

Finance And Fine Art For A Competitive Edge

Placing art in your center drives interest, intrigue, and value.

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Imagine driving by a shopping center, your eye caught by a slow moving, kinetic sculpture that seemingly beckons to you. Today, many owners and asset managers are using art installations to distinguish their properties from the competition and to add value to their properties.

Fine art can enhance the value of your property by providing a sense of place; that is, an immediately identifiable location. Great art also generates great publicity and gives your marketing and public relations departments extra ammunition.

Too expensive? Too time consuming? Not at all. New financial tools and turnkey services can enable you to cre-

ate a distinctive identity for your property and to stay within the bounds of a budget.

In Reston, Virginia, at Plaza America, the Intertech Corporation sited a bright red steel sculpture between the main entrance and parking lot.

"The sculpture has become a landmark. It gives Plaza America a distinct identity in a community that appreciates art as an amenity," explains Orna Shulman, executive vice president of Intertech Corporation. "Also, we coordinated the red color with the awnings and signage at the center."

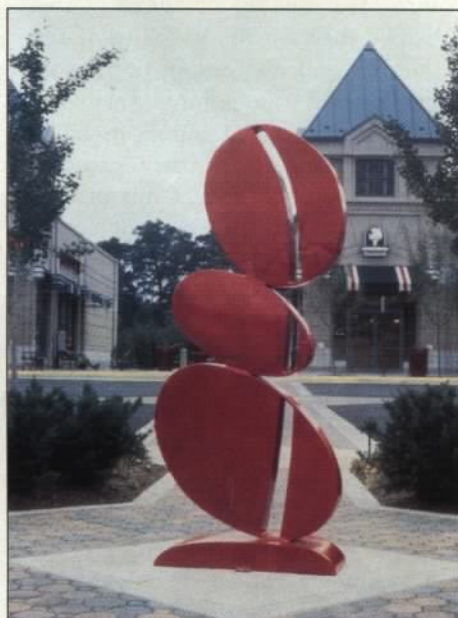
Well-chosen, well-sited works of art also generate the image of quality and enhanced lifestyle that is instinctively understood and appreciated by client and employee alike.

As in Plaza America, the artwork can become a physical "logo" for your shopping center, synonymous in the mind of your audience with the distinctive shopping experience that your center offers. In fact, it can contribute to the significance and character of that shopping experience. It makes your center easier to find and its location more memorable.

WHERE IS THE ADDED VALUE?

Art completes a given space. It serves to attract tenants in good times and helps to keep tenants in difficult times. It can also reflect the singular personality of your company, its image and its goals.

The association of works of art with your shopping center or retail property can instill pride in workers who benefit by working in and identifying with



Plaza America in Reston, Virginia, incorporated a piece entitled "Slit Figure" by artist Al Landzberg into the property, which has generated much interest from the public.



"Birds of a Feather" by artist Robert Pfitzenmeier, "fly" near the ceiling of Wells Park Group's Solomon Pond Mall in Marlborough, Massachusetts.

an enhanced environment.

Joe Markling, national director of asset management for Westmark Realty Advisors states, "We want our tenants, clients and the community to know our properties are top tier. Fine art sends an explicit message. Tenants have a greater sense of security when valuable art is in the public spaces of properties. At 12100 Wilshire Boulevard in Los Angeles, we selected several works of art by important L.A. artists."

In a larger context, your company can be seen as supportive and even enhancing the quality of life in the community in which your property is located. In some projects, the addition of

artwork can be used to bring art and its associated educational benefits to a segment of the community which may no longer have access to art.

When Olivia Wand, now of Edward J. Minskoff Equities, was head of Northeast management at Citicorp Real Estate, she used an art program to increase the visibility of a key property.

"We leased fine art for the lobby of 750 Seventh Avenue in New York, which we acquired through foreclosure. The quality of the artworks helped increase the visibility of the building and was one of the factors that enabled us to sell it to a user like Morgan Stanley. At Minskoff, Eddie loves showing off his marvelous contemporary collection at our properties," she concluded.

ISN'T ART EXPENSIVE? HOW CAN I AFFORD IT?

You can acquire fine art even with the most limited budget. The critical factor is making certain the selected work of art is of top quality, appropriate to your location, as well as to the character of your property and its tenancy. The selection and siting of art works can be tailored not only to your budget but also to your demographics: socio-economic, educational, ethnic and age.

Even if the application of these criteria result in the identification of a very expensive work of art, there still are numerous payment options: installment sale, debt financing, or a lease.

