



PROP 302

TEN YEAR RETROSPECTIVE

An Economic | Fiscal Analysis & Review





Table of Contents

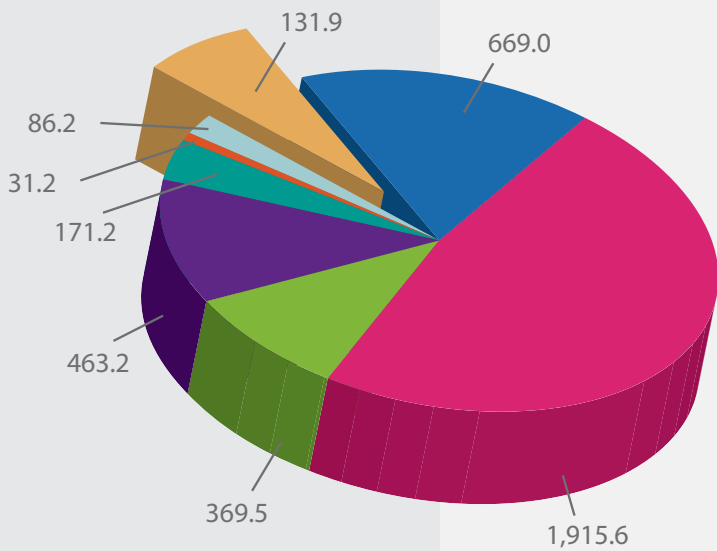
1. Overview
2. History/Mission Statement of AZSTA
3. Economic Analysis
4. Youth and Amateur Sports impact in and around Maricopa County



Overview

Elliott D. Pollack & Company reviewed and summarized the economic and fiscal benefits created by Proposition 302 from 2001 to 2010 throughout Arizona.

The following report prepared in partnership with Elliot D. Pollack & Company and The Arizona Sports and Tourism Authority highlights the 10 year impact of the passing of Proposition 302.

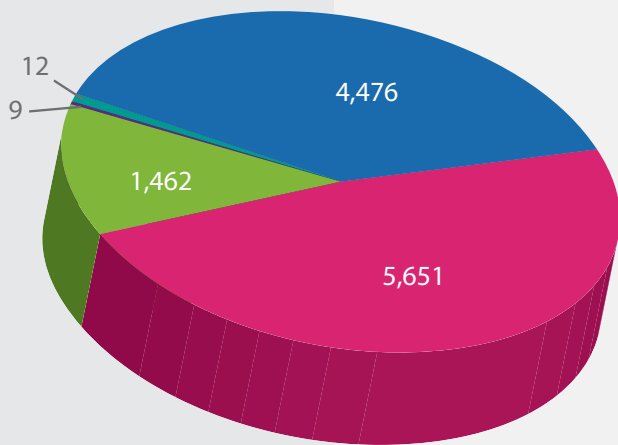


10-Year Economic Impact of Prop 302

\$3.8 Billion

- University of Phoenix Stadium Construction
- Cardinals & Stadium Operations
- Super Bowl
- Fiesta Bowl
- BCS
- Band Championship
- Other Stadium Events
- Tourism

