

January 9, 2023

Dear City of Austin Planning Commission Members,

I am reaching out to you today representing the <u>Red River Cultural District</u> (RRCD) to ask for your postponement of item #41 (January 10, 2023 Agenda): Action and discussion recommending approval of the Palm District Plan.

Located within the City identified "Palm District", the **Red River Cultural District** is a creative community providing authentic Austin experiences through diverse local music, art and food for every fan and guest. Located in the heart of Downtown Austin, this cultural tourism destination and entertainment district extends from 4th Street to 15th Street along Red River; Interstate 35 to the East, as well as Neches Street and as far as Trinity Street to the West. The Austin City Council approved a <u>resolution</u> creating the district in 2013, followed by the Texas Commission on the Arts (TCA) designating the area in 2020 as a <u>State Cultural District</u>. As a 501(c)(3) charitable organization, the RRCD is managed by the Red River Merchants' Association, which seeks to preserve and grow Red River's creative, business and music ecosystem responsibly and sustainably.

The RRCD is home of Austin's single largest concentration of live music venues, home to over a dozen venues essential to the local music industry and creative economy and also home to over 50 small businesses, and cultural institutions including Austin Symphony Orchestra, First Baptist Church, the German-Texan Heritage Society and Waterloo Greenway.

The Red River Cultural District requests the Planning Commission postpone and/or not approve item #41 based on the items of concern documented below.

 Absence of programmatic and financial tools in the Palm District Plan: The plan as it currently reads does not dedicate any commitments or prioritization to the development of economic tools, or programs to support the preservation of the assets located in the Red River Cultural District and other cultural assets located in the study area. The desired outcomes listed in the <u>Vision Plan</u> will require regulatory, financial and programmatic support from the City of Austin and also through public private partnerships for years to come in order to be successful. To achieve the visions in the core areas of inclusive growth, culture, connection and nature, as well as the phased implementation approach monitoring the progress will be critical. Additionally involvement from the various entities located in the City identified "Palm District " will be valuable based on the different initiatives. It is recommended that prior to adoption programmatic and financial tools including budgetary commitments be identified to ensure an annual dedicated budget to the implementation of the Palm District Plan and the essential tools be prioritized. It is also recommended that an external working group be formed to support the



on-going delivery of this very complex and important area of Austin.

- 2. Absence of regulatory tools to ensure the preservation of the Red River Cultural District and other assets in the Palm District boundaries are retained: The rapid growth of commercial property taxes and rent in Austin has applied pressure on the viability of many iconic small, local businesses, cultural and historic uses. Many face the potential of redevelopment that displaces their cultural, entertainment, or niche use. Austin's current zoning framework supports the replacement of commercial districts with multifamily uses, which often from an economic analysis generate higher returns than small business or cultural districts may maintain. This can be mitigated by ensuring that key cultural and entertainment districts have zoning protections that require some portion of space be maintained for those uses. Currently the Palm District Plan does not detail a commitment to these regulatory needs. It is recommended that a commitment to these regulatory needs be considered and prioritized by Boards and Commissions, and City Council prior to Plan adoption. Absent these commitments, further displacement will occur. Regulatory considerations such as an overlay through revision to the Land Development Code may include the following:
 - a. Requirement for a minimum percentage of ground-floor uses dedicated to live music, cultural arts, or affordable small business space.
 - b. Requirement for a minimum of total site development square footage to be dedicated to live music, cultural arts, or affordable small business space.
 - c. Density bonus incentives that allow additional entitlement for inclusion of these target spaces in a site, or for dedication of a fee-in-lieu for preserving these spaces off-site but within the specific district.
 - d. Transfers-of-development-rights to support preservation of live music, arts facilities, or legacy businesses.
 - e. Relaxed permissions for site development and code enforcement within designated districts.
 - f. Other
- 3. Absence of Economic Market Analysis: It is critical to understand the opportunities and challenges that the economic market will present in the implementation of this Plan. It is recommended that a market analysis and forecast for this geographic area be completed prior to adoption of this plan to ensure the appropriate regulatory, financial, and programmatic tools can also be committed to and prioritized by governing Boards/Commission and City Council. In an ever growing City that has already lost dozens of cultural, heritage, and historic assets a plan absent and not informed by an economic analysis is irresponsible and further questions the City's commitment to the assets within the Red River Cultural District, and the surrounding



cultural, heritage, and historic assets within the Palm District boundaries and City-wide. The vision stated in the Palm District Plan furthermore cannot be achieved until more economic tools including regulatory, programmatic and financial tools can be created, adopted, funded and deployed.

- 4. Absence of a District Policy and Framework: Within the City identified "Palm District" the following districts also exist: <u>The Red River Cultural District</u>, <u>Rainey Street Historic District</u>, <u>6th Street PID/Historic District</u>, Mexican American Cultural Heritage District, Innovation District, UT Medical District. The above noted districts demonstrate active resolutions that lack regulatory, financial, and programmatic tools and resources to fully implement. The City of Austin does not have a unified policy framework for place-based economic development, specifically designating, managing, or sustaining a wide variety of districts. Historic districts are the only district type in which corresponding guidelines and criteria are codified in City policy. In the past City Council has named a district through an adopted resolution or ordinance. However, those ordinances did not grant any specific regulatory, financial and or value capture interventions, or enable the deployment of programs or tools to achieve specific goals, needs or community benefits. Adoption of the Palm District Plan as it places yet another "District" in this geographic area with no mechanisms for implementation. Recommendation to ensure the development of the <u>District Framework Policy</u> is underway and prioritize the actions listed in the earlier resolutions concurrently to the Palm District Plan.
- 5. **Integration of existing plans, reports and programmatic direction:** The live music and creative communities over the past decade have been surveyed and engaged beyond their own capacities. Various reports, resolutions and plans have been completed identifying various economic tools, approaches, and best practices. Suggestions on tools to support the live music and creative economies in Austin have been identified for close to a decade. It is recommended that the following are reviewed to assist in prioritizing the essential regulatory, financial and programmatic tools essential to the success of the Palm District. A comprehensive list of documents for review should be established prior to finalizing a list of tools.
 - a. <u>Thriving in Place, Thinking in Districts</u>
 - b. <u>Red River Cultural District: Economic Strategy</u>
 - c. Red River Cultural District: Urban Land Institute Report
 - d. Economic Recovery and Resiliency Framework
 - e. <u>Music and Creative Ecosystem Stabilization Recommendations</u>
 - f. Anti-displacement Task Force
 - g. <u>Creative Space Survey</u>
 - h. <u>Music Omnibus</u>



- i. Live Music Fund
- j. Live Music Fund Working Group Recommendations
- k. Iconic Venue Fund
- I. <u>District Framework Policy</u>
 - i. Best Practice Report attached
 - ii. <u>Clarification Memo</u>
- m. Chapter 380 Policy Best Practices

The above recommendations and concerns are priorities identified by the Red River Cultural District and do not communicate the breadth of other concerns and considerations we believe should be considered that will impact a holistic approach to this area, and other initiatives being lead by our partners including the Downtown Austin Alliance, Waterloo Greenway Conservancy, University of Texas, stakeholders of the Mexican American Cultural Heritage Corridor and E 6th Street Historic District, and others. Additional recommendations to follow.

