CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE

100 Congress Avenue, Suite 1300
Austin, Texas 78701-2744

September 30, 2013

Deputy Comptroller
Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

VIA HAND DELIVERY

RE: Application for Participation in the Texas Major Events Trust Fund (2013 Formula 1 United States Grand Prix)

Dear Deputy Comptroller:

Circuit Events Local Organizing Committee, is organized as a Texas non-profit corporation (the "***Committee***") with the purpose to help facilitate and support motor racing and other events, including the event, commonly known as "2013 Formula 1 United States Grand Prix" (the "***Race Event***") that is scheduled to be held in Austin, Texas during the weekend of November 15 - 17, 2013. Further, as an integral part of this support, the Committee and the City of Austin, as approved by City Council resolutions of June 29, 2011, entered into an "***Agreement***", dated June 29, 2011, whereby the City of Austin agreed to be the "endorsing municipality" for the Race Event, and in the capacity of endorsing municipality (i) authorized the Committee to act as the "local organizing committee" for purposes of applying to, securing and promoting the Race Event for the Austin area, as well as the application for and qualification of the Race Event as an "Event" under TEX. REV. CIV. STAT. ART. 5190.14 (the "***Act***") Section 5.A., the Texas Major Events Trust Fund (the "***Trust Fund***") and (ii) authorized and appointed the Committee, as the City of Austin's sole and exclusive designee for and on behalf of the City of Austin, to submit, pursuant to TAC Title 34, Part 1 Chapter 2, Subchapter A, Rule 2.102, a request to the Texas Comptroller of Public Accounts for participation in the Trust Fund program and a request to the Texas Comptroller to determine the incremental increase in the receipts of various taxes (*e.g.* sales and use taxes, mixed beverage taxes, hotel occupancy taxes), by the City of Austin, as the endorsing municipality, for the one (1) year period that begins two (2) months before the date of the first event (scheduled for November 15 - 17, 2013), in accordance with the Comptroller's procedures and in accordance with the Act, and the rules promulgated thereunder (the "***Rules***").

It is my honor and great pleasure to submit this application from the Committee, as the City of Austin's duly appointed and authorized designee for and on behalf of and binding upon the City of Austin, as the formal request, pursuant to Rule 2.102, for participation in the Trust Fund program and a request to the Texas Comptroller to determine the incremental increase in the applicable taxes for the City of Austin for the November 15-17, 2013 Race Event.

Further, as required by Rule 2.102(a)-(d), enclosed with this letter are (i) a letter, dated July 10, 2012 from Formula One Management, Ltd, the site selection committee for the Race Events, selecting the site in Austin, Texas, as Attachment 1, (ii) the economic impact study (EIS) and other data with detailed information prepared by Don Hoyte, Ph.d. on the direct expenditures and direct impact data for the endorsing municipality hosting the event and for the requested market area (the "***Economic Study***"), as Attachment 2; (iii) affidavits from the Committee and Dr. Hoyte pertaining to the EIS as Attachment 3, (iii) a description of the requested market area, as Attachment 4, (iv) a list of all related events activities proposed to be included in the trust fund estimate, as Attachment 5, with data for each such activity including projected attendance figures, ticket sales and relevant production and expenditure information related to the activity, included in the Economic Study; and (v) the Request Worksheet to Establish an Event Trust Fund for the Event, as Attachment 6 Also included as Attachment 7, is a letter, dated September 30, 2013, from Mr. Marc Ott, City Manager for the City of Austin to the Comptroller's Office requesting participation in the Trust Fund for the Formula 1 Race Event.

Upon the Committee's receipt of an approval letter from the Comptroller's office establishing a Trust Fund and setting out the "local increment" amount for the Race Event, the Committee has been authorized and expects to have the necessary funding to fund such local increment amount directly into the Trust Fund established for the Race Event.

If you have any questions or comments on or need any additional information or clarification on the above request, please to not hesitate to contact me or any member of the Board of Directors of the Committee.

Thank for your time and consideration of this request.

Respectfully,

Wayne S. Hollingsworth, Director of
Circuit Events Local Organizing Committee

Mr. Robert Wood, Comptroller's Office
Ms. Leela Fireside, Legal Dept., City of Austin
Mr. Sam Bryant, Director
Mr. Ford Smith, Director
Mr. Rodney Gonzales, Director
Mr. Steve Sexton, CEO of COTA
Mr. Dan Allen, CFO of COTA

Application for Participation in the Texas Events Trust Fund
(2013 Formula 1 US Grand Prix – November 15 – 17, 2013)
September 27, 2013

INDEX

ATTACHMENT 1 – Site Selection Committee Designation Letter

ATTACHMENT 2 – Economic Impact Study

ATTACHMENT 3 – Affidavits to Accompany Economic Impact Study

ATTACHMENT 4 – Requested Economic Impact Study Market Area

ATTACHMENT 5 – Events & Activities Schedule

ATTACHMENT 6 – Request Worksheet to Establish an Events Trust Fund

ATTACHMENT 7 – City of Austin Letter to Comptroller re Participation in METF

ATTACHMENT 1

Site Selection Committee Designation Letter

10 July 2012

Mr Wayne Hollingsworth
Director
Circuit Events Local Organizing Committee
100 Congress Avenue, Suite 1300
Austin, Texas 78701-2744

Dear Mr Hollingsworth

Re: United States Grand Prix – Selection of the City of Austin

I am writing to confirm the selection of the City of Austin as the site of the upcoming Formula 1 United States Grand Prix, which will be held on November 16-18, 2012 at the permanent race facility owned by Circuit of the Americas, LLC ("***COTA***"), and to offer some background concerning the selection process.

As early as 2007, I began conferring with cities interested in becoming the site for the United States Grand Prix. Several U.S. cities and locations demonstrated an interest in hosting the event and provided compelling proposals to that effect. The FIA Formula One World Championship (the "***Championship***") is a global sporting event, places on the annual calendar are limited and Formula One Management Ltd. ("***FOML***") has also received strong interest from cities and locations outside the United States that are desirous of staging a round of the Championship. In 2010, Full Throttle Productions, LP ("***Full Throttle***") submitted an application to host the United States Grand Prix at a new facility to be constructed near the City of Austin. After carefully weighing Austin's suitability against that of the other interested cities, in the United States and elsewhere, FOML selected Austin as the location for the United States Grand Prix to be a round of the Championship from 2012 to 2021.

FOML entered into contracts with Full Throttle granting it the rights to promote the United States Grand Prix. Beginning in mid-2011, it became apparent that Full Throttle was having difficulty meeting its obligations, ultimately resulting in the termination of the Austin selection and the related contracts. Construction on the COTA facility was stopped in November 2011. At that time, although competition for an FIA FORMULA ONE WORLD CHAMPIONSHIP was substantial and we had the opportunity to give Austin's place on the 2012 calendar to another location, as the issues that caused FOML to revoke Austin's previous selection were resolved, we evaluated Circuit Events Local Organizing Committee's application and again selected Austin to stage a round of the Championship. We then entered into new contracts for the promotion of the event with COTA.

The fact that Austin was selected, after a highly competitive selection process, to host a round of the FIA FORMULA ONE WORLD CHAMPIONSHIP in the United States and then reselected in late 2011 as our chosen location for a round of the Championship says much about support for the event in the region and our view that Austin is a very desirable location. FOML believes that Austin will be a very successful venue for the United States Grand Prix, and we are looking forward to the inaugural event in November and to many successful events in the future at the new COTA facility.

Yours sincerely

Bernie Ecclestone
Chief Executive Officer
Formula One Management Limited

ATTACHMENT 2

Economic Impact Study

Major Event Trust Fund Gain from the 2012 Formula One United States Grand Prix:

Review of Post-Event Data and Projections for 2013 United States Grand Prix

Austin, Texas

Don Hoyte, Ph.D.
TEXASECONOMICIMPACT.COM

9.27.2013

Prepared for

Circuit Events Local Organizing Committee
100 Congress Avenue, Suite 1300
Austin, Texas 78701-2744

The 2012 Formula One United States Grand Prix

By all accounts the 2012 Formula One United State Grand Prix held at the new Circuit of the Americas facility outside Austin, Texas was an unqualified success.[1] Virtually no snags were encountered the entire week with the possible exception of a few minor issues at the track. The total three-day attendance by fans at the track reached 265,499--the third highest count of the entire 2012 F1 season. The final day attendance of 117,429 was the second highest count in 2012 F1 season and the total value of brand exposure for sponsors reached an estimated $150.9 million---the highest such figure at F1 races in 2012.

A number of records were posted in Austin as well. The total number of outbound passengers from Austin-Bergstrom International Airport hit a single-day record of 21,725 on November 19, 2012. Downtown hotel occupancy on Saturday, November 17 reached 97.8 percent. Airport operations recorded 2,546 helicopter flights, 300 private planes and 54 international planes. More than 100 additional private planes travelled through surrounding regional airports. And throughout the hubbub of the week, there was no degradation of response times by Austin emergency and police services.[2]

Following that success this report builds on published reports of post-event data to document the economic gains from holding the event in the Austin Area and for Texas with special reference to the taxes generated under the Major Event Trust Fund. The methodology of this report is to develop a model of the economic and tax gains to the state and to Austin that is firmly tied to post-event data points. Some data points used in this report are interpolations but are prepared so as to match key known data about the event. As a result, while any one number in this report may be an estimate, those estimates are consistent with known data about the event and as such the overall pattern of economic gains very likely reflect the actual gains generated by the event.

The accuracy of this approach to develop firm estimates of economic gains should not be underestimated. Having data on only some key concepts or on only parts of key concepts very much restrain what the "true" underling data distribution must look like in order generate those known data points. This approach is perhaps best seen in the first few tables in which daily attendance estimates are developed in order to derive hotel revenues from out-of-state and out-of-area fans. While any one data point may not be correct down to the last decimal place, in order to simultaneously satisfy **known** data points such as track attendance, average length of stay in hotels, observed occupancy rates, room rates and Smith Travel Data hotel revenue estimates for the Austin-Round Rock area during most of the event week, the visitation

pattern **must** look very much like the pattern identified in those tables or those known data points could not be replicated.

This report relies on substantial **known** data on attendance, occupancy rates, length of stay and hotel revenue. While the exact number of out of state visitors staying in hotels on one particular night may not be a data point actually collected, for the observed length of stay, occupancy rates and revenues gains to be correct, the overall pattern of fan attendance at the event must be very similar to that depicted in Tables 1 and 2.

A note on the data points used in this analysis. Where possible, every effort is made to make the model conform with known data published by organizations independent of those directly involved with F1---such as Smith Travel Research Data, the City of Austin and the Texas Comptroller of Public Accounts. Doing this necessarily must rely on some data collected by COTA through a fan survey but where there is some doubt about the findings of that survey, those data are supplemented by other data from more extensive fan surveys.[3]

During the COTA survey respondents were asked to estimate their direct expenditures over their entire visit on ten different items. Those items were: 1) travel to Austin; 2) rental cars within Austin; 3) other travel expenses while in Austin (taxis, parking, tolls, etc.); 4) lodging; 5) Formula One tickets; 6) other entertainment; 7) food and non-alcoholic beverages; 8) alcoholic beverages; 9) merchandise at Formula One events, and; 10) other non-event retail merchandise. The survey was administered in paper form and on I-Pads over the three day event weekend (Friday, Saturday and Sunday) with respondents selected at random by survey administrators placed at various locations throughout the venue. Locations were a mixture of high and low priced seating areas as well as at common gathering areas such as merchandise and food vending areas. Each survey took respondents approximately seven minutes to complete and respondents were enticed by an opportunity to win tickets to the 2013 United States Grand Prix. A total of 465 usable surveys were collected. A copy of the survey instrument developed and used at the U.S.G.P. is included as Appendix A.

Fan Attendance and Hotel Revenues

Table 1 begins to develop the data-driven profile of attendees with the ticketed race attendance at the three-day F1 USGP in Austin (column 1). Based on the zip code of the ticket purchaser, 57 percent of attendees came from outside Texas with the remaining 43 percent

about evenly split between local fans and those from throughout Texas but from outside the Austin-Round Rock area (columns 2, 7 and 12).

But, ticketed attendance does not necessarily reflect actual total fan attendance in Austin each day because ticket sharing was allowed whereby a ticket holder could allow the use of tickets by another person on days they did not wish to attend the race. Each ticket buyer was mailed three separate tickets for each of Friday, Saturday, and Sunday of U.S. Grand Prix weekend. Because of this ticket policy, a person attending the F1 event on Friday may or may not be the same person attending the race on Sunday. As such, the actual attendance at the track underestimates the number of people in Austin for the race if: 1) ticket holders were in Austin but allowed another person to use their ticket for either Friday or Saturday, or 2) Ticket holders were in Austin on Friday or Saturday but simply chose not to attend the event that day all. Under either scenario 1 or 2, the number of ticketed attendees at the race on Friday or Saturday under-estimates the number of fans in Austin for the event those two days.

The fan survey asked attendees how many tickets their group had and which days they intended to attend the event so that it is possible to estimate the percentage of fans that may have loaned out their tickets to others (columns 3 and 8).

A final adjustment to the ticket count involves adjusting for those people that may have come to Austin with someone going to the F1 event, but had no intention of going to the event themselves. From the survey questions about the total number of people in the group as compared to the maximum number of people attending the race in any one day from the group, an estimated 5.7 percent of out-of-state attendees in Austin for F1 never went to any of the F1 track events and 12.4 percent of non-local Texans attended with someone going to the event but did not attend themselves (columns 4 and 9). This implies that total attendance in the Austin area by visitors from outside Texas and from outside Austin probably approximate the totals in columns 5 and 10 of Table 1.

The COTA fan survey indicated that 81 percent of out-of-state fans stayed in hotels whereas only 51 percent of Texans visiting Austin stayed in hotels.[4] Based on these percentages the hotel demand for Saturday night by those from out-of-state is 81 percent of out-of-state persons in Austin on Sunday while the number in hotels from outside Texas on Friday night is 81 percent of those in Austin on Saturday for the event (similarly for the visiting Texans in hotels except using a 51 percent figure).

According the John Maher in an article in the Austin American Statesman, hotel occupancy rates dropped from 94.4 percent on Saturday to 76 percent on Sunday so the number of out-of-

state and out-of-area visitors in Austin for the race and staying in hotels is dropped by similar proportions from Saturday to Sunday in columns 6 and 11 of Table 1.

Finally the remaining nights stayed by out-of-state and out-of-area Texans were calculated so that the average number of nights stayed by each group (3.9 for out-of-state visitors and 2.9 for out of area Texans) was met.

Accordingly, the profile of total, out-of-state and in-state visitors to F1 week presented in Table 1 satisfies the following observed data points:

- total ticketed attendance by day
- percent of non-race attendees from COTA survey
- in-state and out of state percentages from COTA survey
- observed change in hotel occupancy rates from Saturday to Sunday as cited in the Austin American Statesman
- average length of stay by OOS and OOA visitors from the COTA survey

Table 1

Fan Attendance at the 2012 United States Grand Prix at Circuit of the Americas

		Out of State Fans						Non- Local Texas Fans					
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		Ticketed Race Fans	Out of State Attendees	Effective OOS Attendees	Non-Race Attendees	Total OOS Attendees	Staying in Hotel	Attendees from Texas, not Local (OOA)	Effective OOA Attendees	Non-Race Attendees	Total OOA Texan Attendees	Staying in Hotel	Local Austin-Round Rock Fans
Tue	Nov. 13					-	8,060					176	
Wed	Nov. 14					-	20,149					703	
Thu	Nov. 15					-	36,634					2,810	
Fri	Nov. 16	65,360	37,255	43,320	2,473	45,793	40,775	14,052	16,532	2,085	18,617	9,069	14,052
Sat	Nov. 17	82,710	47,145	47,621	2,718	50,339	57,312	17,783	19,329	2,438	21,767	12,876	17,783
Sun	Nov. 18	117,429	66,935	66,935	3,821	70,755	46,141	25,247	25,247	3,184	28,432	10,366	25,247
Mon	Nov. 19					-	13,842					1,037	
				Avg Length of Stay in Hotels for OOS			3.9		Avg Length of Stay in Hotels for OOA			2.9	

Table 2 presents the estimated hotel expenditures in Greater Austin by fans and non-fans from the Formula One event recognizing two inevitable truths: 1) there is a limit to the number of persons that can stay in Greater Austin area in hotels and 2) that while F1 fans may make up the vast majority of persons staying in Austin area hotels during F1 week, they are not the only persons that stay at those facilities during that time. It should be noted that the total pool of rooms available to F1 fans includes those in the five-county Austin Metro area plus Comal and Bexar Counties. These latter two counties are in relatively close proximity to the COTA facility and together with the rooms available in the five-county Austin area provide sufficient hotel capacity to house all fans needing rooms.

Column 1 of Table 2 estimates the percentage of total rooms in the Austin Area that are used by persons other than those linked to Formula One either as fans or as credential participants such as drivers, staff, press, sponsors and others. Column 2 subtracts out from the estimated nearly 30,000 rooms in the Greater Austin area those that would remain after accounting for F1 credentialed participants detailed in Table 3. Column 3 of Table 2 presents the total fan room hotel demand based on Table 1 fans staying at hotels divided by the average room occupancy for the large group sizes from the COTA survey.[5]

Column 4 of Table 2 estimates the percentage of F1 fans staying in hotels in the Greater Austin area[6], but it does so subject to very specific known data. Smith Travel Research reported a number of occupancy rates relevant to the F1 event including a 94.4 percent hotel occupancy rate for Saturday evening, a 76 percent rate for Sunday evening and an 81 percent average rate over five days of the event ending Sunday. The rates in column 4 are chosen so that all of those conditions are met as seen in column 5 which is the calculated occupancy rate including F1 fans, credential F1 participants in Table 3 and the few "other" persons staying in Austin that probably were not affiliated in any way with the F1 event.

Smith Travel Research also noted several other findings that are developed in Columns 8, 9 and 10 of Table 2. Specifically they noted the average room rate Saturday evening was $300.44 while it fell to $266.16 Sunday night. Moreover they noted that the total hotel bill for the hotels in Greater Austin was $32.7 million for the five day period ending Sunday. The profile in Table 2 meets all these criteria.[7]

Table 2 also indicates that total fan hotel expenditures on Austin area hotels during the F1 week probably exceeded $28.1 million. But Table 2 also notes another interesting feature of the hotel activity spiking in the Austin area during F1 week. That is, that there was likely a

price gain from persons staying in the Austin area during this week that were not in Austin for the F1 event.

By having to pay prices well above the "normal" room price,[8] even non-F1 related hotel guests contribute to a gain of nearly $3.2 million above and beyond what would otherwise have been paid without hosting F1. Clearly, since the state applies a percentage tax to the price of hotel rooms, the tax gain to the state and to the city of this increased price is directly attributable to holding F1 in Texas.

Like Table 1, Table 2 is strongly tied to known post-event data, much of it developed by non-COTA affiliated groups such as Smith Travel Research. Specifically, Table 2 reproduces nearly exactly STR's figures on occupancy percentages Saturday and Sunday night as well as over the five-day period ending Sunday. Both Table 2 and Table 3 utilize STR's average hotel room rates Saturday and Sunday nights while the room rates and occupancies for the 5 day period ending Sunday also reproduce STR's finding that the total hotel expenditure in Greater Austin area hotels probably reached $32.7 million.

