

ARTSPACE LOVELAND

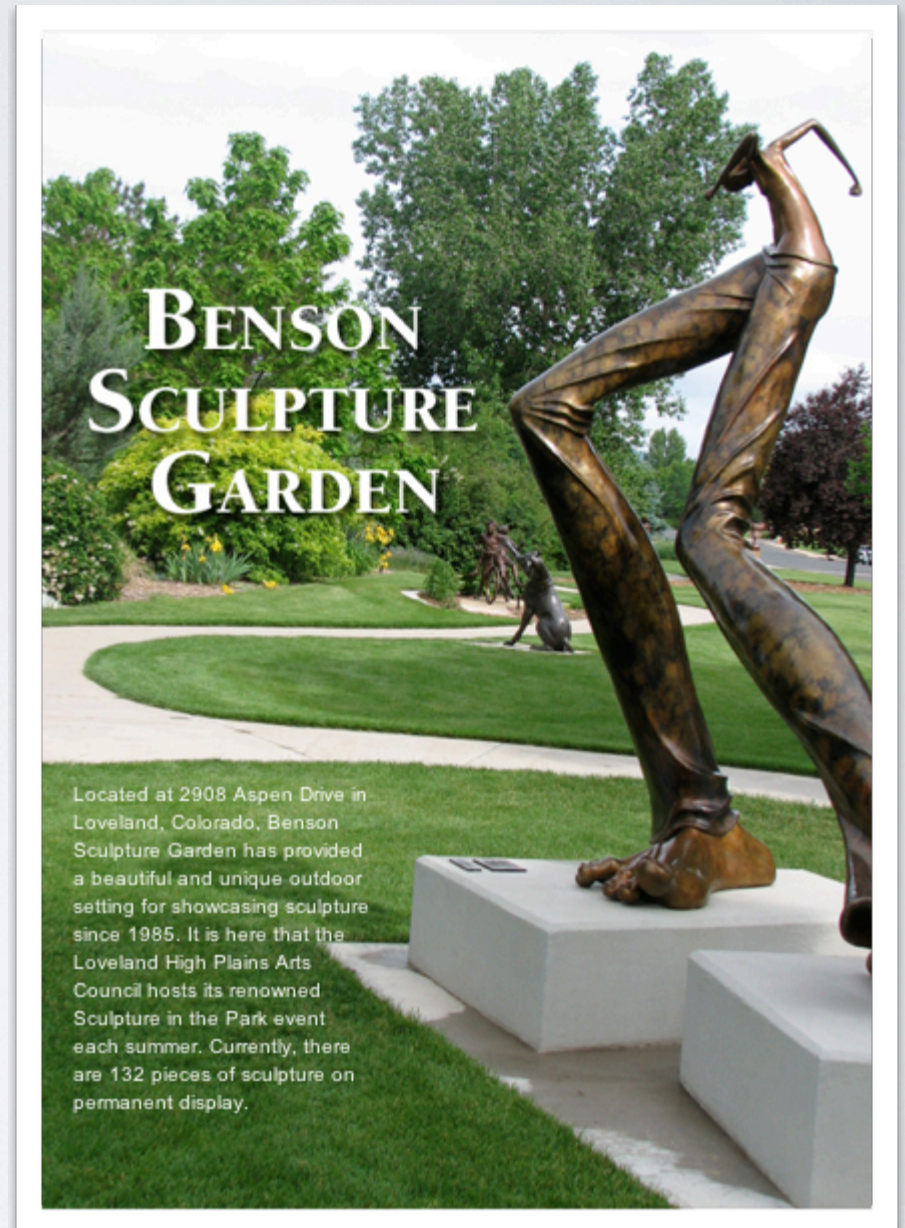


CITY COUNCIL WORK SESSION JUNE 26, 2012

WHY LOVELAND?

An arts-friendly community

- First Colorado city to enact an Art in Public Places program (1985)
- Home of Benson Sculpture Garden (estab. 1985), now containing 132 works on a 10-acre site
- Home of Sculpture in the Park Show (estab. 1984) and Loveland Sculpture Invitational Show & Sale (estab. 1992), one of America's largest outdoor sculpture events, which annually attracts more than 50,000 visitors to Loveland in the second weekend of August



WHY LOVELAND?



