



City of Santa Clara

Meeting Agenda

Santa Clara Stadium Authority

Tuesday, March 24, 2020

4:30 PM

City Hall Council Chambers
1500 Warburton Avenue
Santa Clara, CA 95050

4:30 PM REGULAR MEETING

Call to Order

Pledge of Allegiance and Statement of Values

Roll Call

CONTINUANCES/EXCEPTIONS

CONSENT CALENDAR

[Items listed on the CONSENT CALENDAR are considered routine and will be adopted by one motion. There will be no separate discussion of the items on the CONSENT CALENDAR unless discussion is requested by a member of the Council, staff, or public. If so requested, that item will be removed from the CONSENT CALENDAR and considered under CONSENT ITEMS PULLED FOR DISCUSSION.]

- 1.A 20-1206** [Action on Bills and Claims for the months of October 2019 through January 2020 \[Board Pillar: Enhance Community Engagement and Transparency\]](#)

Recommendation: Approve the list of Bills and Claims for October 2019 through January 2020.

- 1.B 20-259** [Acceptance of the Stadium Authority Fiscal Year 2019/20 Contracts per Santa Clara City Code Chapter 17.30 Stadium Authority Procurement Policy \[Board Pillar: Enhance Compliance with J and Manage Levi's Stadium\]](#)

Recommendation: Accept the Stadium Authority's Fiscal Year 2019/20 Contracts per Santa Clara City Code Chapter 17.30 Stadium Authority Procurement Policy.

- 1.C 20-271** [Action on Amendment No. 2 to the Agreement as Amended with J.S. Held LLC for Consulting Services for the Santa Clara Stadium Authority \[Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium\]](#)

Recommendation: Approve and authorize the Executive Director to execute Amendment No. 2 to the Agreement with J.S. Held LLC for financial consulting services to extend the term of the agreement by two years ending December 31, 2022, and increase compensation by \$225,000 for a total maximum not-to-exceed amount of \$425,000, subject to budget approval.

- 1.D 20-333** [Informational Report on Dates and Purpose of Stadium Authority and Stadium Manager Meetings for the Period October 1, 2019 to December 31, 2019 \[Board Pillar: Enhance Community Engagement and Transparency\]](#)

Recommendation: Note and file the quarterly report on Stadium Authority and Stadium Manager Meetings for the period of October 1, 2019 to December 31, 2019.

- 1.E 20-426** [Ad-Hoc Stadium Audit Committee Minutes \[Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium\]](#)

Recommendation: Approve the Ad-Hoc Stadium Audit Committee minutes of October 29, 2018.

- 1.F 20-399** [Status of Harvey M. Rose Associates Audit Recommendations \[Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium\]](#)

Recommendation: Note and file an update on the Status of the Harvey M. Rose Associates Audit Recommendations.

PUBLIC PRESENTATIONS

[This item is reserved for persons to address the Council or authorities on any matter not on the agenda that is within the subject matter jurisdiction of the City or Authorities. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The governing body, or staff, may briefly respond to statements made or questions posed, and appropriate body may request staff to report back at a subsequent meeting. Although not required, please submit to the City Clerk your name and subject matter on the speaker card available in the Council Chambers.]

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC HEARING/GENERAL BUSINESS

2. **20-91** [Action on the Santa Clara Stadium Authority Financial Status Report for Quarters Ending June 30, 2019 and September 30, 2019 and Related Budget Amendments \[Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium & Enhance Community Engagement and Transparency\]](#)

Recommendation: 1. Note and file the Santa Clara Stadium Authority Financial Status Reports for the Quarter Ending June 30, 2019 and Quarter Ending September 30, 2019.
2. Approve Budget Amendments to the 2019/20 Santa Clara Stadium Authority Budget.

3. **20-429** [Presentation on Proposed Santa Clara Stadium Authority Fiscal Year 2020/21 Budget, Stadium Operation and Maintenance Plan, and 2020 Marketing Plan \[Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium & Enhance Community Engagement and Transparency\]](#)

Recommendation: Note and file Staff Presentation on the Proposed Santa Clara Stadium Authority Fiscal Year 2020/21 Budget, Stadium Operation and Maintenance Plan, and 2020 Marketing Plan.

4. **20-47** [Action on the Proposed Santa Clara Stadium Authority Fiscal Year 2020/21 Budget, Stadium Operation and Maintenance Plan, and 2020 Marketing Plan \[Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium\] \(Not to be heard prior to 6:00 PM\)](#)

Recommendation: Staff recommends Alternatives 1, 3, 4, and 5:
1. Adopt the Santa Clara Stadium Authority Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget, including funding Shared Stadium Manager Expenses at \$3,045,000 and a Legal Contingency at \$9,231,000;
3. Direction to staff to return on March 31, 2020 with the Stadium Operations Management Plan (SOMP);
4. Approve the revised Stadium Authority Budget Policy; and,
5. Take No Action on the 2020 Marketing Plan

REPORTS OF MEMBERS AND SPECIAL COMMITTEES

CITY MANAGER/EXECUTIVE DIRECTOR REPORT

ADJOURNMENT

The next regular scheduled Stadium Authority meeting is on Tuesday evening, May 12, 2020 in the City Hall Council Chambers.

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

AB23 ANNOUNCEMENT: Members of the Santa Clara Stadium Authority, Sports and Open Space Authority and Housing Authority are entitled to receive \$30 for each attended meeting.

Note: The City Council and its associated Authorities meet as separate agencies but in a concurrent manner. Actions taken should be considered actions of only the identified policy body.

LEGEND: City Council (CC); Stadium Authority (SA); Sports and Open Space Authority (SOSA); Housing Authority (HA); Successor Agency to the City of Santa Clara Redevelopment Agency (SARDA)

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."



Agenda Report

20-1206

Agenda Date: 3/24/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Action on Bills and Claims for the months of October 2019 through January 2020 [Board Pillar: Enhance Community Engagement and Transparency]

BACKGROUND

Disbursements made by the Stadium Authority are based on invoices submitted for payment. Prior to payment, staff reviews all disbursement documents to ensure that they are in compliance with the goods or services provided.

The Bills and Claims listing represents the cash disbursements required of normal and usual operations during the period. Budget control is set by the Stadium Authority Board through the budget adoption process.

DISCUSSION

On April 30, the Stadium Authority Board directed staff to stop payment of any Stadium Authority invoices for services unless there is substantial documentation of services rendered, which must also be in compliance with State law and City Code. The May invoice was processed for payment prior to that direction. Since April 30, staff received direction to pay Stadium Authority invoices related to SBL sales and services, insurance, and utilities.

Significant expenses in October 2019 include:

- Payment to Stadium Funding Trust in the amount of \$6,437,856 for six months of interest on the Term A fixed rate debt.
- Payment to Forty Niners SC Stadium Co. (StadCo) of \$951,360 for the Community Facilities District (CFD) Advance (StadCo loaned the Stadium Authority \$35 million which is to be repaid solely by CFD hotel taxes).
- Payments totaling \$853,097 to the City of Santa Clara for the following:
 - \$105,181 for reimbursement of General and Administrative (G&A) City staff time (e.g.: City Manager's Office, City Attorney's Office, and Finance Department)
 - \$725,320 for reimbursement of City staff time for the CFP
 - \$22,596 for the Senior and Youth Fees collected (\$0.35 per ticket) for one National Football League (NFL) game.
- Payment of \$104,000 to KPMG LLP for FY 2018/19 Audit Services

Significant expenses in November 2019 include:

- Payment of \$493,000 to Forty Niners Stadium Management Company, LLC (Stadium Manager) for stadium operations costs for SBL sales and services and insurance.
- Payments totaling \$117,637 to the City of Santa Clara for the following:
 - \$70,511 for reimbursement of General and Administrative (G&A) City staff time (e.g.: City Manager's Office, City Attorney's Office, and Finance Department)
 - \$47,126 for the Senior and Youth Fees collected (\$0.35 per ticket) for two National Football League (NFL) games.

Significant expenses in December 2019 include:

- Payments totaling \$1,724,486 to Forty Niners Stadium Management Company, LLC (Stadium Manager) for stadium operations costs for SBL sales and services, insurance.
 - \$766,000 to Forty Niners Stadium Management Company, LLC (Stadium Manager) for stadium operations costs for SBL sales and services and insurance for December 2019 and January 2020.
 - \$958,486 for the Community Facilities District (CFD) Advance (StadCo loaned the Stadium Authority \$35 million which is to be repaid solely by CFD hotel taxes).
- Payments totaling \$111,824 to the City of Santa Clara for the following:
 - \$39,539 for reimbursement of General and Administrative (G&A) City staff time (e.g.: City Manager's Office, City Attorney's Office, and Finance Department)
 - \$72,285 for the Senior and Youth Fees collected (\$0.35 per ticket) for three National Football League (NFL) games.

Significant expenses in January 2020 include:

- Payment of \$612,000 to Forty Niners Stadium Management Company, LLC (Stadium Manager) for stadium operations costs for SBL sales and services, insurance, and utilities.
- Payments totaling \$61,213 to the City of Santa Clara for the following:
 - \$24,414 for reimbursement of General and Administrative (G&A) City staff time (e.g.: City Manager's Office, City Attorney's Office, and Finance Department)
 - \$36,799 for the payment of special liability claims related to Levi's Stadium.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

There is a \$11,508,066 fiscal impact to the Stadium Authority.

COORDINATION

This report has been coordinated with the Stadium Authority Counsel's Office.

PUBLIC CONTACT

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RECOMMENDATION

Approve the list of Bills and Claims for October 2019 through January 2020.