The Red River Cultural District appreciates your attention to this item, and welcomes the opportunity to further discuss. We look forward to working closely with you all to ensure this important area of Austin is preserved and positioned to grow responsibly with limited impacts to our cultural, heritage, historic and live music assets. Please contact me for further information and communication at Nicole Klepadlo, interim Executive Director Red River Cultural District, <u>nicole@redriverculturaldistrict.org</u>.

Thank you for your time.

Sincerely, Nicole Klepadlo, interim Executive Director Red River Cultural District

Appendix: Response to Resolution No. 20190523-029 regarding Fifth Street Mexican American Heritage Corridor Cultural District Designation

Place-based Economic Development and District Development Best Practice Research Report

The August 1, 2019 response from EDD recommended the completion of best practice research on district guidelines and criteria of local designation of cultural districts and other types of districts. EDD made this recommendation to ensure an equitable and informed approach to the area of interest, the Mexican American Heritage Corridor and other identified districts could be identified for City Council consideration.

Cities explored in-depth included Seattle, San Francisco, Minneapolis, New Orleans, Phoenix, Houston, and New York City. Additional cities researched are included matrices in the appendix of this report, and highlight specific place based policy or programs, and specific efforts around cultural district development as requested in Resolution No. 20190523-029.

Best practice community research overall concluded that district place-based strategies combine a variety of approaches, tools, and policies. Communities' surveyed shared that a 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. Furthermore communities noted that while the goals of creating districts may be consistent for their community, each area often requires a customized approach.

A theme from the research was the approach to infuse and understand economic market data of the area of interest to best understand opportunities or challenges of an area. The economic market context greatly influenced what tools were deployed to meet the goals or vision of a district. Additionally communities cited robust policy frameworks inclusive of financial, regulatory and programmatic strategies, and tools to approach place based economic development, inclusive of districts.

The research completed includes an in depth understanding of current and historical policy and programmatic initiatives enacted around districts and place-based economic development that the City of Austin has utilized. This was critical to understanding what approach, tools and policies COA currently has available for this work, and where potential gaps may exist.

Goals for District Development

As a starting point to the research, staff identified the following common goals communities set forth for district development. Communities surveyed shared many similarities and also aligned with many current policy initiatives of the City of Austin. Goals for district development included:

- Sustainability of commercial areas offering a mix of anchor assets and attractions such as small retailers, restaurants, cultural facilities, live music and entertainment venues and historic sites;
- Inclusion of day to-day amenities and services within commercial areas (medical, religious, and service based such as dryer cleaners, law services, tax prep, etc.), components of a complete community;
- Development of catalytic sites through real estate acquisition and/or development and redevelopment to achieve community benefits (affordable commercial space, targeted industry development, greenspace, etc.);

- Organizational and leadership development and capacity building of third-party entities promoting sustainability and district capacity;
- Preservation and retention of historical, cultural and community assets and district branding and identity;
- Tourism;
- Development of pedestrian and bike friendly destinations inclusive of safe, accessible and attractive public right of way spaces; and,
- Opportunity for targeted industry clustering

Defining Districts

Across communities, various definitions existed for districts, and common definitions were derived from the intended use and purpose of a district as well as any identified community benefits being sought. An overarching definition that supports the many efforts of communities is captured in the "<u>Thriving in</u> <u>Place</u>"¹ report that the Economic Development Department commissioned in 2018: "Districts are defined as a bounded area in which place-based policy interventions are enacted and where value capture mechanisms may be considered."

Determining clear boundaries was a necessary task among communities to define a place within which policy interventions can be used. Nationally communities deploy approaches, policies and tools for districts used singularly or in combination to achieve desired public benefits within the district boundaries. Public benefits often included the desire to retain a mix of cultural, historical, commercial, and residential community assets.

Matrix B District Typologies shares the many types of districts communities have identified and their traditional purpose. Matrix B also inventories the current districts that exist in the City of Austin. In response to Resolution No. 20190523-029, it was important to understand the presence of district typologies in the City of Austin and in other communities to ensure any recommendations around district guidelines and criteria meet the needs of existing policy initiatives underway.

Local Designation, Criteria and Guidelines

Designation criteria and guidelines varied widely among the communities interviewed and reviewed, overall concluding that there was not a one size fits all approach to criteria or guidelines for local designation. Importantly communities consistently shared that careful consideration must be given to complex issues such as displacement, affordability and gentrification within place-based economic development strategies. Communities cited the need for tailored approaches to district designation due to unbalanced economic markets across communities, presence or lack of clustered industry types (ex. cultural uses), presence of City owned property, absence of third-party leadership entities or community stakeholder participation.

Communities stressed the importance of stakeholder leadership in creating and owning the identity and designation of a district. Communities acknowledged that districts often self-designate outside of a

¹ Economic Development Department, City of Austin. (2018). Thriving in Place: Supporting Austin's Cultural Vitality Through Place-Based Economic Development. Thriving in Place: Supporting Austin's Cultural Vitality Through Place-Based Economic Development. Retrieved from

http://www.austintexas.gov/sites/default/files/files/EGRSO/ThrivinginPlaceReport_1_30_18.pdf

formal City process. This further supported the unified need identified by communities that grass roots leadership and capacity building are greatly needed for district sustainability. Many communities did not have a formalized local designation process with criteria and guidelines, but reported that districts and their leadership entities were not prohibited from adopting a district identity and brand that meets their needs.

