



THOMAS STARINSKI/HISTORIC WAREHOUSE DISTRICT DEVELOPMENT CORPORATION

The unique architecture of the Perry Payne building in Cleveland's Warehouse District has attracted architects and engineers from around the nation to study the structure, which was built in 1888. Recently, it was renovated to provide 93 luxury condominiums and 12,000 square feet (1,115 sq m) of retail space.

# Recycling Old WARE- HOUSES

**Old warehouse districts in the United States are returning to work in 21st-century roles that celebrate their past while embracing the future.**

PATRICIA L. KIRK

#### EXAMPLES ACROSS THE COUNTRY OF CITIES

adapting historic industrial districts for new uses have inspired other cities to leverage this untapped resource to create newly invigorated urban neighborhoods and tourist destinations. With their interesting architecture and raw authenticity, these industrial districts provide an opportunity to create unique places, as has been done at Vancouver, British Columbia's Yaletown; New York City's Meatpacking District; Richmond, Virginia's Tobacco Row; and Portland, Oregon's Brewery Blocks.

With the economy in recession and lenders requiring more equity than in the recent past, old warehouse districts offer cities an opportunity to continue urban renewal efforts in the down economy by engaging developers in public/private partnerships and providing incentives to fill gaps in financing. Cities such as Cleveland, Pittsburgh, Minneapolis/St. Paul, Dallas, St. Louis, Los Angeles, and San Francisco already have historic warehouse districts in various stages of transition. To initiate and guide redevelopment, these cities have created master plans to provide a vision for the district and design guidelines to control the outcome, implemented policy and zoning changes to make mixed-use development possible, and added incentives to encourage development and help developers make projects pencil out. Sometimes, cities have even assembled parcels, offering developers free or low-cost land.

Developers find that recycling old warehouse structures is attractive because the unique architecture and desirable urban location of such buildings make them marketable. In addition, they are located in areas with existing infrastructure and have large, open floor plates that easily accommodate retail, flex/office, or residential uses. Developers also may qualify for state and federal financial programs, including historic tax credits designed to help preserve historic structures, grants for brownfield cleanup, and community redevelopment funds for revitalizing blighted neighborhoods and creating jobs. Various financial incentives are also offered by many local governments.

Artists, rather than developers or city governments, are often the catalysts for change in old industrial districts, creating a hip, bohemian atmosphere that helps make neighborhoods attractive. Abandoned warehouses, with large floor plates, high ceilings, and low rents, are a good fit for artists.

Redevelopment, however, triggers what Beth Bowman—a St. Paul artist and project manager for Artspace, a Minneapolis-based affordable housing developer specializing in live/work space for artists—calls the SoHo effect. This is a reference to the gentrification that took place in New York City's SoHo (South of Houston) neighborhood, which displaced the artists who made the area hip in the first place, as well as the original residents and small businesses that could no longer afford the higher rents. In such cases, the artists move on to the next blighted area, and the cycle repeats itself, Bowman points out, but the original residents and small businesses lose their homes and incomes.

#### Minneapolis

Considered by many the SoHo of the Midwest, the Minneapolis Warehouse District lost most of its artists, but is successful just the same, points out Joanne Kaufman, executive director of the district's business association. Adjacent to the central business district and a stop on the city's light-rail system, the 50-block Warehouse District is a residential neighborhood popular with young adult hipsters, as well as a lively regional destination for locals and tourists, with hundreds of shops, restaurants, and entertainment venues. While the area still has functioning warehouses, Kaufman says she expects this will change over the next decade as development takes place around the new Target Field ballpark for the Minnesota Twins, scheduled for completion in 2010.

