

Consideration of Land for Expansion of Convention Center v. Current/Other Uses

- The consultants who authored the Long-Range Plan (Plan) recommend expansion to the West of the existing convention center, based on:
 - Stakeholder input
 - Estimated square footage for exhibit halls, meeting rooms, ballrooms
 - Availability of access for service trucks
 - Connection options for optimal flow to existing building
 - Occupancy and revenue projections

- Urban Land Institute (ULI) reviewed the Plan and concurred with the consultants' recommendation. More points about ULI and their work include:
 - ULI's mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities
 - ULI's goal is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies
 - The recommendation included direction to:
 - Utilize the option to expand to the West of the existing convention center
 - Expand design plan to create a convention center district
 - Include street level venues, retail and restaurant space
 - Increase Hotel Occupancy Tax to 17% to fund full vision
 - Purchase land now

- Using the consultants' conservative economic projections, tourism economic impact analysis, and property tax information, we found the following:
 - There is a projected net annual increase to the City's general fund through additional sales tax versus current use property tax projections, estimated at \$9.6 million in net gain, in the year of stabilization after expansion construction
 - Considering office buildings as an alternate use, based on property tax estimates of a sample of buildings, and space limitations, there is a projected net annual increase to the City's general fund through additional sales tax versus possible office use property tax projections, estimated at \$870 thousand in net gain, in the year of stabilization after expansion construction

- Other points to consider include:
 - This analysis should be considered preliminary in nature, and could change dramatically depending on land acquisition scenarios, and the ultimate design and components of an expanded convention center. There is potential for additional development components within the expansion design, depending on the land acquisition method and/or a development agreement that could have significant impacts on the analysis, but are unknowns at this point.
 - There is also potential for a new downtown fire station and another Austin Energy chiller to be incorporated into the expansion design, meeting important needs of the City that have not identified other solution options

Estimate of General Fund Impact Comparison of As-Is versus Recommended Expansion

As Is - No Expansion

	2014	2021	2031
Estimated <u>General Fund</u> revenue generated by Travel Industry	35,000,000.00 *	45,500,000.00 (est 1.5 million added per year, based on review of State report)	60,500,000.00 (projected forward)
Hotel Room Revenue (from Vol II Consultant's report, page 90)	1,047,000,000	1,317,000,000	1,820,000,000

West Expansion - Non-Contiguous

	2014	2021	2031	Estimated increase if expand:
Estimated <u>General Fund</u> revenue generated by Travel Industry	35,000,000.00 *	47,469,248.29	71,669,230.77	(a) 11,169,230.77 projected increase if choose recommended expansion option
Hotel Room Revenue (from Vol II Consultant's report, page 93)	1,047,000,000	1,374,000,000	2,156,000,000	336,000,000

What's City's portion of property tax give-up on property recommended for expansion site?

Current Uses (from review of TCAD data and projections based on historical trends - see Page 2)	443,629.69	(b) 1,542,302.68	9,626,928.09	estimated net increase to City's General Fund
			= (a) - (b)	
Potential Uses - 3 office bldgs (from review of TCAD data and projections based on historical trends - see Page 3)	3,577,957.58	(c) 10,297,453.93	871,776.84	estimated net increase to City's General Fund
			= (a) - (c)	

* This is estimated using the State of Texas Office of Governor Economic Development and Tourism Report and Austin Convention Center financial data.

Note: This analysis should be considered preliminary in nature, and could change dramatically depending on land acquisition scenarios, and the ultimate design and components of an expanded convention center. Should Council approve a convention center expansion, once land acquisition and building design have occurred, a more refined and accurate analysis can be performed.

