

**Pima County Sports & Tourism Authority**  
**Bank of America**  
**33 N. Stone Ave., Tucson, Arizona**  
**Wednesday, May 27, 2009**  
**11:30 AM**  
**Minutes**

**1. Roll Call**

Tom Tracy called the meeting to order at 11:45 a.m with a quorum

**Members Present**

Tom Tracy  
Rick Vaughan  
Mike Feder  
Dave Sitton  
David Cohen  
Justin Lanne  
Linda McNulty  
Edgar Soto  
Rick Grinnell

**Other Present**

Catherine Strickland  
Ben Buehler-Garcia  
Tom Moulton  
Ryan Recker  
Renee Lavine  
Chris Miracle  
Jim Pfalzer  
Jim Tiggas  
Linda Garrett  
Vince Trinidad  
Martin Rosales  
Fred Gray  
Jack Donovan  
Jake Knapp  
Frank Segers

**Members Absent/Excused**

George Favela  
Jack Camper  
Jim Arnold  
Kendall Bert  
Rocky LaRose

**2. Approval of the Minutes**

Tom Tracy made a motion to approve the minutes from the previous meeting on April 29<sup>th</sup> and Rick Grinnell gave a second. The motion passed without opposition.

**3. Executive Session—Pursuant to §38-431.03(A)(1), the Authority met in executive session to discuss hiring a contractor.**

Rick Grinnell made the motion and Rick Vaughan seconded the PCSTA going into Executive Session. The Authority came out of executive session and Dave Sitton made the following motion:

- Moved PCSTA to retain services of Mike Feder for purposes of Executive Administrator as soon as he resigns from the Board, with an effective start date of June 1<sup>st</sup>.

Rick Vaughan seconded and the motion passed.

**4. Review Lee-Donovan Japanese Proposal**

Jack Donovan shared his presentation with the PCSTA regarding his proposal for what to do with Tucson Electric Park if Tucson loses spring training. He proposed that they would secure a MLB Team from January-March from Asia to play in the Cactus League pre-spring training. He is confident that they can deliver one or two teams from Japan and another one from Korea based on his relationships with people over there. This would open the doors for international play in Tucson which would lead to more international play making Tucson a hub for international baseball. Jack will be giving the formal pitch at the June 3<sup>rd</sup> Youth and Amateur Sports Committee meeting. He feels it is one of the best economic impacts possible because it is bringing in new dollars from outside the country.

Jack explained that he will have to go through the Commissioner's office to get permission to work with the teams directly, but Dave Sitton and Tom Tracy seemed confident that this would all be possible given the enthusiasm from the teams and contacts in Japan. It will also be a historic move because to date Japanese teams have not integrated with ours in such a partnership. The tourism impact will be phenomenal and could start as early as 2010 but that would require a fast turn around. The Commissioner's office is committed to having MLB teams in the Cactus League play with them and Jack's group has made several connections with the teams.

**5. Discussion and approval of an MLB team proposal for Spring Training**

Tom Tracy shared that the one team in the Grapefruit League that doesn't have a long contract is the Baltimore Orioles. He had a meeting with one of the owners three weeks ago. At first he thought Tucson was being used

to leverage their Florida contract, but he was asked for a proposal after a lengthy meeting. The first half of the proposal is simple as they are entertaining to come to TEP for spring training in 2010. They are currently playing major league and minor league separately but they like the idea of playing here. Changes to the White Sox facilities would be minor. They are interested in a permanent home. With specific terms PCSTA could keep them at TEP or create a new three team stadium. Tom was concerned that they couldn't make a proposal to include items that the new Sports and Tourism Authority would oversee (i.e.-new stadium) so they have asked that the legislature include an amendment with wording to allow PCSTA to commit the sports authority to things in the future.

The near term scenario for the new stadium would be for the Orioles to adhere to county revenue sharing instead of paying rent. The other option would be no revenue sharing, but instead the Orioles would have 100% revenues with 100% ownership and responsibility to run it. Then the Youth and Amateur Sports groups would have to contract with them to use the stadium throughout the year. The Orioles seem community oriented and Mike Feder pointed out that the proposal says they need to work with the community to create a win-win partnership. Rick Vaughan noted that there are lots on contingencies and Tom Tracy agreed that there is a lot riding on getting the bill passed and that a few other things need to happen (ie—Japanese teams) before the PCSTA can prioritize on which projects to go after first. More will be known to this end in the next 3-4 weeks.

