

Arizona Sports & Tourism Authority

**Minutes of the 70th Meeting of the Arizona Sports & Tourism Authority
Board of Directors
October 12, 2006
3:30 p.m.**

**Arizona Sports & Tourism Authority
Outside the Board Room on the Club Level
1 Cardinals Drive
Glendale, AZ 85305**

Attendance

Members

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

Staff

Ted A. Ferris, President/CEO
Charles Foley, CFO & Treasurer
Kimberly Monroe, Executive Assistant/Office Mgr.
Brad Parker, Public Information Officer
Kenny Harris, Vice President for Facilities
Deb 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 outside the Authority's Board Room on the Club Level at the at the Stadium, 1 Cardinals Drive, Glendale, AZ 85305 on Thursday, October 12, 2006 at 3:30 p.m. A quorum being present, and the meeting having been duly noticed and called, Chairman Larry Landry called the seventieth meeting of the Board to order.

Chairman Landry noted that the meeting location had been moved to outside the Board Room to accommodate the large number of attendees. He also noted that there were comment cards located on the back table that could be fill out should an audience member want to speak on any matter on the agenda. He asked that comments be limited to no more than three minutes.

2. Consideration of Minutes from the September 21, 2006 Board Meeting. The Chairman asked for a motion to approve the minutes of the Board held September 21, 2006 (Exhibit A). Upon motion duly made by Mr. Roc Arnett and seconded by Mr. John Benton the minutes were unanimously approved.

3. Call for Public Comment. Chairman Landry stated that those wishing to make comments would need to fill out a comment cards. Chairman Landry then stated that he has been asked to allow public comment on the naming of the stadium to accommodate audience member schedules. He recognized Mr. Michael Bidwill, Arizona Cardinals Vice President and as being in attendance and asked that he step to the podium and state his name and title for the record. Mr. Rod Williams asked Chairman Landry if he was changing the order of items on the agenda and if so he objected to the change. Chairman Landry stated he was not changing the order of items on the agenda he was allowing only for public comment under agenda item 3C. After entering his name and title into the record Mr. Bidwill gave the members a brief history of the process that took place for the naming rights agreement that had been reached. Mr. Bidwill then asked that a letter from Mr. Roger Goodell, Commissioner for the National Football League to Chairman Landry dated October 2, 2006 (Exhibit B) be read and entered into the public record. Mr. Bidwill read the letter into the record.

Mr. Bidwill then introduced Mr. Brian Muller, President of the Apollo Group. Mr. Muller stated his name and title for the record and then gave a presentation (Exhibit C) to the members providing history of the Apollo Group and the University of Phoenix. Chairman Landry asked Mr. Muller if the University of Phoenix had events that brought visitors into the Valley such as graduations. Mr. Muller stated that they did have such events and that one was currently scheduled at the Glendale Arena and would have more than six thousand participants.

4. Fiesta Bowl Matters. Chairman Landry recognized Mr. John Junker, President and COE for the Tostitos Fiesta Bowl as being in attendance. He then asked Mr. Junker to step to the podium and state his name and title for the record. Mr. Junker stated his name and title and then thanked the Board for all the work they had done in assisting the Fiesta Bowl ("the Bowl") with various stadium matters over the past months. He stated that the Bowl would like to request additional assistance from the Board with two additional items. The first item the Bowl would like assistance with is Agenda Item 4B the Amendment number one to the Amended and Restated

Fiesta Bowl Use Agreement (Exhibit D). Mr. Junker stated that at the February Board of Directors meeting the Bowl and the Arizona Cardinals ("the Team") had come to an agreement on the suite and club seat allocation to which the Board had approved at the meeting. Mr. Junker asked the Board to approve the amendment, which is based on what was agreed to and then approved by the Board of Directors at the February meeting. The second item the Bowl would like assistance with is agenda item 4Ci and 4Cii the temporary signage proposal for the stadium (Exhibit E) that had be submitted to the Team and the Board. Mr. Junker stated that the Bowl Championship Series ("BCS") does not believe it is appropriate to have another teams branding in the building during their games. Mr. Junker also stated that the Bowl had received a letter this morning from Mr. Ron Minegar, Arizona Cardinals Vice President, Marketing & Sales to Mr. Jay Fields, Fiesta Bowl Vice President, Marketing accepting the Bowls complete temporary signage proposal for the 2007 Bowl games only and that an agreement for any games going forward would need to be negotiated once the 2007 Bowl games had concluded (Exhibit F). Mr. Junker stated that the Bowl does not feel that the latest offer of a one-year agreement is a good business decision.

