



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

Major Events Reimbursement Program

Report on the 2018 NCAA Final Four

Date of Event: March 29 - April 2, 2018

BACKGROUND

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. To qualify as a Major Event, the event must meet all statutory and administrative requirements pursuant to Article 5190.14, Section 5A, Vernon's Texas Civil Statutes and Texas Administrative Code Chapter 184. The fund established for each event consists of money deposited by the State and the local government in an amount equal to 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. Estimates are based on a one-year period that begins two months before the first day 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 2018 NCAA Final Four.

SUMMARY OF EVENT

The 2018 NCAA Final Four (the "Event") was held March 29-April 2, 2018 at the Alamo Dome in San Antonio. The application was submitted by the San Antonio Local Organizing Committee ("SALOC" or the "Applicant"). The City of San Antonio was also the endorsing entity for the Event. NCAA 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.

The Applicant was required to have an attendance of 78,999 average of the two primary event days (March 31 and April 2, 2018). According to the attendance report provided to the OOG by SALOC, the Applicant for the event, the total attendance on the primary event days were 82,738 on March 31, 2018 and 82,162 on April 2, 2018 for an average of 82,450. SALOC further estimated that 71 percent of the total attendees were from out-of-state. This OOG report makes no assumptions about the accuracy of this reported estimate.

METHODOLOGY

The methodology established to determine the direct tax effects of the event by the OOG begins 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 compares 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 (locals leaving town or staying home due to an influx of visitors), other events being held in the market area during the month of the event, or an event being held in the market area in the year before the event. Some events are under multiyear contract with the Site Selection Organization, and therefore the data may be compared with the same event from the previous year. 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 inhibit the OOG from determining the actual amount of incremental tax increases of the 2018 NCAA Final Four utilizing existing resources.

APPLICABLE STATE TAXES

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. The OOG considers two categories to determine Sales & Use Tax spending – food and non-alcoholic beverages consumed at eating and drinking establishments and shopping and entertainment. 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

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. 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 \$11,579,642. Based on this amount, the Applicant would have been required to submit a local share of \$1,852,743 according to the state-to-local share ratio of 6.25:1, resulting in a total trust fund of \$13,432,38 (See Appendix B).

The following chart provide the breakdown of the estimated incremental increase of state taxes from the Primary and Secondary Direct Spending. The estimates are based off the initial award, prior to reduction.

Type of Expenditure	Primary - Direct	
	Spending	Taxes
Hotel & Motels (Hotel Occupancy Tax)	\$ 33,274,237	\$ 1,996,454
Eating & Drinking Establishments (Sales & Use Tax)	\$ 29,978,880	\$ 1,873,680
Shopping & Entertainment (Sales & Use Tax)	\$ 38,972,544	\$ 2,435,784
Alcoholic Beverages (Mixed & Title 5 ABC)	\$ 11,194,080	\$ 767,914
Car Rental (Car Rental Tax)	\$ 4,664,200	\$ 466,420
Event Expenses (Sales & Use Tax)	\$ 6,622,500	\$ 488,409
TOTAL	\$ 118,214,581	\$ 8,028,661
The Secondary Direct Spending estimate was \$4,205,562.		

Primary Direct 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 the San Antonio MSA.

Secondary Direct 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 April and May 2018 since the event occurred in March and April 2018 and taxes are collected in the month following the event. According to the data provided below, the market area saw an overall increase in tax receipts when compared to tax receipts from the same time period of the previous year. However, changes in tax receipts cannot reliably be attributed to any particular event as addressed in detail under Methodology.

Sales Tax			
	Q1 2017	Q1 2018	Difference
Bexar County	\$401,485,884	\$ 430,227,640	\$28,741,756
	Q2 2017	Q2 2018	
	\$425,038,922	\$ 459,866,035	\$34,827,113
Hotel Occupancy			
	April 2017	April 2018	Difference
Bexar County	\$5,734,583	\$ 6,548,983	\$814,400
	May 2017	May 2018	
	\$4,940,980	\$ 5,253,947	\$312,967
Car Rental			
	April 2017	April 2018	Difference
State of Texas	\$ 18,555,889	\$ 19,860,593	\$1,304,704
	May 2017	May 2018	
	\$ 19,754,010	\$ 20,694,037	\$940,027
Mixed Beverage Gross Receipts			
	April 2017	April 2018	Difference
Bexar County	\$3,601,192	\$ 4,044,779	\$443,587
	May 2017	May 2018	
	\$3,428,057	\$ 3,694,121	\$266,064
Mixed Beverage Sales Tax			
	April 2017	April 2018	Difference
Bexar County	\$4,434,303	\$ 4,980,511	\$546,208
	May 2017	May 2018	
	\$4,221,115	\$ 4,548,731	\$327,616
Title 5 ABC			

