

Question/Answer for Commissioner Whittington – Tourism Commission

Commission Meeting – September 4, 2018

Agenda Item #3b

On September 4th, 2018, The Economic Development Department (EDD) presented to the Tourism Commission their budget outlay related to the Hotel Occupancy Tax (HOT), Heritage Grant Program and other Historic Preservation efforts.

From this it was shown that EDD has created a new FTE position, with a fiscal impact of \$157,000, to manage this fund.

Questions:

1. Is this FTE exclusively administering the Heritage Grant Program?
2. Is this FTE exclusively managing Hotel Occupancy Tax funds and/or projects?
3. Has this individual been hired on?
4. What was the cost of administering the Heritage Grant Program under Visit Austin?
Have there been changes to the administration of the Heritage Grant Program since it was moved to the EDD?
5. Since management of this program was moved to EDD, how much of the Heritage Grant funding has been disbursed?
6. Have there been changes to the project eligibility standards of the Heritage Grant Program under the EDD?
7. What were the following transfers in FY 17-18 allocated for:
 - a. \$469,883 to the Library CIP fund
 - b. \$321,700 to the PW-Mobility CIP fund
8. What was the historical significance and the tourism significance of the projects behind those transfers?
9. How has city legal reconciled the administration expense of \$157,000 under chapter 351 without it being in conflict with 'general operations / general revenue purposes' limitations of Texas 351.101(b)?

Response:

1. Yes, the proposed FTE, if approved by City Council, will work exclusively on administering the Historic Preservation Fund located in Economic Development Department.
2. Yes, the proposed FTE, if approved by City Council, will work exclusively on administering the Historic Preservation Fund located in Economic Development Department. Transfers to other departments, as approved by council, will be managed by the respective departments.
3. No, the individual can't be hired until City Council approves the FY19 budget.

4. I defer to Visit Austin to provide a response. However, the Visit Austin grant program is smaller and does not include fully administering the 15% now allocated to this use.
5. FY19 will be the first year the Economic Development Department will be responsible for administering the Historic Preservation Fund.
6. The Economic Development Department has not developed the program guidelines. Once the manager of the division is hired, guidelines will be developed based on the recommendation of the Heritage Working Group, as described in the recent memo found at this link:
<http://www.austintexas.gov/edims/pio/document.cfm?id=304726>
7. On March 22, 2108, City Council approved an amendment to the Historic Preservation Fund to transfer for funds for Library and CIP. Please see link to the RCA: <http://www.cityofaustin.org/edims/document.cfm?id=294635>

| Project Name | Department | HOT Funding | Justification | Anticipated Start Date | District | FY18 HOT Funding |
|--|-----------------------|-------------------|---|------------------------|----------|-------------------|
| Austin History Center Interior and Exterior Improvements | Austin Public Library | \$ 469,883 | The AHC building is a City of Austin Historic Landmark, a Registered Texas Historic Landmark, and is listed on the National Register of Historic Places. Its historic collections, research services, public exhibits and programs attracts over 45,000 visitors annually, with approximately 25% of those visitors from out of town. Additionally, the AHC is a featured site on the Visit Austin website under historic Austin. The AHC building will be undergoing renovations in the coming year, but the budgeted operating funds do not currently meet the existing maintenance and repair needs for this historically significant building. The requested HOT funds would go directly to portions of the project that would have a direct impact on the visitor experience at the AHC. This project is similar to PARD's Oakwood Cemetery project in that work performed will be mostly geared towards historic restoration. However, some improvements will help make the facility more usable by tourists. | July 2018 | 9 | \$ 469,883 |
| APL TOTAL | | \$ 584,883 | | | | \$ 584,883 |
| Downtown Wayfinding Project | Austin Transportation | \$ 321,700 | Downtown wayfinding project will install pedestrian and vehicle direction signs, maps and information kiosks, to locations within the downtown area. These destinations include many preserved historic sites and museums. The directions signs etc., for these historic locations and museum have been identified separately from the main project and are included for the historical preservation funding. Destinations include Texas State Capitol, Capitol Visitor Center, Governors Mansion, French Legation, German Free School, Bob Bullock Museum, Mexic-arte Museum, O. Henry Museum, Dickinson Museum, and the Blanton Museum. This project is anticipated to be bid early 2018, with implementation starting in late spring and completed within 12 months. | Late spring 2018 | 1, 5, 9 | \$ 321,700 |
| ATD TOTAL | | \$ 321,700 | | | | \$ 321,700 |

8. Please see the chart above.
9. Yes, legal has determined the \$157,000 is an appropriate expenditure as long as the person is fully employed working only on administering this allocation of the hotel occupancy taxes. Also, note the FTE proposed in FY19 is a new FTE. It will not exist until FY19 budget is approved therefore the FTE has never been covered

by General Fund. Per state statute, it is appropriate for the administrative expenditures for programs that attract tourists and convention delegates and that fit into the authorized list of allowable expenditures to be paid from the 15% allocated to Historic Preservation. This is consistent with the manner in which the 15% allocated for the arts is administered and funded.