

GOVERNOR GREG ABBOTT  
ECONOMIC DEVELOPMENT & TOURISM

# Major Events Reimbursement Program

Report on the 2016 AAU Junior Olympic Games

Date of Event: July 27- August 6, 2016

Report Publish Date: November 16, 2018

## BACKGROUND

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The Major Events Reimbursement Program permits local governments and local organizing committees to apply to the State for the establishment of a Major Events Reimbursement Fund to help pay for certain eligible costs associated with conducting specifically-named major events if all statutory and administrative requirements are met pursuant to Article 5190.14, Section 5A, Vernon's Texas Civil Statutes. The fund established for each event consists of amounts deposited by the State and local government of the estimated incremental increase in tax receipts, as determined by the State, that are directly attributable to the preparation for and presentation of the event for a one-year period. The period begins two months before the date of the event and continues for ten months thereafter. In accordance with statute, the estimated increase in tax receipts is limited to amounts collected within a designated market area, and only to amounts collected from five specific tax types.

The Legislature transferred the administration of the program from the Texas Comptroller of Public Accounts ("Comptroller's Office") to the Economic Development and Tourism Office within the Office of the Governor ("OOG") during the 84th Legislative Session, with an effective date of September 1, 2015. As part of these duties, Article 5190.14, Section 5A(w) requires the Office of the Governor to use existing resources to complete a post-event study in the market area of eligible major events.

This post-event economic impact study provides the best available information regarding the direct tax effects of the 2016 AAU Junior Olympic Games.

## SUMMARY OF EVENT

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The 2016 AAU Junior Olympic Games (the "event") was held July 27- August 6, 2016 at various stadiums and venues in Houston and surrounding cities. Amateur Athletic Union of the United States, Inc. was the Site Selection Organization for the event. A Site Selection Letter was submitted to the OOG as a part of the application to the program. See Appendix A for the application, including the Site Selection Letter.

According to the attendance report provided to the OOG by Harris County - Houston Sports Authority, the Applicant for the event, the total attendance was 67,471 fans. Harris County - Houston Sports Authority further estimated that 54 percent of the total attendees, or 36,434, were from out-of-state. This OOG report makes no assumptions about the accuracy of this reported estimate.

## METHODOLOGY

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The methodology established to determine the direct tax effects of the event by the OOG began with collecting tax data for the five applicable taxes for the most precise period available. Collection of information requires interagency cooperation. Some tax data is available for a monthly period and by city or county. However, some taxes are collected statewide and are only reported quarterly or annually. Since daily tax collection data is unavailable, specific taxes collected for only the days during which the event occurred cannot be determined. After collecting the available data, the OOG compared the tax information for the month of the event in the market area to the same month of years prior to the event. Comparing data from the event to the same time period of the following year cannot be done since the report is due prior to the following year's data being available. The OOG assessed other factors that could

also affect the tax data. Some of the factors include: population growth, crowding out effects, other events being held in the market area during August 2015 (the year prior to the event being held), or different events held in the market area during August 2016 (the month the event was held). Crowding out can include locals leaving town or staying home to avoid frequented businesses due to the influx of visitors. The OOG does not have information available regarding events that do not apply to any of the Events Trust Fund programs to factor into the comparison. These reasons prevent the OOG from determining the actual amount of incremental tax increases of the 2016 AAU Junior Olympic Games utilizing existing resources.

## **APPLICABLE STATE TAXES**

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In accordance with the Major Events Reimbursement Program statute, the estimated increase in tax receipts attributed to major events are limited to amounts collected within a designated market area, and only to amounts collected from five specific tax types. The five state taxes are: 1) state sales and use taxes; 2) hotel occupancy taxes; 3) mixed beverage taxes; 4) motor vehicle rental taxes; and 5) wholesale alcoholic beverage taxes. Information on each of these tax types are summarized as follows:

### **Sales & Use Tax**

The sales and use tax rate of 6.25 percent is assessed on all tangible personal property and certain services. The sales and use tax is collected by the Comptroller's Office either monthly, quarterly, or annually based on certain qualifications. Since the period of collection varies by business, determining the taxes directly attributable to the event is not attainable. This report reflects that data for the quarter. This tax is also likely to be affected by crowding out.

