

Arizona Sports & Tourism Authority

Minutes of the 59th Meeting of the Arizona Sports & Tourism Authority

Board of Directors

June 23, 2005

Arizona Sports & Tourism Authority, Board Room

14500 N Northsight Boulevard, Suite 312

Scottsdale, AZ 85260

Attendance

Members

John D. Benton, Chairman - Telephonically
F. Rockne Arnett
Rod Williams
Michele Eckert
Herman L. Orcutt
William H. Peltier
Verma Pastor
Larry D. Landry
Jonathan Garrett, Absent

Staff

Ted A. Ferris, President/CEO
Charles M. Foley, Chief Financial Officer &
Treasurer
Kimberly Monroe, Executive Assistant
Brad parker, Public Information Officer
Kerri White, Youth Sports & Cactus League
Grant Coordinator
Kenny W. Harris, VP for Facilities

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 Board Room at the offices of the Authority, 14500 N. Northsight Blvd., Suite 312, Scottsdale, AZ 85260 on Thursday, June 23, 2005 at 9:00 a.m. Chairman Benton requested Mr. Landry chair the meeting since Chairman Benton was appearing telephonically. A quorum being present, and the meeting having been duly noticed and called, Mr. Landry, called the fifty-ninth meeting of the Board to order.

2. Consideration of Minutes from May 20, 2005 and June 7, 2005 Meetings.
The Chairman asked for a motion to approve and ratify the minutes of the Board held May 20, 2005 (exhibit A) and June 7, 2005 (exhibit B). Upon motion duly made by Mr. Benton and seconded by Mr. Arnett and unanimously carried and it was resolved that the minutes be approved.

3. Consideration of Executive Session –Consultation with the attorneys of the Authority regarding the Authority’s position regarding contracts that are the subject of negotiations pursuant to A. R. S. 38-431.03(A)(4). Mr. Landry asked for a motion for the Board to enter into executive session. Upon motion duly made by Mr. Orcutt seconded by Ms. Eckert, and unanimously carried, the motion was approved. The public was asked to exit the Board Room and the Board entered into executive session. At the end of the executive session the public was invited back and Mr. Landry asked for a motion to exit the executive session and return to the regular session. Upon motion duly made by Mr. Orcutt, seconded by Ms. Eckert, and unanimously carried, the motion was approved. The Board exited its executive session and returned to its regular session.

4. Consideration of Resolution 2005-60 Approving the Amended and Restated Fiesta Bowl Use Agreement with the Arizona Sports Foundation and B&B Holdings, Inc. Mr. Landry asked Ms. Strunk, General Counsel to the Authority, to review the agreement and resolution 2005-60 (exhibit C) with the members. Ms. Strunk reviewed Agreement with the members and reminded them members they had previously been given a Summary of the agreement for their review. Mr. Ferris, Authority President/CEO pointed out that the agreement included a ticket surcharge which will strengthen the monies pledged for the upcoming bond sale. Mr. Landry asked for a motion to approve Resolution 2005-60. Upon motion duly made by Mr. Orcutt, seconded by Ms. Eckert, and unanimously carried, the motion was approved.

5. Consideration of National Championship Game Agreement. Mr. Landry stated that this agreement will be held for consideration at a future Board meeting.

6. Consideration of Resolution 2005-61 Approving the Concession Services Agreement Among the Authority, B&B Holdings, Inc., New Cardinals Stadium, LLC and Volume Services America Holdings, Inc. Ms. Strunk reviewed the resolution and agreement with the members (exhibit D). Mr. Landry asked for a motion to approve resolution 2005-61. Upon motion duly made by Mr. Peltier, seconded by Mr. Orcutt, and unanimously carried, the motion was approved. Mr. Ferris thanks Mr. Peltier for his hard work on this agreement.

