

From: [Christine Jung](#)
To: [Mercurio, Jim](#); [Andrew Crabtree](#)
Cc: [Ryan Van Maarth](#); [Moul, Dale](#)
Subject: RE: Agenda for 12/17 SCSA/ManCo Quarterly Status Meeting
Date: Thursday, January 7, 2021 11:39:00 AM
Attachments: [2021 Council Meeting Calendar updated.pdf](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)

Hi Jim,

Thanks for reaching out. We understand that replacing the Levi's signage is a priority and will try our best to approve the procurement and plans as soon as possible. However, much of the timeline depends on ManCo's proper procurement of any supplies, materials and services required to facilitate the sign replacement.

The general approval process will be as follows:

- ManCo coordinates the bidding processes for any supplies, materials, and/or services required as part of the project.
- ManCo submits information about the procurement process, corresponding documentation that the supplies, materials, and/or services were properly procured, including but not limited to any draft contracts, quotes or bid proposals provided by bidders, and certified payroll if applicable, and its recommendation for vendors at least 3 weeks before ManCo's selected Stadium Authority meeting date to ensure proper staff review and internal routing. A calendar of the 2021 City Council and Stadium Authority Board meetings is attached for your reference. Please let us know in advance which Stadium Authority Board meeting date ManCo anticipates having the items ready for.
- The summary of the procurement process, recommended vendors, and any contract with the recommended vendor(s) will be incorporated into the agenda report that will be brought forth to the Board for approval. There is no budget action required as this is already funded in the Capital budget for the current fiscal year.
- After the Board's approval, ManCo can enter into contract or issue POs with the approved vendors.
- The vendors may apply for permits at that time. It should be a straightforward permitting process.

Please let us know if you have any questions or need further clarification on any of these steps.

Sincerely,

Christine Jung | Assistant to the Executive Director

1500 Warburton Avenue | Santa Clara, CA 95050

D: 408.615.2218 | www.santaclaraca.gov/scsa

From: Mercurio, Jim <jim.mercurio@49ers.com>

Sent: Tuesday, January 5, 2021 11:35 AM

To: Christine Jung <CJung@SantaClaraCA.gov>; Andrew Crabtree <ACrabtree@SantaClaraCA.gov>

Cc: Ryan Van Maarth <Ryan.VanMaarth@49ers.com>; Moul, Dale <dale.moul@49ers-smc.com>

Subject: FW: Agenda for 12/17 SCSA/ManCo Quarterly Status Meeting

Hi Christine, Hello Andrew:

Welcome back and Happy New Year.

Please see below. I am following with you regarding the replacement of the Levi's Stadium Signage replacement (commonly referred to as Levi's Batwings). Can we please set up a meeting to discuss the appropriate specific process, timeline, and necessary steps required to get these signs approved and installed ASAP. Thanks,

JIM

JIM MERCURIO

Executive Vice President & General Manager
Forty Niners Stadium Management Company
T 408.562-4944 | M 650 642-4909
Levi's® Stadium
4900 Marie P. DeBartolo Way
Santa Clara, CA 95054



#FTTB
49ers.com

From: Deanna Santana <DSantana@SantaClaraCA.gov>
Sent: Tuesday, December 22, 2020 11:33 AM
To: Mercurio, Jim <jim.mercurio@49ers.com>
Cc: Christine Jung <CJung@SantaClaraCA.gov>; Compliance Manager <compliancemanager@49ers-smc.com>; Brian Doyle <BDoyle@SantaClaraCA.gov>; Ruth Shikada <RShikada@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>; Andrew Crabtree <ACrabtree@SantaClaraCA.gov>
Subject: Re: Agenda for 12/17 SCSA/ManCo Quarterly Status Meeting

Good afternoon,

Please follow up with Andrew and Christine for this project... thank you for sharing the pictures.

