

4. Economic Development Recommendations

4.1 Tax Policy

During the course of its deliberations, the Committee discussed whether tax policies could be of use in retaining or enhancing the corridor's arts presence or retail/commercial presence. In public hearings, the Committee consistently heard that growing property taxes has taken a toll on both artists and retail entrepreneurs. While the city council did enact (in 2007) some tax relief on the first \$3 million in property value (a measure that would benefit small property owners), this has come after a number of years of property tax increases that have been passed on to tenants in commercial leases. The Committee is saddened to report that the size of the property tax burden is putting local art galleries in jeopardy.

For example, the galleries at 1515 14th Street are facing rent increases due to the combined effect of mounting property taxes and the need for the building's owner to rent the gallery floor spaces at market prices. The owner's efforts to refinance the building to lower costs, and ensure retention of the galleries, have failed, with lenders wanting to see market rates. One gallery, G Fine Art, is in the process of closing, and the future of the remaining galleries is tenuous.⁴ Gallery owners in other parts of the arts overlay zone similarly reported upward pressure on their leases that is making it harder for them to stay in business.

All retailers and small arts businesses were uniform in their view that property tax burdens had escalated to the point that higher rents were threatening their future success, in spite of the City Council's relatively recent efforts to cut taxes on the first \$3 million of a property's value. The Committee also recognizes that (1) the need for additional property tax relief for small businesses is not limited to the Uptown Arts Overlay; (2) the economic downturn and drop in tax revenues makes it difficult for the city to extend significant property tax breaks to all commercial property at this time; and (3) a property tax break more limited in geographic scope and limited in time might be attainable

For that reason, the Committee recommends further property tax relief targeted to the city's 12 Neighborhood Investment Fund areas, which would include portions of the Uptown Arts Overlay in the Logan and Shaw neighborhoods. ANCs and neighborhood organizations should advise their city council representative that further and temporary (2-3 years) property tax relief in the city's previously identified Neighborhood Investment Fund areas is advisable to help sustain small business and employment through the economic downturn. The Committee suggests that, as with prior relief, the measure should be targeted to the first \$3 million of assessed value to ensure the measure is

⁴ <http://www.washingtonpost.com/wp-dyn/content/article/2009/07/30/AR2009073003864.html>

targeted to small business, and there should be a measurable decrease in the assessment rate for the next 2-3 years.

The Committee looked at other tax policies that might benefit the arts, but found the record on those to be mixed. For example, Maryland has a state policy exempting the sale of art in designated arts districts from state sales tax, but our interviews with a leading Baltimore arts district indicated that this policy was not having an effect on incentivizing art sales in the district.

Local retailers and developers were also consulted about whether the area should develop its own Business Improvement District (BID) which would enable special taxation of property owners resulting in a pool of money that could be used for BID development. Almost universally, the recommendation was not to create a BID for two reasons: (1) the area is too small to support a BID (2) retailers are already struggling in the downturn and do not want landlords passing on additional increases.

4.2 About District of Columbia economic development and related programs

In reviewing city programs and policies that might contribute to arts, retail and other commercial development in the arts overlay district, the Committee looked to determine whether there are programs that either targeted the arts overlay district in some way, or that are city-wide, but that could be of use to area business. Such programs could help the community maintain and enhance arts uses, as well as ensure that the area not just weather the economic downturn, but continue to grow and attract retail business. The following chart contains the key programs available from the District of Columbia. Following the chart is an explanation of a subset of those programs that are of particular interest.

Program and Agency Description	Funded and available to 14th and U Streets?
Neighborhood Investment Fund Deputy Mayor for Planning and Economic Development <i>Purpose: an annual, non-lapsing fund to finance economic development and neighborhood revitalization in 12 targeted areas of the District, including Logan and Shaw ANCs; capitalized by an annual contribution of 15% of the personal property tax, not to exceed \$10 million city-wide</i>	Funding to Logan and Shaw pending FY10 budget
Great Streets Deputy Mayor for Planning and Economic Development	No

