



# Economic and Cultural District Program Services Update

Economic Development Department

October 28, 2024



**Economic  
Development**  
CITY OF AUSTIN



# Economic and Cultural District Framework Policy

## What is it?

- Council approved via Resolution No. 20240926-014, the adoption of the Economic and Cultural District Framework Policy intended to provide guidance for community and policymakers in the identification, organizing, and resourcing of Economic and Cultural Districts.

## What are the Values/Guiding Principles?

### Community Amplification and Stewardship

Foster grassroots engagement and organization

### Preservation and Promotion of Cultural Identity

Ensure that cultural assets, traditions, and stories are honored

### Equitable Access to Resources and Opportunities

Implement policies and initiatives that address systemic barriers to access

### Sustainable Development and Environmental Stewardship

Integrate sustainable practices into district planning and operations

### Economic Clustering

Promote collaboration, networking, and shared resources, fostering growth and resilience within the local economy



# Economic and Cultural District Framework Policy

## Enhanced Support and Resources

**Access to Services:** Existing districts will benefit from increased access to specialized services

**Training and Resources:** Improved access to organizational training, legal resources, and strategic planning support.

## Improved Coordination and Integration

**Streamlined Processes:** Enhance coordination between existing districts and city departments

**Identity and Branding:** Updating or Enhancing their branding and identity through specialized projects.

## Financial and Operational Assistance

**Funding Opportunities:** Access to equitable funding models, special revenue funds, and tax increment financing

**Support for Under-Resourced Areas:** Help existing districts in underserved areas overcome challenges

## Potential Challenges

**Adaptation to New Policies:** Need to adapt to new policy requirements and procedures

**Resource Allocation:** Reevaluation of how resources are allocated among existing districts.



# Place-Based Enhancement Program

## What is it?

- Council approved via Resolution No. 20240926-012, a new program to encourage affordable commercial space for creative sector, small local, community-serving projects, and needed infrastructure in underserved area.

## What is the incentive based on?

- New investment in real estate in priority areas for the City that provides major community benefits
- Preservation of existing venues, creative spaces, and legacy businesses threatened by high real estate costs (rent, taxes, building improvements)

## What community benefits are prioritized?

- The main community benefit for these projects will be providing affordable commercial space or supporting/retaining new or existing creative spaces, legacy businesses, and community-serving initiatives
- Additional community benefits will be tied to deeper affordability, serving many organizations, etc.

Community Benefit Targets
Music Venues and Creative Spaces
Small, Local Businesses, Nonprofits, and Co-ops
Community Development Projects - Specific, high impact projects to benefit underserved community or fill an industry ecosystem “gap”.



# Place-Based Enhancement Program Categories

## Program Proposal

### **Category I - Affordable Space:**

Tax reimbursements on new construction to developers of mixed-use and commercial building projects to include affordable commercial leases for arts and music venues and establishments, small local businesses, and community development projects.

### **Category II – Community Impact:**

Tax reimbursements on new construction that support the development of stand-alone high-impact community development or improvement projects including arts and music complexes, grocery stores in food deserts, childcare facilities, and industry hubs and incubators.

### **Category III – Cultural Preservation:**

Tax reimbursements and potentially other programs to support retention and improvement of existing music venues, creative spaces, and legacy businesses, nonprofits, and co-ops.

### **Category IV – Transformational Infrastructure:**

Flexible support for the provision of infrastructure elements, including transportation solutions, sustainable development, and utilities, that furthers the transformational delivery of a City-led redevelopment initiative tied to Council resolution or Council-adopted plan.



# Creative District Combining District

## What is it?

- Council approved via Ordinance No. 20241010-034, a create a new zoning district for a density bonus program focused on preserving and creating creative spaces and performance venues

## What factors were the Creative District Combining District based on?

- Creative District Combining district will be driven by creative space stakeholders working with property owners through a process reviewed by Planning, Housing, and Economic Development Departments
- Districts will be in majority commercial areas with a minimum size of three (3) acres
- Districts will require a minimum of 25% of sites to be contributing, with principal creative space uses
- Applications will require prior coordination and organizing among stakeholders – the Creative Space Combining District is a tool for creative space districts and organizations, not imposed on a neighborhood "top-down"
- Establishment will proceed through case-by-case rezonings with opportunities for community engagement and feedback