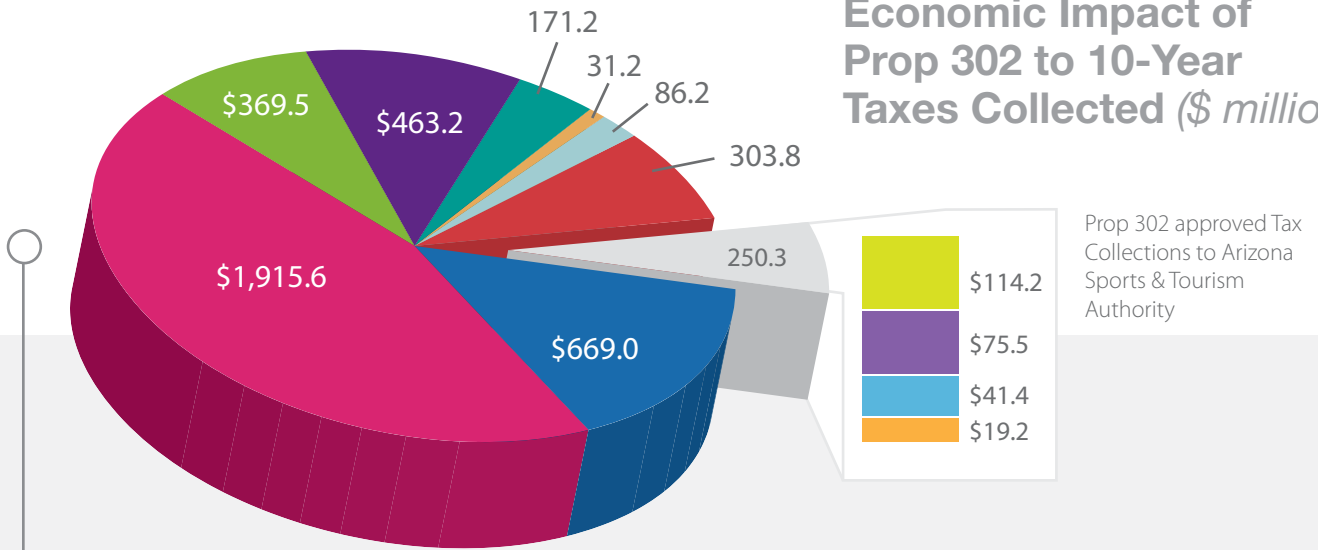
*Economic Impact does not include impact to Cactus League or Youth and Amateur Sports



Annual Jobs Created

- Cactus League
- University of Phoenix Stadium and Cardinals
- Fiesta Bowl
- Band Championship
- Other Stadium Events

Comparison of 10-Year Economic Impact of Prop 302 to 10-Year Taxes Collected (\$ millions)



Does not include economic impact of funding new Cactus League Facilities, or \$12.6 million of Youth and Amateur Sports Grants.

- | | |
|--|---|
| ■ University of Phoenix Stadium Construction | ■ Cardinals and Stadium Operations |
| ■ Super Bowl | ■ Fiesta Bowl |
| ■ BCS | ■ Band Championship |
| ■ Other Stadium Events | ■ AZ Tourism Promotion |
| ■ Hotel Bed Tax | ■ Car Rental Tax |
| ■ NFL Income Tax | ■ Sales Tax |

History of Arizona Sports and Tourism Authority

Formed as a result of voter approval of Proposition 302 in November 2000, AZSTA is responsible for:

- Owning and operating the University of Phoenix Stadium;
- Funding tourism promotion in Maricopa County;
- Funding the construction and renovation of Cactus League Spring Training facilities;
- Funding youth and amateur sports projects and programs.

Support for this effort came from our partners;

- The Arizona Cardinals
- Fiesta Bowl
- Tourism Industry
- Cactus League
- Youth & Amateur Sports
- The citizens of Maricopa County

The success of Proposition 302 could not have been realized without the citizens of Maricopa County who approved this measure.

AZSTA Mission Statement

The Arizona Sports and Tourism Authority is a Municipal Corporation dedicated to enhancing our economy and our community's quality of life through the development of professional and amateur sports facilities, the attraction of entertainment, sporting and business events and through tourism promotion.

