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State Farm Stadium to Get Bond-Financed Upgrade Before Next Super Bowl.

- **Arizona agency sets \$146 million sale for home of Cardinals**
- **Portion of proceeds to finance improvements for 2023 event**

Fans at Super Bowl LVII in Arizona next year may want to take time to inspect State Farm Stadium. After all, they're helping to pay for a bond-financed spiffing of the place.

The Arizona Sports and Tourism Authority, owner of the NFL's Cardinals home in Glendale, is slated to sell \$146.3 million of municipal bonds for the facility, site of the big game next February. While much of the proceeds will refinance outstanding debt, a portion will go to improve heating, ventilation and air conditioning, buy new furniture and replace the carpets and floor, according to preliminary bond documents.

"This bond sale will help keep State Farm Stadium at the forefront of the competitive and evolving mega events industry," said Teddy Eynon, board chair of the authority, in an e-mailed statement.

The bonds are backed by revenues including tourism taxes, like those on hotels where fans will be billeted and surcharges on cars they may rent, plus money from concessions and merchandise sales at the stadium. In an unusual twist, the bonds are also supported by a subset of the state income tax levied on National Football League employees, namely players, coaches and staff for the Cardinals.

The deal, managed by RBC Capital Markets, comes just days after the Los Angeles Rams beat the Cincinnati Bengals in a Super Bowl that drew 112.3 million viewers, the most-watched show in five years. Fitch Ratings grades the bonds A and recently raised the outlook on the debt to stable from negative. The debt is rated A1 by Moody's Investors Service.

The 63,000-seat stadium, completed in 2006, sits on about 33 acres outside Phoenix and boasts a retractable roof, 88 luxury suites, and three over-sized event spaces plus premium club seating and private lounge areas. The climate-controlled arena hosted the Super Bowl in 2008 and again in 2015, the same year it held the league's Pro Bowl.

The two 2015 games and their related events produced a \$719.4 million gross economic impact for the region, the largest of any event in Arizona at the time, according to a study completed by the Seidman Research Institute, W.P. Carey School of Business at Arizona State University.

Cities often compete for major sporting events, convinced that they'll bring a windfall of economic activity from fans and tourists. Some economists maintain that the impact is generally overblown, though such events are important for small businesses and the cultural and tourism draw of a city, especially since the coronavirus pandemic.

The authority and the Cardinals are investing in the stadium improvements in anticipation of the Super Bowl, the 2024 National Collegiate Athletic Association men's basketball March Madness Final 4 games and other major events that attract out-of-state visitors, Eynon said.

“Tourism in Arizona is rebounding and we want to offer the highest technological amenities and guest service experience in the industry,” he continued.

And perhaps hosting the 2023 Super Bowl could bring good luck to the Cardinals, tied for 11th in odds to win next year’s game at +2,500 according to Caesars Sportsbook. In 2021, the Tampa Bay Buccaneers took the title at their home stadium before the Rams won in Los Angeles this year.

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