



RECOMMENDATION 20190513-4b

Date: 05/13/19

Subject: Visitor Impact Task Force

Motioned By: Whittington

Seconded By: Rodriguez

Recommendation

A recommendation to City Council to adopt and implement the recommendations of the Visitor Impact Task Force (VITF) as a guiding framework for the future expansion of the Austin Convention Center and allocation of Hotel Occupancy Taxes.

Description of Recommendation to Council

The Tourism Commission recommends that Council review the economic and financial implications of the findings and recommendations of the Visitor Impact Task Force and adopt and implement such recommendations as a guiding framework for the expansion of the convention center. Such recommendations include, but are not limited to:

- *Increasing the Chapter 351 Hotel Occupancy Tax rate by 2% for a convention center expansion project as allowed by state law Section 351.1065 and 351.003(b).*
- *Acceleration of the existing Convention Center debt service through additional captured funds.*
- *Allocation of 15% of revenues derived from an increase in the Chapter 351 tax rate from 7% to 9%, or the equivalent of \$.003 per taxable dollar, as allowed by state law for the encouragement, promotion, improvement and application of programs and platforms that directly support the Commercial Music sector.*
- *Allocation of 15% of revenues derived from an increase in the Chapter 351 tax rate from 7% to 9%, or the equivalent of \$.003 per taxable dollar, as allowed by state law for historical restoration and preservation and other allowable uses relating to heritage tourism.*
- *Continued allocation of 15% of the existing 7% Chapter 351 tax revenues for Cultural Arts and Historic Preservation programs.*
- *Implementation of a public / private partnership in future expansion of the Convention Center to maximize property tax revenues and minimize the financial commitment of such an expansion.*

- *Engage the hotel community to implement a Tourism Public Improvement District (TPID) overlay with annual concession to the City of Austin for identified and agreed upon public needs.*

Rationale:

The VITF spent 6 months analyzing the issues related to the expansion of the Convention Center through a public process.

The VITF brought forth a balanced set of recommendations with consensus from the stakeholders involved.

The University of Texas used these recommendations as a point of reference in their study of potential options for Convention Center expansion.

The recommendations of the VITF identified the opportunity for a public / private partnership in order to maximize property tax revenues, promote street-level activity and offset development costs.

Austin's Commercial Music sector (loosely defined as the musicians, venues and industry operators that further the public consumption of music in Austin) has long been regarded as an intrinsic part of Austin's cultural identity and a major driver of tourism.

Musicians and music venues face a crisis of affordability, access to services and spaces, equity, and resources. These are immediate and palpable threats to the continued vitality of the music sector.

The VITF and the hotel community identified the creation of a TPID as a viable option for funding needed public services if the market can support the additional assessment from the creation of such a district.

Council has already allocated funding for Historic Preservation and the Cultural Arts as allowed by state law and additional funding can be realized through the VITF recommendations.

Vote

For: *Whittington, Rodriguez, Alexander, Cannatti, Fuentes, Riedie, Bailey, Joslove, Magee*

Against:

Abstain: *Rodgers*

Absent: *Bunch*

Attest: *[Staff or board member can sign]*

