



June 10, 2020

Ms. Esther Chi, Vice President, Controller
Forty Niners Stadium Management Company
4900 Marie P. DeBartolo Way
Santa Clara, CA 95054

SUBJECT: FY 2019/20 Net Non-NFL Loss

Dear Ms. Chi:

This letter responds to your June 8, 2020 email requesting payment for the FY2019/20 Net Non-NFL Loss totaling \$2,741,014.

The one-page demand provided virtually no explanation of how performance reported in February 2020 of "TBD" went to a \$2.7 million loss in a matter of a few months. Consequently, we are quite skeptical of the validity of Stadium Manager's new numbers. At a minimum, you will need to explain the urgency of your need for this disbursement; allowing a total of four days to review a disbursement close to \$3 million is unreasonable.

For reference, the FY2018/19 Net Non-NFL income was not transferred to the SCSA until February 2020. In addition, SCSA must review the accounting records related to the calculation of the Net Non-NFL loss prior to any disbursement of such magnitude. No payment will be made prior to any such review. The City Auditor, Linh Lam, has reached out to you on June 9, 2020, to schedule the review.

In addition, the payment of any Net Non-NFL Event Loss is required to be approved by the Stadium Authority Board, as the appropriations to make these payments were not included in the FY 19/20 budget.

You have to date not made payment to the City of Santa Clara for outstanding Public Safety Costs, holding those payments hostage until the Stadium Authority pays you for the suddenly revealed net loss that has arisen from your own gross mismanagement. As you are aware, Measure J does not allow City funds to cover any costs related to Stadium operations and your prompt payment is requested. A list of outstanding invoices related to Non-NFL events is attached.

MS. ESTHER CHI, VICE PRESIDENT, CONTROLLER

Re: FY2019/20 Net Non-NFL Loss

June 10, 2020

Page 2 of 2

If payment is still refused while the Net Non-NFL year-end review is taking place, the Stadium Authority may consider directly transferring funds to the City's General Fund for the outstanding invoices in order to remain in compliance with Measure J. The Stadium Authority would only pay any additional amounts that have been verified after the year-end review is complete, and the Board has authorized the appropriation.

Please feel free to contact me if you wish to discuss this matter further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kenn Lee', with a stylized flourish at the end.

Kenn Lee
Treasurer

Attachment: Non-NFL Events Outstanding Invoices

CC: Deanna J. Santana, Executive Director
Brian Doyle, Counsel
Mr. Jim Mercurio, Stadium Manager



NON-NFL EVENTS OUTSTANDING INVOICES

Invoice Number	Amount	Date	Invoice Description
89467	277,346.28	1/15/2020	Worker's Compensation Claims: Non-NFL Events thru 11/30/19
89685	137,810.54	2/7/2020	Benfica vs Chivas and Rolling Stones Concert
89899	5,633.55	3/3/2020	Parking Fees - Redbox Bowl Dec. 30, 2019
89909	10,565.10	3/3/2020	Parking Fees - PAC-12 Championship Dec 6, 2019
89886A	296,506.66	3/6/2020	PAC-12 Championship Dec 6, 2019
89887A	26,921.18	3/6/2020	Private Events (Holiday Parties) Dec 2019
90056	196,846.97	3/13/2020	Redbox Bowl Dec. 30, 2019
88166CR	(2,241.75)	3/27/2020	2018/19 Year-End Alloc. Fuel Cost Credit: Non-NFL
90143	6,211.83	4/1/2020	Redbox Bowl Add'l Costs Dec. 30, 2019
90269	10,907.75	5/15/2020	Non-NFL: Private Events (Jan & Feb 2020)
90345	2,651.53	5/21/2020	Non-NFL: Various Events Mar-Dec 2019
90362	3,281.59	6/4/2020	Non-NFL: Add'l Costs Various Events Dec 2019-Feb 2020
90372	145,766.82	6/4/2020	Non-NFL: 2019/20 YE General PS Costs Allocation & True-up
	1,118,208.05	TOTAL	