



Major Events Reimbursement Program

Report on the 2015 ESPN X Games

Date of Event: June 5-7, 2015

Report Publish Date: October 28, 2016

BACKGROUND

The Major Events Reimbursement Program (formerly the "Major Events Trust Fund") permits local governments and local organizing committees to apply to the State for the establishment of a Major Events Reimbursement Fund to help pay for certain eligible costs associated with conducting specifically-named major events if all statutory and administrative requirements are met pursuant to Article 5190.14, Section 5A, Vernon's Texas Civil Statutes. The fund established for each event consists of amounts deposited by the State and local government of the estimated incremental increase in tax receipts, as determined by the State, that are directly attributable to the preparation for and presentation of the event for a one-year period. The period begins two months before the date of the event and continues for ten months thereafter. In accordance with statute, the estimated increase in tax receipts is limited to amounts collected within a designated market area, and only to amounts collected from five specific tax types.

The Legislature transferred the administration of the program from the Texas Comptroller of Public Accounts ("Comptroller's Office") to the Economic Development and Tourism Office within the Office of the Governor ("OOG") during the 84th Legislative Session, with an effective date of September 1, 2015. A number of major events that were initially approved for reimbursement by the Comptroller's Office were transferred to the Office of the Governor for the final disbursement of funds and administrative close-out. As part of these duties, Article 5190.14, Section 5A(w) requires the Office of the Governor to use existing resources to complete a post-event study in the market area of eligible major events.

This post-event economic impact study provides the best available information regarding the direct tax effects of the 2015 ESPN X Games.

SUMMARY OF EVENT

The 2015 ESPN X Games (the "event") was held June 5-7, 2015 at Circuit of the Americas in Austin. ESPN was the Site Selection Organization for the event. A Site Selection Letter was submitted to the Comptroller's Office as a part of the application to the program. See Appendix A for the application, including the Site Selection Letter.

According to the attendance report provided to the Comptroller's Office by the Circuit Events Local Organizing Committee ("CELOC"), the Local Organizing Committee for the event, the total attendance was 138,187 fans. CELOC further estimated that 33 percent of the total attendees, or 45,795, were from out-of-state. This OOG report makes no assumptions about the accuracy of this reported estimate.

METHODOLOGY

The methodology established to determine the direct tax effects of the event by the OOG began with collecting tax data for the five applicable taxes for the most precise period available. Collection of information requires interagency cooperation. Some tax data is available for a monthly period and by city or county. However, some taxes are collected statewide and are only reported quarterly or annually. Since daily tax collection data is unavailable, specific taxes collected for only the days during which the event occurred cannot be determined. After collecting the available data, the OOG compared the tax

information for the month of the event in the market area to the same month of years prior to the event. Comparing data from the event to the same time period of the following year cannot be done since the report is due prior to the following year's data being available. The OOG assessed other factors that could also affect the tax data. Some of the factors include: population growth, crowding out effects, other events being held in the market area during June 2014 (the year prior to the event being held), or different events held in the market area during June 2015 (the month the event was held). Crowding out can include locals leaving town or staying home to avoid frequented businesses due to the influx of visitors. The OOG does not have information available regarding events that do not apply to any of the Events Trust Fund programs to factor into the comparison. These reasons prevent the OOG from determining the actual amount of incremental tax increases of the 2015 ESPN X Games utilizing existing resources.

APPLICABLE STATE TAXES

In accordance with the Major Events Reimbursement Program statute, the estimated increase in tax receipts attributed to major events are limited to amounts collected within a designated market area, and only to amounts collected from five specific tax types. The five state taxes are: 1) state sales and use taxes; 2) hotel occupancy taxes; 3) mixed beverage taxes; 4) motor vehicle rental taxes; and 5) wholesale alcoholic beverage taxes. Information on each of these tax types are summarized as follows:

Sales & Use Tax

The sales and use tax rate of 6.25 percent is assessed on all tangible personal property and certain services. The sales and use tax is collected by the Comptroller's Office either monthly, quarterly, or annually based on certain qualifications. Since the period of collection varies by business, determining the taxes directly attributable to the event is not attainable. This report reflects that data for the quarter. This tax is also likely to be affected by crowding out.

Hotel Occupancy Tax

The state hotel tax rate is 6.0 percent and is collected on either a monthly or quarterly basis. The Comptroller's Office collects only the state tax portion of the hotel tax, while cities and counties are primarily responsible for collecting their own local hotel taxes. Similar to sales and use tax, the variation of periods that the tax is collected from businesses results in an indeterminable incremental tax increase as a result of the event. Most hotels report monthly, therefore, this report reflects the monthly data.

Motor Vehicle Rental Tax

The motor vehicle gross rental receipts tax is imposed on motor vehicle rentals. The tax rate is based on the length of the rental contract listed below:

- 10% for contracts of 1-30 days
- 6.25% for contracts exceeding 30 days but no longer than 180 days.

Not all cities collect a local tax for car rental, and taxes are collected from the rental company for all rentals across the state, not by city or county. Additionally, a car might be rented from several locations for the event. For these reasons, the motor vehicle rental taxes leveraged in a period cannot be isolated and directly attributed to the event.

Mixed Beverage Tax

The gross receipts tax of 6.70 percent is charged with the sale of mixed beverages on the amount received from the sale, preparation, or service from the sale of an alcoholic beverage that is consumed on the premises of the mixed beverage permittee. The mixed beverage sales tax of 8.25 percent is imposed on the person or organization holding the mixed beverage permit and not the customer. This tax is collected monthly, but since the mixed beverage sales tax is imposed on the mixed beverage permit holder, it may not be added to the selling price as a separate charge and may not be “backed out” from the amount received. This can result in an inaccurate reporting of spending on mixed beverages by event attendees.

Title 5 ABC Tax

Tax rates vary depending on beverage type and alcohol content. The Texas Alcoholic Beverage Commission (TABC) Tax Division receives and processes monthly excise tax reports. Manufacturers of alcoholic beverages may only sell to wholesalers/distributors and the wholesalers/distributors may, in turn, sell only to the retailers. Alcoholic beverages become taxable when the beverages are sold at the retail level, and data for tax collection is only available at a state level. Additionally, the Title 5 ABC tax and the mixed beverage tax are likely to be affected by crowding out, resulting in an unmeasurable effect of the event on these taxes.

TOTAL INCREMENTAL INCREASE IN STATE TAX RECEIPTS

The Major Events Reimbursement Program statute requires the OOG to provide an estimate for the incremental increases in tax receipts expected to be generated by the event based on the five specified tax-types. For this event, the estimate was provided by the Comptroller’s Office and was comprised of both Primary Direct Spending and Secondary Direct Spending (including indirect and induced). The total estimated incremental increase to the state was \$2,254,765. Based on this amount, the Applicant was required to submit a local share of \$360,763 according to the state-to-local share ratio of 6.25:1, resulting in a total trust fund of \$2,615,528 (See Appendix B). CELOC made a voluntary decision to request a reduction of the local share which resulted in an amount of \$306,649 and a state share amount of \$1,916,556. The final total trust fund was \$2,223,205.