Table 3 develops the total pattern of hotel stay by people directly associated with the presentation of the F1 races and those that typically come and go with the event such as the teams, sponsors, FOM personnel, media and other credentialed personnel (as opposed to ticketed attendees). Although FOM is holds this information about attendees very closely, the count of personnel by type was developed based on insurance payments COTA made to insure these people while in the paddock area.[9] Fans using the paddock area or local staff were not included in these figures. It is assumed these personnel would all stay in the Greater Austin area at the prevailing average room rate. In total this group is seen as spending about $6.9 million on hotels during F1 week.

Another aspect of the model of hotel stays constrained by known post-event data is that it becomes possible to clearly define what constitutes a gain to the state from hosting the F1 event. Indeed, Table 2 presents and quantifies a previously little-considered such gain---the effect of spiking hotel prices attributable to the F1 event that generates tax gains to the state and to Austin even from persons not attending the event. Such gains are real and undeniably caused by hosting the event in Texas and in Austin.

Tables 4 and 5 present the gains from hotel expenditures tabulated as accruing to Texas and to Austin from hotel expenditures attributable to hosting the United States Grand Prix in 2012. In Table 4 the gains accruing to the state from hosting F1 that the state would not have realized had it not hosted the event stem from a number of sources. Clearly the gains from attracting visitors from outside Texas are a major source of the gains to the state---whether those fans

Table 2

Fan Hotel Spending in Greater Austin at 2012 United States Grand Prix at Circuit of the Americas

		(1) % Austin Area Hotel Capacity used by Other than F1	(2) Rooms Available for F1 Fans in Greater Austin*	(3) Total F1 Fan Hotel Demand	(4) % F1 Fans in Greater Austin	(5) Hotel Occupancy in Greater Austin	(6) Total Hotel Person-Nights in Greater Austin by F1 Attendees*	(7) Total Hotel Room-Nights in Greater Austin by F1 Attendees*	(8) Cost per room in Greater Austin	(9) Total F1 Attendee Hotel Expenditure in Greater Austin	(10) Non-Fan Price Gain Effect in Greater Austin
Tue	Nov. 13	25%	20,595	4,821	100.0%	47.2%	8,235	4,821	108	$518,429	$157,166
Wed	Nov. 14	15%	21,639	12,206	85.0%	62.3%	17,724	10,375	269	$2,789,385	$817,812
Thu	Nov. 15	10%	22,493	23,089	81.0%	87.3%	31,950	18,702	283	$5,292,932	$587,518
Fri	Nov. 16	5%	23,988	29,175	75.0%	93.0%	37,383	21,881	300	$6,573,908	$319,810
Sat	Nov. 17	5%	23,988	41,082	54.3%	94.4%	38,112	22,308	300	$6,702,115	$319,810
Sun	Nov. 18	5%	23,988	33,075	51.0%	76.2%	28,819	16,868	266	$4,489,612	$231,366
Mon	Nov. 19	10%	24,163	8,709	95.0%	46.9%	14,135	8,274	106	$880,868	$59,633
										$27,247,250	$2,493,115

Occupancy (persons/room)	1.71
Persons Per Group	
Non- Texans	4.10
Texans outside Austin	4.70
Rooms per Group	
Non- Texans	2.40
Texans outside Austin	2.75

*excluding rooms used by credentialed teams, media, FOM personnel and others in Table 3

Table 3

Formula One Participant Personnel Attendance and Hotel Spending

	Journalists, Photographers, Radio, TV, FOM TV		Teams, Manufacturers & Guests		Officials, Event Support & Promoter Personnel		Total Credentialed Event Personnel		Nightly Room Rate	Total Hotel Cost- Greater Austin Area
	Persons	Rooms	Persons	Rooms	Persons	Rooms	Persons	Rooms		
Tues	275	196	1,400	1,167	560	467	2,235	1,830	$174.76	$319,772
Wed	550	393	2,000	1,667	2,060	1,717	4,610	3,776	$268.86	$1,015,281
Thurs	980	700	2,400	2,000	2,060	1,717	5,440	4,417	$283.01	$1,249,981
Friday	980	700	2,400	2,000	2,060	1,717	5,440	4,417	$300.44	$1,326,943
Sat	980	700	2,400	2,000	2,060	1,717	5,440	4,417	$300.44	$1,326,943
Sun	980	700	2,400	2,000	2,060	1,717	5,440	4,417	$266.16	$1,175,540
Mon	392	280	2,400	2,000	560	467	3,352	2,747	$173.00	$475,184
										$6,889,644

Table 4

Hotel Spending Gain To Texas of 2012 United States Grand Prix at Circuit of the Americas

	----- Out of State Fans ------				----------Out of Area Texans Attending F1 ----------				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Hotel Expenditures in Greater Austin by OOS Fans	Hotel Expenditure Outside Greater Austin by OOS Fans	Hotel Expenditures by Race Participants (teams, sponsors, etc.)	Non-Fan Price Gain Effect in Greater Austin	Price Gain Effect OOA Fans in Greater Austin	Price Gain Effect OOA Fans Outside Greater Austin	Expenditure Retention from OOA Fans in Greater Austin	Expenditure Retention from OOA Fans Outside Greater Austin	Total Hotel Expenditure Gain to Texas From Hosting F1
Nov. 13	$507,376	$0	$196,783	$157,166	$2,161	$0	$5,335	$0	$868,820
Nov. 14	$2,695,433	$380,532	$1,015,281	$817,812	$63,718	$8,996	$18,140	$2,561	$5,002,473
Nov. 15	$4,915,960	$922,501	$1,249,981	$587,518	$261,728	$49,114	$69,146	$12,976	$8,068,925
Nov. 16	$5,378,213	$1,523,827	$1,326,943	$319,810	$851,362	$246,958	$206,600	$55,093	$9,908,807
Nov. 17	$5,473,046	$3,915,294	$1,326,943	$319,810	$875,125	$640,939	$212,367	$142,986	$12,906,510
Nov. 18	$3,666,284	$2,994,132	$1,175,540	$231,366	$478,729	$407,516	$206,760	$158,922	$9,319,248
Nov. 19	$819,522	$34,506	$292,421	$59,633	$11,492	$484	$29,912	$1,259	$1,249,230
	$23,455,833	$9,770,791	$6,583,892	$2,493,115	$2,544,315	$1,354,007	$748,261	$373,797	$47,324,011

Table 5

Hotel Spending Gain to Austin of 2012 United States Grand Prix at Circuit of the Americas

		(1) Hotel Expenditures in Austin by OOS Fans	(2) Hotel Expenditures in Austin by OOA Texans	(3) Hotel Expenditures by Race Participants (teams, sponsors, etc.)	(4) Non-Fan Price Gain Effect in Austin	(5) Total Hotel Expenditure Gain to Austin From Hosting F1
Tue	Nov. 13	$456,638	$9,948	$196,783	$141,449	$804,818
Wed	Nov. 14	$2,425,890	$84,557	$1,015,281	$736,031	$4,261,758
Thu	Nov. 15	$4,424,364	$339,275	$1,249,981	$528,767	$6,542,386
Fri	Nov. 16	$4,840,391	$1,076,126	$1,326,943	$287,829	$7,531,290
Sat	Nov. 17	$4,925,741	$1,106,162	$1,326,943	$287,829	$7,646,676
Sun	Nov. 18	$3,299,655	$740,996	$1,175,540	$208,230	$5,424,421
Mon	Nov. 19	$737,570	$55,211	$292,421	$53,669	$1,138,872
		$21,110,250	$3,412,275	$6,583,892	$2,243,804	$33,350,221

stay inside or outside the Greater Austin area (columns 1 and 2 of Table 4). By the same token the gains from housing the event participants such as teams, FOM personnel, sponsors, manufacturers, media and other intimately tied to the event also are an important component of the gains to the state that Texas would not have realized had it not hosted F1 (column 3 of Table 4).

As discussed in connection with Table 2, the increase in hotel prices during the F1 week as noted by a variety of sources are attributable to Texas and Austin hosting the event and would not have occurred had the state not hosted the event. As such, the increase in prices paid by even the small percentage of persons staying in hotels in and around Greater Austin during F1 week that are not affiliated in any way with the event still represent a gain attributable to hosting the event.[10]

This same price effect for non-local Texans visiting Austin for F1 is estimated in columns 5 and 6 of Table 4. Typically, expenditures by Texans visiting a city in Texas to attend an even are not considered a gain to the state under the assumption that those Texans would have spent an equivalent amount of money attending another event in Texas. However, the validity of this assumption breaks down when there are strong price-effects driven by hosting a particular event.

In the case of F1, hotel price spikes are attributable to Texas hosting the event and Texans attending the event staying in hotels pay a portion of their expenditures for a "normal" hotel price and another portion for a higher hotel price directly attributable to Texas hosting the event. As such, this added hotel cost from higher rates should be considered a gain to the state even if that gain comes from Texans because the special premium is directly related to Texas hosting the event. This premium from non-local Texans visiting for F1 accrues from hotel expenditures both inside the Greater Austin area and outside.[11]

Table 4 also presents two other areas in which hotel expenditures by Texans visiting Austin for F1 should be considered a gain to the state. The COTA survey specifically asked F1 attendees from Texas if they would have followed and attended the event outside of the state had the event been held outside the state. 60 percent of Texans staying in hotels for F1 indicated they would have followed and attended the event outside the state so that the amounts indicated in columns 8 and 9 of Table 4 are 60 percent of the hotel expenditures by Texans attending F1 not already accounted for through price gains. Those amounts are considered expenditures directly retained in the state due to hosting the F1 event.[12]

In total, $47.3 million in hotel expenditures can be considered a direct gain to the state from hosting the 2012 U.S. Grand Prix.

Table 5 presents the hotel expenditure gains estimated to accrue to the facilities in the City of Austin as host of F1. These expenditures represent that portion of the larger expenditure

accruing to the state that can reasonably be attributed to expenditures occurring at hotels in the City of Austin. In total, Austin is seen as gaining $33.4 million in hotel expenditures from hosting F1 in 2012.[13]

Ticket Sales

Certainly key to the financial viability of the U.S. Grand Prix in Austin are ticket sales. Not as well appreciated is that those sales also serve as a major revenue driver for the state in 2012 and in 2013 will also be a revenue driver for the city as well as the state in determining the gain under the Major Event Trust Fund. Somewhat surprisingly, comparing per person ticket sales figures from the fan survey with actual ticket sales figures was key in realizing that the COTA survey collected only part of an important component of the fan population.

Based solely on the survey results, the average ticket price paid per person was about $430. When considering just the base ticket, that matched quite well with $439.91 figure supplied by COTA based on ticket revenues and the peak attendance at the event on Sunday.[14] However, the base ticket does not include admittance to the paddock area which is available only at significantly higher prices[15]. Including revenues estimated from paddock access tickets, the average ticket price from the survey should have been closer to $592.72. Because of this discrepancy, it was discovered that no surveyors were allowed access to people in the paddock area and most likely the surveys collected also under-represented people attending F1 staying in suites in Turn 1 as well since they entered the venue from points not covered by the survey team.

This bias in the survey sampled by COTA appears significant when considering dollar-denominated survey questions. From available ticket price data it appears this bias is on the order of 38 percent low. Because this bias, the first choice in developing further estimates of fan spending on items (other than hotels) relied, when possible, only on non-dollar-denominated survey responses such as the number of people per group, the length of stay per group or the proportion of groups making a particular expenditure (such as renting cars) supplemented by non-COTA survey data. When such other data is not available, COTA survey expenditure data is adjusted upward to reflect likely survey bias.

Based on calculated average ticket prices and attendance by group from Table 1, total ticket revenues and state sale tax generation is presented in columns 1 and 2 of Table 6. But as is the case in hotel expenditures, in addition to the state sales taxes generated by out-of-state visitors to Texas for the event, the amount retained in Texas by local and out-of-area Texans that would have otherwise gone to another state to watch the event should be counted as a gain to the state from holding the event in Texas.

Accordingly, the state gained more than $3 million in sales taxes from hosting F1 that it would not have otherwise realized had the event been held in another state.

Since the City of Austin did not annex the COTA site until after the 2012 event, no local general sales taxes accrued to the city from the event. This will not be the case in 2013.

Table 6

Ticket Revenues and State Sales Taxes

Group	(1) Ticket Revenue	(2) State Sales Tax	(3) Tax Gain to the State
Out-of-State Fans:			
Staying in Hotels	$32,135,377	$1,890,316	$1,890,316
Not Staying in Hotels	$7,537,928	$443,408	$443,408
Out-of-Area Texans:			
Staying in Hotels	$7,631,891	$448,935	$269,361
Not Staying in Hotels	$7,332,601	$431,329	$159,592
Local Texans	$14,964,492	$880,264	$325,698
Total	$69,602,289	$4,094,252	$3,088,374

Car Rental Expenditures

Another important state revenue source from hosting events such as the U.S.G.P. is the gain in tax revenue from short-term car rentals. Depending upon the group considered, as many as 60 percent of groups attending F1 rented cars according to the results from the COTA survey (60 percent of out-of-state visitors staying in hotels indicated car rentals). Such expenditures generate a 10 percent state tax and seem to display the same price peaking tendency as hotel rooms.

Current rental car rates for 22 standard sized cars rented at the Austin Airport average a daily rental rate of $122.51 from Friday November 14 to Saturday November 15, 2013---the weekend of the 2013 F1. The rental rates for the same 22 cars from Friday November 7 to Saturday November 8 is $77.06---an increase in prices of nearly 60 percent from one week to the next.[16]

Based on these prices, COTA survey data on the percentage of groups renting cars, the number of persons per group and the length of stay of each group, Table 7 presents the likely expenditures on rental cars during the 2012 F1 week:[17] Once again the gain to the state can be divided into that attributable to expenditures by out-of-state visitors plus the price-gain induced by increased demand from F1 on the local rental car market and the retention of expenditures that would likely have left the state had the event not been held in Texas.[18]

Table 7

Car Rental Expenditures at the 2012 U.S. Grand Prix

	(1) F1 Week Rental Car Expenditure per person	(2) Total Rental Car Expenditure	(3) State Tax	(4) State Gain From Rental Car Expenditure	(5) State Tax Gain to Texas
OOS Fans Staying in Hotels	$138.21	$7,921,327	$720,121	$7,921,327	$720,121
OOS Fans Not Staying in Hotels	$53.40	$717,919	$65,265	$717,919	$65,265
OOA Texans Staying in Hotels	$19.91	$256,340	$23,304	$191,849	$17,441
Portion due to Price Gain	$7.39	$95,112	$8,647	$95,112	$8,647
Portion Due to Activity Gain	$12.52	$161,227	$14,657	$96,736	$8,794
OOA Texans Not Staying In Hotels	$12.73	$198,040	$18,004	$119,568	$10,870
Portion due to Price Gain	$4.72	$73,481	$6,680	$73,481	$6,680
Portion Due to Activity Gain	$8.01	$124,559	$11,324	$46,087	$4,190
Local Fans	$5.10	$128,672	$11,697	$77,687	$7,063
Portion due to Price Gain	$1.89	$47,743	$4,340	$47,743	$4,340
Portion Due to Activity Gain	$3.21	$80,930	$7,357	$29,944	$2,722
F1 Competitors & Related	$659.73	$3,588,944	$326,268	$3,588,944	$326,268

Mixed Drink Expenditures and Alcohol Taxes

Both mixed drink taxes and ABC Title 5 alcohol taxes generate funds from events that can be considered as supporting the Major Events Trust Fund to the extent that those taxes represent a gain to the state (or, respectively to the locality). Results from the COTA survey are relatively reliable to determine the number of persons in each group, the length of stay of each group and the percentage of each group who would have left Texas to see the race had it been held outside the state. With that information an estimate consistent with reliable survey data can be developed using credible mixed drink expenditure per person per day figures.

After the F1 event, COTA (actually Premier Hospitality, Inc.) paid to the Comptroller $392,835.38 in mixed drink taxes. Based on the mixed drink tax rate (14%) and the 3-day attendance at the event, this equates to an expenditure of about $10.50 per person per day on mixed drinks just at the COTA facility.

In reviewing the application for METF funding for 2012, the Comptroller approved a mixed drink estimate of $1.2 million---a figure that can be seen as likely conservative in light of data on November 2012 mixed drink tax collections. If the more conservative total of $1.2 million is used, this implies that mixed drink expenditures at the COTA facility would have accounted for about 33 percent of average daily mixed drink expenditures.

This implies that on average a person spent $31.50 per day on mixed drinks at the F1 event---not including the mixed drink tax. Based on that estimate Table 7 presents the total expenditures on mixed drinks at the F1 event (column 2), the total mixed drink tax (column 3), and the "gain" in mixed drink tax to the state (including revenue retained that would have otherwise gone outside Texas). Column 6 of Table 7 also lists the gain to the county in mixed drink tax revenues from hosting the F1 event---including revenue retained that otherwise would have followed the event outside the state.

Also shown in Table 7 is an estimate for the Title 5 ABC tax at F1. This is a statutorily complex tax whose tax rate varies by class of alcohol with distilled spirits taxed at the highest rate of $2.40 per gallon while beer with alcohol content of 4% or lower is taxed at $0.193548 per gallon. Clearly a truly technically accurate computation of the ABC tax involves many variables not usually available given simple total expenditure data. So usually a surrogate rate is used. In this case it is noted that based on comptroller reviews of previous METF studies, a good approximation for this tax would be to compute it at the rate of $0.061 of ABC Title 5 tax per $1 in total mixed beverage sales tax receipts. This estimate is presented in column 5 of Table 7 after adjusting for the gain to the state.

Table 8

Mixed Drink Expenditures at the 2012 U.S. Grand Prix

	(1) F1 Week Mixed Drink Expenditures per person	(2) Total Mixed Drink Expenditure	(3) State Mixed Drink Tax (State Share)	(4) State Gain Mixed Drink Expenditures	(5) Mixed Drink Tax Gain to State	(6) Title 5 ABC Tax Gain to the State	(7) County Share Mixed Drink Tax
OOS Fans Staying in Hotels	$175.30	$10,046,890	$1,172,892	$10,046,890	$1,172,892	$85,800	$87,197
OOS Fans Not Staying in Hotels	$97.59	$1,311,965	$153,161	$1,311,965	$153,161	$11,204	$11,387
OOA Texans Staying in Hotels	$139.52	$1,796,458	$209,722	$1,077,875	$125,833.05	$9,205	$15,591
OOA Texans Not Staying In Hotels	$152.53	$2,372,694	$276,993	$877,897	$102,487.24	$7,497	$20,593
Local Fans	$99.76	$2,518,655	$294,032	$931,902	$108,791.96	$7,958	$8,088
F1 Competitors & Related	$176.51	$960,223	$112,098	$960,223	$112,098	$8,200	$11,167
TOTAL		$19,006,885	$2,218,898	$15,206,752	$1,775,264	$129,866	$154,022

Food and Non-Alcoholic Beverage Expenditures

Reliable and unbiased figures for average daily food and beverage expenditures that can be applied to fan and competitor behavior at the U.S. Grand Prix are taken from a survey conducted of about 4,700 participants at the 2011 Houston Marathon and Half-Marathon race. The survey was conducted via e-mail immediately after the race and the number of responses account for nearly a quarter of all participants at the event so these responses are deemed highly likely to be representative of attendees at that event. Moreover, responses were tabulated to reflect the expenditures by out-of-area participants separately from local participants since the level of expenditures of these two groups on many items (such as food and non-alcoholic beverages) was quite different.[19] Moreover, there is no indication of bias in the results of this survey.