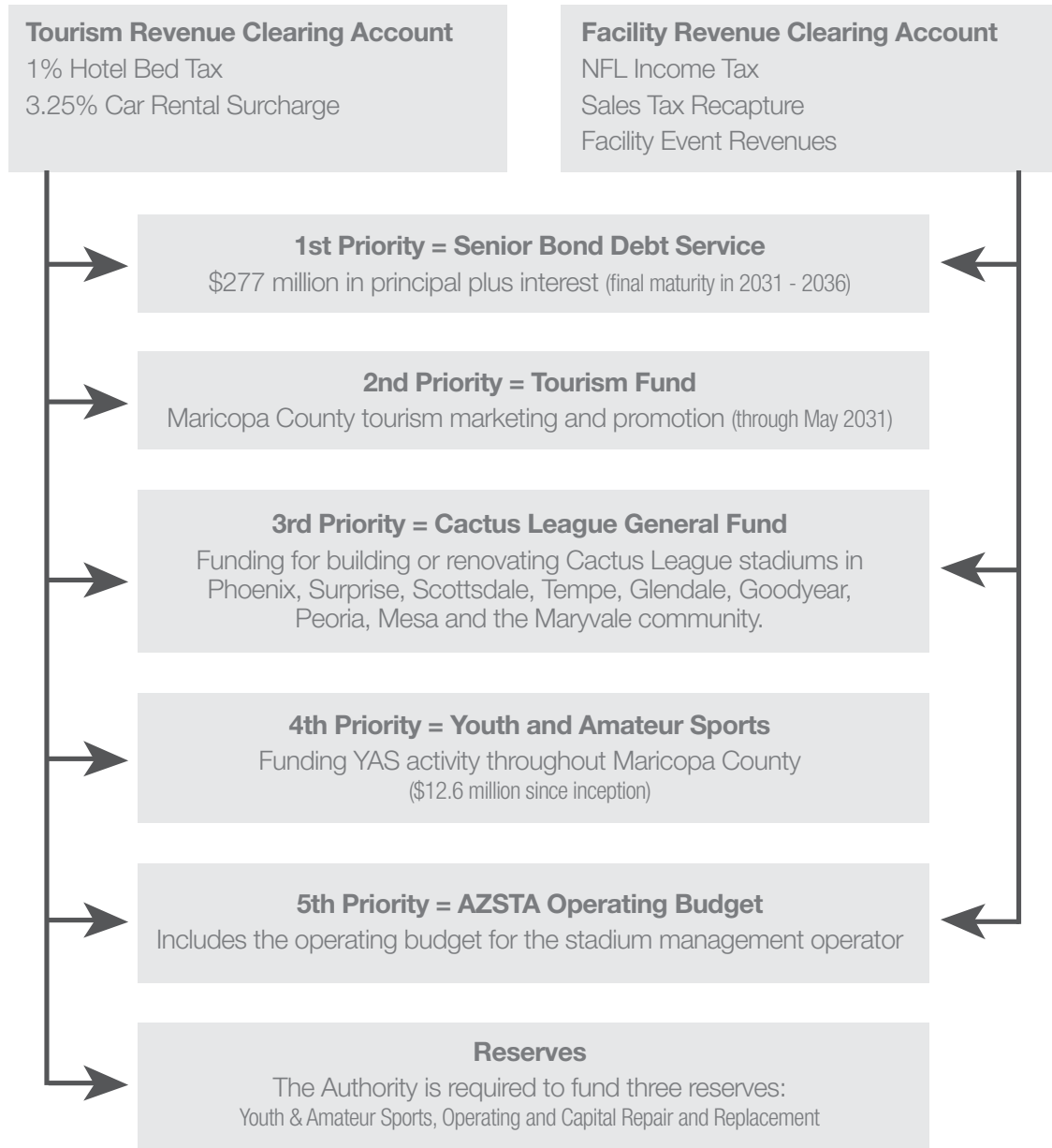


“Today, we are fortunate to have one of the best facilities in the world at University of Phoenix Stadium. We have an expanded Cactus League, we have the Fiesta Bowl and BCS Championship. Proposition 302’s collective impact will be felt for years to come.”

Mike Welborn - Chairman Plan B taskforce

Arizona Sports and Tourism Authority Statutory Flow of Funds

Source of Funds



Economic Analysis

Economic impact analysis examines the regional implications of an activity in terms of three basic measures: output, earnings and job creation. Fiscal impact analysis, on the other hand, evaluates public revenues created by a particular activity. In a fiscal impact analysis, the primary revenue sources of a city, county or state government are analyzed to determine how the activity may financially benefit them. Elliott D. Pollack & company has relied on the data provided by the AZSTA in terms of stadium operations along with a number of existing surveys and studies regarding the tourism dollars spent and resulting economic impacts. The following key points are the results of this analysis:

