



Arizona Sports
& Tourism Authority

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Cardinals Stadium

Stadium at 95% Completion

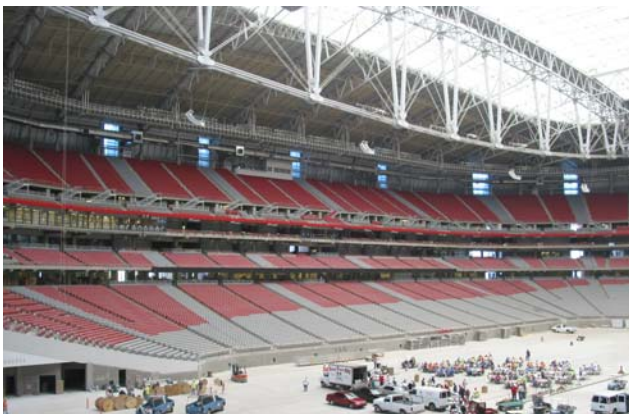
With only three months until opening, work on the stadium is moving towards completion and finishing of most areas with testing and commissioning of most systems.

The exterior metal skin, the roofing and the Birdair fabric are essentially complete.

The fire alarm system underwent testing as well as the sports lighting, which completed an initial prescribed 80-hour “burn in” program.

The water system controls were tested with initial flush tests conducted with the numerous rest room locations throughout the stadium.

Installation crews began installing the directional and location signage.



Stadium at 95% — This view of the western side of the stadium shows the completion of seat installation.

The sound system installation is complete.

Workers also began pulling the broadcasting cables throughout the stadium.

The installation of the 63,000 permanent seats is complete and work



Wayfinding Inside Stadium — Workers have been installing the directional signage inside the stadium as well as on the plaza.

crews began the initial cleaning of the seats. Dust control during construction is always an issue and special dust mitigation and control products are being used during this phase so that final cleaning should be easier before opening in August.

Field Tray Gets Special Hybrid Turf

One of the most anticipated milestones came on May 5 when the planting of the natural grass in the field tray was completed.

The turf is called Tifway 419, a Bermuda hybrid which grows well in Arizona. The natural grass is the preferred surface for professional athletes and the stadium’s unique roll in field will be stored outside in the Arizona sunshine to soak up the sunlight throughout the year, unless rolled inside for a football or soccer event.

The grass was installed into the soil in small plugs called “stolons”. And if you think the turf featured in North America’s first roll in field would receive special treatment, you’re right.

Each of the stolons were at least one year of age when harvested and they were all planted using special mechanical equipment less than 12 hours after harvesting, having been kept moist and cool during



Soak up the Sun — The natural grass field sits outside 95% of the year allowing the floor to be used for tradeshows, conventions and other non-football events.



Special Turf for a Special Field — The newly installed stolons on North America's first roll-in field get watered from the field tray's internal sprinkler system. The stolons, which first appeared tan after planting, were set into a special sand-based root zone mix. The turf is called "Tifway 419" which thrives in Arizona.

transport to the site.

The stolons were installed at a rate of 20 bushels per 1000 square feet into a special root zone mix that consists of 100% USGA-specified sand with two types of stabilizing fiber inclusions blended at 10 pounds per ton. The sand-growing medium was fumigated before planting to ensure a disease-free and pest-free growing base for the turf.

All of the stolons supplied for the field were required to have proper certification from a certified horticulturist that they were inspected and meet the technical specification requirements.

Global Spectrum Expects 1,300 jobs at Stadium

Global Spectrum, the private management company hired by AZSTA to market and operate the stadium, is contemplating hiring up to 1,300 positions.

The positions are expected to be in the operations, administration, utility, engineering and guest services areas. Many of the guest services positions will be temporary and will be needed for when the stadium hosts events.

By state statute, the Authority is required to hire a private management company for booking events and for the management and operations of the stadium. After a



request for proposal process, the Board of Directors chose Global Spectrum, which is the fastest growing firm in the public assembly facility management field with more than 50 facilities being managed throughout the United States and Canada.

Cactus League

Two Cities Vie for Spring Training Facilities

The cities of Glendale and Goodyear have contacted the Authority with letters indicating they will be pursuing Cactus League funding requests for a Spring Training stadium in their respective cities.

Both of the cities' requests will be for stadiums which will host two teams, similar to the Surprise Spring Training Complex which is the home to the Texas



Dual Team Stadium Complex — The Surprise Spring Training Complex (above) is an example of a facility which was designed to host two MLB teams for spring training. This \$48 million complex, funded in part by AZSTA's \$32 million, was directly responsible for bringing the Texas Rangers and the Kansas City Royals to the Cactus League.

Rangers and the Kansas City Royals.

The Authority has communicated to both cities that the essential elements of a successful request would have to include the following:

- Clear ownership or long-term leasehold interest in the land on which the facility would be built;
- Strong letters of intent from two teams willing to relocate to the new location;
- A viable financing plan to include upfront funding for the Authority's share of construction costs and an ability to handle any debt service financing until the Authority's

funds are available (approximately 2017 at the earliest).