Overall the Houston survey indicated that average daily expenditures per person at this event on food and non-alcoholic beverages amounted to an average of $68.65 for out-of-state visitors and non-local Texans in February of 2011. The average for local participants was $15.85.[20] After adjusting these amounts to reflect the inflation in the cost of food purchased away from home according to the US CPI, the relevant averages for November 2012 were closer to $71.44 and $16.49 per person per day.[21]

Applying these figures to the survey-based estimates of the group sizes and length of stay of the various groups at F1 results in the expenditure estimates in Table 9.

Table 9

Food and Non-alcoholic Beverage Expenditures at the 2012 U.S. Grand Prix

	(1) F1 Week Food and Non-Alcoholic Expenditures per person	(2) Total Food and Non-Alcoholic Expenditures	(3) State Sales Tax	(4) Total Food and Non-Alcoholic Expenditures Gain to the State	(5) Sales Tax Gain to the State	(6) Sales Tax Gain to Austin
OOS Fans Staying in Hotels	$346.49	$19,857,710	$1,241,107	$19,857,710	$1,241,107	$147,191
OOS Fans Not Staying in Hotels	$192.89	$2,593,103	$162,069	$2,593,103	$162,069	$19,221
OOA Texans Staying in Hotels	$275.76	$3,550,705	$221,919	$2,130,423	$133,151	$26,319
OOA Texans Not Staying In Hotels	$301.48	$4,689,637	$293,102	$1,735,166	$108,448	$34,761
Local Fans	$45.52	$1,149,333	$71,833	$425,253	$26,578	$3,590
F1 Competitors & Related	523.31	$2,846,827	$177,927	$2,846,827	$177,927	$23,868
TOTAL		$34,687,315	$2,167,957	$29,588,482	$1,849,280	$254,949

Once again, competitors and related personnel have the highest expenditures per person for the entire F1 race week, but this solely reflects their longer average length of stay.

In total, all fans and competitors probably spent $34.7 million for food and non-alcoholic beverages during F1 week. Based on expenditures by persons from outside Texas and the expenditures by Texans on food and non-alcoholic beverages that were retained in the state rather than having those lost outside the state indicates that the stated likely gains nearly $2.2 million in sales tax revenues from these expenditures. Similar calculations for Austin places the city's sales tax gain from food and beverage expenditures at $255,000.

Other Fan and Competitor Expenditures

The COTA survey asked fans about a number of other areas of expenditures that were made during their stay at the F1 event for entertainment, local transportation and other purchases. The survey of the 4,700 Houston Marathon and half-marathon participants were asked similar questions for the same categories. Adding together the responses from the Houston survey into a single "other purchases" category indicates that average daily expenditures on those "other purchases" for persons attending the event from outside Texas were $110.38, for persons attending the event from Texas but outside the local area other purchases expenditures were $73.67 per person per day and for local participants daily per person expenditures amounted to $15.86.[22] Adjusting these figures for 21 months of low inflation from February 2011 to November 2012 increases these amounts to $114.80, $76.62 and $15.86 respectively.[23]

Applying these figures to the survey-based estimates of the group sizes and length of stay of the various groups at F1 results in the "other purchases" expenditure estimates in Table 10.

In total, fans, competitors and related personnel likely spent about $50.3 million in Texas on entertainment, other retail purchases and local transportation during F1 week. Of this total, $44.9 million can be deemed a gain to the state from hosting F1 generating a $2.5 million sales tax gain to the state.[24] The City of Austin likely gained about $335,000 in sales tax revenues from these purchases made by out of state visitors, Texans visiting from outside the Greater Austin area and retaining some expenditures that would have followed local fans to another state had the event not been held in Texas.

Merchandise Expenditures at COTA

Although merchandise sales at the F1 USGP directly through COTA vendors did not account for all such merchandise sales, through discussions with teams and other vendors senior COTA staff

indicated that total merchandise sales at the event exceeded $6 million including all outlets at the venue.[25] In order to distribute these sales over the appropriate fan groups, the total sales were distributed according to the number of person-days each group spent at the event.

Table 11 details the estimated total merchandise sales at the 2012 event and the amount that can be considered a gain to the state. Of the total expenditures it is estimated that $4.5 million can be considered a gain to the state generating $266,000 in state sales tax revenues.

Table 10

"Other Purchases*" Expenditures at the 2012 U.S. Grand Prix

	(1) F1 Week "Other Purchases" Expenditures per person	(2) Total "Other Purchases" Expenditures	(3) State Sales Tax	(4) State Gain in Total "Other Purchases" Expenditures	(5) Sales Tax Gain to the State	(5) Sales Tax Gain to Austin
OOS Fans Staying in Hotels	$556.77	$31,909,556	$1,793,745	$31,909,556	$1,793,745	$212,732
OOS Fans Not Staying in Hotels	$309.96	$4,166,884	$234,235	$4,166,884	$234,235	$27,779
OOA Texans Staying in Hotels	$295.75	$3,808,117	$213,354	$2,284,870	$128,012	$25,303
OOA Texans Not Staying In Hotels	$323.33	$5,029,616	$281,789	$1,860,958	$104,262	$33,419
Local Fans	$43.77	$1,105,160	$64,494	$408,909	$23,863	$3,201
F1 Competitors & Related	$789.17	$4,293,107	$241,330	$4,293,107	$241,330	$32,373
TOTAL		$50,312,440	$2,828,947	$44,924,284	$2,525,447	$334,808

* made up of entertainment expenditures, retail purchases not made at the COTA facility and miscellaneous expenses including local transportation expenses.

Table 11

Merchandise Expenditures at COTA during the 2012 U.S. Grand Prix

	(1) Total Merchandise Expenditures at COTA	(2) State Sales Tax	(3) State Gain in Merchandise Expenditures at COTA	(4) Sales Tax Gain to the State
OOS Fans Staying in Hotels	$2,770,200	$162,953	$2,770,200	$162,953
OOS Fans Not Staying in Hotels	$649,800	$38,224	$649,800	$38,224
OOA Texans Staying in Hotels	$657,900	$38,700	$394,740	$23,220
OOA Texans Not Staying In Hotels	$632,100	$37,182	$233,877	$13,757
Local Fans	$1,290,000	$75,882	$477,300	$28,076
TOTAL	$6,000,000	$352,941	$4,525,917	$266,230

Travel Expenditures in Attending the United State Grand Prix in 2012

Fans attending the F1 event at COTA were also asked to estimate their travel expenses in getting to the event. Given the aforementioned activity noted by the City of Austin at Austin-Bergstrom Airport surrounding the event, it is likely that a relatively high proportion of persons flew to the event. Table 12 presents an estimate of the likely travel expenses in getting to the 2012 F1 event based on 70 percent of the expenditures by out-of-state attendees being spent on airfare, 30 percent of the expenditures by non-local Texans being allocated to airfare and 90 percent of travel expenditures by competitors and related personnel spent on airfare.[26]

As is well-known, commercial airfare is not subject to state sales taxes that could be considered a gain to the state from holding the event. However, since it is likely that a portion of the non-airfare related travels expenses would have been spent in Texas, half of these expenses are considered taxable.

Table 12

Travel Expenditures to the 2012 U.S. Grand Prix

	(1) Travel Expenditures getting to 2012 USGP per person	(2) Total Travel Expenditures Getting to 2012 USGP	(3) State Sales Tax	(4) State Gain in Travel Expenditures to COTA	(5) Sales Tax Gain to the State
OOS Fans Staying in Hotels	$720.23				
Airfare		$28,894,177		$28,894,177	
Other Travel Expenses		$12,383,219	$386,976	$12,383,219	$386,976
OOS Fans Not Staying in Hotels	$499.81				
Airfare		$4,703,464		$4,703,464	
Other Travel Expenses		$2,015,770	$62,993	$2,015,770	$62,993
OOA Texans Staying in Hotels	$306.80				
Airfare		$1,185,119		$711,072	
Other Travel Expenses		$2,765,278	$86,415	$1,659,167	$51,849
OOA Texans Not Staying In Hotels	$211.89				
Airfare		$988,820		$365,863	
Other Travel Expenses		$2,307,246	$72,101	$853,681	$26,678
F1 Competitors & Related	$720.23				
Airfare		$3,526,222		$3,526,222	
Other Travel Expenses		$391,802	$12,244	$391,802	$12,244
TOTAL					
Airfare		$39,297,802		$38,200,798	
Other Travel Expenses		$19,863,315	$620,729	$17,303,639	$540,739
TOTAL All Modes		$59,161,117	$620,729	$55,504,437	$540,739

Cost of Presenting the 2012 U. S. G. P.

Also considered in developing both the direct, indirect and induced economic and tax gain from hosting events under the Major Event Trust Fund are expenses directly related to presenting the event in Texas. From COTA financial accounting records, Table 13 presents COTA's expenses in 2012 related to putting on the Formula One race.[27] These expenses were reviewed and those that would have double-counted expenditures covered in other tables (such as the cost of goods sold at the event) were removed from Table 13.

Some of the expenses incurred in presenting the 2012 F1 event are themselves directly subject to state and local sales tax and those estimates are included in Table 13. Also, some longer-term financial rewards based on financial performance were removed from salaries and wages since those were in part driven by completion of the COTA physical facility. It is believed that all expenses related to the construction of the COTA physical facilities have been removed from Table 13 so that those expenses represent only those not covered elsewhere in this study that were directly related to presentation of the 2012 F1 event.

Table 13

U.S. Grand Prix Event Presentation Expenses

	Expenditure	State Sales Tax paid	Local Sales Taxes Paid
Wages and Salaries	$11,726,267		
Professional and Artist Fees	$9,788,511		
Marketing, Advertising & Promotional Materials	$4,292,307	$54,591	$8,735
Fuel	$280,381		
Equipment Rental (incl. temp facilities)	$11,710,189	$688,835	$110,214
Transportation Plan	$2,944,307	$124,689	$19,950
Insurance, Licensing, Permits & Sanction Fees*	$4,871,893	$0	$0
Utilities	$589,239		
Vehicles Transport Freight and Delivery	$547,151	$32,185	$5,150
Repairs, Maintenance, Tools & Supplies	$3,611,426	$212,437	$33,990
Medical, fire & safety	$270,481	$15,911	$2,546
Computer support	$781,577		
Misc. Venue and Event Expenses	$581,925	$34,231	$5,477
Office Expenses and Supplies	$1,502,489	$4,098	$656
Opening Events	$535,500	$20,125	$3,220
Event Travel and Lodging	$2,060,113	$62,288	$53,242
TOTAL Event Presentation Expenses	$56,093,756	$1,249,389	$243,178

* excludes FOM sanctioning fee

Direct Economic and Tax Gains from 2012 F1

To develop estimates of the indirect and induced impacts of hosting the Formula One race on the state and the City of Austin, the Texas Comptroller of Public Accounts maintains a model which, given the level of direct economic impacts, estimates the indirect and induced economic and tax gains from the direct profile of expenditure gains from fans, competitors and related personnel as well as direct event presentation expenses. Since what constitutes a gain to the state under the Major Event Trust Fund differs somewhat from what constitutes a gain to the City of Austin, Table 14 presents these gains for Texas and for Austin based on the estimates contained in Tables 3 through 13 of this report.

In total, the total direct economic gain to the state from hosting this event should exceed $274.1 million. The total direct tax gain to the state reached $15.9 million with the local Austin economy directly gaining $3.8 million.

Indirect and Induced Economic and Tax Gains from 2012 USGP

In addition to the direct economic and tax gains from the F1 event, the state and city gain both economic activity and taxes as these direct impacts filter their way through the state land local economies. These gains are termed indirect and induced increases. For example, in order for restaurants and hotels serve F1 guests, they must increase the orders for food, drinks and other materials from their suppliers. That increased demand generates indirect economic gains as the activity filters its way down the supply chain.

Moreover, to supply increased demand for services additional workers must be hired or have their hours extended increasing their take home pay. As those workers spend that additional money this too generates increased induced demands throughout the state and the city.

The total effects of increased direct spending along with indirect and induced spending is presented in Table 15 based on the Texas Comptroller's IMPLAN model.[28] This table indicates that the $274.1 million in direct expenditures driven by hosting the Formula One event generates $112.4 million in indirect impacts and another $159.8 million in induced impacts for a total gain of $546.3 million in economic activity to Texas.

From a tax perspective, to the $15.9 million in tax gain to the state from direct economic activity must be added $5.3 million in indirect tax gains and $9.3 million in induced tax gains for a total tax gain of $30.5 million.

In comparison, for the 2012 U.S. Grand Prix the Comptroller's office approved a total estimated state and local tax gain of $29,329,984 under the Major Event Trust Fund. This is composed of a state gain of $25,284,468 and a local matching contribution of $4,045,516.

Based on post-event data and independently-produced measures of economic gains from hosting the event, it appears the tax gain to Texas for the 2012 U.S. Grand Prix not only met this estimated tax gain to the state but exceeded it by more than $5 million.

Table 14

State and Austin Direct Expenditure and Tax Gain From Hosting 2012 F1: Summary

Gain From:	Direct State Gain	Direct State Tax Gain	Direct Austin Gain	Direct Austin Tax Gain
Hotel Expenditures	$47,324,011	$2,839,441	$33,350,221	$3,001,520
Rental Cars	$12,617,293	$1,147,027	$12,760,256	
Alcoholic Beverage Expenditures	$15,206,752	$1,905,129	$12,912,302	$154,022
Food and Non-Alcoholic Beverage Expenditures	$29,588,482	$1,849,280	$25,174,525	$254,949
Other Merchandise Expenditures	$44,924,284	$2,525,447	$36,776,944	$334,808
Merchandise Expenditures at Venue	$4,525,917	$266,230	$0	
Travel to Austin for F1				
Airfare	$38,200,798		$39,297,802	
Other Transportation	$17,303,639	$540,739	$0	
Gratuities (a.k.a. wages)	$8,325,148	$499,509	$6,170,839	$59,240
Event Presentation Expenses				
Wages and Salaries	$11,726,267	$0	$5,863,133	$0
Professional and Artist Fees	$9,788,511	$0	$9,788,511	$0
Marketing, Advertising & Promotional Materials	$4,292,307	$54,591	$4,292,307	$8,735
Fuel	$280,381	$0	$0	$0
Equipment Rental (incl temp facilities)	$11,710,189	$688,835	$0	$0
Transportation Plan	$2,944,307	$124,689	$0	$0
Insurance, Licensing, Permits & Sanction Fees	$4,871,893	$0	$2,435,946	$0
Utilities	$589,239	$0	$294,620	$0
Vehicles Transport Freight and Delivery	$547,151	$32,185	$0	$0
Repairs, Maintenance, Tools & Supplies	$3,611,426	$212,437	$0	$0
Medical, fire & safety	$270,481	$15,911	$0	$0
Computer support	$781,577	$0	$390,788	$0
Misc. Venue and Event Expenses	$581,925	$34,231	$0	$0
Office Expenses and Supplies	$1,502,489	$4,098	$1,502,489	$656
Opening Events	$535,500	$20,125	$535,500	$3,220
Event Travel & Lodging	$2,060,113	$62,288	$2,060,113	$26,621
TOTAL	$274,110,082	$12,822,191	$193,606,298	$3,843,770
Gain to State From Ticket Sales		$3,088,374		
Total Direct Tax Gain		$15,910,565		$3,843,770

Table 15

METF Expenditures and Taxes for the 2012 U.S. Grand Prix at Circuit of the Americas

METF Expenditures	Direct		Indirect		Induced		TOTAL	
	Spending	Taxes	Spending	Taxes	Spending	Taxes	Spending	Taxes
Hotel	$47,324,011	$2,839,441	$22,344,787	$980,508	$22,850,989	$1,328,266	$92,519,788	$5,148,215
Food and Non-Alcoholic Bev.	$29,588,482	$1,849,280	$13,066,483	$650,072	$15,009,373	$872,230	$57,664,338	$3,371,582
Alcoholic Beverage	$15,206,752	$1,905,129	$6,715,409	$334,099	$7,713,941	$448,275	$29,636,103	$2,687,504
Event Presentation Expenses	$56,093,756	$1,249,389	$22,238,050	$1,261,914	$45,970,007	$2,673,695	$124,301,814	$5,184,999
Rental Cars	$12,617,293	$1,147,027	$5,570,673	$236,811	$4,853,250	$282,409	$23,041,216	$1,666,247
Other Merchandise	$44,924,284	$2,525,447	$16,531,456	$825,076	$27,488,274	$1,597,196	$88,944,014	$4,947,719
Merchandise at Venue	$4,525,917	$266,230	$1,665,469	$83,123	$2,769,318	$160,910	$8,960,704	$510,263
Gratuities	$8,325,148	$499,509	$3,280,974	$135,497	$4,057,309	$238,784	$15,663,432	$873,790
Transportation (Airfare)	$38,200,798	$0	$17,743,671	$725,447	$17,798,250	$1,033,939	$73,742,719	$1,759,386
Transportation (Other)	$17,303,639	$540,739	$3,286,449	$110,901	$11,254,700	$655,866	$31,844,789	$1,307,506
State Gain from Ticket Sales	$0	$3,088,374	$0	$0	$0	$0	$0	$3,088,374
TOTAL	$274,110,082	$15,910,565	$112,443,422	$5,343,450	$159,765,413	$9,291,571	$546,318,916	$30,545,585

The U.S. Grand Prix in 2013

The second running of the U.S.G.P will begin November 15, 2013 and conclude November 17. As in 2013, competitors and fans will start arriving November 11.

Overall, the 2013 race week should be expected to very much resemble the 2012 race with a few significant exceptions. First, the University of Texas football team is hosting Oklahoma State on November 16 in what is expected to be another sell-out of Texas Memorial Stadium's 100,119 seats. This game will put even more pressure on limited local hotel capacity already straining to meet F1 demands. As a result, room rates will likely be higher in 2013 than in 2012 and more F1 fans will end up staying at less accessible lodgings (as, no doubt, will football fans).

But before turning to these effects, one concern is to what extent should the 2013 F1 event replicate the 2012 experience? Usually with new events or events in new venues, a first-year "novelty" effect is seen in attendance as fans seek to be part of a first-time event. So will the 2013 event at least replicate the 2012 experience?

Again, several factors will be at work to push attendance slightly above that seen in 2012. First, somewhat offsetting any "novelty" effect is a concern that untried event plans can often lead to disaster as transportation, housing and food resources are strained. Some fans prefer to let the event "work out the kinks" to see if this is a concern. So some fans purposely choose to forego a first-year trip to an event *because* it is the first year.

On this score, the COTA facilities and the reception of the event in Austin proved universally praised. Traffic issues were minimal to non-existent, the F1 drivers and teams highly praised the facility as a racing venue and overall the event received truly high marks. In short, there were no "kinks" to work out. This should add to the event's second year draw.

Second, internationally acclaimed Director Ron Howard will be releasing his new Formula One-based dramatic film entitle "Rush" on September 27, 2013 in theaters in the U.S.---about 6 weeks before the 2013 U.S.G.P. The excitement and drama of this film will undoubtedly draw additional fans in to see the real event on which the film was based.

