

City of Austin Municipal Building

ULI Art in Place Program: Convenings Findings Memo

March 2024

Summary

ULI Austin's Creative Culture Strategic Council and Austin Economic Development Corporation (AEDC) partnered to review the future uses and potential of creative uses in the old City Hall, the 'Muni' Building. In December 2022, Council resolved to advance ideas for the reuse of this space, and specifically identified AEDC as a lead partner to the City to advance the work. Under the auspices of the national ULI 'Art In Place' program, ULI received a small grant that facilitated convenings to help advance the work.

ULI and AEDC, with assistance from Austin Creative Alliance, hosted convenings for creatives and developers separately to walk through the existing building and consider what opportunities and challenges the building presents for redevelopment and incorporation of creative space. Creatives identified that while a performance space could be integrated in the project, what is lacking most downtown is affordable working space. The developers identified that for developer involvement, an identifiable income source would be needed for financing and a draw for the public would be needed to connect them to the arts.

Creatives and developers then convened together to review the previous convening findings and to consider four identified scenario options:

- The City could choose not to include a developer and leave the building as is with minimal life-safety & HVAC improvements to be studio/rehearsal spaces for creatives, and partner with a non-profit to operate the facility.
- Performance space could be added to the first option, which would require additional modifications to the building and therefore would need additional funding.
- The City could partner with a developer who would incorporate some office/classroom rental space for revenue (potentially rented by the City, such as cultural arts departments) to offset some of the subsidy required to support as much arts and creative space as possible.
- The City could partner with a developer who incorporates a residential component instead of office.

In all scenarios, it is possible to consider new construction at the location of the existing parking area which could complement the building renovation.

Based on the convening discussion, the City has a few options to consider as pathways to repurposing this historic and distinctive property. Aligning with prior council request for creative spaces to be considered, it is likely that the City will need to invest in this property to subsidize the creative uses in the building, but that amount would vary depending on other revenue generating uses and final deal structure. A full feasibility study would help clarify the various deal structure options and determine financial viability, business model and sustainability, required city investment, and developer participation for any of the options.

Background Information

About ULI

The Urban Land Institute (ULI) is a member driven organization focused on shaping the future of the built environment for transformative impact in communities worldwide. As the preeminent, interdisciplinary real estate forum, ULI facilitates the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers who are dedicated to creating better places. ULI has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

Established locally in 1994, ULI Austin is a district council of the Urban Land Institute where real estate professionals from across Central Texas exchange ideas and best practices to serve community needs. ULI Austin's Strategic Councils convene public, private, and non-profit entities to discuss and impact local issues. Current councils are Affordability, Transportation, Climate Impact and Creative Culture. The Creative Culture Strategic Council focuses on the effects of real estate on Austin's unique culture and development, so to maintain our culture. ULI Austin does not advocate; we offer fact-based information through research, education and publishing.

About ULI's Art in Place and the Municipal Building Convenings

ULI's Art in Place initiative is focused on connecting arts and real estate. It is a global cohort of ULI Americas and District Councils, such as Austin, working to connect artist, developer, and community voices to drive more inclusive and participatory real estate outcomes. The program is committed to diversity and inclusion and promotion of local artists and creatives. Art in Place is made possible with the support of ULI member Michael Spies.

ULI Austin's Creative Culture Strategic Council and Austin Economic Development Corporation (AEDC) partnered to participate in the Art in Place cohort, a national program focused on integrating arts and culture space into developments, and to review the future uses and potential of creative uses in the old City Hall, the 'Muni' Building—especially as that location relates to the rest of the downtown. Through this process ULI and AEDC, with assistance from Austin Creative Alliance, hosted convenings with a tour by creatives and developers separately, and then facilitated a convening between the two groups. A compiled list of participants from all the convenings is included in Appendix A. The findings of the convenings are shared within this document to help inform next steps.

