

LONG-RANGE MASTER PLAN FOR MOVING FORWARD



■ The NEED

■ The POSSIBILITIES

■ The PLAN

PURPOSE

- Provide overview of the Austin Convention Center Long-Range Master Plan and stakeholder process
- Obtain Council approval of the Austin Convention Center's Long-Range Master Plan
 - To be used as a long term planning vehicle
 - Future Council action will be required for expansion activities
 - Land acquisition
 - Financing Plan
 - Construction activities

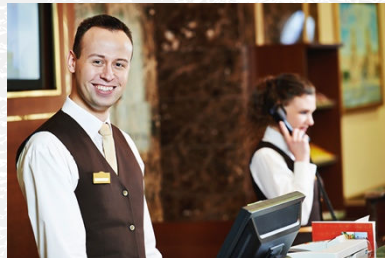
BACKGROUND

- Previous Council Action
 - March 27, 2014 – Request for Council Action (20140327-018) authorized a contract with M. Arthur Gensler, Jr. & Associates, Inc. (DBA Gensler) to develop a long-range master plan for the Austin Convention Center Department
 - December 11, 2014 – Council Resolution (20141211-218) directed the City Manager to:
 - Work with the Urban Land Institute's Technical Assistance Panel to provide expert recommendations on the proposed Convention Center expansion, and
 - Report back to City Council
 - August 24, 2015 – presentation to the Council Economic Opportunity Committee with follow-up Item for Committee Consideration on October 12, 2015

LONG-RANGE MASTER PLAN – BACKGROUND

- Convention Center success is far-reaching
 - Hospitality/Tourism industry – local jobs, small business
 - Hotels, Restaurants, Taxi, Valet, Entertainment
 - 2014 - \$5.9 billion economic impact on local spending*
 - 2014 - 48,900 industry jobs*

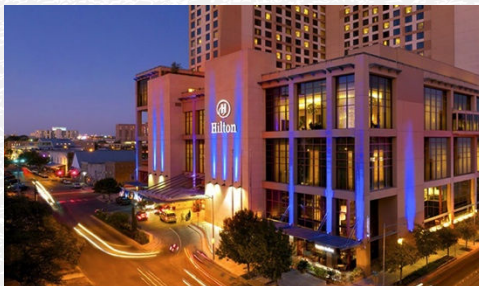
* data from State of Texas Office of Governor, Economic Development and Tourism Estimates



LONG-RANGE MASTER PLAN – BACKGROUND

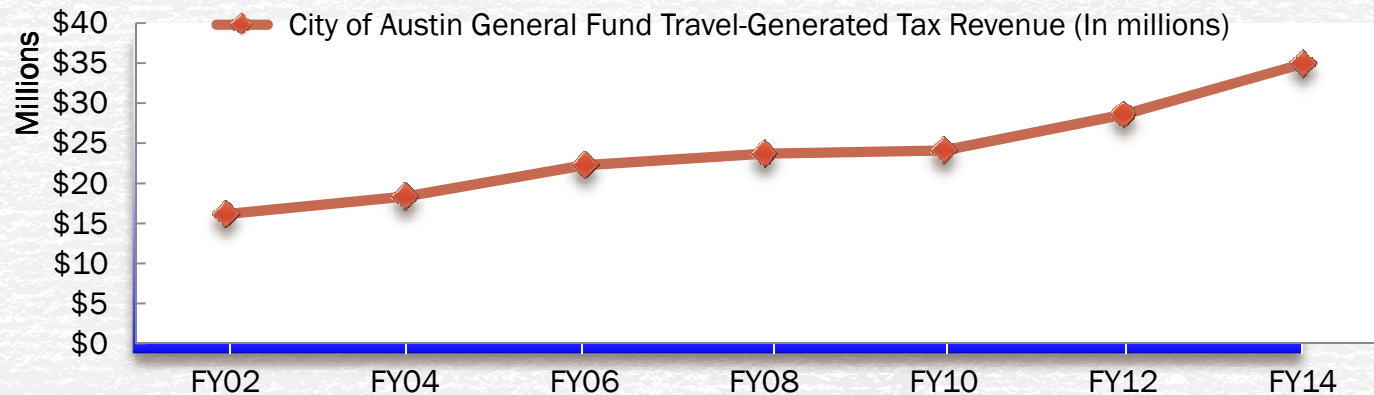
- Local Travel-Generated Tax revenues
 - Taxes from Hotel Occupancy, Rental Car, Sales, & Property
 - Reported amounts from the State include taxes generated from both visitors and residents/businesses within the tourism industry
 - 2014 Local Tax Impact of \$173.5 million* – including:
 - \$68.1 million in Hotel Occupancy Tax
 - \$ 8.6 million in Rental Car Tax
 - \$30-35 million in City's General Fund Taxes – Sales & Property

