Major Events Reimbursement Program

Report on Super Bowl LI

Date of Event: February 5, 2017

Report Publish Date: November 16, 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 if all statutory and administrative requirements are met pursuant to Article 5190.14, Section 5A, Vernon’s Texas Civil Statutes. The fund established for each event consists of amounts deposited by the State and local government of the estimated incremental increase in tax receipts, as determined by the State, that are directly attributable to the preparation for and presentation of the event for a one-year period. The period begins two months before the date of the event and continues for ten months thereafter. In accordance with statute, the estimated increase in tax receipts is limited to amounts collected within a designated market area, and only to amounts collected from five specific tax types.

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

This post-event economic impact study provides the best available information regarding the direct tax effects of Super Bowl LI.

SUMMARY OF EVENT

Super Bowl LI (the “event”) was held February 5, 2017 at NRG Stadium in Houston. The National Football League was the Site Selection Organization for the event. A Site Selection Letter was submitted to the OOG as a part of the application to the program. See Appendix A for the application, including the Site Selection Letter.

According to the attendance report provided to the OOG by the Houston Super Bowl Host Committee, the Applicant for the event, the total attendance was 87,456 fans. The Houston Super Bowl Host Committee further estimated that 73 percent of the total attendees, or 64,085, 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 began with collecting tax data for the five applicable taxes for the most precise period available. Collection of information requires interagency cooperation. Some tax data is available for a monthly period and by city or county. However, some taxes are collected statewide and are only reported quarterly or annually. Since daily tax collection data is unavailable, specific taxes collected for only the days during which the event occurred cannot be determined. After collecting the available data, the OOG compared the tax information for the month of the event in the market area to the same month of years prior to the event. Comparing data from the event to the same time period of the following year cannot be done since the report is due prior to the following year’s data being available. The OOG assessed other factors that could
also affect the tax data. Some of the factors include: population growth, crowding out effects, other events being held in the market area during February 2016 (the year prior to the event being held), or different events held in the market area during February 2017 (the month the event was held). Crowding out can include locals leaving town or staying home to avoid frequented businesses due to the influx of visitors. The OOG does not have information available regarding events that do not apply to any of the Events Trust Fund programs to factor into the comparison. These reasons prevent the OOG from determining the actual amount of incremental tax increases of Super Bowl LI 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. 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. For this event, the estimate was comprised of both Primary Direct Spending and Secondary Direct Spending (including indirect and induced). The total estimated incremental increase to the state was $21,911,849. Based on this amount, the Applicant was required to submit a local share of $3,505,896 according to the state-to-local share ratio of 6.25:1, resulting in a total trust fund of $25,417,745 (See Appendix B).

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

<table>
<thead>
<tr>
<th>Type of Expenditure</th>
<th>Primary - Direct Spending</th>
<th>Taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel &amp; Motels</td>
<td>$ 81,373,500</td>
<td>$ 4,882,410</td>
</tr>
<tr>
<td>Eating &amp; Drinking Establishments</td>
<td>$ 48,150,000</td>
<td>$ 3,009,375</td>
</tr>
<tr>
<td>Alcoholic Beverages (Mixed &amp; Title 5 ABC)</td>
<td>$ 27,285,000</td>
<td>$ 1,657,564</td>
</tr>
<tr>
<td>Event Expenses</td>
<td>$ 29,668,000</td>
<td>$ 1,853,975</td>
</tr>
<tr>
<td>Auto Rental</td>
<td>$ 6,687,500</td>
<td>$ 668,750</td>
</tr>
<tr>
<td>Shopping &amp; Entertainment (Aggregated)</td>
<td>$ 62,595,000</td>
<td>$ 4,912,188</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$ 255,759,000</td>
<td>$ 16,984,261</td>
</tr>
</tbody>
</table>

*NOTE: There was an estimated $6,781,563 in post event state tax revenue.

