

EVENTS TRUST FUND

Application

Office of the Governor
Economic Development and Tourism (EDT)

APPLICANT NAME: Circuit Events Local Organizing Committee

APPLICANT MAILING ADDRESS: 9201 Circuit of The Americas Blvd., Del Valle, Texas 78617

EVENT NAME: 2018 Red Bull Grand Prix of The Americas

DATE(S) OF EVENT: April 20-22, 2018

EVENT LOCATION (CITY): Austin

DATE APPLICATION SUBMITTED: TBD

Events Trust Fund Application
Event Trust Fund (ETF), Major Events Reimbursement Program (MERP)
or Motor Sports Racing Trust Fund (MSRTF)

Please review the Events Trust Fund Guidelines document and applicable statutes and rules before submitting this application. Links can be found at <https://businessintexas.com/services/event-trust-funds>.

An application is not complete until all required documents are submitted, with the exception of the Event Support Contract. See checklist in Section 6 of the application for required documents.

Deadlines for submission are as follows:

MERP: 45 days prior to the event, but no more than 1 year before the event. Not later than the 30th day before the first day of the event, a site selection organization submits a plan to prevent the trafficking of persons in connection with the event to the office of the attorney general and the chief of the Texas Division of Emergency Management (see Guidelines document for trafficking plan submittal details).

ETF & MSRTF: no later 120 than days prior to the event.

Please submit all documents to eventsfund@gov.texas.gov.

SECTION 1: ENDORSING MUNICIPALITY OR COUNTY

Name of Endorsing Municipality or County:	City of Austin
Municipality or County Contact Name:	Leela Fireside
Contact Title:	Assistant City Attorney
Contact Email:	Leela.Fireside@austintexas.gov
Contact Phone Number:	(512) 974-2163

- Has the endorsing municipality or county reviewed the event and found that it meets all eligibility requirements as listed in Vernon’s Texas Revised Civil Statutes (VTCS) Section 5190.14?
 Yes No
- Has the endorsing municipality or county determined that it will contribute local funding (“local match”) to the Event Trust Fund, if established?
 Yes No

SECTION 2: LOCAL ORGANIZING COMMITTEE

- Has the municipality or county authorized a *nonprofit* Local Organizing Committee (LOC) to enter into an agreement with the Site Selection Organization to host the event on behalf of the municipality or county?
 Yes No
- If Question 1 is selected as “No,” the municipality or county must directly enter into an Event Hosting Agreement with the Site Selection Organization.

If "Yes," provide the following information for the LOC:

Complete Business Name of LOC:	Circuit Events Local Organizing Committee
LOC Contact Name:	Anna Panossian
LOC Contact Title:	Board Member, Director
Contact Email:	anna@thecircuit.com
Contact Phone Number:	512-655-6280

Is the LOC designated in the official request letter submitted with the application?

Yes No

SECTION 3: SITE SELECTION ORGANIZATION

Full Name of Site Selection Organization:	Dorna Sports S.L.
Site Selection Contact Name:	Enrique Aldama
Site Selection Contact Title:	Chief Operating Officer & Chief Financial Officer
Site Selection Contact Email:	enriquealdama@dorna.com
Contact Phone Number:	34-91-782-02-20

*EDT reserves the right to contact the Site Selection Organization or any other organization directly related to this event.

SECTION 4: FUND REQUEST AMOUNT

Total Fund Amount Requested:	\$6,589,788
State Share:	\$5,680,852
Local Share:	\$908,936

*In accordance with statute, the State Share must be no more than 6.25x the Local Share. To calculate the Local Share, divide the State Share by 6.25.

For MERP Applications only:

Estimated Direct Impact Total:	\$4,392,354
Estimated Secondary Impact Total:	\$1,288,499

*The Direct Impact and the Secondary Impact will equal the Total Fund Amount Requested. These amounts include the state and local estimates.

SECTION 5: EVENT INFORMATION

Official Event Name:	2018 Red Bull Grand Prix of The Americas
Event Fund/Program being applied for:	MERP

(ETF, MERP, MSRTF)	
Venue(s) of Event:	Circuit of The Americas
Event Website:	http://www.circuitoftheamericas.com ; https://www.dorna.com/motogp/
Date(s) of the Primary Event:	April 20-22, 2018
Day set-up/load-in for the event will begin:	April 5, 2018
Day strike/load-out of the event will end:	April 26, 2018
Location of Event for the Previous 5 Years: (List most recent year first)	<ol style="list-style-type: none"> 1. See Attached 2. 3. 4. 5.
Source of Information for Previous Events:	Dorna Press Releases
Other locations outside of Texas considered to host the event:	Spain, Australia, France, Italy, England, Germany, Italy and several other locations
Was the site selected as a part of a multi-year agreement? If yes, what years (past and future)?	2013 through 2027
Anticipated Total Attendance at Primary Event:	46,961
Anticipated Out of State Attendance at Primary Event:	31,448
Desired Market Area (Area that is affected by the economic impact of the event):	Travis and contiguous counties
Will there be a host fee, sanction fee, participation fee, bid fee or other similar expense for the event?	Yes
If yes, what is the total amount of the above referenced fee(s)?*	\$3,600,000
Additional Information:	Circuit of The Americas ("COTA") tracks tickets distributed, media credentials and team & sponsor attendees to tabulate figures during each day of the event. COTA also conducts various surveys both during and after the event with the intent to determine accurate calculation of out-of-state attendees.

*Reimbursement will not be made for such a fee in excess of the amount listed. See TAC Rule § 184.45(18).

In accordance with TAC Rule § 184.13(d), 184.23(d) and 184.30, no later than 45 days after the event, the total actual attendance and the estimated number of attendees that are not residents of Texas at the event must be provided to EDT. Supporting documentation must be submitted for verification. The following methods will be accepted: ticket sales count, turnstile count, ticket scan count, convention registration check-in count, or participant totals (must be accompanied by ticket or turnstile count for MERP & MSRTF). Other methods may be approved by the OOG in its sole discretion prior to the first day of the event.

Please explain which of these methods or another method, subject to approval, that will be used:

SECTION 6: CHECKLIST

EDT must receive the following documents (except the Event Support Contract) before it can issue an estimate of incremental taxes.

EDT is statutorily required to make a determination within 30 days after receiving a complete application. If an application is incomplete, it will not be processed until all required information is submitted. Early submission is encouraged.

- Events Trust Fund Application** completed and signed by someone the applying entity has determined is eligible to bind the applying entity.
- Endorsement Documentation** from the endorsing municipality or endorsing county requesting participation in the trust fund program and signed by a person authorized to bind the municipality or county. The documentation should clearly indicate the municipality or county's endorsement of the event and the name of the LOC, if applicable. The information in the document should coincide with the Selection Letter.
- Selection Letter** A signed letter from the Site Selection Organization selecting the site in Texas that clearly indicates and describes a highly competitive selection process by which site selection occurred, and that the selection was based on an application by the endorsing municipality, county or LOC. This selection letter must clearly indicate the selected LOC, the selected municipality or county, and the event date. The event date indicated in the letter must match the requested event date.
- Economic Impact Study** or other data sufficient for EDT to make the determination of the estimated incremental increase in tax revenue directly attributable to the preparation or presentation of the event, including data for any related activities. The Study should contain detailed information on the direct expenditures for the event in the requested market area relating to the economic activity of attendees and other persons associated with the event. The study may also include information on event expenditures if available. For MERP's only, secondary impacts must be included, and stated separately from the direct impact in order for these impacts to be considered in development of the EDT estimate.
- Affidavit for Economic Impact** signed by the person(s) who prepared the Study for the application.
- Affidavit of Endorsing Entity** signed by each endorsing municipality, county and/or LOC.
- Event Support Contract** is a contract by and between a Site Selection Organization and a local organizing committee, an endorsing municipality, or an endorsing county setting out the representations and assurances of the parties with respect to the selection of a site in this state for the location of an event, and the requirements and costs necessary for the preparation or presentation of an event. Due before the first day of the event, early submission will provide EDT with the opportunity to review the contract and address any issues prior to the event.