Loveland Sculpture Invitational

And that's not all...

- Home to premier bronze sculpture foundries Art Castings of Colorado, and Bronze Services; and a host of ancillary sculpture molding and finishing operations
- Received Governor's Arts Award (2008), given annually to a Colorado city that has effectively utilized the creative sector to enhance quality of life and social and economic vitality

AND THAT'S NOT ALL...

The Creative Sector in Loveland is:

- Over 2400 jobs out of workforce of 33,000 (nearly 8% of the workforce overall) this is 4x the national average and 2x the state average
- Creative sector employees earn an average of \$5,000 more per year than the average local employee
- \$100 million in payroll dollars annually and growing stronger every day



WHY LOVELAND?

- Rialto Theater Center grand opening April 2012



- Loveland Museum/ Gallery is a major cultural destination



WHY LOVELAND?

And more than 120 community visual and performing arts programs and organizations, including:

- Art Works in Loveland
- Loveland Choral Society
- Loveland Opera Theatre
- Loveland Community Theatre
- Up in Lights Productions
- Loveland Poet Laureate Committee
- Aims Community College



ARTS MARKET SURVEY

Who took the survey?

- 409 artists
- 114 businesses/organizations

What are their space needs?

Artists

- 139 want live/work space (supports up to 46 units)
- 188 want studios (supports 28 spaces)
- 270 want occasional rental space (gallery, classrooms, retail, etc.)

Organizations/businesses

- 55 would relocate
- 55 would rent short-term/occasional space



Tatjana Krizmanic

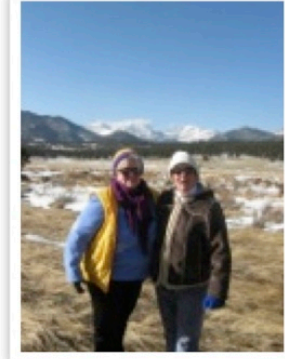
A WIDE
 VARIETY OF
 LOVELAND'S
 ARTISTS ARE
 INTERESTED
 IN LIVING
 AND
 WORKING IN
 ARTSPACE
 LOVELAND



January and Jade Windell -
 Sculptor/Painter



Megan Tracy and Family - Art
 Events Organizer and Mixed Media
 Artist

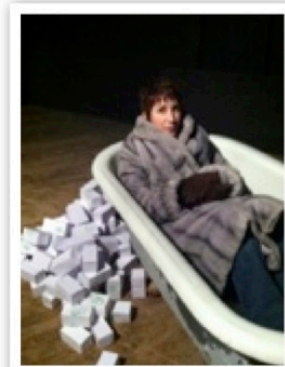


Trish Murtha - Artist, legal office
 administrator

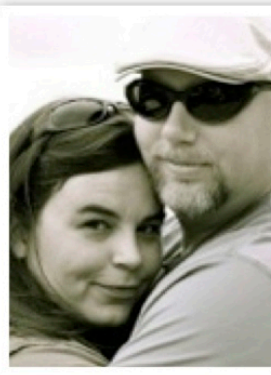


The McLaughlin Family - Textile
 Artist, Community activists, graphic
 designer, business owners

Meet some of the Artists of
 Loveland and their Families!
 From painters, to snow
 sculptors, installation arts,
 event organizing and fiber
 arts! These artists continue
 to voice their support for Art
 Space and the Feed and
 Grain through community
 involvement and creative
 contributions!



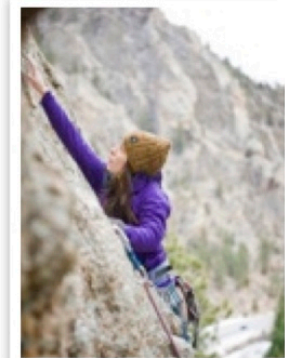
Sharon Carlisle - Installation Artist



Carrie and Paul -
 Art Educator, Musician and Music
 Teacher and Artists



Pat Saunders-White - Pet Portrait
 Artist, Art teacher and Painter



Jessica Zugarramurdi - Artist, Arts
 Therapist and Rock Climber

LOVELAND FEED & GRAIN



ARTSPACE LOVELAND



Kevin Box

Project Chronology

- April 2009: Feasibility study, funded by Erion Foundation and Novo Restoration.
- June-July 2010: Artist Market Survey, funded by Erion Foundation, Community Foundation of Northern Colorado, Novo Restoration, Mueller & Associates and the City of Loveland
- October 2010: Predevelopment contract signed
- October 2011: Site control obtained