About the Municipal Building

The City of Austin Municipal Building at 124 West 8th Street in downtown Austin was first completed in 1908 to replace a city building constructed between 1856-1859 on the site of the first Texas Capitol in Austin. Originally built in a Beaux Arts style after a design by C.H. Page, Jr., the yellow brick building underwent a dramatic renovation and expansion in 1937-39 by the firm of Page and Southerland, and remains to this day in the Art Moderne style.

The building has been in continuous operation even after the new City Hall was built and currently is occupied by the City of Austin Finance Department. The City is reviewing options for their relocation. Over the years the building has been cut up into a myriad of smaller office spaces, and the basic building systems have not been improved much. It is anticipated that a building renovation would need significant work. City of Austin has done initial feasibility to turn the building into the Downtown

Community Court, at a cost of approximately \$35 Million if accomplished as a City public works project. That plan was put on hold last year, due to neighborhood concerns, and in December 2022 the City Council identified this building as one that the AEDC could consider future redevelopment, specifically for creative and cultural uses (based on prior Council resolutions).

The building has four floors, including the elevator inaccessible basement, and has a robust structure, with historical details primarily in the front lobby spaces of each floor. There is limited parking on site and majority of parkers use the adjacent building garage in leased parking spaces.

[Culture or Courthouse at a Historic Municipal Building in Downtown Austin – TOWERS](#)

[Microsoft PowerPoint - Municipal Building Engagement Jan 25 2022 \(austintexas.gov\)](#)

Historic Preservation Information

The Municipal Building is designated as a local historic landmark and is potentially eligible for historic tax credits if listed on the national register or in a historic district. The developer would need to contract with a consultant or have in-house expertise in national register nominations to complete the registration process. If renovated for revenue generating use the project could take advantage of the 20% federal historic tax credit for qualified rehabilitation expenditures. Additionally, the project could be eligible for the 25% Texas historic tax credit for qualified rehabilitation expenditures. Texas historic tax credits provide additional opportunities for non-profit use. If the developer seeks historic tax credits, federal and state historic preservation reviewers will consider both exterior and interior work in compliance with the *Secretary of the Interior's Standards for Rehabilitation*.

Environmental Information

The City of Austin did research as part of previous rehab considerations. As expected with older buildings, there is remediation that would need to be done including asbestos abatement during interior renovation.

Applicable Case Studies

To help participants visualize opportunities with the existing building and incorporation of creative spaces, the following applicable case studies were identified:

Crosstown Concourse, Memphis, TN – This project is recommended as they were able to accommodate a wide variety of uses in an adaptive reuse project. This project had over 30 funding sources, and was accomplished through public investment, private non-profit advocacy, and private development facilitation. (<https://americas.uli.org/crosstown-concourse-2019-global-awards-for-excellence-finalist/>)

Bakehouse, Miami, FL - Also an adaptive reuse, this primarily visual arts building provides galleries, studio facilities, photo labs, ceramics facilities and maker space. They use spaces for musical performance, small creative retail and special events. This project was started by artists who bought the building from the City thirty years ago. The non profit that runs the space now is embarking on building some affordable housing for artists on site. (<http://www.bacfl.org/>)

BOK, Philadelphia, PA – An adaptive reuse for makers and other crafts/artists with restaurants and other complementary publicly activating activity. (<https://www.buildingbok.com/>)

Collingwood Yards, Melbourne, Australia - Music, Art, creative industries, retail in an adaptive reuse school—rent structures vary from market to free: <https://collingwoodyards.org/whats-here/directory>)

Arts Court, Ottawa Canada - A fantastic example of an old courthouse repurposed to include several different arts spaces, primarily performance/rehearsal venues. (<https://artscourt.ca/about-en>)

Summary from Tour Convenings

Creatives

The diverse voices from various music, arts and cultural organizations were asked to review the potential uses based on what would make the most sense given the municipal building downtown location and other proximities. Notes from the creatives tour can be found at the end of this document in Appendix B. Some highlights are:

- What is lacking most downtown is affordable working space
- Want an active working hub
- While a performance space could be integrated, the greatest need is for studios/office/classrooms.
- Interaction between the creative studio space and the public can raise awareness and activate the building
- Need permanent affordable space with shared resources
- Novel public private partnership that utilizes the building and provides affordable space is key.
- Could be incorporated into a district with other nearby area arts offerings like the Paramount and Contemporary
- Affordable event space for creative organizations

Developers

Developers with a range of project type focus and connection to the creative community were also asked to review the potential uses for the municipal building. The developers were given background information about the building similar to what is included in this report and notes from the creative convenings to help portray the needs and vision of the creative community. Notes from the developers tour can be found at the end of this document in Appendix C. Some highlights are:

- Can't be all things to all people
- Non-profit could come in and run for city using raised funds (no developer)
- Boutique hotel with historic vibe with gallery space
- Some thought residential while others said that would be money pit and won't pencil financially
- Need draw for the public (speakeasy?) to then connect to arts
- Low-cost ground lease from city needed to make full redevelopment work
- Need identifiable income source for financing – maybe city lease back office space

Possible Scenarios

Creatives and developers convened to review the previous convening findings and to consider some identified scenario options. A full list of comments on each scenario is included in Appendix D.

Assumptions

As ground setting for the discussion of scenarios, the following assumptions were identified:

- Partnership with a creative space operator is feasible
- All scenarios could include a bar/speakeasy/event/retail space
- There is no significant parking on site (this also promotes the City's goals of minimizing parking downtown)
- Off-street loading and vertical conveyance can be resolved
- Additional information that would be needed for all scenarios (based on use & partnerships) would be:
 - Full technical analysis of building
 - Financing options feasibility including potential and associated eligibility for historic tax credits
 - If the project were to include a developer, identification of deal structure including conveyance of land and development entity to perform work
 - Defined business model for operations and assuring affordability

Scenario 1 – Minimal Renovation

For this scenario, the building would be left as is with life-safety & HVAC improvements to be studio/rehearsal spaces for creatives. For this scenario, developers would likely not be involved in the project and the City would probably need to partner with a non-profit for management. The creatives felt that leaving the building as-is limits programming due to sound bleed, column spacing, and ceiling heights; however, it is worth considering because this option provides immediate impact. If the building is only used for storage and rehearsal space, recouping cost is an issue. It will still be important to expand programming to help financially and to create activation.

Scenario 2 – Minimal Renovation and Add Performance Space

For this scenario, the building would be left as is, similar to Scenario 1, but also add performance space on the small lot. The creatives were supportive of this concept and thought the theater could be 120-160 seats and likely a black box, which is flexible and least expensive. The performance space could fit the light grid and dance studio that doesn't fit well in the existing building. Concern was raised that while the performance space would be a cool animator for the site, it would not help with the financial model. It would help to include a restaurant/bar to be an economic driver before and after a show. This may also help with connecting the performance space to the existing building.

Scenario 3 – Creative Studio and Commercial Lease Space

For this scenario, the building receives a full renovation with the bottom two floors used for creative studio and the upper two floors are rented out commercial space. In this scenario, a developer could be involved; however, it will be difficult to make the financials work. This option could house education programs or offices for other creative organizations. Since the goal for creatives is affordable space, the City would need to help subsidize the project to help financials. A low-rate ground lease would also help make the project financially viable; however, consideration would be needed for the structure of the lease to also help mitigate property taxes. The City could also be a tenant for some of the office space

for related services, which would provide a reliable income stream for financing. With the mixed use, and likely some publicly accessible space, the renovation costs would be higher than Scenario 1.

Scenario 4 – Full Overhaul with Residential

For this scenario, the building would be fully renovated to be a hotel or residential with a gallery in the lobby and maybe some arts space in the basement and/or current parking and loading dock. The developers were not in agreement concerning the viability of modifying the building to be used for residential or hotel due to the depth of the building floorplate and lack of bathrooms. There was a concern that the renovation would be too costly to be feasible and not many units could be realized; however, this scenario has an identified funding source so developers would be interested. It might be possible to include studio space in the center of the building, or at ground levels, but a mix of uses on the same floor is usually avoided. Creatives were concerned that the residential would be too expensive for creatives to afford, but developers felt that the housing could have some units that could be tailored to arts/artist in resident use.

