



MEMORANDUM

TO: Mayor and Council

FROM: Sylnovia Holt Rabb, Acting Director
Economic Development Department

DATE: September 16, 2020

SUBJECT: Clarification Memo for Item #14 – Historic Preservation Fund Service Contracts

The September 17th City Council agenda includes an item for the Mayor and Council's consideration to award and execute historic preservation fund service contracts for Fiscal Year 2020-2021.

To clarify a formatting error, in the Heritage Grant Projects section, funding for \$37,492 is recommended for the Friends of the Parks of Austin: Mayfield Park to conduct restoration of historic masonry on the property. Funding for \$54,574 is recommended for The Contemporary Austin Museum Inc (Laguna Gloria) for visitor signage and a bilingual family visitor guide.

EDD would like to clarify to Mayor and Council that no changes to the award recommendations have been made.

xc: Rodney Gonzales, Assistant City Manager
Veronica Briseño, Chief Economic Recovery Officer

Approve a resolution authorizing the City Manager to award, negotiate, and execute historic preservation fund service contracts for Fiscal Year 2020-2021 in an amount not to exceed \$16,079,216 for historic preservation and restoration projects.

Lead Department

Economic Development Department

Fiscal Note

Funding in the amount of \$16,079,216 is available in Fiscal Year 2021 Economic Development Department approved special revenue budget, 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:

Sylvia Holt-Rabb, Interim Director, Economic Development Department, 512-974-3131

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

Council Committee, Boards and Commission Action:

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, and the Law Department 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 2020-21 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 by an external peer review panel consisting of tourism, preservation and community building representatives that focused on the following: tourism impact; preservation impact; project budget; capacity and qualifications; project schedule; equity, diversity and inclusion; and coordination with essential partners; leveraged match funds were prioritized to develop staff recommendations to fund projects from the HPF allocation for the Heritage 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, 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.

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

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

A reduction of 33% in funding for historic preservation as a result of the steep decline in the expected Hotel Occupancy Tax collections.

Total requirements for the Historic Preservation Fund (HPF) for FY 2020-21 budget are \$16,079,216.

A total of \$5,087,836 of the Historic Preservation Fund (HPF) FY 2020-21 budget, is planned for operating programs and capital projects for City of Austin historic facilities and sites. Expend \$2,650,000 on three capital preservation projects for city-owned historic facilities and \$2,437,836 is budgeted for operating programs and projects for the Parks and Recreation, Library, Planning and Economic Development departments.

A total of \$1,395,695 of the HPF, is budgeted for the Heritage Grant Program. The Heritage Tourism Division presented an update on Heritage Grant recommendations to the Historic Landmark and Tourism Commissions prior to bringing the recommended project list forward for Council review and consideration on September 17, 2020.

The remaining \$9,595,685 is funding for a potential future historic acquisition or major preservation projects as recommended by City Council.

The table below summarizes staff's recommended FY 2020-21 allocation and organizes projects by categories identified in Council Resolution 20181004-033.

A summary of proposed Heritage Grants totaling \$1,395,695 can be found below.

Summary of Recommendation

The table below summarizes staff's recommended allocation of the Historic Preservation Fund for Fiscal Year 2020-21.

Project	Department	District	Amount
Zilker Clubhouse Restoration	Parks and Rec.	8	\$1,365,000
Seaholm Intake Building Rehabilitation Phase I	Parks and Rec.	9	\$500,000
Small Scale Historic Preservation Projects	Parks and Rec.	multiple	\$235,000
Interpretive and Wayfinding Signage at Historic Sites	Parks and Rec.	multiple	\$50,000
Austin History Center Interior and Exterior Improvements	Library	9	\$500,000
Capital Project Total			\$2,650,000

Operations Project	Department	District	Amount
Temporary staffing, five FTEs, general maintenance at the following historic sites: Old Bakery and Emporium, O. Henry Museum, Susanna Dickinson Museum, Elisabet Ney Museum, Oakwood Chapel Visitor Center, Montopolis Negro School	Parks and Rec., Economic Development	multiple	\$1,524,819
Two FTEs, operations to manage fund, conduct promotional programming, education, outreach and projects related to Heritage Tourism	Economic Development	All districts	\$555,357
Citywide Historic Building Scan (Phase II)	Planning and Zoning Historic Preservation Office	All districts	\$120,000
Detailed Historic Building Survey: Downtown, Central South, Allandale / Brentwood / Crestview, and North Central Austin	Planning and Zoning Historic Preservation Office	1, 9	\$204,660
Austin History Center – Content and Digital Asset Management	Austin Public Library	9	\$33,000
Operations Total			\$2,437,836

Heritage Grant Projects	Proposal	District	Amount
Austin Saengerrunde Home Company, Inc.	Scholz Garten Preservation Plan	1	\$10,382
Capitol View Arts	HTU Evans Industrial Hall Interpretive Project	1	\$31,083
Austin Revitalization Authority (Estate of Richard Overton)	Richard Overton Museum Development Plan	1	\$71,987
Huston-Tillotson University	Old Administration Building Roof Replacement	1	\$120,480
Metropolitan AME Church	Restoration of Bell Tower and Structure Stabilization	1	\$120,199
Save Austin's Cemeteries	Evergreen Cemetery Virtual Tour and Video	1	\$13,267
Soul of Latin America International Education Services LLC - Black Austin Historic Tours	Dedrick-Hamilton House: Black Austin Historic Tour Development and Promotions	1	\$5,250
Ciscos Restaurant Bakery & Bar	Façade Exterior Restoration: Brick, Stone, Paint & Trim, Signage, Tilework, Windows/Sills, Murals	3	\$210,977
Hightower Abate Properties, Inc. (First Church of the Nazarene)	Foundation Repair	3	\$67,654
Austin Parks Foundation (Austin Tejano Trails)	Austin Tejano Trails Collateral, Trail Guide Translation, Tour Guide Microphone and Speaker	3	\$21,740
Zilker Botanical Garden Conservancy, Inc.	Collateral	8	\$3,071
Austin Theatre Alliance (The) - Paramount Theatre	Exterior North Wall Rehabilitation: Tuck-Pointing and Repair	9	\$202,208
Humanities Texas Inc (Byrne Reed House)	Repair and Stabilize SE and NE corners of the first-floor porch	9	\$71,063
Pease Park Conservancy	Tudor Cottage Revitalization	9	\$203,792
German Texan Heritage Society (German Free School)	Sign and Historic Staircase Preservation	9	\$37,148

	Plan		
Leadership Austin	73+ Historic Site Walk of the Town Website, Interactive Tour Development and Promotions	9	\$99,350
Shoal Creek Conservancy	Historic Audio Walking Tour	9	\$13,978
Friends of the Parks of Austin: Mayfield Park	Restoration of Historic Masonry	10	\$37,492
The Contemporary Austin Museum Inc (Laguna Gloria)	Signage and Bilingual Family Visitor Guide	10	\$54,574
Heritage Grants Total			\$1,395,695

Land Appropriation	Department	Amount
Historic Land Acquisition	Office of Real Estate Services	\$9,595,685
Land Appropriation Total		\$9,595,685

Total Requirements		\$ 16,079,216
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Strategic Outcome(s):

Culture and Lifelong Learning