### **Hotel Occupancy Tax**

The state hotel tax rate is 6.0 percent and is collected on either a monthly or quarterly basis. The Comptroller's Office collects only the state tax portion of the hotel tax, while cities and counties are primarily responsible for collecting their own local hotel taxes. Similar to sales and use tax, the variation of periods that the tax is collected from businesses results in an indeterminable incremental tax increase as a result of the event. Most hotels report monthly, therefore, this report reflects the monthly data.

### **Motor Vehicle Rental Tax**

The motor vehicle gross rental receipts tax is imposed on motor vehicle rentals. The tax rate is based on the length of the rental contract listed below:

- 10% for contracts of 1-30 days
- 6.25% for contracts exceeding 30 days but no longer than 180 days.

Not all cities collect a local tax for car rental, and taxes are collected from the rental company for all rentals across the state, not by city or county. Additionally, a car might be rented from several locations for the event. For these reasons, the motor vehicle rental taxes leveraged in a period cannot be isolated and directly attributed to the event.

## Mixed Beverage Tax

The gross receipts tax of 6.70 percent is charged with the sale of mixed beverages on the amount received from the sale, preparation, or service from the sale of an alcoholic beverage that is consumed on the premises of the mixed beverage permittee. The mixed beverage sales tax of 8.25 percent is imposed on the person or organization holding the mixed beverage permit and not the customer. This tax is collected monthly, but since the mixed beverage sales tax is imposed on the mixed beverage permit holder, it may not be added to the selling price as a separate charge and may not be “backed out” from the amount received. This can result in an inaccurate reporting of spending on mixed beverages by event attendees.

## Title 5 ABC Tax

Tax rates vary depending on beverage type and alcohol content. The Texas Alcoholic Beverage Commission (TABC) Tax Division receives and processes monthly excise tax reports. Manufacturers of alcoholic beverages may only sell to wholesalers/distributors and the wholesalers/distributors may, in turn, sell only to the retailers. Alcoholic beverages become taxable when the beverages are sold at the retail level, and data for tax collection is only available at a state level. Additionally, the Title 5 ABC tax and the mixed beverage tax are likely to be affected by crowding out, resulting in an unmeasurable effect of the event on these taxes.

## TOTAL INCREMENTAL INCREASE IN STATE TAX RECEIPTS

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The Major Events Reimbursement Program statute requires the OOG to provide an estimate for the incremental increases in tax receipts expected to be generated by the event based on the five specified tax-types. For this event, the estimate was comprised of both Primary Direct Spending and Secondary Direct Spending (including indirect and induced). The total estimated incremental increase to the state was \$ 2,812,087. Based on this amount, the Applicant was required to submit a local share of \$449,934 according to the state-to-local share ratio of 6.25:1, resulting in a total trust fund of \$3,262,021 (See Appendix B).

The breakdown of the estimated incremental increase of state taxes from the Primary and Secondary Direct Spending are shown below:

Type of Expenditure	Primary - Direct	
	Spending	Taxes
Hotel & Motels	\$ 24,360,192	\$ 1,461,612
Eating & Drinking Establishments	\$ 18,178,368	\$ 1,136,148
Alcoholic Beverages (Mixed & Title 5 ABC)	\$ 3,048,555	\$ 185,200
Auto Rental	\$ 1,524,278	\$ 152,428
Shopping & Entertainment (Aggregated)	\$ 23,631,878	\$ 1,476,992
<b>TOTAL</b>	<b>\$ 70,743,271</b>	<b>\$ 4,412,379</b>
*NOTE: There was an estimated \$1,963,502 in post event state tax revenue.		

Primary Spending was estimated by the OOG based on projected attendance and projected event spending. Estimated attendee spending was broken down by five (5) expenditure categories: Food and Beverage (Sales & Use Tax); Entertainment and Shopping (Sales & Use Tax); Lodging (Hotel Occupancy

Tax); Rental Car (Car Rental Tax); and Alcohol (Mixed Beverage and Title 5 ABC taxes). The estimated incremental increases in state and local taxes were then calculated for each spending category. The OOG defined the market area for the event as Houston.

Secondary Spending estimates were derived by the OOG by using an economic model to determine tourism industry employment and statutorily eligible tax impacts associated with the event.

