



ARTSCAPE DISTILLERY STUDIOS

CASE
STUDY



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CASE STUDY: ARTSCAPE DISTILLERY STUDIOS

55 Mill Street, Toronto, ON

When Cityscape acquired the old Gooderham and Worts Distillery in Toronto's downtown east in December 2001, Artscape was among the first calls made by the new owners. They were building a bold strategy to use arts and entertainment as a major driver of the site's revitalization after numerous retail-based approaches by others had failed to generate interest in the 1990's. Artscape quickly got on board as the Distillery District's first anchor tenant, and soon after engaged 63 sub-tenants in the initiative. Working closely with Cityscape and the City of Toronto, Artscape was able to re-purpose approximately 50,000 square feet of space in two buildings into below-market designer/maker retail spaces, theatre and rehearsal venues, and artist studios. Artscape Distillery Studios opened fully renovated and leased just 15 months after Artscape's first conversation with Cityscape. A few months later, an estimated 70,000 people attended the Distillery District's grand opening celebrations and a cultural tourism destination was born.

By participating in the Distillery District revitalization at an early stage, Artscape helped build critical mass, credibility, and authenticity around the initiative. These seemingly intangible things were fundamentally important in inspiring confidence among other stakeholders and generating project momentum. The lessons learned at the Distillery about the power of arts and culture to drive an agenda for change, growth and transformation were game-changing for Artscape and have formed the foundation of its creative placemaking practice.

Artscape's 20-year lease at below-market rates with Cityscape on the Distillery premises is secured through development agreements with the City of Toronto. In exchange for this and a program of other community benefits, Cityscape and partner Dundee Realty are able to generate additional value on the site through increased height and density.

THE PLACE

Located in the east end of downtown Toronto in the King-Parliament area, the Gooderham & Worts Distillery represents the largest collection of early industrial buildings in Canada. Constructed at a time when Toronto was a capital of alcohol production, millers James Worts and William Gooderham built the first structure, a 70-foot brick windmill on the edge of Toronto Bay, in 1832. In 1837, a distillery was added to the mill and, in 1861, the well-known Stone Distillery was completed. Over the next 60 years their success in the alcohol business spurred the construction of a sprawling complex encompassing 47 warehouses and factories. The building materials used in the Distillery District range from stone to brick and concrete, and together they create a unique 13-acre



Victorian industrial park. During prohibition in the U.S. in the 1920s, Gooderham & Worts grew to become the largest distillery in the British Commonwealth.

The Distillery changed hands several times over the years, as did the products manufactured there. In 1957, the last batch of whiskey was made in the Distillery District, although rum and later industrial alcohols continued to be produced there for many years. In 1988, the Distillery District was designated a National Historic Site, and described as "an outstanding example of Victorian industrial design in terms of integrity, historical association and aesthetic qualities." On June 4, 1990, the last alcohol was produced at Gooderham & Worts, marking the end of 158 years of industrial activity on the site.

The King-Parliament area developed as a traditional manufacturing district during the 19th century, but by the 1970s had entered a long period of gradual decline as manufacturing activity migrated to suburban areas. This mass departure resulted in increased vacancy rates, and property owners began to demolish buildings with



Archives photo of the Gooderham & Worts Distillery

heritage value in order to reduce realty taxes. By the mid 1990s, it was obvious that the single-use industrial district could not compete as a location for manufacturing and would become deserted if action was not taken.

Shortly before the Distillery ceased operations, it had been purchased by the pension fund of Allied Domecq, a global alcohol conglomerate. The empty industrial landscape and heritage buildings were a popular destination for film production, eventually becoming the number one film location in Canada. During the 1990s, Allied Domecq worked with the City of Toronto to find a new owner that would redevelop the site to attract residents and business investment to the community. As a former industrial area, little attention had been paid to public spaces and pedestrian amenities.

Between 1988 and 1994, a series of heritage reports were prepared for the City of Toronto, documenting the site's historical significance. A planning study and heritage assessment was also completed by the city of Toronto in 1990. Recognizing that improvements to the public realm would be required to make industrial districts more attractive to new business and residents, the City of Toronto imposed strict requirements for the site's redevelopment.

It was not until 1996 that the district was officially designated a *Regeneration Area* by the City of Toronto to encourage reinvestment, create housing opportunities and offer creative spaces for new businesses. This designation allowed a wide variety of land uses to be permitted in the Distillery, including light industrial, commercial, entertainment, retail, residential and live/work. This zoning bylaw amendment represented a dramatic departure from the way planning had

traditionally occurred in the City of Toronto, whereby the focus of the new approach was on built form, rather than on density or land use. Because of the emphasis on built form, this approach was especially well-suited to areas of special character that were in transition and required the sensitive integration of different types of uses, such as the Gooderham & Worts Distillery.