Reviewed by: Kenn Lee, Treasurer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. October 2019 SCSA Bills and Claims
2. November 2019 SCSA Bills and Claims
3. December 2019 SCSA Bills and Claims
4. January 2020 SCSA Bills and Claims

Santa Clara Stadium Authority

Bills and Claims Expenses Paid by Wire Transfer For the Month of October 2019

Payment Date	Vendor	Invoice No.	Description	Fund	Amount
10/1/19	Stadium Funding Trust	NA	Term A Loan Payment - Interest	Debt Service	\$ 6,437,856.11
10/1/19	360 TOTAL CONCEPT CONSULTING	SCSA091819	Retainer for Monitoring Servcs	Operating	10,000.00
10/3/19	KPMG LLP	8002687889	FY 2018-19 Audit	Operating	104,000.00
10/9/19	Forty Niners Stadium Management Co, LLC	N/A	CFD Advance payment - Interest	Debt Service	\$ 533,875.82
10/9/19	Forty Niners Stadium Management Co, LLC	N/A	CFD Advance payment - Principal	Debt Service	417,484.31
			Forty Niners Stadium Management Co, LLC Subtotal		951,360.13
10/15/19	Bank of America	N/A	Sep 2019 bank fees acct 0444	Operating	\$ 197.45
10/15/19	Bank of America	N/A	Sep 2019 bank fees acct 0425	Operating	18.18
			Bank of America Subtotal		215.63
10/4/19	City of Santa Clara	N/A	B1919 SCSA Admin PR Costs	Operating	\$ 30,245.38
10/7/19	City of Santa Clara	87303-A	CSC Inv. 87303A - CFP	Operating	724,392.42
10/7/19	City of Santa Clara	88417	CSC Inv 88417	Operating	927.16
10/15/19	City of Santa Clara	N/A	B1920 SCSA Admin PR Costs	Operating	49,312.51
10/18/19	City of Santa Clara	N/A	Senior and Youth Fee NFL Game 3	Operating	22,596.35
10/25/19	City of Santa Clara	N/A	B1921 SCSA Admin PR Costs	Operating	25,623.42
			City of Santa Clara Subtotal		853,097.24
October 2019 Total					\$ 8,356,529.11

Santa Clara Stadium Authority

Bills and Claims Expenses Paid by Wire Transfer For the Month of November 2019

Payment Date	Vendor	Invoice No.	Description	Fund	Amount	
11/7/19	Wilson Ihrig & Assoc Inc	16125N25	Aug 2019 Noise Monitoring	Operating	\$ 3,931.00	
11/7/19	Wilson Ihrig & Assoc Inc	16125N26	Sep 2019 Noise Monitoring	Operating	<u>3,931.00</u>	
			Wilson Ihrig & Assoc Inc Subtotal			\$ 7,862.00
11/4/19	Forty Niners Stadium Management Co, LLC	SLS-101619-A	Nov 19 Std Mgr - Insurance	Operating	\$ 78,000.00	
11/4/19	Forty Niners Stadium Management Co, LLC	SLS-101619-A	Nov 19 Std Mgr - SBL Sales	Operating	<u>415,000.00</u>	
			Forty Niners Stadium Management Co, LLC Subtotal			493,000.00
11/15/19	Bank of America	N/A	Oct 2019 bank fees acct 0444	Operating	\$ 197.45	
11/15/19	Bank of America	N/A	Oct 2019 bank fees acct 0425	Operating	18.18	
11/15/19	Bank of America	N/A	Oct 2019 bank fees acct 6280	Operating	<u>16.23</u>	
			Bank of America Subtotal			231.86
11/8/19	City of Santa Clara	N/A	B1922 SCSA Admin PR Costs	Operating	\$ 25,494.99	
11/21/19	City of Santa Clara	N/A	B1923 SCSA Admin PR Costs	Operating	45,016.28	
11/21/19	City of Santa Clara	N/A	Senior Youth Fee NFL Game 4	Operating	23,761.50	
11/21/19	City of Santa Clara	N/A	Senior Youth Fee NFL Game 5	Operating	<u>23,364.25</u>	
			City of Santa Clara Subtotal			<u>117,637.02</u>
November 2019 Total						<u><u>\$ 618,730.88</u></u>

Santa Clara Stadium Authority

**Bills and Claims
Expenses Paid by Wire Transfer
For the Month of December 2019**

Payment Date	Vendor	Invoice No.	Description	Fund	Amount
12/3/19	Forty Niners Stadium Management Co, LLC	SLS-111219-A	Dec 19 Std Mgr - Insurance	Operating	\$ 78,000.00
12/3/19	Forty Niners Stadium Management Co, LLC	SLS-111219-A	Dec 19 Std Mgr - SBL Sales	Operating	415,000.00
12/19/19	Forty Niners Stadium Management Co, LLC	NA	CFD Advance payment - Interest	Debt Service	333,785.84
12/19/19	Forty Niners Stadium Management Co, LLC	NA	CFD Advance payment - Principal	Debt Service	624,699.84
12/23/19	Forty Niners Stadium Management Co, LLC	SLS-121619-A	Jan 20 Std Mgr - Insurance	Operating	78,000.00
12/23/19	Forty Niners Stadium Management Co, LLC	SLS-121619-A	Jan 20 Std Mgr - SBL Sales	Operating	195,000.00
			Forty Niners Stadium Management Co, LLC Subtotal		<u>\$ 1,724,485.68</u>
12/16/19	Bank of America	N/A	Nov 2019 bank fees acct 0444	Operating	\$ 197.45
12/16/19	Bank of America	N/A	Nov 2019 bank fees acct 0425	Operating	18.18
12/16/19	Bank of America	N/A	Nov 2019 bank fees acct 6280	Operating	0.48
			Bank of America Subtotal		<u>216.11</u>
12/10/19	City of Santa Clara	N/A	Senior and Youth Fee NFL Game 6	Operating	\$ 24,264.10
12/10/19	City of Santa Clara	N/A	Senior and Youth Fee NFL Game 7	Operating	23,702.70
12/10/19	City of Santa Clara	N/A	Senior and Youth Fee NFL Game 8	Operating	24,318.35
12/20/19	City of Santa Clara	N/A	B1924 SCSA Admin PR Costs	Operating	39,539.16
			City of Santa Clara Subtotal		<u>111,824.31</u>
			December 2019 Total		<u>\$ 1,836,526.10</u>

Santa Clara Stadium Authority

**Bills and Claims
Expenses Paid by Wire Transfer
For the Month of January 2020**

Payment Date	Vendor	Invoice No.	Description	Fund	Amount
1/7/20	Wilson Ihrig & Assoc Inc	16125N27	Oct 2019 Noise Monitoring	Operating	\$ 3,920.00
1/7/20	Wilson Ihrig & Assoc Inc	16125N28	Nov 2019 Noise Monitoring	Operating	3,931.00
			Wilson Ihrig & Assoc Inc Subtotal		\$ 7,851.00
1/10/20	Double Nickel Advisors LLC	522	Initial Research & Assessment	Operating	15,000.00
1/15/20	Bank of America	N/A	Dec 2019 bank fees acct 0444	Operating	\$ 197.45
1/15/20	Bank of America	N/A	Dec 2019 bank fees acct 0425	Operating	18.18
			Bank of America Subtotal		215.63
1/23/20	Forty Niners Stadium Management Co, LLC	SLS-011520-A	Feb 20 Std Mgr - Utilities	Operating	\$ 258,000.00
1/23/20	Forty Niners Stadium Management Co, LLC	SLS-011520-A	Feb 20 Std Mgr - Insurance	Operating	47,000.00
1/23/20	Forty Niners Stadium Management Co, LLC	SLS-011520-A	Feb 20 Std Mgr - SBL Sales	Operating	307,000.00
			Forty Niners Stadium Management Co, LLC Subtotal		612,000.00
1/21/20	City of Santa Clara	N/A	B1925 SCSA Admin PR Costs	Operating	\$ 24,413.51
1/27/20	City of Santa Clara	88918	CSC Inv. 88918-Spec Liab Claim	Operating	8,091.01
1/28/20	City of Santa Clara	88581	CSC Inv. 88581-Spec Liab Claim	Operating	28,708.38
			City of Santa Clara Subtotal		61,212.90
			January 2020 Total		\$ 696,279.53



Agenda Report

20-259

Agenda Date: 3/24/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Acceptance of the Stadium Authority Fiscal Year 2019/20 Contracts per Santa Clara City Code Chapter 17.30 Stadium Authority Procurement Policy [Board Pillar: Enhance Compliance with J and Manage Levi's Stadium]

BACKGROUND

Santa Clara City Code (Code) Chapter 17.30 Stadium Authority Procurement Policy formalizes the policies and procedures with respect to procurement for the Stadium Authority, with the intent to: (1) Establish efficient, equitable and effective procedures for the procurement activities of the Stadium Authority; (2) Ensure the integrity and equity in the procurement activities of the Stadium Authority and provide safeguards for the impartial application of the procurement policies; and, (3) Enable the Stadium Authority to operate and maintain equipment and facilities responsibly and to complete projects on time and on budget.

The Code applies to all purchases and contracts for supplies, goods, materials, and equipment by and on behalf of the Stadium Authority and establishes the Executive Director as the purchasing officer of the Stadium Authority.

Under Code 17.30.160(b), the Executive Director shall prepare, and submit to the Stadium Authority Board a report at the end of the fiscal year summarizing the total number of contracts let, the number of contracts approved under an exception, the number of contracts approved under best value procedures and the number of contracts approved under formal bidding procedures, and to the extent possible listing information related to application and outreach efforts conducted to implement the Disadvantaged Business Enterprise (DBE) program.

Through the Stadium Management Agreement (Management Agreement), the Stadium Authority has engaged the Forty Niners Stadium Management Company LLC (Stadium Manager) to provide management services for the Stadium, including overseeing the day-to-day operations and maintenance of the Stadium as well as the marketing and booking of Non-NFL Events.

The First Amendment to the Management Agreement provides the Stadium Manager with the full authority and discretion to select the providers, and to negotiate, approve, enter into and administer contracts with such providers on behalf of the Stadium Authority, for the purchase of supplies, materials and equipment, and for services, relating to the Stadium and its operations, as and to the extent the Executive Director has authority to enter into such Stadium Procurement Contracts pursuant to Sections 17.30.010 through 17.30.180 of the Santa Clara City Code.