The breakdown of the estimated incremental increase of state taxes from the Primary and Secondary Direct Spending are shown below:

Type of Expenditure	Primary - Direct		Secondary - Indirect		Secondary - Induced	
	Spending	Taxes	Spending	Taxes	Spending	Taxes
Hotels and motels	\$5,602,557.57	\$336,153.45	\$2,561,562.15	\$108,975.35	\$2,127,391.96	\$122,292.63
Eating and Drinking Establishments	\$5,322,476.85	\$332,654.80	\$2,048,067.80	\$89,742.28	\$2,233,582.73	\$128,383.46
Alcoholic Beverages (Mixed & Title 5 ABC)	\$1,141,419.78	\$80,768.79	\$439,213.77	\$19,245.48	\$478,997.95	\$27,532.19
Event Expenses	\$5,943,300.00	\$157,790.01	\$1,987,219.62	\$62,826.62	\$4,681,650.33	\$268,904.61
Auto Rental	\$532,658.83	\$53,265.88	\$179,753.18	\$7,717.69	\$178,415.14	\$10,249.42
Shopping and Entertainment (Aggregated)	\$3,762,189.34	\$235,136.83	\$1,008,665.54	\$43,600.01	\$1,675,739.33	\$96,319.57
TOTAL	\$22,304,602.37	\$1,195,769.78	\$8,224,482.06	\$332,107.44	\$11,375,777.44	\$653,681.88

Note: The table does not include \$49,127 in sales taxes from ticket sales, which the Comptroller’s Office has determined to have no secondary economic impact in Texas.

Primary Spending was estimated by the Comptroller's Office based on projected attendance and projected event spending. Estimated attendee spending was broken down by five (5) expenditure categories: Food and Beverage (Sales & Use Tax); Entertainment and Shopping (Sales & Use Tax); Lodging (Hotel Occupancy Tax); Rental Car (Car Rental Tax); and Alcohol (Mixed Beverage and Title 5 ABC taxes). The estimated incremental increases in state and local taxes were then calculated for each spending category. The Comptroller's Office defined the market area for the event as Travis county.

Secondary Spending estimates were derived by the Comptroller's Office by inputting the results of the corresponding expenditure categories from estimated Direct Spending, along with a NAICS industry code, into the IMPLAN economic modeling software platform. The Comptroller's Office used the IMPLAN model to develop estimated tax impacts for Secondary Spending. For developing its estimated Secondary Spending, the Comptroller's Office used a statewide market area instead of the Travis county market area.

STATE TAX RECEIPT IMPACTS FROM DIRECT SPENDING

The following table is based on the best information the OOG was able to gather on tax receipts for the five tax-types specified in the Events Reimbursement Fund statute. The chart shows amounts for July 2015 since the event occurred in June and taxes are collected in the month following the event. All five tax types in the market area saw an increase in receipts when comparing tax receipts around the time period when the event was held with the same time period the year before. However, changes in tax receipts cannot reliably be attributed to any particular event.

Sales Tax			
	2014 Q3	2015 Q3	Difference
Travis	\$296,747,087	\$318,168,508	\$21,421,421
Hotel Occupancy			
	July 2014	July 2015	Difference
Travis	\$3,573,134	\$4,214,888	\$641,754
Car Rental			
	July 2014	July 2015	Difference
State of Texas	\$18,570,971	\$19,891,847	\$1,320,876
Mixed Beverage - 1. Gross Receipts and 2. Mixed Beverage Sales Tax			
	July 2014	July 2015	Difference
Travis	\$4,070,483	\$4,697,636	\$627,153
Title 5 ABC			
	July 2014	July 2015	Difference
State of Texas	\$18,676,031	\$19,771,480	\$1,095,449

EVENT DEADLINES RELATED TO PROGRAM

The following program deadlines were verified to have been completed as follows (see Appendix C for documentation):

- Application Received (including Site Selection letter): 04/15/15

- Deadline: 04/20/15, or no later than 45 days prior to the event
- Event Support Contract Received: 06/03/15
 - Deadline: 06/04/15, or prior to the event
- Attendance Certification Received: 07/22/15
 - Deadline: 07/22/15, or no later than 45 days after the event
- Local Share Received: 08/27/15
 - Deadline: 09/05/15, or no later than 90 days after the event
- Disbursement Request Received: 12/04/15
 - Deadline: 12/04/15, or no later than 180 days after the event

CONCLUSION

Given the available data and constrained to the use of existing resources, it is unlikely that the economic impact directly attributable to the preparation and presentation of the event is measurable with any reasonable degree of accuracy. Using available resources, the data is inconclusive in determining the actual economic impact of the event. Neither a positive nor negative impact is determinable since the tax information provided showed both increases and decreases in taxes collected. The available and reported tax data cannot reliably be attributed to any particular event, while some data cannot even be attributed to any particular market area. The economic variables and limited detail of tax and participant data make it impossible to isolate the incremental tax generated by one particular event to the Texas economy. The development of a reasonably accurate economic impact study requires data state government cannot feasibly capture, such as the actual number of out-of-state-visitors attributable to the event, the actual per-day spending by each event attendee for each of the five allowable tax types, and the length of stay of each attendee. The OOG will continue to examine the collection and reporting of information relating to these major events in an effort to identify options for improvement in data collection to ensure that the purposes of the statutory post-event reporting requirement can be achieved.

APPENDIX A



The following is a step by step guide to the request process of the Event Trust Funds program.

STEP 1:

Review the ETF Administrative Code.

STEP 2:

Complete and submit the attached "Request Worksheet" along with the statutorily required documents outlined in Section 5 to request that the Comptroller determine the incremental tax increase of an event. Must be received by the agency not less than 120 days prior to the event. Please submit to:

**Deputy Comptroller
Comptroller of Public Accounts
111 E. 17th Street
Austin, TX 78774**

STEP 3:

Submit the Event Support Contract to the Comptroller for review. This document should be sent to the Comptroller at the address above not later than the event date.

- **Event Support Contract** is a contract executed by a local organizing committee, an endorsing municipality, or an endorsing county and a site selection organization that outlines the responsibilities of each party. For more information on what an Event Support Contract should include, you may refer to our *Event Support Contract Guidelines* on the website (http://www.texasahead.org/tax_programs/event_fund/).

You will be notified following the agency review of Event Support Contract. Please do not submit any local match funds or any expense reimbursement requests until you have been notified that the Event Support Contract has been accepted.

It is not necessary to submit the Event Support Contract in order to receive an estimate of the Incremental Tax Increase, however, agency review and acceptance of the Event Support Contract is required prior to submission of local match funds and expense reimbursement requests.

STEP 4:

Submit Local Funds. Must be submitted no later than 90 days following the event.

STEP 5:

Submit reimbursement requests.

