



Arizona Sports & Tourism Authority

14500 N. Northsight Blvd.
Suite 312
Scottsdale, AZ 85260

(480) 505-0533 Phone
(480) 505-0534 Fax

www.az-sta.com

In this issue

- **Cardinals Stadium Update** — Thirty One Events Secured for Stadium: 6,500 Exhibiting Companies Coming to Glendale
- **Cactus League Update** — Scottsdale and Tempe stadium renovation projects to see sod in November.
- **Youth Sports Update** — YAS Committee Recommends 13 Projects for 2005 Awards
- **Financial Overview** — Combined tourism revenues up year over year, car rental surcharge figures lag.

CARDINALS STADIUM UPDATE

With 10 months to go before opening, Global Spectrum, operators of the new Cardinals Stadium, announced that 31 non-football events have been secured for the state-of-the-art multi-purpose complex.

Global Spectrum has secured the following events for the stadium:

International Sportsmen's Expositions (2007-2009);
Advanstar's Off Road Expo (2007-2009);
Home Show Extravaganza (2007-2009);
World of Wheels Custom Car Show (2007-2009);
Oasis Gift Shows (semiannual 2007-2011);
Arizona Facility Management Show (2006-2008);
Corporate Food Show (2007-2009);
Monster Truck Thunder Drags (2006-2008).

The events represent approximately 75 event days for the building and are expected to attract more than 489,000 attendees.



These initial non-football events, scheduled for three consecutive years or more, will bring 6,500 exhibiting companies to the West Valley and generate more than 27,000 hotel room nights.

The feature most responsible for the stadium's multi-use capability is the rollout field. With the field outside in the "outboard" position, the stadium becomes one of the most distinctive and versatile exhibit spaces in the country featuring approximately 160,000-sq. ft. of column-free exhibit space. The amount of contiguous space, along

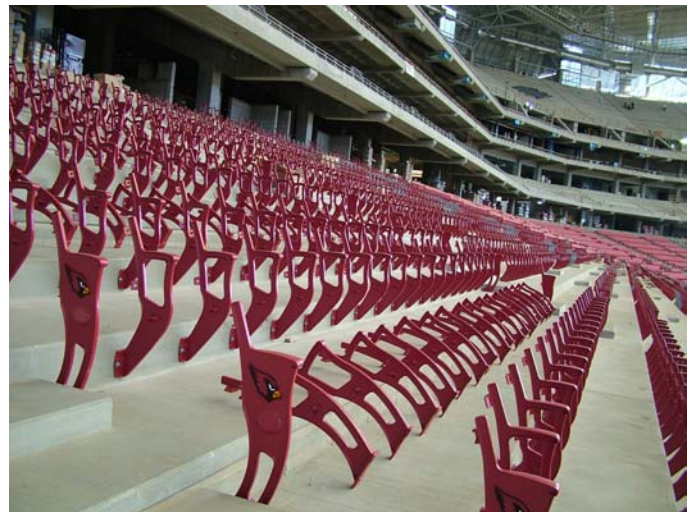
Monthly Report — October 2005 Issue 50

with direct floor access and the latest in amenities, make Cardinals Stadium appealing to a multitude of public & private events.

Cardinals Stadium Construction Progress

The most visible areas of progress this month were seen mostly inside, as the new stadium construction remains on schedule for opening next August.

Installation continued on seats in both the lower bowl as well as the upper bowl with the difference in the red and grey areas becoming more apparent. A total of 63,000 seats will be installed and the schedule calls for approximately 50% of them to be complete by the end of December.



Thousands of seat standards are being installed along the eastern side of the lower bowl. Half of the seats are scheduled to be complete by the end of December.

Work has begun on installing the railings for the upper and lower bowls and stairs with a completion target of 50% by the middle of February.

The utility floor boxes for power and data are being located below the stadium floor as the installation of the field tray rail system and concrete pours work from the north end toward the south end (*see additional story below*). It is expected that work on the utility grid, the stadium floor and the field tray rail system will continue through the middle of January.

Electricians are currently working on the power system that will allow the retractable roof to be opened for the first time around Christmas. Work scheduled after the opening will include the alignment of the roof rails and work on the Birdair fabric in areas that can only be reached when the panels are open. The roof will then be closed again in late January for final completion of the fabric installation. Installation should be complete by the end of February.

