

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

Arts Commission

Austin Economic Development Corporation

December 12, 2022

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 addresss cultural displacement, and coordinating with best practices globally.

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.

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

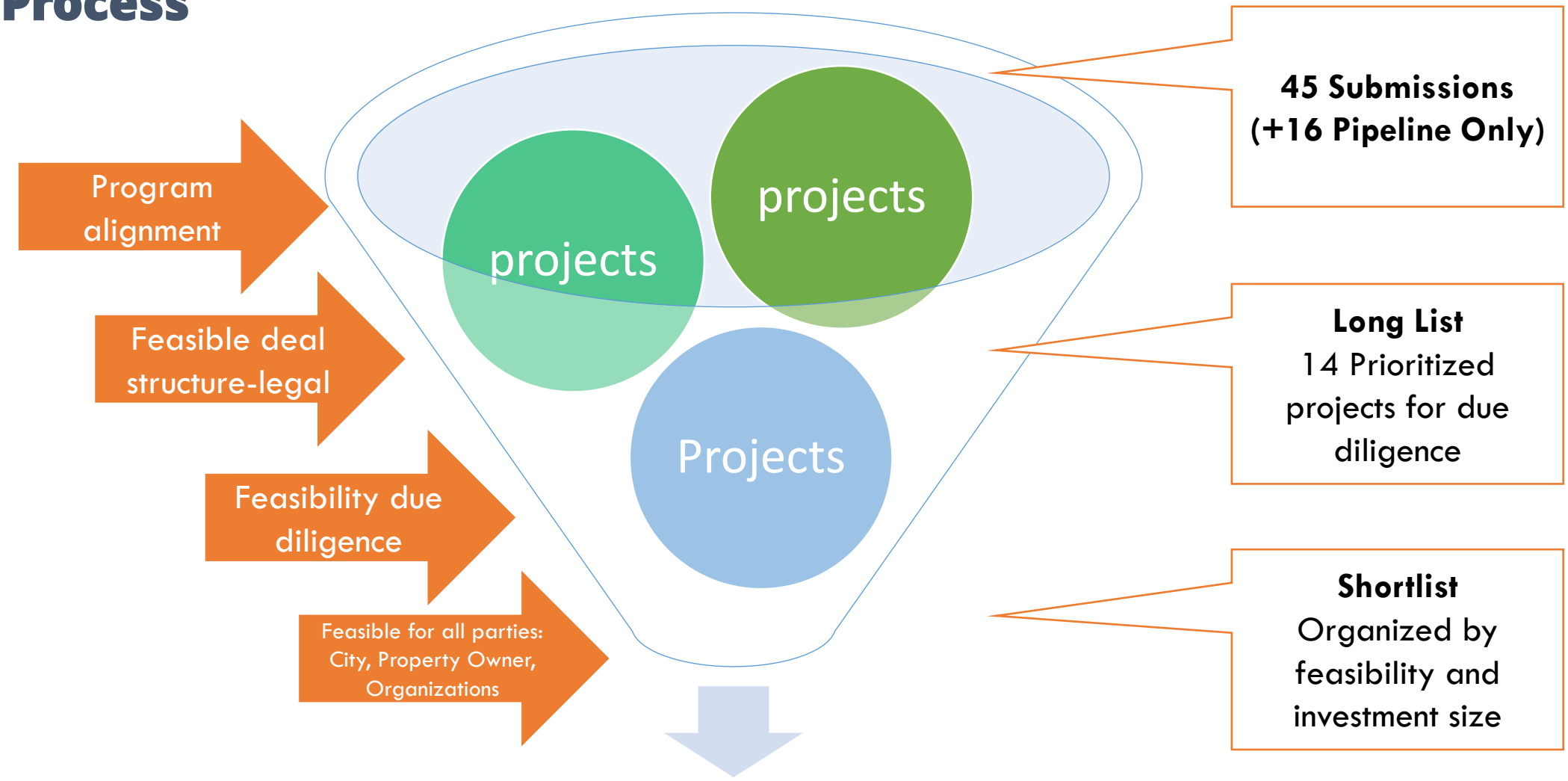
- 15 M total over many years
- More flexible than HOT funds
- *Council approval not required*