Deanna J. Santana
**Excuse typos and brevity
Sent from my iPhone

On Dec 21, 2020, at 12:01 PM, Mercurio, Jim <jim.mercurio@49ers.com> wrote:

Hi Deanna:

As a follow up to one of items on the agenda we discussed and you requested, specially (#9), please see pictures on the Levi's batwings signs that need replacing. Please assign

someone from your team that can work with mine so that we can take steps to get this project appropriately completed as soon as possible. Levi's is a very important SCSA client and partner and they are very concerned about the integrity of their brand.

Thanks,

JIM

JIM MERCURIO

Executive Vice President & General Manager
Forty Niners Stadium Management Company
T 408.562-4944 | M 650 642-4909
Levi's® Stadium
4900 Marie P. DeBartolo Way
Santa Clara, CA 95054

<image001.png>

#FTTB
49ers.com

From: Christine Jung <CJung@SantaClaraCA.gov>
Sent: Friday, December 11, 2020 4:03 PM
To: Mercurio, Jim <jim.mercurio@49ers.com>; Compliance Manager <compliancemanager@49ers-smc.com>
Cc: Deanna Santana <DSantana@SantaClaraCA.gov>; Brian Doyle <BDoyle@SantaClaraCA.gov>; Ruth Shikada <RShikada@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>
Subject: RE: Agenda for 12/17 SCSA/ManCo Quarterly Status Meeting

Hi Jim,

Your requested items are included in the attached revised agenda for our 12/17 meeting.

Have a good weekend,
Christine

From: Mercurio, Jim <jim.mercurio@49ers.com>
Sent: Friday, December 11, 2020 11:47 AM
To: Christine Jung <CJung@SantaClaraCA.gov>; Compliance Manager <compliancemanager@49ers-smc.com>
Cc: Deanna Santana <DSantana@SantaClaraCA.gov>; Brian Doyle <BDoyle@SantaClaraCA.gov>; Ruth Shikada <RShikada@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>
Subject: RE: Agenda for 12/17 SCSA/ManCo Quarterly Status Meeting

Hi Christina:

Please find additional items to add to the list of agenda items for our

scheduled quarterly meeting on Thursday, December 17.

Related Development Update

- Agreements signed, sent & complete
- SCSA provide status update on Master Signage Plan – Manco has Approval Rights

Naming Rights Signage Replacement (Levi's)

- Levi's Stadium backlit signs need to be replaced in Q1 or Q2 of 2021

-

SCSA to provide direction to Manco on SBL's - CONFIDENTIAL

-

-

-

RFP for Electrical Update

- Due back to Manco in Mid to late December. Notice of Award in January 2021.

Application to City Building Dept. & SCFD – H2/H3 Storage

- Classification change from H3 to H2 Storage

Have a nice weekend.

JIM

JIM MERCURIO

Executive Vice President & General Manager

Forty Niners Stadium Management Company

T 408.562-4944 | M 650 642-4909

Levi's® Stadium

4900 Marie P. DeBartolo Way

Santa Clara, CA 95054

<image001.png>

#FTTB
49ers.com

From: Christine Jung <CJung@SantaClaraCA.gov>

Sent: Thursday, December 10, 2020 10:54 AM

To: Mercurio, Jim <jim.mercurio@49ers.com>; Compliance Manager <compliancemanager@49ers-smc.com>

Cc: Deanna Santana <DSantana@SantaClaraCA.gov>; Brian Doyle <BDoyle@SantaClaraCA.gov>; Ruth Shikada <RShikada@SantaClaraCA.gov>; Kenn Lee <KLee@SantaClaraCA.gov>

Subject: Agenda for 12/17 SCSA/ManCo Quarterly Status Meeting

Good Morning Jim,

Please find attached the agenda for next Thursday's Quarterly Status Meeting.