The short term scenario would be for the leases to be kept in place for the Diamondbacks and Rockies. Tom Tracy asked for the board's opinion on which model to pursue: revenue sharing or giving the new team 100% ownership. Linda McNulty made a motion to approve terms of revenue sharing with the Sports and Tourism Authority or teams management of some combination thereof with them having design input. David Cohen gave a second.

## **6. Discuss hiring professional services**

Tom Tracy wants to hire an attorney for the PCSTA and asked Linda McNulty for her advice as to the best process to use to select someone. Linda said that an outline on what kinds of things need to be done would be helpful (ie—contract review, employment, etc.) so that the PCSTA can give this to the firms as a scope of work and they can negotiate the job from that, probably on an hourly basis. Tom Tracy asked Linda, Mike Feder and Tom Moulton to get together to get ideas in a proposal and get that out before the next meeting so that the PCSTA can choose a firm at the next meeting. Linda said that she would assist in getting bids from some other firms for this.

## **7. Discuss PCSTA board member attendance**

An attendance report was distributed and Tom Tracy shared that in addition to Sheila Baize's vacancy, he felt that George Favela and Jack Camper's seats were probably vacant too based on the number of absences: 16 and 11 respectively. Mike Feder's seat would also need to be replaced since he will be starting the Executive Administrator role for the board next month.

Tom Tracy suggested Mike Hawkins from Enterprise Rental Cars to replace George Favela and Pat Darcy to replace Mike Feder. Dave Sitton agreed to call Sheila Baize to find out who her counterpart might be to invite to join to fill her spot. Tom Tracy said he would contact Jack Camper to see if he plans to continue on the board, and Catherine agreed to contact Kendall to see if he planned to continue past his retirement this month.

## **8. Discuss potential campaign to promote retention of Diamondbacks**

Tom Tracy posed the idea of a retention campaign to the PCSTA for the Diamondbacks and Rockies now that the PCSTA has some funding, especially since them being in Tucson helps in recruiting other MLB teams. Dave Sitton suggested tabling this for now since the PCSTA has other opportunities in front of them and would be better to do it after the result of the Orioles decision is known so that the campaign can be more effective.

Justin Lanne was of the opinion that a campaign of this nature would be lost on the Diamondbacks and wouldn't be worth the money. David Cohen agreed that it should wait since the Diamondbacks only care about the number of teams in town.

Dave Sitton made a motion for the Executive Administrator to set a date for a meeting regarding a Diamondbacks retention plan once the Orioles proposal is done and David Cohen gave it his second.

## **9. Legislative Report**

Tom Tracy shared that there is a 2:30PM meeting in the House today to move to the conclusion of the bill, HSB-2397. It has been the hostage of the budget for awhile but it still has legs and will hopefully move to the floor next week.

## **10. Treasurer's Report**

David Cohen distributed the PCSTA Profit and Loss statement. There is \$5,382.00 in the bank. There have not been too many expenses this

month. He is expecting a \$75,000 payment from Pima County as the first of three payments. He is planning to apply for the Tohono O'odham grant again.

David gave the board a brief overview of County procurement rules based on a recent meeting that he attended. As he understands it, he will comply with the expectation for an annual audit around June 30<sup>th</sup>. Rick Vaughan made a motion to approve the report and Dave Sitton gave it his second.

## **11. Youth and Amateur Sports Committee Update**

Mike Feder reviewed the first Youth and Amateur Sports Committee meeting on May 13<sup>th</sup> that was meant to help decide how to best use TEP for the rest of the year. They will meet again next week to hear from all the companies in the matrix and have them answer the same questions so that there is a fair comparison. The role of the Youth and Amateur Sports Committee will be to make recommendations to the Board of Supervisors as to how to run the Pima County Stadium District.

