



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

## Monthly Report — August 2007 Issue 72

### In this issue

- AZSTA Board of Directors approve \$54 million in funding for new Glendale Spring Training Complex
- AZSTA Board of Directors Approve NFL License Agreement for Super Bowl XLII
- Four Valley Youth Sport Programs receive a total of \$7,553 from AZSTA
- Home and Garden Show
- Largest Career Expo in the Southwest home to the University of Phoenix Stadium
- August 2007 Monthly Financial Overview

### AZSTA Board of Directors approve \$54 million in funding for new Glendale Spring Training Complex

AZSTA Board of Directors met August 16<sup>th</sup> and approved funding for two-thirds of the Spring Training Complex, with the City of Glendale contributing a one-third share of the proposed \$80.7 million project, which will be located on City of Glendale-owned land on 107<sup>th</sup> Avenue and Camelback, and will cover roughly 125 acres. The complex will be the new training site for the Los Angeles Dodgers and the Chicago White Sox. Both baseball teams had representatives at the board meeting and were eager to get started.

The approved plans are consistent with the long-term Cactus League funding plan established in December 2006 by the AZSTA Board.. The Spring Training Complex ground-breaking is set for October 2007, with an expected completion date of February 2009, in time for the 2009 Spring Training season.

### AZSTA Board of Directors Approve NFL License Agreement for Super Bowl XLII

AZSTA Board of Directors also approved the NFL License Agreement for the Super Bowl XLII on August 16<sup>th</sup>. Super Bowl XLII is set to be played



February 3, 2008, at the University of Phoenix Stadium in Glendale.

Both parties involved, the NFL and AZSTA Board of Directors, were pleased with the cooperation between the parties that provided the early completion of the extensive agreement which governs the League's use of the University of Phoenix Stadium for Super Bowl XLII.

AZSTA Chairman Debbie Johnson said, "I am thrilled to have this agreement in place some 170 days ahead of the big game. We can now give our full attention toward the planning and the anticipation of the Super Bowl."

The agreement includes critical details regarding the Authority's commitments to the NFL in hosting this enormous internationally-televised event. "It fulfills all of the Authority's pledges to the NFL that were made when Arizona was awarded the game in 2003," added Ted Ferris, President and CEO of the Authority.



### Four Valley Youth Sport Programs receive a total of \$7,553 from AZSTA

AZSTA has awarded \$7,553 to four valley youth sport programs for new equipment and uniforms. The Mesa Association of Sports for the Disabled (MASD) received

\$2,000 to assist in the purchase of equipment, benefiting the Adaptive Kayaking program. This program involves individuals with

physical disabilities including amputees, the blind, Cerebral Palsy, Spina Bifida and spinal cord injuries. Current equipment consists of single rider kayaks, the new equipment will include double rider kayaks and will enable the individuals the opportunity to paddle with the help and direction of a coach. This equipment will be utilized by more than 80 participants each year during a four-month period.

The Chandler Youth Baseball League received \$800 to assist in the purchase of a new pitching machine for the 7-8 year old (Pinto) division. The league uses pitching machines since the kids are too young to pitch to themselves. The machine they currently have is over 10 years old. The Pinto Division typically has 14-16 teams



in the spring season and 6-8 teams into fall, with an average of 12 kids on each team, the new machine will benefit over 250 kids each year.



The American Youth Soccer Organization (AYSO) Region 310, received \$2,453 to assist in the purchase of new equipment including soccer goals and training equipment. The organization currently has equipment and much of the equipment needs replacement or updating. The new equipment will be utilized by over 700 youth in Glendale, Peoria and Phoenix and can be checked out by each team.

Scottsdale's Pop Warner Football Hawkeye Team received \$2,300 to assist in the purchase of 35 new uniforms for 100 kids in the program. Currently many of the players are on scholarship and cannot afford the cost of new uniforms. After years of receiving jerseys handed down from other league teams, they now will be replaced and will be utilized for many years to come.

