

PROGRAM FACT SHEET

Arizona Tourism and Sports Authority

Funding priorities and responsibilities:

The Arizona Tourism and Sports Authority (TSA) has the following statutory funding priorities and responsibilities:

- Designing and constructing a new multipurpose facility, which will be the new home of the Arizona Cardinals football team and the Tostito's Fiesta Bowl, and which will also host the 2008 Super Bowl. The facility is currently under construction in Glendale;
- Funding tourism promotion in Maricopa County by distributing monies to the Arizona Office of Tourism;
- Awarding monies to renovate existing or construct new Cactus League spring training baseball facilities in Maricopa County;
- Awarding grants for youth and amateur sports facilities and programs in Maricopa County;
- Funding TSA operations, including staff salaries, travel, and insurance, as well as funding the operations of the multipurpose facility; and
- Establishing and funding reserves for its operations, youth and amateur sports, and for repairs and other long-term costs associated with the multipurpose facility.

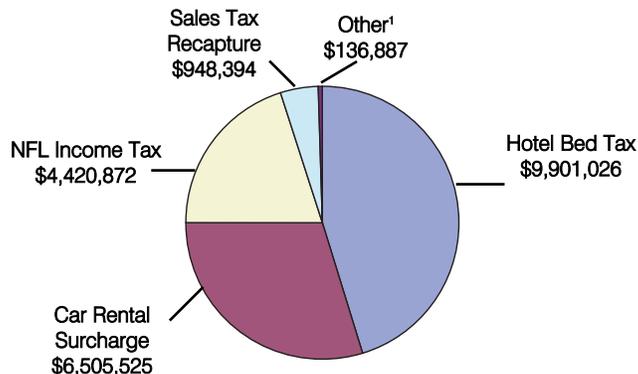
Funding sources:

TSA began receiving funding in 2001 from a variety of sources. Specifically:

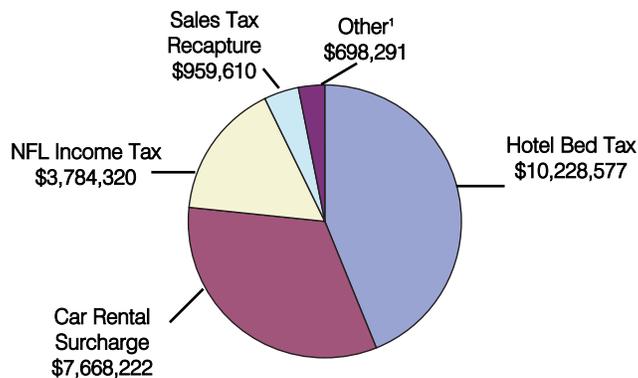
- **Hotel bed tax increase**—For 30 years, TSA receives revenue from a 1 percent increase in Maricopa County's hotel bed tax. TSA expects to receive a total of nearly \$610 million from hotel bed taxes through February 2031.
- **Car rental surcharge**—For 30 years, TSA receives a portion of the revenues generated by a 3.25 percent car rental surcharge in Maricopa County. TSA projects that it will receive over \$382 million from this surcharge through February 2031.

TSA funding:

\$21,912,704 (fiscal year 2002)



\$23,339,020 (fiscal year 2003)



¹ Includes interest received from investment activities. TSA received substantially more interest income in fiscal year 2003 due to large account balances associated with the sale and deposit of \$222 million in bond proceeds.

- **Sales tax recapture**—TSA recaptures all state sales tax paid at Cardinals games, including those played at Arizona State University’s Sun Devil Stadium until the new facility is constructed, as well as any sales taxes paid on materials purchased for the new facility’s construction. TSA projects receiving approximately \$130 million from this revenue source through 2031; however, the sales tax recapture does not expire in 2031.
- **NFL tax**—TSA receives all state income taxes paid by the Cardinals’ corporate organization, its employees (including players), and their spouses. Statute guarantees a minimum amount that TSA will receive, with this amount growing by 8 percent annually. TSA receives additional money from the State General Fund if the income tax revenues collected do not meet the required minimum amount. This distribution does not expire, but through fiscal year 2031, TSA will receive at least \$397.8 million in state income tax revenue.
- **Other facility-generated revenue**—Once the facility is constructed and operating, TSA will also generate revenues from events held in the facility, including rent from the Cardinals and other users of the facility, concessions, and parking revenues. TSA projects that it will receive approximately \$115.2 million from facility-generated revenue through 2031.

Personnel:

A nine-member board of directors, appointed to 5-year terms, governs TSA:

- The Governor appoints five board members, with one member representing the tourism industry, one representing the hotel and motel industry, one representing youth sports organizations, and one representing major league baseball spring training organizations. No more than three of these members may be from the same political party.
- The President of the Senate and the Speaker of the House each appoint two members who cannot both be from the same political party.

As of July 2003, TSA had five staff, including a president/chief executive officer, vice president for facilities, chief financial officer, and two administrative support staff.

Facilities and equipment:

TSA leases office space from a private company. TSA offices are located at 14500 North Northsight Boulevard in Scottsdale. Its equipment includes typical office equipment.

Program goals and performance measures:

TSA has not developed program goals and performance measures, but it is not required to do so since it is not a state agency. While TSA has specific statutory objectives it must meet, such as designing, constructing, and operating a multipurpose facility, and has developed and tracks completion of various action steps, measuring performance could help staff maintain its focus on important TSA functions and activities, enhance service quality, and aid in budget development and review.