



Arizona Sports & Tourism Authority

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Monthly Report — January 2006 Issue 53

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CARDINALS STADIUM UPDATE

The stadium construction is 84% complete and is on track for the Aug. 1 completion date with no items behind schedule.



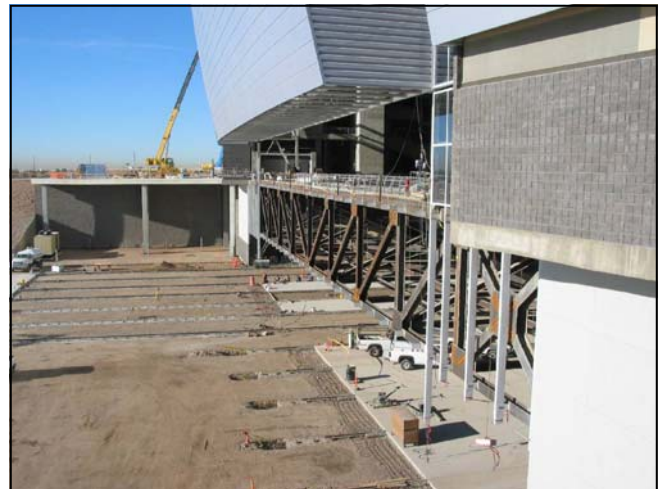
The metal panels which make up the skin were designed to reflect the changing light qualities of the Arizona Sky

During the month of January, workers enclosed several of the west parapet locations, the southern "Super Bays" and the main entrance. The roofing crews are continuing to finish roof gutters and intersections where the steel roof area meets the fabric "halo" portion.

Daktronics has completed the air-conditioning system for the North scoreboard. The huge electronic display generates a substantial amount of heat, so it contains its own cooling system to keep the board operating properly.

The North scoreboard was energized this month. Daktronics will begin installing the "ribbon board" at the Club Level in mid-April.

Workers substantially finished the alignment activities for the roof and the installation of the drive motor assemblies for the Field Tray.



View of the south end zone slot where the field tray will roll in and out of the stadium

The work for the site surrounding the stadium included the completion of the bid awards for site concrete, plaza concreted, landscaping, grading and paving, electrical, site furnishings and fencing.

CACTUS LEAGUE UPDATE **Scottsdale Giants Stadium**

Work on the \$23 million renovation to the Major League stadium and the Minor League Practice Complex at Indian School Park accelerated during the month of January, as befitting a project coming down the home stretch for opening mid-February. AZSTA provided \$20 million of funding for this project and the City of Scotts-



View of new ticket office and bollards at new entry

dale provided the other \$3 million.

Mounting and footings have been fabricated for a new scoreboard in right-centerfield which will be located higher up on the berm, allowing the old scoreboard to be removed to enlarge the viewing area from the berm seats. The existing scoreboard was removed and the City is working out plans to donate the board to a local college.

Work has nearly been completed for the Charro's new party deck pavilion in right field over the batting tunnel.



Steel erection underway for the Charro's pavilion located in right field

nel.

The existing clubhouse is substantially complete and cleaning crews are on site preparing the project for the Giants' arrival. Some of the final work activities in the area include; setting mirrors in the clubhouse restroom, completing flooring at the ticket office and installation of the slat wall at the new team store.

The netting for the batting tunnels is in the process of being installed with three of the four lanes hung. Crews were installing the irrigation system for the turf areas of the outfield berm. Metal roofing is being installed at the top of the elevator structure. At the new restroom building, crews are painting and installing final finishes. Toilet partitions have been hung and some plumbing fixtures are in place. The terraced deck over the batting tunnel area has received a non-slip epoxy coating.

Construction of the new practice fields east of the stadium is substantially complete. Sod is down at the new 1/2 practice field with the installation of the infield mix still remaining. Fencing crews were wrapping up final work around the large field's backstop.

At the Minor League Complex, the playing fields are substantially complete. Final grading of the turf areas around the fields at the perimeter in preparation for hydroseeding. Fencing is generally completed including the

break-away fence sections. Workers are in the process of preparing to hang the screening at the batters eyes and running video coaching cable to monitoring camera



View of new batting tunnel

positions around the fields.

The project is expected to be substantially completed by February 13th. The major remaining construction activities needed to complete the project include:

Stadium

- Flooring installation at the entry stair to the Major League clubhouse.
- Complete flooring installation at the ticket booth.
- Fine grade and sod the new berm area.
- Install new netting and padding at batting tunnel.
- Complete construction of the 1/2 practice field.
- Install footings and conduit to new scoreboard location.
- Install fixtures and complete electrical trim at the centerfield building.
- Complete landscaping and planter construction around concourse.
- Complete fencing around 1/2 practice field and site-work around new batters tunnel structure.
- Complete construction of the Charro's Pavillion.

Indian School Park

- Pour concrete pads at dugouts and batting cages.
- Install final portion of warning track at south field held out to facilitate construction traffic.
- Hang batters eye and fence screening.

Tempe Diablo Stadium

The home of the Angels is undergoing a \$20 million renovation that consolidates the Major League and Minor League facilities for the first time in one loca-



Progress on the grand stairway

tion. AZSTA provided \$12 million in funding for this ballpark while Tempe supplied the remaining \$8 million.

