

CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE

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

September 3, 2015

VIA EMAIL AND CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Office of the Governor
Economic Development & Tourism
Post Office Box 12428
Austin, Texas 78711

Attention: Executive Director

Office of the Governor
Texas Economic Development Bank
Economic Development & Tourism
Post Office Box 12428
Austin, Texas 78711

Attention: Director

RE: Application for Participation in the Texas Major Events Trust Fund (2015 Formula 1 United States Grand Prix)

Dear Directors:

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 "2015 Formula 1 United States Grand Prix" (the "**Race Event**") that is scheduled to be held in Austin, Texas during the weekend of October 23 through 25, 2015. Further, as an integral part of this support, the Committee and the City of Austin, as approved by City Council resolution of June 29, 2011, entered into an "**Agreement**" with the Committee, 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 Office of the Governor, Texas Economic Development Bank for participation in the Trust Fund program and a request to the Texas Economic Development Bank 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 October 23-25, 2015), in accordance with the Office of the Governor, Texas Economic Development Bank'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 Office of the Governor, Texas Economic Development Bank to

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determine the incremental increase in the applicable taxes for the City of Austin for the October 23-25, 2015 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 Event confirming selection of the Circuit of the Americas' facilities 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 City of Austin, the Committee and Dr. Hoyte as to the accuracy of the Economic Study, as Attachment 3; (iv) a description of the requested market area, as Attachment 4; (v) a list of all related Race Event 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 (vi) the Request Worksheet to Establish an Event Trust Fund for the Race Event, as Attachment 6; (vii) included as Attachment 7 is a letter, dated September 1, 2015, 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; and (viii) affidavits from the Committee and the City of Austin endorsing a Major Events Trust Fund, included as Attachment 8. As referenced above under Attached 7, the letter from Marc Ott is addressed to the Comptroller's Office. If required or requested, we are happy to arrange for this letter to be addressed to the appropriate division and person at the Office of the Governor.

Upon the Committee's receipt of an approval letter from the Office of the Governor, Texas Economic Development Bank 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 do not hesitate to contact me or any member of the Board of Directors of the Committee.

Thank you for your time and consideration of this request.

Respectfully,



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

Ms. Leela Fireside, Legal Dept., City of Austin
Mr. Sam Bryant, Director
Mr. Ford Smith, Director
Ms. Julia Finney, Director
Ms. Sylnovia Holt Rabb, Director
Ms. Anna Panossian, Finance Director of Events at COTA

**Application for Participation in the Texas Events Trust Fund
(2015 Formula 1 US Grand Prix – October 23 – 25, 2015)**

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a Major Events Trust Fund

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 Estimate for the
2015 Formula One
United States Grand Prix:
Review of 2014 Post-Event Data and
Request for
2015 United States Grand Prix

Austin, Texas

Don Hoyte, Ph.D.
TEXAS TRUST FUNDS.COM

8.3.2015

Prepared for

Circuit Events Local Organizing Committee

100 Congress Avenue, Suite 1300

Austin, Texas 78701-2744

TEXASECONOMICIMPACT.COM

The 2014 Formula One United States Grand Prix

The 258,170 persons attending the three-day 2014 United States Formula One Grand Prix was the largest crowd attending a sporting event in Austin last year. Although the total attendance at the race was about 6 percent lower than 2013 levels, the fans at the track and watching on a world-wide Television feed were treated to a thrilling victory by Lewis Hamilton over his Mercedes team-mate Nico Rosberg. Hamilton's win came on Sunday afternoon, six years to the day after he secured his first F1 drivers' title in Brazil.

Rosberg had controlled the race with seeming ease through the first cycle of pit stops, stopping on Lap 15 with Hamilton following one lap later. But after that Hamilton steadily hunted him down, finally taking the lead in Turn 12 on the 24th lap. The USGP was Hamilton's fifth straight victory, his 10th of the season and the 32nd of his career – putting him ahead of Nigel Mansell's previous British record of 31 Grand Prix wins.

Clearly, in its third year the USGP at Austin's Circuit of the Americas once again proved to be the most exciting, highest-caliber professional racing competition in the world, setting the stage for continued success in 2015 and beyond.

Following that success, this report details the final results of the attendance at the 2014 USGP and other financial and expenditure data to estimate the gain to Texas and to Austin under the Major Events Trust Fund (METF). Based on this extensive data base, surveys of fans at the 2014 event and known changes in the event for 2015, this report projects the likely economic impact of that event under the METF.

Underlying this approach are the attendance figures and results from two different surveys of fans attending the 2014 event. This report relies on known data on fan attendance from ticket sales as well as length of stay, fan spending and other data from an in-person survey of more than 601 persons attending the 2014 event. A second post-event survey of 3,278 ticket purchasers is used to determine the percentage of fans attending the 2014 USGP from outside the state of Texas. The in-person, on-site survey was conducted during the 3-days of the 2014 USGP by the University of South Carolina survey research team.¹ A copy of the survey instrument used is presented in Appendix A. The second survey was of 3,278 ticket purchasers conducted via internet and which is essential to accurately determining the percent of fans from outside Texas attending F1. (see Appendix B)

Fan and Participant Attendance at 2014 Formula One USGP

Post-race data indicated that the 2014 Formula One USGP saw a total of 107,778 people attend the Sunday race at COTA. Initially the three day total race attendance was estimated at 237,406² but a more complete accounting indicated the preliminary estimate excluded some groups during the first two days of the event, so the final three-day total race attendance at COTA reached 258,170.³

Based on the final attendance data provided by COTA and the results of the post-event ticket purchaser survey, Table 1 presents the final attendance figures for the 2014 Formula One USGP. This ticket and other attendance data can be used to determine as closely as is possible the number of people attending COTA facilities during the three days of the 2014 Formula One USGP. However, this accounting is incomplete since there are two groups that do not show up in this data but are in the Austin area for the race nonetheless.

Counting just those persons at COTA on a particular day misses a number of out-of-state and out-of-area visitors that are in Austin because of the USGP, but who do not show up at the COTA facilities on a particular day. From the on-site survey of out-of-state visitors at COTA who attended at least one day of the race, survey responses indicate that out-of-state visitors to COTA for F1 account for only 97.8 percent of all out-of-state persons visiting Austin for F1. Stated differently, survey respondents from outside Texas indicated that the total attendees in their groups in Austin for the event were 2.2 percent larger than the total number of people that would attend at least one day of the F1 race. In other words, the maximum number of out-of-state persons in Austin for the 2014 F1 USGP was actually 2.2 percent larger than the maximum number of out-of-state visitors showing up at COTA for the event. These visitors could be termed "never shows" since, although they traveled to Austin with someone attending the F1 event, counting only ticketed attendees at COTA would never account for their presence in the Austin area.

The second group of persons that do not appear in any estimate of out-of-state or out-of-area attendees based solely on their presence at COTA would be daily "no-shows"---persons that may arrive too late in the day to attend COTA activities on a particular day or for whatever reason simply choose to forgo attending COTA activities a particular day. Like the "never shows," these persons did travel to Austin from outside the state or outside the Austin area for the F1 event, but their presence would not be detected in daily ticket counts.

Although measuring "no shows" and "never shows" may appear to offer little or no economic impact to Austin and Texas from the USGP, on the contrary, these visitors meet the same definition as persons appearing at COTA each day---they are in Austin for the USGP visiting from

outside the state or outside the area to stay and spend in Central Texas because of F1. The only distinction is that they may not actually show up in the ticket count at COTA on a particular day.⁴

The ticket count figures for Sunday at F1 and the percentage of fans from outside Texas from the survey of 3,277 ticket account purchasers indicate that there were 58,358 ticketed fans from outside Texas at the Sunday Finals for the USGP. Since this day is the peak attendance, it is reasonable to assume that there are virtually zero no-shows on Sunday (persons purchasing a ticket to F1 but choosing not to attend). However, that does not mean that there would be zero "never shows"---persons coming to Austin for F1 but without the intention of ever attending any part of the event at COTA. Accordingly, the least number of out-of-state "never shows" would be 2.2 percent of the Sunday out-of-state fan attendance in Table 1, or a total of 1,284 persons on Sunday.

This also means that there would be a peak total of 59,642 persons from outside of Texas in Austin for the USGP on Sunday. Based on this peak and the survey findings from the face-to-face interviews of 302 persons from outside Texas at F1 shows that non-Texans stayed on average 4.06 nights in the Austin area while attending the 2014 USGP. That means these 59,642 non-Texans stayed a total of 242,145 person-nights in the Austin area while attending the 2014 USGP.

While it isn't possible to exactly determine which nights out-of-staters stayed in the Austin area for F1, sufficient data is available to severely constrain the likely outcomes to a feasible result detailed at the bottom of Table 1.⁵ So determining the number of no-shows each day is simply a matter of estimating the number of people in Austin for F1 that intend to go to at least one day of the F1 event minus the number of ticketed fans at COTA.

