



Arizona Sports & Tourism  
Authority

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#### **CARDINALS STADIUM UPDATE**

##### **Governor Signs Law Clearing Way for College National Championship: Game Expected to Generate \$154 Million**

On Apr. 26, Governor Janet Napolitano signed into law legislation which cleared the way for the very first Intercollegiate National Championship Game to be held in the new stadium on Jan. 8, 2007.

The legislation, (HB 2035) requires the Authority to enter into a new use agreement with the Bowl to produce a National Championship Game. HB 2035 also gives the Fiesta Bowl organization control over marketing the stadium suites and club seats. It also gave the Authority the right to return to the Fiesta Bowl any sales tax collected on admission as well as parking revenue from the National Championship Game, under certain conditions.

The Bowl Championship Series (BCS) which organizes college football's top post-season bowl games formally granted permission for the Fiesta Bowl to stage the game following the governor's signature.

Simultaneous with the passage of the legislation, the Fiesta Bowl and the Cardinals entered into an agreement that allows the Cardinals to market 20 of the 88 suites and 1,700 of the 7,400 club suites for each college title game.

The new Championship game is premiering at the new multipurpose stadium in Glendale on Jan. 8, 2007 one week after the Fiesta Bowl on Jan. 1. The championship game is expected to generate about \$154 million to the community according to a study by Arizona State University. When combined with the Fiesta Bowl and the Insight Bowl, the Valley is expected to get \$220 million in economic benefits.



The new championship game will feature the nation's top two teams. This game is expected to rotate annually between the top four bowls – Tostitos Fiesta Bowl, Rose Bowl, Fed Ex Orange Bowl and Nokia Sugar Bowl.

The confirmation of the new game means the Authority and its operating partner, Global Spectrum, will be hosting two Tostitos Fiesta Bowls, a BCS Intercollegiate National Championship, and Super Bowl XLII all within the first 17 months of operation.

#### **Luxury Hotel Next to Stadium Gets Green Light from City Council**

The first step has been taken in building a luxury hotel directly north of the Cardinals Stadium's north entrance

The Glendale City Council has given the City Staff the go-ahead to finalize a development agreement with John Q. Hammons to build a privately financed, 320-room, four-diamond Marriott Renaissance Hotel and spa with a projected opening of Fall 2006.

The 12-story property will be managed by Springfield, Mo.-based John Q. Hammons Hotels, Inc. (AMEX: JQH), the nation's leading independent builder, developer, owner and manager of upscale,

full-service hotels, resorts and suites. The City and Hammons also are expected to partner to build an adjacent 80,000-square-foot conference center, with a parking garage to be built by the city. The land immediately west of the Glendale arena was purchased by the city from Ellman Companies.

"As Glendale continues to experience impressive growth, there is an increasing desire for a full-service convention center hotel to meet the needs of the correlating meetings and tourism traffic," said Mr. John Q. Hammons, founder, chairman and chief executive officer of John Q. Hammons Hotels, Inc. "I am confident that the consistently exceptional experiences and overall performance associated with the Renaissance and John Q. Hammons Hotels brands will exceed both guests' and the city's expectations."

The Renaissance Hotel and spa will serve as a premiere venue during national events such as the 2007 Fiesta Bowl National Championship and 2008 Super Bowl. The conference center will also serve as a year-round activity center with state-of-the-art technology that makes it a preferred location for media centers and



other high-profile uses.

**Stadium to be Most Technologically Advanced in the NFL**

A partnership announced Apr. 27 between the Arizona Cardinals and Insight North America will provide the stadium with a fully-integrated Information Technology system making it the most technologically advanced stadium in the NFL.



Tempe-based Insight will provide complete product integration throughout the stadium with state-of-the-art cabling, networking, wireless and computing technology.

Insight will provide a system with "Pure Internet Protocol", meaning that voice, video and data can be transmitted over the same network rather than through separate systems.

The company will also be implementing a wireless infrastructure into the stadium giving it the capability to support virtually every form of wireless communication now on the horizon. This will facilitate uninterrupted cell phone usage and wireless Internet access within the stadium, so patrons with Wi-Fi-enabled laptops and PDAs will be able to surf the Internet inside the building.



**CACTUS LEAGUE UPDATE**

**\$20 million Tempe Diablo Stadium Renovation Begins: Angels Stay in Tempe Through 2025**

Local dignitaries and officials planted red shovels firmly into the ground at Tempe Diablo Stadium on Apr. 13, signaling the start of \$20 million worth of renovations to the stadium.

AZSTA, the City of Tempe and Angels Baseball L.P. are renovating the stadium in return for a 20-year lease extension by the Major League Baseball team. Tempe Mayor Hugh Hallman, Angels owner Arte Moreno and AZSTA Chairman John Benton addressed the crowd on hand for the ceremonies.



Tempe and AZSTA are providing \$20 million worth of improvements which include consolidation of all of the Angels' minor league and major league practice facilities in Tempe, new practice fields, a new clubhouse, and stadium improvements. The Angels have agreed to extend their spring training lease through Dec. 31, 2025.

