



## MEMORANDUM

TO: Mayor and Council

FROM: Rebecca Giello, Interim Director  
Economic Development Department 

DATE: March 20, 2018

SUBJECT: Red River Cultural District CIUR Resolution No. 20170608-033

### Summary

This memorandum provides a summary of the progress the Economic Development Department (EDD) and partnering Departments have made in addressing the directives of City Council Resolution 20170608-033. The Resolution directs the City Manager to address public safety and pedestrian enhancements for the Red River Cultural District (RRCD), the home to thirteen (13) live music venues, hotels and other businesses in a district essential to Austin's music industry ecosystem. Given that carrying out the work outlined in the Resolution stems from and relies on programmatic support of the Souly Austin Program, this memo provides an update on not only carrying out the recommendations of the Resolution but also on the Souly Austin Program.

### Souly Austin

The importance of the District to retaining Austin's "Live Music Capital of the World" standing, the challenges the District faces and potential solutions are documented in the Urban Land Institute Special Report, Red River Cultural District Live Music Preservation, among other sources. Through the Souly Austin Program, the merchants within the District have organized to form the Red River Cultural District Merchants Association (RRCDMA). It is through the Souly Austin Program that the RRCDMA is partnering with the City to implement the substance of the Resolution.

The Souly Austin Program mission is to use a place-based economic development approach to create and retain strong and vibrant, culturally rich and diverse business districts throughout Austin. Through an annual appropriation of \$362,500, the Souly Austin Program has assisted the organization of six<sup>1</sup> merchant associations through the following services: merchant district member leadership and organizational training, economic development strategic planning, technical assistance to implement the district economic development strategies and seed funding to implement high priority activities.

Nationally, cities including Oklahoma City, Minneapolis, Portland, Seattle, and Philadelphia have adopted place-based economic development programs focused on business districts, such as Souly Austin. A recent Cultural Arts report, *Thriving in Place*, also shared the importance of retaining culturally vibrant places, many

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\* In addition to Red River Cultural District, Manor Road District, East 12th Street District, South Congress District, North Lamar International District, and East Cesar Chavez District all have formed merchant associations and commensurate strategies through the Souly Austin Program.

of which co-exist within Austin's business districts. Cities have documented the economic return on investment of such programs by measuring benefits in the business districts and overall to the community including increase in retail sales and taxes, pedestrian safety – traffic and crash data, retention of local businesses, perception and safety in areas, increase in patrons, private investment, expanded employment opportunities, health benefits and preservation of history and culture.

### **Resolution Implementation**

An essential component of the Souly Austin Program is to collaborate with other City Departments – Austin Transportation Department and Public Works, Planning and Zoning and others – to implement the economic development strategies of the Souly Austin Districts in general and the Resolution in particular. The attached table itemizes the progress made regarding the installation and ongoing maintenance of each enhancement outlined in the Resolution. In executing the program of work, staff has identified the three areas below as core to meeting City Council Direction in the Resolution. The program of work for undertaking these enhancements identified in the Council Resolution involves addressing each of the following questions as part of the installation and long term maintenance of the enhancements:

1. How can these enhancements be designed for practical longevity, address regulatory requirements, and also improve patron and visitor safety, access and experience throughout the district?
2. What is the source(s) of funding for design and installation?
3. Who will pay for and maintain the enhancements once installed?

Responding to these core concerns will require continued interdepartmental coordination and identification of policy, programs and resources for execution and commitment of roles and responsibilities. Outside of \$160,000 the Souly Austin Program (which comprises six districts currently) has set aside for design and installation of right-of-way enhancements for all of the formal merchant districts, no other funds have been dedicated to implementing these important public safety improvements for the RRCD. Staff will continue to work with other City Departments to identify where possible ways to best leverage this and other funding sources to continue progress on implementing the Resolution. Noted in current staff evaluation and budgetary analysis, with expanding districts served, operations funding will need to increase.

### **Scaling for Impact**

The public safety and place-making needs for the Red River Cultural District are shared with other commercial districts. The six merchant districts formed through Souly share common priority needs to enhance walkability, address parking shortages, cultivate a unique sense of place and activate the public realm to increase patronage and a sense of place. The types of interventions outlined in the Resolution specific to the Red River Cultural District have also been identified as priorities for improving business districts in the five other districts receiving services through Souly Austin.

EDD staff has completed an evaluation of the Souly Program from its inception in 2014 to evaluate its effectiveness as an economic development tool and develop recommendations for scaling the Program to deliver its demonstrable benefits to more areas. A key lesson learned through program implementation is that resources and programs to implement and assist merchant districts in creating place and improving safety are an essential component of having thriving, vibrant merchant districts. The City's partnership with merchant associations in carrying out district-driven streetscape and place-making enhancements results in vibrant commercial districts, implements Imagine Austin, and brings positive public return on investment. Without increased dedicated funding to implement the needed and prioritized commercial district place-making enhancements this limits the impact that the Souly Austin Program could have City-wide and in assistance to our small business and creative industries.

