



TOURISM COMMISSION RECOMMENDATION 20230913-003a

Date: September 14, 2023

Subject: Tourism Commission Board Recommendation regarding TPID

Motioned By: Commissioner Magee

Seconded By: Commissioner Tschoepe

Recommendation

That the City Council put in place mechanisms to ensure all funds received directly or indirectly from ATPID revenue be used solely to address homelessness.

Description of Recommendation to Council

All revenue received by City Council generated as a result of the ATPID service agreement approved by Council on September 14, 2023 will be used exclusively to address and mitigate homelessness in Austin.

Rationale:

During the August 31, 2017 City Council meeting, and at subsequent meetings, including Tourism Board meetings, it was stated that in exchange for expanding the Austin Convention Center, Austin's hoteliers would support the creation of a Tourism Public Improvement District whereby the Austin hotels would funnel 40% of the revenue generated by a 1 or 2% tax on room sales to the City of Austin to provide Council with new funds to address homelessness. Of that 40%, 20% was to come via the Convention Center itself from hotel buydowns, and the other 20% was to come directly from the tax revenue collected. However, in 2019, the Texas Hotel and Lodging Association successfully lobbied the State Legislature to narrow the legal uses of TPID revenues. The resulting change in State Law caused the previously promised direct contribution of Austin's TPID funds illegal. As a result, the ATPID service agreement approved by City Council on September 14, 2023 is significantly different to the original, widely publicized vision. To that end, the Tourism Commission wants City Council to ensure that the original intended use for ATPID generated funds is not lost. As such, the Board adopted this recommendation to protect ATPID funds so that they be used exclusively to mitigate homelessness rather than being divided or diverted for any other purposes.

Vote 6 - 4

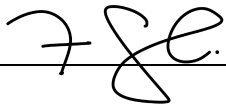
For: Commissioners Bazan, Chappell, Magee, Riedie, Ronan, and Tschoepe

Against: Commissioners Bailey, Chanon, Mathis, and Panossian

Abstain: n/a

Absent: Commissioner Cannatti

Attest:



Felicia Ojeda