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Issue 2001-5

## ***PRESIDENT'S REPORT***

August 2001

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### **FAA Update—TSA Submits Comprehensive Response to FAA Including Re-Positioning of Stadium at Tempe Site**

The Tourism and Sports Authority has submitted a comprehensive response to the FAA which includes the precise coordinates for the repositioned stadium to the Federal Aviation Administration for their review. Based upon the advice of our independent aviation consultants, we expect the stadium to no longer represent an obstruction hazard pursuant to Code 14, part 77 of the federal aviation regulations.

When we met with the FAA in Los Angeles on July 31, we also learned that FAA concerns regarding electronic navigational aids (the VORTAC) may have been satisfied when the stadium (at the former position) was further evaluated by FAA officials in Washington, D.C. We are confident that the new position and lower height of the building should ensure a favorable review when the efficiency of the VORTAC is evaluated in D.C. based upon the new stadium position.

Our comprehensive response to the FAA addresses all 9 issues in a way that should alleviate any safety or operational concerns. The complete report can be found at [www.az-tsa.com/FAA\\_report.htm](http://www.az-tsa.com/FAA_report.htm).

### **File Under the Category of “Poor Loser”: John F. Long Challenges Legality of Tempe Site Selection and Other Matters**

At a press conference on Friday, August 10<sup>th</sup>, Jim Miller of the John F. Long Company announced that Long had asked 5 questions of Arizona Attorney General Napolitano and that if she does not respond within 60 days, they intend to act in the capacity of the Attorney General and bring suit against the TSA. At the heart of the Long challenge is the same question that was asked by Mayor Keegan of Peoria six months ago, prior to the TSA's selection of Tempe on February 13<sup>th</sup>; namely, the assertion that the Tempe site is unlawful because it was not pre-qualified before the November 7, 2000 election. Long also claims that SB 1220 does not permit the TSA to build the stadium on leased land and that taxpayers may be placed at risk for the cost of the lease, contrary to SB 1220.

On all these counts, lawyers for both the TSA and the Cardinals have determined that they are without merit. We have already pointed out for Bundgaard, Keegan, Long, and other west-siders that the West Valley proposal, at the time of the election, was submitted by WESTMARC, which is NOT a city or county. SB 1220 says there must be a pre-qualified site(s) that is submitted by a city or the county. Prior to the election, we had a pre-qualified site submitted by Mesa-Tempe. WESTMARC, the Phoenix Downtown Partnership, and the Fort McDowell Indian Tribe submitted the other three, none of which are cities or counties. Isn't it interesting that AFTER the election, WESTMARC asked to have the City of Avondale replace them as the lead on the West Valley proposal. In other words, taken to its logical conclusion according to Long's argument, the West Valley offered an unqualified site.

With respect to the issue of leased land, SB 1220 says that the authority *must own the facility* (not the land), which *we will*, on behalf of the citizens of Maricopa County. And, as far as taxpayers' risk for the leased land, there is none, because the 88-year lease is totally prepaid at the time of closing.

The Long claim appears to be frivolous and ill-timed, intent on throwing a “monkey wrench” into our ability to move forward with construction of the

multipurpose facility. Jim Miller claims it is being filed now, because it took this long (6 months) to get their legal argument together. Another view might be that they waited until we announced the repositioning of the stadium at the Tempe site and realized it would not end up in the West Valley, then decided to lodge their formal complaint, which was already prepared.

We have stated that we welcome a review by the Attorney General and are very confident that the legality and appropriateness of the TSA's actions will be sustained.

### **Construction Update**

The construction team is investigating design modifications caused by the stadium's repositioning. Soil conditions will be investigated and confirmed by taking 19 soil borings. This information will allow the structural engineer to properly design foundations for the new location. We anticipate that more vertical shafts or caissons will be required than for the former site.

The new location will also offer a different strategy for entering the building. We anticipate that a vast majority of patrons will now enter the building from the west. In addition, the vertical circulation will need to be restudied, and escalators may have to be added. These costs could be offset by construction a mezzanine level on grade rather than a structural slab. This will result in less excavation in the service level and an overall reduction in building-square footage on this level.

The preliminary results from the Geotechnical consultant is that the repositioned site has much stronger rock for bearing support than the former site.

The building's overall height has been lowered by six feet to elevation 1360, and the overall building height will be 226 feet above the ground. The ground level will be 16 feet below existing grade and will require ten feet less dirt removal than the former site.

### **Receipt of 3<sup>rd</sup> Month Tax Revenues**

Our third month of tax revenue receipts grew to include the NFL income tax and the first sales tax recapture revenues from the sales of Arizona Cardinals' football tickets. A meeting with the Arizona Department of Revenue has been scheduled this month to discuss the lagging revenue receipts from the car rental surcharge as well as the hotel bed tax.

### **Overnight Sweeps Begin July 1<sup>st</sup>**

Overnight sweeps of three primary bank accounts began on July 1<sup>st</sup> bringing in a total of \$7,272.71 in interest income through July 18<sup>th</sup>.

### **Bond Work Continues**

Senior and subordinate bond work is continuing forward. Preliminary Official Statement (POS) for the Cactus League bonds and other related trust indenture documents are being readied for a mid-to-late September bond sale.

### **Fiscal 2001 Audit Scheduled For September**

Pre-Audit work has started in preparation of the September 3<sup>rd</sup> start date for Fiscal 2001 audit. It is expected that the audit will last 3 to 4 working days.

### **Cactus League (City of Surprise) Update**

The Surprise Spring Training Complex for the Texas Rangers and Kansas City Royals is now under construction. Workers are installing the infrastructure (water/sewer) lines to the project site and grading of the site has also begun. The architectural team of HOK Sport has completed the design development drawings and is in the process of reviewing those with the city and teams. The project team currently anticipates that the foundation work on the stadium will begin in early September. The City has begun to staff the project, naming their management and operations team. They also have efforts underway to acquire a concessionaire and scoreboard for the stadium.

While progress on design/construction of the two-team Cactus League facility in Surprise continues on pace for a June 2002 opening, the TSA's funding is threatened by delays attributable to the FAA and John F. Long. The TSA Cactus League bond will be subordinate to the larger stadium bond issue, but is to be issued ahead of the stadium bond, in early September. Our agreement with Surprise calls for TSA's funding to be completed by October 31<sup>st</sup>.



**Surprise Spring Training Complex: Looking from behind home plate towards the north, showing the western half of the stadium bowl.**

### **Youth & Amateur Sports Update**

With the Board's approval of the revised RFP and Grant Application process, the TSA staff has sent letters to those who had previously sent in proposals, including Queen Creek School District, Arizona Swimming Gauchos, The Thunderbirds, Mesa Public Schools, Tolleson School District, Town of Buckeye, City of Mesa, Litchfield Elementary Scholl District, ASU West and Black Mountain BMX. The Youth & Amateur Sports and Tourism Oversight Committee will review each of these proposals, along with others received on or before September 14<sup>th</sup>. All future proposals received by the TSA will be required to submit the standardized grant application which may be downloaded by going to the TSA's website or by calling the TSA office to have a copy mailed to interested organizations.