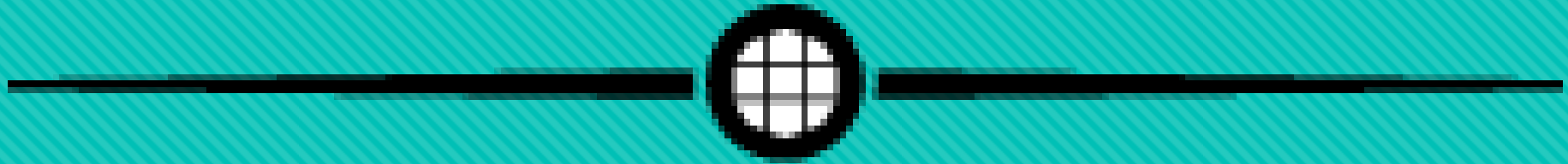


AUSTIN



CONVENTION CENTER

Presentation to Downtown Commission

November 15, 2017

Carla Steffen, Deputy Director/CFO, Austin Convention Center



History/Background
Stakeholder/Community Engagement
Impact of Austin Convention Center
Overview of Expansion
Potential with Expansion
Financing / Funding Sources
Links

Topics Covered

History/Background

- Previous Council Action
 - March 2014 – Started Long-Range Master Plan development with Council approval of consultant selection
 - Plan finalized May 2015
 - December 2014 – Council directed work with Urban Land Institute (ULI)
 - Report finalized Spring 2015
 - November 2015 – Council passed 14-pt resolution
 - Responses presented to Council in February 2017
 - August 2016 – Council created Visitor Impact Task Force (VITF)
 - VITF met from December 2016 – May 2017, presented final report in August 2017
 - February 2017 – Council passed resolution regarding downtown investments, incorporating Convention Center
 - September 2017 – Council passed 2nd downtown investment resolution

Stakeholder/Community Input

- Master Plan

- Held visioning session and 2 Planning Workshops with over 100 representatives from City, business sector, industry leaders, professional organizations

- Surveyed current and potential customers

- ULI

- Conducted interviews with representatives from City, Hotels, ACC customers, Restaurants, Neighborhoods, Chambers, Capital Metro, Real Estate, Downtown



Stakeholder/Community Input

- Town Hall Meetings
 - Joint District 1 & 3 meeting – August 27, 2016
 - Joint District 9 & Travis County – February 25, 2017
- VITF
 - 13 meetings; 41 hours of public meeting time
- Additional Conversations, Meetings, Presentations to Other Groups, including:
 - University of Texas, Downtown Commission, Planning Commission