Primary Spending was estimated by the OOG based on projected attendance and projected event spending. Estimated attendee spending was broken down by five (5) expenditure categories: Food and
Beverage (Sales & Use Tax); Entertainment and Shopping (Sales & Use Tax); Lodging (Hotel Occupancy Tax); Rental Car (Car Rental Tax); and Alcohol (Mixed Beverage and Title 5 ABC taxes). The estimated incremental increases in state and local taxes were then calculated for each spending category. The OOG defined the market area for the event as the Greater Houston Area.

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

**STATE TAX RECEIPT IMPACTS FROM DIRECT SPENDING**

The following table is based on the best information the OOG was able to gather on tax receipts for the five tax-types specified in the Events Reimbursement Fund statute. The chart shows amounts for March 2017 since the event occurred in February and taxes are collected in the month following the event. Four of the five tax types in the market area saw an increase in receipts when comparing tax receipts around the time period when the event was held with the same time period the year before. However, changes in tax receipts cannot reliably be attributed to any particular event.

<table>
<thead>
<tr>
<th>Sales Tax</th>
<th>2016 Q1</th>
<th>2017 Q1</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harris</td>
<td>$1,188,180,476</td>
<td>$1,194,955,560</td>
<td>$6,775,084</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hotel Occupancy</th>
<th>March 2016</th>
<th>March 2017</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harris</td>
<td>$8,765,058</td>
<td>$9,052,703</td>
<td>$287,646</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Car Rental</th>
<th>March 2016</th>
<th>March 2017</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Texas</td>
<td>$28,638,588</td>
<td>$29,400,858</td>
<td>$762,270</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Harris</td>
<td>$17,662,455</td>
<td>$18,790,980</td>
<td>$1,128,526</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Title 5 ABC</th>
<th>March 2016</th>
<th>March 2017</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Texas</td>
<td>$16,570,289</td>
<td>$15,807,006</td>
<td>$(763,284)</td>
</tr>
</tbody>
</table>

**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): 09/22/16
  - Deadline: 12/22/16, or no later than 45 days prior to the event
- Event Support Contract Received: 01/27/17
  - Deadline: 02/05/17, or prior to the event
- Attendance Certification Received: 03/10/17
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 even be attributed to any particular market area. The economic variables and limited detail of tax and participant data make it impossible to isolate the incremental tax generated by one particular event to the Texas economy. The development of a reasonably accurate economic impact study requires data state government cannot feasibly capture, such as the actual number of out-of-state-visitors attributable to the event, the actual per-day spending by each event attendee for each of the five allowable tax types, and the length of stay of each attendee. The OOG will continue to examine the collection and reporting of information relating to these major events in an effort to identify options for improvement in data collection to ensure that the purposes of the statutory post-event reporting requirement can be achieved.
EVENTS TRUST FUND

Application

Office of the Governor
Economic Development and Tourism (EDT)

APPLICANT NAME: Houston Super Bowl Host Committee

APPLICANT MAILING ADDRESS: 1331 Lamar St., Ste 510, ATTN: President, Houston TX 77010

EVENT NAME: Super Bowl LI

DATE(S) OF EVENT: January 28, 2017 - February 5, 2017

EVENT LOCATION: Houston, Harris County, Texas

DATE APPLICATION SUBMITTED: September 22, 2016
Events Trust Fund Application
Event Trust Fund (ETF), Major Events Reimbursement Program (MERP) or Motor Sports Racing Trust Fund (MSRTF)

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

An application will not be complete until all documents are submitted, with the exception of the Event Support Contract See checklist at the end of the application for required documents Deadlines for submission are as follows:
MERP: 45 days prior to the event, but no more than 1 year before the event
ETF & MSRTF at least 120 days prior to the event

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

SECTION 1: ENDORSING MUNICIPALITY OR COUNTY

| Name of Endorsing Municipality or County: | City of Houston / Harris County |
| Municipality or County Contact Name: | Andy Icken / Ed Emmett |
| Contact Title: | Chief Development Officer / County Judge |
| Contact Email: | andy.icken@houston tx.gov / judge.emmett@cj.o.hctx.net |
| Contact Phone Number: | 832-393-1064 / 713-755-4011 |

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

2. Has the endorsing municipality or county determined that it will contribute local funding (“local match”) to the Event Trust Fund, if established?  
   Yes ☑  No ☐

SECTION 2: LOCAL ORGANIZING COMMITTEE

1. Has the municipality or county authorized a nonprofit Local Organizing Committee (LOC) to enter into an agreement with the Site Selection Organization to host the event on behalf of the municipality or county?  
   Yes ☑  No ☐

2. If Question 1 is selected as “No,” the municipality or county must directly enter into an Event Hosting Agreement with the site selection organization.