Note: Disclosure of Information under the Public Information Act. All documents submitted to the Office of the Governor (OOG) may be subject to disclosure under the Texas Public Information Act, Chapter 552 of the Texas Government Code ("the Act"), including, but not limited to, the application, event support contract, economic impact

analysis, and all disbursement documentation submitted after the event, whether created or produced by the applicant or by any third-party. If it is necessary to include proprietary or otherwise confidential information in the documents submitted, that particular information should be clearly identified as such. **Merely making a blanket claim that the all documents are protected from disclosure because they may contain some proprietary or confidential information is not acceptable, and will not render the information confidential.** Any information that is not clearly identified as proprietary or confidential will be released in accordance with the Act.

I, the authorized representative of the applicant, certify that the representations made, the facts stated in this application and all supplemental documents are true and correct, and that no relevant facts have been intentionally omitted, as evidenced by my signature below. I hereby agree, on behalf of the applicant, to comply with the reporting requirements and will provide other documentation as requested.



Signature

Anna Panossian

Name (Printed)

Director, CELOC

Title

3/1/18

Date



City of Austin

P.O. Box 1088, Austin, TX 78767
(512) 974-2200, Fax (512) 974-2833

Spencer, Cronk, City Manager
Spencer.cronk@austintexas.gov

March 2, 2018

Office of the Governor
Attention: Director
Texas Economic Development Bank
Economic Development & Tourism
Post Office Box 12428
Austin, Texas 78711

Dear Director:

The City of Austin requests participation in the Major Events Reimbursement Program (MERP) pursuant to TEX. REV. CIV. STAT. ART. 5190.14 Section 5A (Act) as authorized by Austin City Council action contained in Resolution 20180201-011 dated February 1, 2018, in support of the FIM Road Racing World Championship Grand Prix, commonly known as "MotoGP", for the April 20-22, 2018 event marketed as the "2018 Red Bull Grand Prix of the Americas", a motorcycling championship (the "Event"). This action satisfies the requirements of 10 TAC, Part 5, Section 184.12(a)(2) and documents that Austin is the endorsing municipality in accordance with the Act.

Enclosed is correspondence from Dorna Sports, S.L. (DORNA) confirming the selection of Austin, Texas as the location for this Event in April of 2018. The correspondence from DORNA satisfies the requirements found at 10 TAC, Section 184.12(a)(3).

The correspondence from DORNA states that the selection of Austin as the location for the Event was completed after substantial competition in their process of reviewing a number of venues interested in hosting their series. Further, DORNA does not anticipate holding any other similar Event in Texas or its adjoining states during any year that the Event is held at the Circuit of the Americas in Austin. We believe that this supports a finding that Austin was selected as the site for this Event consistent with the requirements of 10 TAC Section 184.12.

The Circuit Events Local Organizing Committee is the City's designee to act as the local organizing committee for the Event, to make application to the Office of the Governor, Texas Economic Development Bank, for participation of the MotoGP Event in the MERP under the Act, to submit the MERP economic impact analysis, to fund the City's local contribution to the MERP, and to apply for and receive reimbursement of trust funds for eligible expenses from the MERP.

Sincerely,

CITY OF AUSTIN, TEXAS

By:



Spencer Cronk, City Manager

DORNA

Ms. Elaine Hart
Interim City Manager
City of Austin
Austin, Texas 78701

via email: elaine.hart@austintexas.gov

Madrid, December 19th, 2017

Dear Ms. Hart,

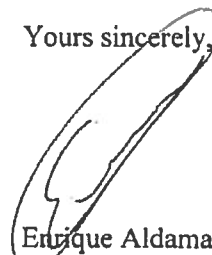
We have received and appreciate the confirmation of application, dated December 15th, 2017, from Circuit Events Local Organizing Committee ("CELOC"), as designee and on behalf of the City of Austin, to host an event of the FIM Road Racing World Championship Grand Prix ("Commonly known as MotoGP™") in Austin from 2018 to 2027 at the raceway facilities in Austin, Texas, USA, known as Circuit of the Americas.

As we emphasized in our previous letters to you, there was substantial competition in our process of reviewing a number of venues interested in hosting our international series. Our prior selection of Austin, Texas as the site for the 2014-2017 MotoGP™ Events is hereby made and confirmed. Congratulations!

The MotoGP™ series is a unique event that appeals to an attractive fan demographic, featuring the world's best riders and teams competing at prestigious venues around the world including the United Kingdom, Spain, France, Italy, Japan, Australia and Malaysia. MotoGP™ brings a substantial number of tourists to each region where we race, and we anticipate that our expected events during 2018 through 2027 in Austin will generate significant interest as well as major economic benefit to the community.

We look forward to receiving and working with CELOC to finalize an Event Support Contract related to the local and State support available for the events.

Yours sincerely,



Enrique Aldama
COO-CFO
DORNA SPORTS S.L.

DORNA

Circuit Events Local Organizing Committee
Attention: Ms. Anna Panossian
9201 Circuit of the Americas Blvd.
Del Valle, Texas 78617

via email: anna@thecircuit.com

Madrid, December 19th, 2017

Dear Ms. Panossian,

We appreciate the confirmation of the application by Circuit Events Local Organizing Committee, dated December 15, 2017 submitted as designee on behalf of the City of Austin, to host an event of the FIM Road Racing World Championship Grand Prix ("Commonly known as MotoGP") for 2018 and beyond in Austin, Texas at the raceway facilities known as Circuit of the Americas. We understand that your application is submitted in confirmation of and supplemental to your prior application to us dated December 17, 2012.

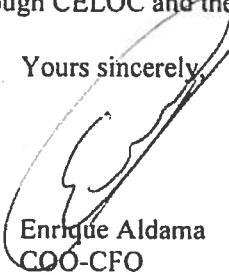
As we emphasized in our previous letters to you and City officials, there has been and remains substantial competition in our process of reviewing a number of venues interested in hosting our World Series. Please consider this letter as confirmation of our selection of Austin, Texas, and the Circuit of the Americas to host the MotoGP event each year of the upcoming series from 2018 through 2027 subject to sign the relevant agreements. Congratulations!

As noted in your December 17, 2012 letter, we do not anticipate sanctioning or holding any other similar FIM Road Racing World Championship Grand Prix Event in Texas or its contiguous states during 2018 or any other year that the MotoGP at the Circuit of the Americas is held in Austin.

The MotoGP series features the world's best riders and teams that appeal to a diverse audience. We race at venues in many countries, including Spain, France, Great Britain, Germany, Italy, Australia, Japan and Malaysia. MotoGP brings a substantial number of tourists to each region where we race, and we anticipate that a race in Austin will generate significant interest as well as major economic benefit to the community.

We look forward to receiving and working with you to finalize an Event Support Contract related to the local and State support available through CELOC and the Circuit of the Americas.

Yours sincerely,



Enrique Aldama
COO-CFO
DORNA SPORTS S.L.



