

# **Agreement between City of Austin and Circuit Events Local Organizing Committee**

## **(Formula 1 United States Grand Prix Event)**

The City of Austin, a home-rule municipal corporation located in Hays, Travis, and Williamson Counties, in the State of Texas, (City) acting through its duly authorized agent, the City Manager, and Circuit Events Local Organizing Committee, a Texas non-profit corporation, (CELOC) acting through its duly authorized director or officer, enter into this Agreement (Agreement), upon the terms and conditions set forth below.

### **RECITALS:**

1. Tex. Gov. Code Chapter 478 (Chapter 478) and the related rules found at 10 Tex. Admin. Code, Part 5, Chapter 184, as amended and supplemented (collectively, the Rules), were passed and enacted for the purpose of attracting and securing eligible events to Texas. The Office of the Governor, Economic Development and Tourism Department (OGEDT) is tasked with administering Chapter 478 and the Rules. Tex. Gov. Code (Government Code) § 478.0001(3) includes a Formula One automobile race as an eligible event. CELOC has proposed the "Formula 1 United States Grand Prix 2022 - 2026" Event (the Event) as an eligible event under Chapter 478. The site selection organization is Formula One Management Limited (FOML). The 2022 Event will be held October 21-23, 2022 at the racetrack facilities of Circuit of the Americas in Austin, Texas.
2. Government Code § 478.0001(2) provides that a municipality that contains a site selected by a site selection organization for an event, such as the Circuit of the Americas racetrack located in the City, is an eligible "Endorsing Municipality" for purposes of establishing a Major Events Reimbursement Program (MERP) as authorized under Government Code §§ 478.0151 and 478.0152 thus making local and state funds available to attract, secure, and hold an eligible event, such as the Event.
3. Government Code § 478.0102 authorizes an Endorsing Municipality or a local organizing committee, such as CELOC, to request that the OGEDT determine the incremental increases in certain local taxes (Local Increment) and state taxes (State Increment) that will be attributable to the Event.
4. Government Code §§ 478.0151 through 478.0153 authorize the City, or its designee, to fund the MERP in an amount up to the estimated Local Increment. Under this Agreement, CELOC, as the City's exclusive designee, has agreed and committed to fund the Local Increment on behalf of the City. Government Code § 478.0155 authorizes the State to fund the MERP with \$6.25 for each dollar of estimated Local Increment, but not more than the estimated State Increment.
5. Government Code §§ 478.0152 and 478.0154 authorize the City to determine whether the Local Increment will come from sales, use, and mixed beverage tax collected and retained by the State; hotel occupancy tax collected and remitted by the City; surcharges; any other source; or any combination of sources. However, under this Agreement, CELOC has agreed and committed to fund the Local Increment on behalf of the City.

6. If CELOC does not fund the Local Increment on behalf of the City, the City may terminate this Agreement, under Section 24 below.
7. Government Code § 478.0202 authorizes disbursements to CELOC as the "Local Organizing Committee" on the prior approval of the City.
8. The parties acknowledge and agree that the City will solely and exclusively utilize CELOC as its designee (Designee) to provide the Local Increment, and that this Agreement does not affect OGEDT's responsibility to provide the City's tax revenues to the City. This Agreement does not require the expenditure of City funds into the MERP.
9. CELOC, based on the CELOC Board of Directors approval, submitted a formal letter requesting that the City (i) act as the Endorsing Municipality for purposes of establishing a MERP for the Event, and (ii) authorize CELOC to submit a request to the OGEDT to determine the incremental increase in the receipts of various taxes for the Event.
10. On December 9, 2021, the City, by City Council Resolution 20211209-0??, approved the City to act as the Endorsing Municipality for the Formula 1 United States Grand Prix Event, to approve and appoint CELOC as the Local Organizing Committee for the Formula 1 United States Grand Prix Event, to approve CELOC to apply to the site selection organization for the Formula 1 United States Grand Prix Event, to hold the Formula 1 United States Grand Prix Event in Austin, Texas, and approve CELOC to make application to the State for and on behalf of the City as the Endorsing Municipality for participation in the MERP.
11. On \_\_\_\_\_ CELOC confirmed its previous application to FOML, the site selection organization, for the Event. The City received a letter from FOML confirming that, after a highly competitive selection process, FOML has chosen Austin, Texas as the location site for the Event.