If “Yes,” provide the following information for the LOC:

| Complete Business Name of LOC: | Houston Super Bowl Host Committee |
| LOC Contact Name: | Sallie Sargent / David Staas |
LOC Contact Title: President & CEO / Legal Counsel

Contact Email: ssargent@housuperbowl.com / dstaas@winstead.com

Contact Phone Number: (832) 213-5111 / (713) 650-2662

LOC Tax Payer ID#: 17606525016

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 Football League |
| Site Selection Contact Name: | Peter O'Reilly |
| Site Selection Contact Title: | Senior Vice President, Events |
| Site Selection Contact Email: | peter.oreilly@nfl.com |
| Contact Phone Number: | (212) 450-2656 |

*EDC 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: | $25,878,383 |
| State Share: | $22,308,951 |
| Local Share: | $3,569,432 |

*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: | $327,963,341 |
| Estimated Indirect & Induced Impact Total: | $275,106,573 |

*The Direct Impact and the Indirect & induced impact will equal the Total Fund Amount Request. These amounts include the state and local estimates.

**SECTION 5: EVENT INFORMATION**

<p>| Official Event Name: | Super Bowl L1 |
| Event Fund/Program being applied for: (ETF, MERP, MRTF) | MERP |
| Venue(s) of Event: | NRG Stadium, NRG Park, George R. Brown Convention Center, Discovery Green, and others. |
| Event Website: | <a href="http://www.nfl.com/superbowl/51">http://www.nfl.com/superbowl/51</a> |</p>
<table>
<thead>
<tr>
<th>Date(s) of the Primary Event:</th>
<th>February 5, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day set-up/load-in for the event will begin:</td>
<td>January 6, 2017</td>
</tr>
<tr>
<td>Day strike/load-out of the event will end:</td>
<td>February 12, 2017</td>
</tr>
<tr>
<td>Location of Event for the Previous 5 Years: (List most recent year first)</td>
<td>1. San Francisco, California Bay Area (2016)</td>
</tr>
<tr>
<td></td>
<td>5. Indianapolis, Indiana (2012)</td>
</tr>
<tr>
<td>Source of information for Previous Events:</td>
<td>NFL</td>
</tr>
<tr>
<td>Other locations outside of Texas considered to host the event:</td>
<td>San Francisco Bay Area and South Florida</td>
</tr>
<tr>
<td>Was the site selected as a part of a multi-year agreement? If yes, what years (past and future)?</td>
<td>No</td>
</tr>
<tr>
<td>Anticipated Total Attendance at Primary Event:</td>
<td>82,800</td>
</tr>
<tr>
<td>Anticipated Out of State Attendance at Primary Event:</td>
<td>62,864</td>
</tr>
<tr>
<td>Desired Market Area:</td>
<td>Harris, Montgomery, Fort Bend, Galveston, Brazoria, and Chambers Counties</td>
</tr>
<tr>
<td>Additional Information:</td>
<td>See enclosed Tax Impact Analysis by BDO USA, LLP</td>
</tr>
</tbody>
</table>

Upon conclusion of the event, verifiable attendance figures must be provided to EDT. The following methods will be accepted: ticket sales count, turnstile count, ticket scan count, convention attendee count, or participant totals (must be accompanied by ticket or turnstile count for MERP & MSRTF). Other methods may be accepted upon approval by EDT. Please explain which of these methods or another method, subject to approval, that will be used: Intercept survey and/or ticket purchase data.

