

CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE,
a Texas non-profit corporation

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

February 5, 2014

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

Via Hand Delivery

RE: Application for Participation in the Texas Events Trust Fund (2014 Summer X Games)

Dear Deputy Comptroller:

Circuit Events Local Organizing Committee, is organized as a Texas non-profit corporation (the "*Committee*") with the purpose to help facilitate and support a motor race, commonly known as "*2014 Summer X Games*" (the "*Event*") that is tentatively set to be held in Austin, Texas on June 5 - 8, 2014. Further, as an integral part of this support, the Committee and the City of Austin, as approved by City Council resolution of May 23, 2013, entered into an "*Agreement*", dated February 3, 2014, whereby the City of Austin agreed to be the "endorsing municipality" for the Event, and in the capacity of endorsing municipality (i) authorized the Committee to act as the "local organizing committee" for purposes of securing and promoting the Event for the Austin area, as well as the application for and qualification of the Event as an "*Event*" under TEX. REV. CIV. STAT. ART. 5190.14 §5.C. (the "*Act*") thereof, the Texas 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 B, Rule 2.202, a request to the Texas Comptroller of Public Accounts for participation in the Trust Fund program and a request to the Texas Comptroller to determine the incremental increase in the receipts of various taxes (e.g. sales and use taxes, mixed beverage taxes, hotel occupancy taxes), by the City of Austin, as the endorsing municipality, for a 30 day period that ends at the end of the day after the day of the Event, (scheduled for June 5 - 8, 2014), in accordance with the Comptroller's procedures and in accordance with the Act, and the rules promulgated thereunder (the "*Rules*").

It is my honor and great pleasure to submit this application from the Committee, as the City of Austin's duly appointed and authorized designee for and on behalf of and binding upon the City of Austin, as the formal request, pursuant to Rule 2.202, for participation in the Trust Fund program and a request to the Texas Comptroller to determine the incremental increase in the applicable taxes for the City of Austin for the June 5 - 8, 2014 Event.

Further, as required by Rule 2.201(a)-(d), enclosed with this letter are (i) a letter, dated July 8, 2013 from the site selection committee for the Events, selecting the site in Austin, Texas, as {W0583865.1}

February 5, 2014

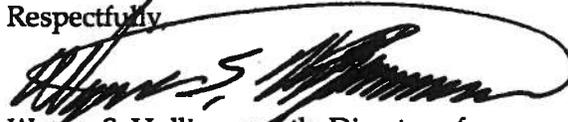
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Attachment 1, (ii) the economic impact study and other data with detailed information on the direct expenditures and direct impact data for the endorsing municipality hosting the event and for the requested market area (the "*Economic Study*"), as Attachment 2, (iii) a description of the requested market area, as Attachment 3, and information to support the requested market area, which is included in the Economic Study, and (iv) a list of all related events activities proposed to be included in the trust fund estimate, as Attachment 4, 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. Also included as Attachment 5, is a letter from Mr. Marc Ott, City Manager for the City of Austin to the Comptroller's Office requesting participation in the Trust Fund for the Summer X Games 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 for your time and consideration of this request.

Respectfully



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

Mr. Robert Wood, Office of Texas Comptroller
Mr. Mark Ott, City Manager, City of Austin (c/o Ms. Leela Fireside, Legal)
Mr. Sam Bryant, Director
Mr. Ford Smith, Director
Mr. Rodney Gonzalez, Director
Mr. Jason Dial, CEO of COTA
Mr. Dan Allen, CFO of COTA

ATTACHMENT 1

Site Selection Committee Designation Letter



ESPN, Inc.

ESPN Head Office: 17000 E. Ave. 1450

July 8, 2013

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

Email: whollingsworth@abaustin.com

Dear Mr. Hollingsworth,

Thank you again for your application to host the ESPN X Games events in Austin at the Circuit of The Americas. After a highly competitive process involving our review and visits to several cities and venues, including but not limited to Charlotte, Chicago, Detroit, and Austin, we are pleased to select Austin and the Circuit of The Americas for our event in the Spring of 2014. Congratulations!

The ESPN X Games is a unique event that appeals to a young, enthusiastic demographic, featuring multiple competitive action sports events. The 2014 X Games will be conducted in Barcelona, Spain; Munich, Germany; Foz do Iguaçu, Brazil; and Austin, Texas along with our winter versions in Aspen, CO and Tignes, France. ESPN will televise the Austin X Games worldwide, with over twenty (20) hours of dedicated programming distributed to more than 450M homes in over 175 countries around the world. The X Games in Austin will be the only site in North America for our summer event, so we anticipate strong interest and a significant economic benefit to the community and region.

We look forward to working with you to conduct and generate interest in our global event.

Sincerely,

Scott Guglielmino
Senior Vice President, Programming and X Games

Cc: Steve Sexton, President and CEO, Circuit of The Americas

our mission: to serve sports fans wherever sports are
watched, listened to, discussed, debated, read about, or played

ATTACHMENT 2

Economic Study

**Economic Impact Study
of the**

**2014 X-Games
Austin, Texas**

Submitted for consideration under the Events Trust Fund by:

Don Hoyte, Ph.D.
TexasTrustFunds.com
10704 Scotland Well Drive
Austin, Texas 78750

On behalf of

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

February 3, 2014

Event Background

The **X Games** is a sports event, controlled and arranged by the U.S. sports broadcaster ESPN (with coverage also shown on its sister network ABC), which focuses on extreme sports. The inaugural X Games were held in summer 1995 in Rhode Island. Participants compete to win bronze, silver and gold medals, and prize money. Current competition takes place over four days with events in Moto X, Mountain Bike, Rally Car, Skateboarding and BMX.

Both the summer and winter X Games competitions feature new tricks such as Tony Hawk's 900 in skateboarding, Travis Pastrana's double backflip in freestyle motocross, Heath Frisby's first ever snowmobile front flip in Snowmobile Best Trick, and Torstein Horgmo's first landed triple flip in a snowboard competition. Concurrent with competition is the "X Fest" sports and music festival, which offers live music, athlete autograph sessions and interactive elements.

The first two summer X Games were held in Rhode Island in 1995 and 1996, averaging nearly 200,000 attendees. The 1997 and 1998 games moved to San Diego, California and were attended by more than 200,000 fans, competitors and others. The 1999 and 2000 games were held in San Francisco and were the first full professional sporting event broadcast live on the internet. The 2001 and 2002 versions moved to Philadelphia and included Taïg Khris winning the inline vert event, with the first double backflip in X Games history and Mike Metzger landing the first back flip in motocross freestyle X Games history.

