

DRAFT

Arizona Sports & Tourism Authority

Minutes of the 63rd Meeting of the Arizona Sports & Tourism Authority

Board of Directors

December 14, 2005

2:00 p.m.

Fennemore Craig, P.C., Conference Room E1-E2

3003 N. Central Ave., Suite 2600

Phoenix, AZ 85260

Attendance

Members

John D. Benton, Chairman
Jonathan Garrett
Deborah Johnson
Larry Landry
Herman Orcutt
Verma Pastor
Gerald Walker
Rod Williams
F. Rockne Arnett (Absent)

Staff

Ted A. Ferris, President/CEO
Charles M. Foley, Chief Financial Officer & Treasurer
Kimberly Monroe, Executive Assistant/Office Mngr.
Brad Parker, Public Information Officer
Deborah Wilson, Project Assistant

1. Call to Order. A public meeting of the of the Arizona Sports & Tourism Authority (the "Authority") Board of Directors (the "Board") was held in the Conference Room E1-E2 at the offices of Fennemore Craig, P.C., 3003 N. Central, Suite 2600, Phoenix, AZ 85012 on Wednesday, December 14th at 2:00 p.m. A quorum being present, and the meeting having been duly noticed, the Board Chairman, Mr. John Benton, called the sixty-third meeting of the Board of Directors to order.

2. Consideration of Minutes from November 15, 2005. The Chairman asked for a motion to approve the minutes of the Board held November 15, 2005. Mr. Rod Williams made a motion, second by Mr. Jerry Walker, to approve the minutes. Mr. Larry Landry requested a correction to the minutes, noting that there had been considerable discussion regarding the Maricopa County Sports Commission ("MCSC") Biennial Grant request that was not reflected in the minutes. Mr. Landry asked that the MCSC letter dated November 10, 2005 from Mr. Michael Sculley to Mr. Charles Foley be added as an exhibit to the minutes. Mr. Williams withdrew his motion to approve the minutes. The Chairman asked for a motion to approve the minutes of the

DRAFT

board meeting held November 15, 2005 (exhibit A) with the noted addition. Upon motion duly made by Mr. Landry and seconded by Mr. Herman Orcutt the minutes were unanimously approved.

3. Youth and Amateur Sports Matters. Mr. Orcutt informed the Members that he would be moving to rescind the action the Members had taken at the November 15, 2005 meeting related to the Youth and Amateur Sports Biennial Grant projects. Mr. Orcutt stated that he would then be making a second motion to approve the thirteen staff recommended Biennial Grant projects and to send the Maricopa County Sports Commission Grant back to the Youth and Amateur Sports Committee so the Committee and staff could conduct the proper due diligence as previously requested by board member Verma Pastor at the September 19, 2005 Youth and Amateur Sports ("YAS") Committee Meeting. Mr. Orcutt stated he would also include in his motion a recommendation that the Mesa Aquatics Project and the St. Francis/Xavier Athletic Association applications be further considered for possible funding in 2006 per the staff recommendation, once the stated deficiencies in those applications were overcome. Thereafter, Mr. Orcutt moved to rescind the November 15, 2005 motion to approve funding for the youth and amateur sports grant projects. The motion was seconded by Mr. Williams. After discussion, the Chairman asked the members to vote on the Orcutt motion. By a vote of six in favor and two opposed, the motion passed. Mr. Orcutt then moved to approve the thirteen grants that had been previously recommended by staff and the Board's Youth and Amateur Sports Committee, that the Mesa Aquatics Project and the St. Francis/Xavier Athletic Association applications be further considered for possible funding in 2006 once the noted objections were overcome, and that the MCSC grant be sent back to the YAS Committee and staff for further review and consideration. Mr. Williams seconded the motion. Mr. Landry made a substitute motion, seconded by Ms. Pastor, to table this matter until all nine Board members could be in attendance. Mr. Ferris reminded the members that the staff would be unable to move forward with any of the grants if the motion was tabled due to the previous motion that had passed to rescind the funding.

DRAFT

Chairman Benton called for a vote on Mr. Landry's substitute motion. The motion failed by a vote of three in favor and five opposed. Chairman Benton then called for a vote on the original motion by Mr. Orcutt. By a vote of eight in favor and none opposed, the motion passed.

