

Friday, March 12, 2010

## Round Rock convention center in the works

City says it's ready to buy the land

Austin Business Journal - by [Francisco Vara-Orta](#) ABJ Staff

Round Rock may finally see its first convention center built after city council members recently voted to buy a 43-acre plot for a 70,000-square-foot building.

After discussion of the proposed contract in executive session twice, the **Round Rock City Council** unanimously voted Feb. 25 to approve the purchase of the **Cypress Semiconductor** tract — near Sunrise Road and University Boulevard — for \$4.6 million. The city will be in negotiations with the seller, Jimmy Nassour, for the next 60 days and is paying in cash.

“This is the closest we’ve ever gotten to making this happen,” City Manger Jim Nuse said. “Our area has grown so much along with Austin that there is a need for this kind of project.”

If the land deal goes through, the city plans to customize the convention center’s layout and amenities to primarily host sporting events, such as karate, basketball and cheerleading events, playing off the city’s theme as the “Sports Capital of Texas.”

“That will allow us to not infringe on what other venues in the area have, as it will be unlike any other,” Nuse said. “We’d use it for events too small for the **Austin Convention Center** but too big for the **Dell Diamond** or Marriott hotels.”

In the growing communities north of Austin, Cedar Park now has its special events center that opened last September and is home to the **Texas Stars** minor league hockey team. A convention center is on tap for Georgetown, but the economy has stalled that project.

Round Rock officials would like to break ground on the convention center this year and likely need a minimum of two years for its complete construction, meaning a mid-to-late 2012 opening. Although no formal plan has been finalized, Nuse said the city expects the facility will have a rectangular flat floor, with equipment for all kinds of sports, and cost \$12 million to \$18 million to build.

Funding will be provided by the hotel occupancy tax, so Round Rock residents will not be affected by the purchase, Nuse said.

That’s fine with some hotel owners in the area, who are preparing for a potential 1 to 2 percent increase in the hotel occupancy tax to complete the project. Currently, Round Rock’s roughly 20 hotels charge a 13 percent occupancy rate, a competitive advantage over Austin’s 15 percent rate.

“I think the facility will bring in overnight hotel guests, which not only brings hotel tax to pay for the project but generates sales tax as well,” said Kyle Covington, general manager of the Austin Marriott at Round Rock. “And it’s also likely to boost the area’s surrounding real estate values.”

Covington said the community has actively discussed the possibility of a sports-centric events center for about seven years. The idea gained more credence in 2006 after the city hired Los Angeles-based **Economic Research Associates** to complete a study on what kind of events center the city would see the biggest impact from. Recommendations came back for a multiuse facility next to the Dell Diamond that would focus on sporting events.

The city put out a request for proposals in 2007. The **Round Rock Express** owners answered, but negotiations fell through. The new site the city is considering is about six miles from the Dell Diamond.

Still, the Austin area's sporting event-related tourism is a lucrative market to tap into, with visitors spending at least \$200 million annually while attending athletic events, according to Beth Krauss, spokeswoman for the **Austin Convention & Visitors Bureau**.

"At this point, I think we could use a facility like Round Rock's proposal, although they may want to remain a multiuse facility to not limit its potential for just sports," said Matthew Payne, executive director of the **Austin Sports Commission**, part of the Austin Convention & Visitors Bureau. "However, we've had challenges with enough space in the past in booking sports events because Austin is a very active city and one that's actively growing."

**Courtesy of JB Goodwin**