#### Cleveland

The revitalized warehouse district in Cleveland, like those in Minneapolis, St. Louis, and San Francisco, owes its rejuvenation to artists, who ultimately became victims of their success in transforming the neighborhood. Redevelopment of the Cleveland Warehouse District began in the late 1980s, and the area is still evolving, says Tom Starinsky, project director for the city's Historic Warehouse District Development Corporation. He notes that \$450 million in public and private investment has already gone into transforming the eight-block district into a hip neighborhood and popular regional destination with 39 restored warehouses, 28 of which are certified historic structures.

Development initially faced many challenges, including a security problem, says local developer Bob



MINNEAPOLIS CONFERENCE AND VISITORS BUREAU  
THOMAS STARINSKY/HISTORIC WAREHOUSE DISTRICT DEVELOPMENT CORPORATION

Public and private investment totaling \$450 million has gone into transforming Cleveland's eight-block Warehouse District, once considered a seedy area of the city, into a hip neighborhood; 39 of the warehouses have been restored, 28 of which are certified historic structures. This redevelopment has attracted about 3,000 new residents to the area, mainly young professionals, as well as businesses with 2,500 employees.

**Considered the SoHo of the Midwest, the Minneapolis Warehouse District has an eclectic mix of uses in the 50-block area of old warehouse buildings, including sports and entertainment facilities, and a lively nightlife, which make it a destination for both locals and tourists.**

Rains, a principal at Landmark Management LLC and the first developer to enter the area. The only business in the area at the time besides the artists was an adult bookstore, he notes, and restoration of the old buildings faced structural problems. When it became gentrified, the artists who had created interest in the area moved 40 blocks to the east. But with 3,000 residents and a daytime worker population of 2,500, the area is safer now, adds Rains.

### St. Louis

The historical use of the St. Louis Warehouse District as a center of fashion design and manufacturing provided the broad scheme for redevelopment, notes local architect Kiku Obata, a principal at Kiku Obata Company, who served as planner and streetscape designer for the project and developed design guidelines for restoration of the entire district. St. Louis's warehouse district was the nation's second-largest garment district outside New York City, she says.

The city initiated the planning process in 1998 with the goal of completing redevelopment in time for the 2003 bicentennial celebration of the Lewis and Clark expedition, says Obata. The area at the time consisted of run-down buildings bought up by developers and

informally inhabited by artists, she notes, and there was no cohesive community or sense of security. The city got the ball rolling with \$17.3 million in infrastructure improvements, says Obata, including a new streetscape on the main thoroughfare, Washington Avenue, that set the tone for restoration, with strips of white lights and paving graphics creating a zipper-and-stitch-like pattern on the street's pavement.

Because the city envisioned the area as a creative enclave for 20- and 30-something professionals, restoration guidelines focused on creating a lively, hip environment with a cool loft aesthetic not reminiscent of any particular period, Kiku says. "The idea was to strip away layers to find the essence of a building's architectural intent, embracing all the different periods the building had gone through, and position them for modern use," she explains. The depth of the buildings provided an opportunity to create inexpensive live/work artists' spaces opening onto side streets.

The city offered developers financial incentives on a case-by-case basis, including tax abatement at the 18-story Syndicate Building in exchange for dedication of one floor to affordable live/work space for artists, says Otis Williams, deputy director of the



**A zipper-and-stitch pattern, created with white lights and paving graphics embedded in Washington Avenue, the main street through the St. Louis Warehouse District, pays tribute to the district's past as the second-largest garment district in the nation.**

St. Louis Development Corporation. The Minneapolis-based developer of the building, George Sherman, introduced the city to the idea, he says.

Located adjacent to the convention center, the district, which is anchored by the \$267 million Renaissance Grand Hotel & Suites, is a destination for both visitors and locals. Investment in the area totals \$1.2 billion so far, says Williams, creating 1,571 new residential units and office space above 60 businesses, which include restaurants, nightclubs, and other entertainment venues; women's and men's fashion retailers; art galleries; and stores selling home furnishings and accessories.

