Artspace Commons, Salt Lake City, Utah: A Sustainable Brownfield Revitalization Best Practice

By Christopher De Sousa and Michael Testaguzza (2014)

SITE HISTORY

Artspace Commons has gained acclaim as a best practice in brownfields revitalization for its ability to establish a difficult, intricate balance between the environmental, economic, and social aspects of sustainability. This mixed-use development offers affordable housing and commercial space that addresses the needs of artists and not-for-profit organizations, while also acting as a catalyst for revitalization in an up and coming post-industrial district. While projects that address affordability are sometimes built to the lowest common dominator to remain economically viable, Artspace Commons not only addresses the legacy of industrial contamination on site, but has also achieved LEED Gold status through an innovative building design. To realize this difficult balance, Artspace financed the Commons through a complex New Markets Tax Credit (NMTC) partnership, making the project a showcase not only for brownfield revitalization, affordability, and green building design, but also for progressive financing.

Artspace Commons is located in Salt Lake City's Granary District, which is bounded by 600 South, West Temple, and I-15. Named for the silos that sprouted up along the district's historic rail corridor, the Granary District was once a gateway for a robust mix of light and heavy industries, warehouses, and granary silos. As modern freeways were introduced to the area, rail was pushed westward, pulling much of the district's historic industry along with it. The resulting built form is characterized by low-density warehouses and commercial buildings, many of which have stood for over 50 years; as well as a number of vacant lots.

Methodological note: Information for this case study was obtained from available project reports and from conversations with the project coordinators. Information here is current up until June 2012. For any questions, please contact Christopher De Sousa, School of Urban and Regional Planning, Ryerson University, chris.desousa@ryerson.ca. Research assistance provided by Michael Testaguzza and Nicholas Hiley from Ryerson University.

Despite a steady decline, the area has retained some light industrial uses. In the past decade there has been an increase in new housing developments and service-oriented commercial development, alongside the development of a burgeoning new creative culture focused on food, art, and music. This trend has been supported by the relatively inexpensive real estate in the area as well as its proximity to Salt Lake City’s downtown core. As of 2011, 17 percent of land in the Granary district was vacant, along with 55 percent commercial and 3 percent residential.

The Commons themselves are located at 824 S. 400 West on the former Utah Barrel and Scrap site. Utah Barrel and Scrap was a family run scrap metal recycling business that operated for three generations on the site, leaving behind a legacy of contamination. In the late 1990s the Salt Lake City Redevelopment Agency (RDA) prepared a report on existing conditions in the Granary District and adjacent Gateway District, identifying the former Utah Barrel and Scrap site as one of the higher priorities for remediation.

Following this preliminary report, the Salt Lake City RDA created the Granary District Project Area in 1999, guided by the Gateway District Land Use & Development Plan, the Gateway Specific Plan, and the Granary District Redevelopment Plan. Together, these plans are working to create “mixed use neighborhoods that support commercial businesses and services by improving public infrastructure, removing blight, preserving historic structures, and reclaiming open space.”

Responding to the opportunity created by this policy framework and the City’s identification of the Utah Barrel and Scrap as a high priority for remediation, Artspace purchased the site in November 2007 with intentions of remediating and redeveloping it. Artspace is a highly successful not-for-profit corporation that seeks to revitalize and promote vibrant safe communities in areas like the Granary District by creating affordable housing and work spaces for artists, cultural organizations, and nonprofit organizations.

PROJECT VISION

Artspace was founded in 1980 by a collaborative of artists who were in need of affordable, safe spaces to live and work. Artspace has been credited with starting a ‘real estate revolution’ with its first project – the 1982 Pierpont Avenue project, which converted an 80,000 square foot Eccles Browning Warehouse into artist lofts, studio spaces, and offices for not-for-profit organizations. Quickly following the success of this project, Salt Lake City’s warehouse

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8 Redevelopment Agency of Salt Lake City, "Granary District.”
12 Redevelopment Agency of Salt Lake City, “Granary District.”
district shifted from a “run down, neglected, crime ridden area [into] a hip hotspot filled with trendy restaurants, hotels, loft apartments, an upscale shopping mall, and a new train station where commuter rail and light rail trains meet.”