## STATE TAX RECEIPT IMPACTS FROM DIRECT SPENDING

The following table is based on the best information the OOG was able to gather on tax receipts for the five tax-types specified in the Events Reimbursement Fund statute. The chart shows amounts for September 2016 since the event occurred in August and taxes are collected in the month following the event. Three of the five tax types in the market area saw an increase in receipts when comparing tax receipts around the time period when the event was held with the same time period the year before. However, changes in tax receipts cannot reliably be attributed to any particular event.

<b>Sales Tax</b>			
	<b>2015 Q3</b>	<b>2016 Q3</b>	<b>Difference</b>
Harris County	\$1,278,013,509	\$1,182,067,475	\$(95,946,034)
<b>Hotel Occupancy</b>			
	<b>September 2015</b>	<b>September 2016</b>	<b>Difference</b>
Harris County	\$7,303,675	\$6,765,881	\$(537,793)
<b>Car Rental</b>			
	<b>September 2015</b>	<b>September 2016</b>	<b>Difference</b>
State of Texas	\$28,603,003	\$29,503,933	\$900,930
<b>Mixed Beverage - 1. Gross Receipts and 2. Mixed Beverage Sales Tax</b>			
	<b>September 2015</b>	<b>September 2016</b>	<b>Difference</b>
Harris County	\$15,507,369	\$16,606,291	\$1,098,922
<b>Title 5 ABC</b>			
	<b>September 2015</b>	<b>September 2016</b>	<b>Difference</b>
State of Texas	\$17,134,878	\$18,705,015	\$1,570,137

## EVENT DEADLINES RELATED TO PROGRAM

The following program deadlines were verified to have been completed as follows (see Appendix C for documentation):

- Application Received (including Site Selection letter): 1/15/16
  - Deadline: 06/12/16, or no later than 45 days prior to the event
- Event Support Contract Received: 7/27/16
  - Deadline: 7/27/16, or prior to the event
- Attendance Certification Received: 9/20/16
  - Deadline: 9/20/16, or no later than 45 days after the event
- Local Share Received: 10/31/16

- Deadline: 11/4/16, or no later than 90 days after the event
- Disbursement Request Received: 2/3/17
  - Deadline: 2/2/17, or no later than 180 days after the event

## CONCLUSION

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Given the available data and constrained to the use of existing resources, it is unlikely that the economic impact directly attributable to the preparation and presentation of the event is measurable with any reasonable degree of accuracy. Using available resources, the data is inconclusive in determining the actual economic impact of the event. Neither a positive nor negative impact is determinable since the tax information provided showed both increases and decreases in taxes collected. The available and reported tax data cannot reliably be attributed to any particular event, while some data cannot even be attributed to any particular market area. The economic variables and limited detail of tax and participant data make it impossible to isolate the incremental tax generated by one particular event to the Texas economy. The development of a reasonably accurate economic impact study requires data state government cannot feasibly capture, such as the actual number of out-of-state-visitors attributable to the event, the actual per-day spending by each event attendee for each of the five allowable tax types, and the length of stay of each attendee. The OOG will continue to examine the collection and reporting of information relating to these major events in an effort to identify options for improvement in data collection to ensure that the purposes of the statutory post-event reporting requirement can be achieved.

# APPENDIX A

# **EVENTS TRUST FUND**

## **Application**

Office of the Governor  
Economic Development and Tourism (EDT)

**APPLICANT NAME: Harris County - Houston Sports Authority**

**EVENT NAME: 2016 Amateur Athletic Union (AAU) Junior Olympic Games**

**DATE APPLICATION SUBMITTED: January 15, 2016**

**DATE(S) OF EVENT: July 27 - August 6, 2016**

**EVENT LOCATION: George R. Brown Convention Center, Houston, Harris County, Texas; Turner Stadium, Humble, Harris County, Texas; Pearland Natatorium, Pearland, Harris County, Texas; Palace Lanes, Houston, Harris County, Texas; and Kinkaid School, Houston, Harris County, Texas**



## Events Trust Fund Application

### Event Trust Fund (ETF), Major Events Reimbursement Program (MERP) or Motor Sports Racing Trust Fund (MSRTF)

Please review the Events Fund Process document and statute before submitting this application. Links can be found at <https://texaswideopenforbusiness.com/services/event-trust-funds>.

