



**Minutes of 154th Public Meeting
Of the Arizona Sports & Tourism Authority
Board of Directors**

Tuesday, April 25, 2017
1:00 p.m.

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

Board Members attending in Person

Jeff Overton — Board Chair
Maria Baier — Board Vice Chair
Doug Yonko — Board Secretary
Jeff Meyer
David Eberhart
Debbie Johnson
Scarlett Spring
Teddy Eynon

Staff attending in Person

Tom Sadler, President and CEO
Kevin Daniels

Authority General Counsel

Sarah A. Strunk

Board Member Absent

Jody Harwood

Guests Attending:

John Drum — Arizona Cardinals Football Club
Ron Minegar — Arizona Cardinals Football Club
Andrew Bagnato – Bagnato Pflipsen
Kristen Pflipsen – Bagnato Pflipsen
Jaime Molera – Molera Alvarez

Melissa Wasson - SMG
Andy Gorchov – SMG
Ken Wilson – Rojo Hospitality
Dawn Rogers – PLOC

1. Call to Order. The 154th public meeting of the Arizona Sports & Tourism Authority's (the "Authority") Board of Directors (the "Board") was held on Tuesday, April 25, 2017 at the offices of the Authority, 1 Cardinals Drive, Glendale, Arizona 85305. A quorum being present and the meeting having been duly noticed, Chair Jeff Overton called the meeting to order at 1:05 p.m. The Chair then asked all of the guests present to introduce themselves.
2. ACTION ITEM: Consideration of Minutes from January 23, 2017 Board Meeting. Chair Overton called for a motion to approve the minutes of the Board meeting held January 23, 2017, attached

hereto as Exhibit A. Upon motion duly made by Member Yonko and seconded by Member Eberhart, the minutes were unanimously approved by the Members then present. After the approval of the Minutes, Members Spring and Eynon joined the meeting.

3. INFORMATION: Review of NCAA 2017 Final Four. Chair Overton invited Ms. Dawn Rogers, the Executive Director and CEO of Phoenix Local Organizing Committee ("PLOC") to give an overview of the results and performance of the Final Four. Ms. Rogers thanked the Board for their support and indicated without that support there wouldn't have been a successful bid. She reviewed the goals of the PLOC for the event, including showcasing Arizona, maximizing economic impact, creating a diverse marketing campaign through partner engagement, community engagement and new initiatives. Ms. Rogers informed the Board that the attendance was the second highest attended game ever and that the Final Four media credentials were the highest. She gave an overview of the project at Harmon Park. She indicated that the hotel/lodging industry saw large revenue increase during the Final Four. Finally, she reported on the attendance and success of the various sponsored events around the area, including the March Madness Musical Festival, the Fan Fest, Dribble and the Tip off Tailgate.
4. ACTION ITEM: Discussion and Possible Consent to Additions to Cardinals Use Agreement for Club Level Renovations. Chair Overton indicated that he would move this item up on the agenda. CEO Tom Sadler reported on the renovations that the Cardinals were making to the Club Level of the Facility and then invited Mr. Minegar to provide a more detailed report. Mr. Minegar indicated that the project would be undertaken over two years and would include creating new exclusive club areas and seating on the club level, ultimately increasing the overall seating in the Facility by approximately 50. Sarah Strunk then reported to the Board that, with respect to any additions to the Facility that is owned and operated by the Authority, any renovations or additions by the Cardinals requires the consent of the Authority pursuant to Section 13.2 of the Amended and Restated Cardinals Use Agreement. Ms. Strunk indicated that the form of consent was provided to the Board for that purpose. After further discussion, Chair Overton asked for motion. Upon a motion by Member Yonko and seconded by Member Johnson, the Board approved the additions proposed by the Cardinals and directed Mr. Sadler to execute the Consent.
5. INFORMATION: Review of AZSTA/SMG FY 2017 Q3 Financials, including an update on SMG's FY 2017 Benchmark, Capital Projects Update and FY 2018 Budget Development/Approval Timeline. CFO Kevin Daniels began the review of the financials with the Board attached hereto as Exhibit B. Upon the conclusion of the presentation and upon no further comments or questions, Melissa Wasson of SMG presented an update on SMG benchmarks also included in this Exhibit B. She indicated that SMG would likely meet its benchmarks for its incentive compensation. Andy Gorchoy summarized the Capital Projects Update. Finally, Mr. Daniels reported on the status and progress for developing the budget to be presented to the Finance Committee and then the Board.
6. ACTION ITEM: Consideration of Motion to enter into Executive Session pursuant to A.R.S. §38-431.03(A)(3) and (4) regarding legal advice with attorneys of the Authority regarding certain legal matters involving the Authority: including Saban v. Arizona Department of Revenue. The

Chair asked Ms. Strunk if an executive Session was necessary. Ms. Strunk reported to the Board that an executive session was not necessary as all of the information is public information. She reported that the opening briefs had been filed by the Authority and the Arizona Department of Revenue, but that the time period for the Responsive Briefs to be filed by the Plaintiffs had been extended to June 2, 2017. She indicated that a number of *amicus curiae* briefs had been filed and would be filed. At that point Mr. Molera indicated that the Arizona Chamber of Commerce and the Greater Phoenix Chamber of Commerce had indicated that they would file *amicus* briefs supporting the position of the Authority.

7. INFORMATION ITEM: Review of Approval Rights for Stadium Naming Rights Partner. At the request of the Chair, Ms. Strunk reviewed for the Board the role of the Authority in approving the naming rights for the Facility. She indicated that the business deal with the Cardinals was intended to be a typical NFL style deal, which included giving the Cardinals all rights to and revenue from the naming rights for the building. She indicated that the Board had the right to approve the name pursuant to Section 12.2 of the Amended and Restated Cardinals Use Agreement, but that they had to be reasonable in doing so. Ms. Strunk also indicated that any change would require changes in stationary, uniform and signage, all at the expense of the Cardinals. Mr. Minegar then gave an update on the status for a review of a new naming rights partner and answered questions from the Board. Mr. Minegar indicated that the name of "University of Phoenix" would remain until they had replaced it with a new partner.
8. INFORMATION ITEM: Cactus League Consultant. Mr. Sadler provided an update on the ongoing discussion of the potential need for a consultant relative to Cactus League and the Authority's funding for the various Cactus League stadiums. Mr. Sadler reported that a RFP had been prepared to look for the consultant and he will return to the Board for approval after consulting with Chair Overton and Member Meyer, he would then share it with the Cactus League Association officials. He indicated that some of the marketing funds designated by SMG could be used for this purpose.
9. INFORMATION ITEM: Youth & Amateur Sports 2018 Biennial Grant Cycle Update. Mr. Sadler reported that the Authority was on track to award approximately \$2.5 million. He indicated that applications opened on April 7 and that the window closes on May 26, with anticipated awards in the Fall.
10. INFORMATION ITEM: Announcement of future meeting dates. Mr. Sadler indicated that the next meeting would likely be June 28.
11. Adjournment. There being no further business of the Board and upon motion duly made by Member Eberhart and seconded by Member Yonko, the meeting was adjourned at 2:40 p.m.