	April 2017	April 2018	Difference
State of Texas	\$19,677,191	\$20,439,675	\$762,484
	May 2017	May 2018	
	\$18,505,430	\$18,191,316	(\$314,114)

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): February 1, 2018
 - Deadline: February 12, 2018 (No later than 45 days prior to the event.)
- Event Support Contract Received: March 22, 2018
 - Deadline: March 28, 2018 (Before the first day of the event.)
- Attendance Certification Received: May 7, 2018
 - Deadline: May 17, 2018 (No later than 45 days after the event.)
- Local Share Received: June 22, 2018
 - Deadline: July 1, 2018 (No later than 90 days after the event.)
- Disbursement Request Received: September 28, 2018
 - Deadline: September 29, 2018 (No later than 180 days after the event.)

CONCLUSION

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 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. Determining the economic impact of an event that has been held multiple years adds an extra complication because the event is being compared to itself. 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 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: San Antonio Local Organizing Committee

APPLICANT MAILING ADDRESS: P.O. Box 830824, San Antonio, TX 78283

EVENT NAME: 2018 NCAA Final Four

DATE(S) OF EVENT: March 29 - April 2, 2018

EVENT LOCATION (CITY): San Antonio

DATE APPLICATION SUBMITTED: February 1, 2018

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

Please review the Events Trust Fund Guidelines document and applicable statutes and rules before submitting this application. Links can be found at <https://businessintexas.com/services/event-trust-funds>.

An application is not complete until all required documents are submitted, with the exception of the Event Support Contract. See checklist in Section 6 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. Not later than the 30th day before the first day of the event, a site selection organization submits a plan to prevent the trafficking of persons in connection with the event to the office of the attorney general and the chief of the Texas Division of Emergency Management (see Guidelines document for trafficking plan submittal details).

ETF & MSRTF: no later 120 than days prior to the event.

Please submit all documents to eventsfund@gov.texas.gov.

SECTION 1: ENDORSING MUNICIPALITY OR COUNTY

Name of Endorsing Municipality or County:	City of San Antonio
Municipality or County Contact Name:	Carlos J. Contreras
Contact Title:	Assistant City Manager
Contact Email:	carlos.contreras@sanantonio.gov
Contact Phone Number:	210-207-8821

- Has the endorsing municipality or county reviewed the event and found that it meets all eligibility requirements as listed in Vernon’s Texas Revised Civil Statutes (VTCS) Section 5190.14?
 Yes No
- 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

- 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
- 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:	San Antonio Local Organizing Committee
LOC Contact Name:	Jenny Carnes
LOC Contact Title:	Executive Director
Contact Email:	jcarnes@sanantonioposports.org
Contact Phone Number:	210-820-2104

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:	NCAA
Site Selection Contact Name:	Dan Gavitt
Site Selection Contact Title:	Senior Vice President of Basketball
Site Selection Contact Email:	dgavitt@naaa.org
Contact Phone Number:	317-971-6222

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

SECTION 4: FUND REQUEST AMOUNT

Total Fund Amount Requested:	\$15,985,828
State Share:	\$13,780,886
Local Share:	\$2,204,942

*In accordance with statute, the State Share must be no more than 6.25x the Local Share. To calculate the Local Share, divide the State Share by 6.25.

For MERP Applications only:

Estimated Direct Impact Total:	\$10,777,692
Estimated Secondary Impact Total:	\$3,003,194

*The Direct Impact and the Secondary Impact will equal the Total Fund Amount Requested. These amounts include the state and local estimates.

SECTION 5: EVENT INFORMATION

Official Event Name:	2018 NCAA Final Four
Event Fund/Program being applied for:	MERP

(ETF, MERP, MSRTF)	
Venue(s) of Event:	Alamodome, HBG Convention Center, Hemisfair Civic Park
Event Website:	www.finalfoursanantonio.com; www.ncaa.com/finalfour
Date(s) of the Primary Event:	March 29 - April 2, 2018
Day set-up/load-in for the event will begin:	March 12, 2018
Day strike/load-out of the event will end:	April 11, 2018
Location of Event for the Previous 5 Years: (List most recent year first)	<ol style="list-style-type: none"> 1. Phoenix/Glendale, Arizona 2. Houston, Texas 3. Indianapolis, Indiana 4. Dallas, Texas 5. Atlanta, Georgia
Source of Information for Previous Events:	NCAA
Other locations outside of Texas considered to host the event:	Atlanta, New Orleans, Detroit, Indianapolis, Minneapolis, Phoenix/Glendale, St. Louis
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:	107,730
Anticipated Out of State Attendance at Primary Event:	75,146
Desired Market Area (Area that is affected by the economic impact of the event):	Texas
Will there be a host fee, sanction fee, participation fee, bid fee or other similar expense for the event?	No
If yes, what is the total amount of the above referenced fee(s)?*	N/A
Additional Information:	

*Reimbursement will not be made for such a fee in excess of the amount listed. See TAC Rule § 184.45(18).

