



# Austin Convention Center Expansion Study

---

September 15, 2020

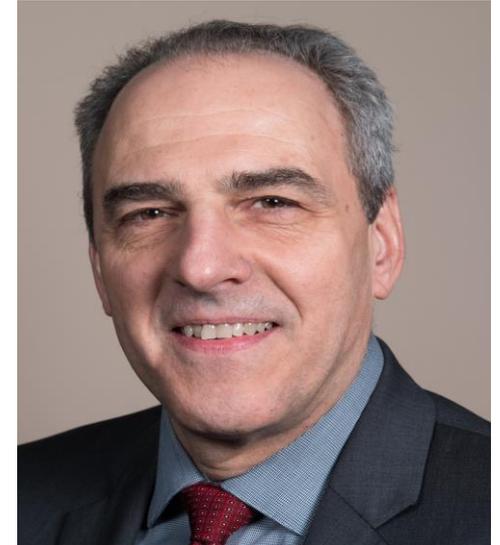
# Firm Overview and Key Personnel

- **Firm Overview:**

- HVS Convention, Sports & Entertainment was founded in 2001. Since 2001, we have completed over 500 assignments.
- Staff of HVS CSE have first-hand knowledge and expertise dealing with public sector and public policy issues. We have expertise in financial analysis, economic and fiscal impact analysis, and operational strategies.

- **Key Personnel**

- Tom Hazinski, Managing Director
- 30 years of experience in public policy alongside public-sector experience in municipal finance.
- MA in Public Policy Studies from the Harris School of Public Policy, University of Chicago. Adjunct Professor at Harris School.