Participation was defined not only as consistent engagement, but also owning property in the area, operating a business, or investment opportunities. Historic districts among communities represented the most consistency with a formalized designation process equipped with criteria and guidelines. As stated above, across communities surveyed, the goals around creating and sustaining districts were consistent but how it was achieved varied.

An example of this is the Alberta Arts District in Portland, Oregon. The City of Portland does not have an arts district or cultural district designation process with criteria and guidelines although they have a strong set of regulatory, financial and value capture mechanisms and programmatic tools to assist districts. For this specific area, Portland has implemented a regulatory approach, specific zoning that enables human scale development to achieve the benefits of a walkable, accessible and attractive district. The district itself has utilized the distinctive terminology of an "Arts District" to highlight the culture and identity of the district, inclusive of the presence of galleries and art centric shops within the boundaries. Communities noted that a simple, local designation may not achieve the goals of the community and City without more robust planning, economic analysis, and access to regulatory, financial and programmatic tools that leverage public investment to generate private investment. A deeper dive into approaches Cities use to create and sustain a district is shared later in this report.

When evaluating specific best practices around cultural district designation at a local level, many communities relied heavily on their State criteria for guiding the process but also tailored approaches based on needs such as economic market context, public private partnership development, and policy goals Guidelines vary from state to state and the Texas Commission on the Arts (TCA) designates cultural districts in cities across Texas. At a State level, cultural districts are defined as special zones that harness the power of cultural resources to stimulate economic development and commercial revitalization. One application per organization is required for the designation program.

The following entities are eligible to apply for this status: Established Arts Organizations, Local Arts Agencies, Government Local Arts Agencies, Established Minority Arts Organizations, Government Agency or Department, College Arts Institutions. Submissions are evaluated based on their artistic quality, administrative and implementation capacity, and impact on the public and local economy. Texas state-level cultural district designation is programmatic, conferring opportunities to benefit from grant and services programs. It is important to acknowledge that in order to be considered for a Texas cultural district designation, the district must have a resolution of letter of endorsement for local designation from the government entity. EDD commissioned the Thriving in Place² report, which aligns with the research completed as part of this memo as a successful approach for cultural district development and other types of districts

² Economic Development Department, City of Austin. (2018). Thriving in Place: Supporting Austin's Cultural Vitality Through Place-Based Economic Development. Thriving in Place: Supporting Austin's Cultural Vitality Through Place-Based Economic Development. Retrieved from

http://www.austintexas.gov/sites/default/files/files/EGRSO/ThrivinginPlaceReport_1_30_18.pdf

Place-based Policy Framework

Nationwide best practices for district development and sustainability were most commonly addressed by cities through establishing a holistic and robust policy framework that allows for tailored solutions for districts. Local designation as explored above often lived within the larger policy framework. This framework took into consideration the variety of district types, their functions and purposes, as well as implementation tools and resources. Communities who demonstrated active or historical initiatives around districts who were operating without a holistic policy framework acknowledged gaps of service towards districts and their goals. Best practices concluded that place-based, district development initiatives are complex, yet consistent approaches have been adopted across communities to achieve success. Below outlines the core common components of successful policy frameworks of other Cities that should be considered for the City of Austin.

Policy Framework Common Components

Formalized District Development Processes or Programs: Localized efforts for district development among communities nationally shared three common themes to their approaches a) community organizing and capacity building, b) place evaluation and analysis and c) implementation and sustainability. These steps were often the first efforts identified by Cities in determining if a district was the right solution or approach to a geographic area. Communities echoed that it is important to ensure that the City allows the community to lead from the ground up, in an effort to build trust and capacity and to ensure longevity. Additionally many communities are executing efforts to ensure there is an equitable approach to district development, challenging efforts for the governmental entities to prescribe a one size fits all approach to districts.

a) **Community Organizing:** Best practice for intentional place-based district work included consistent efforts to achieve robust and inclusive community organizing, and collaboration with a diverse audience of stakeholders. Targeted stakeholders included private-sector developers, business and commercial property owners, residents, public-sector policy makers, non-profits, etc. An absence of grassroots leadership commonly challenged the sustainability of a district due to a lack of community support and a transparent shared vision.

Majority of communities surveyed report that community organizing occurs very organically but often supported by City support through training, technical assistance, as well as access to financial, programmatic and regulatory tools. A universally critical part of place-based work shared among community processes was understanding the priorities and goals of the stakeholders. Successful community organizing efforts commonly resulted in local leaders formalizing their district mission into a third party entity such as a community development corporation, community foundation, nonprofit organization, or collaborative entity – such as a merchant or business association – who serve as the standard bearer of the district vision.

Communities stressed the importance of having an independent or external entity to the City to lead and manage the District once stakeholder commitments are secured. Many

communities provide technical assistance and training programmatically to build capacity of district entities.

b) Place Evaluation and Analysis: Place-based work on a district scale nationally shared common characteristics of being rooted in economic development planning principles and an assessment of needs and opportunities. For many communities this phase of district development aided in determining the district typology that is most appropriate. Additionally it assisted in determining what short and long-term approaches and tools may be needed for a successful district effort based on forecasted impediments or opportunities that may arise.

Communities utilized a consistent framework to understand a place holistically. Place evaluation across communities commonly included the following items:

- Economic market analysis ascertaining market pressures, opportunities and areas with higher risk of displacement or gentrification
- Economic data including taxes, property ownership, employment, and sales
- Zoning and land use analysis
- Area asset identification inclusive of cultural, historic, local, anchor institutions
- Built environment evaluation (parking, right of way, streets, etc.)

Many communities noted place evaluation being a continuous process. As market conditions or demographics shift it is important to acknowledge that opportunities and challenges of a district may also evolve. Evolution of place resulted in noted challenges such as displacement or affordability issues or opportunities such as new development or investment. The continuous management of evaluating these places also assists in determining what is needed for successful sustainability both physically and in the form of leadership capacity for districts.

c) Dedicated Implementation Tools and Varied Approaches: Policy frameworks allowed communities to build out a suite of resources, tools and approaches to deliver place-based economic development that should sustain districts long term. It also enabled tailored strategies to meet district goals that had different district typology and economic context. Districts in cities with or without local designation processes relied on a diverse set of executable regulatory, financial and/or value capture mechanisms. They also relied on programmatic tools and strategies for leadership development, capacity and consensus building, and long term stakeholder investment.... *Matrix C District Tools* shares the predominant tools communities stated were essential to tailoring the right solutions in varied district contexts. The matrix also shares what current approaches and tools the City of Austin currently has. These tools and approaches are identified in three categories below:

Regulatory	Financial	Programmatic	
Designation through base	Districts financially supported through value	Designation through a programmatic	
zone, special district, or an	capture mechanism to support	process by providing special services,	
adopted overlay.	improvements, and maintenance of district	grants, or incentives. Programmatic	
	amenities. Financial tools also were used to	support ranged from basic capacity	
Regulatory tools may also be	capitalize on a districts anchors, assets and	building and micro grants to targeted real	
tied to uses of a property or	attractions.	estate gap financing programs.	
site design in their zone.			

