



21 public health limitations on the ability to gather, and requirements of social  
22 distancing; and

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

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

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

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

35 **WHEREAS**, culinary, arts, music, and creative venues founded in Austin,  
36 and unique to Austin, promote tourism and the hotel and convention industry by  
37 defining that character and brand as one filled with distinctive experiences for  
38 visitors found only in Austin and the loss of those contributing essential talents and  
39 businesses would have negative impacts to the City's ability to quickly recover and  
40 thrive upon recovery; and

41           **WHEREAS**, Austin City Council Resolution No. 20200326-091 directed  
42 City Management to prioritize all necessary resources available to address the public  
43 health and economic crises connected to the emergency declaration related to  
44 COVID-19; and

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

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

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

57           **WHEREAS**, Visitor Information Centers are evolving, as is the convention  
58 center industry as a whole, and there is opportunity to redefine Austin's Visitor  
59 Information Centers as destinations that provide an authentic Austin experience in

60 their original locations and that both inform visitors about and entertain them with  
61 authentic Austin culture; and

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

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

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

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

75 **BE IT FURTHER RESOLVED:**

76 The City Manager is directed to bring forward a budget amendment to transfer a  
77 one-time funding amount for a Visitor Information Center Fund, to be established  
78 and drawn from HOT funding, except for the funds associated with the 15% cultural  
79 arts and 15% historic preservation allocations as well as the Live Music Fund, as

80 allowed under Texas Tax Code, Section 351.101(a)(1) and (b); The City Manager is  
81 directed to bring back that amount with the action to contract with the Austin  
82 Economic Development Corporation (AEDC) to manage the funds, as described in  
83 the next Be It Resolved, no later than November 12, 2020. **BE IT FURTHER**  
84 **RESOLVED:**

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

91 **BE IT FURTHER RESOLVED:**

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

- 99
- Value to tourism as a destination;

- 100 • Need for assistance to avoid loss;
- 101 • Interest in participating and securing the venue as a recognized iconic tourist  
102 destination;
- 103 • Proven track record of business success, as well as cultural and tourism  
104 contributions;
- 105 • Agreement to participate in arrangements such as lease-back payments to  
106 replenish the Visitor Information Center Fund in a manner that further secures  
107 and sustains additional authentic creative tourist destinations in the future; and
- 108 • Interest in serving in an integral role in the evolving function of Visitor  
109 Information Centers for Austin’s tourist economy.

110 **BE IT FURTHER RESOLVED:**

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

- 113 • Recognizes iconic sites as longstanding contributors to Austin’s success and  
114 unique brand and as established destinations for tourists and for touring  
115 musicians recognized nationally and internationally;
- 116 • Provides a means to sustain these sites as significant to the City’s unique  
117 cultural fabric and status as a destination, and promotes tourism and the  
118 convention and hotel industry;

- 119       • Provides a means to sustain the creative community sector to further establish  
120       Austin as the epicenter where creatives are equitably supported in their  
121       endeavors;
- 122       • Uses funds for acquisition, construction, improvement, enlarging, equipping,  
123       repairing, operation, and/or maintenance of the site, including but not limited  
124       to the following activities:
- 125       ○ Purchase of locations with a lease-back arrangement allowing for creation  
126       of a permanent revenue stream to replenish the Fund and permanently  
127       preserve venues and spaces;
  - 128       ○ Establish lease payment amounts that are based on the location’s revenues  
129       and support permanent preservation of the business’s success while  
130       providing a means to sustain additional spaces in the future;
  - 131       ○ Provide creative structuring of support to be responsive to the unique  
132       circumstances of the property and entity owner, operator, and others  
133       involved in the location’s success, while sustaining the business as an  
134       iconic asset to the City and Austin’s tourism industry;
  - 135       ○ Provide for an ongoing process and effort to further these types of support  
136       for locations beyond the initial list of locations;

- 137       • Redefines and further enhances the tourist experience in Austin by preserving  
138           and promoting these authentic Visitor Information Center destination  
139           experiences that are unique to Austin’s brand, culture, and history; and
- 140       • Provides support for additional visitor destinations to participate, as an  
141           example, as Ambassadors through creation of a program that provides  
142           compensation to those who train, designate staff and provide assistance,  
143           information, and service to visitors of Austin.

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

**ATTEST:** \_\_\_\_\_

Jannette S. Goodall  
City Clerk