

# State Street Building to Become Arts and Culture Center

## Hutton Foundation Acquires Property to Be Leased to Nonprofits

Sunday, February 22, 2009

The former site of the Washington Mutual mortgage division at 1330 State St. on the corner of Sola will become the new Santa Barbara Arts and Culture Center in April. The building will be the future home to the Santa Barbara Symphony, the Granada organization, Opera Santa Barbara, the Patricia Henley Foundation, the Santa Barbara Choral Society, the Santa Barbara Dance Alliance, and is potentially open to tenancy by other nonprofit arts organizations as well. This arrangement marks the 13th acquisition of this type by the Hutton Foundation, which is run by Tom Parker and pursues a mission of empowering sustainable nonprofit activity in Santa Barbara County through a variety of real estate and grant-making strategies.

The building at 1330 State St. was acquired by the foundation from Ruth Bell, whose husband had owned the land it is built on for more than 30 years. The space has been occupied by a total of four different banks including, most recently, WaMu, whose mortgage lending division that had been housed at 1330 State is no more. The financial situation of that division was such that the bankers had to walk away from the property in October, leaving the furniture.

At that point, the ownership of the building reverted to the original property owner, Bell, a 94-year-old who still drives herself to volunteer at Cottage Hospital. But she was not interested in keeping the building, which was on the market only very briefly, and the Hutton Foundation gained an advantage in obtaining the property due to the fact that real estate agents knew that it would be able to close quickly. The original estimate for closing on the property was seven days. In the end it took 10 days.

The first thought at Hutton was that the property would make a good location for senior services, but after conversations about the opportunity with Santa Barbara Mayor Marty Blum and city councilmembers Iya Falcone and Helene Schneider, Parker determined that the site would be better suited to the arts. The sale closed on Halloween, and the foundation paid approximately \$3 million for the property.

The real estate strategy followed by the Hutton Foundation in all its county properties is simple and effective. The foundation looks for assets to take over that will allow for synergies to take place later on. The properties are acquired without debt and leased to not-for-profit tenants at one-third the market rent or less. These low rents of between \$1 and \$1.35 per square foot are then locked in for 10 years. The concept is that the organizations thus served will develop a sense of ownership over the space, and that no one will have to move out over time.

The goal for the Santa Barbara Arts and Culture Center at 1330 State is for it to cost nothing for these organizations to move in. Hutton is paying their moving expenses. Steven Sharpe, general director of Opera Santa Barbara, expressed joy at the prospect of moving to the space, saying that he has "already acquired a piano which is being stored at the Music Academy" for use by the various tenants.

The space, like a lot of commercial architecture downtown, owes its architectural vocabulary to the Spanish mass and space of the courthouse. In the center of the main room, where the bankers used to have double-height ceilings, there will be a new second floor conference room designed to accommodate the largest of the tenant organizations' boards-the 50 or so people who advise the Santa Barbara Symphony. From the building's southwest corner patio, one can take in all of downtown State Street at a glance, and savvy promoters will be able to eyeball attendance at the Arlington and even as far down as the Granada.

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