

RESOLUTION NO.

WHEREAS, City Council Resolution 20170831-060 directed the City Manager to allocate 15% of the seven-cent portion of the City's Hotel Occupancy Tax (HOT) to support operations and maintenance of City of Austin historic facilities and sites in accordance with Texas Tax Code Section 351.101(a)(5); and

WHEREAS, Texas Tax Code Section 351.101(a)(5) authorizes hotel occupancy tax to be used for historic restoration projects and activities that promote tourism and the convention industry; and

WHEREAS, the Fiscal Year 2019 budget includes \$11.5 million of hotel occupancy taxes in the Historic Preservation Fund (HPF) for eligible historic restoration and preservation projects and activities; and

WHEREAS, for nearly two decades, a portion of the Austin Convention and Visitor's Bureau (now Visit Austin) budget has been allocated to fund and administer the Heritage Grant Program, and Visit Austin will cease administration of the program by the end of 2018; and

WHEREAS, both the Visitor Impact Task Force and the Heritage Grant Working Group developed specific recommendations for changes and expansions to HOT expenditures for historic preservation; and

WHEREAS, both bodies recommended: (1) leveraging HOT dollars and other tools in a coherent, strategic, multi-year approach; (2) creating and funding a Heritage Tourism

22 Division within the Economic Development Department; (3) establishing separate funding
23 allocations for city departments/initiatives and the Heritage Grant Program; (4) developing
24 a citywide heritage tourism plan; (5) expanding eligible applicants to include private
25 property owners; (6) expanding eligible project types to include planning, education, and
26 marketing projects as well as capital projects; and (7) removing the current \$59,000 cap on
27 grant awards; and

28 **WHEREAS**, the City budget process provides a transparent way to allocate funds
29 to city departments, programs, and initiatives, including HPF-funded expenditures; and

30 **WHEREAS**, the Parks and Recreation Department and other departments have
31 demonstrated the need for millions of dollars of capital and operating expenditures eligible
32 for Hotel Occupancy Tax revenue under Chapter 351 of the Texas Tax Code; and

33 **WHEREAS**, applicants have requested a total of more than \$500,000 for the past
34 two cycles of the Heritage Grant Program; **NOW, THEREFORE**,

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

36 That the City Manager shall allocate the Historic Preservation Fund FY2019 budget
37 in the following manner:

- 38 • 70% for City of Austin facilities and sites
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40 • 15% reserved for potential future historic acquisitions or major preservation projects
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42 • 15% of the Fiscal Year 2019 Historic Preservation Fund to the Heritage Grant
43 Program
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46 **BE IT FURTHER RESOLVED:**

47 The City Manager is directed to initiate the following combined recommendations
48 of the Visitor Impact Task Force and the Heritage Grant Working Group related to the
49 Historic Preservation Fund:

- 50 1. Expand the eligible applicants for heritage grants per the recommendations of the
51 Visitor Impact Task Force and the Heritage Grant Working Group;
- 52 2. Expand eligible projects for Heritage Grants to include capital projects and planning,
53 educational, and marketing projects; and
- 54 3. Increase the \$59,000 cap on individual Heritage Grant awards to \$250,000; and

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58 **BE IT FURTHER RESOLVED:**

59 That the City Manager shall take immediate steps to expand the current Heritage
60 Grant Program review panel to include representatives from various city departments with
61 knowledge and expertise related to the grant program and to the subject matter, including
62 staff from Economic Development, the Parks and Recreation Department, and the Historic
63 Preservation Office; and

64 **BE IT FURTHER RESOLVED:**

65 That the City Manager will provide quarterly reports to the Audit and Finance
66 Committee about Heritage Grant awards and shall brief the full Council during a regularly
67 scheduled meeting of the City Council in June 2019; and

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69 **BE IT FURTHER RESOLVED:**

70 That the City Manager shall provide recommendations for FY2019 Heritage
71 Preservation Fund expenditures for city assets to the City Council for action by October
72 18, 2018; and

73 **BE IT FURTHER RESOLVED:**

74 That after Council approves the 2019 Historic Preservation Fund expenditures for
75 City assets, the City Manager shall convene stakeholders to solicit feedback on the FY2020
76 process for determining overall Historic Preservation Fund allocations and identifying
77 possible projects, and report back to Council by May 2019. Stakeholders should include
78 relevant boards and commissions, including but not limited to, Historic Landmark
79 Commission, Tourism Commission, Arts Commission, Music Commission, Downtown
80 Commission, Design Commission, Parks and Recreation Board and the Urban Renewal
81 Board; members of local preservation organizations, including Preservation Austin, Travis
82 County Historical Commission and the State Historical Preservation Office; the Austin
83 Independent Business Alliance and businesses located in historic districts and/or historic
84 structures.

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ADOPTED: _____, 2018 **ATTEST:** _____
Jannette S. Goodall
City Clerk