In addition, the Community Improvement Plan (CIP) adopted in 1997 for the King-Parliament area encompassed the Gooderham & Worts site, and focused on improving the public realm. The plan encouraged the enhancement of heritage character, public safety, and the quality of public spaces.

Heritage architect Michael McLelland (ERA Architects) played a key role in the sale of the Distillery property, acting both as an advisor to Allied Domecq and the City of Toronto. Given that several attempts to revive the site during the 1990s had failed, it was important to find a new owner with the vision, capacity and tenacity to bring it back to life. In 2001 Cityscape Developments, backed by silent partners Bill Weiner and Lillyann Goldstein, successfully bid to purchase the site. Their vision was to:

“...turn this 13 acre site, with its wonderful 19th century buildings and brick paved courtyards, into a historic precinct focused on arts and cultural activities. The site will become an important cultural mecca for the City, which will include galleries, artists’ studios, artisans’ workshops and venues for the performing arts. Restaurants, retail and market uses will augment the cultural focus and help to bring the precinct to life. The complex of historic buildings and the courtyard spaces that connect them, provide a unique opportunity to create linked indoor and outdoor spaces supporting daytime and evening activities year round. Loft residential and office space for creative industries will be located in the above grade portions of several of the historic buildings, and new space will be constructed on the perimeter of the precinct to provide additional space for people who want to be part of this dynamic environment.”

—REAL ESTATE NEWS, NOVEMBER 23, 2001

Revitalizing historic industrial areas as cultural tourism destinations is an established economic development and planning strategy, with successful local and international precedents. The Distillery District is modelled on similar projects such as London’s Old Spitalfields Market, Vancouver’s Granville Island and

the Fanueil Hall Marketplace in Boston. Revitalization transformed the Distillery from a collection of 47 derelict Victorian industrial buildings to an internationally acclaimed village of one-of-a-kind shops, galleries, studios, restaurants, cafes and theatres known today as The Distillery Historic District.



THE SPACE

Artscape Distillery Studios are located in two of the District's most prominent structures: the Case Goods Warehouse and the Cannery Building. The four-storey Case Goods Warehouse is easily recognizable due to its unique dark-coloured bricks. It was the second to last building constructed on the Distillery site and, as its name suggests, was purpose-built in 1926 to store cases of whiskey destined for export, primarily to gangster clients in New York and around the Great Lakes during the prohibition era in the United States and Ontario. The Cannery Building is much older; the first and second floors were built in 1877 with the third floor added in 1884. A variety of goods were canned there, including consumption alcohol and antifreeze.

Each building is a remarkable blend of beauty and utility, with vast interior spaces and natural light, as well as decorative features including ornamental cupolas, elegant glass and wood doors and arcaded brick corbels. The ground floor of the Case Goods building is largely occupied by galleries and artist and designer/maker retail studios. While this type of tenancy was a new model for Artscape at the time the Distillery was redeveloped, it provided a way for the ground floor to relate to the cultural tourism context of the site. The upper floors of both buildings contain non-retail artist studios, including



City of Toronto Archives. Series 1465. s1465 00003 100014
Construction at the Distillery

28 not-for-profit performing arts organizations. A wide range of artistic disciplines are represented among Artscape's tenants in the Distillery District - sculptors, painters, goldsmiths and furniture makers all populate the studios. The third floor of the Cannery (connected by an overhead walkway to the third floor of the Case Goods building) is home to performance studios operated by Dancemakers, Tapestry New Opera Works and Nightwood Theatre, and a gallery operated by Le Labo.

THE SITUATION

The planning study and heritage assessment adopted by the City of Toronto in 1990 included some of the most restrictive heritage easement agreements ever registered in Ontario, but also provided the owner with the right to build up to one million square feet of new commercial density. These provisions, included in a Section 37 Agreement, also required the owner to provide a number of public amenities, including a site interpretation centre, public art, a daycare, and an arts amenity. The original arts amenity contemplated in 1990 and written into the agreement was a museum for dolls. The Section 37 Agreement included a detailed plan about how the redevelopment would progress, allowing for the realization of additional density only after the heritage and other amenities had been provided.

The market for commercial density was premised on the development of a new commuter rail station adjacent to the Distillery that never got off the drawing board. In the 1990s during Allied Domecq's tenure, the City allowed three residential condos to be added to sites on the perimeter of the Distillery. When the Distillery site was acquired by Cityscape Developments in 2001, the City made it clear that no further development would be allowed until the balance of the Section 37 Agreement conditions had been met.

