

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

2. **Discussion and possible action on resolution recognizing the reappointment to the Board of Directors of the Harris County – Houston Sports Authority of Jess Fields, County Position 9; and Bruce D. Oakley, County Position 10; and swearing-in ceremony relating to same.** Chairman Friedman administered the Oath of Office to Directors Fields and Oakley.

3. **Presentation and approval of the minutes from the Board Meeting held on October 5, 2017.** Chairman Friedman presented the draft minutes from the Board meeting held on October 5, 2017, which had been previously circulated for the Board's review, and called for a motion to approve. Motion was made by Director Oakley, seconded by Director Rogers, and passed unanimously.

4. **Chairman's Report.**

a. **Congratulate Houston Astros on World Series win.** Chairman Friedman congratulated the Astros on their terrific World Series win, and the Directors thanked Mr. Braithwaite for bringing the World Series trophy to the meeting and for the great partnership the Authority enjoys with the Astros.

b. **Update on federal tax overhaul plan as it relates to future bonds issued for construction of, or capital expenditures for, professional sports stadiums, arenas or facilities; and other matters related thereto.** Chairman Friedman asked Mr. Trey Cash to provide an update on proposed tax legislation that could impact the Authority in future financings and/or refinancings. Mr. Cash reported that the House and Senate have both passed a version of a bill relating to the tax-exempt status of future bonds issued by and/or for sports facilities, but it is not clear if the proposed legislation relates to new money or refinancing. He noted that if the legislation passes, future bonds would be issued on a taxable basis, and would be more costly. Chairman Friedman summarized by stating that in 2014, the Authority refinanced a significant amount of its bonds on a tax-exempt basis and saved the community over \$100 million. If this legislation passes, the opportunity to recognize these types of savings will not be available.

c. **Update on Astros lease extension.** Chairman Friedman reported that the Astros lease at Minute Maid Park expires in 2030, but that ongoing discussions continue regarding a possible lease extension.

d. **Update on new title sponsor for Texas Bowl.** Chairman Friedman reported that the Texas Bowl has been a phenomenal success in Houston, and for the last several years, been the fourth highest attended bowl game in the country. He commented that the Bowl game brings a boost to the local economy in late December when hotel bookings are traditionally lower. Chairman Friedman said that this year's game will be a matchup between the University of Texas and the University of Missouri. He reported that Academy Sports & Outdoors is the new title sponsor, and believes that Houston will continue to prosper with this Bowl game. Director Catuzzi remarked that the charitable beneficiary of the Bowl is DePelchin Children's Home, and to date, they have received over one-and one-half million dollars.

e. Chairman Friedman stated that the Houston Rockets have a new owner, Tilman Fertitta. He said that he believes that the community is excited to have a local owner of the team, and that his commitment to excellence will benefit the team and the community. Chairman Friedman also congratulated the Houston Dynamo's run toward the MLS Finals.

f. **List of Officers and Committees for 2018.** Chairman Friedman commented on his responsibility as Chairman to appoint Officers and Committees of the Board each year. He stated that these Committees will be finalized at the February 2018 meeting, but asked for input from the Directors on the Committees on which they currently serve, and to let him know whether they wish to continue to serve on the same committee as in 2017, or to change or add to another committee in 2018.

g. **Schedule of Board Meetings for 2018.** Chairman Friedman stated that the schedule of 2018 meetings is in the Directors' folders, and he asked the Directors to please calendar those dates.

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

a. **Update on activities and sporting events.**

Before she began her report, Ms. Burke announced that as a result of the World Corporate Games, we were able to raise money for UNICEF, an organization that helps children globally. Representatives from the World Corporate Games Local Organizing Committee and UNICEF were present to receive a \$10,500 check, presented by Chairman Friedman.

Ms. Burke gave updates on the following events:

- Attended the 2018 College Football Championship Playoff Game in preparation for hosting the 2024 Game;
- Assisted with a reception during the World Series Parade in response to a request from the Mayor's Office of Special Events;

- Traveled to New York to presented 2019-2020 NFL Draft Bid;
- Coordinated and executed the first National Association of Sports Commissions Chief Executives Summit that was held in Houston during World Corporate Games, World Cup Bid Cities meetings and the WWE Survivor Series event;
- World Corporate Games had a little over 2,400 participants from over 200 organizations and ten countries, which was a great feat following Hurricane Harvey; all of the equipment that was purchased for the events will be donated to It's Time Texas, who will disperse it to HISD schools;
- Mr. Chris Massey, Director of Events, updated the Directors on upcoming events and pending bids. His presentation included a list of bids in progress, which are:
 - 2018 Mexico Men's National Team Tour (soccer)
 - 2018-2020 BMX National Championships
 - 2019 USA Fencing North American Cup
 - 2019 USA Rugby Youth Summit
 - 2019 USA Racquetball Nationals
 - 2019 USA Softball Annual Meeting
 - 2019 USATF Junior Olympic Championships
 - 2021 World Transplant Games
 - 2021-2023 Taekwondo World Championships
 - 2022 US Bowling Congress Open Championships
 - 2026 World Cup
 - NFL Draft
 - NCAA Men's Final Four
 - NCAA Women's Final Four
 - Super Bowl
- MLB All-Star Game
- Mr. Massey reported that upcoming events include the 2018 NCAA Division II Women's Golf Championship at Bay Oaks Country Club on May 16-19; 2018 USA Men's National Team vs. Scotland Men's National Rugby Team match at BBVA Compass Stadium on June 16; American Flag Football Championship scheduled for

July 12 at BBVA Compass Stadium; 2020 WWE Royal Rumble, set for January 26 at Minute Maid Park, and January 28 at Toyota Center. Mr. Massey noted that the WWE donated \$100,000 in relief and talent to Habitat for Humanity in Houston to assist with Hurricane Harvey recovery; and donated 100 tickets to the WWE event for the Lone Star Vets organization.

