



**Economic
Development**

CITY OF AUSTIN

Live Music Venue and Creative Space Regulatory Incentives Phase II

March 2024

Council Actions

Resolution No. 20220728-094:

- Establish the criteria to be a Live Music Venue
- Create live music venue bonus and incentive program for new and existing venues, including
- Initiate changes to Land Development Code Section 25

Resolution No. 20220901-089:

- Develop and adopt clear creative space land use definitions
- Create creative space bonus and incentive program for new and existing venues
- Create new code elements to "Diversify, sustain, and cultivate the city's culture, music, and arts communities and industries"
- Criteria for designation of Arts Districts
- Initiate changes to Land Development Code Section 25

Resolution No. 20230921-102:

- Develop LDC amendments with incentives for cultural space preservation and creation by Spring 2024
- Bring an ordinance establishing a Cultural District Overlay initiated in Resolution No. 20220728-094 and Resolution No. 20220901-089 by Spring 2024

Guidance from Resolutions

Resolution No. 20220728-094:

- Fee Waivers
- Modified Parking requirements
- Expanded facilitation of affordable commercial space... in new construction
- Prioritization of music venue or creative space as a community benefit for density bonuses or other overlays within the Red River Cultural District, East 6th Street Entertainment District, and Warehouse Entertainment District

Resolution No. 20220901-089:

- Fee waivers
- Modified parking requirements
- Expedited permitting process
- "increase in floor to area ratio (FAR) in square footage or other appropriate development incentive related to what is provided for the dedicated creative space"
- "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
- Increased flexibility in development regulations and opportunities for modification of policies, rules, codes, or design standards
- Permit accessory use as a theater, art gallery, or art workshop in all commercial and industrial/warehousing zoning districts

Goals and Timeline

Goals

- Develop a paper district that is not mapped; no change to a property's zoning will be made through initial district adoption
- After adoption, owners of eligible properties may then request a rezoning to incorporate "Creative District (CD)" code string

Milestones

- Codes and Ordinances Backup Due: March 13
- Arts Commission: March 18
- Codes and Ordinances Joint Committee (COJC): March 20
- Music Commission (tentative): April 1
- PC Backup Due: April 16
- City Council Set Date: April 18
- Planning Commission Hearing: April 23
- Council Hearing: May 30

Framework

Process Factors

- Creative District Combining district should be driven by creative space stakeholders
- Applications should require prior coordination and organizing among stakeholders
- Should be a tool for creative space districts and organizations, not imposed on a neighborhood "top-down"
- Establishment should proceed according to normal processes with adequate opportunities for community engagement and feedback
- Focus will be on promoting new and preserving existing creative spaces

Creative Spaces: art gallery, art workshop, museum; performance venue or (cocktail lounge operating as a performance venue); theater; art, dance, or studios for performing art, music, or visual art; other related uses as may be approved by Director

Tools for the Creative District Combining District

Major Requirements

- Ground Floor Creative Space
 - Along at least 30 percent of the building frontage along the principal street, the building must be reserved for affordable creative space uses in ground-floor spaces
 - At least 25 percent of ground floor gross leasable area shall be dedicated to affordable creative space through restrictive covenants
- Creative Space Preservation and Relocation Benefits
 - Must comply with protections consistent with Existing Non-Residential Space provisions of 4-18-31, approved
 - Applies to Creative Spaces in operation for 12 months or longer
 - Requirements to provide notice and relocation benefits
 - Replace existing creative spaces that were operating the previous 12 months with creative spaces of comparable size
 - Grant a creative space operator the option to lease a creative space of comparable size and affordability following the completion of redevelopment

Ground Floor Creative Space Requirements

Precedents

Pedestrian Oriented Retail uses

- Vertical Mixed-Use districts (Transit-Oriented Developments)
 - Residential in Commercial Incentive
 - Waterfront Overlay
 - Waller Creek Design District
- For VMU “Pedestrian-Oriented Commercial Spaces. Along at least 75 percent of the building frontage along the principal street, the building must be designed for commercial uses in ground-floor spaces... A lobby serving another use in the VMU building shall not count as a pedestrian-oriented commercial space for purposes of this section.”
 - Reflected in guidelines adopted for the Downtown Plan, and related Street Design guidelines in relation to ground floor uses.

Creative Space Development Bonus

Creative Space Development Bonus

Allow development bonuses in return for provision of affordable creative space, at a 4:1 ratio of total bonus area to affordable creative space area, including the following options:

- 50% increase in base FAR
- 30 feet additional height from the base zone up to a maximum of 90 ft
- Waive minimum site area requirements
- Compatibility criteria modeled on DB90

Affordable space requirements:

- 50% of retail commercial real estate market rate; or
- Stabilized lease to revenue ratio based on industry average
- 5% annual rent escalation cap
- Minimum 10-year affordability period

Fee-in-Lieu (FIL) Option:

- FIL option to go toward preserving existing creative spaces in the district
- Funds can be administered through Creative Space Assistance Program or Cultural Trust (EDD and AEDC)

Red River Cultural District

Red River Cultural District - Subdistrict

- September 21, 2023, City Council Palm District plan direction: “return an ordinance for Council approval establishing a Cultural District Overlay” and expedite the establishment of a regulatory overlay for the Red River Cultural District specifically
- Plan: Initiate a new DDB subdistrict concurrent with establishing the Creative District Combining District

Recommended Elements of RRCD Subdistrict

- Creative Space Preservation and Relocation Requirements
- Ground Floor Creative Space Requirement of 65%+
 - High standards consistent with pedestrian oriented guidelines
 - High standards necessary to retain character of district as live music center
- Creative Space Development Bonus
 - Calibrated in context of Downtown Density Bonus, i.e., requirement for use for 50% of bonus on-site or with off-site preservation
 - While most sites in the RRCD are height limited by Capitol View Corridors that restricts their participation in Development Bonus programs, if this shifts in the future creative space uses should be prioritized
 - Revise DDB in RRCD to allow for development bonus fee for offsite live music venue preservation community benefit consistent with other DDB options (Historic Preservation, Open Space)



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Questions