



# City of San Antonio

## Legislation Details (With Text)

**File #:** 14-406

**Type:** Miscellaneous Item

**In control:** City Council A Session

**On agenda:** 3/20/2014

**Title:** An Ordinance approving a local contribution in the amount of \$76,970.00 to the Events Trust Fund to qualify for reimbursement of eligible expenses totaling up to \$558,031.00 related to the 2013 Valero Alamo Bowl; appropriating funds; and authorizing a Reimbursement Agreement with the San Antonio Bowl Association for reimbursement of conference fees of \$300,000.00 plus 25% of any amount received in excess of \$456,000.00 for producing the 2013 Valero Alamo Bowl. [Ed Belmares, Assistant City Manager; Michael J. Sawaya, Convention & Sports Facilities]

**Sponsors:**

**Indexes:** Alamo Bowl, Alamodome

**Code sections:**

**Attachments:** 1. 2013 VAB Reimbursement Agreement DF, 2. Draft Ordinance, 3. Ordinance 2014-03-20-0184

| Date      | Ver. | Action By              | Action  | Result |
|-----------|------|------------------------|---------|--------|
| 3/20/2014 | 1    | City Council A Session | adopted | Pass   |

**DEPARTMENT:** Convention & Sports Facilities

**DEPARTMENT HEAD:** Michael J. Sawaya

**COUNCIL DISTRICTS IMPACTED:** Council District 2

**SUBJECT:**

Alamo Bowl Agreements

**SUMMARY:**

This item approves a local contribution in the amount of \$76,970.00 to the Events Trust Fund in anticipation of reimbursement of up to \$558,031.00 from the Texas State Comptroller Office for 2013 Valero Alamo Bowl expenses and appropriates funds in the amount of \$76,970.00 from the Alamodome Renewal & Improvement Fund balance. This item also authorizes the execution of a Reimbursement Agreement with the San Antonio Bowl Association (SABA) for reimbursement of expenses totaling \$300,000, plus 25% of any amount received in excess of \$456,000.00 for producing the 2013 Valero Alamo Bowl.

**BACKGROUND INFORMATION:**

The annual Alamo Bowl was established in 1993 with the opening of the Alamodome, and celebrated its 20<sup>th</sup> anniversary in 2012.

The Valero Alamo Bowl matches the number two team in the Big 12 Conference with the number one team in the Pac-12 Conference, after the Bowl Championship Series (BCS) teams are selected.

The Valero Alamo Bowl is one of the most popular bowls in the country, producing some of the highest rated bowl games in ESPN history. The Valero Alamo Bowl has drawn over one million spectators collectively since its beginning and has generated in excess of \$250M in direct economic impact locally.

#### Local Contribution

The Events Trust Fund legislation (Vernon's Texas Civil Statutes 5190.14) provides municipalities and counties the opportunity to obtain reimbursement for eligible expenses related to hosting and attracting high-visibility, high-tax impact events to the state of Texas that could otherwise take place outside of the state.

Based on the economic impact of this event, following are the State reimbursement and required City match amounts:

| State     | City     | Total     |
|-----------|----------|-----------|
| \$481,061 | \$76,970 | \$558,031 |

CSF will submit qualified expenses to the State Comptroller in amounts to meet reimbursement requirements.

#### Reimbursement Agreement

The annual Valero Alamo Bowl is one of the premier events that the city and the Alamodome hosts each year. In 2013 as in previous years, it attracted tens of thousands of visitors, generating millions of dollars in economic impact.

The City will be responsible for reimbursing SABA \$300,000.00, plus 25% of any amount received in excess of \$456,000.00 for conference fees related to producing the 2013 Valero Alamo Bowl, subject to the City's receipt of reimbursement from the Events Trust Fund.

#### **ISSUE:**

##### Reimbursement Agreement

Under the proposed agreement, the City would be responsible for reimbursing SABA for \$300,000.00, plus 25% of any amount received in excess of \$456,000.00 for payment of conference fees. As this is an agreement for expenditures in excess of \$50,000.00, City Council approval is required to authorize the agreement.

#### **ALTERNATIVES:**

##### Reimbursement Agreement

An alternative is to not offer financial support to these events, even though they qualify for rebates under the State's Events Trust Fund. Lack of financial support for sporting or major events jeopardizes the City's ability

to remain competitive in hosting these events in the future.

**FISCAL IMPACT:**

Local Contribution

This ordinance appropriates funds in the amount of \$76,970 from the Alamodome Renewal & Improvement Fund fund balance to be applied to the City's local contribution in anticipation of a reimbursement in an amount up to \$558,031.00 from the Texas State Comptroller Office for 2013 Valero Alamo Bowl expenses. Upon receipt of the anticipated reimbursement for this event from the State, those funds will be credited back to the Alamodome Renewal & Improvement Fund.

Reimbursement Agreement

Funds in the amount of \$300,000.00, plus 25% of any amount received in excess of \$456,000.00 will be paid to the San Antonio Bowl Association (SABA) upon receipt of the rebate from the Events Trust Fund.

**RECOMMENDATION:**

Staff recommends approval of the local contribution in the amount of \$76,970 to the Events Trust Fund and approval of the Reimbursement Agreement with SABA to assist in ensuring San Antonio continues to be a premier host city in attracting major sporting events.

This item has been coordinated with EDD, CAO, OMB and Finance.

The required Discretionary Contracts Disclosure Form is attached.