Sincerely,

Christine Jung | Assistant to the Executive Director

1500 Warburton Avenue | Santa Clara, CA 95050

D: 408.615.2218 | www.santaclaraca.gov/scsa

<image004.png>

<Levi's Naming Rights Signage - Photos.pdf>

From: [Christine Jung](#)
To: [Jenti Vandertuig](#)
Cc: [Beauchman, Jihad](#); [Ly, Vinette](#)
Subject: RE: Levi's Signage Procurement Meeting
Date: Monday, February 8, 2021 5:43:00 PM
Attachments: [image001.png](#)
[image002.png](#)

Thanks, Jenti!

Christine

From: Jenti Vandertuig <Jenti.Vandertuig@49ers.com>
Sent: Monday, February 8, 2021 5:40 PM
To: Christine Jung <CJung@SantaClaraCA.gov>
Cc: [Beauchman, Jihad](#) <Jihad.Beauchman@49ers.com>; [Ly, Vinette](#) <Vinette.Ly@49ers.com>; Jenti Vandertuig <Jenti.Vandertuig@49ers.com>
Subject: RE: Levi's Signage Procurement Meeting

Sure, I am a Procurement Consultant.

Have a good evening!

Jenti

From: Christine Jung [<mailto:CJung@SantaClaraCA.gov>]
Sent: Monday, February 8, 2021 4:41 PM
To: Jenti Vandertuig <Jenti.Vandertuig@49ers.com>
Cc: [Beauchman, Jihad](#) <Jihad.Beauchman@49ers.com>; [Ly, Vinette](#) <Vinette.Ly@49ers.com>
Subject: RE: Levi's Signage Procurement Meeting

Hi Jenti,

Happy New Year to you too! I shared the link and password with the team.

We will be taking minutes for tomorrow's meeting. Can you please provide your title so that I can include it in the record?

Thank you,
Christine Jung | Assistant to the Executive Director
1500 Warburton Avenue | Santa Clara, CA 95050
D: 408.615.2218 | www.santaclaraca.gov/scsa

From: Jenti Vandertuig <Jenti.Vandertuig@49ers.com>
Sent: Monday, February 8, 2021 4:28 PM
To: Christine Jung <CJung@SantaClaraCA.gov>

Cc: Jenti Vandertuig <Jenti.Vandertuig@49ers.com>; Beauchman, Jihad <Jihad.Beauchman@49ers.com>; Ly, Vinette <Vinette.Ly@49ers.com>
Subject: Levi's Signage Procurement Meeting

Hello Christine,

Happy New Year!

Thank you for coordinating a Zoom meeting to discuss the Levi's signage replacement project tomorrow at 1:00 p.m.

I would like to share the technical specifications and form agreement in advance of the meeting. Given the file size, I have uploaded the files and sent you a link with a password to access the files. Levi's Signage Project

Password: [REDACTED]

[REDACTED]

Please share the link and password with the rest of the team who will be on the call.

Look forward to our call tomorrow and thanks again for coordinating the meeting.

Regards,

Jenti Vandertuig
408-892-7701

CONFIDENTIAL
STADIUM AUTHORITY/STADIUM MANAGER
MEETING ON LEVI'S SIGNAGE PROCUREMENT
February 9, 2021 | 1:00 – 2:00 p.m.
Zoom Meeting

Stadium Manager Attendees:

Jenti Vandertuig, Procurement Contractor
Jihad Beauchman, Vice President, Deputy General Counsel

Stadium Authority Attendees:

Deanna J. Santana, Executive Director
Brian Doyle, Stadium Authority Counsel
Ruth Mizobe Shikada, Assistant City Manager
Kenn Lee, Treasurer
Mark Giovannetti, Purchasing Manager
Christine Jung, Assistant to the Executive Director

CONFIDENTIAL DISCUSSION ABOUT LEVI'S SIGNAGE.



