



# Creative Space: New Regulatory and Financial Incentives

Economic Development Department

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**Economic  
Development**  
CITY OF AUSTIN

# Place-Based Enhancement Program

## What is it?

- Council approved via Resolution No. 20240926-012, a new program to encourage affordable commercial space for creative sector, small local, community-serving projects, and needed infrastructure in underserved area.

## What is the incentive based on?

- New investment in real estate in priority areas for the City that provides major community benefits
- Preservation of existing venues, creative spaces, and legacy businesses threatened by high real estate costs (rent, taxes, building improvements)

## What community benefits are prioritized?

- The main community benefit for these projects will be providing affordable commercial space or supporting/retaining new or existing creative spaces, legacy businesses, and community-serving initiatives
- Additional community benefits will be tied to deeper affordability, serving many organizations, etc.

### Community Benefit Targets

**Music Venues and Creative Spaces**

**Small, Local Businesses, Nonprofits, and Co-ops**

**Community Development Projects - Specific, high impact projects to benefit underserved community or fill an industry ecosystem “gap”.**



# Place-Based Enhancement Program Categories

## Program Proposal

### Category I - Affordable Space:

Tax reimbursements on **new construction** to developers of mixed-use and commercial building projects to include affordable commercial leases for arts and music venues and establishments, small local businesses, and community development projects.

### Category II – Community Impact:

Tax reimbursements on **new construction (including tenant improvements)** that support the development of stand-alone high-impact community development or improvement projects including arts and music complexes, grocery stores in food deserts, childcare facilities, and industry hubs and incubators by filling project funding gaps.

### Category III – Cultural Preservation:

Tax reimbursements and potentially other programs to support retention and improvement of **existing** music venues, creative spaces, and legacy businesses, nonprofits, and co-ops.

### Category IV – Transformational Infrastructure:

Flexible support for the provision of infrastructure elements, including transportation solutions, sustainable development, and utilities, that furthers the transformational delivery of a City-led redevelopment initiative tied to Council resolution or Council-adopted plan.



# Creative Space Density Bonus (DSCS)

## What is it?

- Council approved via Ordinance No. 20241010-034, a create a new zoning district for a density bonus district program focused on preserving and creating creative spaces and performance venues

## What is required for the Creative District Combining District based on?

- 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
- Districts will be in majority commercial areas with a minimum size of three (3) acres – can be one site or several adjacent sites (i.e., historic districts)
- 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"
- Requirements: Ground floor creative space at affordable rent for 10 years or more
- Benefits: Additional 30 feet in height, up to 90 feet, and FAR max waived; fee-in-lieu within district possible



# Updates

## Place-Based Enhancement Program

- Council approved September 26, 2024
- More information including detailed guidelines here: <https://www.austintexas.gov/department/place-based-enhancement-program>
- Program launch Spring 2025
- Multiple inquiries already received from developers, creative space projects, and legacy companies
- Inquiries about your project can be submitted via our [Business Incentives Inquiry Form](#)

## Creative Space Density Bonus (DBCS)

- Council approved October 10, 2024
- Program process guidelines under development – will model the Historic District zoning process
- Process framework targeted for Spring 2025

