

**RESOLUTION NO.**

**WHEREAS**, a July 2020, survey by the Hobby School of Public Affairs found that live-music venues, arts venues, restaurants/bars are the Austin businesses most vulnerable and susceptible to permanent closure; and

**WHEREAS**, according to an August 17, 2020, memo from City Staff, the pandemic has exacerbated the significant need for, inequitable access to, and the destabilizing of the existing fragile childcare sector. An estimated 50% of childcare programs nationwide are at risk of going out of business due to COVID-19; and

**WHEREAS**, childcare should be viewed as important infrastructure for our community and will be necessary for our city to recover from the pandemic. High quality childcare that is accessible to everyone in our community helps the economy by enabling parents to receive training and to participate in the workforce; and

**WHEREAS**, in Austin, our creative spaces and places for social gathering are also important civic infrastructure and help define our city’s character and brand; and

— **WHEREAS**, providing relief for the childcare and creative industries will serve to support the workers who make childcare, performances and venue operations possible, such as musicians, sound and lighting technicians, stagehands, designers, artisans, and other personal service professionals affected by the pandemic economic fallout; and

20 WHEREAS, communities of color and their businesses in these industries serve  
21 communities that have suffered from systemic inequities and institutional racism, which  
22 have been disproportionately negatively impacted by the pandemic; and

Commented [MM1]: Flannigan

Commented [SA2]: Flannigan

23 WHEREAS, culinary, arts, and live-music businesses founded in Austin, and  
24 unique to Austin, promote tourism and the hotel and convention industry by defining our  
25 character and brand as one filled with distinctive experiences for visitors found only in  
26 Austin and the loss of those contributing essential talents and businesses would have  
27 negative impacts to the City's ability to quickly recover and to sustain our cultural and  
28 civic infrastructure; and

Commented [MM3]: Kitchen

29 WHEREAS, City Council has passed several resolutions to provide relief to  
30 musicians and music venues, including Resolution No. 20200409-086, directing the City  
31 Manager to create the Live Music Disaster Relief Fund and to explore the development  
32 of a live music portal; and Resolution No. 20200521-096, directing the City Manager to  
33 explore multiple strategies to provide support for the Red River Cultural District and  
34 other live music venues affected by the pandemic, including expediting final creation of  
35 the Economic Development Corporation, considering the reduction of fees associated  
36 with patio cafes, renovations, and other costs, and identifying opportunities for Transfer  
37 of Development Rights and facility acquisitions; and

Commented [SA4]: Tovo

38 **WHEREAS,** due to this importance, the city has already allocated directly and  
39 indirectly some funding to these sectors and their workers during the pandemic as

previously directed through Council Resolutions 20200326-091, 20200326-088, 20200409-086, 20200423-040, 20200507-023, 20200521-095, 20200521-096, and 2020-0604-040; and

**WHEREAS**, city staff and stakeholders have identified additional funding needed to help these sectors survive during this time, together with the people, entities, and businesses working in them; and

**WHEREAS**, pursuant to prior direction from City Council and according to an August 28, 2020 memo to Mayor and Council, city staff will be posting all necessary documents for the formation of the Austin Economic Development Corporation (AEDC) for consideration on the October 1, 2020 Council agenda; and

**WHEREAS**, the Austin post-pandemic economy is predicted to experience a “K-Shaped” recovery, where some individuals and industries, with higher income workers, are advantaged with a more quick and complete recovery and growth and for others, disproportionately with disadvantaged workers of lower incomes, a slower and longer term recovery with greater hardship is predicted. The childcare, live-music venue, arts venue, restaurant/bar industries are among the industries first detrimentally impacted by the pandemic and are anticipated to among the last to recover; and

**WHEREAS**, the health and vibrancy of these sectors are important to Austin and are a priority in sustaining our quality of life and our economic recovery efforts; **NOW, THEREFORE**,

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

City Manager is directed to broadly explore and identify funding options to provide financial and equivalent assistance to support the sustainability of the most vulnerable and at-risk live-music venues, arts venues, restaurants/bars and childcare ~~services-providers,~~ which support workers who sustain those industries and the unique culture of our city.

Commented [MM5]: Flannigan

The City Manager is to explore and identify all available public and private funding options, including local, state, and federal sources, non-profit and philanthropic, and to consider legal limitations, impact on relevant financial policies, and the opportunity costs associated with each option. This exploration and identification of funding options should include, but not be limited to, the following listed sources. The Council wants to understand the associated possibilities, legalities and practicalities to be better able to consider employing one or more of the following options:

- Additional Federal assistance;
- State assistance;
- County assistance;
- General Fund Reserves;
- Certificates of Obligation;
- Contractual Obligations;
- Sales or other tax revenue;
- Convention Center reserves, interest or other earned funding;

- 80 • Other departmental funds, programs, services, or capital projects approved in  
81 the Fiscal Year 20-21, or prior budgets, as appropriate, that might be re-  
82 prioritized, postponed, financed or accomplished thru alternate or outside  
83 funding; and
- 84 • [Temporary use of right-of-way fees, alley and street vacation sales, and](#)  
85 [revenue from encroachment agreements from Downtown development projects](#)  
86 [located outside the Rainey Street Historic District and Subdistrict \(as shown on](#)  
87 [the attached Exhibit 1\); and](#)
- 88 • Property tax abatements and/or payment plans.

Commented [SA6]: Tovo

89 The City Manager shall also identify the minimum funding, loans and/or  
90 abatements needed to have a significant impact on maintaining these sectors for our  
91 community.

