

RESOLUTION NO. 2016-91
Arizona Tourism and Sports Authority

**Resolution Regarding Certain Transaction Privilege Taxes
and Facility Use Fees for the NCAA Final Four Basketball Tournament**

I. RECITALS

WHEREAS, pursuant to Arizona Revised Statutes Section 5-801 *et seq.* (the "Act"), the Tourism and Sports Authority, d/b/a the Arizona Sports and Tourism Authority (the "Authority") is authorized to construct, finance, furnish, maintain, improve, operate, market and promote the use of a multipurpose facility to be used to accommodate, among other things, NCAA Final Four basketball tournament games (the "Final Four") and to do all things necessary or convenient to accomplish those purposes; and

WHEREAS, the NCAA has agreed to hold the Final Four at the University of Phoenix Stadium on April 1, 2017 and April 3, 2017 (the "Stadium"); and

WHEREAS, in connection with the bid to the NCAA to host the Final Four, the local host committee that was organized to host the Final Four, the Phoenix Local Organizing Committee (the "Host Committee"), has requested that the following revenues actually received by the Authority be provided to the Host Committee for use in connection with the Final Four: (a) transaction privilege tax revenues imposed on the sale of admissions to the Final Four pursuant to A.R.S. §42-5073, subsection G, paragraph 1 and any related municipal tax (the "Ticket Taxes"); and (b) Facility Use Fees imposed on all sales of admissions to the Final Four, less the 17.5% for maintenance, capital and repair costs (the "Facility Use Fees"); and

WHEREAS, the Authority has issued bonds for which the Ticket Taxes and Facility Use Fees derived from tickets are pledged to the bondholders;

WHEREAS, prior to providing the Ticket Taxes and Facility Use Fees to the Host Committee, the Authority must confirm that it has paid or has sufficient revenues to fully pay the current year's required principal and interest payments on any outstanding Authority bonds for which the Ticket Taxes and Facility Use Fees were pledged; and

WHEREAS, the Board is entitled to reasonably rely on the projections, analyses and advice prepared and presented by the Authority's Chief Financial Officer (the "CFO") as to whether there are sufficient projected revenues for the Authority to fully pay the 2016-2017 fiscal year's required principal and interest payments on any outstanding Authority bonds for which the these revenues were pledged (the "Bond Payment Advice"); and

WHEREAS, the CFO has provided his Bond Payment Advice to the Board with respect to the Final Four and has confirmed that there are sufficient revenues to pay the bond debt of the Authority.

II. REFUND FOR THE FINAL FOUR

FURTHER RESOLVED, that, after receiving, considering and reasonably relying on the Bond Payment Advice from the CFO, the Board concludes that the Authority will be able to

fully pay its bond payment obligations during the 2016-2017 fiscal year (the "Authority Obligations"), the Authority agrees that it will provide to the Host Committee the following revenues to the extent actually received by the Authority: (i) up to One Million Five Hundred (\$1,500,000) in Ticket Taxes; and (ii) any Facility Use Fees; and

FURTHER RESOLVED, that, provided the Authority has been provided sufficient documentation from the NCAA, the Host Committee or from the Arizona Department of Revenue (the "Department") and the City of Glendale (the "City") pursuant to a waiver provided by the NCAA or the Host Committee which allows the Authority to determine with certainty that it is receiving those Ticket Taxes to which the Host Committee is being provided by this resolution, the Ticket Taxes will be provided to the Host Committee no later than the first business day following the date that the Authority has: (i) received advice or confirmation from the NCAA, the Host Committee or the Department of the exact amount of Ticket Taxes collected by the Department and the Ticket Taxes collected by the Department are actually received by the Authority; and (ii) received advice or confirmation from the NCAA, the Host Committee or the City of the exact amount of Ticket Taxes collected by the City and the Ticket Taxes collected by the City are actually received by the Authority; and

FURTHER RESOLVED, that, provided the NCAA has paid to the Authority the Facility Use Fees less the 17.5% for maintenance, capital and repair costs (the "FUF Payment"), the Facility Use Fees will be provided to the Host Committee no later than the first business day following the date that the Authority has received the FUF Payment; and

FURTHER RESOLVED, that the CEO and CFO be, and hereby are, authorized and directed, in the name and on behalf of the Authority, to take any and all actions necessary to effectuate the foregoing resolution; and

III. MISCELLANEOUS MATTERS

FURTHER RESOLVED, that all actions previously taken on behalf of the Authority by any director or officer of the Authority in connection with any of the foregoing matters are hereby ratified, confirmed and approved in all particulars as the acts of the Authority.

Dated: June 9, 2016