	The Economic Development Department's Souly Austin program is an example of a programmatic tool.

- *Cross-collaborative teams:* Policy frameworks often shared responsibilities among various City departments contingent on the stage of the district development process and approach. From a public sector point of view, City initiatives included cross collaborative teams encompassing planning, economic development, development and redevelopment, community development, transportation, preservation, and community engagement areas of expertise and training.
- *Public-private partnerships:* Cities often did not take a lead role in district development but remained an essential ingredient to the success by offering support for a specific district through dedicated regulatory, financial and programmatic resources. Private partners included developers and real estate professionals, property owners, community development corporations, economic development corporations, and more.
- *Quantifying community benefits and return on investment:* Communities with well-defined approaches to place-based economic development have been instrumental in achieving community benefits including cultural and historic preservation, local entrepreneurship, private investment, etc. Cities commonly measured return on investment of districts by evaluating many of the following:
 - Walk score and patrons visiting district businesses or anchor entities
 - Business revenue and sales including mixed beverage tax
 - Property tax information
 - Private investment
 - Employment totals including new and retained
 - Organizations development
 - Vacant buildings reduced
 - Local or small businesses served
 - Training and technical assistance hours delivered

As a specific example, the place based economic development approach in Minneapolis, called The Great Streets program demonstrated that over a seven-year period, their district program investments leveraged \$3.6 million in private sector funds for \$1.5 million in City grants, and \$21.6 million in private investment from \$2.9 million in City loans for real estate gap financing. Invest in Neighborhoods in San Francisco focuses on their impacts in terms of organizations and businesses supported:

- 33 community-based organizations have received \$2.5 million in project grants
- 10 vacant buildings have been activated with \$796k in funding
- 402 small business clients have been served with 1,832 hours of one-on-one business coaching

Many programmatic efforts around districts require diligent revisiting of the above factors to ensure equity is infused in approaches and tools. Communities again cited the need for economic analysis prior to prescribing district approaches or tools to prevent unintended consequences.

Matrix A: Alignment with City Plans, Policy and Initiatives

Plan or Initiative	District-related Policy Recommendation
Imagine Austin	https://austintexas.gov/imagineaustin
	Promote music, art, and cultural programming and facilities
	• Create "complete communities" that offer basic day-to-day needs within a walkable, transit-connected neighborhood
	framework
	• Promote ecological and sustainable practices, green infrastructure, renewable energy, and carbon emission reduction
Neighborhood	 <u>http://www.austintexas.gov/page/adopted-neighborhood-planning-areas-0</u>
Planning Area Plans	Promote businesses that are neighborhood-serving
	Tailor commercial space to small business
	Create walkable, mixed-use areas along major streets
Council Resolutions	 <u>https://www.austintexas.gov/sites/default/files/files/EGRSO/Music_and</u>
on Music and	<u>Creative_Ecosystem_Stabilization_Recommendations_June_2016pdf</u>
Creative Ecosystem	Create affordable creative space through inclusion in city planning processes
Stabilization	 Expand the supply of venues available to creatives through activation of rental space
	Create affordable creative space through bonds, public investment, and private development
Council Resolutions	 <u>http://www.austintexas.gov/department/opportunity-zones-austin</u>
on City-Owned	Create affordable creative space through inclusion in city planning processes
Land in Opportunity	Expand the supply of venues available to creatives through activation of rental space
Zones	Create affordable creative space through bonds, public investment, and private development
Healthy Food	<u>http://austintexas.gov/freshforless</u>
Access Initiative	 Increase access to healthy, nutritious food in low food access areas
	Increase high quality grocery store options in low food access areas
Chapter 380	 <u>http://www.austintexas.gov/department/business-expansion-incentive-program</u>
Incentive Policy	Create middle income jobs and career ladders for harder-to-hire constituencies
	 Integrate workforce housing development or communal green space and parks
	Create a new cluster or bring additional types of industries to Austin
Austin Strategic	 <u>https://www.austintexas.gov/financeonline/afo_content.cfm?s=73&p=160</u>
Direction 2023	• Promote multimodal transportation options and multimodal infrastructure such as complete sidewalks, bike lanes,
	and transit systems
	 Improve resilience to climate change and reducing the carbon footprint of the city
	Support the vibrancy and sustainability of creative industry ecosystem
Strategic Housing	<u>https://austintexas.gov/housingblueprint</u>
Blueprint	Specify affordable housing production goals by Imagine Austin Corridors

Complete Streets	Create a multimodal street network
	Enhance public safety for all users
	Enhance street-scaping and aesthetics of the public realm
Cultural Tourism	<u>http://www.austintexas.gov/page/cultural-tourism</u>
Plan	Foster neighborhood character and identity to generate more diverse and clustered cultural product
	• Invest in and develop programming for cultural districts that serve diverse audiences and communities, with potential
	for heritage related events and arts
	• Support the formation of merchants associations that provide strong, vibrant and functional commercial business
	districts that can further promote and preserve the history and culture of an area
	• Integrate art, culture and creativity into future public space improvements, way finding, mapping, and transit systems
Thriving in Place	 <u>http://www.austintexas.gov/sites/default/files/files/EGRSO/ ThrivinginPlaceReport 1 30 18.pdf</u>
	Identify key role of unified districts with targeted services for cultural enhancement
	Recommend combining anchor attractors with value capture mechanisms
	Focus on preserving and incubating arts and cultural institutions

