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Monthly Report — February 2007 Issue 66

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The game, which saw the U.S. Men's (wearing white) 2-0 victory over the Mexico National Team, scored a number of historic firsts for soccer in Arizona and on television.

USA vs. Mexico Soccer Match Historic for Arizona, TV

The Feb. 7 soccer match between the U.S. Men's National Team and the Mexico National Team ranks as the highest attended soccer match in Arizona history.

The match drew an enthusiastic crowd of 62,462, making it the highest attended soccer event in state history and establishing the University of Phoenix Stadium as Arizona's premier soccer venue.

While the U.S. team's 2-0 victory was making history here, it was also making history on television.

ESPN2's broadcast was the most-watched U.S. Men's game in the team's history, with the exception of the World Cup and World Cup qualifiers. The game earned a 0.7 household rating (1.1 million viewers) and jumped to an average 1.0 rating during the final 15 minutes.

On *Univision*, it was the sec-

ond most-watched Spanish-language sports cast in history, beating every Super Bowl among Hispanic Adults 18-49, Men 18-49 and Total Viewers. It set a record reaching 6 million viewers.

Nearly 1.2 million viewers in Los Angeles watched the broadcast to make it the highest-rated program of the night beating out "American Idol," "Lost" and "CSI: NY." In addition, it was the top ranked program in its time period among Men 18-49 in San Francisco and Dallas, and No. 2 in New York and Chicago.

Here at home, the historic match was the second soccer event held in the stadium. The first match saw more than 41,000 fans attend a Halloween Night 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 largely of fans of the two teams.

The stadium's famous roll-in field was specifically designed to host international soccer matches, be-

International Soccer Match Scores Major Goal

Historic match delivers:

- Highest attendance for a soccer match in Arizona;
- Most watched U.S. Men's match ever on ESPN2*;
- No. 2 highest Spanish-language sports cast ever;
- No. 1 television show of the night in L.A., San Francisco and Dallas (beating out "American Idol", "Lost" and "CSI: NY");
- No. 2 show of the night in New York and Chicago.

*Outside of World Cup Qualifiers

ing 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.

Second Men's Luxury Toy Expo Runs Feb. 9-11

The Men's Luxury Toy Expo will forever have the distinction of being the very first consumer show in the



The Men's Luxury Toy Expo on the floor of the University of Phoenix Stadium.

new stadium and the very first event where the public could actually attend on the field level.

The event was rated a success this past August with more than 30,000 attendees which prompted another show February 9-11. The show covered the entire stadium floor with luxury products and services including luxury cars, boats, Recreational Vehicles, Game Room equipment and sports memorabilia.

Attendees registered to win prizes like free paragliding flights and a \$20,000 garage makeover.

REACH 11 Project Dedicates Soccer Fields

The City of Phoenix dedicated 10 new lighted fields at the REACH 11 Recreation Area Soccer Complex located at Cave Creek Road and Deer Valley Road on Fri., Feb. 16.

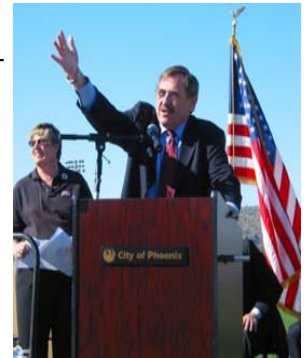
The Authority contributed \$1.4 million towards the project, which represents about 12% of the project costs.

The project is Phase One of a larger Sports Com-

plex plan and includes nine grass soccer fields, one state-of-the-art artificial turf soccer field, 1,100 parking spaces, a restroom/office building, and a playground.

The Authority's grant was used to light the fields, a move which "unlocks" a significant amount of time that the fields can be used and one that is especially important during the warmer summer months.

The number of, and the contiguous arrangement of the fields will allow Phoenix to attract more regional, national and international events. These events support the tourism industry in Arizona with a considerable number of out-of-town guests staying for multiple days.



Larry Landry (r.), AZSTA Chairman, speaks at the dedication. Phoenix City Councilwoman Peggy Neely (l.), was instrumental in the project.

Arizona Travel Show Eyes Goal of Largest in State

Promoters of the first annual Arizona Travel Show are looking to grow it to become the largest such show in the state.