**SECTION 6: CHECKLIST**

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

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

**Events Trust Fund Application** completed and signed.

**Selection Letter** clearly indicating a highly competitive selection process, and that the selection was based on an application by the endorsing municipality, county, or LOC. This selection letter must clearly indicate the selected LOC, the selected municipality, and the event date. The event date indicated in the letter must match the requested event date. The selection letter must be signed by the site selection organization.
Request Letter clearly indicating the municipality or county’s endorsement of the event and states the LOC (if applicable) along with the municipality or county’s contact. The information in the letter should coincide with the Selection Letter.

Economic Impact Analysis or data sufficient for EDT to determine the incremental increase in tax revenue associated with hosting the event. The data must include an estimate of the number of attendees from out-of-state, details on the direct expenditures and direct impact data for the endorsing municipality or county hosting the event for the requested market area, and the source of the information included. For MERP’s only, indirect and induced, or secondary impacts, should be included, and stated separately from the direct impact.

Event Support Contract executed between a LOC, an endorsing municipality, or an endorsing county and a site selection organization that outlines the responsibilities of each party, and signed by each party. Due no later than the date of the event; early submission will provide EDT with the opportunity to review the contract and address any issues prior to the event.

Affidavit of Endorsing Entity signed by each endorsing municipality, county and/or LOC.

Affidavit for Economic Impact signed by party(ies) providing economic impact analysis to support the request.

Note: Disclosure of Information under the Public Information Act. All documents submitted to the Office of the Governor (OGO) are 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.

Houston Super Bowl Host Committee

BY: [Signature]
Sallie Sargent

Title

Date 9/13/14
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, Sylvester Turner, an authorized representative of: the City of Houston, a endorsing municipality, ("Requestor") that is receiving funding through the Major Events Reimbursement Program ("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: Super Bowl LI on these dates: January 28 – February 5, 2017. 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.

Sylvester Turner
Printed Name

9/20/16
Date

Mayor, City of Houston
Title and Name of Organization

The State of Texas

County of Harris

Before me, a Notary Public, on this day personally appeared Sylvester Turner, known to me to be the person whose name is subscribed to the foregoing 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 20th day of September, 2016

Notary Public, State of Texas

(PERSONALIZED SEAL)

My commission expires the 25th day of JUNE, 2018
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, Ed Emmett, an authorized representative of: Harris County, a endorsing county, ("Requestor") that is receiving funding through the Major Events Reimbursement Program ("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;
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I understand that I am receiving funding under the Act for the purposes of facilitating this event: Super Bowl LI on these dates: January 28 – February 5, 2017. 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.

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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.

Affiant Signature

Name

County Judge, Harris County

Title and Name of Organization

Date

The State of Texas

County of Harris

Before me, a Notary Public, on this day personally appeared Ed Emmett, known to me to be the person whose name is subscribed to the foregoing 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 19th day of September, 2016

Notary Public, State of Texas

(PERSONALIZED SEAL)

My commission expires the 5th day of March, 2019

P.O. BOX 12428 | AUSTIN, TX 78711 | 512-936-0100 | WWW.GOVERNOR.STATE.TX.US
4842-4298-7320v.1 40735-47
AFFIDAVIT
for Economic Impact Documentation

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

I, Chris Johnson, 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: Super Bowl LI on these dates: January 28-February 5, 2017 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

Chief
Affiant Signature

Chris W. Johnson
Printed Name

Director, BDO (USA) LLP
Title and Name of Organization

9/12/16
Date

The State of Texas

County of Harris

Before me, a Notary Public, on this day personally appeared Chris W. Johnson, 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 12 day of September, 2016

Notary Public, State of Texas

(ALMA ARRIZOLA AMAYA
Notary Public, State of Texas
My Commission Expires
May 06, 2017)

(Print name of Notary Public here)

My commission expires the 6 day of May, 2017

TEXAS WIDE OPEN FOR BUSINESS

P.O. BOX 12428 | AUSTIN, TX 78711 | 512-936-0100 | WWW.GOVERNOR.STATE.TX.US
AFFIDAVIT
for Economic Impact Documentation

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

I, James D. Woods, Ph.D., 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: Super Bowl LI on these dates: January 28 - February 5, 2017 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.