* data from State of Texas Office of Governor, Economic Development and Tourism Estimates



LONG-RANGE MASTER PLAN – BACKGROUND

Contributions to the City's General Fund - Historical Look



- Average bi-annual growth of \$3.1 million, or 14%
- 117% increase from 2002 – 2014

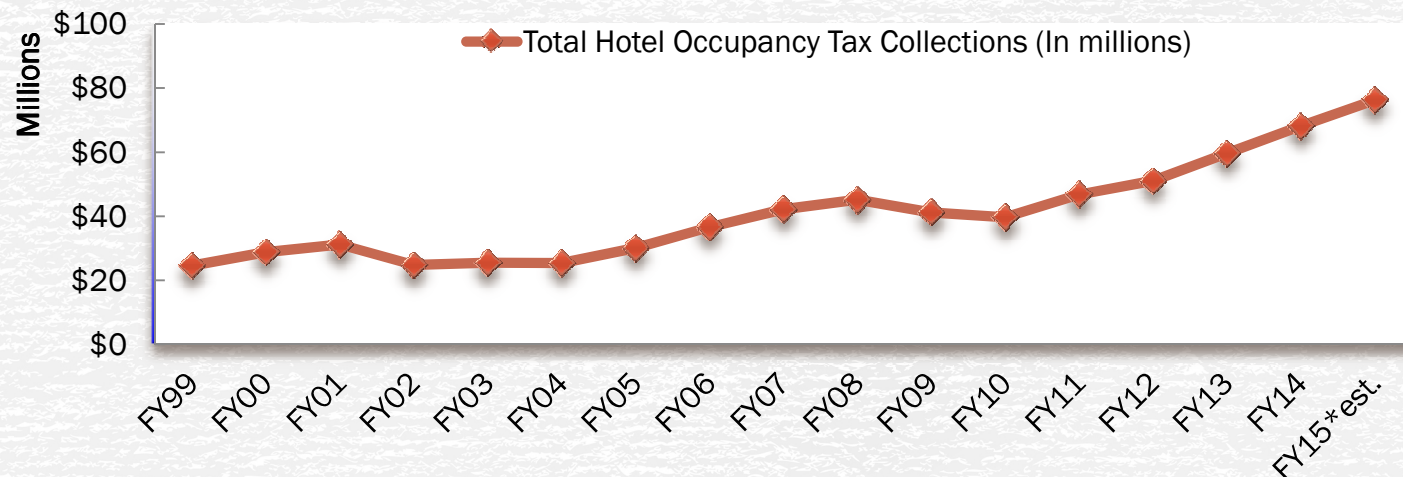
Estimated City Sales/Property Tax Generated:



The NEED: Keep Hospitality Industry & Convention Center Thriving/Successful

LONG-RANGE MASTER PLAN – BACKGROUND

Convention Center's Success – Historical Look



FY99 Total HOT collected = \$24.6 million

Convention Center 2% Venue Tax Assessed

Convention Center Northside Expansion Complete

City-owned Hilton Opens

FY08 Total HOT collected = \$45.2 million

Total Estimated Room Nights of ACC events- 172,000

Circuit of the Americas (COTA) Opens

FY15 *est. Total HOT collected= \$76.2 million

Total Estimated Room Nights of ACC events- 269,000

Current ACC Venue Scheduled Retirement

1999

2002

2004

2008

2012

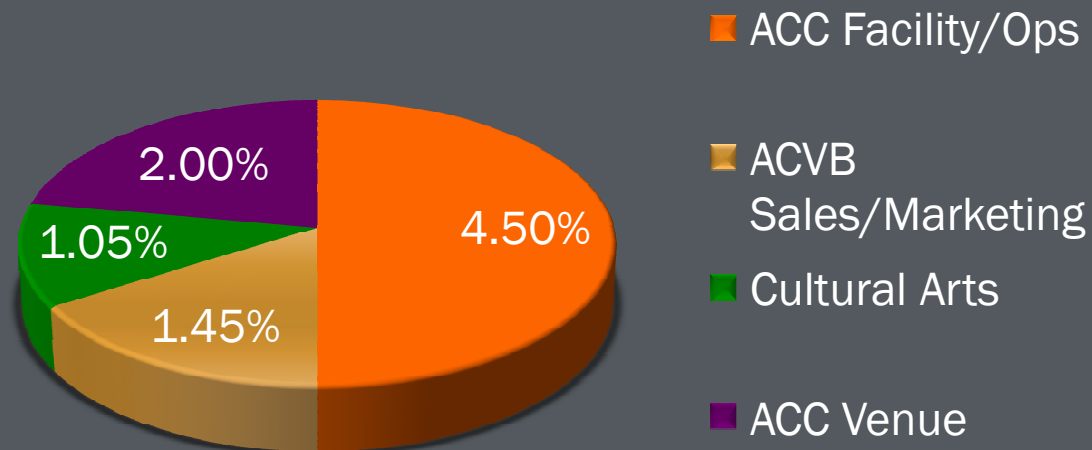
2015

2029

LONG-RANGE MASTER PLAN – BACKGROUND

- Hotel Occupancy Tax (HOT) – Closer Look
 - HOT uses governed by Texas State Tax Code, City Code and Bond Covenants