Table 1
Attendance at 2014 Formula One USGP

	----- Friday -----			----- Saturday -----			----- Sunday -----		
	Total	Outside Texas	Non- Local Texans	Total	Outside Texas	Non- Local Texans	Total	Outside Texas	Non- Local Texans
<u>Groups On-site at COTA</u>									
Ticketed Spectators	61,561	40,891	11,327	62,286	41,373	11,460	91,962	58,358	18,868
Race Operations	605	312	-	605	312	-	605	312	-
COTA Execs & VIPs	380	57	19	380	57	19	380	57	19
F1 & Team personnel	2,200	2,200	-	2,200	2,200	-	2,200	2,200	-
Support Races	680	612	-	680	612	-	680	612	-
F1 Guests	4,671	4,204	187	4,671	4,204	187	4,671	4,204	187
Media & PR	531	398	22	531	398	22	531	398	22
Operations & Public Safety	1,058	-	-	1,168	-	-	1,279	-	-
Marketing & COTA Staff	404	-	-	404	-	-	1,260	-	-
Onsite Support	261	-	-	314	-	-	368	-	-
Guest Services	322	-	-	482	-	-	643	-	-
Food Service	1,600	-	-	2,399	-	-	3,199	-	-
Total Onsite Attendees at COTA	74,271	48,674	11,554	76,121	49,156	11,688	107,778	66,141	19,096
<u>Groups in Austin but Off-Site (not at COTA)</u>									
Out-of-State & Non-Local Texan Spectators (no/never shows) ⁶	14,751	13,246	1,505	17,394	15,614	1,780	1,699	1,284	415
Total In Austin for F1 (Onsite at COTA & off-site)	89,022	61,920	13,060	93,515	64,770	13,467	109,477	67,425	19,511
TOTAL 3- Day Onsite Attendees at COTA for the 2014 F1 USGP:				258,170					
TOTAL 3-Day Attendance in Austin for the 2014 F1 USGP:				292,014					

Attendance at 2015 Formula One USGP

The race day attendance by the various out-of-state and out-of-area groups detailed in Table 1 for the 2014 USGP can be expanded to provide an estimate of spectator, team and other attendance for the 2015 USGP. Table 2 projects the 2014 attendance in Table 1 for the 2015 USGP dates. The 2015 estimated out-of-state and out-of-area attendance is largely the same as that in 2014--with earlier arrival times for F1 Teams and management expected since the Russian Grand Prix concludes two weeks before the U.S. Grand Prix.

Although the race actually occurs over three days, weeks of planning and preparation activity precede the actual race dates. Moreover, the chance to enjoy the festive F1 atmosphere in Austin and attend sponsored (and un-sponsored) pre-event celebrations draws fans into the Austin area well before the event begins.

The starting point for these 2015 estimates is the known attendance on each race day in 2014 as adjusted to reflect spectators in Austin for the race weekend who may or may not actually attend COTA on a particular day.

Clearly the largest single group attending the race weekend are the spectators represented by the attendance using COTA tickets and credentials.⁷

Table 2 also estimates the attendance by out-of-state fans for the 2015 USGP based on the attendance figures in Table 1 and the percentage of fans from out of state as derived from two survey efforts of fan attendance as discussed in Appendix B. On average, it is estimated that 66.4 percent of the fans entering on COTA passes on Friday and Saturday came from outside Texas and 63.5 percent were from outside Texas on Sunday. It is believed that the percentage of out-of-state fans in the Paddock area is substantially higher than the overall percentage for the fans entering on COTA passes. Accordingly it is likely that nearly 65 percent of the fans (including those in the paddock) that attend the final day of the event in 2015 will be from outside Texas.

As discussed relative to Table 1, the overall pattern of fan visitation to Austin for F1 is not just limited to those that show up at COTA on a particular day. Because this is a three-day event and some fans may arrive too late to attend track activities on one of the first two days (or simply choose not to go on one day even if they are in town), there are likely to be a number of "no-shows" at the track both Friday and Saturday. These are fans that are actually in Austin on Friday or Saturday for the event but choose not go to the track that day and therefore could not be counted in COTA figures.

Table 2
Estimated Daily Attendance in Austin for 2015 Formula One USGP

Date	Spectator Attendance						F1 Teams and Personnel ⁸	Support Races		F1 Guests			Others			Local Workers	TOTAL in Austin
	Total in Austin*	-----Ticketed at COTA-----		OOS in Austin for F1 not @ COTA ⁹	Non-Local Texans in Austin for F1 not @ COTA ¹⁰			Total	OOS/OOA ¹¹	Total ¹²	OOS	Non-Local Texans	Total	OOS	Non-Local Texans		
10/14						200										200	
10/15						400										400	
10/16						600										600	
10/17						1,000										1,000	
10/18						1,200			401	360	40					1,601	
10/19	1,329				1,240	89	1,500		801	721	80					3,630	
10/20	13,290				12,399	891	1,900	340	306	1,602	1,442	160	205	104	6	273	17,611
10/21	26,581				24,798	1,783	2,200	680	612	2,289	2,060	229	682	345	18	911	33,343
10/22	49,325				46,016	3,308	2,200	680	612	3,270	2,943	327	1,364	691	37	1,822	58,660
10/23	76,312	61,561	40,891	11,327	13,246	1,505	2,200	680	612	4,671	4,204	467	1,516	767	41	3,643	89,022
10/24	79,680	62,286	41,373	11,460	15,614	1,780	2,200	680	612	4,671	4,204	467	1,516	767	41	4,768	93,515
10/25	93,661	91,962	58,358	18,868	1,284	415	2,200	680	612	4,671	4,204	467	1,516	767	41	6,749	109,477
10/26	43,077				36,169	6,908	1,100	340	306	4,671	4,204	467	1,516	767	41	4,049	54,753
10/27	9,692				9,042	650	200			1,401	1,261	140	-	-	-	273	11,567
10/28	1,400				1,356	44	-			-	-	-	-	-	-	-	1,400

* Includes both ticketed and credentialed spectators at COTA and spectators in Austin for F1 but not at COTA that particular day



A second group of spectators are also in Austin for F1 but do not show up in the counts at COTA on any day. The survey of ticket purchasers at F1 asked how many fans accompanied each group that were not intending to go to the track at any point during the weekend. Based on the response to that survey, just counting fans showing up at COTA would undercount persons in the Austin area from outside Texas for the F1 event by about 2.2 percent and in the Austin area for F1 from other parts of Texas by about 2.0 percent.

Table 3 presents some key travel and stay parameters derived directly from Table 2 in order to estimate spending by fans and F1 participants during the entirety of the 2015 USGP for out-of-state and out-of-area attendees. In some cases, expenditures such as the cost of travel to and from Austin for F1 are driven simply by the number of person trips to Austin as indicated by the number of out-of-state or out-of-area visitors. But in many other cases, spending is directly related to either the total number of days (or sometimes nights) a group is in the Austin area for the race weekend.

Table 3
Travel and Stay Parameters, 2015 Formula One USGP

<u>Group</u>	----- Out-of-State Attendees -----			----- Out-of-Area Attendees -----		
	Person- Trips to <u>Austin</u>	Days Stayed in <u>Austin Area</u>	Nights Stayed in <u>Austin Area</u>	Person- Trips to <u>Austin</u>	Days Stayed in <u>Austin Area</u>	Nights Stayed in <u>Austin Area</u>
Fans	59,642	244,800	242,145	78,925	281,648	270,593
F1 Teams & Personnel	2,200	14,100	13,500	2,200	14,100	13,500
Support Races	612	3,060	3,060	612	3,060	3,060
F1 Guests	4,204	21,219	21,038	4,391	22,162	21,973
Others	767	3,441	3,441	808	3,624	3,624

The second data set needed to estimate spending at the F1 USGP by out-of-state and out-of-area visitors are various parameters related to spending that are obtained from a fan survey administered during the 2014 Formula One USGP. Based on 302 surveys from out-of-state fans at the 2014 F1, the first column in Table 4 presents key expenditure and other parameters that can be used to translate attendance into estimated spending at the event for out-of-state attendees.

Based on this profile, and some knowledge of the other groups visiting Austin from outside Texas during F1, Table 4 also includes the likely spending pattern by persons in each of the other out-of-state groups, based on willingness to spend, ability to spend, and time to spend as compared to the normal F1 fan.¹³

Table 4

Key Expenditure and Other Spending Parameters for 2015 F1 USGP Out-of-State Visitors

<u>Spending Parameter</u>	<u>OOS Fans</u>	<u>F1 Teams & Personnel</u>	<u>Support Races</u>	<u>F1 Guests</u>	<u>Others</u>
Nights spent in Austin for F1	4.06	6.14	5.00	5.00	4.49
% Nights in Hotel	82	95	95	95	95
Persons per Room in Hotel	1.95	1.37	1.56	1.37	1.50
Average Room cost per night	\$250.02	\$353.30	\$307.13	\$353.30	\$353.30
% Persons Renting Cars	51	80	70	85	75
# of Cars rented per person renting	0.44	0.55	0.55	0.60	0.55
Days Renting Car	5.13	7.14	6.00	6.00	5.49
Cost car/ Day	\$70.85	\$113.36	\$92.11	\$113.36	\$102.73
% Arriving by Plane	80	100	50	90	85
Amount Spent on One-Way Plane Fare to Austin	\$343.60	\$1,750.00	\$343.60	\$1,030.80	\$687.20
% Arriving by Car	39	-	50	10	15
Avg miles Traveled to Austin by car	585	-	585	585	585
Avg. Amount Spent in F1 Tickets	\$558.14	\$0.00	\$0.00	\$1,953.49	\$1,255.82
Average Amount Spent on Fan Fest Tickets	\$5.91	\$0.00	\$0.00	\$11.82	\$11.82
Food & Non-Alcoholic Beverage (pppd)	\$153.86	\$230.79	\$192.33	\$269.26	\$230.79
Beer & Wine Expenditures (pppd)	\$96.74	\$125.76	\$111.25	\$125.76	\$125.76
Other Alcoholic Beverages (pppd)	\$46.14	\$69.21	\$57.68	\$80.75	\$74.98
Merchandise bought @ COTA (pppd)	\$153.62	\$76.81	\$115.22	\$307.24	\$230.43
Merchandise Bought Outside of COTA (pppd)	\$65.64	\$131.28	\$65.64	\$196.92	\$131.28
Entertainment Expenditure (pppd)	\$61.95	\$30.98	\$46.46	\$185.85	\$123.90

Note: **Bold** denotes data from face-to-face F1 survey conducted at event in 2014

Table 5 presents the same data as in Table 4, but applicable to non-local Texans and those from out-of-state visiting Austin for F1. Since there is a large overlap between the two groups covered in Tables 4 and 5, spending and other parameters are similar to those in Table 4.¹⁴

Combining the key travel and stay parameters in Table 3 with the expenditure parameters in Table 4 yields an estimate of the expenditures made by out-of-state visitors to Austin for the 2015 USGP presented in Table 6. Similar expenditure estimates for out-of-area visitors are calculated in Table 7.

