

SUMMARY

- **Collaboration for Youth Sports Called Key for Future Success** – Authority hosts meeting for potential partners.
- **YASAC Reviews Grant Application and Evaluation Process** – Will make recommendations in July 2003.
- **Avondale Regional Sports Complex to Break Ground June 27** – New facility boasts additional field and lake as compared to prior plan.
- **May 29 Fair Offers Info for Small and Minority Businesses Bidding on Construction** – Stadium bid packages to be available for qualified firms.
- **Phoenix Muni Renovation Proceeding, Scottsdale Giants stadium to get next look** – Scottsdale Giants Stadium gets next look.
- **Super Bowl for Arizona in 2008?** – Arizona named one of four finalists.
- **Mass excavation to start by end of June, concrete in August** – Approvals by Board paves the way for stadium work.
- **Financial Overview** – Car rental surcharge continues to exceed estimates.

COLLABORATION FOR YOUTH SPORTS CALLED KEY FOR FUTURE SUCCESS

Representatives from the Tourism and Sports Authority met May 20 with representatives of the Valley’s major league sports teams and large philanthropic organizations to begin exploring ways to benefit the Valley’s youth and amateur sports scene.

Greg Johnson, executive director of the Sports Philanthropy Project, was the special guest at a lunch meeting to begin discussing ways that area groups can collaborate on youth and amateur sports projects.



(Greg Johnson)

“You have a unique opportunity here,” said Johnson. “No one in the nation has a situation like this and, frankly, several national groups are observing what you do as a possible model for future projects.”

Johnson was referring to the long-term funding for Youth and Amateur Sports provided by voter approved Prop. 302. The Authority will be granting \$73.5 million over 30 years to projects and programs which benefit youth, amateur and recreational sports.

Individuals at the meeting represented the **Arizona Diamondbacks, Phoenix Suns, Arizona Cardinals, the Nina Mason Pulliam Charitable Trust, the Virginia Piper Charitable Trust, the Stardust Foundation, ASU Center for Non-profit Leadership, Peoria Diamond Club** and the **Tourism and Sports Authority’s Youth and Amateur Sports Advisory Committee.**

Rich Dozer, president of the Arizona Diamondbacks, shared Johnson’s observation about the opportunity by describing how the current economic conditions and the ever-growing demand equal the inability of individual groups and organizations to make a major impact. He said collaboration by organizations was needed.

The Authority has more than \$1 million to grant each year and is currently streamlining the grant application process to begin awarding grants by January. However, it is required statutorily to offer matching funds grants and is limited to funding no more than two thirds of any project.

John Ogden, president and CEO of SunCor, has volunteered to chair the new Strategic Partnerships Committee for the Tourism and Sports Authority’s Youth and Amateur Sports Advisory Committee. He said the collaboration of different groups means the \$73.5 million from the Authority could have more like a \$200 million impact on the youth and amateur sports community.



(John Ogden)

An example of a collaboration success was outlined by **John Youngberg** of the South Mountain YMCA. This project is expected to be complete this

summer and includes a baseball field and a football/soccer field complete with lights. Funds from the Tourism and Sports Authority provided seed money for the YMCA's fundraising and are being used for the infrastructure, funds from the Arizona Diamondbacks are building the baseball field, funds from the National Football League are building the football field and the City of Phoenix Parks and Recreation is providing further funds for a concession area.

ADVISORY COMMITTEE REVIEWS GRANT PROCESS

The volunteer **Youth and Amateur Sports Advisory Committee** met on May 28 to discuss the grant application and evaluation process, the status of projects, and the addition of two new members. **John Ogden** of SunCor and **Bill Hulse** of Architectural Team 3 and the Arizona Futbol Club were recently added to the Strategic Partnerships Subcommittee.

Committee members, all volunteers representing youth and amateur sports organizations, municipalities, non-profit groups and schools, reviewed and discussed the fine points of recommendations for the new grant process. The committee expects to have the recommendations ready by July to assist the TSA with preparation for a 2nd round of grant awards by the beginning of next year.

AVONDALE REGIONAL SPORTS COMPLEX TO BREAK GROUND JUNE 27

The new **Avondale Regional Sports Complex** will be breaking ground on June 27. The Authority has provided \$3.4 million from the Youth and Amateur Sports fund for the project which will have nine soccer fields, two baseball fields, two basketball courts and two tennis courts. Six of the nine soccer fields will be lit, which is one more than the original concept and there are now approximately 600 parking spaces planned, also an increase from the original plan. The project is expected to be completed by December 2003.