Group Reflection

After discussing the scenarios, the creatives and developers were asked to reflect together in small groups to identify any missing ideas, concerns, comments, etc. Through this reflection, we identified that there are different needs for creatives depending on where they are in Austin. Creatives that work outside of downtown are unlikely to use rehearsal spaces downtown that they identify as difficult to access; however, a midsize performance space downtown could be desirable for these groups. At the same time, rehearsal and studio space is needed for creatives that center their career downtown. These creatives are constantly losing affordable rehearsal, studio, and residential options. Since renovating the building for residential would be expensive and likely not affordable for creatives, prioritizing residential over creative space would not be popular. The comment was made that the building is so beautiful and it could fit in a few uses and realizing that it may not be a fit for all creatives, it would be advantageous for downtown. The East 11 project with an anchor tenant and other uses was identified as a possible model. The full list of comments is included in Appendix E.

Recommendations

Based on the convening discussion, it is clear that the City needs to identify how much they are willing to invest to incorporate creative spaces within the Municipal Building. Each scenario would require a different amount of subsidy and there are options for partnering with a developer. Partnering with a non-profit to facilitate the transaction may also be needed to maximize tax credits and incorporation of creative spaces. Additionally, the City has options with how they might partner with other neighboring institutions to achieve a more organized Cultural/Creative district.

The City could choose not to include a developer and leave the building as is with life-safety & HVAC improvements to be studio/rehearsal spaces for creatives and partner with a non-profit to operate the facility. Alternatively, the City could partner with a developer to redevelop the building for a market rate component plus affordable creative space. Developers were not in agreement on the best market rate use for the building – residential, small office, or other. A full feasibility study would need to take place

to determine financial viability of any developer option and the required investment by the City such as ground lease or tenant lease back. The feasibility study should further identify required changes to the building for a renovation as well as any steps needed to facilitate the use of outside funding, especially the potential and limitations of historic tax credits or grants.

In identifying the team for the feasibility study and parameters for a possible future request for proposals, the discussions identified some important considerations. The creative and developer communities expressed the importance of having local representation on the feasibility study team. It is important that the team understands Austin's creative community and how it differs from many major cities. Specifically, Austin does not have the philanthropic funding of creatives seen in major cities such as New York or Chicago or even in smaller cities with historic arts philanthropy such as Cincinnati, Denver, Kansas City, or Minneapolis. It is also important that the consultant have a member of their team with expertise in unique business models, including multi-tenant models. A team member versed in navigating all historic tax credit options and limitations would also be beneficial.

It is important when considering the potential market use, to not be overly prescriptive as each developer would choose their own focus area. Instead, it is important to identify the priority use of the creative space within the existing building, which seems to focus on studio, rehearsal space, and classrooms with public interaction. The inclusion of a new performance space could be left to the discretion of the developer as fits their proforma. The City would need to decide a minimum required space within the project for creatives, which the feasibility study can help identify for a balance of requirements and the City's desire to invest in the project.

If the City chooses to embark on the feasibility study, it is still possible to incorporate creative spaces immediately. The City could move forward with leaving the building as is with some life-safety & HVAC improvements to be studio/rehearsal spaces for creatives and partner with a non-profit to operate the facility. The data would be helpful for the feasibility study and if this model is successful and the City later decides to make the building available for development, the data from the successful modification to creative spaces would encourage developers to move forward with submitting a project incorporating creative spaces.