9% HOT Distribution



Austin Convention Center = ACC
Austin Convention & Visitors Bureau = ACVB

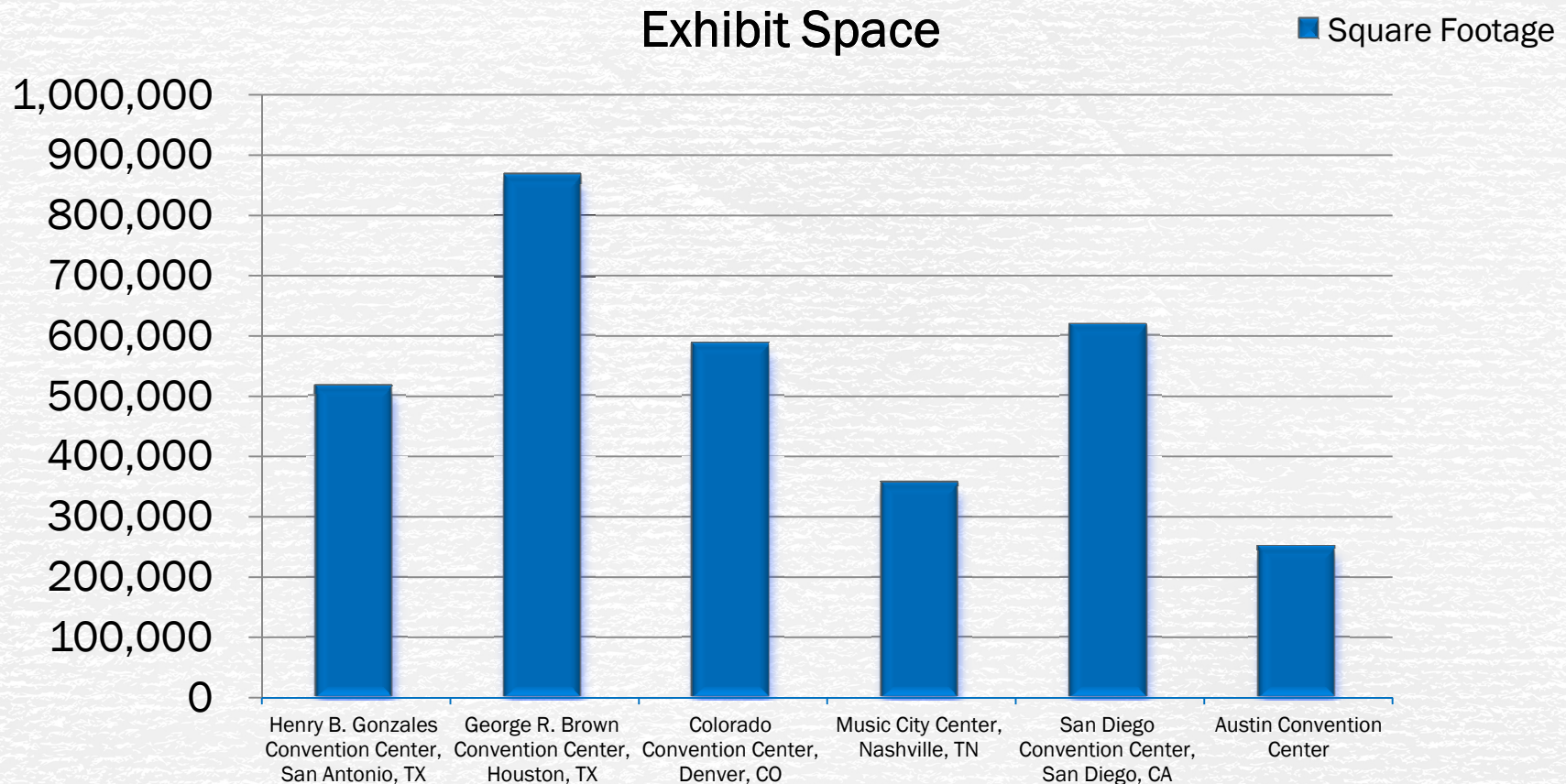
LONG-RANGE MASTER PLAN – THE NEED

Existing Conditions

- Current Hotel Inventory increased by 46% since 2004
- #1 reason Lost Business- No availability/too small
- More walkable rooms than competitors
- Competitors continue to improve/expand