On September 17, 2019, the Stadium Authority Board (Board) approved the introduction of Ordinance No. 2005, which would rescind the Executive Director's blanket delegation by amending

Chapter 17.30, Stadium Authority Procurement Policy. On October 8, 2019, the Board adopted Ordinance No. 2005, which became effective on November 8, 2019. As of November 8, 2019, all contracts and agreements to acquire services, supplies, materials, and equipment require approval of the Stadium Authority Board.

DISCUSSION

The Stadium Authority staff entered into 17 contracts during Fiscal Year (FY) 2019/20. Eight were awarded under the Stadium Authority Counsel authority to contract for legal services, which are exempt from competitive bidding per Code 17.30.110(d). Table 1 summarizes the contract activity and, as part of this report, there is no information to report related to application and outreach efforts conducted to implement the DBE program:

Table 1: Stadium Authority Board/Staff Contract Activity for FY 2019/20

Contract Award Authority	Qty	Contracted Service
State law and Santa Clara City Code Section 17.30.110(d) - Exclusion of Contracts from Procurement Policies and Procedures	8	Contracts for legal services
Santa Clara Code Section 17.30.120 Service Contracts - Signature Authority prior to Ordinance No. 2005 becoming effective	1	Public Affairs and Media Relations Contract Amendment (Singer Associates) to extend the term
Santa Clara Code Sections 2.105.330 (e) (1) General Service - Contracting Procedures Exceptions and 17.30.120 Service Contracts - Signature Authority prior to Ordinance No. 2005 becoming effective	3	• Annual Financial Audit (KPMG) • Non-NFL Events, Construction Fund, and Procurement Audits Contract Amendment (HSNO) to extend the term, add funding, and expand the scope of services • Assignment Agreement for HSNO Services (J.S. HELD)
Authorized by Stadium Authority Board on December 17, 2019 for the 2019 Redbox Bowl	5	• Game Official Services Agreement Approval • Banquet Order (Grand Hyatt) • Football Replay (DVSport) • Practice Facility (Laney College) • Practice Facility (City College of San Francisco)

Specifically, the Executive Director executed four agreements prior to the revocation of her delegated authority as discussed above:

- An amendment to extend the term of an agreement that was competitively bid and awarded in FY 2017/18 under the Executive Director's signature authority per Code 17.30.120.
- An amendment to extend the term, add additional funding, and expand the scope of services for an agreement for specialized services from licensed professionals that was originally executed in FY 2018/19 and awarded under Santa Clara Code Sections 2.105.330 (e) (1) and 17.30.120 (a).
- Two new agreements were for specialized services from licensed professionals that were awarded under Santa Clara Code Sections 2.105.330 (e) (1) and 17.30.120 (a).

Stadium Manager Activity

As reflected in Table 1, once Ordinance No. 2005 became effective on November 8, 2019, the Stadium Manager has only requested the Board's approval for one set of agreements to acquire

services, supplies, materials, and equipment to support the Redbox Bowl event held on December 30, 2019. On December 17, 2019, the Board authorized the Executive Director to execute agreements if the Stadium Manager provided proper proof that the procurements were free of any conflict of interest. The Executive Director executed five agreements for the Redbox Bowl.

The Stadium Manager has executed a much larger number of agreements in relation to the Stadium and its operations. Attachment 1 is a list of 45 agreements that the Stadium Manager submitted in December 2019. The agreements were executed by the Stadium Manager for services, supplies, materials and equipment. At the time of writing this report, the Stadium Manager has provided copies of 43 agreements out of the 45, along with some backup documentation demonstrating if and how the agreement was competitively solicited.

Staff reviewed the agreements and prepared a table that summarizes the agreements and their compliance with public sector best practices procurement procedures (Attachment 2). Key findings include:

- Most of the agreements appear to have followed a competitive process or leveraged a cooperative agreement. *Note: However, most of the agreements that were competitively bid had processes that were rushed with less than ten days to respond. This is a short period of time for vendors to respond to multi-year agreements totaling hundreds of thousands of dollars of the life of the agreement.*
- Most of the agreements include termination for non-funding language; however, all the agreements have either multi-year terms or no end date, and most (28 out of 43) have total maximum compensation amounts that are equal to or greater than \$400,000. *Note: Multi-year contracts exceeding \$250,000 should have been presented to the Board for approval.*
- Many agreements have at least one signature that is missing a date, which makes it unclear whether they were executed prior to the revocation of the Executive Director's delegated authority. *Note: Concern is raised about why the agreements were not provided immediately following November 8. Rather, agreements from the Stadium Manager have trickled in over the past months at a slow pace (2 or 3 per week). If they were executed by November 8, it is reasonable for the Stadium Authority to expect for them to come in all at once upon execution. It is unknown why the Stadium Manager has not been able to provide them all at once if they were all executed before November 8.*
- There were several agreements that had no maximum compensation amount and/or no end date.
- At least five agreements have effective dates that fall within the next fiscal year, which may be problematic if funding is not secured through the budget process.

Prior to the Board's action to rescind procurement action, the Santa Clara City Code, Section 17.30 provided provisions for procurement practices and policy. Listed below are key provisions that staff used to review the Stadium Manager's procurement authority prior to the November 8 Board action:

Any of the Executive Director's authority may be delegated to contractors with the Stadium Authority; **provided, that the contract delegating such authority is approved by the Stadium Authority Board and the procurement performed by the contractor is within the limits of a budget approved by the Stadium Authority Board for the year in which the contract is awarded.** [Section 17.30.010]

(a) **"Contract amount"** means the value of the entire contract, including any option. With respect to

contracts for materials and supplies, the contract amount includes the costs of the materials and supplies as well as any installation and servicing costs including in the acquisition of the materials and supplies. **In determining the contract amount, (1) multiple contracts with a single vendor for similar materials and supplies shall be considered a single contract, and (2) in the case of multi-year contracts covering years for which a budget has not yet been adopted shall not include amounts due in subsequent years that are conditioned on approval of the appropriate year's budget.** [Section 17.30.20]

(b) **The contract amount** involved is less than two hundred fifty thousand dollars (\$250,000.00) for supplies, goods and equipment **if said expenditure has been included in the Stadium Authority's approved annual budget;** [Section 17.30.50]

The Executive Director shall conduct all purchasing procedures for acquisition of supplies, materials, and equipment for users as authorized by the Stadium Authority by adoption of the annual budget. **No award of contract shall be made for a cost in excess of the authorized budget** amount through the Executive Director **without first obtaining approval of the Stadium Authority Board for a budget amendment by addition, cancellation, or transfer; provided, however, that the foregoing shall not preclude award of multi-year contracts covering years for which a budget has not yet been adopted so long as the contract is within the limits of a budget approved by the Stadium Authority Board for the year in which the contract is awarded and subsequent years are conditioned on approval of the appropriate year's budget.** [Section 17.30.100] The Code that the Stadium Manager relied upon to execute contracts prior to November 8 is clear that there are restrictions on contract amounts (less than \$250,000) and that multi-year contracts require Board action. The Stadium Manager has included the following termination for non-funding language in many of the agreements: "The term of this Agreement (the 'Term') shall begin on the Effective Date and terminate on X date, provided however, if this Agreement extends beyond a single fiscal year, the Term for subsequent fiscal years shall be conditioned upon approval of the Authority budget for the applicable fiscal year that includes the amounts due under this Agreement." However, given that this provision should have been included and the multi-year agreement should have been presented to the Board based on the above provisions.

The Table in Attachment 2 includes a column that notates which budget expense category the agreement would fall under in the Stadium Authority FY 2019/20 Budget. The Stadium Manager does not provide line item requests when submitting their budget proposal, so staff could only review the agreements against the broad budget expense descriptions on pages 33-34 of the FY 2019/20 Budget when determining the appropriate category. While it is unclear whether the Stadium Manager exceeded the specific budget amounts for some FY 2019/20 categories (e.g. Outside Services, General Supplies and Equipment) because some agreements could fall under more than one category, it is clear that the Stadium Manager exceeded the fiscal year budget amounts for others (e.g. Uniform and Other Costs), for example, Stadium Manager:

- Executed a contract for uniforms (Item #22 on Attachments 1 and 2) that had a total compensation amount of \$600,000, when the total budget amount for this fiscal year for the category was \$190,748.
- Executed four agreements that together totaled \$265,284 for advertising services, which falls under the "Other Costs" category. The total budget amount for Other Costs in FY 2019/20 is \$231,002. The Outside Services, General Supplies, Equipment, Uniform and Other Costs are part of Shared Stadium Expenses.

In a letter dated January 29, 2020, the Executive Director sent the Stadium Manager a letter expressing concern regarding the review of agreements and how they would be considered invalid (Attachment 3). **At the time of writing this report, the Stadium Manager has not provided a**

response to these findings and concerns.

It is unclear whether the Stadium Manager has any additional agreements to report for FY 2019/20. On February 19, 2020, Stadium Authority staff emailed the Stadium Manager to provide information for all procurement activity conducted in FY 2019/20 from April 1, 2019 through November 8, 2019 (effective date of Ordinance No. 2005) as required by the Stadium Authority Procurement Policy, Santa Clara City Code Chapter 17.30. **At the time of writing this report, the Stadium Manager has not provided a response.**

The Board has not received the report referenced above as required by Code 17.30.160(b) for Stadium Authority fiscal years 2014/15 through 2017/18 from the Stadium Manager regarding their contract activity.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There is no cost to the Stadium Authority to prepare this report other than administrative staff time and expense.

COORDINATION

This report has been coordinated with the City’s Finance Department and the Stadium Authority Counsel.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Accept the Stadium Authority’s Fiscal Year 2019/20 Contracts per Santa Clara City Code Chapter 17.30 Stadium Authority Procurement Policy.