### San Francisco

San Francisco's South of Market (SoMa) district owes its redevelopment to artists and gay residents who began moving into the area in the 1960s. While the artists took up informal residence in warehouses, the

gay community created an enclave known as Folsom Gulch, or the Leather District, which has become an international gay destination, notes Michael Yarne, development adviser in the Mayor's Office of Workforce and Economic Development. The area was gentrified in the 1990s by dot.com workers who liked its structures' rough, edgy, industrial architecture and open floor plates, which were conducive to a collaborative work environment, he says.

While a large concentration of gay residents still lives in SoMa, most of the artists have regrouped in the west Oakland warehouse district across the bay. Most dot.comers left SoMa during the technology bust at the beginning of this decade, flooding the market with inexpensive sublet space that was taken by institutional arts organizations. Today, the area is the home of the San Francisco Museum of Modern Art, the Film Arts Foundation, the Yerba Buena Center for the Arts, the Contemporary Jewish Museum, the Museum of the African Diaspora, and the Cartoon Art Museum, as well as numerous art galleries and exhibition facilities.

San Francisco Mayor Gavin Newsom recognizes the intrinsic and economic value artists bring to a community, and considers their creative capital vital to attracting and retaining an intelligent, knowledge-based workforce, Yarne says. "If we lose the arts community, we also lose our competitive edge in attracting the best and brightest," Yarne asserts. Under Newsom's leadership, the city is working to implement policies that support artists and encourage them to remain in the city.

### Dallas—Bishop Arts District

Artists and the gay community also initiated redevelopment of the Bishop Arts District, a neighborhood in Dallas's Oak Cliff area south of downtown. A once-thriving shopping district on the old streetcar line, it went into a sharp decline when the streetcars stopped running and development moved north. The brainchild of local developer David Spence, the revived neighborhood has an artsy, vibrant commercial district with galleries, boutiques, restaurants, and cafés.

"Artists have always informally used old warehouse buildings surrounding the commercial area as studios, and still do," says Spence, noting that the neighborhood has remained diverse in every way. "We're consciously trying to retain them rather than run them off and give the neighborhood over to gentrification," he says.

While artists made the neighborhood attractive for redevelopment, Dallas helped solve the two main obstacles to making the neighborhood viable, he says—a shortage of parking in the commercial district and a reputation as a high-crime area. The city halved the parking requirement, he notes; historically, the commercial district had never had much parking space because shoppers generally arrived by streetcar. The city's standard parking requirement had encouraged destruction of historic buildings rather than preservation, because merchants had to buy two adjacent structures and demolish one for parking to meet code.

Spence contends that the area's reputation for crime was worse than the reality, but admits that both a perception and assurance of safety was needed to get people from outside the neighbor-

**Developers who recognize the next hot neighborhood—before it gets hot—generate the highest profit margins because they buy property before values increase. Some developers, therefore, keep tabs on where the artists go, while others are attracting them to areas they would like to redevelop.**

hood to shop there. To overcome this problem, he provided the city rent-free space for a police storefront in the shopping district, which provides a base for police patrolling the neighborhood and a visible security presence.

"This [neighborhood redevelopment] was an absolute bargain for the city," Spence says. The city invested a total of \$2.5 million in infrastructure, new sidewalks, and landscaping. "Eliminating the standard parking requirement to make this a viable adaptive use district didn't cost the city a dime," he adds.

### **Dallas—Deep Ellum**

A longtime advocate for the arts, Jeff Swaney, president of the Delphi Group Inc. in Dallas, witnessed the SoHo effect firsthand as one of the early developers in Deep Ellum—a corruption of deep Elm Street—a hip entertainment district in downtown Dallas from the late 1980s until recent years. A combination of blues

musicians and artists is credited with jump-starting the area's transformation from a funky, blighted neighborhood of dilapidated warehouses, pawn shops, brothels, and bars to a bohemian utopia with the hottest nightclub scene in the region, recalls Swaney. Originally, an African American neighborhood, the area was always known for blues clubs.