<p>Department of Transportation <i>Purpose: Authorized for up to \$95 million for corridor development for selected corridors; includes reconstruction of 3 identified corridors plus a streetcar project in Anacostia; 14th and U Streets not included</i></p>	
<p>Main Streets Deputy Mayor for Planning and Economic Development <i>Purpose: Targeted program to assist specific neighborhoods in various initiatives tied to economic development; not currently available to 14th and U Streets; Main Street program for 14th Street was dissolved several years ago</i></p>	No
<p>Retail Action Strategy Office of Planning <i>Purpose: City-wide strategy to support neighborhood revitalization, meet retail needs of residents and visitors, promote small and local business, create a sense of place; no separate funding – tool will be used to channel existing city programs; study looked at 20 focus areas around the city, not including 14th and U Streets; final report expected fall 2009</i></p>	Not applicable
<p>Creative Action Agenda Office of Planning <i>Purpose: City-wide strategy to expand the creative economy by assessing creative assets, assessing support systems, reviewing zoning rules and incentives; no separate funding – tool will be used to channel existing city programs; final report expected fall 2009</i></p>	Not applicable
<p>Streetscape Department of Transportation <i>Purpose: create a harmonized and safe transportation corridor for pedestrians, bicyclists, mass transit, and automobiles through street, crosswalk and sidewalk design, including associated amenities (lighting, garbage cans, etc.); separate streetscapes drafted for 14th and U</i></p>	U Street project moving forward FY11; 14th Street planned FY12
<p>Neighborhood Development Projects Deputy Mayor for Planning and Economic Development <i>Purpose: Targeted on a per project basis to promote a development on a smaller scale than TIF (below)- e.g., Convention Center Hotel; currently supporting \$60 million in activity; all current activities outside of 14th and U Streets</i></p>	No

<p>Industrial Revenue Bonds Deputy Mayor for Planning and Economic Development <i>Purpose: Source of funding to banks to make below market-rate loans available to enterprise zone businesses or 501(c)(3) entities city-wide, with minimum loan sizes in the \$2-\$2.5m range; no projects currently in the arts overlay zone</i></p>	No, but eligible
<p>Clean Teams Department of Public Works <i>Purpose: Targeted to Main Street areas and BIDs with less than \$1 million in revenues; \$1.3 m authorized in FY09; U Street has sought a grant for FY10</i></p>	U Street may have coverage pending final FY10 budget
<p>reStore Technical Assistance Grants Department of Small and Local Business Development/DMPED <i>Purpose: City-wide program to provide technical assistance to small businesses, provide assistance to BIDs or nonprofit economic development organizations on promotion and business inventories (CD-TAP grants) , unfunded for FY09 and FY10; agency expected to continue to offer small business training for FY10</i></p>	No
<p>Façade Improvement Programs Department of Small and Local Business Development/DMPED <i>Purpose: Targeted program to specific neighborhoods to support façade improvements of local business; not available to 14th and U Street</i></p>	No
<p>Tax Increment Funding/ Payment in Lieu of Taxes Deputy Mayor for Planning and Economic Development <i>Purpose: City-wide program in support of large development projects; not used for neighborhood-scale developments</i></p>	No
<p>Enterprise zone Deputy Mayor for Economic Development <i>Purpose: Local business located in zone gets consideration in local government procurement; 14th and U is partially covered by this zone; designation tied to poverty rates – unclear if area remains in the zone post-2010 census; zone systems to expire at end of FY09 unless legislatively extended</i></p>	Not applicable

Technology zone

Not applicable

Deputy Mayor for Economic Development

Purpose: To promote and attract technology businesses; partially overlaps with arts overlay zone; no funding for a number of years, but program continues to appear on websites

As the above chart indicates, the area covered by the Uptown Arts District is currently not eligible for most economic development programs that are targeted to specific geographies. A number of other programs are either not funded or are strategies that were not intended to become funded programs. As of the writing of this report, the FY10 planned city budget continues to include \$835,000 in Neighborhood Investment Fund resources for Logan and Shaw. However, there are significant challenges in using this money in support of maintaining or enhancing an arts presence, or even some challenges in applying it toward retail/commercial revitalization. Below is more in depth description of that program, as well as several other programs that might be of interest.

4.3 Neighborhood Investment Fund

The NIF program is an economic development tool created to assist neighborhoods in making “a significant and visible impact” in their areas. Both the ANC areas for Logan (ANC2F) and Shaw are scheduled to receive funding under the NIF program in FY10, budget permitting. As of this writing, each area was scheduled to receive \$835,000, although if downward revenue pressures continue, the amounts could be revised. A NIF award must be spent in a one-year period, from the date of grant. In addition, by statute there are three sub-parts of the NIF program: (1) the Target Area Grant Program for economic development; (2) the Predevelopment Grant Program for affordable housing and mixed use development; and (3) the Land Acquisition and Predevelopment Loan Program, also for affordable housing and mixed use development. It is the Committee’s understanding that the Council is only funding the first component – the Target Area Grant Program.

