

Revised 083122

Creative Space Bonus and Incentive Program

Posting Language: Approve a resolution relating to a creative space bonus and incentive program for new and existing creative spaces and initiating amendments to City Code.

Sponsor: Kitchen

Cosponsors: Pool, Tovo, Adler, Fuentes

RESOLUTION NO.

WHEREAS, the Imagine Austin comprehensive plan states that creativity is a cornerstone of Austin's identity and economic prosperity, and arts, culture, and creativity are essential keys to the City's unique and distinctive identity, and further are valued as vital contributors to our community's character, quality of life and economy, and collectively, the Austin music and creative ecosystem generates rich social, cultural, and economic benefits; and

WHEREAS, the Art Commission Recommendation 20170330-4c was submitted to City Council to add “Music, Culture and Arts” to Section 23.3, General Planning Standards for All to CodeNEXT” and reaffirmed in subsequent Commission votes; and

WHEREAS, the Music Commission Recommendation 20170605-004b: “Formal Endorsement of an Article 23-3F: Art, Music Culture within CodeNEXT’s Chapter 23-3 of the draft Land Development Code” was submitted to City Council to support the addition of an Article 2303F pertaining to art, music and culture within CodeNEXT’s chapter 23-3: General Planning Standards for All, and reaffirmed in subsequent Commission votes; and

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WHEREAS, on May 2, 2019, council issued “Direction in Response to City Manager’s March 15, 2019 Memo re: Land Development Code Revision Policy Guidance”; and

WHEREAS, that May 2, 2019, direction outlined, for the city’s land development code, ten policies to support “all kinds of people in all parts of town and a development pattern that supports 50/50 Transportation Mode Share by 2039,” and included direction for creative spaces as a priority; and

WHEREAS, the city manager was directed to propose options for provisions in the land development code to preserve creative space including, but not limited to, zoning categories specific to cultural spaces and incentives to create dedicated, below market rate creative spaces in developments along corridors and centers; and

WHEREAS, Resolution No. 20200521-095 acknowledged multiple steps taken by council through time recognizing the essential nature and need to protect, preserve, and cultivate creative spaces with long and short-term relief as well as through creation of an economic development corporation (EDC), review of City-owned assets and regional partnering, as well as bond funding mechanisms; and

WHEREAS, many of Austin’s creative spaces continue to be lost or displaced due to Austin’s continuing real estate boom, resulting in the loss of some of Austin’s most significant creative cultural incubators and unique Austin character; and

WHEREAS, recently approved Resolution 20220728-94 initiated amendments to City Code, including Title 25 (*Land Development Code*), to create a bonus and incentive program for live music venues establishing certain criteria and outlining potential incentives to be considered; and

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WHEREAS, similar consideration is needed to broadly define creative spaces to include the visual arts, production studios, theater and dance, creative arts education, as well as for gallery and art retail spaces and to reinforce the relevance of this creative sector in our community, economy, and the work being undertaken by Austin's EDC; and

WHEREAS, the City's CreateAustin Cultural Master Plan was created with community engagement to chart a course for Austin's cultural development to invigorate and sustain the city as a magnet for arts, culture, and creativity and provides a strong foundation to continue and evolve the work that is necessary as the city continues to grow; and

WHEREAS, the CodeNEXT Advisory Group, the Arts Commission, and the Music Commission formally recommended the creation of a new article in City Code to enact city-wide regulations to promote arts, music, and culture with the goals of protecting existing assets and promoting new ones in areas inequitably deficient of art, music, and cultural assets; supporting housing and jobs for musicians and artists; and sustaining these important elements of Austin's economy; and

WHEREAS, Urban Land Institute Austin's Creative Culture Strategic Council has provided a June 2022 report on "Creative Space in Developments" that examines the effects of real estate on Austin's unique culture and development and identifies what is needed;

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council initiates amendments to City Code, including Title 25 (*Land Development Code*), to develop and adopt clear land use definitions and create a bonus and incentive program for broadly defined creative spaces that

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include, but are not limited to, the visual arts such as sculpture, crafting, painting, print, and photography, associated production studios, theater and dance, creative educational opportunities, as well as gallery and art retail spaces.

