

Arizona Sports & Tourism Authority

**Minutes of 124th Meeting of the Arizona Sports & Tourism Authority
Board of Directors**

Wednesday, February 19th 2014
1:00 pm

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

In Attendance

Board Members

Verma Pastor – Board Chair
Jeff Meyer – Board Vice Chair
Dave Eberhart – Board Secretary
Jody Harwood
Mike Galloway
Maria Baier
Jeff Overton
Tom Rawles
Sherry Henry

Staff

Tom Sadler, CEO
Kevin Daniels, CFO
Robin Lea-Amos, Office Manager

Authority General Counsel

Sarah Strunk

Guests

Jaime Molera, Molera Alvarez Group
Anne DeGraw, Molera Alvarez Group
John Drum, Arizona Cardinals
Andy Spillman, Eide Bailey
Alan Maguire, The Maguire Company

Peter Sullivan, Global Spectrum
Melissa Wasson, Global Spectrum
Dan Streyle
Sarah Wyatt, Eide Bailey
Stephanie Jarvis, The Fiesta Bowl

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1. Call to Order - A public meeting of the One Hundred and Twenty-fourth Arizona Sports & Tourism Authority's Board of Directors was held on Wednesday, February 19th 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 Verma Pastor called the meeting to order at 1:10 pm. Chair Pastor recommended changing the order of the agenda for the convenience of those who need to leave early.
 2. Consideration of Minutes from October 7, 2013 Board Meeting - Chair Pastor called for a motion to approve the minutes of the Board meeting held October 7, 2013 attached hereto as **Exhibit A**. Upon motion duly made by Member Jeff Meyer and seconded by Member Sherry Henry the minutes were unanimously approved.
 3. Update on Stadium Scoreboard Upgrade - President Sadler reminded the Board that this agenda item is a discussion item only and could possibly be presented for action in the near future. Mr. Sadler presented a summary to the Board regarding the possible Stadium Scoreboard Upgrade attached hereto as **Exhibit B**. Mr. Sadler explained that the Scoreboard Upgrade is a capital expense that he may in the future recommend to the Board that AZSTA share with the team. Mr. Sadler reviewed the project scope, RFP process and vendor selection, the summary of the cost and summary of other major capital expenses already incurred at the stadium. He also reminded the Board that when AZSTA was formed, the intent was for AZSTA to contribute \$25M for capital expenses at the stadium. To date, AZSTA has not made that contribution. Mr. Sadler introduced Mr. Dan Streyle, consultant to the Cardinals, who was also the Project Manager for the stadium.

Mr. Streyle further reviewed the scope, RFP process and vendor selection with the Board. Mr. Streyle also gave information comparing other NFL stadium Scoreboard Upgrades with the upgrade presented to the Board for the UoP stadium. Mr. Sadler also presented to the Board a possible financial model for the sharing of the cost of the upgrade. After discussion by the Board Chair Pastor stated that as responsible owners and operators of the stadium it is the responsibility of AZSTA to maintain a state of the art facility. At that time, Ms. Pastor asked Sarah Strunk to work with the Cardinals Legal counsel to begin drafting the agreements.

4. Arizona Visitor Industry Development Fund Update - President Tom Sadler introduced Alan Maguire and Jaime Molera to present to the Board an overview of the Arizona Visitor Industry Development Fund attached hereto as **Exhibit C**. Mr. Molera also gave a summary to the Board on the status of the bill within the State Legislature. Chair Pastor thanked Mr. Maguire and Mr. Molera for their continued hard work on behalf of the Authority.
5. Presentation of 2013 Financial Statement Overview by Eide Baily, LLP - Board Chair Pastor introduced Mr. Andrew Spillman of Eide Bailey to present the 2013 audited Financial Statements of the Authority attached hereto as **Exhibit D**. CFO Kevin Daniels shared that once again, AZSTA received its 14th consecutive unqualified opinion. After some discussion and questions regarding the audit from the Board, Chair Pastor thanked Mr. Daniels and the staff at Eide Baily for their hard work and dedication.
6. Fitch Ratings Bond Rating Affirmation - CFO Daniels reported to the Board that a meeting was held with Fitch to review AZSTA's bond rating. Fitch published the rating attached hereto as **Exhibit E**. CFO Daniels indicated that the high rating is very good news for AZSTA.
7. Review of AZSTA's Second Quarter Financials - CFO Daniels presented and reviewed with the Board the second quarter financials attached hereto as **Exhibit F**.
8. Ongoing Discussion with the Arizona Department of Revenue - Mr. Sadler reviewed with the Board discussions that have been ongoing with the Arizona Department of Revenue regarding declining tourism revenues received by AZSTA. Mr. Sadler distributed a chart of revenue comparisons showing the decline attached hereto as **Exhibit G**. Upon discussion with the Board, the recommendation was for Mr. Sadler and Jaime Molera to schedule an in-person meeting with the Director of the Department of Revenue to discuss the concerns in the near future.
9. Possible Action to Approve Resolution No 2014 - 86 to Direct and Authorize Authority President and CEO to hold Position with Local Organizing Committee ("LOC") of Arizona 2016 College Football Championship LLC - Mr. Sadler shared with the Board his nomination to hold a voluntary position with the LOC as Chair. Stephanie Jarvis of the Fiesta Bowl, summarized the role of the committee in bringing the 2016 CFC Game to Arizona. Ms. Strunk recommended a resolution to allow Tom Sadler to participate as a volunteer while at the same time providing him assurance that the Authority will indemnify and protect him from liability in that role. The resolution is attached here as attached hereto as **Exhibit G**. Upon motion duly made by Member Henry and seconded by Member Baier, the resolution was unanimously passed by the Board. Member Eberhart recommended disclosing this volunteer position to the insurance company. Member Henry also asked that the Board receive the Organizational Chart of the LOC at the next regularly scheduled Board meeting.
10. Update on Working Group - Mr. Sadler reviewed with the Board the recommendation by the chair at the October Board meeting that a working group be formed at the suggestion of Member Harwood. Member Harwood had recommended that the Board begin looking at the future of AZSTA and its role in the community relative to other organizations. Specifically

Phoenix Regional Sports Commission ("PRSC") had initiated conversation about linking with AZSTA. She reported that after that meeting, Members Baier and Meyer, along with Mr. Sadler and Ms. Strunk met and discussed the item and made a decision to postpone any effort until PRSC provided AZSTA with a more detailed plan and recommendation. Member Meyer also presented to the group the possibility of AZSTA reaching out to assist The Cactus League Baseball Association ("CLBA") with the development and financial backing for an Executive Director. Mr. Sadler reminded the Board that should this position come to fruition; the Executive Director would be an employee of AZSTA but the position would take operational direction from the CLBA. Mr. Sadler indicated that this is a discussion item only with more conversation needed and that prior to this item being presented to the Board in the future complete support of the CLBA executive board and their membership would be required. Board Members also suggesting funding participation by other entities before the recommendation being brought to the Board.

11. Announcement of Future Meeting Dates – Chair Pastor reminded the Board that a meeting in the near future would be scheduled regarding the Scoreboard Upgrade. Mr. Sadler shared with the Board an invitation by Member Overton to attend a Spring Training game at the Camelback Ranch facility. Robin Lea-Amos will be sending information out to the Board regarding a date.
12. Adjournment - There being no further business of the authority, Chair Pastor asked for a motion to adjourn. Upon motion duly made by Member Tom Rawles and seconded by Member Eberhart, the meeting was adjourned.