For both Logan and Shaw, a comprehensive NIF plan has recently been completed by the the Office of Planning.⁵ Boundaries for the two NIF areas are as follows and overlap the Uptown Arts Overlay in substantial part:

- Logan: corner of 9th Street NW and Florida Avenue NW; south on 9th Street NW to Massachusetts Avenue, NW; to 16th Street NW; north on

⁵ <http://planning.dc.gov/planning/cwp/view,a,1285,q,571098,planningNav,|32341|.asp>

16th Street NW to U Street, NW; and east on U Street NW to Florida Avenue NW.

- Shaw: the block of streets bordered by Florida Avenue NW, North Capitol Street NW, Massachusetts Avenue NW, and 9th Street NW.

While the planning exercise can help communities focus in on their needs, the final determination of the categories for funding is a separate process conducted by the Deputy Mayor for Planning and Economic Development (DMPED). Once budgets are final, DMPED publishes a request for proposal document that lists the categories of programs that are eligible for funding, and solicits grant applications from 501(c)(3) organizations in those categories.⁶

In FY09, the DMPED initially announced four categories of grants that could be awarded: (1) vocational training and job placement (2) senior and youth programming (3) small business technical assistance and (4) affordable housing preservation. The office later narrowed the funding categories to three: (1) senior or youth programming (2) small business technical assistance and (3) affordable housing preservation. In the FY09 fiscal year, applicants could apply for \$25,000 - \$200,000 in awards. The 501(c)(3) organizations had to have been active for two or more years.⁷

Current FY09 grantees are not listed on the City's website, but the 2008 projects are. For Logan, three groups were funded. The Hung Tao Choi Mei Leadership Institute, 1351 U Street, received \$50,000. This organization offers kung fu lessons to city children as a way of building fitness and character. Serenity, Inc, 1223 Pennsylvania Ave NW, a counseling services organization, received \$75,000 for the "Welcome Home Project." Finally, Washington Very Special Arts of 1100 16th St NW received \$53,600 for its "Beyond Walls Project." This group works with at risk children and youth using training in visual arts. As these amounts total only about \$175,000, it would appear that any additional monies earmarked for Logan may have been utilized by other programs in the remaining 11 neighborhoods that currently participate in the NIF.

In another example, in the Shaw NIF for 2008, money went toward research for the Howard Theatre/Ellington Plaza redevelopment project (\$30,000), the Mount Lebanon Community Service Center (\$200,000), the "Welcome Home Project", and a facility project for Bread for the City (\$300,000).

As of this writing, DMPED staff did not know what the categories or "goals" for the FY10 funding cycle would be. The goals could be the same or different from FY09. However, staff was anticipating an announcement of funding availability,

⁶ DMPED staff report that the NIF's "target area program" will be the only active part of the NIF for FY10, and for that reason, this summary reflects only that portion of the NIF program.

⁷ Grant announcements are made after the beginning of the fiscal year and are open for 30-45 days. ANCs are consulted on tentative awardees before a grant is made final. This year, final awards for FY09 were issued in April 2009.

and the associated rules for the program, sometime in the early-October to early-November timeframe.

It is interesting to juxtapose the DMPED grants process and spending categories, above, with the NIF planning document authored by the Office of Planning in 2008 based on community meetings in Logan and Shaw.

The “Logan” plan identifies four top level goals, and multiple strategies associated with those goals.⁸

