



CONSULTING REPORT:

OTTUMWA, IOWA

Prepared for the

OTTUMWA REGIONAL LEGACY FOUNDATION



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Introduction

The City of Ottumwa straddles the Des Moines River in hilly southeastern Iowa. With a population of 25,000, it is not a big city. It is big enough, however, to experience some of the same problems that bedevil so many large American cities today. At the root of them all is an economic decline that cost the city nearly 9,000 residents – almost a third of its population – between 1960 and 1990. Since then the population has stabilized, but much of Ottumwa has the look and feel of a city that’s down on its luck.

Nowhere is this more evident than in the historic downtown commercial district. Once the vibrant heart of a bustling river town, downtown Ottumwa today barely registers a pulse. One of its gloomiest stretches is the 200 block of E. Main Street, where on both sides of the street vacant buildings appear to outnumber occupied ones. And of all the derelict structures



Ottumwa’s Main Street in the late 1920s, with the Capitol Theatre in the foreground and the Capri (then called the Square) next to it.

on that block, none looks shabbier than the Capri and Capitol Theatres, which stand side by side at the east end of the block.

The Capri Theatre, originally known as the Ottumwa, was a 700-seat movie theater with a large single balcony and a small lobby. It was substantially rebuilt after a major fire in 1941, transformed into a four-screen

multiplex in the 1970s, and has stood vacant for roughly a decade, during which its out-of-state owner stripped it of its seats, radiators, plumbing, and other items of value. Although it has lost its marquee and much else, it appears to be structurally sound.

The next-door Capitol was built as a hotel with two small stores at street level. Originally three stories tall, it lost its third story due to damage from the same 1941 fire that ravaged the Capri. It was subsequently converted into a fifth screen for the Capri. Although it appears to be in significantly worse shape than the Capri – among other things, it no longer has a main floor – it appears salvageable.

Both theaters are now owned by the Ottumwa Regional Legacy Foundation, a community foundation established in 2010 when the Ottumwa Regional Health Center, the city’s major

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health care facility, agreed to be acquired by RegionalCare Hospital Partners, a Tennessee-based corporation that owns and operates hospitals in several states. The net proceeds from the transaction were used to capitalize the Foundation, which has assets of about \$78 million. The Foundation has pursued an ambitious policy of advocating and underwriting projects that address five strategic goals: jobs, infrastructure, education, revitalization, and leadership.

About a year ago, having acquired the two vacant theaters, the Foundation engaged a local contractor to stabilize them, address basic safety issues, and remove trash – enough to fill more than 50 dumpsters, as it turned out. The Foundation also appointed two of its Board members, Pam Kaupins and Jeff Hendred, to co-chair a steering committee called REACT (for “Rivers Edge Arts and Culture Team”) charged with leading the effort “to decide the ultimate use of these two wonderful old buildings.”

REACT, in turn, invited Artspace to Ottumwa for a two-day Creative Spaces Consulting Visit focusing on potential reuse scenarios for the two theaters. The visit took place Nov. 13-15, 2013. Artspace was represented by Roy M. Close, Vice President of Special Projects, and Anna Growcott, Consulting Associate. Over two days, the Artspace team met with artists, civic leaders, and others to assess a range of options from straightforward historic renovation to various adaptive reuses. The team also toured a number of arts facilities – including the six-year-old Bridge View Center directly across the river from downtown. The Bridge View’s large Expo Hall can be converted into an arena-like auditorium with 2,900 seats, making it the area’s largest performance venue. More to the point for this report, it also includes a well-equipped 665-seat theater with excellent sightlines.

We wish to thank the Legacy Foundation, its Board and staff, and especially Ms. Kaupins and Mr. Hendred, for making our visit both pleasant and informative. Among other things, they did a superlative job of arranging entertainment for the more than 150 Ottumwans who attended our public meeting at the Bridge View Center. The performers included the large cast of Indian Hills Community College’s production of *Dracula*, who performed in costume as “living statues” in the Bridge View lobby; the Meistersingers of Ottumwa High School; and several others – a pianist who played show tunes, a magician, two young dancers, a painter, and photographer Michael Lemberger, who has documented the life of Ottumwa for more than 40 years. Thanks, too, to the National Endowment for the Arts, which provided a grant to support our consulting work in Ottumwa; a portion of its funding went to pay the artists who performed at the public meeting.

