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CARDINALS STADIUM UPDATE

Global Spectrum Named Preferred Stadium Manager – The Board of Directors of the Tourism and Sports Authority has voted to hire Global Spectrum as the company responsible for managing and marketing the new Cardinals Stadium currently under construction in Glendale.

The decision comes six months after the Authority issued the Stadium Management Request for Proposals on Sept. 5, 2003. Other companies vying for the contract included Anschutz Entertainment Group (AEG) and SMG.

Chairman of the Board John Benton said the evaluation process included comprehensive responses by the three companies, site visits to facilities managed by the respondents as well as presentations to the board of directors.

“We made it clear from the start we wanted the most qualified, low-cost provider of management and marketing services which was capable of maximizing the quality and quantity of events at the new stadium,” he said.

Benton said both the Arizona Cardinals and the Tostitos Fiesta Bowl enthusiastically supported the decision to hire Global.

Global Spectrum is a subsidiary of Comcast (NASDAQ:CMCSA), a \$37 billion company that is the largest cable TV provider in the U.S. with shows like the E! Networks, the Golf Channel and Outdoor Life. The company also owns the Philadelphia 76’ers (NBA), the Philadelphia Flyers (NHL), Ovation Food Services, Wachovia Center, Wachovia Spectrum and Comcast SportsNet.

Global Spectrum manages 36 facilities across the nation including six stadiums. Last year the company hosted more than 4,300 events with an attendance of 9.9 million people.

“All of the firms we reviewed are eminently qualified and, if selected, would have been more than capable of being our building partner,” said William Peltier, board member and chairman of the Business Operations Oversight Team. “In the opinion of the evaluation team, Global Spectrum offers the best combination of experience and potential.”

The evaluation team assessed five areas; management, marketing and creativity for non-football events, knowledge of

football operations, motivation and desire, and price and commitment to the success of the facility.

The Authority is required by law to hire a firm to operate, promote and market the stadium. Ted Ferris, the Authority’s president/CEO will now negotiate a contract with Global and present it to the board for approval.

The RFP calls for the winning firm to provide pre-opening services for two years in accordance with a budget to be approved by the Authority. The contract would then include a four-year post-opening term to include expenses from a pre-approved budget plus a base management fee as well as an earned fee based on performance incentives.

The Road to Selecting a Building Partner – The Authority’s evaluation team consisted of board members Bill Peltier, Michelle Eckert and Tom Hocking and President/CEO Ted Ferris, CFO Charles Foley and legal counsel Sarah Strunk. Known as the “Business Operations Oversight Team” or “BOOT” for short, the group made its recommendation to the board following a six-month process.

Below are the major milestones:

09/5/03	RFP Released
10/17/03	RFP Deadline—3 “Turn-Key” Responses Received
11/12/03	BOOT Meeting
11/21/03	SMG presentation to BOOT
11/24/03	Global Spectrum & AEG presentation to BOOT
12/4/03	Follow-up questions sent to SMG, AEG, and Global
12/11/03	Follow-up questions response due date
12/18/03	Thank you and site visit update letter sent to SMG, AEG, and Global
1/27/04	BOOT Meeting
1/30-2/01/04	Tour of Houston Reliant Stadium and Houston Reliant Center; meet with SMG Executives

- 02/17 – 2/18/04 Tour of Staples Center, Kodak Theater and Home Depot Center; meet with AEG Executives
- 02/27 – 2/29/04 Tour of Wachovia Center, Spectrum and Phillies Stadium in Philadelphia; meet with Global Spectrum Executives
- 03/18/04 Presentation by 3 finalists to TSA Board of Directors
- 03/30/04 BOOT forwards recommended Management and Marketing firm for New Cardinals Stadium to the TSA Board of Directors for their consideration. The Board votes unanimously to approve Global Spectrum.

CACTUS LEAGUE

Cactus League Sets New Attendance Record – Back in 1954, the Cactus League became an official league with four pro clubs; the Baltimore Orioles, the Chicago Cubs, the N.Y. Giants and the Cleveland Indians.

Now, the league has blossomed into the nation’s premier spring training league with 12 teams between the metro Phoenix area and Tucson attracting a record number of fans. At the time of this report, the Cactus League has set a new attendance mark this year with more than 1,248,634 patrons, an increase of 180,000 over last year’s attendance record of 1, 067,891.

