



MEMORANDUM

TO: Mayor and City Council

FROM: Sylnovia Holt-Rabb, Acting Director, Economic Development Department *SHR*

DATE: December 3, 2021

SUBJECT: Staff update regarding Economic District Policy Framework

In response to recent Council-led initiatives surrounding historic and cultural district development, including items outlined in the Palm District Master Plan Resolution ([No. 20190523-029](#)), the Economic Development Department (EDD) solicited a contractor to develop a comprehensive Economic District Policy Framework for districts that support Austin's local economy ('economic districts'). The Economic District Policy Framework will define economic district typologies and designation processes as well as provide recommendations for tools and resources to support sustainable economic districts. This memorandum provides background on economic district initiatives and Council directives, demonstrating the opportunities and gaps associated with economic districts. Additionally, the memorandum provides an overview of the services to be completed by the contractor.

Background

Currently historic districts and public improvement districts are the only district types that currently have established guidelines and criteria. Historic districts are codified in City policy ([Land Development Code Chapter 25-2](#)) and, in February 2020, Council adopted a [policy](#) for the establishment, expansion, or renewal of public improvement districts. Outside of these two specific cases, no unified policy framework exists. Although Council directs the creation of individual "cultural / heritage or area specific districts" through an adopted resolution or ordinance, these resolutions and ordinances do not provide a uniform regulatory, programmatic, or financial framework for successfully creating such districts consistently, equitably, and effectively. Adopting a unified policy, process, programmatic, and financial framework for designating, managing, and sustaining a wide variety of economic districts throughout the city would facilitate the effective and equitable deployment of various tools to achieve specific community goals or secure community benefits. Importantly, a unified policy framework encompassing the wide range of economy-serving districts would establish a solid foundation for ensuring the formation of economic districts to achieve their long-term, sustainable, and equitable goals.

Best practice research indicates that organized grass-roots leadership is foundational to the long term success of certain types of economic districts, particularly neighborhood business, cultural,

and heritage districts. A unified economic district framework would support the cultivation of organized grassroots leadership to steward the work both in district designation and long-term activation. As an example, grassroots leadership is a component of the [Souly Austin Program](#), and this component has aided in the success of neighborhood business districts created through the program. EDD created the Souly Austin Program which provides technical assistance and some resources to commercial based geographic areas seeking assistance towards the formation of an organizational entity to lead the defined district. The current program funding and staffing capacity assists two areas annually. While the program has successfully supported neighborhood business districts in the early stages of forming an organizational entity, the program is not equipped to provide the additional tools necessary to offer regulatory, programmatic, or financial support needed by other communities.

In response to [Resolution No. 20190523-029](#), EDD recommended the completion of best practice research on guidelines and criteria of local designation of cultural districts and other types of districts ([Appendix A – CIUR Response 2160](#)). EDD made this recommendation to ensure an equitable and informed approach to the area of interest, the Mexican American Heritage Corridor, as well as other identified cultural and heritage districts could be achieved. Best practice community research overall concluded that economic district place-based strategies combine a variety of approaches, tools, and policies. Communities surveyed shared that a single local designation process through a formalized City Council approval or programmatic approach may not independently meet the needs of addressing the goals or vision of a district. Themes from the research included the need for a robust set of regulatory, programmatic, and financial tools and resources, the need to understand the economic market of the geographic areas, and importantly community-based leadership. Cultural and heritage district-based resolutions passed by City Council include:

- **Six Square Cultural District** – [Resolution No. 20071213-058](#) created an African American Cultural Arts District that recognized areas where there is a concentration of existing African American landmarks including businesses, churches, George Washington Carver Museum and Cultural Center and Huston-Tillotson University.
- **Red River Cultural District** – [Resolution No. 20131017-036](#) designating the 600 to 900 blocks of Red River Street as the Red River Cultural District and directing the City Manager to address parking and loading and unloading issues in the area and to investigate the State process used to designate an area as a cultural district.
- **5th Street Mexican American Heritage Corridor** – [Resolution No. 20190523-029](#) related to creating the Palm District Master Plan and Waller Creek District Master Plan, designating the Fifth Street Mexican American Heritage Corridor, negotiating options for public ownership and operation of the Palm School and surrounding site, providing funds for the Rainey Street District Fund, expanding the Austin Convention Center, and creating a Tourism Public Improvement District.
- **Barton Springs Cultural Park/District** – [Resolution No. 20210506-042](#) resolution directing the City Manager to designate Butler Shores Park as a Cultural Park and to initiate an analysis of the Butler Shores area and surrounding South Austin cultural assets for designation as a Cultural District and/or other area planning processes.

Contractor Services and Policy Development

On December 9, 2021, Council will consider the approval of a consultant team who will assist in the development of a comprehensive Economic District Policy Framework. As Austin continues to grow and evolve, its established home-grown businesses and cultural brand are poised for opportunity and preservation. New tools and economic development approaches are necessary to ensure equitable development and redevelopment occur with a focus on investing in Austin's existing cultural, heritage, historic, and local assets.

This Economic District Policy Framework will build on the [Thriving in Place, Thinking in Districts](#) report and will be shared with Council upon completion for consideration and adoption. Services to be completed over eighteen months include foundational work by providing historical and current review of how the City of Austin has defined, designated, and operationalized a variety of economic district types, including an analysis of how internal and external stakeholders use or aspire to use these district types as an economic development tool or other uses.

The consultant team will explore successful models which other cities nationwide have deployed for the use of economic districts as an economic development tool. Recommendations may include process, programmatic, and policy around local economic district designation, economic district types, community benefit identification, and specific approaches inclusive of engagement and leadership. Specifically, the work will produce recommendations on tools to leverage cultural and heritage districts inclusive to preservation with an emphasis on Austin's heritage, history, culture, and support vibrant public spaces. The product will be an operational tool kit that will be used for developing public-private partnerships and a comprehensive framework to serve as guidepost for economy-serving districts in the City of Austin.

Please feel free to contact Nicole Klepadlo, Redevelopment Project Manager at 512-974-7739 if there are additional questions.

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