Findings

The Creative Spaces Consulting Visit is Artspace’s most flexible consulting service, designed to help arts organizations and communities address a wide range of issues involving the arts-related uses of spaces ranging from single buildings to entire arts districts. In Ottumwa, we were asked to focus on two historic theaters, the Capri and the Capitol. Specifically, the Legacy Foundation asked Artspace to help it “understand the potential to create a successful, affordable, self-sustaining arts development,” to help local stakeholders “understand and explore the key elements that determine [project] feasibility,” and to help the community understand what must be done to advance the project.



Interior of the Capri Theatre, as seen from the balcony.

In most consulting relationships, we explore five main areas of inquiry – project concept, artist market, site feasibility, financial feasibility, and local leadership. In Ottumwa, the site has been identified, so the site feasibility questions we’ll consider relate more to the suitability of the two theaters for the uses we believe make the most sense for the community.

PROJECT CONCEPT

The project concept is the vision that the community hopes to animate by means of the proposed project. In Ottumwa, the project concept is grounded in the proposed renovation and adaptive reuse of these two theaters for arts-related activities that will bring people downtown and thereby help restore the economic vitality of the central business district.

Artspace wholeheartedly supports the concept of rehabilitating older buildings, especially in downtown areas, rather than tearing them down simply because they are vacant and have no immediate use. Even a building in need of repair is better than a vacant lot, and intact historic downtown districts tend to be interesting places that attract tourists and people looking for something to do – Galena, Illinois, being a celebrated example. Our view of the project concept, therefore, is a positive one, and nothing we saw in our tour of the buildings gave us reason to temper that opinion.

ARTIST MARKET

We were favorably impressed by what we saw of Ottumwa’s arts community. Everywhere we went, we met artists and people who share a passion for the arts. A large number of them – including Ottumwa High School’s Meistersingers choral group – attended our public meeting, which drew more than 150 Ottumwans, enough to nearly fill the Bridge View Center’s large conference room. And the Artists and Arts Organizations Focus Group, held in mid-afternoon, attracted two dozen people, an excellent turnout in a community this size. While we do not yet know whether these two groups provided a representative sample of what Ottumwa’s artists are thinking, they had plenty to say. This is what they told us:



Interior of the Capitol Theatre, currently without a floor.

- **Ottumwa needs a venue for live music.** There is a strong untapped market, we were told, for a space for music performance. No Ottumwa bar offers live music on a regular basis. What would such a facility be like? Ideally, one artist said, it would showcase both touring groups (ensembles “on the college circuit,” as he put it) and local bands looking for a place to try out new material in front of live audiences. It probably wouldn’t need to be large – between 150 and 250 seats might serve – but it should be flexible, well-equipped, and offer food and beverages, including wine and beer. It should have both a seating area and open space for gathering before and after shows. A dance floor might be an attractive amenity. Another musician advocated creating two separate spaces that work together but serve different functions: one for more established bands, the other an “open mic” venue for less experienced performers.
- **Ottumwa needs “interactive” areas** – places where artists can go to socialize, exchange ideas, and simply hang out. No such place currently exists, we were told.
- **Ottumwa has “plenty of artists” but not an “arts community.”** This is a fairly common complaint in smaller cities, where artists tend to be more isolated from one another. It suggests that one goal of this process should be to open permanent communication lines among the area’s artists.

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- **There are few opportunities for Ottumwa artists to sell their works locally.** Painters and ceramic artists who make their livings selling their art typically travel to Des Moines, Iowa City, or other hubs to find a market.
- **Ottumwa needs a “black box theater”** – that is, a small, flexible performance space – for theater and other events, such as stand-up comedy, that don’t draw large audiences. It should be “as multi-faceted as possible,” one artist said. Whether this concept is compatible with the live music venue is a question worth investigating if the community elects to move forward with a survey of its artists.
- **Affordability is an issue.** The city-owned Bridge View Center includes a spacious, well-equipped 660-seat theater, and it is widely regarded as a good facility. But it is too expensive for many Ottumwa performing arts groups. Any alternative venue developed at the Capitol or the Capri should be affordable so that it complements rather than competes with the Bridge View Center.
- **Shared space is a perceived need.** There is a need for a “hub for nonprofits,” as one person put it, that would provide office space, shared amenities such as a conference room, copiers, printers, Wi-Fi, and so on. Such a facility could also include classrooms and perhaps working studios for artists.
- **Nostalgia does not appear to be a major obstacle to adaptive reuse.** In many communities, public nostalgia for old theaters – the “painted ladies” of the early 20th century – is almost palpable. Not so here. Perhaps this is because neither theater was an architectural masterpiece or a marvel of interior decoration in the first place; they were utilitarian venues. Although one artist praised the Capri Theatre’s “fabulous open spaces” and “marvelous balcony lounge,” we were not overwhelmed by pleas to restore either theater to something resembling their original form. Indeed, we heard relatively few suggestions that involved using the Capri for film, and almost nobody seemed to think that adaptive reuse is a bad idea.

