

San Antonio Bexar County Soccer Public Facility Corporation

September 19, 2024

HBGCC Administrative Offices, Conference Room 1
900 E. Market Street, San Antonio, TX 78205

MEETING MINUTES

Members Present	Patricia Muzquiz Cantor, Director, Convention & Sports Facilities; Alex Lopez, ACM, City of San Antonio; Thomas Guevara, Chief of Staff, Bexar County Office of the County Manager; Dan Curry, Facilities Management Director, Bexar County
Members Absent	None
Others Present	Monica Ramos, Assistant Director, Convention & Sports Facilities; Javier Vasquez, Assistant to the Director, Convention & Sports Facilities; Jennifer Galindo, Fiscal Administrator, Convention & Sports Facilities; Julio Garcia, Contracts Manager, Convention & Sports Facilities; Juan Torres, Contract Officer, Convention & Sports Facilities; Lisa Biediger, Assistant City Attorney, CAO; Aanand Mehta, Spurs Sports & Entertainment; Amanda Cruz, Spurs Sports and Entertainment; Bobby Perez, Spurs Sports and Entertainment; Jose Lizardo, Spurs Sports & Entertainment; Joe Loomis, Spurs Sports & Entertainment

Call to Order

Board Chair Lopez called the meeting to order at 4:04 pm. Board Liaison Javier Vasquez conducted roll call. Board Members Lopez, Cantor, Guevara, and Curry were present. We do have a quorum.

Approval of minutes for the meeting of June 6, 2024

A motion for approval of the June 6, 2024, meeting minutes was made by Board Member Guevara and seconded by Board Member Curry. Motion passed. Board Member Cantor asked that a correction on the minutes be made on page 5 to change "*Cantor agreed to recommend... to having SAFC staff coming in to brief board on operations.*" No other changes or clarifications were made. Motion made by Board member Guevara to amend the minutes and seconded by Board member Cantor. Motion passed.

Item No. 4 – Briefing on LED Board Financials

Board Chair Lopez asked for a briefing on agenda item #4 first to have some context which would be helpful information in advance of taking action on the FY 2025 budget. Bobby Perez agreed and asked the Board to always refer back to the oversight of the lease agreement listed under Article A titled Stadium Management. The categories in the Stadium Management section state the obligations and the risk of the operations fall on SAFC. Perez spoke with Ray Rodriguez, Deputy City Attorney, regarding its context. SAFC wants to be a good partner and cooperate with the Board. The revenue and expense pieces are all under SAFC's obligations.

They can share general numbers but what they cannot share is any propriety sponsorship documents and agreements, even specific amounts. Every agreement SS&E enters into whether it be with Frost Bank, specific soccer organizations, HEB, is all subject to a separate confidentiality agreement.

SAFC will fulfill their obligations like field maintenance, concessions, groundskeeping, security etc., and sharing information with PFC Board. Policy actions or written guidelines could impact what the agreement says or doesn't say. We have some partners that will spend money on Frost Bank Center, NBA activations, and we have an active sales team in house that is always encouraging and trying to generate revenue for the Toyota Field and SAFC. The Toyota Field brand and SAFC brand has been a benefactor of some of those relationships.

Joe Loomis reported that the revenue generated for the 2022 season for the fixed boards around the field prior to having the LED boards was approximately \$315,000. For the 2024 year they are at approximately \$380,000. This is a combination of the LED boards and some of the fixed boards. The additional \$65,000 in improvements was not just from the LED Boards; it is also because of new sponsors on the Spurs side and larger deals with SAFC, jersey kits and other items that increases the value of the other assets such as the field boards received. Unfortunately, the \$65,000 increase cannot be attributed solely to the LED boards.

Board Chair Lopez asked if there was another way that SAFC could track more directly or when SAFC originally acquired the LED boards was there something SAFC could track that would provide a more tangible outcome to see if this was something SAFC wanted to continue with or not. Joe Loomis stated that if SAFC sees continued growth but would never be able to say specifically because of the LED boards there will be an increase of x, y or z amount. Only because over time as SAFC gets new, larger deals for any of the assets, be it for Spurs or SAFC, it's hard to attribute it to a specific deal.

Bobby Perez added that in the facilities operation's sports team ownership business, the market for an echelon of teams, field boards are required and are expected. The City has leased field boards for events previously due to sponsorship requirements. Essentially, we are content owners, so we are selling content to people promoting brands. Our marketing partner brands expect to have good quality digital field and scoreboards similar to what we have for the Alamodome.