Artspace successfully completed three similar award winning projects before pursuing the Commons – the Artspace Rubber Company (1995), the Artspace Bridge Projects (2001), and the Artspace City Centre (2006) – allowing them to solidify their expertise in putting forth the right mix of uses, at the right price point, to successfully develop catalytic, affordable, mixed-use developments in struggling neighborhoods. While the Artspace Commons largely mirrored the vision that had informed Artspace’s previous projects, the Commons added a further dimension of sustainability to Artspace’s activities by tackling both brownfield remediation and the successful pursuit of LEED Gold certification.

Ultimately, Artspace’s visions of a mixed use, affordable, dense, and green project contributed to the success of the project by aligning it with Salt Lake City’s planning agenda for the Granary District. The Salt Lake City RDA’s identification of the Utah Barrel and Scrap site as a priority for remediation, along with the overarching policy framework seeking to revitalize the District as a mixed-use neighbourhood, created an environment where Artspace could be confident that it had municipal support in pursuing a new iteration of their previously successful vision. The Utah Department of Environmental Quality’s Voluntary Cleanup Program and the federal New Markets Tax Credit financing program signaled state and federal support for brownfield remediation. These programs helped to limit the risks associated with a brownfield project by providing progressive financing tools and minimizing risks associated with the removal of contamination.

According to an interviewee, Artspace had begun looking for a good opportunity for a new project coinciding with the end of their 25 year lease on their founding 1982 Pierpont Avenue project. Initial interest in incorporating green design into a brownfield redevelopment, as well as the decision to build on a brownfield, was motivated by Artspace’s desire to do the right thing. However, the confluence of policy between all three levels of government working to support brownfield revitalization, alongside the opportunity presented by an already assembled 3.67 acre property in the desirable, transitioning Granary District, and the affordability benefits provided by green design features all provided support for Artspace’s decision to pursue the Commons as their first venture into sustainable brownfield redevelopment. Decreased operating costs were particularly significant because they are in line with Artspace’s mission to keep their units affordable for renters.

**PROJECT CHARACTERISTICS AND DEVELOPMENT**

Artspace Commons features a 102 unit apartment complex with a mix of affordable one and two bedroom units as well as 50,000 square feet of artist studios and commercial spaces for non-profit organizations and community groups, located on the ground floor. The two Commons buildings are located at 423 West 800 South and 824 South 400 West, approximately two blocks west of the Lincoln Highway (I80 /I15), two blocks east of the closest Trax stops.

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15 Artspace, “Mission and History.”
light rain transit stop, and directly on the 800 South bike path, providing multi-modal access to the site. Completed in 2010, the Commons are 99% leased, including twelve nonprofits tenants such as A Gift to Africa, TURN Community Services, and Bad Dog RedisCOVERS America. Remediation of historic contamination on the site was completed in 2009, allowing construction of the LEED Gold facility to begin soon after. More specific details associated with remediation, financing, and the numerous community benefits and green features associated with the project are discussed in more detail below.

Site Remediation

Following the purchase of the former Utah Barrel and Scrap site, Artspace received a conditional Enforceable Written Assurance (EWA) from the Utah Department of Environmental Quality (DEQ). The EWA ensured that the DEQ would not bring any enforcement action against Artspace for pre-existing contamination on the site, conditional upon Artspace accepting a number of obligations to take reasonable steps to remediate contamination. Artspace then successfully applied to the Utah Voluntary Cleanup Program (VCP) – a streamlined cleanup program aimed at minimizing risk – and began characterizing the site.

Characterization revealed the presence of lead, arsenic, polychlorinated biphenyls (PCBs), poly-aromatic hydrocarbons (PAHs), and petroleum hydrocarbons above screening levels, along with low levels of benzene in the groundwater. This informed a Remedial Action Plan, which was put into action in late 2008. As part of this plan, groundwater on site was treated and approximately 10,000 tons of impacted soil was removed from the site and disposed of at a regulated facility. Removal reduced pollution at source, prevented further leaching to groundwater, and ensured the site would be protective of human health and the environment. Following the successful cleanup, an environmental covenant was executed and a VCP Certificate of Completion was granted to Artspace, allowing development of the Commons to proceed.