X Games Nine moved to the Staples Center and LA Coliseum in Los Angeles in 2003. The venues were expanded in 2004 to include the Staples Center, Home Depot Center, and Long Beach Marine Stadium. The games have been held in Los Angeles through 2013 with several venue shifts and included numerous firsts:

- 2005: Jamie Bestwick landed the first ever double tailwhip flair in the BMX Vert Best Trick event. Travis Pastrana won gold in motocross freestyle again and became the most decorated athlete in motocross
- 2006: Travis Pastrana landed the world's first double backflip on a dirt bike, and won motocross best trick with a score of 98.60, the highest current score in best trick. Skateboarder Nyjah Huston became the youngest athlete to compete in X Games at 11 years old.

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- **2007:** Ricky Carmichael won the first ever motocross racing circuit. Simon Tabron landed an X Games' first, doing back-to-back 900s in BMX vert.
 - **2008:** Skateboarder Andy Macdonald won his 15th X Games medal, surpassing Tony Hawk as the all-time leader in skateboarding medals. Tarah Gieger of Puerto Rico won the gold medal in the first-ever women's supercross race.
 - **2009:** Anthony Napolitan landed the first ever double front flip on a bicycle. Blake Williams became the first non-American rider to win FMX gold. Ashley Fiolek, 18, won the women's motocross super X, becoming the Games' first deaf medalist.
 - **2010:** Jamie Bestwick became the first person to 4-peat with a win in BMX vert. Pierre-Luc Gagnon became the first athlete to win in skateboard vert three times, beating the silver medalist, Shaun White.
 - **2011:** Shaun White earned his second gold medal in skateboard vert, breaking Pierre Luc Gagnon's 3-year winning streak. Liam Doran took gold on his debut in the rally car racing event after beating Marcus Gronholm in the final.
 - **2012:** Bob Burnquist won his fourth Big Air gold medal, and raising his gold medal total to nine. Ronnie Renner won the gold medal in Moto X Step Up, breaking the previous record height of 37' by 10' making it the highest ever at the X Games with 47'.

In 2013 X-games expanded internationally holding events in Foz do Iguacu, Brazil, Barcelona, Spain and Munich, Germany. The 2013 event in Los Angeles saw Vicki Golden win her 3rd consecutive gold medal in women's moto x racing, defeating Meghan Rutledge. Golden also became the 1st women to compete in a freestyle moto x competition, earning bronze in best whip.

After more than a decade being hosted in Los Angeles, it was announced in August 2013 that Austin's Circuit of the Americas complex would be the venue for all future X Games excitement at least until 2017.¹

X Games' producers ESPN announced that Texas' state capital had been selected to replace Los Angeles as its new North American home. Initially it was announced the event would be held May 15-18, but the date was later moved to June 5 - 8. Austin was picked for the X Games in an Olympic-style selection process. Of 13 qualified bids, the decision came down to Austin, Chicago, Detroit and Charlotte, N.C.

Austin's new sports and entertainment venue—Circuit of the Americas (COTA)— will host three days of the X Games' competitions as well as concerts that supplement the event. In addition to its many other benefits for hosting the games, COTA also features an amphitheater that holds as

many as 14,000 for a concert event. Such facilities will no-doubt be tested as it was announced that, among many great performers, Kanye West will be featured as the headliner. In addition, the X Games this year will include Super Truck competitions---events not previously included in the X Games format which will add approximately 84 additional competitors.²

Recent Summer X-Games Attendance

While the X Games have been held in Los Angeles every year since 2003, looking at the last five years of data is instructive in estimating the likely effect moving the event to Austin will have on attendance. Total attendance in 2009 was 111,200 including credentialed attendees and ticketed fans. Of that total attendance about 96 percent was accounted for by fans. However, the fan figures count ticketholders actually attending the event and do not necessarily indicate that 106,723 different individuals were at the event. A 2009 economic impact study of the event indicated that at a minimum 60 percent of the total fan attendance represents unique individuals, and that total could be as high as 100% but that the true number would probably be closer to 100% than 60%.³

Table 1
Attendance at Recent Summer X-Games

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Credentialed Attendees:					
ESPN & Event Staff	1,050	1,050	1,050	1,050	850
Athletes	225	250	250	250	250
Judges	150	150	150	150	150
Athlete Managers & Guests	450	500	750	850	800
Industry Guests, Sponsors & VIPs	2,142	2,110	2,425	3,640	2,410
Media	460	482	512	558	333
Non-Credentialed Attendees					
Ticketed Fans	106,723	133,983	136,363	138,402	87,207
Total Attendance	111,200	138,525	141,500	144,900	92,000

Also, following the 2009 summer X-Games, a survey of fans attending the event conducted by ESPN's on-site research team indicated that 26 percent of all fans came from outside 60 miles of Los Angeles and were considered non-local.

In 2010, a major change in venues resulted in increased fan attendance. That year all competitions in skateboarding, BMX (Bicycle Motocross), Moto X (Motocross) and Rally Car Racing were held at STAPLES Center, the Event Deck at LA Live, Nokia Theatre and the Los Angeles Coliseum. These venues were chosen in order to concentrate X Games events in downtown Los Angeles.⁴

As a result of this change, fan attendance at the events comprising X-Games jumped from 106,723 in 2009 to 133,983 in 2010, an increase of 26 percent. While such a change in the proximity of venues undoubtedly increased the number of tickets sold to fans since it made it easier to attend multiple events, it is less clear that this change increased the number of distinct fans attending the event to the same degree. More likely, because this change made it more attractive to attend the event since it would be possible to see more events, there was some increase in the number of distinct individuals attending the event but this was more muted than the 26 percent gain seen from 2009 to 2010. In this regard it should be noted that the year-to-year percentage increase in tickets purchased by fans averaged 1.7 percent annually from 2010 to 2012 when venues were largely unchanged.

ESPN speculates that the severe drop in tickets sold to fans in 2013 was largely attributable to a shift in venue locations. Apparently splitting the X-Games venues between Irwindale and LA more than undid the change in 2010.

Out of State Attendance at 2014 X-Games in Austin

Crucial to the estimation of the impact of the 2014 X-Games in Austin on generating revenue that can be deposited into an event trust fund for the games is the number of out of state fans attending the event and their length of stay in the Austin area. To develop a reasonable estimate based largely on data from past events California requires care in interpreting that data. This is particularly crucial in distinguishing between tickets sold and persons attending and becomes more complicated when the basis on which tickets are issued changes as the event moves from California to Austin.

The first issue in interpreting recent data from California is to distinguish between ticket sales and the number of unique fans attending. While the event was held in LA, tickets were sold on an event by event basis and, depending upon how easy it was to move from one event to another, the same fans could purchase more than one ticket per day if they wished to attend

more than one event. Moreover attendance at the events was recorded by counting number of credentialed and ticketed fans at the event. So LA attendance figures really represent "warm bodies in seats."

To put these figures in perspective relative to what is expected to occur in Austin, a good starting point is to consider the survey data from the 2010 event in which the percentage of distinct fans represented in ticket totals could be as low as 60 percent or as high as 100 percent--a fairly wide range.⁵ The LA study authors note that the percentage of distinct fans is probably closer to 100 percent than to 60 percent so assuming that 90 percent of ticket sales represent unique individuals--- then that implies each person at the LA games attended, on average, 1.11 events per day when all venues were concentrated in downtown LA.