By the late 1990s, Deep Ellum began losing its appeal, which Swaney blames on greedy property owners who created an oversupply of bars and drunks, causing crime to skyrocket and destroying the district's reputation. By 2006, the majority of nightclubs had closed and the area went into decline and rents dropped, initiating a return of the artists, who had left when the rents and noise level escalated. Consequently, Deep Ellum is now going through regentification, with several new residential projects increasing

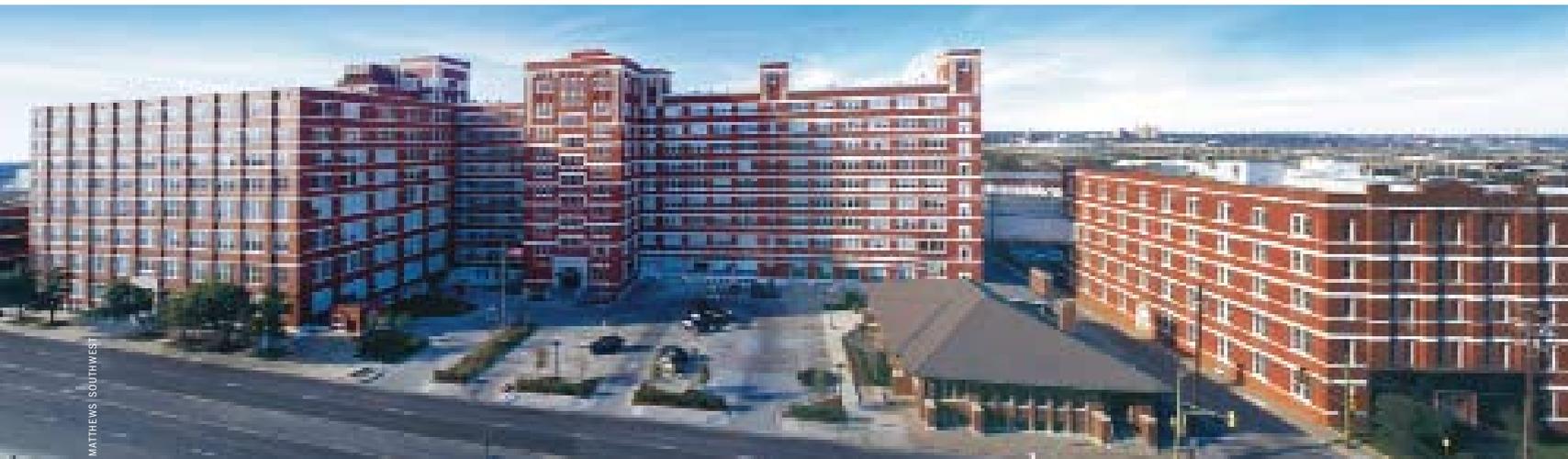


**The commercial area of the Bishop Arts District of Dallas, a diverse neighborhood in the Oak Cliff area south of downtown, has avoided gentrification.**

the district's population to about 3,000. Pedestrian-friendly amenities also have opened along Elm Street, including cafés, restaurants, boutiques, and galleries. Swaney notes that there are at least a dozen art galleries in the area, and the Continental Gin Building—an old warehouse—alone houses 30 working artists.

### **Dallas—Southside on Lamar**

Another Dallas developer, Jack Matthews, president of Matthews Southwest, also understands the value artists can bring to a community. Matthews is underwriting affordable live/work space for about 50 artists at South-



MATTHEWS | SOUTHWEST

**Southside on Lamar, a new mixed-use project that is repositioning a historic Sears Roebuck distribution complex in Dallas, will include affordable live/work space for about 50 artists.**

side on Lamar, which is repositioning the 1.1 million-square-foot (102,000-sq-m), early-19th-century Sears Roebuck catalog and distribution complex, located southeast of downtown Dallas, into a mixed-use development with residential, retail, and office space.

