



URBAN RENEWAL BOARD RECOMMENDATION 20250915-003

Date: September 15, 2025

Subject: Urban Renewal Plan Amendment – Cocktail Lounge as conditional use for 1201 E 11th St.

Motioned By: Watson

Seconded By: Motwani

Recommendation

The Urban Renewal Board remains neutral and abstains from making a recommendation, either affirmative or negative, regarding the request to amend the Urban Renewal Plan for East 11th and 12th Street brought forth by the owner of the property at 1201 E 11th St. The Urban Renewal Board authorizes Hunter Maples, Board Liaison to attend and represent the Urban Renewal Agency at any Board and Commission or City Council meetings related to the request.

See attached letter for further description.

Vote 5-1-0

For: Escobar, Tetey, Watson, Motwani, Davis

Against: Pierce

Abstain: None

Absent: Hawkins

Attest: Hunter Maples, Board Liaison

To: Mayor & City Council of Austin
From: Urban Renewal Board
Date: September 15, 2025
Subject: Context for URB Recommendation regarding Cocktail Lounge as a conditional use for the property at 1201 E 11th St.

The owner of the property at 1201 E 11th St requested an amendment to the Urban Renewal Plan (URP) to add Cocktail Lounge as a conditional use. The current URP, aligned with the East 11th St Neighborhood Conservation Combining District (NCCD), allows Cocktail Lounge as a conditional use in subdistrict 1 with the condition that it is allowed on property located on the 900 and 1100 Blocks of East 11th Street (Blocks 16 and 18). The recommendation of the Urban Renewal Board (URB) is as follows:

The Urban Renewal Board remains neutral and abstains from making a recommendation, either affirmative or negative, regarding the request to amend the Urban Renewal Plan for East 11th and 12th Street brought forth by the owner of the property at 1201 E 11th St.

The following provides context regarding this recommendation.

The URB directed staff to provide information regarding the 12th modification to the URP to ensure that the use that the owner of the property at 1201 E 11th Street has requested be added as a conditional use for that property was not previously removed in error through actions taken by the URB or inadvertently by any other party during the prior modification process. The URB was of the position that had the use been removed in error or inadvertently, it might be willing to support the requested amendment to restore such use. Staff found that the action revising uses in subdistrict 1 of 11th Street, including on 1201 E 11th Street, appeared to have been the subject of a deliberative process by City Council and had not been made inadvertently or in error, and reported the same to URB.

The URB engaged in a multiyear effort to update the URP and the East 11th and 12th Street NCCDs resulting in the adoption of the 12th modification of the URP. The goal of this effort was to update the zoning regulations to support the URP and to provide consistency and clarity regarding entitlements. The Board's recommendations were formed with the assistance of consultants, staff, and community input.

The URB refined the list of neighborhood-oriented and pedestrian-friendly land uses in the URP and NCCDs to support active streets that serve the community. In response to concerns from stakeholders about the reduction of uses allowed for some properties (which to the URB's recollection included requests for reductions relating to alcohol-related uses), in its recommendation to council dated November 15, 2021, the URB made clear that it "supported proposed regulations which continued to allow uses (permitted or conditional) under current regulations if they support the goals of the URP," which aligned with the URB's stated intent that existing uses within the URP not be modified as part of the updating process absent some clear need or direction from staff or City Council.

The initial draft of the URP presented to City Council at first reading on April 21, 2022 contained the following language:

A Cocktail Lounge is a permitted use limited to the ground floor of a building located at 1133 E 11th Street, 1104 East 11th Street and 1808-1812 East 12th Street. A cocktail lounge use is otherwise prohibited except as an accessory use to a hotel/motel use.

Following that first reading, Council Member Natasha Harper Madison proposed an amendment to the URP and NCCDs that would make Cocktail Lounge use a conditional use in subdistrict 1 of the East 11th

street NCCD and to make Cocktail Lounge use a permitted use on the 900 and 1100 blocks of 11th Street (Blocks 16 and 18). The URB understood that Cocktail Lounge use previously had been a conditional use in subdistrict 1, and was in support of the revisions proposed in the amendment.

The draft of the URP presented to City Council at second reading on June 9, 2022 incorporated the changes approved by Council on April 21. The question of Cocktail Lounge use on both East 11th Street and East 12th Street then appeared to be the subject of further deliberations by both the Planning and Zoning Commission and City Council.

Following those deliberations, at third reading of the NCCDs on July 28, 2022 3 versions of the ordinance were presented to City Council with language containing slightly differing language relating to Cocktail Lounge use in the URP area. Ultimately, Council approved the version containing the language that appears in the current URP.

The position of the URB throughout the modification process consistently was that its intent was not to significantly modify existing uses, and was to streamline and update the URP and to make conforming recommendations to the NCCDs to make those documents easier to understand and use for property owners and for future projects. The URB's understanding had been that the language ultimately adopted in the URP did not change Cocktail Lounge use within subdistrict 1 of the 11th Street NCCD – it previously had been a conditional use, and appears to have remained so – other than to make that use permitted with respect to Block 16 and Block 18 in anticipation of the City's potential future development of those properties.

The property owner submitting the zoning change application believes that this conditional use was removed from their property. The URB is not in a position to determine whether this actually has occurred or not, but to the extent that it did, that removal does not appear to have been inadvertent and instead was the result of a deliberative process occurring after the URB made its recommendations. Consequently the URB is abstaining from making a recommendation in favor of or against the requested amendment, as it believes it previously made its position clear on this issue through its prior recommendations, and that as this issue was separately deliberated by City Council during the prior modification process subsequent to those recommendations, City Council is in the best position to revisit the language currently contained in the URP regarding this use.