Prepared by: Christine Jung, Acting Assistant to the City Manager (Executive Director)

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. List of Agreements Executed Prior to November 8, 2019 Submitted by the Stadium Manager
2. Table of Agreements
3. Letter to Stadium Manager Regarding Executed Agreements

Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY
1	10001	Advanced Integrated Pest Management	Pest control services	4/1/20	3/31/23	\$100,000
2	10002	Gachina Landscape Management	Landscape services	8/1/20	3/31/23	\$100,000
3	10003	Waxie's Enterprises, Inc.	Janitorial supplies	11/1/19	3/31/23	\$100,000
4	10004	Red Hawk Fire & Security, LLC	Fire sprinkler inspection & testing	11/1/19	3/31/23	\$100,000
5	10005	Valley Oil Company	Fuel and related services	11/1/19	No end date	\$100,000
6	10006	Assured Aggregate Company, Inc.	Topdressing sand	11/1/19	3/31/23	\$100,000
7	10007	Sustainable Turf Science, Inc.	Liquid fertilizer	11/1/19	3/31/23	\$100,000
8	10008	West Coast Turf	Seed	11/1/19	3/31/23	\$100,000
9	10009	World Class Athletic Surfaces, Inc.	Field paint and stencils	11/1/19	3/31/23	\$100,000
10	10010	Sierra Pacific Turf Supply, Inc.	Granular fertilizer	11/1/19	3/31/23	\$100,000
11	10011	Garratt Callahan Company	Water treatment and related services	8/1/20	3/31/23	\$100,000
12	10012	West Coast Turf	Sod supply and installation services	4/1/20	3/31/23	\$240,000
13	10013	Colony Landscape & Maintenance, Inc.	Sod removal services	4/1/20	3/31/23	\$150,000
14	10014	ICS Integrated Communication Systems	Fire alarm testing, inspection & maintenance services	11/1/19	3/31/23	\$100,000
15	10016	Turf Equipment Services, Inc.	Onsite reel sharpening services	11/1/19	3/31/23	\$100,000
16	10017	Herc Rentals Inc.	Light tower equipment rental	11/1/19	3/31/23	\$100,000
17	10018	Ferrellgas, Inc.	Propane	11/1/19	3/31/23	\$100,000
18	10019	United Rentals, Inc.	Big lift to lighting and electrical equipment rental	11/1/19	3/31/23	\$100,000
19	10020	Healthright 360 (Rock Med)	Daily medical services	11/1/19	3/31/23	\$100,000
20	10021	Advance Stores Company, Inc. & Affiliates	Automobile parts and supplies	11/1/19	10/31/22	\$100,000
21	10022	Midwest Motor Supply Company	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
22	10023	ServiceWare Apparel, Inc.	Uniforms and promotional items	11/1/19	10/31/22	\$100,000
23	10024	Fastenal Company	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
24	10025	AutoZone, Inc.	Automobile parts and supplies	11/1/19	10/31/22	\$100,000
25	10026	Grainger Industrial Supply	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
26	10027	Home Depot U.S.A., Inc.	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
26a	10027	THD Pro Institutional (Home Depot)	Janitorial supplies	11/1/19	10/31/22	\$100,000
27	10028	Amazon.com, LLC	Office supplies & office equipment	11/1/19	10/31/22	\$100,000
28	10029	Trowbridge Enterprises	Office supplies & office equipment	11/1/19	10/31/22	\$100,000
29	10030	CDW Government, LLC	IT - hardware, software, peripherals	11/1/19	10/31/22	\$100,000
30	Online Signup	B&H Foto (R160901)	IT - audio visual products	11/1/19	10/31/22	\$100,000
31	Online Signup	Omnia Partners Agreement	Agreement # is 5296559	10/22/19	No end date	Not applicable
32	10031	Comcast Cable Communications Management, LLC	Internet Protocol Television Services	11/7/19	11/6/24	\$100,000
33	10032	CAL VET DVBE Construction Services Inc.	PCMS boards, cones and signage	11/1/19	3/31/22	\$100,000
34	10033	Kellycore, Inc., DBA Sammco	Production crew services	11/1/19	3/31/22	\$100,000
35	10034	Made in the Shade Tent Rental, Inc.	Tent rentals	11/1/19	3/31/22	\$100,000
36	10035	United Site Services of California, Inc.	Temporary fencing & portable toilets	11/1/19	3/31/22	\$100,000
37	10036	Golden State Communications Inc.	Radios and communications support	11/1/19	3/31/22	\$100,000
38	10037	Unique Towing, Inc.	Towing services	11/1/19	3/31/22	\$100,000
39	10038	Whiting & Co. Entertainment	Emergency evacuation video	11/1/19	3/31/22	\$100,000
40	10039	Healthright 360 (Rock Med)	Event medical services	11/1/19	3/31/22	\$100,000
41	10040	Blue Digital	Advertising services	11/7/19	No end date	\$90,000
42	10041	Blue Digital	Advertising services	11/7/19	No end date	\$75,000
43	10042	Baker Street	Advertising services	11/7/19	No end date	\$50,824
44	10043	Baker Street	Advertising services	11/7/19	No end date	\$50,000

Information Submitted by ManCo							Information Reviewed by Stadium Authority Staff								
Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY	Contract Provided	Competitively Bid?	Multi-year Agreement	Total Contract Amount	Budget Expense Category	Signatures Pre-dates 11/8/2019	Agreement is Effective as of Current FY	Agreement Includes Termination for Non-funding Language	Notes
1	10001	Advanced Integrated Pest Management	Pest control services	4/1/20	3/31/23	\$100,000	X	X	X	Unknown	Outside services			X	Agreement does not include maximum compensation amount; agreement was executed for next fiscal year; and at least one signature is not dated
2	10002	Gachina Landscape Management	Landscape services	8/1/20	3/31/23	\$100,000	X	X	X	Unknown	Outside services			X	Agreement does not include maximum compensation amount; agreement was executed for next fiscal year; and at least one signature is not dated
3	10003	Waxie's Enterprises, Inc.	Janitorial supplies	11/1/19	3/31/23	\$100,000	X	X	X	\$800,000	General supplies	X	X	X	
4	10004	Red Hawk Fire & Security, LLC	Fire sprinkler inspection & testing	11/1/19	3/31/23	\$100,000	X	X	X	\$800,000	Outside services		X	X	Signature(s) not dated
5	10005	Valley Oil Company	Fuel and related services	11/1/19	No end date	\$100,000	X	X	X	Unknown	Outside services and General supplies	X	X	X	Agreement does not include maximum compensation amount
6	10006	Assured Aggregate Company, Inc.	Topdressing sand	11/1/19	3/31/23	\$100,000	X	X	X	\$400,000	General supplies	X	X	X	
7	10007	Sustainable Turf Science, Inc.	Liquid fertilizer	11/1/19	3/31/23	\$100,000	X	X	X	\$400,000	General supplies	X	X	X	
8	10008	West Coast Turf	Seed	11/1/19	3/31/23	\$100,000	X	X	X	\$400,000	General supplies	X	X		
9	10009	World Class Athletic Surfaces, Inc.	Field paint and stencils	11/1/19	3/31/23	\$100,000	X	X	X	\$800,000	General supplies	X	X	X	

*X = Contract Characteristics

Information Submitted by ManCo							Information Reviewed by Stadium Authority Staff								
Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY	Contract Provided	Competitively Bid?	Multi-year Agreement	Total Contract Amount	Budget Expense Category	Signatures Pre-dates 11/8/2019	Agreement is Effective as of Current FY	Agreement Includes Termination for Non-funding Language	Notes
10	10010	Sierra Pacific Turf Supply, Inc.	Granular fertilizer	11/1/19	3/31/23	\$100,000	X	X	X	\$400,000	General supplies	X	X	X	
11	10011	Garratt Callahan Company	Water treatment and related services	8/1/20	3/31/23	\$100,000	X	X	X	\$400,000	Outside services			X	Agreement was executed for next fiscal year; and at least one signature is not dated
12	10012	West Coast Turf	Sod supply and installation services	4/1/20	3/31/23	\$240,000	X	X	X	\$800,000	Outside services and General supplies			X	Agreement was executed for next fiscal year; and at least one signature is not dated
13	10013	Colony Landscape & Maintenance, Inc.	Sod removal services	4/1/20	3/31/23	\$150,000	X	X	X	\$500,000	Outside services			X	Agreement was executed for next fiscal year; and at least one signature is not dated
14	10014	ICS Integrated Communication Systems	Fire alarm testing, inspection & maintenance services	11/1/19	3/31/23	\$100,000	X	X	X	\$800,000	Outside services		X	X	At least one signature is not dated
15	10016	Turf Equipment Services, Inc.	Onsite reel sharpening services	11/1/19	3/31/23	\$100,000	X	X	X	\$400,000	Outside services	X	X	X	Agreement does not include maximum compensation amount
16	10017	Herc Rentals Inc.	Light tower equipment rental	11/1/19	3/31/23	\$100,000	X	X	X	\$400,000	Outside services	X	X	X	
17	10018	Ferrellgas, Inc.	Propane	11/1/19	3/31/23	\$100,000	X	X	X	\$400,000	General supplies	X	X	X	
18	10019	United Rentals, Inc.	Big lift to lighting and electrical equipment rental	11/1/19	3/31/23	\$100,000	X	X	X	\$800,000	Equipment	X	X	X	Basis of award was "best value" but no award criteria were established making the award appear arbitrary