<p>Goal 1: Spur revitalization along neighborhood commercial corridors through the promotion of arts and cultural activities.</p>	<p><i>Strategy 1:</i> Fund seasonal and yearly cultural and artistic events to enhance existing businesses and institutions. <i>Strategy 2:</i> Promote 14th Street and U Street as a unique retail and arts district with marketing and promotional materials such as newsletters, advertisements and websites.</p>
<p>Goal 2: Retain, improve and attract neighborhood oriented retail businesses.</p>	<p><i>Strategy 1:</i> Improve and upgrade the physical condition of stores along 14th Street, 11th Street and 9th Street through façade improvements and other exterior improvements. <i>Strategy 2:</i> Support efforts to attract new retail to 9th Street, Rhode Island Avenue and 11th Street. <i>Strategy 3:</i> Provide start-up business technical training to both neighborhood residents as well as other DC residents interested in starting their own businesses in the area.</p>
<p>Goal 3: Enhance the public realm and civic spaces to create a walkable safer, cleaner and more active environment.</p>	<p><i>Strategy 1:</i> Support public space maintenance programs along the five main corridors of 14th Street, U Street, 11th Street, Rhode Island Avenue and 9th Street to improve cleanliness, safety and appearance.</p>

⁸ “Overall, enhancing the public realm to create a more attractive and safe environment along the commercial corridors was identified as the top priority for NIF Funds.” Rounding out the top five and in descending order: (1) Façade improvements programs on the commercial corridors; (2) Improvements to existing tree boxes and the creation of new tree boxes; (3) Use existing call boxes to showcase the neighborhood “brand”; and (4) Fund affordable housing programs for workforce housing.

Goal 4: Preserve existing subsidized affordable rental housing units within the NIF area.	<i>Strategy 1:</i> Promote existing government programs and support new or expanded non-government programs that aid in rental housing preservation.
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The Shaw NIF Plan has the following goals and strategies:

Goal 1: Preserve long term affordability and maintain the quality of existing affordable housing units	<i>Strategy 1:</i> Fund the expansion of existing, or the creating of new, programs to assist in finding affordable units, transitioning to homeownership, housing rehabilitation, or home energy efficiency programs
Goal 2: Develop vacant lots and rehabilitate vacant buildings.	<i>Strategy 1:</i> Target Pre-development and Acquisition assistance to redevelop vacant and abandoned properties and structures for residential or mixed-use development throughout the entire NIF area.
Goal 3: Improve the quality of neighborhood retail along the 9th Street, 7th Street, Florida Avenue, Rhode Island Avenue, North Capitol Street corridors and within the Mount Vernon Triangle area.	<i>Strategy 1:</i> Support the development of a small business incubator spaces to house shared business services and small business technical assistance programs to foster and develop local entrepreneurialism <i>Strategy 2:</i> Fund the development and distribution of promotional materials of existing District and non-District government small business programs and events.
Goal 4: Develop and clean, safe and attractive public realm through community stewardship and beautification activities.	<i>Strategy 1:</i> Fund new, or the expansion of existing, programs and events that focus on public space maintenance and/or beautification. <i>Strategy 2:</i> Create new, or expand existing, programs to provide commercial business owners with improved exterior safety and lighting improvements along the 7 th Street, 9 th Street and North Capitol Street corridors.
Goal 5: Improve opportunities for	<i>Strategy 1:</i> Create new, or expand

youth entrepreneurship and career development.	existing, programs to connect area youth with the Shaw NIF area business community to develop job training, placement and/or apprenticeship opportunities.
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It is important to understand that the planning documents, and the funding requirements document, are different, are the product of different executive agencies, and that the planning document does not control actual spending. It is the categories of funding that DMPED announces at the time grants are solicited that control the type of projects that will be funded. Based on the Committee's review, in the FY09 cycle, DMPED departed from the Office of Planning conclusions with respect to the Logan and Shaw NIF areas, issuing three funding categories citywide that did not significantly coincide with the Planning document.

Moreover, DMPED staff note that there are inconsistencies between the planning document and how DMPED has historically issued grants. For example, the Logan NIF planning document's call for the promotion of arts and culture in the neighborhood, including cultural events and festivals, cannot be funded under the DMPED's grant rules, according to DMPED staff. NIF funds cannot be used for one-day events or promotional activities.

Assuming DMPED were to create categories for funding that would allow the community to work toward achievement of the goals contained in the planning documents, there are a number of activities relevant to the retention and support of arts and retail that could be supported under the goals and strategies identified by the Office of Planning.

