RESOLUTION NO.

WHEREAS, iconic venues and other local tourist destinations have been forever lost or displaced due to Austin’s successful economy and real estate boom, resulting in the loss of some of Austin’s most significant cultural incubators and tourist destinations; and

WHEREAS, iconic venues and local tourist destinations are responsible for launching much of Austin’s talent and reputation into what it is today; and

WHEREAS, a recent *Billboard* article, “Venues Closing Across America: An Updating List (And Why It Matters),” speaks to venues closing across the country and struggling without revenue and insufficient government assistance due to the continuing COVID-19 pandemic; and

WHEREAS, the *Billboard* article provides a partial list of permanently closed venues by state, listing 15 closures for the State of Texas, eight of which are in Austin and being the city with the largest number of closures; and

WHEREAS, Austin has not successfully provided a means to save these aspects of Austin’s character and culture, resulting in the loss of such places as the iconic Threadgill’s World Headquarters, Shady Grove, Barracuda, Plush, Scratchouse, The Townsend, One-2-One Bar, and North Door; and

WHEREAS, the COVID-19 public health crisis continues to negatively impact our tourist-related economies due to the general public limiting their travel,
public health limitations on the ability to gather, and requirements of social
distancing; and

**WHEREAS**, businesses that promote tourism and the hotel and convention
industry are faced with nearly complete loss of operating income due to COVID-19
precautions on top of the pre-COVID conditions of rising rents; and

**WHEREAS**, despite best efforts by the City Council and staff, relief funds to
assist with expenses have fallen significantly short to meet the need and to date have
been unable to address the loss of iconic venues and tourist destinations that serve
as significant aspects of Austin’s cultural heritage and brand; and

**WHEREAS**, it may be possible federal funds, such as SAVES funding, could
be utilized to stabilize Austin’s tourist economy; and

**WHEREAS**, Austin’s unique character and brand has established the City’s
international reputation for live music and cultural vibrancy that attracts visitors
from around the world; and

**WHEREAS**, culinary, arts, music, and creative venues founded in Austin,
and unique to Austin, promote tourism and the hotel and convention industry by
defining that character and brand as one filled with distinctive experiences for
visitors found only in Austin and the loss of those contributing essential talents and
businesses would have negative impacts to the City’s ability to quickly recover and
thrive upon recovery; and
WHEREAS, Austin City Council Resolution No. 20200326-091 directed City Management to prioritize all necessary resources available to address the public health and economic crises connected to the emergency declaration related to COVID-19; and

WHEREAS, Austin City Council Resolution No. 20200326-091 further directed the City Manager to consider possible options for reassessing other uses of and repurposing of existing Hotel Occupancy Tax (HOT); and

WHEREAS, Texas Attorneys General have affirmed that cities must determine in the first instance whether an expenditure of HOT revenue is proper under Texas Tax Code Section 351.101 and have discretion in determining what expenditures promote tourism; and

WHEREAS, Austin City Council is determining certain iconic culinary, music and arts venues and spaces may be acquired, constructed, improved, enlarged, equipped, repaired, operated, and maintained by the City as visitor information centers under Texas Tax Code, Sections 351.001(8) and 351.101(a)(1) to promote tourism and the convention and hotel industry; and

WHEREAS, Visitor Information Centers are evolving, as is the convention center industry as a whole, and there is opportunity to redefine Austin’s Visitor Information Centers as destinations that provide an authentic Austin experience in
their original locations and that both inform visitors about and entertain them with 
authentic Austin culture; and

WHEREAS, securing these originating locations would allow these iconic 
venues and tourist destinations to be recognized as longstanding contributors to the 
City’s success, contributors to Austin’s unique brand, and provide a means to sustain 
them as significant to the City’s unique cultural fabric and status as a tourist 
destination; and

WHEREAS, businesses that promote tourism and the hotel and convention 
industry will be critical to the recovery of Austin’s tourism economy and hotel room 
occupancy levels once COVID-19 precautions are lifted; NOW, THEREFORE,

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

The City Council declares and designates unique local culinary, arts, music, 
and creative venues and spaces as essential marketing components in promoting 
tourism and the hotel and convention industry in Austin and further serve as the 
backdrop for events and destinations for Austin’s tourism success.

