Discussion Regarding
Formula 1
United States Grand Prix
and the
Major Events Trust Fund

June 21, 2011
Topics Covered

- **Update**
  - Change to the financial arrangement
  - Status of requests and responses to Council questions
    - Responses to Council questions, economic impact study, and the Texas Perspectives review of the study are posted online at: [www.austintexas.gov/redevelopment](http://www.austintexas.gov/redevelopment)

- **Contracts to be Considered on June 23rd**
  - Interlocal agreement between the City and the State
  - Agreement between the City and the Circuit Events Local Organizing Committee (CELOC)
Interlocal Agreement

- Creates the Formula 1 Major Events Trust Fund (METF)
- Authorizes the City’s designee (CELOC) to do the following:
  - Deposit up to $4 million annually in the METF
  - Withdraw up to $4 million annually from the METF
  - Make an annual request for future events, including all necessary supporting documentation (economic studies, attendance figures, assurances, etc.)
- Addresses indemnification
- Provides for a 10-year term to expire on August 31, 2021
Agreement with Local Organizing Committee

- Describes the City and LOC’s relationship for purposes of the Formula 1 Major Events Trust Fund (METF)
- Authorizes the City’s designee (CELOC) to do the following:
  - Enter into an Event Support Contract with the event’s Site Selection Organization
  - Deposit up to $4 million annually in the METF
  - Withdraw up to $4 million annually from the METF
  - Make an annual request for future events, including all necessary supporting documentation (economic studies, attendance figures, assurances, etc.)
- Addresses indemnification
- Establishes a City ex-officio LOC Board member
- Provides for a 10-year term to expire on August 31, 2021
Agreement with Local Organizing Committee

City Obligations
- Enter into an interlocal agreement with the Texas Comptroller to establish the Formula 1 Major Events Trust Fund
- Authorize CELOC to act on the City’s behalf
- Assist CELOC with METF reimbursement requests

Other Terms
- Performance-based criteria:
  - The Formula 1 race must occur each year
  - CELOC must meet its annual obligations
  - CELOC must annually and timely deposit the Local Increment to the METF
Summary

- The proposed agreements reflect the following:
  - City participates as an Endorsing Municipality
  - City does not contribute financially to the METF
  - The LOC will be the City’s designee and must provide annual METF requirements to the Texas Comptroller
  - The agreement with the LOC is performance-based
Questions