Orna Shulman describes the option she chose. "By leasing the sculpture for Plaza America, we were able to deduct the cost of the lease and still have the right to buy it at the end of the lease term. It's a great deal for us and has paid for itself in the PR that it generated."

HOW MUCH SHOULD I SPEND?

In many communities, there is a Percent for Art program in which a percentage of the development or renovation budget must be spent for artworks. If you are building, buying or renovat-

ing a center, consider allocating a small percentage of the construction or furniture fixture expense budget for art.

If funds are limited, start with the most prominent location. Distinctive pieces can be added to additional sites in your center over a period of time. Publicity and advertising can be designed around each additional installation.

HOW LONG WILL IT TAKE?

Selection and installation of artwork can take from several weeks, when acquiring works for a discrete space, with up to six months or a year for the commission and fabrication of a site-specific sculpture or artwork.

If I decide to initiate an art program, what steps do I take? Is there someone on your staff with an expertise or passion for art? Someone associated with your company who has an "eye" or a clearly articulated concept of the image your company wants to convey to your tenants, lenders and investors? If so, can this person segregate enough time from the work schedule to develop and manage the appropriate program?

Look at successful art programs or installations in your area. Check with your local museum, art school or university for community outreach or corporate interface. Some museums will lend artworks from their collections to a secure, climate controlled commercial environment for a small fee.

Or look for a directory of corporate collections in your library. Check with your colleagues; how were their art programs implemented and developed?

The other choice is to engage a professional company. It is often difficult to know how to access and afford works of art appropriate to the setting and to the character of your company. Also, you want to obtain the highest value for the price. The selection of a professional company affords you access to a broad range of expert services.

To avoid a steep learning curve, choose a company that can conceive, select and implement the installation of artworks on a turnkey basis. This one-stop shopping will save you both time and money.

With a professional company, art of exceptional quality can be purchased or leased at reasonable cost. Affordable programs of changing exhibitions can also be organized, which will often attract audiences for return visits, even when retail buying is at seasonal lows.

Look for a company that can both interface with your staff and is comfortable with real estate concepts. Select a company that offers bundled or turnkey services for one low fee. These services should include the selection, transport, installation and insurance of the works of art. Look for a company whose expertise includes business people and museum-trained professionals with a distinguished track record in commercial contexts similar to your own.

WHERE DO I PUT THE ART?

Create a team with your architect, landscape architect, interiors group and your art professionals to develop a program to distribute as much art as your budget will allow. This was what Steve Karp of Wells Park Group/New England Development orchestrated at Solomon Pond Mall in Marlborough, Massachusetts. The result is a 900 foot mobile sculpture that became part of the theme and design of the mall.

Also consider the safety of the artwork and the tenants. Installation of all artwork should be secure and relatively permanent. Seismic or traffic-instigated vibrations should also be taken into account. Safeguards against graffiti and vandalism should be thoughtfully incorporated into the installation design itself.

HOW DO I MAINTAIN IT?

Most works of art are low maintenance but may require some conservation and supervision. Technologies exist which can minimize inherent problems. Routine cleaning and maintenance or specialized conservation requires professional conservation advice. Many local museums will provide this free of charge or for a small consulting fee.

DOES EVERYONE HAVE TO LIKE IT?

Works of art of high quality need

not be controversial. Professionals can work with you, keeping in mind the demographics of your local audience, to select works that are both universally pleasing and of top quality. To engage your audience, provide easy to read labels for each work of art plus a description and context of the selected works in a "wall text."

Jerry Piro, vice president of Equity Office Properties says, "We expect it [art] to generate attention and even strong opinions. This adds both interest and value to our properties."

CONCLUSION

A large-scale colorful sculpture, well sited, will give your property a sense of place and identification. Incorporate art as part of the graphics, lighting and flooring design, and the impact will far outweigh any cost increase.

Circulate your artworks between different floors or areas, to give tenants a fresh view. Hines Interests and the Shorenstein Company use rotating exhibitions, similar to art galleries and museums, in some of their properties.

Create excitement by leasing a collection of fine art. It is a fraction of the purchase price and can be incorporated into your CAM charges. A leasing program allows you either to acquire the artworks that become favorites or to replace works with fresh choices to complement a renovation or to refresh the existing space.

Turnkey art-related services enable you to have top quality fine art to project your corporate image, and to honor your tenants, clients and employees. Art creates an ambiance that will distinguish your shopping center and make it the destination of choice for both your shoppers and investors. **SCB**

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