

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

Thursday, August 11, 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, August 11, 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, Matt Rogers, and Robert Woods. Ms. Janis Schmees Burke, Chief Executive Officer for the Authority; Mr. Tom Waggoner, Controller for the Authority; and Mr. Mark Arnold, Andrews Kurth LLP, Counsel for the Authority; were also present. Guests in attendance were: Rabbi Joshua Herman, Congregation Beth Israel, Houston; Mr. Ryan Walsh, Harris County Judge Ed Emmett’s office; Ms. Joanye Henderson, County Commissioner Jack Cagle’s office; Mr. Steve Dormand, County Commissioner Steve Radack’s office; Mr. Chris Canetti, Mr. David Tagliarino, Mr. Frank Arnold, Mr. Tanner Burns, Mr. David Garcia, and Mr. Lance Eversole, representing BBVA Compass Stadium and the Houston Dynamo; Mr. Reid Ryan and Mr. Mike Slaughter, representing the Houston Astros; and Mr. Rodney Hyde, local taxpayer.

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 Rabbi Joshua Herman, Congregation Beth Israel in Houston, who offered the invocation.

2. **Public Comments.** None.

3. **Presentation and approval of the minutes from the Board Meeting held on June 2, 2016.**

Chairman Friedman presented the draft minutes from the Board meeting held on June 2, 2016, which had been previously circulated for the Board’s review, and called for a motion to approve. Motion was made by Director Callier, seconded by Director Rogers, and passed unanimously.

4. Chairman's Report.

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

Chairman Friedman stated that the Authority's Board has been focusing on the long-term upkeep and maintenance of the stadiums, has put together a task force to oversee those objectives, and this process continues on an ongoing basis.

b. Update on office space lease. Chairman Friedman asked Ms. Burke for an update on the current status of the Authority's office relocation. Ms. Burke said that current plans are to physically relocate to the new office building on November 1. She noted that Houston First plans to move in two stages – one will be September 1, and the last will be October 1. Ms. Burke said this will impact the location for the Authority's October Board meeting, but that information will be provided to the Directors as it becomes available.

c. Discussion and review of Board workshop held Saturday, June 4. Chairman Friedman reported that a publically posted Board workshop was held on June 4. He noted that a new proposed Vision Statement and a new proposed Mission Statement was drafted at that workshop, which will be circulated to all of the Directors for their input before officially adopted. Chairman Friedman said that the staff will also be working on three- and five-year plans for both the short-term and intermediate range, based on what came out of the workshop. He stated that the workshop was very successful and thanked all of the Directors who were able to attend.

d. Confirmation of the County's receipt of payment. Chairman Friedman noted that at the last meeting, the Board approved the transfer of \$5.085 million in hotel and car rental tax revenue to the County Repayment Account, and County Commissioners Court accepted those funds on July 19.

e. 2015 Personal Financial Statements. Chairman Friedman announced that all of the Directors' Personal Financial Statements have been filed on a timely basis with the Texas Ethics Commission, as required by law, and copies have been provided to the Authority's office.

f. Chairman Friedman took the opportunity to thank Ms. Burke and the Authority's staff for their dedication and hard work on all of the events this year, which include Rugby Argentina, the three Copa matches, NCAA Women's Golf Championship, USOC Team Processing for Rio, and the 50th Anniversary of the AAU Junior Olympic Games. He wanted to convey the Directors' appreciation to the entire staff for their dedication and countless hours of hard work that went into making these events the great successes they are.

Chairman Friedman noted that although the Super Bowl has a separate committee, they have looked to the Authority to assist them in a number of different ways. Ms. Burke is co-chair of the Volunteer Committee, and Mr. Hall will assist with the event operations side. Ms. Burke said that the Authority will be heavily involved from this point forward.

g. Introduction of Reid Ryan, President of Business Operations, Houston Astros.

Chairman Friedman reminded everyone that the professional sports stadiums are community assets, and that improvements to the stadiums, including those paid for by the teams, require the approval of this Board. He then introduced Mr. Ryan.