#### **AGREEMENT:**

12. Agreement Purpose. The purpose of this Agreement is to establish the parties' authority, rights, and responsibilities with respect to the application to the OGEDT for creation of a MERP, the funding of the MERP, and disbursements from that account for the Event. This Agreement does not constitute City approval for any permits or licenses that may be needed by CELOC or any other entity to hold this Event.
13. Term. If the OGEDT approves creation of the MERP for the Event, this Agreement shall remain in effect until 180 days after the 2026 Event, unless terminated sooner only in accordance with the terms of Sections 24 or 26 of this Agreement.
14. City Authority. The City has the authority to enter into this Agreement in accordance with the terms of Chapter 478 and pursuant to the approval and resolution of City Council enacted on December 9, 2021. No City appropriation is necessary for performance of this Agreement.
15. City Responsibilities.
  - A. City responsibilities and obligations include:

- (1) Authorize CELOC, and, if requested by CELOC, confirm the authority of

CELOC as the City's exclusive Designee, to (i) contribute the Local Increment on the City's behalf; (ii) prepare and submit disbursement and reimbursement request letters to the OGEDT; (iii) receive funds from the MERP; and (iv) make an MERP reimbursement request to the OGEDT under the Rules.

- (2) Coordinate, cooperate with, and assist CELOC in (i) the application process under Rule §184.22, including delivery of a letter required under subsection (a)(2) and, if required by the OGEDT, an affidavit under subsection (d), and (ii) the disbursement request process under Rule §184.40, including submission of invoices, receipts, and other documents evidencing eligible expenses, all as reasonably requested by CELOC, to obtain disbursement and reimbursement of eligible expenses from the MERP in accordance with the Rules. The parties acknowledge that the OGEDT is the final determiner of what constitutes an "eligible expense" for reimbursement purposes.

- B. Per Section 15.A(2), in carrying out the duties in this Agreement, the City may, and does designate and authorize CELOC to act as its exclusive Designee and Local Organizing Committee for the Event and to perform those certain duties and tasks on behalf of the City as specified in Section 17 below and any such other duties as subsequently agreed by the City and CELOC in writing. The City grants its prior approval for CELOC's submittal to the OGEDT of all disbursement and reimbursement request letters and invoices for eligible expenses related to the Event, subject only to final review and approval by the City.

- 16. CELOC Authority. CELOC is authorized by the City, and has the authority to fulfill certain responsibilities on the City's behalf as the City's exclusive Designee to make application to the Site Selection Organization for the Event on behalf of the City, to make application for the Event on behalf of the City for participation under Chapter 478 and for administration of the MERP for the Event under Chapter 478 as further authorized and described in Section 17.

- 17. CELOC Responsibilities and Authority.

- A. Specific Responsibilities and Authority for the Event.

- (1) The City authorizes and requests, and by its authorized signature below, CELOC agrees that it will fulfill the following responsibilities and obligations on behalf of the City:
  - (a) Make application to the OGEDT under the Rules, including requesting that the OGEDT make a Local and State Increment determination per Government Code § 478.0102, with such application made not later than 45 days prior to each Event. Should the date of the Event be changed, or other delay occur, the application may be resubmitted at any time permitted by the OGEDT.
  - (b) Commission, pay for, or provide for payment of, and submit to the OGEDT, an Economic Impact Study (EIS) assessing an estimated tax increment for the Event.