Expansion Properties
Property Tax Analysis
Per TCAD on 8/30/15

Property ID	Address	Acres	Current Value	TCAD Assessed Value						TCAD Property Taxes - City					
				2015	2014	2013	2012	2011	2010	2015	2014	2013	2012	2011	2010
02-0502-1501	207 San Jacinto	0.2703	7,413,836.00	6,673,891.00	5,707,824.00	5,352,381.00	5,229,850.00	5,351,662.00	3,612,500.00	32,094.74	27,448.93	26,906.42	26,300.92	25,746.84	16,512.74
02-0502-1503	309 E 3rd St	0.4055	7,077,857.00	5,494,899.00	4,945,313.00	5,225,000.00	5,225,000.00	4,962,544.00	3,750,000.00	26,424.97	23,782.01	26,266.08	26,276.53	23,874.80	17,141.25
02-0502-1502	309 E 3rd St	0.1352	1,339,970.00	1,339,970.00	1,341,226.00	1,340,933.00	1,340,150.00	961,438.00	372,638.00	6,443.92	6,449.96	6,740.87	6,739.61	4,625.48	1,703.33
02-0502-1507	200 Trinity St	0.811	10,258,057.00	9,243,645.00	8,113,179.00	7,263,132.00	8,289,898.00	9,000,000.00	5,200,000.00	44,452.69	39,016.27	36,511.77	41,688.90	43,299.00	23,769.20
02-0502-1604	301 San Jacinto	0.5407	5,699,200.00	5,699,200.00	5,299,210.00	5,135,378.00	4,900,000.00	4,900,000.00	5,727,170.00	27,407.46	25,483.90	25,815.55	24,642.10	23,573.90	26,178.90
02-0502-1603	308 E 3rd St	0.1352	859,819.00	859,819.00	860,302.00	948,215.00	947,897.00	947,591.00	358,791.00	4,134.87	4,137.19	4,766.68	4,766.97	4,558.86	1,640.04
02-0502-1602	310 E 3rd St	0.1352	913,479.00	913,479.00	863,777.00	951,074.00	950,691.00	950,194.00	397,909.00	4,392.92	4,153.90	4,781.05	4,781.02	4,571.38	1,818.84
02-0502-1411	302 E Cesar Chavez	0.2703	2,820,373.00	2,820,373.00	1,783,146.00	1,788,588.00	1,550,353.00	1,547,983.00	1,315,832.00	13,563.18	8,575.15	8,991.24	7,796.73	7,447.35	6,014.66
02-0502-1408	304 E Cesar Chavez	0.1646	1,612,801.00	1,612,801.00	931,841.00	1,039,361.00	1,076,918.00	1,172,087.00	774,366.00	7,755.96	4,481.23	5,224.87	5,415.82	5,638.91	3,539.63
02-0502-1407	306 E Cesar Chavez	0.1058	1,036,801.00	1,036,801.00	599,041.00	668,161.00	669,412.00	578,730.00	279,210.00	4,985.97	2,880.79	3,358.85	3,366.47	2,784.27	1,276.27
02-0502-1406	316 E Cesar Chavez	0.1352	1,329,053.00	1,329,053.00	857,661.00	857,410.00	857,227.00	736,000.00	357,060.00	6,391.41	4,124.49	4,310.20	4,310.99	3,540.90	1,632.12
02-0502-1405	104 Trinity St	0.1352	1,472,255.00	1,472,255.00	992,279.00	1,097,521.00	1,098,649.00	1,098,812.00	530,269.00	7,080.07	352.98	-	-	-	-
02-0502-1401	115 San Jacinto	0.2844	2,352,618.00	2,087,648.00	2,000,000.00	1,820,150.00	2,006,000.00	2,006,000.00	1,557,629.00	10,039.50	9,618.00	9,149.90	10,088.18	9,650.87	7,119.93
02-0502-1402	307 E 2nd St	0.2708	947,230.00	800,000.00	662,500.00	662,500.00	662,500.00	1,504,750.00	758,429.00	3,847.20	3,185.97	3,330.39	3,331.71	7,239.36	3,466.78
02-0502-1404	319 E 2nd St	0.2557	1,876,534.00	1,876,534.00	1,879,282.00	1,775,939.00	1,851,204.00	1,833,095.00	1,387,893.00	9,024.26	9,037.47	8,927.64	9,309.70	8,819.02	6,344.06
<u>4.0551</u>				43,262,383.00	36,838,595.00	35,927,756.00	36,657,761.00	37,552,897.00	26,381,706.00	210,054.12	174,742.24	177,094.51	180,827.65	177,381.94	120,167.75
increase				6,423,788.00	910,839.00	(730,005.00)	(895,136.00)	11,171,191.00		35,311.88	(2,352.27)	(3,733.14)	3,445.71	57,214.19	
% increase				17.44%	2.54%	-1.99%	-2.38%	42.34%		20.21%	-1.33%	-2.06%	1.94%	47.61%	
avg % increase				11.59%						13.27%					
										1.1327					

Projected Taxes

2016	237,928.30
2017	269,501.39
2018	305,264.22
2019	345,772.78
2020	391,656.83
2021	443,629.69
2022	502,499.35
2023	569,181.02
2024	644,711.34
2025	730,264.53
2026	827,170.64
2027	936,936.18
2028	1,061,267.61
2029	1,202,097.82
2030	1,361,616.21
2031	1,542,302.68

Estimated Use of Office Buildings
Property Tax Analysis
Per TCAD on 12/21/16

Property ID	Address	Acres	Current Value	TCAD Assessed Value					TCAD Property Taxes - City					
				2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	
192811	111 Congress Ave	2.158	188,869,545	188,869,545	136,993,964	115,247,993	122,683,667	117,465,533	834,425.65	628,665.30	554,227.60	616,730.79	590,734.16	
192833	98 San Jacinto	2.768	189,875,599	189,875,599	150,729,941	118,678,714	111,792,580	105,433,736	838,870.40	691,699.70	570,725.93	561,981.30	530,226.26	
192781	100 Congress	1.0147	216,673,566	216,673,566	160,500,000	128,173,117	111,791,697	107,672,016	831,593.15	736,534.50	616,384.51	561,976.86	541,482.57	
		<u>5.9407</u>		595,420,726	448,225,920	362,101,838	346,269,957	330,573,297	-	2,506,905	2,058,915	1,743,352	1,742,702	1,664,455
	from page 2	4.0551												
	% of total	68.26%		increase	147,194,806	86,124,082	15,831,881	15,696,660		447,990.70	315,562.46	650.09	78,246.96	
				% increase	32.84%	23.78%	4.57%	4.75%		21.76%	18.10%	0.04%	4.70%	
				avg % increase	16.49%					11.15%				
										1.1115				

Projected Taxes 68.2596% to adjust for acreage

2017	2,786,425.13	1,902,003.56
2018	3,097,111.53	2,114,076.96
2019	3,442,439.47	2,349,796.54
2020	3,826,271.47	2,611,798.85
2021	4,252,900.74	2,903,014.42
2022	4,727,099.17	3,226,700.53
2023	5,254,170.73	3,586,477.64
2024	5,840,010.76	3,986,369.90
2025	6,491,171.96	4,430,850.14
2026	7,214,937.64	4,924,889.93
2027	8,019,403.18	5,474,015.16
2028	8,913,566.64	6,084,367.85
2029	9,907,429.32	6,762,774.86
2030	11,012,107.69	7,516,824.26
2031	12,239,957.69	8,354,950.16

avg of 100% and 68.26% for year 2031 10,297,453.93

avg of 100% and 68.26% for year 2021 3,577,957.58