



Creative Space in Developments

ULI AUSTIN

CREATIVE CULTURE STRATEGIC COUNCIL

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Examine the effects of real estate on Austin's unique culture and development, so to maintain our culture.



What is the Need



Creative Arts = Strong Economy

- Austin creative sector economic impact grew from \$3.25 billion in 2005 to \$4.35 billion in 2012--outpacing the city's overall growth by 15%
- Pre-pandemic, live music had an ~\$2B economic impact
- 82% of Americans believe arts & culture are important to local businesses and the economy
- 87% of Americans believe arts & culture are important to quality of life
- The Austin Tourism Commission identified live music as the single biggest contributor to desirability, livability and growth for the City of Austin
- Chicago Theater study shows that for every \$1 spent in music spaces, \$12 are spent in surrounding businesses
- Over 50% of creative businesses do not own their venue and most expect to lose their space as new development occurs



An aerial photograph of a city park, likely in Philadelphia, featuring a large, modern amphitheater with tiered seating. The park is lush with trees and greenery, and a city skyline with various skyscrapers and the Independence Hall dome is visible in the background. The text "Cultural Space Needs" is overlaid in the center of the image.

Cultural Space Needs

General Needs

- Long term lease (5+ years)
- Rent cost offsets
- NNN incentives
- Managing lessor or an accessible landlord





Non-Performance Needs

- Smaller Spaces (even 10x10)
- Larger spaces suitable for sculpture or mosaics
- Ability to showcase and or sell work/merchandise
- Studio space to produce work
- Office space for non-profits and other creative organizations
- Ability to host classes, workshops and seminars



Performance Needs

- Different sizes – small, medium, large
- Production Customization - Open Spans; Stage Design; Baffles/Catwalks
- Sound Attenuation
- Designed for Power Draw
- High Ceilings & Sightlines
- Fixed Builds with Flexible Uses (daytime use)
- Partnerships with Food vendors or a commercial Kitchen
- Concessions Revenue
- Modern, Accessible Bathrooms



Designated Districts



- Park once then walk
- Bus/bike accessible
- Sense of place or “scene”

- Shared marketing and advocacy for success
- Include live/work/sell opportunities
- Stimulus for other businesses (i.e., coffee shops, restaurants, retail)

- Requires portfolio of physical/organizational assets in place
- District work requires funding & full-time employees for success

A dark, atmospheric photograph of an outdoor art installation at night. The scene is illuminated by warm string lights and spotlights. On the left, a large mural depicts a landscape with mountains, a river, and a person in a hat. In the center, a person stands near a structure with a striped pattern. To the right, a tall, abstract sculpture made of vertical wooden poles stands. In the foreground, a wooden picnic table is visible. The overall mood is artistic and serene.

Stories of Success



W Austin and ACL Live

- Development response to RFP from the City
- ACL Live at the Moody Theater (2,750 person) and 3TEN ACL Live (350 person)
- Hotel, condos and retail
- Large performance space needed to move up in performance levels and shows. Career arc realized.
- Partnership with ACL TV helped win the right to develop
- ACL key to residence marketing, including VIP experiences
- Long hold. Ryman Hospitality Properties closed on purchase from Stratus Properties in June 2022
- Catalyst to success for 2nd Street District vision



MAIN YARD
NORTH YARD
SOUTH YARD
EAST YARD
WEST YARD



Sawyer Yards, Houston

- 350 studios for 450 artists + event venue & retail (40% common space)
- Artists need community of mass to attract people to buy art and provide creative energy
- Repurposing of existing old structures made financials work (greenfield cost prohibitive)
- Large development so each project easier to get financed and economics better with more artists
- Have a waiting list of artist tenants.
- District is very popular now with developers – 2200 market rate apartment units under construction or delivered within 2 years

Pittsburgh Cultural Trust

- PCT is a non-profit owner-operator, landlord and service provider for 14-block cultural district.
- Developer: Collaborative city and philanthropic economic redevelopment effort.
- Facilities management: Trust operates as a landlord and facility manager for 1 million square feet of District buildings and public spaces including a centralized box office.



SERVICES

- \$2 million in rent subsidies to creatives per year.
 - Subsidies through earned revenue and contributed revenue.
- Centralized marketing initiatives
- Shared back office services program for creative and arts organizations.

Art New York – Alliance of Resident Theaters

- City-owned building NY Economic Development Council put out for bid for condo-cultural arts facility
- Cultural anchor for non-profit theater company.
- Art New York provides services and subsidizes rent for smaller organizations to access office, rehearsal and performance spaces.