Chairman Landry stated that Mr. Dean Short Attorney for the Team was in attendance and had requested to speak against the Amendment number one to the Amended and Restated Fiesta Bowl Use Agreement. Mr. Short stated that the Team did not have an issue with the allocation of the suites and the club seats only the language as written in the Amendment. Mr. Short also stated that Team does not believe an amendment to the agreement is needed. Mr. Short then provided the members with a copy of a letter to Mr. Fields, from Mr. Ron Minegar, regarding club seat and suite allocations. Mr. Short suggested that the Bowl signed the letter of agreement rather than amend the Use Agreement. Mr. Short also stated that the Team had also sent a letter to Mr. Fields this morning accepting the complete temporary signage proposed by the Bowl for one year with two exceptions and after that time the Team would evaluate the package and negotiate a long-term agreement. He reminded the Board that section 21.16.2 of

the Amended and Restated Fiesta Bowl Agreement (Exhibit G) states the Authority could only intervene if it related to an operational issue and only if time is of the essence. Chairman Landry asked Ms. Sarah Strunk, Attorney for the Authority to review the language for the members. Ms. Strunk read the language to the Board and stated that the Authority staff had reviewed these matters with Global Spectrum's operations staff and believe that this is an operational issue and time is of the essence.

Chairman Landry stated that the Board of Directors felt it was important to amend the Agreement. Ms. Strunk agreed and stated that the agreement with Fiesta Bowl is for thirty years and it is a good idea to have the changes reflected in the agreement.

Mr. Michael Allen, Fiesta Bowl Board Member asked to address the Board regarding this issue. Mr. Allen stated that the Bowl believes the amendment is important and would hope the Board would approve it. Ms. Strunk noted that Recital D, language related to the use of the great lawn, should have been removed from the agreement prior to sending to the members.

Mr. Herman Orcutt moved to approve the Amendment number one to the Amended and Restated Fiesta Bowl Use agreement with the elimination of Recital D. Having motion duly made and seconded by Mr. Arnett the Amendment number one to the Amended and Restated Fiesta Bowl Use Agreement unanimously passed.

5. Consideration of Temporary Signage Proposal for the Stadium. Chairman Landry stated that he would like to have someone from the Bowl explain why they believe this issue meets the criteria of time being of the essence. Mr. Junker stated that the preparation of the banners and signage will cost the Fiesta Bowl over \$500,000 and will need to be utilized for more than just one year. They will also need to begin negotiations with the manufacturer companies as soon as possible and would not be able to negotiate the best deal possible if the manufacturer knew they could possibly have to order different banners after one year. Mr. Andy Abraham, Attorney for the Bowl stated that time is of the essence because the contracts that the Bowl will need to sign with the signage companies will be multi-year and they would lose their leverage

should the temporary signage package not be approved. Mr. Williams stated that if the Board did not make a decision on this matter today that the Fiesta Bowl and the Team would be back in front of the Board again in a year with the exact same problems regarding temporary signage. Mr. Williams then moved that "The Board of Directors find that the BCS National Championship Game qualifies as a Unique Event under Sec. 12.1 of the Cardinals Use Agreement, and that the Authority can expect the Team to accommodate and cooperate with the Authority to meet the requirements of the NCAA and the BCS in planning, staging and hosting this unique national event, including all aspects of their signage plans." Mr. Orcutt seconded the motion. Chairman Landry stated that he had additional questions regarding temporary signage. He stated that in the October 12, 2006 letter from Mr. Minegar to Mr. Fields it referenced two exceptions to the signage package as proposed by the Bowl, the Club Level permanent tri-vision panels and the North Endzone two permanent advertising panels adjacent to the North Videoboard and asked Mr. Junker to comment on the exceptions. Mr. Junker stated that the Fiesta Bowl would be agreeable to those exceptions and would talk with the Bowl Championship Series and recommend that they support the two exceptions. Upon motion duly made by Mr. Williams and seconded by Mr. Orcutt, the motion was unanimously approved, along with the temporary signage package for the BCS-National Championship game as presented by the Bowl.

Ms. Debbie Johnson moved that "The Board of Directors find that Team Branding Elements are not Naming Rights Signage, Permanent Advertising Signage, or Stadium Decorations and, therefore, are subject to being covered by Temporary Signage for the Fiesta Bowl; and, that the Fiesta Bowl be allowed to proceed with their Temporary Signage Plan as presented to the Board of Directors on September 21, 2006, to include the temporary covering of Team Branding Elements, provided that it does not cover any signage for the Team's naming rights sponsor or permanent advertising, and to the extent that it does not cover any stadium decorations." Mr. Orcutt seconded the motion. Chairman Landry asked Mr. Junker if the Fiesta Bowl would agree to the two exceptions stated in the October 12, 2006 letter as they had for the

BCS-National Championship Game. Mr. Junker stated that the Fiesta Bowl would be agreeable to those exceptions and would talk with the Bowl Championship Series and recommend that they support the two exceptions. Upon motion duly made by Ms. Johnson and seconded by Mr. Orcutt the temporary signage package for the Fiesta Bowl game was unanimously approved with the two exceptions as noted above.

