



**Economic  
Development**

CITY OF AUSTIN

# Live Music Venue and Creative Space Regulatory Incentives Phase II

April 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
- Aggressive timeline to meet Spring goal
- After adoption, owners of eligible properties may then request a rezoning to incorporate "Creative District (CD)" code string

## Milestones

- Arts Commission: March 18
- Codes and Ordinances Joint Committee (COJC): March 20
  - Recommended for adoption through unanimous vote of members present
- Music Commission: April 1
- City Council Set Date: April 18 (May Be Revised)
- Planning Commission Hearing: May 28 (*Moved from April 23 by Planning Commission to accommodate other high priority zoning items*)
- Council Hearing: July 18 (*Moved from May 30 to accommodate Planning Commission hearings on other zoning items*)

# 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:** performance venue or cocktail lounge operating as a live music venue; art gallery, art workshop, museum; 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
  - Redevelop the site to replace all existing non-residential spaces with non-residential spaces of comparable size
  - Grant a creative space operator operating for at least 12 months the option to lease a creative space of comparable size and affordability following the completion of redevelopment

# 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 (consistent with other non-residential compliance terms)

Fee-in-Lieu (FIL) Option:

- FIL option to go toward preserving existing creative spaces in the district
- Funds can be administered through a dedicated fund administered by the City or partner organization

# Red River Cultural District

## Red River Cultural District

- Resolution No. 20220728-094: Prioritize density bonus or other overlays for the Red River Cultural District
- 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
- Distinct from Creative District combining district because it falls under the Downtown Density Bonus density bonus district already
- Distinct constraints because of Capitol View Corridors, especially those tied to I-35

## Options

- (Staff Recommendation) Option 1: Initiate a new DDB subdistrict concurrent with establishing the Creative District Combining District; details can be calibrated after initiation to ensure strongest language possible
- Option 2: Initiate a historic district process - Established process, clear parameters, would preserve historic eligible building and make HTC available
- Option 3: Initiate a regulatory overlay that limits uses on the ground floor
  - This would be a restriction of an existing property use
  - Would have to be explicitly initiated in that way by Council



# Questions



**Economic  
Development**

CITY OF AUSTIN