*X = Contract Characteristics

Information Submitted by ManCo							Information Reviewed by Stadium Authority Staff								
Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY	Contract Provided	Competitively Bid?	Multi-year Agreement	Total Contract Amount	Budget Expense Category	Signatures Pre-dates 11/8/2019	Agreement is Effective as of Current FY	Agreement Includes Termination for Non-funding Language	Notes
19	10020	Healthright 360 (Rock Med)	Daily medical services	11/1/19	3/31/23	\$100,000	X	X	X	\$800,000	Outside services		X	X	Final selection was changed; unclear why third vendor's bid information was not provided; basis of award was "best value", but no award criteria were established making the award appear arbitrary; and signature(s) not dated
20	10021	Advance Stores Company, Inc. & Affiliates	Automobile parts and supplies	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	General supplies and Equipment	X	X	X	Agreement term end date provided by ManCo is incorrect – should be 3/31/22.
21	10022	Midwest Motor Supply Company	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	General supplies and Equipment	X	X	X	Agreement term end date provided by ManCo is incorrect – should be 3/31/22; award based on cooperative agreement that ends on 3/31/20; and PO Agreement term should not extend beyond cooperative term

*X = Contract Characteristics

Information Submitted by ManCo							Information Reviewed by Stadium Authority Staff								
Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY	Contract Provided	Competitively Bid?	Multi-year Agreement	Total Contract Amount	Budget Expense Category	Signatures Pre-dates 11/8/2019	Agreement is Effective as of Current FY	Agreement Includes Termination for Non-funding Language	Notes
22	10023	ServiceWare Apparel Inc.	Uniforms and promotional items	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	Uniforms	X	X	X	Agreement term end date provided by ManCo is incorrect – should be 3/31/22
23	10024	Fastenal Company	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	General supplies and Equipment	X	X	X	Agreement term end date provided by ManCo is incorrect – should be 3/31/22
24	10025	AutoZone, Inc.	Automobile parts and supplies	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	General supplies	X	X	X	Agreement term end date provided by ManCo is incorrect – should be 3/31/22; award based on cooperative agreement that ends on 4/30/21, however PO term ends on 3/31/22; and agreement term should not extend beyond cooperative term.
25	10026	Grainger Industrial Supply	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	General supplies and Equipment	X	X	X	Agreement term end date provided by ManCo is incorrect – should be 3/31/22.

*X = Contract Characteristics

Information Submitted by ManCo							Information Reviewed by Stadium Authority Staff								
Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY	Contract Provided	Competitively Bid?	Multi-year Agreement	Total Contract Amount	Budget Expense Category	Signatures Pre-dates 11/8/2019	Agreement is Effective as of Current FY	Agreement Includes Termination for Non-funding Language	Notes
26	10027	Home Depot U.S.A., Inc.	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	General supplies and Equipment	X	X	X	Agreement term end date provided by ManCo is incorrect – should be 3/31/22.
26a	10027	THD Pro Institutional (Home Depot)	Janitorial supplies	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	General supplies	X	X	X	
27	10028	Amazon.com, LLC	Office supplies & office equipment	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	General supplies and Equipment		X	X	Missing vendor signature; agreement term end date provided by ManCo is incorrect – should be 3/31/22; and PO terms extends beyond existing cooperative agreement term. However, there are options to renew that are available on the cooperative.

*X = Contract Characteristics

Information Submitted by ManCo							Information Reviewed by Stadium Authority Staff								
Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY	Contract Provided	Competitively Bid?	Multi-year Agreement	Total Contract Amount	Budget Expense Category	Signatures Pre-dates 11/8/2019	Agreement is Effective as of Current FY	Agreement Includes Termination for Non-funding Language	Notes
28	10029	Trowbridge Enterprises	Office supplies & office equipment	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	General supplies and Equipment	X	X	X	Agreement term end date provided by ManCo is incorrect – should be 3/31/22; and unable to locate pricing or discount schedule on the cooperative
29	10030	CDW Government, LLC	IT - hardware, software, peripherals	11/1/19	10/31/22	\$100,000	X	X	X	\$600,000	Equipment		X	X	Agreement term end date provided by ManCo is incorrect – should be 3/31/22; and missing vendor signature
30	Online Signup	B&H Foto (R160901)	IT - audio visual products	11/1/19	10/31/22	\$100,000					Equipment				No documents were provided
31	Online Signup	Omnia Partners Agreement	Agreement # is 5296559	10/22/19	No end date	Not applicable					Unknown				No documents were provided
32	10031	Comcast Cable Communications Management, LLC	Internet Protocol Television Services	11/7/19	11/6/24	\$100,000	X		X	Unknown	Telephone	X	X		Agreement does not include maximum compensation amount
33	10032	CAL VET DVBE Construction Services Inc.	PCMS boards, cones and signage	11/1/19	3/31/22	\$100,000	X		X	\$400,000	General Supplies	X	X	X	

*X = Contract Characteristics

Information Submitted by ManCo							Information Reviewed by Stadium Authority Staff								
Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY	Contract Provided	Competitively Bid?	Multi-year Agreement	Total Contract Amount	Budget Expense Category	Signatures Pre-dates 11/8/2019	Agreement is Effective as of Current FY	Agreement Includes Termination for Non-funding Language	Notes
34	10033	Kellycore, Inc., DBA Sammco	Production crew services	11/1/19	3/31/22	\$100,000	X		X	Unknown	Outside services		X	X	Agreement does not include maximum compensation amount; and at least one signature is not dated
35	10034	Made in the Shade Tent Rental, Inc.	Tent rentals	11/1/19	3/31/22	\$100,000	X		X	\$300,000	General supplies	X	X	X	
36	10035	United Site Services of California, Inc.	Temporary fencing & portable toilets	11/1/19	3/31/22	\$100,000	X		X	\$300,000	Outside services	X	X	X	
37	10036	Golden State Communications Inc.	Radios and communications support	11/1/19	3/31/22	\$100,000	X		X	\$300,000	Equipment	X	X	X	
38	10037	Unique Towing, Inc.	Towing services	11/1/19	3/31/22	\$100,000	X		X	\$300,000	Outside services	X	X	X	
39	10038	Whiting & Co. Entertainment	Emergency evacuation video	11/1/19	3/31/22	\$100,000	X		X	\$300,000	Equipment	X	X	X	
40	10039	Healthright 360 (Rock Med)	Event medical services	11/1/19	3/31/22	\$100,000	X		X	\$300,000	Outside services	X	X	X	
41	10040	Blue Digital	Advertising services	11/7/19	No end date	\$90,000	X		X	\$90,000	Other Costs		X		Signature(s) not dated; and it is unclear why there are two contracts with the same vendor for the same services
42	10041	Blue Digital	Advertising services	11/7/19	No end date	\$75,000	X		X	\$75,000	Other Costs		X		Signature(s) not dated; and it is unclear why there are two contracts with the same vendor for the same services

*X = Contract Characteristics

Information Submitted by ManCo							Information Reviewed by Stadium Authority Staff								
Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY	Contract Provided	Competitively Bid?	Multi-year Agreement	Total Contract Amount	Budget Expense Category	Signatures Pre-dates 11/8/2019	Agreement is Effective as of Current FY	Agreement Includes Termination for Non-funding Language	Notes
43	10042	Baker Street	Advertising services	11/7/19	No end date	\$50,824	X		X	\$50,284	Other Costs	X	X		Advertisement services are for 2019 Pac 12 Championship. It unclear why this service is being used months after the event.
44	10043	Baker Street	Advertising services	11/7/19	No end date	\$50,000	X		X	\$50,000	Other Costs	X	X		Advertisement services are for 2019 Redbox Bowl

*X = Contract Characteristics



January 29, 2020

Mr. Jim Mercurio, VP/General Manager
Forty Niners Stadium Management Company, LLC
4900 Marie P. De Bartolo Way
Santa Clara, California 95054

SUBJECT: Agreements Executed by ManCo Prior to November 8, 2019

Dear Mr. Mercurio:

The purpose of this letter is to advise the Forty Niners Stadium Management Company (ManCo) of the results of our initial review of the procurement matrix referenced in your email dated December 6, 2019 (Attachment 1). To date, the City has 19 out of the 44 agreements in the matrix.

We must advise you of the following serious defects:

Violations of Municipal Code Sections 17.30.010 and 17.30.070 -- Purchase orders and agreements issued for Project #s 10001, 10002, 10011, 10012 and 10013 total approximately \$700,000 in annual spend and all have agreement effective dates starting on April 1, 2020 or August 1, 2020. Funding for any agreements must be appropriated and approved by the Santa Clara Stadium Authority Board prior to signature. Section 17.30.010 of the City Code states:

The procurement performed by the contractor must be **within the limits of a budget approved by the Stadium Authority Board for the year in which the contract is awarded.**

Any of the Executive Director's authority may be delegated to contractors with the Stadium Authority; provided, that the contract delegating such authority is approved by the Stadium Authority Board and the procurement performed by the contractor is **within the limits of a budget approved by the Stadium Authority Board for the year** in which the contract is awarded.

Section 17.30.070 states:

The purchasing officer shall not issue any purchase order or award any contract for supplies, materials, or equipment **unless there exists an unencumbered appropriation in the proper account of the Stadium Authority** to which the purchase is to be charged.

RFQ Solicitation Period -- Request for quotation (RFQ) solicitation documents were solicited via email from three vendors. In most cases, there was a very short notice period where vendors had only three to ten days to respond. For multi-year agreements totaling hundreds of thousands of dollars for the Stadium Authority alone (not including the Forty Niners), this is too short of a notice period and may be the reason why less than three bids were received for several of the quotes. The use of an e-procurement tool may

MR. JIM MERCURIO, VP/GENERAL MANAGER

Re: Agreements Executed by ManCo prior to November 8, 2019

January 29, 2020

Page 2 of 2

increase bid exposure to the vendor community and is considered a best practice in obtaining full and open competition.

True Value of Agreements -- The aggregate value should be used when establishing bid thresholds for determining the proper bid process (formal, informal, etc.).

Absence of Dated Contracts -- Several of the contracts have no date of execution in the agreement. It is difficult to determine whether these agreements were executed prior to November 8, 2019. As the Stadium Authority has already advised the Stadium Manager not to create contracts after the fact to fit the timeline desired by ManCo.

Supporting Documentation -- Not all contracts have documentation that a competitive procurement was used. As directed by the Stadium Authority Board, ManCo is to submit all supporting documentation for the procurement of each contract, including statements that the contracts were executed free from conflict of interest.

