

Public Economic Benefits

The public economic benefits to be derived from tourism promotion, the multipurpose facility, Cactus League baseball spring training facilities and youth and amateur sports and recreational facilities are estimated below. This analysis presents a summary of those benefits as compiled from a number of sources. Revenue projections have been provided by the Governor's Task Force Final Report, dated January 31, 2000. The amounts discussed below are stated in future dollar value amounts.

Tourism Promotion: Part of the revenues provided to and generated by the Authority will be used to promote tourism in Maricopa County. Approximately \$250 million is projected to be available to the Authority for distribution to the Arizona Office of Tourism to promote tourism within Maricopa County over an additional \$155.6 million is projected to become available to promote tourism in Maricopa County over assuming all bonds have been paid or fully provided for and reserves have been funded. The economic benefits to be derived from the funds distributed by the Authority to the Arizona Office of Tourism are:

1. The equivalent of 60 full time jobs created each year in advertising and marketing throughout the economy of Maricopa County with a \$7 million impact on economic activity throughout the economy of Maricopa County; and
2. Improvement of the competitive position of Maricopa County so as to permit Maricopa County to maintain its present share of national tourism spending - data provided by the Office of Tourism and D.K. Shifflet and Associates reflect a slow loss of market share to competing states and other tourist destinations. Under conservative assumptions, tourism promotion funding generates an annual average of \$1.4 billion in economic activity throughout the Maricopa County economy and an annual average of approximately 10,690 full time jobs throughout the Maricopa County economy.

Multipurpose Facility: Part of the revenues available to and generated by the Authority will be used to finance the development and ongoing maintenance and operation of the multipurpose facility located in Maricopa County. The estimated public economic benefits to be derived from the multipurpose facility include:

1. \$306 million in economic activity throughout the Maricopa County economy and the equivalent of 2,860 full time jobs added to the Maricopa County economy over the multipurpose facility to be anticipated two-year construction period;
2. 235 full time jobs annually throughout the Maricopa County economy and the equivalent of economic activity throughout the Maricopa County economy related to the maintenance of the facility;
3. Retention of the Fiesta Bowl that will generate the equivalent of 1,530 full time jobs in annual economic activity throughout the Maricopa County economy with a projected annual average of the amount remain in effect;
4. An NFL Super Bowl to be played at the multipurpose facility every five years, beginning in 2005 and continuing while the ballot proposition taxes remain in effect, generating the equivalent of 6,040 full time jobs for each Super Bowl year throughout the Maricopa County economy and a projected average of \$548 million in economic activity throughout the Maricopa County economy for each Super Bowl year;
5. The retention of the Arizona Cardinals NFL franchise in Maricopa County, a business that creates the equivalent of approximately 1,600 full time jobs throughout the Maricopa County economy and a projected Maricopa County economy; and
6. The opportunity for hosting other major events such as professional soccer, Pan Am and World Cup games, NCAA championship basketball tournament games, trade shows, concerts and similar attractions (for purposes of this analysis, no economic benefit from these events has been calculated).

Cactus League Facilities: Part of the revenues to be provided to and generated by the Authority will be used for Cactus League baseball spring training facilities in Maricopa County. These funds, estimated to be approximately \$194 million, will be used to pay for two-thirds of the development costs of a new dual-team baseball facility and the remodeling/rebuilding of three existing Cactus League baseball spring training facilities in Maricopa County. The Authority anticipates issuing bonds in the fourth year after the passage of this ballot proposition for approximately \$27 million to be used in the development of a \$40 million dual-team facility. Five years, seven years and nine years after the passage of this ballot proposition, \$6 million in bonds will be issued each such year for the remodeling/rebuilding of existing Cactus League baseball spring training facilities in Maricopa County at a cost of \$9 million for each facility. In the last six years that the ballot proposition taxes are in effect, an additional \$66.7 million is projected to be available for Cactus League baseball spring training facilities in Maricopa County after all bonds are paid or fully provided for and reserves have been funded. The economic benefits are:

1. The development and remodeling/rebuilding of facilities creating an average of \$22 million in economic activity in Maricopa County and creating an average of 140 full time jobs in Maricopa County during each year that construction and remodeling/rebuilding takes place; and
2. The development of a new dual-team facility and the remodeling/rebuilding of three existing facilities, all in Maricopa County, resulting in the addition of two more Cactus League baseball teams for spring training in Maricopa County and the retention of three Cactus League baseball teams currently playing in Maricopa County, whose leases at existing Cactus League baseball stadiums expire over the next ten years. According to studies undertaken by the Cactus League, approximately \$200 million in economic activity is generated each year by baseball spring training games, or an average of approximately \$20 million of economic activity throughout the Maricopa County economy each year for each team. The economic impact to Maricopa County of attracting two new Cactus League baseball teams and retaining three other Cactus League baseball teams for the period the ballot proposition taxes remain in effect is projected to result in annual average economic activity of \$166 million and the equivalent of approximately 1,470 full time jobs added each year throughout the Maricopa County economy.

