



Arizona Sports
& Tourism Authority
University of Phoenix
Stadium
1 Cardinals Drive
Glendale, AZ 85305

(623) 433-7500 Phone
(623) 433-7510 Fax

www.az-sta.com

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WESTMARC Chairman's Award Goes to AZSTA

The Western Maricopa Coalition, also known as **WESTMARC**, honored the Arizona Sports and Tourism Authority's (AZSTA) contribution to the West Valley with its Chairman's Award at the group's 14th Annual Best of the West Awards dinner at the University of Phoenix Stadium on Oct. 26.

The award noted AZSTA's work to bring major sports projects to the area including the new University of Phoenix Stadium, the Surprise Spring Training Complex, the Glendale Youth Fields, the Glendale-Peoria YMCA gymnasium and the ASU West Community Park.

AZSTA President/CEO **Ted Ferris** praised the quality of the area's leadership in landing the successful projects.

"The leadership of the mayors and city councils here have brought forward some great proposals and have worked closely with us to bring them to fruition," he said.

The dinner was attended by **Gov. Janet Napolitano** and nearly 1,000 people supporting WESTMARC and its mission to advocate responsible growth and healthy quality of life issues for the West Valley. The dinner was held on the field level of the new stadium.

"This stadium is a great symbol of the West Valley's forward-looking vision and emerging economic strength," said Ferris. "This award is one that is really shared with the many community leaders who worked with us to make these projects a reality."

Board Approves University of Phoenix Name & Fiesta Bowl Signage

The **AZSTA Board of Directors** approved the sale of the stadium naming rights to the University of Phoenix and the Fiesta Bowl's signage plan at the Oct. 12 board meeting.

The eight members voted to approve the deal which names the facility the **University of Phoenix Stadium**. The nation's largest private university will pay the **Arizona Cardinals** \$154.5 million over 20 years in a deal which is the third most lucrative per year in the NFL.

While the Arizona Cardinals have the right to sell the stadium name, AZSTA -- as owner and operator of the building -- had to approve of the name as a safeguard against a moniker which could violate a community decency clause in the Arizona Cardinals' Use Agreement.

In other board action, the members approved the Fiesta Bowl's temporary signage plan for future Tostitos **Fiesta Bowls** and **BCS National Championship games**.

The Fiesta Bowl had been at odds with the Arizona Cardinals for a number of months over its plan to temporarily decorate the stadium for both the Tostitos Fiesta Bowl to be held on Jan. 1, 2007 and the BCS National Championship game to be held a week later on Jan. 8, 2007. The Arizona Cardinals objected to the Fiesta Bowl's plan to temporarily cover many of the bird-head Cardinals logos and other team-branding elements.

The Fiesta Bowl approached the board of directors to help arbitrate a final decision since time was of the essence for the bowl to contract for the production of the signage necessary to "brand" the stadium for its two events.

The board unanimously voted to approve the Fiesta Bowl's plan, clearing the way for the community organization to proceed.

Tour Program Big Hit for Public

Since the public grand opening of the University of Phoenix Stadium held Aug. 18-20 when more than

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OF PHOENIX
STADIUM**



140,000 people came through, there has been a steady stream of visitors to see a stadium *Business Week* calls one of the 10 ten in the world.

The public tours are held twice a day Thursday through Saturday, starting at 12:30 p.m. and 2:30 p.m. They last about 75 minutes and entail a one-mile tour through the new stadium.

The tours are 100% wheelchair accessible and utilize ramps and elevators to avoid any stairs.

Some dates are blacked out for major events or dates such as Thanksgiving. However, additional times have been added for Thanksgiving weekend.

Three tour times are offered on Friday, Nov. 24 and Saturday, Nov. 25 at 10:30 a.m., 12:30 p.m., and 2:30 p.m.

Tickets for the tours cost \$6 for adults and \$4 for children 12 and under; seniors; and military personnel. Children three and under are free.

The tickets are available one week in advance and must be purchased through the University of Phoenix Stadium Box Office. Tickets can also be purchased day of and are available on a first-come, first-served basis.

There are private group tours offered for groups with 20 or more attendees. These groups receive a discounted rate and can add a lunch or can attach the tour to an event.

Additional plans are being considered to provide tours combined with birthday parties at the stadium.

The Tour Hotline is at (623) 433-7165.



Local school kids touring stadium.

New Gymnasium for Downtown Kids Opens



Larry Landry, AZSTA Board Chairman, (second from right) at ribbon cutting.

The ribbon cutting for the newly renovated gymnasium for the **Downtown Urban Community Kids** (DUCK) program was held Oct. 5.

Located in the historic First Presbyterian

Church Building at 402 E. Monroe Street, DUCK provides inner-city school kids a safe environment to help provide them with attractive alternatives to destructive behavior.

A \$36,592 grant from AZSTA was used to renovate the full-size gymnasium, an adjacent dance studio and locker room.

Larry Landry, chairman of the AZSTA Board of Directors was in attendance to help cut the ribbon signaling the opening of the facility.

Monday Night Football Live from Glendale

You could tell **Monday Night Football** was in town by the long line of media trailers emblazoned with the ESPN logo and the slogan "Is It Monday Yet?"

