



MEMORANDUM

TO: Mayor and Council

FROM: Sara L. Hensley, CPRP, Interim Assistant City Manager/ Director
Austin Parks and Recreation Department 

DATE: January 23, 2019

SUBJECT: Update on Council Resolution 20181101-025 Exposition Center

Recently, Council Resolution 20181101-025 asked the City Manager to develop and present options to Council that would allow for the redevelopment, renovation, and activation of the Travis County Exposition Center (Expo Center) and the surrounding 128-acre site located at the Walter E. Long Metropolitan Park.

In 1983, the voters approved a 50-year lease of parkland to Travis County for the purpose of constructing and operating, at no cost to the City, a multi-purpose facility that will be used for staging livestock, exhibitions, equestrian shows, and other public recreational, cultural, and historical events. The lease will expire in December 2033 with no renewable options.

Today, one of the biggest tenants of the Expo Center is Rodeo Austin (formerly the Star of Texas Fair & Rodeo), which uses the grounds for six weeks every year, in February or March. One of the goals of Rodeo Austin is to grow their operations and presence at the Expo Center site. However, the facilities are too small; have experienced significant deferred maintenance; and have become obsolete. The Hunden Strategic Partners Redevelopment Report and Market Study completed in 2016 recommended demolishing and replacing the existing complex. The report called for the need to replace these facilities with a modern complex that would meet the needs of multiple markets looking for event space. In order to be competitive, the report recommended:

- 15,000-seat modern arena that could include a variety of premium seating options and a variety of high-quality food service venues;
- 200,000 sq. ft. exposition hall space with room for expansion; and
- 55,000 sq. ft. ballroom and meeting spaces

The biggest hurdle in attracting this type of investment opportunities is the length of the remaining lease term (14 years) with no options for extensions. There is a need for a long-term strategy on how the property can be secured for at least 50-plus years in order to attract the caliber of investment needed to make the Expo Center successful.

In an effort to consider the most attractive and agreeable options for implementation to stimulate redevelopment, renovation and activation of the Expo Center, the Parks and Recreation Department (PAR) is conducting focus group discussions with both Rodeo Austin and Travis County. The key topics discussed include exploring best options to simplify the management of the site in order to attract future investment.

Rodeo Austin

Rodeo Austin representatives discussed their organizational goals, the challenges they face, potential opportunities and what they believe would be favorable scenarios to meet their goals. The main points from these discussions are summarized below:

Goals:

- Long-term sustainability
- Redevelopment of the exposition space
- Development of multi-use facilities and public spaces to enhance the underserved neighborhoods of East Austin and Eastern Travis County

Challenges:

- Sharing ownership and operations between two governmental entities and a third party partner complicates the redevelopment and/or renovation the property
- The lease expiration in 2033 makes it difficult to attract investments
- The parkland designation restricts a variety of land uses that traditionally support an exposition center
- Neither the landowner (City of Austin), nor the lessor (Travis County) has invested in the property in 35 years

Opportunities:

- Locating future PARD event space in close proximity to the Expo Center will present opportunities for synergistic uses, including shared parking
- In 2017, Travis County approved \$1.4 million in capital improvements for the Expo Center that they could invest provided there is clarity about future owner/operator status

Potential acquisition of the 128-acres by Travis County would allow Rodeo Austin to enter into a Public Private Partnership (P3) agreement with Travis County. Under such an agreement, Rodeo Austin would combine the use of their 45-acres with the 128-acres and would be able to invest on needed capital improvements for the Expo Center.

Travis County

PARD held meetings with Travis County to discuss options for redevelopment. Travis County shared similar concerns about having less than 14 years left on the lease. They are interested in exploring the following options:

- “Fee Simple” purchase from the City of Austin
- Negotiation of a new lease with the City of Austin
- A “land swap” idea transferring Travis County land in exchange for the 128-acres of parkland
(It is worth noting that these options – fee simple acquisition, a new lease, and land transfer – require a voter referendum)
- Acquisition of the 128-acres using eminent domain. This option would require an appraisal and Travis County would have to pay market value for the property.

PARD will be meeting again with Travis County at the beginning of February 2019, to discuss further the outlined options, required steps, and respective timelines. Should you have any questions, please contact my office at (512) 974-6717.

cc: Spencer Cronk, City Manager
Elaine Hart, Deputy City Manager
Greg Canally, Deputy Chief Financial Officer