



MEMORANDUM

TO: Mayor and City Council Members

FROM: Anthony J. Snipes, Assistant City Manager *AJS*

DATE: March 30, 2015

SUBJECT: April 2 Council Agenda Item re: Summer X Games, CELOC

This memo provides background information regarding an item for your consideration on the upcoming April 2 Council agenda. The item, which is listed under the Austin Convention Center Department, requests approval of an amendment to a 2013 resolution involving X Games and the application for state funds from an events trust fund.

Given that this matter involves historical Council actions, multiple agencies and ongoing processes, I've provided a thorough explanation below in an effort to make clear what we will be proposing on April 2.

Circuit Events Local Organizing Committee (CELOC) and the Major Events Trust Fund (METF)

In 2011, the CELOC was formed to assist with the organization and facilitation of events hosted at the Circuit of the Americas (COTA) facility. Through contracts with terms approved by Council, CELOC is tasked with acting on the City's behalf when applying for funds from event trust funds managed by the State Comptroller's office. CELOC is to commission economic impact studies for these events, which are required when applying for funding through the State's event trust funds. CELOC also fully funds the City's contribution to these funds. Both CELOC and COTA also must meet contract requirements relating to the environmental impact of events at the site, and minority and women owned business requirements relating to construction at the site.

The State's event trust funds allow local communities to offset the costs associated with hosting large, well-attended events that include out of state visitors. The reimbursement amount is based on the economic impact of the event. The fund usually used for smaller events is called the event trust fund (ETF). The larger fund for larger events, such as the Super Bowl and Formula 1, is called the major event trust fund (METF).

In order to apply for the funds from these event trust funds, COTA needs the City to be an endorsing municipality. Generally, endorsing municipalities must submit matching funds to the State Comptroller in order to receive reimbursement funds from these funds. CELOC assumes this role on behalf of the City of Austin. As a result, CELOC covers the cost of any required matching dollars. This was specifically designed such that there would be no fiscal impact to the City of Austin as part of the application to either the regular event trust fund or the METF.

X Games and CELOC

In 2013, COTA successfully secured the winning bid to host the Summer X Games from 2014 through 2016. COTA requested that the City of Austin act as the sponsoring municipality for this event, and in turn for their application to the ETF.

Unlike the Formula One U.S. Grand Prix, ESPN is not listed in the state law as a site selection entity, which is required in order to qualify for the METF. The X Games do, however, qualify for the ETF. The major difference between the METF and the ETF is that the window for assessing economic impact of an event through the METF is 12 months. The window for assessing economic impact of an event with an ETF is one month.

Resolution No. 20130523-019

In May of 2013, the Council passed Resolution No. 20130523-019, which authorized CELOC to act on the City's behalf to apply for the ETF for the Summer X Games. The resolution allowed CELOC to apply for these funds through 2016.

Under this resolution, CELOC maintains their responsibility to provide any and all funds required to be submitted to the State in order to be eligible for the ETF or the METF. Like the other resolutions relating to other events at COTA, CELOC and COTA are fully responsible for any matching funds required by the Texas Comptroller to establish the trust fund.

The resolution also authorized the City Manager to submit to Council fee waivers and in-kind assistance in the amount of \$150,000. CELOC and COTA did not submit any requests for fee waivers after passage of this resolution, and no fee waivers were brought before Council for consideration. The City has not waived any fees for the Summer X Games event.

State Legislation and the April 2 Council Item

State lawmakers are currently considering legislation that would allow ESPN to be an eligible site selection organization, thus allowing X Games to qualify for METF establishment.

Given that the May 2013 resolution only provided CELOC the ability to act on the City's behalf in applying for the ETF for Summer X Games, staff is asking Council to amend this resolution to also allow CELOC to apply for METF funding for X Games. This resolution would also extend authority to apply for METF funds to include the 2017 Summer X Games. Application for METF funds would still be subject to the approval of the proposed State legislation.

The deadline for CELOC to apply for METF funding for Summer X Games is Thursday, April 16. Should Council approve the April 2 resolution, CELOC would move forward with that application, contingent upon passage of State legislation.

Please contact me if you have any questions.

cc: Marc A. Ott, City Manager
Mark Tester, Director, Austin Convention Center Department