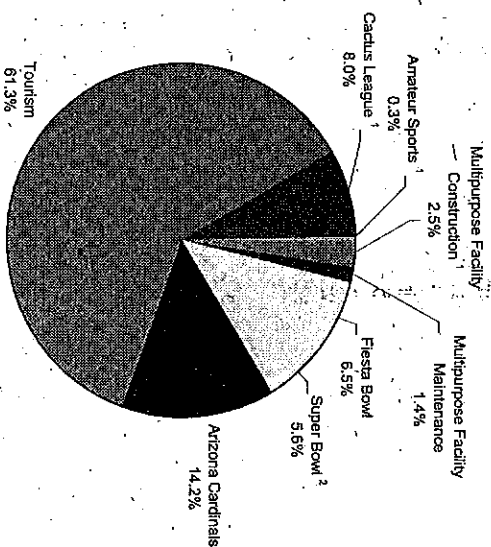
Youth and Amateur Sports and Recreation Facilities: Part of the revenues provided to and generated by the Authority will be used for the construction of youth and amateur sports and recreational facilities in Maricopa County. These funds, projected to be \$70 million over the period that the ballot proposition taxes are in effect, will, through the development of facilities, generate approximately \$4.4 million in economic activity annually throughout the Maricopa County economy and the creation of the equivalent of 30 full time jobs annually throughout the Maricopa County economy.

Summary of Public Economic Benefits: Revenues provided to and generated by the Authority will produce significant benefits for Maricopa County and its residents. Over the period the ballot proposition taxes remain in effect, the annual average impact is estimated as follows in future dollar value:

Direct Spending in Maricopa County:	\$1.04 billion
Total Economic Output in Maricopa County:	\$1.95 billion
Jobs Created in Maricopa County:	16,430
Wages in Maricopa County:	\$778 million

Much of the economic impact is the result of spending on tourism promotion of Maricopa County that will enhance the competitive position of Maricopa County and permit it to maintain its market share of national tourism spending. A breakdown of the public economic benefits is as follows:

Summary Of Estimated Economic Benefits Of Revenues Available To And Generated By The Authority



Note: The economic benefits described in the chart are expressed as the annual economic output of all program components generated over the period the ballot proposition taxes remain in effect, discounted to their present value at a 6% discount rate.

- Footnotes:
1. The economic benefit from the construction of facilities is averaged over the period the ballot proposition taxes remain in effect.
 2. The economic benefit from Super Bowls at the multipurpose facility every 5 years is averaged over the period the ballot proposition taxes remain in effect.

Economic Activity	Summary of Estimated Average Economic Benefits			
	Construction (1)	Maintenance	Super Bowl (2)	Arizona Cardinals
Direct Spending	\$165,500,000	\$16,800,000	\$790,700,000	\$90,000,000
Total Economic Output	\$306,000,000	\$30,900,000	\$1,383,300,000	\$154,100,000
Jobs Created	2,860	240	1,530	6,040
Wages	\$110,000,000	\$12,700,000	\$462,000,000	\$183,000,000

Economic Activity	Tourism Promotion			Cactus League		Amateur and Youth Sports Facilities
	Advertising	Increased Spending	Reconstruction (3)	Expansion/Retention of Teams	Construction	
Direct Spending	\$3,500,000	\$720,900,000	\$16,400,000	\$90,400,000	\$2,400,000	
Total Economic Output	\$7,000,000	\$1,369,200,000	\$22,000,000	\$165,700,000	\$4,400,000	
Jobs Created	60	10,692	140	1,470	30	
Wages	\$3,200,000	\$532,000,000	\$790,000	\$64,800,000	\$1,600,000	

Notes:
 (1) Average annual impact over two years of construction.
 (2) Average impact of a Super Bowl, assuming five are held over the life of the levy.
 (3) Average annual impact over ten years of construction activity.
 Source: The Center for Business Research, ASU, Arizona Office of Tourism; D.L. Sittler & Associates; Governor's Stadium Plan "B" Advisory Task Force; Arizona Cardinals; The NFL; Silver D. Parker & Co.