Economic Impacts

- The construction of the University of Phoenix stadium generated a total economic impact of \$669 million (or \$223 each year for 3 years) and created 2,032 jobs each year during construction.
- The daily operations of the University of Phoenix Stadium along with the Arizona Cardinals home games played throughout the season generate an annual impact of \$478.9 million and create a total of 5,651 jobs in the economy.
- Spending by tourists to Super Bowl XLII generated a total economic impact of \$369.5 million (excluding additional advertising impacts).
- Other events at the University of Phoenix stadium also generated tourism impacts. Each of the four Tostitos Fiesta Bowls generated an average economic impact of \$115.6 million dollars (for a total of \$462.5 million). The Bowl Championship Series game generated another \$171.2 million. The four National Band Championships generated a total of \$31.2 million and other stadium events generated a total of \$10.3 million.
- In total, the construction and operations of University of Phoenix stadium and the Arizona Cardinals organization along with tourism spending associated with other events has generated \$3.6 billion in economic activity from the beginning of construction in 2004 through operations in 2009.
- In addition to the above impacts, annual tourism generated from operations related to the Cactus League generates an estimated \$337.9 million in economic activity each year.
- Further, the Arizona Office of Tourism reports that for every dollar spent to market Arizona as a destination, a return of seven dollars is realized. To date AZSTA has distributed \$44 million to tourism resulting in a \$292 million tax benefit to the state of Arizona.

Fiscal Impacts

- Construction of the University of Phoenix Stadium generated a total \$32.2 million in taxes over the three years collected by the State, Maricopa County and local governments.
- The State of Arizona collects an estimated \$12.0 million annually from the operations of the Stadium and Arizona Cardinals Organization. Local governments collect an additional \$11.5 million each year, for a total of \$23.5 million in primary and secondary tax collections.
- Tourism spending during the Super Bowl generated an estimated \$17.7 million for the State of Arizona, Maricopa County and local governments.
- The four Tostitos Fiesta Bowls that have been held at the University of Phoenix Stadium have generated a total of \$22.1 million in State and local taxes from tourist spending during that time period.
- The 61,000 out-of-state visitors to the Bowl Championship Series game generated \$8.1 million in State and local taxes (such as sales tax, bed tax, and rental car tax).
- Each year the National Band Championship attracts 3,200 out-of-state visitors that spend a total of \$4.5 million and generate \$379,000 in taxes (or a total \$1.5 million over the four years).
- Tourism generated from other stadium events is based on a conservative estimate of 10% of attendees visiting from out-of-state for the event. This creates an annual fiscal impact of \$521,200 in State and local government taxes.

Proposition 302 Summary of Estimated Annual Economic Benefits

	Construction ⁽¹⁾	Cardinals + Stadium Operations ⁽²⁾	2008 Super Bowl ⁽³⁾	Fiesta Bowl ⁽³⁾	2007 BCS ⁽³⁾	Band Championship ⁽³⁾	Other Stadium Events ^(3,4)	Cactus League
Economic Impact								
Direct Spending (\$ mil)	\$120.4	\$250.6	\$213.0	\$66.6	\$98.7	\$4.5	\$6.0	\$191.0
Total Jobs Created	2,032	5,651	4,667	1,462	2,189	97	128	4,476
Total Wages (\$ mil)	\$51.8	\$225.1	\$146.0	\$45.8	\$67.9	\$3.1	\$4.1	\$128.6
Total Economic Output (\$ mil)	\$223.0	\$478.9	\$369.5	\$115.6	\$171.2	\$7.8	\$10.3	\$337.9
Fiscal Impact								
State of Arizona (\$ mil)	\$6.1	\$12.0	\$9.0	\$2.8	\$4.2	\$0.19	\$0.25	\$12.3
Counties (\$ mil)	\$2.3	\$5.7	\$1.8	\$0.6	\$0.8	\$0.04	\$0.07	\$4.8
Cities (\$ mil)	\$2.4	\$5.8	\$6.9	\$2.2	\$3.1	\$0.15	\$0.20	\$6.4
Total Fiscal Impact (\$ mil)	\$10.7	\$23.5	\$17.7	\$5.5	\$8.1	\$0.38	\$0.52	\$23.5

⁽¹⁾ Annual stadium construction impact each year for 3 years.

⁽²⁾ Impact of cardinals home games and total stadium operations including concession jobs, security, executives and maintenance.