Patricia Cantor asked if previously before 2022, was the average of the fixed boards \$315,000? Is that what the fixed boards would generate? Mr. Loomis said he would have to go back and look but believes it could have been higher year because the team was performing well and there was a lot of interest. Cantor would like a better sense of average for pre and post LED boards to get a better idea of the revenue increases.

Dan Curry asked if it was a Lease Agreement or a Purchase Agreement and what is the annual burden for LED? It was said to be \$97,000.00.

Board Chair Lopez asked if there were any other questions, there were none. Board Chair proceeded to thank the members for the briefing.

Agenda Item No. 2: FY2025 Budget

Monica Ramos reported that the Facility Access Fee (FAF) revenue average for the 2023-2024 year was \$205,000. In reviewing 2023, there were \$221,000 in Facility Access Fees; estimating to end FY 2024 with \$188,000.00 in Facility Access Fees. To be conservative, the 2025 season is projected to be the same amount as this fiscal year, of \$188,000. This is split between the Capital Reserve Fund and the Improvement and Maintenance Fund.

For the stadium rent, it is the rent plus the CPI and amounts to \$119,906.00 which will be split between the Capital Reserve and the Improvement and Maintenance Fund.

Going to the expense side, as of August 23, 2024, there is a beginning balance of \$105,208.00. There is enough to pay for the second payment of the LED boards which is \$97,948.00. Once there is more revenue collected for the July and August games, which is currently pending right now, then there will be funding to pay the popcorn machine that has already been approved from 2024. The anticipated revenue for 2024 is \$62,000.00 that includes the payments for July through September for the FAF and that amounts to \$62,963.00. By the end of September, the rent in the amount of \$58,434.00 will be received for a total revenue of \$226,605.00 for 2024. Total 2024 expenses which are the two approved projects amount to \$112,948.00 that will leave the 2024 balance of \$113,657.00.

Going into the 2025, estimated revenues of \$94,000.00 from Facilities Access Fees and the anticipated rent of the \$59,953.00 for a total revenue of \$154,398. There are two projects that SAFC is proposing. The first one being year three payment of the LED boards for \$97,000.00 and to replace two frozen beverage machines for \$16,000.00. That would leave the year-end balance for September of 2025 an estimated amount of \$113,977.00.

Dan Curry asked if the beverage machines were built in or free standing. Bobby Perez stated that they were all free standing. Curry asked why this is not in the Improvements Fund instead of the Capital Improvement since the machines can be picked up and moved. Perez stated because it is a good funding source, and the Capital Improvement is not defined in the Agreement. Originally, both parties chose not to classify Capital Projects when agreement was first set.

Monica Ramos corrected that the total projects total in 2025 would amount to \$113,977.00 with ending balance in the Capital Reserve Fund would be \$154,000. Mr. Loomis confirmed that the total estimated stadium rent for 2025 is \$119,000.00.

The Improvement and Maintenance Fund has a beginning balance as of August 23, 2024, of \$238,432.00. The anticipated Facility Access Fees for July through September to be \$62,000.00 and the rent \$58,434.00 that will be collected soon. That would be a total revenue of \$359,000.00 in this fund once all the funds are collected. The approved expenses are the following: the loading dock gate, the storage shed, replacing the benches, replacing three refrigerators, and replacing two freezers. Those total expenses are \$83,800.00; once the reimbursement requests are received, they will be processed and paid. That would leave the fund balance for the Improvement and Maintenance Fund to be \$276,029.50.

The 2025 revenue is the Facilities Access Fees of the \$94,444.00; the rent is \$59,953.00; so total revenue in 2025 is \$154,398.19. There were no proposed projects coming out of the

Improvement and Maintenance Fund so that would leave the fund balance at \$430,427.00 in year end of September 30, 2025.

Amanda Cruz mentioned that they did have proposed I&M projects and amounts were sent on a project list with a Summary Sheet to Juan Torres. On the Summary Sheet SAFC submitted, it has the project list for the capital reserve and an I&M total of \$212,000 that will be going to projects. The projects were not itemized this time.

Monica Ramos mentioned that in the past, Capital and I&M projects were itemized. SAFC provided an itemized list of Capital projects and gave a total number for I&M fund but was not clear on whether that was for projects or requesting amount to be the I&M ending balance.

Aanand Mehta stated that the I&M does not have specific projects, it's just a number and that's the distinction between the two funds. SAFC agreed to the new procurement process so there is the Capital Reserve Fund which has a separate process where projects are itemized, but the I&M fund does not require to have them itemized. This is just the response to the new process that was agreed to.