Review the About Trust Fund Payments section on the website and submit any questions to our Event Trust Fund Accounting team at etf.accounting@cpa.state.tx.us.



Request Worksheet to Establish an Events Trust Fund

Please submit this informational worksheet with your official request to establish an events trust fund.

This worksheet is STEP 2 in the process to establish an Event Trust Fund – Requesting that the Comptroller determine the incremental tax increase of an event. Must be received by the agency not less than 120 days prior to the event. Please submit to:

Deputy Comptroller
Comptroller of Public Accounts
111 E. 17th Street
Austin, TX 78774

SECTION 1: Endorsing Municipality or County

City of Austin

Endorsing City or County

Leela Fireside (Legal Department) and Rodney Gonzales (Economic Development Department)

City or County Contact (officer or employee available to answer any/all follow-up questions)

Leela.Fireside@austintexas.gov and

(512) 974-2163 / (512) 974-2313

Contact email

Rodney.Gonzales@austintexas.gov

Contact phone (area code and phone number)

Has the Endorsing City or County reviewed the event and found that it meets all eligibility requirements, as listed in VCTS 5190.14?

☒ Yes ☐ No

Has the Endorsing City or County determined that it will contribute local funding ("local match") to the Events Trust Fund, if established?

☒ Yes ☐ No

SECTION 2: Local Organizing Committee

Has the City or County authorized a Nonprofit Local Organizing Committee to enter into an agreement with the Site Selection Organization to host the event on behalf of the City or County?

☒ Yes ☐ No

If "YES," provide the following information for the LOCAL ORGANIZING COMMITTEE:

Circuit Events Local Organizing Committee

Local Organizing Committee (LOC) designated in the official request letter

Is the LOC a registered non-profit corporation?

☒ Yes ☐ No

45-2727397

LOC Tax Payer ID#

Circuit Events Local Organizing Committee

Complete Business Name

SECTION 2: Local Organizing Committee *(continued)*

Wayne S. Hollingsworth

LOC Contact Name

WHollingsworth@abaustin.com

Contact email

(512) 435-2306

Contact phone (area code and phone number)

If “NO,” The City or County must directly enter into the event hosting agreement with the site selection organization.

NOTE: If your ETF request is approved, the Event Support / Event Hosting AGREEMENT will be required for submittal to receive reimbursement.

SECTION 3: Site Selection Organization

ESPN, Inc.

Site Selection Organization

Scott Guglielmino, Senior Vice President, Programming and X Games

City or County Contact (officer or employee available to answer follow-up questions – if different from above listed contacts)

Scott.Guglielmino@espn.com

Contact email

Contact phone (area code and phone number)

The Comptroller's office reserves the right to contact the Site Selection Organization or any other organization directly related to this event.

SECTION 4: Event Information

ESPN X Games AUSTIN

Official Event Name

Circuit of The Americas

Venue

xgamesaustin.com

Event Website

Location of this event the previous five years:

1 See Schedule A Attached

2

3

4

5

Source of information:

SECTION 4: Event Information *(continued)*

June 4, 2015 First Day of Activities	June 7, 2015 Last Day of Activities	June 5, 6, 7, 2015 Date of the PRIMARY Event
55,533 Anticipated TOTAL attendance at the PRIMARY event	16,917 Anticipated Out of State Attendance at the PRIMARY Event	

The Comptroller is required by statute to collect from the requestor and then evaluate the actual attendance figures for an ETF event. After this event has concluded you will need to offer final attendance figures. How do you plan on calculating these figures?

Circuit of the Americas ("COTA") tracks and tabulates attendance figures during each day of the event, including for the primary event day. COTA also conducts various surveys of attendees both during and after the event with the intent to determine an accurate calculation of out-of-state attendees for each day of the event.

SECTION 5: Checklist

ETF Checklist of documents required to issue an Estimate of Incremental Taxes.

- ☒ ETF Request Worksheet.
- ☒ SELECTION Letter CLEARLY indicating a highly competitive selection process, and that the selection was based on an application by the endorsing city, county or local organizing committee. This selection letter should clearly indicate the selected LOC, the selected municipality, and the event date. The date must match the requested event date.
- ☒ REQUEST Letter CLEARLY indicating the municipality or county's endorsement of the event; names the LOC and the municipality or county's contact; and matches up with the Selection Letter.
- ☒ Economic information allowing the Comptroller to make a determination as to the incremental tax increase to the State of Texas.
- ☒ Affidavit signed by each endorsing city, county and/or LOC.
- ☒ Affidavit signed by party(ies) providing economic data to support this request.

You will be notified of the Estimate of Incremental Taxes following the completion of the agency's review, typically within 30 days of submission.

Signature and title of submitter (submitter should have authority to represent the Endorsing City or County as it regards this request)

Signature

Director
Title

SCHEDULE A

Venues

Year	Summer	Winter	Asia	Europe			South America	México
1995	 Newport, Rhode Island	 Stowe, Vermont						
1996	 Newport, Rhode Island	 Stowe						
1997	 San Diego	 Big Bear Lake, California						
1998	 San Diego	 Crested Butte, Colorado	 Phuket					
1999	 San Francisco	 Crested Butte	 Phuket					
2000	 San Francisco	 Mount Snow, Vermont	 Phuket					
2001	 Philadelphia	 Mount Snow	 Phuket					
2002	 Philadelphia	 Aspen	 Kuala Lumpur					
2003	 Los Angeles	 Aspen	 Kuala Lumpur					
2004	 Los Angeles	 Aspen	 Kuala Lumpur					
2005	 Los Angeles	 Aspen	 Seoul					
2006	 Los Angeles	 Aspen	 Kuala Lumpur					
2007	 Los Angeles	 Aspen	 Shanghai					 México City
2008	 Los Angeles	 Aspen	 Shanghai					 México City
2009	 Los Angeles	 Aspen	 Shanghai					
2010	 Los Angeles	 Aspen	 Shanghai	 Tignes				
2011	 Los Angeles	 Aspen	 Shanghai	 Tignes				
2012	 Los Angeles	 Aspen	 Shanghai	 Tignes				
2013	 Los Angeles	 Aspen	 Shanghai	 Tignes	 Barcelona	 Munich	 Foz do Iguaçu	
2014	 Austin, Texas	 Aspen	 Shanghai					



Affidavit to be COMPLETED by any party(ies) providing economic data to support a request for a Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund

AFFIDAVIT

[Affidavit to be signed and sworn (notarized) by anyone providing information to be used in the estimate of the incremental tax increase]

I, Don Hoyte, am providing information to be used by a city, county or local organizing committee for the purposes of receiving funding through the Major Events Trust Fund, Events Trust Fund, or Motor Sports 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 Comptroller's 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: X Games Austin 2015 on these dates: June 4 - 7, 2015 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.