Work here is also wrapping up at an accelerated pace in preparation for the team's arrival.

The Minor League clubhouse is now fully enclosed and interior finishes have been completed in many areas. Casework is being installed and some rooms are substantially completed. The ceiling grid is installed and workers are making final installations and



Overview of the Minor League fields

adjustments above the ceiling before installing the tiles.

Work installing the Swimex and other pools in the hydrotherapy area is continuing. Other work at the Minor League complex includes parking lot paving, masonry screen walls and interior finishing work inside the clubhouse.

Construction progress continues at the stadium. Work in the Major League clubhouse is nearly complete with only the Managers/Coaches shower and restroom area under construction. Many of the spaces are finished and the Angels are beginning to move in their equipment and furnishings. Work on the epoxy coating in the seating bowl is just completed, the handicapped seating platforms are all installed and the seating installation is beginning. The concrete slabs for the concourse at the new entry are complete in the interior of the stadium and are progressing around the exterior. Forming and pouring the new grand stairway has started with the stair sections completed.

Crews have completed work in the administrative area. The Angels office, press boxes and administrative areas all received new paint and carpet. The new ticket structure at the base of the new grand stairway is nearly completed and awaiting installation of the metal roof system. Erection of the steel structure for the new batting tunnel structure is underway.

The existing Major League fields are all complete. The Angel's groundskeeper has been on site assisting with the final preparation of the fields.

Upcoming construction activities for the month of February include:

- Installation of the seats in the stadium.
- Complete Swimex installation and pour deck.
- Complete the Grand Stair entry and related site paving.
- Complete the Minor League Clubhouse.
- Complete paving at Minor League parking lot.
- Install metal roofing at new ticket booth and stadium entry.
- Complete project landscaping.

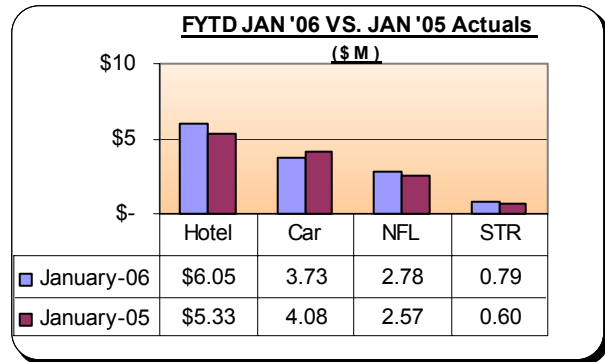
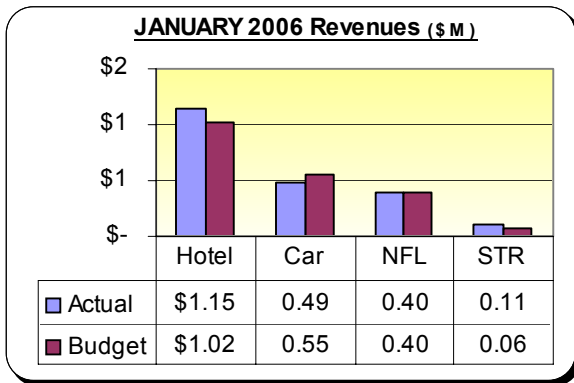
YOUTH SPORTS UPDATE

AZSTA approved a Quick Grant for the Copper Canyon High School Spirit Line in the amount of \$2,000.

The money will assist in the expansion of the school's Spirit Line through the purchase of warm-up uniforms and competition fees.

FINANCIAL UPDATE

Sources – The following chart provides our monthly revenue results for January 2006 which represents transaction activity from November 2005:



The Authority's **total revenues** for January 2006 outperformed our forecast by \$103.5k, 5.1%. The individual revenue components and their performance are detailed as follows:

- The combined **tourism revenues** (hotel bed tax and car rental surcharge) posted \$1.64 million in revenues -- \$59.5k or 3.8%, above forecast. The **hotel bed tax**, for the seventh month in a row outperformed its monthly estimate by \$128.6k or 12.6%. The **car rental surcharge**, however, remained below our forecast for the sixth time in seven months by \$69.0k or 12.5%. The car rental surcharge for this fiscal year is now \$552.9k or 12.9%, below its year-to-date forecast and 8.6% behind this same period last fiscal year. We have requested a meeting with the Arizona Department of Revenue Director and her staff to discuss this issue.
- 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 received \$108.9k in **sales tax recapture** revenues related to the Arizona Cardinals' home games. This was \$44.0k or 67.8% above our projected amount. While the Cardinals averaged nearly 6,000 more fans per game in 2005 than in 2004, this increase does not completely account for this month's better-than-expected performance. We should know better next month when we are scheduled to receive the final revenues related to the 2005 NFL season.

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

Overall, the current fiscal year-to-date revenues continue to outpace last fiscal year's results by a total of \$769.7k or 6.1%. All revenue sources are performing better with the exception of the car rental surcharge. The hotel bed tax is \$722.9k or 13.6%, higher, the NFL income tax is \$206.0k or 8.0%, up, the sales tax recapture is \$189.8k or 31.6%, better but the car rental surcharge is down by \$348.9k or 8.6%, 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.

Approved by:
 Ted A. Ferris
 President/CEO