These are the first four quick grants AZSTA has approved for the fiscal year that began July 1. In the prior fiscal year, AZSTA supported 21 youth programs throughout the Maricopa County with quick grants totaling, \$45,923.

## University of Phoenix Stadium Hosts nearly 40,000 during Home and Garden Show



Arizona's largest home show was held at the University of Phoenix Stadium August 3<sup>rd</sup>-5<sup>th</sup>. Over 700 exhibiting companies showcased everything for interior design, remodeling, building and landscaping. The show included not only the exhibits, displays and vendors but

also seminars, demonstrations, contests, workshops and more.

Home Show Manager Kim Dwyer said, "With the tremendous growth in the West Valley, we know there is a need for easy one-stop Home Improvement Shopping on the west side of town." Dwyer also said each exhibiting company is pre-screened and approved by the local consumer Protection Agencies in addition to being on-hand at the show to assist when choosing what companies to do business with.

The three-day event brought in close to 40,000 people to the stadium. The next Home and Garden show at the University of Phoenix Stadium is set for June 20<sup>th</sup>-22<sup>nd</sup>, 2008.

## Largest Career Expo in the Southwest home to the University of Phoenix Stadium



Jobing.com held its third career expo this year, at the University of Phoenix Stadium on August 8<sup>th</sup>.

Jobing.com, the nation's largest, locally-focused provider of employment media holds four career expos each year. Prior to the opening of the University of Phoenix Stadium, expos were held at the Phoenix Convention Center.

The all-time high of career expo participants at the Phoenix Convention Center was 6,500. Total attendees at the University of Phoenix Stadium this past career expo was 7,200.



*Jobing.com held workshops during the Career Fair*

John Mather, Jobing.com Phoenix Events Director said they have been very happy holding the expo in Glendale and that they are looking forward to continuing the expos at the stadium. The first Jobing.com Career Expo at the stadium was held January 2006, with 7,500 participants in attendance. The next Jobing.com career expo held at the stadium is set for October, 17<sup>th</sup>.

**Cardinals 2007 Pre-Season Debut**

The Arizona Cardinals kicked off their pre-season games this month. Marking a second season in the comfort of an enclosed, air-conditioned stadium, both games proved the anticipation of Cardinals Fans with a sell-out crowd. Despite record-setting, triple digit temperatures during the month, reports were that inside the stadium the average temperature was 75 degrees.



Their first match-up with the Houston Texans was on August 18th. Before a sellout crowd of 64,405, the Cardinals fell short with the ending score of 20-33. The second game on August 25th versus the San Diego Chargers, again with a sell-out crowd of 64,216, the Cardinals fell short with the ending score 31-33.

**Shamrock Food Show Hosts 4,000**

The nationally-ranked food service distributor, Shamrock Foods, held its industry food show, the second this year at the University of Phoenix Stadium on August 15th and 16th.



Booths displayed many food samples, here Shamrock Foods displays their variety of potatoes.

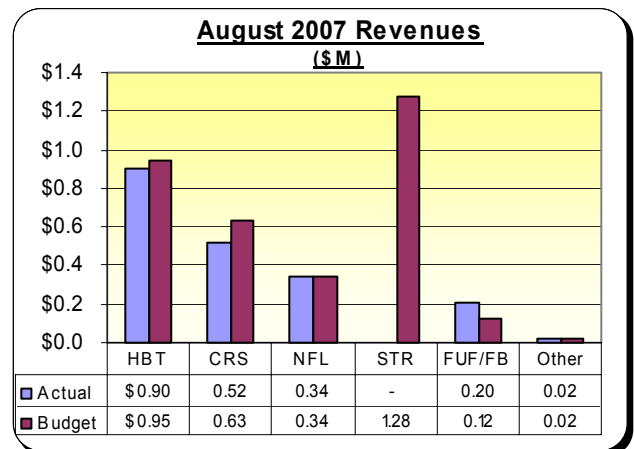
The two-day event, not open to the general public, hosted 4,000 guests. Shamrock Foods displayed all types of food from enchiladas to sushi, in over 300 booths.