ARTSPACE LOVELAND: CRITICAL PATH

**Artspace Loveland
Development Critical Path**
Date: 6/26/12 12:31

I Feasibility

- 2 Day Feasibility Visit
- Artist Market Survey

II Pre Construction Services

A Predevelopment 1

a. Site Selection and Analysis

- Candidate Site Identification
- Site Control Negotiation
- Site Control/Purchase Agreement

b. Design and Financial Analysis

- Physical Due Diligence
- Schematic Design
- Preliminary Cost Analysis
- Financial Analysis
- Preliminary Pro Forma
- Lender/Investor Selections
- Gap Funding Applications
- CHFA Tax Credit Application

B Predevelopment 2

Physical

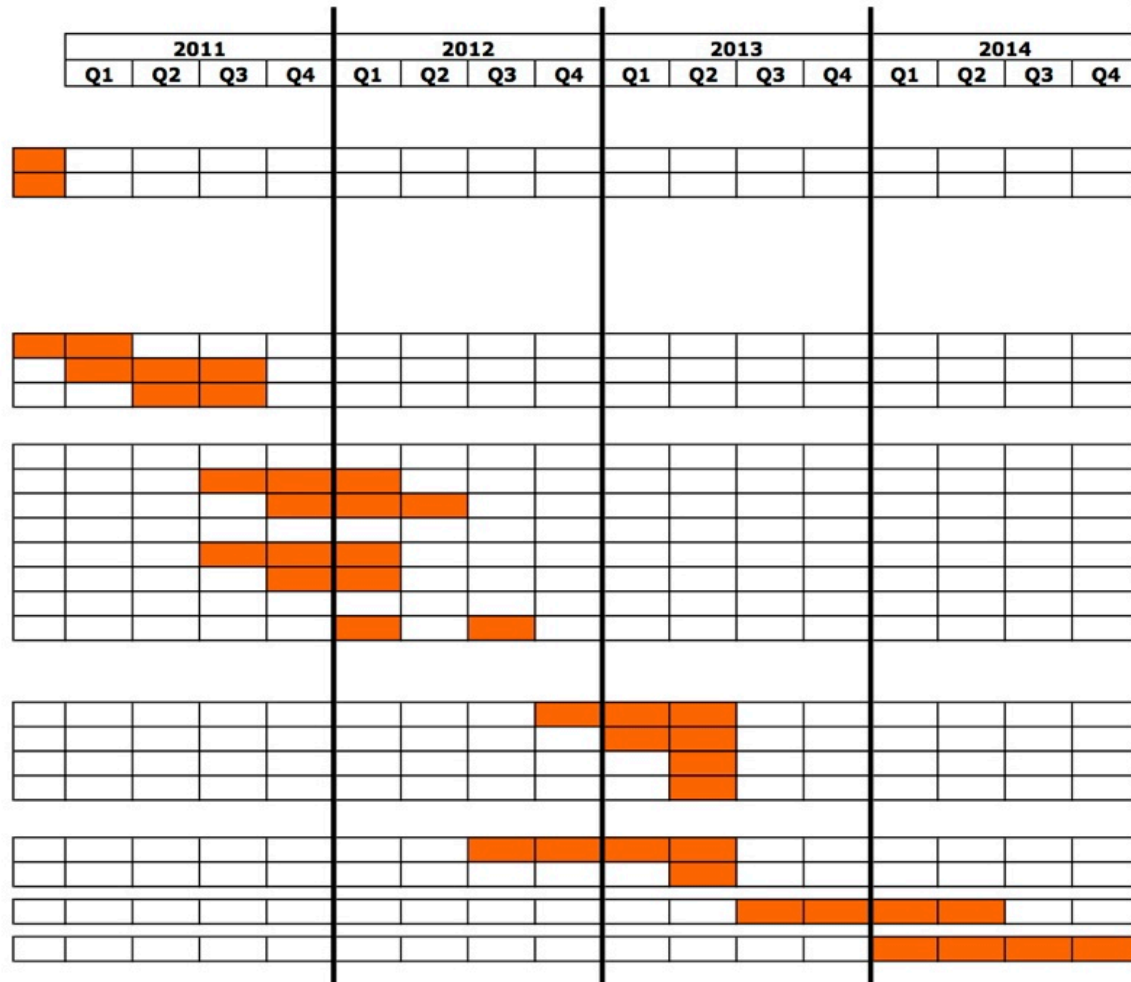
- Construction Documents
- Building Permit
- Construction Bid
- Bid Award