Table 5
Key Expenditure and Other Spending Parameters for 2015 F1 USGP Out-of-Area Visitors

<u>Spending Parameter</u>	<u>OOA Fans</u>	<u>F1 Teams & Personnel</u>	<u>Support Races</u>	<u>F1 Guests</u>	<u>Others</u>
Nights spent in Austin for F1	3.72	6.14	5.00	5.00	4.49
% Nights in Hotel	78	95	95	95	95
Persons per Room in Hotel	1.99	1.37	1.56	1.37	1.50
Average Room cost per night	\$259.08	\$353.30	\$307.13	\$353.30	\$353.30
% Persons Renting Cars	45	80	70	85	75
# of Cars rented per person renting	0.43	0.55	0.55	0.60	0.55
Days Renting Car	4.85	7.14	6.00	6.00	5.49
Cost car/ Day	\$72.42	\$113.36	\$92.11	\$113.36	\$102.73
% Arriving by Plane	79	100	50	90	85
Amount Spent on One-Way Plane Fare to Austin	\$346.46	\$1,750.00	\$343.60	\$1,030.80	\$687.20
% Arriving by Car	44	0	50	10	15
Avg miles Traveled to Austin by car	450	0	585	585	585
Avg. Amount Spent in F1 Tickets	\$571.03	0.00	0.0	\$1,953.49	\$1,262.26
Average Amount Spent on Fan Fest Tickets	\$9.44	0.00	0.0	\$11.82	\$11.82
Food & Non-Alcoholic Beverage (pppd)	\$144.49	\$230.79	\$192.33	\$269.26	\$230.79
Beer & Wine Expenditures (pppd)	\$91.89	\$125.76	\$111.25	\$125.76	\$125.76
Other Alcoholic Beverages (pppd)	\$42.83	\$69.21	\$57.68	\$80.75	\$74.98
Merchandise bought @ COTA (pppd)	\$145.10	\$76.81	\$115.22	\$307.24	\$226.17
Merchandise Bought Outside of COTA (pppd)	\$67.53	\$131.28	\$65.64	\$196.92	\$132.23
Entertainment Expenditure (pppd)	\$57.65	\$30.98	\$46.46	\$185.85	\$121.75

Note: **Bold** denotes data from face-to-face F1 survey conducted at event in 2014

Table 6
Estimated 2015 Formula One USGP Expenditures By Out-of-State Attendees

Expenditure	OOS Fans	F1 Teams & Personnel	Support Races	F1 Guests	Others	Total
Hotel Costs	\$25,334,113	\$3,319,476	\$572,330	\$5,173,076	\$821,156	\$35,220,152
Food & Alcoholic Beverages	\$37,664,962	\$3,254,139	\$588,515	\$5,713,230	\$846,965	\$48,067,811
Merchandise	\$37,670,920	\$2,934,069	\$553,416	\$10,697,600	\$1,327,422	\$53,183,427
Entertainment	\$15,165,374	\$436,748	\$142,175	\$3,943,488	\$454,695	\$20,142,479
Mixed Beverages	\$11,295,082	\$975,861	\$176,486	\$1,713,301	\$275,156	\$14,435,886
Beer & Wine	\$23,681,974	\$1,773,244	\$340,428	\$2,668,501	\$461,528	\$28,925,675
Car Rental Expenditures	\$4,947,126	\$783,091	\$130,211	\$1,459,349	\$190,193	\$7,509,969
Expenditures on Airfare	\$16,435,281	\$3,850,000	\$105,142	\$3,900,042	\$477,956	\$24,768,421
Auto Mileage Expenditure	\$4,022,680		\$32,991	\$51,798	\$13,762	\$4,121,231
Tickets to F1 and FanFest	\$33,633,283			\$8,261,967	\$1,037,242	\$42,932,492

Table 7
Estimated 2015 Formula One USGP Expenditures By Out-of-Area Attendees*

<u>Expenditure</u>	<u>QOS Fans</u>	<u>F1 Teams & Personnel</u>	<u>Support Races</u>	<u>F1 Guests</u>	<u>Others</u>	<u>Total</u>
Hotel Costs	\$27,478,432	\$3,319,476	\$572,330	\$5,402,991	\$821,156	\$37,594,385
Food & Alcoholic Beverages	\$40,695,301	\$3,254,139	\$588,515	\$5,967,152	\$846,965	\$51,352,071
Merchandise	\$45,467,925	\$2,934,069	\$553,416	\$11,173,048	\$1,327,422	\$61,455,881
Entertainment	\$16,237,000	\$436,748	\$142,175	\$4,118,754	\$454,695	\$21,389,371
Mixed Beverages	\$12,062,978	\$975,861	\$176,486	\$1,789,447	\$275,156	\$15,279,928
Beer & Wine	\$25,880,623	\$1,773,244	\$340,428	\$2,787,101	\$461,528	\$31,242,924
Car Rental Expenditures	\$5,279,306	\$783,091	\$130,211	\$1,524,209	\$190,193	\$7,907,009
Expenditures on Airfare	\$21,547,314	\$3,850,000	\$105,142	\$4,073,377	\$477,956	\$30,053,789
Auto Mileage Expenditure	\$4,514,371		\$32,991	\$54,100	\$13,762	\$4,615,224
Tickets to F1 and FanFest	\$44,827,312			\$8,629,165	\$1,037,242	\$54,493,720

*includes visitors from outside of Texas and Texans from outside the local Austin area

Corporate, Sponsor and Team Spending

While it is possible to interview fans about their spending behavior, count tickets and even monitor accounting systems for COTA event expenditures, one category of expenditures at F1 remains difficult to capture---spending by corporate suppliers, sponsors and even Formula One teams themselves. These entities are independent actors who are not contractually required to report expenditures to COTA but certainly use the USGP to market themselves to their existing and potential clients through hospitality suites, corporate functions and other marketing contacts. Moreover, since those activities are provided to attendees free-of-charge, so even on-site interviews with attendees would not be able to solicit from those respondents the amount spent at these activities.

But, based on the number of entities involved, an estimate of the number of clients typically involved, the number of days this activity occurs and the approximate per guest spending, Table 8 estimates the total value of corporate, sponsor and team spending used to maintain and develop contacts important to their businesses.¹⁵ In total these groups spend an estimated \$15.0 million on these marketing activities that is not otherwise picked up in fan surveys or by COTA accounting systems.

Table 8

Corporate, Sponsor and Team Spending at 2015 Formula One USGP

Sponsor/Teams	Number	Avg. # Guests	Days	Cost/Guest	Total
F1 Teams	11	250	3	\$300	\$2,475,000
F1 Team Major Sponsors	44	100	3	\$400	\$5,280,000
F1 Team Suppliers/Sponsors	150	4	3	\$350	\$630,000
F1 Series Sponsors	10	70	3	\$500	\$1,050,000
F1 High End Entertainment Events	4	300	1	\$1,000	\$1,200,000
Non Affiliated Corporate Entertainment	240	20	3	\$300	\$4,320,000
Total					\$14,955,000
State Sales Tax Gain	\$934,688				
City of Austin Sales Tax Gain	\$149,550				

Cost of Presenting the 2015 U S G P

Also considered in developing the direct, indirect and induced economic and tax gains from hosting events under the Major Event Trust Fund are expenses related to presenting the event in Texas. From COTA financial accounting records, Table 9 presents COTA's expenses in 2014 related to putting on the Formula One race.¹⁶

Table 9
Formula One USGP Event Presentation Costs

	F1 Direct <u>Expense</u>	F1 Share of COTA <u>Overhead</u>	Total F1 Presentation <u>Cost</u>
Total - Cost Of Sales	\$2,428,669	\$245,378	\$2,674,047
Compensation Related	\$13,233	\$10,713,515	\$10,726,748
Staffing and Contract Labor	\$2,566,204	\$2,176,554	\$4,742,758
Services	\$915,832	\$478,675	\$1,394,507
Professional & Legal	\$1,158,971	\$3,823,525	\$4,982,496
Marketing	\$1,934,540	\$771,308	\$2,705,848
Event Related	\$3,059,053	\$156,274	\$3,215,328
Facilities & Maintenance	\$7,961,837	\$4,929,877	\$12,891,714
SG&A	\$2,718,217	\$8,132,090	\$10,850,307
 Total Expense	 \$22,756,557	 \$31,427,197	 \$54,183,754
 Estimated Sales Taxes Paid on Event Presentation			 \$2,230,000
State Sales Tax			\$1,689,394
COA Sales Tax			\$540,606
Total Event Presentation Cost, Net Taxes			\$51,953,754

Hotel Utilization

The ability of the F1 USGP to draw in fans from across the world along with the massive number of event participants that must be present in Austin for the race strains the local hotel capacity to the extent that fans often seek lodging in places as far away San Antonio and Waco. While this serves to "spread the wealth" of the economic impact of over a very large part of central Texas, it also means that the economic gain to the State of Texas cannot be calculated on exactly the same basis as the gains to the City of Austin. This involves not only being concerned with out-of-state visitors (for the state tax gain) as opposed to out-of-area visitors (for the local tax gain), but it also involves estimating how much the out-of-area visitors actually spend in Austin versus how much they spend outside the City of Austin.

Probably the prime determinant of the degree to which the gain in spending to the City of Austin is less than total gain from spending by out-of areas visitors is the location of hotel space utilized by out-of-area visitors at F1. Fans or event participants that stay in hotels outside of the City of Austin not only spend their hotel dollars outside of Austin, but they also make a portion of other expenditures outside the city as well.