District Type	Description	City of Austin	Best Practice Approaches and Tools
Cultural District	Districts with high proportion of arts, music, culture, and historic/heritage uses	 Two in City of Austin African American Cultural Arts District/African American Cultural Heritage District (Six Square), 2007: RESOLUTION NO. 20071213-058 Red River Cultural District, 2013: RESOLUTION NO. 20131017-036. Resolutions do not confer specific regulatory, financial or programmatic approaches or tools to be deployed in these areas. The Economic Development Department provides District support in the form of capacity building, micro-grants, and targeted enhancement and activation initiatives. Thriving In Place and Cultural Asset Mapping Project both discuss potential for cultural districts in Austin http://www.austintexas.gov/sites/default/files/ files/EGRSO/ThrivinginPlaceReport 1 30 18.pdf http://www.austintexas.gov/department/cultural-asset- mapping-project 	 District designation confers specific regulatory, financial and programmatic benefits. Common best practices for Cultural Districts include: Restricting ground floor uses to require high portion of cultural uses (50%+ retail, arts/entertainment, or other public-facing commercial or civic on the ground floor); Density bonuses for provision of arts/cultural space; allowing use flexibility for arts/culture uses; Tax abatements for arts/cultural facilities; arts/cultural funding through value capture mechanisms; Robust programmatic support through capacity-building, grants, wayfinding, and promotions; Incentives for affordable residential space for artists and musicians Land use and/or design controls through zoning overlays Include local designation criteria / guidelines
Entertainment District	Districts with a high concentration or high- impact cultural uses focused on live entertainment and recreation, including especially live indoor	Areas including the Warehouse District, Sixth Street District, and Red River Cultural District in the Downtown have been identified as Entertainment Districts in City Noise and Amplified Sound ordinance (9-2-30) Areas receive extended outdoor music hours allowances allowing them to cater to nightlife customers, enhance and	 Common best practices for Entertainment Districts include: Greater flexibility in regulations on outdoor sound; Greater flexibility in regulations for sale and consumption of alcohol;

	and outdoor music performance	grow the local music and entertainment industry and promote tourism.	 Targeted funding for promotions and tourism activities; Policy alignment with jurisdiction-operated convention and entertainment centers; Additional practices aligned with Cultural Districts Example Cities: Mobile, Huntsville, New Orleans, San Antonio, Atlanta, Houston
Business District	Districts with a high proportion of commercial, entertainment, or cultural uses that help anchor economic activity to cities and neighborhoods	Six (6) business districts anchored by established merchant associations supported through intensive capacity building, ombudsman support, and limited activation grants through EDD Souly Austin Program. <u>https://austintexas.gov/soulyatx</u> Three (3) maintenance and operations Public Improvement Districts have been established for the South Congress District, East 6 th Street District, and Downtown Austin. <u>http://www.austintexas.gov/department/maintenance- and-operations-m-o-public-improvement-districts-pids</u> Additional "local" districts identified through Austin Independent Business Alliance and provided marketing support; there are eleven (11) IBIZ Districts	 Common best practices for Business Districts include: Grassroots community leadership from business stakeholders; Utilization of value-capture mechanisms (parking benefit districts, business improvement districts, sales tax increment finance districts, etc.) to fund activities and enhancements; Inclusion of all businesses to support stakeholder engagement and participation in guiding priorities; Support through programs including gap financing for targeted real estate needs, Façade/tenant improvement matching grant programs, Capacity-building micro-grants, and Beautification through physical enhancements and cleaning programs
Historic District	Areas of historic significance with regulations focused	Several historic districts, primarily in residential areas, with strict requirements on building change; they receive some municipal and county property tax abatement; city has also	 Common best practices for Historic Districts include: Clear support for designation from property owners and community;

	on preservation of cultural heritage and / or architectural sites and specific elements (including windows, building materials, etc.)	undertaken a major survey of historic assets in East Austin: <u>http://www.austintexas.gov/page/east-austin-historic-</u> <u>survey</u>	 Equitable treatment across a city for historic district recognition and designation; Support for lower-income areas to meet administrative requirements; Integration of historic district designation with tourism and economic development strategies to offset high costs of historic zoning standards Example cities: Boston, Philadelphia, Main Street programs nationally
EcoDistrict	District designed to promote sustainable development and reduced ecological footprints in existing or greenfield development	Seaholm redevelopment project designated as an EcoDistrict for range of features including green district energy, electric vehicle charging stations, rainwater and stormwater catchment and reuse, farm-to-work programs, etc. https://ecodistricts.org/	 Common best practices for EcoDistricts include: Proprietary standard for designating high level of ecological features within a district, including a range of factors such energy, transportation, build environment, and cultural characteristics Example cities: Denver, Seattle, Rochester
Transit Oriented District	Small area planning district focused on supporting medium- high density residential and commercial uses adjacent to transit facilities	Three (3) designated transit-oriented developments; TOD principles integrated into other major small area plans <u>http://austintexas.gov/department/transit-oriented- development</u>	 Common best practices of TOD include: Allowance for Medium-high density residential uses within ¼ mile of transit station and ½ mile of high-capacity transit station; integration of office and employment space, including live/work space, into district with vertical or horizontal mixed-use buildings; Significant streetscape amenities focused on walkability and connectivity; Integration of neighborhood-oriented business and cultural services in a manner that minimizes automotive reliance Example cities: Arlington County, VA, Denver/Aurora, CO, Salt Lake City, UT

Neighborhood Conservation Combining District (NCCD)	Zoning tool used to preserve, revitalize, protect, and enhance significant areas within a community beyond what is specified in the standard code	Eleven (11) established NCCDs in Hyde Park, North University, Fairview Park, and East 11 th /12 th Street neighborhoods; <u>https://www.austintexas.gov/sites/default/files/</u> <u>files/Planning/nccd_ordinance_chart.pdf</u>	 Common best practices for NCCD include: Regulation of major characteristics in a neighborhood including lot size, building heights, uses, and setbacks (similar to historic districts but less focused on specific architectural elements); NCDs may be designed to accommodate more architectural creativity and flexibility than more rigid historic zoning
Enhanced Commercial/Retail District	District designed to promote sustainable development and reduced ecological footprints in existing or greenfield development	Several master planned communities, managed districts, and PUDs give additional entitlements or include additional requirements to support retail and small business, including South Central Waterfront, Mueller, and 2 nd Street. <u>https://austintexas.gov/department/mueller- redevelopment</u> <u>https://austintexas.gov/2ndstreet</u> <u>http://www.austintexas.gov/department/lady-bird-lake- waterfront-special-project</u>	 Example cities: St. Paul, Minneapolis Common best practices of Enhanced Community / Retail District include: Restricting ground floor uses to require high portion of pedestrian-oriented uses (50%+ retail, arts/entertainment, or other public-facing commercial or civic on the ground floor); Ground floor minimum glazing requirements (60%+); minimum number of establishments per a length of building frontage; Density bonuses for enclosed parking, vertical mixed use, or affordable housing; Maximum ground floor plate limits to encourage small businesses; Relaxed permitting standards to support adaptive reuse; relaxed development standards for flexible commercial and live/work spaces Example cities: New York