Financial

- Gap Funding Applications
- Financial Closing

III Construction

IV Lease Up/Operations



ART IS HAPPENING AT THE FEED & GRAIN!

- Love + Light premiered in February, 2012. more than 1,000 people waited in 17 ° weather to see this inaugural contemporary art and light installation. Sponsors for the show included the City of Loveland's Water & Power Department since the Feed & Grain was the site of the first Loveland municipal electric generation.



CHILLY TEMPERATURES DIDN'T KEEP VISITORS AWAY



TRIPLE DIGIT HEAT DIDN'T FAZE ART LOVERS EITHER

- This past weekend, glass.fiber.stone, premiered at the Feed & Grain.
- Nearly 1,000 visitors braved the heat and smoke to see works by 17 local, regional and national artists.
- Visitor sign-ins included people from Chicago and Massachusetts, as well as all over Colorado.
- Donations from admissions will help the fire relief victims.





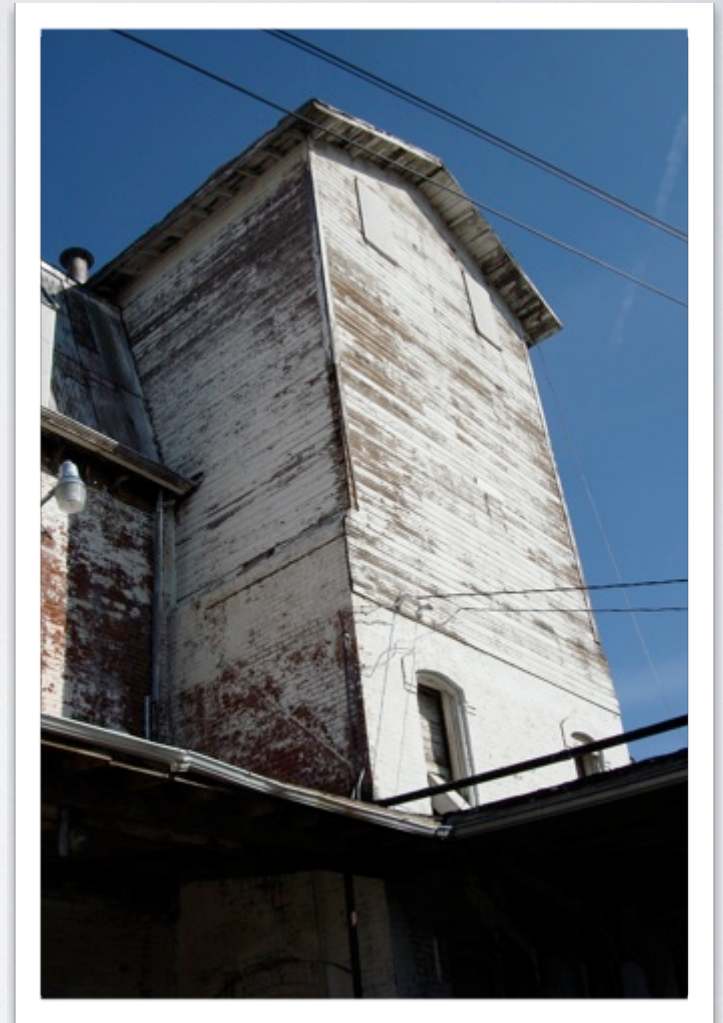
ARTSPACE LOVELAND

Main partners

- Developer: Artspace Projects, Inc., the nation's leading developer for the arts
- Principal partner: City of Loveland
- Principal partner: Housing Authority of the City of Loveland

