

TOURISM AND SPORTS AUTHORITY

Minutes of a Meeting of the Board of Directors

March 30, 2004 – 9:30 a.m.

50th Meeting of the Board of Directors

Tourism and Sports Authority Boardroom

14500 N. Northsight Boulevard, Suite 312

Scottsdale, Arizona 85260

Attendance

Members

F. Rockne Arnett
John D. Benton
Michele Eckert
Thomas L. Hocking
C.A. Howlett (by telephone)
Herman L. Orcutt (by telephone)
William H. Peltier
Rod C. Williams (by telephone)

Staff

Ted Ferris, President and Chief Executive Officer
Charles Foley, Chief Financial Officer
Kim Monroe, Executive Assistant
Deb Wilson, Executive Assistant (by telephone)

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 Tuesday, March 30, 2004 at 9:30 a.m. A quorum being present, and the meeting having been duly noticed and called, the meeting was called to order.

2. Consideration of Minutes from March 18, 2004. The Chairman asked for a motion to approve and ratify the minutes of a meeting of the Board held March 18, 2004. Upon motion duly made by Mr. Arnett and seconded by Mr. Peltier and unanimously carried, it was resolved that the minutes of the March 18, 2004 meeting be approved.

3. Multipurpose Facility Matters – Stadium Management. The Chairman then stated that this meeting was called in order to consider and select one of the companies that had made proposals to the Authority for the management services contract. The Chairman read excerpts

from Exhibit “A” attached hereto and entitled “RFP Process to Select a Stadium Management Firm to Partner with the Authority in Operating, Promoting and Marketing the Cardinals Stadium.” In particular, the Chairman stated that the Authority was looking for a management firm that could provide qualified, experience and low cost services to the facility. The Chairman then asked Mr. Peltier, the leader of the Buildings Operations Oversight Team (“BOOT”), to set forth their recommendation.

Mr. Peltier thanked his fellow members of the ad hoc review team known as “BOOT”, including Messrs. Hocking, Ferris and Foley and Ms. Eckert and Ms. Strunk. He stated that BOOT unanimously recommended the selection of Global Spectrum. Mr. Peltier stated that this recommendation was based on BOOT’s review of management capabilities, marketing and creativity for the building, football operations, motivation and desire to serve the contract and price. He stated that the Cardinals organization was supportive of the selection of Global Spectrum. Mr. Peltier generally read the recommendations of BOOT set forth on Exhibit “B”.

Upon the conclusion of the recommendation of BOOT set forth by Mr. Peltier, the Chairman called for any further discussion on the selection of the management services provider. After hearing none, the Chairman asked for a motion. Mr. Arnett, stated that he moved to select Global Spectrum as the management services provider and added that he wanted to say to them, “How you doin’?” Mr. Howlett seconded the motion by Mr. Arnett and thereafter the Board unanimously approved the selection of Global Spectrum, subject to Mr. Ferris negotiating an acceptable contract with Global Spectrum.

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

Exhibit "A"

Arizona Tourism & Sports Authority RFP Process to Select a Stadium Management Firm to Partner with the Authority in Operating, Promoting and Marketing the New Cardinals Stadium

Background

In A.R.S. 5-807.B.11, the Authority statute requires the "Executive Director" to *"negotiate a contract with a management firm to operate, promote and market the multipurpose facility and submit the contract to the board for its final action."* The Board has used an open and competitive process to award a stadium management contract. Furthermore, the Board has made it clear that we wish to award the contract to the most qualified and experienced, low-cost provider of such services, capable of maximizing the number and quality of events held at the New Cardinals Stadium.

RFP Process

The Authority issued a Stadium Management Request For Proposals (RFP) on September 5, 2003. The RFP called for firms to provide a comprehensive set of services to include pre-opening services during the remainder of construction, and post-opening services to include general management and operations, maintenance, engineering and custodial services, security, marketing and booking services, and landscaping. Since there are only a handful of qualified management companies capable of providing a "turn-key" solution, the RFP allowed that a company could propose to provide a more limited range of services to be considered as a subcontractor to a larger management firm.

On October 17, 2003, we received comprehensive responses from 3 nationally renowned and qualified firms. All three firms are well qualified, but bring differing sets of strengths to the competition: Two have considerable facility management and entertainment and event experience (SMG, which has the most facilities under management, followed by Global Spectrum); whereas, the third company (Anschutz Entertainment Group, or AEG) has considerable event and entertainment experience, and actually owns or develops its own content, but operates fewer facilities than SMG or Global Spectrum. Two companies, Global Spectrum and AEG, own professional sports teams and manage facilities; whereas, SMG is a pure facilities management company.

Evaluation of Proposals and Site Visits

The Authority's "Business Operations Oversight Team", or BOOT, is serving as the Authority's 6-person evaluation team for this RFP. The BOOT consists of 3 TSA Board members (Peltier, Eckert and Hocking), the Authority's CEO (Ferris) and CFO (Foley), along with the Authority's lead counsel from Fennemore-Craig (Strunk).

The BOOT initially met on November 12th. On November 21st and 24th, the evaluation team conducted two-hour interviews with each of the three companies. On December 4th, follow-up questions were sent to the three companies and responses were received on

December 11th (NOTE: The RFP and three sets of clarifying questions and answers have all been posted on the home page of the Authority's website for 5 months). As required by law, we consulted with the Arizona Cardinals and the Tostitos Fiesta Bowl as we moved through the evaluation phase.