An application will not be complete until all documents are submitted, with the exception of the Events Support Contract. See checklist at the end of the application for required documents. Deadlines for submission are as follows:

MERP: 45 days prior to the event, but no more than 1 year before the event.

ETF & MSRTF: at least 120 days prior to the event.

*Please submit all documents to [eventsfund@gov.texas.gov](mailto:eventsfund@gov.texas.gov).*

#### SECTION 1: ENDORSING MUNICIPALITY OR COUNTY

Name of Endorsing Municipality or County:	<b>Harris County - Houston Sports Authority</b>
Municipality or County Contact Name:	<b>Edie Jeanes</b>
Contact Title:	<b>Administrative Manager</b>
Contact Email:	<b>ejeanes@HoustonSports.org</b>
Contact Phone Number:	<b>713/308-5925</b>

1. Has the endorsing municipality or county reviewed the event and found that it meets all eligibility requirements as listed in Vernon's Texas Civil Statutes (VTCS) 5190.14?  
Yes  No
2. Has the endorsing municipality or county determined that it will contribute local funding ("local match") to the Event Trust Fund, if established?  
Yes  No

#### SECTION 2: LOCAL ORGANIZING COMMITTEE

1. Has the municipality or county authorized a nonprofit Local Organizing Committee (LOC) to enter into an agreement with the Site Selection Organization to host the event on behalf of the municipality or county?  
Yes  No
2. If Question 1 is selected as "No," the municipality or county must directly enter into an Event Hosting Agreement with the site selection organization.

If "Yes," provide the following information for the LOC:

Complete Business Name of LOC:	<b>Harris County - Houston Sports Authority</b>
LOC Contact Name:	<b>Janis Schmees Burke</b>
LOC Contact Title:	<b>CEO</b>
Contact Email:	<b>jburke@HoustonSports.org</b>
Contact Phone Number:	<b>713/308-5900</b>
LOC Tax Payer ID#:	<b>A not-for-profit government agency; Tax ID #76-0548093</b>

Is the LOC designated in the official request letter submitted with the application?

Yes  No

### SECTION 3: SITE SELECTION ORGANIZATION

Full Name of Site Selection Organization:	<b>Amateur Athletic Union (AAU)</b>
Site Selection Contact Name:	<b>Paul Campbell</b>
Site Selection Contact Title:	<b>Chairman, AAU JO Games</b>
Site Selection Contact Email:	<b>paul@yvn.com</b>
Contact Phone Number:	<b>409/934-7200</b>

\*EDT reserves the right to contact the Site Selection Organization or any other organization directly related to this event.

### SECTION 4: EVENT INFORMATION

Official Event Name:	<b>2016 Amateur Athletic Union (AAU) Junior Olympic Games</b>
Event Fund/Program being applied for: (ETF, MERP, MSRTF)	<b>MERP</b>
Venue(s) of Event:	<b>George R. Brown Convention Center, Houston, Harris County, Texas; Turner Stadium, Humble, Harris County, Texas; Pearland Natatorium, Pearland, Harris County, Texas; Palace Lanes, Houston, Harris County, Texas; and Kinkaid School, Houston, Harris County, Texas</b>
Event Website:	<b>www.aausports.org</b>
Date(s) of the Primary Event:	<b>July 27 - August 6, 2016</b>
Day set-up/load-in for the event will begin:	<b>July 20, 2016</b>
Day strike/load-out of the event will end:	<b>August 8, 2016</b>
Location of Event for the Previous 5 Years: (List most recent year first)	<ol style="list-style-type: none"> <li>1. 2015 - Hampton Roads, VA</li> <li>2. 2014 - Des Moines, IA</li> </ol>

	<p>3. 2013 - Detroit, MI</p> <p>4. 2012 - Houston, Texas</p> <p>5. 2011 - New Orleans, LA</p>
Source of Information for Previous Events:	www.aausports.org
Other locations outside of Texas considered to host the event:	New Orleans, LA; Detroit, MI; Des Moines, IA; Hampton Roads, VA
Was the site selected as a part of a multi-year agreement? If yes, what years (past and future)?	No
Anticipated Total Attendance at Primary Event:	57,750
Anticipated Out of State Attendance at Primary Event:	37,537
Desired Market Area:	United States and its Territories
Additional Information:	