In the Committee's view, economic development funding represented by the NIF is a scarce resource that should be carefully utilized by the ANCs representing the Uptown Arts Overlay. Based on the extensive testimony received at our public meetings, the Committee recommends, in descending priority, that the following activities be funded by the NIF: (1) financial support for the Mid-City Business Association in support of retail activities in the Uptown Arts District, including a pilot Hospitality Business Orientation program, discussed in the next section; (2) visual branding/visual identity of neighborhood including, for example, banners;⁹ (3) planning for development of an ongoing arts event to help develop the neighborhood's "brand" as an arts location; (4) development of

⁹ An earlier attempt at organizing banners failed when the organizing entity (a 501(c)(3) that was inexperienced in economic development) apparently committed the funds without producing banners. Several retailers advised the Committee that they continued to have an interest in banners, especially if their business name could be added to the bottom of the banner, which was in the original plan. Given that the cost of this type of program is well under \$50,000, the Committee urges the ANC to take what steps it can to free up NIF for this purpose, possibly using Mid-City Business Association as the designated entity to organize the banners.

public transportation routes to better support the community and alleviate pressures on parking; (5) planning for expanded street vending to focus on dead zones; (6) improving the use of vacant windows.

While façade restoration and green or “clean” teams may be worthy of consideration in a time of more generous city budgets, the Committee urges some caution in funding either of these activities with scarce NIF monies.¹⁰

Unfortunately, until the DMPED releases its document specifying the rules for FY10 funding, it is not clear how much reliance can be placed on these funds relative to the effort to maintain and enhance arts uses and retail/commercial. In the Committee’s view, the relevant ANCs should request the assistance of DMPED to ensure that the categories selected can benefit economic development in the community. Once funding categories are revised, each ANC should also carefully scrutinize the request for proposals from DMPED and determine how the money might best be spent in support of economic development and whether there are eligible entities to apply for grants.¹¹

4.4. Hospitality Business Orientation program

One of the uses of NIF money, if the NIF were properly targeted, is for a pilot Hospitality Business Orientation (HBO) program for new businesses opening up in the 14th and U area. The HBO is a program used in other cities with mixed use arts and entertainment districts including Philadelphia and San Diego. Its purpose is to orient those opening a dining, entertainment or events businesses to understand the city’s rules and regulations, the permitting and licensing process, and the timeline required in order to avoid prematurely committing or over-committing resources unnecessarily. It also offers a resource to new and existing businesses on how to remain current, train new managers, find best solutions for trash management and noise control and establish better communication with government and community representatives. The Mid City Business Association is interested in supporting such a program, but to fund it, the NIF program categories would need to be broadened and 501(c)(6) organizations would need to be able to qualify for funding. Alternatively, if the NIF cannot be made available to 501(c)(6) organizations, support to fund the HBO program might be found through another city funding source.

4.5 Streetscapes

¹⁰ Green teams can cost as much as \$175,000 per year based on past experience.

¹¹ At its September 2, 2009 meeting, the ANC2F adopted this Committee’s recommendation with respect to the NIF, and on September 11, 2009, sent a letter to the Deputy Mayor recommending revision of the funding categories.

The DC Department of Transportation conducts in-depth studies of streetscapes, with the goal of creating safer corridors for vehicular, mass transit, bicycle, and pedestrian movement, as well as creating designs that are more lively and supportive of economic development.¹² Both U Street and 14th Street have recently been the subject of such studies, and there are pending proposals for each street. Notably, the 14th St Study (2008) won Merit Award from American Society of Landscape Architects (Maryland and Potomac Chapters).¹³ The U Street study, from 18th Street to 9th Street, was completed in 2005.¹⁴

According to the DC Department of Transportation, the process by which streetscapes become funded and are implemented is to first have the project placed on the Council of Government's Transportation Improvement Plan (TIP), a document that includes current and future projects. The U Street streetscape is on the list for construction to begin in FY11, and will include repaving and reconstruction of 18th Street to 9th Street. The 14th Street plan has recently been placed on the TIP list for construction to begin in FY12, budget permitting. In addition, the engineering design for the 14th Street project is now ongoing, and is expected to take 9-12 months to complete. The Committee is pleased that both projects are moving forward, but notes that the absence of funding for the 14th Street project is a major concern for the community, retailers and property owners along the corridor. In the Committee's view, the relevant ANCs should (1) stay in touch with city leaders to assure that the streetscape funding remains in place (for U Street) or is put in place as soon as possible (for 14th Street).