If the Legacy Foundation decides to move forward with plans to redevelop the theaters, it will want and need to learn more about the Ottumwa arts community. A well-designed survey using an Internet service such as SurveyMonkey would effectively test the conclusions of the Artspace team and point the Foundation in the right direction. We will discuss this more in the “Next Steps” section.

SITE ANALYSIS

The Capri Theatre and the Capitol Theatre stand side by side at 229 and 231 E. Main Street in the heart of downtown Ottumwa. The Capri, built around 1935, a time when most movie houses were large downtown venues, had a capacity of about 700 seats, of which roughly two-thirds were on the main floor and the remaining third in a single large balcony. It was never intended for live performances and lacks any of the basic features – such as wings, a fly loft, a green room, dressing rooms, and a grid for hanging lights – of a reasonably well-equipped facility for theater, dance, or music. Its lobby is small but serviceable. Rest rooms

are at the balcony level; there are stairways on both sides of the lobby but no elevator.



The Deco-inspired Capri Theatre facade, center, with the Capitol Theatre at right.

The Capitol, as noted, was built as a hotel but converted into a movie theater sometime before World War II. In the 1980s, when the Capri was partitioned into a four-screen multiplex, the Capitol became the Capri's fifth screen. The complex closed in 2005, and at some point the buildings' owner stripped it of its radiators, copper plumbing, and

other items that could be sold or recycled. This act was perhaps more of an insult than an injury, since renovation will undoubtedly require new HVAC systems.

Although a complete assessment of their condition was beyond the scope of our Consulting Visit, we were able to walk through both theaters. What we saw was generally encouraging. The Capri, though missing its marquee, appears to be in relatively good shape. The Capitol, which has been more chopped up by past remodelings and appears generally less well-maintained, nevertheless looks stable enough to be a candidate for renovation and adaptive reuse. It may require more work, however; among other things, the theater space is missing its main floor, which was removed after an inspection deemed it structurally unsound. But both buildings have treasures waiting for restoration – ceramic tile mosaics in the Capitol, a terrazzo floor in the Capri lobby, and so forth. Thoughtful renovation of the buildings, to the extent possible given the requirements of new uses, strikes us as a worthwhile goal.

FINANCIAL ANALYSIS

An arts project in downtown Ottumwa could tap into a number of funding sources. The entire central business district is an Enterprise Zone. The City has a program that provides

up to \$500,000 in CDBG funds for façade restoration and roof replacement, and TIF funds, we are told, are possible though not certain. Federal Historic Tax Credits can be used for a project that focuses on historic restoration, and Iowa also has state Historic Tax Credits that can be used “for the sensitive rehabilitation of historic buildings,” according to the State Historical Society of Iowa. The state



Detail of the Capitol Theatre façade

program provides an income tax credit of 25% of qualified rehabilitation costs, and an additional 20% is available if the property “is income-producing and qualifies for the Federal Rehabilitation Investment Tax.” The eligibility of these two buildings would depend on a number of factors, including the extent to which their “character-defining features and spaces” are preserved – an unanswered question at this point. With regard to these and all federal and state programs that might be brought to bear, the Ottumwa city officials with whom we met were clear that a project involving the two historic theaters would have strong City support.

The Legacy Foundation, too, represents a source of support. If the Foundation is unable or unwilling to commit to a large grant for the theaters’ renovation, we would encourage it to consider a PRI – that is, a Program Related Investment, essentially a low-interest loan – that would provide front-end funds for planning and/or construction. Although most PRIs are short-term loans, the Legacy Foundation might consider a longer term, which would give the theaters’ operating entity more time to get on its feet. The NEA’s “Art Works” program represents another potential source of funding, as does ArtPlace America, the national consortium of a dozen major foundations, which looks for projects that generate “vibrancy,” as a new performing arts venue would do.

