

Late Backup

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, CELOC will provide the City's contribution to the METF every year, there will be no expenditure of City funds into the METF, and the Comptroller's responsibility to provide City tax revenues to the City is not affected.

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 Agreement with CELOC to initiate the METF for the Formula 1 U.S. Grand Prix; **NOW, THEREFORE**,

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

1. That CELOC is authorized to act on the City's behalf with respect to the City's application to the Texas Comptroller of Public Accounts for creation of a METF in support of the Formula 1 U.S. Grand Prix.
2. That the City Manager is authorized to negotiate and execute the Agreement with CELOC to, among other things:
 - a. Set forth the rights and obligations of the parties as required by the Statute; and

- b. Set forth the authority for the City and CELOC to submit 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 reimbursement from the METF established for the Formula 1 U.S. Grand Prix; and
 - d. Set a term for the Agreement from date of signature through August 31, 2021, subject to annual renewal during that term.
3. That CELOC is further authorized to remit up to \$4,000,000 annually to the Texas Comptroller on the City's behalf for deposit into the Formula 1 Major Events Trust Fund established for the purposes of preparing for and hosting the Formula 1 U.S. Grand Prix.
4. That the City Manager is further authorized to execute related agreements, including mutual aid agreements.

ADOPTED: _____, 2011

ATTEST: _____
Shirley A. Gentry
City Clerk