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

Thursday, August 6, 2015

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 6, 2015. 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, Gregory Compean, Stephen Fraga, Pam Gardner, and Matthew Rogers, Jr. Ms. Janis Schmees Burke, Chief Executive Officer for the Authority; Mr. Tom Waggoner, Controller for the Authority; and Mr. Gene Locke, Andrews Kurth LLP, counsel for the Authority, were also present. Guests in attendance were: Ms. Valoree Swanson, Harris County Tax Assessor-Collector’s office; Mr. Ryan Walsh, Harris County Judge Emmett’s office; Ms. Joanye Henderson, Harris County Commissioner R. Jack Cagle’s office; Mr. Marcel Braithwaite, Houston Astros; Mr. Doug Hall, 2016 NCAA Men’s Final Four; and Mr. Doug Castleberry, EnWave USA.

1. **Call to Order.** Recognizing that a quorum was present, Chairman Friedman called the meeting to order at approximately 10:40 a.m. He then asked Mr. Locke to offer the invocation.
2. **Action on resolution recognizing the reappointment to the Board of Directors of the Harris County – Houston Sports Authority of Bruce D. Oakley, Position 10, and swearing-in ceremony relating to same.** Chairman Friedman stated that Director Oakley had been reappointed by Commissioners Court to another two-year term on the Authority’s Board of Directors. He noted that Director Oakley was not present, but said that he would be sworn in upon his arrival, or at a later meeting date.

3. Public Comments. Chairman Friedman asked Mr. Braithwaite to give the Board an update on the Astros' plans to upgrade the stadium. Mr. Braithwaite reported that the public announcement has been made on Center Field and that schematic and design documents for the proposed changes have been prepared. He said that the first bid package numbers have been received for vertical transportation (elevators/escalators), steel, concrete and demolition, which has allowed the Astros' organization to narrow the projected costs to approximately \$15.8 million for the proposed renovations. He stated that there have been some owner additions and subtractions to the original plans, including the postponement of the Hall of Fame portion, but that a revised master plan was being prepared that would be brought before the Authority's Board for final approval.

Mr. Braithwaite stated that the increased development around the Ballpark was causing severe limitations on available public parking, especially when events were scheduled simultaneously at Minute Maid, BBVA Compass Stadium, Toyota Center or the George R. Brown Convention Center, despite the venues' collaborative efforts to coordinate timing on overlapping events. Additionally, he said that some of the smaller, independently owned surface lots have charged as much as \$80 per car for multiple-event parking, and that street parking was severely limited with the construction resulting from redevelopment of five (5) city blocks in the area of the Ballpark. Mr. Braithwaite said that while the growth was exciting, the lack of parking will make it increasingly difficult for citizens to come downtown to enjoy the venues, and that this was an area that would need to be addressed in the not-too-distant future. He assured the Board that traffic flow and safety of the fans is of paramount importance, and stated that the Astros' organization was being very proactive on both of these fronts.

Chairman Friedman noted that the Board previously gave preliminary approval to the Astros' planned renovations to the Stadium, contingent upon its review and subsequent approval of the final plans. He also advised Mr. Braithwaite that there would be questions about the decision to postpone the Hall of Fame portion which was contained in the earlier proposal. Chairman Friedman reminded Mr. Braithwaite that the next Board of Directors meeting was scheduled for October, but that if the Board's final approval was required prior to that time, a Special Meeting of the Board of Directors would need to be scheduled. He stated that final Board approval depended on the Astros' ability to gather the necessary information and documentation to present to the Board for its approval at a date in the not-too-distant future, and the obligation to coordinate a date to bring before the Board.

Mr. Braithwaite noted that he hoped to have final designs, specifications and costs within the next few weeks. He stated that he was hopeful the Astros could continue with the permitting process

because that does take a very long time, and he would like to continue with that process up to the point of actually committing to the work. Mr. Braithwaite noted that plans to actually begin renovations might have to be postponed, anyway, due to the possibility of the team reaching a spot in the playoffs. Chairman Friedman stated that the Authority was happy to cooperate in any way possible, but did not want to get into a position that, for whatever reason, the Authority, as landlord, decided not to approve the renovation program, thereby reaching a point of no return. He further noted that no problems were anticipated, but wanted to systematically go through the required process. Mr. Braithwaite said he understood the Board's position.

