

In this issue

Multipurpose facility — Work Begins on Southern Super Columns

Cactus League Update—Phoenix Municipal Stadium Renovations Complete

- **Youth Sports Update** — Grant applications reviewed, report on Avondale progress.

- **Financial Overview**— Checker Auto 500 boosts hotel & car rental numbers.



Workman standing on the main concourse level. Both the club and suite levels are visible in the background

MULTIPURPOSE FACILITY UPDATE

Construction work in January on the stadium included preparing the footer forms for the two super columns located at the southern end of the facility. The four super columns will hold up the two main 700-foot steel roof trusses.



View of the southwest super column footer form looking north

The stadium's roll-out field will travel between the two columns outside of the building. By storing the grass outside, the field can grow unencumbered by any shadows and the building does not have to endure the high humidity. The rollout field saved about \$50 million on the project as compared to a design which features a fully-retractable roof.

Club level seating rakers are being poured and forms for suite level slabs are being placed. The main concourse slabs are being constructed towards the northwest corner of the stadium and work is continuing on columns on both sides of the stadium near the southern end.

By the end of the month, there was a total of 21,052 cubic yards of concrete poured at the project out of a total anticipated to approach 100,000 cubic yards.

CACTUS LEAGUE

Construction is complete on the \$6.4 million upgrade of Phoenix Municipal Stadium, home to the Oakland Athletics. In return for the renovations, the Oakland A's have extended their lease by an additional 10 years, until the year 2014.



The newly refurbished stadium entrance and ticket office viewed from ramp leading to parking lot

The improvements to the stadium include new dug-outs, additional seating, an improved entrance, new directional graphics, shading of concourses with trees and shade screens, and a significant expansion and upgrading of the press area.

The authority contributed \$4.3 million to the project. The authority is forecasted to contribute \$205 million over the next 30 years in support of Cactus League baseball.

YOUTH & AMATEUR SPORTS

Grant Application Evaluation—The Youth and Amateur Sports Advisory Committee met Jan. 14 to review the grant applications pending for the more than \$1.4 million in grants available this year. The advisory committee is in the process of evaluating grant applications from around the county and will forward to the Youth and Amateur Sports Oversight Committee for their review. Board member Bill Peltier is Chairman of the Oversight Committee and was in attendance at this meeting. A final list of grant awards is expected to be voted on by the end of February.

Avondale Regional Sports Complex—The above-ground components of the Avondale Regional Sports complex under construction near I-10 and the Agua Fria River are taking shape.

In January, the following work has progressed on the project:

- Concrete curbs and gutters for the parking lots and roadways have been poured;
- Underground electric work is substantially in and backfilled in some areas;
- Sports light poles with the fixtures are in place;
- The masonry work on the site is done with the walls for the restroom/concession building and maintenance compound finished;
- The modular building has been placed at the maintenance yard;
- Both baseball fields have backstops and field fence poles in place;
- Fence poles for the enclosure of the dog park are complete;
- The lake plumbing system is completed and awaiting completion of the well.



Masonry workers on the restroom and concession building

Work that will be continuing in February includes:

- Continuation of the fencing installation;
- The underground electric work for the parking lot lighting system;
- Installation of the irrigation system for both the parking lot and the playing fields;
- Curbs and gutters to provide for aprons for vehicle access to the field.

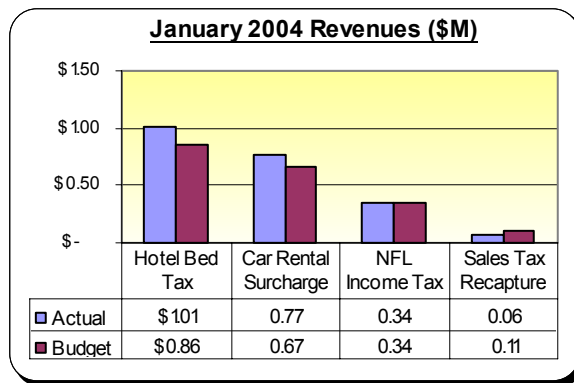
The project is scheduled for completion by the end of September.



Parking lot curbing and gutters completed.

FINANCIAL OVERVIEW

Sources – The following chart provides our revenue results for January 2004:



The Authority's overall revenue performance for January 2004 exceeded its forecast by \$216,426, or 11.0%. The Authority's combined **tourism revenues** (hotel bed tax and car rental surcharge) for the same period accounted for the positive results by posting \$1.79 million in revenues -- \$259,540, 17.0%, over our forecast. Both the hotel bed tax and car rental surcharge contributed to this improvement. We believe that a significant portion of this positive performance is due to NASCAR's Checker Auto 500 held at the Phoenix Inter-

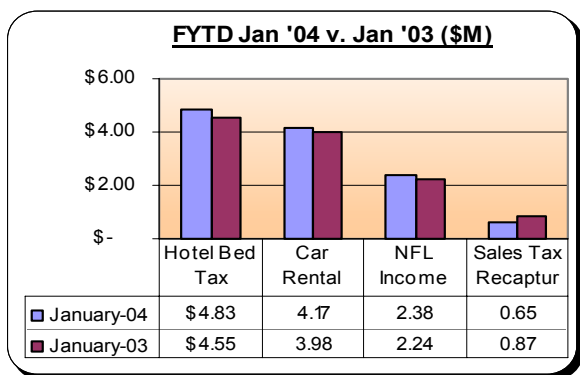
national Raceway in early November 2003.

The **NFL income tax**, which is determined by the Arizona Department of Revenue prior to the start of the fiscal year, was on-budget at \$0.34 million.

The current month's **state sales tax recapture** revenues were down again for the month. Actual revenues were \$64,253 compared to a forecast of \$107,368 resulting in a negative performance of \$43,115, 40.2%. The trend for this revenue source has continued downward this fiscal year as compared to prior years. Hotter than normal temperatures at the beginning of the NFL pre-season and regular season combined with a losing season kept the attendance figures at home games at lower-than-expected levels. The Authority should receive the final balance of these revenues in February 2004. It is expected that the Authority will receive \$200k--300k less than the original forecast of \$1.14 million.

Sources — Comparing Fiscal Years 2003 and 2002

- The next chart provides a fiscal year-to-date look at the results between January 2004 and January 2003:



The Authority is just entering the peak tourism season in the Valley and continues to maintain a slight advantage over the last fiscal year. Our overall results have steadily improved over the past several months with current year's total revenues at \$12.0 million compared to \$11.6 million in fiscal 2002 — an improvement of \$0.4 million, 3.6%. Both of the tourism revenue sources and the NFL Income Tax have contributed to this improvement while the sales tax recapture revenues continue to lag.

Senior Bond Debt Service – The Authority will be accruing a total of \$11.1 million for debt service payments during FY2004 (\$0.9 million per month). Of the monthly amount, 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 – This year, the Authority will be disbursing the entire \$4.4 million in tourism funding to the Arizona Office of Tourism. This annual amount increases by 5% per year.

Cactus League – During fiscal year 2004, \$2.3 million of the total \$3.0 annual allocation will be used for bond debt service payments. The balance will be used in part to fund a bond

reserve fund (\$3.2 million total, \$480,000 this fiscal year). The balance will be used to fund future spring training baseball renovation projects.

Youth and Amateur Sports – The Authority will be providing \$1.2 million to the youth and amateur sports general account this fiscal year. As of July 2003, the reserve account was fully funded at \$1.1 million.

Authority Operations – The Authority's annual operating budget of \$2.1 million will be funded one-third from tourism revenues and the balance from the non-pledged portion of the facility revenues.

Submitted by: Ted A. Ferris, President/CEO