



**Minutes of 148th Public Meeting
of the Arizona Sports & Tourism Authority
Board of Directors**

Tuesday, May 10, 2016
2:00 p.m.
Arizona Sports & Tourism Authority
1 Cardinals Drive
Glendale, AZ 85305

In Attendance:

Board Members Attending in Person

David Eberhart - Board Chair
Jeff Overton – Board Secretary
Tom Rawles
Judy Bernas
Doug Yonko

Staff

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

Authority General Counsel

Sarah Strunk

Board Members Attending Telephonically

Maria Baier – Board Vice Chair
Jody Harwood
Jeff Meyer

Board Members Absent

Debbie Johnson

Guests:

Peter Sullivan - Spectra (Formerly Global Spectrum)
Melissa Wasson – Spectra (Formerly Global Spectrum)
Ken Wilson – Rojo Hospitality
Reggie Davis – Rojo Hospitality
Chris Bigelow - The Bigelow Co, Inc. (Telephonically)
Todd Glickman – Spectra
William Trussell – Aramark

Jaime Molera – Molera Alvarez
Andy Bagnato – Bagnato Pflipsen Communications
Craig Skiem – CSI International
Leonard Bonacci – SMG
Doug Thornton – SMG
Hank Abate – Spectra
Meghaen Dell’Artino – Public Policy Partners

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1. **Call to Order:** The 148th public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Board of Directors (the "Board") was held on Tuesday, May 10, 2016 at the offices of the Arizona Sports & Tourism Authority, 1 Cardinals Drive, Glendale, Arizona 85305. A quorum being present and the meeting having been duly noticed, Chair David Eberhart, called the meeting to order at 2:00 p.m. Robin

Lea-Amos held a roll call of members participating. Chair Eberhart asked the guests to introduce themselves.

2. **ACTION ITEM: Consideration of Minutes from May 2, 2016 Board Meeting.** Chair Eberhart called for a motion to approve the minutes of the Board meeting held May 2, 2016, **attached hereto as Exhibit A.** Upon motion duly made by Member Yonko and seconded by Member Bernas, the minutes were unanimously approved.
3. **ACTION ITEM: Consideration of Motion to enter into Executive Session pursuant to A.R.S. §38-431.03(A) (4). Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiation, such as the Concessions Services and Stadium Management Agreement** Upon motion duly made by Member Overton and seconded by Member Bernas, the Board entered into Executive Session.
4. **ACTION ITEM: Recommendation from the RFP Evaluation Team Regarding Stadium Management and consideration of approval of form of stadium management contract.** Board Chair Eberhart asked Craig Skiem to provide a summary of the RFP for Stadium Management process. Mr. Skiem shared with the board the following timeline to date of the RFP process:
 - Preparation, development and review of the RFP August – October 14, 2015
 - Issuance of RFP October 14, 2015
 - Pre-proposal meeting and stadium tour October 27, 2015 – two companies attended that meeting
 - RFP responses received (due date) December 9, 2015 – two companies submitted proposals for the RFP; Spectra and SMG
 - Review and evaluation of proposals December 9 – May 9, 2016 – This process included meetings with the AZSTA working group, legal counsel, AZSTA board in Executive Session, seeking clarifications or refinements from bidders

Mr. Skiem reported that both proposals were better than the current contract in place and that the two companies provided proposals which included financial packages that considered growing revenue and maximizing the use of the facility. Additionally the financial packages presented are incentive fee based only. Those incentive fees are tied to financial and operational benchmarks, but that SMG's benchmarks were higher. Both packages also included capital contributions. The capital contributions are committed capital contributions to the Authority regardless of meeting their benchmarks.

Mr. Skiem continued that as part of the RFP, the Authority would consider the firms responsiveness to the RFP and the services they were providing; how well they responded to any additional questions and clarifications; their experience and qualifications; fee proposals and overall structure. Chair Eberhart thanked Mr. Skiem for his due diligence while in his capacity of working with the Authority on this process.

Chair Eberhart asked the board if there were any further questions or discussion. Member Baier reminded the board that she and Member Overton served as the working group for the Stadium Management RFP. Member Baier complemented SMG on their presentation as well as the responses provided. For these and many other reasons, Member Baier indicated that the board would be on a good path should they choose SMG. Member Overton shared that as a result of this process; he felt the partnership would be strong with SMG.

Upon no further comments or questions, Chair Eberhart entertained a motion regarding the stadium management contract. Member Overton moved to approve the selection of SMG as the facility manager of the University of Phoenix facility and further move to direct the Executive Director to negotiate,

execute and deliver a management agreement in substantially the form distributed with the RFP, with the accepted proposal terms included therein. Motion was seconded by Maria Baier.