Matrix	Matrix C : District Tools					
Туре	ΤοοΙ	Description	City of Austin	Best Practice	Web Links	
Regulatory	Active uses required on portion of ground floor per site	Ensuring an active, retail-oriented area by requiring ground floor uses to be retail, entertainment, or arts and culture oriented; generally at least 50% of the ground floor or 75% of street frontage	Required in vertical mixed use zoning (793 lots) in diffuse and limited patterns; along streets in North Burnet/Gateway designated as active edge; along "Pedestrian Activity Streets" within Downtown	Portland, OR: Require Street Level Active Use for 50% of primary street where zone lot size is 18,750 sf (125' by 150') or larger; Alexandria, VA; Denver, CO (RiNO): Require Street Level Active Use for 50% of primary street where zone lot size is 18,750 sf (125' by 150') or larger; Manhattan 125th Street District, NY: Ground floor restricted to specific arts, culture, and business uses fronting street	https://www.portlan doregon.gov/bps/arti cle/532450 https://www.denver gov.org/content/da m/denvergov/Portals /646/documents/pla nning/Plans/38th- Blake-Height- Amendments/RiNo Overlay_Criteria_Rev iew_071316.pdf https://zr.planning.n yc.gov/article- ix/chapter-7 https://zr.planning.n yc.gov/article- xiii/chapter-2	
Regulatory	Parking reductions for small businesses	Reducing mandatory parking minimums for businesses below a specific size threshold	Proposed in current Land Development Code revision citywide - retail, nightclubs, restaurants 2,500 square feet or less not required to provide parking; Available in in transit-oriented developments. Program is not currently City-wide.	College Station, TX: Reductions for parking minimums targeting small businesses	https://www.strongt owns.org/journal/20 18/8/17/making- incremental- development-easier- in-college-station- texas	

Regulatory	Density-based incentives for affordable commercial/cult ural space	Providing additional development entitlement (height, units, floor area, etc.) for buildings that guarantee a certain percentage of space to arts and cultural uses or small businesses with stable, long-term leases	Providing Cultural space or live music venues is an option for an additional development entitlement through the Downtown Density Bonus. Program is not City-wide.	Manhattan 125th Street District, NY: bonus FAR allowed for provision of visual or performing arts uses	<u>https://zr.planning.n</u> <u>yc.gov/article-</u> <u>ix/chapter-7</u>
Regulatory	Density-based incentives for providing district-wide shared parking	Providing additional development entitlement or standards reduction (such as parking minimum requirements reductions) for provision of shared parking or community parking spaces	N/A	Portland, OR: Density bonuses available to mixed use developments that incorporate shared parking	https://www.portlan doregon.gov/bps/arti cle/53320
Regulatory	Increased flexibility in development regulations	Allowing more flexibility on development regulations in terms of building size, site characteristics, and uses to support the promotion commercial and cultural space	City support for increased flexibility for provision of affordable housing and with certain specific zones and Planned Unit Developments	New Orleans, LA: Additional cultural and entertainment uses are allowed by right within historic cultural districts, including greater flexibility in sound and beverage ordinances	https://czo.nola.gov/ article-18/#18-9

Regulatory	Zoning-based historic preservation initiatives	Historic Zoning or Neighborhood Conservation District Zoning to limit redevelopment of historic properties, businesses, and neighborhoods	Seven (7) Historic Zoning and eleven (11) Neighborhood Conservation Combing District zoning have been used in Austin. This has been used primarily for residential preservation and development restriction.	Boston, MA: Theater historic designation integrated into historic tourism focused around Boston Commons with college partnership; San Francisco, CA: Legacy business designation and integration into historic preservation framework: San Antonio, TX: Legacy Business Program managed through Historic Preservation Office for businesses "operational for 20 years or more and contributes to the history, culture, and authentic identity of San Antonio"	https://sfplanning.or g/project/legacy- business-registry https://www.sanant onio.gov/historic/Livi ngHeritage/LegacyBu siness
Programmatic	Location Enhancement Program	Gap financing for real estate development to support targeted development in strategic areas or industries, and to secure community benefits	Under Development Per Resolution No. 20180830- 058: http://www.austintexas.gov/ edims/document.cfm?id=309 827	Great Streets, Minneapolis, MN: offers gap financing to real estate projects supporting targeted neighborhood retail in defined districts	http://www.minneap olismn.gov/cped/ba/ cped_great_streets home
Programmatic	District Development	Organizing and anchoring the development of self- sufficient organizations that can lead stakeholder-driven district activities	Souly Austin supports capacity building and programmatic services for district development.	Seattle, Seattle, WA: Comprehensive program to support business districts through services including technical assistance, permit support, grant financing, etc.	https://www.seattle. gov/economicdevelo pment/business- districts/about-only- in-seattle

Programmatic	District economic strategic/action plan development	Developing a thorough plan for economic revitalization or expansion in a defined commercial district, driven by grassroots stakeholders and informed by real economic market data and real estate conditions	Souly Austin (Economic Development Department) helps business stakeholders develop a Business District Economic Strategy, a business plan shared among the businesses in a district, the City and other stakeholders. The Strategy focuses on information, needs and actions that will benefit all district businesses as a whole.	Invest In Neighborhoods, San Francisco, CA: Development of district economic strategies to determine key activities and goals, especially for higher needs business districts	<u>https://sfplanning.or</u> g/invest- neighborhoods
Programmatic	Market profile reports	Providing high level market reports about industry research or competitive analysis that may be inaccessible to small businesses	Small Business Division (Economic Development Department) can provide these reports to business clients on a case-by-case basis.	Invest In Communities/Economic and Workforce Development, San Francisco, CA: providing reports to both targeted businesses in high needs districts, and to small businesses citywide	https://sfplanning.or g/invest- neighborhoods https://oewd.org/bu siness-assistance