Upon conclusion of the event, verifiable attendance figures must be provided to EDT. The following methods will be accepted: ticket sales count, turnstile count, ticket scan count, convention attendee count, or participant totals (must be accompanied by ticket or turnstile count for MERP & MSRTF). Other methods will be accepted upon approval by EDT. Please explain which of these methods or another method, subject to approval, that will be used: **One or any number of: intercept surveys; hotel pick-up reports; post-event ticket reports; athlete & coaches registrations.**

## SECTION 5: CHECKLIST

***EDT must receive the following documents before it can issue an estimate of incremental taxes.***

Per statute, EDT is required to make a determination within 30 days after receiving a complete application. If an application is incomplete, the requestor will be asked to withdraw the application until a complete application can be submitted.

- Events Trust Fund Application** completed and signed.
- Selection Letter** *clearly* indicating a highly competitive selection process, and that the selection was based on an application by the endorsing municipality, county or LOC. This selection letter must clearly indicate the selected LOC, the selected municipality and the event date. The event date indicated in the letter must match the requested event date. The selection letter must be signed by the site selection organization.
- Request Letter** *clearly* indicating the municipality or county's endorsement of the event and states the LOC (if applicable) along with the municipality or county's contact. The information in the letter should coincide with the Selection Letter.
- Economic Impact Analysis** or data sufficient for EDT to determine the incremental increase in tax revenue

associated with hosting the event. The data must include an estimate of the number of attendees from out-of-state, details on the direct expenditures and direct impact data for the endorsing municipality or county hosting the event for the requested market area, and the source of the information included.

- Event Support Contract** executed between a LOC, an endorsing municipality, or an endorsing county and a site selection organization that outlines the responsibilities of each party, and signed by each party. *Due no later than the date of the event; early submission will provide EDT with the opportunity to review the contract and address any issues prior to the event.*
- Affidavit of Endorsing Entity** signed by each endorsing municipality, county and/or LOC.
- Affidavit for Economic Impact** signed by party(ies) providing economic impact analysis to support the request.

Note: All documents submitted to the Office of the Governor (OOG), including, but not limited to the application and disbursement documentation submitted after the event, are subject to the Texas Public Information Act, Chapter 552 of the Texas Government Code. In the event of a public information request submitted to the OOG related to an applicant, the OOG will notify the applicant of the request and take appropriate actions with the Attorney General of Texas.

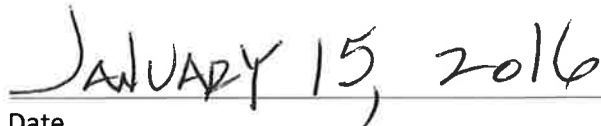
I, the authorized representative of the applicant, certify that the representations made, the facts stated in this application and all supplemental documents are true and correct, and that no relevant facts have been intentionally omitted, as evidenced by my signature below. I hereby agree, on behalf of the applicant, to comply with the reporting requirements and will provide other documentation as requested.



Signature



Title



Date



OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

**AFFIDAVIT**  
**for Economic Impact Documentation**

**Affidavit to be completed, including signed and notarized, by any and all party(ies) providing economic data to support a request for an Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund.**

I, Christopher W. Massey, am providing information to be used by a City, County or Local Organizing Committee for the purpose of receiving funding through the Event Trust Fund, Major Events Reimbursement Program, or Motor Sports Racing Trust Fund ("the Act"), and hereby swear and affirm that, to the best of my knowledge, any data provided is true and accurate, and any projections made are based on reasonable assumptions documented in the information provided. I further swear and affirm that I have reviewed the information being submitted, and that all of the statements made and information provided herein, including statements made and information provided in any attachments are true, complete, and correct, to the best of my knowledge. Information provided includes but is not limited to an economic impact study or other data sufficient for the Economic Development and Tourism Office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities.

I understand that the City, County or Local Organizing Committee is receiving funding under the Act for the purposes of facilitating this event: 2016 Amateur Athletic Union (AAU) Junior Olympic Games on these dates: July 27 - August 6, 2016 and that the information will be provided by the City, County or Local Organizing Committee as a government document.

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.





OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR



Affiant Signature  
Director of Events  
Harris County - Houston Sports Authority  
Title and Name of Organization

Christopher W. Massey


Printed Name  
NOVEMBER 5, 2015  
Date

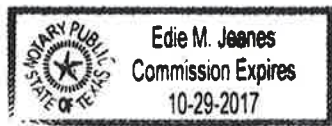
The State of Texas

County of Harris

Before me, a Notary Public, on this day personally appeared Christopher W. Massey, known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 5<sup>th</sup> day of November, 2015

  
Notary Public, State of Texas



(PERSONALIZED SEAL)

Edie M. Jeanes  
(Print name of Notary Public here)

My commission expires the 29th day of October, 2017





OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

## AFFIDAVIT of Endorsing Entity

**Affidavit to be completed, including signed and notarized, by any and all Municipalities, Counties, and/or LOCs endorsing an Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund.**

I, Janis Schmees Burke, an authorized representative of: Harris County - Houston Sports Authority, a [Local Organizing Committee (nonprofit corporation), endorsing municipality or endorsing county] (circle one) ("Requestor") that is receiving funding through the Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund ("the Act"), hereby swear and affirm that, to the best of my knowledge, the Requestor has designed and implemented internal controls, processes and procedures to help the Requestor ensure that the Requestor and its use of these funds complies with all applicable laws, rules, and written guidance from the Economic Development and Tourism Office. I further swear and affirm that I, or my duly authorized employee, representative, or agent, have reviewed the information, and that all of the statements made and information provided therein, including statements made and information provided in any attachments are true, complete, and correct to the best of my knowledge. All other information submitted as part of this request for participation is being represented by me as true and correct, and I am unaware of any information contained therein that is false, misleading, or fraudulent. Information provided includes but is not limited to:

- (1) A letter from the municipality or county requesting participation in the Events Trust Fund program and signed by a person authorized to bind the municipality or county;
- (2) A letter from the site selection organization on organization letterhead selecting the site in Texas;
- (3) An economic impact study or other data sufficient for the Economic Development and Tourism Office to make the determination of the incremental increase in tax revenue associated with hosting the event in Texas, including a listing of any data for any related activities;
- (4) An application for an Events Trust Fund program and any attachments; and
- (5) An Event Support Contract

I understand that I am receiving funding under the Act for the purposes of facilitating this event: 2016 Amateur Athletic Union (AAU) Junior Olympic Games on these dates: July 27 - August 6, 2016.

I understand that non-compliance with reporting requirements could be treated as a violation of the statute and/or program rules resulting in the possible withholding of disbursement funding.

I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.





OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

I understand that the offense of perjury, under Section 37.02, Texas Penal Code, is committed when a person, with intent to deceive and with knowledge of the statement's meaning, makes a false statement under oath or swears to the truth of a false statement previously made and the statement is required or authorized by law to be made under oath.

I understand my obligation to provide information about event expectations, performance, and expenses that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor's Office at 1-800-892-8348. I hereby swear and affirm that I have read the entire affidavit, and I understand its contents.

*Janis Schmees Burke*  
Affiant Signature  
Chief Executive Officer,  
Harris County - Houston Sports Authority  
CEO  
Title and Name of Organization

Janis Schmees Burke  
Printed Name  
NOVEMBER 5, 2015  
Date

**The State of Texas**

County of Harris

Before me, a Notary Public, on this day personally appeared Janis Schmees Burke, known to me to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he/she executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office this 5<sup>th</sup> day of November, 2015



(PERSONALIZED SEAL)

*Edie M. Jeanes*  
Notary Public, State of Texas

Edie M. Jeanes  
(Print name of Notary Public here)

My commission expires the 29<sup>th</sup> day of October, 2017  
**TEXAS WIDE OPEN BUSINESS**





November 5, 2015

Office of the Governor  
Economic Development Bank  
Economic Development and Tourism Office  
221 East 11<sup>th</sup> Street, 4<sup>th</sup> Floor  
Austin, TX 78701


Dear Sir,

The Harris County – Houston Sports Authority (HCHSA), an endorsing municipality as described in House Bill 3402, is excited to announce that, after a highly competitive bid process, the Amateur Athletic Union (AAU) has selected Houston and Harris County as the site to host the 2016 Amateur Athletic Union (AAU) Junior Olympic Games, which will be held July 27 – August 6, 2016, at different venues across the City and County, to include the George R. Brown Convention Center, Turner Stadium, Pearland Natatorium, Palace Lanes and Kinkaid School.