Mr. Ryan said that the Astros have looked at ways to improve the fan experience at Minute Maid Park. He noted that on April 2, 2015, the Board approved the conceptual design of the requested improvements, subject to further approval by the Board when final plans and specifications were presented. Mr. Ryan further explained that with the team's playoff run at the end of last season, the decision was made to postpone the improvements until the end of the 2016 season.

Mr. Ryan said that final approval from this Board is being sought at this time, and he began a video presentation of the proposed changes. Mr. Ryan paused at this point in his presentation upon the arrival of a special guest.

h. Introduction of Special Guest. Chairman Friedman introduced Mayor Sylvester Turner and welcomed him to the meeting. Mayor Turner thanked the Authority for inviting him and expressed his delight at being to be able to attend. He thanked the Authority for all that it does to bring these sporting events to Houston. Mayor Turner commented that he was looking forward to working with the Authority. Chairman Friedman said that the Authority does a great deal of sports marketing and has been very successful in that regard. He then asked Ms. Burke for a brief update on recent and future events that the Authority is planning.

5. Chief Executive Officer's Report. Ms. Burke's report included details relating to:

- Copa America Centenario commemorated its 100-year anniversary, and this was the first time the event was held outside of South America. Copa chose Houston as one of the 32 venues across the country for three of the matches. In Houston, new tournament records were set for attendance, television and digital audiences, and brought a \$40 million impact to our city. Mayor Turner was in attendance at the groundbreaking of a new soccer field that will be built with proceeds from the Copa tournament, and the

NCAA Division I Men's Soccer College Cup coming to BBVA Compass Stadium in December.

- Olympic Day in Houston was held at BBVA Compass Stadium, and hosted by BBVA and the new Houston chapter of WISE (Women in Sports and Events). Several Houston Olympians participated.
- Houston served as the processing center for all of the Team USA Olympians on their way to compete in the Rio summer games. The Authority's events team facilitated all of it, the Olympians were impressed, and the USOC was very complimentary of our team. Ms. Burke said that the processing for the Paralympians will begin shortly.
- The 50th Anniversary of the AAU Junior Olympic Games was hosted at seven different venues around the county. Records for attendance and most merchandise sold at any Junior Olympic Games competition were reached in Houston this year. There were also 44 national records set in Track & Field and one world record.
- The World Transplant Games was not awarded to Houston, but to London, in spite of a phenomenal effort on the part of our staff.
- Bids in process for National Championships:
 - NCAA Volleyball, Basketball, Golf and Soccer
 - SWAC
 - USA Team Handball
 - Crossfit Games
- Bids in process for World Championships:
 - Taekwondo
 - Cycling – BMX
 - Judo
 - Rugby League Cup
 - Combat Games
 - Street Games
- Other projects currently in the works include:
 - Working with the Greenspoint Redevelopment District for developing a sports complex that would bring IndyCar back to Houston;

- Assisting with the development and building of a privately owned 7,000-seat rugby complex; Pro12 Rugby is interested in possibly putting a professional team in Houston, making it the first in the United States.
- Upcoming events for 2016 and 2017 include:
 - AdvoCare Texas Kick-off Game at NRG
 - American Softball Association's 60+ Fast Pitch at Memorial Park
 - Gateway to Gold Performance Event at University of Houston
 - Gateway to Gold Intro to Sports at the GRB
 - NCAA Division I Men's College Cup at BBVA
 - AdvoCare v100 Texas Bowl at NRG
 - Chevron Houston Marathon
 - Super Bowl LI
 - Bassmaster Classic at Lake Conroe and Minute Maid Park
 - World Corporate Games at the GRB and other various venues

Ms. Burke closed her report with a video presentation from the annual scholarship award event sponsored by the Texas Association of Sports Officials. The baseball umpires of this organization, of which Director Sprague is a member, raises scholarship money that is awarded to outstanding high school senior baseball players. Jackson Ryan, son of the Astros' Reid Ryan, was awarded the TASO Inspirational Award.