AZSTA will fund \$12 million, or 60% of the project's total cost of \$20 million, and Tempe to fund \$8 million. The Angels will manage the construction and be responsible for any cost overruns.

Tempe will issue bonds for the full amount of the

project and AZSTA will repay its share with interest. It is estimated that Tempe will be repaid in roughly 15 years.

In the agreement, AZSTA and the City will settle AZSTA's \$1.5 million claim for the former multi-purpose stadium site. The City will pay the Authority \$405,642 in cash and the balance will be reflected in a reduction of the total amount contributed by AZSTA. AZSTA's contribution of \$12 million or 60% of the cost of the stadium improvements reflects a reduction from the statutory limit of 67% or \$13.33 million that would normally be associated with a \$20 million project. This savings of \$1.33 million plus the cash settlement equals \$1.73 million which exceeds AZSTA's \$1.5 million claim. The stadium renovations are expected to be completed in time for the 2006 Spring Training season.

This is the fourth Cactus League project to which the authority has contributed. The others are Surprise Stadium (for the Rangers and Royals), Phoenix Municipal Stadium (Athletics) and Scottsdale Stadium/Indian School Park (Giants).

**Cactus League Sets Another Record**

The Cactus League set another attendance record this year, attracting 1.27 million fans. Last year's attendance was 1.25 million.

The [Chicago Cubs](#) had the highest attendance of all Spring Training clubs this year with 193,993 fans, beating last year's attendance of 189,692. The [San Francisco Giants](#) had the second highest attendance with 152,185 fans. The [San Diego Padres](#) saw the biggest increase in attendance with 24,106 fans more than last year. Overall, seven of the 12 Cactus League teams drew more than 100,000 fans this year. This year's spring training season is estimated to have generated \$270 million for the local economy.

**YOUTH SPORTS UPDATE**

**Community Park at ASU West Begun**

The collaborative efforts of government, university and community partners came together April 14 as ground was broken for a 40-acre community park at ASU's West campus.

The community park is a \$3 million joint project with Arizona State University and the city of Phoenix and its Parks and Recreation Department; the Local, Regional and State Parks Heritage Fund; and AZSTA.

The first phase, which is slated to be completed later this year, includes development of two irrigated



grass sports fields—one for soccer and one for general use—as well as basic infrastructure work including well upgrades and supply lines, on-site and off-site utilities, mass grading of the site, parking, restrooms, sidewalks and lighting. The park will be built at the southwest corner of the campus—51st and Sweetwater avenues.



Cary Feffer (I) Interviews Terry Gerber, Maricopa County Park © and Herman Orcutt, AZSTA Board of Directors.

“ASU has developed a culture of supporting community partnerships and we pride ourselves on being an integral part of the communities we serve. This park will have a great quality-of-life impact for ASU’s West campus, especially now that the campus has evolved into a full-service, four-year university with student residential facilities,” said Mark Searle, ASU vice president and provost at ASU’s West campus.

Initial discussions between ASU and the cities of Phoenix and Glendale for the park began in 1993. Community planning began in earnest in 1995 when a task force led by members of the recreation and tourism management department at ASU’s West campus was convened to carry out a need assessment. A community survey showed that 91 percent of respondents supported the project.

Following a feasibility study, revision of the campus master plan for approval by the Arizona Board of Regents and public meetings, the need was well documented in a November 2001 long-range Phoenix Parks, Recreation and Library Plan. That plan spotlighted a park deficiency in the geographic radius of ASU’s West campus, showing that the nearest community park was more than

1.5 miles from the campus, exceeding the formula considered acceptable by the National Recreation and Parks Association.



Wielding Ceremonial Shovels (From Left) Elizabeth Stewart, Arizona State Parks Board, Ted Ferris, AZSTA; Mayor Phil Gordon, City of Phoenix,; Mark Searle, ASU West.

Funding to complete the design and development of the park’s infrastructure was secured through contributions from the city of Phoenix and a \$500,000 grant from the Local, Regional and State Parks Heritage Fund, which is funded by the Arizona Lottery and administered by the Arizona State Parks Board.

“Multi-use projects, such as this, are extremely important to us since they provide the community with additional avenues to serve varied interests and activities,” said Ted Ferris, president and CEO of the Arizona Sports and Tourism Authority. “ASU has done a superior job of securing several partners to help leverage our \$150,000 contribution into a larger, more comprehensive project for the benefit of the neighborhood.”

The second phase, as yet unfunded, will include construction of specific sports facilities and amenities including a second soccer field; two softball fields; basketball, tennis and volleyball courts; a playground; and picnic areas.

A third phase will add a recreation center and an amphitheater which, according to Searle, will serve as valuable space for the Interdisciplinary Arts and Performance Department housed in the New College of Interdisciplinary Arts and Sciences at ASU’s West campus. The department will be able to offer many additional cultural and recreation opportunities for the public.