In accordance with TAC Rule § 184.13(d), 184.23(d) and 184.30, no later than 45 days after the event, the total actual attendance and the estimated number of attendees that are not residents of Texas at the event must be provided to EDT. Supporting documentation must be submitted for verification. The following methods will be accepted: ticket sales count, turnstile count, ticket scan count, convention registration check-in count, or participant totals (must be accompanied by ticket or turnstile count for MERP & MSRTF). Other methods may be approved by the OOG in its sole discretion prior to the first day of the event.

Please explain which of these methods or another method, subject to approval, that will be used:

Total actual attendance will be calculated by ticket sales and scan counts, which is done on an NCAA digital ticket platform that shows a zip code for all tickets. Attendance will also be verified by the official credentialing process,

National Association of Basketball's convention registration and team delegation. In addition, an attendance survey will be conducted on game days at the Alamodome.

SECTION 6: CHECKLIST

EDT must receive the following documents (except the Event Support Contract) before it can issue an estimate of incremental taxes.

EDT is statutorily required to make a determination within 30 days after receiving a complete application. If an application is incomplete, it will not be processed until all required information is submitted. Early submission is encouraged.

- Events Trust Fund Application** completed and signed by someone the applying entity has determined is eligible to bind the applying entity.
- Endorsement Documentation** from the endorsing municipality or endorsing county requesting participation in the trust fund program and signed by a person authorized to bind the municipality or county. The documentation should clearly indicate the municipality or county's endorsement of the event and the name of the LOC, if applicable. The information in the document should coincide with the Selection Letter.
- Selection Letter A** signed letter from the Site Selection Organization selecting the site in Texas that clearly indicates and describes a highly competitive selection process by which site selection occurred, 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 or county, and the event date. The event date indicated in the letter must match the requested event date.
- Economic Impact Study** or other data sufficient for EDT to make the determination of the estimated incremental increase in tax revenue directly attributable to the preparation or presentation of the event, including data for any related activities. The Study should contain detailed information on the direct expenditures for the event in the requested market area relating to the economic activity of attendees and other persons associated with the event. The study may also include information on event expenditures if available. For MERP's only, secondary impacts must be included, and stated separately from the direct impact in order for these impacts to be considered in development of the EDT estimate.
- Affidavit for Economic Impact** signed by the person(s) who prepared the Study for the application.
- Affidavit of Endorsing Entity** signed by each endorsing municipality, county and/or LOC.
- Event Support Contract** is a contract by and between a Site Selection Organization and a local organizing committee, an endorsing municipality, or an endorsing county setting out the representations and assurances of the parties with respect to the selection of a site in this state for the location of an event, and the requirements and costs necessary for the preparation or presentation of an event. Due before the first day of the event, early submission will provide EDT with the opportunity to review the contract and address any issues prior to the event.

Note: Disclosure of Information under the Public Information Act. All documents submitted to the Office of the Governor (OOG) may be subject to disclosure under the Texas Public Information Act, Chapter 552 of the Texas Government Code ("the Act"), including, but not limited to, the application, event support contract, economic impact analysis, and all disbursement documentation submitted after the event, whether created or produced by the applicant or by any third-party. If it is necessary to include proprietary or otherwise confidential information in the documents submitted, that particular information should be clearly identified as such. **Merely making a blanket claim that the all documents are protected from disclosure because they may contain some proprietary or confidential information is not acceptable, and will not render the information confidential.** Any information that is not clearly identified as proprietary or confidential will be released in accordance with the Act.

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

Jenny Carnes

Name (Printed)

Executive Director

Title

February 1, 2018

Date



February 15, 2017

VIA EMAIL

P.O. Box 6222
Indianapolis, Indiana 46206
Telephone: 317/917-6222

Shipping/Overnight Address:
1802 Alonzo Watford Sr. Drive
Indianapolis, Indiana 46202

www.ncaa.org

Mayor Ivy R. Taylor
City of San Antonio
City Hall
100 Military Plaza
San Antonio, Texas 78205

Dear Mayor Taylor:

We are delighted to confirm that after a highly competitive selection process (including sites not located in Texas), the National Collegiate Athletic Association (the "NCAA") selected the city of San Antonio, Texas to serve as host for the 2018 NCAA Men's Final Four and related activities. The San Antonio Final Four Local Organizing Committee is the authorized local organizing committee for the event.