In 2011 and 2012, when the venues for the games were unchanged, the pattern of ticket sales and moderate growth in attendance by unique individuals in accord with ticket growth of 1.7 percent per year results in roughly the same attendance patterns---individuals attended about 1.11 events per day.

Putting the data from 2009 in this perspective indicates that if, because of an inability to easily shift between venues, individuals only attended on average 1.03 events per day, then the change in the venues between 2009 and 2010 generated both a 16 percent growth in the number of individuals attending the games and an 8 percent gain in the number of events attended per person.⁶

Table 2
Estimated Recent Fan Person-Days Attending X-Games

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>COTA Ticketed</u>	<u>Thursday Free Events</u>	<u>Person- Days at COTA</u>
Total Tickets Sold	106,723	133,983	136,363	138,402	87,207	122,550	25,000	-
Avg. Tickets Sold per day	26,681	33,496	34,091	34,601	21,802	-	-	-
Individuals per day	25,960	30,146	30,794	31,534	21,503	-	-	-
Events per day per person	1.03	1.11	1.11	1.10	1.01	-	-	-
Total Person-days at Events	103,839	120,585	123,174	126,134	86,012	-	25,000	103,954

The shift back to multiple venues in 2013 apparently had disastrous consequences for both attendance and ticket purchases. If it is assumed that the number of events per day individuals

were able to attend fell below the same range of that seen when the venues were split in 2009, then the decline in fan attendance at the 2013 event accounted for 32 percent of the 37 percent decline in ticket sales.

The point of the estimated figures in Table 2 from historical attendance data based on ticket sales data is to provide a reasonable yardstick against which to assess estimated COTA ticket sales and total event attendance figures.

The event in Austin will be run quite differently from that in LA. There will be three days of ticketed events at COTA preceded by one day of free events. Moreover, fans will not have to purchase separate tickets to attend each event at COTA, but the price for a ticket entitling the holder to attend multiple events will be higher. Fans will be able to purchase upgraded tickets for prime seating in VIP areas adjacent to individual events.

The last three columns of Table 2 place the estimated ticket sale and attendance figures projected by COTA⁷ in the same historical perspective as the previous 5 years of attendance at the LA Games. For example, total ticket sales in the previous five years ranged from a low of 87,000 in 2013 to a high of 138,000 in 2012. COTA's estimated ticket sales of 122,550 is below sales of tickets in 2010, 2011 and 2012.

Counting both the free event and ticketed events, total person-days at the 2014 X Games in Austin is estimated to reach 128,954 which is only 2 percent higher than that estimated in LA in 2012 (when both are counted in the same manner as that in LA).⁸ Since this will be the first time this event will be held in Austin and most of the events are being held at the same sites each day, a small novelty effect compared to similar figures from 2011 and 2012 in LA should not be surprising.

Based on the 2009 survey of X-Game attendees, 26 percent were identified as coming from outside the local Los Angeles area (more than 60 miles away).⁹ In the past two years, based on ESPN Guest Services research, 28 to 30% of fans at the Summer X-Games came from outside the greater Southern California. This was slightly below the experience when the event was held in Philadelphia in 2001 and 2002, when 35 percent of fans came from more than 50 miles away.¹⁰ So, a reasonable estimate based on this survey information of prior X Games events would be to consider that 30 percent of the fans attending the X-Games typically come from outside the local area hosting the games.

While this percentage is considerably different from the local/non-local split seen at major events at COTA, there is little reason to believe that the non-local Texans/out-of-Texas split for those not living in the local area would be substantially different from that same split in other COTA events.¹¹ Based on the data from the 2012 F1 event, this means that 21.8 percent of all fan person-days at the X-Games events in Austin are expected to come from outside Texas or 32,166 person-days.¹²

But the data derived from the F1 event is also instructive in another sense. The survey indicated that about 5.4 percent of those attending the F1 event from outside the state also brought another person with them that did not attend any of the F1 events. This implies that counting only ticketed out-of-state attendees at the X-Games could likely underestimate total out-of-state attendance drawn to the event by 5.4 percent meaning that the 122,550 ticketed person-days and 25,000 non-ticketed person days by fans expected for the 2014 X-Games will generate 33,902 out-of-state person-days by guests in Austin as fans of, or accompanying a fan to, the X-Games in 2014.

Daily 2014 X-Games Attendance

Based on the experience of ESPN in putting on the X-Games, the attendance pattern of the various groups at the event differs substantially. For example, for ESPN and event staff, the average stay is 10 nights. Some staff begin arriving well in advance of the event and some stay until 7 days after the event.¹³

Judges and officials generally arrive on Sunday or Monday prior to event and stay until the respective sport events conclude. Average stay is 6 nights. According to the 2009 impact study athletes arrive at least two days before the X Games begin in order to prepare for the competition and stay throughout the four days of X Games events. Support people such as family members, sponsors and team managers do the same.¹⁴

Industry guests and media average staying 5 nights, arriving the day before the event and leaving the day after the event. Sponsors and VIPs average only 4 nights generally arriving the night before the event and leaving the last day of the event.¹⁵ Spectators probably also average 4 to 5 nights.

Typically fan attendance peaks during the weekend. Table 3 presents the pattern of fan attendance for the last two years at the summer X Games from ESPN data and that expected at the 2014 X Games in Austin based on COTA internal projections.¹⁶

Table 3
Daily Attendance Pattern at 2012 and 2013 X Games

	Day 1	Day 2	Day 3	Day 4	Total
2013	22,438	23,840	21,971	17,763	86,012
2012	21,936	29,336	36,735	38,127	126,134
2014	25,000	27,146	43,320	33,488	128,954

Based on Tables 1, 2 and 3, Table 4 presents the likely pattern of attendance by various groups at the 2014 X Games in Austin assuming a total out-of-Austin fan attendance of 44,265 person-days for the 2014 X Games¹⁷ plus another 2,390 person-day by persons accompanying a fan but not going to any X Games events. The addition of Super Trucks competitions, expanded COTA contracts to recruit sponsors and the novelty of holding the X Games in a new location will cause a few minor changes to the historical figures ESPN recorded in the number of credentialed attendees:

Table 4
Estimated Player, Coach, Fan and Other Attendance
2014 X Games

June 5 - 8, 2014 -- Austin, Texas

<u>Day</u>	<u>Date</u>	<u>X-Games Schedule</u>	<u>Athletes</u>	<u>Coaches, Managers, Affiliated Family</u>	<u>ESPN & Event Staff</u>	<u>Judges & Officials</u>	<u>Industry Guests & Media</u>	<u>Sponsors & VIPS</u>	<u>Out-of- Area Fans</u>	<u>Out- of- State Fans</u>
Sun	1-Jun	ESPN			300					
Mon	2-Jun	Judges & Officials	167	475	475	75				
Tue	3-Jun	Athletes	334	950	950	150				
Wed	4-Jun	Industry Guests & Fans	334	950	950	150	1,769		3,953	3,447
Thu	5-Jun	Day 1	334	950	950	150	1,769	1,500	7,905	5,744
Fri	6-Jun	Day 2	334	950	950	150	1,769	1,500	12,526	9,102
Sat	7-Jun	Day 3	334	950	950	150	1,769	1,500	13,698	9,954
Sun	8-Jun	Day 4	334	950	950	150	1,769	1,500	12,526	9,102
Mon	9-Jun	Return	334	950	950	150	885	750	6,263	5,461
Tue	10-Jun	Post-Event Wrap-up			200					

Event Presentation Costs and Ticket Sales

Over the past three years event presentation costs have averaged \$16.9 million.¹⁸ Typically event sponsors spend \$2.5 million for rental equipment used during the event, \$800,000 for catering expenses during the event, \$1.1 million for accommodations, \$2 million for labor costs and \$10.4 million for locational expenses. With catering costs subject to sales tax in Texas, about half all the equipment rental expenses subject to sales tax in Texas (due to previous contractual obligations requiring rental of equipment from outside Texas) and about a third of the location expenses similarly taxable, these expenses should generate nearly \$350,000 in state sales tax gains in Texas during the X Games.

Ticket revenues will diverge from those under previous games in the level of ticket prices, the fact that a single ticket allows admission to multiple event and the addition of ticket premiums to upgrade seating at various events. Based on the COTA internal ticket estimate, total ticket revenue from out-of-state fans should reach approximately \$1.2 million generating \$79,500 in state sales taxes which can be counted as a gain to the state under the Event Trust Fund.

Direct Economic Gains from 2014 X Games

The economic gains from events such as the 2014 Austin X Games are significant for the state and for the local economy. Based on the attendance pattern detailed in Table 4, the 2014 Austin X Games are expected to fill an estimated 29,200 hotel room nights and generate an estimated total direct spending by fans, riders, teams, sponsors, media and racing organizations of more than \$37.0 million.¹⁹ This gain is composed of \$6.3 million in lodging expenditures, \$5.5 million in food and beverage expenditures and nearly \$4.4 million in entertainment and shopping expenditures. Other expenditures include \$15.8 million in event presentation and production costs (excluding \$1.1 million in accommodation costs accounted for in hotel expenditures).

Table 5
Expenditure and Impact Summary for the
2014 X Games
June 5 - 8, 2014 – Austin, Texas

Total Room nights	29,234
Hotel Expenditure	\$6,257,062
Food and Beverage	\$5,509,285
Entertainment & Shopping	\$4,377,654
Other Expenditures	\$20,807,152
Total Economic Impact	\$36,951,152

In calculating these gains a number of event- and venue-specific data points are used from similar events in Austin. These include the hotel room costs cited by local housing experts as typical of the event which is the most recent large event for which hotel price data is available.²⁰ In addition, the post-event verification study figures from the F1 event pertaining to average room occupancy by fans indicate 81 percent of out-of-state fans for that event stayed in hotels.

Also used in establishing expenditure patterns for the 2014 X Games were the spending patterns derived from liquor taxes paid at the COTA venue and sales taxes on food and non-alcoholic beverages. Based on taxes submitted following the event, the average attendee spent \$5.72 per person per day on mixed beverages at COTA. Considering the time spent at the track was limited, it is estimated that such on-track expenditures account for one-third of all such mixed beverage expenditures at the event.²¹

Similarly, based on food and non-alcoholic beverage sales reports, each person at MotoGP averaged \$16.13 in such expenditures per day while at COTA. Again considering the time attendees were at the track, this expenditure probably amounts to about 20 percent of such average daily expenditures per person.²²

Event Trust Fund Tax Gain

In 2009 the Texas legislature established the Events Trust Fund to assist in attracting to Texas or retaining in Texas sporting and other events that could well be moved outside the state. The provisions of this law allow the Comptroller to deposit into a trust fund established for a qualifying event the amount of state hotel, sales and use, motor vehicle rental and alcohol taxes that can be attributed to the incremental gain in economic activity to the state from hosting the event. To qualify for reimbursement from the Trust Fund, the local sponsoring municipality or county must contribute matching tax revenues received from hosting the event at the rate of \$1 local tax dollar for every \$6.25 in state tax contributions.

Based on statutory tax rates²³ and the attendance figures presented in Table 4, Table 6 projects the tax gain to the state and to the City of Austin from hosting the 2014 X Games.²⁴ In 2014, this event is expected to generate a total of \$1,666,460 in state tax revenues which could have been deposited into the trust fund to support this event. The total local tax gain to the City of Austin is estimated to reach \$586,688 which greatly exceeds the maximum matching requirement for

state taxes of \$266,634. Accordingly, CELOC requests the Comptroller to set-up an Event Trust Fund account for this event to contain \$1,666,469 in eligible state tax revenues when matched by local contributions by or on behalf of the City of Austin of \$266,634 for a total trust fund amount of \$1,933,094.

Table 6
State and Local Tax and Expenditure Summary for the
2014 X Games
 June 5 - 8, 2014 -- Austin, Texas

Hotel Expenditures:		Athletes	Coaches, Managers, Affiliated Family	ESPN & Event Staff	Judges & Officials	Industry Guests and Media	Sponsors & VIPs	Out of State Fans	State Tax	Local Tax
Persons/ hotel room Percent Staying in hotel	Hotel Cost rm/night	1.00	2.00	1.2	1.0	1.5	1.5	2.3		
Day	Date	90%	90%	60%	95%	95%	95%	81%		
Sun	1-Jun	\$0	\$0	\$28,200	\$0	\$0	\$0	\$0	\$1,692	\$2,538
Mon	2-Jun	\$28,256	\$40,185	\$44,650	\$13,395	\$0	\$0	\$0	\$7,589	\$10,815
Tue	3-Jun	\$56,513	\$80,370	\$89,300	\$26,790	\$0	\$0	\$0	\$15,178	\$21,629
Wed	4-Jun	\$56,513	\$80,370	\$89,300	\$26,790	\$210,629	\$0	\$228,194	\$41,508	\$56,035
Thu	5-Jun	\$56,513	\$80,370	\$89,300	\$26,790	\$210,629	\$178,600	\$380,323	\$61,351	\$78,223
Fri	6-Jun	\$56,513	\$80,370	\$89,300	\$26,790	\$210,629	\$178,600	\$602,659	\$74,692	\$95,232
Sat	7-Jun	\$56,513	\$80,370	\$89,300	\$26,790	\$210,629	\$178,600	\$659,023	\$78,073	\$99,544
Sun	8-Jun	\$56,513	\$80,370	\$89,300	\$26,790	\$105,314	\$89,300	\$361,596	\$48,551	\$65,544
Mon	9-Jun	\$0	\$0	\$18,800	\$0	\$0	\$0	\$0	\$1,128	\$1,692
							Total Tax	\$329,763		\$431,252