[Signature]

Affiant Signature

TexasTrustFunds.com

Title and Name of Organization

Don Hoyte

Printed Name

4/9/15

Date

Sworn and subscribed before me by the said

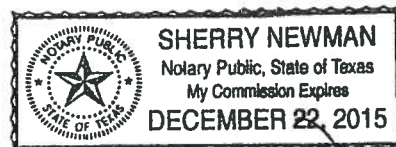
Don Hoyte

(Printed Name of Recipient's Authorized Representative)

this 9th day of April, 20 15

Notary Public, State of Texas

Notary's printed name: Sherry Newman My commission expires: Dec. 22nd 2015 (Seal)



[Signature]
Notary Public Signature



Affidavit to be COMPLETED by any party(ies) providing economic data to support a request for a Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund

AFFIDAVIT

[Affidavit to be signed and sworn (notarized) by anyone providing information to be used in the estimate of the incremental tax increase]

I, Marc Ott, am providing information to be used by a city, county or local organizing committee for the purposes of receiving funding through the Major Events Trust Fund, Events Trust Fund, or Motor Sports 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 Comptroller's 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;

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[Signature]
Affiant Signature

City Manager, City of Austin
Title and Name of Organization

Sworn and subscribed before me by the said

Marc Ott
(Printed Name of Recipient's Authorized Representative)

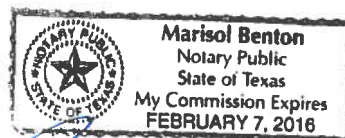
this 18th day of April, 2015.

Notary Public, State of Texas

Notary's printed name: Marisol Benton

Marc Ott
Printed Name

4/16/15
Date



[Signature]
Notary Public Signature

My commission expires: Feb. 7, 2016 (Seal)



Affidavit to be COMPLETED by any party(ies) providing economic data to support a request for a Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund

AFFIDAVIT

[Affidavit to be signed and sworn (notarized) by anyone providing information to be used in the estimate of the incremental tax increase]

I, Wayne S. Hollingsworth, am providing information to be used by a city, county or local organizing committee for the purposes of receiving funding through the Major Events Trust Fund, Events Trust Fund, or Motor Sports 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 Comptroller's 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;

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Affiant Signature

Director, Circuit Events Local Organizing Committee

Title and Name of Organization

Wayne S. Hollingsworth

Printed Name

April 8, 2015

Date

Sworn and subscribed before me by the said

Wayne S. Hollingsworth

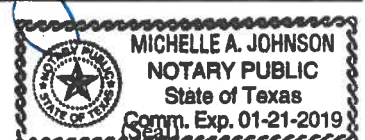
(Printed Name of Recipient's Authorized Representative)

this 8th day of April, 2015

Notary Public, State of Texas

Notary's printed name: Michelle A. Johnson My commission expires: _____

Notary Public Signature



CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE,
a Texas non-profit corporation

**100 Congress Avenue, Suite 1300
Austin, Texas 78701-2744**

April 16, 2015

Deputy Comptroller
Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

Via Hand Delivery

RE: Application for Participation in the Texas Major Events Trust Fund (2015 X Games Austin)

Dear Deputy Comptroller:

Circuit Events Local Organizing Committee is organized as a Texas non-profit corporation (the “**Committee**”) with the purpose to help facilitate and support an event, commonly known as “**2015 X Games Austin**” (the “**Event**”) that is scheduled to be held in Austin, Texas on June 4 - 7, 2015. Further, as an integral part of this support, the Committee and the City of Austin, as approved by City Council resolution of May 23, 2013, and amended April 2, 2015, entered into an “**Agreement**”, dated April 15, 2015, whereby the City of Austin agreed to be the “endorsing municipality” for the Event, and in the capacity of endorsing municipality (i) authorized the Committee to act as the “local organizing committee” for purposes of securing and promoting the Event for the Austin area, as well as the application for and qualification of the Event as an “**Event**” under TEX. REV. CIV. STAT. ART. 5190.14 (the “**Act**”) Section 5.A. thereof, the Texas Major Events Trust Fund (the “**Trust Fund**”) and (ii) authorized and appointed the Committee as the City of Austin’s sole and exclusive designee, for and on behalf of the City of Austin to submit, pursuant to TAC Title 34, Part 1 Chapter 2 Subchapter A, Rule 2.102, a request to the Texas Comptroller of Public Accounts for participation in the Trust Fund program and a request to the Texas Comptroller to determine the incremental increase in the receipts of various taxes (e.g. sales and use taxes, mixed beverage taxes, hotel occupancy taxes), by the City of Austin, as the endorsing municipality, for a one (1) year period that begins two (2) months before the date of the first Event (scheduled for June 4 - 7, 2015), in accordance with the Comptroller’s procedures and in accordance with the Act, and the rules promulgated thereunder (the “**Rules**”).

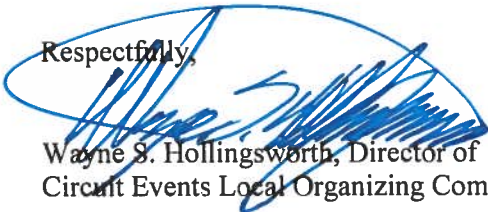
It is my honor and great pleasure to submit this application from the Committee, as the City of Austin’s duly appointed and authorized designee for and on behalf of and binding upon the City of Austin, as the formal request, pursuant to Rule 2.102, for participation in the Trust Fund program and a request to the Texas Comptroller to determine the incremental increase in the applicable taxes for the City of Austin for the June 4 - 7, 2015 Event.

Further, as required by Rule 2.102(a)-(d), enclosed with this letter are: (i) Attachment 1, a letter from the City of Austin requesting participation in the METF for the Event, (ii) Attachment 2, two (2) letters, both dated April 8, 2015, from ESPN, as the site selection committee for the Events to the Committee and the City of Austin, selecting the site in Austin, Texas for the 2015 – 2017 Events; (iii) Attachment 3, the economic impact study and other data with detailed information on the direct expenditures and direct impact data for the endorsing municipality hosting the event and for the requested market area (the

"*Economic Study*"; (iv) Attachment 4, a description of the requested market area, and information to support the requested market area, which is included in the Economic Study; (v) Attachment 5, a list of all related events activities proposed to be included in the trust fund estimate, with data for each such activity including projected attendance figures, ticket sales and relevant production and expenditure information related to the activity, included in the Economic Study; (vi) Attachment 6, affidavits from Don Hoyte, Ph.D., the City of Austin and the Committee, similar to those required under Rule §2.202(a)(5), as to the accuracy of the Economic Study; (vii) Attachment 7, a completed and signed Comptroller Request Worksheet to Establish an Event Trust Fund for the Event similar to that required under Rule §2.202(a)(4); and (viii) Attachment 8, affidavits from the Committee and the City of Austin endorsing a Major Events Trust Fund similar to that required under Rule §2.202(a)(5).

If you have any questions or comments on or need any additional information or clarification on the above request, please to not hesitate to contact me or any member of the Board of Directors of the Committee.

Thank for your time and consideration of this request.