Third, COTA has added several new attractions in 2013---most notably a Saturday concert by Sting at ACL. Also, FanFest has been extended another day and a "Motostalgia" auction has been scheduled.

Lastly, 2013 will likely see two Mexican drivers in the grid-- Sergio Perez and Esteban Gutierrez. In 2012 only Perez competed but brought in a strong and vocal fan base. In addition, in 2013 Perez moved

to one of the top teams – McLaren. This should bring in more fans from Mexico and throughout the Southwestern U.S. to attend the 2013 U.S.G.P.

As a result of the near flawless execution of the 2012 event, the new attention drawn to F1 by "Rush," a concert by the world-renowned star Sting, increased interest from the Mexican community and other attractions, it is unlikely that COTA will see a drop-off from 2012 F1 attendance levels. Indeed it is expected the event will actually host the 120,000 fans originally planned for the 2012 event. This attendance level combined with the experience from 2012 with out-of-state attendees and hotel guests will likely result in the pattern of attendance in column 1 of Table 16.

However, fitting this attendance level and fans attending the UT game from outside the area into limited local hotel space will generate some changes from the visitation pattern seen in 2012---more F1 fans and more football fans will be relegated to more remote locations as capacity constraints in the local Austin market are greatly exceeded both Friday and Saturday nights.

Football games at Memorial Stadium typically sell-out of all 100,119 seats. In 2008, a study of the economic impact of the UT sporting events noted that about 53 percent of attendees at football games come from outside the Austin metropolitan area. About 40 percent of those attendees from outside the MSA attend the game as "day trippers"---returning home without spending the night in the Austin area. That means that 60 percent of those from outside the MSA---or about 32 percent of the total fans at the game---stay in the Austin are at least one night.[29]

Based on typical game attendance, as many as 32,000 football fans could be staying in Austin and the surrounding area in addition to the fans in town for F1. This means hotel space will be at even more of a premium. Certainly most of the Oklahoma fans allocated tickets by UT for the game will need a place to stay for at least one night.

Unfortunately at this point a key variable remains unknown---the exact timing of the game. If the UT game with Oklahoma State has significant implications for BCS Bowl participants or for the Big 12 championship, the game could occur Saturday evening shifting most of the hotel demand to Saturday night. If, on the other hand, the game has fewer bowl implications, it could be held late in the morning or early afternoon on Saturday shifting most of the hotel demand to Friday evening.

Table 16

Estimated Fan Attendance at the 2013 United States Grand Prix at Circuit of the Americas

		Out of State Fans						Non- Local Texas Fans					
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		Ticketed Race Fans	Out of State Attendees	Effective OOS Attendees	Non-Race Attendees	Total OOS Attendees	Staying in Hotel	Attendees from Texas, not Local (OOA)	Effective OOA Attendees	Non-Race Attendees	Total Attendance by OOA Texans	Staying in Hotel	Local Austin-Round Rock Fans
Tue	Nov. 12					-	8,236					180	
Wed	Nov. 13					-	20,590					718	
Thu	Nov. 14					-	37,436					2,872	
Fri	Nov. 15	66,791	38,071	44,268	2,527	46,795	41,668	14,360	16,894	2,131	19,025	9,268	14,360
Sat	Nov. 16	84,521	48,177	48,664	2,778	51,441	58,567	18,172	19,752	2,491	22,243	13,158	18,172
Sun	Nov. 17	120,000	68,400	68,400	3,904	72,304	47,151	25,800	25,800	3,254	29,054	10,593	25,800
Mon	Nov. 18					-	14,145					1,059	

Table 17 replicates the pattern of hotel demand in Table 2 which is benchmarked to Smith Travel Research figures except that the table also incorporates the effects of the additional hotel demand for the UT game split evenly between Friday and Saturday night.[30] Several changes are apparent in Table 17 relative to the 2012 event depicted in Table 2. First, overall room demand from F1 fans is about 2% higher due to higher overall attendance. Second, compared to Table 2 fewer F1 fans will be accommodated in Austin area hotels Friday and Saturday nights. More F1 fans in 2013 will be displaced outside the Austin Area. Third, hotel occupancy in the Austin area hits 100% both Friday and Saturday nights. This is composed of the competitors and teams from F1, some F1 fans, some football fans and about 5% not affiliated with either event.

Because of this very high occupancy level, hotel prices are projected to rise another 10% over peak prices in 2013.

As a result of higher occupancy and higher prices, the total hotel expenditure by F1 fans in the Austin area will rise to $28.8 million in 2013 from $27.4 million in 2012. And the price-driven increase from non-F1 or non-UT hotel guests rises to $2.8 million from $2.5 million.[31]

The price increase would also affect teams, driver and other direct race participants, although the gain in Table 18 is only $200,000 above that in Table 3---rising from $6.9 million to $7.1 million.

However, the largest gain in hotel expenditures from F1 fans in 2013 will be seen outside the Austin area. Table 19 replicates Table 4 from 2012 and indicates that overall hotel expenditures at F1 in 2013 should rise by about 9.1 percent to $51.7 million. But, looking at the largest group of hotel guests---out-of-state fans--- indicates total hotel expenditures by out-of-state fans staying inside the Austin Area should rise by 5.9 percent, but the expenditures by OOS fans staying outside of the Austin area should rise by three times that rate, increasing 18.2 percent.

Table 17

Fan Hotel Spending in Greater Austin at 2013 United States Grand Prix at Circuit of the Americas

		(1) % Austin Area Hotel Capacity used by Other than F1 & Football	(2) Rooms Available for F1 Fans in Austin	(3) Total F1 Fan Hotel Demand	(4) % F1 Fans in Greater Austin	(5) Hotel Occupancy in Austin	(6) Total Hotel Person-Nights in Greater Austin by F1 Attendees	(7) Total Hotel Room-Nights in Greater Austin by F1 Attendees	(8) Avg Cost per room in Greater Austin	(9) Total F1 Attendee Hotel Expenditure in Greater Austin	(10) Non-Fan Price Gain Effect in Greater Austin
Tue	Nov. 12	25%	20,595	4,926	100.0%	47.6%	8,415	4,926	118	$581,904	$236,261
Wed	Nov. 13	15%	21,639	12,473	85.0%	63.1%	18,112	10,602	295	$3,130,910	$936,455
Thu	Nov. 14	10%	22,493	23,594	81.0%	88.7%	32,650	19,111	311	$5,940,984	$670,777
Fri	Nov. 15	5%	23,988	29,813	67.6%	100.0%	34,452	20,165	330	$6,654,538	$305,991
Sat	Nov. 16	5%	23,988	41,982	50.4%	100.0%	36,120	21,142	330	$6,976,825	$364,003
Sun	Nov. 17	5%	23,988	33,799	51.0%	77.4%	29,450	17,237	266	$4,587,908	$203,912
Mon	Nov. 18	10%	24,163	8,900	95.0%	47.5%	14,444	8,455	106	$900,154	$59,633
										$28,773,223	$2,777,030
							Avg. Occupancy (person/room)		1.71		

Table 18

Formula One Participant Personnel Attendance and Hotel Spending

	Journalists, Photographers, Radio, TV, FOM TV		Teams, Manufacturers & Guests		Officials, Event Support & Promoter Personnel		Total OOS Event Personnel		Nightly Room Rate	Total Hotel Cost- Greater Austin Area
	Persons	Rooms	Persons	Rooms	Persons	Rooms	Persons	Rooms		
Tues	275	196	1,400	1,167	560	467	2,235	1,830	$118.13	$216,144
Wed	550	393	2,000	1,667	2,060	1,717	4,610	3,776	$295.32	$1,115,173
Thurs	980	700	2,400	2,000	2,060	1,717	5,440	4,417	$310.86	$1,372,965
Friday	980	700	2,400	2,000	2,060	1,717	5,440	4,417	$330.00	$1,457,500
Sat	980	700	2,400	2,000	2,060	1,717	5,440	4,417	$330.00	$1,457,500
Sun	980	700	2,400	2,000	2,060	1,717	5,440	4,417	$266.16	$1,175,540
Mon	392	280	2,400	2,000	560	467	3,352	2,747	$106.46	$292,421
										$7,087,243
					Ave Length of Stay		5.9			

Table 19

Hotel Spending Gain To Texas of 2012 United States Grand Prix at Circuit of the Americas

	------ Out of State Fans -------				----------Out of Area Texans Attending F1 ----------				
	(1) Hotel Expenditures in Greater Austin by OOS Fans	(2) Hotel Expenditure Outside Greater Austin by OOS Fans	(3) Hotel Expenditures by Race Participants (teams, sponsors, etc.)	(4) Non-Fan Price Gain Effect in Greater Austin	(5) Price Gain Effect OOA Fans in Greater Austin	(6) Price Gain Effect OOA Fans Outside Greater Austin	(7) Expenditure Retention from OOA Fans in Greater Austin	(8) Expenditure Retention from OOA Fans Outside Greater Austin	(9) Total Hotel Expenditure Gain to Texas From Hosting F1
Nov. 12	$569,497	$0	$216,144	$236,261	$3,320	$0	$5,452	$0	$1,030,674
Nov. 13	$3,025,455	$427,123	$1,115,173	$936,455	$74,560	$10,526	$18,537	$2,617	$5,610,446
Nov. 14	$5,517,857	$1,035,450	$1,372,965	$670,777	$305,361	$57,302	$70,660	$13,260	$9,043,631
Nov. 15	$5,444,177	$2,214,049	$1,457,500	$305,991	$750,703	$311,679	$275,795	$108,332	$10,868,226
Nov. 16	$5,697,378	$4,773,578	$1,457,500	$364,003	$831,985	$711,654	$268,477	$216,203	$14,320,778
Nov. 17	$3,746,553	$3,059,685	$1,175,540	$203,912	$489,210	$416,438	$211,287	$162,401	$9,465,027
Nov. 18	$837,465	$35,262	$292,421	$59,633	$11,744	$494	$30,567	$1,287	$1,268,873
Total	$24,838,382	$11,545,147	$7,087,243	$2,777,030	$2,466,881	$1,508,094	$880,776	$504,099	$51,607,654

Other 2013 F1 Changes

Beyond the changes driven by about a 2% increased in attendance in 2013, few other changes are expected relative to fan and other expenditures. But, ticket prices are expected to rise modestly with the average price of the base ticket up about 9% as fans opt for better seating. Additionally, the premium paddock passes are advertising a slight increase as well. Most importantly, the City of Austin will collect sales taxes on both tickets and merchandise sold at COTA due to annexation of the property.

Table 20 replicates Table 6 for 2013 and shows that the state will likely gain an additional $800,000 in sales tax revenue from the sales of tickets to F1 in 2013.

Table 20

2013 F1 Ticket Revenues and State Sales Taxes

	(1)	(2)	(3)
Group	Ticket Revenue	State Sales Tax	Tax Gain to the State
Out-of-State Fans:			
Staying in Hotels	$35,304,583	$2,344,445	$2,344,445
Not Staying in Hotels	$8,281,322	$549,932	$549,932
Out-of-Area Texans:			
Staying in Hotels	$8,384,552	$556,787	$334,072
Not Staying in Hotels	$8,055,746	$534,952	$197,933
Local Texans	$16,440,297	$1,091,738	$403,944
Total	$76,466,500	$5,077,854	$3,830,325

Car rental expenses are expected to be about 1.6 percent higher at the 2013 F1 race reflecting the growth in attendance (Table 21). A similar pattern of attendance-driven gains in 2013 are expected for mixed drink sales (Table 22), food and non-alcoholic beverage expenditures (Table 23), "other" expenditures during F1 week (Table 24), merchandise sales at COTA (Table 25), and fan expenditures getting to Austin (Table 26). It should be noted that annexation of the COTA facility by the city of Austin should add $26,000 in sales tax revenue from merchandise sales at the venue.

While there will be some changes in the individual expenditure items by COTA for actually presenting the event, at this point it is too early to project any systematic trends in those changes so the expenses detailed in Table 13 are expected to be replicated in 2013.

Table 21

Car Rental Expenditures at the 2013 U.S. Grand Prix

	(1) F1 Week Rental Car Expenditure per person	(2) Total Rental Car Expenditure	(3) State Tax	(4) State Gain From Rental Car Expenditure	(5) State Tax Gain to Texas
OOS Fans Staying in Hotels	$138.21	$8,094,757	$735,887	$8,094,757	$735,887
OOS Fans Not Staying in Hotels	$53.40	$733,637	$66,694	$733,637	$66,694
OOA Texans Staying in Hotels	$19.91	$261,952	$23,814	$196,049	$17,823
Portion due to Price Gain	$7.39	$97,195	$8,836	$97,195	$8,836
Portion Due to Activity Gain	$12.52	$164,757	$14,978	$98,854	$8,987
OOA Texans Not Staying In Hotels	$12.73	$202,376	$18,398	$122,186	$11,108
Portion due to Price Gain	$4.72	$75,090	$6,826	$75,090	$6,826
Portion Due to Activity Gain	$8.01	$127,286	$11,571	$47,096	$4,281
Local Fans	$5.10	$131,490	$11,954	$79,388	$7,217
Portion due to Price Gain	$1.89	$48,788	$4,435	$48,788	$4,435
Portion Due to Activity Gain	$3.21	$82,702	$7,518	$30,600	$2,782
F1 Competitors & Related	$659.73	$3,588,944	$326,268	$3,588,944	$326,268
TOTAL		$13,608,973	$1,183,014	$12,814,960	$1,164,996

Table 22

Mixed Drink Expenditures at the 2013 U.S. Grand Prix

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	F1 Week Mixed Drink Expenditures per person	Total Mixed Drink Expenditure	State Mixed Drink Tax (State Share)	State Gain Mixed Drink Expenditures	Mixed Drink Tax Gain to State	Title 5 ABC Tax Gain to the State	City Share Mixed Drink Tax
OOS Fans Staying in Hotels	$175.30	$10,266,857	$1,198,571	$10,266,857	$1,198,571	$87,679	$89,106
OOS Fans Not Staying in Hotels	$97.59	$1,340,689	$156,514	$1,340,689	$156,514	$11,449	$11,636
OOA Texans Staying in Hotels	$139.52	$1,835,790	$214,313	$1,101,474	$128,588.05	$9,407	$15,933
OOA Texans Not Staying In Hotels	$152.53	$2,424,642	$283,057	$897,117	$104,731.11	$7,661	$21,043
Local Fans	$99.76	$2,573,799	$300,470	$952,306	$111,173.86	$8,133	$8,265
F1 Competitors & Related	$176.51	$960,223	$112,098	$960,223	$112,098	$8,200	$11,167
TOTAL		$19,402,000	$2,265,024	$15,518,667	$1,811,677	$132,529	$157,150

Table 23

Food and Non-alcoholic Beverage Expenditures at the 2013 U.S. Grand Prix

	(1) F1 Week Food and Non-Alcoholic Expenditures per person	(2) Total Food and Non-Alcoholic Expenditures	(3) State Sales Tax	(4) Total Food and Non-Alcoholic Expenditures Gain to the State	(5) Sales Tax Gain to the State	(6) Sales Tax Gain to Austin
OOS Fans in Hotels	$346.49	$20,292,476	$1,268,280	$20,292,476	$1,268,280	$150,414
OOS Fans Not in Hotels	$192.89	$2,649,877	$165,617	$2,649,877	$165,617	$19,642
OOA Texans in Hotels	$275.76	$3,628,445	$226,778	$2,177,067	$136,067	$26,895
OOA Texans Not In Hotels	$301.48	$4,792,312	$299,520	$1,773,156	$110,822	$35,522
Local Fans	$45.52	$1,174,496	$73,406	$434,564	$27,160	$3,668
F1 Competitors & Related	523.31	$2,846,827	$177,927	$2,846,827	$177,927	$23,868
TOTAL		$35,384,433	$2,211,527	$30,173,966	$1,885,873	$260,009

Table 24

"Other Purchases" Expenditures at the 2013 U.S. Grand Prix

	(1) F1 Week "Other Purchases" Expenditures per person	(2) Total "Other Purchases" Expenditures	(3) State Sales Tax	(4) State Gain in Total "Other Purchases" Expenditures	(5) Sales Tax Gain to the State	(6) Sales Tax Gain to Austin
OOS Fans in Hotels	$556.77	$32,608,187	$1,833,018	$32,608,187	$1,833,018	$217,390
OOS Fans Not in Hotels	$309.96	$4,258,114	$239,363	$4,258,114	$239,363	$28,388
OOA Texans in Hotels	$295.75	$3,891,492	$218,025	$2,334,895	$130,815	$25,857
OOA Texans Not in Hotels	$323.33	$5,139,735	$287,959	$1,901,702	$106,545	$34,151
Local Fans	$43.77	$1,129,356	$65,906	$417,862	$24,385	$3,271
F1 Competitors & Related	$789.17	$4,293,107	$241,330	$4,293,107	$241,330	$32,373
TOTAL		$51,319,991	$2,885,600	$45,813,866	$2,575,456	$341,429

Table 25

Merchandise Expenditures at COTA during the 2013 U.S. Grand Prix

	(1) Total Merchandise Expenditures at COTA	(2) State Sales Tax	(3) State Gain in Merchandise Expenditures at COTA	(4) Sales Tax Gain to the State	(5) Austin Gain in Merchandise Expenditures at COTA	(6) Sales Tax Gain to Austin
OOS Fans Staying in Hotels	$2,830,851	$166,521	$2,830,851	$166,521	$2,830,851	$14,014
OOS Fans Not Staying in Hotels	$664,027	$39,060	$664,027	$39,060	$664,027	$3,288
OOA Texans Staying in Hotels	$672,304	$39,547	$403,382	$23,728	$672,304	$3,328
OOA Texans Not Staying In Hotels	$645,939	$37,996	$238,998	$14,059	$645,939	$3,188
Local Fans	$1,318,243	$77,544	$487,750	$28,691	$487,750	$2,215
TOTAL	$6,131,364	$360,668	$4,625,008	$272,059	$5,300,871	$26,241

Table 26

Travel Expenditures to the 2013 U.S. Grand Prix

	(1) Travel Expenditures getting to 2012 USGP per person	(2) Total Travel Expenditures Getting to 2012 USGP	(3) State Sales Tax	(4) State Gain in Travel Expenditures at COTA	(5) Sales Tax Gain to the State
OOS Fans Staying in Hotels	$720.23				
Airfare		$29,526,789		$29,526,789	
Other Travel Expenses		$12,654,338	$395,448	$12,654,338	$395,448
OOS Fans Not Staying in Hotels	$499.81				
Airfare		$4,806,442		$4,806,442	
Other Travel Expenses		$2,059,904	$64,372	$2,059,904	$64,372
OOA Texans Staying in Hotels	$306.80				
Airfare		$1,211,066		$726,640	
Other Travel Expenses		$2,825,821	$88,307	$1,695,493	$52,984
OOA Texans Not Staying In Hotels	$211.89				
Airfare		$1,010,469		$373,874	
Other Travel Expenses		$2,357,761	$73,680	$872,372	$27,262
F1 Competitors & Related	$720.23				
Airfare		$3,526,222		$3,526,222	
Other Travel Expenses		$391,802	$12,244	$391,802	$12,244
TOTAL					
Airfare		$40,080,988		$38,959,966	
Other Travel Expenses		$20,289,626	$634,051	$17,673,908	$552,310
TOTAL All Modes		$60,370,614	$634,051	$56,633,874	$552,310

Total Direct Gains from Hosting the 2013 U.S.G.P.

