



Arizona Sports
& Tourism Authority

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Monthly Report — August 2006 Issue 60

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Cardinals Stadium

Stadium Public Grand Opening Draws 140,000 Citizens: Event Combines with Men's Luxury Toy Expo

More than 140,000 people came through Cardinals Stadium Aug. 18, 19 and 20 during the series of public guided tours and the Men's Luxury Toy Expo. The two events ran concurrently marking the first time the general public could see inside the multi-purpose facility and also attend a consumer show on the floor.



Showing off pieces of the ribbon after the cutting ceremony are (l. to r.) Patrick Talty, Global Spectrum Executive Director of Operations; Peter Sullivan, Global Spectrum General Manager; Ted Ferris, AZSTA President/CEO; Ellie Ziegler, Chairwoman Tostitos Fiesta Bowl; and Bill Peltier, chairman of the Grand Opening Season Committee.

The tours were free and ran all day on Sat., Aug. 19 and Sun., Aug. 20. The public tours were kicked off with a ribbon cutting ceremony officially opening the facility. Officials at the ceremony included:

- Larry Landry, Rod Williams, Herman Orcutt, Debbie Johnson, Jerry Walker, Bill Peltier, Tom Hocking, Ted Ferris, Kenny Harris, and Chuck Foley, Arizona Sports and Tourism Authority;
- Ellie Ziegler, Mike Allen and John Junker, Tostitos Fiesta Bowl;
- Mayor Elaine Scruggs, Ed Beasley, Joyce Clark, Phil Lieberman, Manny Garcia and Steve Frate, City of Glendale;
- R.C. Hunt and Robert Aylesworth; Hunt Construction.
- Peter Sullivan, Eric Jones and Patrick Talty, Global Spectrum.



The Men's Luxury Toy Expo and Auction was the first consumer show to be held in the stadium. The 3-day show ran during the public grand opening tours and offered the public the first chance to attend an event on the floor of the stadium.

Following brief remarks by the officials, the group with AZSTA staff and Board of Directors members lined up and cut a ribbon stretching across the south bridge allowing citizens present to begin the tour.

The tour was self-guided along a prescribed route that started from Gate 1 on the west side of the stadium, over the south bridge, around the Club Level, and finally up to the Upper Terrace Level where visitors were treated to a family fun zone with entertainment and concessions. Information representatives described various attributes and features of the stadium and partners at about a dozen stations along the route.

The Men's Luxury Toy Expo, a ticketed event, ran for three days from Aug. 18 to Aug. 20. This event featured luxury products and services including cars, recreational vehicles, game room essentials, sports memorabilia, and boats. The stadium floor was packed with all sorts of displays and exhibits along with an auction area under the south bridge. The stadium video boards carried a live broadcast from the show itself.

The popularity of the events coincided to briefly create some long lines around midday at the ticket windows and the entrance to the Men's Luxury Toy Expo at Gate 2. These were alleviated by opening additional entrances for those entering the show. Free water was distributed to many who were waiting in line at the ticket windows by Steve Trotter and his Centerplate associates.

Cardinals Debut in Stadium's First Football Games

The NFL Arizona Cardinals debuted in their first two historic preseason football games in the new stadium.

Their first match-up with the Super Bowl Champion Pittsburgh Steelers was on Sat., Aug. 12. Before a sellout crowd of 63,400, the enthusiastic Cardinals won 21-13.

The historic kickoff at 1:05 p.m. marked a huge change for the Valley's NFL fans – an afternoon pre-season home game in the comfort of an enclosed, air-conditioned stadium. Reports were that the interior stadium temperature was 75 degrees at kickoff despite the triple digit temperatures outside.

Concession sales exceeded expectations and there were reports of long lines at many of the Main Concourse Level concession outlets as well as Main Concourse Level kiosks.

Reports on traffic and parking were mixed with patrons arriving early avoiding nearly any of the delays experienced by patrons arriving closer to kickoff. There were no reports of any significant accidents or delays following the game.

The next game on Aug. 31 against the Denver Broncos offered a much better result operationally, although the Cardinals lost 29-23.

