



High-Octane Moola:

April 18, 2013

# Events Funds Cast Shadows Over Combs' War Chest

**Comptroller Nets \$421,360 from Donors Tied to \$57 Million in State Funding. F1, Beer Distributors and Dallas Cowboys Champion Susan Combs.**

Contributors tied to \$57 million in grants from the state's Events Trust Funds gave \$421,360 to funds overseer Susan Combs since the 2006 cycle, when she won her first Comptroller race.<sup>1</sup> Comptroller Combs has awarded more than \$222 million in state funds

to a slew of trade associations and sports entities to hold events in Texas. The biggest paybacks for Combs' political coffers have come from MillerCoors distributors and the Circuit of the Americas, which hosts its first motorcycle grand prix in Austin this weekend.

## Combs Contributions Associated With Events-Fund Awards

Combs Total '05 - '13	Events-Fund Awards	State Grants Awarded	Top Associated Combs Contributor
\$129,511	MillerCoors Annual Distributor Conference	\$423,129	Wholesale Beer Distributors of TX
\$116,041	Formula 1 US Grand Prix/Moto GP COTA	\$26,987,753	BJ 'Red' McCombs
\$48,500	National Cattlemen's Beef Assn.	\$723,234	TX & SW Cattle Raisers Assn.
\$45,000	American Bankers Assn.	\$181,072	TX Bankers Assn.
\$30,000	Credit Union National Assn.	\$166,946	TX Credit Union League
\$23,481	American Quarter Horse Assn.	\$112,052	Chickasaw Nation*
\$11,577	NFL Super Bowl/Cowboys Classic Football	\$27,072,467	Cowboys owner Jerral W. Jones
\$6,500	Intern'l Veterinary Emerg./Critical Care Symp.	\$162,406	TX Veterinary Medical Assn.
\$4,500	Associated Builders & Contractors	\$159,330	Assoc. Builders & Contractors
\$2,250	National Cotton Council	\$96,666	Plains Cotton Co-op. Assn.
\$1,000	Stag Parkway Business Solutions Tradeshow	\$193,624	Clark McEwen TX RV Assn.
\$1,000	Microsoft Dynamics Convergence World Conf.	\$265,052	Microsoft Corp. PAC
\$1,000	American Institute of Chemical Engineers	\$49,942	TX Chemical Council
\$500	National Tri-Hull Powerboat Championship	\$121,911	Boating Trades Assn. of TX
\$500	Am. Society for Heating Refrig. A/C Engineers	\$90,317	Assoc. Plumb.-Heat.-Cool. Contractors
<b>\$421,360</b>	<b>TOTALS</b>	<b>\$56,805,901</b>	

Note: The state-funded events above were scheduled from fiscal year 2010 through 2013.

\*The Chickasaw Nation was the top 2012 contributor to the Texas Quarter Horse Assn. PAC (\$10,000).

Combs awarded more than \$400,000 for a 2011 MillerCoors distributor conference in San Antonio. MillerCoors distributors and the Wholesale Beer Distributors of Texas topped off the Comptroller's war chest with almost \$130,000.<sup>2</sup> (Since Combs funded an Alcoholic Anonymous conference in the same town in 2010, she is uniquely positioned to gauge if beer distributors or AA members generate more alcohol sales taxes.)

Awarding a total of \$27 million for Formula 1 and Moto Grand Prix events held at Austin's Circuit of the Americas (COTA), Combs collected \$116,041 from COTA-affiliated contributors.

In the five years before plans to bring F1 to Austin first surfaced in 2010, Red McCombs gave Combs \$14,500. In the three years thereafter McCombs increased his Combs investment by another \$53,500, cutting her several five-figure checks. Several of McCombs's lieutenants gave Combs another \$14,500 since 2011. Last year the Combs campaign also collected a total of \$20,000 from COTA investor Bobby Epstein's wife, Susan, and two of his partners at Prophet Capital.

The Circuit has asked Combs for \$900,000 more to fund an Australian V8 Supercar race in May. It also plans to seek state funds for an American Le Mans Series in September.<sup>3</sup> Vrrrrroom!

The Comptroller oversees four events funds that provide state funding to promote in-state events such as trade conferences and sports competitions. The state seeks to recoup these funds through increased alcohol, car, hotel and sales taxes attributed to the events.