To determine the extent to which the Austin gains from hosting the Formula One USGP, it is crucial to estimate the degree to which event fans and participants stay outside the City of Austin.

Table 10 presents the hotel room demand by out-of-area fans and participants over the days these groups will be visiting Central Texas for the USGP. This estimate converts the daily attendance estimate in Table 2 to a room demand estimate based on the percentage of each group staying in hotels and the average room occupancy for persons in each group from Table 5.

Table 10 indicates that based on the persons attending USGP utilizing, at most, 70 percent of the available hotel rooms in Austin, the total room demand met by City of Austin facilities over the entire course of the event is almost 80% of total room demand. This is probably a lower bound of the percentage of total F1 fan and participant expenditures that accrue to the City of Austin for a several reasons. First, some expenditures made by persons staying outside the City of Austin for the USGP must occur in the City of Austin. For example, expenditures at the COTA facility are subject to city sales tax even if the person making that expenditure is staying outside the City of Austin. Secondly, many activities that occur away from COTA will still occur in the City of Austin. This is particularly true for expenditures on entertainment other than F1 and alcoholic beverage spending. Third, hotel prices and food and beverage expenses are the highest in Austin so even if all activity was distributed directly in proportion to the percentage of room demand met by the hotels in City of Austin, the dollar value of that activity in the City of Austin will be greater than 79.1% average noted in Table 10.

Table 10
Room Demand by Out of Area Fans and Participants at 2015 Formula One USGP

		Room Demand by OOA Fans	Room Demand by F1 Teams & Personnel	Room Demand by Support Races	Room Demand By F1 Guests	Room Demand by Other Groups	TOTAL Hotel Room Demand	Total Rooms in City of Austin	% of COA Room Capacity Utilized by USGP	USGP Room Demand Shifted Outside COA	Estimated USGP Room Demand met by COA
Wed.	Oct. 14	-	139	-	-	-	139	30,178	0.5%	-	139
Thu.	Oct. 15	-	278	-	-	-	278	30,178	0.9%	-	278
Fri.	Oct. 16	-	418	-	-	-	418	30,178	1.4%	-	418
Sat.	Oct. 17	-	696	-	-	-	696	30,178	2.3%	-	696
Sun.	Oct. 18	-	835	-	262	-	1,097	30,178	3.6%	-	1,097
Mon.	Oct. 19	521	1,044	-	524	-	2,089	30,178	6.9%	-	2,089
Tue.	Oct. 20	5,209	1,322	186	1,048	73.44	7,840	30,178	26.0%	-	7,840
Wed.	Oct. 21	10,419	1,531	373	1,497	244.82	14,065	30,178	46.6%	-	14,065
Thu.	Oct. 22	19,333	1,531	373	2,139	489.63	23,866	30,178	79.1%	2,741	21,125
Fri.	Oct. 23	22,745	1,531	373	3,056	544.03	28,249	30,178	93.6%	7,124	21,125
Sat.	Oct. 24	26,602	1,531	373	3,056	544.03	32,106	30,178	106.4%	10,981	21,125
Sun.	Oct. 25	30,935	1,531	373	3,056	544.03	36,439	30,178	120.7%	15,314	21,125
Mon.	Oct. 26	16,884	766	186	3,056	544.03	21,436	30,178	71.0%	312	21,125
Tue.	Oct. 26	3,799	139	-	917	-	4,855	30,178	16.1%	-	4,855
Wed.	Oct. 27	549	-	-	-	-	549	30,178	1.8%	-	549
Total Room Demand		136,997	13,293	2,236	18,611	2,984	174,121			36,473	137,648
% Overall Room Demand Met in COA											79.1%

Direct State and City METF Tax Gains from USGP Fans and Participants

Keeping in mind the relative proportion of spending that would accrue to the City of Austin from the direct fan and participant spending; Table 11 presents the estimated tax gain to the state and to the City of Austin from the expenditures detailed in Tables 6 and 7 for the taxes that can be counted as contributing to the METF.¹⁷

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 11 presents these gains for Texas and for Austin based on the estimates of fan expenditures contained in Tables 6 and 7 along with the corporate and team spending in Table 8 and the COTA event presentation costs in Table 9. In line with the results of Table 10 showing that the City of Austin would likely see a bit under 80 percent of the hotel activity based on room counts but a slightly higher percent if based on room costs, the total expenditures by out-of-area fans in Austin for F1 (Table 7) are reduced in some cases to reflect the proportion of that activity that would occur within the City of Austin.¹⁸

In total, the total direct economic gain to the state from hosting this event should exceed \$300 million. The total direct tax gain to the state will reach \$17.7 million with the local Austin economy directly gaining \$6.8 million.

Table 11
Direct Economic and Tax Gains from 2015 F1

	<u>State Impact</u>	<u>Direct METF Tax Gain</u>	<u>Austin Impact</u>	<u>Direct METF Tax Gain</u>
Hotel	\$35,220,152	\$2,113,209	\$30,075,508	\$2,706,796
Car Rental	\$7,509,969	\$750,997	\$7,907,009	
Mixed Drink (incl. Title 5 ABC tax)	\$14,435,886	\$1,957,506	\$12,223,943	\$183,359
Beer and Wine	\$28,925,675		\$24,994,339	
Merchandise	\$53,183,427	\$3,323,964	\$49,164,704	\$983,294
Food & Non-Alcoholic Beverage	\$48,067,811	\$3,004,238	\$41,081,657	\$821,633
Non-F1 Entertainment	\$20,142,479	\$1,258,905	\$18,180,965	\$363,619
Travel Cost to F1	\$28,889,652		\$28,889,652	
Event Presentation Expenses Corporate, Sponsor & Team Spending	\$51,953,754	\$1,689,394	\$51,953,754	\$540,606
Tax from Ticket Sales	\$14,955,000	\$934,688	\$14,955,000	\$149,550
		\$2,683,281		\$1,089,874
TOTAL	\$303,283,804	\$17,716,182	\$279,426,532	\$6,838,732

Indirect and Induced Economic and Tax Gains from 2013 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 and local economies. These gains are termed indirect and induced increases. For example, in order for restaurants and hotels to serve F1 guests, they must increase the orders for food, drinks and other materials from their suppliers (generally referred to by Economists as the multiplier effect). That increased demand generates indirect economic gains as the activity filters its way down the supply chain.

Moreover, to supply increased demand for services, large numbers of 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 demand throughout the state and the city.

The total effects of increased direct spending along with indirect and induced spending are presented in Table 12 based on the Texas Comptroller's IMPLAN model. This table indicates that the \$303.3 million in direct expenditure driven by hosting the Formula One event generates \$106.0 million in indirect impact and another \$143.1 million in induced impact for a total gain of \$551.3 million of economic activity to Texas.

From a tax perspective, in addition to the \$17.7 million in tax gain to the state from direct economic activity must be added \$5.1 million in indirect tax gains and \$8.3 million of induced tax gains for a total tax gain to the state of \$31.1 million. On a similar basis when including both indirect and induced tax effects, the City of Austin's direct tax gain of \$6.8 million attributable to the 2015 F1 event increases to nearly \$11.8 million when indirect and induced tax gains from that direct activity are included.

Table 12

METF Expenditures and Taxes for the 2015 U.S. Grand Prix at Circuit of the Americas

	----- Direct Spending -----		----- Indirect Effects -----		--- Induced Effects ---		----- TOTAL Effects -----	
	Spending	Taxes	Spending	Taxes	Spending	Taxes	Spending	Taxes
Hotel	\$35,220,152	\$2,113,209	\$13,719,549	\$602,025	\$14,030,354	\$815,546	\$62,970,055	\$3,530,781
Food and Non-Alcoholic Bev.	\$48,067,811	\$3,004,238	\$17,512,345	\$871,260	\$20,116,303	\$1,169,005	\$85,696,459	\$5,044,503
Alcoholic Beverage	\$43,361,560	\$1,957,506	\$15,797,736	\$785,955	\$18,146,743	\$1,054,549	\$77,306,039	\$3,798,010
Event Presentation Expenses	\$51,953,754	\$1,689,394	\$16,992,335	\$964,243	\$35,126,180	\$2,042,999	\$104,072,269	\$4,696,636
Rental Cars	\$7,509,969	\$750,997	\$2,735,481	\$116,286	\$2,383,190	\$138,677	\$12,628,640	\$1,005,960
Merchandise	\$53,183,427	\$3,323,964	\$16,145,824	\$805,829	\$26,847,049	\$1,559,938	\$96,176,300	\$5,689,731
Non-F1 Entertainment	\$20,142,479	\$1,258,905	\$6,115,005	\$252,536	\$8,098,657	\$476,627	\$34,356,141	\$1,988,068
Travel Cost to F1	\$28,889,652	\$0	\$11,070,502	\$452,616	\$12,090,273	\$702,350	\$52,050,426	\$1,154,966
Corporate, Sponsor & Team Spend.	\$14,955,000	\$934,688	\$4,862,406	\$200,807	\$6,258,643	\$364,722	\$26,076,049	\$1,500,217
Tax from Ticket Sales		\$2,683,281						\$2,683,281
TOTAL	\$303,283,804	\$17,716,182	\$104,951,182	\$5,051,556	\$143,097,392	\$8,324,414	\$551,332,378	\$31,092,153

METF Request from Hosting the 2015 U.S.G.P.

This estimate of the benefit value from the 2015 F1 USGP under the major event trust fund process is based on attendance at the 2014 event and extensive additional expenditure data associated with the 2014 event. Accordingly, based on the data and analysis hereby submitted, this report requests the Comptroller allocate \$31,092,153 of state funds to be matched by \$4,974,744 on behalf of the City of Austin, to support the cost of the 2015 Formula 1 United States Grand Prix, pending submittal and verification of eligible expenses.