Appendices

Appendix A - Participants

Sarah Andre, Structure Development

Sharron Bower Anderson, ATX Theatre

Dewy Brooks, Austin Creative Alliance Chair

Pat Buchta, ATX Musicians

Miriam Connor, Creative Policy

Natalie Earheart, Almost Real Things

Marcel Garza, Southwest Strategies

Bailey Harrington, Timberline Real Estate Partners

Mike Henry, Mosaic Sound Collective

Holly Herrick, Austin Film

Shane Hesson, Endeavor

Jake Hiebert, Stratus Development

Maica Jordan, Paramount

Shea Little, Big Medium

Kate Meehan, B. Iden Payne Awards Council & Rhode Partners

Brad Nelsen, Nelsen Partners

Brett Orrison, Spaceflight Records

Dorothy Overbey, First Street Studio

Mike Piano, Presidium Group

Brett Rhode, Rhode Partners

Lilia Rosas, Red Salmon Arts/Resistencia

Kim Shipman, TOPO Development

Brad Stein, Intracorp Homes

Rommel Sulit, Street Corner Arts & Forge Craft Architecture + Design

Rick Van Dyke, Ceramic Studio/Thornton Road Studios

Zach Zulch, Almost Real Things

Appendix B - Notes from Leaders of the Creative Community that Toured the Building

Event Producer and Arts Advocate (music focus)

- This building is creating opportunity
- downtown space is a unicorn
- Is there a vertical nature opportunity? – separate use by floor so have group of similar people working together
- people self-select and figure out how to make space works for their needs
- much more a work space rather than a public use facility
- across the City there is a need for more practice space than performance space
- We lost Music Lab and Mosaic Sound and there is so little space to have music rehearsal downtown near gigs

Record Label

- envisions arena style theater for different performance types, especially music with office around the center
- Could have theater in middle and still have 100 little offices
- knock out ceiling between 2 floors (remove second floor) in center for theater height
- Recording space, and space for related services for supporting artists (marketing, communications, non profit record label!)

Dance

- Envision fabrication studios/sets
- Liked idea of central theater, but sound is a concern
- Right now negotiating for 7K of space. Looking for partners and Texas Immersive (VR/AR) is also looking for space.
- Also looking for smaller spaces
- Dance – need 15' ceiling height spaces (can get away with 12'-15') and open spaces. 30'x45' is medium and 65'x55' is better
- For efficiency, prefer to double up on use
- Identified that areas of concern are parking and elevators for loading

Arts Magazine

- Initially thinking work/practice/etc, but that doesn't necessarily activate
- No affordable venues downtown. (Native closed down)
- Need affordable rental community event space
- Has space where artists are coworking. Can provide community discounts.
- Shared Sound gear, furniture, cooling equipment. Lighting?
- Shared studios/workshops
- Help artists bring in money
- Being downtown location, lack of parking isn't a surprise – Paramount comment: Weekend and evening parking is easy to find

Arts Advocacy

- Need permanent space for organizations - rehearsal space, event space, maker space. Photographers.
- Maker space – use Blue Genie as a model
- More than enough space in building to accommodate a wide variety of types of use.
- Affordability has to be most important
- Parking is key – at Shiners Saloon, parking in garage is only \$10
- Need marketing plan to bring public in.

Pottery

- 30 potters in his studio at Thornton road.
- Space is hard to find. Consider different needs for visual arts and pottery. Many making dust and metal shavings/
- Building likely not adaptable to pottery needs.
- Good bones. Stairwells were his favorite part. Loved the wood floors.
- Great for AI
- Parking necessary for public facing activities – Visual arts want space where people can see art, pay, and load up.

Large Theater

- parking in evenings and weekends is easy downtown, especially with partnerships
- Education team is in need of rehearsal space, which is tough to find
- Envisions screening rooms, comedy rooms, offices for team
- Public exposure - Open mic, visible podcast studio (missing in Austin now)
- Anything can do to draw people in at night is great.
- Collaboration, great location.
- Worries are cost and parking
- Also, organization and governance is complex. How is that structured? What is the sustainable financial model? Who is in charge of financial solvency?
- Positives are proximity to UT, Capital, Red River, Paramount – could be great.
- How get restaurants who need evening traffic?

