

HERITAGE GRANT WORKING GROUP RECOMMENDATIONS – FEB. 11, 2019



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
Heritage Grant Working Group identified
- March 2018 Council approves \$6.95M in HOT funding for City projects and Heritage Grant Program (FY2018)
- June 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, and recommend an administrator for the Heritage Grant Program; make management recommendations for Historical Preservation Fund.

WORKING GROUP MEMBERS

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

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

HERITAGE GRANTS, VISIT AUSTIN FY2000-18

110 grants
awarded



36 individual
grantees

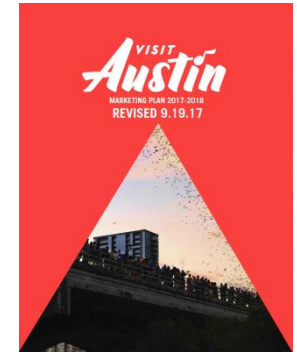
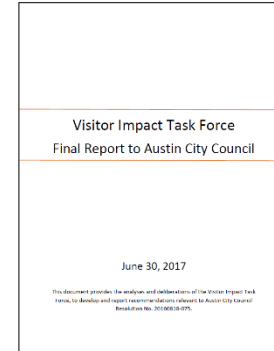
\$3,400,768
awarded in
total
funding



EXISTING PLANS



CITY OF AUSTIN STRATEGIC DIRECTION



+ 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, arts, 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
- + **Honor and preserve historical and ethnic heritage**
- + Historic resources inventory
- + Preservation plan
- + Historic designation
- + 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 new Heritage Tourism Division within the Economic Development Department
- + Develop a citywide Heritage Tourism Plan to guide HOT and other tourism investments
- + Establish separate funding allocations for City departments and the Heritage Tourism Grant
- + 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

HERITAGE TOURISM GRANT RECOMMENDATIONS

	<u>CURRENT</u>	<u>RECOMMENDED</u>
TOURISM	Tourist-ready	Tourist-ready
APPLICANTS	Public/nonprofit	Nonprofit/private
PROJECT TYPE	Capital - exterior	Capital; Planning/ Education/Marketing
MAX AWARD	\$59,000	\$250,000
GRANT FUNDS	\$500,000/year	≥\$2M in FY2019 ≥50% of HTF thereafter

PROPOSED HERITAGE TOURISM DIVISION

- 1) Administer Heritage Tourism Fund
 - + Heritage Tourism Grant
 - + Allocation to City depts.

- 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

ECONOMIC DEVELOPMENT DEPARTMENT

GLOBAL BUSINESS
EXPANSION

MUSIC AND
ENTERTAINMENT

CULTURAL
ARTS

HERITAGE
TOURISM
(PROPOSED)

REDEVELOPMENT

SMALL BUSINESS

- + 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

RECOMMENDED STAFF

- + Staff expertise in historic preservation, program and grant administration, outreach, marketing of historic sites, and compliance with restricted funds
- + Operations funded by Heritage Tourism Fund

HERITAGE TOURISM FUND

	<u>Recommended</u>	<u>Allocation</u>
PROJECTED HOT REVENUE	\$11,500,000	\$11,500,000
HERITAGE TOURISM GRANT	2,000,000	1,725,000
CITY ALLOCATION (total)	10,800,000	9,775,000
HISTORIC FACILITIES AND SITES	-	8,050,000
HISTORIC ACQUISITIONS	-	1,725,000
REMAINING	\$0	\$0

NEXT STEPS

June 6, 2018	Recommendations submitted to Council
October 4, 2018	Council passes Resolution 20181004-033 directing changes to Historic Preservation Fund for FY2019
October 18, 2018	Council passes Ordinance 20181018-060 for FY2019 Historic Preservation Fund allocations to City departments
February 2019	Hiring process for Heritage Tourism Division manager position