- Ms. Patti Smith, Director of Public Relations, then gave an update on the Houston Sports Awards inaugural event at the Hilton Americas on February 8, 2018. She updated the Board with details on sponsors, invitees, and the award selection process itself. Ms. Smith also reported that Star of Hope will be the charitable component of the event, with money raised from the “Golden Ticket” raffle (500 tickets will be sold at \$100 per ticket for a drawing to win season tickets to Astros, Rockets, Dynamo, and Rodeo events).
- Ms. Burke reported that the Authority’s insurance agent, W. M. Jones & Company, has reported that the tenants of Minute Maid Park, Toyota Center and Dynamo Soccer Holdings, LLC, have provided evidence of insurance that is in compliance with their respective lease agreements, and that the Directors and Officers coverage is in full force and effect.

Chairman Friedman thanked Ms. Burke and her staff for all of their efforts and hard work to bring these events to our community.

7. Update from Finance Committee Chairman.

a. Discussion and review of investment results through September, 2017. Director Fields reported that the Authority had \$115,083,771 of investable funds as of September 30, 2017. He noted that interest earnings through September totalled \$786,404, which exceeded budget by 26%. The Authority budgeted \$786,250 for interest earnings in 2017 and is forecasting those earnings to be \$1,065,000, which will exceed the budget by approximately 35%.

b. Discussion and review of unaudited 2017 year-to-date financials. Director Fields reported that Motor Vehicle Rental Tax revenue collections of \$20,366,607 through October are over budget by .1%. He noted that collections for the same time period in 2016 were \$21,476,081, making the 2017 collections 5.1% less than 2016. Director Fields stated that the Hotel Occupancy Tax collections of \$23,914,723 through October are over budget by 3.58%. He reported that collections for the same time period in 2016 were \$24,711,959, making the 2017 collections 3.3% more than 2016. He also reported that all expenditures are within budget as of October 30.

8. **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 11:55 a.m.

9. **Discussion and possible action on resolution approving the 2018 General and Administrative Budget; and approving other matters related thereto.** Finance Committee Chairman, Jess Fields, reported that the Finance Committee had reviewed the proposed 2018 General and Administrative Budget prepared by the Authority's staff. He stated that the proposed budget for 2018 revenues totals \$90,389,049, an increase of \$530,673 over 2017 revenues. Director Fields noted that the budget for Motor Vehicle Tax Revenue decreased by \$620,092, or 2.57%; and that the budget for Hotel Occupancy Tax Revenue increased by \$959,338, or 3.61%. He stated that interest income is expected to increase in 2018 by 69.8%, or \$549,052 over the 2017 budgeted amount. He noted that revenues are projected to increase primarily as a result of an increase in interest income and hotel tax revenue. Director Fields stated that the proposed budget for 2018 expenses totals \$4,126,400, or an increase of \$318,393 over the prior year, or 8.36%, primarily due to the office rent amount of \$352,622 that was not budgeted for in 2017 because of the first year of free rent in the new office space.

Director Fields made a motion that the Board approve the budget as presented, motion was seconded by Director Sprague, and passed unanimously.

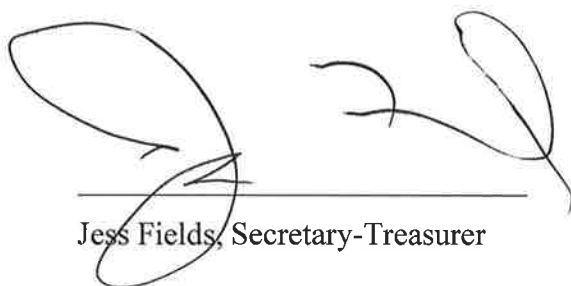
10. **Discussion and possible action on resolution to terminate the Debt Service Forward Delivery Agreement with Bank of America, and other matters related thereto.** Chairman Friedman asked Mr. Trey Cash to address this matter. Mr. Cash said that in 2001, Bank of America paid the Authority \$858,020 in exchange for the right to invest certain revenues pledged to the repayment of the bonds. The bonds were refunded in 2014 and the agreement is now subject to termination. He stated that the fee to terminate this agreement is estimated to total approximately \$310,000, and will be processed as a bond-related charge.

Chairman called for a motion for the Board to authorize the Chairman, Vice Chairman, Secretary/Treasurer and Chief Executive Officer to take all actions necessary to carry out this termination. Motion was made by Director Catuzzi, seconded by Director Callier, and passed unanimously.

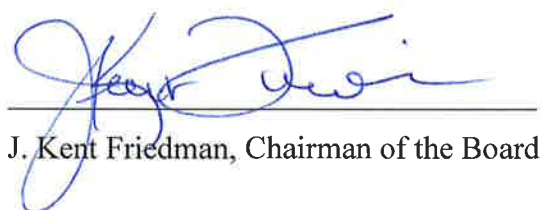
11. Comments by Directors.

12. Adjournment. There being no further business to come before the Board, and after motion made by Director Catuzzi and seconded by Director Callier, the meeting was adjourned at approximately 12:00 p.m.

Adopted and approved this 12th day of February, 2018.



Jess Fields, Secretary-Treasurer



J. Kent Friedman, Chairman of the Board