On a competitive basis, involving a bid process that occurred in 2014, the NCAA considered sites from across the United States to host Men's Final Fours in calendar years 2017-2021. San Antonio has hosted the event three times from 1998-2008 and the Alamodome will become the sixth facility to host at least four Final Fours. The Men's Final Four is held only once annually, and the city of San Antonio was the sole site selected for the 2018 Men's Final Four.

The first day of official activities for the 2018 Men's Final Four is Thursday, March 29, 2018. Various parties will begin arriving in San Antonio on Saturday, March 24, 2018, in preparation for the event. Team practices, the National Semifinal Games and the National Championship Games will occur at the Alamodome. Various related activities will occur in San Antonio. The event will conclude following the National Championship Game on Monday, April 2, 2018.

We are very excited about the upcoming 2018 Men's Final Four and look forward to working with the city of San Antonio along with the local organizing committee in hosting another successful event.

Sincerely,

Dan Gavitt
Senior Vice President of Basketball

DGG:eeb

cc: Ms. Jenny Carnes, Executive Director

National Collegiate Athletic Association

Supporting student-athlete success on the field, in the classroom and for life

Equal Opportunity/Affirmative Action Employer

CITY OF SAN ANTONIO

P. O. BOX 839966
SAN ANTONIO TEXAS 78283-3966

January 21, 2018

Ms. Nicole Ryf, Director
Texas Economic Development Bank
Economic Development & Tourism
P.O. Box 12428
Austin, TX 78711

Dear Director Ryf:

Please consider this letter an official request for disbursement of funds from the Events Trust Fund, established pursuant to Article 5190.14, Section 5A (Vernon's Texas Civil Statutes), for the reimbursement of expenses incurred by the City of San Antonio to solicit and support the 2018 NCAA Final Four to be held in San Antonio, Texas from March 29 – April 2, 2018. The City has partnered with the San Antonio Local Organizing Committee (SALOC) to serve as the local organizing committee and has authorized SALOC to act on its behalf to host this event.

As required by the statute, we will work with your office to reach an estimate of the incremental state and local revenue gains associated with the anticipated increases in the specific tax collections in the market area during this period. Specifically, we shall provide any information your office may require to examine revenues from the sales, motor vehicle, hotel occupancy, and mixed drink and alcohol beverage taxes.

I will coordinate this request on behalf of the City of San Antonio, and may be reached at (210) 207-8821, or by email at carlos.contreras@sanantonio.gov and the mailing address is 100 Military, San Antonio, TX 78205.

Please accept my sincere appreciation for the assistance that you and your staff will be providing to the City regarding this matter.

Sincerely



Carlos J. Contreras III
Assistant City Manager

cc: Dan Gavitt, NCAA
Jenny Carnes, SALOC



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

AFFIDAVIT
for Economic Impact Documentation

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

I, Steven R. Nivin, 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: 2018 NCAA Final Four on these dates: March 29 - April 2, 2018 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.

Steven R. Nivin
Affiant Signature
Managing Member & Chief Economist
Steven R. Nivin, Ph.D., LLC
Title and Name of Organization

Steven R. Nivin
Printed Name
1-31-18
Date

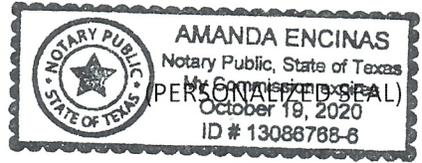
The State of Texas

County of Bexar

Before me, a Notary Public, on this day personally appeared Steven R Nivin, 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 31st day of January, 20 18

Amanda Encinas
Notary Public, State of Texas



Amanda Encinas
(Print name of Notary Public here)

My commission expires the 10th day of October, 20 20



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

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, Carlos J. Contreras, an authorized representative of City of San Antonio, 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: 2018 NCAA Final Four on these dates: March 29 - April 2, 2018. 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 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.