Appendix A

**Survey Instrument used at 2014 U.S.G.P.
for Face-to-Face Interviews with Attendees**

PARTICIPATE AND WIN MERCHANDISE FROM THE FORMULA 1 U.S. GRAND PRIX!

Thank you for taking the time to complete this **5-minute survey**. Your feedback is extremely important to us.

For the purposes of this survey, your **TRAVEL PARTY** refers to the group traveling with you and sharing expenses for things like accommodations or transportation. The acronym **COTA** stands for Circuit of The Americas.

1. If you live inside the United States, what is your residential zip code?	
2. If you live outside the United States, what country are you from?	
3. How many people are in your travel party, including those who do not intend to visit COTA during your stay?	people
4. Of all the people in your travel party, how many live outside the AREA OF AUSTIN?	people
5. Of all the people in your travel party, how many live outside the STATE OF TEXAS?	people
6. How many of the people in your travel party are here at COTA with you today?	people
7. How many people in your travel party will attend AT LEAST ONE DAY of racing at COTA during the weekend?	people
8. ...of these people, how many are from outside the area of Austin?	people
9. ...of these people, how many are from outside the state of Texas?	people

If you live OUTSIDE the state of Texas:

10. ...is the PRIMARY REASON for your visit to attend the U.S. Grand Prix and/or related Austin Fan Fest?	Yes	No
11. ...did you RESCHEDULE a previously planned visit to Texas in order to attend?	Yes	No
12. ...did you EXTEND a previously planned visit to Texas in order to attend?	Yes	No

If you live INSIDE the state of Texas:

13. ...would you have traveled OUTSIDE of Texas to attend this event if it were held elsewhere in the U.S.?	Yes	No
14. ...how would you have otherwise spent the money you spent today attending the U.S. Grand Prix? (check one of the following)		
<input type="checkbox"/> other Texas event or activity	<input type="checkbox"/> event or trip outside of Texas	<input type="checkbox"/> would not have spent the money

If you or someone in your travel party lives OUTSIDE the area of Austin:

15. How many nights will these people stay in or around the Austin area?	nights
16. ...how many nights will these people spend at a hotel, motel, or bed and breakfast?	nights
17. ...how many different rooms will these people reserve at a hotel, motel, or bed and breakfast?	rooms

18. ...what is the average nightly cost of these rooms at the hotel, motel, or bed and breakfast?	dollars/night	
19. Have any of these people RENTED A CAR during their visit to the Austin area?	Yes	No
20. ...how many cars did these people rent?	cars	
21. ...how many days will they rent the car(s)?	days	
22. ...what is the average daily cost of the rental car(s)?	dollars/day	
23. How many people in your travel party traveled by AIRPLANE to the Austin area?	people	
24. ...what is the average ONE-WAY cost of the airline ticket(s)?	dollars	
25. How many people in your travel party traveled by CAR to the Austin area?	people	
26. ...what is the average miles traveled by car for these people?	miles	

Considering the amount of money YOU have spent or will spend TODAY, excluding tips and tax, how much will be on:

27. Formula 1 Grand Prix event tickets	dollars
28. Fan Fest tickets (ticketed concert)	dollars
29. Food and non-alcoholic beverages	dollars
30. Beer and wine beverages	dollars
31. Alcoholic beverages other than beer and wine	dollars
32. Merchandise at COTA or Austin Fan Fest venues	dollars
33. Other merchandise not at COTA or Austin Fan Fest venues (apparel, shoes, household items, gifts, etc.)	dollars
34. Other entertainment outside of COTA or Austin Fan Fest (private parties, movies, museums, etc.)	dollars

Of the people in your travel party who are not attending COTA with you today, how much do you think they'll spend on:

35. Food and non-alcoholic beverages	dollars
36. Beer and wine beverages	dollars
37. Alcoholic beverages other than beer or wine	dollars
38. Local shopping (apparel, shoes, household items, gifts, souvenirs, etc.)	dollars
39. Other entertainment (movies, museums, golf, other sporting events, etc.)	dollars

40. Have you attended any other Formula 1 Grand Prix events within the last 12 months?

<input type="checkbox"/> Yes (41. please specify _____)	<input type="checkbox"/> No
---------------------------------------------------------	-----------------------------

42. Do you plan to attend the 2015 U.S. Grand Prix at COTA?

<input type="checkbox"/> Yes	<input type="checkbox"/> No
------------------------------	-----------------------------

43. Do you plan to attend any other events at COTA within the next 12 months?

<input type="checkbox"/> Yes (44. please specify _____)	<input type="checkbox"/> No
---------------------------------------------------------	-----------------------------

45. Which of the following best describes you?

<input type="checkbox"/> ticketed fan	<input type="checkbox"/> ticketed sponsor	<input type="checkbox"/> corporate attendee	<input type="checkbox"/> accredited official	<input type="checkbox"/> vendor	<input type="checkbox"/> other
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46. How satisfied are you with your overall experience this weekend thus far?

<input type="checkbox"/> very satisfied	<input type="checkbox"/> somewhat dissatisfied	<input type="checkbox"/> neutral	<input type="checkbox"/> somewhat satisfied	<input type="checkbox"/> very satisfied
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47. What is your age?

<input type="checkbox"/> 18-24	<input type="checkbox"/> 25-34	<input type="checkbox"/> 35-44	<input type="checkbox"/> 45-54	<input type="checkbox"/> 55+
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48. What is your annual household income?

<input type="checkbox"/> <\$50,000	<input type="checkbox"/> \$50,000-\$99,999	<input type="checkbox"/> \$100,000-\$149,999	<input type="checkbox"/> \$150,000-199,999	<input type="checkbox"/> \$200,000+
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49. What is your race?

<input type="checkbox"/> White	<input type="checkbox"/> African American	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Asian	<input type="checkbox"/> Other
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50. What is your gender?

<input type="checkbox"/> Male	<input type="checkbox"/> Female
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51. What is your e-mail? (to used for random merchandise drawing only)

Appendix B: Percentage of Out-Of-State Fans at 2013 Formula One Grand Prix

A key feature of the Texas Major Events trust Fund (METF) that is largely responsible for ensuring that state expenditures on trust fund events do not exceed the state revenue from holding the event, is the requirement that the taxes from an event that are eligible to be deposited into the trust fund to support the event are only those that represent an "increase" to the state from holding the event. A major part of the working definition used to determine this "increase" is to count only those taxable expenditures by out-of-state fans and participants attending the event during the days the event is held.¹⁹ Similarly, in counting the tax "increase" to the local municipality hosting the event, only those expenditures by fans and participants visiting for the event from outside the local market are counted as gains from the event.²⁰

Accordingly, establishing an accurate count of the number of persons present at the event from outside Texas and outside the Austin area is crucial to establishing the gain to the state and to Austin from hosting events receiving support from METF.

Following the 2014 USGP a survey was e-mailed to ticket purchasers with 3,277 surveys returned. A key question on that survey asked how many tickets that were purchased were used by someone from outside Texas. Moreover, the survey e-mail provided a link to the ticket purchase database so that the total number of tickets purchased by the respondent is also linked to the response.

Based on this extensive database, the following table summarizes the percent of fans attending the 2014 USGP from outside of Texas:

Table B-1
Percent of Out-of-State Attendees at 2014 F1 USGP

	<u>Total Surveys</u> ²¹	<u>Total Tickets Bought</u>	<u>Tickets Used By OOS Attendees</u>	<u>% OOS</u>
Single-Day Tickets	418	899	347	38.6%
3- Day Tickets	2,728	7,538	5,007	66.4%
Total	3,146	8,437	5,354	63.5%

As might be expected, more Texans were purchasers of single day tickets which were used almost exclusively on Sunday for the finals of the USGP.

It should be noted that a very similar percentage of out-of-state attendees is available from the on-site, in-person interviews conducted during the event. The 518 interviewees that identified themselves as ticketed fans in the face-to-face survey said they were part of groups totaling

1,780 persons attending the USGP. Of those 1,780 persons, 1,109 or 62.3 percent were identified by survey respondents as being from outside Texas.

This remarkably close out-of-state percentage from two very different survey approaches serves to validate both surveys and indeed, based on this key question, either survey likely could be used as a reasonable surrogate for the other. However the greater precision afforded by the larger number of responses from the post-event e-mail survey, makes the out-of-state percentage from that survey the more likely estimate. Unfortunately, wording problems in some of the other questions asked in the internet survey makes the face-to-face survey results the preferred source of responses for the other fan behavior and spending estimates from the 2014 USGP.

No similar question concerning out-of-Austin ticket purchases was asked in the post-event internet survey. However, respondents were asked if they were from outside Texas, from the local Austin area or from another part of Texas. Based on these responses and from the question concerning tickets used by persons from outside the state, the following pattern emerges from the internet survey responses:

Table B-2
Percent Local, Out-of-State and Other Texas Attendees at 2014 F1 GSGP

<u>Purchaser Home</u>	<u>Ticket Type</u>	<u># Surveys</u>	<u>Total Tickets Bought</u>	<u>Tickets Used By OOS Attendees</u>	<u>Tickets Used by Texan</u>	<u>Austin Attendee</u>	<u>Other Texas Attendee</u>
Austin	3-day	456	1,382	317	1,065	1,028	37
Other Texas	3-day	591	1,694	384	1,310	46	1,264
Outside Texas	3-day	1,681	4,462	4,306	156	71	85
	Total	2,728	7,538	5,007	2,531	1,144	1,387
	% 3-Day Tickets			66.4%		15.2%	18.4%
Austin	1-day	107	215	62	153	124	29
Other Texas	1-day	200	439	86	353	66	287
Outside Texas	1-day	111	245	199	46	17	29
	Total	418	899	347	552	208	344
	1- and 3-Day Tickets	3,146	8,437	5,354	3,083	1,352	1,731
	% 1- and 3-Day Tickets			63.5%		16.0%	20.5%

This data indicates that in addition to the 63.5 percent of all 1 and 3-day ticketed fans being from outside Texas, another 20.5 percent of all ticketed fans at the 2014 Formula One USGP were from Texas but from outside the Austin area. Accordingly, at Sunday's final race 84.0 percent of attendees came from outside the Austin area while 84.8 percent of ticketed fans on Friday and Saturday were from outside the Austin area.