It is too soon, of course, to make even a ballpark estimate about project cost. That will depend on how the Legacy Foundation translates the project concept into a design for specific uses in specific spaces. But it is not too soon to note that almost any reuse plan will require an investment of millions of dollars for planning, construction, equipment, and operation. Therefore a capital campaign will be needed, and this in turn means that an organization will have to be identified to run it.

LOCAL LEADERSHIP

Strong local leadership is the *sine qua non* of the kind of community initiative that has been proposed for the Capri and Capitol Theatres. We were very favorably impressed by the leadership of Pam Kaupins and Jeff Hendred and by the entire team assembled by the Legacy Foundation for our visit. But we hasten to point out that a project of this kind is likely to take at least three years and might take considerably more – Artspace’s flagship project, The Cowles Center for Dance and the Performing Arts in Minneapolis, took 12 years – because capital campaigns are difficult and delays are common.

Whether Ms. Kaupins and Mr. Hendred continue in charge or pass the baton to others, it is important for all stakeholders to understand that the Capri/Capitol project will require ongoing oversight by a leadership group and that once the project becomes “real” it will require the services of a project manager.

Reuse Scenarios

What arts uses make the most sense for the Capri and Capitol Theatres? We begin with two assumptions: first, that multiple uses are in order, rather than just one or two; and second, that these uses should have broad appeal to different constituencies. If possible, they should generate traffic both during the daytime and after dark. In the following discussion, we will focus on four general categories of uses:

- **Presentation/performance spaces**, including venues for film, music, theater, dance, art exhibitions, and the like;
- **Collaborative spaces**, including makerspaces, coworking spaces, and art workspaces designed to be shared by multiple users;
- **Event spaces** for parties, receptions, business meetings, and other gatherings; and
- **Ancillary spaces**, including offices, individual artist studios, residential, retail/commercial, and food and beverage venues.

PRESENTATION/PERFORMANCE SPACES

During our two days in Ottumwa, we were repeatedly told that what the community lacks is a small to midsize venue for live music and theater – either a “black box” theater or something of comparable scale and flexibility. The Bridge View Center, though suitable for large-scale events, is too big and far too expensive for many small groups, and there are few if any alternatives. “None of the bars in town have live music,” one musician told us. “There are 30 to 40 bands in town and no live music venue.” We were impressed by the fact that several of the people who told us this were in their twenties or thirties; one of the most articulate was a member of the Ottumwa High School Meistersingers. Like many other cities, Ottumwa is concerned about a “brain drain” – the tendency of its young adults to move to larger cities – so the lack of a live music venue strikes us as a significant shortcoming.

We also heard from several residents who favor restoring the Capri and Capitol Theatres to their former use as movie theaters. The suggestions ran the gamut from classics to the latest 3D Imax films. To the extent that its programming could find an audience, a movie theater in either building would certainly complement downtown bars and restaurants by bringing people downtown. But given the presence of a first-run multiplex, the Ottumwa 8, just across the river, a film-only venue at the Capri or Capitol would need innovative and eclectic programming – children’s films, classics of all kinds, foreign films, Spanish-language films (Ottumwa’s population is 10% Hispanic), and so on – and in all likelihood would require ongoing support from a philanthropic partner. We question whether a sufficient audience

exists in Ottumwa for a downtown venue dedicated solely to movies. Film might be a useful part of a larger package in a mixed-use venue, however.

COLLABORATIVE SPACES

Collaborative spaces come in three basic flavors: “makerspaces,” “coworking” spaces, and shared art workspaces.

A makerspace is a publicly accessible facility that provides space and equipment for designing and creating. These spaces are often focused on the industrial arts – welding, woodworking, and the like; the digital arts, including 3D printers, editing software, and robotics; and/or crafts – sewing, mosaic, and fiber arts. Artists, craftspeople, and hobbyists interested in using the equipment can purchase memberships valid



Interior of CoCo's spectacular Minneapolis facility, located on the historic trading floor of the Grain Exchange.

for a specified period of time, from a few hours to a year. Makerspaces have become very popular in larger cities, and we are beginning to see them in smaller cities as well. They even have their own website, Makerspace.com, which describes them as “community centers with tools” that “can take the form of loosely-organized individuals sharing space and tools, for-profit companies, non-profit corporations, organizations affiliated with or hosted within schools, universities or libraries, and more. All are united in the purpose of providing access to equipment, community, and education, and all are unique in exactly how they are arranged to fit the purposes of the community they serve.”