- (c) Prepare and submit an Events Trust Fund Application, if and as required by Rule §184.22.
  - (d) Provide affidavit if and as required by Rule §184.22(d), in the form required by the OGEDT.
  - (e) Pay or provide for payment of the City's estimated Local Increment, contribution, up to the amount of estimated Local Increment determined by the OGEDT for the Event.
  - (f) Enter into an Event Support Contract with each of the Site Selection Organizations per the Rules.
  - (g) Submit to the OGEDT documentation of the Site Selection Organizations' "highly competitive selection process" per the Rules.
  - (h) Prepare and submit all disbursement request letters for the Event or the MERP to the City, for review and approval, and to the OGEDT, including required documentation and backup information to enable the City to complete and deliver, in good faith, the certification required under Rule §184.40 and such other non-confidential documentation in CELOC's possession as requested by the OGEDT.
  - (i) Prepare and submit the information and report required under Rule §184.30.
- (2) CELOC will have (or if currently elected, maintain) one City representative to the CELOC Board. This representative will be a non-voting, ex-officio member. The City will have only one board member, regardless of the number or type of events under this or any other agreement between CELOC and the City.
- (3) All meetings of CELOC shall be conducted in accordance with the Texas Open Meetings Act.
- (4) All records of CELOC shall be open in accordance with the Texas Public Information Act.
- B. Modifications of obligations and responsibilities. CELOC's obligations and responsibilities under this Section 17, and the time periods for compliance or performance, as well as the distributions under Section 19 may be modified or amended with written approval of the City; this approval will not be unreasonably withheld. Further, the City may ratify any non-compliant or untimely performance by CELOC and upon such ratification, the compliance or performance will be considered and deemed compliant, performed, cured, and timely. Such ratification is only effective if it is in writing.

18. Funding of Local Increment.
- A. The City authorizes and requests, and by its authorized signature below CELOC agrees to fulfill, the obligation and responsibility on behalf of the City for the payment of the City's Local Increment contributions for each Event in amounts up to the estimated anticipated Local Increment.
  - B. If this Agreement is terminated because CELOC does not meet its financial obligation of depositing the annual Local Increment in amounts up to the estimated anticipated Local Increment, then Circuit of the Americas LLC (COTA) will guaranty the City against any liability to the OGEDT for any amount the OGEDT asserts that the City owes the OGEDT for such Local Increment, as such obligation is further set out in Section 25 of the Agreement between the City and COTA.
  - C. Per Chapter 478, the Local Increment will be matched by the State in a ratio of 1:6.25.
19. Disbursements. The City authorizes and approves for disbursement from the MERP for the Event in the following order of priority:
- A. To the Site Selection Organization, payment for all or part of the Event service fee, provided if such service fee has been paid to the applicable Site Selection Organization, then in reimbursement to the payer.
  - B. To CELOC, in payment of eligible expenses for the Event.
20. Disbursements Must Be Eligible Expenses. All disbursements from the MERP must constitute eligible expenses, as determined by the State, in accordance with Chapter 478 and the Rules.
21. Fund Disbursement Upon Early Termination. Early termination of this Agreement triggers reimbursement of funds on hand to the party or parties contributing such funds, but only after eligible expenses have been disbursed for the Event, per Government Code § 478.0207, with CELOC receiving funds contributed by CELOC on behalf of the City as City's Designee.
22. Sustainability Initiatives.
- A. CELOC and COTA will enter into an agreement, with City input, that specifies CELOC's and COTA's responsibilities to accomplish the terms specified in Exhibit A, as applicable to the Event.
  - B. CELOC will exert reasonable efforts to report or cause COTA to report to the City annually, after the Event is held and prior to disbursement of funds to CELOC by the Governor's Office for the Event, on progress made as it relates to the terms specified in Exhibit A, as applicable to the Event.
  - C. Subject to and following the 30-day notice and opportunity to cure described in Section 24 below, there must also be 90 days' written notice of intent to terminate delivered to CELOC, pursuant to this section, with copy to the OGEDT (for a total 120-day notice period).

