
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

- 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
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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