



Arizona Sports & Tourism
Authority

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Monthly Report — June 2004 Issue 34

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CARDINALS STADIUM UPDATE

As more elements of the stadium work have begun, the number of workers on site has risen to almost 500. One of the more visually significant areas of work begun is the framing for the exterior wall on the northeast corner of the project. Secondary support steel has been welded in place above the future ticket office/team store and will provide support for the unique Eisenman skin enclosure and protection for the office spaces that will be built inside. The white painted steel is the first contrasting color to the nearly 50,000 yards of grey concrete that have been placed to date.



Upper bowl seating risers take shape in the northeast corner of the Cardinals Stadium.

Major progress has been made along the service level spaces with installations of water and sprinkler pipe, mechanical HVAC ducts, electrical power conduits, and ramp construction. Deliveries of the Brunel top chord trusses for the roof continues at a rate of one per week and the placement of 26 temporary foundations to support steel assembly will begin this month. A special crane has been assembled to set the upper bowl precast seating risers in the completed towers, and the block masonry has started enclosing restrooms.

Other key design and construction work areas include: 1) design for the location of Stadium utilities such as storm and sanitary sewer, gas, and permanent power, 2) conceptual work to develop all site and building wayfinding, branding, signage, and sponsor identification, 3) construction of the outboard field maintenance trench and outboard field grass and vibration mock-ups, and 4) arrival of subcontractors to complete stairs, escalators, and sound system work.

The excavation of the maintenance trench for the roll out field is currently underway 120 feet south of the stadium. This trench will allow workers access underneath the field tray to inspect, repair and replace components as needed. The field tray rolls over the maintenance trench on its way in and out of the stadium. This trench will also gather water from the area of the outboard field, to be pumped into the storm sewer system.

The 1st Year Anniversary of the project is approaching. Mass excavation of the site was begun on July 30, 2003. The anniversary at the end of July will mark the completion of 33% of the project.

YOUTH & AMATEUR SPORTS

Work on major components of the Avondale Regional Youth Sports Complex have been taking place in June:



Avondale Youth Sports Complex Playground equipment

- Concrete crews are preparing final pours for the new basketball courts and completing the handicapped ramp curb cuts at the site.
- The Little League baseball fields are in the last stages of work prior to seeding with the installation of concrete mow strips along the outfield fence.
- Both playgrounds on the site have been completely installed and several ramadas have also been constructed.
- Landscape crews have been installing major trees on the site.
- The lake, water supply well and wet well pumps and control systems are substantially complete.
- The wiring for the irrigation system and field lighting systems has been completed and is ready for main power connection.

- The new restroom building is fully complete with the installation of the toilet partitions and accessories during the last month.
- Crews have completed installation of the main irrigation trunk lines and many of the various branch lines.

A dedication of this large regional sports complex is tentatively planned for September.

Four Other Youth Sport Projects Moving Forward— Additional Youth and Amateur Sports projects at **Cochise School, Espiritu, Arthur Hamilton School, and the Town of Queen Creek** are all moving forward through June with completion nearing this Fall.

The City of Scottsdale is developing a youth sports complex at **Cochise Elementary School** to fulfill a growing need of facilities in that area. The Cochise Youth Sports Complex will contain two baseball fields and two soccer fields. Seeding of the fields was completed in June. AZSTA awarded the City of Scottsdale \$130,000 for the site work and landscaping of the Cochise Youth Sports Complex.

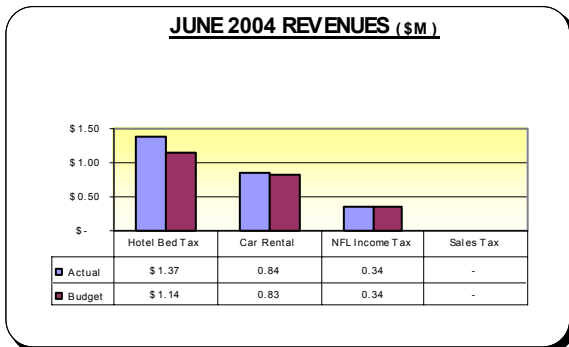
Site work has begun on a renovated football field for **The Espiritu Community Development Corporation** which operates the NFL Youth Education Town Academy. AZSTA awarded Espiritu \$43,500 towards a football scoreboard, flag poles and bleachers for the sports facility.