- D. Failure to meet items (A) and (B) above, or terms specified in Exhibit A, as applicable to the Event, constitute grounds for termination; provided, however, both parties will first attempt non-binding arbitration to resolve any dispute between the parties with regard to the alleged failure of COTA to meet items (A) and (B) above or the terms specified in Exhibit A. If non-binding arbitration is not successful, the City and CELOC agree to resolve the dispute in the jurisdiction and venue set forth in Section 27 below prior to the City exercising any termination remedy due to such dispute.
- E. The City and COTA will enter into an agreement that specifies COTA's responsibilities to accomplish the terms specified in Exhibit A. In the event the City is entitled to terminate the agreement between the City and COTA, and the City has provided notice of the termination of the agreement between the City and COTA, the City may terminate this Agreement by giving 90 days' advance notice of termination to CELOC.
23. Minority/Women Business Enterprise (M/WBE) Initiatives. The City and COTA will enter into an agreement that specifies COTA's responsibilities to accomplish the M/WBE terms specified in that Agreement. In the event the City is entitled to terminate the agreement between the City and COTA, and the City has provided notice of the termination of the agreement between the City and COTA, the City may terminate this Agreement by giving 90 days' advance notice of termination to CELOC.
24. Termination with Cause.
- A. In the event of a material default by a party relating to the MERP authority, rights, and responsibilities set out in this Agreement, the other party shall have the right to terminate the Agreement for cause, but only after written notice of the default is delivered to the party via certified mail. The notice shall be effective 30 days after delivery, unless otherwise specified, or the default is cured, as provided below. During this time period, the party alleged to be in default shall have the right to and may cure the event of default, or may provide evidence sufficient to prove to the other party's reasonable satisfaction that the default does not exist or that it will be cured in a time satisfactory to the party alleging the default. Evidence may include an opinion from the OGEDT regarding whether or not the alleged default is material to compliance with Chapter 478. Each party's rights and remedies under the Agreement are cumulative and are not exclusive of any other right or remedy provided by law.
- B. Subject to and following the 30-day notice and opportunity to cure described in Section 24 above, there must also be 90 days' written notice of intent to terminate delivered to the State and the other party pursuant to this Section (for a total 120-day notice period).
- C. This Agreement may be terminated upon occurrence of any of the following events which continue beyond the 30- and 90-day notices and opportunities to cure set forth above:
- (1) The Event fails to meet the Performance Measures set out below.
  - (2) Termination of the City's Agreement with COTA.

25. Performance Measures. Performance measures are:
- A. The occurrence of the Event within the time permitted in Chapter 478 or otherwise approved by the State.
  - B. The City and CELOC, respectively, meet all their designated responsibilities as defined in Sections 15 and 17.
  - C. CELOC timely deposits or causes the deposit of the Local Contribution.
  - D. Reporting regarding Sustainability Measures for the Event as set forth in Exhibit A, as applicable to the Event.
26. Repeal or Modification of Chapter 478. This Agreement expressly contemplates its effectiveness under Chapter 478 as currently in effect. Should Chapter 478 be repealed or modified in such a manner that the Event no longer qualifies under the provisions of Chapter 478, this Agreement shall become voidable by either party on 90 days' written notice to the other party and the OGEDT.
27. Jurisdiction and Venue. The parties agree that this Agreement is governed by the laws of the State of Texas and that venue for a dispute arising from this Agreement shall be in Austin, Travis County, Texas.
28. Severability. If a term or provision of this Agreement is determined to be void or unenforceable by a court of competent jurisdiction, the remainder of this Agreement remains effective to the extent permitted by law. However, if it is determined by a court of competent jurisdiction in a non-appealable final judgment that CELOC cannot provide the Local Increment on behalf of the City, this entire Agreement is void.
29. Notices. Any notice, request, or other communication required or appropriate to be given under this Agreement shall be in writing and shall be addressed to the person designated for receipt below. Legal notices shall be sent postage prepaid and Return Receipt Requested.