Table 6, continued
State and Local Tax and Expenditure Summary for the
2014 X Games

June 5 - 8, 2014 -- Austin, Texas

Food & Bev. Expend.:												
Day	Date	Athletes	Coaches, Managers, Affiliated Family	ESPN & Event Staff	Judges & Officials	Industry Guests and Media	Sponsors & VIPs	Out of State Fans	State Tax	Local Tax		
Sun	1-Jun	\$0	\$0	\$12,100	\$0	\$0	\$0	\$0	\$756	\$121		
Mon	2-Jun	\$6,736	\$19,159	\$28,739	\$3,025	\$0	\$0	\$0	\$3,604	\$548		
Tue	3-Jun	\$26,944	\$76,636	\$45,982	\$12,100	\$0	\$0	\$0	\$10,104	\$1,536		
Wed	4-Jun	\$26,944	\$76,636	\$45,982	\$12,100	\$71,353	\$0	\$139,018	\$23,252	\$3,348		
Thu	5-Jun	\$26,944	\$76,636	\$45,982	\$12,100	\$142,705	\$60,502	\$231,696	\$37,285	\$5,071		
Fri	6-Jun	\$26,944	\$76,636	\$45,982	\$12,100	\$142,705	\$121,005	\$734,292	\$72,479	\$9,857		
Sat	7-Jun	\$26,944	\$76,636	\$45,982	\$12,100	\$142,705	\$121,005	\$802,966	\$76,771	\$10,441		
Sun	8-Jun	\$26,944	\$76,636	\$45,982	\$12,100	\$142,705	\$121,005	\$734,292	\$72,479	\$10,437		
Mon	9-Jun	\$13,472	\$38,318	\$45,982	\$6,050	\$35,676	\$30,251	\$220,288	\$24,377	\$3,900		
Tue	10-Jun	\$0	\$0	\$4,840	\$0	\$0	\$0	\$0	\$303	\$48		
Total Tax									\$321,410	\$40,690		

Table 6, continued
**State and Local Tax and Expenditure Summary for the
 2014 X Games**
 June 5 - 8, 2014 -- Austin, Texas

Entertain. & Shopping:		Coaches, Managers, Affiliated Family											Athletes	ESPN & Event Staff	Judges & Officials	Industry Guests and Media	Sponsors & VIPS	Out of State Fans	State Tax	Local Tax		
Day	Date																					
Sun	1-Jun		\$0		\$0		\$9,615		\$0												\$601	\$96
Mon	2-Jun		\$5,352		\$15,224		\$22,836		\$0												\$2,863	\$435
Tue	3-Jun		\$21,409		\$60,895		\$36,537		\$0												\$8,029	\$1,220
Wed	4-Jun		\$21,409		\$60,895		\$36,537		\$56,696												\$18,476	\$2,661
Thu	5-Jun		\$21,409		\$60,895		\$36,537		\$113,393												\$29,627	\$4,029
Fri	6-Jun		\$21,409		\$60,895		\$36,537		\$113,393												\$57,592	\$7,832
Sat	7-Jun		\$21,409		\$60,895		\$36,537		\$113,393												\$61,002	\$8,296
Sun	8-Jun		\$21,409		\$60,895		\$36,537		\$113,393												\$57,592	\$8,293
Mon	9-Jun		\$10,705		\$30,448		\$36,537		\$28,348												\$19,370	\$3,099
Tue	10-Jun		\$0		\$0		\$3,846		\$0												\$240	\$38
																			Total Tax		\$255,391	\$36,001

Table 6, continued
**State and Local Tax and Expenditure Summary for the
 2014 X Games**

June 5 - 8, 2014 -- Austin, Texas

State Mixed Bev. Tax:		Athletes		Coaches, Managers, Affiliated Family		ESPN & Event Staff		Judges & Officials		Industry Guests and Media		Sponsors & VIPs		Out of State Fans		State Tax		Local Tax	
Day	Date																		
Sun	1-Jun	\$0	\$0	\$0	\$2,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$231	\$24		
Mon	2-Jun	\$0	\$3,325	\$6,650	\$525	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,155	\$79		
Tue	3-Jun	\$0	\$13,300	\$7,980	\$2,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,572	\$111		
Wed	4-Jun	\$0	\$13,300	\$7,980	\$2,100	\$12,383	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,668	\$6,977	\$523			
Thu	5-Jun	\$0	\$13,300	\$7,980	\$2,100	\$24,766	\$10,500	\$110,670	\$18,625	\$1,538	\$18,625	\$10,500	\$110,670	\$18,625	\$1,538				
Fri	6-Jun	\$0	\$13,300	\$7,980	\$2,100	\$24,766	\$21,000	\$175,368	\$26,897	\$2,280	\$24,766	\$21,000	\$175,368	\$26,897	\$2,280				
Sat	7-Jun	\$0	\$13,300	\$7,980	\$2,100	\$24,766	\$21,000	\$191,769	\$28,701	\$2,441	\$24,766	\$21,000	\$191,769	\$28,701	\$2,441				
Sun	8-Jun	\$0	\$13,300	\$7,980	\$2,100	\$24,766	\$21,000	\$175,368	\$26,897	\$2,414	\$24,766	\$21,000	\$175,368	\$26,897	\$2,414				
Mon	9-Jun	\$0	\$6,650	\$7,980	\$1,050	\$6,192	\$5,250	\$43,842	\$7,806	\$746	\$6,192	\$5,250	\$43,842	\$7,806	\$746				
Tue	10-Jun	\$0	\$0	\$840	\$0	\$0	\$0	\$0	\$92	\$10	\$0	\$0	\$0	\$92	\$10				
Total Tax																\$119,952	\$10,167		

Table 6, continued
State and Local Tax and Expenditure Summary for the
2014 X Games