Visual Arts

- Would love to see art community HQ - help facilitating unity
- Would also like to see artist driven not developer driven development (arts and developers not a functional relationship)
- Public facing. 25% creation space, 75% public performance space, open on Monday. Include museum, open mic, and performance
- Destination for locals and tourists
- Residence style would be great – months to year long residencies

Arts Advocacy

- Envisions cultural HQ

- more than just live music - community rental spaces
- spaces for marginalized communities, artists of color, ,LGBTQIA+.
- Live/work options would be great
- preservation, accessibility

Film

- should drive excellence
- downtown location requires public facing space
- don't require output,
- film can use any space and are a purveyor of found objects.
- Can be beacon of creative community and what is seen by others
- Film needs office space, short term flex space helps. Shared costumes, props sets storage. Even a shared printer/photocopier helps
- Have plenty of screening spaces and expensive to build
- shared infrastructure and collaborative spaces will bring everyone in

Theater Organization

- Would be great to bring everyone together
- Dream of fishbowl rehearsal space booked all day – band, theater, dance. Could use basement and 1st floor where all could watch from the street.
- about public facing process not product;
- Need hooks to get people there to see – ½ price ticket booth can bring people in
- Worried about parking
- Whatever makes it the most desirable to get tourists in the better
- additional spaces for offices, recording;
- dynamism, creative community center, cultural visitors center

Musicians Advocacy

- Musicians greenroom—space for musicians on gig days downtown, between gigs, resources for musicians, community hub.
- Nice relationship with some of the City parking garages that will be used for musicians based on a new program with the City/atx musicians
- Working hub with technology/soundrooms and other recording opportunities, broadcasting.
- Is it possible to include housing?

Cultural Arts Organization

- Look at Guadalupe Arts in San Antonio
- Mixed/interdisciplinary building/creative hub would have appeal to an arts/humanities based organization.
- Community space available for events (affordable) downtown would be ideal

Arts Advocate and Retail Specialist

- Great downtown synergies with arts/music and replaces lost spaces

- Consider Capital Factory as partner
- Critical to consider the historic importance of the project for tax credits, and ability to create more affordability

Other Comments:

- Talk to Josh Baer at Capital Factory. Tech companies have vested interest in having cultural areas for workers
- Architectural point of view – good to have activation as move down congress from the capital. Could it be headquarters for the cultural trust?

Appendix C - Notes from Developers that Toured the Building

2 business model options: 1) Developer has good deal with city on ground lease and they have to make it work, will require them getting ppl in the door or 2) non profit that takes over and runs it via their mission, can get their own private donations (Bentonville)

Courtyard been filled in, dark space with no windows, what uses need light vs. don't (housing, hospitality would require natural light), could be leveraged as studio space or loft layout with gallery space challenges: load bearing masonry on interior

Boutique hotel with historic vibe

Community court/creative/housing (city should not be operating a hotel) and if put housing in here, should not try to mix with hospitality (40 affordable units)

Example South Bend, live/work tower, core areas have rentable art studios, kiln, ground floor lobby has expanded area to serve as gallery

If ppl living there don't want to be public space, ground floor gallery could work

Example of mashup space, Victoria Yards Johannesburg, mix of market/affordable tenants, mainly retail project

Ex Toronto, private work spaces, public can walk through, part of Harborfront Center

Mixed public invitation, business model 75% work space for artists to work outside their homes, 25% market rate to offset cost, perhaps bar or small intimate elevated food/beverage, 400 sq speak easy (small victory), animated community hub

Failed model in Austin – Lido Hostel

Milk Bar Chicago athletic club, cool sneaky little space

Library in NY, tucked away private space on bottom floor

Bar is key focal point in all artist spaces, bar has longevity, incents people to stay, example Hideout Bar in Austin

Models where developer comes in ex. Adaptive reuse Sears building, publicly-owned property offers opportunity for deep affordability to artists, Austin lacks cultural philanthropy, how do you unlock cultural support from the business community (Austin not HQ for a lot of the companies located here), if go developer route then not affordable

Possible hybrid solution, ground lease (lease floors vs. ground up), why would developer shell out bucks if they're not going to recoup investment, city is going to have shell out money because space this small is going to generate enough return, cultural bond where building is already built and leasing to someone who's managing an arts aspect