Shamrock Foods displayed the "Pacific Rim", an area where visitors could taste fine Asian Cuisine.

**FINANCIAL OVERVIEW**

**Sources** – The following chart provides our monthly revenue results for August 2007 which represents transaction activity from June 2007:



The Authority's **total revenues** for the current month were below our expectations primarily due to the sales tax recapture revenues – the same reason why last month we were above our forecast. Last month we received nearly \$1.17 million more than had been expected – a timing issue that carried over to the current month's results.

The individual revenue components and their performance are detailed as follows:

- The combined **tourism revenues** (hotel bed tax and car rental surcharge) posted \$1.42 million in revenues – \$150.7k, 9.6%, below forecast. The **hotel bed tax**, continued its below-budget performance for the new fiscal year by posting \$904.7k in revenues, \$40.3k, 4.3%, below budget. The **car rental surcharge** also continued to under perform as it came in \$110.4k, 17.6%, below our forecast.

- 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 \$343k for the month. This is nearly \$86k less than for the prior fiscal year with the removal of the guaranteed minimum by the state legislature.

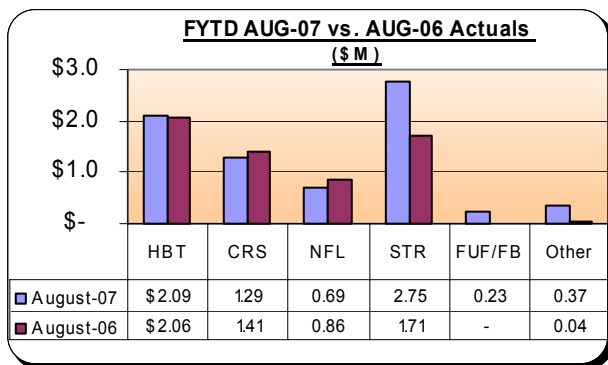
- **Sales tax recapture** revenues for the month of June posted a significantly lower number than the prior month due to the timing of several large items (see July 2007 Monthly Report). There were no revenues posted for this category compared to its forecast of \$1.28 million. On a year-to-date basis, however, this revenue stream is \$195.9k, 7.7%, ahead of budget.

- The combined **facility use fees** and **concession revenues** were \$79.7k, 64.2%, above budget – nearly erasing last month’s below budget performance. These sources are directly tied to the number and types of events held at the stadium as well as the actual attendance figures.

- **Other revenues** were comprised of the Arizona Cardinals’ rent of \$21.3k for the month of August.

**Sources – Comparing Fiscal Years 2008 and 2007 –**

The next chart provides a fiscal year-to-date comparison between August 2007 and August 2006:



Overall, the current fiscal year’s performance for the first two months eclipsed last year’s figures due to the strong performance of the sales tax recapture revenues as well

as for the facility use fee and concession revenues. The combined tourism revenues continue to be lower than last year’s results by \$99.4k, 2.9%.

**Senior Bond Debt Service** – The Authority will pay an estimated \$12.8 million in senior bond debt service during fiscal year 2008. Approximately 60% of the total amount will be sourced from our tourism revenues.

**Tourism** – During fiscal year 2008 the Authority will provide \$5.4 million to the Arizona Office of Tourism in Prop 302 funds 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 slightly greater than \$3.0 million in the current fiscal year. Of this amount \$2.55 million will be used for subordinate bond debt service payments and the balance is earmarked for spring training baseball renovation projects in the cities of Tempe and Scottsdale.

**Youth and Amateur Sports** -- \$1.6+ 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 \$1.4 million youth and amateur sports reserve fund.

**Authority Operations** – The Authority’s operating budget, which is a combination of its own operations plus those of its stadium management firm, is forecasted to be less than the prior fiscal year – the first year of stadium operations. The total approved operating budget is \$13.1 million which is comprised of the Authority’s operations at \$1.4 million (including expenses related for Super Bowl XLII), and Global Spectrum’s operations at \$11.7 million.

Approved by:

Ted A. Ferris  
 President/CEO