6. Authority Matters. Mr. Ted Ferris, Authority President/CEO briefly reviewed the funding estimates provided to members in the Board books (Exhibit H). Mr. Charles Foley, Authority CFO and Treasurer then gave a brief presentation to the Members reviewing the funding estimates vs. PMA Exhibit 7 (Exhibit I). Mr. Kenny Harris, Authority Vice President for Facilities then reviewed his memo to Mr. Ferris dated October 11, 2006 (Exhibit J) regarding the Project Management Agreement Closeout status report.

7. Arizona Cardinals Issues. Chairman Landry asked if there was anyone in the audience that would like to comment on the Arizona Cardinals Issues. Mr. Bidwill stated for the record that he supported the stadium naming rights proposal being brought forward by the Team. Chairman Landry then stated that he would like to move the consideration of the Stadium naming rights ahead of the review of the use agreement language governing Team Additions. Mr. Orcutt made a motion to approve the stadium naming rights. Board Member Johnson seconded the motion. The motion being duly made and seconded, the Stadium Naming rights proposal presented by the Team was unanimously approved.

Mr. Ferris reviewed his memo to the Members dated October 11, 2006 (Exhibit K) regarding Sec. 13.2 of the Cardinals Use Agreement governing Team Additions. Chairman Landry asked if the Team would like to comment on the memo. Mr. Short stated that the Team believes the Project Management Agreement ("PMA") still remains in effect and that the process for approving any current changes orders is still governed by the PMA.

8. Board Member Comments. Ms. Verma Pastor thanked the other Members for their hard work on the issues discussed at the meeting. Chairman Landry stated that he had

received a letter from Mr. Ed Beasley, City of Glendale City Manager dated September 26, 2006 (Exhibit L) stating that the City of Glendale would like to have advance notification if Major League Baseball is to appear on the agenda or discussions are to occur regarding cities and their proposals. Chairman Landry stated that Mr. Ferris would make reviewing the Cactus League proposals a top priority.

10. Announcement of Future Meeting Dates and Other Information Concerning the Board. Mr. Ferris reminded the members of the WESTMARC Best of the West Dinner and Awards Ceremony being held at the stadium on October 26, 2006. He stated that the Authority is a finalist in the Arts and Entertainment category. Mr. Arnett stated that he was on the judging panel for the WESTMARC awards. Chairman Landry asked the staff to provide the members with a three-month calendar of events at the stadium.

11. Adjournment. There being no further business to come before the Board, the Chairman asked for a motion to adjourn. Upon motion duly made by Mr. John Benton and seconded by Ms. Pastor the motion to adjourn was unanimously approved.

Comment [TAF1]: Left justify

“Exhibit A”

Minutes from the September 21, 2006 Board Meeting

“Exhibit B”

“Letter from Mr. Roger Goodell, NFL Commissioner, dated October 2, 2006”

“Exhibit C”

“Mr. Brian Muller PowerPoint Presentation”

“Exhibit D”

Amendment #1 to the Amended and Restated Fiesta Bowl Use Agreement

"Exhibit E"

"Fiesta Bowl Temporary Signage Proposal dated October 21, 2006"

“Exhibit F”

“Letter from Mr. Ron Minegar to Jay Fields dated October 12, 2006 regarding Temporary Signage
Proposal”

“Exhibit G”

“Sec. 21.16.2 of the Amended and Restated Fiesta Bowl Use Agreement”

“Exhibit H”

October 1, 2006 Funding Estimates vs. PMA Exhibit 7

“Exhibit I”

Mr. Charles Foley Funding Presentation

“Exhibit J”

“Mr. Kenny Harris Memo to Mr. Ted Ferris dated October 11, 2006 regarding Project
Management Agreement Closeout Status Report”

"Exhibit K"

"Mr. Ted Ferris Memo to AZSTA Board of Directors dated October 11, 2006 regarding Sec. 13.2
of the CUA; Team Additions"

"Exhibit L"

Letter from Mr. Ed Beasley to Mr. Larry Landry dated September 26, 2006 regarding Cactus
League