⁽³⁾ Annual impact of event driven tourism dollars spent, excluding game spending (included in stadium operations), excludes secondary impact of employees

⁽⁴⁾ Estimate based on a conservative 10% of event attendance coming from out-of-town, staying an average of 1.5 days

Note: All figures based on surveys and data provided to EDPCo from other sources. No studies or surveys were conducted by this firm.

“The monies generated by Proposition 302 are an integral part of the tourism promotional efforts of Maricopa County. These valuable dollars play a critical role in marketing hotels, attractions, arts & culture, sporting events and other attributes that attract visitors to our destinations. Those visitors, in turn, support tens of thousands of tourism jobs and generate millions in state, county and city tax revenues.”

Debbie Johnson, CAE - President & CEO | Arizona Hotel & Lodging Association

Youth and Amateur Sports

Arizona Sports and Tourism Authority has awarded 141 grants totaling more than \$12.5 million dollars in grants to youth and amateur sports programs across Maricopa County since 2001.

The many organizations benefiting from these funds include Valley of the Sun YMCA, the cities of Fountain Hills, Buckeye, Glendale, Avondale and Phoenix. School districts including Deer Valley Unified, Balsz, Laveen, Glendale and Chandler. Various Boys and Girls Clubs, Special Olympics, Phoenix Children's Hospital, Children's Museum of Phoenix, Grand Canyon State Games, Arizona Recreation Center for the Handicapped, Florence Crittenton among many others. AZSTA financial grants continue to positively effect large numbers of youth programs and facilities throughout Maricopa County.



“The generous support of Arizona Sports & Tourism have enabled Miracle League of Arizona to bring about these positive, life-enhancing components.”

Dan Harran Sr. - Miracle League of Phoenix

“Thank you to the Arizona Sports and Tourism Authority for your terrific support of this much needed “Tot Turf” project for Arizona’s blind and visually impaired children.”

Lisa Ashton - Foundation For Blind Children



“While it is possible to count the number of youth that participate in the programs that have been affected by the grants provided by AZSTA it is impossible to gauge the impact that these programs have had in the lives of children and their families along with the communities they represent. Having positive and safe places for children and youth to play and participate in sporting activities is one of the most important things a community can provide for their younger members. AZSTA has been not only a valuable asset to our community by awarding grants but has affected untold number of lives.”

Amy Gibbons, President and Executive Director, Boys and Girls Club Metropolitan Phoenix



Our organization has hundreds of youth on our courts every day and the condition of our gyms is crucial. This grant from the Arizona Sports and Tourism Authority ensures our youth have a safe, and attractive gymnasium in which to play – Thank you!

Erin Lovell, Grants Manager
Boys & Girls Clubs of Greater Scottsdale



Since the Mesa Boys & Girls Club was opened in 1994, we have been able to offer a positive and safe place for the kids of our community to go to everyday. Outside of our walls, the neighborhood has a city park that unfortunately is full of drug and gang activity. Even though of the many dangers that park has, kids of the community would still go there at night because of the stadium lights that illuminate the field for them to play on. Seeing that this was a huge safety issue for our kids and teens, we felt that we needed to bring what the kids needed to a more safe environment. With the grant that we received from Arizona Sports and Tourism Authority, we were able to build the field of our kids dreams. The kids of our community now have everything they need to enjoy the sports activities they love in a safe environment regardless of the time of day.

Eric Rodriguez, Branch Executive – Boys & Girls Clubs of the East Valley
– Grant Woods Branch - Mesa



With the generous support of the Arizona Sports & Tourism Authority (AZSTA), the Museum was able to complete construction of the amazing three-story, 50 tons of steel Climber! The Climber opened to great fanfare on May 21, 2010. Since that time, the Museum has seen an increase in visitors and anticipates an even greater increase for the summer months. As anticipated, both children and adults are exploring the Climber as they exercise and play. The climber completion was made possible due to the AZSTA. Thank you!