Programmatic	General microgrants for strategy implementation	Providing targeted grants for districts to support capacity building and implementation	Souly Austin (Economic Development Department) incubates two merchant associations annually and provides them with \$20,000 awards to implement key strategies identified in their district economic planning process; The Neighborhood Partnering Program provides neighborhoods administrative support and matching funds to implement small public enhancement projects.	Great Streets, Minneapolis, MN: Business District Support (BDS) grants awarded to not- for-profit business district organizations with the capacity and mission to perform business district revitalization and economic development work; Main Streets, Boston, MA: dedicated \$75,000 to each Main Street business district per year through CDBG to support administrative capacity	http://www.minneap olismn.gov/cped/ba/ cped_great_streets home https://www.boston. gov/economic- development/boston -main-streets
Programmatic	Place branding and promotions support	Granting or assisting in developing promotional content, branding, and web development for districts	Souly Austin (Economic Development Department) incubates two merchant associations and provides limited support to district identity development.	Main Streets, Boston, MA: Intensive workshops on website design targeted to Main Street business district members culminating in web development; Great Streets, Minneapolis, MN: Business District Support (BDS) grants awarded to not-for-profit business district organizations for website design and development	http://www.minneap olismn.gov/cped/ba/ cped_great_streets home https://www.boston. gov/economic- development/boston -main-streets
Programmatic	Reduced barriers to streetscaping improvements	Allowing areas with identified merchant association or PID leadership to pursue streetscape enhancements without requiring license agreements for city property	City of Austin does not have a public space right-of-way management plan.	San Diego, CA: Streetscape improvements in business improvement districts only require a maintenance agreement with the business association, not license agreements; Detroit, MI: Pink Zone/MixedTape Project includes reduction of barriers to low-cost streetscape improvements	<u>Need San Diego -</u> <u>check interviews</u>

Programmatic	Targeted trainings and workshops	Providing trainings and support initiatives within districts so their businesses have easy access	Small Business Division (Economic Development Department) provides general trainings at their locations, area libraries, etc.	Main Streets, Boston, MA: On-Site Technical Assistance provided by rotating list of business consultants to small businesses within Main Streets, with weekly allocations determined based on request	https://www.boston. gov/economic- development/boston -main-streets
Programmatic	Public space infrastructure improvements	Integrating public space improvements to support walkable small retail environment	As a Great Street Program participant, 2nd Street Retail District public improvements are designed for walkable urban retail; This goal included in site redevelopment requirements on large sites.	Los Angeles, CA; Great Streets program to activate and redesign city streets as pedestrian- friendly community and economic centers	http://lagreatstreets. org/
Programmatic	Construction mitigation	Including programming and funding to minimize disruption to business operations during construction of major transportation infrastructure	N/A	Central Corridor LRT, Minneapolis-St. Paul, MN: Program offered custom support to businesses impacted by construction of light rail, including parking assistance, promotions support, and direct business enhancement support	https://metrocouncil .org/getattachment/f 48d9cbd-4642-4991- b64c- 5e5139daa794/CC- BMSR-Sep2012- pdf.aspx
Programmatic	Community liaison support	Acting as ombudsman between businesses in defined districts and other city departments, especially related to permitting, code enforcement, and transportation needs	Souly Austin (Economic Development Department) incubates merchant associations and provides limited ombudsman and advocacy services to other divisions and departments; Small Business Division offers guidance services through permitting.	Invest In Neighborhoods, San Francisco, CA: Liaising services to business districts; Main Streets, Boston, MA: Liaising services to business districts and businesses, including those without access to CDBG funding; Great Streets, Minneapolis, MN: Liaising services to business districts	http://www.minneap olismn.gov/cped/ba/ cped_great_streets home https://www.boston. gov/economic- development/boston -main-streets https://sfplanning.or g/invest- neighborhoods

Programmatic	Expedited permitting/per mitting support	Expediting permits within business districts, especially for targeted uses for site plans, remodeling, and redevelopment	City of Austin has an expedited permitting process available to business development and remodeling. Districts are not currently a targeted audience for this service.	Los Angeles, CA: Restaurant & Small Business Express Program (RSBEP) helps facilitate the approval process for all restaurants and other small businesses such as retail shops, barber shops, nail salons, etc.	https://www.ladbs.o rg/services/core- services/inspection/i nspection-special- assistance/restauran t-small-business- express-program
Programmatic	Transit promotion programs	Promoting transit use through transportation demand management programs, transit incentives to customers, and reduced cost transit passes for workers in districts	CapMetro offers businesses the ability to buy employee transit passes in bulk at discounted rates.	McLean, VA: Subsidized transit passes along with shuttle to Metro station for participating employees through area nonprofit; Boulder, CO: parking meter revenue from Central Area General Improvement District used to partially subsidize transit passes for downtown workers	https://www.wmata. com/business/smart benefits/ https://bouldercolor ado.gov/goboulder/e co-pass-program
Programmatic	District stormwater/wat ershed management	Allowing business districts to manage stormwater development requirements at a district scale rather than on-site to promote flexibility and retention within districts and neighborhood-scale water management	N/A	Portland, OR: City funding leveraged federal grants to support district-scale green infrastructure designed in collaboration with property owners	https://www.epa.gov /green- infrastructure/distric t-scale-green- infrastructure- scenarios-zidell- development-site- city

Programmatic	District parking/transpo rtation planning	District parking and transportation planning that promote efficient use of right- of-way, parking spaces, and multimodal transportation	Austin Transportation Department supports parking and transportation planning in site redevelopment, PUDs, and some special districts and areas; it is developing integrated parking management between public and private lots in the Downtown.	San Francisco, CA: "Transit First" policy allows parking to consume only up to seven percent of a building's gross floor and new buildings must have an approved parking plan prior to receiving an occupancy permit, this is combined with extensive on-demand parking management and transit investment; Seattle, WA: Allows a maximum of one parking space per 1,000 sq. ft. of downtown office space	https://www.sfcta.or g/policies/transit- first-policy https://library.munic ode.com/wa/seattle/ codes/municipal_cod e?nodeId=TIT23LAUS CO_SUBTITLE_IIILAU SRE_CH23.54QUDES TACOREPASOWAST_ 23.54.015REPAMAPA LI
Programmatic	Healthy food and corner stores initiatives	Promoting healthy food and produce offerings in neighborhood district convenience stores, as well as farmers markets in districts	City of Austin has developed a Healthy Corner Stores initiative to encourage healthier foods in convenience stores at 6 locations in two zip codes.	New Orleans, LA: Launched a Fresh Food Retailers Initiative with \$7 million from Disaster Community Development Block Grants and an additional \$7 million in matching funds through the Hope Enterprise Corporation. The Initiative provides direct financial assistance in the form of forgivable or low interest loans	https://www.nola.go v/city/fresh-food- retailers-initiative/
Programmatic	Graffiti abatement	Removing or painting over graffiti in districts, often with murals or public art	Austin Public Health abates graffiti through its "Make Art Not Marks" program.	Detroit, MI: City sponsorship of 80+ murals to deter/mitigate graffiti	https://detroitmi.gov /departments/gener al-services- department/city- walls

