

Arizona Sports & Tourism Authority

**MINUTES FOR PUBLIC MEETING OF THE
ARIZONA SPORTS AND TOURISM AUTHORITY
CACTUS LEAGUE COMMITTEE MEETING
Tuesday, February 11, 2014
1:00 pm
Fennemore Craig
2394 E. Camelback Rd., Suite 600, Phoenix, AZ 85016**

In Attendance:

Committee Members Present

Jeff Meyer – Committee Chair
Jeff Overton
Tom Rawles
Maria Baier
Sherry Henry

Staff

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

Authority General Counsel

Sarah Strunk

Board Members Participating Telephonically

Verma Pastor

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1. Call to Order - A public meeting of the Arizona Sports & Tourism Authority's Board of Directors Cactus League subcommittee was held on Tuesday, February 11, 2014 at the offices of Fennemore Craig, located at 2394 E. Camelback Road, Phoenix, Arizona 85016. A quorum being present and the meeting having been duly noticed, Chair Jeff Meyer called the meeting to order at 1:00 pm.
 2. Consideration of Minutes from January 29, 2013 Committee Meeting - Chair Meyer called for a motion to approve the minutes of the Board meeting held January 29, 2013 **attached hereto as Exhibit A**. Upon motion duly made by Member Rawles and seconded by Member Baier, the minutes were unanimously approved.
 3. Update on Constituency Communications and Meetings Chair Meyer asked Tom Sadler to give an update on the current and asked the members of the committee to review the minutes of the previous subcommittee meeting from Lew Wolff the owner of the Oakland A's who indicated the move will take place regardless of funding from the authority. Mr. Meyer also reminded the committee that part of that commitment is that the A's will fulfill their obligation. Ms. Strunk indicated the IGA with Mesa has been executed.

Mr. Meyer asked Mr. Sadler and Mr. Daniels to share with the committee the other cities the authority has been communicating with. Mr. Daniels shared with the committee that Scottsdale and Tempe receives funding from the authority two times a year in December and June. Each city received \$250K in December. An approximate balance due to Scottsdale is \$18M and Tempe is \$12M. Those figures are including accrued interest. Mr. Daniels is communicating consistently with both cities on their distributions.

Mr. Daniels also reported that pursuant to the IGA with Maricopa County Stadium District, the authority receives any excess from their funds once their IGA's have been paid. Those funds would come to the authority in June and would immediately be split 50 / 50 with Tempe and Scottsdale. The anticipation in June is \$1.3M. These funds will be used to pay down the balance on these debts. It is anticipated those cities will be paid off in 2020 or 2021. Mr. Sadler shared with the committee that the authority will begin dispersing funds to the other cities pursuant to their IGA's.

Mr. Sadler reported that the authority staff and the city of Peoria have met on several occasions regarding the status of their IGA. Peoria has asked for more details on the parameters included in the IGA. Authority counsel has worked with the City attorney to provide those details and complete the IGA. As of today it appears the City is prepared to execute the IGA.

Mr. Sadler reported that in November, authority staff along with Ms. Strunk met with the City of Glendale to review with the newer members of the city staff as to the status of reimbursement of Camelback Ranch. It appears the staff understands the schedule and has since requested that Mr. Sadler and Mr. Daniel appear at a City Council workshop where this information will be presented in more detail. Mr. Sadler asked the committee their opinions regarding the authority participating in this workshop.

Mr. Meyer requested that Mr. Sadler review the history of conversations regarding the Glendale IGA with the newer members of the committee. Mr. Sadler reviewed the history and then asked for questions or suggestions from the committee. Upon discussion of the committee, the committee recommended to staff to proceed with meeting with the city.

4. Discussion of Potential Executive Director Position of the Cactus League Association Mr. Meyer asked the committee to review the memo prepared by Mr. Sadler regarding this item **attached hereto as exhibit B**. Mr. Meyer reminded the committee that Chair Pastor had asked a working group of the board appointed at the October 2013 to begin looking at the future of AZSTA and the potential possibility to assist the Cactus League Baseball Association (CLBA) with the development of an Executive Director. Mr. Meyer shared that the working group consisting of Maria Baier, Jody Harwood, and Jeff Meyer along with Mr. Sadler and Ms. Strunk had met in December. Mr. Meyer reported that this position has been discussed within the CLBA and how the sunset in 2031 will affect the Cactus League and to begin looking at new funding mechanisms in place to help facilitate the issues at hand. Mr. Meyer indicated a draft of the job description has been put together and projections on the impact of this potential item **attached hereto as exhibit C**.

Mr. Sadler indicated that should this come to fruition, his recommendation would be that the funds come out of the AZSTA operating account. Mr. Meyer indicated the projection is only for three years and that his desire would be for this to be a self-sustaining position. Ms. Henry stated that she thought the Cactus League is in need of this type of assistance for the purpose of holding onto the teams the Cactus League currently has in the state. She indicated that although this is still in the beginning of the discussions, it is a brilliant idea. Mr. Sadler indicated this is at a very first step discussion level only at this time.

Mr. Rawles asked Mr. Sadler and Ms. Strunk what the AZSTA's statutory authority is regarding this item. Ms. Strunk indicated the AZSTA operating account is for the purpose of operating, promoting, marketing, furnishing and equipping of the multi-purpose facility and it has authority to fund administrative duties.

Ms. Strunk shared that whether or not we feel comfortable enough to include that position under the operating account will be another discussion for the board. Mr. Rawles stated he felt strongly that the cities with Cactus League facilities in them, along with the baseball teams, needs to have skin in the game. Mr. Rawles indicated that while he is not objecting to the idea, he feels there needs to be more discussion. Ms. Baier stated her initial reaction was positive and going forward there needs to be parameters regarding who will meet with the Cactus League and then also that the Cactus League is in agreement with the idea. Ms. Baier thanked staff for the materials prepared for this item and indicated she believed the authority was within their statutory authority to pursue this agenda item.

3. Announcement of Future Meeting Dates – Mr. Sadler indicated the board was invited to the Cubs ribbon cutting held on February 12th. He also shared that AZSTA purchased a table at the Cactus League kickoff, on February 25th. Mr. Sadler also indicated staff and board will be invited to an upcoming Spring Training game.
4. Adjournment – There being no further business of the committee, Mr. Meyer asked for a motion to adjourn. Upon motion duly made by Member Baier and seconded by Member Overton, the meeting was adjourned.