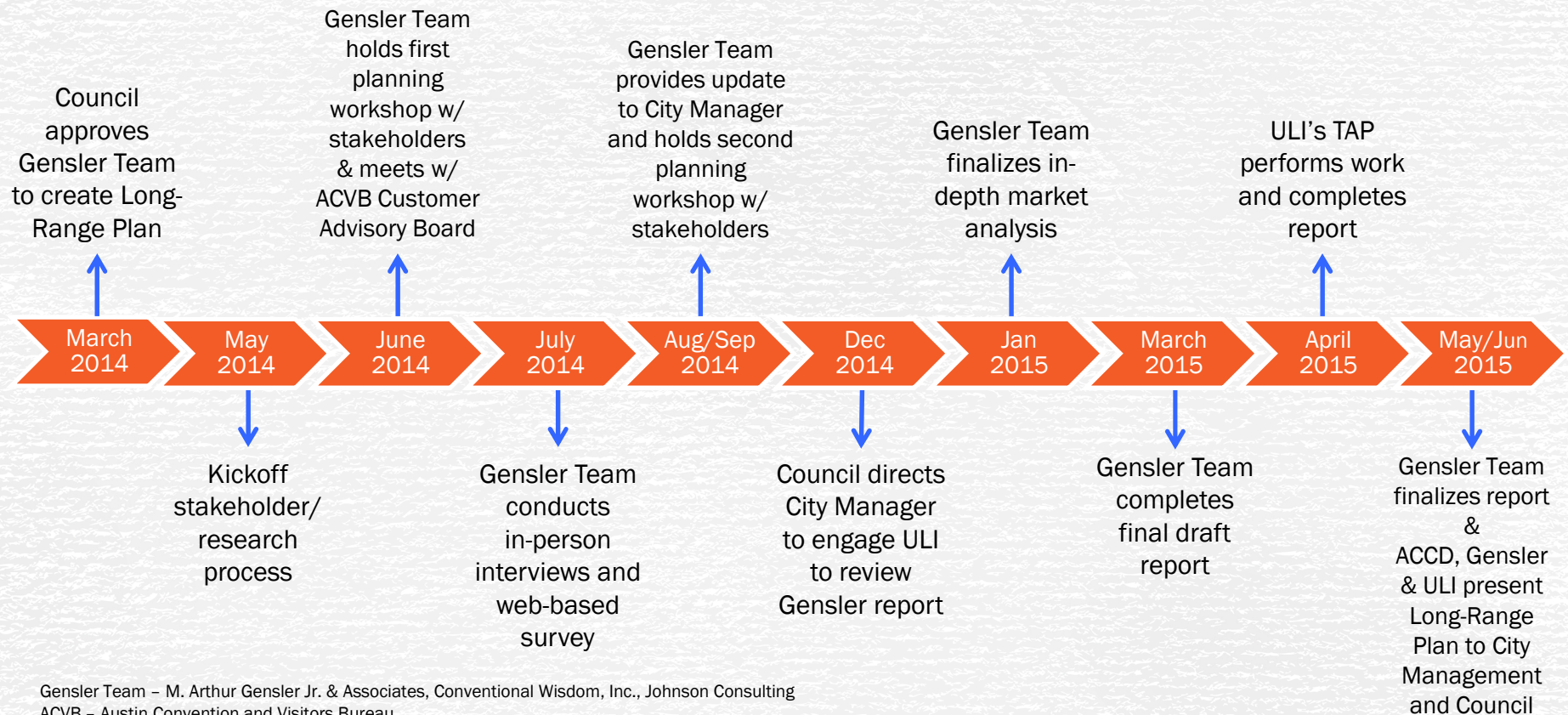
LONG-RANGE MASTER PLAN – THE NEED

Austin Convention Center Peer City Comparisons



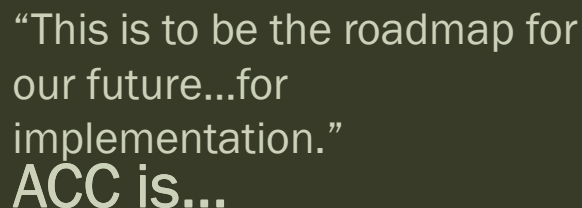
LONG-RANGE MASTER PLAN – THE PROCESS

- In 2013, Consensus Reached on Need for Long-Range Plan
 - Resulted in Independent Assessment via Deliberate Process



Gensler Team – M. Arthur Gensler Jr. & Associates, Conventional Wisdom, Inc., Johnson Consulting
 ACVB – Austin Convention and Visitors Bureau
 ULI – Urban Land Institute Austin
 TAP – ULI's Technical Assistance Panel
 ACCD – Austin Convention Center Department





- “Where do we fit in the competitive marketplace?”



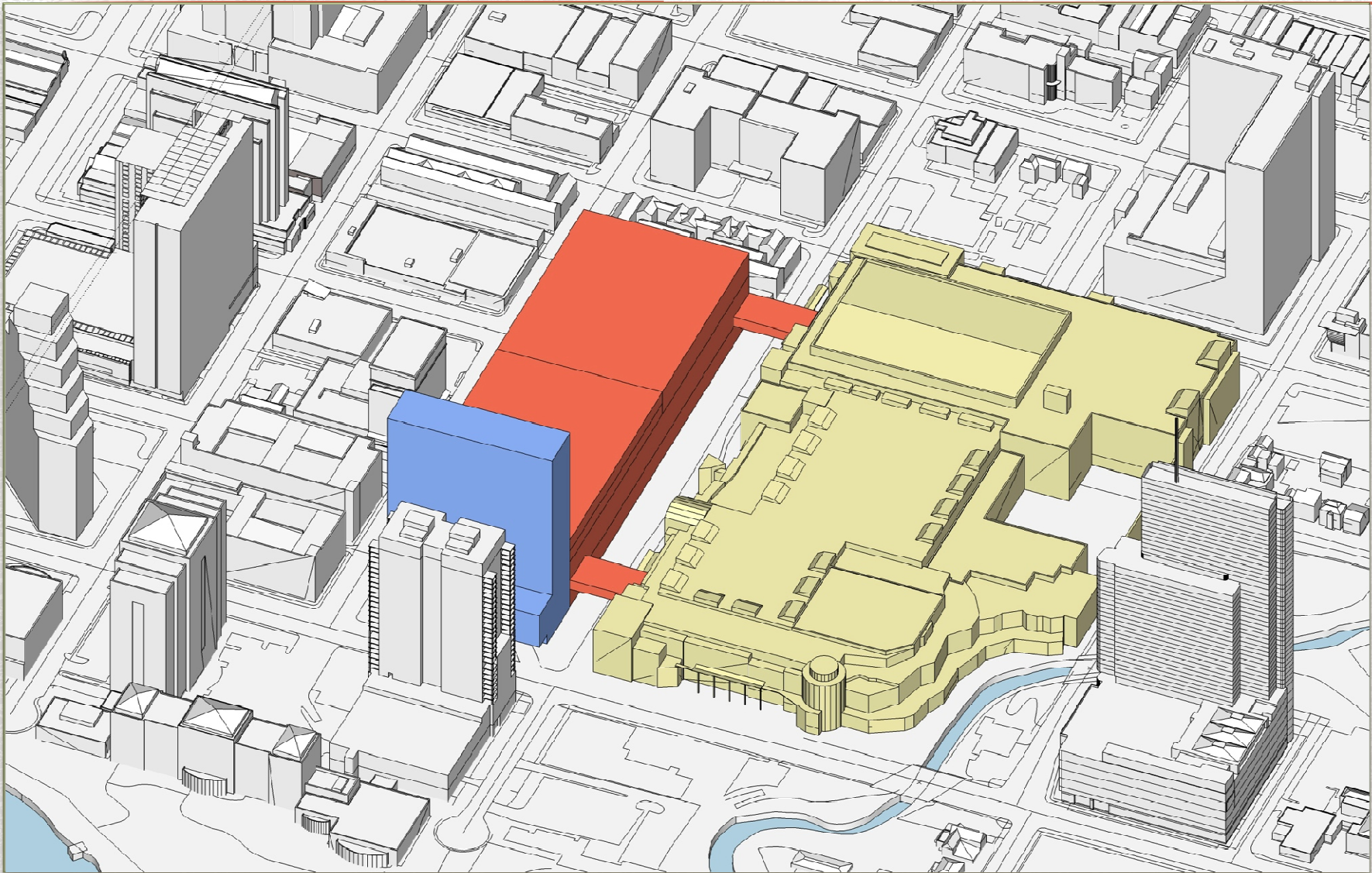
“...to be successful, solve for the weakest link.”