MAY 29 FAIR OFFERS INFO FOR SMALL AND MINORITY BUSINESSES BIDDING ON CONSTRUCTION

The Authority and the Associated Minority Contractors of America (AMCA) hosted a fair in Glendale on May 29 to teach owners of minority, women owned, and small businesses how to bid on upcoming construction work for the new stadium.

Held at the Glendale Civic Center, the program featured **Kenny Harris**, V.P. of Facilities for the Authority, **Carlos Avelar**, Executive Director of the AMCA and **Bob Aylesworth** of Hunt Construction.

A special appearance was made by **Ronald N. Langston**, National Director of the U.S. Department of Commerce's Minority Business Development Agency (MBDA). Langston applauded the efforts of the Authority and Hunt to support and grow local and small business.

More than 100 people from women and minority owned contracting firms were in attendance to learn how to register as a WBE, DBE, MBE or SBE in order to be able to bid on all aspects of the stadium's construction.

The presenters took questions from the audience and answered a number of detailed questions regarding the project. Both Harris and Aylesworth outlined how the project's major construction work is able to be broken out enabling qualified small businesses to participate. The key, they both said, is to get qualified and be able to accurately present the company's skill set so it can be matched to the appropriate bid packages.

The program included the participation of **Hunt, Kiewit Construction, Crown Corr and Canon & Wendt**, the major subcontractors on the project. Avelar and the AMCA have been hired by the Authority as a consultant to ensure a broad participation of qualified companies as called for in the Authority's enabling statute.

PHOENIX MUNI RENOVATION PROCEEDING, SCOTTSDALE GIANTS STADIUM TO GET NEXT LOOK

On May 14, the Board of Directors approved the Intergovernmental Agreement that spells out the details of the partnership between the Authority and the City of Phoenix for a \$6.4 million upgrade of **Phoenix Municipal Stadium** (of which \$4.3 or two-thirds will be funded by the Authority). Based upon an earlier approval of a board resolution committing Authority funds, the work has already begun and is scheduled for completion by year's end, ahead of the 2004 Cactus League season.



(Construction of footings at new dugouts underway)

The board also discussed researching the needs of the **Scottsdale Giants Stadium** which are primarily for the practice facility area including expanded clubhouse and administrative spaces, practice fields, and batting cages.

The **San Francisco Giants** winter at the facility and their lease expires in 2007. In exchange for these improvements, the Authority and City are expecting a 20-year lease extension with the Giants.

SUPER BOWL FOR ARIZONA IN 2008?

The **National Football League** made an announced in Philadelphia that the new Multipurpose Stadium in Glendale is one four finalists in the running to host the 2008 Super Bowl. In March, the Super Bowl Committee made a dramatic presentation to owners when they were visiting the Valley and pitched Arizona as “Super Ready” for the Super Bowl with super weather, super golf, super luxury and super community involvement. Other cities also seeking the game that year are Tampa Bay, Washington, D.C., and New York City.

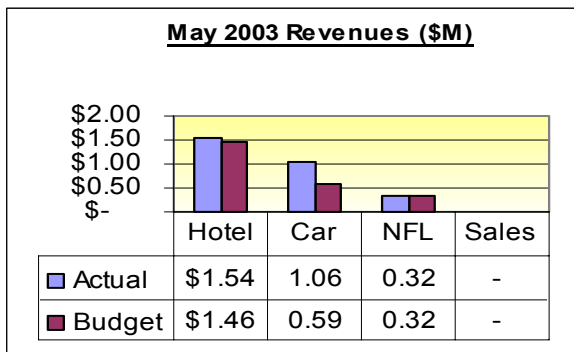
MASS EXCAVATION TO START BY END OF JUNE, CONCRETE IN AUGUST

The **Board of Directors** approved the schematic design package for the new Multipurpose Stadium which leads the way for the mass excavation to begin by the end of June. Excavation will take field level down to 26 feet below the present grade. When completed, the field will lie 39 feet below the main concourse level because 13 feet of berming will be added

around the stadium to allow patrons to walk into the building at the main concourse level. Concrete work should begin in August. The entire project is scheduled for completion in Summer of 2006.

FINANCIAL OVERVIEW

Sources – The following chart provides our actual v. budgeted May 2003 performance which reflects March 2003’s sales activity:



The **hotel bed tax** exceeded our budget projections by \$78,159, or 5.4% on revenues of \$1,537,104. We believe that this performance is due to near record spring training baseball attendance figures.