CIRCUIT OF THE AMERICAS

**2018 MotoGP ECONOMIC IMPACT ESTIMATES:
MAJOR EVENTS REIMBURSEMENT PROGRAM**

February 23, 2018

Prepared for:

Circuit Events Local Organizing Committee
9201 Circuit of the Americas Blvd.
Del Valle, Texas 78617

angeloueconomics

TABLE OF CONTENTS

Executive Summary	5
2018 MotoGP Economic Impact	8
2018 MotoGP Detailed Economic Impact	14
Methodology	17
Exhibits	20

TABLE OF CONTENTS (Exhibits)

	Exhibit
Approved Tax Rates.....	A
Implan Accounting of Wholesale Sales of Alcohol Sales.....	B
Certified Attendance.....	C
Master Tables & Input Calculations.....	D
IMPLAN Multipliers.....	E

TABLE OF CONTENTS (Tables)

Table 1 – 2018 MotoGP Estimated Expenditures and Effects	5
Table 2 – 2018 Estimated Out-of-state Attendance	5
Table 3 – 2018 Estimated Total Daily Attendance	5
Table 4 – 2018 Estimated Daily Attendee Expenditures	6
Table 5 – MERP Tax Categories and Rates (2017)	7
Table 6 – IMPLAN Multipliers	7
Table 7 – 2018 MotoGP Estimated Total Expenditures	8
Table 8 – 2018 MotoGP Estimated Direct Incremental Tax Receipt Increase by Category	9
Table 9 – 2018 MotoGP Estimated Indirect Incremental Tax Receipt Increases	10
Table 10 – 2018 MotoGP Estimated Induced Incremental Tax Receipt Increases	11
Table 11 – 2018 MotoGP Estimated Incremental Tax Receipt Increases by Category	12
Table 12 – 2018 MotoGP Total Incremental Tax Gain	13
Table 13 – 2018 Estimated Sales and Use Expenditures	14
Table 14– 2018 Detailed Attendee Expenditures Estimates	14
Table 15 – 2018 Estimated Sales and Use Direct Tax Impacts	14
Table 16 – 2018 Estimated Hotel Occupancy Direct Tax Effect	15
Table 17 – 2018 Estimated Mixed Beverage Direct Tax Effects	15
Table 18 – 2018 Estimated Title 5, Alcoholic Beverage Code Direct Tax Effect	16
Table 19 – 2018 Estimated Rental Vehicle Direct Tax Effect	16
Table 20 – 2018 Estimated Hotel and Rental Car Expenditures	17
Table 21 – 2018 Estimated Daily Attendee Expenditures	17
Table 22 – Indirect and Induced Expenditure Calculations Based on IMPLAN Multipliers	19

EXECUTIVE SUMMARY

Introduction

MotoGP is the longest running motorsport championship in the world, it was first held in 1949. Since then it has continued to captivate fans with thrilling motorcycle road races. Despite MotoGP's long history, the first MotoGP in the America's was held in 2013 in Austin, Texas. Since 2013, MotoGP has become an annual event in Austin.

The event also has a broad international reach, in 2017 the Grand Prix held 18 circuits in as many countries. The preliminary schedule for the 2018 MotoGP bills 19 circuits, adding one in Thailand. Circuit of the Americas (COTA) in Austin, Texas will host the 2018 MotoGP, which will be the sixth year that COTA is hosting the Grand Prix.

MotoGP's international and national appeal attracts a vibrant crowd to Texas for the event. These out-of-state (OOS) visitors, including out-of-country visitors, increase economic activity in Austin as part of their attendance. Attendees spend money on lodging, food and beverages, entertainment and retail both on- and off-site. Additionally, COTA spends significant capital to program the event.

Attendee spending and presentation costs are critical drivers of the events' economic impact. In 2018, it is estimated that 31,448 OOS fans will travel to Austin to watch the MotoGP Championship. The combined expenditures of OOS fan spending and COTA presentation costs are estimated to have a direct impact of **\$68.3M** on the local economy, and generate a total of **\$161.3M** in direct, indirect, and induced expenditures that would not have occurred if MotoGP were not held at the Circuit of the Americas.

Sources: AE, COTA, IMPLAN, Texas Comptroller of Public Accounts

2018 MotoGP Estimated Expenditures and Effects

	Direct	Indirect	Induced	Total
Expenditures	\$87,367,692	\$33,167,134	\$59,830,642	\$180,365,468
Tax Effects	\$4,392,354	\$429,929	\$858,570	\$5,680,852

Table 1: Estimated 2018 expenditures and effects

2018 Estimated Total Attendance

Total Attendance	Cert. OOS Fans	On-Site OOS Fans
46,961	67%	31,448

Table 2 Estimated Out-of-state Attendance: Total attendance and OOS attendance estimates based on 2017 certified numbers (see [Exhibit C](#))

2018 Estimated Out-of-State Daily Attendance

Friday	Saturday	Sunday	Estimated Unique OOS Visitor Days
31,448	31,448	31,448	94,345

Table 3 Estimated Out-of-state Attendance: Daily attendances is estimated to evenly distributed among all three days

EXECUTIVE SUMMARY

The Model

In addition to estimated attendance, an equally important piece of data used to estimate the 2018 MotoGP's tax impacts was spending data from an attendee survey that was circulated to MotoGP ticket purchasers following the 2017 MotoGP event. The online survey was circulated via email by COTA and received 1,852 responses.

It collected information on OOS, out-of-area (but still Texas), and out-of-country attendees' spending patterns and average length of stay in Austin for the event. OOS attendees average length of stay in Austin was 3.0 days. The survey informed the projected expenditures. Each category of average daily spending was multiplied by the certified number of unique OOS attendee days to derive the estimated direct impacts (See [Table 1](#), p. 5). Additionally, COTA's presentation costs were included in the model to reflect tax impact of those expenditures on Texas's economy.

The estimated direct expenditure calculations were sorted into a specific, applicable tax category and its impact was multiplied by its respective tax rate (see [Table 5](#), p. 7). These calculations became the estimated direct tax impacts for the 2018 MotoGP.

Indirect and induced impacts were generated based on sector specific multipliers from IMPLAN (see [Table 6](#), p. 7). Texas' general tourism multiplier is 1.81, however an itemized analysis of the event's different expenditure categories produced an event specific multiplier of 1.95.

Sources: AE, COTA

2018 Estimated Daily Attendee Expenditures per Person	
Expenditure Type	Average Spent/Day
Hotel	\$172
Rental Car	\$69
Mixed Beverages	\$60
Beer & Wine	\$64
Food & Non-alcoholic beverages	\$138
Other Retail	\$91
Merchandise	\$80
Other entertainment	\$46
Transportation	\$35
Total	\$755

Table 4 Estimated Daily Expenditures: Average daily spending of OOS attendees per person

The event specific multiplier is a more accurate depiction of MotoGP's impact on the State of Texas. It also indicates that attendees spend more than the average Texas tourist. Due to the different spending patterns of MotoGP attendees, it would be imprudent to apply the general tourism multiplier to the OOS attendees.

EXECUTIVE SUMMARY

The Model

The estimated tax impacts for indirect and induced were calculated with a Retail Ratio and All Other Spending ratio. These ratios were developed because MotoGP attendees do not follow the spending patterns of a typical Texan. Thus the assumption that only 20% of all indirect and induced spending would be subject to sales and use taxes is not well suited for these circumstances. An analysis of attendees' primary spending categories and their corresponding impacts on other sectors in the economy was used to develop the spending taxing ratios for indirect and induced taxes. Retail spending is the highest expenditure category and 57% of retail spending in Texas is subject to sales and use taxes. The Retail Ratio and All Other Spending ratio ensures the tax estimates catch additional tax revenue incurred due to retail spending in the secondary effects of MotoGP.

The Retail Ratio is the percent of spending that was spent on retail in the indirect and induced impacts, 2% and 8% respectively. This meant that fifty-seven percent of 2% of indirect impacts and 8% of the induced impacts could be taxed at the sales and use tax rate of 6.25%. For the All Other Spending Ratio, 20% of the indirect and induced impacts were taxed at 6.25%. This level of detail helps ensure that the following report contains accurate estimates of the direct, indirect, and induced impacts from OOS spending at the 2018 MotoGP.

In sum, as a result of MotoGP related spending from OOS attendees, the event will generate impressive tax impacts to state and local economies. The following presents a detailed analysis of the estimated tax impacts of the 2018 MotoGP Red Bull Grand Prix of the Americas, held at COTA in Austin, Texas from April 20-22, 2018.