Getting the project off the ground took an enormous amount of bravado for Cityscape, a private company co-owned by John Berman (a lawyer), Jamie Goad (an architect), David Jackson (an urban planner) and Mathew Rosenblatt (a restaurateur). As is often the case with heritage re-use, the challenges were unexpected and relentless. The site's entire infrastructure was privately owned and needed to be replaced, and the fact that the site lay in a flood plain meant that the Toronto Regional Conservation Authority would need to sign off on all

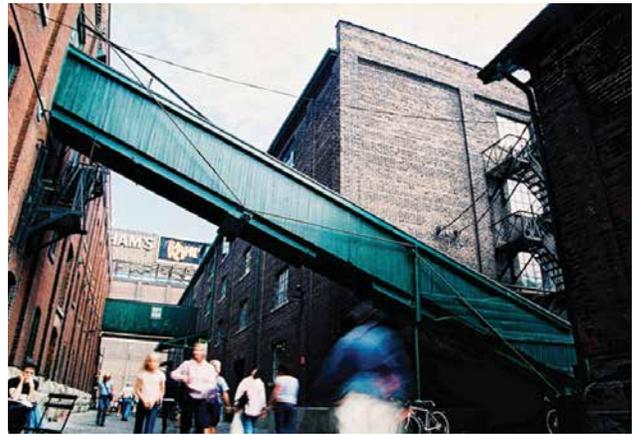


plans. At every turn, the project became more time consuming and costly than expected. Despite these challenges, Cityscape and their partners were under intense pressure to generate cash flow from the project as quickly as possible.

With a track record of failed redevelopment attempts by others to contend with, it was important to build the confidence and momentum needed in order to attract more partners and lay the groundwork for more lucrative condominium developments. Although planning requirements stipulated that Cityscape restore the site's 440,000 square foot heritage footprint as commercial space before additional condominiums could be added, the development of residential space was central to making the site a viable investment, and would help finance the heritage restoration. Lacking the capital to fully build out the site on their own, Cityscape developed a successful partnership strategy wherein first generation tenants, including Artscape, paid very low rents but invested substantially in fitting out their spaces. Pioneers such as Balzac's Coffee and Sandra Ainsley Gallery were the first to open and offered a dramatic example of what was possible in the spaces by peeling away dropped ceilings and other unattractive additions to expose the original heritage features.

Artscape's involvement brought credibility and critical mass to the project at a time when the project needed momentum. Cityscape's leasing strategy began to snowball, and by the time the Distillery Historic District officially opened in June of 2003, all 440,000 square feet were under contract. What was initially imagined as an eight-year development odyssey was completed in eighteen action-packed months. City Councillor Pam McConnell and staff of the Planning, Culture and Heritage Departments at the City of Toronto worked tirelessly to facilitate the project's realization.

By participating in the Distillery District project at an early stage, Artscape was able to align the needs and interests of the City of Toronto, the developer, and the arts community to achieve a mutually beneficial result. The Gooderham & Worts opportunity marked the first time a private sector partner of Artscape understood the power and potential of the arts to bring a site back to life. It was a win-win-win situation: Artscape was searching



Artscape Distillery Studios

for ways to meet the demand of artists for below-market rental studio spaces; Cityscape was searching for a way to satisfy their Section 37 requirements by engaging an organization that could help fulfill its vision; and the City of Toronto was looking to find a winning formula to bring this important part of the city back to life.

THE VISION

The Distillery District represented an extraordinary opportunity to demonstrate how the arts can act as a catalyst for change in the regeneration of an abandoned industrial area. After discussions with Cityscape, the City of Toronto and a series of community consultations involving representatives of the local community, as well as members of the larger arts community, the idea of transforming the space into a central studio complex for working artists, with a diverse mix of organizations and individual tenants, became an obvious choice for the space. With this in mind, the business plan for the development of Artscape's studios in the Distillery District included a vision to:

- Create over 50 affordable studio spaces for not-for-profit arts organizations and professional individual artists for 20 years;
- Re-use one of Canada's most significant historic sites, the Gooderham & Worts Distillery;
- Facilitate and enhance the accessibility of artists to the public and the marketplace;
- Develop a dynamic ecology of artists and arts organizations that would interact with each other, share resources and feel a sense of pride in their workplace; and
- Demonstrate the revitalizing impact of capital projects in the arts on communities and neighbourhoods.