**Tom Hazinski, MPP**

Managing Director

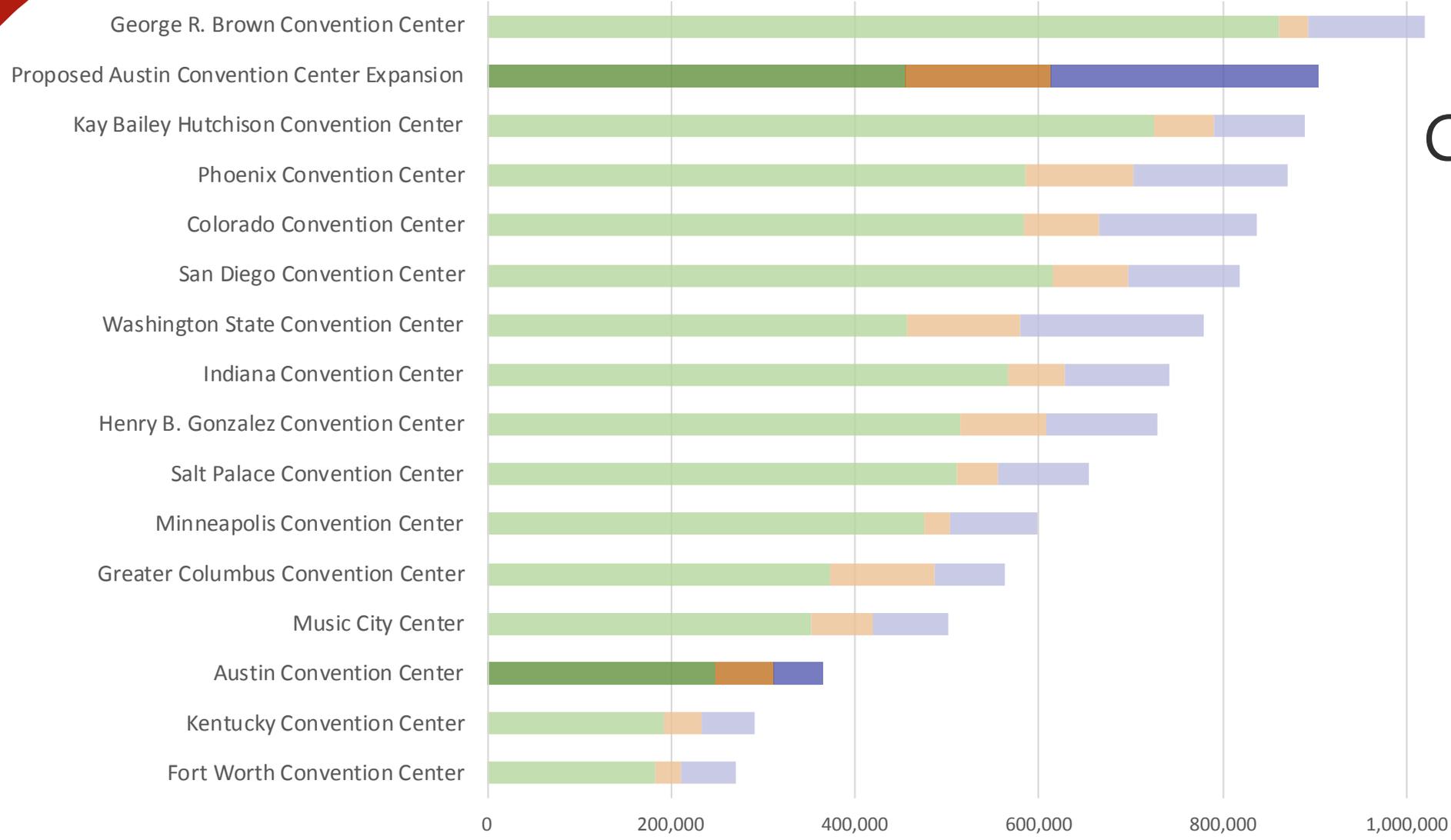
# Scope of Services and Methodology

1. Inspected the ACC,
2. Interviewed facility management and other key stake holders,
3. Conducted a market analysis,
4. Surveyed current and potential users of the ACC,
5. Analyzed historical ACC Group Sales and Operations,
6. Analyzed competitive and comparable convention centers,
7. Projected event demand, attendance,
8. Forecast the financial operations, and
9. Estimated economic and fiscal impacts.