Combs funded all but two of the events listed above through her oft-tapped Events Trust Fund. She used her more-controversial Major Events Trust Fund to award \$25 million to Formula 1 and \$27 million to the NFL's 2011 Super Bowl at Cowboys Stadium (Combs received \$11,577

## Tracking Combs' Formula-1 Cash

Combs		
Date	Amount	F1-Related Contributors
6/23/05	\$1,000	B.J. 'Red' McCombs (McCombs Partners)
6/28/05	\$30	Richard Suttle (COTA lobbyist)
10/20/05	\$1,000	B.J. 'Red' McCombs (McCombs Partners)
9/19/06	\$1,500	B.J. 'Red' McCombs (McCombs Partners)
12/7/06	\$1,000	Ford Smith (COTA Local Organ. Committee)
11/16/07	\$5,000	B.J. 'Red' McCombs (McCombs Partners)
11/10/08	\$5,000	B.J. 'Red' McCombs (McCombs Partners)
11/6/09	\$1,000	B.J. 'Red' McCombs (McCombs Partners)
<b>5/25/10</b>		<b>F1 Announces 2012 Austin Race</b>
10/27/10	\$2,500	B.J. 'Red' McCombs (McCombs Partners)
6/22/11	\$25,000	B.J. 'Red' McCombs (McCombs Partners)
6/30/11	\$5,000	James C. Weaver (McCombs Partners)
9/20/11	\$500	Shawn Rosenzweig (McCombs Partners)
12/9/11	\$1,000	Austin Industries (track contractor)
6/19/12	\$5,000	Kirk Rechner (Prophet Capital)
6/20/12	\$5,000	Michael Hirschberg (Prophet Capital)
6/21/12	\$5,000	James C. Weaver (McCombs Partners)
6/22/12	\$1,000	Austin Industries (track contractor)
6/25/12	\$2,511	Ford Smith (COTA Local Organ. Committee)
6/26/12	\$1,000	Steven Sexton (COTA President)
6/26/12	\$25,000	B.J. 'Red' McCombs (McCombs Partners)
6/28/12	\$500	Ford Smith (COTA Local Organ. Committee)
6/29/12	\$5,000	Richard Suttle (COTA lobbyist)
11/8/12	\$500	Ford Smith (COTA Local Organ. Committee)
11/12/12	\$1,000	B.J. 'Red' McCombs (McCombs Partners)
11/25/12	\$1,000	Anthony Rimas (McCombs Partners)
11/27/12	\$1,000	Ford Smith (COTA Local Organ. Committee)
12/3/12	\$10,000	Susan Epstein (Bobby Epstein's wife)
12/8/12	\$2,500	Rad Weaver (McCombs Partners)
12/8/12	\$500	Shawn Rosenzweig (McCombs Partners)
	<b>\$116,041</b>	<b>TOTAL</b>

from Cowboys' owners Jerral Jones and Charlotte Jones Anderson).

Lawmakers recently questioned Combs' use of the Major Events fund to finance multi-million-dollar scoreboards for NBA All-Star games in Houston and Dallas. Host stadiums keep these taxpayer-funded JumboTrons long after the state-funded events are over.<sup>4</sup>

Critics say Combs exaggerates the benefits of these events. Land Commissioner Jerry Patterson (who could battle Combs in a future

Lieutenant-governor bid) recently noted, for example, that Combs' estimate of 2011 Super Bowl visitors was almost seven times larger than the actual turnout *inside* Cowboys Stadium.<sup>5</sup>

Ex-Agriculture Commissioner Combs funded many equestrian events while receiving frequent contributions from horse breeding and racing interests. Combs, who received \$2,000 from the Texas Quarter Horse Association PAC, funded the American Quarter Horse Association's Adequan Select World Championships in Amarillo in 2011 and 2012.

A couple top backers of the Quarter Horse PAC also made substantial contributions directly to Combs. The Oklahoma-based Chickasaw Nation, for example, was the Quarter Horse PAC's top donor in 2012, the same year that the tribe gave Combs \$10,000. The tribe owns part of Grand Prairie's Lone Star Park, which races thoroughbreds and quarter horses.

*Lobby Watch* took a fairly conservative approach to linking Combs contributions to the events that she funded. The most common link ties a national trade association conference that Combs funded with contributions that she received from an affiliated state trade association PAC. Researchers connected the 2011 American Bankers Association conference in San Antonio with the \$45,000 that Combs collected from the Texas Bankers Association, for example.

Yet *Lobby Watch* did not count the \$160,000 that Combs took from AT&T PAC, despite the fact that she awarded \$2.5 million for three AT&T Cotton Bowl Classic games from 2011 through 2013. Nor did *Lobby Watch* count the \$71,000 that Combs took from Valero's PAC and executives, notwithstanding the \$1.3 million that she awarded for Valero Alamo Bowl Games in 2010 and 2011.