With City Council approval, Convention Center sought industry experts to create plan.

- Gensler, Conventional Wisdom and Johnson Consulting
 - Employed process involving stakeholder input and analysis
 - Held multiple planning sessions and workshops to gather input
 - Participants included City executives & staff, hoteliers, customers and industry stakeholders
 - Developed 6 options for evaluation
 - Ranged from no expansion, to expansion in various directions and relocation
 - Utilized market analysis and stakeholder input to evaluate each option
 - Performed in-depth economic & market analysis of current state & options
 - Thorough, deliberate process spanned 7+ months
 - Arrived at recommendation for expansion with proposed option

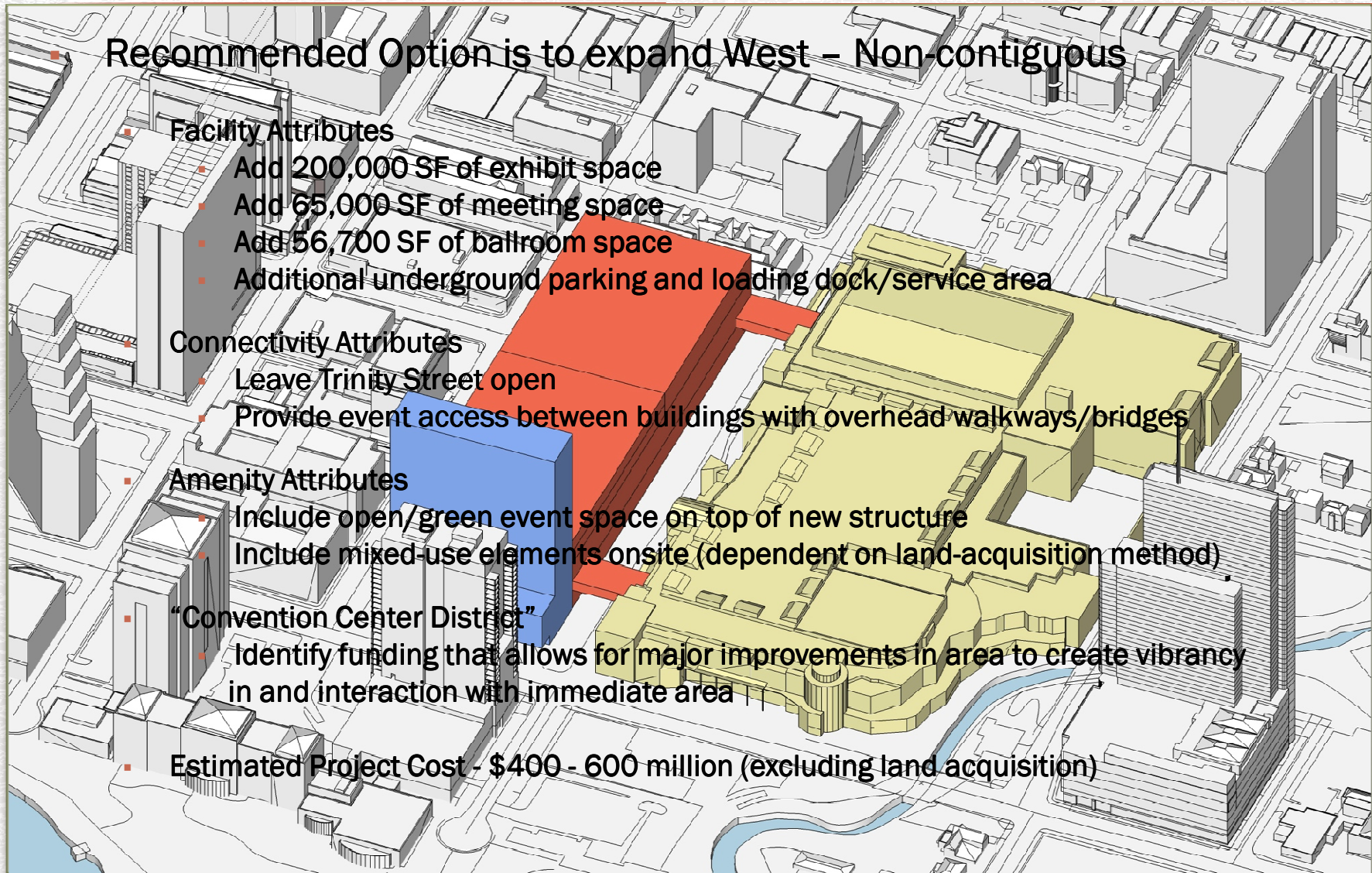
LONG-RANGE MASTER PLAN – THE PLAN

Gensler



The PLAN: Expand to Keep the Hospitality Industry & Convention Center Thriving/Successful

LONG-RANGE MASTER PLAN – THE PLAN

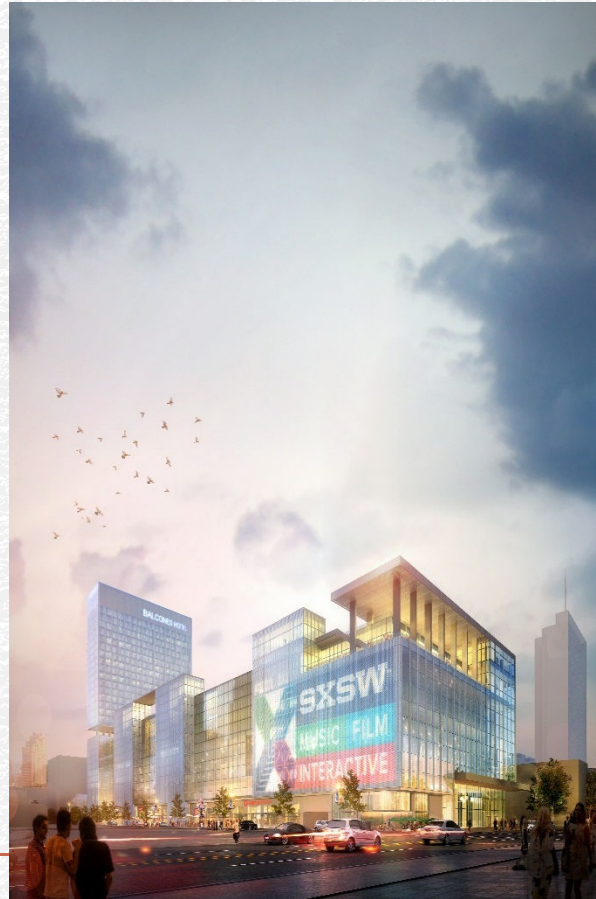


LONG-RANGE MASTER PLAN – THE PLAN

Gensler



Hotel on Cesar Chavez Street as shown in the master plan



Hotel on north end of Phase III expansion



Phase III expansion with no hotel

The PLAN: Expand to Keep the Hospitality Industry & Convention Center Thriving/Successful

LONG-RANGE MASTER PLAN – THE PLAN



The corner of San Jacinto and Cesar Chavez with streetside restaurants and retail.

LONG-RANGE MASTER PLAN – THE PLAN



The corner of Trinity and Cesar Chavez Streets showing Trinity blocked off for an outdoor street.

LONG-RANGE MASTER PLAN – THE PLAN

Gensler



The PLAN: Expand to Keep the Hospitality Industry & Convention Center Thriving/Successful 20

