



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 29

**Agenda Date:** April 6, 2023

**In Control:** City Council A Session

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**DEPARTMENT:** Convention and Sports Facilities

**DEPARTMENT HEAD:** Patricia Muzquiz Cantor

**COUNCIL DISTRICTS IMPACTED:** District 1, District 2

**SUBJECT:**

Local Contributions and reimbursements related to Event Trust Fund Program

**SUMMARY:**

Ordinance authorizing payment to the Texas Governor's Office Events Trust Fund of up to \$583,958.00 for local contributions for five events, authorizing the acceptance and distribution of reimbursement of qualified expenses of up to \$5,391,210 for 12 events hosted between 2020 and 2023, authorizing reimbursement agreements with third parties for the reimbursement and distribution of a total amount of up to \$711,769 for four of these events, and appropriating funds.

**BACKGROUND INFORMATION:**

The Events Trust Fund Program, established pursuant to Texas Government Code Chapter 480, provides municipalities and counties the opportunity to obtain reimbursement for eligible expenses related to hosting and attracting high-visibility, high-tax impact events to the State of Texas that would otherwise have taken place outside of the state. The Event Trust Funds may be utilized to pay for eligible expenses in attracting and securing the event such as hosting obligations to include costs associated with conducting an event to including acquisition of equipment or improving

facilities.

The Events Trust Fund applies local and state gains from sales and use, auto rental, hotel and alcoholic beverage taxes generated over a 30-day period from the date of an event or series of events conducted no more than once annually. Reimbursable dollars for these sports events are based on anticipated tax gain for a particular event. In order to obtain reimbursement for eligible expenses, municipalities are required to match funds that are deposited in the Event's Trust Fund on a ratio of 1:6.25.

The City of San Antonio has submitted local contributions of in the amount of \$201,900 for seven events held between 2020 and 2023 and will submit local contributions in an amount up to \$583,958 for five events to be held in FY 2023. As a result, it is anticipated that the City will receive reimbursements for qualified expenses relating to the 12 events in the amount of up to \$5,391,210 from the Texas Governor's Office Events Trust Fund.

#### **ISSUE:**

This ordinance authorizes submission to the Texas Governor's Office Events Trust Fund of up to \$583,958.00 for local contribution shares and authorizes the acceptance and distribution of reimbursement of qualified expenses of up to \$5,391,210.

Between 2020 and 2023, the Convention Center and the Alamodome hosted seven events that qualified for the Events Trust Fund program. For these seven events, the City has already submitted a total of \$201,900 of local contributions to be eligible for reimbursements. The seven events included:

- The Spring League
- Tiger Rock Martial Arts World Championship
- 2021 USA Taekwondo National Championship
- 2022 All American Bowl
- 2022 American Water Works Association Annual Conference
- Unite San Antonio Conference
- 2023 All American Bowl.

Of the expected reimbursement, \$372,786 will be deposited into the State Reimbursement Fund, \$72,978 will be deposited into the Convention Visitor's Facility fund, and \$711,769 will be reimbursed to four outside agencies through reimbursement agreements.

In FY 2023, the Convention Center and Alamodome will host five events that have qualified for the Events Trust Fund Program. This ordinance authorizes \$583,958 as local contributions for these events to be eligible for reimbursements. The five events include:

- 2023 WWE Royal Rumble
- 2023 American Academy of Allergy, Asthma, and Immunology Annual meeting
- 2023 IPW Conference
- American Society of Safety Professionals Safety 2023
- Team Beachbody Coach Summit 2023

Of the expected reimbursement in the amount of \$4,233,677, \$583,958 will be deposited into the State Reimbursement Fund and \$3,649,719 will be deposited into the Convention Visitors Facility Fund.

**ALTERNATIVES:**

If the funds are not submitted and reimbursement not accepted in relation to the Events Trust Fund, the City loses its opportunity to obtain funding for eligible operating expenses related to hosting these events. Lack of financial support for sporting or major events jeopardizes the City's ability to remain competitive in hosting these events in the future.

**FISCAL IMPACT:**

This Ordinance approves submission to the Texas Governor's Office Events Trust Fund of up to \$583,958.00 for local contribution shares and acceptance and distribution of reimbursement of qualified expenses of up to \$5,391,210. Of the \$5,391,210, \$956,744.00 is authorized to be deposited into the State Reimbursement Fund, \$3,722,697.00 is authorized to be deposited into the Convention Visitors Facility fund and \$711,769.00 is authorized to be reimbursed to outside agencies for expenses related to the events hosted between 2020 and 2023.

**RECOMMENDATION:**

An ordinance authorizing submission to the Texas Governor's Office Events Trust Fund of up to \$583,958.00 for local contribution shares for five events, authorizing the acceptance and distribution of reimbursement of qualified expenses of up to \$5,391,210 for 12 events hosted between 2020 and 2023, authorizing reimbursement agreements and payment to third parties for four of these events in a total amount up to \$711,769, and appropriating funds.