

**HARRIS COUNTY – HOUSTON SPORTS AUTHORITY
MINUTES OF THE BOARD OF DIRECTORS MEETING**

Thursday, October 6, 2016

STATE OF TEXAS }
HARRIS COUNTY – HOUSTON }
SPORTS AUTHORITY }

A meeting of the Board of Directors (the “Board”) of the Harris County – Houston Sports Authority (the “Authority”), a sports and community venue district, was held in the O’Connell Board Room of the offices of the Greater Houston Convention and Visitors Bureau, 1331 Lamar Street, Suite 700, Houston, Texas, on Thursday, October 6, 2016, commencing at 10:00 a.m. Written notices of the meeting, including the date, hour, place and agenda for the meeting, were posted in Harris, Fort Bend and Montgomery Counties in accordance with the Texas Open Meetings Act. The following Directors participated in the meeting: Chairman J. Kent Friedman, Directors Philamena Baird, Joseph Callier, Jess Fields, Manson Johnson, Laura Murillo, Bruce Oakley, Matt Rogers, Tom Sprague and Robert Woods. Ms. Janis Schmees Burke, Chief Executive Officer for the Authority; Mr. Tom Waggoner, Controller for the Authority; Mr. Mark Arnold, Andrews Kurth LLP, Counsel for the Authority; and Mr. Trey Cash, First Southwest Company, a division of Hilltop Securities, Financial Advisors for the Authority, were also present. Guests in attendance were: Rev. Michael Dunn, First Christian Church, Houston; Houston City Council Member, District E, and former Authority Board Member, David P. Martin; Ms. Joanye Henderson, County Commissioner Jack Cagle’s office; Mr. Steve Dormand, County Commissioner Steve Radack’s office; Mr. David Bray, and Ms. Lisa Gagnon, Vice President of Marketing, Houston Super Bowl Committee.

1. **Call to Order.** Recognizing that a quorum was present, Chairman Friedman called the meeting to order at approximately 10:00 a.m. He then introduced Rev. Michael Dunn, First Christian Church, Houston, who offered the invocation.

2. **Discussion and possible action on resolution authorizing the reappointments to the Board of Directors of the Harris County – Houston Sports Authority of Tom Sprague, County Position 6; and Manson Johnson, County Position 8; and the appointments of Cindy Clifford, City Position 1; and Willie J. Alexander, City Position 3; and swearing-in ceremony relating to same.**

Chairman Friedman then administered the Oath of Office to Directors Sprague, Johnson, Clifford and Alexander.

3. **Discussion and possible action on resolution recognizing and commending the efforts of outgoing members of the Board of Directors of the Harris County – Houston Sports Authority of Philamena Baird, City Position 1; Chau Nguyen, City Position 2; and Pamela J. Gardner, City Position 3.**

Chairman Friedman remarked on each of these Directors' years of dedicated service to the Board and to the Authority, and called for a motion on the resolutions recognizing that service. Motion was made by Director Callier, seconded by Director Fields, and passed unanimously. Chairman Friedman then presented an engraved crystal keepsake, along with a framed, commemorative version of the resolution, to Director Baird, in grateful appreciation from the Authority's Board of Directors and staff. Directors Gardner's and Nguyen's personalized items will be delivered to them, as they were unable to personally attend the meeting.

4. **Public Comments.** None.

5. **Presentation and approval of the minutes from the Board Meeting held on August 11, 2016.**

Chairman Friedman presented the draft minutes from the Board meeting held on August 11, 2016, which had been previously circulated for the Board's review, and called for a motion to approve. Motion was made by Director Sprague, seconded by Director Woods, and passed unanimously.

6. **Chairman's Report.**

a. **Update relating to the general upkeep of the professional sports stadiums.**

Chairman Friedman stated that the Authority's Board continues to focus on the long-term upkeep and maintenance of the stadiums through an appointed task force to oversee those objectives, and this process continues on an ongoing basis.

7. **Chief Executive Officer's Report.**

a. **Introduction of Ms. Lisa Gagnon, Vice President – Marketing, Houston Super Bowl Committee.** As Co-Chairman of the Volunteer Committee, Ms. Burke noted that the goal of qualifying 10,000 volunteers is just 200 people shy of meeting that goal, and the training of those volunteers will soon begin. She reported that the Authority's staff has been heavily involved in the effort, with three full-time people in place at the Volunteer Center, interviewing and qualifying thousands of volunteers. She also noted that the Houston Chapter of WISE is involved with the NFL's Women's Initiatives, and will also assist with planning a thank-you event for staff and volunteers following the Super Bowl. Ms. Burke then asked Ms. Gagnon for her report.

Ms. Gagnon's presentation included an update on the various initiatives surrounding Super Bowl LI, including:

- Touchdown Tour throughout the community ongoing before Super Bowl week
- Volunteer Center on GreenStreet
- The NFL Experience, Super Bowl LIVE and Super Bowl City footprint showed that all of these will take place in virtually one location, and will be active for ten (10) days.
- The "WOW" factor is "Future Flight", a virtual reality, free fan experience that is sponsored and conducted by NASA and the Johnson Space Center. In response to several questions from the Directors regarding lengthy lines and waiting times, Chairman Friedman noted that these will be very well managed with Disney's experienced involvement in the process.
- Houston LIVE overview;
- Broadcast information; and
- Sponsorship opportunities and benefits.

Ms. Burke commented that there are only 77,000 tickets available for the actual game, but all of the ancillary events will allow local people to experience Super Bowl.