Any contract that has been executed outside of the delegated authority will be invalidated and any request for payment of Stadium Authority funds will be rejected.

Sincerely,



Deanna J. Santana
Executive Director

CC: Santa Clara Stadium Authority Board
Brian Doyle, Stadium Authority Counsel

From: Mercurio, Jim
To: [Deanna Santana](#); [Ruth Shikada](#); [Catlin Ivanetich](#); [Christine Jung](#); [Brian Doyle](#)
Cc: [Compliance Manager](#); [Mercurio, Jim](#)
Subject: List of Executive Agreements SCSA Report 2019
Date: Friday, December 6, 2019 1:28:00 PM
Attachments: [List of Executed Agreements SCSA Report 2019.pdf](#)

Hi Deanna:

We are writing to provide formal notice that we have executed contracts prior to the November 8th effective date of the action taken by the City Council to remove your authority to execute contracts on behalf of the SCSA. A list of those agreements is attached to this email. The list contains agreements for goods and services at Levi's Stadium, participation in cooperative agreements, and Non-NFL Event service agreements. In each case, the agreements have a maximum cost threshold to the SCSA of less than \$250,000.00 in any fiscal year, in compliance with the Stadium Authority Procurement Policy effective at the time of their execution.

Of the contracts that were executed, five projects were for maintenance services at Levi's Stadium that required registration with the DIR. Those projects were registered on December 4, 2019.

As a courtesy, we have compiled the procurement materials, contracts, and other relevant documentation into PDF packets. Given the file size of the documentation, please provide us with your preferred method of delivery.

Should you have any questions, I am available to discuss at your convenience.

Thanks,

JIM

JIM MERCURIO

Executive Vice President & General Manager

Levi's Stadium

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

FAITHFUL THEN, FAITHFUL NOW

LevisStadium.com

Item	Project #	Supplier/Contractor	Commodity/Services	Agreement Effective Date	Agreement Term End Date	Maximum Charge to SCSA Per FY
1	10001	Advanced Integrated Pest Management	Pest control services	4/1/20	3/31/23	\$100,000
2	10002	Gachina Landscape Management	Landscape services	8/1/20	3/31/23	\$100,000
3	10003	Waxie's Enterprises, Inc.	Janitorial supplies	11/1/19	3/31/23	\$100,000
4	10004	Red Hawk Fire & Security, LLC	Fire sprinkler inspection & testing	11/1/19	3/31/23	\$100,000
5	10005	Valley Oil Company	Fuel and related services	11/1/19	No end date	\$100,000
6	10006	Assured Aggregate Company, Inc.	Topdressing sand	11/1/19	3/31/23	\$100,000
7	10007	Sustainable Turf Science, Inc.	Liquid fertilizer	11/1/19	3/31/23	\$100,000
8	10008	West Coast Turf	Seed	11/1/19	3/31/23	\$100,000
9	10009	World Class Athletic Surfaces, Inc.	Field paint and stencils	11/1/19	3/31/23	\$100,000
10	10010	Sierra Pacific Turf Supply, Inc.	Granular fertilizer	11/1/19	3/31/23	\$100,000
11	10011	Garratt Callahan Company	Water treatment and related services	8/1/20	3/31/23	\$100,000
12	10012	West Coast Turf	Sod supply and installation services	4/1/20	3/31/23	\$240,000
13	10013	Colony Landscape & Maintenance, Inc.	Sod removal services	4/1/20	3/31/23	\$150,000
14	10014	ICS Integrated Communication Systems	Fire alarm testing, inspection & maintenance services	11/1/19	3/31/23	\$100,000
15	10016	Turf Equipment Services, Inc.	Onsite reel sharpening services	11/1/19	3/31/23	\$100,000
16	10017	Herc Rentals Inc.	Light tower equipment rental	11/1/19	3/31/23	\$100,000
17	10018	Ferrellgas, Inc.	Propane	11/1/19	3/31/23	\$100,000
18	10019	United Rentals, Inc.	Big lift to lighting and electrical equipment rental	11/1/19	3/31/23	\$100,000
19	10020	Healthright 360 (Rock Med)	Daily medical services	11/1/19	3/31/23	\$100,000
20	10021	Advance Stores Company, Inc. & Affiliates	Automobile parts and supplies	11/1/19	10/31/22	\$100,000
21	10022	Midwest Motor Supply Company	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
22	10023	ServiceWare Apparel, Inc.	Uniforms and promotional items	11/1/19	10/31/22	\$100,000
23	10024	Fastenal Company	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
24	10025	AutoZone, Inc.	Automobile parts and supplies	11/1/19	10/31/22	\$100,000
25	10026	Grainger Industrial Supply	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
26	10027	Home Depot U.S.A., Inc.	Facilities - MRO Supplies & Equipment	11/1/19	10/31/22	\$100,000
26a	10027	THD Pro Institutional (Home Depot)	Janitorial supplies	11/1/19	10/31/22	\$100,000
27	10028	Amazon.com, LLC	Office supplies & office equipment	11/1/19	10/31/22	\$100,000
28	10029	Trowbridge Enterprises	Office supplies & office equipment	11/1/19	10/31/22	\$100,000
29	10030	CDW Government, LLC	IT - hardware, software, peripherals	11/1/19	10/31/22	\$100,000
30	Online Signup	B&H Foto (R160901)	IT - audio visual products	11/1/19	10/31/22	\$100,000
31	Online Signup	Omnia Partners Agreement	Agreement # is 5296559	10/22/19	No end date	Not applicable
32	10031	Comcast Cable Communications Management, LLC	Internet Protocol Television Services	11/7/19	11/6/24	\$100,000
33	10032	CAL VET DVBE Construction Services Inc.	PCMS boards, cones and signage	11/1/19	3/31/22	\$100,000
34	10033	Kellycore, Inc., DBA Sammco	Production crew services	11/1/19	3/31/22	\$100,000
35	10034	Made in the Shade Tent Rental, Inc.	Tent rentals	11/1/19	3/31/22	\$100,000
36	10035	United Site Services of California, Inc.	Temporary fencing & portable toilets	11/1/19	3/31/22	\$100,000
37	10036	Golden State Communications Inc.	Radios and communications support	11/1/19	3/31/22	\$100,000
38	10037	Unique Towing, Inc.	Towing services	11/1/19	3/31/22	\$100,000
39	10038	Whiting & Co. Entertainment	Emergency evacuation video	11/1/19	3/31/22	\$100,000
40	10039	Healthright 360 (Rock Med)	Event medical services	11/1/19	3/31/22	\$100,000
41	10040	Blue Digital	Advertising services	11/7/19	No end date	\$90,000
42	10041	Blue Digital	Advertising services	11/7/19	No end date	\$75,000
43	10042	Baker Street	Advertising services	11/7/19	No end date	\$50,824
44	10043	Baker Street	Advertising services	11/7/19	No end date	\$50,000



Agenda Report

20-271

Agenda Date: 3/24/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Action on Amendment No. 2 to the Agreement as Amended with J.S. Held LLC for Consulting Services for the Santa Clara Stadium Authority [Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium]

BACKGROUND

On September 20, 2018, the Stadium Authority (Authority) entered into an agreement with Hagen, Streiff, Newton, & Oshiro Accountants, P.C. (HSNO), to provide the Authority with litigation consulting services by performing a review of the financial statements and supporting documents provided by the San Francisco Forty-Niners and providing the Authority with a review and analysis of the financial statements. The agreement was amended on April 9, 2019, to update the scope of services, increase the contract amount, and extend term of agreement. On February 27, 2020, the City entered into a Consent to Assignment Agreement with J.S. Held LLC after the company acquired HSNO. J.S. Held LLC will continue to provide the services to the Authority under the Original Agreement as Amended with HSNO.

DISCUSSION

The Authority has engaged J.S. Held LLC to provide litigation consulting services and to perform an analysis of the Non-NFL Event Revenues and Expenses, the Construction Fund expense and cost allocation, and other stadium related business transactions or contracts identified by the Authority. The current contract with J.S. Held LLC has a total not-to-exceed amount of \$200,000 and terminates on December 31, 2020. The total year-to-date expenditures paid to J.S. Held LLC is \$ \$183,720. Staff is recommending Amendment No. 2 to extend the termination date to December 31, 2022 and increase the compensation by \$225,000 for a revised not-to-exceed amount of \$425,000. The additional funding is needed due to unanticipated costs incurred from delays in obtaining supporting documents. The consultant's work has been challenged by the effort necessary to obtain the necessary supporting documents and the expense analysis has been more complex than contemplated by the original contracted scope of work. Additionally, staff is also requesting that the consultant perform a more detailed analysis on each Non-NFL event rather than a high-level review of the event.

SCCC 17.30.110(d) permits this Amendment as a "contracts for professional services in connection with threatened or pending litigation."

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of a California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Furthermore, the action being considered

does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The proposed Amendment No. 2 to the Agreement for Services with J.S. Held will increase the not-to-exceed compensation by \$225,000 to a total of \$425,000. The appropriation is requested in the Fiscal Year 2020/21 Budget and is subject to the Stadium Board’s annual budget approval.

COORDINATION

This report has been coordinated with the Stadium Authority Counsel’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve and authorize the Executive Director to execute Amendment No. 2 to the Agreement with J.S. Held LLC for financial consulting services to extend the term of the agreement by two years ending December 31, 2022, and increase compensation by \$225,000 for a total maximum not-to-exceed amount of \$425,000, subject to budget approval.

