



Arizona Sports  
& Tourism Authority

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## Arizona Sports and Tourism Authority

### AZSTA Board Elects New Officers

The Board of Directors elected officers for a two-year term at its 67th meeting.

Larry Landry was elected chairman; Herman Orcutt; vice chairman; and Jerry Walker, secretary.

Landry replaces John Benton and is the third volunteer to serve as chairman since the Authority was formed in 2000 following the passage of Prop. 302. He was appointed by Gov. Janet Napolitano to one of the nine positions on the all-volunteer board. The board guides AZSTA through its responsibilities as owner and operator of the new Cardinals Stadium and as a major provider of funding for Cactus League stadium construction and renovation, tourism promotion, and youth and amateur sports projects.

Landry is president and CEO of Landry, Creedon and Associates, Inc., a management consulting and planning firm which focuses on economic and business development, government relations, community relations and strategic planning. Landry is the author of "City Council Members: Issues in Policy Effectiveness", a book on elected offi-



*Larry Landry,  
Chairman*



*Herman  
Orcutt, Vice  
Chairman*

Orcutt has served on the AZSTA Board of Directors since its inception and has been instrumental in successfully guiding the design and completion of the new Cardinals Stadium in Glendale. He was originally appointed to the position by the president of the senate and his term expires in July of 2008. Orcutt has been practicing architecture for more than 30 years. In 1971 he established his own firm, Orcutt and Associates. Paul Winslow joined the firm in 1972 and the next year it became The Orcutt/Winslow Partnership, growing to 80 employees currently. He counts numerous clients, including the city of Surprise, the city of Peoria, the Sun Health Corporation, Banner Health Systems, John C. Lincoln and many school districts Valley wide. He is a board member and past chair of Western Maricopa Coalition (WESTMARC); is past chair of the Peoria Economic Development Group (PEDG) and is past president of the Central Arizona Chapter of the American Institute of Architects (AIA). Orcutt is a graduate of the College of Architecture at Arizona State University and is a registered architect in Arizona, New Mexico, Utah, Florida, Nevada, Colorado, Indiana and Texas.

Walker was appointed to the board by Gov. Napolitano and his term currently expires July 2010. He is the board representative for Youth & Amateur Sports. Walker is director of the Car Club Division for Thermo King West. He has served on the board of directors for the St. Francis Athletic Association since 1996, where he keeps up his community involvement as the chairman of the Operations and Vision Committee. Walker is also a member of the Amateur Softball Association, through which he has been certified as a fast pitch softball coach since 2000. He is also a sub-committee member of the Arizona Baseball and Softball Commission.



*Jerry Walker,  
Secretary*

## Authority and Global Move Functions into Stadium

The Authority moved its staff into its permanent offices in the stadium June 9. Global Spectrum, the private facility management company hired by the Authority, also moved its management, marketing and operations employees into the stadium during the first week of June.

AZSTA and Global Spectrum occupied offices on the Main Concourse and Club Level off of the main administration entrance between Gate 2 and the Insight Club East entrance.

The majority of Global Spectrum's operations staff is located in offices on the Field Level.

## Cardinals Stadium

### June Marks 97% Completion for Stadium

From a construction standpoint, the month of June represents the next to last month on the schedule with virtually all construction activities complete.

The highlights for the month include the commissioning of the roll-in field and retractable roof and the receipt of Certificates of Occupancy for the entire East side of the building from the City of Glendale. The Maricopa County Health Department has completed acceptance of about half of all the food services areas of the building.



*View of the stadium from the east side. The large 3 is a wayfinding sign for Gate 3.*

Start up activities includes the testing and fine tuning of the major systems of the building:

- The water and air systems are being balanced;
- The 80-hour "burn in" testing for sports lighting has been completed along with the lighting alignment;
- Fire alarm testing is complete for the West side of the stadium;
- Stadium seating is complete and initial cleaning is underway;

- Signage, graphics and directional signage are being installed;
- Installation of all sound systems speakers is complete;
- All broadcast cabling is installed with 90% of the terminations completed;
- Both scoreboards are installed and complete with the installation and commissioning of the ribbon board underway.

