

# HERITAGE GRANT WORKING GROUP BRIEFING COUNCIL WORK SESSION – June 12, 2018





# 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 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

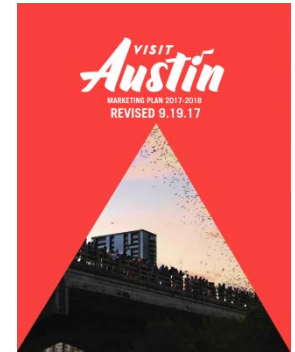
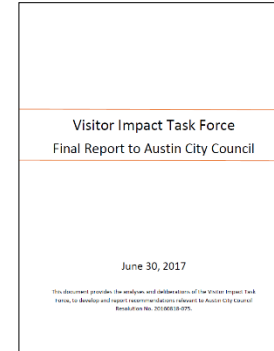




# EXISTING PLANS



## CITY OF AUSTIN STRATEGIC DIRECTION



### + 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

## CURRENT

SITE	Tourist-ready
APPLICANTS	Public, nonprofits
PROJECT TYPE	Capital
MAX AWARD	\$59,000
GRANT FUNDS	\$500,000/year

## RECOMMENDED

Tourist-ready
Nonprofits, private entities
Capital; Planning/ Education/Marketing
\$250,000
≥\$2M in FY2019 ≥50% of Historical Preservation Fund thereafter



# PROPOSED HERITAGE TOURISM DIVISION

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

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- 2) Facilitate Heritage Tourism Plan with public process

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- 3) Coordinate heritage tourism efforts of City and partners

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- 4) Support Visit Austin marketing

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- 5) Build capacity of heritage tourism sites

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- 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

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

\* 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