Once the Authority receives a proposal that addresses these three requirements, the proposal will be referred to the AZSTA Cactus League, Finance, Budget & Audit Committees for evaluation prior to going to the full Board of Directors for consideration.

Youth & Amateur Sports

Glendale Youth Fields Take Shape

The first phase of the Glendale Youth Fields is nearing completion at the southeast corner of the stadium site.



Glendale Youth Fields Near Stadium — The first phase of the project, funded with \$1 million from AZSTA, contains 5 fields.

Funded in part by a \$1 million grant from AZSTA, the City of Glendale facility at 91st Avenue and Bethany Home Road will feature five playing fields, locker rooms and concessions area.

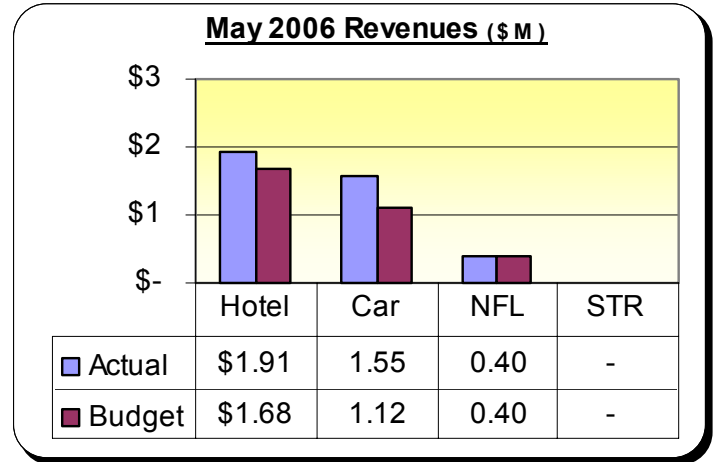
The complex features a stadium type of arrangement for the main field which can be used for tournaments as well as two soccer fields and two football fields. The turf fields can also double as overflow parking for ticketed events at the stadium.

The Fiesta Bowl has also agreed to provide \$500,000 for the project over 10 years and will 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

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

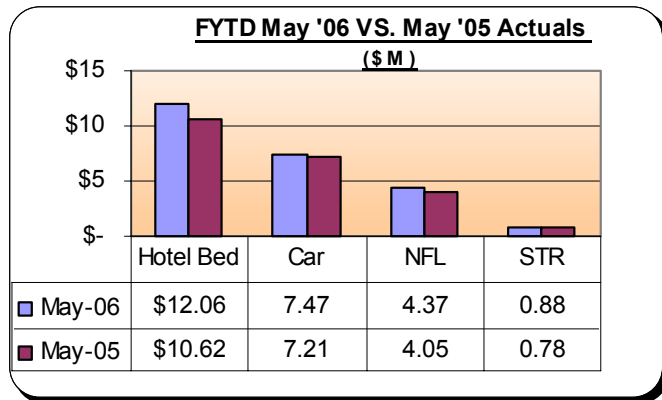


The Authority's **total revenues** for May 2006 made a huge push forward by eclipsing our forecasted revenues by \$671.8k, 21.0%. The individual revenue components and their performance are detailed as follows:

- The combined **tourism revenues** (hotel bed tax and car rental surcharge) posted \$3.5 million in revenues -- \$671.8k, 24.0%, over our forecast.
- The **hotel bed tax** maintained its perfect record by outperforming its forecast for eleven out of eleven months this fiscal year. Actual hotel bed tax was \$237.4, 14.2%, higher than its forecast.
- The **car rental surcharge** was the surprise this month as it nearly erased the below forecast deficit we've been carrying for this fiscal year in one month. Car rental surcharge revenues were reported at \$1.55 million -- \$434.4k, 38.8%, above forecast for the month. We have asked ADOR as to whether or not this was due to their efforts in correcting prior months' reporting or if it was solely due to better than expected activity in the month of March 2006.
- 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 was informed by the Arizona State Treasurer's office that we will be receiving \$429,044 per month during fiscal year 2007 – an increase of eight percent (the guaranteed minimum).

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

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



Overall, the current fiscal year-to-date revenues continue to outpace last fiscal year's results by a total of \$2.12 million, 9.4%.

All current fiscal year revenue sources, thanks to this month's car rental surcharge results, are now outperforming the same period's returns for last fiscal year. The hotel bed tax is \$1.44 million, 13.6%, higher, car rental surcharge revenues are \$252.8k, 3.5%, greater, the NFL income tax is \$323.7k, 8.0%, up, and the sales tax recapture is \$180k, 25.6%, better.

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. The Authority and Global Spectrum will be presenting their proposed FY2007 operating budgets to the Authority's Finance, Budget and Audit committee as well as the Authority's board of directors in June 2006.

Approved by:

President/CEO

Ted A. Ferris