Respectfully,

Wayne S. Hollingsworth, Director of
Circuit Events Local Organizing Committee

Ms. Leela Fireside, Assistant City Attorney, City of Austin
Mr. Sam Bryant, Director
Mr. Ford Smith, Director
Mr. Rodney Gonzales, Director
Mr. Jason Dial, President and CEO of COTA
Mr. Colin Cohen, CFO of COTA



City of Austin

City Manager's Office

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

Marc A. Ott, *City Manager*
Marc.Ott@ci.austin.tx.us

4/15

, 2015

The Honorable Glenn Hegar
Texas Comptroller of Public Accounts
Post Office Box 13528, Capitol Station
Austin, Texas 78711-3528

Comptroller Hegar:

The City of Austin requests participation in the Major Event Trust Fund (METF) program pursuant to TEX. REV. CIV. STAT. ART. 5190.14 Section 5A (Act) as authorized by Austin City Council action contained in resolution dated May 23, 2013 in support of X Games Austin for 2014 – 2016, inclusive, if and to the extent the METF is or becomes applicable to the subject event. This action is intended to satisfy the requirements of 34 TAC Section 2.102(a)(1) and documents that Austin is the endorsing municipality in accordance with the Act, as applicable.

Enclosed is correspondence from ESPN confirming the selection of Austin, Texas as the location for this event during June 4 - 7, 2015. The correspondence from ESPN satisfies the requirements found at 34 TAC Section 2.102(a)(2).

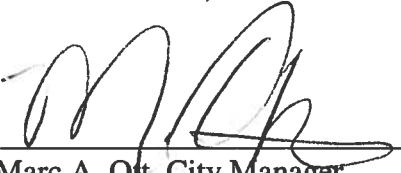
The correspondence from ESPN states that the selection of Austin as the location for the X Games Austin for 2015 was completed after substantial competition in their process of reviewing a number of venues interested in hosting their series. Further, ESPN does not anticipate holding any other similar X Games Event in Texas or its contiguous states during any year that the ESPN 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 34 TAC Section 2.101.

This letter also confirms that 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 Comptroller for participation in the event METF under the Act, to submit the METF economic impact analysis, to fund the City's local contribution to the METF, and to receive reimbursement

of trust funds for eligible expenses from the METF for the race that is occurring June 4 - 7, 2015, as applicable.

Sincerely,

CITY OF AUSTIN, TEXAS

By: 
Marc A. Ott, City Manager





Susan Combs Texas Comptroller of Public Accounts

Affidavit to be COMPLETED by any/all Municipality, County, and/or LOC endorsing a Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund

AFFIDAVIT

[Affidavit to be signed and sworn (notarized) by each Endorsing Municipality, Endorsing County, and Local Organizing Committee (if applicable)]

I, Marc Ott, an authorized representative of: City of Austin,
a [local organizing committee (nonprofit corporation), endorsing municipality or endorsing county] (circle one) ("Requestor") that is receiving funding through the Major Events Trust Fund, Events Trust Fund, or Motor Sports 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 Texas Comptroller's 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 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 Comptroller's 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) a Request Worksheet to Establish an Events Trust Fund form and any attachments; and
- (5) an Event Support Contract (if available – else due no later than date of event's first activities).

I understand that I am receiving funding under the Act for the purposes of facilitating this event: X Games Austin 2015

on these dates: June 4 - 7, 2015

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.

Affiant Signature

City Manager, City of Austin

Title and Name of Organization

Marc Ott

Printed Name

Date

Sworn and subscribed before me by the said

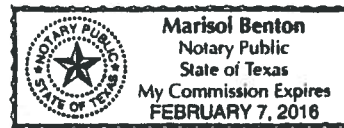
Marc Ott

(Printed Name of Recipient's Authorized Representative)

this 16 day of April, 20 15

Notary Public, State of Texas

Notary's printed name: Marisol Benton My commission expires: Feb 7, 2016 (Seal)



Notary Public Signature



Susan Combs Texas Comptroller of Public Accounts

Affidavit to be COMPLETED by any/all Municipality, County, and/or LOC endorsing a Major Events Trust Fund, Events Trust Fund, or Motor Sports Trust Fund

AFFIDAVIT

[Affidavit to be signed and sworn (notarized) by each Endorsing Municipality, Endorsing County, and Local Organizing Committee (if applicable)]

I, Wayne S. Hollingsworth, 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 Major Events Trust Fund, Events Trust Fund, or Motor Sports 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 Texas Comptroller's 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:

to the best of my knowledge

- (1) a letter from the municipality or county requesting participation in the 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 Comptroller's 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) a Request Worksheet to Establish an Events Trust Fund form and any attachments; and
- (5) an Event Support Contract (if available – else due no later than date of event's first activities).

I understand that I am receiving funding under the Act for the purposes of facilitating this event: X Games Austin 2015

on these dates: June 4 - 7, 2015

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.

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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.

Affiant Signature

Wayne S. Hollingsworth

Title and Name of Organization

Wayne S. Hollingsworth

Printed Name

April 8, 2015

Date

Sworn and subscribed before me by the said

Wayne S. Hollingsworth

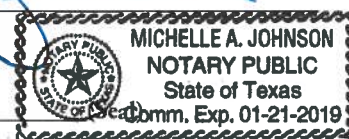
(Printed Name of Recipient's Authorized Representative)

this 8th day of April, 20 15

Notary Public, State of Texas

Notary's printed name: Michelle A. Johnson My commission expires: _____

Notary Public Signature





ESPN, Inc.

ESPN Plaza, Bristol, CT 06010-7454

April 8, 2015

Mr. Marc Ott
City Manager
City of Austin
Austin, Texas 78701

via email: marc.ott@austintexas.gov

Dear Mr. Ott:

We have received and appreciate the confirmation of application, dated April 8, 2015, from Circuit Events Local Organizing Committee ("CELOC"), as designee and on behalf of the City of Austin, to host the X Games in Austin for 2015 through 2017 at the raceway facilities in Austin, Texas, USA, known as Circuit of the Americas. We understand CELOC's application is submitted in confirmation of and supplemental to CELOC's application to us dated June 11, 2013, and in anticipation of the X Games Austin qualifying for the Texas Major Event Trust Fund Act (the "Act") based on legislation pending in the Texas Legislature.

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

The ESPN X Games is a unique event that appeals to a young, enthusiastic demographic, featuring multiple competitive action sports events. The 2015 X Games will be conducted in Austin, Texas along with our winter event in Aspen, Colorado. ESPN will televise X Games Austin worldwide, with over twenty (20) hours of dedicated programming distributed to more than 450 million homes in over 175 countries around the world. X Games Austin will be the only site in North America for our summer event, so we anticipate strong interest and a significant economic benefit to the community and region.

We look forward to receiving and working with CELOC to finalize an Amended and Restated Event Support Contract for application under the Act related to the local and State support available for the events if, as and when the pending legislation qualifying X Games Austin for participation under the Act is passed and effective.

Yours sincerely,

Scott Guglielmino
Senior Vice President
Programming & X Games



ESPN, Inc.