Sources: AE, COTA, Texas Comptroller of Public Accounts

* - For this table the average of the sales & use multipliers is displayed

MERP Tax Categories and Rates (2017)

Category	State Tax Rate
Hotel Occupancy	6%
Sales and Use	6.25%
Car Rental	10% (under 30-days)
Mixed Beverages	6.7% - Gross receipts 8.25% - Sales Tax

Table 5 2017 Tax Rates: Approved MERP taxes and their 2017 tax rates

IMPLAN Multipliers

Tax Category	Direct	Indirect	Induced	Total
Sales & Use*	1.0	0.4332	0.4948	1.9279
Rental Car	1.0	0.3907	0.3343	1.7250
Hotel	1.0	0.3912	0.4087	1.7999
Title 5, ABC	1.0	0.3764	0.7806	2.1571
Mix Beverage	1.0	0.3764	0.7806	2.1571
Overall Multiplier	1.0	0.3936	0.5598	1.9534

Table 6 IMPLAN Multipliers: Sector specific multipliers

2018 MotoGP ECONOMIC IMPACT

2018 Total Estimated Impacts to Texas

Based on the online attendee survey, it is estimated that OOS attendees will spend **\$71.4 million** in Texas because of the 2018 MotoGP at COTA. Table 7, demonstrates that the total spending at the event should be approximately **\$180.4 million**, this includes direct, indirect and induced effects.

2018 MotoGP Estimated Total Expenditures[†]

	Direct Expenditures	Indirect Expenditures	Induced Expenditures	Total Expenditures
Sales & Use*	\$71,362,995	\$27,849,392	\$48,460,742	\$147,673,129
Rental Car	\$1,820,185	\$615,359	\$730,853	\$3,166,397
Hotel	\$5,353,824	\$1,752,912	\$2,376,520	\$9,483,256
Title 5, ABC	\$4,578,008	\$1,529,066	\$4,283,462	\$10,390,536
Mixed Beverage	\$4,252,681	\$1,420,404	\$3,979,065	\$9,652,150
Total	\$87,367,692	\$33,167,134	\$59,830,642	\$180,365,468

Table 7: Estimated direct, indirect and induced expenditures used to estimate incremental tax receipt increases due to 2018 event

* - Expenditures includes air travel, however, air travel is not included in the direct impact's tax effects

† - Summations may not be exact due to rounding

Sources: AE, COTA, IMPLAN



2018 MotoGP ECONOMIC IMPACT

2018 Estimated Direct Tax Gain to the State of Texas

AE estimated the direct tax gains to the State of Texas for the 2018 MotoGP based on MERP qualified expenditures by OOS attendees and presentation costs. This is the one-for-one tax gain the State will see based on the projected spending increase in Texas due to the event. As seen in **Table 8**, the estimated direct expenditures from OOS attendees and presentation costs will add **\$4.4 million in tax gains** to the State. Estimates indicated that sales & use expenditures will be the most impactful, they should account for **75% or \$3.3 million of the tax gains**, and approximately **\$71.4 million in direct expenditures**.

2018 MotoGP Estimated Direct Incremental Tax Receipt Increases by Category

	Expenditure	State Tax Rate	Tax Effect
Sales and Use*	\$71,362,995	6.25%	\$3,270,986
Rental Car	\$1,820,185	10.00%	\$182,018
Hotel	\$5,353,824	6.00%	\$321,229
Title 5, ABC	\$4,578,008	6.10%	\$279,258
Mixed Beverage (Gross Receipts)	\$3,479,466	8.25%	\$287,056
Mixed Beverage (Individual Beverage)	\$773,215	6.70%	\$51,805
Total	\$87,367,692	-	\$4,392,354

Table 8: Estimated direct incremental tax receipt increase by tax category and effect type for 2018

* - Expenditures includes air travel, air travel is not included in direct impacts tax effects
Sources: AE, COTA, IMPLAN

2018 MotoGP ECONOMIC IMPACT

2018 Estimated Indirect Tax Gain to the State of Texas

The 2018 MotoGP will also have indirect tax impacts, these capture the benefits to vendors that support or supply MotoGP, as well as retail stores. Increased direct spending generates increases in revenues for local businesses; those vendors, stores and businesses may need to grow employment and/or payroll to accommodate the changes. As seen in [Table 9](#), the estimated indirect tax increases due to MotoGP should bring **\$429,929** in taxes into the State of Texas for the 2018 event.

2018 MotoGP Estimated Indirect Incremental Tax Receipt Increases[†]

	Retail Ratio Tax Effect*	All Other Spending Ratio Tax Effect*	Total Indirect Tax Effect
Sales & Use	\$19,843	\$341,155	\$360,998
Rental Car	\$438	\$7,538	\$7,977
Hotel	\$1,249	\$21,473	\$22,722
Title 5, ABC	\$1,089	\$18,731	\$19,821
Mixed Beverage	\$1,012	\$17,400	\$18,412
Total	\$23,632	\$406,297	\$429,929

Table 9: Estimated indirect incremental tax receipt increases for each tax category for 2018

[†] - Summations may not be exact due to rounding

* - See Methodology for more retail and all other spending ratio tax effects

Sources: AE, COTA, IMPLAN

2018 MotoGP ECONOMIC IMPACT

2018 Estimated Induced Tax Gain to the State of Texas

Induced tax effects are those that impact Texans at the household level, due to the projected increase in spending from the 2018 MotoGP. As seen in [Table 10](#), Sales and Use had the most dramatic tax impact to the State with an increase of **\$695,412**. Overall, the event is projected to increase induced tax revenue to the State by **\$858,570**.

2018 MotoGP Estimated Induced Incremental Tax Receipt Increases[†]

	Retail Ratio Tax Effect*	All Other Spending Ratio Tax Effect*	Total Induced Tax Effect
Sales & Use	\$138,113	\$557,299	\$695,412
Rental Car	\$2,083	\$8,405	\$10,488
Hotel	\$6,773	\$27,330	\$34,103
Title 5, ABC	\$12,208	\$49,260	\$61,468
Mixed Beverage	\$11,340	\$45,759	\$57,100
Total	\$170,517	\$688,052	\$858,570

Table 10: Estimated induced incremental tax receipt increases due for 2018

[†] - Summations may not be exact due to rounding

* - See Methodology for more retail and all other spending ratio tax effects
Sources: AE, COTA, IMPLAN

2018 MotoGP ECONOMIC IMPACT

2018 MotoGP Estimated Total Tax Gain to the State of Texas

The total estimated tax benefit for the 2018 MotoGP is made up of the estimated OOS attendee expenditures, and event presentation expenditures. In 2018, the State of Texas is projected to receive approximately **\$5.7 million in total tax receipts** from the MotoGP, as demonstrated in **Table 11**. The total tax impacts will come from the direct, indirect and induced tax effects created by the estimated **\$87.4 million** in OOS attendee spending and COTA presentation costs associated with the event.

2018 MotoGP Estimated Incremental Tax Receipt Increases by Category[†]

	Direct Tax Effect	Indirect Tax Effect	Induced Tax Effect	Total Tax Effect
Sales & Use	\$3,270,986	\$360,998	\$695,412	\$4,327,395
Rental Car	\$182,018	\$7,977	\$10,488	\$200,483
Hotel	\$321,229	\$22,722	\$34,103	\$378,055
Title 5, ABC	\$279,258	\$19,821	\$61,468	\$360,547
Mixed Beverage	\$338,861	\$18,412	\$57,100	\$414,373
Total	\$4,392,354	\$429,929	\$858,570	\$5,680,852

Table 11: Estimated incremental tax gains to the State for 2018

[†] - Summations may not be exact due to rounding
Sources: AE, COTA, IMPLAN

2018 MotoGP ECONOMIC IMPACT

2018 MotoGP Estimated Total Tax Gain to the State of Texas

MERP enables incremental tax increases from statutorily approved taxes (Table 5, pg. 7), which are attributable to the event, to be deposited into a trust fund to reimburse a local government or local organizing committee for certain eligible costs associated with conducting the event. In order to qualify for reimbursement, the beneficiary of the trust fund provide a local match based on the incremental tax revenues generated by the event. The match is \$1 for each \$6.25 the state contributes to the fund. Using that formula, the local match is \$908,936 (\$5,680,852 / 6.25).