Chairman Friedman thanked Mayor Turner for coming, and asked Mr. Ryan to resume his presentation of the proposed changes to the Stadium. Mr. Ryan noted that the proposed changes are estimated to cost \$18.7 million and will be fully funded by the Astros. The timeline calls for all of the improvements to be completed by Opening Day 2017, and will put the stadium at the top of baseball stadiums across the country. He concluded by requesting formal approval from the Authority's Board.

6. Discussion and possible action on a resolution relating to the Astros' request for capital improvements at Minute Maid Park. After questions asked by the Directors and answered by Mr. Ryan, Chairman Friedman asked Mr. Ryan to convey the Authority's appreciation for this investment in the Stadium to Mr. Crane. He then called for a motion on the resolution approving the Astros' request. Motion was made by Director Woods, seconded by Director Baird, and passed unanimously.

7. **Discussion and possible action on a resolution relating to the Authority's participation in the Texas GSA (General Services Administration) Program, and Texas Multiple Award Schedule (TXMAS).** Chairman Friedman asked Mr. Waggoner to give a brief overview of this agenda item. Mr. Waggoner reported that these are cooperative purchasing programs run by the State of Texas, open to state and local government units, and a board resolution authorizing participation is required by statute. He noted that by using vendors whose contracts have been awarded through a competitive bidding process, participants save a significant amount of money. Chairman Friedman called for a motion on the resolution, motion was made by Director Baird, seconded by Director Rogers, and passed unanimously.

Chairman Friedman asked Director Fields, as Chairman of the Finance Committee, to provide his report.

8. **Review of 2016 year-to-date financials.** Director Fields reported that the unaudited 2016 year-to-date financials show that Motor Vehicle Rental Tax collections exceed budget by approximately 1.0 percent; and that Hotel Occupancy Tax collections exceed budget by approximately 30 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 59% 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. Mr. Fields stated that all expenditures are under budget. Chairman Friedman noted that the revenue collection numbers for 2016 were budgeted at 13 percent lower on hotel tax and seven percent lower on motor vehicle rental tax than those of 2015 because of the energy industry downturn. Mr. Waggoner commented that while collections are below those of 2015, collections are exceeding what was budgeted.

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.**

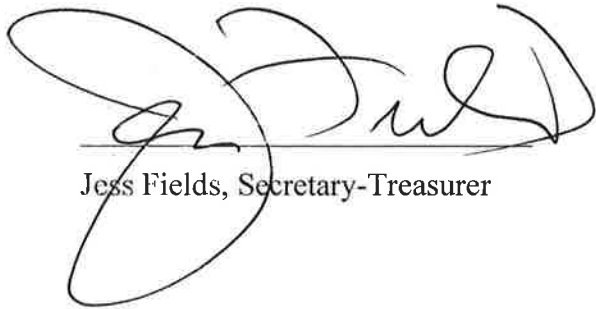
At approximately 11:00 a.m., the Board of Directors recessed into a closed meeting to deliberate on the agenda items. Following Executive Session, the Board reconvened in open session at approximately 11:15 a.m.

10. **Discussion and possible action on a resolution to approve BBVA Compass Stadium's request regarding insurance coverage limits.** Upon return from Executive Session, Chairman Friedman called for a motion to approve the resolution. Motion was made by Director Johnson, seconded by Director Murillo, and passed unanimously. Mr. Canetti thanked the Authority for its partnership over the years, and its willingness to work with BBVA on this request. Chairman Friedman commented that the Authority appreciated the great partnership with BBVA and the Houston Dynamo as well, and was happy to reciprocate and approve this request.


11. **Comments by Directors.**

12. **Adjournment.** There being no further business to come before the Board, and after motion made by Director Johnson and seconded by Director Murillo, the meeting was adjourned at approximately 11:25 a.m.

Adopted and approved this 6th day of October, 2016.



Jess Fields, Secretary-Treasurer



J. Kent Friedman, Chairman of the Board