Changes to the parking procedures and education of fans reduced traffic congestion and operational changes by Centerplate, the Authority's food and beverage conces-

sionaire, reduced wait time for concessions to normal levels.

Season of Grand Opening Events Kicks Off with Tribute to Teamwork

The long-anticipated opening of the stadium has produced a buzz of anticipation by the citizens of Maricopa County as evidenced by the 140,000 people who attended the weekend of public tours and the Men's Luxury Toy Expo on Aug. 18-20.

AZSTA and Global Spectrum participated in a committee headed by former AZSTA board member Bill Peltier that structured a series of events to open the stadium running from August to January.

The Season of Grand Opening Events began on Aug. 4 with an evening event called "Tribute to Teamwork" which featured the building's main participants: AZSTA, Fiesta Bowl, Global Spectrum, Hunt Construction, Arizona Cardinals and the City of Glendale. The season will close with the first ever Tostitos BCS National Championship Game on Jan. 8.

Between those dates are dozens of events including the opening of 2006 NFL football, high school football championships, entertainment, tradeshow, expositions, car shows and motorsports. Every weekend between Aug. 1 and Apr. 1 is booked with the exception of one weekend designed to prepare the extravaganza seating for the Tostitos Fiesta Bowl Jan. 1 and the BCS National Intercollegiate Championship Jan. 8.

The complete calendar of events can be found at www.azcardinalsstadium.com

Roof Opened for First Time at Motorsports Event

The first live public viewing of the retractable roof in action was Aug. 26 during the first motorsports event at the facility, the Sanderson Ford AMP Tour.

As part of the event festivities, the roof was opened at the end of the first intermission before a crowd of 35,786.

The Sanderson Ford AMP Tour Monster Truck and Freestyle event featured legendary monster truck Bigfoot and freestyle X Games gold medalists Mike Metzger and Nate Adams.



Workers put the finishing touches on the field banners before the Steelers game.

Youth & Amateur Sports

Glendale Youth Fields Dedicated

The first phase of the Glendale Youth Fields at the southeast corner of the Cardinals Stadium site was dedicated Aug. 11.

Speaking on behalf of the Authority was board member Jerry Walker, chairman of the Youth and Amateur Sports Committee.

Funded in part by a \$1 million grant from AZSTA and \$500,000 from the Fiesta Bowl, the city facility is located at 91st Ave. and Bethany Home Road.



The new facility has a stadium style main field surrounded by four other fields, lockers and concession

The facility was dedicated with the help of dozens of young athletes representing football, soccer and cheerleading groups. It features five playing fields,



Youth soccer teams practice at the newly dedicated Glendale Youth Fields, which reside in the shadow of the new stadium and are partly funded by \$1 million from AZSTA.

locker rooms and concessions area.

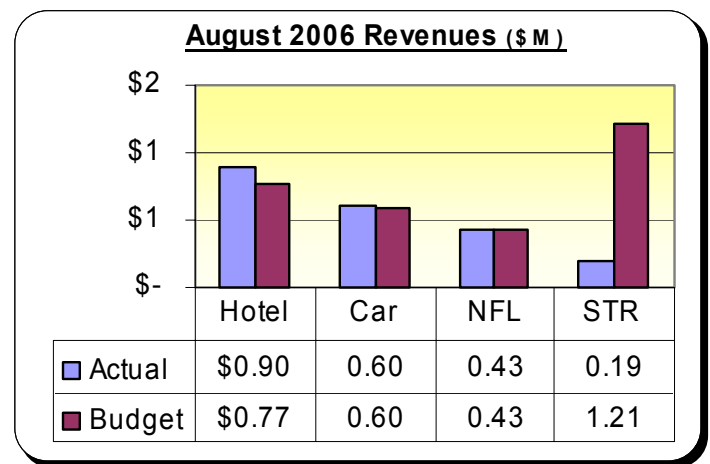
The complex features a stadium type of arrangement for the main field which can be used for tournaments as well as two soccer fields and two football fields. The turf fields can also double as overflow parking for mega-events at the stadium like the Tostitos Fiesta Bowl and the Super Bowl.