Artscape tenants were among the first to populate the Distillery District, and their presence quickly attracted others interested in being part of the project:

“Another important step at the Distillery was to make an invitation to the arts community for their involvement – to ensure that the district was inclusive of their initiatives. Artists are urban pioneers and they tend to drag their friends along. They were the first to move into the Distillery’s older buildings and more than 50,000 square feet of space was rented to them at below-market long-term rates. Along with Balzac’s Coffee, the artists – artists and coffee being a natural combination – were the first to form a nucleus for the retail component of the site, and with their help the milestones for the initial five-year lease plan was achieved in fewer than two years.”

—CANADIAN ARCHITECT, FEBRUARY 2005

THE PLAN

Artscape was one of the first calls made by Cityscape in December of 2001 when they learned that their bid to purchase the Distillery had been successful. The quagmire of development challenges at the Distillery inspired Cityscape, Artscape and the City of Toronto to work collaboratively on creative solutions, and within months a deal was in the works for Artscape to lease 50,000 square feet of space and become the first anchor tenant of the revitalization. After intense negotiations between the parties, Artscape entered into a 20-year lease agreement with Cityscape for the Case Goods Warehouse as well as the third floor of the Cannery Building, which became Artscape Distillery Studios. Cityscape provided a \$600,000 contribution to capital improvements, and the City accepted this proposal as fulfillment of the Section 37 requirement for an arts amenity. During this process, the Section 37 agreement was largely re-written to reflect the new vision for the site, and the additional commercial density originally contemplated was converted to a lesser amount of residential density.

Artscape Distillery Studios is a unique public/private sector partnership. The \$3.1 million development was made possible by cooperation between Artscape, Cityscape Development Corporation (the site’s owners), the City of Toronto, and a variety of public and private funders.

A number of factors contributed to the need for a creative mix of financing for Artscape Distillery Studios. Cityscape’s lease offer provided a very narrow window of

time in which to renovate and begin operating the building. Cityscape’s ability to offer a relatively low rent for the 20-year lease was dependent on the entire site becoming animated quickly; it was important to attract commercial tenants for the remaining 390,000 square feet of leasable space in order to generate enough revenue to recover the site owner’s significant capital costs.

The budget for the redevelopment of Artscape Distillery Studios was secured with the help of a wide network of funders, including Cityscape, the Department of Canadian Heritage through the Canada Cultural Spaces Fund, and The Ontario Trillium Foundation. Other sources of financing included: Section 37 contributions, donated architectural services from Zeidler Grinnell Partnership, in-kind donations, a loan from TD Bank backed by a loan guarantee from the City of Toronto, a private loan from 401 Richmond Ltd, and minor contributions from tenants for tenant improvements.



Inside Artscape Distillery Studios

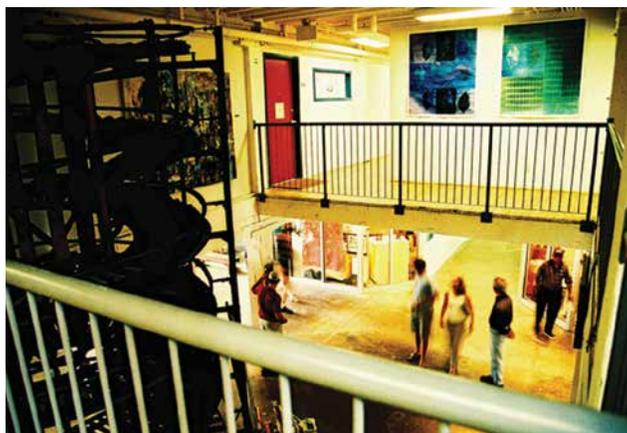
DESIGN/BUILD

The historical significance of the Gooderham & Worts site was reflected in the complicated and restrictive heritage easement agreement which protected and regulated changes to the site. Cityscape and Artscape had to find room within this agreement to enact their vision of a dynamic pedestrian area that was both contemporary in character yet true to its historic past.

Eberhard Zeidler, a prominent local architect, volunteered his firm’s architectural services for the development of the design concept and agreed to solicit and coordinate the voluntary contributions of associates. This front-



Click here to watch watch Jamie Goad, Jamie Goad, OAA, MRAIC, Architect and Partner, Cityscape Development Corp., discuss the Distillery Historic District Revitalization.



Inside the Cannery Building

end architectural support was pivotal in developing plans that were required by public funders of the project. Once the funding was secured, Artscape was able to hire Zeidler Grinnell to complete the working drawings and oversee the contract management for the project. The architectural plans reflected the combined experience of Artscape, 401 Richmond Ltd. and Zeidler Grinnell Partnership Architects. The business plan for the development of the site aimed to:

- Create a dynamic environment that would encourage interaction and shared resources between tenants;
- Enhance public visitation to the site;
- Provide direct access for tenants to the marketplace within a new arts and entertainment district;
- Retain and accentuate the heritage features of the buildings;
- Provide for basic services and amenities at low cost; and
- Satisfy code requirements within a very modest budget.

