



Implementing inclusive and equitable public development services as a non-profit partner to the City of Austin

City Council

Austin Economic Development Corporation

December 6, 2022

AEDC BOARD & TEAM



Standing Committees

- Executive
- Governance
- Finance
- Strategic Planning
- Real Estate

Project Committees:

- Cultural Trust Advisory Committee
- Urban Renewal Board Partnership Working Group
- + future projects

AEDC is operating by design

- **Council investigated the creation of an EDC since 2014**
- **In August 2020, Council directed staff to create EDC as a Public Real Estate Developer**
- **Program of work:**
 - Work on behalf of City policies
 - Strategic development, evaluation, acquisition, disposition
 - Program management
- **Organization structured as an umbrella organization**
 - Incorporating AIDC
 - Can accommodate Real Estate specific partnerships
 - Supportive of Program Management, like Cultural Trust, incubating future initiatives

Cultural Trust Advisory Committee

Abby Sandlin	Long Center
Alissa McCain	Texas Accountants and Lawyers for the Arts
Anne-Charlotte Patterson	Music Commission
Bradford Patterson	AEDC BOD/Landmark Commission
Carl Settles	AEDC BOD/Arts Commission
David Goujon	Architect, Former MACC Board
David W Sullivan	Congress for New Urbanism Central Texas, Evolve Austin
Emmett Beliveau	AEDC BOD/Music Commission
Erica Shamly	COA EDD
Irene Chang-Cimino	Musician Treatment Foundation
Jaime Castillo	Former Art Commissioner/Art in Public Places
John Riedie	Austin Creative Alliance
Meghan Wells	COA EDD
Michelle Polgar	Arts Commission
Pamela Benson Owens	Six Square
Rebecca Reynolds	Music Venue Alliance Austin
Sharron Bower	ATX Theater
Tina Cannon	AEDC BOD/LGBTQ Chamber



Committee helps inform the process, needs, and helps network the cultural Trust activities to various networks

Cultural Trust

Program dedicated to securing affordable space for existing venues, and developing new creative space infrastructure, preventing further displacement of our creative sector

Cities around the world have been looking at this issue, given real estate challenges of growth. Austin is part of a network of cities experimenting to address cultural displacement, and coordinating with best practices globally.

Overview

- We recognize the long and significant effort of many advocates, stakeholders and community members that advanced this program until we started. THANK YOU!
- Request for Proposals (RFP) developed based on funds available, as well as input from 2020 RFI (EDD), and 2019-20 Arts & Music Commission joint working group/recommendations
- **AEDC Process:**
 - **RFP issued 11.30.21**
 - **RFP closed 3.31.22**
 - **Projects enter into Feasibility 6.30.22** (Memo to Council)
 - **July-October:** Initial Project Feasibility Evaluation
 - **10.17.22:** AEDC Board of Directors approved Feasible Prioritized List

Program Priorities

In response to challenges/Reflecting initial seed funding

- **Facilitating the acquisition and preservation** of existing cultural arts and music venues as well as the creation of new cultural arts and music venues available for use by organizations and the public benefit
- Achieve **diversity, equity and inclusion**, including by addressing past inequities experienced by underserved, under-represented, and marginalized individuals and groups.
- Provide **permanent affordability** for cultural and creative purposes.
- Create a **sustaining pipeline of Cultural Trust infrastructure** as funding sources continue to become available.

Observations

- **In addition to the seed funds provided by the City, the needs exceed our current resources.**
- **This is a unique and new process**—it is not a grant program, it is an investment program, with multiple variables to consider for feasibility.
- This process has provided us with a **pipeline of projects**, and the needs in the ecosystem require additional more flexible program funds.
- Organizations are being displaced frequently, and there is a significant deficit of affordable production/practice spaces as well as performance/exhibition spaces.
- **The execution of these projects will still take time** -- AEDC'S goal is to advance as quickly as possible.

