



# PRESENTATION TO THE DOWNTOWN COMMISSION

September 15, 2021

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Katy Zamesnik, CAO, Austin Convention Center

AUSTIN  
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DEPARTMENT



A wide-angle photograph of the Austin skyline at sunset. The sky is a vibrant orange and yellow, with silhouettes of various skyscrapers and buildings. In the foreground, a red rectangular box contains the word 'AGENDA' in white capital letters. In the top right corner, the text 'AUSTIN' is written in large white letters, with a small globe icon below it, and 'CONVENTION CENTER DEPARTMENT' in smaller white letters below that.

## AGENDA

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- Hotel Occupancy Tax Review
- History of Convention Center Redevelopment and Expansion Planning
- Convention Center Redevelopment and Expansion Update and Next Steps



# HOTEL OCCUPANCY TAX

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# CHAPTER 351 AND ALLOWABLE USES OF HOT

- Sec. 351.101. USE OF TAX REVENUE\*.
- (a) Revenue from the municipal hotel occupancy tax may be used only to promote tourism and the convention and hotel industry, and that use is limited to the following:
  - (1) the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both;
  - (2) the furnishing of facilities, personnel, and materials for the registration of convention delegates or registrants;
  - (3) advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the municipality or its vicinity;
  - (4) the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting,





## CHAPTER 351 AND ALLOWABLE USES OF HOT

- sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms;
- (5) historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums:
  - (A) at or in the immediate vicinity of convention center facilities or visitor information centers; or
  - (B) located elsewhere in the municipality or its vicinity that would be frequented by tourists and convention delegates;
- (9) signage directing the public to sights and attractions that are visited frequently by hotel guests in the municipality;

**Chapter 351 prohibits HOT use for general government activities**





**HOW DID WE GET HERE?**

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## EXPANSION HISTORY

### EXPANSION TIMELINE

**Long Range Plan**  
Engage Stakeholder  
Team

MAY 2014

**ULI TAP Report**

APR 2015

**UT Study**  
Published

MAR 2019

**Palm Park Resolution**  
Approved

MAY 2019

**Prop B Election**

NOV 2019

**Council approval of CMR  
Methodology**

JUN 2021

MAR 2015

**Published Draft**  
Long Range Master Plan

JUN 2017

**Visitor Impact Task Force  
Committee**  
Recommendation

MAY 2019

**Tourism Commission**  
Recommendation

AUG 2019

**City Council Approves  
Ordinance to Raise  
Hotel Occupancy Tax**

AUG 2020

**Release of  
Consultant Report**



## EXPANSION HISTORY

### Convention Center Long Range Master Plan (May 2015)

- Outside core not viable
  - Musts include proximity to
    - Existing and planned hotel room supply
    - Variety of services
    - Dining
    - Entertainment
- Concluded west expansion was the only viable option

### Urban Land Institute (Spring 2015)

- Created Technical Assistance Panel (TAP)
- TAP review reaffirmed the Master Plan conclusion of westward expansion

### Visitor Impact Task Force (June 2017)

- Council appointed 18 members
- Recommended expansion to the west, leaving Trinity open



## EXPANSION HISTORY

### Center for Sustainable Development at University of Texas (April 2019)

- Council Resolution No. 20170928-052
- Concluded westward expansion was well vetted and the only realistic option for expansion
- Council's preferred scenario of the options researched and presented was Scenario 5

### Tourism Commission Recommendation (May 2019)

- Commission formed in 2018 by Council action to advise the Council on HOT and issues that involve the tourism industry
- Recommendation 20190513-4b

### Palm District Resolution (May 2019)

- Recommendation 20190523-029
- Council directed City Manager to proceed with developing initial design and financing for expansion

## EXPANSION HISTORY

### Ordinance 20190808-148 (August 2019)

- Council approved increasing by 2% for Convention Center Expansion

### Master Plan Update (August 2020)

- Presented 2 possible design scenarios based on a three-phase western expansion and redevelopment

### Economic Impact and Market Viability Study (August 2020)

- Companion document to Master Plan Update





## RECENT COUNCIL ACTION

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**June 10, 2021- Request  
for Council approval of  
the Construction  
Manager at Risk  
Methodology**

Allows the Convention Center team to release RFQ  
and RFP for architect/design work and the  
Construction Manager

**June 10, 2021-  
Council Resolution  
20210610-096**

City Council affirms its commitment to the planning principles  
documented in Resolution No. 20190523-029, the Palm District Planning  
Initiative and provides guidance for design elements and direction to be included  
in the Request for Qualifications (RFQ) for architecture/engineering services for  
redevelopment and expansion



# COUNCIL ACTION EXPANSION

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Council Resolution [20141211-218](#) – Urban Land Institute (ULI) to review Long Range Master Plan (2014)

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Council Resolution [20151112-033](#) – 14-point Plan (2015)

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Council Resolution [20160818-075](#) Created Visitor Impact Task Force (2016)

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Council approves [interlocal agreement](#) with UT to study expansion (2018)

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Council [appoints](#) Tourism Commission to evaluate expansion (2018)

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Council passes Palm District Planning [Resolution](#), including Convention Center expansion (2019)

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Council [approves](#) increase in HOT by 2% for Convention Center expansion (2019)

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Council [approval](#) of negotiation and execution of Exclusive Negotiating Agreement with western property owners (2020)

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Council approves Resolution [20210610-005](#) - CMAR methodology for expansion (2021)

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Council approves [20210610-096](#) providing additional direction for RFQ for Architect/Engineering services for expansion (2021)

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**WHERE DO WE GO FROM HERE?**

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# FRAMEWORK FOR EXPANSION

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2019 Center for  
Sustainable  
Development at  
University of  
Texas Study (UT  
Study)

Palm District  
Plan: Council  
Resolution No.  
20190523-029

2020 Convention  
Center  
Expansion  
Master Plan  
Update

Council  
Resolution  
20210610-096





## NEXT STEPS

Fall 2021



- Discussion with Council on financing plan and proof of concept
- Release of RFQ for architect/engineering services, followed by RFP for construction services

Spring/Summer 2022



- Architect on board to begin design work
- Construction firm under contract

ON BEHALF OF THE TEAM  
**THANK YOU**



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