



Recommendation for Action

File #: 21-1257, **Agenda Item #:** 25.

3/25/2021

Posting Language

Approve an ordinance amending the Fiscal Year 2020-2021 Economic Development Department Operating Budget Special Revenue Iconic Venue Fund (Ordinance No. 20200812-001) to transfer in and appropriate \$2,400,000.00 from the Fiscal Year 2020-2021 Austin Convention Center Capital Fund (Ordinance No. 20200812-001) to provide relief funds to stabilize Austin's tourist economy and address the loss of iconic venues and businesses that promote tourism and the hotel and convention industry.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$2,400,000 is available from the Fiscal Year 2020-2021 Austin Convention Center Department's Operating Budget (Capital Fund). A fiscal note is attached.

Prior Council Action

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;

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

Resolution No. 20200521-095 - directed the City Manager to prepare and take appropriate action to ensure the long-term sustainability of Austin's creative culture, including its arts and music industries;

Resolution No. 20200521-096 - Approve a resolution related to economic recovery and revitalization associated with the live music ecosystem, including in the Red River Cultural District, and authorizing the City Manager to implement feasible strategies.

For More Information

Sylvia Holt-Rabb, Acting Director, Economic Development Department, 512-974-3131 and David Colligan, Acting COO of Austin Economic Development Corporation [AEDC], David.Colligan@austintexas.gov.

Additional Backup Information

The action will appropriate the one-time transfer of \$2,400,000 from the Convention Center Capital Fund to support the Iconic Venue Fund per Council Resolution 20201203-046. The goal is to transfer \$15 million into Iconic Venue Fund over the next five years. Ongoing resources will need to be identified. A contract with the Austin Economic Development Corporation will be negotiated and executed to address the loss of iconic venues, businesses, and tourist destinations.

The Iconic Venue Fund will support venue and other local tourist destinations 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. Additionally, 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 subsequent requirements of social distancing. 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. 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. This action provides local funds as one means to stabilize Austin's tourist economy.

Strategic Outcome(s):

Economic Opportunity and Affordability.