Under my direction, HCHSA will also act as the Local Organizing Committee to handle all agreed-upon expenses, preparation and management of the event. HCHSA will also coordinate all aspects of the State funding application for this event, including the payment of matching funds required.

HCHSA respectfully requests that your office initiate and establish for this event a trust fund under the Major Events Reimbursement Program (MERP), pursuant to Article 5190.14, Section 5A, Vernon's Texas Civil Statutes. As you review the enclosed study, please note the favorable economic impact this event will have on the State of Texas, Harris County, and the City of Houston. Please consider the enclosed economic impact study to determine State funding available for this event under the MERP.

Regards,

  
Janis Schmees Burke, CSEE  
Chief Executive Officer



**AMATEUR ATHLETIC UNION**  
OF THE UNITED STATES, INC.

P.O. Box 22409 Lake Buena Vista, FL 32830  
407.934.7200  
[www.aausports.org](http://www.aausports.org)



*Home of the AAU*

October 28, 2013

Ms. Janis Schmees Burke, CSEE  
Chief Executive Officer  
Harris County-Houston Sports Authority  
1331 Lamar Street, Suite 700  
Houston, TX 77010

Dear Janis,

After a highly competitive selection process, the Amateur Athletic Union (AAU) has chosen Houston and Harris County as the site to host the 2016 Amateur Athletic Union (AAU) Junior Olympic Games from July 27 – August 6, 2016, at multiple venues throughout the City and the County. The selection was based on an application and presentation submitted by the Harris County - Houston Sports Authority.

It is our understanding that the Harris County-Houston Sports Authority will handle any state funding coordination for this event, as well as forward any required matching funds. We further understand your organization to be a not-for-profit agency that will operate as the Local Organizing Committee to handle all agreed-upon aspects/expenses of the event in coordination with our team.

We look forward to partnering with you as you prepare to host the 50<sup>th</sup> Anniversary of the AAU Junior Olympic Games!

Sincerely,

A handwritten signature in black ink that reads 'Paul Campbell'.

Paul R. Campbell  
Chairman, AAU JO Games

Dr. Roger J. Goudy  
President & CEO  
[roger@aausports.org](mailto:roger@aausports.org)

Rusty Buchanan  
1st Vice President  
[rusty@aausports.org](mailto:rusty@aausports.org)

Matt Williams  
2nd Vice President  
[matt@aausports.org](mailto:matt@aausports.org)

Cynthia Trombly-Martin  
Secretary  
[cindi@aausports.org](mailto:cindi@aausports.org)

Jo Mirza  
Treasurer  
[jbmirza@aausports.org](mailto:jbmirza@aausports.org)

# APPENDIX B



OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

January 25, 2016

Ms. Edie Jeanes  
Harris County - Houston Sports Authority  
4 Houston Center  
1331 Lamar Street, Suite 700  
Houston, TX 77010

Dear Ms. Jeanes:

The Office of the Governor has completed its review of the application and economic information submitted by the Harris County - Houston Sports Authority for the establishment of a Major Events Reimbursement Program fund relating to the 2016 AAU Junior Olympic Games (the "event"). Based on the representations and the information submitted and certified in the application, the event meets the eligibility requirements set by the Texas Legislature in article 5190.14 of the Texas Revised Civil Statutes. Establishment of a Major Events Reimbursement Program fund is therefore required by law, and upon receipt of the local share, a fund will be established as follows:

- Event: **2016 AAU Junior Olympic Games – Project Code 161010**
- Location: **Houston, TX**
- Market Area: **Houston, TX**
- Venue: **George R. Brown Convention Center, Turner Stadium, Pearland Natatorium, Palace Lanes, and Kinkaid School**
- Date(s): **July 27 – August 6, 2016**
- Estimated incremental increase in tax revenue to the State of Texas is **\$2,812,087.00** or 6.25 times the amount of local revenue retained or remitted to the Texas Comptroller of Public Accounts as local funds from eligible endorsing municipalities.
- Local funds required: **\$449,934.00**
- **Total contribution to the Event Trust Fund established for this event: \$3,262,021.00**
- Attendance metric used to estimate the incremental increase in tax revenue: **27,977 average attendance during competition days (July 28 – August 6, 2016)**



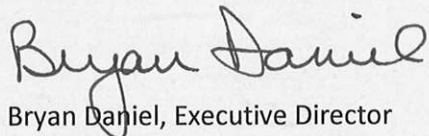
Following the event, you will need to complete and submit the Attendance Certification Form, which is enclosed for your convenience. The Attendance Certification Form and supporting documentation must be submitted no later than 45 calendar days after the conclusion of the event.

