

## AGENDA



## Recommendation for Council Action

## AUSTIN CITY COUNCIL

Regular Meeting: October 18, 2018

Item Number: 060

## Economic Development Department

Approve an ordinance amending the Fiscal Year 2018-2019 Capital Budgets of the Parks and Recreation and Library Departments (Ordinance No. 20180911-001) by appropriating from the Economic Development Department Historic Preservation Fund Operating Budget \$8,888,715 for allowable historic restoration and preservation projects or activities as authorized by the Texas Tax Code Section 351.101(a)(5) which permits hotel occupancy tax to be used for activities and projects that promote tourism and the convention industry, including historic restoration projects and activities that are in specific locations in the City.

<b>Lead Department</b>	Economic Development Department
<b>Fiscal Note</b>	Funding in the amount of \$8,888,715 is available in Fiscal Year 2018-2019 Historic Preservation Fund's Operating Budget. Fiscal note is attached.
<b>Prior Council Action</b>	October 4, 2018, Council adopted Resolution 20181004-033 to appropriate 70% of the Historic Preservation Fund to City departments for allowable historic restoration projects.
<b>For More Information</b>	Rebecca Giello, Interim Director-Economic Development Department, 512-974-3045; Melissa Alvarado, Public Information Specialist Sr.-Economic Development Department, 512-974-7870

### **Additional Backup Information:**

The Texas Tax Code, Chapter 351.101(a)(5) authorizes hotel occupancy taxes to be used to promote tourism and the convention industry through the use of those funds for historic restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums that are at, or in the vicinity of the Convention Center, or in areas of the City reasonably likely to be visited by tourists and convention delegates.

During the Fiscal Year 2018 Budget Process, the City Council established a Historic Preservation Fund (HPF) to promote tourism through the preservation, restoration, and rehabilitation of historic properties and sites. Through the Fiscal Year 2018-2019 Budget Process, Council approved a new position in the Economic Development Department to manage the HPF and programming.

Following Council's adoption of the Fiscal Year 2019 Budget, an interdepartmental working group including representatives from various city departments with knowledge and expertise related to the subject matter, including staff from Economic Development, the Parks and Recreation Department, Planning and Zoning - Historic Preservation Office, the Law Department, Convention Center, and Austin Library, reviewed a list of preservation expenditures for City of Austin historic facilities and sites. The group reviewed and prioritized the projects for recommendation to Council for FY19 funds. These projects were reviewed based on the following factors: project readiness; historical landmark and / or designation; evidence of tourism impact; equitable geographic distribution of projects throughout the City where possible; department-assigned level of importance; and leveraging of the costs with other funding to develop staff recommendations to fund projects from the 70% HPF allocation for City of Austin facilities and sites per the percentages in Resolution No. 20181004-033.

On October 4, 2018, Council approved the program allocation of funding as follows:

- § 70% for City of Austin historic facilities and sites in accordance with Texas Tax Code Section 351.101(a)(5);
- § 15% reserved for potential future historic acquisitions or major preservation projects that would be frequented by tourists and convention delegates;
- § 15% of the Fiscal Year 2019 HPF to the Heritage Grant Program.

Council also directed the City Manager to initiate the following combined recommendations of the Visitor Impact Task Force and the Heritage Grant Working Group related to the HPF: 1) Expand the eligible applicants for heritage grants per the recommendations of the Visitor Task Force and the Heritage Grant Working Group; 2) Expand eligible projects for heritage grants to include capital projects and planning, educational, and marketing projects; and 3) Increase the \$59,000 cap on individual heritage grants awards to \$250,000, with staff discretion to recommend to City Council grant requests above this threshold. The actions to approve those grants will come to Council after the program is revised and proposed grant-funded projects are reviewed for funding.

This action will appropriate the funds for City projects to City departments to begin implementation of

those projects.

Staff's work culminated in a list of projects (see below) totaling \$8,888,715 in requested funding from the Parks and Recreation, Library, and Planning departments.

#### Summary of Recommendation

The table below summarizes staff's recommended allocation of the HPF for Fiscal Year 2019. The list includes a projected estimate of funding to preserve and protect the property at 500 Montopolis Drive which may become City-owned as well as funding for additional work for the Citywide Historic Building Scan to determine the historic sites that are at or near hotels.

<b>Project</b>	<b>Department</b>	<b>Amount</b>
Barton Springs Bathhouse Rehabilitation	Parks and Rec.	\$3,000,000
Zilker Café Rehabilitation	Parks and Rec.	\$750,000
Downs Field Grandstands Restoration and Improvements	Parks and Rec.	\$225,000
Zilker Clubhouse Phase I Rehabilitation	Parks and Rec.	\$2,000,000
Brush Square Rehabilitation Phase I Implementation	Parks and Rec.	\$500,000
Historic Norwood Estate Restoration Phase I	Parks and Rec.	\$1,000,000
Interpretive and Wayfinding Signage at Historic Sites	Parks and Rec.	\$50,000
Small Scale Historic Preservation Projects	Parks and Rec.	\$323,715
Austin History Center Interior and Exterior Improvements	Library	\$500,000
Contractual funding appropriated for building scan and property acquisition		\$540,000
<b>Total</b>		<b>\$8,888,715</b>