Project Financing and Economic Development

The Artspace Commons was a $28 million project, including remediation of the site and the development of new facilities. Financing was very much the result of an innovative and complex partnership that made use of a crucial

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18 Artspace, “Artspace Commons.”
19 Artspace, “Mission and History.”
21 Jensen, “Salt Lake City’s newest, hippest, greenest apartments set to open.”
22 Utah Department of Environmental Quality, “Artspace: Scrapyard to Studios and Galleries,” 1.
24 Utah Department of Environmental Quality, “Artspace: Scrapyard to Studios and Galleries,” 1.
financing tool for community revitalization – the New Markets Tax Credit (NMTC) financing program. Artspace also ran a successful capital campaign to supplement NMTC financing.\textsuperscript{26}

The NMTC program was enacted by Congress under the Community Renewal Tax Relief Act of 2000 to leverage private investor capital in low income communities in hopes of catalyzing community and economic revitalization. Administered by the U.S. Treasury Department’s Community Development Financial Institutions Fund, the program allows private investors to receive tax credits against federal income tax in return for equity investments in specified Community Development Entities (CDEs).\textsuperscript{27}

Artspace had previously worked with the National Development Council (NDC) to leverage financing for the Artspace City Center under the NMTC program. Building on this successful partnership, Artspace was able to obtain a $27.1 million NMTC financing package. NDC helped bring two private investors to the table - US Bancorp Community Development Corporation and the American Express Center for Community Development. These investors leveraged the NMTC transaction through two CDEs - Enterprise Community Investment allocated $20 million to the project and Brownfield Revitalization, LLC allocated $7.1 million.\textsuperscript{28}

Debt financing was provided by the Utah Community Reinvestment Corporation (UCRC), a local community development lender who made a first time foray into the NMTC program to make this project happen.\textsuperscript{29} Additional loans were obtained from Ally Bank and Morgan Stanley Bank, with an acquisition loan from the Utah Housing Corporation. In addition to these loans Artspace raised $4 million through its own capital campaign, including donations from the George S. and Dolores Dore Eccles Foundation, Energy Solutions Foundation for environmental mitigation, Rocky Mountain Power Blue Skies, and the Fidelity Foundation.\textsuperscript{30}

In addition to remediating a heavily contaminated site, Artspace’s successful use of the NMTC program generated an estimated 80 construction jobs, along with 35 permanent jobs associated with the 50,000 square feet of artist studios and nonprofit offices. By bringing these jobs and 102 affordable housing units to the struggling Granary district, Artspace Commons is expected to act as a catalyst for much-needed economic growth and revitalization in the surrounding area, aligning both with Artspace’s mandate and the goals of the NMTC program.

\section*{Community benefits}

\subsection*{Community Revitalization}

Artspace Commons was one of the first redevelopments in the Granary District.\textsuperscript{31} By bringing more people and businesses into the area, Artspace Commons is increasing activity in the Granary District,\textsuperscript{32, 33} which in the long run

\begin{footnotesize}
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\item \textsuperscript{29} National Development Council, "Artspace Commons Opens Its Doors; Creative New Markets Tax Credits Financing Helps Make It Happen.
\item \textsuperscript{30} Skibine, “Artspace Commons to Celebrate its Grand Opening during a Ribbon Cutting Ceremony on September 17 at 4:00 pm.”
\item \textsuperscript{31} Jensen, “Salt Lake City's newest, hippest, greenest apartments set to open.”
\item \textsuperscript{32} interview
\end{itemize}
\end{footnotesize}
may spur further redevelopment by attracting more people to, and improving their perceptions of, the District. Further redevelopment in the District will, in the long run, have a positive effect on City finances as the City will be able to garner additional income through increased property taxes on other sites. In addition, as noted by key respondents, the development is catering to attract members of the creative class and intended to create a cluster of artistic innovation, which will bring additional economic activity and spending power into the district.