June 5 - 8, 2014 -- Austin, Texas

Title 5 ABC State Tax		Table 6, continued									
Day	Date	Athletes	Coaches, Managers, Affiliated Family	ESPN & Event Staff	Judges & Officials	Industry Guests and Media	Sponsors & VIPS	Out of State Fans	State Tax	Local Tax	
Sun	1-Jun	\$0	\$0	\$2,100	\$0	\$0	\$0	\$0	\$59	\$0	
Mon	2-Jun	\$0	\$3,325	\$6,650	\$525	\$0	\$0	\$0	\$296	\$0	
Tue	3-Jun	\$0	\$13,300	\$7,980	\$2,100	\$0	\$0	\$0	\$659	\$0	
Wed	4-Jun	\$0	\$13,300	\$7,980	\$2,100	\$12,383	\$0	\$27,668	\$1,787	\$0	
Thu	5-Jun	\$0	\$13,300	\$7,980	\$2,100	\$24,766	\$10,500	\$110,670	\$4,771	\$0	
Fri	6-Jun	\$0	\$13,300	\$7,980	\$2,100	\$24,766	\$21,000	\$175,368	\$6,890	\$0	
Sat	7-Jun	\$0	\$13,300	\$7,980	\$2,100	\$24,766	\$21,000	\$191,769	\$7,352	\$0	
Sun	8-Jun	\$0	\$13,300	\$7,980	\$2,100	\$24,766	\$21,000	\$175,368	\$6,890	\$0	
Mon	9-Jun	\$0	\$6,650	\$7,980	\$1,050	\$6,192	\$5,250	\$43,842	\$2,000	\$0	
Tue	10-Jun	\$0	\$0	\$840	\$0	\$0	\$0	Total Tax	\$24	\$0	
									\$30,727	\$0	

Table 6, continued
**State and Local Tax and Expenditure Summary for the
 2014 X Games**

June 5 - 8, 2014 -- Austin, Texas

Vehicle Rental Tax:		Athletes	Coaches, Managers, Affiliated Family	ESPN & Event Staff	Judges & Officials	Industry Guests and Media	Sponsors & VIPs	Out of State Fans	State Tax	Local Tax
Percent Renting Cost per Day ²⁵	Date	20%	35%	40%	60%	60%	60%	20%		
	Sun	\$0	\$0	\$9,570	\$0	\$0	\$0	\$0	\$957	\$0
	Mon	\$2,664	\$13,259	\$15,153	\$3,589	\$0	\$0	\$0	\$3,466	\$0
	Tue	\$5,327	\$26,518	\$30,306	\$7,178	\$0	\$0	\$0	\$6,933	\$0
	Wed	\$5,327	\$26,518	\$30,306	\$7,178	\$84,649	\$0	\$63,044	\$21,702	\$0
	Thu	\$5,327	\$26,518	\$30,306	\$7,178	\$84,649	\$71,777	\$126,088	\$35,184	\$0
	Fri	\$5,327	\$26,518	\$30,306	\$7,178	\$84,649	\$71,777	\$199,799	\$42,555	\$0
	Sat	\$5,327	\$26,518	\$30,306	\$7,178	\$84,649	\$71,777	\$218,485	\$44,424	\$0
	Sun	\$5,327	\$26,518	\$30,306	\$7,178	\$42,324	\$35,888	\$99,899	\$24,744	\$0
	Mon	\$0	\$0	\$6,380	\$0	\$0	\$0	\$0	\$638	\$0
								Total Tax	\$180,604	\$0
Other Expenditures:										
OOS Tickets		\$1,272,000							\$79,500	\$12,720
Cost of Event		\$16,900,000			\$349,113				\$349,113	\$55,858
								Total Tax	\$428,613	\$68,578
Total All Taxes									\$1,666,460	\$586,688
Required Local Tax match									\$266,634	
Total Event Trust Fund									\$1,933,094	

**Appendix A:
Event Award Letter**



Endnotes

¹ <http://www.venuestoday.com/news/detail/x-games-chooses-austin0814>

² Current contacts with competitors indicate 14 teams could compete for gold, silver and bronze in the new event with 5 persons per team in addition to the driver.

³ Roy Weinstein, Jeremy DeGracia and Edna Lin, " Economic Impact of the 2010 X Games 16 on Los Angeles County," Micronomics, Inc., 777 S. Figueroa Street, Suite 4600, Los Angeles, CA 90017, www.micronomics.com, September 2010, Pages 3 -4.

⁴ "ESPN's X Games Takes Over Downtown Los Angeles," STAPLES Center Press Release, April 26, 2010.

⁵ Roy Weinstein, Jeremy DeGracia and Edna Lin, " Economic Impact of the 2010 X Games 16 on Los Angeles County," Micronomics, Inc., 777 S. Figueroa Street, Suite 4600, Los Angeles, CA 90017, www.micronomics.com, September 2010, Pages 3 -4.

⁶ With the exception of the total ticket sales data from 2009 to 2013, the figures cited in Table 2 are estimates generated to be consistent with other known or reasonable data points. For example, the 2010 study by Micronomics stated that at least 60 percent of the tickets sold represented distinct individuals attending each day and that, theoretically, the percentage could be as high as 100%. The authors of that study stated they believed the true figure to be closer to 100 than to 60, implying a figure above 80 percent. This percentage establishes the average number of tickets per individual and thereby the average number of unique individuals each day. The growth in the number of unique individuals in 2011 and 2012 is based directly on the growth in ticket sales from the preceding year. In turn, this implies that individuals continued to attend about 1.11 events per day during those years.

Projecting backwards from 2010 to 2009 is based on the fact that at a minimum, each person must have one ticket to attend an event that day. Difficult as it may have been to attend multiple events each day, some fans probably did so but because the venues were split, this was probably rare. So if only on average only 3 percent of fans attended different ticketed events each day, that implies that making the venues more accessible in 2012-12 not only tripled the percentage of fans attending multiple events but in doing so made the entire event considerably more attractive to all fans.

⁷ The COTA ticket sales data was provided by Dan Allen, COTA VP of Finance based on their pro-forma income estimates for the event in an email to Don Hoyte January 31, 2014 and was adjusted for a small percentage of fans holding three-day tickets but choosing not to attend on all three days. Such an adjustment is required to make the attendance figure comparable to those from previous years which included credential and ticketed persons actually attending the event. Also provided by COTA is an estimate of the number of fans attending Thursday Free events.

⁸ It should be noted that since the estimated person-days at the LA events were based on persons actually at the events rather than ticket sales, then the person-days of attendance at the LA games are really based on persons both purchasing a ticket AND showing up at the event. The difference between the number of person-days of tickets (122,550) and the number of person-days of fans attending COTA are no-shows by fans holding three-day tickets to COTA events but choosing to attend other events one or two days. To make data definitions consistent with LA event data requires excluding those no-shows for the 2014 estimate but those persons should be counted in 2014 and considered in Austin for the purposes of projecting spending. In other words, LA's figures did not include no-shows at events by fans that otherwise were in LA for the event and the attendance by fans at COTA in Table 2 are calculated in the same manner.

⁹ Roy Weinstein, Jeremy DeGracia and Edna Lin, " Economic Impact of the 2010 X Games 16 on Los Angeles County," Micronomics, Inc., 777 S. Figueroa Street, Suite 4600, Los Angeles, CA 90017, www.micronomics.com, September 2010, Page 4.

¹⁰ Email from Dr. Linda K. Moore, Senior Director, Business Operations & Planning, ESPN Productions Inc., One ESPN Plaza, Bristol, CT 06010 to Don Hoyte, TexasTrustFunds.com on January 19, 2014.

