



MEMORANDUM

TO: Mayor and Council Members

FROM: Rebecca Giello, Interim Director
Economic Development Department

DATE: July 24, 2019

SUBJECT: Heritage Grant Program Update

This memorandum serves to inform City Council of updates to the Heritage Grant Program for FY 2020 in response to Resolution 20181004-033 directing the City Manager to initiate recommendations of the Visitor Impact Task Force and the Heritage Grant Working Group related to the Historic Preservation Fund. This summary is being provided in advance of the FY 2020 Heritage Grant Program launch totaling \$1,782,094 in grant funding, and the next phase of stakeholder engagement for process improvements to further expand the Heritage Grant Program, as directed by Council. Program administration continues to work with stakeholders to ensure successful launch of program and guidelines.

Background

Council passed Resolution No. 20170831-060 that directed staff to allocate 15% of the hotel occupancy taxes to fund operations / maintenance of City of Austin historic facilities and sites in accordance with Texas Tax Code Section 351.101(a)(5) and fund other allowable capital and acquisition costs for historical restoration and preservation projects and activities. Through the end of 2018, Visit Austin contracted with the City of Austin to market the historical assets of the City through administering the Heritage Grants Program. Visit Austin distributed approximately \$200,000 annually through the Heritage Grants Program.

In October 2018, the Economic Development Department was authorized to create a Heritage Tourism Division, and in summer, hired a manager to administer the Heritage Grant Program. Information about the Heritage Tourism Division and Heritage Grant Program, as well as application process, can be found at www.austintexas.gov/heritage-grants. This information will evolve as the program develops and as the new manager reviews operations.

Purpose

The purpose of the Heritage Grant Program is to promote tourism through the preservation, restoration, or rehabilitation of historic buildings, structures, objects, monuments, sites or districts (historic property or historic properties).

Per Texas Tax Code Section 351.101(a)(5), for historic preservation and restoration projects, the project must be at, or in the immediate vicinity of, convention center facilities or visitor information centers; or located in the areas that would be frequented by tourists and convention delegates.

Heritage Grant Program Update

Effective, July 22 with the launch of the FY 2020 Heritage Grant Program totaling \$1,782,094.35 the following changes will be in effect for the Heritage Grant application process as recommended by Austin City Council Resolution No. 20181004-033, based on recommendations by the Visitor Impact Task Force and the Heritage Grant Working Group:

- Funding threshold increased: The funding threshold on Heritage Grant awards increased from \$59,000 to \$250,000 on individual Heritage Grant awards;
- Commercial properties: As recommended by the Visitor Impact Task Force, in an effort to expand eligible applicants, government, non-profit, and now, commercial applicants are eligible to apply for preservation and restoration projects;
- Eligible projects expanded for heritage grants: Per Resolution No. 20181004-033, eligible Heritage Grant Program activities now include planning, educational and marketing projects;
- City Vendor: All applicants will be required to register as vendors with the City of Austin.

Future stakeholder meetings will further inform program updates.

2019 Heritage Grant Fund Schedule

EDD will utilize the hotel occupancy tax allocation to administer Heritage Grants in the fall of 2019. Below is the proposed schedule for administration of the program funds:

- July 19: Heritage Grant Application Launch
July 22: Historic Landmark Commission: Briefing on Heritage Grant Application
July 25: Heritage Grant Information Session I (10:30 a.m.-12:00 p.m., Austin City Hall - Board & Commission).
Session will be recorded and posted to www.austintexas.gov/heritage-grants
Aug 1: Heritage Grant Information Session II (6-7:30 p.m., 5202 E Ben White, Ste 400 – Bluebonnet Training Room).
Aug 12: Tourism Commission: Briefing on Heritage Grant Application
Aug 16: Deadline for Applications. *Completed grant applications must be received no later than 11:59 pm.*
Aug 23: Heritage Grant Review
Aug 26: Historic Landmark Commission: Heritage Grant Award Review
Sept 9: Tourism Commission: Heritage Grant Award Review
Sept 12: Austin City Council: Request for Council Action to Award Historic Preservation Grants/Projects
Sept 25: Audit and Finance Committee: Briefing on Heritage Grant Awards
Oct 30: FY 2020 Heritage Grant Project Applicants Notified of Final Grant Awards

Next Steps

Following the disbursement of Heritage Grant funds in October, a more robust engagement process will commence to gather feedback to further inform the program and toward the development of a comprehensive cultural and heritage tourism plan.

In the coming weeks, Heritage Tourism Manager, Melissa Alvarado, will schedule one-on-one with Council Members.