

**Southern Arizona
Potential Sports and Tourism Authority Legislation**

CONFIDENTIAL DISCUSSION DRAFT

With the impending departure of the Chicago White Sox from Tucson to Glendale for spring training, the future of all spring training baseball in Southern Arizona has been put into jeopardy.

Recent studies, conducted by the Cactus League Baseball Association, put the economic impact in Pima County, of spring training in excess of \$31 million annually. Perhaps more importantly, spring training has been a staple in the community since 1947 and the loss would have a more far reaching impact to the destination. The business community, jurisdictions and impacted industries have come together to attempt to remedy the problem.

Both the Colorado Rockies and the Arizona Diamondbacks insist that there must be a minimum of three teams in the Tucson area to make training there viable.

Further, Hi Corbett field, the current venue for the Rockies is obsolete and would need to be virtually rebuilt, in order to serve the training and basic fan amenity needs of any Major League team.

Tucson Electric Park, the current site for White Sox and Diamondbacks Spring training, is already 10 years old and needs updating. The long-term viability of the White Sox training areas at TEP has been called into question, due to the location and orientation of practice fields - which creates climatic, noise and access issues.

In order to retain the remaining teams and attract new teams, the equivalent of a new facility, combined with the renovation of existing facilities will be required.

Youth and amateur sports have long been the source of substantial tourism revenue in the area. Numerous nationally recognized events are held annually. The social benefit of youth and amateur sports are widely recognized. Perpetuating these activities is a desirable regional goal.

On April 1st of this year, the Pima County Board of Supervisors voted 5-0 to create an interim Sports and Tourism Authority to begin the work of furthering youth and amateur sports and to begin a program aimed at saving and expanding spring training baseball. A permanent Authority must be created through legislative action to continue these activities and to allow for the renewable funding necessary to accomplish these goals.

The very effective template used by Maricopa County in establishing the Arizona Sports and Tourism Authority (AZSTA) seems to be a good starting point for the Tucson region. Notwithstanding, some of the key provisions should be localized to reflect the specific

conditions in Southern Arizona. It is recognized that any powers or tax provisions must be endorsed by the electorate.

Facilities

It should be the responsibility of the Sports and Tourism Authority to assess all existing facilities, their relative strengths and weaknesses and the cost to bring these facilities up to a reasonable standard.

At the same time, sites throughout the region, for potential new construction, need to be evaluated.

It is understood that no construction or major rehabilitation should begin without long-term commitments from the baseball teams.

In evaluating all options, weight should be given to potential matching funds or in-kind contributions from the various jurisdictions.

Potential ownership of the facilities has not been discussed at length; however reserving the right of the Authority to own and operate is desirable.

There is sentiment that spring training activities remain within the Tucson City limits. As mentioned earlier, most likely, there will no spring training unless three teams (and ideally four teams) are accommodated. It is not anticipated that funds raised through a regional Sports and Tourism Authority will be sufficient to fund more than one large scale construction/renovation project. It seems apparent therefore, that regardless of whether a third facility is constructed in another part of Pima County, since facilities for three teams currently exist within the city limits, at least one, likely two and potentially three team sites would, by necessity, be located within in Tucson proper.

Tax base

As related to the necessary renewable funding source, clearly, the less impact on the residents of Southern Arizona, the better. With AZSTA in Maricopa County, almost the entire burden has been absorbed using tourist related taxes.

In Pima County, this is not practical for two reasons. First, the depth of the car rental and hotel sources is insufficient to raise enough underlying annual revenue to accomplish the necessary work. Further, these sources have been tapped for other uses in Southern Arizona and as such, a material increase in these tax rates is not a viable alternative.

After extensive discussion with affected industries, a solution where a relatively small tax increase, spread equally among the various sources, has achieved widespread support.