# Creative District Combining District Tools

## District and Gatekeeper Requirements

**Ground Floor Creative Space:** At least 30 % of Building Frontage; At least 25% of ground floor leasable area

## Creative Space Preservation and Relocation Benefits:

- Must comply with protections consistent with Existing Non-Residential Space provisions of 4-18-31
- Applies to Creative Spaces in operation for 12 months or longer
- Requirements to provide notice and relocation benefits equivalent to six months of area commercial rent
- 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 an affordable creative space of comparable size following the completion of redevelopment

## Creative Space Development Bonus

Development Bonuses:

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

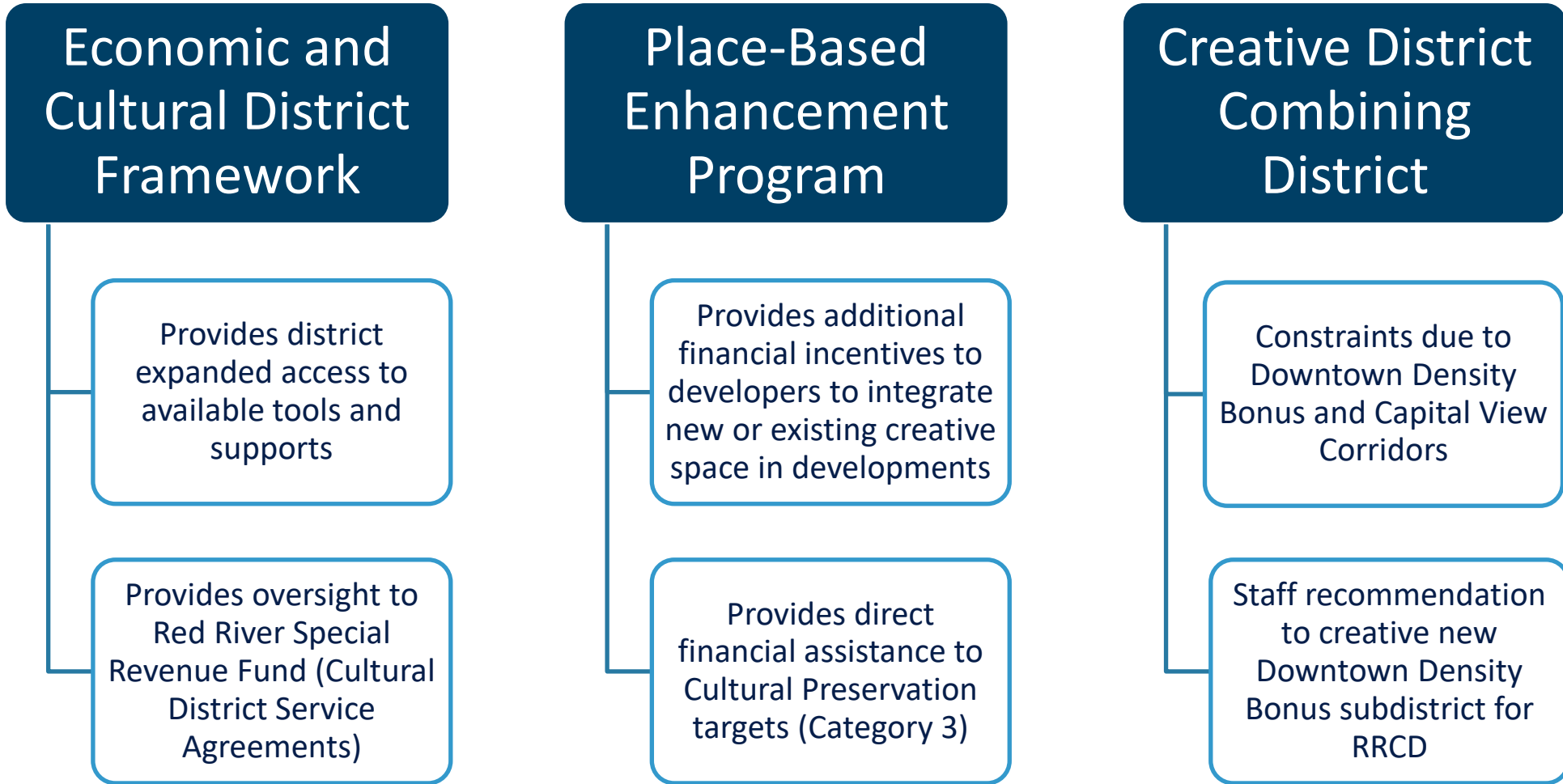
Affordable Space Requirements:

- 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



# Red River Cultural District Context







# Questions?

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