Outside the stadium on the plaza and the parking areas, substantial completion has been seen in most areas:

- The underground electrical for street lighting, communication, traffic signal, plaza lighting and parking lot lighting is complete;
  - Light poles and fixtures are being installed;
  - The 95<sup>th</sup> Avenue Bridge across the Bethany Outfall Channel is on schedule;
  - The concrete parapets and sidewalks are being installed;
  - Grading and paving of the parking lots has been completed;
  - Parking areas and roadways are being prepared for landscaping and striping;
- Paving for the plaza is nearing 90% completion with the remaining section to be installed on the west side.

### Roll-In Field Debuts June 4

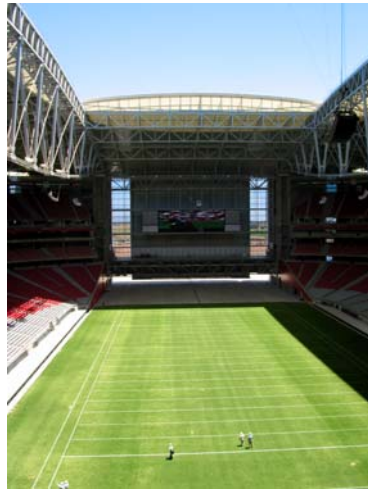
The famous roll-in field made its formal media debut on June 4 when technicians rolled the massive field tray completely inside the stadium for the first time.

As one of the most innovative and functional aspects of the facility -- which is loaded with unique and functional aspects -- allows the stadium to provide a natural grass field for football and soccer events while allowing the 160,000 square-foot floor to be used for a variety of other events.

The field and tray weigh a total of 18.9 million pounds and rests on 540 steel wheels. It rolls in and out on 13 railroad rails embedded into the field level concrete slab. Surprisingly, this massive tray is powered by only 76 one-horsepower electric motors installed on the two outside edges of the tray.

Representatives from the media, AZSTA, Hunt Construction, the Arizona Cardinals, CMX, Uni-Systems and Global Spectrum observed as technicians manned the drive switch and the heavy electric cable which powers the tray. The power switch is plugged into a special socket at the leading edge of the tray and

must be manned by a technician who is required to press the power button every 30 seconds for the tray to continue moving. The other technicians man the cable which is unplugged from the front of the tray and then plugged into the back of the tray when it reaches the mid-way point of its journey in or out of the stadium.



*View from the north end showing field rolled in with retractable roof open.*

The field moves at a slow and controlled pace, essential for keeping the huge mass of the tray under control. This pace is slowed further as the field tray approaches its final resting spot near the north wall of the lower seating bowl.

As innovative as the roll-in field is, it saved the project approximately \$50 million in design and construction costs.



*Workers and media representatives walk on the stadium floor observing the field rolling all the way in for the first time.*

It is less expensive to have the field tray roll in and out than it is to design and build a roof system which opens completely like Chase Field. Operational costs are saved since the building does not have to be cooled down after the roof is opened each day to get the required sunlight down onto the field. The field tray rests outside, soaking up the sun and nutrients all but 25 or so days per year. Furthermore, there are humidity problems with attendant maintenance issues if the field were to reside inside the building. The other option of using palletized sections of turf was rejected since it requires a massive application of manpower to move the sections in and out of the building to construct a natural grass playing surface in a timely manner.

With the roll-in field, it takes a about five technicians and 65 minutes to move the field either in or out

of the building. For the typical Sunday football game, the field will be mowed, striped and painted on Friday then moved into the stadium in the wee hours of Saturday morning – around 5 a.m. when the temperature is coolest and the field tray has given up most of its heat.

At the south end of the stadium, two large truck doors and a series of special seven-foot high “flipper doors” are opened. These flipper doors open inward somewhat like a home garage door and the field tray begins to roll in. These doors are closed after the tray rolls in, keeping the air-conditioning in the building. Following the game, the procedure is reversed and the field rests once again in the Arizona sunshine and the building is readied for the next event.

