

RED RIVER CULTURAL DISTRICT CREATIVE SUBDISTRICT

PURPOSE

The purpose of the Red River Cultural District (RRCD) Creative Subdistrict district is to create a subdistrict in the Downtown Density District and to provide voluntary development bonuses in return for providing affordable commercial space in new development or contributing to a fund for preservation of creative space in the creative subdistrict.

PROPOSED ZONING CHANGES

CHANGES TO DEFINITIONS/TERMINOLOGY

CREATIVE SPACE means a site that includes one or more of the following occupancies:

- Art Gallery;
- Art Workshop;
- Cocktail Lounge (*note: intent is only for existing preservation purposes, if a cocktail lounge is operating as a performance venue*);
- Performance Venue;
- Personal Improvement Services;
- Theater;
- Other related uses as approved by the Director.

EXISTING CREATIVE SPACE means a site that includes one or more CREATIVE SPACE occupancies that has been operating for at least 12 months.

NON-RESIDENTIAL SPACE means CREATIVE SPACE for the purpose of this section.

ELIGIBILITY

- 1) A proposed development is eligible for this program if:
 - a. Its zoning includes the creative district overlay zoning string;
 - b. Along at least 65 percent of the building frontage along the principal street, the building must be reserved for affordable creative space uses in ground-floor spaces;
 - c. It includes at least 50 percent of ground floor gross leasable area dedicated to affordable creative space through restrictive covenants; and,
 - d. It complies with protections consistent with Existing Non-Residential Space provisions of 4-18-31.

- 2) An applicant may pay a fee-in-lieu of on-site affordable creative space if:
 - a. the fee-in-lieu of on-site affordable creative space is sufficient to construct or preserve an equivalent gross leasable area that would have been required on-site;
 - b. the creative space receiving the fee-in-lieu is located in the same creative district as the site generating the fee-in-lieu; and,
 - c. the director authorizes the applicant to pay a fee-in-lieu.

AFFORDABILITY REQUIREMENTS

- 1) A development that leases space to a creative space must comply with the following minimum requirements:
 - a. Rent for the creative space or spaces that contribute to the bonus program must be the lesser of 50% of average retail space rent for the City of Austin, or a fixed ratio of annual revenues considered typical of and sustainable for the type of creative space as approved by the Director; and
 - b. Year-over-year rent escalation may not exceed 5% for any creative space tenant.
- 2) The minimum affordability period for a development is 10 years following the issuance of the last certificate of occupancy required for the qualifying development.
- 3) If a development is owned by its creative space operator, affordability provisions apply:
 - a. For any of the creative space owner-operator's creative space tenants;
 - b. If the creative space property is leased any time during the 10 year term.
- 4) If the property is sold within 10 years of receiving certification through this division, affordability provisions will be required to complete the 10 year term.
- 5) In a multi-phased qualifying development, the director may begin the minimum affordability period upon the issuance of the last certificate of occupancy for each phase.
- 6) If a fee-in-lieu is used toward preserving an existing creative space in the same creative district, and if the preserved creative space is not owned by its operator, then the minimum affordability period for the preserved space is 40 years.
- 7) If a fee-in-lieu is used toward preserving an existing creative space in the same creative district, and if the preserved creative space is owned by its operator, affordability provisions apply:
 - a. For any of the creative space owner-operator's creative space tenants;
 - b. If the creative space property is leased any time during the 10 year term.
- 8) If a fee-in-lieu is used toward preserving an existing creative space in the same creative district, the director may modify the minimum affordability period in exceptional cases to prevent displacement of the creative space.

BONUSES

- 1) A project may achieve bonus area by providing on-site creative space uses within the project, including performance venues and live music venues, provided that for every four square feet of bonused floor area, an amount of space equivalent to one square foot of such bonused floor area shall be used for a creative space use.
- 2) The project may achieve bonus area by paying a development bonus fee at the dollar per square foot amount set by ordinance, provided that the fee-in-lieu of on-site affordable creative space is sufficient to construct or preserve an equivalent gross leasable area that would have been required on-site. The fee will be paid into a preservation fund to be determined by the Director and used to support preservation of existing creative spaces in the RRCD creative subdistrict.
- 3) In the RRCD Creative Subdistrict, 50 percent of all bonus area must be achieved through the provision of affordable creative space or a fee-in-lieu equivalent, while the remaining bonus area will comply with the Downtown Density Bonus gatekeeper requirement that 50 percent be provided for affordable housing.
 - a. Affordable housing affirmatively marketed to and at affordability levels appropriate to musicians, artists, and service workers in Red River Cultural District Creative Subdistrict is encouraged.