Cantor asked what was the amount that was recommended to reduce the Improvement and Maintenance fund and it was said to be \$212,080.92. The two projects are for the extension of the visitor's locker rooms due to the extra international games to accommodate bigger groups and is \$150,000.00. The remaining balance is to replace the rails of the front rows of the stadium which are rotting due to the water from the irrigation system hitting the rails over the last 12-13 years. The locker room will be completed in the next three weeks.

SAFC needs the improvements for the October 25 Summer Cup event. First time ever tournament between NWSL and Liga MX teams. The championship game will be in San Antonio and will be broadcasted on CBS. The teams are NY Gotham vs. KC Current. For this reason, the need for these improvements is a must. This is the only game not played in a NWSL stadium.

Patricia Cantor stated that these upgrades were more of a Capital Improvement rather than an Improvement and Maintenance item. D. Curry mentioned that the use of dollars is not being debated it's needing to define projects better from an auditing standpoint.

B. Perez explained that SAFC does this because it is a part of their big community impact efforts and it's a special place and that was the basis of this original Agreement. He asked that the board be flexible and wants to continue to be good partners.

Board Chair Lopez asked if there were any other questions regarding the budget. Guevara asked if the year 3 funds for the LED boards were not for additional boards, and it was confirmed that they are not.

P. Cantor makes Motion to transfer frozen beverage machines into the Improvement and Maintenance Fund, seconded by D. Curry. Amendment to Motion was passed and approved.

P. Cantor also made a Motion to delay payment of the third payment for the LED boards to a later date since the payment is not due until September 2025. P. Cantor confirmed that the

2025 budget will be amended when the year 3 LED payment is brought back on the agenda. T. Guevara seconded the motion. Amendment to Motion was passed and approved.

Chair Board Lopez asked if from now on should PFC not expect to see breakdown of Improvement and Maintenance projects like the breakdown that was provided in FY24 and only see total amount as one line. D. Curry stated he was fine with the approach so long as SAFC could confirm what the funds will be used for.

B. Perez stated the way the motion was stated is technically incorrect. The agreement is very clear on what is and what is not allowed, for the purposes of meeting minutes, SAFC will not concede away any of their rights that were negotiated and voted on by two separate bodies. There is no distinction on Capital Improvements as it's not a defined term, and there is no specific requirement on what it is. This facility in this agreement, is not the daily operations like COSA or the County This is unique and different, all permitted within the *Public Facilities Corporation Act* at the time this was established. Perez asked that this be noted on the record, because he does not want to end up in a situation later where SAFC has a \$100,000.00 item and the PFC Board states it should go in Capital X fund. That was not the intention of original agreement.

Cantor inquired then why are there two funds, why not just have one fund. Perez stated the mechanism when this agreement was originally negotiated, there was a lease payment discussion and ticket rebate fee discussion and the City and County asked to have some oversight on the facility. They decided to blend some of the agreements, historically the ATT Center agreement had a Cap X fund, and working on what COSA had with Missions baseball agreement with Nelson Wolff Field. County and City decided to split up the rent into two funds and SAFC to operate facility on thin margins. B. Perez stated that oversight language is clear in that PFC cannot unreasonably condition, delay or not approve projects. Board Chair Lopez stated she would like to meet with the City Attorney to discuss what was just approved and if it was under the purview of the agreement. Board Chair Lopez asked Board to go into Executive Session.

Meeting adjourned into Executive Session at 4:35. No action in Executive Session.

Executive Session adjourned at 4:51. No action in Executive Session.

Board Chair Lopez asked if there was a Motion for approval of the amended budget. D. Curry made a motion and T. Guevara seconded the motion. Amended 2025 Budget Approved.

Agenda item No. 3. Establishment of Capital Improvement Fund Reserve

Board Member T. Guevara made a motion to defer this item. Board Chair Lopez stated that she would welcome more feedback on this item. She would like more information on future anticipated/projected Capital Improvements before setting any kind of reserve either in policy or in practice. Whatever that becomes it is informed by what SAFC may already know and anticipate needing.

D. Curry mentioned the example of future forecasted items whether wants or needs, like having to upgrade elevators for accessibility and needing a new score board. Have a future forecast over the next five years on those bigger items. B. Perez stated that he would welcome future

discussions regarding augmentation to the policy that was agreed upon. He suggested a site visit to the facility as an opportunity to observe the facility. Perez also proposed PFC Board having an introductory meeting with NWSL representatives. Board Chair Lopez appreciates the invitation.

Chair Board Lopez stated there is a motion to defer agenda item No. 3 on the agenda. P. Cantor seconded the motion. Motion passed.

Meeting adjourned at 4:55pm.

DRAFT