have to approve? Sale of site? Building permits? Are there any variances?

There will be several decision points in the process. First, the City Council will determine whether to enter into a development agreement with Artspace. If they decide to move forward, then Artspace would apply for land use approvals, which would need to be approved by the City Council. Building permits do not require City Council approval, but are reviewed and issued by staff based on compliance with the building code.

Do you know if/when the city council will hear/vote on these issues?

The concept plan for the site will be presented to the City Council on March 4. After that, staff will ask if the Council wants to enter into a development agreement with Artspace. The Council will decide when they want to make that decision.