

Downtown Idea Exchange

Revitalization Projects

Ownership is key to arts-driven revitalization success story

Paducah, KY (pop. 26,310), has put its small downtown on the map of arts-driven revitalization in the last few years. A Lower Town Neighborhood Plan and Artist Relocation Program of that city has completely turned around a blighted neighborhood adjacent to downtown that had been trapped in a downward spiral of drugs, crime, and landlord apathy and neglect.

Partnership of city and bank, based on loan incentives

The idea of introducing blight-fighting ordinances, such as rental licensing to keep rental properties up to code, coupled with aggressive recruitment of artists as homeowners was first suggested to city officials by a Lower Town homeowner and artist who saw the value of his investment sliding. That artist and resident, Mark Barone, was hired by the city as coordinator for the Artist Relocation Program in 2000.

The Artist Relocation Program is essentially a partnership between the city and Paducah Bank. “We got incentives together for artists to come in to a very blighted historical area of Paducah, and to own one of those properties and be able to set

up gallery, studio, and living spaces for themselves,” Barone says.

“It was about artists coming in and doing what they’ve done for a long, long time in all the large cities,” he says, “except that there was ownership involved. We wanted them to own something when they came here.”

Incentives provided by the local bank — 100 percent financing (no down payment), 7 percent interest, 30-year fixed loans for purchase and rehab of structures — are matched with new commercial and residential zoning in Lower Town that enables artists to maintain gallery, studio, and living space all under one roof.

Come see, and meet loan qualifications

The Artist Relocation Program’s home buyers are not restricted by requirements on their length of stay, their selling price if they leave, or their work or medium as artists.

“Our only qualifications were two and they were very simple,” Barone says. “One is that we ask them to come here, look around, and see if this is a place they want to live. The second is, financially

[vetted by the bank], what could they borrow for a loan, which would dictate what kind of project or what size project they would do.”

Banks aren’t generally known for risky ventures, but Paducah Bank “was taking a huge risk” at the beginning of this program, Barone says. “They were making loans at 200, 300, and 400 percent of appraised value, because most of these properties down there, it was going to take [that much] to fix them up.” The city persuaded the bank that an exceptional incentive offer would be necessary to make Lower Town Paducah marketable as a relocation destination.

And Barone guesses that the bank likely figured it wouldn’t generate many loans to artists substantive enough to qualify. After the program’s relocating artists spent \$1 million of the bank’s money in the program’s first eight months and another \$1 million in the next four months, the bank removed its wait-and-see lending limits.

When the program started, appraised values in Lower Town ranged from \$10,000 to around \$100,000 for a property in great shape, Barone says. “Usually, most of them were just very run down, and they were probably worth anywhere from \$10,000 to maybe \$30,000, if that.”

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National promotion on shoestring budget

Since 2000, Paducah has had 45 artists relocate to Lower Town as homeowners, from New York, to San Francisco and everywhere in between.

Once the program was adopted by the city, Barone and program partner Tom Barnett, director of planning, decided against advertising it locally or regionally.

They decided it was going to be nationally, “because we knew all we needed was 30 to 40 artists and we’ll have changed the area around,” Barone says. “To go from the whole pool of artists that this country had, to get 30 or 40, we thought that was feasible.”

But with an initial budget of only \$42,000 to cover both Barone’s salary and advertising, “we needed articles written,” he says.

“I started talking to editors, and telling them what we were doing, and it was pretty unheard of that we had a city that was actually recruiting artists.” The articles that followed, he says, “were better than any ads we could have written.”

Where do other cities err in similar efforts?

One key to the success of this program that other cities tend to get wrong is that it uses the arts — not artists themselves — as a revitalization tool.

“The difference between what we’ve done and a lot of other places have done is that we were never looking at it as what was in it for us,” Barone says. “The pro-

Results of artist-homeowner incentive program are dramatic

Since the Paducah, KY, Lower Town Neighborhood Plan and Artist Relocation Program was launched in 2000, the previously struggling historic neighborhood adjacent to downtown has been revitalized by 45 new homeowners.

Renovations or new construction of about half of the properties purchased through the program are either completed or close to completion.

“We probably have 10 new constructions to date,” he says, “and there hadn’t been a new construction in Lower Town for almost 60 years. The whole area is completely turned around. The private investment from these artists to date is probably anywhere between \$12 million and \$14 million dollars.”

By generating as much press and applying for as much national recognition through awards as possible, the program has generated interest among artists nationwide, and promoted Paducah as a cultural tourism destination. On that score, the city attributes much of its approximately \$10 million bump in tourism last year to the Lower Town Artist Relocation Program.

Besides cleaning up a neighborhood blighted four years ago by drug-dealing activity, the program has also generated construction and renovation work for area contractors, an increased tax base, and the licensing of new arts businesses.

“It’s a real cash cow for the city,” Barone says, “and in probably six to eight years, the program will pay for itself.”

Downtown Paducah, which started showing signs of new life in the last six to eight years, and Lower Town, in the last three and a half, are both experiencing resurgence at a “breakneck pace now,” Barone says, “where that’s never been there before.”

Source: Mark Barone, City of Paducah, KY.

gram was designed for artists to own,” and be the ones to profit from the risk that they assume in becoming stakeholders in a blighted community.

“We went to talk to a ton of towns [about the program], and we’re not even leaving the town yet and they’ve already screwed it up,” he says. “They’re already thinking about how they can profiteer off it.”

Whereas cities tend to look at

opportunities to take run-down buildings in blighted areas and create rental spaces for artists, Barone says, “It’s about, ‘Why don’t you take those buildings, clean them up and sell off pieces of them to the artists?’ Do that, so they have a vested interest in it. And set up the incentive package.”

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