



# Agreement Overview: COTA RIDA Hotel, LLC

Austin Economic Development



# RIDA Hotel, LLC

- Proposed Public-Private Partnership for development of a 1,000-room destination hotel and conference resort at 9201 Circuit of the Americas Boulevard
- Proposed under the **Business Expansion Program** as a **High Impact Project**
- Preliminary Concept Includes:
  - Estimated Immediate Capital Investment: \$985 million
  - Estimated Job Creation: 900 Full-Time Jobs
  - Estimated Total Local Property Taxes: \$600M+
  - Proposed Term: Up to 30 years

# Tourism-Oriented Investment



- The proposed project is intended to strengthen Austin's visitor economy through a destination-scale resort and conference environment tied to Circuit of the Americas.
- The development is designed to capture mid-size conferences, sporting events, and multi-day gatherings seeking a self-contained, campus-style experience.
- The applicant's market position serves a different visitor segment than the traditional downtown convention center model and would function as a complementary hospitality asset.
- The proposed conference component is approximately 170,000 rentable square feet, compared with 620,000 square feet at the Austin Convention Center.

# Proposed Partnership Structure



- The proposal is structured as a performance-based reimbursement tied only to new project-generated Hotel Occupancy Tax revenues.
  - No upfront City payment
  - Does not rely on General Fund dollars
  
- Requested structure:
  - 8.25% of gross room revenue
  - Payable based on taxes actually generated by the project
  - Subject to annual verification and compliance
  
- No City payment would occur unless the project is:
  - Constructed,
  - Operating, and
  - Producing eligible taxable hotel activity
  
- Support is tied to new value creation, not existing City revenues

# Baseline Program Requirements

- In addition to negotiated project-specific terms, the project would remain subject to the City's standard Business Expansion Program requirements, including:
  - Local hiring commitments
  - Construction and labor standards
  - Employee benefits requirements
  - MWBE participation and compliance with City ordinances
  - Annual reporting, verification, and performance-based compliance review
  - 10% of property taxes generated reserved for the Childcare Assistance Reserve Fund



# Fiscal and Economic Benefits



- Approximately \$985 million in private investment, including real and personal property improvements.
- Approximately \$450 million in taxable purchases sourced in Austin.
- Expected to generate nearly \$200 million in City property and sales tax over 30 years.
- Total projected property tax impacts across all local jurisdictions are estimated to exceed \$600 million including City of Austin, Travis County, Del Valle ISD, Austin Community College, Central Health, and ESD 11.
- Intended to generate new tourism activity and municipal HOT revenues tied to overnight stays and visitor spending.

# Community and Strategic Benefits



- The project is anticipated to support approximately 900 direct full-time jobs with average annual wages of \$60,679, plus an estimated 512 indirect jobs.
- The project includes a labor peace agreement with UNITE HERE Local 23, supporting quality employment conditions.
  - Union jobs in the leisure and hospitality industry pay 25% higher wages on average (Union Membership Report, 2025. U.S. Bureau of Labor Statistics)
- The development would establish a major economic anchor in Del Valle, helping broaden where Austin's economic growth occurs.
- Community benefits identified in the overview include:
  - Nearly 12 acres of public parkland
  - Two full-sized soccer fields valued at \$2 million
  - \$1.5 million contribution to the Affordable Housing Trust Fund
  - Wetland protection, riparian restoration, tree planting, and green stormwater infrastructure.

# Project Benefits Summary



- Expands Austin's tourism and hospitality economy through a new destination-scale hotel and conference resort at Circuit of the Americas.
- Generates significant private investment, with approximately \$985 million in projected capital investment and additional taxable activity sourced in Austin.
- Uses a performance-based structure tied to new project-generated Hotel Occupancy Tax revenues, with payment only after construction, opening, and verified operations.
- Creates long-term economic and community value through increased tax revenues, direct and indirect jobs, public parkland, housing contributions, and environmental enhancements