The local funds must be submitted no later than 90 calendar days after the conclusion of the event. If the funds for the local share amount are not submitted by the 90-day deadline, the Event Trust Fund will not be available for disbursement.

To initiate a disbursement from an Event Trust Fund, a Disbursement Request Form, Disbursement Request Worksheet and all supporting documentation must be submitted no later than 180 calendar days after the conclusion of the event. The establishment of an Event Trust Fund does not entitle or guarantee that disbursements from the fund will be available for the reimbursement of any particular expenditure relating to the event. All disbursements will be subject to the requirements of article 5190.14 of the Texas Revised Civil Statutes, the Event Fund Program Administrative Rules under Title 10, Chapter 184 of the Texas Administrative Code, and the policies and guidelines of the Office of Economic Development and Tourism within the Office of the Governor, including timely submittal of the Attendance Certification Form, local funds, Disbursement Request Form, and other documentation as required.

Thank you for bringing this event to the State of Texas. If you have further questions, please contact the Office of Economic Development and Tourism at [eventsfund@gov.texas.gov](mailto:eventsfund@gov.texas.gov) or (512) 936-0100.

Sincerely,

A handwritten signature in black ink that reads "Bryan Daniel". The signature is written in a cursive style with a large initial "B".

Bryan Daniel, Executive Director  
Office of Economic Development & Tourism  
Office of the Governor

Attachments

# APPENDIX C



OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

### ATTENDANCE CERTIFICATION

**(Must be submitted no later than 45 days after conclusion of the event):**

Event application submittal date:	January 15, 2016
Economic Development and Tourism (EDT) event application approval date:	January 25, 2016
Attendance Certification to be submitted to EDT no later than forty-five (45) days after the event date:	September 20, 2016
The attendance metric* identified by EDT to evaluate the estimated number of event attendees as part of the calculations for the incremental tax impact:	27,977 average attendance during competition days (July 28 – August 6, 2016)

\* If Applicant has questions or concerns about how this metric was developed, please contact us within 10 days of fund approval letter

#### To be completed by the Applicant:

Event Name: 2016 Amateur Athletic Union (AAU) Junior Olympic Games

The TOTAL attendance at the PRIMARY EVENT was: 67,471

The estimated attendees NOT residents of Texas for the PRIMARY EVENT was: 36,434

Source(s) and methodology used to obtain attendance totals. The following methods will be accepted: ticket sales count, turnstile count, ticket scan count, convention attendee count, or participant totals (must be accompanied by ticket or turnstile count for MERP & MSRTF). If you are submitting another method, it should have previously been approved by EDT. Hotel pick-up reports; post-event ticket reports; athlete & coaches registrations.

- I understand that non-compliance with reporting requirements could be treated as a violation of the statute and/or program rules resulting in the possible withholding of disbursement funding.
- I understand that it is a felony offense under Section 37.10, Texas Penal Code, to knowingly make a false entry in, or false alteration of, a governmental record, or to make, present, or use a governmental record with knowledge of its falsity, when the actor has the intent to harm or defraud another.
- I understand my obligation to provide information about event expectations and performance that are true and accurate to the best of my knowledge and ability. I also understand my obligation to immediately report any known or suspected waste, fraud, and abuse of funds received under the Act to the Texas State Auditor’s Office at 1-800-892-8348.





OFFICE OF THE GOVERNOR  
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT  
GOVERNOR

Authorized Official (must be signed by event application signatory or successor):

A handwritten signature in black ink, appearing to read "Janis Schmees Burke".

Signature

CEO, Harris County - Houston  
Sports Authority

Title and Name of Organization

Janis Schmees Burke

Printed Name

September 20, 2016

Date

Submit the signed Attendance Certification to the Office of the Governor, Economic Development and  
Tourism at [eventsfund@gov.texas.gov](mailto:eventsfund@gov.texas.gov)

**TEXAS** WIDE OPEN  
BUSINESS