Other notices and routine communications may be delivered by any other means (fax, e-mail, or courier). These notices and communications shall be deemed delivered upon receipt of a successful fax, e-mail, or courier confirmation report by the addressee; provided that such notice is specifically directed to the attention of the person designated for receipt of notices to the City or CELOC. Notice shall be addressed as follows:

To City:  
Attn: City Manager  
301 West 2<sup>nd</sup> St.  
Austin, Texas 78701

With copy to:  
City Attorney  
Law Department  
301 West 2nd St.  
Austin, Texas 78701

To CELOC:  
Attn: Secretary  
9201 Circuit of the Americas Blvd.  
Austin, Texas 78617

With copy to:  
Barbara Boulware-Wells  
The Knight Law Firm LLP  
223 West Anderson Lane, Suite A-105  
Austin, Texas 78752

30. Estoppel Certificate / Lender Protection. Upon a written request from CELOC, the City shall, within 10 business days after receipt of such request, execute and deliver to CELOC and any other party designated by CELOC, an estoppel certificate in form reasonably approved by the City Manager which certifies whether the City has knowledge of any default under this Agreement or CELOC's Performance Measures. CELOC may, from time to time, deliver a written notice of lender ("Notice of Lender") executed by CELOC and notifying the City of a lender for all or part of COTA's racetrack facilities and related development. The Notice of Lender must include the name and address of COTA's lender (the "Lender"). Until the City receives a written release of the Notice of Lender from the Lender, the City agrees to provide the Lender a notice of default provided to the OGEDT under Section 24 above and will provide Lender the same 90-day opportunity to cure such default.
31. Assignment. A party to this Agreement may not assign or transfer its interests under this Agreement except with the written consent of the other party to this Agreement, which consent will not be unreasonably withheld.
32. Effective Date. The effective date of this Agreement is deemed to be the date upon which the last party executing this Agreement actually signs.
33. Amendment. This Agreement may not be amended in whole or in part except in a written amendment executed by all parties to this Agreement, with copy to the OGEDT.
34. Survival of Obligations. All provisions of this Agreement that impose continuing obligations on the parties shall survive the expiration or termination of this Agreement.
35. Business Days. Whenever action must be taken (including the giving of notice or the delivery of documents) under this Agreement during a certain period of time or by a particular date that ends or occurs on a non-business day (i.e. Saturday, Sunday, or a holiday recognized by the U.S. federal government or the State of Texas), then such period or date will be extended until the immediately following business day.
36. No Implied Waiver. No waiver or consent, express or implied, by any party to this Agreement of any breach or default by any party in the performance by such party of its obligations under this Agreement, will be deemed or construed to be a consent or waiver of any other breach or default in the performance by such party of the same or any other obligations of such party under this Agreement. Failure on the part of a party to complain of any act of any party or to declare any party in default, irrespective of how long such failure continues, will not constitute a waiver by such party of its rights under this Agreement until the applicable statute of limitations period has run.



37. Limited Indemnity. CELOC AGREES TO INDEMNIFY AND HOLD HARMLESS THE CITY REGARDING THE CITY OBLIGATIONS AND RESPONSIBILITIES THAT CELOC IS UNDERTAKING ON THE CITY'S BEHALF AS ITS EXCLUSIVE DESIGNEE AS SET OUT IN THIS AGREEMENT.

TO THE EXTENT ALLOWABLE BY LAW, CELOC SHALL ALSO DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS OFFICERS, AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDINGS, COSTS, DAMAGES, AND LIABILITIES, INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND COURT COSTS ARISING OUT OF, OR CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF THE CITY, OR ANY AGENT OR EMPLOYEE OF THE CITY OR CELOC IN THE EXECUTION OR PERFORMANCE OF THIS AGREEMENT. THE CITY SHALL COORDINATE ITS DEFENSE WITH CELOC AS REQUESTED BY CELOC.

THIS SECTION IS NOT INTENDED AND SHALL NOT BE CONSTRUED TO REQUIRE CELOC TO INDEMNIFY OR HOLD HARMLESS THE CITY FROM ANY CLAIMS OR INABILITIES RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF THE CITY OR ITS EMPLOYEES, OR FROM DAILY OPERATIONAL EXPENSES INCURRED BY THE CITY IN THE NORMAL COURSE OF BUSINESS.

EXECUTED as of the dates below, in Austin, Travis County, Texas.