Based on the total incremental tax gain to the State of Texas, Circuit Events Local Organizing Committee requests that the Office of the Governor certify a deposit of \$6,589,789 into a MERP account established for the 2018 MotoGP.

2018 MotoGP Total Incremental Tax Gain

	Total Tax Effect
Sales & Use	\$4,327,395
Rental Car	\$200,483
Hotel	\$378,055
Title 5, ABC	\$360,547
Mixed Beverage	\$414,373
Total Incremental Tax Gain to Texas	\$5,680,852
Local Match	\$908,936
Total Incremental Tax Gain	\$6,589,788

Table 12: 2018 MotoGP Total Incremental Tax Gain

Sources: AE, COTA, IMPLAN

2018 MotoGP DETAILED ECONOMIC IMPACT

2018 Estimate Direct Tax Impacts

Sales & Use Tax

Sales and use tax is estimated to be the most impactful of all the taxes generated due to the 2018 MotoGP. On- and off-site attendee expenditures were included in the direct expenditure estimates. **Table 13** is the total estimated direct expenditures from OOS attendees and presentation costs. **Table 14** contains the estimated direct incremental tax receipt increases in sales and use taxes due to the 2018 MotoGP. Lastly, **Table 15** details total OOS attendee expenditure estimates by type.

2018 Estimated Sales and Use Expenditures

Expenditure Category	Amount
OOS Attendee	\$37,783,182
Presentation Costs*	\$14,552,591
Total	\$52,335,773

Table 13: Estimated total expenditures of OOS spending and event presentation costs for 2018

* - For a detailed breakout of Presentation Costs, see **Exhibit E**, pg. 33

** - Attendees provided information about airfare expenditures, these are not reflected in the direct effects, but are carried through in the indirect and induced effects
Sources: AE, COTA, IMPLAN

2018 Detailed Attendee Expenditure Estimates**

Expenditure Type	Amount
Apparel	\$10,454,424
Fan Merchandise	\$3,859,102
Other Retail	\$2,198,441
Other Entertainment	\$4,242,835
Food & Non-alcoholic beverages	\$13,776,270
Transportation	\$3,252,109
Total	\$37,783,182

Table 14: Estimated total OOS attendee expenditures for 2018

2018 Estimated Sales and Use Direct Tax Impacts

Expenditure	Amount	Tax Rate	Tax Effect
Direct	\$52,335,773	6.25%	\$3,270,986

Table 15: Estimated detailed sales and use tax impacts from 2018

2018 MotoGP Detailed Economic Impact

2018 Estimate Direct Tax Impacts

Hotel Occupancy Tax

The hotel occupancy tax is projected to have the second largest tax impact for Texas during the 2018 MotoGP weekend. Driving this is that an estimated 82% of OOS attendees will spend an average of 3.0 days in a hotel for the event.

Both state and local governments apply hotel occupancy taxes to lodging. For the purpose of this report, however, only the state rate of 6% was applied to calculate the direct, indirect and induced tax effects. [Table 16](#) estimates the direct tax receipts increase to the State for the 2018 MotoGP.

2018 Estimated Hotel Occupancy Direct Tax Effect			
Expenditure	Amount	Tax Rate	Tax Effect
Direct	\$5,353,824	6%	\$321,229

Table 16: Estimated OOS hotel occupancy direct tax effects for 2018

Mixed Alcoholic Beverages Tax

Mixed alcoholic beverages taxes are distributed differently than other taxes. First there is 6.7% gross receipt tax on all mixed beverages sales. Effective in 2014, there is also a 8.25% tax on individual mixed alcoholic beverages. [Table 17](#) calculates the estimated direct tax effects of both tax rates on the state's economy for the 2018 event.

2018 Estimated Mixed Beverage Direct Tax Effects			
Tax Type	Amount	Tax Rate	Tax Effect
Gross Receipt*	\$773,215	6.70%	\$51,805
Individual Beverage	\$3,479,466	8.25%	\$287,056
Total	\$4,252,681	-	\$338,861

Table 17: Estimated tax effects of OOS mixed beverage gross tax receipt and individual mixed beverage tax impacts for 2018

* - The average markup on mixed beverages is 450%, to generate the gross receipts for mixed beverage purchases, the individual beverage tax was decreased by 450%. The tax effects were captured by applying the gross receipt tax rate to the gross receipts expenditure.

2018 MotoGP DETAILED ECONOMIC IMPACT

2018 Estimate Direct Tax Impacts

Title 5, Alcoholic Beverage Code Tax

Title 5 of the Alcoholic Beverage Code establishes a tax by volume for non-mixed alcoholic beverages, such as beer, wine, champagne, and malt liquors*. The precise amount of alcohol by volume sold by vendors to OOS attendees during the 2018 MotoGP would be extremely difficult to estimate since it would require a high level of coordination with vendors to understand the quantity of eligible beverages sold throughout the city, the corresponding alcohol by volume, and whether or not the beverage was purchased by an OOS attendee of a MERP eligible event. Off-site bars and restaurants do not maintain records with such a high degree of detail.

Due to the high degree of difficulty and complexity involved in calculating Title 5 taxes, a surrogate rate of 6.1% is used. This rate is based on the comptroller's review of numerous historical MERP studies. Due to the comptroller's continued recognition of and compliance with this rate, it is assumed to be a good approximation to derive Title 5 tax estimates. As seen in **Table 18**, this report uses the approximated tax rate to estimate the tax increase from beer and wine sales for the 2018 MotoGP.

2018 Estimated Title 5, Alcoholic Beverage Code Direct Tax Effect

Expenditure	Amount	Tax Rate	Tax Effect
Direct	\$4,578,008	6.10%	\$279,258

Table 18: Estimated direct OOS tax impacts from beer and wine purchases for the 2018

* - See appendix for specific taxes by volume
Sources: AE, COTA, IMPLAN

Rental Car Tax

An estimated 50% of OOS visitors will rent a car while visiting Texas for the 2018 MotoGP for an average of 3.0 days. The Texas Tax Code Section 152.026 establishes a tax rate of 10% for car rentals that last less than 30-days. The direct expenditure estimates were developed based on from the surveys relative to average rental rates, average rental length, number of people per car (see **Exhibit E** for full calculation). The 10% rate was applied to the direct expenditures, as seen in **Table 19**, to calculate the estimated direct expenditure tax effects from the 2018 MotoGP.

2018 Estimated Rental Vehicle Direct Tax Effect

Expenditure	Amount	Tax Rate	Tax Effect
Direct	\$1,820,185	10%	\$182,018

Table 19: Estimated direct OOS tax impacts on rental vehicles for 2018

METHODOLOGY

Out-of-State Spending

Attendee Spending

General spending patterns by out-of-state attendees were based on an online survey of MotoGP ticket holders and attendees conducted by COTA for the 2017 event (See [Table 23](#)). Overall, the survey inquired about:

- attendee's primary residence (from Texas or OOS)
- travel patterns
- car rental expenditures
- group/party size
- hotel stays
- average daily expenditures on merchandise at COTA
- average daily expenditures on other retail
- average daily expenditures on food & non-alcoholic beverages
- average daily expenditures on mixed drinks
- Average daily expenditures on beer and wine

Based on survey responses, daily spending is applied on a per capita basis based by type of expenditure. Total expenditures were calculated based on the per capita expenditure for each attendee that participated in the expenditure type. [Table 20](#) and [Table 21](#) show the spending patterns for OOS attendees.

Sources: AE, COTA

2018 Estimated Hotel and Rental Car Expenditures			
Expenditure Type	Avg. Spent/day	% Participation	Avg. days
Hotel	\$172	82%	3.0
Car Rental	\$69	50%	3.0

Table 20: Attendee spending patterns on hotels and rental cars

2018 Estimated Daily Attendee Expenditures	
Expenditure Type	Average Spent/Day
Mixed Beverage	\$60
Beer & Wine	\$64
Food & Non-alcoholic beverages	\$138
Other Retail	\$91
Merchandise	\$80
Other Entertainment	\$46
Transportation	\$35

Table 21: Daily attendee expenditures for 2018

METHODOLOGY

Out-of-state Spending

Presentation Costs

The presentation costs for the 2018 MotoGP are also included in the impact estimates, but only those costs that fall within the purview of the statute (see Exhibit E). Presentation costs were placed under the sales and use tax category since the event is considered an amusement service by the tax code, and therefore it is the most appropriate tax category.