7. Consideration of Ratification of UTL Consulting Agreement Mr. Harris, Authority Vice President for Facilities reviewed his memo dated June 20, 2005 to Mr. Ferris regarding the UTL contract (exhibit E) with the members. Mr. Harris gave a brief background on UTL's qualifications and the work they have performed at the construction site. Mr. Harris stated that the staff would be bringing an amendment to this agreement back to the board at a later date which would cover additional services and costs. Mr. Harris stated that the Arizona Cardinals would be responsible for the additional costs associated with the amendment. Mr. Arnett asked if the Arizona Cardinals were aware of this. Mr. Harris stated they were. Mr. Landry asked for a motion to ratify the UTL Consulting Agreement (exhibit F). Upon motion duly made by Mr. Orcutt, seconded by Ms. Pastor, and unanimously carried, the motion was approved.

8. Consideration of Resolution 2005-62 Regarding Authority's Imposition of Facility Use Fees. Mr. Landry asked Ms. Strunk to review the resolution 2005-62 (exhibit G) with the members. Ms. Strunk reviewed the resolution with the members. She stated that the Authority and the Arizona Cardinals have agreed to a facility use fee for the facility. Mr. Williams asked how the attendee numbers would be calculated. Mr.

Ferris responded that the Authority's operator, Global Spectrum, would be responsible for estimating the attendee number. Mr. Landry asked for a motion to approve resolution 2005-62. Upon motion duly made by Ms. Eckert, seconded by Mr. Williams, and unanimously carried, the motion was approved.

9. Consideration of Amendment to the Arizona Cardinals Use Agreement.

Mr. Landry stated that this agreement will be held for consideration at a future Board meeting.

10. Consideration of Amendment to the Project Management Agreement Mr.

Landry stated that this agreement will be held for consideration at a future Board meeting.

11. Consideration of Amendment to the Design Build Agreement. Mr. Landry

stated that this agreement will be held for consideration at a future Board meeting.

12. Consideration of Master Suite License Agreement. Mr. Landry stated that

this agreement will be held for consideration at a future Board meeting.

13. Consideration of Team Facility Use Fee Trust Agreement. Mr. Landry

stated that this agreement will be held for consideration at a future Board meeting.

14. Consideration of Authority's FY 2006 Budget. Mr. Landry stated that Mr.

Foley had provided the members were a nice detailed budget. He stated that Global Spectrum's operating budget, included in the Authority's budget was a best guess and that the Authority would be implementing the necessary oversights to monitor their budget. Mr. Landry turned the discussion over to Mr. Arnett, Chairman of the Finance, Budget and Audit Committee. Mr. Arnett stated that at the June 22, 2005 Committee meeting the Committee recommended forwarding the Authority's FY 2006 Budget

(exhibit H) to the Board of Directors for approval. Mr. Arnett asked Mr. Foley, Authority Chief Financial Officer and Treasurer to review the high points of the Authority's FY 2006 Budget with the members. Mr. Foley reviewed the budget executive summary with the members pointing out the minor changes made at the June 22, 2005 Finance, Budget and Audit Committee meeting. Mr. Foley noted that the Committee members requested a decrease in the sales tax recapture for the Arizona Cardinals home games due to the change in their home game schedule reducing the revenues by approximately \$78,000. Mr. Foley also noted that the Authority's operating account had noticeably increased due to several reasons, one being the addition of Global Spectrum's operating budget along with stadium related purchases such as FF&E and Authority build outs in the stadium . Mr. Landry asked for a motion to approve the Authority's FY 2006 Budget. Upon motion duly made by Mr. Arnett, seconded by Mr. Orcutt and unanimously carried, the motion was approved.

15. Consideration of Resolution 2005-63 Approving the Intergovernmental Agreement Between the Authority and the City of Glendale. Mr. Landry asked Ms. Strunk to review the Intergovernmental Agreement ("IGA") with the members. Ms. Strunk stated that the terms of the IGA were taken from the language in the Development and Disposition Agreement between the City of Glendale and the Authority. Mr. Landry asked Mr. Art Lynch, Deputy City Manager for the City of Glendale to add any further comments to Ms. Strunk's review. Mr. Lynch indicated the City's support for the agreement and thanked the staff and Board for their hard work in finalizing the agreement. Mr. Landry asked if there were any questions from the members prior to calling for a motion to approve the Agreement. Mr. Williams stated his concerns with