February 22, 2021

Mr. Larry MacNeil, Compliance Manager
Forty Niners Stadium Management Company, LLC (Stadium Manager)
4900 Marie P. DeBartolo Way
Santa Clara, California 95054

SUBJECT: Levi's Signage Replacement

Dear Mr. MacNeil:

This letter responds to your February 18, 2021 letter regarding the Levi's Signage replacement. In short, you have inserted yourself into a series of discussions without learning what actually occurred and make uninformed accusations. Here are the facts well supported by monthly agendas, meeting minutes, and legal agreements.

Project Specifications, Procurement Staff, and Stadium Manager's Poor Planning

Our understanding is that the 49ers had not begun the procurement process for the signage. Just a few weeks ago, on February 8, Ms. Jenti Vandertuig shared technical specifications and a form agreement at 4:28 p.m., a day and time when staff was in a City Council meeting and less than 10 business hours before our SCSA-Stadium Manager meeting on this topic.

In usual form, Stadium Manager came to the meeting without an agenda, unprepared to get clear input on specific City tasks, and unable to walk through the documents that it had submitted. The documents were of no purpose because Stadium Manager did not have a procurement plan, did not know that this qualified as a public works project, and could not demonstrate a clear path for execution. At the February 9 meeting, it became clear to Stadium Authority staff that the Stadium Manager's procurement staff did not understand state laws, public works bidding process, and other requirements for replacing the Levi's signage. It was a painful process to have to walk them through the necessary steps that ManCo has been responsible to perform since the execution of the Management Agreement. It appeared that Stadium Manager's staff did not know what they hoped to accomplish.

Be advised that Jim Mercurio and Jihad Beauchman specifically requested a meeting with Mark Giovannetti, Procurement Manager, and Andrew Crabtree, Community Development Director, to respond to Stadium Manager's specific procurement and permitting questions. At the time, we shared that Community Development stated that the permit process was a simple "over the counter" process and, accordingly, stated that they would address upon receipt of a permit request and Jim and Jihad agreed that they would only need to talk to Mark Giovannetti for procurement assistance. We brought to the meeting exactly the staff members who Jim and Jihad specifically requested.

Your statement that the people that the Stadium Authority brought to the meeting could not be of any assistance is also misplaced. By end of that meeting, we provided clarification to the Stadium Manager that it was a (1) public works contract, (2) required prevailing wage and state reporting compliance, and (3) state law mandated bidding which otherwise the Stadium Manager would not have known and would have continued to violate these laws. Let me remind the Stadium Manager that nowhere in the Management Agreement is there a

TO: MR. MACNEIL
Re: LEVI'S SIGNAGE REPLACEMENT
February 22, 2021
Page 2 of 3

Stadium Authority obligation to provide this level of assistance, educate on public works laws and bidding, and/or anticipate Stadium Manager's inabilities to perform work that it legally represented it could complete.

Disputed Interpretation of Naming Rights Agreement

Stadium Manager states that the cost of the replacement is the responsibility of the Stadium Authority. However, Section 5f (Rights Fee) in the Naming Rights Agreement states:

*Except as otherwise expressly provided herein or otherwise agreed in writing between the SCSA and the Naming Rights Sponsor, the SCSA shall be responsible for all costs and expenses associated with the initial design, construction, production, delivery or installation of signage and other physical advertising included in the Naming Rights Entitlements and for the cleaning, repairing and maintenance of all such signage; provided, that Naming Rights Sponsor shall be responsible, at its sole cost and expense, for the preparation of all conceptual drawings and designs and any other content for all signage in respect of this Agreement or the Naming Rights Entitlements. **Naming Rights Sponsor shall be entitled, at its sole cost and expense, to replace, update, change, refresh or refurbish any such initial signage at any time and from time to time (and for any reason)...***

The contract language is at odds with Stadium Manager's statement that it is Stadium Authority's, and not Levi's responsibility, to pay for the signage replacement. We also do not see how these terms support your assertion that Stadium Authority is responsible for this obligation because Levi's wants a change to the content of the signage.