LONG-RANGE MASTER PLAN – THE POSSIBILITIES



Following City Council direction, Convention Center utilized independent party to evaluate the Gensler team recommendation

- Urban Land Institute (ULI) Technical Assistance Panel (TAP)
Conducted April 14 – 15, 2015
 - TAP consisted of 5 industry experts
 - Process included:
 - Review of Gensler's report
 - Site tour
 - Extensive interviews with stakeholders
 - Meetings with City staff and Gensler team
 - Agreed with Gensler's master plan conclusion and proposed option
 - Urges Convention Center to be bold and visionary in plans



Summary of Major Recommendations and Conclusions

1. The Panel agrees with the Master Plan's conclusion that an expansion is necessary and to utilize Option 3b (West, non-contiguous) for the expansion.
2. Expand with a design plan to create a convention center district that would include funding for Brush Park, the Red Line Station and Waller Creek so that the entire area becomes an 18-hour district for both Austinites and convention visitors.
3. Design should include street-level culture venues, retail and restaurant space to prevent the current "dead zone" feel around the existing convention center.
4. Fund visionary expansion and district development through an increase in the Hotel Occupancy Tax up to 17%.
5. Purchase land now through the use of options, public-private partnerships or other joint venture structures to secure needed expansion land without the restrictions caused by use of eminent domain and condemnation.
6. Be bold and visionary in the plans for the district to create a long-term signature solution for Austin.