The construction of Artscape Distillery Studios was managed by Dalton Construction at a cost of approximately \$60 per square foot (including soft costs), compared to an average of approximately \$200 per square foot in comparable projects at the time. This extremely low figure was achieved through smart design and extremely tight construction management as well as in-kind and pro-bono contributions. The space, of course, needed to serve the needs of its users, meet building codes and stand the test of time, but it also needed to be affordable. All project partners focused their creativity on these items rather than flashy finishes or design features.

The Cannery Building and Case Goods Warehouse were made more inviting by creating internal foyers as well as larger exterior entrances and exits. Upper floors were designed for a mix of office space, performance and rehearsal spaces, dark rooms, shared production facilities and artist studios.

A striking feature of the two buildings is that the third floor of the Case Goods and Cannery buildings connect through an overhead walkway, allowing for internal circulation and communication between buildings. Showcase units were built into the walls of offices and studios to turn the hallways into permanent and constantly changing exhibition spaces. The design also encouraged visitors to the site to travel the hallways, view the exhibitions/installations, and interact with artists and organizations. In this way, the design of the buildings have drawn attention to the diversity and creative energy of both the work exhibited and the act of producing it.



OPERATE

In March of 2002, Artscape circulated a Request for Expressions of Interest (REOI) to Toronto's artistic community, with the help of the Toronto Arts Council. As with all of Artscape's projects, eligibility for tenancy in individual work studios was evaluated based on Artscape's definition of a professional artist (an individual who receives, or has received, professional recognition as set out in How to Qualify as An Artist).

Applications by organizations and individuals were also reviewed against the following published criteria:

- Contribution to encouraging public visitation to the site
- Contribution to the diversity of the mix of tenants
- Availability of appropriate space
- Compatibility with other tenancies
- Viability of preferred move-in date

Once funding and the renovation timetable were confirmed, Artscape was able to enter into leases with tenants.

Retail tenants at Artscape Distillery Studios participate in project governance on an ongoing basis. When a retail space is vacated, three existing retail tenants are randomly selected to sit on a selection committee and choose the candidate who will fill the empty unit.

There have been many twists and turns in the now highly acclaimed Distillery Historic District. The publicly traded Dundee Realty is now the majority owner of the site, with Cityscape continuing in a minority position. The addition of high-density condominium projects has turned the area into a dynamic, self-sustaining community, and the site's heritage buildings have been restored and enhanced. After years of mixed results, the site's programming has hit its stride. The lands to the south and east of the site are now under development and will bring tens of thousands of new residents to the area by 2015.

The Distillery District has become a major draw for tourists visiting Toronto. Its restored buildings and mix of theatres, restaurants and pedestrian pathways create a vibrant and unique environment. Travel publications regularly list it as one of the top attractions in the city, and Torontonians visit the area to stroll on the weekends or visit the numerous bars and restaurants in the district.

To further enliven the site and support local artists, the Distillery Art Market was started in 2010. Artscape curates and runs the market, which features small-scale producers of art and artisan products in the pedestrian area of the Distillery District each weekend throughout the summer months.

LESSONS

For years the Distillery site was underused, and various plans to redevelop it had failed. The introduction of arts and culture as a catalyst for change proved highly effective in creating a dynamic and exciting attraction for both locals and tourists. The project's success illustrates how arts-based regeneration projects can be successful through multi-layered partnerships.



Distillery Art Market

Five principal lessons can be drawn from Artscape's involvement in the Distillery District:

1. The importance of developing a strong shared-vision: when all parties are motivated, it is possible to weave competing and conflicting agendas among partners into a win-win-win solution.
2. The power of a critical mass of creative people: the 300 individual artists, galleries, restaurants, shops, theatres, services and other organizations that helped make the Distillery may not have a lot of strength individually but when their efforts are combined they can create a narrative that is heard around the world.
3. The organic dynamism of diversity: when people, organizations, and businesses from diverse backgrounds and disciplines interact they generate an organic energy that others are easily intrigued by and engaged in.
4. The imperative to collaborate: partnerships and collaboration are effective ways to move a project forward especially when resources are scarce.
5. The need for development savvy: Artscape discovered in this project that all the ingredients for success were available to the project but having the development savvy to make the project happen was just as important.

When all five of these factors come together in a project it is possible to generate the most precious of commodities in a development context: unstoppable momentum. These lessons have formed the foundation of Artscape's creative placemaking practice and are applied in different contexts to achieve different types of projects.



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