Dave Sitton's perception is that all the value is in January through April, so he proposed to make it conditional that the groups have to bring business on "off-months" as well. Vince Trinidad from the MTCVB encouraged the group to be as quick as possible in making their decisions since the time factor is real and the longer it takes up front the less time there is to negotiate with the amateur sporting groups and secure their events in Tucson, especially since many of the professional options will preclude the amateur events. He therefore encouraged the PCSTA to include terms of amateur's needs in any professional negotiations.

## **12. Next agenda**

It was discussed that meetings would be held the last Wednesday of each month at 11:30am in the Bank of America 7<sup>th</sup> Floor Conference Room, therefore the next meeting will be June 24<sup>th</sup>. Here are the items for the agenda as discussed at this meeting:

- Status of Orioles
- Diamondbacks retention campaign discussion
- Professional services discussion
- Legislative report
- Japanese initiative
- Treasurer's report
- Youth and Amateur Sports Committee report

## **13. Call to the Public**

Frank Segers commented on the Orioles contract asking what the length would be. Tom Tracy replied that it would not be year-to-year, but longer like 10-15 years. In reference to Frank's question about the Japanese teams, Tom said there is still a lot that has not been finalized. The MLB would have to approve the Japanese playing in the Cactus League and need to negotiate revenue sharing, broadcasting, and licensing.

#### **14. Adjournment**

The meeting adjourned at 1:40 PM

Attachments enclosed.

Pima County Sports & Tourism Authority  
**Balance Sheet**  
As of April 30, 2009

	<u>Apr 30, 09</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Cash - Wells Fargo Bank	5,382.47
Total Checking/Savings	<u>5,382.47</u>
Total Current Assets	<u>5,382.47</u>
<b>TOTAL ASSETS</b>	<u><u>5,382.47</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Unrestricted Net Assets	31,870.25
Net Income	<u>-26,487.78</u>
Total Equity	<u>5,382.47</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>5,382.47</u></u>

**PIMA COUNTY SPORTS AND TOURISM AUTHORITY  
BOARD OF DIRECTORS  
Attendance Record**

Name	Affiliation	8-Apr-08	23-Apr-08	7-May-08	21-May-08	18-Jun-08	16-Jul-08	4-Sep-08	24-Sep-08	7-Oct-08	7-Nov-08	14-Nov-08	18-Dec-08	7-Jan-09	4-Feb-09	18-Feb-09	4-Mar-09	30-Mar-09	29-Apr-09	Total Absences
Carlotta Flores	Restaurants	P	A	A	P	A	A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
David J. Cohen,CPA	Prvt Sctr - CPA, Fin/Acct	P	P	P	P	P	P	P	P	P	A	P	P	P	P	A	P	P	A	3
David Sitton	Youth Sports	P	P	A	P	P	P	P	P	P	A	P	P	P	P	A	P	A	P	4
Edgar Soto	PCC- Collegiate Athletics	P	P	A	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	2
George Favela	Prvt Sctr -Comm. Industry	P	P	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	16
Jack Camper	Chamber of Commerce	P	P	A	A	A	A	P	P	P	A	A	P	P	A	A	A	A	A	11
Jim Arnold	Media	P	P	A	P	P	P	P	P	A	P	P	A	A	P	P	P	P	A	5
Justin Lanne	Youth Sports	P	P	P	A	P	P	P	P	A	A	A	P	A	A	A	P	A	P	8
Kendall Bert	Reg. Econ. Development	P	P	P	P	A	A	P	A	A	P	P	A	P	A	P	P	A	P	7
Linda McNulty	Private Sector - Attorney	P	P	P	P	P	P	P	P	A	A	A	A	P	P	P	A	P	A	6
Mike Feder	Minor Lg. Prof.Baseball	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	0
Rick Grinnell	Restaurants	N/A	N/A	N/A	N/A	N/A	N/A	P	P	P	P	A	P	P	P	P	P	P	P	1
Rick Vaughan	Tourism Industry	P	P	P	A	P	P	P	A	P	P	P	P	P	P	P	P	P	P	2
Rocky LaRose	UA - Collegiate Athletics	P	P	P	A	P	A	P	A	A	P	P	A	A	A	P	A	P	P	8
Sheila Baize	High School Athletics	P	P	P	P	A	A	A	A	A	P	A	A	A	A	A	A	A	N/A	N/A
Tom Tracy	Lodging Industry	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	0