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



2-6 Projects/Initial Investments

(Bond Projects will support many more organizations)

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

















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)

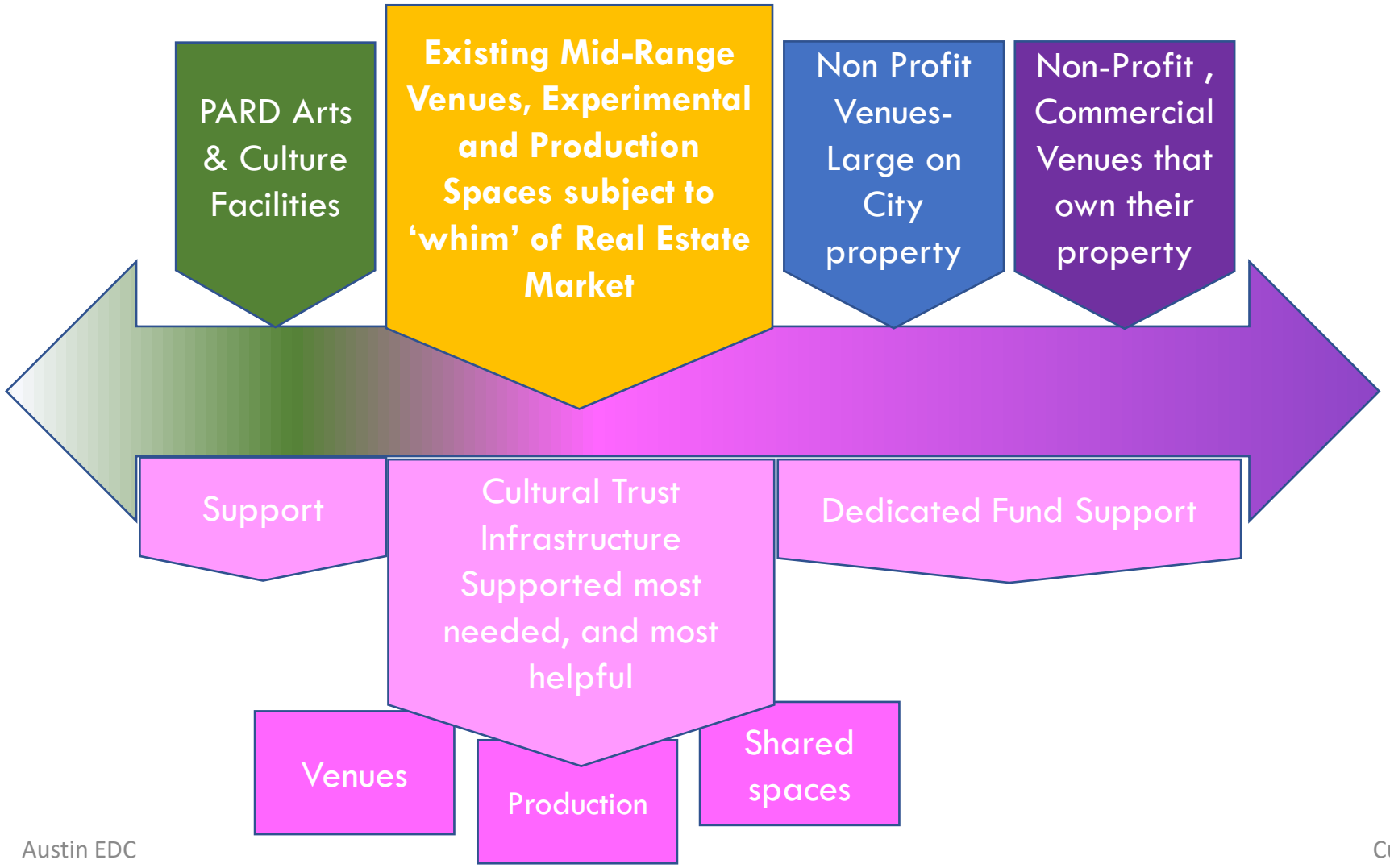
Equity:

- 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, Negotiatability, 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

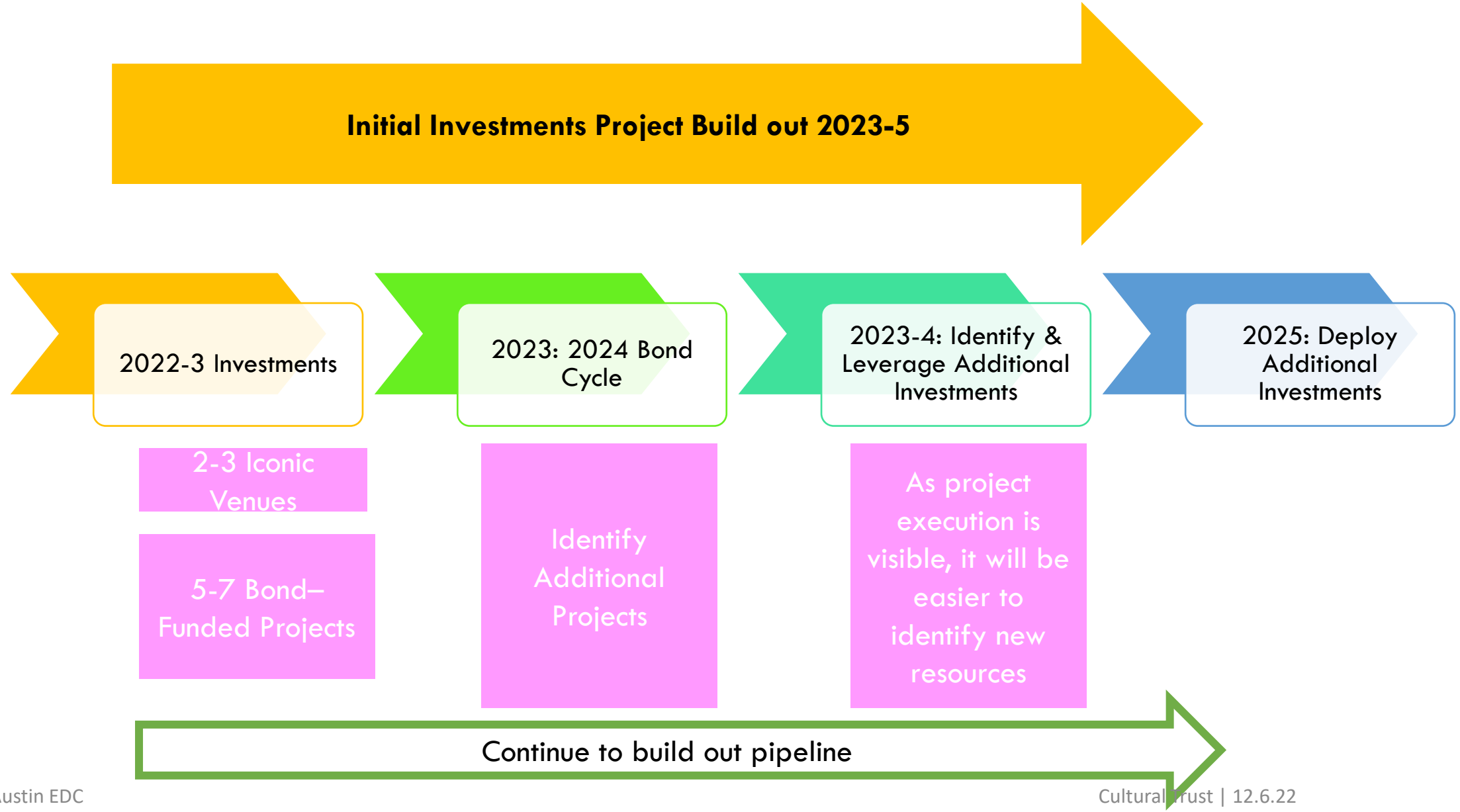
Spaces in Creative Infrastructure-ACT Has Unique Role



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



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.

Thank You