4. **Chairman's Report.**

a. **Ad hoc committee update relating to the general upkeep of the professional sports stadiums, and other matters related thereto.** Chairman Friedman stated that an ad hoc committee had been formed to take an in-depth look at the existing stadiums to determine what needed to be done to improve and maintain to ensure they remain state-of-the-art. He said that Directors Sprague and Gardner, along with Mr. Doug Hall and the Authority's Controller, Mr. Tom Waggoner, comprised this committee. Chairman Friedman reported that this matter was moving forward, and that the committee was now in the process of determining if a consultant was needed, what field trips might be required to view other venues, etc.

b. **Presentation and approval of the minutes from the Board Meeting held on June 4, 2015.** Chairman Friedman presented the draft minutes for the Board meeting held on June 4, 2015, which had been previously circulated for the Board's review. Director Gardner moved that the minutes be approved, and Director Baird seconded the motion. The motion passed unanimously.

c. **Discussion relating to scheduling a Board retreat to discuss new strategic planning.** Chairman Friedman announced plans to schedule a Board retreat, the purpose of which would be to provide an opportunity to discuss long-term, strategic plans for the future of the Authority. He stated that this would be held on a Saturday, from approximately 10:00 a.m. to 2:00 p.m., at a venue to be determined, and noted that more information with details would be forthcoming.

d. **Discussion and possible action on resolution approving Astros' requests for Minute Maid Park's Chilled Water Contract Amendments and Guarantee Agreement, and approving other matters related thereto.** Chairman Friedman stated that CenterPoint Energy was the provider for the chilled water process that was installed when the Ballpark opened, and CenterPoint gave a Guarantee to the Astros for that system. He noted that CenterPoint is no longer involved with this

particular system, but the Guarantee still exists in the old paperwork. Chairman Friedman acknowledged Mr. Doug Castleberry of EnWave, whose organization now provides this process to the Astros, and is prepared to give the requisite Guarantee. He stated that the Board has been asked to approve this matter, and called for a motion. Motion was made by Director Fraga, seconded by Director Baird, and passed unanimously.

e. **Report on tour of University of Houston's athletic facilities.** Chairman Friedman reported that University of Houston's Athletic Director, Mr. Hunter Yurachek, extended an invitation to the Board at the June meeting to tour the facilities, and that he and Directors Callier, Fields and Fraga participated in an enjoyable tour at the University, including the new, very impressive football stadium.

5. **Financial Update.**

a. **Presentation and discussion of Quarterly Investment Report and Quarterly Portfolio Compliance Report for quarter ending June 30, 2015, and other matters related thereto.** Chairman Friedman asked Mr. Waggoner to update the Board on the Authority's financials. Mr. Waggoner reported that the total investment portfolio for the Authority is \$120,011,621, invested primarily in money market funds and other short-term investments, such as discount commercial paper. He noted that the portfolio's yield for the quarter exceeded the benchmark and all investments complied with the Authority's Investment Policy.

b. **Discussion and review of the 2015 year-to-date financials, and other matters related thereto.** Mr. Waggoner reported that year-to-date Motor Vehicle Rental Tax revenues are currently under budget by approximately 4%, but are ahead of last year's actuals by approximately .5%. He said that year-to-date Hotel Occupancy Tax collections were under budget by 5.9%, and are behind last year's actuals by approximately .5%. Mr. Waggoner noted that the combined year-to-date MVRT and HOT collections are just slightly ahead of last year, or \$7,725. Summarizing, he said that total year-to-date collections are approximately 4.5% under budget for 2015. Mr. Waggoner reported that collections coming in now will include revenues from the Offshore Technology Conference, as well as increased car rental revenues resulting from the floods. Chairman Friedman asked about possible impact to the Authority's operations if this trend continued, and Mr. Waggoner stated there will be no impact on operations and the Authority will be able to meet all of its debt obligations. He further reported that all expenditure categories are within budget. Ms. Burke commented that 2016 is

expected to be a good year with large sporting events, such as the NCAA Men's Final Four and AAU Junior Olympics, taking place.

6. Chief Executive Officer's Report.

a. Update on activities and sporting events.