Engagement Efforts In the Process

Website program page-updated weekly Office Hours

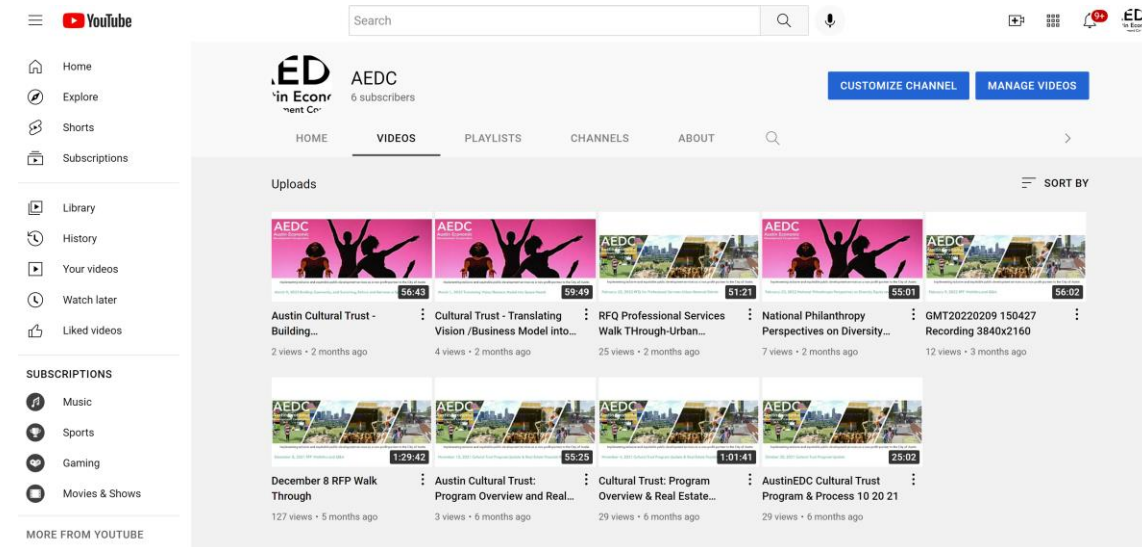
- Approximately 30+ hours

Learning Hours/Open Sessions

- 9 Presentations & Videos
- 225 Views of Videos

Direct Outreach and Reminders

- Group emails (500+ distribution)
- Newsletter inclusion
- Commission Announcements
- Partner Organization Announcements
- Direct emails (recruiting)
- Word of mouth



Cultural Trust - RFP Evaluation Criteria First Round

Existing Venue/Iconic Venue

70%

Business Capacity: Financial Capacity
Operating Capacity

Respondent Experience/Mgmt Team

Site Control

Clustering/Visibility

30%

Policy Alignment:

Diversity Equity & Inclusion

Community Impact

New Venue

35%

Business Capacity:

Financial Capacity

Operating Capacity

Clustering/Visibility

65%

Policy Alignment:

