



OFFICE OF TRAVIS COUNTY JUDGE SARAH ECKHARDT

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July 26, 2017

Mayor Steve Adler  
City of Austin  
City Hall  
Austin, TX 78701

Dear Mayor Adler:

Travis County watches with interest the City's developing plans for addressing quality of life issues and promoting economic development in downtown Austin. Last week's message board post and this week's *Austin American-Statesman* article regarding the "Downtown Puzzle" demonstrates your interest in increasing the Chapter 351 hotel occupancy tax by expanding the Austin Convention Center, while addressing growing homelessness issues in the area through a new Tourism Public Improvement District and associated 1% hotel assessment. Travis County applauds the City's efforts to address multiple needs through an innovative partnership with the hotel industry in Austin. However, this proposal (and others that have been circulating) will pre-empt Travis County's ability to levy up to a 2% venue tax to support needs in other parts of our region.

We recognize that we do not yet have actionable development plans for which we could apply the remaining venue tax increment. However, we believe that this is an opportune time to partner with the City on planning the redevelopment of the Travis County Exposition Center, as well as improvements to surrounding areas including Walter E. Long Metropolitan Park and the Colony Park neighborhood (see attached). This area represents an ideal investment of mutual interest to the City and County for a venue tax in the near future. Concentrated investment in the "eastern crescent" would serve our common goal of promoting equity, opportunity and prosperity in a historically neglected area that could be transformative.

We believe that firm development plans could be crafted in partnership with the City over the next three years to form a new City-County venue district to support new projects and improvements in that area.

We propose an agreement between our entities to treat the remaining 2% supplemental hotel occupancy tax capacity as a revolving fund. In the nearest term, the City would use the 2% additional hotel occupancy tax capacity to expedite debt repayment from 1999 on the Austin Convention Center and retire its debt in 2021, freeing up that capacity for the funding of the Exposition Center/Decker Lake project. As a first step,

and in advance or in tandem with the City's decisions regarding funding for the Downtown Puzzle, the City and the County should establish a venue district for the development of the Exposition Center/Decker Lake project and support the district with the following actions:

1. Extend the County's lease or provide a license on the Expo Center for another 50 years;
2. Collaborate in the planning process for projects and investments in the Expo/Decker Lake district; and
3. Jointly pursue referenda for the projects and the 2% venue tax to fund them.

We look forward to long-term collaboration with the City to address our region's many needs through a hotel occupancy tax, both in the downtown area and our outlying areas.

Sincerely,

A handwritten signature in black ink, appearing to be 'SE', with a long, sweeping underline that extends to the right.

Sarah Eckhardt

CC: Travis County Commissioners Court  
Austin City Council  
Elaine Hart, City Manager  
Jessica Rio, County Executive of Planning and Budget