**Affordable Housing**

The project has created 102 affordable housing units for households under 80 percent of area median income. The monthly cost per unit ranges from $960 dollars for a 950 square-foot, 2 bedroom unit, to $770 for a 700 square-foot, 1 bedroom unit. The 650 square-foot retail units are $650. Considering the potential for further reinvestment in the area, there is considerable concern that gentrification will result in displacement of original residents. However, units in the Commons are rented by Artspace, a non-profit which aims to provide affordable housing, meaning that these units at least will continue to be occupied by low income individuals. This guarantees that the community will remain mixed income going forward, and that original residents of the Artspace Commons need not fear gentrification and displacement.

**High Quality Housing Units**

The residential units in the Commons were constructed using an open concept design and incorporate high quality materials such as hardwood floors and granite countertops. They also include various amenities such as a washer/dryer in each unit, balconies with views of the Wasatch and/or downtown, and secure bike storage. The retail units and artist studios contain several amenities as well, such as sinks, climate control, and natural light. High quality construction means that future low income residents will not be living in second tier housing if the area gentrifies, and that the building will not be a source of neighbourhood blight in the future.

**Transit Oriented Development**

The Commons' proximity to a light rail stop, combined with its density, makes it an example of transit oriented development. By increasing density in the vicinity of public transit, as well as the 800 south bike path, the Commons improves the efficiency of public investment in transit infrastructure and creates more opportunity for

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34 Interview
35Jensen, “Salt Lake City's newest, hippest, greenest apartments set to open.”
37 Jensen, “Salt Lake City's newest, hippest, greenest apartments set to open.”
39 Interview
40 Jensen, “Salt Lake City's newest, hippest, greenest apartments set to open.”
41 Skibine, “Artspace Commons to Celebrate its Grand Opening during a Ribbon Cutting Ceremony on September 17 at 4:00 pm.”
42 Skibine, “Artspace Commons to Celebrate its Grand Opening during a Ribbon Cutting Ceremony on September 17 at 4:00 pm.”
multimodal transit choices. The mixed use nature of the project means that the district will be both a trip origin and destination. This again allows for efficient use of existing transit infrastructure while also creating the potential for some residents to forgo commuting to work entirely by working in the Commons’ studios or offices. 44

Green features

The green design features incorporated into the Artspace Commons project that led to its designation as LEED gold certified building are described below.

**Solar Photovoltaic Window Awnings**
The building’s south facing window awnings are equipped with solar panels that will generate 25 kW of electricity annually. Their installation was facilitated by a grant from the Rocky Mountain Power Blue Sky Program. 45

**Solar Hot Water System**
A solar hot water system provides 70 percent of the year-round hot water needs for the Commons. 46 The boiler powered by solar cells heats the culinary water for Artspace Commons in the summer and in the winter is part of the heating system. 47 In addition, green plumbing fixtures and shut offs will significantly reduce water use in the Commons. 48

**Exterior Features**
The Commons site includes a so-called cool roof and concrete parking lot. These two features are expected to significantly reduce the heat island effect of the site by reflecting heat away from the site. 49 Additionally, landscaping

44Skibine, “Artspace Commons to Celebrate its Grand Opening during a Ribbon Cutting Ceremony on September 17 at 4:00 pm.”
48(TplACU)
49(TplACU)
on site is designed to curb water use by using native plants, and exterior lighting is designed to reduce light pollution by not going into the sky or off site.

**Waste Reduction**

In construction of the Commons, over 90 percent of waste was diverted from the landfill by the contractor through recycling of material. Additionally, the deck flooring is made from recycled tires, and the Securock gypsum-fiber roof board is made up of 95% recycled content.

