



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

Major Events Reimbursement Program

Report on the 2018 O'Reilly Auto Parts 500 NASCAR
Race Weekend

Date of Event: April 5-8, 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 O'Reilly Auto Parts 500 NASCAR Race Weekend.

SUMMARY OF EVENT

The 2018 O'Reilly Auto Parts 500 NASCAR Race Weekend (the "Event") was held April 5-8, 2018 at the Texas Motor Speedway in Fort Worth. The application was submitted by the City of Fort Worth (the "Applicant"). The Applicant was also the endorsing entity for the Event. NASCAR 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 150,000 on April 8, 2018. In accordance with Article 5190, Section 5A(y), "If the actual attendance figures are significantly lower than the estimated attendance numbers, the department may reduce the amount of a disbursement for an endorsing entity under the Major Events reimbursement program fund in proportion to the discrepancy between the actual and estimated attendance and in proportion to the amount contributed to the fund by the entity. The department by rule shall define "significantly lower" for purposes of this subsection and provide the manner in which a disbursement may be proportionately reduced." In accordance with Rule § 184.30 "Actual Attendance at an event is considered significantly lower than estimated attendance when the difference is 25% or greater." According to the attendance report provided to the OOG by the Applicant, the estimated total attendance for the weekend was 221,794, including 103,044 fans on the main race day, which was April 8, 2019. The City of Fort Worth further estimated that 33 percent of the total attendees, or 72,894, were from out-of-state. The Applicant was required to have 150,000 fans on April 8 2019. Therefore, the estimated actual attendance was 31 percent lower than the required attendance,

resulting in a reduction of the fund amount. 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 O'Reilly Auto Parts 500 NASCAR Race Weekend 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 \$3,320,151. Based on this amount, the Applicant would have been required to submit a local share of \$531,225 according to the state-to-local share ratio of 6.25:1, resulting in a total trust fund of \$3,851,376. However, due to the attendance being significantly lower than required the fund was reduced to a state share of \$2,657,449.44, being comprised of a state share of \$2,290,904.69 and a local share of \$366,544.75 (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)	\$ 422,500	\$ 25,350
Eating & Drinking Establishments (Sales & Use Tax)	\$ 9,600,000	\$ 600,000
Shopping & Entertainment (Sales & Use Tax)	\$ 12,480,000	\$ 1,237,187
Alcoholic Beverages (Mixed & Title 5 ABC)	\$ 6,000,000	\$ 411,600
Car Rental (Car Rental Tax)	\$ 0	\$ 0
TOTAL	\$ 28,502,500	\$ 2,274,137
The Secondary Direct Spending estimate was \$1,270,194.		

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 Tarrant County.

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 May 2018 because the event occurred in April 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			
	Q2 2017	Q2 2018	Difference
Tarrant County	\$452,788,763	\$479,477,802	\$26,689,039
Hotel Occupancy			
	May 2017	May 2018	Difference
Tarrant County	\$68,400,323	\$73,887,694	\$5,487,371
Car Rental			
	May 2017	May 2018	Difference
State of Texas	\$197,540,102	\$206,953,512	\$9,413,410

Mixed Beverage – Gross Receipts			
	May 2017	May 2018	Difference
Tarrant County	\$3,550,570	\$3,928,827	\$378,257
Mixed Beverage – Sales Tax			
	May 2017	May 2018	Difference
Tarrant County	\$4,371,971	\$4,837,734	\$465,763
Title 5 ABC			
	May 2017	May 2018	Difference
State of Texas	\$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): November 27, 2017
 - Deadline: February 19, 2018 (No later than 45 days prior to the event.)
- Event Support Contract Received: March 15, 2018
 - Deadline: April 4, 2018 (Before the first day of the event.)
- Attendance Certification Received: April 24, 2018
 - Deadline: May 23, 2018 (No later than 45 days after the event.)
- Local Share Received: July 3, 2018
 - Deadline: July 7, 2018 (No later than 90 days after the event.)
- Disbursement Request Received: August 7, 2018
 - Deadline: October 5, 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: City of Fort Worth

APPLICANT MAILING ADDRESS: 3401 W. Lancaster, Fort Worth, TX 76107

EVENT NAME: 2018 O'Reilly Auto Parts 500 NASCAR Race Weekend

DATE(S) OF EVENT: April 5-8, 2018

EVENT LOCATION (CITY): Texas Motor Speedway, Fort Worth, Texas

DATE APPLICATION SUBMITTED: November 27, 2017

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 Fort Worth
Municipality or County Contact Name:	Brandy Archuleta
Contact Title:	Management Analyst II
Contact Email:	Brandy.Archuleta@fortworthtexas.gov
Contact Phone Number:	817-392-2521

- 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:	
LOC Contact Name:	
LOC Contact Title:	
Contact Email:	
Contact Phone Number:	

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:	National Association for Stock Car Auto Racing, Inc. (NASCAR)
Site Selection Contact Name:	Steve O'Donnell
Site Selection Contact Title:	Executive Vice President & Chief Racing Development Officer
Site Selection Contact Email:	
Contact Phone Number:	386-310-5000