### **Centerplate Unveils Unique Menu Items**

Part of the entertainment experience of many events is treating yourself to food and beverages.

Standard fare for many American stadia are the traditional hot dogs, hamburgers, soft drinks and beer. Steve Trotter is determined to change – and set – the standards for food at the new Cardinals Stadium.

Trotter is director of concessions of Centerplate, the company hired by the Authority to run concessions for all events. He was formerly the director of concessions at



*Steve Trotter (l.) from Centerplate briefs the food testing group, including AZSTA President/CEO Ted Ferris (r.), on the new concessions offerings. Here he presents a number of Asian dishes that will be available as well as some custom desserts.*

the Louisiana Super Dome, one of the country's premier sports and entertainment facilities prior to Hurricane Katrina.

As part of Centerplate's preparation for the opening

in August, Trotter unveiled a complete menu to the building owner, tenants and Centerplate executives.

The session served as an introduction to the menu and as an opportunity for evaluation completion with survey sheets.

Attendees at the session were asked to rate various food items for taste, portion size and packaging.

The food selections ranged from Ancho Chili Grilled Chicken Breasts to Windy City Sliders.

Different menu selections are available to patrons at various themed concession stands and locations:

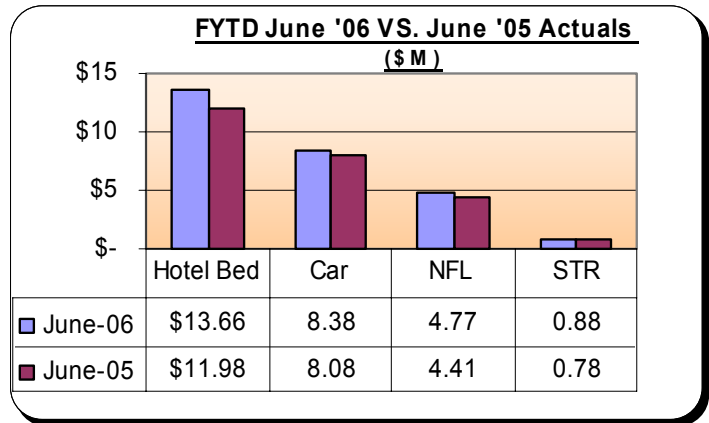
- The “Grande Roja” features Monster Chicken Taquitos and Monster Quesa Green Chili Taquito;
- “Mr. B’s Bowtie BBQ” features Mesquite Smoked Pork and Chopped BBQ Chicken sandwiches, and rib tips;
- The “Gridiron Grill” features Ancho Chili Grilled Chicken Breasts, cheeseburgers and Chipotle Garlic Fries;
- The “Touchdown Tortilla” has Cabo Fish Tacos, Chicken Fajita Bowls with tortilla strips, Beef and Chees Empanadas, Ancho chili Chicken Burrito, Carne Asada Tacos and Dessert Tortillas;
- The “Loft Grill” features Windy City Sliders;
- “PizzAZ” features Pepperoni Pizza, Quattro Fro-maggio, Pizzaquitos, Red Rage Chicken Tenders, Chi-putle Honey Chicken Wings, Smoked Mozzarella Frita, Margarita Pizza and Insalata con Pollo and Bella;
- The “Red Dog” features a Big AZ Dog with Chili and Cheese, Jumbo Red Dog, Sonoran Desert Dog with Roasted Red Pepper and Corn Relish, nachos and Chicken Macho Nachos;
- The “First Down Deli” serves Italian Salami, Provo-lone and Peppers, Mozzarella, Tomatoes and Basil, Grilled Chicken, Olive Spread with Red Onion, Turkey, Avocada, Dill Havarty and Mayonnaise;
- And, finally, the innovative “AZianWok” serves Or-ange Chicken, Kung Pao Chicken, Pan-Fried Dan Dan Noodles, AZ Chicken Lettuce Wraps and AZ Cashew Chicken Salad.