Carlos Contreras
Affiant Signature

CARLOS J. CONTRERAS, III
Printed Name

Assistant City Manager, City of San Antonio
Title and Name of Organization

1/9/18
Date

The State of Texas

County of Bexar

Before me, a Notary Public, on this day personally appeared Carlos Contreras J. III, 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 9th day of January, 20 18



Claudia I. Hernandez
Notary Public, State of Texas

Claudia I. Hernandez
(Print name of Notary Public here)

My commission expires the 3rd day of April, 20 21



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

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, Pat Frost, an authorized representative of San Antonio Local Organizing Committee, 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: 2018 NCAA Final Four on these dates: March 29 - April 2, 2018. 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 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.

Pat Frost
Affiant Signature

Pat Frost
Printed Name

JALOC, Chair
Title and Name of Organization

1-26-18
Date

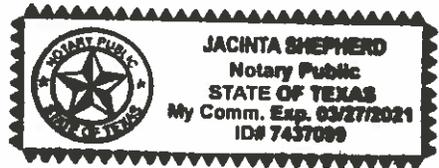
The State of Texas

County of Bexar

Before me, a Notary Public, on this day personally appeared Pat Frost, 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 26 day of January, 2018

Jacinta Shepherd
Notary Public, State of Texas



(PERSONALIZED SEAL)

Jacinta Shepherd
(Print name of Notary Public here)

My commission expires the 829 day of March, 20 2021

APPENDIX B



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

February 15, 2018

Ms. Jenny Carnes
Executive Director
San Antonio Local Organizing Committee
P.O. Box 830386
San Antonio, Texas 78283

Dear Ms. Carnes:

The Office of the Governor has completed its review of the application and economic information submitted by the San Antonio Local Organizing Committee for the establishment of an Event Trust Fund under Section 5A relating to the 2018 NCAA Final Four (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 an Event Trust Fund is therefore required by law, and upon receipt of the local share, a fund will be established as follows:

Event:	2018 NCAA Final Four
Project Code:	181010
Location:	San Antonio, TX
Market Area:	San Antonio MSA
Venue:	Alamodome
Dates:	March 29 – April 2, 2018

The estimated incremental increase in tax revenue to the State of Texas is \$11,579,642.00 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:	\$1,852,743.00
Total contribution to the Event Trust Fund established for this event:	\$13,432,385.00

Attendance metric used to estimate the incremental increase in tax revenue: 78,999 average daily ticketed and credentialed attendance during game days (03/31/18, 04/02/18)

Page Two
Jenny Carnes
February 15, 2018

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 & Tourism within the Office of the Governor, including timely submittal of the Event Support Contract, Attendance Certification Form, local funds, Disbursement Request Form, and other documentation as required.

If you have further questions, please contact Governor Abbott's Office of Economic Development & Tourism at eventsfund@gov.texas.gov or (512) 936-0100.

Sincerely,

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

Bryan Daniel
Executive Director
Economic Development & Tourism

BD: gc

APPENDIX C



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

ATTENDANCE CERTIFICATION

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

Submit this completed form and all supporting documentation to eventsfund@gov.texas.gov.
An Attendance Certification submitted without supporting documentation may be rejected, and the event ineligible for disbursement.

Event Name: 2018 NCAA Final Four

Event Dates: 03/29/18 – 04/02/18

Event Location: San Antonio

Applicant: San Antonio Local Organizing Committee

Event application submittal date:	February 1, 2018
Economic Development and Tourism (EDT) event application approval date:	February 15, 2018
Attendance Certification due date:	May 17, 2018
The attendance metric* identified by EDT to evaluate the estimated number of event attendees as part of the calculations for the incremental tax impact:	78,999 average daily ticketed and credentialed attendance during game days (03/31/18, 04/02/18)
Estimated percentage of attendees NOT residents of Texas for the PRIMARY EVENT:	70%

*If Applicant has questions or concerns regarding how this metric was developed, please contact EDT within 10 days of receiving the fund approval letter.

To be completed by the Applicant:

The TOTAL attendance at each PRIMARY EVENT DAY:	03/31/18	82,738
	04/02/18	82,162

The estimated total attendees not residents of Texas for the primary event (all days) was: 116,984

The estimated percentage of attendees not residents of Texas for the primary event (all days) was: 70.95%



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

The following attendance methodologies will be accepted: ticket sales count, turnstile count, ticket scan count, convention registration check-in 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.

What is the source and methodology used to obtain attendance totals?

SALOC contracted a third party research company (Core Research, Inc.) to conduct an attendance survey onsite at the Alamodome during ingress of all three games. Their findings are included on the accompanying report. In addition, team ticket allocations, and credential reports were provided by the NCAA as well as a credential report from the National Association of Basketball Coaches for their national convention.

- 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.

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



Signature

Jenny Carnes

Printed Name

Executive Director - SALOC

Title and Name of Organization

May 7, 2018

Date