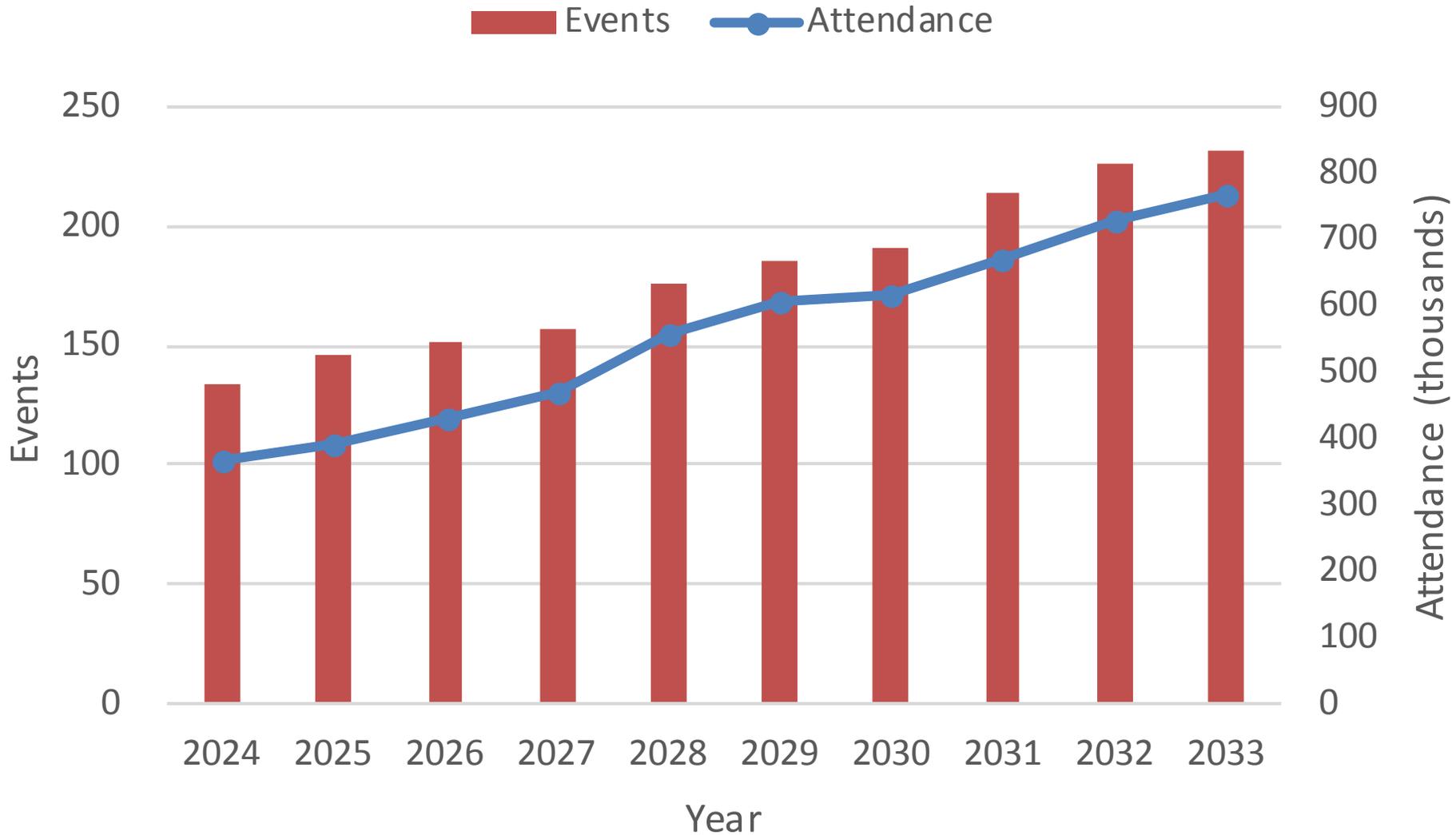
# Survey Findings

- 83% of respondents indicated that they were “very likely” or “somewhat likely” to use an expanded ACC, and only 4% of respondents indicated that they were “very unlikely” or “somewhat unlikely” to use an expanded ACC.
- Austin appeals to event planners as convention destination because its popularity draws an elevated level of attendance compared to the attendance at the same events in other cities.
- More than one-fifth of event planners believe that expanding the convention center is the most important improvement to make in Austin.
- The ACC generates room night demand during weekdays when hotels need convention business to support their room occupancy and rates.

