



City of Austin

Recommendation for Action

File #: 26-1539, **Agenda Item #:** 3.

4/23/2026

Posting Language

Approve a resolution authorizing the City Manager to award, negotiate, and execute Historic Preservation Fund grant agreements and allocations for Fiscal Year 2025-2026 for historic preservation and restoration projects and activities in an amount not to exceed \$31,379,499. Funding: \$31,379,499 is available in Fiscal Year 2025-2026 Austin Arts, Culture, Music and Entertainment Special Revenue Historic Preservation Fund for historic preservation and restoration projects in accordance with Texas Tax Code Section 351.101(a)(5).

Lead Department

Austin Arts, Culture, Music and Entertainment.

Fiscal Note

Funding in the amount of \$31,379,499 is available in Fiscal Year 2025-2026 Austin Arts, Culture, Music and Entertainment Special Revenue Historic Preservation Fund for historic preservation and restoration projects in accordance with Texas Tax Code Section 351.101(a)(5).

Prior Council Action:

October 4, 2018 - Council approved Resolution No. 20181004-033 directing the City Manager to allocate the Historic Preservation Fund Fiscal Year 2019 budget in the following manner on a 10-0 vote: 70 percent for City 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 for the Heritage Preservation Grant Program.

April 8, 2021 - Council approved Resolution No. 20210408-005 transferring in and appropriating \$2,400,000 from the Fiscal Year 2020-2021 Austin Convention Center Capital Fund 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 \$15,000,000 over the next five years, starting in Fiscal Year 2020-2021. With the \$2,600,000 Fiscal Year 2025-2026 transfer, all fund transfers have been completed in full for a total of \$15,000,000.

For More Information:

Angela Means, Director, Austin Arts, Culture, Music and Entertainment, 512-974-1624; Morgan Messick, Assistant Director, Austin Arts, Culture, Music and Entertainment, 512-974-7873; Melissa Alvarado, Heritage Tourism Division Manager, Austin Arts, Culture, Music and Entertainment, 512-974-7870.

Council Committee, Boards and Commission Action:

March 23, 2026 - The Arts Commission was briefed on Austin Arts, Culture, Music and Entertainment Funding Program Award announcements.

Additional Backup Information:

The Austin Arts, Culture, Music and Entertainment (ACME) Heritage Tourism Division manages the Historic Preservation Fund, which supports preservation projects and activities that promote heritage tourism to historic sites and museums. Funds for preservation allocations and grant agreements are derived from a portion of the

City's Hotel Occupancy Tax revenues. Texas Tax Code Section 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 Fiscal Year 2025-2026 recommended allocations and grant agreements are shown in Exhibit A, attached to the proposed resolution, for a total amount of \$31,379,499. Allocations are organized by categories identified in Resolution No. 20181004-033. In summary, \$12,414,668 is planned for capital improvement projects and operational projects for City-owned historic facilities and sites. Expenditures include \$9,504,491 for 13 capital preservation projects for City-owned historic facilities and \$2,910,177 for operating and tourism promotions for programs and projects for Austin Parks and Recreation and ACME. The ACME Fiscal Year 2025-2026 Heritage Preservation Grant is budgeted for \$3,149,571. In addition, \$13,215,260 is budgeted for a potential future historic land acquisition or major preservation project as approved by Council. \$2,600,000 is budgeted as a final transfer to the Special Revenue Fund for Austin Financial Services to contract with Rally Austin for implementation and disbursement of the Iconic Venue Fund and associated support fees as approved by Council in Resolution No. 20240926-069.

City-owned capital improvement projects at historic sites were assessed by staff, in consultation with the City Attorney's Office, to ensure that proposed projects meet state mandates for Fiscal Year 2025-2026, as focused on the following factors: historic landmark designation; evidenced tourism impact; geographic distribution of projects; department-assigned level of importance; and shovel-readiness to develop a recommendation to fund tourism-serving projects from the 70 percent allocation within the Historic Preservation Fund.

Following a competitive application and review process, ACME Funding Program staff evaluated Heritage Preservation Grant applications to ensure that proposed projects meet state mandates, guidelines, criteria, and program requirements. Applications from non-profit and commercial organizations with a historic designation that met the criteria were evaluated and scored by an external panel, consisting of commissioners, tourism, preservation, and community building representatives, that prioritized investments while focusing on tourism impact, preservation impact, greater access, and local historic designations.

Exhibit A includes the complete list of Historic Preservation Fund investments, including a list of organizations recommended for Fiscal Year 2025-2026 Heritage Preservation Grants. Contracts below the City Manager's authority are being approved by the City Manager under City Charter Article VII, Section 15 and are shown for informational purposes only. No Council action is required on the contracts under the City Manager's authority.