As part of the art-friendly programming, Matthews has created opportunities for artists to provide services to the community in exchange for reduced rent, such as teaching children’s art classes or doing creative projects that enhance the development’s atmosphere. “It makes a lot of sense having them here and involved in our community,” he says.

Situated next to the Dallas Convention and Visitor’s Bureau, with two stops on the Dallas Area Rapid Transit (DART) light-rail system, Southside on Lamar is being redeveloped according to sustainable principles to include 100,000 square feet (9,300 sq m) of office space, 530 condominium units, 100,000 square feet (9,300 sq m) of retail and entertainment space, and a 400,000-square-foot (37,000-sq-m) Dallas Police Department headquarters. Planned on an adjacent 40 acres (16 ha) are another 2,500 residential units, an 80-room hotel, 200,000 square feet (18,600 sq m) of office space, and 200,000 square feet (18,600 sq m) of retail space and artists’ lofts.

Dallas provided tax abatement—ten years for the overall project, then five years on just the land—to



ARTSPACE

**A \$9.1 million overhaul by Artspace transformed an 1895 warehouse in St. Paul’s Lowertown warehouse district into the Tilsner Artists’ Cooperative, which provides 66 affordable live/work units for artists and their families. The building to the left is Artspace’s Northern Warehouse Artists’ Co-op, which has 52 live/work units.**

help Matthews overcome the site’s environmental problems and other challenges, including the public’s perception of the neighborhood as unsafe. Landing the new police headquarters, therefore, was a coup, he says. Matthews also created a courtesy patrol to monitor neighborhood activity and walk people to and from their homes, cars, or the DART station.

### St. Paul

Twenty-eight years and \$750 million have gone into transforming the 180-acre (73-ha) Lowertown warehouse district east of downtown St. Paul into a hip, urban neighborhood with 2,600 new housing units and a variety of dining and entertainment choices. Unlike the district in its twin-city neighbor, Minneapolis, St. Paul's historic warehouse district has managed to keep its 500 working artists in place, thanks to the efforts of nonprofits like Artspace, which developed 118 affordable live/work units for artists and their families in two Lowertown warehouse buildings.

Bowman, who lived at Artspace's Tilsner Artists Co-op while making a living as a painter, notes that these facilities provide large live/work spaces with plenty of natural light at rents half the market rate and offer artists a comfortable community of like-minded neighbors who support one another.

### Los Angeles

Artists have been living and working in the downtown Los Angeles Warehouse District since the 1970s, converting old warehouse space into artists' lofts. The character of the neighborhood began to change when developers entered the market early this decade, says Qathryn Brehm, a mixed-media painter and digital artist who has lived there since 1979. She notes that the name was changed to the Arts District a few years ago, about the same time local developer Linear City LLC completed the Toy Factory Lofts, helping boost the neighborhood's popularity among affluent buyers. Since then, Linear City has converted several other buildings for mixed uses and established neighborhood retail services and other amenities. Locally based developer the Kor Group also recently repositioned the Barker Brothers furniture factory as upscale live/work lofts, and retail and office space.

The newer lofts are not the kind of place where an artist can weld a metal sculpture, suggests Brehm, noting that most artists cannot afford them anyway, so they are downsizing or leaving the neighborhood.

### Vancouver

Sometimes the market, rather than the artists, initiates redevelopment of defunct, well-located warehouse districts. In a city where the average condominium costs \$700,000, high property values drove the transforma-



VANCOUVER CENTRAL AREA PLANNING

**Vancouver's hip Yaletown, an old warehouse district on the waterfront, offers eclectic shopping venues, restaurants, and a lively nightclub scene. The area is popular with young adult professionals, many of whom live and work in the district.**

tion of Yaletown, Vancouver's seedy, 200-acre (80-ha) industrial district, into a mixed-use neighborhood with a projected 15,000 residents. The city rezoned the district from industrial to mixed use in 1985, imposing regulations to ensure reuse of the original buildings with a broad mix of commercial and residential space, says Michael Gordon, senior central area planner for Vancouver. The height limit for existing buildings was set at 70 feet (21 m), and developers were required to retain and upgrade the buildings' iconic canopies to meet code.

