

## **TOURISM AND SPORTS AUTHORITY**

**Minutes of a Meeting of the Board of Directors  
December 12, 2002 – 10:00 a.m.  
Tourism and Sports Authority Boardroom  
14500 N. Northsight Boulevard, Suite 312  
Scottsdale, Arizona 85260**

### **Attendance**

#### **Members**

Roc Arnett  
John Benton  
Jim Grogan  
Herman Orcutt  
William Peltier  
Rod Williams

#### **Staff**

Ted Ferris, President and Chief Executive Officer  
Kenny Harris, P.E., Vice President for Facilities  
Charles Foley, Chief Financial Officer  
Kim Monroe, Executive Assistant  
Deb Wilson, Executive Assistant  
Brad Parker, Public Information Officer

1. Introduction. A public meeting of the Board of Directors (the "Board") of the Tourism and Sports Authority (the "Authority") was held in the Boardroom at the offices of the Authority, 14500 N. Northsight Boulevard, Suite 312, Scottsdale, Arizona 85260, on Thursday, December 12, 2002, at 10:00 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. Consideration of Minutes of September 11, 2002 Telephonic Board Meeting. The Chairman asked for a motion to approve and ratify the minutes of a meeting of the Board held Wednesday, September 11, 2002. Upon motion duly made by Mr. Arnett, seconded by Mr. Orcutt and unanimously carried, it was resolved that the minutes of the September 11<sup>th</sup> meeting be approved.

3. Consideration of Fiscal Year 2002 Audit. The Chairman asked Mr. Foley, the Authority's Chief Financial Officer, to report to the Board regarding the Authority's fiscal year 2002 audit. Mr. Foley explained that the accounting firm of Ernst & Young L.L.P. had audited

the financial statements of the Authority for fiscal year 2001. Mr. Foley reported that the auditors had provided an opinion to the Board that the financial statements present fairly, in all material respects, the financial position of the Authority at June 30, 2002, and the results of its operations and cash flows for the period from June 30, 2001 through June 30, 2002, in conformance with generally accepted accounting principles.

Mr. Foley then inquired as to whether the Board members had any questions regarding the audit. Mr. Williams asked whether the financial statements reflected a receivable from the City of Tempe for payments made by the Authority in connection with pre-construction activities at the City of Tempe site for the multipurpose stadium facility that was subsequently deemed unsuitable. Mr. Foley explained that the receivable from the City of Tempe is contingent upon resolving the matter with the City and, therefore, pursuant to generally accepted accounting principles, is not included on the Authority's financial statements.

The Chairman thanked the members of the Board's Finance Committee and Mr. Foley for their hard work and diligence. The Chairman then asked for a motion to accept the audited financial statements for fiscal year 2002 as presented by Ernst & Young. Mr. Benton so moved and Mr. Orcutt seconded the motion. Upon a motion duly made and seconded, the Board unanimously approved the motion.

4. Update on Status of Funding for Cactus League Projects. The Chairman asked Mr. Ferris, President and Chief Executive Officer of the Authority to address the Board regarding the status of the Authority's funding for the City of Surprise and City of Phoenix Cactus League projects. Mr. Ferris reported that the Authority would be issuing approximately \$32.5 million in revenue bonds in February to fund the remaining amount of the Authority's contribution to the City of Surprise Cactus League project and recapitalize the Authority's Cactus

League Promotion Account that was depleted while the Authority was contributing to the City of Surprise project in advance of the bond financing. Mr. Ferris stated that a portion of the recapitalized amount would then be contributed to the City of Phoenix to help fund necessary renovations to the City of Phoenix Municipal Stadium, the spring training home of the Oakland Athletics. Mr. Ferris further reported that he had been in communication with representatives from the Cactus League, City of Phoenix and Oakland Athletics regarding the Municipal Stadium renovation project and that Mr. Roger Brendecke, the Authority's Cactus League facilities consultant, was preparing a report for the Authority regarding the renovation project.

5. Youth and Amateur Sports Update. The Chairman then invited Mr. Steve Patterson, Chief Executive Officer of Patterson Sports Ventures, Inc. and the Authority's consultant for youth and amateur sports and recreation facilities funding, to address the Board. Mr. Patterson began his presentation by informing the Board that a fourteen-member Youth Sports Advisory Committee comprised of representatives from a wide cross-section of interested stakeholders had been formed and had held two organizational meetings. Mr. Patterson stated that the Committee's work would focus on three areas: (i) a comprehensive assessment of all available youth and amateur sports and recreation facilities in Maricopa County that would assist the Authority in determining where the greatest need for additional facilities is located; (ii) an evaluation of the Authority's youth and amateur sports grant application process focused on ensuring that the process is thorough, open and fair to all interested participants; and (iii) networking and communications among the Authority community youth and amateur stakeholders. Additional information regarding Mr. Patterson's presentation is attached hereto as Exhibit A. On behalf of the Authority, the Chairman thanked Mr. Patterson and the members of the Youth Sports Advisory Committee for their hard work.

6. Consideration of City of Avondale Youth Sports Complex Intergovernmental Agreement. The Chairman then invited Mr. Chris Skinner, Associate, Fennemore Craig, P.C., the Authority's General Counsel, to address the Board regarding the City of Avondale Youth Sports Complex Intergovernmental Agreement (the "Avondale IGA"), a draft of which was previously provided to the Board. Mr. Skinner stated that the Board had received a memorandum from Counsel summarizing the Avondale IGA and asked if Board members had any questions not addressed in the summary. Mr. Williams inquired whether the Authority's monetary contribution to the project was calculated using a fixed interest rate or whether it was based on the City's cost of capital for the project. Mr. Skinner explained that the payments comprising the Authority's contribution were calculated using a fixed five percent interest rate. Mr. Arnett moved for the Board to approve the Avondale agreement provided it was modified so that the Authority contribution was calculated at the lesser of five percent or the City's costs of capital for financing the project. Mr. Williams seconded the motion. Upon motion duly made and seconded, the Board approved the Avondale IGA provided it was modified prior to execution such that the payments comprising the Authority contribution were calculated using the lesser of five percent or the City's cost of capital.

7. Consideration of Executive Session. The Chairman then explained that the Board would consider going into executive session to receive legal advice from the Authority's general counsel. The Chairman then asked for a motion for the Board to recess the open meeting to convene in executive session for the purpose of receiving legal advice. Mr. Orcutt so moved. Upon motion duly made, seconded by Mr. Benton and unanimously carried, it was resolved to recess the meeting in open session and reconvene in executive session.

8. Announcements. Upon reconvening in open session, the Chairman announced that the Authority's staff would contact Board members regarding the date and time for the next Board meeting.

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

**EXHIBIT A**

**Youth and Amateur Sports and Recreation Presentation by Mr. Steve Patterson**