Ms. Burke's report included details relating to:

- NCAA Division I Men's Soccer College Cup at BBVA Compass Stadium in December, which is the Final Four of soccer. Ms. Burke asked the Authority's Events Director, Mr. Chris Massey to present the Community Partnership Program. Mr. Massey gave an

- overview of the program which creates opportunities for underprivileged and underserved youth in the community to have a chance to experience college-level soccer.
- Attended *Sports Travel* magazine awards ceremonies, where the Authority received national recognition for the Amateur Event of the Year with the International Weightlifting Championships.
- Reported on the volunteer recognition and appreciation event for the AAU JO Games and Team Processing Center volunteers.
- Members of the Events team traveled to attend SportsLink, ConnectSports, and Olympic Assembly – national markets and symposiums for sporting event rights holders.
- Events team involved with the ASA 60+ Fast Pitch Softball Tournament in Houston; attended the BMX Championships in Rock Hill, SC; hosting the USOC’s Gateway to Gold – Paralympic event; and bidding for 2019 and 2020 BMX World Championships.
- Texas Bowl update.
- Greater Houston Partnership has formed an Arts, Culture, Tourism & Sports group (ACTS), which the Authority is helping to create.
- Commended Director Sprague for his efforts on the 9/11 event in honor of Director Catuzzi and his daughter.
- The Authority’s office relocation to the new Partnership Tower is expected to take place by November 15; Mr. Hall gave a visual update of the space.

8. Finance Committee Report.

a. Review of Quarterly Investment Report and Quarterly Portfolio Compliance Report for Quarter Ending June 30, 2016. Director Fields reported that investment earnings for the second quarter totaled \$171,534. At June 30, the average portfolio bond equivalent yield was at a rate of .64%, which reflects an exceptional market rate for the second quarter, according to First Southwest. Investment earnings for 2016 are expected to total over \$658,473, compared to \$127,000 in 2015. He noted that all investments are in compliance with the Public Funds Investment Act.

b. Discussion of unaudited 2016 year-to-date financials. Director Fields reported that Motor Vehicle Rental Tax revenue collections were \$17,158,293, which are behind year-to-date

budget of \$17,235,642, or one-half of one percent. He noted that Hotel Occupancy Tax collections were \$21,978,650, which exceeded the budget of \$21,353,857 by three percent, due in part from collections for the second quarter, which included the NCAA Final Four and Copa events. He reported that investment income is 105% over budget, which is due to Mr. Waggoner and his team's close management of the investment accounts which has allowed the Authority to move from single-digit increases in past years. Director Fields stated that all expenditures are under budget, with the exception of one category, which is over by about \$300,000.

c. **Discussion of proposals submitted for external audit services for the 2016 audit year.** Director Fields noted that Mr. Waggoner and his team are in the process of reviewing proposals for external audit services for the 2016 year.

9. **Chairman Friedman announced that, pursuant to provisions of Chapter 551, Texas Government Code, the Board shall deliberate in Executive Session on the following: Consultation with attorneys on legal matters; deliberation on real estate matters; and deliberation on personnel matters.**

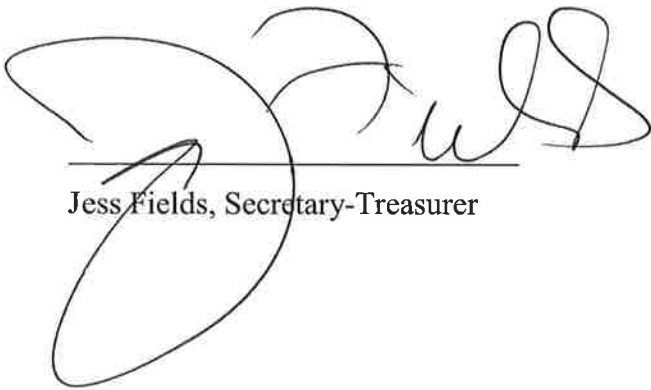
At approximately 11:05 a.m., the Board of Directors recessed into a closed meeting to deliberate on the agenda items. Following Executive Session, the Board reconvened in open session at approximately 11:23 a.m.

10. **Discussion and possible action on a resolution regarding application of funds in the Debt Repayment Account created by the Fourth Amended and Restated Indenture of Trust between the Authority and UMB BANK N.A., as trustee, including approval to engage professionals as necessary.** Upon return from Executive Session, Director Fields reported that the Trust Indenture for the Series 2014 A-C bonds established a debt repayment account to be used to retire certain bonds when funds in the account exceed \$5 million. He stated that there is currently over \$6 million in the account; therefore, as a requirement of the indenture, and upon oversight and recommendation provided by First Southwest, Director Fields moved that the resolution be approved, it was seconded by Director Callier, and passed unanimously.

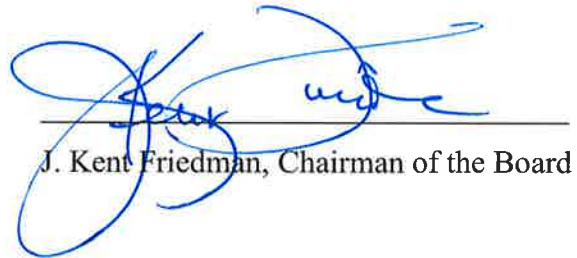
11. Comments by Directors.

12. Adjournment. There being no further business to come before the Board, and after motion made by Director Rogers and seconded by Director Callier, the meeting was adjourned at approximately 11:30 a.m.

Adopted and approved this 15th day of December, 2016.



Jess Fields, Secretary-Treasurer



J. Kent Friedman, Chairman of the Board