



**Economic
Development**

CITY OF AUSTIN

Live Music Venue and Creative Space Regulatory Incentives Phase II

October 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
- 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 2024

Goals and Timeline

Goals

- Develop an unmapped citywide district; no change to a property's zoning will be made through initial district adoption
- Focus on a “district” approach similar to Historic Districts, with requirements of minimum size and contributing sites and structures
- After adoption, owners of eligible properties may request a rezoning to incorporate Creative Space combining district code string (DBCS)

Milestones

- Arts Commission: March 18
- Codes and Ordinances Joint Committee (COJC): March 20
 - Recommended unanimously by the Codes and Ordinances Joint Committee with Commissioners Greenberg and Azhar absent
- Music Commission: April 1
- Planning Commission Hearing: September 24
 - Recommended as amended 7-2-1 with Commissioners Maxwell and Howard absent
- Council Hearing: October 10

Creative Space Combining District Framework

Framework Factors

- 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
- Primary focus of district is promoting new and preserving existing creative spaces
- 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

Tools for the Creative Space Combining District

District and Gatekeeper 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
- 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

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Allow development bonuses in return for provision of affordable creative space including the following options:

- 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:

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

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

Updates

- Staff recommendation was to initiate a new DDB subdistrict concurrent with establishing the Creative District Combining District; calibrate after initiation to ensure strong and appropriate language and elements
- Resolution 20240718-185 on July 18th initiated the creation of a “Cultural subdistrict for Red River... to prioritize community benefits for cultural preservation of existing businesses and affordable space in new developments and redevelopments” realizing this portion of Council and Commission guidance
- Recommend implementing similar features of Creative Space combining district in the Red River Cultural District Subdistrict of Downtown



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Questions