Diversity Equity & Inclusion

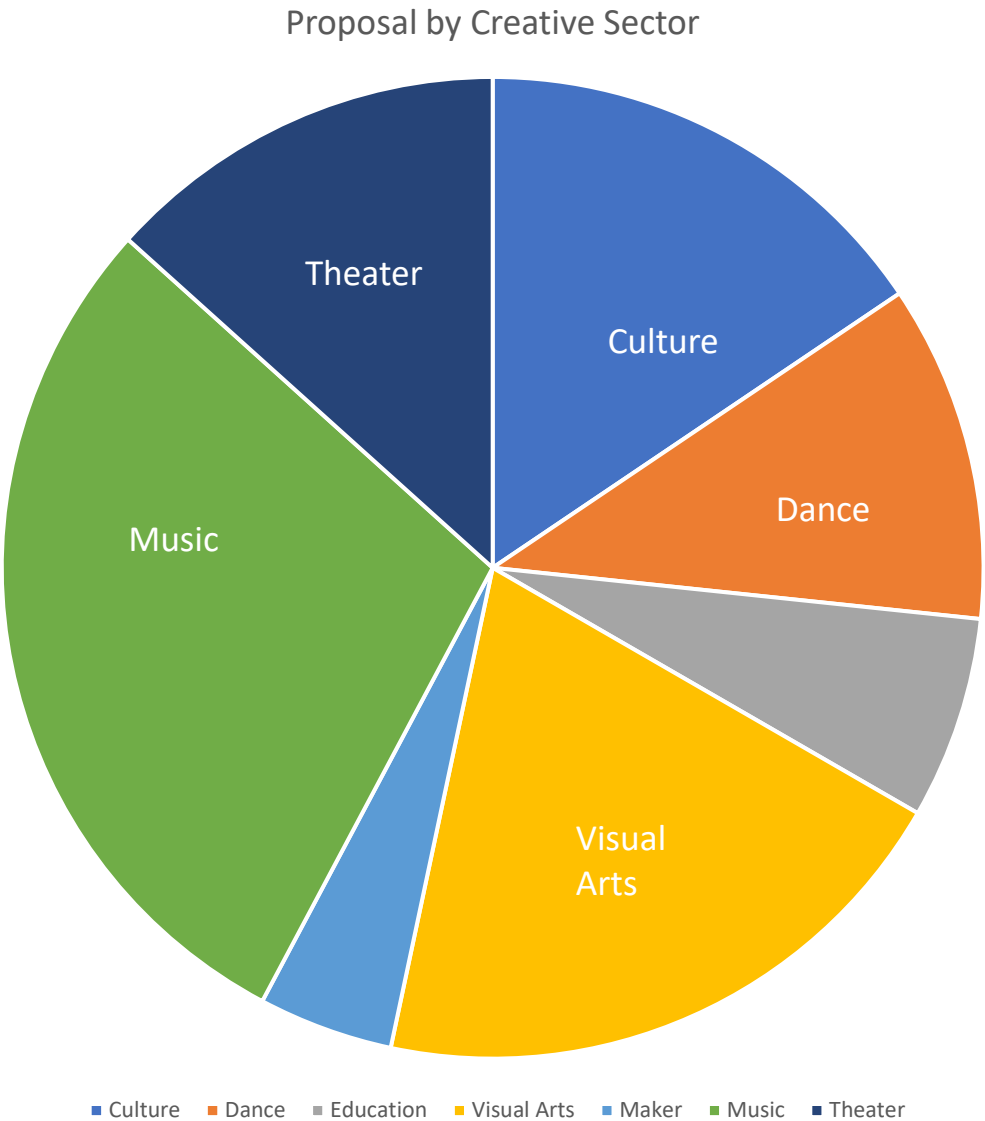
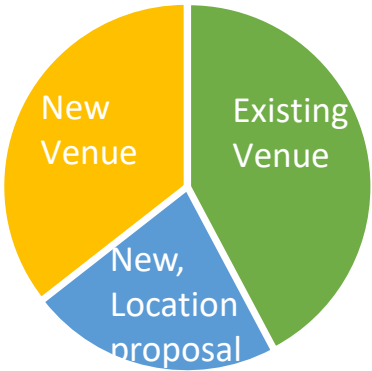
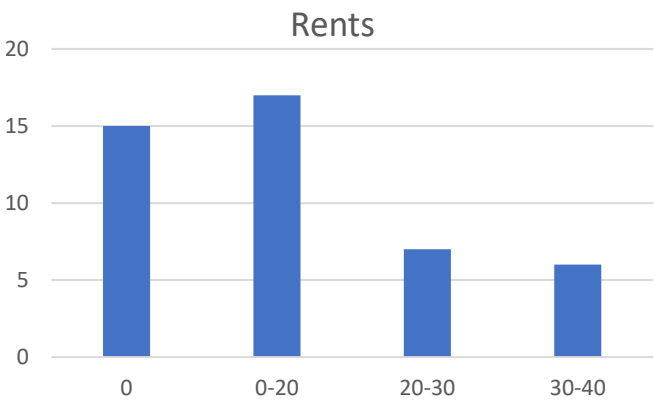
Community Impact

- **Criteria informed directly from Joint Music and Arts Commission Recs**
- The application was an online form, designed to create an equitable starting point for all organizations
- The scoring was established to provide the ranked short list across the different applicant types (Existing and New)
- **Evaluation Committee reviewed all applications, all applications were read 3 times, and scored. Scores provided initial rank to develop the Long List.**

Program Update—Early Results

45 Submissions, 16 Pipeline Only

- 0 - 57 Years in existence (18 Avg)
- 300 M + Needs
- Diverse representation
- Common story of displacement, and resilience



Program Update—Submitter Update Meeting- 5.19.22



Cultural Trust Funds Available

12 M Creative Spaces Bond Fund

- G.O. Tax Exempt Bond requirements
- Acquisition & Development
- Publicly accessible
- Complex deal structure required for operational management