Spring Training Historical Timeline – The league turned 50-years old this year, but spring training baseball in Arizona has roots which reach back to 1929 when the Detroit Tigers, hoping to add some inspiration to their ball club, hosted the Pittsburgh Pirates for a game in Phoenix

Thanks go to the City of Phoenix for researching the timeline which is memorialized in the concrete at the newly refurbished Phoenix Muni Stadium. You can link to the timeline at: http://www.az-tsa.com/cactus_league/index.htm

YOUTH & AMATEUR SPORTS

The \$5.5 million Avondale Regional Sports complex under construction near I-10 and the Agua Fria River is on schedule to open by the end of September.

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

- Concrete sidewalks on the site continue to be poured;
- The restroom building structure is complete and inspectors have passed the plumbing rough-in;
- The gazebo and statuary from the Japanese garden area is completed and ready for landscape materials;
- The lake liner has been installed;
- The wet well piping and enclosure has been installed and is

- ready for equipment;
- The underground electric work at the site is proceeding;
- The City of Avondale has completed and approved the site directional signage package.



Avondale Youth Sports Complex restroom/concession building ready for painting & fixture install.

Work for April includes:

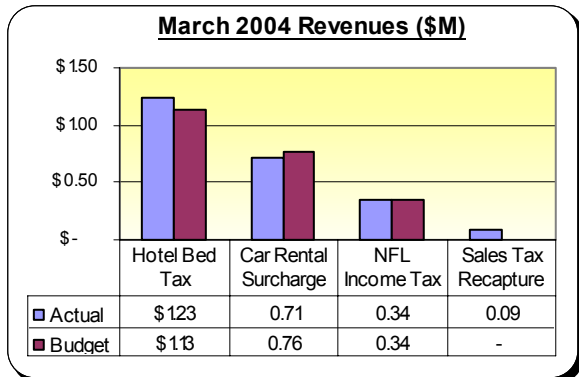
- Painting the restroom interior then setting plumbing and electrical fixtures;
- Installation of the field irrigation systems;
- Traffic signal and associated components installed;
- All site concrete work including tennis and basketball courts;
- Well pumps installed.



Avondale Youth Sports Complex baseball fields with backstops, fence posts and lights installed.

FINANCIAL OVERVIEW

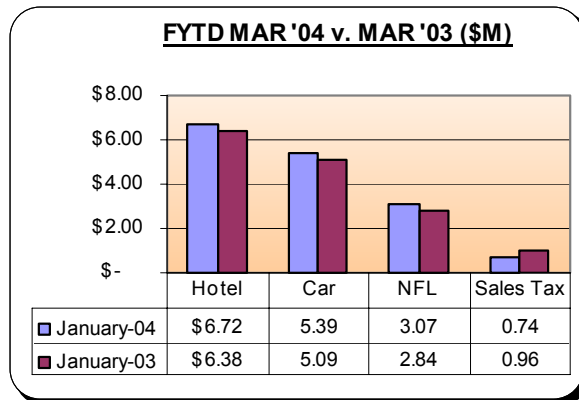
Sources – The following chart provides our revenue results for March 2004 which represents January 2004 sales activity:



The Authority's overall revenue performance for March 2004 was above our forecast by \$140,631, or 6.3%. The following are the revenue components and their related activity for the period:

- The combined **tourism revenues** (hotel bed tax and car rental surcharge) were slightly higher than the forecast. We posted \$1.94 million in revenues -- \$52,269, or 2.8%, over budget. This month's result was not totally reflective of the actual sales activity that occurred in January 2004. The Arizona Department of Revenue (AZDOR) continues to work through their new computer system changeover and adjustments were made to this month's revenues. The hotel bed tax received an additional \$156k in March while the car rental surcharge had \$48k deducted as adjustments thereby yielding an additional \$108k for the Authority this month. If we remove the adjustments for the month, the tourism revenues would have been \$56k below our forecast. On a fiscal YTD basis the tourism revenues a running slightly ahead of our budget. As of the end of March 2004 we are reporting \$12.1 million in actual revenues -- \$315k, or 2.7%, over 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.
- The Authority is reporting \$88,362 as its final installment of the **state sales tax recapture** revenues from Cardinals' home games. This deposit is forthcoming as AZDOR continues to reconcile their accounts. The final total for the fiscal year is \$741k -- \$403k, or 35.2%, under our forecasted amount. These disappointing results are due in large part to 10,500 fewer fans per game than was anticipated.

Sources — Comparing Fiscal Years 2004 and 2003 - The next chart provides a fiscal year-to-date look at the results between March 2004 and March 2003:



The peak tourism season is upon us and the Authority continues to maintain a slight edge over the last fiscal year. Overall our results have been improving over the past several months. We are reporting \$15.9 million in current year revenues versus last year's \$15.3 million — an improvement of \$0.6 million, or 4.3%. All revenue sources, except for the sales tax recapture, have contributed to this improvement.

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, or \$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