



City of Austin

Recommendation for Action

File #: 26-1237, **Agenda Item #:** 3.

3/12/2026

Posting Language

Authorize negotiation and execution of a Place-Based Enhancement Cultural Preservation economic development agreement with The Vortex for a total amount not to exceed \$107,803 over a five-year term to support retention of this local legacy creative sector business. Funding: \$107,803 will be contingent upon the future appropriations to the Economic Incentive Reserve Fund.

Lead Department

Austin Economic Development.

Fiscal Note

Maximum economic development agreement payments to The Vortex are estimated at \$107,803 over the course of a five-year term, if all performance and compliance criteria are met. Funding for incentive payments is contingent upon the annual appropriation of funds to the Economic Incentive Reserve Fund by City Council. Eligible sources of funding for the Economic Incentive Reserve Fund may include, but are not limited to, sales taxes, property taxes, mixed beverage taxes, and grants and private donations.

For More Information:

Anthony Segura, Deputy Director, Austin Economic Development, 512-974-3187; Matthew Schmidt, Division Manager, Austin Economic Development, 512-974-6415.

Additional Backup Information:

The Vortex is a legacy local business and creative space located in central east Austin for the last 38 years. As leaders in the growth and stability of the arts in Austin through its unique regional theatre, The Vortex provides an essential community destination with significant, professional theatrical productions, a community gathering space, a nationally-certified butterfly sanctuary, and its lively Butterfly Bar and food truck tenants. The Vortex engages in radical transformation through edge-walking artistic creations, women-led projects, tuition-free Summer Youth Theatre, and innovative collaborations featuring artists of diverse ages, genders, ethnicities, and backgrounds. Original work encompasses plays, operas, musicals, ritual theatre, devised collaborations, spoken word, and immersive experiences. Recent economic conditions and major cuts to the National Endowment for the Arts have led to shortfalls in revenue. This Place-Based Enhancement Cultural Preservation economic development agreement will aid in restoring lost operating funding for a local legacy business and creative space, supporting the re-establishment of staff positions and better positioning The Vortex for long-term property acquisition.

Fiscal Impact Analysis

Using the Impact Dashboard fiscal impact model, the City is projected to receive \$1,120,000 in total net benefits from the project over the five-year agreement term. The impact is inclusive of over \$1,000,000 in net fiscal impacts tied to tourism spending over five years; this is driven by large numbers of non-local patrons demonstrated for this creative sector business. The total net benefit amount is calculated after the total Place-Based Enhancement Program award not to exceed \$107,803.

The project is eligible for consideration under the Place-Based Enhancement Program guidelines and received the necessary score for an incentive of 100% of the amount of property taxes and sales taxes paid to the City

allowed under the Place-Based Enhancement Program guidelines.

Contract compliance and award payment eligibility will be determined annually by the City and an independent third-party to verify that The Vortex has performed in accordance with the terms of the contract. Upon confirmation of compliance, the City will provide a Place-Based Enhancement Program award equal to a 100% incentive equal to the amount of actual property taxes and sales taxes paid to the City, up to the maximum award amount of \$107,803.