92 **BE IT FURTHER RESOLVED:**

93 The City Manager is directed to explore and identify additional ways that the city  
94 can provide support to these sectors and businesses within these sectors in addition to the  
95 funding and financing options addressed above. These may include, but not be limited to,  
96 revising the Chapter 380 program to expand its application, fee and permit waivers and  
97 reductions, administrative changes to lower or eliminate operational costs, and facilitating  
98 commercial tenant stabilization, protection or assistance programs that provide support  
99 associated with [commercial](#) evictions, leases workouts and mediations, and support or

100 education concerning seeking bankruptcy or other financial protections, including but not  
101 limited to by coordinating with or otherwise supporting organizations able to do this work.

102 **BE IT FURTHER RESOLVED:**

103 The City Manager is directed to begin now to plan for the distribution of any federal,  
104 state or other funding that might become available and directed by City Council for the  
105 most vulnerable and critical businesses in these sectors so that assistance may be quickly  
106 administered and distributed, directly or through an economic development corporation  
107 or otherwise. The City Manager is directed to evaluate and make a recommendation on  
108 utilizing industry-specific funds, such as a program or programs dedicated solely to  
109 childcare or live music venues, etc... It is recognized that there will not be enough  
110 resources to help address all the identified need, so prioritizations will need to be set based  
111 on where resources can most effectively and efficiently be applied to those most in danger  
112 of failing and whose failure would have the greatest detrimental impact on the city's civic  
113 infrastructure, economic recovery and preservation of its culture, character and brand.  
114 music venues, etc.

Commented [SA7]: [...moved below...]

115 **BE IT FURTHER RESOLVED:**

116 As a part of the City Manager's exploration of funding options, the benefit should  
117 be considered and the City Manager shall provide Council with a proposal to direct all or  
118 most of the Fiscal Year 2019-2020 sales tax revenues that exceed budget projections to

the Austin Economic Development Corporation (AEDC) ~~for so that it might immediately~~  
~~begin work to effect~~ the purposes set out in this resolution.

**BE IT FURTHER RESOLVED:**

~~Consideration should~~ It is recognized that there will not be ~~given enough~~  
~~resources to having address all~~ the AEDC ~~immediately begin identified need, so the~~  
~~priority for this resolution shall be the most effective and efficient application of resources~~  
~~and assistance to those industries and businesses most in danger of failing, and whose~~  
~~failure would have the greatest detrimental impact on the city's civic infrastructure,~~  
~~economic recovery and preservation of its work by helping with~~ unique culture, character  
~~and brand. Specifically, the priority is to support~~ the survival goals of this resolution and  
~~focusing focus~~ on the particular industries and businesses that best meet, ~~without~~  
~~limitation,~~ the following ~~kinds of~~ criteria:

- ~~an assisted the~~ business ~~would be one that~~ faces a substantial likelihood of closing  
permanently absent assistance, ~~and there is a very low likelihood of a similar~~  
~~business re-opening in the same or nearby location due to increased rents or other~~  
~~market factors;~~
- ~~the business or industry faces uniquely difficult challenges pivoting to alternative~~  
~~operating models for generating revenue sufficient for survival under extended~~  
~~public health emergency orders;~~

- assistance provided ~~will~~ significantly ~~contribute~~contributes to helping reasonably ensure that the business will not fail for at least a sufficient period of time to help provide a realistic path to recovery and sustainability;
- ~~the selected recipients of~~ assistance ~~represent~~provides the opportunity for the greatest multiplier effect – where funding is helping not only the ~~chosen~~ entity's business or industry's survival, but also ~~supporting~~supports workers, customers, other industries, the city's civic infrastructure, economic recovery, and the City's unique character, brand and culture;
- the survival of ~~the~~ assisted businesses, to the greatest extent possible, will help people with low and middle-incomes anticipated to be disadvantaged in a “K-shaped” recovery; and,
- the selected recipients of assistance should be those whose failure and loss would have the greatest detrimental impact on the city's civic infrastructure, economic recovery and preservation of its unique culture, character and brand.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to work with the Equity Office to ensure programs are equitably funding businesses and community assets in a way that addresses historic systemic inequities with attention to business ownership, employment, audience and/or genre.

Commented [MM8]: Flannigan

**BE IT FURTHER RESOLVED:**



The City Manager is directed to explore and make recommendations on the use of identified revenues to purchase, lease, acquire, or support acknowledged tourism assets, such as live-music venues and arts venues, under risk of demolition or change in business type, and solicit experienced operators who would maintain the historic name and businesses. This exploration should include, but not be limited to Visitor Information Centers, as defined by Tex. Tax Code, Section 351.101(a)(1) and the Austin Economic Development Corporation, once operational, as an initial project for consideration.

Commented [MM9]: Kitchen

**BE IT FURTHER RESOLVED:**

**~~BE IT FURTHER RESOLVED:~~**

The funding and relief options and recommendations shall be presented to Council at a work session (special called if necessary) as soon as ready but no later than September 29, 2020. The City Manager shall put on the October 1, 2020, Council meeting agenda, without limitation, any supporting or necessary ordinances and budget amendments, Chapter 380 ordinance changes and/or initiations, etc., for Council consideration as might be necessary to facilitate and effectuate the goals of this resolution and the speed of relief to be provided.

Commented [SA10]: Tovo

The AEDC proposal shall be placed on the October 1, 2020, Council meeting agenda with the following, and any similar kinds of elements, able to be considered for council Council approval if it will facilitate and effectuate the goals of this resolution and the speed of relief to be provided:

- authorization of needed outside counsel or consultants to get remaining documentation drafted or executed quickly or for any other purpose;
- an interim governance structure and appointments;
- an interim staffing plan for the AEDC;
- any remaining documentation or authorizations required of Council for the AEDC to quickly establish itself and begin relief efforts set forth in this resolution.

**ADOPTED:** \_\_\_\_\_, 2020    **ATTEST:** \_\_\_\_\_

Jannette S. Goodall

City Clerk