The famous television show was at the stadium on Oct. 16 when the league-leading Chicago Bears arrived for one of the very few Monday night games featuring the Arizona Cardinals.

Monday Night Football broadcasts to more than 12 million households across the nation which allowed for superb exposure for the stadium and the City of Glendale.

Unfortunately for Cardinals fans, the team surrendered a 23-3 lead and eventually lost to the Bears 24-23.



First Soccer Match Exceeds Expectations by 30%

More than 41,000 fans rocked the stadium on Halloween night for the "El Super Clasico", matching the two most popular soccer teams in Mexico.

The first soccer match in the stadium was an exhibition match between **Chivas de Guadalajara** and **Club America** of Mexico City. The two teams battled to 1-1 tie before an enthusiastic, but friendly crowd made up mostly of fans for the two teams.

Attendance surpassed expected figures by 30 percent.

The famous roll-in field was specifically designed to host international soccer matches, being

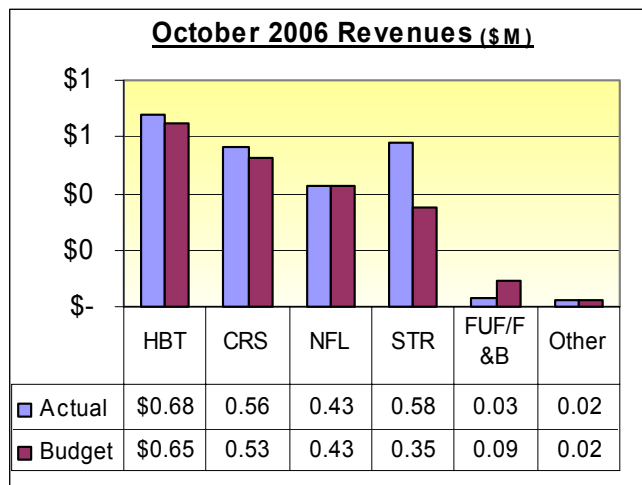


wider than the standard American football field. The playing surface is natural grass, preferred by World Cup Soccer and measures 234 feet wide by 403 feet long.

Since the game was played on Halloween night, many of the largely partisan fans brought families with children dressed in their costumes. Many of the adults dressed in their teams' colors or wrapped themselves in team flags.

Financial Overview

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



The Authority's **total revenues** for the current month continued their strong performance through the fourth month of the fiscal year. The individual revenue components and their performance are detailed as follows:

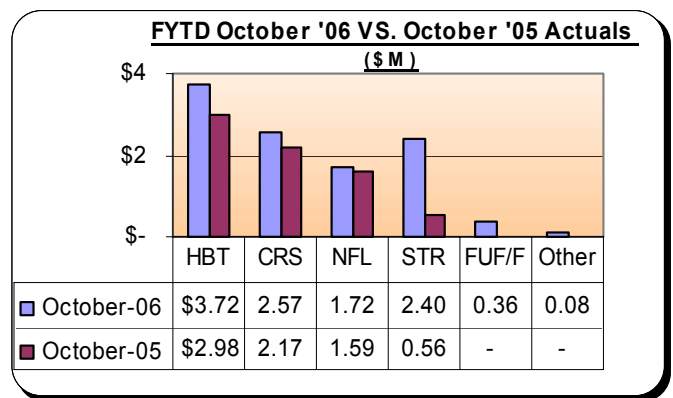
- The combined **tourism revenues** (hotel bed tax and car rental surcharge) posted \$1.24 million in revenues -- \$68k, 5.8%, over our forecast. The **hotel bed tax**, for the 16th month in a row, outperformed its fore-

cast by a total of \$29.7k, 4.6%. The **car rental surcharge** continued to build momentum for the sixth month in a row by besting our projections by \$38.2k, 7.3%.

- 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 October posted \$582k or \$229.4k, 65.1%, better than our predicted results. This is the first month in which sales tax recapture revenues from stadium events were received. We have discussed the year-to-date lower than expected results with ADOR and we are preparing an analysis for their review.
- **Facility use fees and concession revenues** were received for the second month this fiscal year and are now being reported in this month's financial report. On a year-to-date basis we are right at budget with \$355k in reported revenues.

Other revenues include the Arizona Cardinals' rent of \$20.8k and future revenues from the Fiesta Bowl and Glendale for marketing purposes. Currently only the Cardinals' rent is being received and reported and is on-budget.

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



Through the first four months of this fiscal year our revenues continue to perform strong in comparison to the prior fiscal year. Total FYTD October 2006 revenues were \$10.8 million vs. \$7.3 million for the prior year – an increase of \$3.5 million, 48.6%. All revenue categories have contributed to this positive performance – a good sign indicating strength across the board.

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 60% 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 \$275.0 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.

Annual Financial Audit – The Authority completed its annual financial audit as performed by the audit firm, Eide Bailly, LP. Eide Bailly, after a complete and thorough review of the Authority's financial statements issued the Authority's sixth straight unqualified opinion in as many years. The Authority's audited financial statements may be found at www.az-sta.com.

Approved by:



Ted A. Ferris
President/CEO