



City Council A Session – Item #17

March 8, 2018

Local Contribution & Reimbursement Agreement 2018 NCAA Men's Final Four

Patricia Muzquiz Cantor
Interim Director
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2018 NCAA Men's Final Four History

- Sept. 2013: Resolution to support the bid for 2017, 2018, 2019 or 2020 Men's Final Four Tournament
 - Partners: UTSA and San Antonio Local Organizing Committee (SALOC)
- Nov. 2014: San Antonio awarded 2018 Final Four
- March 30-April 2: 2018 Men's Final Four
 - Expected attendance: 93,000 non-locals



Major Events Reimbursement Program Legislation (MERP)

- Applies local and state gains from taxes generated from major events to help pay for eligible costs incurred from hosting the event
 - Over a 12-month period
 - Sales and Use, Auto Rental, Hotel & Alcoholic Beverage taxes

TEXAS Economic
Development
Corporation™





MERP Reimbursement

- Requires Economic Impact Study to determine tax gain for a particular event
- Requires local contribution on a ratio of 1: 6.25
- Eligible Costs:
 - Direct expenses & obligations necessary for preparation or presentation of event





2018 NCAA Men's Final Four MERP Reimbursement

- SALOC is the applicant
- NCAA Men's Final Four eligible for reimbursement of up to \$13,432,385
- Required Local Contribution of \$1,852,743





SALOC Reimbursement Agreement

- SALOC line of credit with Frost Bank to cover hosting costs
 - COSA submitting local contribution so SALOC does not draw \$1.85M from their line of credit
 - Interest on the loan is not a reimbursable expense under MERP
- COSA will be reimbursed for event-related City services, public safety costs, facility rental, and local contribution once SALOC receives reimbursement



**Balance to be
used for bidding
any future NCAA
Final Four Events*

MERP REIMBURSEMENT BREAKDOWN	
2018 Final Four Reimbursement	\$13,432,385
City's Reimbursement	(\$5,313,416)
Local Contribution	(\$1,852,743)
Est. Cost of City Services	(\$1,693,000)
City Facility Rental Costs	(\$1,767,673)
SALOC Revenue	\$1,270,000
Hotel Rebates	\$750,000
Fundraising	\$520,000
SALOC Est. Event Expenses	(\$8,879,889)
*BALANCE	\$509,080



2018 Final Four Economic Impact



- Estimated Visitors spending: **\$185M**
- Multiplier effect = over **\$346M** economic impact





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