Canopy model, purely private, below market returns but still out of reach to some artists, impact investing, not replicable

Based on hard costs it would take to make this appealing, no developer is going to embrace this, only way would be palatable would be City offering ground lease for example lease is zero for x # of years, City pony us \$ for hard costs

Foundation Comm has some sort of project targeted to creatives – need to talk with them about how they did it, apartments open to anyone but the way they're designed appeals to artists (large open spaces), but since they're affordable they get gobbled up quickly by tenants who are not artists

If developing “affordable” apartments there are FHA rules about discrimination about what you can/can't do

See two ends of spectrum

- could be practical not fancy space for artists to work (similar to ArtPlex) – minimal cost involved with minimal changes to the building. Incubator arts space like people consider Canopy
 - Have offices already
 - Adequate bathrooms, space, etc
 - Artists could move in tomorrow
 - Could have one floor be music, one theater, one art
- Other hand could think huge and create destination (\$50-75K)
 - Not viable for performing arts. Loading dock doesn't work well
 - In no way try to repurpose for housing. Pit for money
 - Historic is a bonus, but not much to get much points
- Can't be all things to all people

If 60-80K sf, is there enough demand for creative spaces in that area

- Some depend on cost
- some felt yes – 5th street by Saltillo used to be these type of spaces (incubator)
- Need an operator – maybe a non-profit like Austin Creative Alliance (could be revenue stream for Cultural Trust)

If hook up with a developer, needs to be handed over as ground lease on the dollar to someone with a passion unless city wants to take it all on themselves.

Office market too scary to think of including for foreseeable years

Agreement amongst some housing not an option – too much money spent for what you get

Wondering if there is a balance of first 2 floors of creative uses and higher floors with municipal office to support/offset creative use below – could pull off financially, but hard to pull off with fully creative use (could creative arts department be a fit?)

Probably need additional ventilation, but could use quickly

Not familiar with operator – can TOPO run it (closest to what we have that can see/pull off that vision)? Bring in Meow Wolf?

Idea brought up that court is a necessary public function so question is when going after funds (loans) are the municipal tenants a department that could ever lose funding? Causes issues going after funding

How many funding sources are available to help developer execute (will be thin)

Tax role question – if historic there's tax abatement. If city service lease some tax exemption can be provided, but then can affect how go after historic tax credits

Major energy upgrades could use CPACE financing

Assume abatement work doesn't leave much there. Note if don't disturb, don't have to abate.

Appendix D – Complete Comments on Each Scenario

Scenario 1 – Little Renovation

- Rehearsal – music/band would be difficult bc unloading and sound bleed
- Seismic Hall may be filling music rehearsal space needs. Bldg may be too small for rehearsal anyway. Lockout space may be better match. A green room model and prep for downtown gigs would help. Space shoot music videos, marketing material, community.
- Parking solution may be available around the corner
- Gig Buddy in place through DAA to help with escort to and from gigs.
- Sound bleed also issue for dance
- Dance requires wide open spaces with tall ceilings (min 20x25 ft and 30x40 better) and ceiling height needed. Helps with film as well.
- As is limits programing in the building.
- Intense column grid that is structural limits getting larger column free spaces without major retrofit; however, could get larger ceiling heights
- Nice because immediate/quick impact. Non-profit or city financing would be needed rather than developer involvement
- Theater community more flexible for rehearsal space. Cosider ven diagram of features in space. Top floor wouldn't take much to break up rooms
- If only used for storage and rehearsal space recouping cost is an issue. Expanding programing is important to make work

Scenario 2 – Add Performance Space

- Where could fit light grid, dance studio, larger open spaces
- Farmers market could also be there
- Creatives were supportive
- Smallest theater continually used is 70 seats, Scottish Rite is 320, Rawlings is 228, Vortex 130. 50 to 300 would be great. Current spaces have many constraints. 120 to 160 range could be used.
- Consider handicap accessibility
- Issue would be entrance and exit and load-in for backstage. Thinking basement could be used
- Probably black box (which is also least expensive)
- While cool animator for the site, would not help with the financial model
- Great to include a restaurant/bar to drive economic before and after show.
- Want to avoid a grid to high so don't need scissor lift
- Could a space that large be a very flexible event space?
- Downside is not really using the building – response is all of scenario 1 still can be done to building except lobby can then be activated as part of the performance space
- AusPOP (non-profit about Austin music history) been homeless since Threadgills closed. Might be good option for public facing component.