It all adds up to a new, innovative selection of concessions for patrons. The concessionaire also has the ability to customize items for any of the numerous non-football events like business functions and social events.

## Financial Overview

### FINANCIAL OVERVIEW

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



The Authority’s **total revenues** for June 2006 continued their strong performance by eclipsing our forecasted revenues by \$341.0k, 13.3%. The individual revenue components and their performance are detailed as follows:

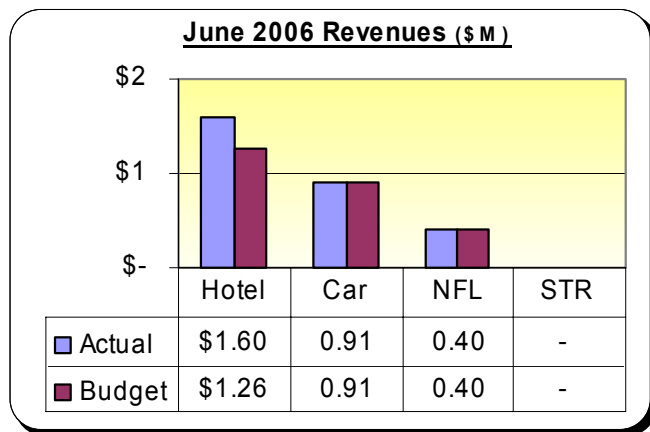
- The combined **tourism revenues** (hotel bed tax and car rental surcharge) posted \$2.5 million in revenues -- \$341.0k, 15.70%, over our forecast. The **hotel bed tax** maintained its perfect record for the entire fiscal year 2006 by outperforming its forecast in each and every month. Actual hotel bed tax was \$342.2, 27.2%, higher than its forecast for the month and \$1.25 million, 10.1%, better than our budgeted annual forecast. The **car rental surcharge** provided some additional reassurance for the second month in a row by nearly matching our projection. Car rental surcharge revenues were reported at \$912.3k -- \$1.2k, 0.1%, below budget for the month and finished the fiscal year \$109.0k, 1.3%, below our budget. We fully 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 \$397k for the month. The Authority also received the unfortunate news that the state legislature, through the annual budget process, removed the

guaranteed floor for this revenue source starting in fiscal year 2008.

**As expected, there were no sales tax recapture revenues for the month of June.**

**Sources – Comparing Fiscal Years 2006 and 2005**

– The next chart provides a fiscal year-to-date comparison between June 2006 and June 2005:



The Authority finished fiscal year 2006 \$2.44 million, 9.6%, higher than the prior fiscal year. All revenue sources contributed to this positive outcome with the exception of the car rental surcharge revenues which, we believe, was due to incorrect monthly tax reporting by car rental agencies during the year.

**Senior Bond Debt Service** – The Authority paid a total of \$11.1 million for 2003A 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 distributed \$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 received a total of \$3.0 million in the current fiscal year. Of this amount \$2.3 million was used for subordinate bond debt service payments, \$0.5 million for funding the required bond reserve account and the balance was earmarked for spring training baseball renovation projects in the cities of Tempe and Scottsdale.

**Youth and Amateur Sports** -- \$1.4 million was 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 is projecting that it will be expending approximately \$3.6 million of its approved fiscal year 2006 operating budget of \$6.2 million as of June 30, 2006. Of the \$2.6 million difference, approximately \$2.4 million has been put back into the fiscal year 2007 budget. The Authority, who is opening the new stadium in August 2006, is projecting that the first year's operating budget at the facility will be \$21.9 million of which \$1.1 million is for the Authority's operations, \$11.7 million for its stadium management company, Global Spectrum, and \$9.1 million for one-time capital expenditures related to stadium furniture, fixtures and equipment, meeting space buildout and extravaganza seating.

Approved by:

Ted A. Ferris  
 President/CEO