### Top Combs Contributors Associated With Events-Fund Awards (2005 Through 2012)

Combs Amount	Combs Contributor	City	Associated Events-Fund Awardees
\$91,261	Wholesale Beer Distributors of TX	Austin	MillerCoors Annual Distributor Conf.
\$68,000	B.J. 'Red' McCombs (McCombs Part.)	Sn Antonio	Formula 1/Moto Grand Prix
\$45,000	TX Bankers Assn.	Austin	American Bankers Assn.
\$32,500	TX & SW Cattle Raisers Assn.	Ft. Worth	National Cattlemen's Beef Assn.
\$30,000	TX Credit Union League	Dallas	Credit Union National Assn.
\$16,000	TX Cattle Feeders Assn. Beef PAC	Amarillo	National Cattlemen's Beef Assn.
\$10,000	Chickasaw Nation*	Ada, OK	American Quarter Horse Assn.
\$10,000	Jerry Cargill (Glazer's Distrib)	Richardson	MillerCoors Annual Distributor Conf.
\$10,000	Susan Epstein (Bobby Epstein's wife)	Austin	Formula 1/Moto Grand Prix
\$10,000	James C. Weaver (McCombs Part.)	Sn Antonio	Formula 1/Moto Grand Prix
\$8,750	Bennet Joe Glazer (Glazer's Distrib)	Dallas	MillerCoors Annual Distributor Conf.
\$7,500	Barry G. Andrews (Andrews Distrib)	Dallas	MillerCoors Annual Distributor Conf.
\$6,500	Bobby Cox (TX Quarter Horse Assn.)	Ft. Worth	American Quarter Horse Assn.
\$6,500	TX Veterinary Medical Assn.	Austin	Int'l Veterinary Emerg/Critical Care Symp.
\$6,277	Jerral W. Jones (Dallas Cowboys)	Irving	NFL Super Bowl/Cowboys Classic Football
\$5,511	Ford Smith (COTA Local Org. Com.)	Austin	Formula 1/Moto Grand Prix
\$5,500	Dan Craine (Miller Distrib.)	Fort Worth	MillerCoors Annual Distributor Conf.
\$5,301	Charolette Anderson (Dallas Cowboys)	Irving	NFL Super Bowl/Cowboys Classic Football
\$5,030	Richard Suttle (COTA lobbyist)	Austin	Formula 1/Moto Grand Prix
\$5,000	Kirk Rechner (Prophet Capital)	Austin	Formula 1/Moto Grand Prix
\$5,000	Michael Hirschberg (Prophet Capital)	New York	Formula 1/Moto Grand Prix

Note: The contributors above account for 92 percent of the Combs money tracked in this report.

\*The Chickasaw Nation was the top 2012 contributor to the Texas Quarter Horse Assn. PAC (\$10,000).

Also not included here is the \$140,000 that Combs received from San Antonio Spurs owner Peter Holt. In 2002 Holt's team moved from the Alamodome to AT&T Center.<sup>6</sup> In 2004 Combs' predecessor, Carole Keeton Strayhorn, tapped \$700,000 from the Major Events Trust Fund to

finance the sale of the Spurs' old Alamodome JumboTron to the City of San Antonio. The rationalization for that subsidy was that the city was hosting that year's NCAA Men's Final Four games there.<sup>7</sup> •

## NOTES

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<sup>1</sup> Combs' interest in the office dates back farther. A 2004 *Quorum Report* brief called then-Agriculture Commissioner Combs the "presumptive Republican Comptroller candidate."

<sup>2</sup> Texas has two rival beer trade groups: The Wholesale Beer Distributors and the Beer Alliance of Texas. The beer-producing behemoths, Anheuser-Busch InBev and MillerCoors, both have distributors that belong to both trade groups.

<sup>3</sup> "Circuit Group Seeks \$1 Million for May Race," *Austin American-Statesman*, February 7, 2013.

<sup>4</sup> "Events Fund Oversight Sought," *Austin American-Statesman*, February 26, 2013.

<sup>5</sup> "Senators Want Greater Scrutiny of State Events Funds," *Austin American-Statesman*, April 4, 2013.

<sup>6</sup> Holt bought the San Antonio Spurs in 1993 from future COTA mogul B.J. 'Red' McCombs.

<sup>7</sup> "Some Cry Foul at Funds' Use to Help Lure Events," *San Antonio Express-News*, April 7, 2013.