Coworking spaces are independent business centers that provide a variety of spaces, from individual workstations to meeting rooms, for individuals, small groups, and organizations. The concept was born in San Francisco and has crossed the country like wildfire. Coworking spaces have been called “the offices of the 21st century,” in part because they appear to have special appeal to creative millennials who have little interest in working in a conventional corporate environment but prefer something more flexible than a home office and more well-equipped than a coffee shop. CoCo (for “Coworking and Collaborative Space”) in the Twin Cities is a good example; its website is cocmsp.com. A successful coworking facility can generate significant revenue.



Running With Scissors uses waist-high partitions to separate studio areas.

Shared art workspaces are designed for multiple artists to share space and amenities such as slop sinks, dry racks, and projectors. They also offer the added benefit of community, collaborations, and exhibition opportunities that develop in these spaces. Shared workspaces can be paired with galleries and private studio spaces, as with StudioWorks, a nonprofit in Dubuque (dbqstudioworks.org), or Running With Scissors, a for-profit operation in Portland, Maine (runningwithscissorsartstudios.com). These types of spaces are symbiotic with residential space, coworking space, classrooms, and, of course, cafés. For another example of how shared space for artists is augmenting a facility built for the creative community, see Artscape Youngplace’s Flex Studios in Toronto, Canada. (artscapeyoungplace.ca/flex-studios).

Collaborative spaces come in two basic flavors: “maker” spaces and “co-working” spaces. A maker space is a facility that provides space and equipment for the so-called industrial arts – welding, woodworking, and the like. Change its focus to digital modeling and fabrication and it becomes a “fab lab” (short for “fabrication laboratory”). Artists interested in using the equipment can purchase memberships valid for a specified period of time, from a few hours to a year. Maker spaces have become very popular in larger cities, and we are beginning to see them in smaller cities as well. Some are quite raw, offering few amenities beyond secure storage areas.

If Ottumwa moves forward with a plan to transform the Capitol Theatre into a performance space for music and theater, it might make sense to turn the Capri into a collaborative space to help subsidize the Capitol’s operations.

EVENT SPACES

Most communities the size of Ottumwa have at least one or two large event spaces – Ottumwa’s are the Hotel Ottumwa and Bridge View Center – and several smaller ones to accommodate class reunions, high school proms, wedding receptions, graduation parties, Quinceañera events, and the like. We asked an event planner who works in the area whether Ottumwa could support an additional event space, and her response was, “Very much so. There are not a lot of options in Ottumwa.” An ideal event space, she said, would need to be

large enough to accommodate at least 300 people but small enough so that it would still feel intimate with as few as 120.

Our planner noted that today's brides are not necessarily looking for posh locales. One of the most popular wedding locations in southern Iowa, she said, is Bessie's Barn near Centerville, 45 miles southwest of Ottumwa, which draws business from as far away as Des Moines. In Des Moines itself, she spoke of an event space that is "large and very raw. It has an 'undone' feel, with wood floors and exposed brick. That look is very popular now." Without further study we cannot say whether a market for event spaces exists in Ottumwa; but if our event planner is right, a dedicated event space in the Capri/Capitol complex might make economic sense. Having one of the theaters serve as an event space while the other serves a complementary function is an intriguing idea. Although there are other, more arts-focused uses for the theaters, an event space – especially if it is easily transformed into a performance space – could have a lot of appeal.

ANCILLARY SPACES

Whatever the future of the two theaters, both buildings contain other spaces that can be used for complementary functions. The possibilities include offices, residences, retail sales, food and beverage sales, galleries, and so forth, depending on what becomes of the main spaces in each structure. If the Capitol Theatre, for example, is reborn as a performing space, it would seem to make good sense to have a concession stand, wine bar, coffeeshop, and/or a small café in the lobby area, so that people attending events in the theater would have access to refreshments. Because the lobbies of the two buildings are connected, one or more of these functions could be located in the Capri lobby, which is could double as a small art gallery.

The upper levels of the two buildings have potential as well. If the main floor of the Capri is converted into collaborative space, the balcony could provide added value by housing a lounge, classrooms, and/or conference rooms. If the main floor of the Capitol becomes a performance space, its second floor could house backstage spaces such as a green room and dressing rooms for performers. Other possibilities include offices, classrooms, or studios. Uses for these second floor spaces will depend, in part, on what types of activity are planned for the larger main floor spaces. For example, though the second floor of the Capital may be suited for residential uses, we think that few people would enjoy living over a music venue that would tend to be noisiest at the hour when most people are thinking about retiring for the night.