4.6 Parking

Parking policies tend to raise passionate responses from those who want more parking, or certain types of parking, or even less parking. The Committee learned in meetings and through correspondence from interested neighbors that there are strongly held views and little consensus. For that reason, the Committee did not focus its time on solving the neighborhood's parking issues, since that topic would alone have occupied all of our volunteer time. We did, however, take comment from merchants, developers, and various interested parties about what if anything should be done to improve parking along the commercial corridors. David Alpert of the Greater Greater Washington blog counseled that the corridor would be best served by new credit-card serviced parking meters that would allow the city to adjust the price upward to a level that encouraged turnover in parking, and might also allow adjustment by time of day.

¹² There are currently about 52 such studies on the DDOT web page. <http://www.ddot.dc.gov/ddot/cwp/view.a.1249.q.561095.ddotNav.32399.asp>

¹³ In the case of the 14th Street streetscape, DDOT estimated in 2008 that the cost of long and short term improvements to transportation, sidewalks, crosswalks, trash receptacles, tree boxes, bike racks, etc., would be about \$5million. <http://www.14thstreetstudy.com/>

¹⁴ <http://www.ddot.dc.gov/ddot/cwp/view.a.1249.q.641546.asp>

While there was some concern that the new meters had been problematic when introduced in other neighborhoods, the Committee's view is that, if the prices are properly set, such meters could support neighborhood businesses by making them more accessible to customers in vehicles. That issue is particularly important to the home furnishings retailers, and to certain other retailers, whose customers might not be in a position to "carry" their purchased merchandise from the store. While these new meters will become part of the streetscape when the streetscape projects are completed, area ANC's should consider requesting installation of meters earlier in support of the businesses in the Uptown Arts Overlay. In the case of U Street, to the extent the streetscape project continues on track for FY11, this concern may be less than along 14th Street.

In addition, the Committee noted that the City's Comprehensive Plan calls for a parking study.¹⁵ The proposed study would cover 14th Street and the adjacent side streets. Issues to be addressed include parking needs for area theaters, businesses and residents. The Committee recommends that this study be conducted, taking into account the planned changes to the streetscape.

4.7 Industrial Revenue Bonds

Industrial Revenue Bonds are an alternative source of capital that enterprise zone businesses and 501(c)(3) entities can use to finance, for example, the purchase price of real estate and/or renovation costs. Instead of negotiating with a bank where the bank uses commercial capital sources at a market rate, the bank would use IRB-sourced funding, enabling the cost to the borrower to drop to well below market rates. The borrower's commitment is to the bank, not the city, but the City Council must approve each deal that utilizes IRB funding. As with any loan, there are closing costs. The smallest loan size typically using IRBs is in the \$2 – \$2.5 million range. However, there is a stream of federal stimulus money that has essentially opened the door for smaller banks to participate in IRB lending, a move that is expected to also put competitive pressure on closing costs. As a result, staff estimates that loans as small as \$1-1.5 million are more feasible. The relevant ANC's should be aware of this program as a potential future development tool for the corridor.

4.8 Commission on Arts and Humanities grants and planning

The Commission on Arts and Humanities provides grants in several categories. Categories are: (1) education, (2) project-based (direct to artists, festivals), (3) capacity-building and operating support, and (4) capital project grants (including

¹⁵ Action NNW-2.3.B: 14th Street Parking Study, The Comprehensive Plan for the National Capitol: District Elements.

public art).¹⁶ Several of these categories are of interest and could be used to better support an arts district.

With respect to festivals, up to \$30,000 per festival was available in FY10 (application date has passed). According to the agency's website, its purpose is to fund festivals with significant arts components that: encourage growth and promote awareness of quality arts activities throughout the city, support local artists, stimulate economic benefits to the community, promote a sense of community identity, and make arts experiences accessible to District residents and visitors. To receive a grant, an organization needs to be a 501(c)(3) or similar nonprofit.

Similarly, arts districts may wish to brand themselves via use of public art. The Commission offers grants for both the creation and installation of public art. Again, the organizations must be nonprofit.

The Commission also maintains a strategic plan that governs its activities throughout the city. Significantly, the Arts Overlay Zone is not mentioned in the plan. The Committee recommends that the ANCs work with the Commission to better integrate the extensive arts presence in our neighborhood with the Commission's planning. A 501(c)(3) organization could also be well-positioned to pursue public art installations or a neighborhood art-focused street festival.