Reviewed by: Kenn Lee, Treasurer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. Original Agreement with HSNO
2. Amendment No. 1 with HSNO
3. Assignment Agreement with J.S. Held LLC
4. Proposed Amendment No. 2 with J.S. Held LLC

**AMENDMENT NO. 1
TO THE AGREEMENT FOR SERVICES
BETWEEN THE
SANTA CLARA STADIUM AUTHORITY
AND
HAGEN, STREIFF, NEWTON, & OSHIRO ACCOUNTANTS, P.C.**

PREAMBLE

This agreement ("Amendment No. 1") is entered into between the Santa Clara Stadium Authority (Authority), a joint exercise of powers entity, created through Government Code sections 6500 *et seq.*, and Hagen, Streiff, Newton, & Oshiro Accountants, P.C., a California corporation, (Contractor). Authority and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "Agreement for Services between the Santa Clara Stadium Authority and Hagen, Streiff, Newton, & Oshiro Accountants, P.C., dated September 20, 2018 (the "Original Agreement"); and
- B. The Parties entered into the Original Agreement for the purpose of having Contractor provide litigation consultant and perform a review of the financial statements and supporting documents provided by the San Francisco Forty-Niners and provide the Authority with an identification of, and opinion on, the financial statements issues the Authority has, and the Parties now wish to amend the Original Agreement to extend the term of the Original Agreement to December 31, 2020 and increase the not to exceed amount by \$100,000 to \$200,000.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AMENDMENT TERMS AND CONDITIONS

That Section 2 of the Original Agreement, entitled "Term of Agreement" is hereby amended to read as follows:

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on the Effective Date of this Agreement and terminate on December 31, 2020.

That Section 6 of the Original Agreement, entitled "Compensation and Payment" is hereby amended to read as follows:

In consideration for Contractor's complete performance of Services, Authority shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." The maximum compensation of this Agreement is two hundred thousand dollars (\$200,000.00), subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

That Exhibit A of the Original Agreement, entitled, "Scope of Services" is hereby amended to read as follows:

The Services to be performed for the Authority by the Contractor under this Agreement are set forth below.

The scope of this engagement will be to act as a retained litigation consultant and perform an analysis of the Non-NFL Event Revenues and Expenses, the Construction Fund expense and cost allocation, other stadium related business transactions or contracts identified by the Authority, and supporting documents provided by the San Francisco Forty-Niners and the Santa Clara Stadium Authority and provide the Authority with an identification of, and opinion on, the financial statement issues the Authority has. At the Authority's request, Contractor will provide a written report covering procedures and findings. The Contractor's report, including schedules and attachments thereto, as well as any working paper documentation of any kind created as a result of Contractor's provision of Services, shall not be used or distributed for any other purpose, without prior written consent, except as required by law.

Mr. Timothy Gillihan, CPA/ABV is the project leader for this engagement. Contractor has attached a copy of the CV for Mr. Gillihan to this Agreement. If a court later determines that Mr. Gillihan is not qualified to offer testimony for any reason, that determination will not be deemed a breach of this Agreement. Consequently, the Authority will remain liable for the payment of fees and expenses incurred through the date of such determination. If due to circumstances outside Contractor's control, Mr. Gillihan is not able to testify at deposition or trial, Contractor will consult with

Authority regarding the substitution of an HSNO employee for Mr. Gillihan.

Contractor understands that any work performed pursuant to an expert witness engagement, as well as information disclosed to Contract pursuant to the preceding paragraph, will be subject to the rules of discovery as appropriate for expert witnesses.

All workpapers or other documents used by Contractor during the course of this engagement will be maintained in segregated files. It is not Contractor's practice to retain superseded workpapers, notes, or data files that have been updated as Contractor performs the engagement. At the close of this engagement, Contractor will require Authority instruction for the disposition of documents that have accumulated.

Contractor's services will be provided in accordance with the Statement on Standards for Consulting Services promulgated by the American Institute of Certified Public Accountants and, as such, do not constitute a rendering by HSNO or its employees of any legal advice, nor do they include the compilation, review or audit of financial statements. Because Contractor's Services are limited in nature and scope, Contractor cannot be relied upon to discover all documents and other information or provide all analyses which may be of importance in this matter. The Authority will not hold Contractor responsible for any loss or liability that may result from the non-discovery of any matters that might influence this matter.

HSNO shall be responsible only for the Services described in this Agreement. Furthermore, any changes in scope must be set forth in writing and agreed to by all parties to this Agreement.

Contractor has undertaken a reasonable review of records to determine professional relationships with the persons or entities Authority identified. Contractor is not aware of any conflicts of interest or relationships that would, in Contractor's sole discretion, preclude Contractor from performing the above work for the Authority. Contractor is not restricted from working on other engagements, including unrelated engagements, involving the parties in this matter; however, all confidential information gained in this matter will be kept confidential.

Contractor understands that all communications between the Authority and HSNO regarding this engagement, as well as any materials related thereto, may be protected by applicable legal privileges and, therefore, will be treated as confidential. Consequently, Contractor agrees, except as required by applicable

law, regulation, court or governmental order or process, or demand of accounting oversight body, not to disclose any communications, or any of the information Contractor receives or develops in the course of performing Services, to any third party except those parties the Authority may designate.

If access to any of the materials in Contractor's possession relating to this Agreement is sought by a third party, Contractor will promptly notify the Authority of such action, tender to the Authority Contractor's defense in connection with the response to such a request and cooperate with the Authority concerning the response thereto. In the event that Contractor is subpoenaed as the result of any work performed for the Authority in connection with this engagement, Contractor will bill for the time involved in responding to such subpoena(s).

That the "Schedule of Litigation Fees" at Exhibit B of the Original Agreement, under the "Schedule of Fees" is hereby amended to read as follows:

Schedule of Litigation Fees (Per Hour) FYE February 2020

DEPOSITION OR TRIAL TESTIMONY PER HOUR

Senior Partner	\$500
Partner / Senior Manager	\$400
Manager	\$350

CONSULTANTION RATES PER HOUR

Senior Partner	\$350 - \$475
Partner	\$300 - \$360
Senior Manager	\$250 - \$295
Manager	\$210 - \$245
Senior Accountant	\$185 - \$205
Accountant	\$140 - \$180
Admin./Clerical	\$90 - \$120

In no event shall the amount billed to Authority by Contractor for services under this Agreement exceed Two Hundred Thousand Dollars (\$200,000), subject to budget appropriations.

2. TERMS

All other terms of the Original Agreement which are not in conflict with the provisions of this Amendment No. 1 shall remain unchanged in full force and effect. In case of a conflict in the terms of the Original Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

3. COUNTERPARTS

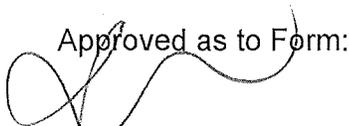
This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

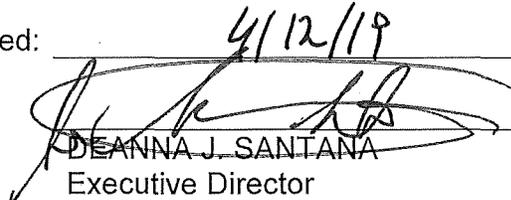
SANTA CLARA STADIUM AUTHORITY

a Joint Exercise of Powers Entity, created through Government Code sections 6500 *et seq.*

APPROVED AS TO FORM:

Approved as to Form:


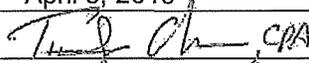
For **BRIAN DOYLE**
Stadium Authority Counsel

Dated: 4/12/19


DEANNA J. SANTANA
Executive Director
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

“AUTHORITY”

HAGEN, STREIFF, NEWTON, & OSHIRO ACCOUNTANTS, P.C. (HSNO)
a California corporation

Dated: April 9, 2019
By (Signature): 
Name: Timothy A. Gillihan, CPA/ABV
Title: Partner
Principal Place of
Business Address: 1330 Broadway, Suite 430, Oakland, CA 94612
Email Address: TGillihan@hsno.com
Telephone: (510) 740-0387
Fax: (510) 740-0392

“CONTRACTOR”

**CONSENT TO ASSIGNMENT AGREEMENT
BY AND BETWEEN THE
SANTA CLARA STADIUM AUTHORITY
AND**

J.S. HELD LLC

(Formerly known as HAGEN, STREIFF, NEWTON, & OSHIRO ACCOUNTANTS, P.C.)

PREAMBLE

This consent to assignment agreement (“Consent Agreement”) is by and between the Santa Clara Stadium Authority (Authority), a joint exercise of powers entity, with its principal place of business located at 1500 Warburton Avenue, Santa Clara, California 95050 (“Authority”), Hagen, Streiff, Newton, & Oshiro Accountants, P.C., a California Corporation, with its principal place of business located at 1330 Broadway, Suite 430, Oakland, California 94612 (“Contractor” or “Assignor”) and J.S. Held LLC, a Delaware Limited Liability Company, with its principal place of business located at 50 Jericho Quadrangle, Suite 117, Jericho, NY 11753 (“Assignee”), the intended successor in interest to Agreement for Services Between the Santa Clara Stadium Authority and Hagen, Streiff, Newton, & Oshiro Accountants, P.C. Authority, Assignor and Assignee may be individually referred to in this Consent Agreement as a “Party” or collectively as the “Parties” or the “Parties to this Consent Agreement.”

RECITALS

- A. Authority and Hagen, Streiff, Newton, & Oshiro Accountants, P.C. entered into an agreement entitled, “Agreement for Services Between the Santa Clara Stadium Authority and Hagen, Streiff, Newton, & Oshiro Accountants, P.C.”, dated September 20, 2018 (the “Original Agreement”) in which Hagen, Streiff, Newton, & Oshiro Accountants, P.C. agreed to provide services as a litigation consultant and perform a review of the financial statements and supporting documents provided by the San Francisco Forty-Niners and provide the Authority with an identification of, and opinion on, the financial statement issues the Authority has, to/with the Authority;
- B. Section 8 of the Original Agreement entitled Assignment and Subcontracting provides as follows:

“Authority and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of Authority. Contractor shall not hire subcontractors without express written permission from Authority.”
- C. The Authority has been informed that due to the acquisition of Hagen, Streiff, Newton, & Oshiro Accountants, P.C. by J.S. Held LLC, that J.S. Held LLC is the surviving entity and as such will continue to provide the services to the Authority under the Original Agreement. Hagen, Streiff, Newton, & Oshiro Accountants, P.C. desires to have the Authority consent to the assignment of all rights, obligations and interest in the Original Agreement from Hagen, Streiff, Newton, & Oshiro Accountants, P.C. to J.S. Held LLC;
- D. Based on the final approval of the acquisition, it is the desire of Authority to formally consent to the assignment by Hagen, Streiff, Newton, & Oshiro Accountants, P.C. of all its rights, obligations and interest in the Original Agreement to J.S. Held LLC.