ESPN Plaza, Bristol, CT 06010-7454

April 8, 2015

Circuit Events Local Organizing Committee
Attention: Mr. Wayne S. Hollingsworth
100 Congress Avenue, Suite 1300
Austin, Texas 78701

via email: whollingsworth@abaustin.com

Dear Mr. Hollingsworth:

We appreciate the confirmation of the application by Circuit Events Local Organizing Committee ("CELOC"), dated April 8, 2015, submitted as designee on behalf of the City of Austin, to host an event of the X Games in Austin for 2015 through 2017 at the raceway facilities in Austin, Texas, USA, known as Circuit of the Americas. We understand that your application is submitted in confirmation of and supplemental to your application to us dated June 11, 2013, and in anticipation of the X Games Austin qualifying for the Texas Major Event Trust Fund Act (the "Act") based on legislation pending in the Texas Legislature.

As we emphasized in our previous letter 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 events. Please consider this letter as confirmation of our selection of Austin, Texas, and the Circuit of the Americas to host the X Games Austin event each year of the upcoming series from 2014 through 2017.

As noted in your June 11, 2013 letter, we do not anticipate sanctioning or holding any other similar X Games Event in Texas or its contiguous states during 2015 or any other year that the X Games Austin at the Circuit of the Americas is held in Austin.

The ESPN X Games is a unique event that appeals to a young, enthusiastic demographic, featuring multiple competitive action sports events. The 2015 X Games will be conducted in Austin, Texas along with our winter event in Aspen, Colorado. ESPN will televise X Games Austin worldwide, with over twenty (20) hours of dedicated programming distributed to more than 450 million homes in over 175 countries around the world. X Games Austin will be the only site in North America for our summer event, so we anticipate strong interest and significant economic benefit to the community and region.

We look forward to working with you to finalize an Amended and Restated Event Support Contract for application under the Act related to the local and State support available through CELOC and the Circuit of the Americas if, as and when the pending legislation qualifying X Games Austin for participation under the Act is passed and effective.

Yours sincerely,

Scott Guglielmino
Senior Vice President
Programming & X Games

{W0651550.2}

our mission: to serve sports fans wherever sports are
watched, listened to, discussed, debated, read about, or played

APPENDIX B



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

May 13, 2015

Marc Ott
City Manager
City of Austin
P.O. Box 1088
Austin, TX 78711-3528

Dear Mr. Ott:

You submitted a request to establish a Major Events Trust Fund, certifying that the statutory requirements have been met and that the economic materials supplied are accurate. Our office has completed an analysis of your request.

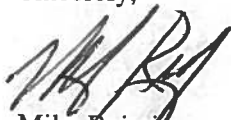
The results show the State of Texas will realize an incremental increase in tax revenue due to this event. As per statute, a Major Events Trust Fund will be established. This letter does not constitute an approval for reimbursement. Any reimbursement is subject to meeting statutory requirements, including meeting the definition of endorsing municipality [as per Article 5190.14 Section 5A(a)(2)], timely submittal of an appropriate event support contract and other documentation as required.

- **Event: ESPN X-Games - Austin (2015)**
- **Location / Venue: City of Austin / Circuit of the Americas**
- **Dates: June 4 – 7, 2015**
- **Estimated incremental increase in tax revenue to the State of Texas is \$2,254,765 or 6.25 times the amount of local revenue retained or remitted to the Comptroller as local match from eligible endorsing municipalities.**
- **Local match required for full funding of this METF: \$360,763**
- **Total contribution to the Major Event Trust Fund established for this event: \$2,615,528**

Following the event, you will need to complete and submit the attendance certification form, which has been attached to this letter for your convenience.

On behalf of the people of the State of Texas, I applaud your work to bring this event to the state and know all the out-of-state visitors will enjoy your hospitality and come back to Texas again soon. If you have any further questions, please contact Korry Castillo, director of the Data Analysis and Transparency Division, at Korry.Castillo@cpa.texas.gov or 1-800-531-5441, ext. 3-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

cc: Robert Wood, Cary Dupuy, Korry Castillo

**Form to be COMPLETED by request letter signatory for the below mentioned Major
Events Trust Fund or Events Trust Fund**

ATTENDANCE CERTIFICATION

A request was processed to establish an Event Trust Fund for the event:	ESPN X-Games - Austin (2015)
You submitted a Request letter for an event:	April 16, 2015
The Texas Comptroller of Public Accounts (CPA) mailed a fund approval letter to you on:	May 13, 2015
This affidavit is to be returned to the CPA no later than forth-five (45) days after the end of this event:	July 22, 2015
The attendance metric* identified by the CPA to evaluate the estimated number of event attendees as part of the calculations for the incremental tax impact: <small>* If requestor has questions or concerns about how this metric was developed, please contact the CPA within 10-days of fund approval letter</small>	23,084 Out of State Ticketed fans (as defined in request and supplied economic study) at COTA on June 5 th (7,579), 6 th (9,394), 7 th (6,111).

The TOTAL attendance at the PRIMARY EVENT was: _____

The estimated attendees NOT residents of this state for this PRIMARY EVENT was: _____

Source(s) and Methodology feel free to attach support information:

- 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.

Requestor:

Signature: _____

Printed Name: _____

Date: _____

Send to:

Texas Comptroller of Public Accounts, Economic Development and Analysis Department, P.O. Box 13528, Austin, TX 78711-3528

APPENDIX C

**Form to be COMPLETED by request letter signatory for the below mentioned Major
Events Trust Fund or Events Trust Fund**

ATTENDANCE CERTIFICATION

A request was processed to establish an Event Trust Fund for the event:	ESPN X-Games - Austin (2015)
You submitted a Request letter for an event:	April 16, 2015
The Texas Comptroller of Public Accounts (CPA) mailed a fund approval letter to you on:	May 13, 2015
This affidavit is to be returned to the CPA no later than forth-five (45) days after the end of this event:	July 22, 2015
The attendance metric* identified by the CPA to evaluate the estimated number of event attendees as part of the calculations for the incremental tax impact: <small>* If requestor has questions or concerns about how this metric was developed, please contact the CPA within 10-days of fund approval letter</small>	23,084 Out of State Ticketed fans (as defined in request and supplied economic study) at COTA on June 5 th (7,579), 6 th (9,394), 7 th (6,111).

The TOTAL attendance at the PRIMARY EVENT was: approximately 138,187

The estimated attendees NOT residents of this state for this PRIMARY EVENT was: 45,795

Source(s) and Methodology feel free to attach support information:

This initial data is subject to change with ongoing survey efforts and receipt of data collected during the event, which is not yet available. See also the attached Support Document.

- 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.