¹ Of the 601 surveys, 590 were deemed useable with the others containing too many missing data items to be deemed reliable.

In rough terms, this sample size implies that the "margin of error" from this survey is about 4 percentage points.

The concept and application of the "margin of error" from a survey is a complex set of calculations and is, in part, dependent upon the nature of the question asked. The simplest example to show how sample size affects the margin of error involves questions of a yes-no nature, the most familiar being "would you vote for person x?"

In such questions where the "true" percentage of people voting for person X is P, the standard error about a measured level of p from a random sample of size n can be estimated from just the observed level of p and the sample size n assuming a random sample of respondents and that n is small relative to the total population size N. Under such assumptions the standard error is defined as:

$$\text{Standard error} \approx \sqrt{\frac{p(1-p)}{n}}$$

Perhaps surprising to some, the standard error is a function of only two terms---the percentage being estimated (p) and the number of observations in the survey sample "n". (Technically there is a correction required to account for how the size of the sample "n" relates to the size of the total population "N", but in practice as long as the number of sample observations used is less than 5% of the total population this correction is negligible. Since in the case of F1, 601 surveys amount to only about 1 percent of peak Sunday attendance, this adjustment is, in fact, quite small.)

So effectively the standard error of an estimate of p from a sample of size n is directly proportional to the square root of the product of p and "not p" and inversely proportional to the square root of n---the number of persons questioned in the sample. Since it is usually of interest to only be concerned with how big the standard error could possibly be, a "worst case" scenario is adopted toward the numerator. In that case, the standard error is maximized when the true percentage is .50 since as values of p trend away from .5, p times (1-p) decreases so the standard error of the estimate decreases for questions in which the observed percentage response is very different from 0.5.

As an example, in the 1990s a *Newsweek* poll put Sen. John Kerry's level of support as a presidential nominee at 47 percent based on a sample of 1,013 respondents. Given the results of that sample, this implies a standard error of 1.6% so that it can be said that John Kerry's "true" support level would lie within 45.4 percent to 48.6 percent 95 times out of 100. (i.e. the measured percent plus and minus the standard error). Note this is a range of 3.2 percentage points and the clear implication is that with 95 percent certainty, John Kerry would not win the election at that point.

If, however, a poll of the same sample size said John Kerry's support was 20 percent, sampling methodology would put the confidence interval at 18.7 percent to 21.3 percent--- a much "tighter" range of only 2.5 percentage points. So for questions in which the actual percentage to be measured is not close to .5, the variability shrinks for a set sample size. Note that in this hypothetical example if John Kerry's support had been at only 20 percent, that means that 95 times out of 100 the "true" level of Kerry support would lie in the interval 18.7 percent to 21.3 percent--- a much "tighter" range of only 2.5 percentage points. This relationship is usually ignored when considering polling data because any survey of support for which a candidate received only 20 percent (or alternatively received 80 percent support) would be so obvious as to probably not merit doing a survey in the first

place. However, in some other cases it must be appreciated that basing the standard error on the assumption that the true percent is 50 percent greatly underestimates the precision of the survey results since it would overestimate the size of the standard error.

So returning to the accuracy of a survey based on 590 useable responses as the F1 survey was, this implies that AT LEAST 95 times out of 100 the "true" value of a percentage measured by the survey at 50 percent would lie in the range 48 percent to 52 percent or a 4 percentage point range. For percentages which are significantly different from 50 percent (above or below), the variability of the survey would be less than plus or minus 2% (less than 4 percentage points total). So the 4 percent figure of accuracy of the F1 survey is, if anything, on the high side for most questions asked in the F1 fan survey.

Clearly the survey of ticket account holders which garnered 3,277 responses provides more precision. A sample of this size based on the above formula provides estimates within under 1.7%.

² <http://circuitoftheamericas.com/blog/2014/11/2/circuit-of-the-americas-welcomes-237-406-for-the-2014-formula-one-u-s-grand-prix>

³ Final COTA attendance figures provided by Anna Panossian, Finance Director of Events, Circuit of the Americas, July 8, 2015.

⁴ It should be noted that, by definition, no local Austinites are counted as "no shows" or "never shows" on any day.

⁵ Note that a number of data points are known with considerable precision: the number of out-of- staters in Austin for F1 on Sunday and the total number of person-nights stayed by out-of-staters at F1. From the ticket account holder survey, only 6.5 percent of out-of-staters purchased single day tickets so the number of out-of-staters arriving on Sunday is probably less than this percentage since even some single day ticket-holders would likely arrive the day before the finals.

All of this means that the pattern of feasible solutions is highly constrained. It can reasonably be assumed that the highest number of person nights stayed would be Saturday night, followed by Friday night, followed by Thursday night, with a rapid fall off on Sunday night. Meeting all these constraints, one feasible result would be the following pattern of arrivals and departures of out-of-state persons from Austin during the 2014 USGP:

Simulated Arrival and Departure at 2014 F1 USGP

	Peak Austin Attendance	Arrive in Austin	Leave Austin	In Area for night	Ticketed at Track	No Shows/ Never Shows
Mon		1,240	-	1,240		
Tues		11,159	-	12,399		
Wed		12,399	-	24,798		
Thurs		21,218	-	46,016		
Fri (Race day 1)		8,121	-	54,137	40,891	13,246
Sat (Race Day 2)		2,849	-	56,986	41,373	15,614
Sun (Race Day 3)	59,642	2,655	23,473	36,169	58,358	1,284
Mon		-	27,127	9,042		
Tues		-	7,686	1,356		
Wed		-	1,356	-		
Total Person-Nights	242,145			242,145		

While there is no assurance this is the actual pattern of departures and arrivals, variation from this pattern would simply entail adding additional nights of stay on one day while subtracting them from another in order to maintain the known total number of nights stayed since the total person-nights is fixed. Moreover the "no shows" defined by this table are the minimum possible determined by subtracting known ticketed attendance on Friday (Saturday) from the number of out-of-staters staying Thursday (Friday) night with no allowance that some out-of-staters arriving Friday (Saturday) may also have simply chosen not to attend the Friday (Saturday) track activities and would therefore also be considered no-shows.

⁶ For Friday and Saturday, "no/never shows" are defined as the difference between the number of persons in Austin for F1 at the end of the day minus the number of ticketed/credentialed persons at COTA that day. For Sunday the difference is limited to "never shows" which is the number of out-of-state/out-of-area persons in Austin with another person attending F1, but not themselves going to F1.

⁷ Paddock Club attendance figures are entirely controlled by F1 and the estimates presented in Table 1 are the best available to COTA during the race. But, contractual obligations prohibit even COTA from having exact attendance figures for this group.

⁸ F1 race teams and personnel are entirely out-of-state.

⁹ During race days, these are "no shows" and "never shows" from outside of Texas. In the days before and after the race these are simply fans arriving early or staying over longer to enjoy the activities and excitement associated with the Formula One USGP.

¹⁰ During race days, these are "no shows" and "never shows" from Texas but from outside the local Austin area. In the days before and after the race these are simply fans arriving early or staying over longer to enjoy the activities and excitement associated with the Formula One USGP.

¹¹ Support Race Teams include some local persons but the rest are from outside Texas.

¹² Paddock attendees not ticketed by COTA.

¹³ For example, in 2013 Smith Travel Research data on hotel rates during the 2013 F1 race indicated that average downtown hotel rates were 41% higher than the average rate measured in the survey of fans at the 2013 race. The average rate for other hotels in the City of Austin were 22% higher than the overage average rate fans said they paid. The rates in Table 4 reflect this percentage difference for non-fans who likely stayed in more expensive hotels. (note: prices cited by Smith Travel Research did not include taxes). Other prices paid by groups other than the general F1 ticket purchaser in Table 4 were adjusted similarly based on what the fans paid, on average, for that item.

¹⁴ Note that the estimates in Table 5 are based on 436 surveys conducted during 2014 F1 race.

¹⁵ Estimate originally provided by Richard McComb, COTA Chief Financial Officer, August 14, 2014 but it is believed this level of activity will again be seen in 2015.

¹⁶ Detailed expense data from 2014 COTA Profit & Loss statement provided by Anna Panossian, Finance Director of Events, Circuit of the Americas, July 30, 2015. These amounts remove royalty and sanction fees paid by COTA that go outside of Texas. The sales tax estimate on COTA F1 expenses was provided by Richard McComb, COTA Chief Financial Officer, October 6, 2014 in email to T.J. Costello, Texas Comptroller of Public Accounts. The sales tax

estimate was for 2013 event expenses, but 2013 and 2014 expenses are quite close so this estimate is used directly for 2014.

¹⁷ Note that Table 11 uses the taxes generated by out-of-state fans and participants at F1 to calculate the gain to the state while the city's portion of the tax gain is based on the activity from out-of-area attendees pro-rated for Austin's likely share of that activity.

¹⁸ Note that in some cases, such as car rental, it is likely that all such activity will occur within the City of Austin.

¹⁹ Primarily those occur during the actual dates the event is "active," but some of those expenditures do precede the event during set-up periods and for a short time after the event.

²⁰ In addition, taxes generated by direct, indirect and induced expenditures made to actually produce the event are eligible for deposit into the trust fund.

²¹ Note that 99 surveys did not answer the question about the number of tickets used by a person from outside of Texas and another 31 surveys could not be connected back to a ticket purchase number.

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, Marc A. Ott, Manager, City of Austin, 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: 2015 Formula 1 U.S. Grand Prix Race Event on these dates: October 23 through 25, 2015 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.

