

TOURISM AND SPORTS AUTHORITY

**Minutes of a Meeting of the Board of Directors
February 1, 2001 – 7:30 a.m.**

Attendance

Members

Roc Arnett
John Benton
James Grogan
C.A. Howlett (telephonically)
Denise Meridith
Katharine Monahan
Herman Orcutt
William Peltier
Rod Williams

Staff

Ted Ferris, President and Chief Executive Officer
Kim Monroe, Executive Assistant

1. Introduction. A public meeting of the Board of Directors (the "Board") of the Tourism and Sports Authority (the "Authority") was held in the Ballroom of the Ritz-Carlton Hotel, Phoenix, Arizona, on Thursday, February 1, 2001, at 7:30 a.m. A quorum being present, and the meeting having been duly noticed and called, Mr. Grogan, the Chairman, called the meeting to order.

2. Approval of Prior Minutes. The Chairman asked for a motion to approve and ratify the minutes of a meeting of the Board held Tuesday, January 23, 2001. Mr. Williams so moved. Upon motion duly made, seconded and unanimously carried, it was resolved that the minutes from the previous meeting be approved.

3. Board Resolution for Reimbursement from Bond Proceeds of Advances Made Prior to Issuance of Bonds. This matter was tabled for discussion at a future Board meeting.

4. Site Selection Process - Review of Additional Site Information. The Chairman described the order of presentations to the Board and generally described how the meeting was to

be conducted. The Chairman then asked Mr. Robert C. Hunt, Chairman of Hunt Construction Group, Inc. (“Hunt”), to discuss the construction issues associated with each potential site for the multipurpose stadium facility. Mr. Hunt discussed the attributes and challenges of the West Valley, Fort McDowell Yavapai Nation, Downtown Phoenix and City of Tempe sites.

The Chairman then asked Mr. John Snider, Managing Director of Dain Rauscher, Inc., the Authority’s financial advisor, to discuss the financial due diligence Dain Rauscher performed in connection with the Fort McDowell Yavapai Nation and West Valley site proposals. With respect to the Fort McDowell Yavapai Nation site proposal, Mr. Snider reported that, after a review of additional financial information provided by the Nation, Dain Rauscher is comfortable with the Nation’s ability to perform its financial obligations as set forth in the proposal. Likewise, with respect to the West Valley site proposal, based on a review of financial information concerning John F. Long and related entities, Dain Rauscher assured the Board that the financing plan set forth in the proposal is reasonable and that the Long entities have the financial resources required under the plan.

The Chairman then asked, Mr. Ruffner, the Authority’s General Counsel, to discuss any additional legal issues concerning the proposed site. General Counsel reported that the Authority has sent a request to the Fort McDowell Yavapai Nation requesting additional information concerning traffic access and flows at the proposed site. With regard to the West Valley site, General Counsel reported that the West Valley site proposal does not pose any significant legal challenges. With regard to the Mesa/Tempe site proposal, General Counsel reported that the Authority has received no additional information concerning the proposal. With respect to the Tempe site proposal, General Counsel reported that the concerns regarding the site raised by Hunt and Dain Rauscher have legal implications that General Counsel would be examining.

Additionally, General Counsel stated that the Authority would need to review the lease arrangement between the City of Tempe and the Papago Park Center. With respect to the Downtown Phoenix site proposal, General Counsel stated that the Authority had received copies of: (i) a non-binding memorandum of understanding between the Downtown Partnership and the Union Pacific Railroad; (ii) a letter of cooperation from one landowner in the area; and (iii) letters from other landowners opposing development at the site.

The Chairman then asked Mr. Ferris, President and Chief Executive Officer of the Authority, to summarize each site proposal. Mr. Ferris stated that, in his view, the Fort McDowell Yavapai Nation and Mesa/Tempe site proposals have insurmountable challenges. Mr. Ferris stated that the Fort McDowell proposal faced challenges concerning waiver of sovereign immunity, traffic constraints and distance from population centers. With respect to the Mesa/Tempe site proposal, Mr. Ferris stated that the Mesa/Tempe proposal faced challenges concerning costs and risk to the Authority. Additionally, Mr. Ferris stated that the Downtown Phoenix proposal faces insurmountable challenges related to assembling the necessary land, potential environmental contamination, limited pedestrian access to the site and inability to finance delivery of the site to the Authority. Thus, Mr. Ferris reported that, in his opinion, the Authority should only consider, going forward, the West Valley and Tempe site proposals. Mr. Ferris then summarized the strengths and challenges of both the West Valley and Tempe sites.