The 2018 model utilizes financial information provided to AE from COTA on the costs associated with the event. Each cost was assigned to an IMPLAN industry category based on the expenditure type. By categorizing each expenditure into its specific type, IMPLAN then uses an industry specific multiplier to provide an accurate picture of the expenditures' effects on Texas' economy.

Below are the categories of expenditures associated with presenting the 2018 MotoGP:

- ❖ Advertising and related services
- ❖ Legal and permitting fees
- ❖ Facilities support services

Indirect and Induced Effects

AE extracted the multipliers for indirect and induced effects from the IMPLAN model and then applied each multiplier to the direct expenditures to calculate the respective indirect and induced expenditures (see Table 22 on the following page).

After careful analysis, it was determined that the indirect and induced tax effects from the sales and use tax category would have the largest impact by a substantial margin. Due to this, AE chose to limit the indirect and induced tax impact to the sales and use category. The sales and use tax covers both retail/sales services and entertainment services.

In order to conduct this analysis, AE narrowed in on the most impactful sector of the 2018 MotoGP, which will be retail. The impact of total spending during the event was analyzed and it was determined that 2% of indirect spending will go back into retail (retail ratio) and 98% will flow to all other sectors of the economy (all other), for induced spending the ratios are expected to be 8% for retail and 92% for all other spending. Of the retail ratio spending, 57% of its indirect and induced spending will be subject to the sales and use tax rate (6.25%). For the all other ratio, only 20% of indirect and induced spending will be subject to the sales and use tax rate. This formula yielded the incremental sales and use tax receipt increase that will be attributable to the indirect and induced effects for the 2018 MotoGP.

By way of example, if there is a \$1 million indirect impact, 2% will be spent on retail (\$20,000). Of that \$20,000, 57% will be subject to sales taxes (\$11,400). The sales tax rate of 6.25% can then be applied to get the total incremental tax gain from the indirect impact ($\$11,400 \times 0.0625 = \712.50).

METHODOLOGY

Indirect and Induced Effects

Indirect and Induced Expenditure Calculations Based on Implan Multipliers						
	Direct Expenditures	Indirect Multiplier	Indirect Expenditure	Induced Multiplier	Induced Expenditures	Total Expenditures
Sales & Use	\$71,362,995	0.4332	\$27,849,392	0.4948	\$48,460,742	\$147,673,129
Rental Car	\$1,820,185	0.3907	\$615,359	0.3343	\$730,853	\$3,166,397
Hotel	\$5,353,824	0.3912	\$1,752,912	0.4087	\$2,376,520	\$9,483,256
Title 5, ABC	\$4,578,008	0.3764	\$1,529,066	0.7806	\$4,283,462	\$10,390,536
Mixed Beverage	\$4,252,681	0.3764	\$1,420,404	0.7806	\$3,979,065	\$9,652,150
Total	\$87,367,692	-	\$33,167,134	-	\$59,830,642	\$180,365,468
Overall Multiplier	1.0	0.3936	-	0.5598	-	1.9534

Table 22: Indirect and induced expenditure calculations based on IMPLAN multipliers

* - this is an average of each multiplier in the Sales & Use Category, a full list of the multipliers in each category can be found in [Exhibit F](#)

EXHIBIT A

Tax Categories and Rates

MERP Tax Categories and Rates (2017)

Category	Expenditure type	Tax Rate
Hotel Occupancy	Hotel	6%
Sales and Use	General merchandise; clothing; other entertainment; food and non-alcoholic beverages	6.25%
Car Rental	Rental Cars	10% (under 30-days)
Mixed Beverages	Mixed beverages	6.7% - Mixed Beverage Gross receipts 8.25% - Mixed Beverage Sales Tax
Title 5, ABC Tax	Beer & Wine	6.1%

Sources: Texas Comptroller of Public Accounts

EXHIBIT B

Accounting of Wholesale Sales of Alcoholic Beverages

Here's How Much Bars Make On Beer, Wine, And Mixed Drinks

June 24, 2014 9:50 AM | By Jay Edwards

Filed Under: Bar Markup, Beer Price, Business Insider, How much money do bars make, Liquor Price, Shot Price

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LAS VEGAS, NV - OCTOBER 14: A bartender gets a drink at the 5 O'Clock 'Somewhere Bar' during the party and opening celebration for the MGM Resorts' Encore at Flamingo Las Vegas. Nevada, The casino and the Flamingo World Resorts. She is the first of the party. (Photo by Ethan Miller/Getty Images for Flamingo Las Vegas)

Rita* (Photo by Ethan Miller/Getty Images for Flamingo Las Vegas)

the bar, but here's how it breaks down

Looks like it's basically 300-400% markup across the board on drinks at

hammered drinking at home by yourself... and with no pants on. But just how much do bars mark up their drinks? Well, we've got the stats

For the price of two or three drinks at a bar, you could get completely

1. With beer, you get the most for your money. If you order an import in a bottle, Premium bottled beers have an average markup of 300%, other bottled beers are around 400%, for a regular draft beer it's 456% and for premium drafts it's 355%.

2. With mixed drinks, again you actually get more for your money if you order good liquor. Drinks with expensive booze are marked up about 300%, compared to drinks with well liquor at 456%.

3. If you buy a shot, they're marked up about 400%, regardless of the brand.

4. With wine, the markup is 350% if you buy it by the glass, 203% if you buy a bottle and 150% if you buy a good bottle.

So a good bottle of wine has the smallest markup and the biggest markups are on cheap draft beers and mixed drinks.

To see the full article from *Business Insider*, click here

The Latest from MIX

- One Direction Won't Return Zayn Malik's Calls
- The 4 Most Annoying Things Your Co-Worker Does
- Kanye West Superfan Pulls a 'Kanye' at the People's Choice Awards

* - given this difference, AE elected to use 450% as the given mark up for mixed beverages

Mixed Drinks: Gross Receipt Total	
Tabulation	
Total Mixed Drink Spending	\$3,479,466
Average Mark Up	450%
Total Gross Receipt Expenditure	\$773,215

EXHIBIT C

Certified Attendance



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ATTENDANCE CERTIFICATION

(Must be submitted no later than 45 days after conclusion of the event)

Submit this completed form and all supporting documentation to eventsfund@cov.texas.gov.

An Attendance Certification submitted without supporting documentation may be rejected, and the event ineligible for disbursement.

Event Name: 2017 Red Bull Grand Prix of the Americas

Event Dates: 04/21/17 - 04/23/17

Event Location: Austin

Applicant: Circuit Events Local Organizing Committee

Event application submission date:	February 17, 2017
Economic Development and Tourism (EDT) event application approval date:	February 27, 2017
Attendance Certification due date:	June 7, 2017
The attendance metric* identified by EDT to evaluate the estimated number of event attendees as part of the calculations for the incremental tax impact:	30,000 average daily attendance during event days (04/21/17 - 04/23/17)
Estimated percentage of attendees NOT residents of Texas for the PRIMARY EVENT:	67%

*If Applicant has questions or concerns regarding how this metric was developed, please contact EDT within 30 days of receiving the final approval letter.

To be completed by the Applicant:

The TOTAL attendance at each PRIMARY EVENT DAY:

04/21/17	34,602
04/22/17	37,263
04/23/17	46,961

The estimated total attendees not residents of Texas for the primary event (all days) was: 31,448

The estimated percentage of attendees not residents of Texas for the primary event (all days) was: 67%



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The following attendance methodologies will be accepted: ticket sales count, turnstile count, ticket scan count, convention registration check-in count, or participant totals (must be accompanied by ticket or turnstile count for MERP & MSRTF). If you are submitting another method, it should have previously been approved by EDT.