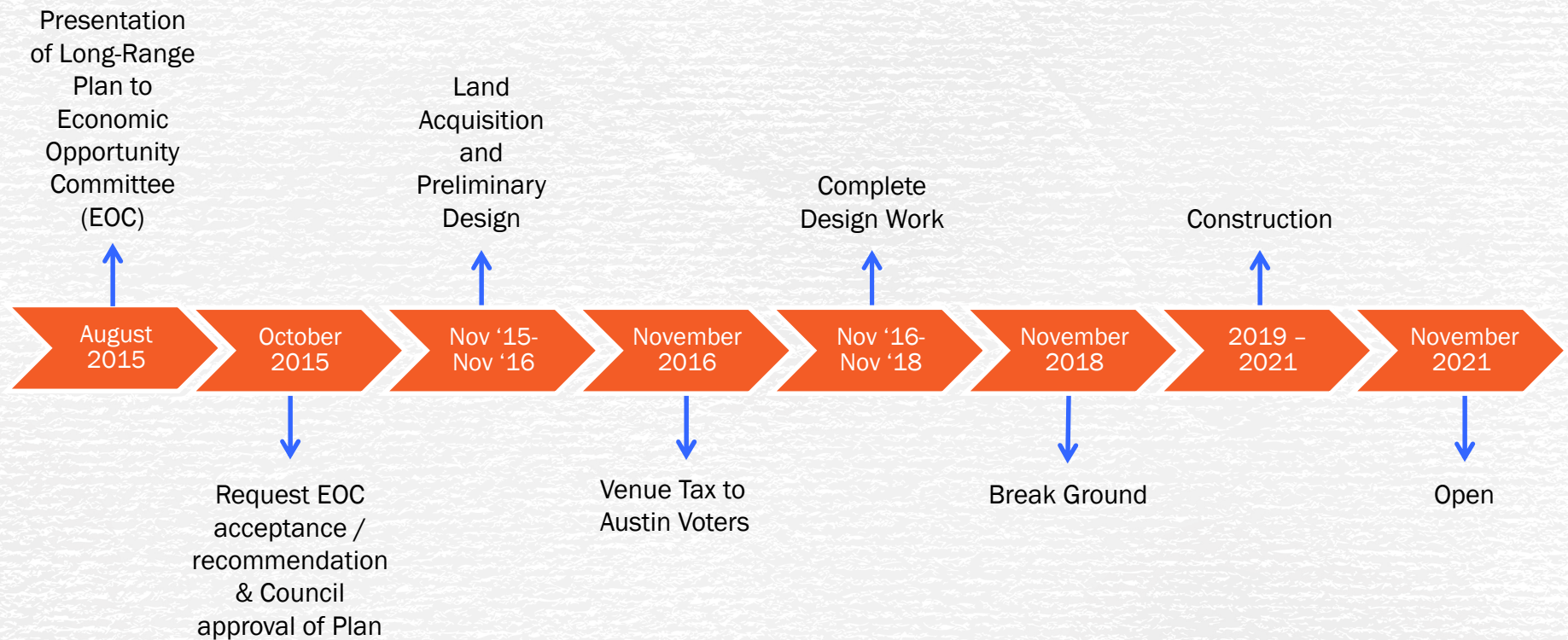
LONG-RANGE MASTER PLAN – THE PLAN

- Short Term Strategy
 - Land Acquisition
 - Preliminary Design/Development
 - Solicitation for Design/Development Team
 - Solicitation for Third-Party Partnerships

LONG-RANGE MASTER PLAN – THE PLAN

- Long Term Financial Strategy
 - Venue Project (2% HOT)
 - Based on Attorney General Public Finance Division guidance
 - Subject to voter approval
 - Seek additional funding capacity through Third-Party financing opportunities

LONG-RANGE MASTER PLAN – PROJECT TIMELINE



AUSTIN

CONVENTION CENTER

