

Arizona Sports & Tourism Authority

**Minutes of a Meeting of the Arizona Sports & Tourism Authority
Finance, Budget and Audit Committee**

May 20, 2005, 7:30 a.m.

**Arizona Sports and Tourism Authority Offices
14500 N Northsight Blvd, Suite 312 (Conference room)
Scottsdale, Arizona 85260**

Attendance

Attendees

Roc Arnett, Chairman

Rod Williams

Larry Landry (telephonically)

John Benton

Ted Ferris, President/CEO

Charles Foley, Chief Financial Officer & Treasurer

Kurt Freund, Managing Director, RBC Dain Rauscher

John Snider, Manager, RBC Dain Rauscher

1. Call to Order. A public meeting of the of the Arizona Sports & Tourism Authority (the "Authority") Finance, Budget and Audit Committee (the "Committee") was held in the Authority's conference room at the Authority's offices on Friday, May 20, 2005 at 7:30 a.m.. A quorum being present, and the meeting having been duly noticed and called, Chairman Arnett called the meeting to order.

2. Consideration of Minutes from February 15, 2005. Chairman Arnett asked for a motion to approve and ratify the minutes of a meeting of the Committee held February 15, 2005 (Exhibit A). Mr. Williams moved the approval of the minutes. The motion was seconded by Mr. Landry and unanimously carried and it was resolved that the minutes of the February 15, 2005 meeting be approved.

3. Multipurpose Facility Matters. Chairman Arnett called on Mr. Ferris, Authority President/CEO to open the discussion related to the proposed Resolution 2005-59 which would increase the pending Completion Bond proceeds from \$45 million to \$53 million which would

yield net bond proceeds of \$48.9 million. Mr. Ferris updated the Committee on the various issues that have been worked on and addressed since the original resolution was passed on October 7, 2005 by the Authority's Board of Directors. The pending resolution of these issues will allow the Authority to proceed forward with the proposed Completion Bond issuance over the next sixty to seventy-five days. Included in Mr. Ferris' update was information related to the proposed expenditure of the \$48.9 million in net bond proceeds. These proceeds will be used to meet the financing requirements for the stadium's off-site improvements of \$32.9 million, \$12.5 million in pre-existing stadium project costs for which funding had not yet been secured and \$5.0 million for 10,000 extravaganza seats and related storage build-out for those seats. Mr. Williams raised the issue of the pending amendment to the proposed State budget which would remove the guaranteed minimum from the Authority's NFL income tax and what affect it would have on the bond sale. Mr. Ferris informed the committee that based on the Authority's efforts combined with that of several other organizations that there was a general consensus that the Governor's office was inclined to veto this specific line item on the proposed State budget. Mr. Landry concurred with Mr. Ferris' assessment that the veto was likely. Mr. Ferris did conclude, however, that if the amendment were not vetoed by the Governor that the Completion Bond sale would be rendered moot and that the Authority would more than likely need to turn to the City of Glendale in order to arrange for the off-site improvement financing. Mr. Arnett asked about the quantity of the proposed extravaganza seats and whether or not that number had decreased. Mr. Benton responded that the quantity of seats had actually increased in order to meet the Authority's contractual obligation with the Fiesta Bowl. Further discussion ensued related to the extravaganza seating being used for the National Championship Game, the 2008 Super Bowl and other events for which these seats will have utility by the Authority's stadium management

company – Global Spectrum. Mr. Landry moved that the Committee recommend to the Board of Directors the passage of Resolution 2005-59. Mr. Williams seconded the motion and it was unanimously carried that Resolution 2005-59 be recommended for approval by the Authority's Board of Directors.

4. Adjournment. There being no further business to come before the committee, the meeting adjourned.

“Exhibit A”

February 15, 2005 Committee Minutes