*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:	\$4,660,218
State Share:	\$4,017,430
Local Share:	\$642,788

*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:	\$2,802,320
Estimated Secondary Impact Total:	\$1,215,110

*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 O'Reilly Auto Parts 400 NASCAR Race Weekend
Event Fund/Program being applied for:	MERP

(ETF, MERP, MSRTF)	
Venue(s) of Event:	Texas Motor Speedway
Event Website:	www.texasmotorspeedway.com
Date(s) of the Primary Event:	April 5-8, 2018
Day set-up/load-in for the event will begin:	March 26, 2018
Day strike/load-out of the event will end:	April 14, 2018
Location of Event for the Previous 5 Years: (List most recent year first)	<ol style="list-style-type: none"> 1. Fort Worth, TX 2. Fort Worth, TX 3. Fort Worth, TX 4. Fort Worth, TX 5. Fort Worth, TX
Source of Information for Previous Events:	TMS
Other locations outside of Texas considered to host the event:	Please see site selection letter
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:	175,000 race day
Anticipated Out of State Attendance at Primary Event:	50,000 race day
Desired Market Area (Area that is affected by the economic impact of the event):	DFW
Will there be a host fee, sanction fee, participation fee, bid fee or other similar expense for the event?	Yes
If yes, what is the total amount of the above referenced fee(s)?*	\$5,445,381
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:

Car counters and intercept interviews will be conducted.

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.

Brandy Archuleta

Signature

Brandy Archuleta

Name (Printed)

Management Analyst II

Title

11/27/17

Date



City of Fort Worth
200 Texas Street
Fort Worth, Texas 76102

Dear Sir or Madam:

Congratulations!

The National Association for Stock Car Auto Racing, Inc. (NASCAR), as a site selection organization, has selected Texas Motor Speedway to host the O'Reilly Auto Parts 500 Monster Energy NASCAR Cup series race on April 8, 2018 (with associated events beginning on April 5th).

NASCAR currently makes decisions where to hold sanctioned events in a highly competitive manner. Prior to entering into negotiations for the sanction agreements with the track facilities, NASCAR does a wholesale review of its schedule. In contemplating the sanctioning of a track, NASCAR looks at many factors, including: condition of the facility, the market area (history of supporting motorsports, promising future of motorsports support), the competition schedule, travel requirements for competitors and officials, weather conditions, past history of facility operations and management, financial health of the facility, NASCAR's overall business goals, along with other relevant considerations.

As I'm sure you are aware, there are many other venues and promoters groups that vie annually for a limited number of NASCAR events. The Monster Energy NASCAR Cup Series is in highest demand. However, NASCAR has successfully negotiated a Sanction Agreement with Texas Motor Speedway for the 2018 events and chosen to again sanction Monster Energy NASCAR Cup and other NASCAR events at this facility.

By way of further explanation, the annual assignment of specific racetracks is made on a highly competitive basis, and there is always competition among tracks in different states to obtain a second race (by removing a race from another facility). Further, there is competition when a track is currently without a NASCAR race and desires to obtain one, which, due to finite supply of dates, would necessarily have to be taken from a track in another state. In addition to the criteria described above, NASCAR obviously looks more favorably on facilities that, in addition, have the support of their state or local communities. Please note that final decision where a sanctioned event is held is in NASCAR's sole discretion and is done in furtherance of the best interests of the various industry stakeholders and the sport as a whole.

Please do not hesitate to contact me if you have any further questions or concerns.

Regards,

Steve O'Donnell
Executive Vice President and Chief Racing Development Officer



November 7, 2017

Ms. Nicole Ryf, Director
Texas Economic Development Bank
Office of Governor Greg Abbott
P.O. Box 12428
Austin, TX 78711

Dear Ms. Ryf:

Pursuant to Article 5190.14, Section 5A, Vernon's Texas Civil Statutes (the "Statute"), the City of Fort Worth respectfully requests that your office prepare an estimate of the economic impact of the 2018 O'Reilly Auto Parts 500 NASCAR Race Weekend for purposes of establishing a Major Events Trust Fund to be funded by local and state tax revenue under the provisions of the Statute. The O'Reilly Auto Parts 500 is the largest event held at Texas Motor Speedway, a venue within the State of Texas with a permanent seating capacity of not less than 125,000 including grandstand and premium seating. The City of Fort Worth appreciates the State of Texas' efforts to ensure that these special events and their positive economic impact remain in Fort Worth and Texas.

This 3 day event is important to Fort Worth and the State of Texas. As a regular season NASCAR race and one of the biggest night races of the season, the O'Reilly Auto Parts 500 will bring in spectators from across the world to watch as the best drivers in the sport vie for a spot in the chase for the championship. The event is expected to generate approximately \$42.5 million in eligible expenditures by non-Texans.