Staff will report to City Council semi-annually on progress through updates of the attached matrix as funding resources become available. Additionally, EDD staff is developing recommendations for future Council consideration on how to scale district-based economic development programs such as Souly and those outlined in the recently released Thriving in Place Cultural Arts report in the near future. Staff is available to present additional information as requested. For more information please contact, Nicole Klepadlo, Redevelopment Project Manager in EDD at 512-974-7739 or [Nicole.klepadlo@austintexas.gov](mailto:Nicole.klepadlo@austintexas.gov).

xc:     Spencer Cronk, City Manager  
          Elaine Hart, Chief Financial Officer  
          Greg Canally, Deputy Chief Financial Officer

Enhancement	City Team	Actions		Resources		Notes
		To date	Next 90 Days	Installation	Maintenance	
<b>Alleyway</b>	EDD, PW, APD, AFD, ATD, AE	<ul style="list-style-type: none"> <li>Completed utility and ownership survey</li> <li>City Team identified closure options</li> <li>Short term placement of large light trailer in the alley to deter criminal activity until permanent gate installed</li> </ul>	<ul style="list-style-type: none"> <li>Complete design for a gate/fence to close both ends</li> <li>Determination of install and maintenance costs and responsibilities</li> </ul>	TBD	TBD	<p>Alley crime mitigation considerations:</p> <ul style="list-style-type: none"> <li>Businesses reporting that additional lighting is encouraging rather than deterring crime</li> <li>Physical closure of alley would need to provide for emergency exit for employees/patrons and utility access</li> </ul>
<b>Trash Receptacles</b>	EDD, ARR, ATD, UD	<ul style="list-style-type: none"> <li>Identified locations for trashcan placement</li> <li>Secured ARR agreement for ongoing trash pickup upon installation</li> <li>Great Streets designated can currently not available in near term (see <i>Notes</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Identification of trash can vendor</li> <li>Determination of maintenance costs and responsibilities should trash can become damaged</li> <li>Determination of trash can manufacture</li> </ul>	TBD (See <i>Notes</i> )	<ul style="list-style-type: none"> <li>ARR: daily trash pickup</li> <li>TBD</li> </ul>	<p>Great Streets Master Plan (GSMP):</p> <ul style="list-style-type: none"> <li>Requires the use of a particular trash can in the Downtown</li> <li>One vendor for designated trash can has suspended its manufacture</li> <li>The approved trash can costs \$1500 with \$200 needed for concrete pad for installation per can; staff recommends a less expensive can be explored</li> <li>The approved trash installation may require sidewalk upgrades</li> </ul>
<b>Temporary Art</b>	EDD, RRCDMA ATD	<ul style="list-style-type: none"> <li>Identified potential locations for public art</li> <li>Installation of three (3) murals honoring its history and culture (Elysium, Cheer Up Charlies and Stubbs)</li> </ul>	Completed	EDD Souly	RRCDMA businesses	<ul style="list-style-type: none"> <li>Local artists were employed to complete the murals.</li> <li>Future art installation contingent on resolution of sidewalk infrastructure issues (see below)</li> </ul>

Enhancement	City Team	Actions		Resources		Notes
		To date	Next 90 Days	Installation	Maintenance	
<b>Sidewalks / Double Sidewalk</b>	EDD, PW, ATD, UD	<ul style="list-style-type: none"> <li>Conducted physical condition and ADA compliance survey</li> <li>Analyzed alignment with Sidewalk Master Plan and Five Year Capital Improvements Plan</li> </ul>	<ul style="list-style-type: none"> <li>Prioritization of sidewalk improvements</li> <li>Preliminary design solutions for incomplete right-of-way or hazardous locations</li> <li>Cost estimates</li> <li>Walk with PW re: specific ADA items</li> </ul>	TBD	TBD	<ul style="list-style-type: none"> <li>Potential alignment with the Sidewalk Master Plan and CIP</li> </ul>
<b>Creative Crosswalks</b>	EDD, ATD, PW	<ul style="list-style-type: none"> <li>Identified installation location at 7<sup>th</sup> Street and Red River intersection</li> </ul>	<ul style="list-style-type: none"> <li>Selection of materials and design criteria</li> <li>Costs estimates for installation and maintenance</li> <li>Maintenance responsibilities</li> </ul>	TBD	TBD	<ul style="list-style-type: none"> <li>Alignment with scheduling of future capital improvements to the intersection</li> </ul>
<b>Planter Boxes/Landscaping</b>	EDD, PW, ATD, UD	<ul style="list-style-type: none"> <li>Identified three (3) RRCDMA businesses to co-venture in property ROW</li> <li>Completion of draft designs based on owner input and enhancing the overall aesthetics and safety of the District</li> </ul>	<ul style="list-style-type: none"> <li>Identification of additional locations and partners within the District</li> <li>Cost estimates for all fabrication, installation and maintenance</li> <li>Maintenance agreements with property owners</li> <li>Identification of maintenance and expense responsibility should private owner fail in maintenance responsibilities</li> </ul>	TBD	TBD	<ul style="list-style-type: none"> <li>Utilization of Adopt-a-Median Program through Public Works</li> </ul>
<b>Signage and Wayfinding</b>	EDD, UD, ATD	No action to date	<ul style="list-style-type: none"> <li>Explore options with Law and Austin Convention Center</li> <li>Explore requirements as part of the Downtown Wayfinding strategy</li> </ul>	N/A	N/A	<ul style="list-style-type: none"> <li>Potential utilization of Hotel Occupancy Tax funds</li> <li>Exploration of Historic Preservation Fund for implementation with ATD</li> </ul>

**Legend:**

ARR – Austin Resources Recovery Department

AFD – Austin Fire Department

ATD – Austin Transportation Department

EDD – Economic Development Department

PW – Public Works Department

ROW – Right-of-way

UD – Urban Design Division, Planning Department

RRCDMA – Red River Cultural District Merchants Association