Financial/Value Capture	Public improvement districts/busines s improvement districts	Commercial property owners and/or businesses elect to establish a self- assessment special district that captures property or sales taxes for district operations, including safety and cleanliness	City of Austin has three established maintenance and operations Public Improvement Districts with a special property tax assessment: Downtown PID, South Congress Preservation and Improvement District, East Sixth Street Public Improvement District	Seattle, Seattle, WA: Program provides matching grant opportunities that address business organization, business retail development, public safety, beautification, marketing and promotion, and pedestrian environment, leveraging public funding with private funding	https://www.seattle. gov/economicdevelo pment/business- districts/about-only- in-seattle
Financial/Value Capture	Parking benefits districts	Designated areas where revenues from parking meters are reinvested in transportation improvements in those districts, based on community stakeholder needs	Austin Transportation Department manages Parking Benefits Districts, including Parking Transportation Management Districts that invest parking meter fees into the district in which they are collected.	Washington, DC: Shares 80% of meter revenue after expenses with neighborhood districts (Ballpark and Columbia Heights) for transportation improvements	https://ddot.dc.gov/s ervice/performance- based-parking-pilots
Financial/Value Capture	Tax Increment Finance zones (ad valorem or sales)	Value capture mechanism in which taxes assessed above a base year in a designated district are mandated for specific purposes in that district, often for repayment of pubic infrastructure financing	Austin has several TIFs used to support infrastructure for major redevelopments (including commercial) and Downtown improvements: #15 (2nd Street-provides funding for block maintenance), #16 (Mueller), #17 (Waller Creek), #18 (Seaholm); Also one TIF for affordable housing (HPD A) in East Austin	San Antonio, TX: Central Business District TIRZ used to support historic and façade restorations, courtyard development, and street improvements	https://www.sanant onio.gov/NHSD/TIF/c ityinitiated

Regulatory	Transfer of development rights systems	Allowing sites in a "sending zone" to transfer some of their development entitlement to sites in a "receiving zone" to support preservation initiatives	N/A	Times Square Theater District, New York: Preservation of historic Broadway theaters incentivized through selling air rights to adjacent, Disney-owned properties	http://www.nypap.o rg/preservation- history/theater- district/
Financial/Value Capture	Federal tax abatement programs (such as Opportunity Zones, etc.)	Providing federal tax deferment on investment in high needs Census tracts; local governments have limited impact on their designation and utilization	Twenty one Opportunity Zones have been designated in Austin by the federal government. The City offers basic information on their locations and economic and demographic characteristics.	Louisville, KY, and Atlanta, GA: Developed detailed prospectuses including information about desired projects in Opportunity Zones	https://louisvilleky.g ov/government/louis ville- forward/opportunity -zones-louisville https://www.investa tlanta.com/businesse s/medium-large- businesses/federal- opportunity-zones
Financial/Value Capture	New Market Tax Credits	Providing federal tax credit for investment into distressed communities; commonly used for revolving loan funds for housing and small business development	PeopleFund has received \$85 million in NMTC funding since 2016.	Los Angeles, CA: use of NMTC to fund construction of affordable housing at TOD stations with ground floor retail	https://www.metro. net/projects/tod- toolkit/new-markets- tax-credit/
Programmatic	Permit fee waivers	Granting fee waivers for certain development projects for site planning or construction	Fee waivers may be granted by City Council or as part of affordable SMART housing programs.	San Antonio, TX: San Antonio offers up to o \$150,000 in fee waivers per project for demonstration of community benefits, including projects that "encourage the development and expansion of small businesses, legacy businesses, and targeted industry development projects"	https://www.sanant onio.gov/CCDO/Ince ntivesandPrograms/C OSAFeeWaivers

Financial/Value Capture	Historic Preservation Tax Incentives	Providing federal tax credits on historic rehabilitation and preservation expenditures that can be used to restore iconic buildings	Credits available for restoration projects in Austin.	Troy, NY: use of historic tax credits to restore Van Zandt, Jacobs and Company textile factory into 80-unit live/work space Hudson Arthaus	<u>https://thenyhc.org/</u> projects/hudson- arthaus/
Regulatory	Special districts	Specific zoning plans for districts that support particular themes or needs	Primarily accomplished in Austin through small area master plans, including three (3) transit-oriented development plans and four (4) area master plans	New York, NY: Enhanced Retail Special Districts include zoning and regulatory tools to promote active, ground floor uses, and restrictions that promote clusters of small businesses in target industries	<u>https://zr.planning.n</u> <u>yc.gov/article-</u> <u>xiii/chapter-2</u>

Financial/Value Capture	Bond / Development PIDs	Providing for the financing of the costs of public improvements or services that benefit a definable part of a jurisdiction with the costs borne by those landowners within the PID boundaries who receive special benefits from the public improvements or services; may include generation of primary employment or other long-term economic benefits, transit, etc.	City of Austin has four authorized bond PIDS: Whisper Valley, Indian Hills, Estancia Hill Country, WildHorse Ranch.	Fort Worth, TX: Eleven PIDs including capital PIDS with range of activities including infrastructure provision and maintenance	<u>http://fortworthtexa</u> <u>s.gov/pid/</u>
Programmatic	Façade Programs	Supporting façade improvements or specific types of tenant improvement (TI) for businesses in designated districts to enhance their street appeal, typically using matching grants or low-interest loans	N/A	Main Streets, Boston, MA: Restore program uses CDBG funds to support façade and TI in designated districts, combining with outreach to businesses to determine needs for additional technical assistance	https://www.boston. gov/economic- development/boston -main-streets