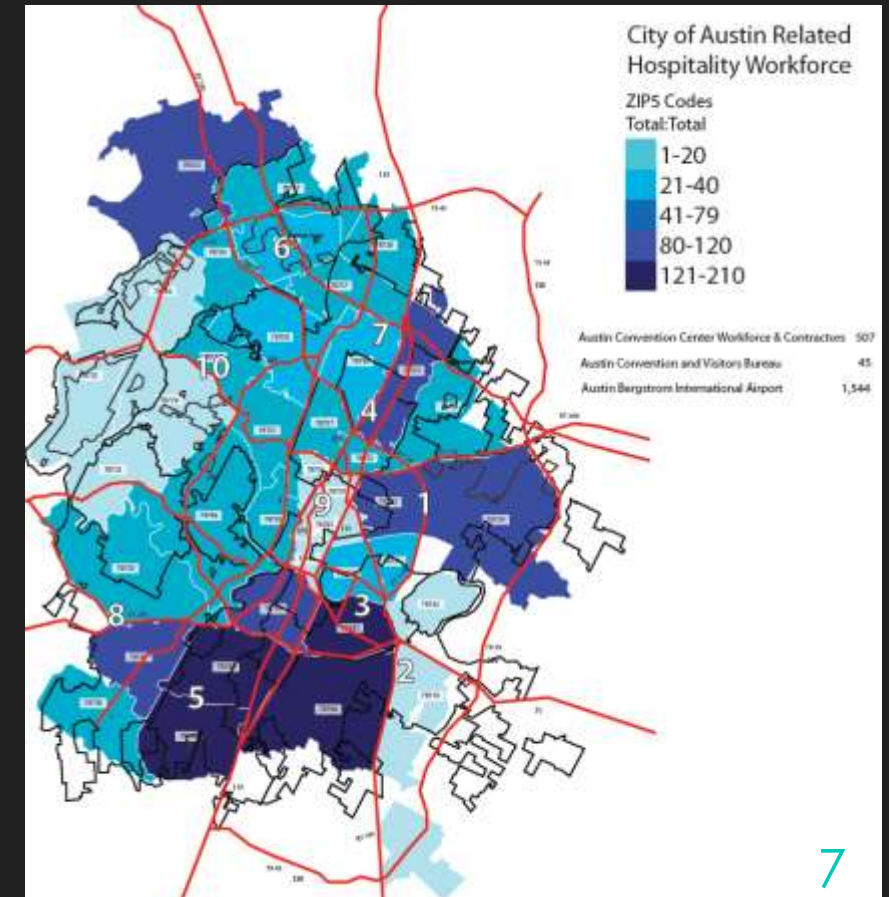
Impact of Austin Convention Center



- Estimated Economic Impact of Visitor Industry (from State of Texas Annual Report and City of Austin financial data)
 - Revenue for hotels, restaurants, bars, local businesses – estimated \$6.6B in spending in 2016
 - State & Local Tax revenue – estimated \$498M in 2016 (hotel, sales, alcohol taxes, etc)
 - Austin - \$ 88.6M in hotel tax; estimated \$40M in General Fund taxes (sales, alcohol, etc.)
- Purpose of Austin Convention Center (ACC) – provide a positive economic impact to Austin
 - Based on 2016 results – ROI of Hotel Occupancy Tax (HOT) directed to/for ACC was 275%
- ACC fills gap in tourism/visitor industry – WEEKDAY BUSINESS
 - 70% of 2016 occupied days in ACC were weekdays

Impact of Austin Convention Center

- Profile of Convention Visitor/Attendee
 - Stay longer – add days before/after conference/convention
 - Study indicates 60%
 - Bring others with them
 - Study indicates 55%
 - Spend More
 - Study indicates 6% more
- Employment – Tourism/Hospitality industry is 4th largest sector in Austin
 - Jobs provide accessible entry into industry, with upward career paths
 - Workforce is spread across Austin – all districts benefit as a result of constituents' employment



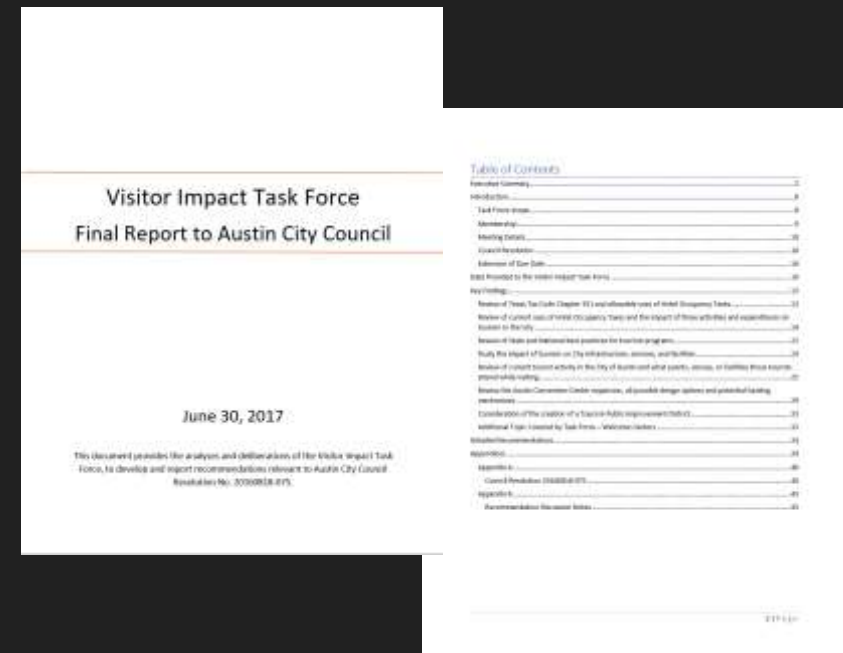
Overview of Expansion

- Current position in competitive market – smallest of competitive set
 - Austin is 11th largest city; 48th largest convention center in terms of exhibition space
 - Significant portion of lost business due to unavailability or inadequate size
- Master Plan Recommendation
 - Expand to West, using non-contiguous design
- Urban Land Institute Recommendation
 - Agreed with West expansion, including broader view of improvements to Convention Center District