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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.
The State of Texas
County of Harris

Before me, a Notary Public, on this day personally appeared James D. Woods, 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 12 day of September, 2016

Notary Public, State of Texas

My commission expires the 6th day of May, 2017
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, Sallie Sargent, an authorized representative of: Houston Super Bowl Host Committee, a Texas nonprofit corporation, and the local organizing committee for Super Bowl LI, (“Requestor”) that is receiving funding through the Major Events Reimbursement Program (“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: Super Bowl LI on these dates: January 28 – February 5, 2017. 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.

President and CEO, Houston Super Bowl Host Committee
Title and Name of Organization

The State of Texas
County of Harris

Before me, a Notary Public, on this day personally appeared Sallie Sargent, known to me to be the person whose name is subscribed to the foregoing 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 22nd day of September, 2016

(PERSONALIZED SEAL)

My commission expires the 2nd day of November, 2016
September 22, 2016

Ms. Nicole Ryf  
Director, Department of Economic Development Finance  
Economic Development and Tourism Division  
Office of the Governor of Texas  
P.O. Box 12428  
Austin, Texas 78711

Re: Request to Initiate Major Events Reimbursement Program for Super Bowl LI

Dear Ms. Ryf:

As you are aware, after a highly competitive selection process (including one or more sites not located in Texas), the National Football League (the "NFL") selected Houston, Harris County, Texas, as the sole site for Super Bowl LI and related activities ("Super Bowl LI") which will take place January 28 – February 5, 2017.

The City of Houston has endorsed and confirms in this letter its endorsement of Super Bowl LI, and requests your office (i) initiate and establish for Super Bowl LI the major events reimbursement program ("MERP") pursuant to Article 5190.14, VERNON'S TEXAS CIVIL STATUTES, Section 5A (the "Act"), (ii) provide a determination under Subsection (b) of the Act, and (iii) undertake the responsibilities and duties set forth in the Act with respect the Fund.

Andy Ickes, Chief Development Officer, is the designated contact at the City of Houston for purposes of the Fund. Houston Super Bowl Host Committee is the authorized local organizing committee for Super Bowl LI; it will be contributing local funding as the City of Houston's designee; and the designated contacts representing the local organizing committee are Sallie Sargent (ssargent@housuperbowl.com) and David Staas (dstaaas@winstead.com).

Very truly yours,

Sylvester Turner  
Mayor

JOINED BY:  
Houston Super Bowl Host Committee  
By:  
Sallie Sargent, President & CEO
September 19 2016

Ms. Nicole Ryf
Director, Department of Economic Development Finance
Economic Development and Tourism Division
Office of the Governor of Texas
P.O. Box 12428
Austin, Texas 78711

Re: Request to Initiate Major Events Reimbursement Program for Super Bowl LI

Dear Ms. Ryf:

As you are aware, after a highly competitive selection process (including one or more sites not located in Texas), the National Football League (the "NFL") selected Houston, Harris County, Texas, as the sole site for Super Bowl LI and related activities ("Super Bowl LI") which will take place January 28 – February 5, 2017.

Harris County has endorsed and confirms in this letter its endorsement of Super Bowl LI, and requests your office (i) initiate and establish for Super Bowl LI the major events reimbursement program ("MERP") pursuant to Article 5190.14, VERNON'S TEXAS CIVIL STATUTES, Section 5A (the "Act"), (ii) provide a determination under Subsection (b) of the Act, and (iii) undertake the responsibilities and duties set forth in the Act with respect the Fund.

I am the designated contact at Harris County for purposes of the Fund. Houston Super Bowl Host Committee is the authorized local organizing committee for Super Bowl LI; it will be contributing local funding as Harris County's designee; and the designated contacts representing the local organizing committee are Sallie Sargent (ssargent@housuperbowl.com) and David Staas (dstaas@winstead.com).

