

MAY 8, 2024 - Creative District Convening:

BREAK-OUT: Acquiring/Managing a Building

Every Creative District likely has a goal to buy a building, but are you ready to do so?

As a pre-requisite—ask yourself:

- Are you operationally ready to take on financial and maintenance challenges of buying and managing a building? Consider the following factors
 - a. Financial capacity (current finances or to conduct a capital campaign)
 - b. Business acumen (to plan, budget, lease, maintain, and property manage space)
 - c. Access to capital (banking relationships to secure a suitable loan)
 - d. What other like-minded entities can support this effort? (as tenant or co-buyers)
 - e. If needed, is your board ready to plan and execute a Capital Campaign?

Others? _____

Other considerations:

- Do you know your property owners in the district? Who owns under-utilized space?
- Would a property owner consider selling and holding a note for the purchase? (If so, no need for a bank!)
- As an alternative, would the owner allow you to monetize the space (and give you a cut of the revenue?)
- Does your local town, city, or county own property in the district? What arrangements are possible with them?
- Do you have a clear vision of the property business model? Have you built an economically viable pro forma?

Others? _____

Self-assessment takeaways:

- Have you made a list of potential properties in your district—including the owners?
- Is your board Capital-campaign ready or ready to make capital campaign plan?
- Do you have (or can you acquire) the skills needed to prepare a loan package for a bank or owner?
- Do you have personnel to staff and manage the property? Can you afford to hire property management?

What are the next steps for your district?

1. _____

2. _____

3. _____