We ask that pursuant to the provisions of the Statute that you estimate the economic impact of the O'Reilly Auto Parts 500 NASCAR Race Weekend at Texas Motor Speedway. To that end, we have included a summary economic impact report, which sets forth the economic impact of the weekend. We propose to update these reports and provide them annually for the duration of the Major Events Reimbursement Program.

The City of Fort Worth is prepared to provide matching funds as set forth in the Statute to maximize the total benefit available. We agree to contribute an amount equivalent to the incremental tax increase your office determines the City will receive on account of the Event for partial funding of the Major Events Reimbursement Program.

We have attempted to comply with the requirements of the Statute in an efficient and thorough manner. Please review this information and contact me if you should have any questions or require further information.

Sincerely,


Susan Alanis,
Assistant City Manager

CITY MANAGER'S OFFICE

THE CITY OF FORT WORTH*1000 THROCKMORTON STREET*FORT WORTH, TEXAS 76102
(817) 392- 6111-FAX (817) 392- 6134

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, Susan Alanis, an authorized representative of City of Fort Worth, 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 O'Reilly Auto Parts NASCAR Race Weekend on these dates: April 5 – 8, 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.

Susan Alanis
Affiant Signature

Susan Alanis
Printed Name

Assistant City Manager, City of Fort Worth

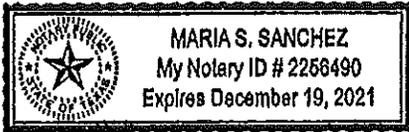
11/7/2017
Date

The State of Texas

County of TARRANT

Before me, a Notary Public, on this day personally appeared Susan Alanis, 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 7th day of November, 2017



(PERSONALIZED SEAL)

Maria S. Sanchez
Notary Public, State of Texas

MARIA S SANCHEZ
(Print name of Notary Public here)

My commission expires the 19th day of December, ~~2017~~ 2021



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 an application for an Event Trust Fund, Major Events Reimbursement Program or Motor Sports Racing Trust Fund.

I, Angie Highland, 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: Texas Motor Speedway April Race Weekend on these dates: April 5-8, 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.





OFFICE OF THE GOVERNOR
ECONOMIC DEVELOPMENT & TOURISM

GREG ABBOTT
GOVERNOR

[Handwritten Signature]
Affiant Signature

Anjie Highland
Printed Name

President, Highland Market Research
Title and Name of Organization

11/8/17
Date

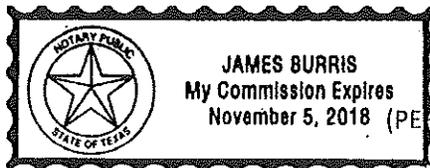
The State of Texas

County of Tarrant

Before me, a Notary Public, on this day personally appeared _____, 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 8 day of November, 2017

[Handwritten Signature]
Notary Public, State of Texas



JAMES BURRIS
(Print name of Notary Public here)

My commission expires the 5 day of November, 2018



APPENDIX B



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

December 19, 2017

Ms. Brandy Archuleta
Management Analyst II
Will Rogers Memorial Center
3401 West Lancaster Avenue
Fort Worth, Texas 76107

Dear Ms. Archuleta:

The Office of the Governor has completed its review of the application and economic information submitted by the City of Fort Worth for the establishment of an Event Trust Fund under Section 5A relating to the 2018 O'Reilly Auto Parts 500 NASCAR Race Weekend (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 O'Reilly Auto Parts 500 NASCAR Race Weekend
Project Code:	181001
Location:	Fort Worth, TX
Market Area:	DFW Metroplex
Venue:	Texas Motor Speedway
Dates:	April 5-8, 2018

The estimated incremental increase in tax revenue to the State of Texas is \$3,320,151.00 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:	\$531,225.00
Total contribution to the Event Trust Fund established for this event:	\$3,851,376.00

Attendance metric used to estimate the incremental increase in tax revenue: 150,000 attendees on main race day (04/08/18)

Page Two
Brandy Archuleta
December 19, 2017

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,



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

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 O'Reilly Auto Parts 500 NASCAR Race Weekend

Event Dates: 04/05/18 – 04/08/18

Event Location: Fort Worth

Applicant: City of Fort Worth

Event application submittal date:	November 27, 2017
Economic Development and Tourism (EDT) event application approval date:	December 19, 2017
Attendance Certification due date:	May 23, 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:	150,000 attendees on main race day (04/08/18)
Estimated percentage of attendees NOT residents of Texas for the PRIMARY EVENT:	28%

*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: 04/08/18 Weekend attendance: 221,794, "main race day" would have been on 4/8/18 and the daily attendance that day was 103,044.

The estimated total attendees not residents of Texas for the primary event (all days) was: 72,894

The estimated percentage of attendees not residents of Texas for the primary event (all days) was: 33%

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



GOVERNOR GREG ABBOTT
ECONOMIC DEVELOPMENT & TOURISM

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?

Car counters and intercept interviews with event attendees.

- 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):

A handwritten signature in cursive script that reads "Susan Alanis".

Signature

SUSAN ALANIS

Printed Name

Assistant City Manager, City of Fort Worth

Title and Name of Organization

4/23/2018

Date