2.4 M HOT Iconic Venue

- Acquisition, development, and means necessary to secure the space
- Requires 'Tourism' function
- 'Historic Zoning' for property tax relief
- *Council approval not required*

5.0 M COA Budget – Iconic Venue

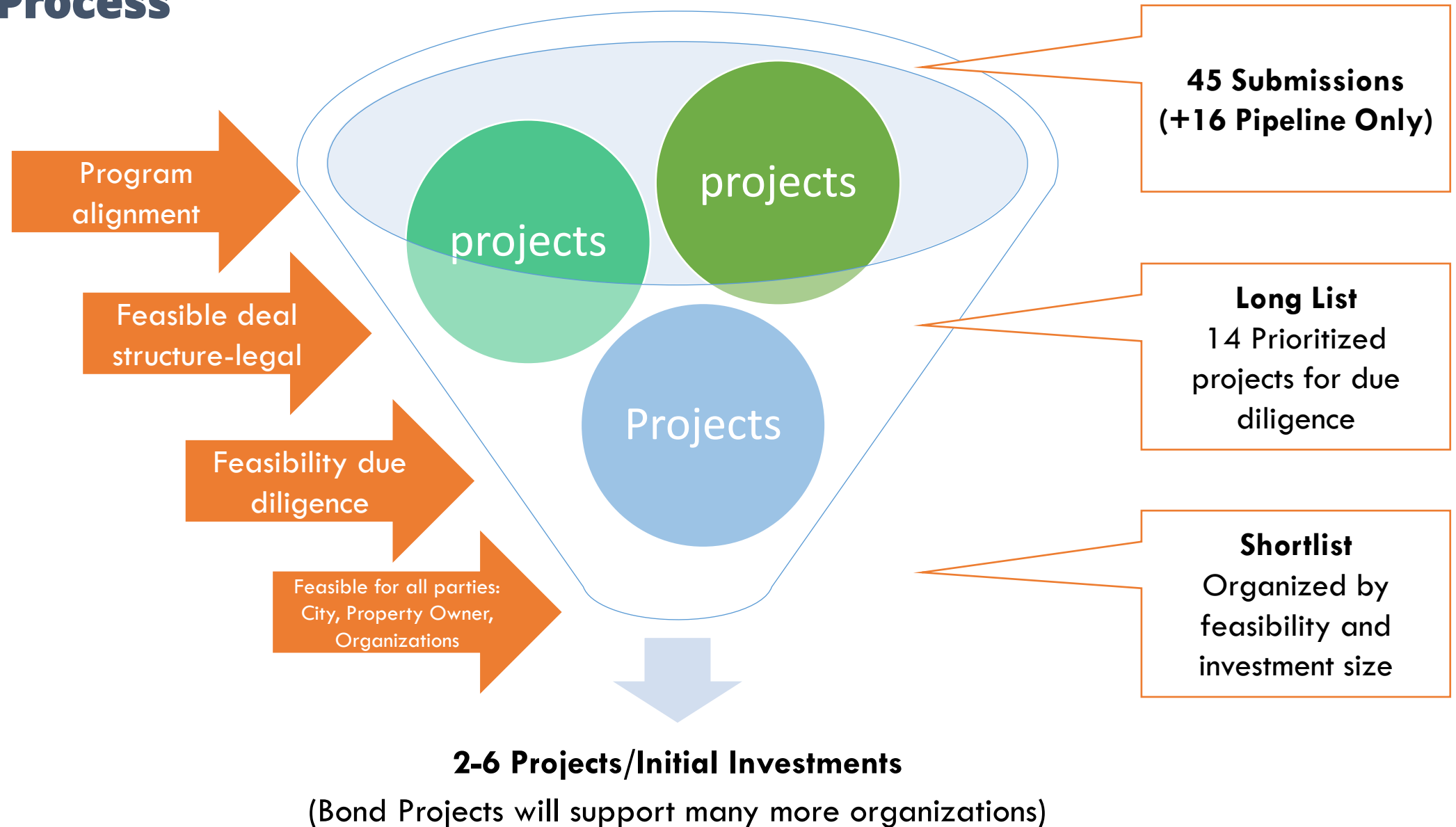
- 15 M total over many years
- More flexible than HOT funds
- *Council approval not required*

Additional funds to leverage public funds (eventually):

- Loans-traditional
- Loans-CDFI
- Social impact investments
- Grants
- AHFC/LITC
- [NMTC]-future

All of these are being considered, but are not directly applicable to first round investments by AEDC.