4.9 Retail Action Strategy and Creative Action Agenda

Although both of these are Office of Planning exercises, without independent funding, the Retail Action Strategy and the Creative Action Agenda are likely to contain recommendations that become embedded in future city funding programs, as well as in policies and regulations. Based on the Committee's review of these still-evolving documents, the two initiatives are likely to be helpful to our neighborhood as broad expressions of the priorities that the city will place on further developing retail and the arts sector.

For example, the Creative Action Agenda document preliminarily identified key "challenges" for the arts as a lack of affordable housing and work space for artists, permitting and other regulatory issues as a barrier to growth, and limited financing and marketing of products and services.¹⁷ To the extent the Agenda document can spur the city to find answers to these issues that will benefit our neighborhood as well. One idea that is already under development is an artists

¹⁶ Grant opportunities are listed here:

http://dcarts.dc.gov/dcarts/cwp/view.a.3.q.527915.dcartsNav_GID.1514.dcartsNav_|31624|.asp

¹⁷ <http://planning.dc.gov/planning/cwp/view.a.1354.q.646285.asp>

“space finder” website that can help artists connect with reasonable gallery and work space. The document may also contain strategies for temporary use of vacant space, an idea sparked mostly positive feedback to our committee.

The Retail Strategy may also be of help, as the document has some focus on incubating and supporting small and local retail.¹⁸ Without exception, panelists presenting to the committee and community members attending the meetings spoke favorably on the neighborhood’s strong local retail presence, as opposed to the presence of large national chains. Strategies might include promotional campaigns by neighborhood, as well as neighborhood “branding” – two ideas that the Committee members believe are important to further enhance both arts uses and retail uses. At our meetings, Mid City Business Association, its members, and professional developers all pointed to the absence of a “brand” that sets the neighborhood apart and makes it attractive. Mid City reported that the branding function it performs today is financed entirely by businesses themselves.

ANC2F, or its designee, should closely monitor the release and implementation of these two documents to determine whether the policies that they contain can be leveraged to the neighborhood’s benefit.

4.10 Live/Work (zoning issue handled elsewhere)

In defining an arts district, planning professionals will sometimes ask whether the district seeks to become primarily an arts production zone or a consumption zone. In reviewing the existing presence of arts in the overlay zone, the Committee learned that this district is both a production zone and a consumption zone. There are more than 40 working visual artists who are members of Mid City Artists. The area continues to support a number of galleries, although these may be declining in number. Finally, the neighborhood has significant institutions such as Studio Theatre, the Lincoln Theatre, the Source Theatre, the Black Cat, and other organizations that offer patrons the opportunity to view a wide variety of visual art, theater, and musical performances. In the Committee’s view, the area should continue to strive to be both a place where arts are produced and consumed.

In testimony before the Committee, both artists and city officials noted the problem (not restricted to our area) of affordable housing and workspace for artists. This issue has become increasingly an issue as Logan area housing prices have escalated in recent years. In other cities that the Committee reviewed, diverse live/work solutions have been developed to address this issue.

¹⁸ <http://planning.dc.gov/planning/cwp/view.a,1282,q,641497.asp>

In some places, non-profit development specifically for artist owners or tenants has been developed in cooperation with city officials. In some states, tax relief of various types is available in designated arts districts. DC has recently allowed one developer in the NoMA area to assign some affordable housing units for rent by artists in live/work arrangements. Thirty such units will be available (2010) in the Lorree Grand at Union Place. Cohen Companies are the developers. The Cultural Development Corporation is handling the marketing and qualification of artist/tenants. In addition to this project, Cultural Development reports that another rental project with a live/work component is in planning for the area around the Rhode Island metro stop. To the extent this development proceeds, units here would be available in 2011.

Prior to Loree Grand, DC had also authorized the development of a downtown building for partial use as artist live/work space. The Cultural Development Corporation worked with the developer to create Mather Studios at 916 G Street NW, a collection of 12 condominiums reserved for live/work in a 50-unit building.¹⁹ The units were sold in 2003 with more than 50 individuals qualifying for the 12 units available. According to CuDC, artists needed to earn between 50-80% of area median income to qualify.

Creating new opportunities for live/work arrangements, rental or ownership, within the arts district would help support and expand the presence of arts in the neighborhood, particularly with respect to visual arts.

4.11 Heritage Trails

U Street-Shaw had one of the first Heritage Trails in the city. Trails are marked by signage that provide information about the historic importance of the site and/or the famous Americans who worked or performed there. Trails are designed to lead the participant through a neighborhood, while providing interesting details of the neighborhood's history. Cultural Tourism DC is the entity working with the DDoT to establish 17 such trails throughout DC. Its 10th trail will be installed in October 2009 in Columbia Heights.