[Handwritten Signature]
Affiant Signature
City Manager, City of Austin
Title and Name of Organization

Marc A. Ott
Printed Name
9/3/2015
Date

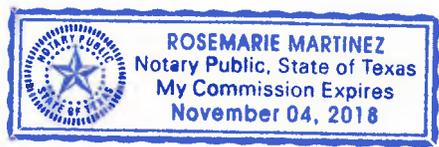
Sworn and subscribed before me by the said

Marc A. Ott
(Printed Name of Recipient's Authorized Representative)

this 3 day of September, 2015.

Notary Public, State of Texas

Notary's printed name: Rose Marie Martinez My commission expires: 11/4/2018 (Seal)





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: 2015 Formula 1 U.S. Grand Prix Race Event on these dates: October 23 through 25, 2015 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.

Wayne S. Hollingsworth

Printed Name

Affiant Signature
Wayne S. Hollingsworth, Secretary of Circuit Events Local
Organizing Committee, on behalf of such non-profit corporation
Title and Name of Organization

9/2/2015

Date

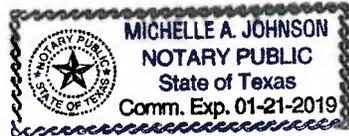
Sworn and subscribed before me by the said

Wayne S. Hollingsworth

(Printed Name of Recipient's Authorized Representative)

this 2nd day of SEPTEMBER, 2015

Notary Public, State of Texas



Notary's printed name: _____ My commission expires: _____ (Seal)



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, 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: 2015 Formula 1 U.S. Grand Prix Race Event on these dates: October 23 through 25, 2015 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.

[Signature]
Affiant Signature

Don Hoyte
Printed Name

TexasTrustFunds.com
Title and Name of Organization

8/19/15
Date

Sworn and subscribed before me by the said _____
(Printed Name of Recipient's Authorized Representative)



this 19 day of August, 2015.

Notary Public, State of Texas

[Signature]

Notary's printed name: Courtney Anderson My commission expires: Feb. 13, 2019 (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 October 23 through October 25, 2015 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

Friday 23 October 2015

10:00-11:30 : Formula 1 - Practice 1

14:00-15:30 : Formula 1 - Practice 2

Saturday 24 October 2015

10:00-11:00 : Formula 1 - Practice 3

13:00 : Formula 1 - Qualifying Session

Sunday 25 October 2015

14:00 : 2014 Formula 1 United States Grand Prix

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

ATTACHMENT 6

Request Worksheet To Establish An Events Trust Fund



The following is a step by step guide to the request process of the Event Trust Funds program.

STEP 1:

Review the ETF Administrative Code.

STEP 2:

Complete and submit the attached “Request Worksheet” along with the statutorily required documents outlined in Section 5 to request 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**

STEP 3:

Submit the Event Support Contract to the Comptroller for review. This document should be sent to the Comptroller at the address above not later than the event date.

- **Event Support Contract** is a contract executed by a local organizing committee, an endorsing municipality, or an endorsing county and a site selection organization that outlines the responsibilities of each party. For more information on what an Event Support Contract should include, you may refer to our *Event Support Contract Guidelines* on the website (http://www.texasahead.org/tax_programs/event_fund/).

You will be notified following the agency review of Event Support Contract. Please do not submit any local match funds or any expense reimbursement requests until you have been notified that the Event Support Contract has been accepted.

It is not necessary to submit the Event Support Contract in order to receive an estimate of the Incremental Tax Increase, however, agency review and acceptance of the Event Support Contract is required prior to submission of local match funds and expense reimbursement requests.

STEP 4:

Submit Local Funds. Must be submitted no later than 90 days following the event.

STEP 5:

Submit reimbursement requests.

Review the About Trust Fund Payments section on the website and submit any questions to our Event Trust Fund Accounting team at etf.accounting@cpa.texas.gov.



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 (legal) and SYLNOVIA HOLT RABB

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

Leela.Fireside@austintexas.gov / Sylnovia.Holt-Rabb@austintexas.gov (512) 974-2163 / (512) 974-3131
Contact email 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 No

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

SECTION 2: Local Organizing Committee (continued)

WAYNE S. HOLLINGSWORTH

LOC Contact Name

whollingsworth@abaustin.com

Contact email

(512) 435-2306

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@formltd.com

Contact email

+44 (0) 20-758-46668

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

2015 Formula 1 United States Grand Prix

Official Event Name

The Circuit of The Americas

Venue

www.circuitoftheamericas.com/fl

Event Website

Location of this event the previous five years:

1 See Attachment

2 _____

3 _____

4 _____

5 _____

Source of information: _____

SECTION 4: Event Information (continued)

October 23, 2015	October 25, 2015	October 25, 2015
First Day of Activities	Last Day of Activities	Date of the PRIMARY Event
109,477	67,425	
Anticipated TOTAL attendance at the PRIMARY event	Anticipated Out of State Attendance at the PRIMARY Event	

5-county Austin Metropolitan area, including	The event survey information and ticket purchase information.
Desired Market Area	Supporting Information
Travis, Williamson, Hays, Bastrop and Caldwell Counties.	

The Comptroller is required by statute to collect from the requestor and then evaluate the actual attendance figures for an ETF event. After this event has concluded you will need to offer final attendance figures. How do you plan on calculating these figures?

Post event certification of attendance estimates will be based on ticket sales, out of state ticket purchases, post-event survey data, driver and team registration, press passes issued, passes issued by event sponsor.

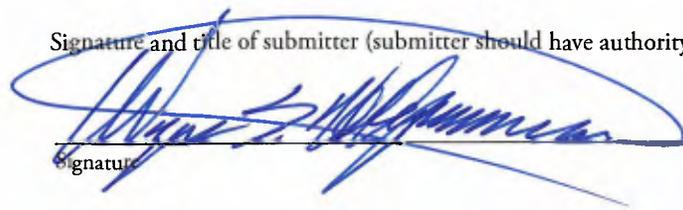
SECTION 5: Checklist

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)

 _____
Signature Title

Wayne S. Hollingsworth, Director

Season 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.^[73] The final calendar was released on 11 December 2009.^[74]

Round	Grand Prix	Circuit	Date
1	Bahrain Grand Prix	 Bahrain International Circuit, Sakhir	14 March
2	Australian Grand Prix	 Albert Park, Melbourne	28 March
3	Malaysian Grand Prix	 Sepang International Circuit, Kuala Lumpur	4 April
4	Chinese Grand Prix	 Shanghai International Circuit, Shanghai	18 April
5	Spanish Grand Prix	 Circuit de Catalunya, Barcelona	9 May
6	Monaco Grand Prix	 Circuit de Monaco, Monte Carlo	16 May
7	Turkish Grand Prix	 Istanbul Park, Istanbul	30 May
8	Canadian Grand Prix	 Circuit Gilles Villeneuve, Montreal	13 June
9	European Grand Prix	 Valencia Street Circuit, Valencia	27 June
10	British Grand Prix	 Silverstone Circuit, Silverstone	11 July
11	German Grand Prix	 Hockenheimring, Hockenheim	25 July
12	Hungarian Grand Prix	 Hungaroring, Budapest	1 August
13	Belgian Grand Prix	 Circuit de Spa-Francorchamps, Stavelot	29 August
14	Italian Grand Prix	 Autodromo Nazionale Monza, Monza	12 September
15	Singapore Grand Prix	 Marina Bay Street Circuit, Singapore	26 September
16	Japanese Grand Prix	 Suzuka Circuit, Suzuka	10 October
17	Korean Grand Prix	 Korea International Circuit, Yeongam	24 October
18	Brazilian Grand Prix	 Autódromo José Carlos Pace, São Paulo	7 November
19	Abu Dhabi Grand Prix	 Yas Marina Circuit, Abu Dhabi	14 November

2011 Formula One season - Wikipedia, the free encyclopedia

Round	Grand Prix	Circuit	Date
1	Australian Grand Prix	 Albert Park, Melbourne	27 March
2	Malaysian Grand Prix	 Sepang International Circuit, Kuala Lumpur	10 April
3	Chinese Grand Prix	 Shanghai International Circuit, Shanghai	17 April
4	Turkish Grand Prix	 Istanbul Park, Istanbul	8 May
5	Spanish Grand Prix	 Circuit de Catalunya, Barcelona	22 May
6	Monaco Grand Prix	 Circuit de Monaco, Monte Carlo	29 May
7	Canadian Grand Prix	 Circuit Gilles Villeneuve, Montreal	12 June
8	European Grand Prix	 Valencia Street Circuit, Valencia	26 June
9	British Grand Prix	 Silverstone Circuit, Silverstone	10 July
10	German Grand Prix	 Nürburgring, Nürburg	24 July
11	Hungarian Grand Prix	 Hungaroring, Budapest	31 July
12	Belgian Grand Prix	 Circuit de Spa-Francorchamps, Stavelot	28 August
13	Italian Grand Prix	 Autodromo Nazionale Monza, Monza	11 September
14	Singapore Grand Prix	 Marina Bay Street Circuit, Singapore	25 September
15	Japanese Grand Prix	 Suzuka Circuit, Suzuka	9 October
16	Korean Grand Prix	 Korea International Circuit, Yeongam	16 October
17	Indian Grand Prix	 Buddh International Circuit, Greater Noida	30 October
18	Abu Dhabi Grand Prix	 Yas Marina Circuit, Abu Dhabi	13 November
19	Brazilian Grand Prix	 Autódromo José Carlos Pace, São Paulo	27 November

