

**RESOLUTION NO. 20140501-036**

**WHEREAS**, Austin's festivals, road races, and other special events have a significant cultural and economic impact and have become a part of the identity of our City; and

**WHEREAS**, special events in Austin range from very small neighborhood-level events to large-scale, multi-million dollar productions; and

**WHEREAS**, the City Council sponsors fee waivers for small events up to a total annual amount of \$42,000; and

**WHEREAS**, the City Council also annually co-sponsors the Pride Parade, the Martin Luther King Jr. Parade, the Veteran's Day Parade, the Juneteenth Run Parade and Celebration, and the Celebrate Texas Parade and Run; and

**WHEREAS**, City support for small and moderately-sized co-sponsored events typically takes the form of fee waivers rather than actual expenditures for staff or other resources; and

**WHEREAS**, supporting small and moderately-sized events allows the City to achieve important community objectives and should be continued; and

**WHEREAS**, producing large-scale events requires considerable financial and personnel resources from public and private entities; and

**WHEREAS**, large-scale events generate significant sales tax and hotel occupancy tax revenue and have a positive economic impact on many local businesses; and

**WHEREAS**, large-scale special events should be regarded as important economic development investments; and

**WHEREAS**, in the past, individual fee waivers for large-scale events have totaled nearly \$1 million in waived fees and actual costs, have come forward for Council consideration with the sponsorship of two or three Council Members, and have often appeared on the agenda with little advance notice – a situation that provides little certainty for event promoters and that could create challenges for the city budget; and

**WHEREAS**, a dedicated funding stream for events could assist in providing support for public safety costs, among other departmental needs; and

**WHEREAS**, creating a more sustainable source of funding for special events would allow greater budget planning ability for city staff as well as events promoters; and

**WHEREAS**, Resolution No. 20130926-078 asked that the City Manager produce a comprehensive financial analysis of the direct and indirect cost of special events over the last five years; and

**WHEREAS**, staff estimates that between 2009 and 2013, the City spent approximately \$24 million on special event costs and collected approximately \$13 million in fees; and

**WHEREAS**, initial estimates suggest that the Austin Police Department has absorbed more than \$8 million of special event costs between 2009 and 2013; and

**WHEREAS**, more comprehensive economic analysis would enable the Council and the public to better evaluate the economic development benefits of large-scale events; and

**WHEREAS**, ticket surcharges are a possible funding method that has been mentioned to help offset municipal expenses; and

**WHEREAS**, the City collected approximately \$54.8 million from hotel occupancy taxes in Fiscal Year 2012 and these collections from Austin hotels are used to fund the Austin Convention Center, the Austin Convention and Visitor's Bureau, and the City's Cultural Arts Program; and

**WHEREAS**, the City's Music Commission has recommended that City Council explore other funding mechanisms for special events, including considering whether anticipated increases in hotel occupancy taxes could support special events costs; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Manager is hereby directed to investigate potential methods for funding costs associated with special events. In exploring this matter, the City Manager should seek input from stakeholders including, but not limited to, event producers and promoters, the Hotel Lodging Association, the Austin Neighborhoods Council, the Arts Commission, the Music Commission, and the Austin Convention and Visitors Bureau, review best practices from other cities, consider all possible funding sources, and explore the film incentives proposal as a possible model.

**BE IT FURTHER RESOLVED:**

The City Manager should coordinate the work of the Austin Center for Events, Economic Development Department, Parks and Recreation Department, the Austin Police Department, the Transportation Department, and any other relevant departments to solicit feedback and ideas about how to create a special events fund and application and an evaluation process.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to create a proposal for a special events fund that will support small and moderately-sized community events as well as providing a more sustainable, consistent, and analytical method of evaluating and providing financial support for large-scale special events. Any proposal should seek to minimize the impact on individual City departments.