Based on Tables 16 through 26 and the 2012 COTA event presentation expenditures, the total direct economic gain to the state from hosting the 2013 U.S.G.P. should reach $285.7 million, up 4.2 percent from the $274.1 million in 2012 as is detailed in Table 27. In terms of direct tax gains, the state should realize a net gain of $17.2 million in 2013, up from $15.9 million in 2012.

Total economic impact on the City of Austin of hosting the 2013 U.S.G.P. should amount to $204.3 million, up from $ 193.6 in 2012. After annexing the COTA facility, the direct tax gains to the City of Austin should hit $4.6 million in 2013, up 18.9 percent from $3.8 million in 2012.

Indirect and Induced Gains from Hosting the 2013 U.S.G.P.

As was the case with the impact of the 2012 U.S.G.P., the economic impact of this event is not limited to just the direct gains detailed in Table 27. To those gain must be added the indirect and induced gains driven by the direct gains. Table 28 presents the estimate direct, indirect and induced economic and tax gains to the state from hosting the 2013 United States Grand Prix.

In total, the $285.7million in direct economic gains to Texas are expected to drive another $116.9 million in indirect economic gains and $166.0 million in induced gains. From a tax perspective, to the $17.2 million in direct tax gains to the state must be added $5.5 million in indirect tax gains and $9.7 million in induced tax gains for a total of $32.4 million.

Local tax gains should be comparable. Table 27 notes that just the direct local tax gain from Hosting the F1 event for the City of Austin should nearly reach $4.6 million. Based on more conservative indirect and induced tax gains than those indicated Table 28 for the state[32], the total tax gain to the city of Austin should reach nearly $8.5 million.

Table 27

State and Austin Direct Expenditure and Tax Gain From Hosting 2013 F1: Summary

Gain From:	Direct State Gain	Direct State Tax Gain	Direct Austin Gain	Direct Austin Tax Gain
Hotel	$51,607,654	$3,096,459	$35,482,472	$3,193,422
Rental Cars	$12,814,960	$1,164,996	$12,961,054	
Alcoholic Beverage	$15,518,667	$1,944,207	$13,179,422	$154,022
Food and Non-Alcoholic Beverage	$30,173,966	$1,885,873	$25,679,499	$260,009
Other Merchandise Expenditures	$45,813,866	$2,575,456	$37,512,471	$341,429
Merchandise at Venue	$4,625,008	$272,059	$5,300,871	$26,242
Travel to Austin for F1				
Airfare	$40,080,988		$40,080,988	
Other Transportation	$20,289,626	$634,051	$0	
Gratuities	$8,658,344	$519,501	$6,943,991	$68,752
Event Presentation Expenses				
Wages and Salaries	$11,726,267	$0	$5,863,133	$0
Professional and Artist Fees	$9,788,511	$0	$9,788,511	$0
Marketing, Advert. & Promo. Mat.	$4,292,307	$54,591	$4,292,307	$8,735
Fuel	$280,381	$0	$0	$0
Equip. Rental (incl temp facilities)	$11,710,189	$688,835	$0	$110,214
Transportation Plan	$2,944,307	$124,689	$0	$19,950
Insurance, Licensing, Permits & Fees	$4,871,893	$0	$2,435,946	$0
Utilities	$589,239	$0	$294,620	$0
Vehicles Transport Freight & Delivery	$547,151	$32,185	$0	$5,150
Repairs, Maint., Tools & Supplies	$3,611,426	$212,437	$0	$33,990
Medical, fire & safety	$270,481	$15,911	$0	$2,546
Computer support	$781,577	$0	$390,788	$0
Misc. Venue and Event Expenses	$581,925	$34,231	$0	$5,477
Office Expenses and Supplies	$1,502,489	$4,098	$1,502,489	$656
Opening Events	$535,500	$20,125	$535,500	$3,220
Event Travel & Lodging	$2,060,113	$62,288	$2,060,113	$9,966
TOTAL	$285,676,836	$13,341,991	$204,304,175	$4,243,779
Gain From Ticket Sales		$3,830,325		$327,272
Total		$17,172,315		$4,571,052

Table 28

METF Expenditures and Taxes for the 2013 U.S. Grand Prix at Circuit of the Americas

	Direct		Indirect		Induced		TOTAL	
METF Expenditures	Spending	Taxes	Spending	Taxes	Spending	Taxes	Spending	Taxes
Hotel	$51,607,654	$3,096,459	$24,367,377	$1,069,261	$24,919,400	$1,448,497	$100,894,430	$5,614,217
Food and Non-Alcoholic Bev.	$30,173,966	$1,885,873	$13,325,037	$662,936	$15,306,372	$889,489	$58,805,375	$3,438,298
Alcoholic Beverage	$15,518,667	$1,944,207	$6,853,153	$340,952	$7,872,166	$457,470	$30,243,986	$2,742,629
Event Presentation Expenses	$56,093,756	$1,249,389	$22,238,050	$1,261,914	$45,970,007	$2,673,695	$124,301,814	$5,184,999
Rental Cars	$12,814,960	$1,164,996	$5,657,945	$240,521	$4,929,283	$286,834	$23,402,188	$1,692,351
Other Merchandise	$45,813,866	$2,575,456	$16,858,809	$841,414	$28,032,591	$1,628,823	$90,705,267	$5,045,693
Merchandise at Venue	$4,625,008	$272,059	$1,701,933	$84,943	$2,829,950	$164,433	$9,156,891	$521,435
Gratuities	$8,658,344	$519,501	$3,412,288	$140,920	$4,219,694	$248,340	$16,290,327	$908,761
Transportation (Airfare)	$40,080,988		$18,616,989	$761,153	$18,674,255	$1,084,828	$77,372,232	$1,845,981
Transportation (Other)	$20,289,626	$634,051	$3,853,572	$130,039	$13,196,858	$769,045	$37,340,056	$1,533,135
State Gains from Ticket Sales		$3,830,325						$3,830,325
TOTAL	**$285,676,836**	**$17,172,315**	**$116,885,154**	**$5,534,053**	**$165,950,577**	**$9,651,455**	**$568,512,567**	**$32,357,824**

METF Request from Hosting the 2013 U.S.G.P.

Based on actual event data including key benchmarks of economic activity generated by credible research organizations not affiliated with the event, the actual state tax gain from the 2012 U.S.G.P. exceeded the Comptroller-allocated tax gain to the state by more than $5 million reaching a level of nearly $30.5 million in state tax gains.

For the 2013 event, based on the same methodology used to verify the 2012 event impact, the 2013 U.S.G.P. should generate a state tax gain of $32,357,824 and a local tax gain of about $8.5 million. Based on these figures, CELOC requests the Comptroller approve establishing a METF for the USGP containing $32,357,824 in state tax gains from this event when matched by $5,177,252 in contributions made on behalf of the City of Austin.

Appendix A

Survey Instrument used at 2012 U.S.G.P.

PARTICIPATE AND WIN TICKETS TO THE 2013 FORMULA 1 UNITED STATES GRAND PRIX!!

Thank you for taking the time to complete this survey. Your feedback is extremely important to us in conducting our research. This survey should only take about 5 minutes of your time.

For the purposes of this survey, your immediate travel party refers to the group traveling with you and sharing expenses like accommodations or transportation, even if they did not accompany you to today's event. A club or tour group is not considered an immediate travel party.

For the purposes of this survey, the acronym COTA stands for Circuit of the Americas.

If you live in the U.S., what is your residential zip code?		
If you live outside the U.S., what country are you from?		
If you live outside Texas...		
...is the primary reason for your visit to attend the F1 Grand Prix and/or related Fan Fest events?	Yes	No
...did you RESCHEDULE a previously planned visit to Texas in order to attend?	Yes	No
...did you EXTEND a previously planned visit to Texas in order to attend?	Yes	No
If you live in Texas...		
...would you have traveled outside of Texas to attend a similar event held elsewhere in the U.S.?	Yes	No
If you live outside Austin...		
...how many people accompanied you on your visit to Austin?	people	
How many members of your immediate party (including yourself)...		
...attended or plan to attend the F1 Grand Prix on FRIDAY?	members	
...attended or plan to attend the F1 Grand Prix on SATURDAY?	members	
...attended or plan to attend the F1 Grand Prix on SUNDAY?	members	
Have you or anyone in your immediate travel party...		
...attended or plan to attend Austin Fan Fest (free downtown stages/displays)?	Yes	No

...attended or plan to attend Aerosmith at the Frank Irwin Center?	Yes	No
...attended or plan to attend Flo Rida OR Enrique Iglesias at the Austin Convention Center?	Yes	No
...attended or plan to attend Juanes OR Lupe Fiasco OR The Wallflowers at the Moody Theater?	Yes	No
...attended or plan to attend COTA After Party at the Bob Bullock Texas State History Museum?	Yes	No
...attended or plan to attend private parties?	Yes	No
How many nights are you and your immediate party staying at the following over the entire duration of this trip?		
...at a hotel OR motel OR bed and breakfast?		nights
...at a rented private residence?		nights
...at a camping OR RV site?		nights
...at a friend OR family member's home?		nights
...at your own home?		nights
...at another location?		nights

Please answer the following questions regarding your motivation to attend this event.	*Strongly Disagree -- Strongly Agree*				
I feel a personal sense of achievement when my favorite driver wins.	1	2	3	4	5
I appreciate the beauty inherent in Formula 1 racing.	1	2	3	4	5
I enjoy the drama of close races.	1	2	3	4	5
Attending a race provides an escape for me from my day-to-day routine.	1	2	3	4	5
I increase my knowledge about Formula 1 racing at the race.	1	2	3	4	5
The skills of the drivers are something I appreciate.	1	2	3	4	5
I enjoy interacting with other spectators at the race.	1	2	3	4	5
I feel like I have won when my favorite driver wins.	1	2	3	4	5
I enjoy the natural beauty in Formula 1 racing.	1	2	3	4	5
I prefer watching a close race than one that is one-sided.	1	2	3	4	5
I increase my understanding of Formula 1 racing strategy by watching the race.	1	2	3	4	5
Attending a race provides a diversion from "life's little problems."	1	2	3	4	5
I enjoy watching a well-executed race.	1	2	3	4	5
I enjoy talking with others at the race.	1	2	3	4	5
I feel proud when my favorite driver does well.	1	2	3	4	5
I enjoy the gracefulness associated with Formula 1 racing.	1	2	3	4	5
I enjoy when the outcome of the race is not decided until the very end.	1	2	3	4	5
A race provides a distraction from my everyday activities.	1	2	3	4	5
I can learn about the technical aspects of Formula 1 racing by watching the race.	1	2	3	4	5
I enjoy a skillful performance by a driver.	1	2	3	4	5
I enjoy socializing with people sitting near me at the race.	1	2	3	4	5

Please answer the following questions regarding your identification with this event.	*Strongly Disagree -- Strongly Agree*				
I identify with the individual Formula 1 drivers.	1	2	3	4	5
I consider myself to be a real fan of Formula 1.	1	2	3	4	5
First and foremost I consider myself a fan of auto racing.	1	2	3	4	5
I am attending the race because it increases the status of the local community.	1	2	3	4	5
I am a big fan of specific Formula 1 drivers.	1	2	3	4	5
I would experience a loss if I had to stop being a fan of Formula 1.	1	2	3	4	5
Auto racing is my favorite sport.	1	2	3	4	5
I am a fan of the event because it enhances the community's image.	1	2	3	4	5
I consider myself a fan of certain drivers of Formula 1.	1	2	3	4	5
Being a fan of Formula is very important to me.	1	2	3	4	5
I am an auto racing fan at all levels and tours.	1	2	3	4	5
I am a fan of the event because it improves the perception of the local community.	1	2	3	4	5

Please answer the following questions regarding your perceptions of this event.	*Strongly Disagree -- Strongly Agree*				
It is highly likely that I will attend next year's event.	1	2	3	4	5
When I shop for products or services, I will purposely look for those sold by sponsors of COTA.	1	2	3	4	5
My overall impression of firms that sponsor COTA are good.	1	2	3	4	5
The likelihood of me attending next year's event is very high.	1	2	3	4	5
My overall attitude toward the firms that sponsor COTA are favorable.	1	2	3	4	5
The probability is high that I will attend next year's event.	1	2	3	4	5
My overall impression of firms that sponsor COTA is satisfactory.	1	2	3	4	5
I am more likely to purchase products or services from COTA sponsors rather than non-sponsors.	1	2	3	4	5

Please answer the following questions regarding your feelings about environmental practices.	*Strongly Disagree* -- *Strongly Agree*				
The diversity of nature must be valued and protected.	1	2	3	4	5
Circuit of the Americas must protect the environment.	1	2	3	4	5
Proper sport development requires that wildlife and natural habitats be protected at all times.	1	2	3	4	5
Community environment must be protected now and for the future.	1	2	3	4	5
Circuit of the Americas must be developed in harmony with the natural and cultural environment.	1	2	3	4	5
Circuit of the Americas is committed to using a portion of its profits to help nonprofits.	1	2	3	4	5
Circuit of the Americas gives back to the communities in which it does business.	1	2	3	4	5
Local nonprofits benefit from Circuit of the America's contributions.	1	2	3	4	5
Circuit of the Americas integrates charitable contributions into its business activities.	1	2	3	4	5
Circuit of the Americas is involved in corporate giving.	1	2	3	4	5
Conserving natural resources is important to me.	1	2	3	4	5
Conserving natural resources is not my problem.	1	2	3	4	5
I have a responsibility to conserve natural resources.	1	2	3	4	5
Circuit of the Americas demonstrates a commitment to the environment.	1	2	3	4	5
Circuit of the Americas demonstrates a commitment to sustainable development.	1	2	3	4	5
I am aware of the environmental programs of Circuit of the Americas.	1	2	3	4	5
I know of the good things Circuit of the Americas does for the environment.	1	2	3	4	5
I believe Circuit of the Americas to be an environmentally responsible organization.	1	2	3	4	5
I am aware of the programs of Circuit of the Americas that benefit the environment.	1	2	3	4	5
I would pay more to buy a product from a company that exhibits environmental sustainability.	1	2	3	4	5
I would pay more to buy a product from a company with good environmental practices.	1	2	3	4	5
I would not want to invest in a company with a poor reputation for environmental sustainability.	1	2	3	4	5
I am willing to boycott companies that I do not consider to be environmentally friendly.	1	2	3	4	5
I try to avoid products from companies with a poor reputation for environmental sustainability.	1	2	3	4	5

It would not want to work for a company with a poor reputation for environmental sustainability.	1	2	3	4	5
It makes me angry when companies are environmentally irresponsible.	1	2	3	4	5

Which of the following is a sponsor of this event?			
☐ Pepsi	☐ Coca-Cola	☐ unsure	
☐ Mobil 1	☐ Total Lubricants	☐ Pennzoil	☐ unsure
☐ Bud Light	☐ Miller Light	☐ Coors Light	☐ unsure
☐ Red Bull	☐ Monster Energy	☐ unsure	
☐ UBS Financial	☐ Santander	☐ Wells Fargo	☐ unsure
☐ Pirelli	☐ Michelin	☐ Bridgestone	☐ unsure
☐ AT&T	☐ Verizon	☐ T-Mobile	☐ Sprint	☐ unsure

Considering the entire duration of this trip, how much do you and your immediate party plan to spend on the following?	
...travel to Austin (air, train, bus, gas for personal car, etc.)?	US dollars
...rental car(s) within Austin?	US dollars
...other travel expenses within Austin (gas, parking, taxi, etc.)?	US dollars
...lodging?	US dollars
...Formula 1 Grand Prix event tickets?	US dollars
...Austin Fan Fest tickets (ticketed concerts)?	US dollars
...other entertainment (private parties, movies, museums, etc.)?	US dollars
...food and non-alcoholic beverages?	US dollars
...alcoholic beverages?	US dollars
...merchandise at the Formula Grand Prix or Austin Fan Fest venues?	US dollars
...other non-event retail merchandise (apparel, gifts, souvenirs, etc.)?	US dollars

If you live in Texas, how would this money likely have been used had the F1 Grand Prix and Austin Fan Fest not been in Austin?		
☐ other local events or activities	☐ another event or trip outside of Texas	☐ for your personal savings

Which of the following best describes you?				
☐ ticketed sponsor	☐ corporate attendee	☐ accredited official	☐ vendor	☐ other
Based on your experience thus far, how satisfied are you with your overall experience this weekend?				
☐ very dissatisfied	☐ somewhat dissatisfied	☐ neutral	☐ somewhat satisfied	☐ very satisfied
How likely are you to recommend next year's event to a friend?				
☐ very unlikely	☐ somewhat unlikely	☐ neutral	☐ somewhat likely	☐ very likely
How satisfied are you with this survey?				
☐ very dissatisfied	☐ somewhat dissatisfied	☐ neutral	☐ somewhat satisfied	☐ very satisfied
What is your age?				
☐ 18-24	☐ 25-34	☐ 35-44	☐ 45-54	☐ 55+
What is your annual household income?				
☐ <$25,000	☐ $25,000-$49,999	☐ $50,000-$74,999	☐ $100,000-$149,999	☐ $150,000-199,999	☐ $200,000+
What is your gender?				
☐ male		☐ female		
What is your race?				
☐ White	☐ African American	☐ Hispanic	☐ Asian	☐ Other
What is your e-mail address?			.com	

By providing us your e-mail address, you will be entered in a drawing to win a pair of 3-day passes to the 2013 F1 United States Grand Prix. It will not be provided to any third-party vendors.

Thank you very much for participating in our survey. We appreciate you coming today and hope you enjoy the rest of your visit.

[1] Most of the data cited in this report comes from one of five sources, four of which are published with the remaining source being discussion with COTA senior staff. The four published reports include:

City of Austin, ATX Grand Prix, report published May 8, 2013.

"Austin Area Hotels saw Boost during F1 Week,: Austin American Statesman, December 6, 2012 article by John Maher.

"State's Top Alcohol Seller in November: F1 Track," Austin American Statesman, January 7, 2013 article by Gary Dinges.

Koesters, Todd C. and Ballouli, Khalid, United States Grand Prix--Executive Summary, report prepared by the University of South Carolina, College of Hospitality, Retail and Sport Management, Department of Sport and Entertainment Management, undated report to Circuit of the Americas.

[2] See City of Austin Report, page 7.

[3] The primary problem with relying on the COTA survey data is that because of contractual restrictions on access to some fans, post-event analysis of the survey indicates that the resulting survey estimates are strongly biased downward particularly with regard to spending---probably on the order of 35 to 40 percent low. The survey was conducted through face-to-face interviews with fans at the event over three days. But, because of contractual obligations and other access limitations surveyors were not permitted access to the paddock area at all and also most likely conducted relatively few (if any) interviews with persons in suites. As a result, the surveyors missed most of the highest spending fans. Because of this limitation if other data on fan spending is available, those data are used in this report rather than the fan spending estimates from the COTA survey. In other cases, if no other spending data are available that use the same definition as that covered by the COTA survey, the COTA survey figures were adjusted to correct for likely bias.

It should be noted, however, that the COTA survey likely does provide reasonably accurate estimates of key data points if those data points are not monetary in nature. As such, the length of stay of various groups, the number of people per group and similar non-monetary data likely do not suffer the same degree of bias and as such should provide reasonably accurate guideposts. In 2013, this survey shortcoming will be corrected and the survey results will undoubtedly better reflect unbiased estimates.