**Other Green features in the Commons include:**

| Secure bike storage and related amenities | • The Commons is located on the 800 South bike path.  
• The building provides secure bike storage in a locked part of the building.  
• Commercial restrooms include showers. |
| Effective insulation systems | • High performance insulation reduces energy consumption. |
| ENERGY STAR qualified lighting and appliances | • High performance appliances and lighting reduce energy consumption. |
| Low emission material | • The paints and finishes in the building are low-emitting.  
• Key informants note that this will produce a healthy environment for building occupants. |
| Abundance of natural light | • The interior spaces within the Commons were designed to allow for natural light to penetrate into them.  
• Key informants noted that it was important to extend this benefit to all occupants. |
| Bathroom floor material | • Marmoleum, the material used in the floors of the bathrooms, is natural and produced using renewable resources. |

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51 (TpfACU)  
58 Jensen, “Salt Lake City’s newest, hippest, greenest apartments set to open.”  
60 (TpfACU)  
61 interview  
62 (TpfACU)  
63 interview  
64 (TpfACU)
BENEFITS, BARRIERS, AND LESSONS LEARNED

Benefits - The potential for further revitalization in the Granary District

As noted above, Artspace Commons has the potential to spur further redevelopment in the Granary District. As noted by a key stakeholder, the hope is that the project will help turn the area into a destination for the creative class, and thereby catalyze further development. Bringing 12 nonprofit firms and 35 new jobs associated with the artist studios and offices, as well as 102 new households into the community is already a significant step in the right direction; as is turning a dilapidated 3.67 acre site into a model green building project.

Artspace’s past certainly indicates that there is a strong possibility that the project will inspire further development. As noted earlier, following the success of the 1982 Pierpont Avenue project, Salt Lake City’s warehouse district experienced significant reinvestment.

The success of the Artspace Commons has already led to further reinvestment in the neighbourhood by Artspace itself, in the form of a community garden and an additional green building being built on site. More details can be found in the chart below:

<table>
<thead>
<tr>
<th>Community Garden</th>
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<tbody>
<tr>
<td>• A new community garden is to be located at the Commons. It is the result of a partnership between Artspace and Wasatch Community Gardens. Plots will be available primarily to tenants; however some may be made available to the general public. 66</td>
</tr>
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<th>Artspace Solar Gardens</th>
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<tbody>
<tr>
<td>• Artspace Solar Gardens was completed in 2013 and makes use of the remainder of the remediated Utah Scrap and Barrel site. It is the first net zero mixed-use building in Utah. 67 68 The power for the building is produced by 859 onsite solar panels on the roof and surface parking structure. 69 70 The power generated onsite is enough to meet the needs of the entire building, and as such reduces energy bills for building occupants. 71 72 Similar to the Commons, the Solar Gardens also houses mixed uses, containing 10,000 square feet of street-level commercial space and 30 affordable residential units. 73 The project was also financed using New Markets Tax Credits, 74 and received support from the Rocky Mountain Power Blue Sky program in order to build its extensive solar panel system. 75</td>
</tr>
</tbody>
</table>

65 interview
68Artspace. “Mission and History.”
70 Artspace. “Artspace Solar Gardens.”
72Rocky Mountain Power, “Artspace Solar Gardens.”
73Artspace, “Mission and History.”
74Artspace, “Artspace Solar Gardens.”
Despite the positive developments produced by Artspace, additional redevelopment in the Granary district will likely require similar conditions as those that produced the Commons and Solar Gardens. A positive sign is that one of the most significant conditions which brought the Commons to fruition, according to key respondents, was the large pre-assembled parcel of land. Land ownership in the Granary district is somewhat consolidated; over 50 percent of the lands in several blocks in the district are held by fewer than 5 owners. These blocks encompass over half the land in the Granary District.

On the other hand, there are certain issues in the Granary district that may hinder further revitalization, and as such reduce the catalytic affects of the Commons. There are several old buildings that sit vacant in the District. The Redevelopment Agency of Salt Lake City notes that sustained vacancy in older buildings may result in building deterioration producing further blight creation. In addition, although many essential community services are located within a 1-3 mile radius of the district, none are located within the district itself. For example there are no schools, police and or fire stations, or major supermarkets/grocery stores in the area. This means that residents must leave the community for basic services, which may reduce residential demand in the area. In turn this could hinder further revitalization.

**Barriers- Money hinders brownfield development and the implementation of green features**

The Artspace Commons project demonstrates that money can become an issue that hinders brownfield redevelopment and the implementation of green building features.