Criteria and requirements to participate in the program may include, but are not limited to, the following:

1. the space will support the creation and/or display of local art by local artists;
2. may include and encourage an educational component;
3. establishes a variety of types of permanently dedicated and defined amounts of space for purposes that support the creative visual arts community, as defined through the development of the program, and include opportunities for long-term leases, rent cost offsets, and other general needs as identified, ~~as well as providing a variety of types of spaces to better serve the spectrum of creative space need;~~
4. may include office space for non-profits and other creative organizations;
5. encourages creative hubs in developments as an extension of Austin's creative brand with a goal to have at least one for each council district; and
6. encourages promotion of these spaces city-wide.

BE IT FURTHER RESOLVED,

The bonus and incentive program should provide regulatory incentives for new and existing creative spaces that meet the criteria and that could help leverage public and private investment in the creative infrastructure of Austin. Regulatory incentives to be considered may include, but are not limited to:

1. fee waivers;
2. modified parking requirements;
3. expedited permitting process;

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4. increase in floor to area ratio (FAR) in square footage or other appropriate development incentive related equal to what is provided for the dedicated creative space;
5. expanded facilitation of affordable commercial space restrictive covenants in new construction and incentivize lower cost/long term leases that do not pass on tax or utilities to the cultural venue; the strategy should consider potential property tax relief for owners;
6. Chapter 380 Agreement Placemaking Collective Space to promote economic development and stimulate business and commercial activity by providing financial incentives; and
7. prioritization of creative space as a city-wide community benefit as it relates to density bonus programs, Planned Unit Development (PUD) zoning, or within other regulatory plans.
8. Allowance for creative space uses in more zoning districts.
- 7.9. increased flexibility in development regulations and opportunities for modification of policies, rules, codes, or design standards.

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BE IT FURTHER RESOLVED,

The City Council initiates amendments to City Code, including Title 25 (*Land Development Code*) if appropriate, for creation of a new code component addressing Arts, Music, and Culture with a described “Purpose” that includes, “Diversify, sustain, and cultivate the city’s culture, music, and arts communities and industries,” as recommended by the CodeNEXT Advisory Group, the Arts Commission, and the Music Commission. Provisions in the Arts, Music, and Culture code component may include, but are not limited to, the following:

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1. establishment of general requirements and procedures to diversify, sustain, and cultivate the local arts, music, and culture communities and industries and to guarantee that arts, music, and cultural land uses are distributed across the city in an equitable manner within neighborhoods, along activity corridors, and within neighborhood, town, and regional centers;
2. creation of Artist Live/Work and Live/Work/Sell categories to allow artists to sell finished goods from their live/work home studios and with distinctions as to within which districts a live/work artist may sell, including performance art. This is identified as an important distinction, as multidisciplinary spaces are becoming increasingly common where both object-based art and experience-based art are being created and offered to the public within a single building envelope;
3. designation of Art Districts in neighborhood plans, neighborhood centers, town centers, and regional centers, and target one or more arts districts per council district;
4. establish a theater and art venue scale and accessory use providing capacity ratings for theater and arts venues based on how the venue is used and overall size;
5. permit accessory use as a theater, art gallery, or art workshop in all commercial and industrial/warehousing zoning districts; and
6. provide explicit definitions that clearly distinguish types of arts/music spaces for flexible and hybrid uses in City ordinances and other regulation.

Additional community engagement and feedback will be included during the code amendment process to vet and identify other potential amendments for

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consideration as part of the newly created Arts, Music, and Culture code component.

ADOPTED: _____, 2022 **ATTEST:** _____

Myrna Rios
City Clerk

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