Key initiating organizations

- Novo Restoration
- Erion Foundation
- Community Foundation of Northern Colorado
- Mueller & Associates
- City of Loveland Office of Creative Sector Development



ARTSPACE LOVELAND



Architectural rendering, with the new live/work structure in the foreground and the renovated Feed and Grain Building in the background

ARTSPACE LOVELAND



Overview of Project

Part 1

- 30-unit affordable live/work project for artists and their families
- Built next door to Loveland Feed & Grain

Part 2

- Feed & Grain Building renovated and transformed into artist studios and home for creative businesses

Part 3

- Outdoor community space ties the two buildings together with space for concerts, farmers and arts markets and outdoor movies.

ARTSPACE LOVELAND

CAPITAL BUDGET

Sources of Funds

Resid. First Mortgage	\$	925,000
FHLB - AHP	\$	225,000
State HTF/HOME	\$	300,000
City Contract	\$	500,000
Other Public/Private Funds	\$	500,000
Other	\$	-
Other	\$	-
Other	\$	-
Sponsor Loan/Philanthropic Housing Funds	\$	1,500,000
GP Capital Contribution	\$	-
Deferred Developer Fee	\$	-
City CDBG	\$	35,000
Limited Partner Equity - Historic Credits	\$	-
Limited Partner Equity - LIHTC	\$	5,327,884

Total Sources of Funds	\$	9,312,884
-------------------------------	----	------------------

Uses of Funds

Acquisition	\$	650,000
Construction	\$	5,938,926
Construction Related Professional Fees	\$	450,290
Construction Financing and Interim Costs	\$	763,814
Permanent Financing Fees	\$	54,250
Soft Costs	\$	133,519
Tax Credit Syndication Costs	\$	-
Developer Fee	\$	957,435
Legal	\$	125,000
Reserves	\$	239,650

Total Uses of Funds	\$	9,312,884
----------------------------	----	------------------

PROJECT SUPPLUS (DEFICIT)	\$	(0)
----------------------------------	----	------------

Capital Budget

Sources of funds to complete the Artspace project will come from a variety of public and private sources. Local funding commitments will leverage significant state and federal funds.

FUNDING

- In partnership with the Housing Authority of Loveland, Artspace is applying for CHFA low income housing tax credit allotment
- Applied to the State Historical Fund for \$200,000 for first phase stabilization and life/safety upgrades for the Feed & Grain
- Applied for Larimer County Enterprise Zone donation project designation
- Will apply for Department of Local Affairs Energy Impact grant



PRIVATE SECTOR SUPPORT FOR ARTSPACE LOVELAND

Total Private Sector Goal:

- \$1.5 million to include \$1 million for the Feed & Grain, Phase I
- Paul & Teresa Mueller have pledged \$50,000
- The Erion Foundation has offered a \$150,000 challenge grant to be matched by another local foundation. We hope to be able to announce that match very soon
- Artspace is in discussions with other local individual donors and with local, state and national funders.



ARTSPACE LOVELAND

OPERATING BUDGET

Year 1

Operating Income

Residential Rent	\$	239,448
Commercial Rent	\$	-
Other Income	\$	2,000
Gross Potential Income	\$	241,448

Vacancy/Credit Loss \$ (16,901)

Effective Gross Income \$ 224,547

Operating Expenses

Management Fee	\$	13,500
Administrative Expenses	\$	33,570
Maintenance and Operating	\$	45,880
Utilities	\$	14,200
Property Expenses	\$	13,500
Capital Reserves	\$	9,000
Commercial Expenses	\$	-
Asset Management Fee	\$	-

Total Operating Expenses \$ 129,650

Net Operating Income (NOI) \$ 94,897

/	Debt Service Coverage Ratio		1.2
=	Supported Debt Service	\$	78,321
	Rate	7.50%	
	Term	30	
	Supported First Mortgage	\$	925,000

Cash Available For Distribution \$ 16,576

Operating Pro Forma

Upon completion, revenue generated from rents will support operating expenses and modest debt service.

The Artspace Loveland project will not require ongoing operating subsidy

ARTSPACE LOVELAND



Architectural rendering, with the new live/work structure in the foreground and the renovated Feed and Grain Building in the background