

RESOLUTION NO.

WHEREAS, major sporting events attract thousands of spectators to cities and counties in the State of Texas, many from out of state, that generate considerable economic activity for local communities and the State of Texas; and

WHEREAS, these events generate tax revenues but the cost of preparing for and hosting a major event is significant to the local community; and

WHEREAS, to encourage major national and international sporting events to select Texas as their site and to help local communities alleviate the costs associated with preparing for and hosting these events, the Texas Legislature established the “Major Events Trust Fund” (METF) as defined in Article 5190.14 Section 5A of Vernon’s Texas Civil Statutes (Statute); and

WHEREAS, Formula One Management, Ltd. as a site selection organization has confirmed the selection of Austin as the location for the annual Formula 1 United States Grand Prix from 2012 through 2021; and

WHEREAS, the Formula 1 U.S. Grand Prix is an event eligible for METF support; and

WHEREAS, for eligible events that generate at least \$15 million in state and local tax revenue from hotel occupancy tax, sales tax, mixed beverage tax, beer and wine tax, and motor vehicle rental tax, an endorsing municipality and the Texas Comptroller may enter into an agreement to deposit these tax revenues and funds from other sources into an METF and the Texas Comptroller may make disbursements from that METF that do not exceed amounts deposited to pay costs relating to attracting and securing the event; and

WHEREAS, the Circuit Events Local Organizing Committee desires to act on the City's behalf and to assume certain financial obligations including depositing the City's calculated annual contribution of up to \$4 million into a METF established for the purpose of preparing for and hosting the Formula 1 U.S. Grand Prix; and

WHEREAS, the Council finds that the conditions to support the Formula 1 U.S. Grand Prix have been met to its satisfaction and that it is in

the interest of the City of Austin to enter into an Interlocal Agreement with the Texas Comptroller of Public Accounts to initiate the Major Events Trust Fund for the Formula 1 U.S. Grand Prix; **NOW, THEREFORE,**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

1. That the City Manager is authorized to negotiate and execute the Interlocal Agreement with the Texas Comptroller of Public Accounts, which agreement will, among other things:
 - a. Set forth the rights and obligations of the parties required under the Statute; and
 - b. Set forth the authority for the City to submit an application to the Texas Comptroller to seek state funds to assist CELOC on the City's behalf with securing, preparing for, and hosting the Formula 1 U.S. Grand Prix; and
 - c. Set forth the authority for CELOC to seek reimbursements from the METF established for the Formula 1 U.S. Grand Prix.
 - d. Set a term for the Interlocal Agreement from date of signature through August 31, 2021.

2. That the City Manager is further authorized to execute related agreements, including mutual aid agreements.

ADOPTED: _____, 2011 **ATTEST:** _____
Shirley A. Gentry
City Clerk