Requestor: Circuit Events Local Organization Committee

Signature: 

Printed Name: Wayne S. Hollingsworth, Director

Date: July 17, 2015

Send to:

Texas Comptroller of Public Accounts, Economic Development and Analysis Department, P.O. Box 13528, Austin, TX 78711-3528

2015 ESPN X Games Austin
Attendance Certification Support Document

For the second consecutive year, Circuit of The Americas (COTA) and ESPN hosted the world's premier extreme sports competition, the Summer X Games! The 2015 X Games Austin (the "event") brought 138,000 fans to Austin, Texas from around the world to Central Texas for four (4) days of extreme sports competition and music. The post event data for the chosen attendance metric for each day of the event, Thursday-Sunday, is 3,216, 3,052, 5,618 and 3,017 unique out of state fans, respectively, for a four (4) day total of 14,903 at the event. These daily ticketed fan attendance numbers ranged between 97% and 40% of the events daily out of state ticketed attendance goal, meeting 56% over the four event days. However, the chosen metric does not include all out of state attendance in Austin, Texas due to the event which measures the true and complete economic impact. The "total" daily, Thursday – Sunday, out of state attendance for the event is 10,015, 11,980, 12,520 and 11,280 for a total of 45,795 which is 77% of the event's out of state attendance goal. While total attendance was down by 13% from last year, it's important to note total out of state attendance at the primary event was only down by 5% at 45,795 when compared to 48,137 over the four day event in 2014. Attendance exceeded in several groups such as athletes, gamers, judges, ticketed guests and sponsors when compared to last year's event. The addition of the Harley Davidson Flat Track Racing event at the Circuit on Thursday night enhanced the overall guest attendance by including a new competition event.

X Games Austin presents a unique and valuable opportunity for COTA to display the versatility of its facility and showcase the City of Austin to an audience separate from the motoring fans. COTA and ESPN brought the excitement to Austin in the most literal way imaginable with motorcycles flying through the air in front of the Texas State Capitol building during the Moto X Step Up competition on Thursday night. The event was free to the public and thousands of people gathered to enjoy the night's spectacle. The evening was specifically designed to maximize the exposure Texas receives to ESPN's worldwide broadcast audience by using one of our most famous landmarks as the backdrop for the kickoff event.

The X Games Austin event as a whole received extensive coverage with content distributed across multiple TV and digital platforms. Broadcast coverage included over 20 hours of live competition coverage and an additional 6.5 hours of live action on ESPN and ABC networks. The event was televised on ESPN networks in more than 215 countries and territories to more than 439 million homes worldwide.

Big concerts have become a major element of the X Games so COTA and ESPN built an enormous temporary concert stage –the Super Stage – to allow more fans to have access to the shows. The Super Stage was built along the track's back straight, taking advantage of a natural amphitheater in the terrain giving fans a more comfortable environment for the concerts. The Super Stage allowed COTA & ESPN to bring in some of the biggest names in music; Nicki Minaj and Metallica.

COTA and ESPN leveraged the popular event to help the flooding victims in Central Texas by donating a portion of every X Games ticket sold to the American Red Cross of Central Texas. COTA continued to invest in the local community, giving 3-day tickets to Wimberley High School students who had given up their senior trip in order to help Central Texas Flood victims. In addition to donating to the local

2015 ESPN X Games Austin
Attendance Certification Support Document

community, COTA hired local bands and businesses to participate in this year's festival. Local bands like Bright Light Social Hour attended and entertained guests on the Sound Factory Stage!

The list of top-tier partners supporting X Games Austin has grown since last year's event. Bud Light and Toyota joined the list alongside returning sponsors like America's Navy, GoPro, Harley-Davidson and Monster Energy. Additional sponsors included 7UP, DuPont™ Kevlar®, FRAM®, Oakley, Skype and Fruit of the Loom. Sponsors improved the fan experience in multiple facets, including a flyover by America's Navy, live on-board competition footage in HD thanks to GoPro, and the addition of the new motorcycle flat-track racing presented by Harley-Davidson. Local food trucks and businesses like Torchy's Tacos were able to receive recognition by locals and others who came to experience the X Games. Guests were also treated to multiple on-site attractions, including test drives of Toyota vehicles, gravity-defying slackline performances, go kart racing and performances from Twiggy the world famous Water-Skiing Squirrel. A great time was had by all.

**Major Events Trust Fund
Post-Event Preliminary Attendance Analysis
of the

2015 X Games
Austin, Texas**

Don Hoyte, Ph.D.
TexasTrustFunds.com
10704 Scotland Well Drive
Austin, Texas 78750

On behalf of

Circuit Events Local Organizing Committee
100 Congress Avenue, Suite 1300
Austin, Texas 78701-2744

July 15, 2015

Purpose

This report presents a preliminary post-event attendance analysis for the 2015 X Games Austin to compare the estimated attendance figures presented in the Economic Impact Study (EIS) for this event to currently available data on attendance at the event based on figures provided by Anna Panossian, Finance Director of Events, Circuit of The Americas. The post-event figures are believed to reasonably reflect the attendance at X Games to the extent this data is currently available. Subsequent survey data from participants at X Games may change this analysis and it is possible additional data on attendees may become available, but as of July 3, 2015, this report presents what is known about attendance at X Games in a form directly comparable to the estimates originally provided for this event under the major event Trust Fund (original report in Appendix A).

The starting point for this analysis is Table 1 of the EIS, reproduced here with the appropriate attendance totals. Note that although Table 1 is couched in terms of attendance at the 2014 X Games, the figures used in this table were the basis for the 2015 event METF application:

Table 1
EIS Attendance Breakdown at 2014 X Games Austin

	ESPN Staff	Athletes	Judges	Athlete Managers & Guests	Sponsors & Industry/ ESPN Guests	Media	Ticketed Fans*	OOS Fans in Austin not @ Events (no shows)	Total Persons in Austin for Event
4-Jun	1,795	269	62	1,682	2,117	634	19,000	1,325	26,883
5-Jun	1,987	297	248	1,862	2,343	702	31,138	1,709	40,285
6-Jun	2,004	300	250	1,878	2,364	708	48,029	212	55,745
7-Jun	1,969	295	246	1,845	2,323	696	34,693	1,551	43,617

TOTAL FOUR DAY ATTENDANCE 166,530

*Estimated for June 4 which was a non-ticketed event

For completeness, this table totals the daily attendance figures. Note the four day attendance during the four prime days of the event of 166,530 in the above Table 1 accounts for 99.5 percent of the total attendance estimated in the EIS for those four days. Only the estimated number of persons from outside Texas who are in Austin for the X Games but never actually attend any X Games events are not counted in the above Table 1. In the original EIS, these persons accounted for less than one half of one percent of the total persons who are either attending the X Games or who otherwise meet the criteria to have their expenditures

considered as contributing to the taxes eligible to be considered for the METF since they would be, by definition, from outside the state but visiting Texas because the state is hosting the event.