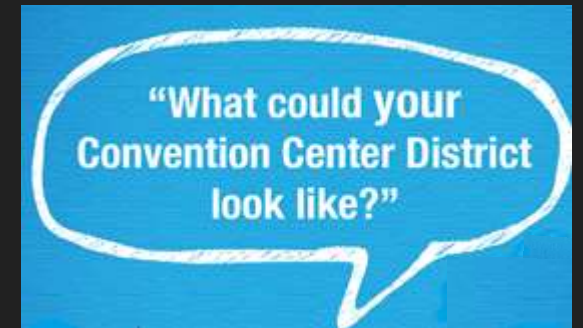
Overview of Expansion

- Visitor Impact Task Force Recommendation
 - Agreed with West expansion, if:
 - Utilize financing that provides for funding for other areas
 - Development/land use that provides for mixed use elements (retail, housing, activated street-level, mobility, etc.)
- Council Resolutions re Downtown Investment
 - Incorporates VITF recommendation into larger downtown vision/discussion



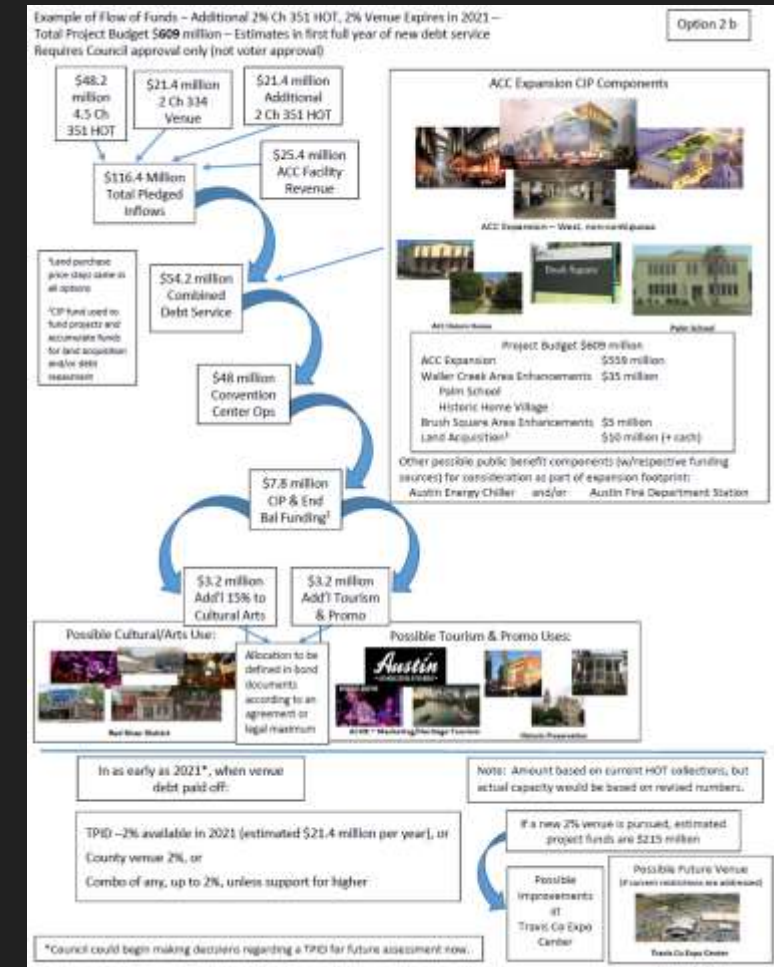
Potential with Expansion

- Become part of urban fabric, vibrant downtown
- Design convention center of future to meet needs of changing convention/meeting industry
 - Need to meet is real – adult education is ongoing and done through conventions/conferences
- Retain larger portion of lost business
- Projected incremental economic impact in year of stabilization
 - Hotel Revenue - \$336M
 - HOT - \$30M
 - General Fund (Sales/Alcohol Tax) - \$11M
- Return of Displaced Events
- Host New/Larger Events
 - Technology
 - Medical