What is the source and methodology used to obtain attendance totals?

Ticket Master tickets distributed, media credentials, team & sponsor attendees to tabulate figures during each day of the event.

- I understand that non-compliance with reporting requirements could be treated as a violation of the statute and/or program rules resulting in the possible withholding of disbursement funding.
- I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.
- I understand my obligation to provide information about event expectations and performance that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348.

Authorized Official (must be signed by event application signatory or successor):

Signature:  Printed Name: Anna Panosian
Title and Name of Organization: Secretary, CELOC Date: 6/7/17



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EXHIBIT E

Master Tables & Input Calculations

Attendance

Estimated Out-of-State (OOS) Attendance		
	2017 Cert. Attendance	Source
Final Day Attendance	46,961	Exhibit C
OOS Fans	66.97%	Exhibit C
Average Length of Stay	3.0	
Total Unique OOS Fan Days	94,345	

EXHIBIT E

Visitor Person Days

OOS Visitor Person Days by Type		
	Visitor Person Days	Source
Total OOS Attendance in Austin	94,345	
Suite Visitor Days	2,727	Exhibit D
Total General	91,618	

- Since the projected total number of visitor person days is project to be the same as 2017 (94,345), general fan person days is the difference between total OOS person days and OOS Suite person days (2,727).
- Suite person days are calculated on p. 26

EXHIBIT E

Visitor Person Days

OOS Suite Visitor Person Days		
	Tabulation	Source
Total OOS Suite Attendance	909	Exhibit D
Average Length of Stay	3.0	Online Survey
Total OOS Visitor Person Days	2,727	

EXHIBIT E

Hotel

OOS Hotel Expenditures General

	Tabulation	Source
Estimated Attendance (Sunday)	46,961	Exhibit C
% of OOS Attendees	67%	Exhibit C
% OOS Fans Renting Hotel Room	82.0%	Online Survey
Average Length of Stay in Austin	3.0	Online Survey
Total Persons in Hotel Rooms	74,636	
People per Hotel Room	2.74	Exhibit D
Total Hotel Room Rentals	27,239	
Average Daily Price of Hotel Room	\$172	Table 22
Total Hotel Room Expenditure	\$4,691,989	

EXHIBIT E

Hotel

OOS Suite Hotel Expenditures

	Tabulation	Source
Total OOS Visitor Person Days	2,727	
People Per Hotel Room	2.74	Assumed to be the same as general attendance
Total Hotel Room Rentals	995	
Average Daily Price of Hotel Room	\$665	<u>See Below</u>
Total Hotel Room Expenditure	\$661,835	

Average Suite Night Price/person

	Average Suite Night Cost	Source
Van Zandt	\$2,500	http://www.hotelvanzandt.com/
Stephen F. Austin	\$448	http://austin.intercontinental.com/
The W	\$1,766	http://www.whotelaustin.com/
The Omni	\$447	https://www.omnihotels.com/hotels/austin-downtown
People Per Hotel Room	2.74	Assumed to be the same as general attendance
Average suite night	\$1,290	
Average per person	\$665	

EXHIBIT E

Rental Cars

OOS Rental Car Expenditures		
	Tabulation	Source
Estimated Attendance (Sunday)	46,961	Exhibit C
% of OOS Attendees	67%	Exhibit C
% OOS Fans Renting Cars	50%	Online Survey
Average Length of Car Rental	4.2	Online Survey
People per Rental Car	2.74	Online Survey
Total Car Rental Person Days	26,460	
Average Daily Price of Rental Car	\$69	Online Survey
Total Rental Car Expenditure	\$1,820,185	

➤ All attendees are assumed to have the same expenditure rates for rental cars.

EXHIBIT E

Travel to Austin

OOS Air Travel Expenditures		
	Tabulation	Source
Estimated Attendance (Sunday)	46,961	Exhibit C
% of OOS Attendees	67%	Exhibit C
% OOS Fans Who Flew	64%	Online Survey
Total OOS Fans Who Flew	20,127	
Average Cost of One Way Plane Ticket	\$473	Online Survey
Total Air Travel Expenditures	\$19,027,222	

- For the purpose of tax calculations, the \$19.0 million was excluded from direct impacts. However, this amount was carried over to indirect and induced impacts.

EXHIBIT E

Other Daily Expenditures

OOS General Fan Other Daily Expenditures

	Average Daily Spend	Estimated OOS General Person Days	Total Expenditure	Source for Average Daily Spend
Food & Non-Alcoholic Beverages	\$138		\$12,646,965	Table 4
Mixed Drinks*	\$60		\$2,985,743	Table 4
Beer & Wine†	\$64		\$4,053,442	Table 4
Event Merchandise	\$80	91,618	\$7,284,557	Table 4
Retail	\$91		\$8,299,685	Table 4
Entertainment Outside COTA	\$46		\$4,242,835	Table 4
Transportation	\$35		\$3,252,109	Table 4
Total	\$514		\$42,765,336	

* - 54% of survey respondents indicated they consumed mixed drinks during the event (on and off-site)

† - 69% of survey respondents indicated they consume beer or wine during the event (on and off-site)

EXHIBIT E

Other Daily Expenditures

OOS Suite Other Daily Expenditures at COTA

	Average Daily Spend	Suite OOS Person Days	Total Expenditure	Source
Food & Non-Alcoholic Beverages	\$276	2,727	\$752,870	
Mixed Drinks	\$121	2,727	\$329,149	Assumed to be two times the daily expenditure of general fans
Beer & Wine	\$128	2,727	\$349,710	
Event Merchandise	\$159	2,727	\$433,648	
Total	\$684		\$2,581,242	

OOS Suite Other Daily Expenditures Outside COTA

	Average Daily Spend	Suite OOS Person Days	Total Expenditure	Source
Food & Non-Alcoholic Beverages	\$138	2,727	\$376,435	
Mixed Drinks	\$60	2,727	\$164,574	Assumed to same as general fan expenditures
Beer & Wine	\$64	2,727	\$174,855	
Retail	\$181	2,727	\$494,078	
Total	\$443		\$282,121	

EXHIBIT E

Presentation Costs

COTA Breakdown of Presentation Costs – Revenues	
	Revenues
Admission Revenue	\$4,683,100
Premium Revenue	\$92,768
Parking & Camping Revenue	\$363,412
Merchandise Revenue	\$520
Food & Beverage Revenue	\$2,371,627
Total Adjusted Revenue	\$7,511,426

COTA Breakdown of Presentation Costs - Expenses	
	Expenses
Event Related	\$4,559,001
Facilities & Maintenance	\$833,449
Marketing	\$533,816
Professional & Legal	\$43,361
Services	\$353,917
SG&A	\$717,620
Total Adjusted Expenses	\$7,041,165

- In total, Presentation Costs related to the 2018 MotoGP are estimated to be equal to **\$14,552,591**.

