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Effort underway to hit the brakes on Austin's \$1.6B convention center project

Local group calls it a waste of money – invest in culture and parks, they say

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Image: ABJ

Demolition crews began razing the Austin Convention Center in April to make way for a new and expanded facility. This photo was taken at the start of June when the heavy machinery rolled in.

DAVE CREANEY / ABJ

By Sean Hemmersmeier – Staff Writer, Austin Business Journal

Jul 29, 2025

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Story Highlights

- Petition has 18K signatures; 20K needed to force ballot measure.



- Old convention center is already dust, creating an awkward situation.
- Officials push back on allegations the budget will be blown.

Demolition of the Austin Convention Center has been ongoing for months, so it may come as a surprise that a move is afoot to halt the \$1.6 billion plan to tear it down and build a new one in its place.

## RECOMMENDED

A group called Austin United PAC aims to gather 20,000 signatures to force [a ballot measure](#) that would stop the project – either until it is approved by voters or for seven years. The petition, which is close to the finish line, also calls for the city to prioritize funding for music, arts, cultural and outdoor tourism rather than spending on conventions.

"It's a phenomenal waste of money," said Bill Bunch, a community activist who's involved with Austin United PAC and also serves as executive director of the Save Our Springs Alliance. "It's basically a theft of funds that in any sort of functional local democratic process world would be supporting what actually does bring visitors to Austin, not just downtown, but all of Austin, and that is local culture and parks."

While the demolition of the old convention center [started in April](#), Bunch said the project isn't too far along to stop. He said the six city blocks that the project encompasses could be well suited for an arts and culture district.

Any delay in the Austin Convention Center redevelopment could result in havoc for the city's plans. Visit Austin, the nonprofit that serves as the city's official tourism and promotional agency, has said it already has booked [at least nine groups for the expanded facility](#) when it reopens in early 2029.

The Austin Convention Center is being torn down and redeveloped to increase its rentable space to 620,000 square feet, about 70% more than previously. The old center had 365,000 square feet of rentable space, which city and tourism officials said wasn't big enough to bring in some groups interested in Austin. Some longtime events outgrew the old center and had to move out of Austin.

A Visit Austin spokesperson declined to comment on the petition drive. But the agency noted that the new convention center should help increase hotel occupancy when it reopens, which in turn should boost revenue generated by the hotel occupancy tax.

Mayor Kirk Watson has [said](#) he expects the new convention center to have an annual economic impact for Austin of \$750 million, a 60% increase from the old center and its estimated \$468 million annual economic impact. Watson's office didn't respond to a request for comment regarding Austin United PAC's petition drive.



Regardless, Austin United PAC contends the redevelopment is too big of a project to have been decided on solely by the City Council, in addition to the group's view that it's a poor use of city money. Austin United PAC also contends the high cost of the redevelopment could drain hotel occupancy taxes from other efforts that boost visitation to Austin, such as support for musicians and live music venues and maintenance of city parks.

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Redevelopment of the convention center is being funded through revenue from hotel occupancy taxes and by future convention center revenue.

But Bunch said the final bill for the convention center is likely to be much higher than the official \$1.6 billion price tag, given rising costs for materials and labor. He said he thinks it could cost Austin up to \$5.6 billion over the debt financing period, based on a Q-and-A form that Council Member Marc Duchen submitted to the city's convention center department, which said "current estimates for proposed pledged revenues for the project financing period total a little over \$5.6 billion."

Derick Hackett, a spokesperson for Austin's Convention Center Department, said the \$1.6 billion budget figure factors in contingencies for unexpected costs and anticipated inflation for the multiyear project.

"We continuously evaluate costs and will make necessary adjustments to stay within the funding limits for the convention center improvements," he said.

Hackett also said the \$5.6 billion figure cited by Bunch doesn't represent the cost of the project.

"The \$5.6 billion is the proposed revenue generated from the revenue sources that will be pledged toward the debt service on the convention center bonds," Hackett said. "This amount is not the cost of the project. Final debt service payments will depend on final debt issuance and interest rates at issuance."

As for the petition by United Austin PAC, he said the Convention Center Department doesn't take positions on potential ballot measures or matters that might be considered by the City Council.

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