



Cultural Trust Update

Austin Arts Commission

Update: April 19, 2021

Cultural Trust Background and Goals

INITIAL GOAL OF CULTURAL TRUST

In 2018, the City resolved to support "a community arts stabilization trust, the 'Austin Cultural Trust', that creates, through purchase and long-term lease, affordable spaces that supports artists and arts organizations, preserves historic and iconic cultural buildings and spaces for creative and cultural uses, and functions in a way that provides for cultural assets to exist in all parts of the city"

- *Resolution 20201001-055*

In 2020, the City identified "To support **acquisition and preservation of cultural spaces** within the City of Austin," as a function of AEDC.

- *Resolution 20201001-055*

Cultural Trust Goals – First Initiative

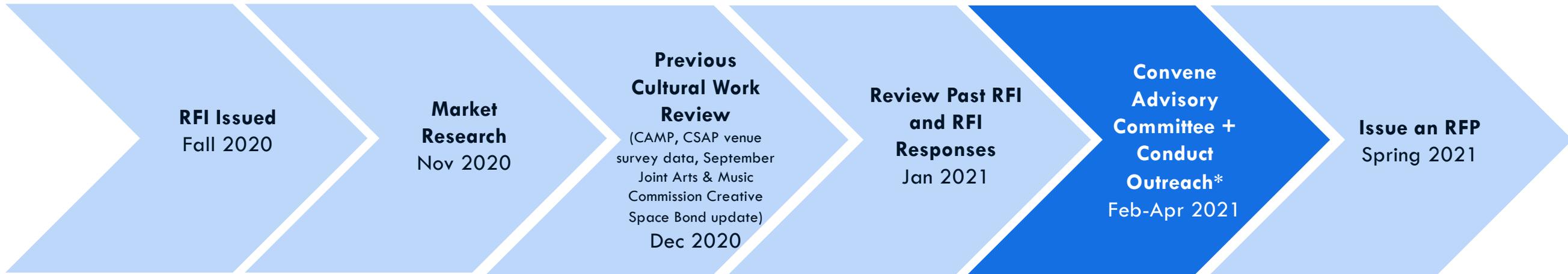
Guided by the recommendations of the Joint Arts and Music Commission,* research into best practices, and stakeholder feedback.

AEDC will propose additional measures for the Cultural Trust to address other Austin cultural needs, but **this first step is targeted toward acquiring and preserving spaces.**

- Create a **competitive RFP** to fund an initial set of organizations
- Use AEDC as **broker, asset and facilities manager** to save City money
- **Leverage existing funds** using AIDC or private debt
- Spaces would be **owned by the City as permanent cultural infrastructure but made available for use to organizations under a lease, license, operating agreement or other appropriate use agreement.**
- **Prioritize** support for organizations based on **Diversity, Equity, and Inclusion principles**
- Spaces would be **made available to organizations at affordable rates**

[*https://www.speakupaustin.org/bond-for-creative-space](https://www.speakupaustin.org/bond-for-creative-space)

Timeline



**Discussions with banks, philanthropy, impact capital, and City capital sources*

Program Summary

Competitive RFP to fund two types of projects as a first initiative

Outcome: Acquire venues with associated qualified operators for long-term ownership by the City of Austin for the public benefit of enhanced access to creative and cultural facilities

Priority: Financial and Operating Capacity

Anticipated outcome: 1-2 existing venues saved

Anticipated funding source: Iconic Venue Fund ("HOT")