Current Opportunities



PUBLIC PRIVATE PARTNERSHIPS



Most heavy involvement from the city – often in the form of land made available for development

Identified Opportunities

- Health South
- Kenny Durham's Backyard
- South Central Waterfront – One Texas Center

PUBLIC IMPROVEMENT DISTRICTS



Also much involvement by the city – set up of incentives and variance requests

Identified Opportunities

- Historic 6th Street Redevelopment
- South Central Waterfront

PRIVATE MARKET DEVELOPMENT



Very little involvement by the city

Identified opportunities

- River Park Project
- Brodie Oaks Development

Austin Economic Development Corporation (AEDC)

- Created by City Council in 2020. Early activity to foster cultural trusts using 2018 G.O. Bonds (\$12M) and other financial resources (~\$5M).
- Three full time staff persons now on board and holding meetings with stakeholders.
- Around 45 responses to an RFP for funding and other assistance now being evaluated.
- May also offer financial advice, help form partnerships or alliances among entities, facilitate creation of art/music/culture districts.
- Help make “but for” projects come to fruition



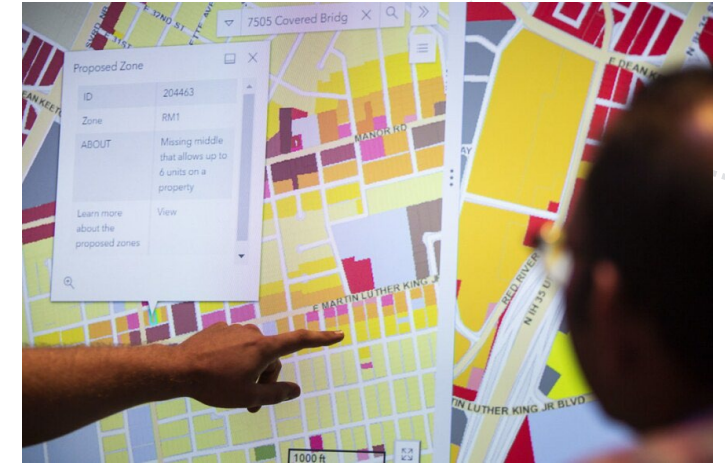
Possible Land Development Code Changes



Live Music Venue as land use type, separate from Bar/Nightclub, based on evidence that there is lower alcohol consumption per customer at live music shows compared to bars.



Live/work/sell model for visual arts
– Modify the Home Occupation Ordinance to allow artists to sell their wares from home.



“Culture Unlocked” - Allow reduced parking requirements, eased regulations on signage, expedited permitting over other commercial uses for theater, studios, galleries, and music venues.

Current Programs In Place



Downtown Density Program - Creative Space Option

- The Downtown Density Bonus Program grants bonus space for specific community benefits.
- For a detailed description of the qualifications for each bonus, please see [Ord. 20140227-054](#) or LDC 25-2-586(E)

Community Benefits	Bonus	
	Cultural Uses or Live Music Uses	2 sf of bonus area shall be granted for each 1 sf of space for cultural uses or live music uses
Affordable Housing [Developer may apply more than one]	On-site: 10 sf of bonus area for each family-friendly eligible bedroom 150 sf of bonus area for each family-friendly eligible bedroom Fee-in-lieu: See Fees-in-Lieu of Affordable Housing Table, on the following page	
Rainey Street Subdistrict Historic Preservation	25,000 sf of bonus area for each historically significant building restored and preserved	
Day Care Services	2 sf of bonus area shall be granted for each 1 sf of day care services provided	
Cultural Uses or Live Music Uses	2 sf of bonus area shall be granted for each 1 sf of space for cultural uses or live music uses	
On-Site Improvements for Historic Preservation	5 sf of bonus area shall be granted for each 1 sf of historic building preserved	
Development Bonus Fee for Off-Site Historic Preservation	1 sf of bonus area for each district-specific development bonus fee for off-site historic preservation	

380 Agreement Placemaking Collective Space

- Chapter 380 of Texas' Local Government Code allows municipalities to promote economic development and stimulate business and commercial activity by providing financial incentives.
- The City's Chapter 380 program provides an opportunity to establish programs and policies to aid in achieving economic development goals and objectives established by City Council.
- Assistance can take the form of loans or grants, which can also leverage State and/or Federal matching funds to heighten a project's impact in the community





Creative Space Assistance

- \$12 million Creative Space Bond created to invest
 - Single or multiple City owned multi-use creative space
 - Managed by Austin Economic Development Corporation
- Creative Space Assistance Program (CSAP) provides direct support to for-profit live music venues, performance spaces, art galleries, arts-focused nonprofits and individual artists facing temporary or permanent displacement.
 - Awards of \$5,000 - \$50,000 may be used for rent stipend, gap financing for property acquisition, or other space-related needs such as facility improvements or displacement-related expenditures. The FY 2020 program was funded at \$1 million.



Iconic Venue Fund

- Administered by AEDC
- \$4.9 Million
- Funded by Hotel Occupancy Tax



Feedback / Identify Barriers