Sincerely,

Ed Emmett
County Judge

JOINED BY:

Houston Super Bowl Host Committee

By: Sallie Sargent, President & CEO
September 5, 2016

Ms. Nicole Ryf
Director, Department of Economic Development Finance
Economic Development and Tourism Division
Office of the Governor of Texas
P.O. Box 12428
Austin, Texas 78711

Re: Super Bowl LI in Houston, Harris County, Texas

Dear Ms. Ryf:

We are delighted to confirm that after a highly competitive selection process (including several sites not located in Texas), the National Football League ("NFL") selected Houston Super Bowl Host Committee (the "Host Committee") to host Super Bowl LI and related activities (collectively, "Super Bowl LI") in Houston, Harris County, Texas. The Super Bowl is held only once annually, and Houston will be the sole site for the event in 2017.

The Super Bowl is America’s unofficial holiday, a day when the attention of an entire nation is focused on one game between the championship teams of the American and National Football Conferences. The Super Bowl is our most important opportunity to celebrate with our teams, fans, and business partners. For the Houston region, Super Bowl LI will also be an economic engine to enhance community pride, generate major economic impact, and provide worldwide visibility.

The Super Bowl will include various Host Committee events and NFL official events. The NFL official events will include the NFL Experience (the NFL’s interactive football theme park) to be held at the George R. Brown Convention Center. A fan fest known as "Super Bowl Live" will be held in Discovery Green and surrounding areas in downtown Houston. The events and activities related to the Super Bowl will culminate with the Super Bowl LI Game to be held at NRG Stadium on February 5, 2017.

We are very excited about Super Bowl LI and look forward to working with the Host Committee in hosting an outstanding event.

Sincerely,

[Signature]

Peter O’Reilly
Senior Vice President, Events
Ms. Sallie Sargent  
President and CEO  
Houston Super Bowl Host Committee  
1331 Lamar St, Suite 510  
Houston, Texas 77010

Dear Ms. Sargent:

The Office of the Governor has completed its review of the application and economic information submitted by the Houston Super Bowl Host Committee for the establishment of an Event Trust Fund under Section 5A relating to Super Bowl LI (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:** Super Bowl LI  
- **Project Code:** 171012  
- **Location:** Houston, TX  
- **Market Area:** Greater Houston Area  
- **Venue:** NRG Stadium  
- **Date:** February 5, 2017

The estimated incremental increase in tax revenue to the State of Texas is $21,911,849.00 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:** $3,505,896.00  
- **Total contribution to the Event Trust Fund established for this event:** $25,417,745.00

Attendance metric used to estimate the incremental increase in tax revenue: 78,500 credentialed and ticketed fans on Super Bowl Sunday (02/05/17)
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: ge
# ATTENDANCE CERTIFICATION

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

<table>
<thead>
<tr>
<th>Event application submittal date:</th>
<th>September 22, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Development and Tourism (EDT) event application approval date:</td>
<td>October 10, 2016</td>
</tr>
<tr>
<td>Attendance Certification to be submitted to EDT no later than forty-five (45) days after the event date:</td>
<td>March 14, 2017</td>
</tr>
<tr>
<td>The attendance metric* identified by EDT to evaluate the estimated number of event attendees as part of the calculations for the incremental tax impact:</td>
<td>78,500 credentialed and ticketed fans on Super Bowl Sunday (02/05/17)</td>
</tr>
</tbody>
</table>

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

To be completed by the Applicant:

Event Name: Super Bowl LI - Project Code 171012

The TOTAL attendance at the PRIMARY EVENT was: 87,456

The estimated attendees NOT residents of Texas for the PRIMARY EVENT was: 64,085

Source(s) and methodology used to obtain attendance totals. The following methods will be accepted: ticket sales count, turnstile count, ticket scan count, convention attendee count, or participant totals (must be accompanied by ticket or turnstile count for MERP & MSRTF). If you are submitting another method, it should have previously been approved by EDT. See attached Attendance Analysis report dated March 9, 2017, by Economic Analytics Consulting for Houston Super Bowl Host Committee.

- 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: Sallie Sargent
Printed Name: Sallie Sargent
Title and Name of Organization: President & CEO
Date: 3/9/17

Submit the signed Attendance Certification to the Office of the Governor, Economic Development and Tourism at eventsfund@gov.texas.gov