Scenario 3 – Studio and Rental

- Might be able to house offices and education programs for other organizations (Paramount example).
- Paramount also looking for permanent archive space
- Need to figure out how space is a collaboration since many places that have 24x7, only really using for a few hours. Good to partner day and night time rehearsal organizations (example Paramount rental of Baker)
- Ballet Austin uses their space during day and then classes at night
- Tiered rental model
- Assumption that sound is part of the renovation.
- Each scenario could find users right away, but missing some overarching goals and list of priorities
- If low-rate ground lease and promised tenant, can show financial feasibility to lenders
- Could the City retain ownership so not paying property taxes on the building
- Cost to operate the building and property taxes are an issue to hit feasibility
- Do not feel that from pure financial standpoint create interest for developers in any of the first 3 scenarios
- Many creatives and non-profits tied to creatives need office space and would be nice to have in central area with shared resources.

Scenario 4 – Full Overhaul with Residential

- Thinking residential usable is 20,000
- Lack of bathrooms and depth of building is an issue. With courtyard filled in not much daylighting
- Hotels and housing usually have less depth
- Maybe middle can be office/studio; however, then mix of use on same floor which has not been done in the City of Austin and public/private mixing. Could be solved in housing is for creatives.
- Believe there are funding sources for this.
- Can't restrict use to creatives, but can incentivize use for creatives
- Maybe \$400/ft conversion. Studio 600 sf. 40 affordable units.
- Worried on other scenarios that not very activated (too closed off).
- Incentivize creative use and then market rate in the residential to pay for it.
- Creative space in parking lot and basement would separate more
- Next step would need to be financial model. All may be viable. Don't have to pay for parking. Rebate programs may help with units. Figure out anchors (and what they can pay) and then back into rest of building.
- "Operation of 40 unit building is a nightmare". May get developer to come in and build then sell.
- There is a funding source for this plan. Hard road, but would pull in interest from developers
- Elevator alone prohibitive to affordable rent
- There would need to be a very clear developer agreement up front and assurance from the City to fast track and streamline as incentive..

- Creatives question if “affordable” housing would really fit creative’s budget
- Creatives need office space, which may not be served with this model that may be met more with the others.
- Is there a tit for tat option where if do this project, developer get break on another project
- Feel real opportunity in parking situation. Is there opportunity for cross pollination to make exciting place to live.
- Creatives may be able to use the less desirable spaces.

Appendix E – Group Reflection Comments

- One group said that housing over creatives needs may not be loved
- Rehearsal space downtown may also not be a great fit for creatives since going downtown can be difficult
- For building - maybe highlight Austin art in a space others use
- Musicians don't necessarily want to play downtown bc of parking and difficulty. What happens to downtown if lose music? Maybe having a lounge space helps keep music downtown.
- Don't think artists would want to live or practice down there. Maybe single use – dance and theater could be together, but beyond that not big enough.
- Building so beautiful that if could fit in 1 or 2 uses would be advantageous for downtown
- Crosstown Arts Memphis example of what need in a different part of town (maybe east side)
- Worried about lack of understanding of goals
- East 11 model of anchor tenant with other uses could be viable
- This building will be very expensive. Artists could be better provided housing in a different location.
- Could be exhibition/studio space
- Downtown not really for Austinites anymore (now for out of towners). However, place where people could come (a draw) makes more sense (Paramount – 80% in town)How would this be politically received for art space? There has been a strong advocacy for art space and anti downtown court.
- What is the City spending now to maintain this old building?
- Electrical also could be an issue
- If going to do this operational over long term needs to be considered and may need subsidy.