Chair Eberhart asked if there were any further questions or discussion prior to the vote. Member Rawles shared that he would not be supporting the motion. Member Rawles stated that while he found both firms to be well qualified their proposals substantially equal and that the financial differences in the proposals did not override the performance and history of the current management company. He indicated that he felt there was not a strong enough reason to discard that company, given their positive track record with the various events including the Super Bowl and Pro Bowl. Member Rawles also stated that he did not agree with the Cardinals right of refusal of the choice for stadium management or that they could reasonably withhold their approval.

Member Yonko, added that after reading and understanding both proposals, that while both companies are excellent, SMG presented a different presentation and that looking ahead into the future, SMG would offer more opportunities for increasing the revenue here at the stadium. Upon no further questions or comments Chair Eberhart asked for a vote; the recorded vote was; Members Maria Baier, Jeff Overton, Jeff Meyer, Doug Yonko, Judy Bernas, Jody Harwood and David Eberhart voting aye. Member Tom Rawles voted nay. Board Member Debbie Johnson was absent. The motion approved with 7 ayes and 1 nay.

Upon conclusion of this agenda item, Member Baier had to leave the meeting.

5. **ACTION ITEM: Recommendation from the RFP Evaluation Team Regarding Stadium Concessions and Event Management and consideration of approval of form of stadium concessions and event management contracts** Chair Eberhart asked Chris Bigelow to provide a review of the concessions RFP process. Mr. Bigelow reminded the Board of the timeline of the process:

- Preparation, development and review of the RFP Late Summer of 2015
- Issuance of RFP November 13, 2015
- Pre-proposal meeting and stadium tour
attended the pre-proposal meeting December 11, 2015 – four companies
- RFP responses received (due date)
submitted proposals for the RFP; Rojo and Aramark January 20, 2016 – two companies
- Review and evaluation of proposals January 21 – May 9, 2016 – This
process included meetings with the AZSTA working group, legal counsel, and AZSTA board in
Executive Session, seeking clarifications or refinements from bidders.

Mr. Bigelow reported that all of the key items requested upon clarification from the bidders were accepted and agreed upon. Mr. Bigelow reminded the board that Rojo was voted #2 in the NFL by the Voice of the Fan survey. Additionally Rojo provided an improved program to reduce costs and increase revenue. With their background in increasing sales and incremental revenue from Rojo Event Management, the net effect financially is \$735,000 annual improvement over the Aramark proposal.

Chair Eberhart asked for any comments from the board. Member Meyer reminded the board that he and Member Harwood served as the working group for the Concessions RFP process. He indicated that given the additional \$2.7 Million dollars in incremental revenue over the next five years provided by Rojo, he would recommend moving forward with the relationship with Rojo.

Upon no further questions or discussion, Member Bernas moved to approve the selection of Rojo Hospitality as the concessionaire of the University of Phoenix facility and further move to direct the Executive Director to negotiate, execute and deliver a concession agreement in substantially the form distributes with the RFP, with the accepted proposal terms included therein and an event management agreement with Rojo Event Management guaranteeing \$750,000 in additional revenue to the Authority in

the form of the current agreement. Motion was seconded by Member Overton. Upon no further questions or comments Chair Eberhart asked for a vote; the recorded vote was Members Maria Baier, Jeff Overton, Jeff Meyer, Doug Yonko, Judy Bernas, Jody Harwood and David Eberhart Member Rawles voting aye. Board Member Debbie Johnson and Maria Baier were absent. The motion approved with 7 ayes with 2 members absent.

Chair Eberhart thanked all companies for their efforts and participation in the RFP process. Mr. Sadler shared sincere thanks to the Spectra team for all of their efforts over the history of their partnership at the stadium and shared appreciation on all that they accomplished.

6. **INFORMATION ITEM: Staff Report** – Mr. Daniels delivered a repayment plan to the Final Four Local Organizing Committee and the monthly distributions were executed on May 10 for the month of May and reported that 27 of the last 28 months the authority had distributed the maximum distribution to the Arizona Office of Tourism. Additionally Mr. Daniels shared that he had performed two external audits, one for payroll and one for insurance.
7. **INFORMATION ITEM: Announcement of future meeting dates** – Mr. Sadler reminded the board of the upcoming meeting on June 9, 2016, where the 2017 budget will be presented and the officers of will be elected.
8. **ADJOURNMENT:** There being no further business of the Board and upon motion duly made by Member Bernas and seconded by Member Yonko, the meeting was adjourned.