The old buildings in the industrial district had loading docks 33 feet (10 m) wide and large floor plates that could be easily adapted to restaurant and retail uses. The city wanted to ensure that developers would not be stingy about creating commercial space, Gordon notes, so a density bonus of five times the base floor space was provided to projects that dedicated the ground floor to retail uses, compared with three times the floor space for projects that were residential only.

Today, new Yaletown has structures up to 300 feet (121 m) tall, but the older warehouse buildings along Granville and Mainland streets have five to seven stories. The area is attractive to a 20- to 30-something crowd, so it has become a popular fashion and entertainment district with office space occupied by high-tech businesses and consultants generating triple-A, central business district core rents.

### Pittsburgh

The market also changed Pittsburgh's historic Strip District, which has undergone many reincarnations through the years—the latest from wholesale to retail marketplace. The neighborhood's businesses initiated its latest reinvention as a regional marketplace and entertainment district, notes Cynthia Helfrich, marketing director for Neighbors in the Strip, the district's business association. After manufacturing plants closed down early in the 20th century, the area had become a wholesale produce market for grocers and restaurants. However, the wholesale produce market softened with the establishment of modern supermarkets, which had their own distribution facilities.

Today, the Strip, a 22-by-four-block area of uncompromisingly gritty retail establishments, has evolved into a regional marketplace that attracts 15,000 to 25,000 visitors on weekends with a wide selection of foods, flowers, and dry goods, as well as restaurants, bars, and nightclubs.

The area is currently making the transition into a pedestrian-friendly residential neighborhood. Completion of 297 apartments in the old Armstrong Cork Factory building, which is 100 percent occupied, tripled the district's population, Helfrich says. With the opening of a locally owned organic grocery, a café, a restaurant, and other retail services at the Cork Factory, the area is beginning to seem like a real neighborhood, she says.

Across the street, developer Jack Benoff, president of Philadelphia-based Solara Ventures, has begun work on 50 condominiums in the old Otto Milk building, which will also include 5,000 to 6,000 square feet (465 to 555 sq m) of neighborhood retail services. The condominium project qualifies for the city's new tax abatement program, designed to increase the stock of workforce housing, says Becky Rodgers, executive director of Neighbors in the Strip. The program



will provide buyers at Otto Milk Condominiums ten years of tax abatement up to a total property value of \$250,000, she says, enabling workers earning \$40,000 a year to qualify for these homes, priced starting at \$189,000.

In an effort to increase the district's population and improve safety, Rodgers's organization is also encouraging merchants to create residential units above their businesses by offering \$4,200 toward the estimated \$5,000 in architectural fees required to conduct a feasibility study and design the units. In addition, the area is now home to the Pittsburgh Ballet Theatre, the Pittsburgh Opera, the Society for Contemporary Crafts, and a number of nonprofit organizations, high-tech businesses, design and marketing firms, artists, and art galleries, notes Rodgers.

Recycling old warehouses can provide developers with both intrinsic and financial rewards, but is not for the faint of heart, warns Benoff, who has done several historic conversions in the Pittsburgh area. Matthews emphasizes the importance of retaining artists in the warehouse neighborhood, suggesting that the intrinsic value they bring to a project has tremendous economic impact on property values. "Most people do not want to live in an environment that becomes sterile," he says, "and artists will not let that happen." **UL**

**PATRICIA L. KIRK** is a freelance writer based in Austin, Texas.

**Pittsburgh's historic Strip District—which evolved into a 22-by-four-block regional marketplace that attracts 15,000 to 25,000 visitors on weekends with a wide selection of retail space, restaurants, bars, and nightclubs—is becoming a pedestrian-friendly residential neighborhood.**