

Arizona Sports & Tourism Authority

**Minutes of 120th Meeting of the Arizona Sports & Tourism Authority
Board of Directors**

Thursday, January 10, 2013

1:00 pm

Arizona Sports & Tourism Authority
1 Cardinals Drive, Glendale, Arizona 85305

In Attendance

Board Members

Jody Harwood – Board Chair
Jeff Meyer – Board Vice Chair
Dave Eberhart – Board Secretary
Bill Peltier
Verma Pastor
Judy Bernas
Brad Wright
Sherry Henry
Mike Galloway

Staff

Tom Sadler, CEO
Kevin Daniels, CFO
Robin Matteson, Office Manager

Authority General Counsel

Sarah Strunk

Guests

John Page – Global Spectrum
Peter Sullivan – Global Spectrum
Kurt Freund - RBC
John Snider – RBC

Ron Minegar – Arizona Cardinals
Melissa Wasson – Global Spectrum
Scott Norton – Global Spectrum
Jaime Molera – Molera Alvarez Group

1. Call to Order - A public meeting of the One Hundred and Nineteenth Arizona Sports & Tourism Authority's Board of Directors was held on Thursday, January 10, 2013 at Arizona Sports & Tourism Authority, 1 Cardinals Drive, Glendale, Arizona 85305 at 1:00 pm. A quorum being present and the meeting having been duly noticed, Board Chair Jody Harwood called the meeting to order at 1:01 pm.
2. Consideration of Minutes from October 10, 2012 - Chair Harwood called for a motion to approve the minutes of the Board meeting held October 10, 2012 attached hereto as **Exhibit A**. Upon motion duly made by Member Bill Peltier and seconded by Member Brad Wright the minutes were unanimously approved.
3. Review and Update on Refunding Opportunities of Subordinate Bonds and possible Action to Approve Resolution No. 2013-85 to Authorize the Authority to Pursue Refinancing Opportunities with RBC President Tom Sadler introduced Mr. Kurt Freund from RBC Capitol to give the Board an update on the Subordinate Bond refunding and asked the Board for approval to Authorize the resolution. Mr. Freund provided the Board with updated handouts (dated December 2012) outlining the potential savings in refunding the Subordinate Bonds, attached hereto as **Exhibit B**. Upon motion duly made by Member Verma Pastor and Seconded by Member Wright, the Board unanimously approved Resolution No. 2013-85 to allow the Authority to Pursue Refinancing Opportunities with RBC attached hereto as **Exhibit C**.
4. Review and Update of Extension of Rojo Hospitality and Rojo Event Management Contracts, and Consideration of a Motion to Approve Extensions Mr. Sadler presented to the Board a memo outlining the proposed changes to the Contract Extension attached hereto as **Exhibit C**. President Sadler reminded the Board that at the October 10, 2012 Board Meeting a motion to allow staff to negotiate an extension to the Concessions Contract was unanimously approved. Rojo Hospitality is requesting that the provision that requires Rojo to give AZSTA a cash advance each year, be deleted from the

agreement. Due to the financial position at AZSTA having improved greatly, President Sadler recommended to the Board to allow this portion of the contract to remain "dormant" until such time as it may be needed by AZSTA. Board Chair Harwood opened the floor for discussion and asked at what point the cash advance would need to be paid back. Kevin Daniels, CFO, explained the process that is followed when the advance is received by AZSTA and how that amount is held against future earnings. Mr. Sadler explained that his recommendation is to ask the Board for provisional approval to allow staff to complete the documents for both Rojo Hospitality and Rojo Event Management as long as there is no other substantive financial change not covered in the memo. Mr. Sadler explained that Rojo Event Management is requesting that the requirement to place \$750k in an escrow account each year be eliminated. He further explained that the guarantee is still in place and in fact the total revenue generated in the first two years by Rojo Event Management was \$2.1M which is above the guarantee of \$1.5M. Ms. Strunk clarified for the Board that the escrow account is different than the surety bond which will still be in place. Member Galloway asked how long the extension would be in place, Ms. Strunk answered through June 2016, which would allow the Super Bowl to finish prior to AZSTA sending out an RFP. Member Galloway expressed concern about voting on a contract he had not seen and his responsibility regarding voting on those contracts. Ms. Strunk reminded the Board the contracts have been available to the Board and clarified that the original contract was voted on in 2010 and that what would be voted on at this meeting, would be an amendment to the original contract. Ms. Strunk suggested that Member Galloway be provided with copies of the contracts mentioned to review prior to the next Board meeting. Member Brad Wright motioned to approve the extensions to the Rojo agreements with the modifications as explained, Member Galloway voted no and asked that his no vote be on record with the reason of not having seen the contract and that he doesn't understand the extension as presented. Upon the motion being seconded by Judy Bernas the motion was passed by the Board.

5. Review and Update of Extension of Stadium Management Contract, and Consideration of a Motion to Approve Extension Mr. Sadler presented to the Board a memo with attachments outlining the proposed changes to the Contract Extension attached hereto as **Exhibit D** as well as a draft of Amendment Number Three to Management and Pre-Opening Services Agreement attached hereto as **Exhibit E**. President Sadler recommended to the Board to approve the extension with the changes as stated. Mr. Sadler reminded the board that Global Spectrum reduced their management fee significantly in 2009 and even at the end of the proposed amendment their fee would still be less than was in place in 2007. Member Wright commended Global on providing excellent service. Board Chair Harwood asked for a motion. Member Brad Wright motioned to approve the extensions to the Stadium Management Contract, Member Galloway voted no and asked that his no vote be on record with the reason of not having seen the contract and that he is not comfortable voting for an extension in January that would not take effect until July. Upon the motion being seconded by Member Peltier the motion was passed by the Board.
6. Consideration of Motion to Enter into Executive Session accordance with A.R.S. §38-431.03(A)(3) and (4), to obtain legal advice from the Authority's legal counsel or to instruct the Authority's legal counsel on contracts being negotiated or litigation related to the matters referred to in the Agenda Board Chair Harwood indicated there were no issues requiring Executive Session.
7. Update on Glendale Fire Department Service Contract Mr. Sadler explained that Global Spectrum has signed an extension agreement with the Glendale Fire Department on December 19 with current terms in place until a new agreement is agreed upon. The new agreement will be discussed between Global and Glendale and executed in the near future at which time Mr. Sadler will provide to the Board. Member Galloway asked for copy of the current contract. Mr. Peter Sullivan of Global Spectrum agreed to provide Mr. Galloway with an electronic copy following the meeting.

8. Announcement of Future Meeting Dates Board Chair Harwood indicated the next Board Meeting would be scheduled in February or March of 2013.
9. Adjournment There being no further business, Board Chair Harwood requested a motion to adjourn the meeting. Upon motion duly made by Board Member Pastor and seconded by Board Member Galloway, the motion to adjourn was unanimously approved.