



**AUSTIN CULTURAL TOURISM AND LIVE MUSIC ECONOMY  
Cultural District Recovery Planning and Support Recommendations**

WHEREAS, on March 6<sup>th</sup>, the City of Austin ordered the cancellation of SXSW Conference & Festivals to protect public health from COVID-19 negative outcomes; and

WHEREAS, cultural tourism income related to SXSW accounts for the single largest annual income stream for the Red River Cultural District's (RRCD) hotels, bars, restaurants and live music venues – and their workers; and

WHEREAS, the City of Austin ordered small businesses to close and has imposed social restrictions to manage and prevent spread of COVID-19 crowd reductions starting March 13<sup>th</sup> and then Shelter in Place by March 25<sup>th</sup>; and

WHEREAS, live music venues were among the first restricted and de facto closed by these orders leaving the majority of the RRCD's small businesses and workers without income since March 13<sup>th</sup>; and

WHEREAS, COVID-19 closures have almost completely eliminated any source of revenue for small businesses in the district and in the greater Austin area placing the entire ecosystem at risk and leaving almost all employees laid off or furloughed; and

WHEREAS eviction proceedings and utility interruptions for lack of payment for residential lease holders have been frozen by order of the City of Austin on April 1, renewed May 7 and will last another 60 days and may be renewed ongoing until deemed unnecessary; and

WHEREAS, there have been no actions taken by the City Council to extend similar protections, regarding evictions or utility interruptions, for small businesses and their associated commercial leases; and

WHEREAS, a majority of small businesses and wage workers in the district have, on average, between 15 – 30 days of operational or personal savings; and

WHEREAS, over 30 days have elapsed between ordered restriction and closures to date; and

WHEREAS, respondents to the Music Venue Alliance's (MVA) & the RRCD's live music venue survey have indicated that the majority of live music venues will permanently close without access to disaster relief; and

WHEREAS the Downtown Austin Alliance's April 2020 Retail & Small Business Survey demonstrates a probable majority loss of retention for small businesses downtown just 30 days into closures; and

WHEREAS the local and state government have indicated that live music venues, sporting events and other large, public social gatherings may be the last allowed to safely reopen; and

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WHEREAS, the Live Music and Cultural Tourism Economy in Austin will permanently close by 2021 without dedicated disaster relief funding; and

WHEREAS, Local small businesses like live music venues, restaurants/food vendors, bars, and hotels, and including SXSW – will not reopen and re-employ workers without dedicated and ongoing fiscal support; NOW,

THEREFORE BE IT RESOLVED, The Red River Cultural District adopts the following recommendations and urges the City Council of Austin, Texas to take action immediately.

**RECOMMENDATION 1: COVID-19 AND ECONOMIC DISASTER RELIEF**

The following items represent actions that would support current small business retention and later recovery.

Music Economy Relief	Support	Description	Actions
CARES	Inclusion in list of businesses eligible for a portion of the \$170M allocation.	Live Music Venues alone will need on average \$40k per month closed to pay rent, utilities & minimal staff costs or perhaps \$2 million per month closed.	<p><b>Actions:</b></p> <p><i>Phase 1: Deploy basic assistance to the 54 music venues identified by the MVA’s live music definition monthly.</i></p> <p><i>Phase 2: Reassess support at reopen and include reinvestment costs related to first month (re-employment and re-purchase of goods).</i></p> <p><i>Phase 3: Reassess ongoing needs until cultural tourism industry stabilizes.</i></p>
Live Music Fund	Down from \$3.4m to an expected \$1.4m.	Venues are the regular and ongoing employers for musicians. Audiences may not have income to pay cover, when venues open. The LMF will need to be preserved for dedicated local live music performance programming funding to help employ musicians at safe-to- open date.	<p><b>Action: Reserve and grow the fund for use as re-employment/payroll inside of venues at safe re-open. Consider long-term for driving and restoring the live music &amp; cultural tourism economy.</b></p>



Small Business Reinvestment Permitting	Expedited process, fee adjustment.	The market will demand new safety and health protocols from all social business models. New protocols may include upgrades to public spaces, like bathrooms, foyers, or service counters. For small business that has reinvestment support, expediting process and permitting costs, as well as project finish before reopen date may be best policy for optimal recovery partnerships between government and small businesses.	<i>Action: Create turnkey product for small businesses that allows for fast and safe reinvestment in safety and healthy infrastructure - complete turnaround in 30 days or less for permitting and compliance.</i>
RRCD Customer Parking/ROW (tour bus parking)	Removal or downward fee adjustment for cultural tourism district.	Any hurdles for market participation in recovery and reopening should be removed and new concepts implemented.	<i>Action: Remove related costs to the district for 24 months.</i>
RRCD Patio Cafes Fee Wavers	Removal or downward fee adjustment for cultural tourism district.	The RRCD has two patio agreements in place that could see fees removed and then be exported district-wide for use for activation by these local small businesses.	<i>Action: Remove related costs to the district until the economy has emerged from hard times. Allow patio cafes and other economic activities, as long as public safety is maintained.</i>
RRCD City Land Purchase/Use Preservation	\$35m	Fewer than 10% of live music venues own their property. Long-term success and viability of music economy is dependent upon long leases and stable rent + triple net.	<i>Action: Purchase land in the RRCD and become landlord for live music venues, dedicating use for live music and cultural activities, including leases and NNN under market value. Purchase and develop land with venue retention loss for</i>



			<i>commercial redevelopment including space for venues.</i>
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## RECOMMENDATION 2: SUPPORT RRCD’S STATE CULTURAL DISTRICT APPLICATION & DESIGNATION

The vision of the Red River Cultural District includes the continuity of collaborative stakeholder partnerships, uniquely Austin cultural experiences and expansion of current and developing economic activities from MLK to the MACC - leveraging cultural tourism economy, while simultaneously preserving authentic local traditions and small businesses.

