

RESOLUTION NO. 20160818-075

WHEREAS, the City of Austin has become an internationally recognized destination for live music, special events, parks, culture, food, and history; and

WHEREAS, the City of Austin has been termed the “Live Music Capital of the World”; and

WHEREAS, according to Austin Convention & Visitors Bureau, in 2013 more than 21.5 million people from around the globe visited Austin; and

WHEREAS, according to the Austin Convention Center Long Range Master Plan, the total Convention attendance for 2014 was 449,464, approximately 2% of all visitors to Austin; and

WHEREAS, in Fiscal Year 2016/17, it is estimated that visitors will generate more than \$90 million in Hotel Occupancy Taxes which has become the third largest source of tax revenue for the City of Austin; and

WHEREAS, currently the City of Austin uses Hotel Occupancy Taxes for the Austin Convention Center, Austin Convention & Visitors Bureau, and the Cultural Arts Program; and

WHEREAS, in addition to those departments and programs, other events, activities, districts, and facilities bring visitors to town and support the tourist industry; and

WHEREAS, the Spring Festivals attract tourists, artists, musicians, professionals and companies from all over the world; and

WHEREAS, Texas Tax Code, Chapter 351.101 (e) states that "hotel occupancy tax revenue spent for a purpose authorized by this section may be spent for day-to-day operations, supplies, salaries, office rental, travel expenses, and other administrative costs" only if those costs are incurred by activities that promote tourism and the convention and hotel industry and that fit within the authorized uses set out in Texas Tax Code 351.101(a); and

WHEREAS, Zilker Park, which includes Barton Springs, and which is the site for Austin City Limits as well as other large events, is nationally-recognized as one of the best Urban Park's to visit; and

WHEREAS, the Parks Department markets and supports a number of other facilities and events, including cultural centers, theaters, and museums, that are attended by tourists and visitors; and

WHEREAS, in 2014, the Zilker Botanical Gardens, the Hillside Theater, Dougherty Arts Center, the Carver Museum, and O. Henry Museum had total attendance of 423,069; and

WHEREAS, the City of El Paso uses local Hotel Occupancy Taxes to fund the Department of Museums and Cultural Affairs; and

WHEREAS, with the aggressive expansion of hotel rooms being built, tourists are visiting the City in growing numbers and therefore total Hotel Occupancy Tax revenues are expected to increase more than \$11 million in Fiscal Year 2016/17; and

WHEREAS, to ensure the effective investment of taxpayer money, reporting data and information on the effect of each expenditure on tourist activity and economic development is critical; and

WHEREAS, providing public oversight and input regarding both the use of and the effect of the City use of hotel occupancy tax revenue would ensure public confidence in the City use of tax dollars; **NOW, THEREFORE**,

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

City Council establishes a Visitor Impact Task Force.

1. The scope of the Task Force shall include:

- Study the impact of tourism on City infrastructure, services, and facilities, and investigate opportunities to offset those impacts by using Hotel Occupancy Tax revenues;
- Review of current uses of Hotel Occupancy Taxes and the impact of those activities and expenditures on tourism in the City;
- Review of current tourist activity in the City of Austin and what events, venues, or facilities those tourists attend while visiting;
- Review of State and National best practices for tourism programs;
- Review of Texas Tax Code Chapter 351 and allowable uses of Hotel Occupancy Taxes under the Tax Code including parks, historic preservation, cultural heritage, music, arts, special events, fee waivers, convention, visitors bureau, transportation, downtown districts, venues and other facilities and debt defeasance for city-owned hotels and convention facilities;
- Review the Austin Convention Center expansion, all possible design options and potential funding mechanisms; and
- Make recommendations to the City Council about how to best utilize all hotel occupancy revenue to impact tourism by April 1, 2017.

2. The Task Force shall be comprised of 18 voting members and two ex officio members appointed by the City Council:
 - 2 members of the music industry nominated by the Music Commission;
 - 2 members of the arts community nominated by the Arts Commission;
 - 2 members of the special events industry; one nominated by the Parkland Events Task Force and one nominated by the Economic Opportunity Committee;
 - 1 member nominated by the Austin Convention and Visitors Bureau;
 - 1 member of the hotel industry nominated by the Economic Opportunity Committee;
 - 1 member of the public safety community nominated by the Public Safety Commission;
 - 1 member of the preservation community nominated by the Historic Landmark Commission;
 - 1 member of the parks community nominated by the Parks & Recreation Board;
 - 1 member from the Convention Center;
 - 1 member nominated by the Downtown Commission;
 - 2 community members who represent the tourism workforce nominated by the Economic Opportunity Committee;
 - 1 community member appointed by the Planning and Neighborhood Committee;
 - 1 member of the environmental community nominated by the Environmental Commission;
 - 1 member representing the restaurant industry nominated by the Economic Opportunity Committee;
 - 1 ex officio member from the Public Works Department; and
 - 1 ex officio member from the Austin Transportation Department.
3. A quorum for the conduct of business is a majority of Task Force members who have been appointed by Council. The Task Force shall elect a chair and vice-chair at its first meeting.
4. The Task Force will be subject to the Open Meetings Act, all meetings will be open to Public, and public will be given a reasonable amount of time to provide input.
5. The City Manager shall provide reasonably necessary resources and technical assistance to the Task Force.
6. Any City Council Member may recommend nominees for consideration to the Economic Opportunity Committee no later than October 9th 2016.

7. The City Council shall determine whether to dissolve the Task Force or make it a permanent Commission no later than adoption of the Task Force Report or December 31, 2017, whichever occurs first.

BE IT FURTHER RESOLVED

The City Manager is directed to consider creation of a Parks & Cultural Center Tourism Fund, Special Events Tourism Fund, and a Historic Preservation Tourism Fund, funded by Hotel Occupancy Taxes.

BE IT FURTHER RESOLVED

Should City Council amend City Code to add any new types of expenditure category for Hotel Occupancy Taxes, the City Manager is directed to provide reporting similar to the reporting for Cultural Arts grants, for the new types of expenditures.

BE IT FURTHER RESOLVED

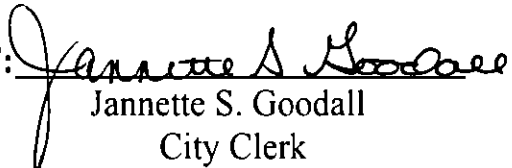
The City Manager is directed to report back to Council in conjunction with the Visitor Impact Task Force Report no later than April 1, 2017.

BE IT FURTHER RESOLVED

The City Manager is directed to begin conversations with the downtown hotels related to the creation of a Tourism Public Improvement District (PID), which could be a potential mechanism used for the expansion of the Austin Convention Center or any other uses allowed under state law regarding a Tourism PID.

ADOPTED: August 18, 2016

ATTEST:


Jannette S. Goodall
City Clerk