The Fiesta Bowl will also be using the site for staging operations for its bowl games. Phase 2 of the project will feature additional concessions facilities and more bleachers.

Financial Overview

FINANCIAL OVERVIEW

Sources – The following chart provides our monthly revenue results for August 2006 which represents transaction activity from June 2006:



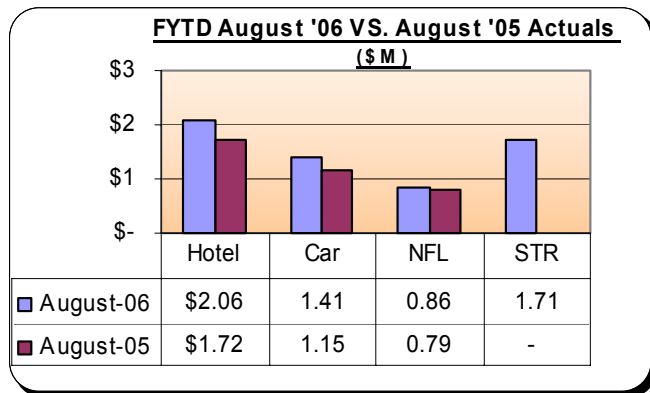
The Authority's **total revenues** for the current month continued their strong performance with the exception of the sales tax recapture. The individual revenue components and their performance are detailed as follows:

- The combined **tourism revenues** (hotel bed tax and car rental surcharge) posted \$1.5 million in revenues -- \$134k, 9.8%, over our forecast. The **hotel bed tax**, for the 14th month in a row, outperformed its forecast by a total of \$130k, 17.0%. The **car rental surcharge** provided some additional reassurance for the fourth month in a row by slightly besting our projection for the month by \$3.6k, 0.6%. We continue to expect that the Authority will receive additional funds during fiscal year 2007 due to the efforts of ADOR in providing additional oversight on the fiscal year 2006's reporting by car rental agencies.
- 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 \$429k for the month.

Sales tax recapture revenues for the month of August were less than forecasted. We had assumed that we would receive the full impact of the Cardinals sell-out season ticket sales during July and August. July was better than expected, but it appears that there may be a timing issue as to when some of the pre-season ticket sales were reported to ADOR. We should see a significant bump in these revenues during the next month or two. We received a total of \$194.9k.

Sources – Comparing Fiscal Years 2007 and 2006 – The next chart provides a fiscal year-to-date comparison between August 2006 and August 2005:



The current month's results continue to indicate a strong performance during the early stages of this fiscal year. Total FYTD August 2006 revenues were \$6.05 million vs. the prior year's total of \$3.66 million – an increase of \$2.39 million, 65.2%, primarily due to the sales tax recapture revenues during FY2007. All revenue sources were higher than the previous year's amounts and contributed to this positive outcome.

Senior Bond Debt Service – The Authority will pay an estimated \$13.7 million in senior bond debt service during fiscal year 2007 -- \$11.7 million for the 2003A bonds and \$2.0 million for the 2005A bonds. 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 2007 the Authority will provide \$5.1 million to the Arizona Office of Tourism for use in the promotion and marketing of Maricopa County. This amount is increased by five percent annually.

Cactus League – The Cactus League will receive another \$3.0 million in the current fiscal year. Of this amount \$2.46 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 -- \$1.5 million will be distributed into this fund this fiscal year. This annual distribution grows by \$100,000 each year. The Authority will also fully fund the \$100k annual increment to the existing \$1.3 million youth and amateur sports reserve fund.

Authority Operations – The Authority's operating budget has grown significantly for fiscal year 2007 with the opening of the new stadium and the requirements of operating the building and all its scheduled events. The total approved operating budget is \$21.9 million which is comprised of the Authority's operations at \$1.1 million, Global Spectrum's operations at \$11.7 million and one-time capital expenditures for stadium furniture, fixtures and equipment, tenant improvements, extravaganza seating and the final contribution to the stadium construction project totaling \$9.1 million.

Approved by:

Ted A. Ferris
 President/CEO