Progress on the field tray prototype section is continuing as is the concrete pours for the field tray rail system. The crews working on the rail system outside the stadium are pouring concrete from the southern end towards the north, while the interior crews are pouring from the northern end towards the south. The crews will meet at the maintenance trench which is located just outside the stadium in the slot. The maintenance trench will allow workers to access any of the 540 steel wheel sets which support the 16.9 million pound field tray. Workers let the tray roll over the trench where they can inspect or repair any of the wheels from underneath.



These 13 rails being completed inside the stadium will serve to support the 16.9 million pound field tray when it is rolled in for football and soccer games.

The field tray should be about half completed by Christmas and the soil mix and turf will be installed the end of April or first of May.

Outside the stadium, site development work is starting in the southwest corner of the project. All of the underground infrastructure such as storm drains, utilities, and sanitary sewer connections will be installed and the site prepared for paving will start in the southwest and finish in the northeast corner of the project.

Utility Grid Boxes Installed

The utility grid integrated into the stadium floor is one of the unique and significant features -- along with the roll-out field and retractable roof -- that gives that building it's decidedly multi-purpose potential.

Workers have been installing the 120 utility boxes flush with the stadium floor's concrete slab. When the roll-out field is stored in the outboard position (where it will reside unless used for football or soccer games) the stadium floor provides a huge amount of contiguous, column-free space, a major plus in the eyes of tradeshow and ex-

hibition producers.

Each of the boxes provides access directly from a point in the floor for three levels of electrical power, voice, data, and other vital utility services, making this the most flexible, multipurpose stadium floor in the United States.



Utility grid boxes (visible in the center of the photo resting on temporary supports) are being installed under the field floor, making the stadium one of the most flexible multipurpose facilities in the U.S.

The embedded utility grid is set on 30' by 60' centers and eliminates the expensive and clumsy runs of electrical and data lines along the floor from a remote source, as is the case in most convention and trade-show venues.

CACTUS LEAGUE UPDATE Scottsdale Giants Stadium

Work on the \$23 million stadium renovation for October included:

- Team store masonry walls, steel roofing and installation of electrical rough-in and mechanical ductwork;
- Completion of the tunnel connecting the existing clubhouse with the new extension;
- Erection of structural steel at the new batting tunnel area;
- Completion of concrete retaining walls at the new batting tunnel structure;
- Backfilling of the new berm area;
- Masonry construction underway for the new outfield entry, ticket booth and related facilities;
- Installation of the drainage system for the two Minor League practice fields;
- New light poles are now on site;

- Completion of new water line at the Minor League complex;

Sod delivery at the Minor League complex is expected during the month of November. Additional planned work for November includes ceiling installation at the Major League Clubhouse, completion of the batting tunnel, and installation of backstops and fencing at two fields at the Minor League Complex located at Indian School Park.

Currently 60% of the project time has elapsed and the current substantial completion date is set for February 2.

Tempe Diablo Stadium

Significant construction activity began this month on the Minor League Complex located near the 48th Street side of the stadium grounds:

- Backstops and batters eye installation is complete with fence fabric on the backstops and batters eye support posts installed;
- Perimeter fencing was rebuilt to install 4-inch posts to comply with the City’s standard of 3 ½-inch posts;
- Drainage and sprinkler lines have been installed on the fields;
- Masonry and steel roofing is complete on the auxiliary building situated at the center of the practice fields;
- The Minor League Clubhouse slab has been poured, the structural steel is complete and interior and exterior masonry walls are currently underway;

At the Major League fields, grading is complete and drain lines have been installed. The new backstops are complete and the fields are ready to be turned over to the City of Tempe and the Angels for installation of the field grass in November.

At the stadium itself:

- The new field wall is complete;
- New seating risers are being prepped for concrete pours;
- Masonry construction of the new planters at the grand stairway is complete;
- New masonry walls have been completed in the Clubhouse;
- Drywall installation for the Clubhouse is underway.

Sod will also be delivered to Diablo Stadium in November. Also expected to begin in November is the pouring of the new stairs for the Grand Stair entry as

well as painting of the exterior of the existing stadium.

Currently 69 percent of the project time has been expended and the expected substantial completion date for the \$20 million renovation project is January 31.