In order to make expenditure estimates for the event under the METF, only the number of out-of-state attendees were used in the METF submission calculations. So underlying Table 1 was an explicit estimate of the number out-of-state attendees at X Games 2015. This underlying estimate is made explicit in Table 1A using the same format as the above Table 1:

Table 1A
EIS Attendance Breakdown at 2014 X Games Austin- Out of State Persons

	ESPN Staff	Athletes	Judges	Athlete Managers & Guests	Sponsors & Industry/ ESPN Guests	Media	Ticketed Fans at Events	No Show OOS Fans in Austin for X Games	TOTAL OOS Persons in Austin for Event
4-Jun	1,795	255	61	2226	2,011	304	3,313	1,325	11,290
5-Jun	1,987	283	243	2246	2,226	337	7,579	1,709	16,608
6-Jun	2,004	285	245	2207	2,246	340	9,394	212	16,932
7-Jun	1,969	280	241	2001	2,207	334	6,111	1,551	14,694

On July 1, 2015 Anna Panossian, Finance Director of Events, Circuit of The Americas provided the most current data on attendance at X Games over the four days covered in Tables 1 and 1A above. As is usually the case, such real-world data does not come neatly packaged in exactly the same categories as in previous years. This means that the 2015 attendance data is not categorized exactly as that used in the original EIS estimate, but this current data is available in sufficient detail to prepare tables very similar to Table 1 in the EIS (and the associated Table 1A above) in order to gauge how the actual out-of-state attendance data for X Games compares to that estimated in the EIS.

With the exception of the people in Austin for X Games from outside the state who choose to not attend X Games on a particular day, Table 1B below categorizes the post-event attendance data for X Games 2015 according to groups similar to those in Table 1 of the EIS:

**Table 1B
Attendance Breakdown at 2015 X Games Austin- COTA Post Event Data**

	ESPN Staff	Athletes & Gamers	Judges	ESPN Guest Tickets & Festival	Sponsors & Industry (ESPN & COTA)	Media	Ticketed Fans at Events	Total Attendees
4-Jun	1,109	2,515	578	2,483	1,967	170	32,000	40,822
5-Jun	1,109	2,595	578	2,810	4,249	395	16,209	27,945
6-Jun	1,109	2,595	578	2,810	4,449	395	29,753	41,689
7-Jun	1,109	2,595	578	2,810	4,249	395	15,995	27,731

Note that COTA event personnel are included in Table 1B, but of the 3,132 COTA event workers (broadly defined, only a few of the 3,132 are actual COTA employees), only 18 are counted as from outside Texas.

In addition, COTA provided the raw data file from an internet survey of 1,327 persons attending X Games 2015. This survey indicated that persons from outside Texas attending the 2015 X Games Austin at least once during the four days of the event stayed an average of 3.2 nights in the area while attending the event. From this average and the peak out of state ticketed attendance of 5,618 on Saturday, if there were zero no-shows on the peak day (Saturday), out-of-state persons spent a total of 17,976 person-nights in Austin for X Games 2015 over the course of the event. If there were no-shows on Saturday, this total number of person-nights would be greater than 17,976

Allocating those person nights over the course of the event according to the percentages assumed in the EIS and subtracting from that the number of out of state persons in Austin for the X Games with tickets yields a figure for out-of-state persons in Austin for X Games each day who choose not to attend the event that particular day (no-shows).

Based on the post-event attendance data supplied by Anna Pannosian and the survey of persons at the 2015 X Games, Table 1C presents the out-of-state attendance at X Games 2015 based on post-event data currently known:

Table 1C
Out-of-State Attendance Breakdown at 2015 X Games Austin- COTA Post Event Data

	ESPN Staff	Athletes & Gamers	Judges	ESPN Guest Tickets & Festival	Sponsors & Industry (ESPN & COTA)	Media	Ticketed Fans at Events	No Show OOS Fans in Austin for X Games	Total OOS Attendees
4-Jun	869	2,469	570	1,877	342	82	3,216	590	10,015
5-Jun	869	2,549	570	2,066	659	189	3,052	2,026	11,980
6-Jun	869	2,549	570	2,066	659	189	5,618	-	12,520
7-Jun	869	2,549	570	2,066	659	189	3,017	1,360	11,280

The most appropriate way to determine if the preliminary attendance figures on X Games 2015 indicate whether or not the event met its underlying METF estimate is by comparing the totals from Tables 1, 1A, 1B and 1C rather than focusing on a single sub-group of out of state event attendees. This comparison is presented in the summary Table below:

Summary Comparison EIS Estimate and Post-Event Attendance Data

	EIS Total Attendance	EIS OOS Attendance	Post-Event Total Attendance	Post-Event OOS Total Attendance	Post-Event EIS OOS Attendance as % EIS Estimated OOS Attendance
4-Jun	26,883	11,290	40,822	10,015	88.7%
5-Jun	40,285	16,608	27,945	11,980	72.1%
6-Jun	55,745	16,932	41,689	12,520	73.9%
7-Jun	43,617	14,694	27,731	11,280	76.8%
4 day total	166,530	59,525	138,187	45,795	76.9%

Based on currently available post-event attendance data, it appears that for the four main days of the event X Games Austin 2015 hit from 72.1 percent to 88.7 percent of its METF out-of-state attendance goal. Over the four event days, the event met 76.9 percent of its out-of-state attendance goal.

These preliminary figures, however, do not include crucial expenditure data which will become available after surveys are tabulated in more depth. Accordingly, a more complete tabulation of this data may indicate that the overall economic impact of the X Games Austin may be greater or less than the preliminary 76.9 percent indicated in the summary attendance table.

CIRCUIT EVENTS LOCAL ORGANIZING COMMITTEE

100 CONGRESS AVENUE, SUITE 1300
AUSTIN, TEXAS 78701-2744

August 25, 2015

Robert Wood
Associate Deputy Comptroller
Texas Comptroller of Public Accounts
Event.Trust.Funds@CPA.state.tx.us

Dear Mr. Wood –

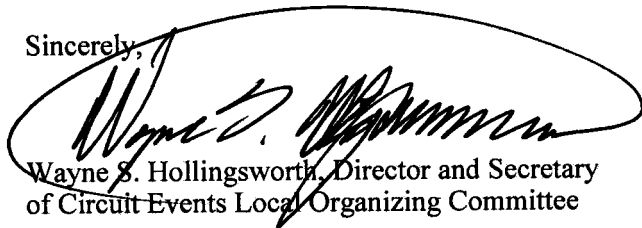
This is to notify you that the below mentioned event recently took place. This event qualified and was awarded the establishment of a Major Event Trust Fund (METF). However, upon review of this event and the incremental tax increase generated for the State of Texas, a reduction in the amount of this event's Major Event Trust Fund is warranted.

- Event name: ESPN X-Games – Austin (2015)
- Original award letter mailed: May 13, 2015
- Original Total Event Trust Fund amount: \$2,615,528

-
- Revised Maximum Local Share: \$306,649
 - Revised Maximum State Share (6.25 x Local Share (per statute)): \$1,916,556
 - Revised Event Trust Fund maximum amount (local + state): \$2,223,205

It is the intention to only fund the local share in the amount listed above and no additional funds will be added at a future date.

Sincerely,



Wayne S. Hollingsworth, Director and Secretary
of Circuit Events Local Organizing Committee