The Phoenix Rotary 100's Field of Dreams has seen substantial site work on the baseball and football field at the **Arthur Hamilton School**. Lights for the fields are expected to be delivered and installed in July. AZSTA awarded the Phoenix Rotary \$150,000 toward the construction of this \$750,000 project. The entire project is expected to be completed by October.

The **Town of Queen Creek** is developing Founders Park as well as constructing Desert Mountain Park to add recreation facilities to the area. Desert Mountain Park will include four lighted youth ballfields, two soccer/multi-purpose fields, a concession area and other elements. Construction on the parks began late in 2003 and will be finished in December of 2004. AZSTA awarded the Town of Queen Creek \$250,000 over a two-year period towards the construction of the parks.

FINANCIAL OVERVIEW

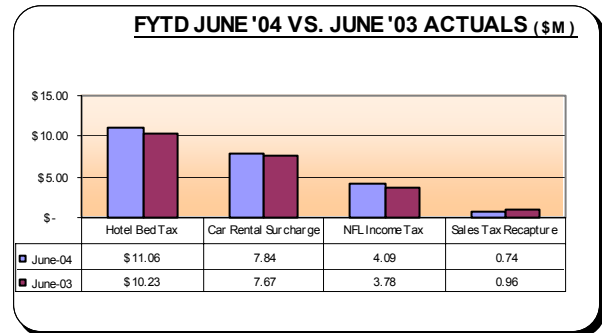
Sources – The following chart provides our revenue results for June 2004 which represents April 2004 sales activity:



The Authority's overall revenue performance for June 2004 was a pleasant and positive way to wrap up the fiscal year.

Actual revenues were \$2,555,459 vs. a forecast of \$2,311,242 – an above target performance of \$244,217, or 10.6%. The following are the revenue components and their related activity for the period:

- The combined **tourism revenues** (hotel bed tax and car rental surcharge) accounted for the positive monthly results. We posted \$2.215 million in revenues -- \$244,217, or 12.4%, above forecast. On a fiscal YTD basis the tourism revenues finished the fiscal year ahead of our forecast. Actual tourism revenues received were \$18.9 million -- \$424k, or 2.3%, above budget.
- 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 and finished the year at \$4.1 million.
- The Authority received its final **state sales tax recapture** revenues from Cardinals' home games in March 2004. The next installment of these revenues will be received at the beginning of next fiscal year in July-August 2004. Total fiscal year revenues for this source was \$741k.
- **Sources — Comparing Fiscal Years 2004 and 2003** - The next chart provides a fiscal year-to-date look at the results between June 2004 and June 2003:



The reported June results typically reflect the last month of peak tourism season activity which occurs in April. The Authority finished the fiscal year \$1,091,582, or 4.8%, ahead of the prior fiscal year – a strong indication that the tourism economy, in particular, is moving in the right direction. All revenue sources, except for the sales tax recapture, contributed to this improved performance..

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.

Annual Budget – The Authority's annual operating budget for fiscal year 2005 was presented by C. Foley, Chief Financial Officer, to the Finance Committee, in a public meeting on June 15, 2004. The Finance Committee provided input which resulted in several changes. The committee unanimously approved that the budget be forwarded, with noted changes, to the entire board of directors for their consideration at the June 29, 2004 board of directors meeting. The Authority's board of directors voted unanimously to approve the fiscal year 2005 budget.



Submitted by: Ted A. Ferris, President/CEO