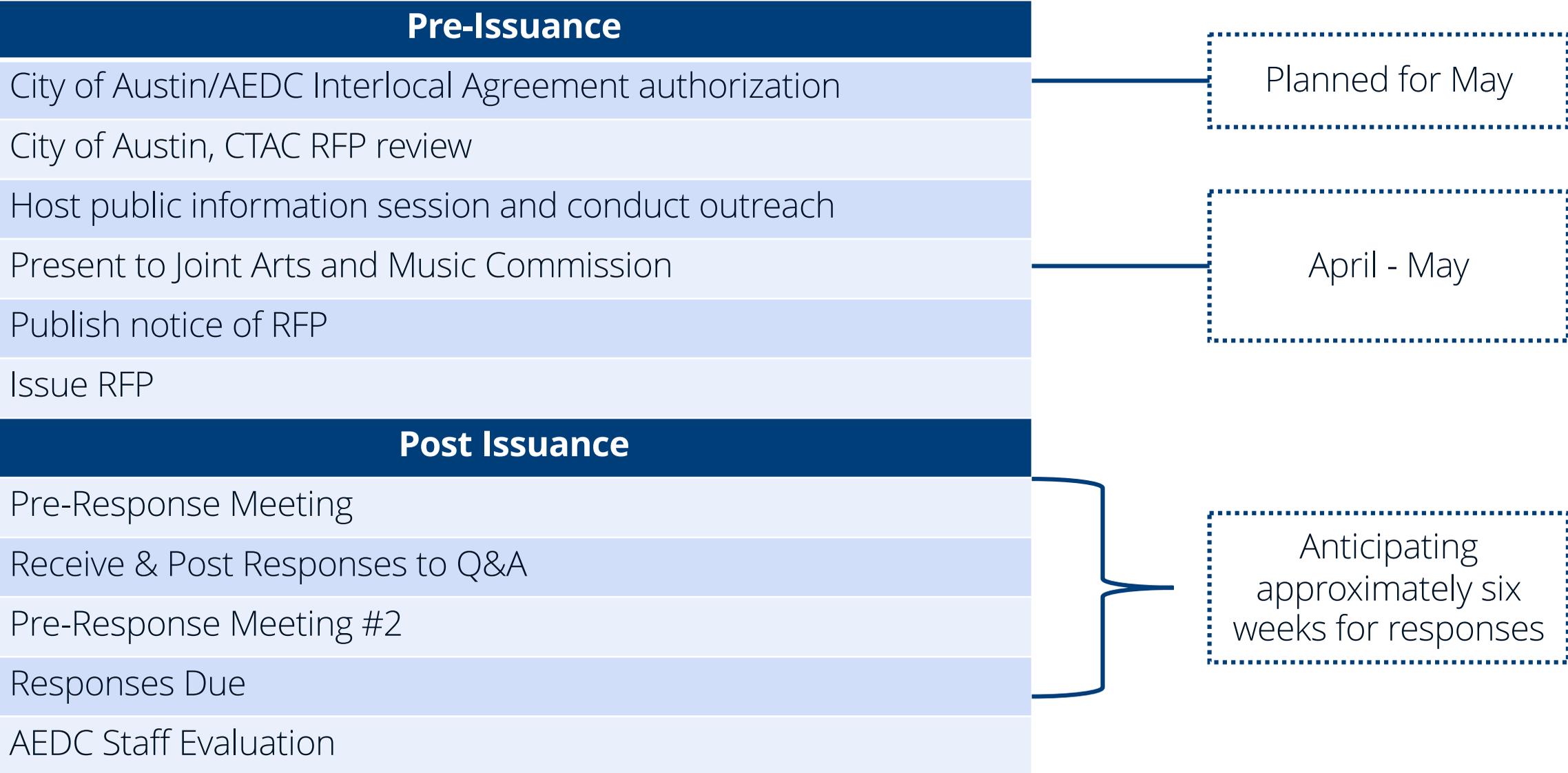
Outcome: Provide affordable multi-use space for cultural organizations with a focus on diversity, equity, and inclusion.