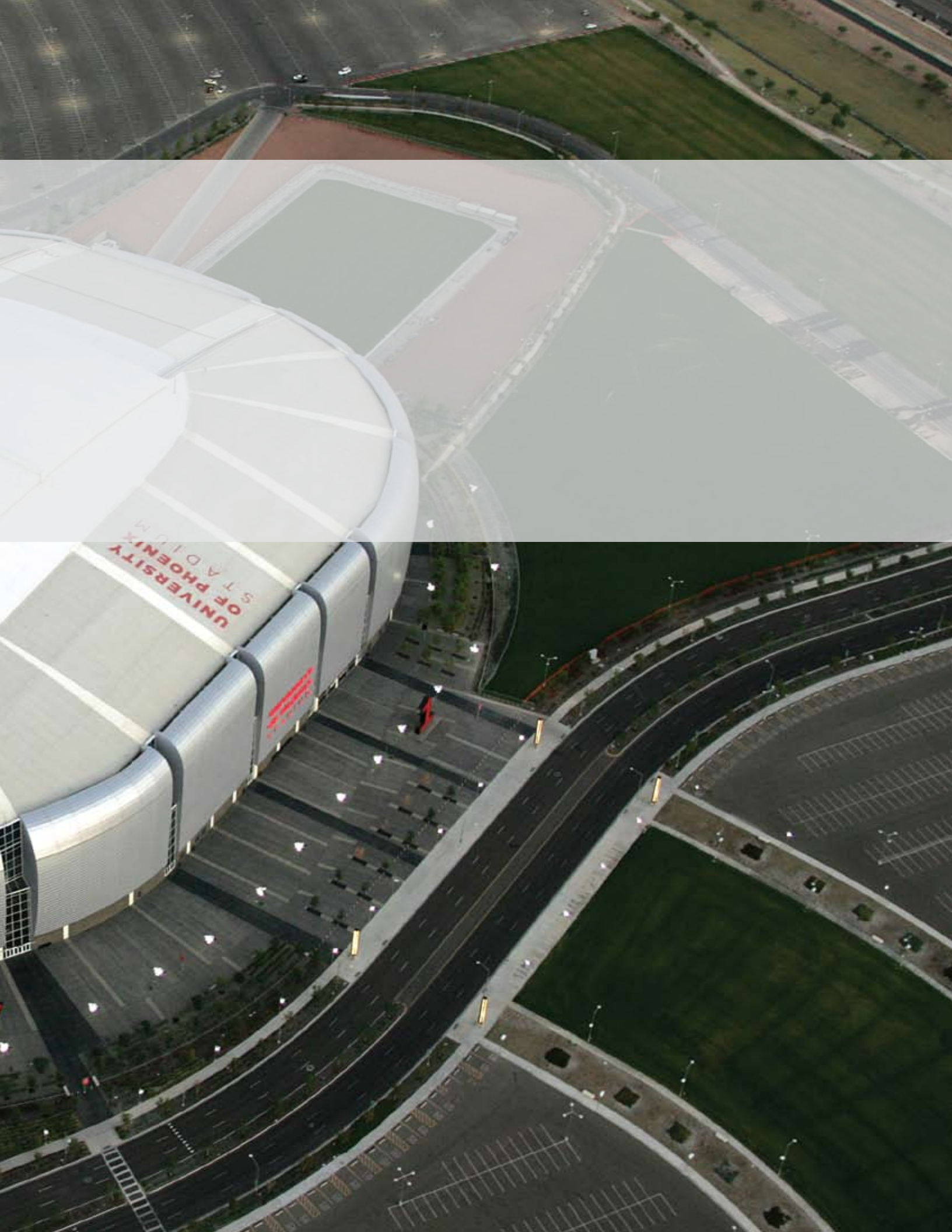
Lisa Glow, Director of Development, Children's Museum of Phoenix





“This analysis demonstrates the enormous contribution professional sports and tourism in Arizona make to state and local economies. The tax revenues generated from facilities and programs made possible by Proposition 302 create investments in infrastructure and vital services statewide.”

Elaine Scruggs – Mayor, Glendale



The background of the image is a dark, monochromatic photograph of a curved architectural structure, possibly a stadium or arena, with a grid-like pattern of panels. The lighting creates strong shadows and highlights, emphasizing the three-dimensional form and the repetitive geometric pattern.

AZSTA
ARIZONA SPORTS & TOURISM AUTHORITY