



City of San Antonio

Agenda Memorandum

File Number:21-3916

Agenda Item Number: 31.

Agenda Date: 6/17/2021

In Control: City Council A Session

DEPARTMENT: Convention & Sports Facilities

DEPARTMENT HEAD: Patricia Muzquiz Cantor

COUNCIL DISTRICTS IMPACTED: Council District 1 & 2

SUBJECT:

Local Contribution related to Event Trust Fund Program

SUMMARY:

Authorizing the payment of an Events Trust Fund Program Local Contribution of \$285,729.00 related to the 2021 NCAA Division I Women's Basketball Championship at the Henry B. Gonzalez Convention Center and Alamodome and a Reimbursement Agreement with the San Antonio Local Organizing Committee (SALOC) to reimburse the City \$285,729.00 from the amount it receives from the Events Trust Fund Program and appropriating funds in the amount of \$285,729.00 in the Hotel Occupancy Tax Redemption and Capital Fund.

BACKGROUND INFORMATION:

The Events Trust Fund Program created through statute, 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 would otherwise have taken place outside of the state. The Event Trust Funds may be utilized to pay for eligible expenses in attracting and securing the event such as hosting obligations to include costs associated with conducting an event to including acquisition of equipment or improving facilities.

The Events Trust Fund applies local and state gains from sales and use, auto rental, hotel and alcoholic beverage taxes generated over a 30-day period from the date of an event or series of events conducted no more than once annually. Reimbursable dollars for these sports events are based on anticipated tax gain for a particular event. In order to obtain reimbursement for eligible expenses, municipalities are required to match funds that are deposited in the Event's Trust Fund on a ratio of 1:6.25.

ISSUE:

This action will authorize the payment of the local contribution share of \$285,729.00 to the Texas State Events Trust Fund. The City has partnered with San Antonio Local Organizing Committee (SALOC) to serve as the local organizing committee and has authorized SALOC to act on its behalf to host the 2021 NCAA Division I Women's Basketball Championship. This event held 238 team practices the Henry B. Gonzalez Convention Center; 108 team practices at Alamodome; and 35 games at the Alamodome between March 16 - April 4, 2021 with an estimated attendance of 82,744 at the games. Hosting obligations for this event included a \$2 million hosting fee paid by SALOC to the NCAA to cover facility rental costs, contract staff and equipment at the Henry B. Gonzalez Convention Center and Alamodome. The NCAA will directly pay the City for event-related services using the hosting fee SALOC paid. However, SALOC has requested the City submit the local contribution portion of \$285,729.00 to the Events Trust Fund Program and execute a Reimbursement Agreement with SALOC to reimburse the City's local contribution. This event has been approved by the Governor's Office as eligible under the State's Event Trust Fund program for reimbursement of up to \$2,071,534.00 to SALOC in qualified expenses related to hosting the event.

ALTERNATIVES:

If the matching funds are not deposited within the Texas State Events Trust Fund, SALOC, who partnered with the City to act on its behalf to host the 2021 NCAA Division I Women's Basketball Championship, would lose its opportunity to obtain reimbursement for eligible expenses related to hosting this event. 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:

This Ordinance appropriates \$285,729.00 from the Hotel Occupancy Tax Redemption and Capital Fund and approves a local contribution in the amount of \$285,729.00 to the Texas State Events Trust Fund in anticipation of reimbursement to SALOC of up to \$2,071,534.00 from the Texas State Events Trust Fund for eligible expenses related to hosting the 2021 NCAA Division I Women's Basketball Championship at the Henry B. Gonzalez Convention Center and Alamodome. Upon SALOC's receipt of the reimbursement from the Texas State Governor's Office, SALOC will reimburse the City for the local contribution, with those funds being deposited back into the Hotel Occupancy Tax Redemption and Capital Fund. The NCAA will directly compensate the Henry B. Gonzalez Convention Center and Alamodome for their event-related services. Funding in the amount of \$285,729.00 is available in the Hotel Occupancy Tax Redemption and Capital Fund.

RECOMMENDATION:

Staff recommends approval of the local contribution in the amount of \$285,729.00 to the Texas State Events Trust Fund to qualify for reimbursement of eligible expenses in an amount up to \$2,071,534.00 related to the 2021 NCAA Division I Women's Basketball Championship and the execution of a Reimbursement Agreement with SALOC providing for reimbursement of the local contribution from the Texas State Events Trust Fund.