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21 public health limitations on the ability to gather, and requirements of social
22 distancing; and

23 **WHEREAS**, businesses that promote tourism and the hotel and convention
24 industry are faced with nearly complete loss of operating income due to COVID-19
25 precautions on top of the pre-COVID conditions of rising rents; and

26 **WHEREAS**, despite best efforts by the City Council and staff, relief funds to
27 assist with expenses have fallen significantly short to meet the need and to date have
28 been unable to address the loss of iconic venues and tourist destinations that serve
29 as significant aspects of Austin's cultural heritage and brand; and

30 **WHEREAS**, it may be possible federal funds, such as SAVES funding, could
31 be utilized to stabilize Austin's tourist economy; and

32 **WHEREAS**, Austin's unique character and brand has established the City's
33 international reputation for live music and cultural vibrancy that attracts visitors
34 from around the world; and

35 **WHEREAS**, culinary, arts, music, and creative venues founded in Austin,
36 and unique to Austin, promote tourism and the hotel and convention industry by
37 defining that character and brand as one filled with distinctive experiences for
38 visitors found only in Austin and the loss of those contributing essential talents and
39 businesses would have negative impacts to the City's ability to quickly recover and
40 thrive upon recovery; and

41 **WHEREAS**, Austin City Council Resolution No. 20200326-091 directed
42 City Management to prioritize all necessary resources available to address the public
43 health and economic crises connected to the emergency declaration related to
44 COVID-19; and

45 **WHEREAS**, Austin City Council Resolution No. 20200326-091 further
46 directed the City Manager to consider possible options for reassessing other uses of
47 and repurposing of existing Hotel Occupancy Tax (HOT); and

48 **WHEREAS**, Texas Attorneys General have affirmed that cities must
49 determine in the first instance whether an expenditure of HOT revenue is proper
50 under Texas Tax Code Section 351.101 and have discretion in determining what
51 expenditures promote tourism; and

52 **WHEREAS**, Austin City Council is determining certain iconic culinary,
53 music and arts venues and spaces may be acquired, constructed, improved, enlarged,
54 equipped, repaired, operated, and maintained by the City as visitor information
55 centers under Texas Tax Code, Sections 351.001(8) and 351.101(a)(1) to promote
56 tourism and the convention and hotel industry; and

57 **WHEREAS**, Visitor Information Centers are evolving, as is the convention
58 center industry as a whole, and there is opportunity to redefine Austin's Visitor
59 Information Centers as destinations that provide an authentic Austin experience in

their original locations and that both inform visitors about and entertain them with authentic Austin culture; and

WHEREAS, securing these originating locations would allow these iconic venues and tourist destinations to be recognized as longstanding contributors to the City's success, contributors to Austin's unique brand, and provide a means to sustain them as significant to the City's unique cultural fabric and status as a tourist destination; and

WHEREAS, businesses that promote tourism and the hotel and convention industry will be critical to the recovery of Austin's tourism economy and hotel room occupancy levels once COVID-19 precautions are lifted; **NOW, THEREFORE,**

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

The City Council declares and designates unique local culinary, arts, music, and creative venues and spaces as essential marketing components in promoting tourism and the hotel and convention industry in Austin and further serve as the backdrop for events and destinations for Austin's tourism success.

BE IT FURTHER RESOLVED:

The City Manager is directed to bring forward a budget amendment to transfer a one-time funding amount for a Visitor Information Center Fund, to be established and drawn from HOT funding, except for the funds associated with the 15% cultural arts and 15% historic preservation allocations as well as the Live Music Fund, as

allowed under Texas Tax Code, Section 351.101(a)(1) and (b); The City Manager is directed to bring back that amount with the action to contract with the Austin Economic Development Corporation (AEDC) to manage the funds, as described in the next Be It Resolved, no later than November 12, 2020. **BE IT FURTHER RESOLVED:**

The City Manager is directed to bring forward such action as is appropriate to contract with the AEDC to manage the funds, as set forth in the Texas Tax Code Chapter 351 for the purpose of implementing, as an initial project, Visitor Information Center acquisition, construction, improvement, enlarging, equipping, repairing, operations, and maintenance as provided for under Texas Tax Code Section 351.101(a)(1) and (b).

BE IT FURTHER RESOLVED:

The City Manager is directed to include in the Agreement being negotiated with the AEDC: This project shall initially consider, but not be limited to, the locations listed in Attachment A as potential Visitor Information Center Fund projects. These locations are currently identified on the Visit Austin website as tourist destinations and listed as “Iconic Austin Music Venues” and “Iconic Austin Restaurants.” The Agreement terms shall include a requirement that the AEDC consider at least the following criteria when identifying locations:

- Value to tourism as a destination;

- Need for assistance to avoid loss;
- Interest in participating and securing the venue as a recognized iconic tourist destination;
- Proven track record of business success, as well as cultural and tourism contributions;
- Agreement to participate in arrangements such as lease-back payments to replenish the Visitor Information Center Fund in a manner that further secures and sustains additional authentic creative tourist destinations in the future; and
- Interest in serving in an integral role in the evolving function of Visitor Information Centers for Austin's tourist economy.

BE IT FURTHER RESOLVED:

The City Manager shall require, in the Agreement with the AEDC, that the Visitor Information Center Fund be structured in a way that:

- Recognizes iconic sites as longstanding contributors to Austin's success and unique brand and as established destinations for tourists and for touring musicians recognized nationally and internationally;
- Provides a means to sustain these sites as significant to the City's unique cultural fabric and status as a destination, and promotes tourism and the convention and hotel industry;

- 119 • Provides a means to sustain the creative community sector to further establish
120 Austin as the epicenter where creatives are equitably supported in their
121 endeavors;
- 122 • Uses funds for acquisition, construction, improvement, enlarging, equipping,
123 repairing, operation, and/or maintenance of the site, including but not limited
124 to the following activities:
 - 125 ○ Purchase of locations with a lease-back arrangement allowing for creation
126 of a permanent revenue stream to replenish the Fund and permanently
127 preserve venues and spaces;
 - 128 ○ Establish lease payment amounts that are based on the location's revenues
129 and support permanent preservation of the business's success while
130 providing a means to sustain additional spaces in the future;
 - 131 ○ Provide creative structuring of support to be responsive to the unique
132 circumstances of the property and entity owner, operator, and others
133 involved in the location's success, while sustaining the business as an
134 iconic asset to the City and Austin's tourism industry;
 - 135 ○ Provide for an ongoing process and effort to further these types of support
136 for locations beyond the initial list of locations;

- Redefines and further enhances the tourist experience in Austin by preserving and promoting these authentic Visitor Information Center destination experiences that are unique to Austin’s brand, culture, and history; and
- Provides support for additional visitor destinations to participate, as an example, as Ambassadors through creation of a program that provides compensation to those who train, designate staff and provide assistance, information, and service to visitors of Austin.

ADOPTED: _____, 2020

ATTEST: _____
Jannette S. Goodall
City Clerk