Priority: Policy Goal Alignment

Anticipated Outcome: 4-6 organizations sharing 2 AEDC managed spaces

Anticipated funding source: Creative Space Bond

RFP Release Timeline

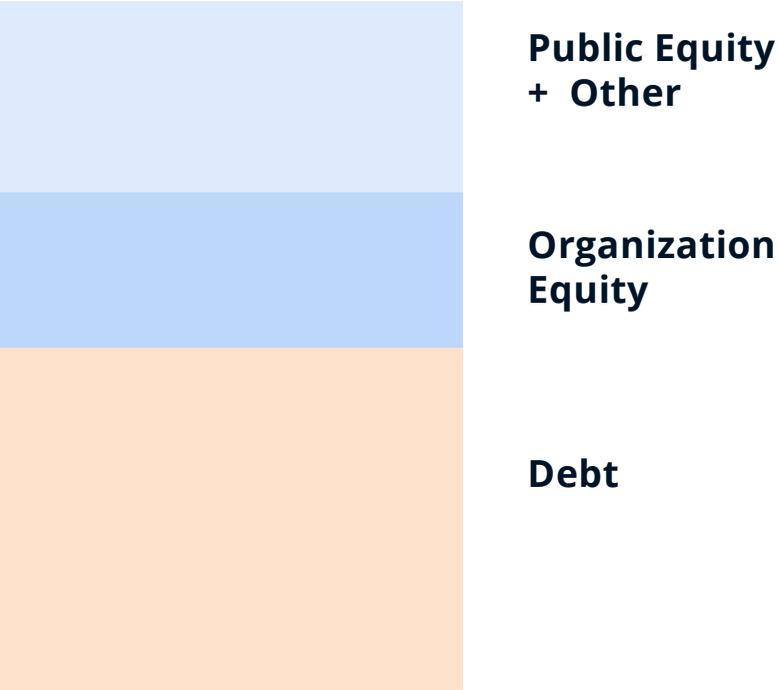


Potential Financing Structure

Source	Anticipated Amount
Public Equity + Other*	Varies
Organization Equity	Competitive criteria for capacity, less weighted for policy
Debt	Maximum loan amount based on DSCR constraint

**Potentially includes philanthropic support or other sources of funding, as available.*

Hypothetical Capital Stack



RFP Evaluation Criteria: Evaluation Framework

Minimum Eligibility Criteria for All Respondents

- Respondents must propose to operate a cultural arts or music venue that is **generally available for use and enjoyment by the public.**
 - Cultural venues may include but not be limited to live music venues, performing arts venues, visual art exhibition and production facilities, and other buildings and spaces for creative and cultural uses.
 - Operators may include either for-profit- or non-profit entities.
- Proposed cultural arts and music venue sites must be **located within the City of Austin.**
- Respondents must demonstrate willingness to meet minimum requirements set by the AEDC and City of Austin, including but not limited to **ensuring that employees are paid a living wage.**



Sole Operators

Respondents eligible to **solely operate a venue:**

- Required to meet all **capacity criteria**
- **Prioritized by policy alignment**

Joint Operators for Shared Space

Respondents that do not meet all capacity criteria:

- **Evaluated primarily on policy alignment**
- Capacity taken into account
- Eligible for participation in **joint operation of a shared space**

Cultural Trust Advisory Committee (CTAC)

RFP Evaluation Committee Update

- CTAC is an open advisory committee of AEDC.
 - We have a rolling membership window and are still accepting new members.
 - Members must agree to 10-15 hours of work plus attending bi-monthly meetings
 - Members must have no conflict of interest and cannot receive money from the Trust directly or indirectly, nor become an occupant of a Trust building nor be a service provider to same.
- The RFP Evaluation Committee will include AEDC staff and selected CTAC members.
 - We are continuing to seek CTAC members and RFP Evaluation Committee members, in particular we are making a call for more diverse participation.
 - Evaluation committee members must submit an application:
 - https://forms.office.com/Pages/ResponsePage.aspx?id=BN1QNYRm4Ei-kjz-_67LpBWj7vKjyyZMlvCQoxLwMqJUNIFKNjRRNTFEVfKxWjdLSkjVRzQ4VTg2Mi4u

AEDC Next Steps Before RFP Release