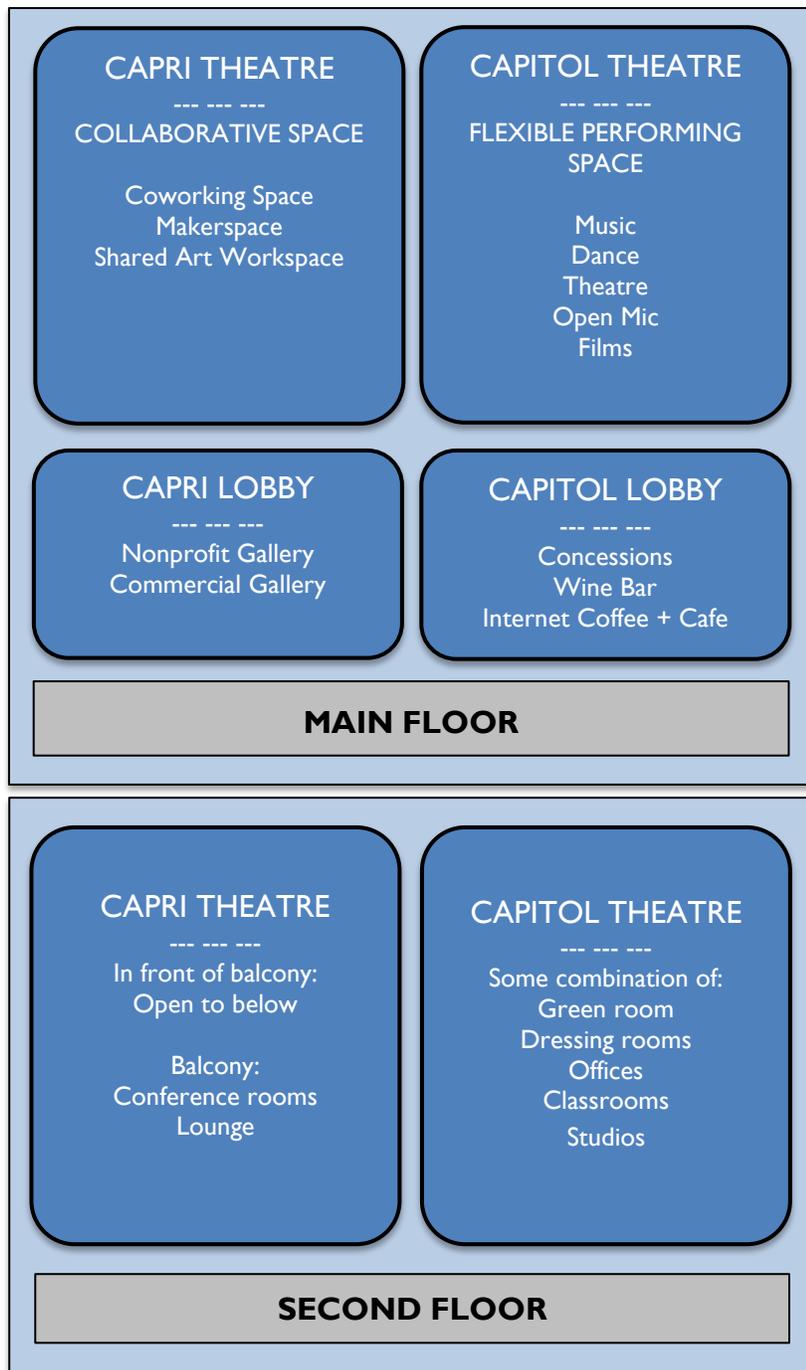
RECOMMENDATIONS

Of the uses described above, we think the options that should be prioritized for further study are:

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- **a flexible performance space**, probably in the Capitol, with a strong focus on music. The Capitol is a nice size for a black box theater or a music venue with a small stage and about 200 seats. A venue of this size would be intimate and lively even with a relatively small audience.
- **collaborative space, probably coworking space** rather than makerspace, for artists, creative businesses, or both. With its larger footprint and greater volume, the Capri would lend itself more readily to this use.
- **an event space**, probably in the Capri, either as a stand-alone venture or with complementary uses in the Capitol.