¹¹ This does NOT imply that the percentages of out-of-area Texans and out-of-Texas attendees at COTA events are expected to be at all similar to those percentages for the X-games. This assumption instead says that the ratio of out-of-area Texans attending X-Games to outside-of-Texas attendees as seen in other COTA events are likely to hold for the X-Games. For example, based on the F1 survey data, for each non-local Texan attending FI there were 2.65 out-of-state attendees. This implies that if 30 percent of the X-Games attendees in Austin came from outside the area, then this 30 percent would be split into 8.2 percent from other parts of Texas and 21.8 percent from outside Texas.

¹² 8.2 percent of all fan person-days in Austin would come from outside the local area but inside of Texas. To determine total person-days at the event by out-of-state fans, the respective proportion of out-of-state fans to total fans (21.8%) should be multiplied by the total number of person-days individuals are in Austin which would be the sum of tickets sold for the three days at COTA plus attendance at Thursday's free events..

¹³ Email from Dr. Linda K. Moore, Senior Director, Business Operations & Planning, ESPN Productions Inc., One ESPN Plaza, Bristol, CT 06010 to Don Hoyte, TexasTrustFunds.com on January 19, 2014.

¹⁴ Roy Weinstein, Jeremy DeGracia and Edna Lin, " Economic Impact of the 2010 X Games 16 on Los Angeles County," Micronomics, Inc., 777 S. Figueroa Street, Suite 4600, Los Angeles, CA 90017, www.micronomics.com, September 2010, Page 4.

¹⁵ Email from Dr. Linda K. Moore, Senior Director, Business Operations & Planning, ESPN Productions Inc., One ESPN Plaza, Bristol, CT 06010 to Don Hoyte, TexasTrustFunds.com on January 19, 2014.

¹⁶ Again, in showing the figures estimated in 2014 for X Games relative to those in previous years, great care must be taken to ensure that the figures are calculated in the same way. LA's data represent fans having both a ticket AND attending the event. The figure for 2014 in Table 3 is presented in the same manner even though there will be

additional persons with tickets to COTA events that are in Austin but who chose not to go to COTA one or more days.

¹⁷ Or 30 percent of the fan person-days in Table 3 including fans that are both in Austin for the event whether or not they actually attend COTA each day they have a ticket to do so (147,550 fan-days including fans attending the event each day plus those with multi-day tickets to COTA that choose not to attend COTA on one or more days).

¹⁸ Email from Dr. Linda K. Moore, Senior Director, Business Operations & Planning, ESPN Productions Inc., One ESPN Plaza, Bristol, CT 06010 to Don Hoyte, TexasTrustFunds.com on January 20, 2014.

¹⁹ Note the figures in Table 5 focus on expenditures for which a state tax gain under the Event Trust Funds is expected. As such those figures include athletes, managers, trainers, sponsors, media, industry guests (and their friends and family that accompany them) plus the out-of state fans attending the event and affiliated visitors. It is not a generalized economic impact since it excludes spending by local fans and other Texans at the event and in Austin while attending the event.

²⁰ Neil Goldman, founder and CEO of Hotels for Hope, said his organization booking for X Games so far is averaging \$188 per night for rooms.

²¹ This would amount to a total daily expenditure of \$17.16 per day on mixed drinks per person. This is close to figures derived from survey-based data estimates of such expenditures.

²² This amounts to an average daily expenditure on food and non alcoholic beverages of \$80.67.

²³ In general, Table 6 applies statutory tax rates to relevant expenditures in order to derive tax gains under the event trust fund. However since the Alcoholic Beverage Tax is a complex tax levied on the basis of the alcohol content of various beverages by volume, the estimate of that tax in Table 6 is based on a derived value-based percentage linking revenue from the Alcoholic Beverage Tax to mixed beverage tax sales. Specifically, in the January 2013 Biennial Revenue Estimate prepared by the Comptroller of Public Accounts, the estimated tax gain during the next biennium for the Mixed beverage tax is \$1,624 million (see page 17). The estimated gain from the other Alcoholic Beverage taxes is estimated at \$416 million or roughly a quarter of the tax raised by the state under the Mixed Beverage Tax. Accordingly, Table 6 applies the statutory tax rate of 11 percent to the value of mixed beverages as described in law and approximates the alcoholic beverage tax gains as being 2.56 percent of the value of mixed beverages which raises about a quarter of mixed tax raised by the state under the mixed beverage tax for this event. Since there is no local tax component to the alcoholic beverage tax, no estimate for this is included in Table 6.

²⁴ Note that at peak attendance, a total of less than 6,950 hotel rooms will be required for all participants and out-of-state fans for X Games. The number of hotel rooms in the Austin area total about 28,000 so this level of demand by X Games attendees, while significant, should not overly tax the availability of hotel rooms. Since facilities in the City of Austin account for more than 80 percent of all hotel rooms in the region, during the four peak days of the X Games event it is estimated that the City of Austin should host about 85 percent of participant and out-of-state fan spending. Earlier in the week when room demand is considerable lower, proximity of Austin hotels to COTA will

probably result in the City of Austin hosting 95 percent of X Games activity. Hotel tax gains to the city as well as sales and alcoholic beverage tax gains are adjusted accordingly.

²⁵ This is the pre-tax cost of renting a standard sized car at the Austin airport for a day from June 5- 6, 2014 by a driver over age 25 paid for at the airport. Based on the lowest priced standard sized vehicle from ten different companies for that date cited at rentalcars.com.



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 Hoyt, 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: X Games on these dates: June 5-8, 2014 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]
Printed Name
Texas Trust Funds.com
Title and Name of Organization

Don Hoyt
Printed Name
2/4/2014
Date

Sworn and subscribed before me by the said

Corinne L Moore
(Printed Name of Recipient's Authorized Representative)

this 4th day of February, 202014.

Notary Public, State of Texas

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





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

AFFIDAVIT

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

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

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

I understand that I am receiving funding under the Act for the purposes of facilitating this event: Summer X Games
on these dates: June 5 - 8, 2014

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.

[Signature]
Affiant Signature

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

WAYNE S. HOLLINGSWORTH
Printed Name

2-4-14
Date

Sworn and subscribed before me by the said

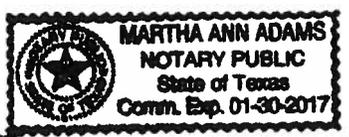
WAYNE S. HOLLINGSWORTH
(Printed Name of Recipient's Authorized Representative)

this 4th day of February, 2014

Notary Public, State of Texas [Signature]

Notary's printed name: MARtha Ann Adams

My commission expires: 1-30-2017 (Seal)



ATTACHMENT 3

Requested Summer X Games Economic Impact Study Market Area

The requested basic economic impact region for the Summer X Games Event scheduled for the weekend of June 5 - 8, 2014 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 4

Events & Activities Schedule

Summer X Games June 5 – 8, 2014 of the Circuit of the Americas – Austin, TX
Schedule of Events*

See Attached Tentative Schedule

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

X Games Austin: Schedule

Schedule Attendees

Search

Schedule or People

Search

or browse by date + venue

4Wheels

BMX Moto X

Skateboarding

Popular



Sign up or log in to bookmark your favorites and sync them to your phone or calendar.