5. Site Selection Process – Fiesta Bowl and Arizona Cardinals Considerations. The Chairman then asked representatives of both the Fiesta Bowl and Arizona Cardinals to provide their input into the site selection process. The Chairman then invited Ms. Sherry Henry of the Fiesta Bowl to address the Board. Ms. Henry stated that the Fiesta Bowl, given their long

partnership and association with the City of Tempe, would prefer that the multipurpose stadium facility be located at the Tempe site. Ms. Henry also stated that the Fort McDowell site was second preference, given the Fiesta Bowl's relationships with the Nation as a sponsor of Fiesta Bowl events. The Chairman then invited representatives of the Cardinals to share their site analysis with the Board. Messrs. Michael Bidwill, Michael Dowling, Michael Rushman and Steve Betts addressed the Board on behalf of the Cardinals. These representatives provided their analysis with respect to each site and then stated that the Cardinals favor either the Tempe or West Valley site proposals.

6. Site Selection Process – Board Consideration and Vote. The Chairman then asked each Board member to provide their views regarding each site proposal. The Board members provided their analyses of each site proposal. Mr. Arnett then made a motion for the Board to select the West Valley and Tempe proposals as the preferred finalist sites for further consideration and deliberation by the Authority. Mr. Williams seconded the motion. Ms. Monahan then asked Mr. Arnett if approval of his motion would eliminate the other site proposals from further consideration. Mr. Arnett replied that his motion would not eliminate other site proposals. The Chairman stated that, in his view, the Board should eliminate the Fort McDowell Yavapai Nation, Mesa/Tempe and Downtown Phoenix site proposals so that the Authority's limited resources could be devoted to further analysis and negotiation with the West Valley and Tempe. Mr. Benton agreed with the Chairman. Further, Mr. Benton asked Mr. Arnett if he would withdraw his motion in favor of a motion that would act to eliminate the Fort McDowell Yavapai Nation, Mesa/Tempe and Downtown Phoenix site proposals from further consideration by the Authority. Ms. Meridith, Mr. Orcutt and Mr. Peltier agreed. Mr. Arnett then withdrew his motion and Mr. Williams withdrew his second.

Mr. Arnett then made a motion that the Board designate the West Valley and Tempe site proposals as the finalists in the Authority's site selection process and eliminate the Fort McDowell Yavapai Nation, Mesa/Tempe and Downtown site proposals from further consideration. Mr. Williams seconded the motion. Ms. Monahan stated that the lodging industry prefers the Downtown proposal and, therefore, the Board should allow the Downtown Phoenix Coalition additional time to complete their site proposal. The Board then voted on Mr. Arnett's motion. Messrs. Arnett, Benton, Grogan, Orcutt, Peltier and Williams and Ms. Meridith voted to approve the motion. Ms. Monahan voted to oppose the motion. Mr. Howlett was not present for the vote. Mr. Grogan then announced that the motion passed.

7. Update on City of Surprise Cactus League Development. Mr. Bill Pupo, City Manager of the City of Surprise (the "City"), reported to the Board concerning the City's development of a new Cactus League facility for the Texas Rangers and the Kansas City Royals (collectively, the "Teams"). Mr. Pupo stated that all substantive issues between the City and the Teams have been resolved and that the project remains on schedule. Mr. Pupo further reported that the City has retained HOK Sport and Barton Malow to design and construct the facility and that the design/build team would be providing the City a construction cost estimate. Mr. Pupo also stated that the City would be meeting with Mr. Ferris to discuss the Authority's financial contribution and involvement in the project. Lastly, Mr. Pupo reported that the City intends to hold a ground-breaking ceremony in the first week of April.

8. Multipurpose Stadium Development – Presentation by Hunt Construction Group, Inc. The Chairman asked for Mr. Michael Luciano, Executive Vice President and Chief Operating Officer of Hunt, to update the Board regarding Hunt's progress on the design and pre-construction work for the multipurpose stadium facility. Mr. Luciano reported that Hunt has

made good progress with respect to the design of the facility and that Hunt would be ready to begin site specific activities once a final site for the facility is chosen.

9. Next Meeting. The Chairman announced that the next meeting of the Board will be held on Tuesday, February 6, 2001. The time and location of the meeting will be announced.

10. Adjournment. There being no further business to come before the meeting, upon motion duly made by Mr. Peltier, seconded and unanimously carried, the meeting adjourned.