

Arizona Sports & Tourism Authority

**Minutes of 125th Meeting of the Arizona Sports & Tourism Authority
Board of Directors**

Monday, March 31st 2014

2:30 pm

Fennemore Craig

2394 E. Camelback Rd., Suite 600

Phoenix, AZ 85016

In Attendance:

Board Members Attending in Person

Dave Eberhart – Board Secretary

Tom Rawles

Sherry Henry

Jeff Overton

Board Members Attending Telephonically

Verma Pastor – Board Chair

Jeff Meyer – Board Vice Chair

Maria Baier

Jody Harwood

Absent

Mike Galloway

Staff

Tom Sadler, CEO

Kevin Daniels, CFO

Robin Lea-Amos, Office Manager

Authority General Counsel

Sarah Strunk

Guests

Ron Minegar – Arizona Cardinals Football Club

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1. Call to Order - A public meeting of the One Hundred and Twenty-fifth Arizona Sports & Tourism Authority's Board of Directors was held on Monday, March 31st 2014 at the offices of Fennemore Craig, 2394 E. Camelback Rd., Suite 600, Phoenix, AZ 85016. A quorum being present and the meeting having been duly noticed, Chair Verma Pastor called the meeting to order at 2:38 pm.
 2. Consideration of Minutes from February 19, 2014 Board Meeting - Chair Pastor called for a motion to approve the minutes of the Board meeting held February 19, 2014 attached hereto as **Exhibit A**. Ms. Pastor distributed to the Board revised minutes from those that were sent out earlier by the staff as they had been amended due to suggestion by Vice Chair Meyer. Member Rawles asked whether the changes to the minutes were an addition to the minutes or just a clarification to the minutes of the meeting. Member Rawles indicated his recollection wasn't the same as the minutes documented. Member Meyer responded that he believed the amendment was a mere clarification. Member Eberhart recommended the approval of the minutes be postponed until the next meeting and Office Manager Robin Lea-Amos provide the recorded minutes to Member Rawles for his review.
 3. Consideration of Approval of Agreements with Arizona Cardinals and Daktronics regarding Stadium Scoreboard – Chair Pastor asked Mr. Sadler to summarize the possible Stadium Scoreboard Upgrade. 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. Mr. Sadler asked CFO Daniels to summarize the payment schedule for the Scoreboard attached hereto as **Exhibit B**.

Mr. Sadler asked Authority General Counsel, Sarah Strunk to review the following documents; 1. Consent to Additions (Consent), 2. Scoreboard Installation Management Agreement (SIMA), 3. Addendum to AIA Document (Addendum) and 4. AIA Document, attached hereto as **Exhibit C** (collectively, the "Agreements").

Ms. Strunk explained the Consent sets forth the agreement between the parties that the Cardinals will acquire, pay for and manage: the installation of the new scoreboard, the relocation of the existing scoreboard and the acquisition of the personal property equipment necessary to operate the new scoreboard. She further explained that the form of SIMA is based on the model used by the parties for the construction of the stadium, but in a much simplified version. She stated that, in essence, the SIMA permits the Cardinals to manage the project with the oversight and input of the Authority and provides that Tom Sadler is appointed as the Authority Representative to work with the Cardinals to complete the project. She further explained that the Addendum clarifies that the Cardinals are really the party responsible to Daktronics to make payments and perform certain actions under the AIA Construction Contract, not the Authority. Finally, Ms. Strunk stated that the AIA construction document provides for the installation of the new scoreboard and relocation of the existing scoreboard and is a standard industry form, but requires Daktronics to maintain performance bonds and insurance.

Upon discussion of the proposed agreements, CEO Tom Sadler recommended to the Board the approval of Agreements with the Arizona Cardinals and Daktronics regarding the Stadium Scoreboard project. Chair Pastor asked for a motion to approve the agreements. Upon motion duly made by Member Eberhart and seconded by Member Henry, the motion was unanimously approved. Member Rawles indicated that while he voted to approve the Agreements, he has a personal dislike of the fact that the American public has gotten to the point where a NFL football game isn't enough entertainment.

Member Meyer excused himself from the meeting at this time

Chair Pastor acknowledged Arizona Cardinals Vice President, Ron Minegar who asked to speak to the Board, thanking them for their approval of the Agreements regarding the Scoreboard project.

Member Maria Baier excused herself from the meeting at this time

4. Consideration of Approval of IGA with the City of Peoria Pertaining to the Peoria Sports Complex Stadium Renovation Project - Chair Pastor asked President Sadler to give the Board a history of this IGA. President Sadler reminded the board that this IGA was first considered 18 months ago when the Board authorized staff to negotiate this IGA with the City of Peoria. He indicated several meetings took place between AZSTA and City of Peoria to find solutions to some challenges that arose.

Mr. Sadler asked Authority General Counsel, Sarah Strunk to review the document attached hereto as **Exhibit D**. Ms. Strunk reminded the board that the form of IGA is a standard agreement AZSTA has used in previous IGA's. She indicated that the IGA is consistent with the Maryvale and Mesa agreement, with the one exception that the project financing costs were being paid from the original issuance date of the bonds, which was still sometime after the Board's original approval of the funding.

Upon no further discussion and motion duly made by Member Eberhart and seconded by Member Henry, the motion to approve the IGA with the City of Peoria was unanimously approved.

5. Executive Session - Consideration of a motion to go into Executive Session pursuant to A.R.S. § 38-431.03.A3 regarding legal advice with attorneys of the Authority regarding certain litigation and dispute matters involving the Authority: including Saban v. Arizona Department of Revenue - Upon motion duly made by Member Eberhart and seconded by Member Overton, the Board entered into Executive Session.
6. Return to Open Board Meeting - Upon motion duly made by Member Henry and seconded by Member Eberhart, Chair Pastor returned the Board to open meeting.
7. Announcement of Future Meeting Dates – A public meeting of the Finance Committee and Board of Directors will be scheduled in June with the date to be determined with a poll of committee members.
8. Adjournment - There being no further business, Chair Pastor requested a motion to adjourn the meeting. Upon motion duly made by Member Eberhart and seconded by Member Overton, the motion to adjourn was unanimously approved.