



City of Austin

Recommendation for Action

File #: 25-2263, **Agenda Item #:** 12.

11/20/2025

Posting Language

Authorize negotiation and execution of an economic development Place-Based Enhancement agreement with The Hideout for a total amount not to exceed \$163,341. \$163,341 from Fiscal Year 2027 - 2036 in the Economic Incentive Reserve Fund Budget. Funding \$163,341 is contingent upon approval of the Proposed Economic Development Department's Economic Incentive Reserve Fund Budgets.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$163,341 is contingent upon approval of future Fiscal Economic Development Department's Economic Incentive Reserve Fund Budgets.

For More Information:

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Additional Backup Information:

The Hideout is a legacy local business and creative space located in Downtown Austin for the last 25 years. Recent changes in property ownership have forced the business to relocate. The proposed Place-Based Enhancement Program incentive will aide in relocation and re-establishment of this local legacy business and creative space, supporting tenant finish-out at a new site including a coffee shop, classrooms, and performance space. High real estate and construction costs, including property taxes and permitting fees, make the site renovations for this project infeasible without incentive support. The prospective total direct economic impact of the project would be a capital investment of \$708,273. The economic impact also includes \$1,400,000 in net fiscal impacts tied to tourism spending over ten years; this is driven by large numbers of non-local patrons demonstrated for this creative sector business.

The project is eligible for consideration under the Place-Based Enhancement Program guidelines and received the necessary score for an incentive equal to 100 percent of the property taxes and sales taxes paid to the City by The Hideout, as 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 Hideout 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 percent reimbursement of actual property taxes and sales taxes paid to the City for the award up to the maximum award amount of \$163,341. Using the Impact Dashboard fiscal impact model, the City is projected to receive a \$1,460,000 in total net benefits from the project over the 10-year agreement term. The total net benefits amount is calculated after the total Place-Based Enhancement Program award not to exceed \$163,341.