



City of Austin

Recommendation for Action

File #: 26-1817, **Agenda Item #:** 9.

7/23/2026

Posting Language

Authorize negotiation and execution of an amendment to the interlocal agreement with the Austin Economic Development Corporation, d/b/a Rally Austin, to provide \$13,215,260 of City hotel occupancy tax funding to Rally Austin to be used to establish and fund the Historic Preservation Acquisition Fund program to identify, acquire, preserve, activate, and steward historic properties and related preservation activities that promote tourism and convention visitation in compliance with Texas Tax Code Section 351.101(a)(5) and fund Rally Austin's administrative fees, for a revised total agreement amount not to exceed \$58,355,260. Funding: \$13,215,260 is available in the Fiscal Year 2025-2026 Austin Arts, Culture, Music and Entertainment Special Revenue Fund (Historic Preservation Fund).

Lead Department

Austin Financial Services.

Fiscal Note

Funding in the amount of \$13,215,260 is available in the Fiscal Year 2025-2026 Austin Arts, Culture, Music and Entertainment Special Revenue Fund (Historic Preservation Fund).

Prior Council Action:

December 11, 2025 - Council approved an amendment to the interlocal agreement with the Austin Economic Development Corporation, d/b/a Rally Austin.

September 26, 2024 - Council approved a resolution directing the City Manager regarding the use of the historic preservation acquisition funds and collaboration with the Austin Economic Development Corporation, d/b/a Rally Austin, on a 10-0 vote.

For More Information:

Diana Thomas, Deputy Chief Financial Officer, 512-974-1166; Meghan Wells, Economic Redevelopment Program Manager, 512-974-9314.

Additional Backup Information:

Resolution No. 20240926-069 directed the City Manager to work with Rally Austin and other key historic preservation and arts stakeholders to recommend a process for identifying, prioritizing, and acquiring property with historic preservation acquisition funds, to consider properties for which the City has first right of refusal, and to develop a financially sustainable and legally compliant stewardship model for acquired historic or eligible properties. The resolution also contemplated Rally Austin's role in supporting eligible cultural trust properties and other long-term cultural use opportunities.

On January 30, 2026, City staff provided a memorandum to Mayor and Council recommending Rally Austin as steward of the Historic Preservation Acquisition Fund and outlining a five-phase process to develop the required framework and deliverables. That memo identified the expected deliverables as a Vision and Goals Statement, Sources and Uses Memorandum, Property Screening Rubric, and Governance and Process Diagram, and contemplated an advisory committee to ensure the work reflected both technical expertise and broad community values.

Since that time, Rally Austin has completed the process described in the City memorandum and the attached backup presentation summarizes that work. Rally Austin recruited and convened a historic preservation acquisition fund advisory committee, held four meetings during March and April 2026, reviewed draft framework materials, toured prospective sites, collected follow-up feedback, and refined the program framework through community input, legal analysis, and financial review. The resulting package provided as backup provides the foundation for implementation and includes the program vision, property pipeline methodology, governance and evaluation process, and a screening rubric for future acquisitions.

This amendment to the interlocal agreement with Rally Austin establishes the Historic Preservation Acquisition Fund program within the interlocal agreement and authorizes Rally Austin to identify, evaluate, underwrite, structure, acquire, preserve, activate, and steward historic properties and related preservation activities that demonstrably promote tourism and convention visitation. The amendment further provides for project-specific legal and financial review, preparation of sources and uses documentation for proposed acquisitions, maintenance of a separate account for fund resources, reporting to the City, and governance and oversight consistent with the existing interlocal agreement.

Approval of this item will allow the City and Rally Austin to move from framework development into program deployment. Immediate transfer of available Historic Preservation Acquisition Fund resources is intended to allow Rally Austin to organize and actively manage the fund, advance intake and evaluation of pipeline properties, establish reserves for administrative support and urgent preservation opportunities, and move more quickly when high priority historic sites emerge.