



Recommendation for Action

File #: 19-2851, **Agenda Item #:** 20.

9/19/2019

Posting Language

Approve a resolution authorizing award, negotiation, and execution of historic preservation fund service contracts for Fiscal Year 2019-2020 in an amount not to exceed \$11,880,629 for historic preservation and restoration projects.

Lead Department

Economic Development Department.

Fiscal Note

Funding in the amount of \$11,880,629 is available in Fiscal Year 2019 Economic Development Department approved special revenue budget, known as the Historic Preservation Fund, for historic preservation and restoration projects.

Prior Council Action:

October 4, 2018, Council adopted Resolution 20181004-033 to appropriate from the Historic Preservation Fund:

- 70% to City departments for allowable historic restoration projects;
- 15% to potential future historic acquisitions or major preservation projects that would be frequented by tourists and convention delegates;
- 15% to the Heritage Grant Program.

For More Information:

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Melissa Alvarado, Heritage Tourism Manager, Economic Development Department, 512-974-7870.

Additional Backup Information:

The Texas Code, Chapter 351.101(a)(5) authorizes hotel occupancy taxes to be used to promote tourism and the convention industry through the use of those funds for historic restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums.

During the FY 2018 Budget Process, the City Council established a Historic Preservation Fund (HPF) to promote tourism through the preservation, restoration, and rehabilitation of historic properties and sites. Through the Fiscal Year 2018-19 Budget Process, the City Council approved a new position in Economic Development Department to manage the Historic Preservation Fund and programming.

Following Council adoption of the FY 2018-19 budget, an interdepartmental working group including representatives from various city departments with knowledge and expertise related to the subject matter, including staff from Economic Development, the Parks and Recreation Department, Planning and Zoning - Historic Preservation Office, Library, the Law Department, Convention Center, validated a list of preservation expenditures for City of Austin historic facilities and sites, new and existing, that fit within the legal parameters defined with the Tax Code. Once eligibility was legally verified by the Law Department, consideration of

prioritized investments were considered by relevant departments for recommendation to Council for FY 2019-20 funds and focused on the following factors: historical landmark and/or designation; evidenced promotional tourism impact; equitable geographic distribution of projects throughout the City; department-assigned level of importance; shovel-ready; and leveraged cost with other private funds to develop staff recommendations to fund projects from the 70% HPF allocation for City of Austin facilities and sites.

An additional review by staff and an interdepartmental working group with relevant knowledge and expertise reviewed a list of preservation, restoration and marketing project expenditures from non-profit, commercial and government applicants for the Heritage Grant Program that fit within the legal parameters defined within the Tax Code. Once eligibility was legally verified by the Law Department, consideration of prioritized investments were considered and focused on the following: tourism impact, preservation impact, project budget, capacity and qualifications, project schedule, inclusion, and coordination with essential partners; leveraged match funds were prioritized to develop staff recommendations to fund projects from the 15% HPF allocation for the Heritage Grant Program.

On October 4, 2018 Council approved the program allocation of funding as follows:

- 70% for City of Austin historic facilities and sites in accordance with Texas Tax Code Section 351.101 (a)(5)
- 15% reserved for potential future historic acquisitions or major preservation projects that would be frequented by tourists and convention delegates
- 15% to the Heritage Tourism Grant Program

With the creation of a new Heritage Tourism Division within the Economic Development Department, the following recommendations of the Visitor Impact Task Force and the Heritage Grant Working Group and Council direction related to the Historic Preservation Fund were implemented: 1) Expand the eligible applicants for heritage grants per the recommendations of the Visitor Task Force and the Heritage Grant Working Group; 2) Expand eligible projects for heritage grants to include capital projects and planning, educational, and marketing projects; and 3) Remove the cap on grant awards, but make it clear that requests over \$250,000 will require substantial justification.

Staff's work culminated in a list of 6 capital preservation projects for city-owned facilities (see below) totaling \$5,875,000 in requested funding from the Parks and Recreation, Library, Planning and Economic Development departments, and 6 operations projects totaling \$2,441,441 in requested funding from the Parks and Recreation, Planning and Zoning, and Economic Development departments.

A summary of proposed Heritage Grants totaling \$1,782,094 can be found below.

In addition, a remaining balance of \$1,782,094 remains for potential future historic acquisitions or major preservation projects as recommended by City Council.

Summary of Recommendation

The table below summarizes staff's recommended allocation of the Historic Preservation Fund for Fiscal Year 2019-20.

Project	Department	Amount
Elisabet Ney Window, Door and Masonry Restoration	Parks and Rec.	\$1,400,000
Interpretive and Wayfinding Signage at Historic Sites	Parks and Rec.	\$50,000
Brush Square Rehabilitation Phase I Implementation Design - Construction	Parks and Rec.	\$2,550,000
Sunken Gardens Design and Rehabilitation	Parks and Rec.	\$1,000,000

Austin History Center Interior and Exterior Improvements	Library	\$500,000
Comprehensive District Fifth Street Tourism Wayfinding and Signage	Economic Development	\$375,000
Capital Project Total		\$5,875,000

Operations Project	Department	Amount
PARD (\$1,55,751) and EDD (\$155,751) Operations to manage fund and projects related to program	Parks and Rec., Economic Development	\$1,666,781
Citywide Historic Building Scan (Phase 2)	Planning and Zoning Historic Preservation Office	\$120,000
Detailed Historic Building Survey - Downtown, Central South, Allandale/Brentwood/Crestview, and North Central Austin	Planning and Zoning Historic Preservation Office	\$204,660
Heritage Tourism Plan (Request for Proposal Issuance in FY 2019 to develop a Plan with Community Stakeholders)	Economic Development	\$150,000
Wayfinding Design Strategic Plan / Project	Economic Development	\$250,000
Promotional, Education and Outreach	Economic Development	\$50,000
Operations Total		\$2,441,441

Heritage Grant Projects	District	Amount
Austin Scottish Rite Theater Restoration (exterior walls, gutters, windows, doors)	District 1	\$223,700
Downtown Austin Alliance (<i>Our Austin Story</i> Wayfinding: Wooldridge Square installation of 6-7 interpretive signs)	District 9	\$61,000
French Legation (carriage house rehabilitation / structural and architectural improvements)	District 1	\$237,099
German Texan Heritage Society: German Free School Building (masonry, carpentry, iron railings, gutters, and painting of historic site along Red River)	District 9	\$53,613
Guero's Restaurant (structural stabilization)	District 9	\$20,818
Haskell House Restoration (replace rotting wood, window sills, gutters, hand rails, exterior sealant)	District 9	\$46,452
La Pena (roof repair)	District 9	\$138,030
Laguna Gloria (restoration and ADA-accessible path)	District 10	\$215,767
Neill-Cochran House Museum (historic fencing and sign)	District 9	\$151,793
Chateau Bellevue Door Restoration (stabilize and repair venue double-doors)	District 10	\$28,000
Paramount Theatre South Wall Rehabilitation (exterior rehabilitation)	District 9	\$233,700
Umlauf Sculpture Garden & Museum (historic designation and Umlauf marketing video)	District 5	\$20,000

Uptown Sports Club (structural stabilization; reconstruction and reuse of historic structure and currently vacant property in East Austin)	District 3	\$198,462
Waterloo Greenway (Wedig Hardeman House historic accessory building improvements)	District 1	\$73,107
Programmatic Adjustments		\$80,553
Heritage Grants Total		\$1,782,094

Land Appropriation	Department	Amount
Heritage Land Acquisition	Office of Real Estate Services	\$1,782,094
Land Appropriation Total		\$1,782,094

Total Requirements		\$ 11,880,629
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