

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	25104	Agenda Number	16.
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Meeting Date:	8/22/2013	Department:	Economic Growth and Redevelopment
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Subject

Approve a resolution creating a permanent Music Venue Assistance Program, which is a microloan program designed to assist qualifying music venues with implementation of sound mitigation devices and technologies for improving the acoustic environment inside and outside of the venue in an effort to reduce the sound levels that impact nearby residents. Related to Items # 33 and # 122.

Amount and Source of Funding

Fiscal Note

There is no unanticipated financial impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	<p>February 2, 2012 - Council approved Resolution No. 20120202-014 directing the City Manager to do the following: change the name of the Downtown Venue Relocation Program to the Music Venue Assistance Program; to initiate, fund, and oversee a sound mitigation case study of a relevant music venue in an amount up to \$40,000; to engage cross-departmental staff to work with the Music Commission to develop recommendations, based in part from the case study, to mitigate sound from music venues; and, subject to Council approval and availability of funds, to add the amount of \$100,000 per fiscal year to the Downtown Development Fund for the Music Venue Assistance Program until the amount available for the program is \$750,000.</p> <p>September 11, 2012 - Council approved FY13 budget of the Music Venue Assistance Program Special Revenue Fund.</p> <p>February 14, 2013 - Council approved Resolution No. 20130214-049 accepting the recommendations of the Austin Music Commission passed by resolution on November 5, 2012, and directing the City Manager to bring forward any code changes necessary to enact those recommendations.</p>
For More Information:	Kevin Johns, Director / EGRSO, 974-7802; Don Pitts, Music Program Manager / EGRSO, 974-7821
Boards and Commission Action:	June 3, 2013 - Approved by the Austin Music Commission on a 4-0 vote with Commissioners Spearman, Garza, and Sokol absent.
MBE / WBE:	
Related Items:	

Additional Backup Information

Background:

In 2012 the City of Austin Music Division conducted two case studies as part of the Music Venue Assistance Pilot Program. The participating venues were the focus of numerous sound complaints, even as they were operating in compliance with the City sound ordinance. The City of Austin Music Division oversaw the installation of technological and architectural sound mitigation solutions at the case study venues. Costs for these enhancements were supplemented through City of Austin case study grants, as well as with matching funds from the venues.

A state of the art directional speaker system was installed in one venue, and a custom designed sound buffering band shell was installed at the other venue. The two varied approaches provided the Music Office with the opportunity to test the effectiveness of each. The results were very positive, yielding improved containment of sound levels (reduction of 10-18 dBA), and a drastic decrease in sound complaints to 311 and 911. An important consideration is that a 10 dBA reduction in sound level is perceived to the listener, as a halving of the sound level.

In response to a recent survey sent out to local music venues, the majority of owner/respondents said that they would use sound mitigation loans to construct sound buffering walls/enclosures or would purchase directional, narrow pattern PA systems. Based on the positive results from the case studies, these sound mitigation measures have proven to be very effective.

Based on the case studies cited above EGRSO and Council direction to implement a permanent program, EGRSO is seeking City Council approval to make the Music Venue Assistance Program a permanent microloan program. EGRSO will administer the Music Venue Assistance Program and will develop the loan application form, guidelines, and criteria, from which the parameters are described below.

Public Purpose:

- The City of Austin is widely recognized as the Live Music Capital of the World and music venues across Austin are a defining cultural characteristic of Austin and contribute economically to tourism and tax dollars.
- Music venues are a source of consistent, creative and financial support and employment for local and touring musicians.
- The Austin City Council's stated goal of increased density downtown and resulting development has placed tremendous pressure on music venues, driving many of them out of the downtown area. Striking a balance between fostering a large segment of Austin's creative economy and ensuring positive interface with the surrounding environments continues to be a challenge. Sound complaints to the Austin Police Department and other City departments have been commonplace.
- Sound mitigation technologies implemented at music venues could significantly minimize sound issues and reduce the number of complaints.

Goals for the Music Venue Assistance Program:

- Accomplish a quantifiable decibel level reduction.
- Improve the acoustic environment inside and outside of the venue.
- Reduce the sound levels that impact nearby residential uses.
- Reduce the number of loud music complaints.

Applicant Eligibility:

- Microloans are for locally-owned businesses.
- The loan recipient must have a minimum two (2) years operating experience at the current location or a similar business in the same industry.
- The loan recipient demonstrates the financial capability to repay the loan.
- The loan recipient demonstrates a financial need for a loan, and that, without a loan, the venue would not be economically able to purchase and install the necessary sound mitigation devices and technologies.

Eligible Business Uses:

- Cocktail Lounge
- Indoor Entertainment

- Outdoor Entertainment
- Restaurant General (General)
- Restaurant General (Limited)
- Theater

Maximum Loan Amount, Terms, and Repayment:

- The maximum loan amount is \$35,000
- The loan interest rate will vary and will be 0.5% plus (+) the City's previous quarterly investment earnings pool rate.
- The loan payback term will be one (1) year, two (2) years, or three (3) years, depending on the loan amount.
- If the venue is relocated, the City is not responsible for moving any installations to the new location, and the loan recipient must continue all loan payments until the loan is repaid in full during the lease term.
- If the venue closes during the lease term, the loan recipient must continue all loan payments until the remainder of the loan is paid in full during the lease term.
- The loan recipient must repay the balance of the loan in full upon sale or discontinuance of the venue.
- There is no penalty for early repayment of the loan.

Loan Conditions and Considerations:

- All loan funds are to be used solely for sound mitigation purposes.
- The loan recipient must provide a personal signatory guarantee.
- The loan recipient must have fee simple ownership or a lease with a term equivalent to or greater than the loan term.
- The loan recipient must secure and maintain appropriate property insurance during the entire term of the loan for any property pledged as security. The City must be named as an additional insured party.
- Any non-built-in equipment purchased with a loan will be collateralized against the loan.
- A default shall consist of any use of loan funds for any purpose other than as authorized in the loan agreement, or any breach of any loan agreement covenant or provision.
- Non-compliance with City development or zoning regulations will be an event of default.
- The loan recipient must adhere to all City building and technical codes and obtain all required building permits.

Eligible Project Uses:

- Loans are to be used solely for sound mitigation purposes. The loan proceeds may be used to finance Project fixed-asset costs whose useful life is equal to or exceeds the term of the loan.

Eligible Project Improvements:

- Sound buffering band shell enclosures
- Sound buffering walls and architectural features
- Sound buffering vestibule door systems
- Main speaker trussing systems (for ensuring optimum downward installation angle)
- Sound absorbing products/installation for treating walls and other hard surfaces
- Sound buffering curtains
- Narrow focus, directional (horizontal/vertical) pattern main speaker systems
- Cardioid pattern and rear cancelling subwoofer speakers
- Plexiglas drum and instrument amplifier enclosures
- Laminated glass soundproofing windows
- Other sound mitigation devices and technologies deemed appropriate by City staff