



Recommendation for Action

File #: 23-3613, Agenda Item #: 7.

1/18/2024

Posting Language

Approve a resolution authorizing the City Manager to award, negotiate, and execute Historic Preservation Fund grant agreements and allocations for Fiscal Year 2023-2024 for historic preservation and restoration projects and activities in an amount not to exceed \$31,723,887. Related to item #8.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$31,723,887 is available in Fiscal Year 2023-24 Economic Development Department's Historic Preservation Fund Operating Budget.

Prior Council Action:

October 4, 2018 - Council approved, as amended, Resolution No. 20181004-033 directing the City Manager to allocate the Historic Preservation Fund Fiscal Year 2019 budget in the following manner: 70 percent for City of Austin historic facilities and sites in accordance with Texas Tax Code Section 351.101(a)(5); 15 percent for potential future historic acquisitions or major preservation projects that would be frequented by tourists and convention delegates; and 15 percent to the Heritage Preservation Grant Program on a 10-0 vote.

April 8, 2021 - Council approved Resolution No. 20210408-005 transferring in and appropriating \$2,400,000.00 from the Fiscal Year 2020-2021 Austin Convention Center Capital Fund (Ordinance No. 20200812-001) to provide relief funds to stabilize Austin's tourist economy and address the loss of iconic venues and businesses that promote tourism and the hotel and convention industry. Transfers to the Special Revenue Fund began following [Council direction to transfer \\$15 million over the next five years starting in Fiscal Year 2020-21](#). As of [Fiscal Year 2023](#), Special Revenue Fund transfers to date are \$7.4 million of the \$15 million.

August 16, 2023 - Council conducted a public hearing and approved Ordinance No. 20230816-008 adopting the City of Austin Budget for Fiscal Year 2023-2024, beginning on October 1, 2023, and ending on September 30, 2024.

For More Information:

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

Council Committee, Boards and Commission Action:

December 14, 2023 - The Historic Landmark Commission will be briefed by staff for approval of the Fiscal Year 2023-24 Heritage Preservation Grant recommendations.

January 10, 2024 - The Historic Landmark Commission will be briefed by staff for approval of the Fiscal Year 2023-24 Heritage Preservation Grant recommendations.

Additional Backup Information:

The Heritage Tourism Division of the Economic Development Department (EDD) manages programs to provide funding for preservation projects and activities that promote heritage tourism to historic sites and museums through a competitive application and review process. Funds for preservation grant agreements and allocations are derived from a portion of the revenues from the City's Hotel Occupancy Tax. 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. Applicants must use the funds for preservation-related and history-informing projects or activities that promote Austin as a heritage tourism destination.

Staff Recommendation

Historic Preservation Fund (HPF) Fiscal Year 2023-24 recommended grant agreements and allocations are shown in "Table A" attached to the proposed resolution, for the total amount of \$31,723,887. Allocations are organized by categories identified in Resolution No. 20181004-033. In summary, \$14,256,905 is planned for capital improvement projects and operational programs for City of Austin historic facilities and sites. Expenditures include \$11,969,303 on eight capital preservation projects for city-owned historic facilities; \$2,287,602 is budgeted for operating programs and projects for the Parks and Recreation Department, Austin History Center, and EDD; \$2,500,000 is budgeted for the transfer to the Special Revenue Fund to contract with the Austin Economic Development Corporation for implementation and disbursement of the Iconic Venue Fund and associated support fees; \$3,590,765 is budgeted for the Heritage Preservation Grant Program. The Heritage Tourism Division presented an update on the Heritage Preservation Grant Program to the Historic Landmark Commission; and \$11,376,217 is budgeted for a potential future historic acquisition or major preservation projects as approved by the City Council.

City-owned capital improvement projects at historic sites were assessed for HPF Fiscal Year 2023-24 funds focused on the following factors: historic landmark designation; evidence tourism impact; equitable geographic distribution of projects throughout the City; department-assigned level of importance; shovel-readiness; and leveraged costs with other private funds, to develop staff recommendation to funding projects from the 70% allocation within the HPF.

Following a competitive process, staff evaluated Heritage Preservation Grant applications to ensure that proposed projects meet state mandates, grant eligibility, criteria, and program requirements. Applications from non-profit, commercial, and government entities with a historic designation that meet the criteria were evaluated and scored by an external panel consisting of tourism, preservation, and community building representatives that considered and prioritized investments while focusing on tourism impact; preservation impact; project management, budget, and bids; and accessibility and impact.

Table A includes a list of organizations recommended for a Fiscal Year 2023-24 Heritage Preservation Grant. Contracts below the City Manager's authority are being approved by the City Manager under Article VII, Section 15 of the City Charter and are shown for informational purposes only. No Council action is required on the contracts under the City Manager's authority.