[4] The fact that the COTA survey missed high-spending fans probably biases these figures downward slightly.

[5] A 2011 survey of 4,000 participants in the Houston marathon and half marathon found that group sizes considerably smaller than those seen at the F1 race generally used multiple rooms per group resulting in room occupancy levels as low as 1.68 persons per room. See: (ADD Reference)

[6] The model is calibrated on a total availability of about 30,000 rooms in Greater Austin which is approximately the number of rooms listed as available in the Comptroller's hotel tax database for the 4th quarter of 2012 in Austin (25,204), Bastrop (504), Round Rock (2,412) and San Marcos (1,900). But it is assumed that fans staying outside of Austin could also use rooms in Comal or Bexar counties so sufficient room capacity is available for all fans in addition to some other non-F1 visitors within the seven-county area.

[7] Smith Travel Research's room rate figures are net of state and local taxes according to Brittany Baldwin, Director of Business Development, Destinations at Smith Travel Research contacted by Don Hoyte TexasTrustFunds.com, August 28, 2013.

[8] Noted by Smith Travel Research as about $89 a night

[9] The survey question referred to the cost of **traveling to** Austin.

[10] It should be noted that the price effect on non-attendees is estimated only for hotels in the Greater Austin area since typical hotel occupancy rates outside of this area are not known. Certainly there is likely to have been some price effect and this is included in Table 4 for out-of-area Texans attending F1 and staying outside of Greater Austin. However, since typical occupancy rates outside of Greater Austin are not known, the degree to which persons staying in those areas but not attending F1 cannot be reliably estimated and is not considered in this analysis. Lack of including this effect makes the hotel impact figures attributable to Texas hosting F1 conservative.

[11] For the purposes of estimating the price-driven hotel gain outside the Greater Austin area from Texans attending F1, it was assumed that hotel prices outside greater Austin during F1 week were 80 percent of those inside Greater Austin and had a "normal" level of $69 a night.

[12] It should be noted that the gains in columns 4 - 8 of Table 4 do not represent an increase in what would typically be considered TOTAL hotel spending, but they do represent an increase in the amount that is typically considered a gain to the state from hosting the event.

[13] The City of Austin's 25,204 hotel rooms constitute about 83 percent of the 30,000 hotel rooms available in the Greater Austin region (Austin, Bastrop, Round Rock and San Marcos). Since Austin's facilities are likely to be more expensive during F1 week than others, Table 5 presumes Austin Hotels would account for 90 percent of relevant expenditures in the Greater Austin area.

[14] Email from Bruce Knox, Circuit of the Americas to Don Hoyte, TexasTrustFunds.com on 8/9/2013.

[15] Prices for paddock access for the 2013 race average about $5,300 per person for three-day access and about $4,800 per person for Saturday and Sunday access. Paddock tickets are sold through different outlets, but see, for example, http://www.formulatours.com/Formula1PaddockClub.aspx

[16] See http://AustinAirportcarrental.com last visited on 8/7/2013.

[17] Table 7 also assumes that on average 2.2 persons utilize each vehicle---the average vehicle occupancy on recreational trips. See page 39 of "Summary of Travel Trends: 2009 National Household Travel Survey," U.S. Department of Transportation, Federal Highway Administration. A. Santos, N. McGuckin, H.Y. Nakamoto, D. Gry and S. Liss authors. June 2011. Report Number FHWA-PL-11-022.

[18] The high expenditure per visit for competitors and related personnel stems from a number of factors. First, it is assumed these groups are relatively small in size with many one person groups. As such, the number of persons per vehicle will also be low. Combining this with the likelihood that the percentage of groups renting cars will be the highest of any group implies that the underlying daily demand for rental cars by competitors and related personnel is about twice as high as the next highest group. Members of this group also stay more days than any other group---6.9 days as compared to 4.8 days for out-of-staters staying in hotels---the next longest staying group. (note this implies 5.9 and 3.8 rental days respectively so all other things being equal the rental cost per visit for competitors and related personnel would be 55% higher than the next lowest group on that basis alone). Lastly, since these are primarily well-paid automotive professionals, it is assumed they would rent luxury vehicles rather than standard cars. The average cost of 14 luxury cars for November 14 to 15 2013 in Austin is $167.73--37 percent greater than a standard vehicle.

[19] See Houston Marathon Committee, "Economic Impact of the Houston Marathon Weekend 2011," June 16, 2011. For copies of the report or more information contact HoustonMarathon.com

[20] Although the survey question generating the figures on food and non-alcoholic beverages did not specifically say so, it is assumed the expenditures are net of taxes since most consumers think of expenditures in terms of menu or other stated price that do not typically include tax and respond to survey accordingly.

[21] Anecdotal reports indicate that there may have been some price effects on food and non-alcoholic beverages during F1 week similar to those for hotels and rental cars. But no data is available to measure or substantiate those effects. Nonetheless, if such price increases occurred, the figures cited here from the Houston Marathon survey--- while unbiased for that event--- would likely underestimate the true food and beverage expenditures for F1 week.

[22] The actual expenditure categories in both surveys included local transportation expenditures, entertainment expenditures and other retail expenditures. Based on those general categories it is assumed all entertainment and other retail expenditures would incur a state sales tax rate of 6.25% and half of other local transportation expenditures would be subject to sales tax.

[23] In truth, when comparing the overall expenditures of "other purchases" for F1 week for all groups as determined by the COTA survey (adjusted for the likely level of under-estimate due to sample bias) against the Houston survey results, the differences are relatively slight. There were some noticeable differences in expenditure patterns for some groups on some questions between the two surveys, but taken as a group of "other purchases" both sets of survey results arrived at similar totals. Utilizing the adjusted COTA survey responses generated $2.5 million in state sales taxes for "other purchases" versus $2.8 million generated by combining the Houston survey figures with the COTA average length of stay per group figures and the total number of groups. Such minor differences serve to not only validate the Houston survey results but also the degree to which the COTA survey dollar-based results were under-estimated by sample selection bias.

[24] The effective sales tax rate applied to each group's expenditures varies slightly from group to group based on each group's mix of expenditures considered as "other purchases." Entertainment and retail expenses not made at the COTA site were considered fully taxable whereas only half of the expenditures on local transportation and related items were considered subject to sales tax.

[25] In an email from Bruce Knox, Circuit of the Americas to Don Hoyte, TexasTrustFunds.com on 9/27/2013, merchandise sales at all venues consisted of two parts: $1.1 of COTA merchandise sales and $4.9M of team and vendor merchandise from the weekend's events.

[26] As is the case in the use of other COTA survey dollar-denominated questions, the basic survey results were adjusted upward to reflect the likely downward bias in the actual survey responses due to under-estimating the effects of high-spending fans. For this particular question, the amount of under-estimation should be expected to be large since it is reasonable to assume that many persons missed in the survey either flew to the event on commercial or private planes. Accordingly, the figures in Table 12 are likely conservative. Moreover, some local fans indicated they spent some money getting to the event, but these responses were ignored in Table 12. Finally, the actual question asked of respondents was about their expenses getting "to" the event so assuming respondents answered the question that was asked, the amounts in Table 12 actually represent only half of total expenditures.

[27] Detailed expense for each month were proved by Rob Gibbs, Finance and Accounting Consultant, Circuit of the Americas, Austin, Texas to Don Hoyte TexasTrustFunds.com on 7/31, 8/1, 8/8, 8/16 and 8/19/2013 via e-mail.

[28] Thanks is extended to JoJo Estrada from the Comptroller's staff for his prompt and expert analysis of the indirect and induced impacts from the 2012 and 2013 F1 events based on the direct impacts supplied to him.

[29] Dr. Patrick Rush, Director, Sportsimpacts.com, "An Economic Impact Assessment of College Athletics at the University of Texas at Austin upon the Austin Metropolitan Statistical Area: Selected Sports Teams and Events,: August 2008. See additional reference from www.AustinTexas.org/media/press-kit/research-resources/

[30] The actual hotel room demand for the game is based on using the hotel stay percentages for OOS and OOA persons from the 2012 F1 survey. It is assumed that all of the Oklahoma State visitors will stay in hotels at the same rate as OOS F1 visitors and the remaining OOA fans will stay in hotels at the same rate as OOA F1 hotel users.

[31] The price gain was pro-rated between attendance at F1 and attendance at UT based on the relative proportion of fans of each event staying in the Austin Area.

[32] Data limitations make developing a IMPLAN model for a city somewhat of an inexact exercise since most such local models must be calibrated based on county geographic regions. However, a good approximation would be to assume that city-level multipliers would be about 90 percent of those of the state leading to total local tax gains of $8.8 million.

ATTACHMENT 3

Affidavits to Accompany Economic Impact Study

Affidavit to be COMPLETED by any party(ies) providing economic data to support a request for a Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund

AFFIDAVIT

[Affidavit to be signed and sworn (notarized) by anyone providing information to be used in the estimate of the incremental tax increase]

I, WAYNE S. HOLLINGSWORTH, SECRETARY, am providing information to be used by a city, county or local organizing committee for the purposes of receiving funding through the Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund ("the Act"), and hereby swear and affirm that, to the best of my knowledge, any data provided is true and accurate, and any projections made are based on reasonable assumptions documented in the information provided. I further swear and affirm that I have reviewed the information being submitted, and that all of the statements made and information provided herein, including statements made and information provided in any attachments are true, complete, and correct, to the best of my knowledge. Information provided includes but is not limited to an economic impact study or other data sufficient for the Comptroller's office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities;

I understand that the city, county or local organizing committee is receiving funding under the Act for the purposes of facilitating this event: 2013 FORMULA 1 GRAND PRIX RACE EVENT on these dates: NOVEMBER 15-17, 2013 and that the information will be provided by the city, county or local organizing committee as a government document

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.

Affiant Signature

WAYNE S.. HOLLINGSWORTH
Printed Name

WAYNE S. HOLLINGSWORTH, Secretary of Circuit
Title and Name of Organization Events Local Organizing Committee, on behalf of such non-profit corporation

September , 2013
Date

Sworn and subscribed before me by the said

WAYNE S. HOLLINGSWORTH, Director of Circuit Events Local Organizing Committee, on behalf of said non-profit corporation
(Printed Name of Recipient's Authorized Representative)

this 26th day of September, 2013.

Notary Public, State of Texas

DARLENE G. BURNHAM
NOTARY PUBLIC
State of Texas
Comm. Exp. 06-28-2015

Notary's printed name: Darlene Burnham **My commission expires:** 06/28/2015 **(Seal)**

Affidavit to be COMPLETED by any / all City, County, and/or LOC endorsing a Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund

AFFIDAVIT

[Affidavit to be signed and sworn (notarized) by each Endorsing Municipality, Endorsing County, and Local Organizing Committee (if applicable)]

I, WAYNE S. HOLLINGSWORTH, Director, an authorized representative of: Circuit Events Local Organizing Committee, a [local organizing committee (nonprofit organization), endorsing city or endorsing county] (circle one) that is receiving funding through the Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund ("the Act"), hereby swear and affirm that, to the best of my knowledge, internal controls, processes and procedures have been designed and implemented to help ensure that the recipient and its use of these funds complies with all applicable laws, rules, and written guidance from the Texas Comptroller's office. I further swear and affirm that I have reviewed the information being submitted, and that all of the statements made and information provided herein, including statements made and information provided in any attachments are true, complete, and correct to the best of my knowledge. Information provided includes but is not limited to:

(1) a letter from the municipality or county requesting participation in the trust fund program and signed by a person authorized to bind the municipality or county;
(2) a letter from the site selection organization on organization letterhead selecting the site in Texas;
(3) an economic impact study or other data sufficient for the Comptroller's office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities;
(4) a Request Worksheet to Establish an Events Trust Fund form and any attachments; and
(5) an Event Support Contract.

I understand that I am receiving funding under the Act for the purposes of facilitating this event: 2013 Formula 1 Grand Prix Race Event on these dates: November 15-17, 2013.

I understand that non-compliance with reporting requirements could be treated as a violation of the statute and/or program rules resulting in the possible withholding of disbursement funding.

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.

Affiant Signature

WAYNE S. HOLLINGSWORTH, Director
Printed Name

Director, Circuit Events Local Organizing Committee
Title and Name of Organization

September 26, 2013
Date

Sworn and subscribed before me by the said

WAYNE S. HOLLINGSWORTH, Director
(Printed Name of Recipient's Authorized Representative)

Circuit Events Local Organizing Committee, on behalf of said non-profit corporation

this 26th day of September, 2013

DARLENE G. BURNHAM
NOTARY PUBLIC
State of Texas
Comm. Exp. 06-28-2015

Notary Public, State of Texas

Notary's printed name: Darlene Burnham **My commission expires:** 06/28/2015 **(Seal)**

Susan Combs

Affidavit to be COMPLETED by any party(ies) providing economic data to support a request for a Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund

AFFIDAVIT

[Affidavit to be signed and sworn (notarized) by anyone providing information to be used in the estimate of the incremental tax increase]

I, DON HOYTE, Ph.D., am providing information to be used by a city, county or local organizing committee for the purposes of receiving funding through the Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund ("the Act"), and hereby swear and affirm that, to the best of my knowledge, any data provided is true and accurate, and any projections made are based on reasonable assumptions documented in the information provided. I further swear and affirm that I have reviewed the information being submitted, and that all of the statements made and information provided herein, including statements made and information provided in any attachments are true, complete, and correct, to the best of my knowledge. Information provided includes but is not limited to an economic impact study or other data sufficient for the Comptroller's office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities;

I understand that the city, county or local organizing committee is receiving funding under the Act for the purposes of facilitating this event: 2013 FORMULA 1 GRAND PRIX RACE EVENT on these dates: NOVEMBER 15-17, 2013 and that the information will be provided by the city, county or local organizing committee as a government document

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to makt, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.

Affiant Signature

DON HOYTE, Ph.D.
Printed Name

TexasTrustFunds.com
Title and Name of Organization

September 26, 2013
Date

Sworn and subscribed before me by the said

DON HOYTE, Ph.D.
(Printed Name of Recipient's Authorized Representative)

CORINNE L. MOORE
MY COMMISSION EXPIRES
September 15, 2015

this 26 day of September, 2013.

Notary Public, State of Texas Corinne L Moore

Notary's printed name: Corinne Moore **My commission expires:** Sept 15, 2015 **(Seal)**

ATTACHMENT 4

Requested Economic Impact Study Market Area

The requested basic economic impact region for the Formula One United States Grand Prix event scheduled for the weekend of November 15 - 17, 2013 is the five-county Austin Metropolitan area, including Travis, Williamson, Hays, Bastrop, and Caldwell Counties (collectively, the "Economic Impact Region"). This designated Economic Impact Region has been used for the Economic Study.

ATTACHMENT 5

Events & Activities Schedule

* Anticipated additional events will be added to schedule. See more details in the Economic Impact Study.

UNITED STATES GRAND PRIX

Formula 1™

AUSTIN
16-17-18 NOVEMBER 2012 [1]

THURSDAY

10:00	16:00	FORMULA ONE	INITIAL SCRUTINEERING
10:00	12:00	PROMOTER ACTIVITY	PUBLIC PIT LANE WALK FOR THREE DAY TICKET HOLDERS ONLY
11:00		FORMULA ONE	PRESS CONFERENCE – PRESS ROOM
13:00	**15:00**	**FORMULA ONE**	**TRACK FAMILIARISATION AND SYSTEM CHECKS – SAFETY CAR – TRACK CLOSED**
16:00		FORMULA ONE	TEAM MANAGERS' MEETING

FRIDAY

08:20		FORMULA ONE	MEDICAL INSPECTION
08:30	08:45	FORMULA ONE	TRACK INSPECTION AND TRACK TEST
09:00	**10:30[1]**	**FORMULA ONE**	**FIRST PRACTICE SESSION**
11:00	11:30[1]	HGP	PRACTICE SESSION
11:30	12:30	FORMULA ONE	PADDOCK CLUB PIT LANE WALK
12:30	12:40	FORMULA ONE	TRACK INSPECTION
13:00	**14:30[1]**	**FORMULA ONE**	**SECOND PRACTICE SESSION**
15:00	15:45[1]	FERRARI CHALLENGE	PRACTICE SESSION
15:00		PIRELLI GT3 CUP TROPHY USA WEST	DRIVERS MEETING
15:00	16:00	FORMULA ONE	PRESS CONFERENCE – PRESS ROOM
16:00		FORMULA ONE	DRIVERS' MEETING
16:15	16:45[1]	PIRELLI GT3 CUP TROPHY USA WEST	PRACTICE SESSION
17:00		TRACK ACTIVITY	MARSHAL PIT LANE WALK

SATURDAY

07:00	07:40	FORMULA ONE	TEAM PIT STOP PRACTICE
07:00	07:40	FORMULA ONE	PADDOCK CLUB PIT LANE WALK
07:45	08:15	FERRARI CHALLENGE	QUALIFYING SESSION
08:20		FORMULA ONE	MEDICAL INSPECTION
08:30	08:45	FORMULA ONE	TRACK INSPECTION AND TRACK TEST
09:00	**10:00[1]**	**FORMULA ONE**	**THIRD PRACTICE SESSION**
10:30	11:00	HGP	QUALIFYING SESSION
11:05	11:40	FORMULA ONE	PADDOCK CLUB PIT LANE WALK
11:30	11:40	FORMULA ONE	TRACK INSPECTION
12:00	**13:00**	**FORMULA ONE**	**QUALIFYING SESSION**
13:30*	**14:00[2]**	**FERRARI CHALLENGE**	**FIRST RACE (10 LAPS OR 25 MINS)**
14:30	14:50	PIRELLI GT3 CUP TROPHY USA WEST	QUALIFYING SESSION
15:20*	**15:55[2]**	**HGP**	**RACE (14 LAPS OR 30 MINS)**
16:15	16:25	AIR DISPLAY	HERITAGE AIR FORCE PLANE FLYOVER TEST

* These times refer to the start of the formation lap [1] Fixed End Session [2]Approximate finishing time

PLEASE NOTE THAT THIS TIMETABLE IS SUBJECT TO AMENDMENTS

[1] Pro forma Schedule for 2013 Event

Formula 1™

UNITED STATES GRAND PRIX

AUSTIN
16-17-18 NOVEMBER 2012[1]

SUNDAY

09:30* 10:00²	**PIRELLI GT3 CUP TROPHY USA WEST**	**RACE (10 LAPS OR 25 MINS)**
10:00	FORMULA ONE	DRIVERS MEETING (IF NECESSARY)
10.30* 11:00²	**FERRARI CHALLENGE**	**SECOND RACE (10 LAPS OR 25 MINS)**
11:05 12:15	FORMULA ONE	PADDOCK CLUB PIT LANE WALK
11:15 11:30	FORMULA ONE	MARSHALLING SYSTEM TRACK TEST
11:30	FORMULA ONE	FORMULA ONE DRIVERS PARADE
11:45 12:15	FORMULA ONE	STARTING GRID PRESENTATION
12:00	FORMULA ONE	MEDICAL INSPECTION
12:10 12:20	FORMULA ONE	TRACK INSPECTION
12:30	FORMULA ONE	PIT LANE OPEN
12:45	FORMULA ONE	PIT LANE CLOSED GRID FORMATION
12:46	FORMULA ONE	NATIONAL ANTHEM
12:47	AIR DISPLAY	HERITAGE AIR FORCE PLANE FLYOVER
13:00* 15:00²	**FORMULA ONE**	**GRAND PRIX (56 LAPS OR 120 MINS)**

* These times refer to the start of the formation lap ¹ Fixed End Session ²Approximate finishing time

PLEASE NOTE THAT THIS TIMETABLE IS SUBJECT TO AMENDMENTS

[1] Proforma Schedule for 2013 Event

2013 FORMULA 1 UNITED STATES GRAND PRIX
SEASON EVENT SCHEDULE

**Schedule subject to change.*

AUSTIN FAN FEST FUELED BY SHELL

Dates:	Thursday, Nov. 14 – Sunday, Nov. 17
Times:	Thursday, Nov. 14: 5 p.m. to midnight Friday, Nov. 15: 10 a.m. to midnight Saturday, Nov. 16: 10 a.m. to midnight Sunday, Nov. 17: 10 a.m. to 8 p.m.
Location:	Downtown Austin's Warehouse and 2nd Street Entertainment Districts (12 square blocks bounded by San Antonio Street (west), 5th Street (north), Congress Ave. (east) and 2nd Street (south).
Tickets:	Free Admission

MERCEDES BENZ CIRCUIT SUPPER CLUB

Date:	Friday, Nov. 15
Time:	7 p.m. to 11 p.m.
Location:	Brazos Hall (204 E 4th Street, Austin, TX 78701)
Tickets:	Circuit Supper Club Concierge at 512.201.4021 or Concierge@CircuitSupperClub.com.