Compared to May 2002, this year’s results are \$14,957, or 1.0%, higher for the month and \$344,300, or 3.9%, higher than the year-to-date total of one year ago.

Car rental surcharge revenues again outperformed expectations. This month our actuals exceeded projected revenues by \$466,686, or 79.0%! Contracts were 15,039, or 6.9%, higher than our forecast which continues our speculation that fewer cars are being rented, but those that are are kept for a longer period of time. Compared to one year ago, the month’s results are marginally ahead of last year, \$28,995, 2.8%, as well as \$1,181,202, 20.8%, greater than year-to-date one year ago.

Total tourism revenues continue to outperform our current year’s projections by \$1,096,332, 7.3%, due to the car rental surcharge revenues. Compared to the same period one year ago, total tourism revenues are up by \$1,525,502, or 10.5%.

Overall revenues continue to outperform our projections in the current fiscal year. Through May we are \$1,076,472, or 5.6%, ahead on total revenues of \$20,460,834. This trend also continues when comparing against the same period last year. On a fiscal YTD basis, this year’s overall revenues are \$955,212, or 4.9%, higher than for the same period last year.

The **NFL income tax** for the current month, \$315,360, reflects the third of the final four months of adjusted revenues (refer to the October 2002 Monthly Report). The adjusted amount to be received for FY2003 will be the guaranteed statutory minimum of \$3,784,320. During the final four months of this fiscal year we will receive the monthly amount of \$315,360 (annualized it equals the statutory minimum).

The Authority has issued instructions to the State Treasurer’s office to transfer 89% of the NFL Income Tax amount to our pledged account and the balance to the non-pledged account. The pledged amount, \$280,670, is that portion of the NFL income tax that we have calculated as being from football-related activity and therefore can be used as a pledge for repayment of our debt service on our two bond issues. The non-pledged portion, \$ 34,690, is to be used solely for meeting the first monthly operating obligations of the Authority. These amounts are being directed to two separate bank accounts from which disbursements and/or distributions will be made. The amount that is apportioned between these two categories will be re-calculated by the Authority on an annual basis. It is important to note that while there is the requirement to segregate these funds from a bond pledge standpoint, the total amount of these monies are still available for making timely bond debt service payments.

There were no **state sales tax recapture** revenues received. The final amount was received in February 2003 with expectations that the next amounts for non-construction related purposes, will be received in July-August 2003.

The next chart provides a fiscal year-to-date comparison through the month of May 2003 v. May 2002:



Senior Bond Debt Service – May 2003

represents the third month during which a distribution from available revenues was made to provide for debt service on the senior bonds. The Authority will be making an interest-only payment on July 1, 2003 in the amount of \$4.64 million. For the period from March through June 2003 the Authority has been accruing \$1.16 million from the Tourism and Facility Revenue Clearing Accounts. Of the \$1.16 million, approximately 75% will be disbursed from the tourism revenues. This is based on the statutory language that limits the debt service distribution to no more than that of \$165.5 million of the total bonds -- \$221.95 million. The balance will be disbursed from the facility revenues – pledged portion only.

Tourism – For FY2003 the Authority has been instructed by the state legislature to split the monthly statutory distribution of \$350,000. Over the course of this fiscal year, the Authority will pay a total of \$2.0 million to the Arizona Office of Tourism and \$2.2 million to the state’s general fund. The Authority made these payments in April.

Cactus League – The second month’s bond debt service distribution of \$158,841 was transferred from the tourism revenues to the subordinate bond debt service account. The balance, \$91,159, was transferred to the Cactus League general account per the terms of the trust indenture. These two amounts represent the total sum of the statutory distribution amount of \$250,000.

Youth and Amateur Sports – This month’s revenues were sufficient to meet the current month’s obligation of \$91,667 as well as the prior month’s funding variance for both the general and reserve accounts.

Authority Operations – The Authority’s operating budget was once again funded this month at a reduced level that reflects the President/CEO’s plan for returning nearly 40% of the “non-legal” budget.

Audit – The statutorily mandated performance audit currently being conducted by the Arizona Auditor General’s office is wrapping up its research phase and will soon be moving to the report writing stage. According to the Auditor General’s office, it is expected that the audit will require a total of six to eight months to complete and will be transmitted to the legislature in the fall 2003.

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