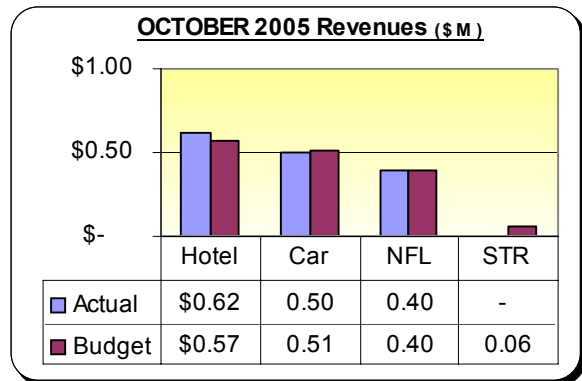
YOUTH SPORTS UPDATE

The Youth & Amateur Sports Committee, consisting of Board members Gerry Walker, Herman Orcutt and Verma Pastor met to review the recommendations by the youth sports grant evaluation committee for the upcoming 2005 grantees.

The committee reviewed and approved recommendations for 13 projects totaling \$2.26 million with an additional two grant applicants added to the group that will be further evaluated. The recommendations will be considered by the full Board of Directors at the November meeting.

FINANCIAL UPDATE

Sources – The following chart provides our monthly revenue results for October 2005, the fourth month of the current fiscal year, and which represents transaction activity from August 2005:



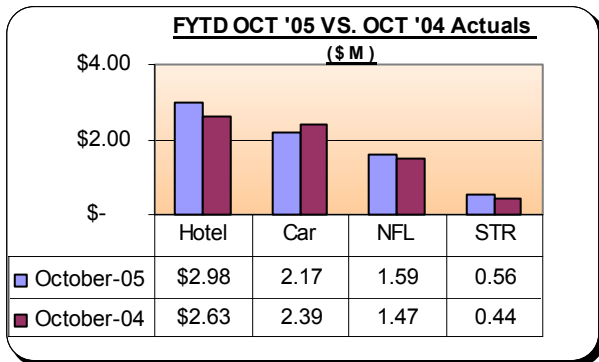
The Authority’s **total revenues** for October 2005 slightly underperformed our forecast by \$19.3k, 1.3%, primarily due to the non-reporting of sales tax recapture revenues from Arizona Cardinals home games. The individual revenue components and their performance are detailed as follows:

- The combined **tourism revenues** (hotel bed tax and car rental surcharge) posted \$1.12 million in revenues - \$38.6k or 3.6%, above forecast. The **hotel bed tax**, for the fourth time in as many months this fiscal year, outperformed its projection by \$48.2k or 8.56%. The **car rental surcharge**, however, was just below its forecast by \$9.5k or 1.9%. The car rental surcharge for this fiscal year is now \$337k or 13.4%, below its year-to-date forecast. We continue to correspond with the Arizona Department of Revenue regarding this issue and

are awaiting their response.

- 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 \$397k for the month.
- We did not receive what should have been the **sales tax recapture revenues** for the Arizona Cardinals two home games played in August. We forecasted a total of \$57.9k in related revenues. We have contacted the Arizona Department of Revenue for follow-up.

Sources – Comparing Fiscal Years 2006 and 2005 – The next chart provides a fiscal year-to-date comparison between October 2005 and October 2004:



Overall, the current fiscal year-to-date revenues are performing better than the prior fiscal year's results by a total of \$370k or 5.3%. All four revenue sources are performing at higher levels with the exception of the car rental surcharge. The hotel bed tax is \$345k or 13.1%, higher, the NFL income tax is \$118k or 8.0%, up, the sales tax recapture is \$125k or 28.6%, better but the car rental surcharge is down by \$218k or 9.1%, from last year.

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 2006 the Authority will be distributing \$4.9 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 -- \$1.4 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 \$1.3 million youth and amateur sports reserve fund.

Authority Operations – The Authority's current operating budget is \$6.2 million of which \$1.7 million is for the Authority's operations, \$2.4 million is designated for our stadium management operator's pre-opening startup operating budget and \$2.1 million is earmarked for one-time capital expenditures at the stadium.

Fiscal Year 2005 Financial Audit – The Authority's financial audit for fiscal year 2005 was finished in October and the audit report will be issued in early November.

Approved by:

Ted A. Ferris
 President/CEO