Music will be experienced on stages servicing crowds of 73 persons at the inside stage of Cheer Up Charlie’s to up to 15,000 persons at the new Moody Arena planned for campus, as well as varied stage capacities in-between – leveraging Austin’s historically impressive live music experience to even wider audiences. New programming will tie existing historical cultural activities, like Oktoberfest and Dios De Los Muertos - activating currently and respectively at the German-Texan Heritage Society, the MACC and Mexicarte –both retaining and developing new audiences inside of in the district’s 15 venues and through the culinary, drink and short term and extended stay experiences throughout downtown Austin.

The Live Music Venue Fund will be the keystone dedicated funding mechanism for employing local live musicians, subsidizing free entry performances for visitors to Austin and locals alike. The LMF will create new industry standards for basic income, equity and diversity inside of programming decisions, and contract/capacity building for local live musicians. The expansion of the Austin Convention Center & SXSW will act as economic stabilizers, as those institutions, in partnership with Visit Austin and other stakeholders, drive cultural tourism growth, sales tax and employment downtown. UT gameday experiences will grow southward through the historical RRCD down into Rainey. Small businesses will mobilize partnerships with entrepreneurs to grow and innovate daytime business activities for more diverse and stable revenue streams, while the Waterloo Greenway entices families and tourists to come experience the natural beauty nestled within this busy hub of commerce.

An increase in service to volume of need for homeless individuals and families, as well as affordable housing, will help create more economic sustainability and equity, while decreasing the criminal activity that preys upon this vulnerable population by solving for rough camping and replacing distressed spaces with increased foot traffic and non-compliant crowds.

The future of downtown Austin, as well as the brand of “The Live Music Capitol of the World,” depends on a letter of endorsement in support of this designation by Mayor Adler, Council Member Tovo and Council Member Harper-Madison or by resolution with those adjoining Council sponsorships. The application is due by July 15, 2020.

## RECOMMENDATION 3: FAST-TRACK OUTSTANDING INITIATIVES

Current district enhancements are ongoing and have been ordered by Council Resolution from the General Fund.

District Enhancements	Allocated	Description	Actions
Sidewalks	\$1,300,000	FY19 Budget Amendment; City Council action items	<i>Action: Begin sidewalks by no later Fall 2020.</i>

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		<p>for \$1.3 of great streets funding for improvements for RRCD (Resolution No.20190808-144 +Resolution No: 20170608-033). Staff is directed to upgrade the streetscape of this district to the extent practicable to achieve Great Street standards.</p> <p>Implementation should begin now while businesses are closed due to COVID-19 or be completed in a phased approach to limit negative impacts to business operations.</p>	
Planters	Inclusive of the \$1,300,000	<p>City Council annual funding allocation from the Downtown Austin Public Improvement district PID, or from Downtown parking meter revenue for regular maintenance and repair for public right of planter box enhancement.</p>	<p><i>Action: Provide direction to lead department on maintenance funding and if PID, adopt this allocation during service plan. Update stakeholders on latest efforts to date and provide timeline for completion.</i></p>
Wayfinding	\$100,000	<p>Locations have been identified, Economic Development Department is lead, with lead partnership with Public Works a. Need fabrication and installation timeline.</p>	<p><i>Action: Include Red River Wayfinding in fabrication order with Downtown sign. Update stakeholders on latest efforts to date and provide timeline for completion.</i></p>

#### RECOMMENDATION 4: HOMELESSNESS SUPPORT AND SOLUTIONS

The RRCD Cultural Tourism District Plan and Austin requires investment in solving for Homelessness.

Safety Impact	Support	Description	Action
Homeless Shelters	TBD	Volume of need will likely increase as economic	<i>Action: Meet service need by increasing beds – approve &amp;</i>

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		disaster increases the likelihood of negative outcomes for individuals experiencing food and housing vulnerability. We request additional shelters & services that will move folks through the condition of homelessness into stability.	<i>build more shelters across the city and in every district.</i>
Homeless Mental Illness Services	TBD	Mental illness/addiction has been directly correlated to crime in the RRCD by APD's incident report data – we request funding for permanent residential facilities or similar long-term options for care for these social needs.	<i>Action: Implement programs &amp; activate spaces to serve individuals suffering from chronic and disabling mental illness conditions.</i>

Sincerely,

The Red River Cultural District [501(c)3] is a world-wide cultural tourism destination for authentic live music, entertainment, food and hospitality experiences in the heart of downtown Austin, Texas. Located between 6th and 12th streets, the district represents an association of over forty-seven local small businesses. The district's diverse programming regularly showcases both local and touring live music performances - seven days a week, showcasing Austin's live music brand between Rainey St and the University of Texas at Austin. Visitors to the district also experience over a dozen festivals annually, including not only SXSW Conference & Festivals, ACL Music Festival After-Shows, Creekshow, Levitation Fest, Oktoberfest + Hot Luck, but also to our annual district-grown music programs -Free Week and Hot Summer Nights. The District experience also provides excellent short-term & extended stay accommodations for all visiting guests and bands, culturally diverse dining experiences at restaurants + food trucks, as well as the promise of cold beers, excellent cocktails & good times for all.

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