



COUNCIL COMMITTEE REPORT
COMMITTEE ON OPEN SPACE, ENVIRONMENT AND SUSTAINABILITY

Date: April 27, 2016

Agenda Item #: 4

Agenda Item: Briefing and discussion regarding the Travis County Expo Center Market Study.

Vote No vote was taken.

Sponsors/Department: Parks and Recreation Department (PARC)

Presenters: Brian Block, Development Administrator, Parks and Recreation Department

Summary of Discussion

- Brian Block, Development Administrator with PARC, explained that the City of Austin partnered with Travis County to initiate and manage the market study, along with a funding contribution from Rodeo Austin. The draft study has been completed, and is currently being reviewed by the various stakeholders. The study looks at the market for such facilities in Austin and identifies gaps that could potentially be filled by a remodeled or renovated facility.
- The consultant was asked to review the facility conditions, site location, and any plans for the area. The consultant also held stakeholder meetings and gathered input from City and County elected leaders, neighbors, local businesses, and the current users of the facility. The consultant looked at industry trends, comparable cities, comparable facilities, and the market demand in Austin to identify gaps and make recommendations to meet those gaps. Finally, the consultant estimated the cost of the recommended facility, how it would be used, and how much income and expenses would be realized.
- The study is meant to get the policy makers information and data in order to make long-range decisions. The study estimates how much it would cost to build what is recommended, but it does not outline a financing plan for how to pay for it.
- The Expo Center is located at the southwestern portion of Water E. Long Metropolitan Park. The facility was built in 1983, and is leased as part of a 50-year lease that goes to Travis County. This lease of parkland was authorized by the voters in 1982. Going beyond the 50-year lease (2033) would require reauthorization by the voters.

- Travis County manages and operates the facility. Rodeo Austin is the primary tenant, but the facility also hosts the Star of Texas Fair, the Republic of Texas Biker Rally, and various livestock shows, auto shows, and triathlons.
- The facility is aging and the County has had limited funds to invest in it. Existing facilities are obsolete, in poor condition, and too small.
- The consultant recommends a replacement of all the existing facilities with a high-quality exhibit and expo space, along with a flex hall/ballroom and meeting rooms. The consultant recommends a mid to large size multipurpose arena.
- The market needs for this facility are different than the Austin Convention Center and Palmer Events Center. The consultant noted that a downtown convention center focuses on multi-night conventions, whereas this facility would focus on sports, entertainment, large trade shows, and consumer shows that are typically one or two days.
- Phase I of the project would cost \$470 million, comprising the arena and primary expo ballroom and meeting rooms. Phase II and III would cost another \$150 million.
- The consultant estimated that the facility would generate \$2.9 million in the first year, going up to \$5 million in the 10th year. The estimation of economic impact over 30 years is \$110 million in new taxes, 5,200 temporary jobs, and 1,200 ongoing full-time jobs.
- Vice Chair Garza asked if the study took into account all of the existing venues in Austin, particularly the Circuit of the Americas. Mr. Block explained that there is a different market for outdoor amphitheater venues and indoor concert venues because they peak at different times of the year. The proposed facility is also multipurpose, and can host large trade shows and consumer shows that the Circuit of the American cannot accommodate.
- Mayor Pro Tem Tovo asked whether the consultant had examined if some groups might not be able to afford to use the new facility. Mr. Block acknowledged that the rental rates would likely go up, and that any implementation plan would have to include a discussion of potential discounts, scholarships, reduced rates, or alternative venues for groups that cannot afford the new rates.
- Vice Chair Garza asked whether the consultant had examined the potential jobs in more detail, specifically what kinds of jobs and what the jobs pay. Mr. Block said that he would relay this question to the consultant, who would come back prepared to give more details regarding the potential jobs.

Speakers

None.

Direction

Recommendation

There was no recommendation to the full Council