Thursday, June 5

7:00pm BMX Vert FINAL

8:30pm Skateboard Vert FINAL

Friday, June 6

9:00am Skateboard Street Men's Practice

12:00pm BMX Street FINAL

2:00pm Skateboard Street Men's Elimination

4:00pm Enduro X Men's and Women's FINAL

7:00pm Moto X Best Whip and Step Up FINAL

8:30pm Skateboard Big Air FINAL

Saturday, June 7

X Games Austin: Schedule

- 11:00am **BMX Dirt FINAL**
- 12:30pm **RallyCross: Round 1 / LCQ / FINAL**
- 2:30pm **Skateboard Park FINAL**
- 4:00pm **Moto X Speed & Style FINAL**
- 7:00pm **Moto X Freestyle FINAL**
- 8:30pm **BMX Big Air FINAL**

Sunday, June 8

- 11:00am **BMX Park FINAL**
- 12:30pm **Stadium SUPER Trucks FINAL**
- 1:00pm **Skateboard Street Women's FINAL**
- 3:30pm **Skateboard Street Men's FINAL**
- 5:15pm **Moto X Demo**

[Schedule or People](#)

[Search](#)

Jun 5- 8, 2014

Venues

[4Wheels](#)

[BMX](#)

[Moto X](#)

[Skateboarding](#)

[Popular](#)

[Recently Active Attendees](#)

ATTACHMENT 5

City of Austin Letter to Comptroller re Participation



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

February 4, 2014

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

Comptroller Combs:

The City of Austin requests participation in the Event Trust Fund (ETF) program pursuant to **TEX. REV. CIV. STAT. ART. 5190.14 Section 5C (Act)** as authorized by Austin City Council action contained in resolution dated May 23, 2013 in support of Summer X Games for 2014 – 2016, inclusive. This action satisfies the requirements of **34 TAC Section 2.202(a)(1)** and documents that Austin is the endorsing municipality in accordance with the Act.

Enclosed is correspondence from ESPN confirming the selection of Austin, Texas as the location for this event during June 5 - 8, 2014. The correspondence from ESPN satisfies the requirements found at **34 TAC Section 2.202(a)(2)**.

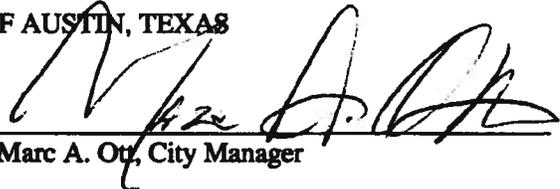
The correspondence from ESPN states that the selection of Austin as the location for the Summer X Games for 2014 was completed after substantial competition in their process of reviewing a number of venues interested in hosting their series. Further, ESPN does not anticipate holding any other similar Summer X Games Event in Texas or its contiguous states during any year that the ESPN 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 2.201**.

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 ETF under the Act, to submit the ETF economic impact analysis, to fund the City's local contribution to the ETF, and to receive reimbursement of trust funds for eligible expenses from the ETF for the race that is occurring June 5 - 8, 2014.

Sincerely,

CITY OF AUSTIN, TEXAS

By:


Marc A. Ott, City Manager

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

STEP 1:

Review the EFT 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.texasahed.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.state.tx.us.

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 Dept.) and RODNEY GONZALES

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

Leela.Fireside@austintexas.gov AND

(512) 974-2163 / (512) 974-2313

Contact email Rodney.Gonzales@austintexas.gov

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

ESPN, Inc.

Site Selection Organization

Scott Guglielmino, Senior Vice President, Programming and X Games

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

Scott.Guglielmino@espn.com

Contact email

Contact phone (area code and phone number)

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

Section 4: Event Information

ESPN X Games

Official Event Name

summerxgames.com

Event Website

June 5, 2014

First Day of Activities

June 8, 2014

End Date

SECTION 4: Event Information (continued)

Location of this event the previous five years:

1 See Schedule Attached _____ 2 _____

3 _____ 4 _____

5 _____ Source of information: _____

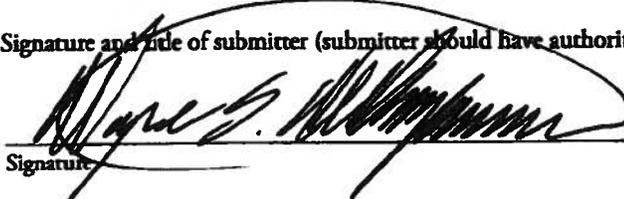
SECTION 5: Checklist

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

- ETF Request Worksheet.
- SELECTION Letter CLEARLY indicating a highly competitive selection process, and that the selection was based on an application by the endorsing city, county or local organizing committee. This selection letter should clearly indicate the selected LOC, the selected municipality, and the event date. The date must match the requested event date.
- REQUEST Letter CLEARLY indicating the municipality or county's endorsement of the event; names the LOC and the municipality or county's contact; and matches up with the Selection Letter.
- Economic information allowing the Comptroller to make a determination as to the incremental tax increase to the State of Texas.
- Affidavit signed by each endorsing city, county and/or LOC.
- Affidavit signed by party(ies) providing economic data to support this request.

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

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

 _____
Signature Title

Director

X Games Austin: Schedule

Schedule Attendees

Search

Schedule or People

Search

or browse by date + venue

4Wheels

BMX Moto X

Skateboarding

Popular



Sign up or log in to bookmark your favorites and sync them to your phone or calendar.

Thursday, June 5

7:00pm BMX Vert FINAL

8:30pm Skateboard Vert FINAL

Friday, June 6

9:00am Skateboard Street Men's Practice

12:00pm BMX Street FINAL

2:00pm Skateboard Street Men's Elimination

4:00pm Enduro X Men's and Women's FINAL

7:00pm Moto X Best Whip and Step Up FINAL

8:30pm Skateboard Big Air FINAL

Saturday, June 7

X Games Austin: Schedule

- 11:00am **BMX Dirt FINAL**
- 12:30pm **RallyCross: Round 1 / LCQ / FINAL**
- 2:30pm **Skateboard Park FINAL**
- 4:00pm **Moto X Speed & Style FINAL**
- 7:00pm **Moto X Freestyle FINAL**
- 8:30pm **BMX Big Air FINAL**

Sunday, June 8

- 11:00am **BMX Park FINAL**
- 12:30pm **Stadium SUPER Trucks FINAL**
- 1:00pm **Skateboard Street Women's FINAL**
- 3:30pm **Skateboard Street Men's FINAL**
- 5:15pm **Moto X Demo**

[Schedule or People](#)

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Jun 5- 8, 2014

Venues

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