2012 Formula One season - Wikipedia, the free encyclopedia

Season calendar

Round	Grand Prix	Circuit	Date
1	Australian Grand Prix	Melbourne Grand Prix Circuit, Melbourne	18 March
2	Malaysian Grand Prix	Sepang International Circuit, Kuala Lumpur	25 March
3	Chinese Grand Prix	Shanghai International Circuit, Shanghai	15 April
4	Bahrain Grand Prix	Bahrain International Circuit, Sakhir	22 April
5	Spanish Grand Prix	Circuit de Catalunya, Montmeló	13 May
6	Monaco Grand Prix	Circuit de Monaco, Monte Carlo	27 May
7	Canadian Grand Prix	Circuit Gilles Villeneuve, Montreal	10 June
8	European Grand Prix	Valencia Street Circuit, Valencia	24 June
9	British Grand Prix	Silverstone Circuit, Silverstone	8 July
10	German Grand Prix	Hockenheimring, Hockenheim	22 July
11	Hungarian Grand Prix	Hungaroring, Budapest	29 July
12	Belgian Grand Prix	Circuit de Spa-Francorchamps, Stavelot	2 September
13	Italian Grand Prix	Autodromo Nazionale Monza, Monza	9 September
14	Singapore Grand Prix	Marina Bay Street Circuit, Singapore	23 September
15	Japanese Grand Prix	Suzuka Circuit, Mie	7 October
16	Korean Grand Prix	Korea International Circuit, Yeongam	14 October
17	Indian Grand Prix	Buddh International Circuit, Greater Noida	28 October
18	Abu Dhabi Grand Prix	Yas Marina Circuit, Abu Dhabi	4 November
19	United States Grand Prix	Circuit of the Americas, Austin, Texas	18 November
20	Brazilian Grand Prix	Autódromo José Carlos Pace, São Paulo	25 November

Source: [91]



Nations hosting Formula One Grands Prix in 2012.

Calendar

The following nineteen races appeared on the 2013 race schedule. Bernie Ecclestone, Formula One's commercial rights holder through his Formula One Management and Formula One Administration companies, has previously said that he believes twenty races is the maximum that is viable.^[76] The number of races on the Formula One calendar is dictated by the Concorde Agreement, the arrangement between teams, the FIA and Formula One Management. At the time of Ecclestone's comments regarding the length of the series schedule, the then-current Concorde Agreement was set to expire at the end of the 2012 season. Twenty to twenty-five races would be possible if the teams agreed to it.^[77]

At the 2012 Hungarian Grand Prix, Ecclestone announced that the 2013 calendar would consist of twenty races, and would be largely similar to the 2012 calendar.^[78] The provisional calendar was announced at the 2012 Singapore Grand Prix,^[79] which was approved by the FIA World Motorsports Council on 28 September 2012.^[1]

The calendar was originally intended to host twenty races, with the inclusion of the Grand Prix of America, a new event to be hosted on the streets of New Jersey on 16 June, as part of a 1-week North American "double-header".^[80] Following its removal from the calendar,^[81] the schedule was reduced to nineteen races until the FIA World Motorsports Council announced that a twentieth round would be included at a circuit in Europe, pending the outcome of negotiations between Bernie Ecclestone and event organisers.^[82] In February 2013, Ecclestone announced that a replacement venue had not been found, leaving the calendar at nineteen Grands Prix.^[83]

Round	Grand Prix	Circuit	Date
1	Australian Grand Prix	Melbourne Grand Prix Circuit, Melbourne	17 March
2	Malaysian Grand Prix	Sepang International Circuit, Kuala Lumpur	24 March
3	Chinese Grand Prix	Shanghai International Circuit, Shanghai	14 April
4	Bahrain Grand Prix	Bahrain International Circuit, Sakhir	21 April
5	Spanish Grand Prix	Circuit de Catalunya, Barcelona	12 May
6	Monaco Grand Prix	Circuit de Monaco, Monte Carlo	26 May
7	Canadian Grand Prix	Circuit Gilles Villeneuve, Montreal	9 June
8	British Grand Prix	Silverstone Circuit, Silverstone	30 June
9	German Grand Prix	Nürburgring, Nürburg	7 July
10	Hungarian Grand Prix	Hungaroring, Budapest	28 July
11	Belgian Grand Prix	Circuit de Spa-Francorchamps, Stavelot	25 August
12	Italian Grand Prix	Autodromo Nazionale Monza, Monza	8 September
13	Singapore Grand Prix	Marina Bay Street Circuit, Singapore	22 September
14	Korean Grand Prix	Korea International Circuit, Yeongam	6 October
15	Japanese Grand Prix	Suzuka Circuit, Suzuka	13 October
16	Indian Grand Prix	Buddh International Circuit, Greater Noida	27 October
17	Abu Dhabi Grand Prix	Yas Viceroy Circuit, Abu Dhabi	3 November
18	United States Grand Prix	Circuit of the Americas, Austin, Texas	17 November
19	Brazilian Grand Prix	Autódromo José Carlos Pace, São Paulo	24 November

Sources:^{[84][85][86]}

Season calendar

The following nineteen Grands Prix took place in 2014.

Round	Grand Prix	Circuit	Date
1	Australian Grand Prix	Melbourne Grand Prix Circuit, Melbourne	16 March
2	Malaysian Grand Prix	Sepang International Circuit, Kuala Lumpur	30 March
3	Bahrain Grand Prix	Bahrain International Circuit, Sakhir	6 April
4	Chinese Grand Prix	Shanghai International Circuit, Shanghai	20 April
5	Spanish Grand Prix	Circuit de Barcelona Catalunya, Barcelona	11 May
6	Monaco Grand Prix	Circuit de Monaco, Monte Carlo	25 May
7	Canadian Grand Prix	Circuit Gilles Villeneuve, Montreal	8 June
8	Austrian Grand Prix	Red Bull Ring, Spielberg	22 June
9	British Grand Prix	Silverstone Circuit, Silverstone	6 July
10	German Grand Prix	Hockenheimring, Hockenheim	20 July
11	Hungarian Grand Prix	Hungaroring, Budapest	27 July
12	Belgian Grand Prix	Circuit de Spa-Francorchamps, Stavelot	24 August
13	Italian Grand Prix	Autodromo Nazionale Monza, Monza	7 September
14	Singapore Grand Prix	Marina Bay Street Circuit, Singapore	21 September
15	Japanese Grand Prix	Suzuka Circuit, Suzuka	5 October
16	Russian Grand Prix	Sochi Autodrom, Sochi	12 October
17	United States Grand Prix	Circuit of the Americas, Austin	2 November
18	Brazilian Grand Prix	Autódromo José Carlos Pace, São Paulo	9 November
19	Abu Dhabi Grand Prix	Yas Viceroy Circuit, Abu Dhabi	23 November

Sources: [90][91][92]



Nations that hosted a Grand Prix in 2014 are highlighted in green, with former host nations shown in pink.

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 1, 2015

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

Comptroller Hegar:

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 October 23 through October 25, 2015. The correspondence from FOML satisfies the requirements found at 34 TAC Section 2.102(a)(2).

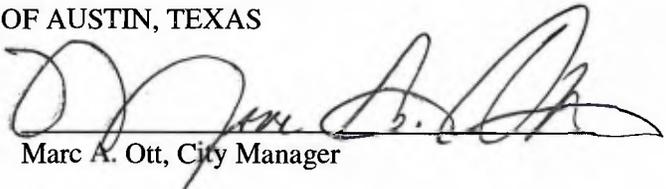
The correspondence from FOML states that the selection of Austin as the location for the Formula 1 United States Grand Prix for 2012 - 2021 was completed after substantial competition in their process of reviewing a number of venues interested in hosting their series. Further, FOML does not anticipate 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 October 23 through October 25, 2015.

Sincerely,

CITY OF AUSTIN, TEXAS

By:


Marc A. Ott, City Manager



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 8

Affidavits Endorsing a Major Events Trust Fund



Affidavit to be COMPLETED by any/all Municipality, 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, Marc Ott, an authorized representative of: City of Austin
a [local organizing committee (nonprofit corporation), endorsing municipality or endorsing county] (circle one) ("Requestor") 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, the Requestor has designed and implemented internal controls, processes and procedures to help the Requestor ensure that the Requestor 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, or my duly authorized employee, representative, or agent, have reviewed the information, and that all of the statements made and information provided therein, including statements made and information provided in any attachments are true, complete, and correct to the best of my knowledge. All other information submitted as part of this request for participation is being represented by me as true and correct, and I am unaware of any information contained therein that is false, misleading, or fraudulent. 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 (if available – else due no later than date of event's first activities).

I understand that I am receiving funding under the Act for the purposes of facilitating this event: 2015 Formula 1 U.S. Grand Prix Race
on these dates: October 23 through 25, 2015

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
City Manager, City of Austin
Title and Name of Organization

Marc Ott
Printed Name

Date

Sworn and subscribed before me by the said

Marc Ott
(Printed Name of Recipient's Authorized Representative)
this 31st day of August, 2015



Notary Public, State of Texas
Notary's printed name: Laura Polio

Laura Carmona Polio
My commission expires: June 27, 2018 (Seal)



Affidavit to be COMPLETED by any/all Municipality, 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 corporation), endorsing municipality or endorsing county] (circle one) ("Requestor") 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, the Requestor has designed and implemented internal controls, processes and procedures to help the Requestor ensure that the Requestor 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, or my duly authorized employee, representative, or agent, have reviewed the information, and that all of the statements made and information provided therein, including statements made and information provided in any attachments are true, complete, and correct to the best of my knowledge. All other information submitted as part of this request for participation is being represented by me as true and correct and I am unaware of any information contained therein that is false, misleading, or fraudulent. Information provided includes but is not limited to:

to the best of my knowledge

- (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;
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on these dates: October 23 through 25, 2015

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[Signature]
Affiant Signature
Director, Circuit Events Local Organizing Committee
Title and Name of Organization

Wayne S. Hollingsworth, Director
Printed Name
9/2/2015
Date

Sworn and subscribed before me by the said

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

this 2nd day of September, 20 15

Notary Public, State of Texas [Signature]
Notary's printed name: _____ My commission expires _____