4. Multipurpose Facility Matters. The Chairman asked that this item be moved to the end of the agenda until representatives from the Arizona Cardinals were in attendance.

5. Mid-Year Financial Review Mr. Foley reviewed for the Members the Year-to-Date revenues document that had been provided in their Board Books (exhibit B). He stated that the hotel tax had been performing better-than-expected through the first five months of the fiscal year but that the car rental was continuing to come in below projections. In response to a question from board member Roc Arnett, Mr. Foley stated that he was working with the Department of Revenue to determine the cause for the poor car rental surcharge revenue performance. Mr. Foley then reviewed with the members the Multipurpose Facility Budget document (exhibit C) that had been provided in the Board Books. Chairman Benton thanked Mr. Foley for his detailed report.

6. Arizona Cardinals Public Records Request. Ms. Sarah Strunk reviewed the Arizona Cardinals' request with the members and the staff's actions in complying with the request. Chairman Benton requested that the staff schedule a series of meetings with Mr. Michael Bidwill and the Board members to discuss our upcoming events such as the Super Bowl, and a Grand Opening Advisory Committee, as well as the Authority's relationship with the Team.

7. Multipurpose Facility Matters. Chairman Benton stated that this item was being presented today for information only, and that the Board would like the Team and the Bowl to work out their differences before the next meeting. Mr. Ferris reviewed with the Members the situation between the Fiesta Bowl and the Arizona Cardinals as it relates to the Suite and Club Seat Allocation for the Fiesta Bowl Games. Chairman Benton asked Mr. Ron Minegar, Arizona Cardinals Vice President of Marketing and Sales, to provide an overview of the Cardinals' position on this issue. Chairman Benton then asked Mr. Mike Allen, Fiesta Bowl Past-Chairman,

DRAFT

to review the Fiesta Bowl's position with respect to this issue. Upon the end of this discussion, Chairman Benton instructed Ms. Strunk to review the agreements and provide the Board with her counsel on this matter. He also stated that he would like to include this matter on the Board's next meeting agenda. Mr. Allen requested that the Board Members restrict the team from marketing any suites until this issue is resolved. Chairman Benton asked Mr. Minegar if the Team was currently marketing the suites for the Fiesta Bowl Game. Mr. Minegar stated the team had begun the preliminary process of marketing, but had not finalized any deals.

8. Bylaw Revision. Mr. Ferris reviewed the proposed changes to the Authority's bylaws (exhibit D) with the members. Chairman Benton stated he was going to step out of the room so the members could discuss. Chairman Benton turned the duties of the Chairman over to Mr. Herman Orcutt in his temporary absence. Upon completion of discussion of the proposed bylaw changes, Mr. Landry made a motion, seconded by Mr. Williams to approve the revised bylaws, which was approved unanimously. Mr. Landry made a motion, seconded by Mr. Williams, to extend Mr. Benton's role as the Chairman through June 30, 2006. The motion was approved unanimously. Thereafter, Mr. Landry stated that he had to leave the meeting for a previously scheduled conference call. Thereafter, Mr. Williams nominated Mr. Orcutt for the newly-created position of Vice-Chairman, which was seconded by Mr. Walker, and was approved unanimously. Thereafter, Chairman Benton re-entered the meeting to resume the Chairman's duties and nominated Mr. Walker for the position of the Authority Secretary, which nomination was seconded by Mr. Orcutt and was approved unanimously. It was resolved that Mr. Orcutt and Mr. Walker would assume their new officer positions immediately.

9. Executive Session. Chairman Benton asked for a motion to go into Executive Session. Upon motion duly made by Mr. Williams, and seconded by Mr. Orcutt, and approved unanimously, it was resolved that the Board would go into Executive Session.

DRAFT

Chairman Benton asked for a motion to resume regular session. Upon motion duly made by Mr. Williams, seconded by Mr. Orcutt, and approved unanimously, it was resolved that the Board would go back into regular session.

10. Announcement of future meeting dates and other information concerning the Board.

11. Adjournment. There being no further business to come before the Board the meeting was adjourned at 4:30 p.m.

DRAFT

“Exhibit A”

Minutes from November 15, 2005 Board Meeting

DRAFT

“Exhibit B”

AZSTA Fiscal Year to Date Revenue Performance

DRAFT

“Exhibit C”

Multipurpose Facility Budget

DRAFT

“Exhibit D”

Authority By-Laws