the 30-year term of the agreement and what would happen once the 30 year term was reached if the land were no longer available for parking or as youth sports fields. Mr. Williams also expressed concern with the apparent lack of ingress/egress to the site. Mr. Ferris stated that the 30-year agreement was consistent with that of the other youth sports agreements as well as the Authority's Use Agreements with the Fiesta Bowl and Arizona Cardinals. He also stated that the Authority's staff was working with the City to address the ingress/egress concerns. Mr. Lynch also stated that the City was working with their architects to address the parking issues. Ms. Strunk stated that the Development Agreement has specific language regarding the parking requirements and that if that agreement is extended after 30 years the parking requirements would have to be met. Mr. Landry asked for a motion to approve the IGA with the understanding that the City and the Authority staff would have to work on the ingress/egress issues that results in a site parking plan that is acceptable to both the City and the Authority prior to execution of the IGA. Upon motion duly made by Mr. Williams and seconded by Ms. Eckert and unanimously carried and it was resolved that the IGA be approved.

16. Biennial and Quick Grants Update. Mr. Landry asked Ms. White, Authority Youth Sports and Cactus League Grant Coordinator to update the members. Ms. White gave a brief update on the biennial grant and quick grant programs. She stated that the evaluation process was underway for the biennial grant applications received. She also stated that time table is to forward recommendations to the Youth Sports Committee of the Board in July 2005 with the committee forwarding their recommendations to the fully Board of Directors in August 2005 and awards made in September 2005. Ms. White stated that the Authority had awarded seven quick grants

this calendar year. Ms. White then gave the members a brief update and history of the GIS program which the Maricopa Council on Youth Sports and Physical Activity was maintaining for the Authority. Mr. Peltier thanked Ms. White for her work with the youth and amateur sports programs.

16. City of Tempe and City of Scottsdale Cactus League Update. Ms. White updated the members on the progress of the City of Scottsdale cactus league project. She stated that the City of Scottsdale plans to begin phase 1 of construction the last week in July 2005 with construction scheduled for completion in February 2006 with phase 2 of construction to begin upon completion of the 2007 spring training season. Ms. White then briefed the members on the City of Tempe cactus league project. She stated they had started construction and are scheduled to complete construction by February 2007. Ms. White stated she was attending construction update meetings for both the City of Scottsdale and Tempe cactus league projects. Mr. Orcutt asked if the Authority had retained the Mr. Brendecke to assist with these projects. Mr. Ferris stated that Mr. Brendecke would be doing monthly site visits to both the City of Scottsdale and Tempe and attending pay applications meetings but that the main responsibility would be turned over to Ms. White as part of her job duties as the Cactus League coordinator.

17. Announcement of Future Meeting Dates and Other Information Concerning the Board. Mr. Landry stated that the Board would need to meet again within the next 30 days and asked the members to provide Ms. Monroe, Authority Executive Assistant with their travel schedules for the month of July.

. Adjournment. There being no further business to come before the Board the meeting adjourned.

“Exhibit A”

May 20, 2005 Board Meeting Minutes

“Exhibit B”

June 7, 2005 Board Meeting Minutes

“Exhibit C”

Resolution 2005-60 Approving the Amended and Restated Fiesta Bowl Use Agreement
with the Arizona Sports Foundation and B&B Holdings Inc.

“Exhibit D”

Resolution 2005-61 Approving the Concession Services Agreement Among the
Authority, B&B Holdings, Inc., New Cardinals Stadium, LLC and Volume Services
America Holding, Inc.

“Exhibit E”

June 20, 2005 Memo from Kenny W. Harris to Ted A. Ferris regarding UTL Consulting Agreement.

“Exhibit F”

UTL Consulting Agreement

“Exhibit G”

Resolution 2005-62 Regarding Authority’s Imposition of Facility Use Fee

“Exhibit H”

Authority’s FY 2006 Budget

“Exhibit I”

Resolution 2005-63 Approving the Intergovernmental Agreement between the Authority
and the City of Glendale.