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Cardinals Stadium

University of Phoenix Buys Stadium Naming Rights

The Arizona Cardinals and the University of Phoenix announced a multi-year agreement on the stadium's naming rights on Sept. 26.

The stadium could become known as the University of Phoenix Stadium in a deal in which the university will pay a total of \$154.5 million to the Cardinals over 20 years. In exchange, the for-profit education company (NASDAQ:APOL) will receive signage, promotion, advertising, marketing and merchandising opportunities.

The board of directors of the Arizona Sports and Tourism Authority, has to approve the deal in a board meeting that will take place in October.

Under the terms of the Cardinals Use Agreement, the team bears the risk and the reward of naming

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rights, similar in how the NHL Coyotes stand to gain from naming rights at the nearby Glendale Arena.

There are only two deals in the NFL that are more lucrative per year than the one struck by the Cardinals and the nation's largest private educational company.

Reliant Energy committed \$300 for the naming rights to the home stadium of the Houston Texans over 32 years. Those rights extend to three other facilities, including the Reliant Astrodome.

Recently, Louisiana-Pacific Corp. agreed on a 10-year, \$30 million contract to call the Tennessee Titans' home stadium LP Field.

August Attendance Tops 320,000

More than 320,000 people came through the doors of the new stadium during the month of August.

The crowds visited the world-acclaimed stadium either as free guests for the public grand opening tours or as paying patrons for the Men's Luxury Toy Expo, the



View of the Men's Luxury Toy Expo from the north end zone. This is just one of the stadium's grand opening season events which pushed August attendance to over 320,000.



Sanderson Ford AMP Tour, the Arizona Cardinals pre-season games and several other corporate events.

The amount of visitors puts the stadium on pace to be one of the busiest NFL stadiums in the nation. Every weekend from August through April 2007 is booked for events -- save one weekend planned for preparing extravaganza seating for the Fiesta Bowl on Jan. 1 and the BCS National Championship on Jan. 8.

ALL Ford Southwest Classic Showcases 100 Years of Fords

Billed as the world's largest indoor all Ford show, The Brannan – Hammes ALL Ford Southwest Classic ran for three days at the stadium Sept. 15-17.

All cars in the show are special and represent various years, models and makes produced by the Ford Motor Company in the last 100 years.

Exhibitors showed Muscles Cars, Street Rods,



This Ford Mustang Saleen was part of what was billed as the largest indoor all Ford show in the world.

Customs, Race Cars, Restored Originals and Concepts.

One of the notable cars at the show was the bright red and white, 18-foot long Kenz & Leslie Streamliner 777. Last raced in 1957 when it won its Bonneville trial, it set the land-speed automotive record of 270.437 MPH. It was the first American built car to break the 200 MPH barrier.

The All Ford SouthWest Classic was produced by legendary member of the original Ford Drag Team, Dick Brannan and Jerry Hammes (the son of Brannan's original sponsor).

Hospitality Expo Wraps Up 2-Day Show

The Arizona Hospitality Expo hosted a two-day show Sept. 27-28 for attendees wishing to learn about innovative and essential hospitality products and supplies, attend educational seminars, and connect with other industry professionals.

The Arizona Hospitality Expo, now in its 19th year, is jointly produced by the Arizona Hotel & Lodging Association and the Arizona Restaurant and Hospitality Association.

The event included a tradeshow showcasing the latest in goods and services from suppliers in the hospitality industry and a conference component featuring educational seminars covering current industry topics and training sessions.



Vendors representing all aspects of food and beverage, equipment, and services for the hospitality industry exhibited on the floor of the stadium during the two-day expo.

Cactus League

Goodyear Looks to Bring Indians to Valley

The City of Goodyear delivered documents to AZSTA on Sept. 21 presenting a plan to bring the MLB Cleveland Indians to the Cactus League.

The city's initial plan looks to develop a \$65 million to \$77.7 million ballpark and two team training facilities as an anchor to the largest private development project in Goodyear history.