- Ms. Burke distributed an Event Calendar, which includes booked events, annual events, and pending events that the Authority has submitted bids on.
- She then gave a report on the Authority's PR and Community Relations efforts relating to the following:
 - Partnered with George Springer, a Houston Astros' player with a stuttering disorder, and who dedicates his time to events that benefit children who also stutter. The Authority assisted with media coverage, marketing of the event, and connected him with other bowling organizations in the region.
 - June 23 was designated as Olympic Day around the world, and Houston, as a USOC Community Partner, held its event at the YET Center at Finnegan Park in Commissioner Lee's precinct. Houston's Olympic Day had the most Olympians and Paralympians participating this year than any other location in the United States. BP sponsored lunch for the 150 children who were in attendance and also provided shirts for them. The children received flags, medals, and had many photo opportunities with the Olympians and Paralympians present. The focus in Houston this year was weightlifting, and the children were thrilled to participate. Media coverage was excellent. A set of weights from the IWF competition will be donated after the event, and USA Weightlifting is working with the Authority to certify a weightlifting coach at the YET Center to develop an after-school program.
 - The Major League Lacrosse All-Star Weekend took place June 12-14 at BBVA Compass Stadium. Reported attendance by the Lacrosse promoter was 10,000, which was an attendance record for an All-Star Game. She reported that Major League Lacrosse was extremely happy with the results.
- Ms. Burke gave an overview of activity on booked events through the end of 2015, including:
 - Gateway to Gold – September 20, 2015
 - World Weightlifting Championships – November 2015
 - USA Track & Field Annual Meeting – December 2 – 6, 2015

- SWAC Football Championship – December 5, 2015
- Rotary Lombardi Awards – December 9, 2015
- An overview of activity on booked sporting events in Houston for next year and beyond was highlighted
- Outstanding and/or upcoming bids were distributed to those present.
- Report on miscellaneous staff activity included:
 - Ms. Burke circulated the bid book which was submitted to WWE WrestleMania to the Directors to view and to also showcase the creative talent of the Authority's staff. This event has been reported by other cities to have an approximate \$100 million economic impact if awarded. Houston is competing with 14 other cities.
 - The Grand Prix is interested in returning to Houston, and the Authority has been working with them to find a location. An announcement will be made in the future that the Grand Prix of Houston will be held at the MSR Houston track in Angleton, if the details can be worked out. All ancillary events and housing needs would be accommodated in Harris County or the City of Houston. MSR Houston plans to put \$15 million into its facility to accommodate the Grand Prix.
 - Plans are continuing to move forward to construct a new BMX Bike Park located across Interstate 45 from the Skate Park in the Greenspoint area of north Houston.
 - In conjunction with the decision to build a new BMX Bike Park, the Authority is working with Greenspoint to assist in possibly moving the BMX Headquarters and international training site to Houston.
 - Event Trust Funds program is moving to the Governor's Office of Economic Development on September 1, and we believe this will improve and streamline the filing process.
 - New office space plans are proceeding.
 - Attended the Beyond Sport event, and met Ben Jackson, a powerlifting athlete with cerebral palsy. Showed the group of video.

7. 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 11:30 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 12:20 p.m.

8. Building Committee Report.


a. **Discussion and possible action on a resolution relating to the Authority's administrative office relocation due to the current sublease with the Greater Houston Convention and Visitors Bureau becoming obsolete with their realignment with Houston First Corporation; and delegating authority related thereto.** Chairman Friedman referred to the resolution in the Agenda book reflecting this action and called for a motion to approve. Motion was made by Director Gardner, seconded by Director Baird, and was approved unanimously.

b. **Discussion and possible action on a resolution to retain the Lauck Group as the architectural firm to design the Authority's office space in a new location; and delegating authority related thereto.** Chairman Friedman referred to the resolution in the Agenda book reflecting this action and called for a motion to approve. Motion was made by Director Baird, seconded by Director Fraga, and was approved unanimously.

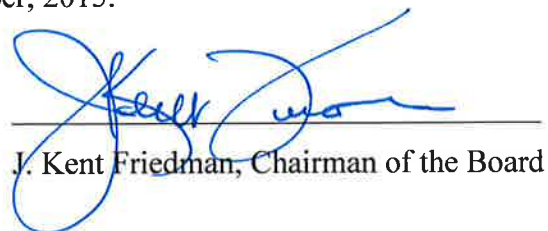
9. Comments by Directors.

10. **Adjournment.** There being no further business to come before the Board, and after motion made by Director Gardner and seconded by Director Fraga, the meeting was adjourned at approximately 12:35 p.m.

Adopted and approved this 1st day of October, 2015.



Jess Fields, Secretary-Treasurer



J. Kent Friedman, Chairman of the Board