The inaugural show ran Feb. 24 and 25 and featured feature local, state, national and international exhibitors. The exhibitors represented many aspects of

what the travel world has to offer.

Attendees were able to visit with the major cruise lines and tour operators, gain information on interest-

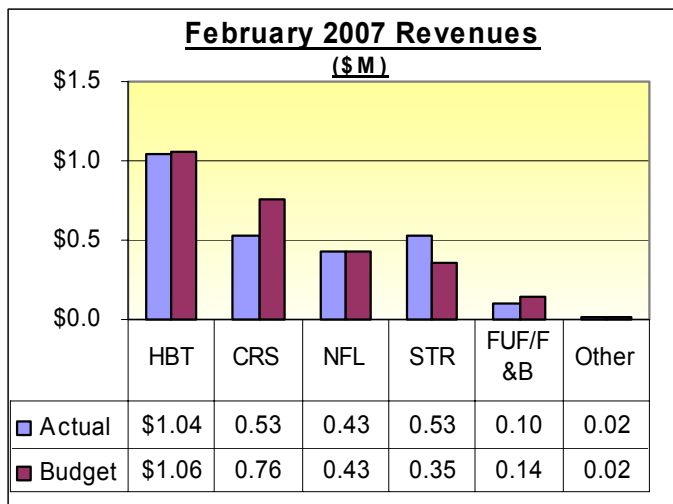
ing destinations, take advantage of show specials, and book vacations right onsite with AAA Travel.

Also during the show, attendees were treated to ongoing cultural entertainment, informative travel seminars, and drawings for travel prizes – including a 7-night Hawaiian vacation for 2, including airfare – donated by AAA Travel, Pleasant Holidays, and Hawaiian Airlines.



Financial Overview

Sources – The following chart provides our monthly revenue results for February 2007 which represents transaction activity from December 2006:



The Authority's **total revenues** for the current month hit a speed bump this month by falling short of our projections. 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 – \$244.7k, 13.5%, below forecast. The **hotel bed tax**, for the first time in more than one and one-half years, did not manage to better its forecast. It fell short by \$20.3k, 1.9%.

The **car rental surcharge** also did not meet its projected amount for the first time in the past nine months. It was \$224.4k, 29.6%, short of budget. This needs to be measured against the prior month's above-budget result of \$291.6k, 57.2% -- more than likely the result of the timing of the reporting of this revenue source.

□ 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.

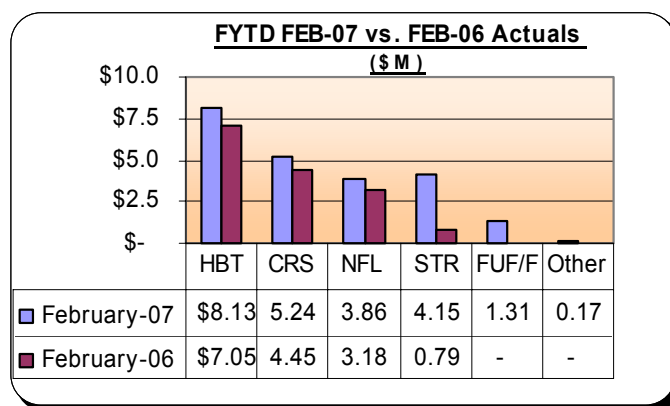
□ **Sales tax recapture** revenues for the month of February posted another positive performance with \$527.6k in total revenues -- \$75.0k, 49.6%, above budget. Although the past several months have been significantly above forecast we are still \$231.6k, 5.3%, behind our forecast.

□ **Facility use fees and concession revenues** were \$99.7k which were \$44.6k, 30.9%, below our monthly forecast. On a year-to-date basis we are just slightly behind our forecast by \$6.6k, 0.6%.

□ **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 is on-budget.

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



Through the first eight months of this fiscal year our revenues continue to be strong as compared to the prior fiscal year. Total FYTD February 2007 revenues were \$22.2 million vs. \$15.5 million for the prior year – an increase of \$6.7 million, 43.5%. 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.

Approved by:



Ted A. Ferris
President/CEO