The notice from James M. Cavanaugh, mayor of Goodyear, included a letter from Paul J. Dolan, president of the Cleveland Indians, which stated that the team has agreed with the city to move its spring training facilities to Goodyear.

"We eagerly look forward to developing a long term relationship with the City of Goodyear and the state of Arizona," he said.



Goodyear says the ballpark would be planned to have 8,000 seats with another 2,000 additional berm seats in the outfield. It would be located on approximately 120 acres next to the proposed Goodyear City center project, east of

Estrella parkway and west of Bullard Avenue.

The landowner, the Wood family, and the developer of the complex, Rose Properties Southwest, have agreed to donate portions of the land and pay for certain costs and improvements.

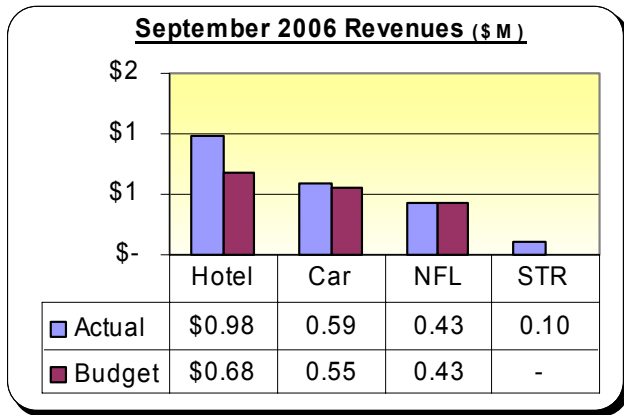
The city is seeking two thirds of the project

costs from AZSTA, which is prohibited from funding any more than two thirds of a Cactus League project.

The Authority has been told it will also receive a two-team Cactus League proposal from the City of Glendale in the coming weeks.

Financial Overview

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



The Authority's **total revenues** for the current month continued their strong performance through the third 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 \$1.57 million in revenues -- \$349k, 28.6%, over our forecast. The **hotel bed tax**, for the 15th month in a row, outperformed its forecast by a total of \$306k, 45.3%. The **car rental surcharge** continued to build momentum for the fifth month in a row by beating our projections by \$43.0k, 7.9%.

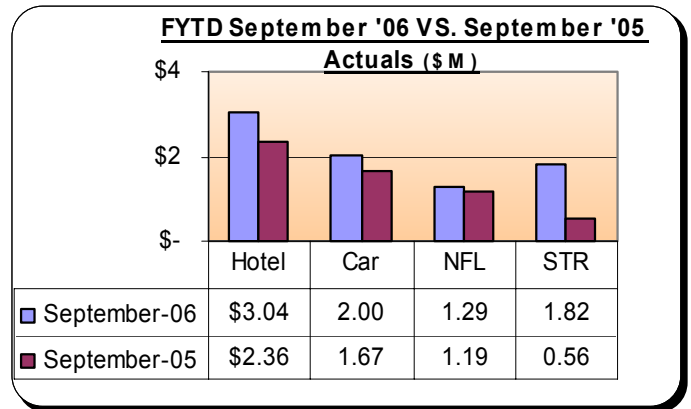
- The **NFL income tax** is determined by the Arizona Department of Revenue prior to the start of each fiscal year. This was on-budget at \$429k for the month.

Sales tax recapture revenues for the month of September posted \$104k when none were expected. Last month we had expected to receive the balance of the Cardinals sell-out season ticket sales and did not receive them nor have they been posted this month. We have notified ADOR of this issue, which may be a timing issue.

Sources – Comparing Fiscal Years 2007 and 2006 – The next chart provides a fiscal year-to-date

comparison between September 2006 and September 2005:

The current month's results continue to indicate a strong performance through the first quarter this fiscal year. Total FYTD September 2006 revenues were \$8.15 million vs. the prior year's total of \$5.78 million – an increase of \$2.37 million, 41.0%. 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 funded 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 oper-

ating 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