CIRCUIT OF THE AMERICAS AND ACL LIVE BRING YOU STING

Date:	Saturday, Nov. 16
Time:	Doors: 8 p.m. / Show: 9:30 p.m.
Location:	ACL Live at The Moody Theater
Tickets:	www.acl-live.com

POST RACE CONCERTS AT AUSTIN 360 AMPHITHEATER (Artists to be announced soon)

Dates:	Saturday, Nov. 16 and Sunday, Nov. 17
Times:	Saturday, Nov. 16: 4 p.m. to 5:30 p.m. Sunday, Nov. 17: 3:30 p.m. to 5 p.m.
Location:	Austin 360 Amphitheater
Tickets:	Free admission to all F1 USGP ticket holders

ATTACHMENT 6

Request Worksheet To Establish An Events Trust Fund

Request Worksheet to Establish an Events Trust Fund

Please submit this informational worksheet with your official request to establish an events trust fund.

This worksheet is STEP 2 in the process to establish an Event Trust Fund – Requesting that the Comptroller determine the incremental tax increase of an event. Must be received by the agency not less than 120 days prior to the event. Please submit to:

Deputy Comptroller
Comptroller of Public Accounts
111 E. 17th Street
Austin, TX 78774

Section 1: Endorsing Municipality or County

CITY OF AUSTIN
Endorsing City or County

LEELA FIRESIDE
City or County Contact (officer or employee available to answer any/all follow-up questions)

Leela.Fireside@austintexas.gov and Rodney.Gonzales@austintexas.gov
Contact email

(512) 974-2163 / (512) 974-2313
Contact phone (area code and phone number)

Has the Endorsing City or County reviewed the event and found that it meets all eligibility requirements, as listed in VCTS 5190.14? ☑ Yes ☐ No

Has the Endorsing City or County determined that it will contribute local funding ("local match") to the Events Trust Fund, if established? ☑ Yes [1]

Section 2: Local Organizing Committee

Has the City or County authorized a Nonprofit Local Organizing Committee to enter into an agreement with the Site Selection Organization to host the event on behalf of the City or County? ☑ Yes ☐ No

If "YES," provide the following information for the LOCAL ORGANIZING COMMITTEE:

CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE
Local Organizing Committee (LOC) designated in the official request letter

Is the LOC a registered non-profit corporation? ☑ Yes ☐ No

45-2727397
LOC Tax Payer ID#

CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE
Complete Business Name

[1]City of Austin as contracted with Circuit Events Local Organizing Committee to make the local match.

Section 2: Local Organizing Committee *(continued)*

WAYNE S. HOLLINGSWORTH

LOC Contact Name

whollingsworth@abaustin.com | (512) 435-2306

Contact email | Contact phone (area code and phone number)

If "NO," The City or County must directly enter into the event hosting agreement with the site selection organization.

NOTE: If your ETF request is approved, the Event Support / Event Hosting AGREEMENT will be required for submittal to receive reimbursement.

Section 3: Site Selection Organization

FORMULA ONE MANAGEMENT LTD.

Site Selection Organization

CHLOE TARGETT-ADAMS, Legal Department

City or County Contact (officer or employee available to answer follow-up questions – if different from above listed contacts)

ctargett-Adams@fomltd.com | +44 (0) 20-75846668

Contact email | Contact phone (area code and phone number)

The Comptroller's office reserves the right to contact the Site Selection Organization or any other organization directly related to this event.

Section 4: Event Information

2013 FORMULA 1 UNITED STATES GRAND PRIX

Official Event Name

www.circuitoftheamericas.com/f1

Event Website

November 15, 2013 | November 17, 2013

First Day of Activities | End Date

Section 4: Event Information *(continued)*

Location of this event the previous five years

1 SEE ATTACHMENT

2 _____

3 _____

4 _____

5 _____

Source of information: _____

Section 5: Checklist

ETF Checklist of documents required to issue an Estimate of Incremental Taxes.

☑ ETF Request Worksheet.

☑ SELECTION Letter CLEARLY indicating a highly competitive selection process, and that the selection was based on an application by the endorsing city, county or local organizing committee. This selection letter should clearly indicate the selected LOC, the selected municipality, and the event date. The date must match the requested event date.

☑ REQUEST Letter CLEARLY indicating the municipality or county's endorsement of the event; names the LOC and the municipality or county's contact; and matches up with the Selection Letter.

☑ Economic information allowing the Comptroller to make a determination as to the incremental tax increase to the State of Texas.

☑ Affidavit signed by each endorsing city, county and/or LOC.

☑ Affidavit signed by party(ies) providing economic data to support this request.

You will be notified of the Estimate of Incremental Taxes following the completion of the agency's review, typically within 30 days of submission.

Signature and title of submitter (submitter should have authority to represent the Endorsing City or County as it regards this request)

WAYNE S. HOLLINGSWORTH — SECRETARY

Signature — Title

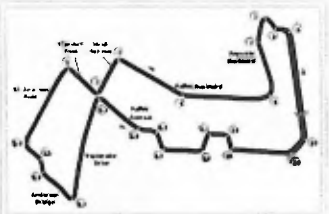
ATTACHMENT FOR WORKSHEET SECTION 4

Last Five (5) Years of Races Schedules

Round	Official race title	Grand Prix	Circuit	Date	Time	
					Local	UTC
1	ING Australian Grand Prix	Australian GP	Albert Park, Melbourne	16 March	15:30	04:30
2	Petronas Malaysian Grand Prix	Malaysian GP	Sepang International Circuit, Kuala Lumpur	23 March	15:00	07:00
3	Gulf Air Bahrain Grand Prix	Bahrain GP	Bahrain International Circuit, Sakhir	6 April	14:30	11:30
4	Gran Premio de España Telefónica	Spanish GP	Circuit de Catalunya, Barcelona	27 April	14:00	12:00
5	Petrol Ofisi Turkish Grand Prix	Turkish GP	Istanbul Park, Tuzla	11 May	15:00	12:00
6	Grand Prix de Monaco	Monaco GP	Circuit de Monaco, Monte Carlo	25 May	14:00	12:00
7	Grand Prix du Canada	Canadian GP	Circuit Gilles Villeneuve, Montreal	8 June	13:00	17:00
8	Grand Prix de France	French GP	Circuit de Nevers Magny-Cours, Magny-Cours	22 June	14:00	12:00
9	Santander British Grand Prix	British GP	Silverstone Circuit, Silverstone	6 July	13:00	12:00
10	Großer Preis Santander von Deutschland	German GP	Hockenheimring, Hockenheim	20 July	14:00	12:00
11	ING Magyar Nagydíj	Hungarian GP	Hungaroring, Budapest	3 August	14:00	12:00
12	Telefónica Grand Prix of Europe[53]	European GP	Valencia Street Circuit, Valencia†	24 August	14:00	12:00
13	ING Belgian Grand Prix	Belgian GP	Circuit de Spa-Francorchamps, Spa	7 September	14:00	12:00
14	Gran Premio Santander d'Italia	Italian GP	Autodromo Nazionale Monza, Monza	14 September	14:00	12:00
15	SingTel Singapore Grand Prix‡	Singapore GP	Marina Bay Street Circuit, Marina Bay†	28 September	20:00	12:00
16	Fuji Television Japanese Grand Prix	Japanese GP	Fuji Speedway, Oyama	12 October	13:30	04:30
17	Sinopec Chinese Grand Prix	Chinese GP	Shanghai International Circuit, Shanghai	19 October	15:00	07:00
18	Grande Prêmio do Brasil	Brazilian GP	Autódromo José Carlos Pace, São Paulo	2 November	15:00	17:00

† New circuits
‡ Night Race

Calendar changes



The new Marina Bay Street Circuit which hosted the Singapore Grand Prix at night

- Singapore hosted its first Grand Prix in 2008, with a contract for the next five years. The race, held on a street circuit designed by KBR, is Formula One's first night race.,[54] The practice and qualifying sessions also take place at night.[55]
- The European Grand Prix took place at the Valencia Street Circuit in 2008, changing from the Nürburgring which hosted the event up until 2007. Because both German circuits share the right to host an F1 race, the German Grand Prix took place at Hockenheimring in 2008. It will continue to alternate between these two circuits yearly.
- The Indianapolis Motor Speedway did not hold a Grand Prix in 2008; however, a possible return to Indianapolis in the future has not been completely ruled out[56] although the US Grand Prix is due return in 2012 to a circuit in Austin, Texas.
- In the run up to the 2007 French Grand Prix it was reported that it would be the last Grand Prix to be held at Magny-Cours.[57] Some alternatives suggested for the French Grand Prix included Paul Ricard or a new circuit near Disneyland Paris or Charles de Gaulle airport. However on 24 July 2007 it was reported that Bernie Ecclestone had "agreed in principle to maintain the race at Magny-Cours in 2008, and even 2009, if there were no other alternatives."[58]

Rule changes

- A standard Electronic Control Unit was supplied by Microsoft MES, a joint venture between Microsoft and McLaren Electronic Systems.[59]
- Traction control and launch control banned along with several other electronic aids including engine braking reduction.[60]
- An engine freeze to last five years was started in 2008,[61] with the first unscheduled engine change of the season not leading to the usual 10 place grid penalty.[62]
- Fuel of the cars must have been made up of at least 5.75% biological materials.[63]
- Gearboxes to last four races, 5 place grid penalty for a gear box change. If a driver did not finish a race, he was allowed to change the gearbox for the next race without receiving a penalty.[64]
- Improved cockpit protection.[65]
- The use of a spare car was restricted. Each competing team would not be allowed to have more than two cars available for use at any time. In this context, a car was considered as such if it was a partially assembled survival cell, fitted with an engine, any front suspension, bodywork, radiators, oil tanks or heat exchangers.[64]
- Bridgestone will be the official tyre supplier for the 2008–2010 seasons.[66] They would also be marking their extreme wet weather tyres with a white line in the central groove to differentiate it from the softer wet weather tyre compound.[67]
- No competing team was allowed to carry out more than 30,000 km (18,641 mi) of testing during the 2008 calendar year.[64]

Race calendar

Round	Race Title	Grand Prix	Circuit	Date
1	ING Australian Grand Prix	Australian GP	Albert Park, Melbourne	29 March
2	Petronas Malaysian Grand Prix	Malaysian GP	Sepang International Circuit, Kuala Lumpur	5 April
3	Chinese Grand Prix	Chinese GP	Shanghai International Circuit, Shanghai	19 April
4	Gulf Air Bahrain Grand Prix	Bahrain GP	Bahrain International Circuit, Sakhir	26 April
5	Gran Premio de España Telefónica	Spanish GP	Circuit de Catalunya, Barcelona	10 May
6	Grand Prix de Monaco	Monaco GP	Circuit de Monaco, Monte Carlo	24 May
7	ING Turkish Grand Prix	Turkish GP	Istanbul Park, Tuzla	7 June
8	Santander British Grand Prix	British GP	Silverstone Circuit, Silverstone	21 June
9	Großer Preis Santander von Deutschland	German GP	Nürburgring, Nürburg	12 July
10	ING Magyar Nagydíj	Hungarian GP	Hungaroring, Budapest	26 July
11	Telefónica Grand Prix of Europe	European GP	Valencia Street Circuit, Valencia	23 August
12	ING Belgian Grand Prix	Belgian GP	Spa-Francorchamps, Spa	30 August
13	Gran Premio Santander d'Italia	Italian GP	Autodromo Nazionale Monza, Monza	13 September
14	SingTel Singapore Grand Prix	Singapore GP	Marina Bay Street Circuit, Marina Bay	27 September
15	Fuji Television Japanese Grand Prix	Japanese GP	Suzuka Circuit, Suzuka	4 October
16	Grande Prêmio Petrobras do Brasil	Brazilian GP	Autódromo José Carlos Pace, São Paulo	18 October
17	Etihad Airways Abu Dhabi Grand Prix	Abu Dhabi GP	Yas Marina Circuit, Abu Dhabi	1 November
Sources:[74][75]				

Calendar changes

- The Chinese Grand Prix was brought forward from its October date to April to become the third round of the championship.
- Abu Dhabi made its first appearance on the F1 calendar with the Abu Dhabi Grand Prix being held at the Yas Marina Circuit on Yas Island on 1 November, thereby displacing the Brazilian Grand Prix as the final round of the season.

Rule changes

The FIA released preliminary technical regulations for the 2009 season on 22 December 2006,[76] and were revised several times to accommodate the findings of the Overtaking Working Group (formed in response to concerns that passing in wheel-to-wheel racing was becoming increasingly rare)[77] and the increasing need for cost-cutting in the sport in the wake of the economic crisis.[78]

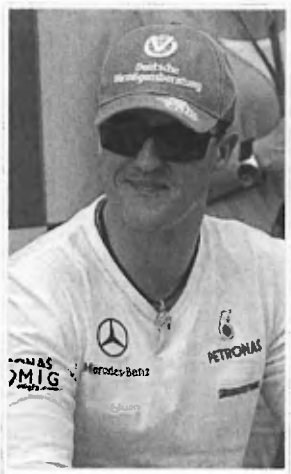
Banned since 1998, slick tyres were re-introduced for 2009.

A ban on aerodynamic appendages resulted in the 2009 cars having smoother bodywork.

- Slick tyres returned for the first time since they were banned for the 1998 season. Bridgestone continued to be the sole supplier of tyres, and drivers still had to use both compounds of tyre during a race.[79] Soft tyres were differentiated by a green marking around the sides of the tyres, rather than a white marking in a groove as used in 2008.[80] Further, wet tyres were renamed "intermediate" and extreme-weather tyres were renamed "wet".[81]
- The aerodynamic regulations were radically altered for the 2009 season. The front wings were made lower and wider, while rear wings were changed to be higher and narrower.[4] As well as the changes in the dimensions of the wings, bodywork became much more regulated with many of the additional components seen in previous seasons (including barge boards, winglets and turning vanes) removed,[4] making 2009 cars noticeably different in appearance than in previous years. The diffuser at the rear of the car was moved back and upwards. Many other minor chassis components were also standardised. The aim of the new aerodynamic regulations, as well as the reintroduction of slick tyres, was to decrease reliance on aerodynamic downforce and increase mechanical grip with the aim of making wheel-to-wheel racing easier.[82]
- For the first time, cars were allowed to use driver adjustable bodywork, in the form of adjustable flaps in the front wing. The flaps could be adjusted by up to six degrees, limited to only two adjustments per lap.[4] Adjustable front wings were designed to improve downforce when following another car, another change designed to improve overtaking.
- Kinetic Energy Recovery Systems, a regenerative braking device designed to recover some of the vehicle's kinetic energy normally dissipated as heat during braking, were introduced for the 2009 season. The recovered energy can be stored electrically, in a battery or supercapacitor, or mechanically, in a flywheel,[83] for use as a source of additional accelerative power at the driver's discretion by way of a *boost button* on the steering wheel.[82] The regulations limit the

from the German Grand Prix onwards, except the races in Singapore, Brazil and Abu Dhabi, where the seat was filled by Christian Klien.[53]

- During the mid-season hiatus, Nick Heidfeld left Mercedes to take up a new role with Pirelli as their official test driver ahead of their return to Formula One.[98]
- Following the end of the European season at the Italian Grand Prix, Pedro de la Rosa was dropped by BMW Sauber and summarily replaced by Nick Heidfeld, who last drove for the team in 2009.[55] It was reported that the change was made because of de la Rosa's poor performance relative to team mate Kamui Kobayashi in general and Heidfeld's knowledge of the Marina Bay and Yas Marina circuits in particular. With Heidfeld joining Sauber, former Renault driver Romain Grosjean was drafted in as his replacement for Pirelli.[99]
- Hispania Racing test driver Christian Klien replaced Sakon Yamamoto for the Singapore Grand Prix after Yamamoto allegedly contracted food poisoning ahead of the race,[51] but was later seen in the Singapore paddock suffering no apparent symptoms, sparking talk of unpaid debts by the Japanese driver and further financial afflictions for the team to deal with when the logo of one of Klien's personal sponsors appeared on the car for the weekend.[100] Team principal Colin Kolles confirmed that the arrangement would be for one race and Yamamoto would return to the cockpit at Suzuka provided he recovered in time.[101] Klien also replaced Yamamoto at Interlagos and Abu Dhabi, though no explanation was given for the change.[102]



Michael Schumacher returned to the sport with Mercedes after a 3-year hiatus.