Here are two schematic drawings that show how the uses might be assigned within the two buildings. It assumes the Capri will be used for collaborative space, the Capitol for a flexible performance space. This is our first choice among possible uses, because collaborative space would generate earned income and thereby help subsidize the performance space on the other side of the lobby. An event space



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might do as well financially, but it would be a step removed from the arts-related uses the Legacy Foundation hopes to see in these buildings.

We emphasize these are not the only options. We recently visited York, Pennsylvania, a city of 45,000 that has successfully renovated a side-by-side pair of historic theaters. The key to a successful project is to determine the market for specific uses that might thrive in these two spaces. We will discuss this in the next section.

Next Steps

Ottumwa is fortunate to have an enlightened mayor, a savvy City Council, and an arts community that is perhaps more cohesive than civic leaders realized. But its downtown needs an economic shot in the arm, and the Capri/Capitol project, while not the entire answer, can certainly be part of it. Other initiatives, both public and private, are already underway in downtown Ottumwa. Bringing the Capri and Capitol back online will help create the critical mass of activity downtown Ottumwa needs to reclaim its place as the heart of the community.

According to Janis Barlow’s “Ten Steps to Historic Theater Project Planning” (right), this report fits within steps 1 and 2. However, before the Legacy Foundation moves to step 3, additional research and community input will be necessary to understand the market, clarify the concept, and identify potential users, operators, and funders.

In our view, the following activities need to take place in 2014:

- (1) **Stabilize the two theater buildings, but do no more than necessary.** During our visit, we were told that a local contractor would soon be installing a new HVAC system as well as other utilities. This strikes us as putting the cart before the horse. Until the future uses of the two buildings have been determined, there is no good reason to invest in infrastructure that may have to be replaced in the near term.
- (2) **Conduct a survey of individual users to determine the market** for a flexible performance space, co-working space, and other kinds of spaces. The main goal of the survey should be to determine who would use such spaces, how often, and what they would be willing to pay for it. Only by answering these and related questions can the Legacy Foundation and the City make an informed decision about the best path forward. Artspace has extensive experience with online surveys of this kind, including SurveyMonkey and others. Our inexpensive online Toolkit includes a step-by-step guide for clients that prefer to conduct their own surveys. We would

Ten Steps to Historic Theater Project Planning

1. Research and Goal Setting
2. Community Consultations
3. Financial Planning
4. Site Stabilization
5. Project planning and Feasibility Studies
6. Implementation
7. Consultant Selection
8. Architectural Services
9. Business Start Up
10. Project Communications

Janis A. Barlow and Associates

- recommend face-to-face interviews with the leaders of Ottumwa-area performing arts organizations to quantify their interest in a venue at either the Capitol or the Capri. The market for event space also needs to be quantified and can probably be ascertained through interviews with event planners in Ottumwa and other southeast Iowa communities.
- (3) **Begin conversations with potential funders.** As a community foundation, the Legacy Foundation is well-placed to play a leadership role not only by contributing to the project but also by opening the doors to other foundations. Knowing what resources are out there will be an important aid to planning.
 - (4) **Dig more deeply into public funding options.** City officials and others were happy to suggest a number of programs that could potentially be brought to bear on this project. These leads should be followed and thoroughly checked out. Some programs may turn out to be something less than on point – but the process of investigating them is likely to lead to other funding sources.
 - (5) **Bring Ottumwa’s major employers into the loop.** With some 2,400 employees, Cargill is by far Ottumwa’s largest employer. John Deere, with 940 employees, the Ottumwa Regional Health Center, with 750, and the Ottumwa Community School District, with 616, rank second, third, and fourth, respectively, according to Wikipedia. Every attempt should be made to keep these entities not only informed but actively involved in this project as it moves forward.
 - (6) **Get the Hispanic community involved.** Ottumwa’s Hispanic residents should also have a say in the future of the Capri and Capitol. During our visit we heard from two leaders of the Hispanic community, educator Imar Hernandez, who attended our final focus group session and the working lunch that followed, and Lorena Pérez, producer and host of the radio program “La Onda Latina.” They and other members of the broader community should be included in the conversation throughout the decision-making process.
 - (7) **Identify potential operators.** Although City ownership and operation is also an option, the more likely scenario is that the Capri/Capitol complex will be operated by a nonprofit organization, either an existing nonprofit that takes it on as a program or a new nonprofit created specifically to run it. Either way, the future of the Capri/Capitol will depend on strong, imaginative leadership. The search for that leadership needs to begin now. At some point the Legacy Foundation may choose to issue a Request for Proposals (RFP) or Request for Qualifications (RFQ) to help it find an operator.