This Process



Spaces provided by 'Long List' is a portfolio of diverse offerings




**multi-use
theater
venues:
99 -500
seats**



**music performance venues:
300- 2300 capacity**



**rehearsal spaces: music,
dance, theater**



arts studios



**creative
shared
workspaces**



**digital
media
studios**



**art
galleries**



**music
recording
studios**

Long List Reflects Joint Music and Arts Commission Recommendations

Geography:

- E of I-35, W of US-183
- S of Lady Bird Lake, N of Ben White (HWY-71)
- Downtown (Lady Bird Lake to MLK and I-35 to MoPac)
- N of 30th St, S of US-183

Amenities

- Flexible rehearsal spaces
- Performance venue with a capacity of at least 50 seats (may include outdoors)
- Visual arts studio and gallery space(s)
- Educational space(s)

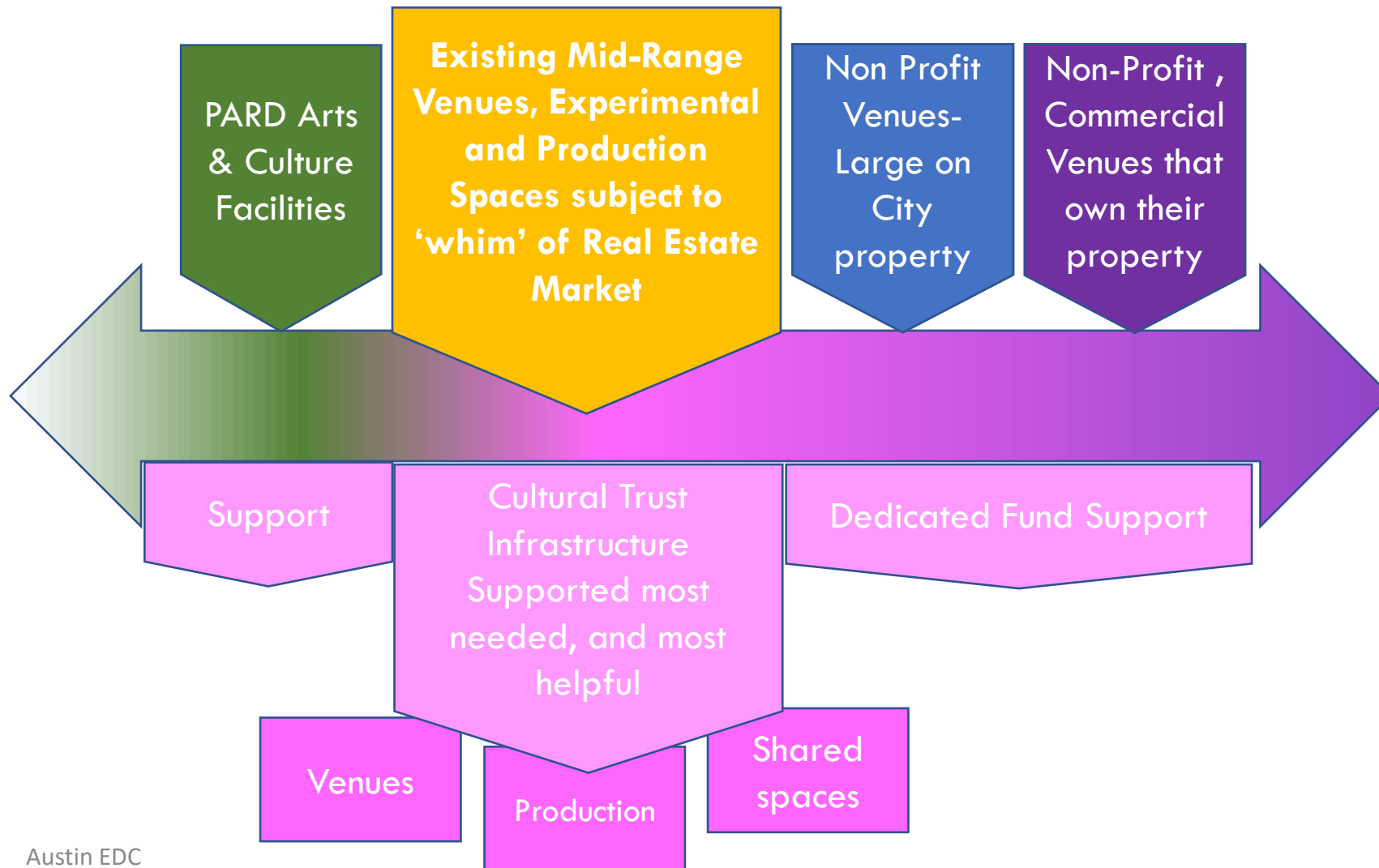
Equity:

- Operational leadership and staff/administration includes 33% of people from underserved/marginalized groups or communities of color.
- Free or significantly reduced rate creative space to underserved/marginalized individuals/groups.
- Allows for equal opportunity for project participation.
- City RFP process must include targeted outreach to historically underserved/marginalized populations

Feasibility Evaluation Process

- Feasibility Review: Fit with funding sources, Organizational capacity, Site control, Negotiability, Project economics, Weighted for equity
- Advanced all projects to the most 'feasible' while balancing economics, requirements of funding dollars and program goals.
- Get projects to 'pencil' while not raising initial rent, which may require additional uses of facilities are being assumed
- Demonstrate a pipeline of projects to represent the variety of ways we can support and secure creative space
- This round focus on preservation of existing spaces, and available city spaces for new venues

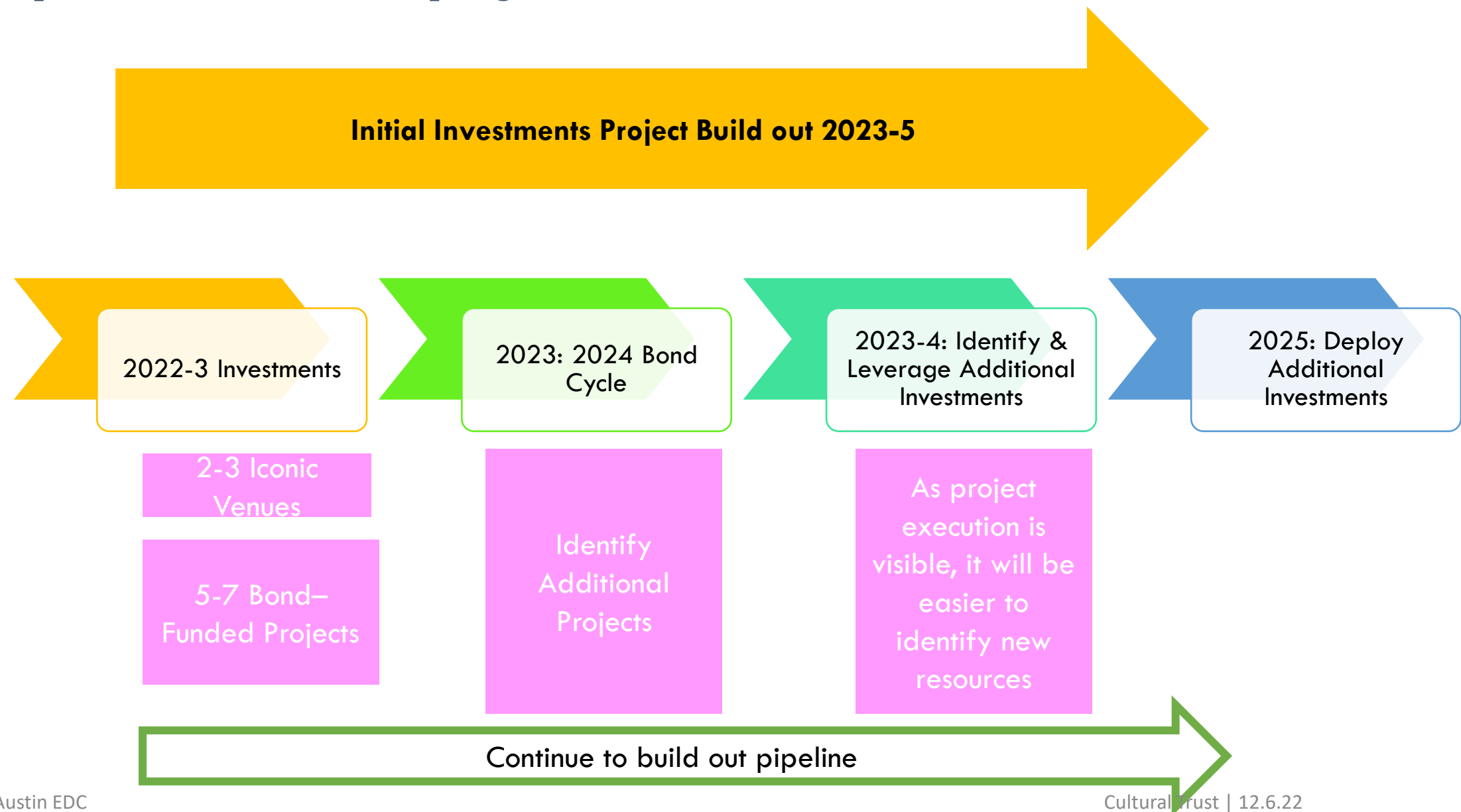
Spaces in Creative Infrastructure-ACT Has Unique Role



