HERITAGE GRANT PROGRAM

Promote tourism through preservation, restoration, and rehabilitation of historic properties per Texas Tax Code, Chapter 351.101(a)(5)
COUNCIL DIRECTION

June-Aug 2017  Visitor Impact Task Force report recommends changes to Heritage Grant Program

December  Ordinance rider directing 15% of HOT revenues to Historical Preservation Fund

March 2018  Council approves $6.95M in HOT funding for City projects and Heritage Grant Program (FY2018)

June 2018  Heritage Grant Working Group briefing
WORKING GROUP PURPOSE

+ Examine best practices in grant management
+ Consider how to leverage grants to support tourism and preservation goals
+ Recommend an administrator for the Heritage Grant Program
+ Make management recommendations for the Historical Preservation Fund
WORKING GROUP MEMBERS

Preservation: Historic Landmark Commission, Preservation Austin, Texas Historical Commission

Historic property owners and citizens

Organizations: Six Square, Downtown Austin Alliance

Hotel and Lodging: Austin Hotel & Lodging Association, Texas Hotel & Lodging, W Austin

Tourism: Convention Center, Visit Austin

Visitor Impact Task Force

City departments: Austin History Center, Convention Center, Economic Development, Planning & Zoning, Parks and Recreation
HERITAGE GRANTS - VISIT AUSTIN FY2000-2018

110 grants awarded

36 individual grantees

$3,400,768 awarded in total funding
EXISTING PLANS

+ Honor and preserve historical and ethnic heritage
+ Preserve historically and culturally significant facilities that reflect Austin’s diverse history
+ Maintain a mapped inventory of cultural and historical assets to recognize, preserve, and elevate place-based and underrepresented histories, narratives, and gathering spaces
+ Ensure Austin’s historical narrative is comprehensive and accurate by partnering with the community

+ Expand Heritage Grant applicant eligibility, project types, and amounts
+ Encourage grants to expand diversity in tourism sites and tourists attracted
+ Continue to support diversity, cultural, and heritage tourism
+ Serve as an economic engine for the City of Austin
+ Increase demand in the Austin MSA for...events and activities that positively affect the economic impact of the local tourism industry
+ Gain national and international media exposure for Austin’s diverse attractions, natural environment, rich history, culture and unique personality
+ Promote Austin’s multicultural, performing and visual arts, historic, recreation, education, sports, business and entertainment communities

+ Market and promote tourism and conventions among heritage, cultural and minority markets
+ Actively participate in + contribute to the overall strategic planning for the growth and sustainability of the visitor industry in Austin, through strong community outreach and with recognized expertise in the tourism industry
+ Promote historic, culture, and heritage-based tourism and events
+ Preserve and interpret historic resources for residents and visitors
+ Enhance Austin’s draw as a premier national and international tourist destination
+ Preserve and restore historic parks and recreation areas
+ Maintain and update inventories of historic resources
+ Protect historic buildings, structures, sites, places, and districts in neighborhoods throughout the city
+ Retain the character of National Register and local historic districts and ensure that development and redevelopment are compatible with historic resources and character
+ Encourage tourists and convention delegates to visit preserved historic sites or museums
IMPACT OF HERITAGE TOURISM

$1,331 spent per heritage tourist party, above $770 spent by average tourist party (TX, 2015)

52,000 jobs and $2.5 billion gained from heritage tourism (San Antonio, 2015)

Heritage tourists make up 10.5% of tourists and 12.5% of total travel spending (TX, 2015)

7.7% of Austin’s visitors are heritage tourists (2015)
IMPACT OF HERITAGE TOURISM
WORKING GROUP RECOMMENDATIONS

+ Create and fund a Heritage Tourism Division within the Economic Development Department

+ Develop a citywide Heritage Tourism Plan to guide Hotel Occupancy Tax and other tourism investments

+ Establish separate funding allocations for City departments and the Heritage Grant Program

+ Increase equity through expanded outreach and application support, criteria for underrepresented communities and geographies, grant disbursement in installments, and capacity-building for historic sites

+ Rename Heritage Grant Program (Heritage Tourism Grant) and Historical Preservation Fund (Heritage Tourism Fund) to reflect their purpose
## GRANT RECOMMENDATIONS

<table>
<thead>
<tr>
<th>SITE</th>
<th>CURRENT</th>
<th>RECOMMENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICANTS</td>
<td>Tourist-ready</td>
<td>Tourist-ready</td>
</tr>
<tr>
<td>PROJECT TYPE</td>
<td>Public, nonprofits</td>
<td>Nonprofits, private entities</td>
</tr>
<tr>
<td>MAX AWARD</td>
<td>Capital</td>
<td>Capital; Planning/</td>
</tr>
<tr>
<td></td>
<td>$59,000</td>
<td>Education/Marketing</td>
</tr>
<tr>
<td>GRANT FUNDS</td>
<td>$500,000/year</td>
<td>$250,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>≥$2M in FY2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td>≥50% of Historical Preservation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fund thereafter</td>
</tr>
</tbody>
</table>
PROPOSED HERITAGE TOURISM DIVISION

1) Administer Historical Preservation Fund
   + Heritage Grant Program
   + Allocation to City depts., including multi-year capital project plans

2) Facilitate Heritage Tourism Plan with public process

3) Coordinate heritage tourism efforts of City and partners

4) Support Visit Austin marketing

5) Build capacity of heritage tourism sites

6) Leverage other heritage tourism resources
ALIGNMENT WITH ECONOMIC DEVELOPMENT

+ Emphasize heritage tourism as economic development tool
+ Integrate tourism strategies between divisions
+ Coordinate public and private stakeholders to achieve economic development goals
+ Measure return on investment of heritage tourism HOT funds
PROPOSED STAFF

- Staff expertise in historic preservation, program and grant administration, outreach, marketing of historic sites, and compliance with restricted funds

- Four initial staff: division manager, two grant administrators, and heritage tourism/marketing coordinator (at minimum)

- Approximate cost $500,000/year

- Operations funded by Historical Preservation Fund
## HISTORICAL PRESERVATION FUND

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROJECTED HOT REVENUE*</td>
<td>$11,202,856</td>
<td>$11,314,885</td>
</tr>
<tr>
<td>DIVISION COSTS</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>HERITAGE GRANT PROGRAM</td>
<td>2,000,000</td>
<td>5,407,442</td>
</tr>
<tr>
<td>CITY ALLOCATION</td>
<td>8,702,856</td>
<td>5,407,442</td>
</tr>
<tr>
<td>REMAINING</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

* Assuming 15% allocation to fund
JUSTIFICATION FOR CITY ADMINISTRATION

+ Transparent
+ Conduct broad outreach across city; engage community experts
+ Create coherent framework for heritage tourism and coordinate multiple diverse stakeholders to implement
+ Integrate City allocation into annual budget process, in collaboration with Budget Office
NEXT STEPS

June

Recommendations submitted

May-Sept

Transition partnership between Visit Austin and City to administer second FY2018 grant cycle

Aug-Sept

Budget process

4 new staff recommended for EDD with $500,000 budget from HOT funds

Oct-Dec

Heritage Tourism Division created

Jan 2019

Division begins operations