On January 27th, the evaluation team met to plan the next steps in the evaluation phase, including site visits and additional interviews. Site visits were planned, beginning with a January 30-February 1 visit to Houston, site of this year's Super Bowl. We knew that one of the three competing firms, SMG, would be managing Super Bowl XXXVIII at Houston Reliant Center and it would be helpful to observe how well they performed, given our selection as the host of Super Bowl XLII in 2008. While in Houston we toured their facilities and met with their key executives. We also met with their partner in their bid, Clear Channel Entertainment, which is headquartered in Houston. We were also made aware and able to observe SMG operations on earlier visits to New Orleans (for the 2003 NCAA Final Four) and Chicago (for the inaugural game at the New Soldier Field). SMG operates 5 NFL stadiums, along with 155 other convention centers and arenas throughout the U.S.

A site visit to Los Angeles, home of AEG was conducted on February 17-18, and included tours of Staples Center (which AEG owns and operates), which is one of the world's busiest arenas, the Kodak Theater (which they operate), which was preparing to host the 76th Academy Awards on February 29th, and the new Home Depot Center (which they own and operate), a 145-acre multi-sport complex that is anchored by a 27,000 seat soccer stadium, home to the L.A. Galaxy, their Major League Soccer team. While there, we met with senior executives of AEG.

The following week, from February 27-29, a site visit was conducted in Philadelphia, where we toured the facilities of Global Spectrum and met with their senior executives. Global Spectrum owns and operates the Wachovia Center Arena, which is another extremely busy and successful arena, as well as the adjacent Spectrum Arena. Global Spectrum has been selected by the Philadelphia Phillies to operate their new stadium, Citizens' Bank Park, set to open next week.

Thereafter, all three firms were invited to return to Arizona to make a further one-hour presentation to the TSA Board of Directors at a public board meeting on March 18th. This was done in order to ensure that all TSA Board Members and the public were aware of the competing firms, their qualifications, and their proposals.

In sum, throughout this RFP process, the Authority has endeavored to use a very open and competitive process for determining the most qualified and cost effective private management and marketing partner for the new Cardinals Stadium. We provided each of the three competing firm's ample opportunity to make their case and earn our business. We consider the future relationship with our management and marketing partner to be the critical partnership in achieving our high expectations for this truly world class facility.

Exhibit “B”
**RECOMMENDATION BY “BOOT” ON THE STADIUM MANAGEMENT FIRM
TO PARTNER WITH THE AUTHORITY IN OPERATING, PROMOTING AND
MARKETING THE NEW CARDINALS STADIUM**

All three firms are eminently qualified and are certainly capable of adequately managing and marketing the new Cardinals Stadium. However, *in the opinion of the BOOT evaluation team, one company offers a superior combination of management and marketing experience and potential—Global Spectrum.* This unanimous recommendation results from an assessment of the following five areas:

1. Management.

The committee was impressed with the management team of Global Spectrum and their history and experience in successfully managing a number of facilities and large events. During our site visit to Philadelphia, we witnessed the staging of 3 major events at the Wachovia Center over two days in conjunction with 4th event at the Wachovia Spectrum. They made a very strong presentation to the committee and the Board and impressed us with their commitment to the success of the facility. Their management team demonstrated creativity in addressing issues such as customer service in an effective and fun manner. Furthermore, their experience as a company that owns professional sports teams, a regional sports television network, operates facilities, is a food and beverage concessionaire, and in ticketing operations, means that the TSA and the Cardinals will have the insight of a company that is experienced in each of these areas.

2. Marketing and Creativity for Non-Football Events.

Given their successful management and booking at events at other facilities, including at the Wachovia Center in Philadelphia (which is one of the nation’s busiest arenas in the U.S. 4th largest market), we believe they will be successful in attracting a large number of non-football events to Cardinals Stadium. We are also confident that Global Spectrum will be able to create other revenue producing events for the facility, such as festivals, alternative sporting events, and new trade and consumer shows. We believe their parent corporation, Comcast, adds greatly to the marketing ability and strength of Global Spectrum. Comcast is a national leader in communications and entertainment that can market our facility through their cable subscribers and national cable and dish programming such as the Golf Channel, E! Entertainment and the Outdoor Life Network. They have extensive experience in dealing with all of the top promoters of events and will maintain an open and aggressive book for Cardinals Stadium.

3. **Knowledge of Football Operations.**

Many members of the Global Spectrum team have been involved in managing NFL stadiums and operations in the past. The Cardinals have indicated that they support the selection of Global Spectrum as the Authority's management and marketing services provider. The Fiesta Bowl also has indicated their support of this selection.

4. **Motivation and Desire.**

The Global Spectrum team demonstrated a shared vision for the use and marketability of Cardinals Stadium. They demonstrated that they understand the uniqueness of the design and the flexibility of the facility for a wide range of events. While Global Spectrum has many executives with experience managing large stadiums, they do not have an NFL stadium in their current portfolio. We believe that this factor is a plus, in that Global Spectrum will be seeking content to place in just one large facility—ours. We believe that they will consider this account a most important account in their business and work extremely hard to earn a renewal when the original contract term ends. In their own words, we would become their "Showcase Account".

5. **Price and Commitment to the Success of the Facility.**

By comparison, the fixed fee price offering of Global Spectrum was the lowest of the three firms. Federal law limits the earned portion of a private management firm's fee to not exceed the fixed (guaranteed) portion, so Global Spectrum's overall fee structure is the lowest that was offered as well. In addition, they have made a commitment to finance the build-out of certain undeveloped spaces in the building in order to make Cardinals Stadium more marketable and produce greater revenues for the Authority.

Arizona Tourism & Sports Authority
March 30, 2004