- (8) **Obtain capital and operating projections.** Once the Legacy Foundation has narrowed the reuse scenarios to two or three “finalists” based on the market and on the number and kinds of interested users, it will be ready to take a hard look at the numbers. This is an area where Artspace can be of assistance; financial modeling is one of the consulting services we offer.

This report completes the scope of work that Artspace agreed to conduct for the Legacy Foundation. We are open to discussion of a second consulting contract that would include designing and administering a market survey, developing capital and operating proformas, creation of a vision statement and marketing materials, and other tasks needed to advance the Capri/Capitol project from the drawing board to predevelopment. If the community wishes to proceed in a different direction, we extend our sincere thanks for Ottumwa’s interest in Artspace and wish the community well as it continues its efforts to revitalize these two important downtown buildings.



BUILDING BETTER COMMUNITIES THROUGH THE ARTS

What makes a city great? Across America, cities large and small are discovering that one essential quality of every great city is a great arts community. In an era when people are freer than ever to choose where they live, vital arts communities help cities attract and retain residents and businesses. Thriving arts districts are magnets for tourists, restaurants, theaters, and creative industries. In a great city, the arts are not an extra, something to be considered only after “more important” items on the civic agenda are funded. In a great city, the arts are as fundamental as streets, parks, and public transportation.

At Artspace, helping cities integrate the arts into their civic agendas is part of our core business. Over the last two decades we have completed 35 major arts projects that contain more than a thousand affordable residences – each with space for a built-in studio – for artists and their families and provide more than a million square feet where artists and arts organizations work, teach, exhibit, rehearsal, perform, and conduct business.

We have seen firsthand the power of the arts to transform urban landscapes. Two of our earliest projects helped launch the celebrated renaissance of Saint Paul’s Lowertown neighborhood during the 1990s. In Reno, a lively arts district has sprung up around an Artspace project that opened a decade ago. An Artspace project in Seattle turned an abandoned block in Pioneer Square into the center of that city’s independent gallery scene.

What is Artspace?

Established in 1979 to serve as an advocate for artists’ space needs, Artspace effectively fulfilled that mission for nearly a decade. By the late 1980s, however, it was clear that the problem required a more proactive approach, and Artspace made the leap from advocate to developer. Today Artspace is widely recognized as America’s leader in creative placemaking.

As a mission-driven nonprofit, Artspace is committed both to the artists who live and work in our projects and to the communities of which they are a part. We work with civic leaders to ensure that our projects successfully deal with the issues they were designed to address.

Our programs

Artspace programs fall into three categories: property development, asset management, and national consulting.

Property development

Development projects, which typically involve the adaptive reuse of older buildings but can also involve new construction, are the most visible of Artspace's activities. Artspace typically completes two to four projects each year. Most projects take three to five years from inception to operation.

Asset management

Artspace owns or co-owns all the buildings it develops; our portfolio now contains more than \$500 million worth of real property. All our projects are financially self-sustaining; we have never returned to a community to ask for operating support for a project once it has been placed into operation. Revenues in excess of expenses are set aside for preventive maintenance, commons area improvements, and building upgrades.

National consulting

Artspace acts as a consultant to communities, organizations, and individuals seeking information and advice about developing and operating affordable housing and work space for artists, performing arts centers, and cultural districts. Our expertise as an arts developer gives us not only a unique perspective but also a unique set of skills, and sharing this knowledge we have amassed over the years is central to our mission.

Our history

Artspace's first live/work project opened its doors in 1990. In the mid-1990s, Artspace developed its first project outside Minnesota, the 37-unit Spinning Plate Artist Lofts in Pittsburgh. Invitations to work in other states soon followed. Artspace is now the nation's leading developer of live/work housing for artists with 26 live/work projects in operation from coast to coast. In all, these projects contain 1,186 residential units.

Artspace is now a nationally prominent organization with offices in Minneapolis, Seattle, New York, New Orleans, Los Angeles, and Washington, D.C. We have projects in operation, under construction, or in development in 14 states. Our national consulting program has helped communities in virtually every state address their arts-related space issues. The nature of our work is evolving, too, to include multiple-facility projects, long-range planning, arts districts, and arts initiatives designed to serve culturally specific groups such as native Hawaiians, the communities of color in New Orleans, and the Native Americans of the Northern Plains.