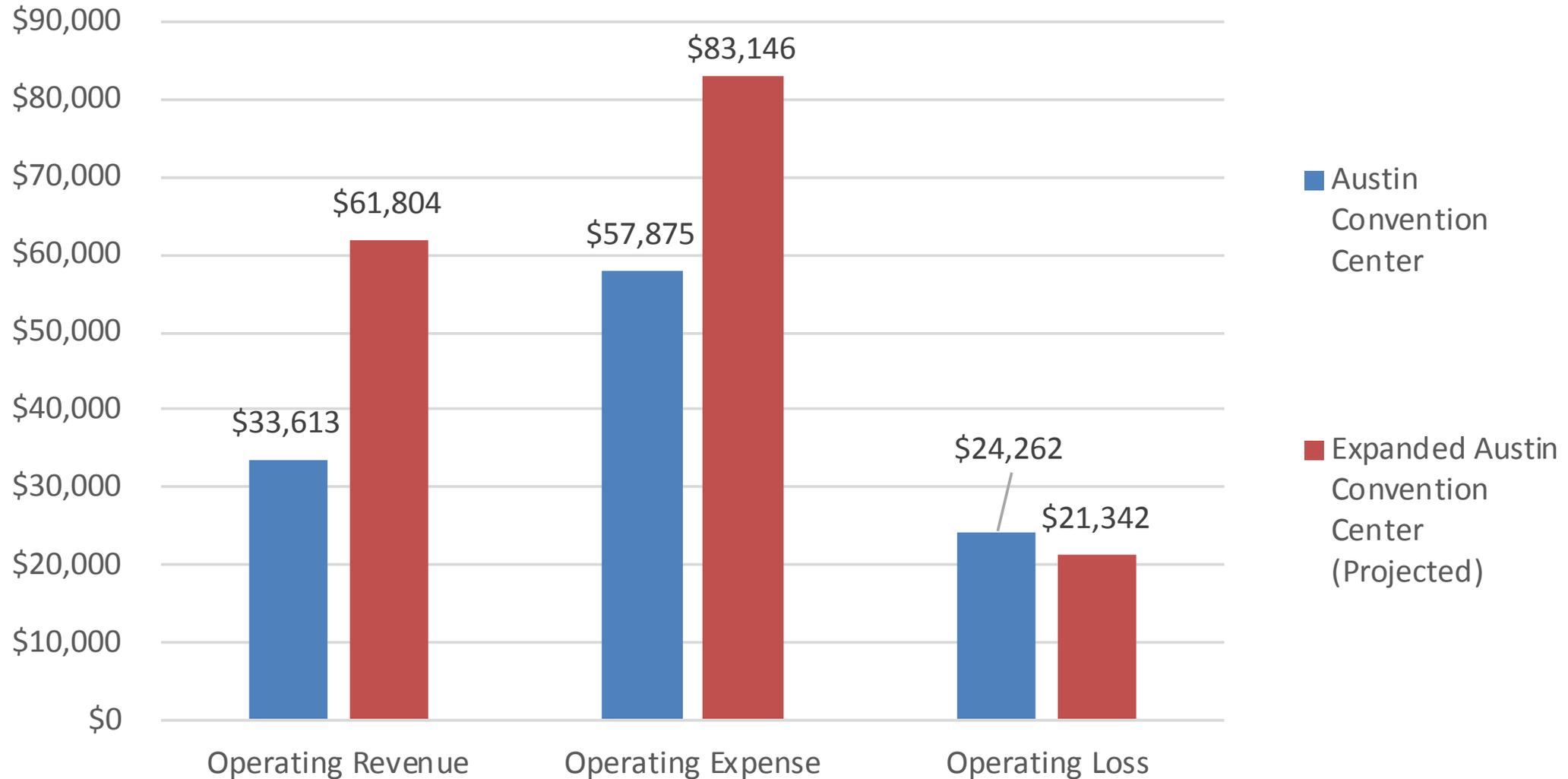
# Total Function Space (SF) in Comparable and Competitive Convention Centers



# Projected Demand



# Financial Projections (\$ 000's)



# Annual Downtown Hotel Revenue Impact

	Event Days	Non-Event Days	Difference	Significant
Number of Days	862	964		
Occupancy	84.1%	72.1%	12.1%	✓
ADR	\$254	\$217	\$37	✓

Annual Impact	Value (\$000's)
Occupancy	\$26,437
ADR	31,728
<b>Total</b>	<b>\$58,165</b>

# Economic Impact

Summary of Impacts*	Current ACC	Increase from Expansion	Total
Economic Impact (millions)	\$494.9	\$306.8	\$801.7
Fiscal Impact (millions)	\$11.75	\$14.94	\$26.69
Jobs	2,868	1,772	4,640
*In a stabilized year.			

# COVID-19 Impact on Projections

- The near-term outlook for the market is highly uncertain, as the full impact of the COVID-19 pandemic virus has yet to be realized.
- Our projections assume that the COVID-19 pandemic has subsided by the time of the implementation of the project.
- The recovery from an economic downturn spurred by the COVID-19 pandemic may mirror earlier recovery patterns; however, the rate of recovery for the economy remains unknown.
- Given the lack of certainty surrounding several key economic variables, HVS projections produced in this report should be considered to reflect assumptions and conditions at the time of the writing.