EXHIBIT E

Totals

OOS Total Expenditures by Fan Type			
	General Fan Expenditures	Suite Fan Expenditure	Total Expenditures
Hotel	\$4,691,989	\$661,835	\$5,353,824
Rental Car	\$1,820,185	-	\$1,820,185
Air Travel to Austin	\$19,027,222	-	\$19,027,222
Food & Non-Alcoholic Beverages	\$12,646,965	\$1,129,305	\$13,776,270
Mixed Drinks	\$2,985,743	\$493,723	\$3,479,466
Beer & Wine	\$4,053,442	\$524,566	\$4,578,008
Event Merchandise	\$7,284,557	433,648	\$7,718,205
Retail	\$8,299,685	494,078	\$8,793,763
Entertainment Outside COTA	\$4,242,835	-	\$4,242,835
Transportation	\$3,252,109	-	\$3,252,109
Wholesale Alcohol Purchases	\$773,215	-	\$773,215
Total	\$69,077,947	\$3,737,155	\$72,815,102

Total MERP Qualified Spending from 2018 MotoGP	
	Totals
Total Attendee Spending	\$72,815,102
COTA Presentation Costs	\$14,552,591
Total	\$87,367,692

EXHIBIT F

IMPLAN: Multipliers

Model Multipliers					
IMPLAN Code	Description	Direct Effects	Indirect Effects	Induced Effects	Total
403	Apparel	1.0	0.429	0.413	1.841
404	MotoGP Merch	1.0	0.398	0.524	1.923
405	Other Retail	1.0	0.395	0.475	1.870
412	Taxis	1.0	0.531	0.560	2.091
442	Rental Car	1.0	0.391	0.334	1.725
466	Air Travel to Austin	1.0	0.617	0.491	2.108
490	Race Operations	1.0	0.222	0.731	1.953
496	Other Entertainment	1.0	0.425	0.440	1.865
501	Food and Bev	1.0	0.422	0.556	1.978
499	Hotel	1.0	0.391	0.409	1.800
503	Mixed Beverages	1.0	0.376	0.781	2.157
503	Mixed Beverage Gross Receipts	1.0	0.376	0.781	2.157
503	Beer and Wine	1.0	0.376	0.781	2.157



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AFFIDAVIT
for Economic Impact Documentation

Affidavit to be completed, including signed and notarized, by any and all party(ies) providing economic data to support an application for an Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund.

I, William Mellor, am providing information to be used by a City, County or Local Organizing Committee for the purpose of receiving funding through the Event Trust Fund, Major Events Reimbursement Program, or Motor Sports Racing Trust Fund ("the Act"), and hereby swear and affirm that, to the best of my knowledge, any data provided is true and accurate, and any projections made are based on reasonable assumptions documented in the information provided. I further swear and affirm that I have reviewed the information being submitted, and that all of the statements made and information provided herein, including statements made and information provided in any attachments are true, complete, and correct, to the best of my knowledge. Information provided includes but is not limited to an economic impact study or other data sufficient for the Economic Development and Tourism Office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities.

I understand that the City, County or Local Organizing Committee is receiving funding under the Act for the purposes of facilitating this event: 2018 MotoGP Red Bull Grand Prix of The Americas on these dates: April 20-22, 2018 and that the information will be provided by the City, County or Local Organizing Committee as a government document.

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.





OFFICE OF THE GOVERNOR
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT
GOVERNOR

[Signature]
Affiant Signature

William Mellor
Printed Name

Vice President, Angelo Economics
Title and Name of Organization

3/1/18
Date

The State of Texas

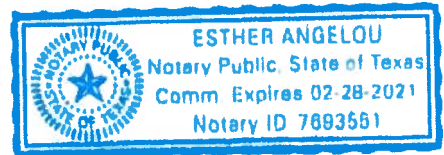
County of Texas

Before me, a Notary Public, on this day personally appeared William Mellor, known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 2nd day of March, 2018

Esther Angelou
Notary Public, State of Texas

(PERSONALIZED SEAL)



Esther Angelou
(Print name of Notary Public here)

My commission expires the 28 day of February, 2021





GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

AFFIDAVIT
of Endorsing Entity

Affidavit to be completed, including signed and notarized, by any and all Municipalities, Counties, and/or LOCs endorsing an Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund.

I, Anna Panossian, an authorized representative of Circuit Events Local Organizing Committee, a [Local Organizing Committee (nonprofit corporation), endorsing municipality or endorsing county] (circle one) ("Requestor") that is receiving funding through the Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund ("the Act"), hereby swear and affirm that, to the best of my knowledge, the Requestor has designed and implemented internal controls, processes and procedures to help the Requestor ensure that the Requestor and its use of these funds complies with all applicable laws, rules, and written guidance from the Economic Development and Tourism Office. I further swear and affirm that I, or my duly authorized employee, representative, or agent, have reviewed the information, and that all of the statements made and information provided therein, including statements made and information provided in any attachments are true, complete, and correct to the best of my knowledge. All other information submitted as part of this request for participation is being represented by me as true and correct, and I am unaware of any information contained therein that is false, misleading, or fraudulent. Information provided includes but is not limited to:

- (1) A letter from the municipality or county requesting participation in the Events Trust Fund program and signed by a person authorized to bind the municipality or county;
- (2) A letter from the site selection organization on organization letterhead selecting the site in Texas;
- (3) An economic impact study or other data sufficient for the Economic Development and Tourism Office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities;
- (4) An application for an Events Trust Fund program and any attachments; and
- (5) An Event Support Contract

I understand that I am receiving funding under the Act for the purposes of facilitating this event: 2018 Red Bull Grand Prix of The Americas on these dates: April 20-22, 2018. I understand that non-compliance with reporting requirements could be treated as a violation of the statute and/or program rules resulting in the possible withholding of disbursement funding.

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.

[Signature]
Affiant Signature

Anna Panossian
Printed Name

Director, Celoc
Title and Name of Organization

3/1/18
Date

The State of Texas

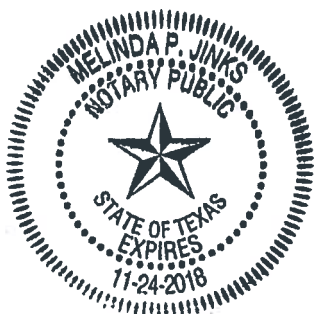
County of Travis

Before me, a Notary Public, on this day personally appeared Anna Panossian, known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 1st day of March, 2018

[Signature]
Notary Public, State of Texas

(PERSONALIZED SEAL)



Melinda P. Jinks
(Print name of Notary Public here)

My commission expires the 24th day of November, 2018



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

AFFIDAVIT
of Endorsing Entity

Affidavit to be completed, including signed and notarized, by any and all Municipalities, Counties, and/or LOCs endorsing an Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund.

I, Spencer Cronk, an authorized representative of the City of Austin, a [Local Organizing Committee (nonprofit corporation), endorsing municipality or endorsing county] (circle one) ("Requestor") that is receiving funding through the Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund ("the Act"), hereby swear and affirm that, to the best of my knowledge, the Requestor has designed and implemented internal controls, processes and procedures to help the Requestor ensure that the Requestor and its use of these funds complies with all applicable laws, rules, and written guidance from the Economic Development and Tourism Office. I further swear and affirm that I, or my duly authorized employee, representative, or agent, have reviewed the information, and that all of the statements made and information provided therein, including statements made and information provided in any attachments are true, complete, and correct to the best of my knowledge. All other information submitted as part of this request for participation is being represented by me as true and correct, and I am unaware of any information contained therein that is false, misleading, or fraudulent. Information provided includes but is not limited to:

- (1) A letter from the municipality or county requesting participation in the Events Trust Fund program and signed by a person authorized to bind the municipality or county;
- (2) A letter from the site selection organization on organization letterhead selecting the site in Texas;
- (3) An economic impact study or other data sufficient for the Economic Development and Tourism Office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities;
- (4) An application for an Events Trust Fund program and any attachments; and
- (5) An Event Support Contract

I understand that I am receiving funding under the Act for the purposes of facilitating this event: 2018 Red Bull Grand Prix of the Americas on these dates: April 20-22, 2018. I understand that non-compliance with reporting requirements could be treated as a violation of the statute and/or program rules resulting in the possible withholding of disbursement funding.

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.

[Signature]
Affiant Signature

Spencer Cronk
Printed Name

City Manager, City of Austin
Title and Name of Organization

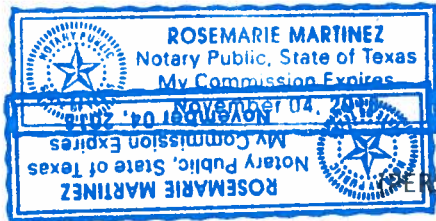
3/5/18
Date

The State of Texas

County of Travis

Before me, a Notary Public, on this day personally appeared Spencer Cronk, known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 5 day of May, 2018



[Signature]
Notary Public, State of Texas

RoseMarie Martinez
(Print name of Notary Public here)



My commission expires the 4 day of November, 2018