

MUSIC COMMISSION RECOMMENDATION

Date: July 3, 2023

Subject: City of Austin support for SXSW

The motion to 1) recommend the Austin City Council to direct the City Manager, Legal Department, and all City Departments to continue all contract negotiations with SXSW in good faith; and 2) recommend that the Austin City Council continue to waive fees for SXSW at Vic Mathias Shores.

WHEREAS, South by Southwest (“SXSW”) was created as a music industry event in 1987 to facilitate personal connections with a focus on career development; and, SXSW has showcased thousands of musicians for more than 37 years for the various industries in attendance;

WHEREAS, SXSW has created an international reputation for Austin as a singular international business and tourist destination that has brought in billions of economic impact dollars; and is one of the highest revenue-producing events for the Austin economy, with an estimated yearly economic impact ranging between \$280.7-\$355.9 million over its past 5 editions;

WHEREAS, due to its influence on the Hotel Occupancy Tax (HOT), Austin MSA musicians will be receiving grants of \$5,000 and \$10,000 from the \$3.5m Live Music Fund, to be used at their discretion year-round; and, SXSW is directly responsible for a large portion of the Hotel Occupancy Taxes (HOT) that have sustained Economic Development Department’s Cultural Arts contracts for decades;

WHEREAS, SXSW largely guided Austin’s music ecosystem to spotlight underserved Austin music genres and marginalized communities of color through its music showcase booking policy;

WHEREAS, SXSW was in part inspired by the burgeoning music scene formed at Raul’s, a Tex-Mex Bar owned by Roy Gomez and managed by Joseph Gonzalez; upon SXSW launching in 1987, SXSW hired Mr. Gonzalez as its Tejano and Latin music consultant. Little Joe y La Familia performed at the first festival and SXSW has continued to feature Austin area Latin musicians annually for 37 years; and with the support of the Texas Chapter of the Recording Academy beginning in 1998, SXSW increased its spotlight on Latin music panels and showcases curated by Austin Latino music advocates;

WHEREAS, SXSW has been described as a Hip Hop Mecca as early as 1990, putting Austin on the international urban music map, it has featured acts like Eminem, Jay Z, Kanye West, M.I.A., Public Enemy and hundreds more. SXSW’s support of hip hop, in turn, led to local Black artists and Black-owned venues (such as Catfish Station) putting down roots in Austin’s music ecosystem; and SXSW has increased its spotlight on urban music panels and showcases curated by Austin urban music catalysts;

WHEREAS, for 2024, SXSW will compensate musicians for their contributions by providing SXSW Music Conference and Festival Artist Credentials that allow access to one-on-one mentoring sessions and networking opportunities with influential music industry players, educational conference programming, music showcase events, and exclusive artist-only services valued at over \$995. Alternatively, domestic artists who are not able to take advantage of SXSW Artist Credentials will be given the option of \$350 for group performers and \$150 for solo artists; and application fees will be opened at \$35, and raised to \$55 on August 25, 2024; and Austin MSA musicians will be provided waivers through "specific local music organizations," such as Health Alliance for Austin Musicians (HAAM)";

NOW, THEREFORE, BE IT RESOLVED that the Music Commission:

- 1) Recommends that the Austin City Council direct the City Manager, Legal Department, and all City Departments to continue contract negotiations with SXSW in good faith; and
- 2) Recommends that the Austin City Council support a locally-founded, owned and operated business, SXSW, by continuing to waive fees at Vic Mathias Shores.