We need to know: Have you had conversations with Levi's about this interpretation? Or, is this Stadium Manager's understanding of the legal language? In order to immediately resolve this disputed obligation, it is vital we understand the communications and positions to date with Levi's. As previously requested, please immediately provide us with copies of those communications.

Prior Signage Repairs

You also mentioned that the signage has been repaired previously, facts which the Stadium Authority has not been made aware of by the Stadium Manager. There is no mention of Levi's signage repairs in any CapEx budget prior to FY 2020/21, nor did the Stadium Manager notify the Stadium Authority of a budget variation for the repairs as required by Section 2.6.20 in the Management Agreement. Please provide documentation for that repair so that the Stadium Authority can better understand the CapEx work that was done, as well as proof that that Stadium Manager complied with state required laws (e.g., public works and worker wage laws)

SCSA's Effort to Understand Stadium Manager's CapEx Procurement Plan

Stadium Manager states that the Stadium Authority was aware and approved of this effort as part of the budget. While it was included as a line item in the budget, that is the extent of information that the Stadium Manager has provided. I have spent the past two fiscal years asking the Stadium Manager for a workplan of how it will implement the CapEx projects with absolutely no response from the Stadium Manager. In fact, Stadium Authority has expressed on several occasions that we are concerned that the Stadium Manager is not providing Levi's Stadium the standard of care that is required as it continues to push off capital improvements year after year, as demonstrated by the CapEx dollars it managed and expended for the last few fiscal years:

Fiscal Year	CapEx Budget for Stadium Manager Projects and Projects Managed by Stadium Manager	CapEx Dollars Expended by Stadium Manager
FY 2018/19	\$6.3M	\$1.4M (22% spend rate)
FY 2019/20	\$12.5M	\$254,753 (2% spend rate)
FY 2020/21 (to date)	\$8.9M	\$289,034 (Projected 3.2% spend rate)

TO: MR. MACNEIL
Re: LEVI'S SIGNAGE REPLACEMENT
February 22, 2021
Page 3 of 3

In fact, and specifically, Stadium Authority staff requested the procurement schedule during every monthly and quarterly status meeting held during the last half of 2020, as follows: July 16, August 27, September 17, and December 17, 2020.

Stadium Manager should have shared its plans regarding the Levi's signage at any and all of these meetings in good faith and to work toward the same goal: maximizing revenue for the Stadium Authority. Instead, Stadium Manager has never provided any information on its CapEx implementation plan, as supported by the meeting minutes and record. It was only at the December 17, 2020 meeting, where Jim Mercurio told Stadium Authority staff that he would send the information by the January 29, 2021 budget deadline, which we still have not received. We have asked for both a specific plan regarding the signage and overall plan on CapEx improvements because the Stadium Authority wanted to work collaboratively to understand how the Stadium Manager's capital work may impact Stadium Authority and City staff workload and Board meeting agendas. As Stadium Manager, you should know that public works projects require advanced planning to avoid unnecessary costs.

Based on all of the above, Stadium Manager has not been able to demonstrate for two fiscal years that it can implement a CapEx workplan on time, maintain the required standard of care, be compliant with the law, and transparent about its plan for expending public funds on CapEx projects. Accordingly, the Stadium Authority will need a procurement schedule outlining when each proposed CapEx project will take place during FY 2021/22 before it can recommend budget approval. Clarity in advance, will provide mutual understanding of upcoming work efforts, remove the occurrence of this potentially happening again, and hopefully ensure that the Stadium Manager can initiate and complete the capital improvements required to maintain the facility. Otherwise, there is no need to pretend that we have a CapEx budget to maintain the Stadium.

Finally, we repeat our request that you provide your communications with Levi's, including proposed plans and requests, so we can best understand Levi's position and expectations. As our manager handling this very contact on Stadium Authority's behalf, we trust you will not delay in providing those communications and records immediately. As you are well aware, time is of the essence.

Sincerely,



Deanna J. Santana
Executive Director

cc: Brian Doyle, Stadium Authority Counsel