

**TSA Open Meetings held during  
April & May 2002**

April 18 – Youth Sports Town Hall Mtg.  
 April 30 – TSA Board Mtg.  
 May 23 – Youth Sports Advisory Committee Mtg.

**SUMMARY**

**Paralyzed Veterans Award** – TSA honored by group.  
**Youth and Amateur Sports** – Youth & Amateur Sports Advisory Committee formed, holds first meeting.  
**Cactus League** – Surprise project is 50% complete.  
**Financial Overview** – TSA repays \$5.0 million in bond principal one month early.  
**Legislative Update** – H.B. 2177 Enacted

**PARALYZED VETERANS AWARD**

The Tourism and Sports Authority was recognized April 27<sup>th</sup> by the Arizona Chapter of the Paralyzed Veterans of America at its annual awards luncheon. The group gave the TSA a certificate of appreciation presented “in grateful recognition of your outstanding contribution to programs benefiting Paralyzed Veterans and other Spinal Cord Dysfunctions.” The award is for the significant design elements and programs for accessibility being built into the new multipurpose facility. The TSA has committed to actively involve the AZ-PVA and other representatives of the disabled community in the design review process.

**YOUTH & AMATEUR SPORTS (YAS)  
FACILITIES UPDATE**

As a follow up to the Youth & Amateur Sports Town Hall held on April 18, 2002, the Tourism and Sports Authority moved forward with the creation of a youth and amateur sports advisory committee, which held its first meeting on May 23<sup>rd</sup>.



YAS Town Hall 4/18/02

Each of the thirteen members volunteered to serve one, two or three-year terms, and the group selected Lea Benson to serve as the committee’s first chairperson. The charter members of the YAS Advisory Committee are: Lea Benson, Moto-Trax Inc.; Vicki Gamby, Arizona Youth Football Federation; Vince Gray, Peoria Parks & Recreation; Mike Gregory, Glendale Parks & Recreation; Ed Hall, Tolleson Elementary School District; Mike Holste, Mesa Parks & Recreation; Barbara Nejman, Arizona Diving Association; Jack Marks, Boys & Girls Clubs of Metro Phoenix; Bob Pohlit, Tempe Parks & Recreation; Jay Ruffner Jr., Golden Gate Community Center; Chuck Schmidt, Arizona Interscholastic Association; Jan Sherwood, Phoenix Parks & Recreation; and Creighton Wright, Queen Creek Parks & Recreation.

The committee, formed at the request of youth and amateur stakeholders, will initially focus on the following broad objectives:

- Assist the TSA in the identification of youth and amateur sports facilities throughout the Valley.
- Assist the TSA in establishing and prioritizing facility needs.
- Provide network to communicate and disseminate the TSA’s sports grant program.
- Provide critical input on sports facility projects and programming.

At the May 23<sup>rd</sup> meeting, the first order of business for the newly formed community-based advisory committee was to discuss the importance of the committee to the TSA in helping better understand the needs, desires, and most importantly, funding priorities of various youth and amateur sports stakeholder groups throughout Maricopa County.



YAS Advisory Committee Meeting 5/23/02

One of the most important first steps in fulfilling the committee's objectives will be the implementation of a "Facility Assessment Survey" that will measure existing youth and amateur sports facilities throughout Maricopa County to determine where there are deficiencies. Under the current TSA grant process, it is difficult to determine which grant requests are most in need of funding. The results of this survey will help guide the TSA, in partnership with the advisory committee, on how to best allocate its sports grant dollars. In addition, results from the survey will be posted on the TSA's website for interested parties to use for their own use as well. One of the expected benefits of the survey is to create some regional planning discussions as to possible partnerships that could be created to help meet the ever growing demand for youth and amateur sports facilities.

Other actions of the committee will include possible revisions to the TSA's current grant application process that make it more user friendly, along with website enhancements that provide much needed information and/or links to other youth and amateur sports information around the Valley. It is expected that the advisory committee will meet quarterly.

**CACTUS LEAGUE UPDATE**

**City of Surprise** – The two-team Cactus League facility that will be the new home of the Kansas City Royals and Texas Rangers is over 50% complete and will be ready for the 2003 Cactus League. Next month we will spotlight the tremendous progress that has been made at the site on the northwest corner of Bullard and Greenway Roads in Surprise.



Seating bowl concrete has been completed.



Interior view of Rangers clubhouse. Rough-in for HVAC system is underway and welding of metal decking.



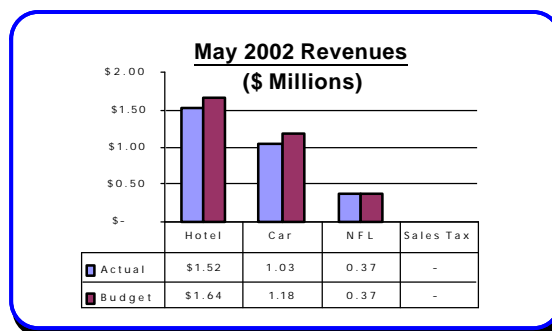
Interior view of Royals clubhouse under construction.

**FINANCIAL OVERVIEW**

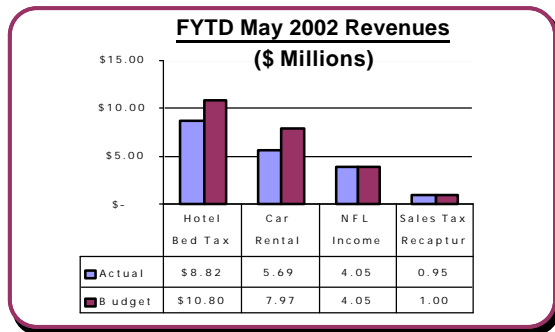
**Sources** – May 2002 marked the first anniversary of the TSA's receipt of the two tourism related revenues – the hotel bed tax and the car rental surcharge. The following table compares our actual revenue receipts year-to-year. Overall, the TSA experienced a more positive result in May of this year versus May of last year. This is significant when considering the major events that have deterred tourism nationwide.