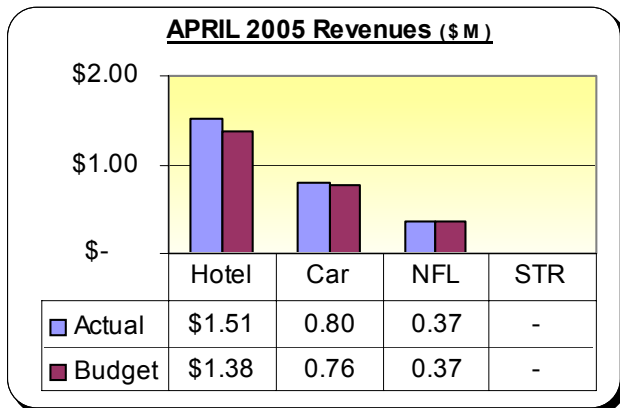
“And, from an academic standpoint, the park will provide distinct learning opportunities for ASU stu-

dents, supporting offerings in the College of Human Services, specifically the recreation and tourism bachelor's degree program," Searle said.

Design and construction management of the sports fields will be handled by ASU. The daily operation, scheduling and maintenance of the fields will be provided by the city of Phoenix.

**FINANCIAL UPDATE**

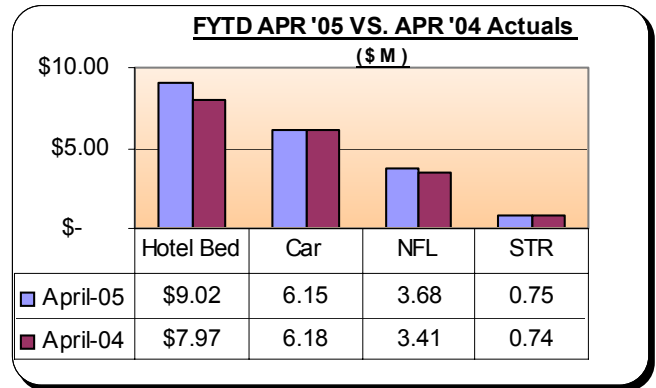
**Sources** – The following chart provides our monthly revenue results for April 2005 which represents transaction activity from February 2005:



The Authority's **total revenues** for April 2005 outperformed our forecast by \$163 or 6.5%, which continues the positive trend from prior several months. The individual revenue components performed as follows:

- The combined **tourism revenues** (hotel bed tax and car rental surcharge) posted \$2.3 million in revenues - \$163k or 7.6%, above forecast. The **hotel bed tax** outperformed its projection by \$131k, 9.5%. The **car rental surcharge** also came in above forecast by \$32k or 4.2%. YTD tourism revenues through ten months of the fiscal year continue to exceed forecast. Through April we have posted a total of \$15.2 million in tourism revenues versus a forecast of \$14.5 million forecast – a positive performance of \$0.6 million or 4.4%.
- The **NFL income tax** is determined by the Arizona Department of Revenue prior to the start of each fiscal year. This was on-budget at \$367k for the month and \$3.7 million year-to-date.
- The Authority received its final month of Arizona Cardinals' home game-related sales tax recapture revenues in March 2005. For the current fiscal year, we received a total of \$754.5k, \$117k or 13.4%, below budget. We are still waiting to hear from the Arizona Department of Revenue on our request to research why the past two years' revenues have been lower than anticipated.

**Sources – Comparing Fiscal Years 2005 and 2004** – The next chart provides a fiscal year-to-date comparison between April 2005 and April 2004:



Our total fiscal YTD revenues through April are running \$1.3 million or 7.1%, ahead of the same period during the prior fiscal year. Of the four revenue categories, three are currently outperforming last year's figures with the car rental surcharge just slightly lower than last year's amount (\$34k or 0.5%). The hotel bed tax is ahead of last year's figure by a total of \$1.05 million or 13.2%. We are anticipating that the tourism revenues will continue to strengthen through the balance of the year while the NFL Income Tax, barring any current legislative efforts to the contrary, will come in on-budget.

**Senior Bond Debt Service** – The Authority will be accruing a total of \$11.1 million for senior bond debt service payments this fiscal year. Approximately 75% of the total amount will be sourced from our tourism revenues. The balance will come from the facility revenues – the pledged portion only. This split is based on statutory language that limits the debt service from tourism revenues to the equivalent of no more than \$165.5 million of the bond principal which is \$221.95 million.

**Tourism** – During fiscal year 2005 the Authority will be distributing \$4.65 million in tourism funding to the Arizona Office of Tourism. This amount is increased by five percent annually.

**Cactus League** – The Cactus League fund is to receive a total of \$3.0 million in the current fiscal year. Of this amount \$2.3 million will be used for subordinate bond debt service payments, \$0.5 million for funding the required bond reserve account and the balance is earmarked for spring training baseball renovation projects in the cities of Tempe and Scottsdale.

**Youth and Amateur Sports** – \$1.3 million will be distributed into this fund this fiscal year. This annual distribution grows by \$100,000 each year. The Authority has also fully funded a \$1.2 million youth and amateur sports reserve fund.

**Authority Operations** – The Authority's current operating budget is \$2.8 million of which \$0.9 million is for our stadium management operator's pre-opening startup operating budget.

Submitted by:

A handwritten signature in black ink, appearing to read "Ted A. Ferris". The signature is written in a cursive, flowing style.

**Ted A. Ferris**  
**President/CEO**