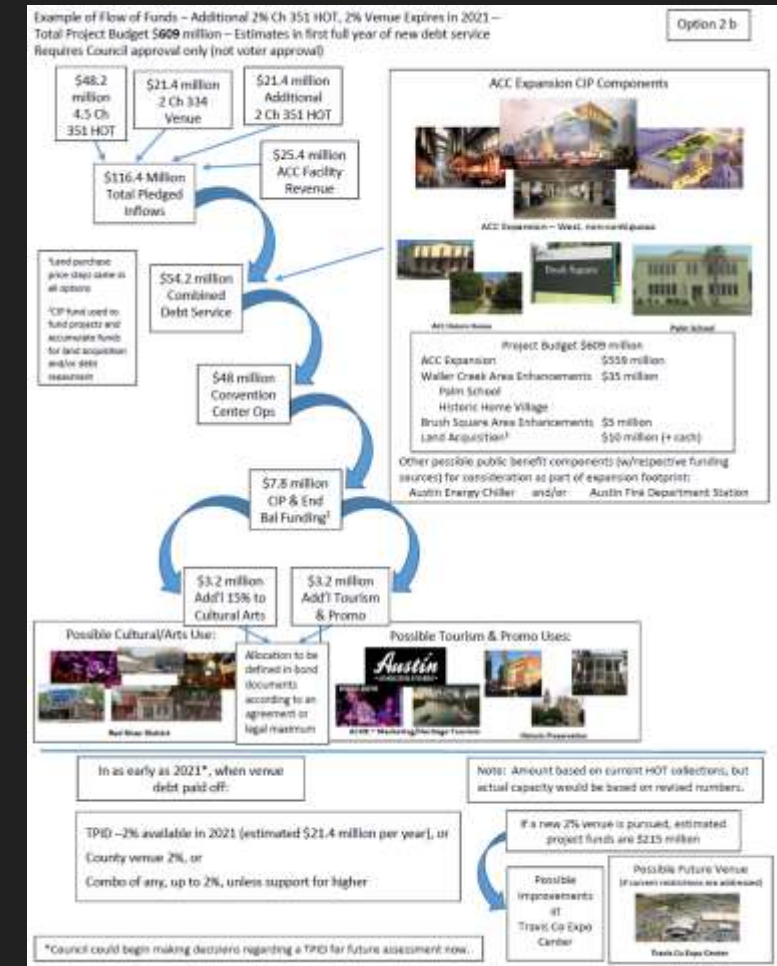
Financing / Funding Sources

- Hotel Occupancy Tax
 - Austin eligible for additional 2% tax for expansion
 - Pledge of current allocation of HOT, additional 2%, ACC facility revenue to maximize bonding capacity
- Project/Related Components
 - Bonding capacity created for other allowable area improvements
- Flow of Funds incorporated into bond covenants would include funding for other allowable uses of HOT
 - Promotion of Arts – eligible for an additional 15% of the 2% HOT increase
 - Historic Preservation – capacity for funding at 15% maximum



Financing / Funding Sources

- Plan provides for early repayment of current debt
 - Allows for possible new HOT Venue for another voter-approved project
- Tourism Public Improvement District - additional funding source available for:
 - Supplemental marketing/event booking activities
 - Additional downtown investment



- Austin Convention Center Long-Range Master Plan
 - Volume I – <http://www.austintexas.gov/edims/document.cfm?id=242405>
 - Volume II – <http://www.austintexas.gov/edims/document.cfm?id=242406>
- ULI Report
 - <http://www.austintexas.gov/edims/document.cfm?id=242407>
- 14-point Resolution Response
 - <http://www.austintexas.gov/edims/document.cfm?id=271538>
- VITF Report
 - <http://www.austintexas.gov/edims/document.cfm?id=279988>
- Downtown Investment Resolutions
 - September 28, 2017 - <http://www.austintexas.gov/edims/document.cfm?id=286207>
 - February 9, 2017 - <http://www.austintexas.gov/edims/document.cfm?id=271920>



Questions?