With regards to green building features, as noted by key informants, there was a tension throughout the project between affordability and environmental sustainability. The informant noted that the top obstacles in incorporating green build features into the project were the cost of these features and the cost of LEED paperwork. For example, it was noted that a) geothermal technology was not used in the Commons because it was considered too expensive, and b) Artspace was only able to reach LEED gold on the Commons because of external funding. The Artspace Solar Gardens provides another example in that without the support of the Blue Sky program, Artspace would have only be able to build a system of half the size. The informant suggested that more financial incentives are necessary in order to promote further sustainability while keeping housing affordable.

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76 Interview
81 Interview
82 Interview
83 Interview
84 Oberbeck, "Rocky Mountain Power funds renewable-energy projects."
85 Interview
With regards to brownfield redevelopment, it is clear that incentives also play a large role in making projects financially feasible. To an extent, the risks associated with brownfield redevelopment were capitalized into the predevelopment value of the Utah Barrel and Scrap site, as it has been noted that Artspace "negotiated the sales price knowing the property would need environmental mitigation." However, negotiation implies that the total cost of remediation cannot always be capitalized into the predevelopment value, and as such that there is a significant role for incentives to play in overcoming this additional cost; or else the developer will attempt to pass it on to consumers at the point of sale. Indeed the Artspace Commons project received a great deal of support provided by the Utah Department of Environmental Quality's Voluntary Cleanup Program and the federal New Markets Tax Credit financing program. These programs helped incentivize brownfields redevelopment by minimizing risks associated with the removal of contamination and providing progressive financing tools. In addition, the RDA provided $450,000 to Artspace through its tax increment reimbursement award, "which will repay half the project's architectural and engineering design costs." Without these incentives it is unclear if the project would have occurred.

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**TIMELINE**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>DESCRIPTION</th>
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<tr>
<td>1890s</td>
<td>What is now the site of Artspace Commons, housed a family run business for 3 generations; Utah Barrel and Scrap, a scrap metal recycling business. This business created significant contamination on site.</td>
</tr>
<tr>
<td>Late 1990's</td>
<td>The Salt Lake City Redevelopment Agency (RDA), in a report outlining existing conditions in the Granary District, identified the site as a high priority for remediation.</td>
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<tr>
<td>2000</td>
<td>The New Markets Tax Credit (NMTC) financing program was enacted by Congress under the Community Renewal Tax Relief Act.</td>
</tr>
<tr>
<td>November 2007</td>
<td>Artspace purchased the Utah Barrel and Scrap site.</td>
</tr>
<tr>
<td>Late 2007</td>
<td>Artspace receives a conditional Enforceable Written Agreement (EWA) and applies to the Voluntary Cleanup Program (VCP).</td>
</tr>
<tr>
<td>Early 2008</td>
<td>The Utah Barrel and Scrap site is characterized.</td>
</tr>
<tr>
<td>May 2008</td>
<td>Artspace holds a green planning charrette with its design and engineering team, property management staff, and consultants.</td>
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<tr>
<td>Fall 2008</td>
<td>A remedial action plan is established.</td>
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<tr>
<td>Late 2008</td>
<td>Cleanup of the site begins.</td>
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<tr>
<td>May 2009</td>
<td>Following the successful cleanup, an environmental covenant was executed and a VCP Certificate of Completion was granted to Artspace. Construction begins soon after.</td>
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<tr>
<td>September 2010</td>
<td>Artspace Commons opens its doors.</td>
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REFERENCES


ACKNOWLEDGEMENTS

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The Sustainable Brownfields Consortium is an interdisciplinary group of researchers and technical advisors who are analyzing best practices for sustainable redevelopment of brownfields and the environmental, economic and public health benefits that can result. Funded by a grant from U.S. EPA, the project is a collaboration of the University of Illinois at Chicago (where it is based), University of Illinois at Urbana-Champaign, University of Wisconsin-Milwaukee, Ryerson University, Resources for the Future, and Kandiyo. The project website is at www.brownfields.uic.edu.