CITY OF AUSTIN TEXAS

By: \_\_\_\_\_

Name: Spencer Cronk

Title: City Manager

Date: \_\_\_\_\_

CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE

By: \_\_\_\_\_

Name: Anna Panossian

Title: Authorized Director

Date: \_\_\_\_\_

DRAFT

# Amended Exhibit A

**1. *The following items are CELOC responsibilities under the Agreement between the City and CELOC:***

**A. *Air quality and environmental initiatives***

- (1) Purchase carbon offsets to achieve carbon neutrality for the net carbon emissions associated with all fuel use and energy demands associated with the Formula One race, to include race operations during the event and temporary generation. Cost of offsets are not to exceed \$15,000 annually. Carbon impacts and neutrality methodology shall be approved by the City of Austin Office of Sustainability. Possible tools include GreenSports.org OR the Green Sports Alliance.
- (2) A minimum of 50% of carbon offsets will be local, if feasible, and may include options for local tree planting, including on-site trees, and land conservation grants, as carbon offset options.
- (3) Investigate holding the F1 race outside of the Central Texas ozone season (April 1-October 31).
- (4) If the event is held between April 1 and October 31, develop and submit a plan prior to the first US Grand Prix event that is held between these dates, to reduce emissions of Particulate MatterNOx (nitrogen oxides) and CO<sub>2</sub> (carbon dioxide) from the event. The plan should include an estimate of emissions associated with the event, to the extent practical. During subsequent years, submit a plan update only if the US Grand Prix is held between these dates.
- (5) Establish an Event recycling and composting program for any major event held at the site. At minimum, include Paper, Plastic grades 1 (PETE) and 2 (HDPE), aluminum, glass, and compostables. (Same as Universal Recycling Ordinance, plus organics).
- (6) Require Event food and drink vendors to use recycled and/or compostable materials to the extent available.

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<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

## ***B. Transportation initiatives***

- (1) Coordinate Event-specific parking and transportation efforts for major events<sup>1</sup> with City of Austin Special Events Offices located in the Austin Transportation Department and Aviation, TXDOT, and Travis County.
- (2) Develop an Event-specific Transportation Management Plan for major events. Submit plan by July 31<sup>st</sup> 2011 to City of Austin Transportation Department Director for review and comment. Plan should be updated annually.
- (3) Obtain a Special Event Permit from City of Austin for any special off-site events, such as event-associated parades or festivals, located within the City limits.
- (4) Provide Event-specific satellite parking locations and sufficient mass transportation options for major events.
- (5) Limit Event-specific parking on-site to 25,000 parking spots and monitor on-site parking; work toward establishing plans for increasing transit share annually for major events.
- (6) Manage the majority of Event-specific parking sales with coordination through a designated single organization for major events.
- (7) Where possible, pre-sell and manage all Event-specific parking through the ticket sales process, in order to ease traffic flow tied to major events. Sell assigned parking for major events that are aligned with trip origination locations. Provide parking purchasers for major events with maps guiding them to their parking location.
- (8) Commit to seeking a transportation partner for the Formula One Event that provides low emission mass transit vehicles for the shuttle operation, and give contracting preference to the lowest available emissions rapid transit vehicles available that reasonably satisfy the needs of the Event, such as those powered by hybrid electric propulsion equipment, natural gas or propane, or low emission diesel engines that meet tier 3 or 4 standards, so long as such provider is at a reasonable incremental cost compared to other providers that do not meet these standards. Analysis of this item shall be included in the Transportation Management Plan referenced in item B(2).

## ***2. The following items are Circuit of the Americas responsibilities under the Agreement between the City and Circuit of the Americas:***

### ***A. Air quality and environmental initiatives***

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<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