(\$ Millions)	May '01	May '02	\$ Chng	% Chng
Hotel Bed Tax	\$ 1.58	\$ 1.52	\$ (0.06)	(3.5)%
Car Rental	0.64	1.03	0.39	61.0%
Total	\$ 2.22	\$ 2.55	0.33	15.1%

Overall, our May 2002 revenues were strong compared to our post-September 11<sup>th</sup> forecast. We predicted a 20% decrease in tourism revenues from our original forecast. However, the May 2002 actual results came in at just 9.5% below our original projections (\$2.6M actual v. \$2.8M budget).



Our FYTD May 2002 actuals received a boost from this performance. While our overall tourism revenues are down by \$4.3M this fiscal year (22.7%), we improved over last month's FYTD performance which was 25% below budget.



**Tourism** – Due to the state's current fiscal crisis the state legislature via HB2708 is appropriating, for the state's general fund, \$2.2 million of the scheduled \$4.2 million meant for tourism in fiscal year 2003. The tourism revenue receipts will continue to be distributed to the Authority on a monthly basis with the Authority then transferring a total of \$2.2 million to the state general fund.

In exchange for this one-time cut in Maricopa tourism promotion funding, the legislature added language protecting future year distributions for Maricopa tourism promotion.

**Cactus League** – \$2.76 million has been forwarded to the City of Surprise Construction Trust Account (the "CTA") under the first amendment to our Intergovernmental Agreement (the "IGA") with Surprise. These monies represent 100% of the amount that we have statutorily disbursed to the Cactus League Promotion Account since July 2001. We will continue to disburse the monthly amount of \$250,000 to the CTA until such time the bond proceeds are deposited to the CTA. At that time we will reimburse the Cactus League Promotion Account for the full amount provided to Surprise under the IGA's first amendment.

Under the IGA's second amendment, we have agreed to commit up to an additional \$6.0 million to this project up to a maximum amount of \$32 million. This is committed on a monthly basis in the amount of \$0.6 million for every month that we are unable to issue the bonds for this project. Through April 2002 we have accrued an additional \$2.4 million toward this project, bringing our total commitment to \$28.4 million. This \$0.6 million per month added cost is attributable to the Long lawsuit, because it renders the TSA unable to sell bonds to fulfill our commitment to Surprise immediately.

**Youth and Amateur Sports** – This fund receives a monthly disbursement from tourism taxes equal to 1/12<sup>th</sup> of \$1.0 million in the first twelve months. This amount is scheduled to increase by \$100,000 per year thereafter. To date, the Youth and Amateur Sports account has received 100% of its funding. The TSA has approved two projects for funding from this account. The South Mountain YMCA is scheduled to receive \$150,000 during calendar year 2002 and \$4.7 million (including financing costs) is scheduled for a regional

soccer/football/youth complex in Avondale. The Avondale project will be funded over a period of 12-13 years utilizing 25% of each year's allocation for this regional youth sports complex. A third project is under consideration as part of the TSA's site agreement with the City of Mesa. \$1.0 million would be granted to developing a youth sports field on a 34 acre parcel that was previously an ASU surplus property site just south of the Multipurpose Facility site. This youth sports complex would be used to park 4,000 cars on game day.

**Bond Repayment** – The TSA made its \$5.0 million bond repayment, originally due on June 30, 2002, to Wells Fargo Bank/Bank One more than one month earlier than scheduled. This will save the TSA approximately \$30,000 in interest charges. The TSA has one more bond payment of \$5.0 million due on December 31, 2002.

### LEGISLATIVE UPDATE

**H.B. 2177 Enacted** – On May 22, Governor Hull signed HB 2177 into law. The bill was enacted with an emergency clause and passed with a 2/3rds majority vote of the Legislature, meaning that the bill became law immediately upon the signature of the Governor. HB 2177 makes it clear that tribal governments and state agencies can be a site host for the new Multipurpose Facility, that the TSA may consider sites offered at any time (not just those submitted prior to the election as held by the Maricopa County Attorney), and that the TSA may build the MPF on leased land as well as owned land (all sites under consideration would deliver the land as a long-term lease at essentially no-cost to the TSA, but again, the County Attorney contended we had to build on owned land).

In exchange for these legislative clarifications and increased flexibility and protection from further lawsuits, the Authority was willing to support a Sept. 12<sup>th</sup> deadline for submitting final site agreements to the Governor and the State Attorney General. If final agreements are not delivered by then, the question of whether the new TSA Multipurpose Facility gets built would be referred back to the voters of Maricopa County at the November 2002 election.

However, with the amendments contained in H.B. 2177, the Authority is confident that site selection will be successfully concluded ahead of the Sept. 12<sup>th</sup> deadline.

The bill also elevates youth and amateur sports funding and places additional auditing and reporting requirements on the TSA. The next two board vacancies must be filled by a representative of youth sports organizations and a representative of the Cactus League. A complete summary of the bill can be found at [http://www.azleg.state.az.us/legtext/45leg/2r/summary/s.2177gov\\_aspassedbyenate.doc.htm](http://www.azleg.state.az.us/legtext/45leg/2r/summary/s.2177gov_aspassedbyenate.doc.htm).