According to Linda Harper, the Executive Director of Cultural Tourism DC, it takes about two years to plan and install a trail. A diverse community working group is required in order to initiate a project. Ms. Harper reports that there has been some interest from Logan Circle in undertaking a heritage trail, but that the interest has not been sufficiently diverse or sustained. However, Cultural Tourism DC is in the process of picking the final trails that will round out its commitment to deliver 17 DC trails. If the Logan neighborhood is interested, and if there is a group of individuals willing to work on the project, it may be possible to include a 14th Street/Logan trail. Alternatively, if the initial project completes

¹⁹ http://www.culturaldc.org/projects/artist_housing.html

without a 14th Street trail, it may be possible to find alternative sources to pay for a trail in the future. The Logan Circle Community Association has been alerted to this opportunity, and volunteers are currently pursuing further information from Cultural Tourism DC.

Beyond the Heritage Trail project, Cultural Tourism DC is interested longer term in working with communities to define the “cultural corridor” that overlays a trail, and how to make that neighborhood more attractive to city residents within the neighborhood, outside the neighborhood, as well as to enhance tourism. The ANCs should explore this longer term strategy with Cultural Tourism DC, since it appears to align well with the community’s goals for an arts district.

4.12 Reeves Center

The city should add an arts component to the future redevelopment of the Reeves Center, located at the corner of 14th and U Streets. Testimony before the Committee revealed a broad consensus that the present use of the Reeves Center was not viewed as a community asset. In particular, the existing retail offerings on the first floor of the center were not viewed positively, and in no way relate to or promote the arts district. In fact, there appears to be no arts use of the building whatsoever, despite its prime corner location at the intersection of the Uptown Arts Overlay major thoroughfares. The Office of Planning, and other relevant city agencies, should consult the community through the ANCs to develop a plan for how arts uses can be integrated into this building.

4.13 Central Union Mission project

This long-awaited development project has been stalled repeatedly leaving a large “dead zone” on the east side of 14th between Corcoran and R Streets. In the latest development, a lawsuit filed by the ACLU concerning a constitutional question about the city’s ability to support an organization that has a religious purpose has stopped forward momentum on the development. Simply put, the city needs to resolve the lawsuit and allow the creation of a new facility serving homeless individuals, thereby allowing development on the site to proceed. The Committee views redevelopment of this site as critical to the success of retail and arts in the Arts Overlay District. The Office of Attorney General must dispose of the legal action and allow this key development project to proceed.

4.14 Verizon building at 14th and R Streets

This site of a Verizon central office facility, at the corner of 14th Street and R Streets, is presently a retail “dead zone”. The building is partially bricked in on the first floor. As a corner location, it is a critical site for the future of a successful retail corridor. The Committee recommends that the city work with the community and Verizon to determine whether there are opportunities to utilize the space, particularly on the first floor, in a different way including the use of retail.

4.15 City–owned property

In the Office of Planning’s final reports on the Logan and Shaw NIF areas, there is an appendix listing all publicly owned properties throughout the NIF areas. The Committee recommends that future development of these properties should be targeted to arts and/or artist live/work space, as appropriate.

4.16 New neighborhood-based economic development organization

The ANCs should consider whether existing non-profit organizations in the neighborhood are sufficient to support ongoing and coordinated economic development activity including, but not limited to, the development of an economic development strategy for the Uptown Arts District, acting as a grants recipient (e.g., for economic development and branding activity), and promoting and cultivating the continued growth and success of the Uptown Arts District. Throughout the recommendations, the Committee has referred to the need of non-profit organizations to carry out the work of building a strong and vibrant arts district. In part, this is driven by city regulations, such as entities eligible to receive economic development grants. In addition, the Committee found in its review that many successful arts districts around the country are supported by this type of non-profit entity, normally a “501(c)(3)”. Importantly, these entities do not compete for arts funding with arts institutions, but act as a promotion and development vehicle for the district. Such entities are capable of advancing the goal of branding the district, promoting an area as an arts destination, and aiding artists and arts institutions in a variety of ways. In the Committee’s view, a similar institution (or institutions) is needed to foster and promote the Uptown Arts District.