- (1) Work with CAPCOG and other relevant governmental entities to establish, by May 1<sup>st</sup>, 2012, an Air Quality analysis and inventory, modeling, and a mitigation strategy to resolve air quality issues related to major events held between April 1 - October 31. Commit to securing data that allows assessment of emissions specific to the COTA site, subject to an annual cost cap of \$50,000.
- (2) Utilize a combination of subscription to Austin Energy's GreenChoice program (or its successor) and on-site renewable energy generation to reach at least 50% of all non-event energy demands. At least 5% of the demands can be met by on-site renewable energy generation.
- (3) Land preservation and restoration of all disturbed areas, including implementing a combination of xeriscaping, integrated pest management, and water quality controls.
- (4) The majority of new plantings will use naturally drought-tolerant native and adaptive landscaping to promote water conservation.
- (5) Make a minimum of 5 acres in the floodplain available for a community garden or farm. Make reasonable efforts to locate the site as close to an available water source as possible.
- (6) Follow Environmental Board recommendations:
  - a) Comply with new commercial landscape standards.
  - b) Comply with parking lot shading areas.
  - c) Investigate the restoration of riparian of Dry Creek.
  - d) Demonstrate a black land prairie land restoration.
  - e) Perform restoration of Dry Creek Riparian Corridor and Blackland Prairie Corridor, by working with partners such as Texas A&M.
  - f) Establish a monitoring program of any pervious pavement used on site.
- (8) Achieve a minimum of 2 Stars in the Sustainable Sites Initiative by the end of 2013, or develop and submit a sustainable site operations and maintenance plan by the end of 2013 that is consistent with the principles of the SITES initiative. Plan shall be mutually approved by the City of Austin Office of Sustainability and COTA.
- (9) Plant at least 800 trees on-site and establish a maintenance program.
- (10) Establish a Facility recycling and composting program for any major event held at the site. At minimum, include Paper, Plastic grades 1 (PETE) and 2 (HDPE), aluminum, glass, and compostables. (Same as Universal Recycling Ordinance, plus organics).

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<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

- (11) Require Facility year round food and beverage vendors to use recycled and/or compostable materials to the extent-available.
- (12) Protect existing wetlands and Critical Environmental Features.
- (13) Strive to reduce emissions of Particulate Matter NOx (nitrogen oxides) and CO2 (carbon dioxide) from construction, transit and maintenance vehicles for all construction activities and major events to occur after the first US Grand Prix Event.
  - a) Give preference to contractors using lowest emission transit, construction, maintenance and generation equipment in future or renewed contracts, so long as such provider is at a reasonable incremental cost compared to other providers that do not meet these standards.
  - b) Give preference to contractors using the lowest emissions diesel engines available, so long as such provider is at a reasonable incremental cost compared to other providers that do not meet these standards . Specify use of Tier 3 or Tier 4 emission equipment and ultra low sulfur fuels, where feasible. Use as many of the suggested measures as feasible from the COA Construction Equipment Emission Reduction Toolkit:  
<http://www.dieselnet.com/standards/us/nonroad.php#tier4>. Do an inventory and report to the City of Austin annually.
  - c) Use reasonable efforts to use cleanest equipment available, such as electric, four cycle or propane-fueled lawnmowers, line trimmers and electric hand-held equipment or landscape maintenance.<sup>2</sup>

## ***B. Transportation***

- (1) Develop a Transportation Management Plan for all major events.<sup>3</sup> Submit plan to City of Austin Transportation Department Director for review and comment. Plan should be updated annually.
- (2) Coordinate parking and transportation efforts for major events with City of Austin Special Events Offices located in the Austin Transportation Department and Aviation, TXDOT, and Travis County.
- (3) For any special off-site events such as event-associated parades or festivals located within the City of Austin, require the event-sponsor to obtain a Special Event Permit from City of Austin.
- (4) Require all major events held at the COTA to provide satellite parking locations and sufficient mass transportation options.

