

ORDINANCE NO. 20190808-148

ADOPTING A CAPITAL IMPROVEMENT PLAN FOR THE EXPANSION OF THE CONVENTION CENTER FACILITY; AND AUTHORIZING AN INCREASE TO THE CITY OF AUSTIN MUNICIPAL HOTEL OCCUPANCY TAX FROM 7% TO 9%, EFFECTIVE AUGUST 8, 2019, FOR THE PURPOSE OF FUNDING A CONVENTION CENTER EXPANSION; AND DECLARING AN EMERGENCY.

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

PART 1. FINDINGS:

- A. Section 351.1065 of Chapter 351 of the Tax Code entitled "Municipal Hotel Occupancy Taxes" authorizes the City of Austin to raise the City's municipal hotel occupancy tax from 7% to 9%, with the revenues from such increase dedicated towards the expansion of an existing convention center facility.
- B. The City Council desires to raise revenue for the expansion of Austin's Neal Kocurek Memorial Convention Center.
- C. An ordinance is now necessary to approve a Capital Improvement Plan, as required by Chapter 351, and to impose the higher 9% municipal hotel occupancy tax rate.
- D. To properly plan for the use of this tax in time for consideration of the City's budget, Council finds that it needs to adopt this action immediately, to preserve the public peace, health, or safety.

PART 2 In accordance with the requirements of Section 351.1065 of Chapter 351 of the Texas Tax Code, the City of Austin declares the Frameworks for Placemaking: Alternative Futures for the Austin Convention District report issued by the University of Texas at Austin School of Architecture's Center for Sustainable Development in April 2019, together with the Austin Convention Center 2015 Long-Range Master Plan, as well as Resolution 20190523-029 as it relates to the Convention Center Master Plan, collectively to be the basis for the City of Austin's "Capital Improvement Plan For Convention Center Expansion", and said plan is adopted for purposes of satisfying the abovementioned statutory requirement.

PART 3. The City Council affirms its interest in pursuing Scenario 5 described in the "Frameworks for Placemaking: Alternative Futures for the Austin Convention District," as the general concept that should guide the planning and architectural design of the

Convention Center, consistent with Resolution No. 20190523-029. Before construction begins, the City Manager will bring construction contracts to Council for review and approval. The City Manager is directed to return to Council for approval of a Request for Proposals for architectural services for the expansion and for approval of its financing; the City Council will vote to approve the future architectural and design plans for a proposed expansion as well as contracts associated with its renovation and construction, all of which will build on the plan described in Part 2.

PART 4. The City Council affirms its commitment to dedicate an amount equal to 15% of the total 9% of the Hotel Occupancy Tax revenue to cultural arts funding and an amount equal to 15% of the total 9% of the Hotel Occupancy Tax revenue to historic preservation. The City Council affirms its commitment to dedicate an amount equal to 15% of the total 9% of the Hotel Occupancy Tax revenue from Texas Tax Code 351 sources to cultural arts funding and an amount equal to 15% of the total 9% of the Hotel Occupancy Tax revenue from Texas Tax Code 351 sources to historic preservation. Accounting for these funds shall occur consistent with collections and applicable bond covenants relating to financing the expansion of the existing convention center. Funding for these additional percentages for arts and for historic preservation will be included in the Austin Convention Center Department's operating budget in accordance with the expansion financing funding plan and will be reflected as transfers from the Convention Center Operating Fund to the historic preservation and cultural arts funds previously established by Council.

PART 5. The City of Austin Hotel Tax Rate authorized under Chapter 351 of the Texas Tax Code is increased from the current 7% to 9%, effective August 8, 2019.

PART 6. All municipal hotel occupancy taxes and any attendant late penalty revenues assessed under Chapter 351 of the Texas Tax Code and collected above the 7% rate, shall be set aside and placed in the "Capital Improvement Plan For Convention Center Expansion" specifically and only for expansion construction or debt service payments for debt issued for construction of the Convention Center Expansion and any incidental costs related to the bond issuance and construction in accordance with the Convention Center Capital Improvement Plan.

PART 7. The 9% municipal hotel occupancy tax rate assessed under Chapter 351 of the Texas Tax Code shall be applicable only to those taxes collected by the hotels on and after August 8, 2019.

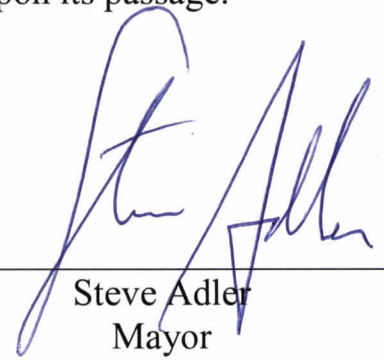
PART 8. The Austin Convention Center Expansion Capital Improvement Plan Fund, is established for accounting purposes.

PART 9. This Ordinance takes effect immediately upon its passage.


PASSED AND APPROVED

August 8, 2019

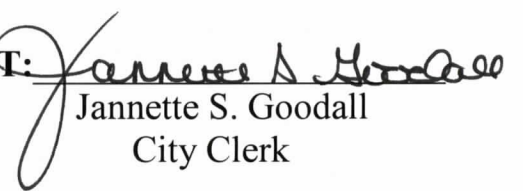
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Steve Adler
Mayor

APPROVED: 

Anne L. Morgan
City Attorney

ATTEST: 

Jannette S. Goodall
City Clerk