BE IT FURTHER RESOLVED:

The City Manager is directed to bring forward a budget amendment to transfer a 
one-time funding amount for a Visitor Information Center Fund, to be established 
and drawn from HOT funding, except for the funds associated with the 15% cultural 
arts and 15% historic preservation allocations as well as the Live Music Fund, as
allowed under Texas Tax Code, Section 351.101(a)(1) and (b); The City Manager is directed to bring back that amount with the action to contract with the Austin Economic Development Corporation (AEDC) to manage the funds, as described in the next Be It Resolved, no later than November 12, 2020. **BE IT FURTHER RESOLVED:**

The City Manager is directed to bring forward such action as is appropriate to contract with the AEDC to manage the funds, as set forth in the Texas Tax Code Chapter 351 for the purpose of implementing, as an initial project, Visitor Information Center acquisition, construction, improvement, enlarging, equipping, repairing, operations, and maintenance as provided for under Texas Tax Code Section 351.101(a)(1) and (b).

**BE IT FURTHER RESOLVED:**

The City Manager is directed to include in the Agreement being negotiated with the AEDC: This project shall initially consider, but not be limited to, the locations listed in Attachment A as potential Visitor Information Center Fund projects. These locations are currently identified on the Visit Austin website as tourist destinations and listed as “Iconic Austin Music Venues” and “Iconic Austin Restaurants.” The Agreement terms shall include a requirement that the AEDC consider at least the following criteria when identifying locations:

- Value to tourism as a destination;
• Need for assistance to avoid loss;

• Interest in participating and securing the venue as a recognized iconic tourist destination;

• Proven track record of business success, as well as cultural and tourism contributions;

• Agreement to participate in arrangements such as lease-back payments to replenish the Visitor Information Center Fund in a manner that further secures and sustains additional authentic creative tourist destinations in the future; and

• Interest in serving in an integral role in the evolving function of Visitor Information Centers for Austin’s tourist economy.

BE IT FURTHER RESOLVED:

The City Manager shall require, in the Agreement with the AEDC, that the Visitor Information Center Fund be structured in a way that:

• Recognizes iconic sites as longstanding contributors to Austin’s success and unique brand and as established destinations for tourists and for touring musicians recognized nationally and internationally;

• Provides a means to sustain these sites as significant to the City’s unique cultural fabric and status as a destination, and promotes tourism and the convention and hotel industry;
• Provides a means to sustain the creative community sector to further establish Austin as the epicenter where creatives are equitably supported in their endeavors;

• Uses funds for acquisition, construction, improvement, enlarging, equipping, repairing, operation, and/or maintenance of the site, including but not limited to the following activities:
  o Purchase of locations with a lease-back arrangement allowing for creation of a permanent revenue stream to replenish the Fund and permanently preserve venues and spaces;
  o Establish lease payment amounts that are based on the location’s revenues and support permanent preservation of the business’s success while providing a means to sustain additional spaces in the future;
  o Provide creative structuring of support to be responsive to the unique circumstances of the property and entity owner, operator, and others involved in the location’s success, while sustaining the business as an iconic asset to the City and Austin’s tourism industry;
  o Provide for an ongoing process and effort to further these types of support for locations beyond the initial list of locations;
- Redefines and further enhances the tourist experience in Austin by preserving and promoting these authentic Visitor Information Center destination experiences that are unique to Austin’s brand, culture, and history; and

- Provides support for additional visitor destinations to participate, as an example, as Ambassadors through creation of a program that provides compensation to those who train, designate staff and provide assistance, information, and service to visitors of Austin.

ADOPTED: __________, 2020  ATTEST: ____________________________

Jannette S. Goodall
City Clerk