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<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

- (5) Limit parking on-site to 25,000 parking spots and monitor on-site parking; work toward increasing transit share annually for major events.
- (6) Manage the majority of all parking sales and coordination through a designated single organization for major events.
- (7) Where possible, pre-sell and manage all parking through the ticket sales process, in order to ease traffic flow tied to major events. Sell assigned parking for major events that are aligned with trip origination locations. Provide parking purchasers for major events with maps guiding them to their parking location.
- (8) Commit to seeking a transportation partner that provides low emission mass transit vehicles for the shuttle operation, and give contracting preference to the lowest available emissions rapid transit vehicles available that reasonably satisfy the needs of the event, such as those powered by hybrid electric propulsion equipment, natural gas or propane, or low emission diesel engines that meet tier 3 or 4 standards, so long as such provider is at a reasonable incremental cost compared to other providers that do not meet these standards.
- (9) Post a policy and undertake reasonable enforcement to limit unnecessary idling of vehicles being used to supply heat or air conditioning necessary for passenger comfort and safety, in vehicles intended for commercial or public passenger transportation, or passenger transit operations, to a maximum of 30 minutes.
- (10) Commit to working with relevant governmental entities to dedicate traffic lanes on all appropriate roads entering the site to mass transit for major events.
- (11) Work with relevant governmental entities to establish a dedicated bike facility by the first major event, that would provide direct access to the site; provide public showers for major events.
- (12) Explore partnerships with Austin Energy to provide on-site charging stations (110/240 volt) for electric, hybrid/electric vehicles, electric scooters, pony packs, and electric landscaping equipment, to facilitate charging.

### ***C. Future On-site Development***

- (1) Any future buildings (i.e. buildings not currently under construction or in review) of over 2000 Square Feet will achieve a minimum 2 Star rating in Austin Energy's Green Building program OR achieve Silver LEED certification. Work with Office of Sustainability and Austin Energy Green Building with the goal of achieving higher levels of green building certification, including leveraging all available incentives.
- (2) Building design and window placement to maximize natural light and passive solar design.

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<sup>1</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees, exclusive of employees.

<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.

- (3) All new toilets and urinals meet or exceed low flow requirements, as defined by the Austin Uniform Plumbing Code, to achieve water reduction.

#### ***D. Ongoing Collaboration on Sustainability Efforts***

- (1) Establish an ongoing partnership with the City's Sustainability Office to implement best practices on site-specific sustainability efforts and collaborate on educational tours and demonstrations at the site.
- (2) Designate a single point-of-contact for the facility's sustainability efforts.

#### ***E. Green Technology R&D***

- (1) Coordinate with partners including UT, Texas State, Huston-Tillotson, Texas A&M, and Austin Technology Incubator to support the establishment of a Green Racing and Transportation Research, Education, and Testing Center or similar low carbon transportation technology incubator at the site.
- (2) Allow reasonable access to the track facilities for electric vehicle research and testing.
- (3) COTA shall make good faith efforts in partnership with other interested parties to raise, within 18 months from the date on which the contract is signed between the City and COT A, \$5 million to fund on-site green technology and research & development projects, in one or more of the following categories: solar power, automotive fuel efficiency, electric vehicles, biofuels, geothermal, or wind power. COTA shall cooperate with the City to seek US Department of Energy funds to support any resulting green technology R&D projects.

#### ***F. Alternative Energy Events***

- (1) Commit to hosting alternative energy, energy-efficient car races such as:
  - a) F-zero Race
  - b) Go Green Auto Rally
  - c) SAE Solar Races
- (2) Commit to hosting bicycle and foot races at the track.
- (3) Publicly advocate for electric vehicle research and testing, including the pursuit of business partnerships.
- (4) Agree to host public awareness event to advance community knowledge of the available options for green energy or transportation.

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<sup>2</sup>New EPA standards include hydrocarbon and nitrogen oxides exhaust emission standards of 10 g/kW-hr for Class I engines starting in the 2012 model year and 8 g/kW-hr for Class II engines starting in the 2011 model year.

<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.



***G. Community Sustainability***

- (1) Make good faith efforts to comply with the standards and principles of the City's MBE/WBE ordinance per Section 12 of the Agreement between the City and Circuit of the Americas.
- (2) Reporting as required by Agreement between CELOC and City and Agreement between COTA and City, respectively. Commit to recruiting local hires through job fairs and local media outreach.
- (3) Continue educational partnerships with area schools and universities on sustainability and technology issues.

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<sup>3</sup>For the purpose of this agreement, a major event is defined as any event with more than 40,000 attendees exclusive of employees.