Cultural Trust Infrastructure

- Supporting/securing existing venues and building new venues to help support displaced organizations.
- A variety of spaces in addition to venues—practice/production are critical to the success of the system.
- Includes Professional operators/management to best suit creatives
- The physical infrastructure will need technical assistance, capacity, operational expertise support and financial reserves (Current funds do not provide)
- Affordable housing/Transit investments help this ecosyste

Pipeline and Future projects for 2024



City/Partner Spaces Visited to Date



PDC Retail Space

7000 SF

Fit-out New
Construction
Available now!



3002 Guadalupe

8372 SF

*could use historic
tax credits⁸

Building Renovation



411 Chicon

5.18 Acre Campus
67,000 SF Existing
Use

Mixed use, new
construction,
anchored by culture
(renovation)



Municipal Building

33,000 SF

*could use historic
tax credits*

Building Renovation



Pease Elementary

30,000 SF

*could use historic
tax credits*

Building Renovation

Initial Projects--Phase I-- on December 8 Agenda:

Creative Space at the PDC- Cultural Trust Incubator

- Function as open public cultural arts facility
- Provide swing space for displaced companies
- Lead Operating Company from Long List, to be announced
- Design process will include pipeline organizations
- Fit out build out budget \$2M

Millennium Youth Entertainment Complex-Theater

- Provide improved theater space open to the public
- Support more than just cinema use
- Lead Operating Company will continue to operate
- PARD will facilitate the construction / upgrades
- Upgrade budget at \$400,000

Future Projects To Be Announced!

- As term sheets are signed, and approved, these projects will be announced, to the extent funding can support

Future Considerations

- Process Improvement- Delegated authority to negotiate and execute project agreements at AEDC Public Board Meetings
- Identify more flexible capital: match more with specific needs
 - Act proactively, and at time of need
 - Include private activity and more types of space rentals
 - Production/studio spaces without lead organizational/operational entity
 - Shared facility models (e.g. merch distribution, costumes/sets)
- Identify funding to provide additional Ombuds/Tech Assistance support
- Future Pipeline process Improvements: Two step intake process, Rolling feasibility evaluation.

Conclusions

■ Request for Council Action

- *Authorize negotiation and execution of a lease agreement with the Austin Economic Development Corporation for approximately 7,006 square feet of space in the City's Permitting and Development Center located at 6310 Wilhelmina Delco Drive, Austin, Texas 78752 for an annual lease rate of \$100, and approve the use of up to \$2,400,000 of proceeds from Proposition B of the 2018 Bond for this project and the Millennium Youth Entertainment Complex.*

■ Next steps

- Return with negotiated term-sheets (Operator, Property Owner) for additional projects, to the extent funding can support.
- Standard Operating Procedures (SOP) with City of Austin staff to assure timely expenditure
- Review of implementation process requirements to assure that projects advance efficiently

Thank You