2010 calendar

On 21 September 2009 the provisional 2010 calendar was issued by the World Motor Sport Council containing 19 races,[3] followed by a second provisional schedule which had the Abu Dhabi and Brazilian Grands Prix switching dates.[103] The final calendar was released on 11 December 2009.[104]

Round	Race Title	Grand Prix	Circuit	Date
1	Gulf Air Bahrain Grand Prix	Bahrain GP	Bahrain International Circuit, Sakhir	14 March
2	Qantas Australian Grand Prix	Australian GP	Albert Park, Melbourne	28 March
3	Petronas Malaysian Grand Prix	Malaysian GP	Sepang International Circuit, Kuala Lumpur	4 April
4	Chinese Grand Prix	Chinese GP	Shanghai International Circuit, Shanghai	18 April
5	Gran Premio de España Telefónica	Spanish GP	Circuit de Catalunya, Barcelona	9 May
6	Grand Prix de Monaco	Monaco GP	Circuit de Monaco, Monte Carlo	16 May
7	Turkish Grand Prix	Turkish GP	Istanbul Park, Tuzla	30 May
8	Grand Prix du Canada	Canadian GP	Circuit Gilles Villeneuve, Montreal	13 June
9	Telefónica Grand Prix of Europe	European GP	Valencia Street Circuit, Valencia	27 June
10	Santander British Grand Prix	British GP	Silverstone Circuit, Silverstone	11 July
11	Großer Preis Santander von Deutschland	German GP	Hockenheimring, Hockenheim	25 July
12	Eni Magyar Nagydíj	Hungarian GP	Hungaroring, Budapest	1 August
13	Belgian Grand Prix	Belgian GP	Spa-Francorchamps, Spa	29 August
14	Gran Premio Santander d'Italia	Italian GP	Autodromo Nazionale Monza, Monza	12 September
15	SingTel Singapore Grand Prix	Singapore GP	Marina Bay Street Circuit, Marina Bay	26 September
16	Japanese Grand Prix	Japanese GP	Suzuka Circuit, Suzuka	10 October
17	Korean Grand Prix	Korean GP	Korea International Circuit, Yeongam	24 October
18	Grande Prêmio Petrobras do Brasil	Brazilian GP	Autódromo José Carlos Pace (Interlagos), São Paulo	7 November
19	Etihad Airways Abu Dhabi Grand Prix	Abu Dhabi GP	Yas Marina Circuit, Abu Dhabi	14 November

Calendar changes

- The Bahrain Grand Prix was run on a new layout at the Bahrain International Circuit. In this configuration, the drivers leave the old circuit shortly after turn four and follow a loop of nearly 900 metres in length, before re-joining the circuit before the old turn five. This increased the overall lap distance from 5.412 km (3.363 mi) to 6.299 km (3.914 mi).[105] The race reverted to the circuit's original layout from 2012.[106]
- The British Grand Prix was originally planned to move from Silverstone Circuit to Donington Park in 2010,[107] but the owners of Donington Park failed to raise the necessary £135 million bond to redevelop the circuit and infrastructure.[108] After extended negotiations with Bernie Ecclestone, the organisers of Silverstone came to an agreement that will see the British Grand Prix hosted by the circuit for the next seventeen years, utilising the new "Arena" configuration which increases lap distance by 760 metres (0.47 mi).[109][110]
- The Canadian Grand Prix returned in 2010 after its one-year absence.[111]
- The German Grand Prix returned to Hockenheim for one year, after being held at the Nürburgring in 2009.
- The Japanese Grand Prix was due to return to Fuji Speedway for 2010, as part of a year-on-year rotation with Suzuka Circuit. However, Fuji's owners Toyota announced that they had abandoned plans for Fuji to hold the race, citing the global recession as the main reason for this.[112] Suzuka will continue to hold the event in 2010 and in 2011.[113]
- South Korea made its first appearance on the F1 calendar under the name Korean Grand Prix with a race being held at the Korea International Circuit in Yeongam on 24 October. On the 12 October, the circuit passed its inspection.[114]

Changes

Rule changes

- Refuelling during the race was abolished for the first season since 1993.[115][116] Despite the resolution over the budget cap and the decision for 2010 to fall back to the 2009 rules, FOTA expressed interest in a refuelling ban as it represents a way to cut costs.[117]

Round	Race Title	Grand Prix	Circuit	Date
1	Qantas Australian Grand Prix[103]	Australian GP	Albert Park, Melbourne	27 March
2	Petronas Malaysia Grand Prix[104]	Malaysia GP	Sepang International Circuit, Kuala Lumpur	10 April
3	UBS Chinese Grand Prix	Chinese GP	Shanghai International Circuit, Shanghai	17 April
4	DHL Turkish Grand Prix[105]	Turkish GP	Istanbul Park, Istanbul	8 May
5	Gran Premio de España Santander	Spanish GP	Circuit de Catalunya, Barcelona	22 May
6	Grand Prix de Monaco	Monaco GP	Circuit de Monaco, Monte Carlo	29 May
7	Grand Prix du Canada	Canadian GP	Circuit Gilles Villeneuve, Montreal	12 June
8	Grand Prix of Europe	European GP	Valencia Street Circuit, Valencia	26 June
9	Santander British Grand Prix	British GP	Silverstone Circuit, Silverstone	10 July
10	Großer Preis Santander von Deutschland	German GP	Nürburgring, Nürburg	24 July
11	Eni Magyar Nagydíj	Hungarian GP	Hungaroring, Budapest	31 July
12	Shell Belgian Grand Prix[106]	Belgian GP	Circuit de Spa-Francorchamps, Spa	28 August
13	Gran Premio Santander d'Italia	Italian GP	Autodromo Nazionale Monza, Monza	11 September
14	SingTel Singapore Grand Prix[107]	Singapore GP	Marina Bay Street Circuit, Marina Bay	25 September
15	Japanese Grand Prix	Japanese GP	Suzuka Circuit, Suzuka	9 October
16	Korean Grand Prix	Korean GP	Korea International Circuit, Yeongam	16 October
17	Airtel Grand Prix of India[108]	Indian GP	Buddh International Circuit, Greater Noida	30 October
18	Etihad Airways Abu Dhabi Grand Prix	Abu Dhabi GP	Yas Marina Circuit, Abu Dhabi	13 November
19	Grande Prêmio Petrobras do Brasil	Brazilian GP	Autódromo José Carlos Pace, São Paulo	27 November

Calendar changes

- The Yas Marina Circuit was to be reconfigured for the Abu Dhabi Grand Prix following heavy criticism over a lack of overtaking in the 2010 race.[109] The organisers of the race elected to postpone the circuit modifications for one year in the face of rule changes – the introduction of Pirelli tyres and the Drag Reduction System – that they felt directly addressed the criticisms levelled at the circuit.[110]
- The Bahrain Grand Prix was originally scheduled to be the opening race of the season on 13 March, but was called off by the organisers in light of anti-government protests in the country.[111] A final decision on whether the race was to be rescheduled for later in the year or cancelled outright had to be made by 3 June.[112] At this meeting the World Motor Sport Council (WMSC) voted unanimously to reinstate the race to the calendar,[113] rescheduling it for 30 October 2011.[113] The inaugural Indian Grand Prix would have moved to be the final race of the season in December to accommodate the change. However, the Formula One Teams Association (FOTA) opposed the rescheduling.[114][115] One week after the WMSC voted to return the race to the calendar, organisers for the Bahrain Grand Prix officially abandoned their bid to return to the calendar.[116] The Indian Grand Prix was restored to its original date.
- The German Grand Prix moved from the Hockenheimring to the Nürburgring, in keeping with the event-sharing arrangement between the two circuits.
- The 2011 season saw the addition of the Indian Grand Prix to the calendar.[117] Originally known as the Jaypee Group Circuit, the venue was officially renamed the Buddh International Circuit in April 2011.[118] Airtel was subsequently announced as title sponsor for the inaugural race.[108]
- The Malaysian Grand Prix changed its name to the Malaysia Grand Prix as part of efforts to promote the country.[104]

Rule changes

- 2011 saw the return of the 107% rule in qualifying.[3][119] Under this arrangement, any driver who fails to set a time within 107% of the fastest lap in Q1 may not be permitted to take part in the race; for instance, if the fastest lap is 1 minute 40 seconds (100 seconds), a driver must set a time faster than 1 minute 47 seconds (107 seconds) in order to make it to the grid. However, if a driver who fails to set an appropriate lap time can show cause for his inclusion in the race – for example, if a driver failed to set a lap time in qualifying due to a mechanical fault, but had previously set a lap time within 107% of the pole-sitter's time in free practice – the stewards may allow that driver to take part in the race.
- The ban on team orders – the practice of teams ordering a driver to follow instructions that would be advantageous to their team mate (for example, ordering them to move aside and allow their team-mate to pass them) – was lifted after the 2010 German Grand Prix, with the practice to be "regulated" on the race track.[120] The practice of coding instructions to conceal the nature of the order would be banned to prevent deception to the spectators and stewards. The FIA increased the maximum allowable penalty which racing stewards can issue to teams from $100,000 to $250,000.[121]
- Sole tyre supplier Bridgestone announced that it would not renew its contract with Formula One at the end of the 2010 season,[122] with Pirelli chosen as the tyre supplier for 2011 by the FIA World Motor Sport Council.[3][123] The Pirelli logo on each tyre will be colour-coded to identify each compound and tread pattern being used.[124] Cars will have a mandatory weight distribution to provide Pirelli with a technical specification, and preventing teams making changes to the internal configuration of their cars should they prove not to suit the cars.[125] At the final test in Barcelona, it was revealed that drivers would need to make three pit stops at most races, in line with Pirelli's mandate to design a higher wearing tyre.[126]
  - The Belgian Grand Prix saw a small controversy when several teams discovered their tyres had blistered during qualifying, but were not permitted to change their tyres ahead of the race because the damage was the result of the car set-up rather than an accident.[127][128] Pirelli pointed to Red Bull Racing's practice of running camber settings that were outside their recommended parameters as the cause of the blistering,[129] and said they would be more cautious with their recommendations for Monza to prevent the problem from arising again.[130]

Charles Pic — who placed fourth in the 2011 GP2 Series driving for Addax — joined Marussia, replacing d'Ambrosio.[47]

Mid-season changes

The season only saw one driver change, which was brought about when Lotus driver Romain Grosjean was found by race stewards to be responsible for causing a multi-car pile-up at the start of the Belgian Grand Prix. He was given a one-race ban and a €50,000 fine for his role in the collision, forcing him to miss the Italian Grand Prix.[85] He was replaced by the team's testing and reserve driver, Jérôme d'Ambrosio.[31] Grosjean returned to the team for the next round in Singapore.[86]

2012 calendar

Round	Race Title	Grand Prix	Circuit	Date
1	Qantas Australian Grand Prix	Australian GP	Albert Park, Melbourne	18 March
2	Petronas Malaysia Grand Prix	Malaysian GP	Sepang International Circuit, Kuala Lumpur	25 March
3	UBS Chinese Grand Prix	Chinese GP	Shanghai International Circuit, Shanghai	15 April
4	Gulf Air Bahrain Grand Prix	Bahrain GP	Bahrain International Circuit, Sakhir	22 April
5	Gran Premio de España Santander	Spanish GP	Circuit de Catalunya, Montmeló	13 May
6	Grand Prix de Monaco	Monaco GP	Circuit de Monaco, Monte Carlo	27 May
7	Grand Prix du Canada	Canadian GP	Circuit Gilles Villeneuve, Montreal	10 June
8	Grand Prix of Europe	European GP	Valencia Street Circuit, Valencia	24 June
9	Santander British Grand Prix	British GP	Silverstone Circuit, Silverstone	8 July
10	Großer Preis Santander von Deutschland	German GP	Hockenheimring, Hockenheim	22 July
11	Eni Magyar Nagydij	Hungarian GP	Hungaroring, Budapest	29 July
12	Shell Belgian Grand Prix	Belgian GP	Circuit de Spa-Francorchamps, Spa	2 September
13	Gran Premio Santander d'Italia	Italian GP	Autodromo Nazionale Monza, Monza	9 September
14	SingTel Singapore Grand Prix	Singapore GP	Marina Bay Street Circuit, Marina Bay	23 September
15	Japanese Grand Prix	Japanese GP	Suzuka Circuit, Suzuka	7 October
16	Korean Grand Prix	Korean GP	Korea International Circuit, Yeongam	14 October
17	Airtel Indian Grand Prix	Indian GP	Buddh International Circuit, Greater Noida	28 October
18	Etihad Airways Abu Dhabi Grand Prix	Abu Dhabi GP	Yas Marina Circuit, Abu Dhabi	4 November
19	United States Grand Prix	United States GP	Circuit of the Americas, Austin, Texas	18 November
20	Grande Prêmio Petrobras do Brasil	Brazilian GP	Autódromo José Carlos Pace, São Paulo	25 November

Source:[87]

Nations hosting Formula One Grands Prix in 2012.

Calendar changes

- After the 2011 Bahrain Grand Prix was cancelled,[88] the race was reinstated for the 2012 season with a provisional date in October.[89] The final version of the calendar brought the race forward to April.[4]
- The German Grand Prix returned to Hockenheim after the 2011 German Grand Prix was held at the Nürburgring, in line with the event's policy of alternating between venues.
- The Turkish Grand Prix was removed from the calendar after Formula One Management and the event organisers could not agree on a renewed contract. In August 2011, organisers of the race revealed that they were negotiating with Bernie Ecclestone to resume their place on the calendar.[90] However, the race was removed from the calendar later that month.
- In May 2010, it was announced that Austin, Texas would host the return of the United States Grand Prix, the first since Indianapolis in 2007. Known as the Circuit of the Americas, the venue will be a brand-new, purpose-built permanent circuit designed by event promoter Tavo Hellmund and 1993 Grand Prix Motorcycle World Champion Kevin Schwantz[91] with the assistance of German architect and circuit designer Hermann Tilke.[92] In November 2011, Bernie Ecclestone expressed "minor" doubt over the race going ahead after what he described as "disagreements inside the [management] company"[93] and gave the circuit owners and race organisers a deadline of 7 December[94] — coinciding with the meeting of the FIA World Motorsports Council and the release of the final 2012 calendar — to sort out their differences or else risk losing the event entirely.[95] The final calendar included the race,[4] with Ecclestone confirming that a new arrangement had been made, and that

Round	Race title	Grand Prix	Circuit	Date
1	Rolex Australian Grand Prix	Australian GP	Melbourne Grand Prix Circuit, Melbourne	17 March
2	Petronas Malaysia Grand Prix	Malaysian GP	Sepang International Circuit, Kuala Lumpur	24 March
3	UBS Chinese Grand Prix	Chinese GP	Shanghai International Circuit, Shanghai	14 April
4	Gulf Air Bahrain Grand Prix	Bahrain GP	Bahrain International Circuit, Sakhir	21 April
5	Gran Premio de España	Spanish GP	Circuit de Catalunya, Barcelona	12 May
6	Grand Prix de Monaco	Monaco GP	Circuit de Monaco, Monte Carlo	26 May
7	Grand Prix du Canada	Canadian GP	Circuit Gilles Villeneuve, Montreal	9 June
8	Santander British Grand Prix	British GP	Silverstone Circuit, Silverstone	30 June
9	Großer Preis Santander von Deutschland	German GP	Nürburgring, Nürburg	7 July
10	Magyar Nagydíj	Hungarian GP	Hungaroring, Budapest	28 July
11	Shell Belgian Grand Prix	Belgian GP	Circuit de Spa-Francorchamps, Francorchamps	25 August
12	Gran Premio d'Italia	Italian GP	Autodromo Nazionale Monza, Monza	8 September
13	SingTel Singapore Grand Prix	Singapore GP	Marina Bay Street Circuit, Marina Bay	22 September
14	Korean Grand Prix	Korean GP	Korea International Circuit, Yeongam	6 October
15	Japanese Grand Prix	Japanese GP	Suzuka Circuit, Suzuka	13 October
16	Airtel Indian Grand Prix	Indian GP	Buddh International Circuit, Greater Noida	27 October
17	Etihad Airways Abu Dhabi Grand Prix	Abu Dhabi GP	Yas Marina Circuit, Abu Dhabi	3 November
18	United States Grand Prix	United States GP	Circuit of the Americas, Austin	17 November
19	Grande Prêmio do Brasil	Brazilian GP	Autódromo José Carlos Pace, São Paulo	24 November

Sources:[77][78][79]

Calendar changes

New and returning races

- The European Grand Prix will be discontinued starting in 2013.
- Starting in 2008, the German Grand Prix has alternated between the Nürburgring in Nürburg and the Hockenheimring in Hockenheim. The Nürburgring hosted the German Grand Prix in 2013.[2]

States hosting Formula One Grands Prix in 2013.

Failed race bids

- The 2013 season was scheduled to see the addition of the Grand Prix of America to the calendar.[73] The race was to take place on a new, Hermann Tilke-designed street circuit in New Jersey in June of that year,[80] back-to-back with the Canadian Grand Prix.[81] However, shortly after the race was given a date on the provisional calendar, Bernie Ecclestone admitted that the contract with organisers in New Jersey had been nullified,[82] and organisers later confirmed that the race had been removed from the 2013 calendar and rescheduled for 2014.[74] The collapse of the race was attributed to the failure to get all of the necessary permits to hold the race from multiple branches of state and federal government departments.[83]

Changes

Rule changes

Sporting regulations

- At the June 2012 meeting of the World Motor Sport Council, the FIA announced plans to introduce cost-control measures for the 2013 season, which would be policed by the FIA pending the agreement of the teams.[84] This follows a failed attempt by former FIA president Max Mosley to introduce a budget cap for the 2010 season,[85] and the withdrawal of Ferrari, Scuderia Toro Rosso, Sauber and Red Bull from the Formula One Teams Association in December 2011 over the implementation of the Resource Restriction Agreement,[86][87] a voluntary agreement between teams to limit costs in the sport.[88]
- Following HRT's omission from the provisional entry list,[8] the grid was reduced to twenty-two cars, prompting an adaptation of the qualifying procedures. With twenty-two cars on the grid, six cars—instead of seven—will be eliminated during the first period of qualifying, with six more eliminated at the end of the second period (as in 2006–08). The third qualifying period remains unchanged, with the ten fastest drivers all advancing to the final ten minutes of qualifying.[89]
- The rules governing the use of the Drag Reduction System (DRS) have been altered. Where drivers were free to use the system at will during free practice and qualifying, from 2013, the use of DRS is restricted to the designated DRS zone in a bid to improve safety.[90] In response to this, the FIA announced plans to include two DRS zones at every circuit on the 2013 calendar where it was feasible to do so.[91]

ATTACHMENT 7

City of Austin Letter to Comptroller re Participation in METF

City of Austin

City Manager's Office

P. O. Box 1088, Austin, TX 78767
(512) 974-2200, Fax (512) 974-2833

Marc A. Ott, *City Manager*
Marc.Ott@ci.austin.tx.us

September 30, 2013

The Honorable Susan Combs
Texas Comptroller of Public Accounts
Post Office Box 13528, Capitol Station
Austin, Texas 78711-3528

Comptroller Combs:

The City of Austin requests participation in the Major Event Trust Fund (METF) program pursuant to TEX. REV. CIV. STAT. ART. 5190.14 Section 5A (Act) as authorized by Austin City Council action contained in resolution dated June 29, 2011 in support of the Formula 1 United States Grand Prix for 2012 – 2021 inclusive. This action satisfies the requirements of 34 TAC Section 2.102(a)(1) and documents that Austin is the endorsing municipality in accordance with the Act.

Enclosed is correspondence from Formula One Management Ltd. (FOML) confirming the selection of Austin, Texas as the location for this event during November 15 – 17, 2013. The correspondence from FOML satisfies the requirements found at 34 TAC Section 2.102(a)(2).

The correspondence from FOML states that the selection of Austin as the location for the Formula 1 United States Grand Prix for 2012 - 2021 was completed after substantial competition in their process of reviewing a number of venues interested in hosting their series. Further, FOML does not anticipate holding any other similar Formula 1 United States Grand Prix Event in Texas or its contiguous states during any year that the FOML is held at the Circuit of the Americas in Austin. We believe that this supports a finding that Austin was selected as the site for this event consistent with the requirements of 34 TAC Section 2.101.

This letter also confirms that the Circuit Events Local Organizing Committee is the City's designee to act as the local organizing committee for the event, to make application to the Comptroller for participation in the event METF under the Act, to submit the METF economic impact analysis, to fund the City's local contribution to the METF, and to receive reimbursement of trust funds for eligible expenses from the METF for the race that is occurring November 15-17, 2013.

Sincerely,

Marc A. Ott
City Manager
City of Austin, Texas

The City of Austin is committed to compliance with the Americans with Disabilities Act.
Reasonable modifications and equal access to communications will be provided upon request.