In consideration of the above referenced recitals and the following mutual covenants, commitments and obligations, the Parties agree, as follows:

CONSENT AGREEMENT PROVISIONS

1. Based on a written request received by the Authority from J.S. Held LLC, (and contingent upon the finalization of the acquisition) the Authority hereby consents to the assignment of the Original Agreement and all of the rights, duties, obligations and interest set forth therein from Hagen, Streiff, Newton, & Oshiro Accountants, P.C. to J.S. Held LLC. This consent is based on representations made by J.S. Held LLC and Hagen, Streiff, Newton, & Oshiro Accountants, P.C. and all the duties and obligations of Hagen, Streiff, Newton, & Oshiro Accountants, P.C. to perform specified services included in the Original Agreements shall be performed by J.S. Held LLC after the acquisition is complete. This Consent is effective as of the completion of the acquisition. If, for any reason, the pending acquisition is not completed, this Consent Agreement shall be deemed void and Hagen, Streiff, Newton, & Oshiro Accountants, P.C. shall continue to be bound to perform the obligations set forth in the Original Agreements.
2. Authority acknowledges and relies on this acceptance by J.S. Held LLC of all of the rights, obligations and interest in the Original Agreement and the relinquishment of all such the rights, obligations and interest in the Original Agreement by Hagen, Streiff, Newton, & Oshiro Accountants, P.C. J.S. Held LLC agrees to undertake any and all action(s) necessary to meet the terms and conditions of the Original Agreement referred to in this Consent Agreement.
3. Upon execution of this Consent Agreement (and the completion of the pending acquisition) any pending debts or obligations due to Authority and those which subsequently arise or accrue from the terms and conditions of the Original Agreement shall become payable by J.S. Held LLC to the Authority or its agents, or assigns.
4. This Consent Agreement embodies the entire agreement between Authority, J.S. Held LLC and Hagen, Streiff, Newton, & Oshiro Accountants, P.C. and all of its terms and conditions. No verbal agreements or conversation with any officer, agent or employee of Authority prior to execution of this Consent Agreement shall affect or modify any of the terms or obligations contained in this Consent Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon Authority.
5. As a condition of the terms of this Consent Agreement, J.S. Held LLC shall provide the Authority with the following:
 - a. revised Certificate of Insurance, as well as all policy endorsements to indicate that J.S. Held LLC has purchased, and is maintaining, all of the required insurance policies and has provided the required endorsements which were included in the terms and conditions of the Original Agreement.
 - b. Prior to the effectiveness of any assignment or transfer under this Consent Agreement, J.S. Held LLC shall execute and deliver a fully executed and notarized Affidavit of Compliance with Ethical Standards *(if applicable)*.

6. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument; and, the Parties agree that signatures on this Agreement, including those transmitted by facsimile, shall be sufficient to bind the Parties.

The Parties to this Consent Agreement hereby acknowledge and accept the terms and conditions stated herein by the following signatures of their duly authorized representatives. The signature of the duly authorized representative of J.S. Held LLC confirms its acceptance of the terms and conditions of the Original Agreement and the assignment of the Original Agreement from Hagen, Streiff, Newton, & Oshiro Accountants, P.C. The Effective Date is the date that the final signatory executes the Agreement. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.

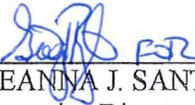
SANTA CLARA STADIUM AUTHORITY

a Joint Exercise of Powers Entity, created through Government Code sections 6500 et seq.

APPROVED AS TO FORM:

For


BRIAN DOYLE
Stadium Authority Counsel

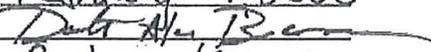
Dated: 2-27-2020


DEANNA J. SANTANA
Executive Director
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

“AUTHORITY”

**HAGEN, STREIFF, NEWTON, & OSHIRO
ACCOUNTANTS, P.C. (HSNO)**

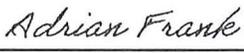
a California Corporation

Dated: February 19 2020
By: 
Title: Partner/Owner
Address: 65 Roswell Street Suite 300
Alpharetta GA 30004
Telephone: 404 876-5220
Facsimile: 404 795-0969
Email Address: brannon@jsheld.com

“Assignor”

J.S. HELD LLC

a Delaware Limited Liability Company

By: 
Title: SEVP
Address: 50 Jericho Quadrangle, Suite 117
Jericho, NY 11753
Telephone: 516-621-2900
Facsimile: _____
Email Address: afrank@jsheld.com

“Assignee”

**AMENDMENT NO. 2
TO THE AGREEMENT FOR SERVICES
BETWEEN THE
SANTA CLARA STADIUM AUTHORITY,
AND
J.S. HELD LLC**

PREAMBLE

This agreement (“Amendment No.2”) is entered into between the Santa Clara Stadium Authority (Authority), a joint exercise of powers entity, created through Government Code sections 6500 *et seq.* and J.S. Held LLC, a Delaware Limited Liability Company, (Contractor). Authority and Contractor may be referred to individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.”

RECITALS

- A. The Parties previously entered into an agreement entitled “Agreement for Services Between the Santa Clara Stadium Authority and Hagen, Streiff, Newton, & Oshiro Accountants, P.C.”, dated September 20, 2018 (Agreement);
- B. The Agreement was previously amended by Amendment No. 1, dated April 9, 2019, and is again amended by this Amendment No.2. The Agreement and all previous amendments are collectively referred to herein as the “Agreement as Amended”;
- C. The Parties entered into the Consent to Assignment Agreement with J.S. Held LLC, dated February 27, 2020. J.S. Held LLC acquired Hagen, Streiff, Newton, & Oshiro Accountants, P.C., and will continue to provide the services to the Authority under the Original Agreement as Amended; and
- D. The Parties entered into the Agreement as Amended for the purpose of having Contractor provide litigation consultant and perform a review of the financial statements and supporting documents provided by the San Francisco Forty-Niners and provide the Authority with an identification of, and opinion on, the financial statements issues the Authority has, and the Parties now wish to amend the Agreement as Amended to extend the term of the agreement to December 31, 2022 and increase the not to exceed amount by \$225,000 to \$425,000.

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

1. AMENDMENT TERMS AND CONDITIONS

That section 2 of the Agreement as Amended, entitled "Term of Agreement" is amended to read as follows:

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on the Effective Date of this Agreement and terminate on December 31, 2022

That section 6 of the Agreement as Amended, entitled "Compensation and Payment" is amended to read as follows:

In consideration for Contractor's complete performance of Services, Authority shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." The maximum compensation of this Agreement is four hundred and twenty-five thousand dollars (\$425,000.00), subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstances

2. TERMS

Except as set forth herein, all other terms and conditions of the Agreement as Amended shall remain in full force and effect. In case of a conflict in the terms of the Agreement as Amended and this Amendment No.2, the provisions of this Amendment No.2 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No.2 as evidenced by the following signatures of their duly authorized representatives.

SANTA CLARA STADIUM AUTHORITY

a Joint Exercise of Powers Entity, created through Government Code sections 6500 *et seq.*

Approved as to Form:

Dated: _____

BRIAN DOYLE
Stadium Authority Counsel

DEANNA J. SANTANA
Executive Director
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

“AUTHORITY”

J.S. HELD LLC

a Delaware Limited Liability Company

Dated: _____

By (Signature): _____

Name: Timothy Gillihan, CPA/ABV/CFF

Title: Senior Vice President

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“CONTRACTOR”



Agenda Report

20-333

Agenda Date: 3/24/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Informational Report on Dates and Purpose of Stadium Authority and Stadium Manager Meetings for the Period October 1, 2019 to December 31, 2019 [Board Pillar: Enhance Community Engagement and Transparency]

BACKGROUND

On August 24, 2017, the Stadium Authority approved the Harvey Rose Audit titled “Comprehensive Audit of Stadium”. Audit recommendation 1.Q states that “the Stadium Authority Board should direct the Executive Director to require that all meetings, including the date and purpose of the meetings, between Stadium Authority staff and Stadium Manager be documented and reported quarterly or annually to the Stadium Authority Board.” Staff has implemented this audit recommendation on a quarterly report frequency.

DISCUSSION

In accordance with the Board approved audit recommendation, meetings between Stadium Authority staff and Stadium Manager for the period of October 1, 2019 to December 31, 2019 are listed below.

Date	Meeting Purpose
10/22/19	Evaluation Team Discussion for the Financial Management System SOQ for the Stadium (Conference Call)
10/24/19	Quarterly Status Meeting with SCSA/ManCo
11/14/19	Monthly Meeting with SCSA/ManCo
12/4/19	Meet and Greet with City Rachel Copes, David Noce and David Presley from the City, and Connor Vander Zalm and Caitlin Ritchie from the 49ers
12/5/19	Monthly Meeting with SCSA/ManCo

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There is no fiscal impact related to this report other than the staff time to prepare this report.

COORDINATION

This report has been coordinated with the Finance Department and Stadium Authority Counsel's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file the quarterly report on Stadium Authority and Stadium Manager Meetings for the period of October 1, 2019 to December 31, 2019.

Reviewed by: Nadine Nader, Assistant City Manager

Approved by: Deanna J. Santana, Executive Director



City of Santa Clara

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Agenda Report

20-426

Agenda Date: 3/24/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Ad-Hoc Stadium Audit Committee Minutes [Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium]

RECOMMENDATION

Approve the Ad-Hoc Stadium Audit Committee minutes of October 29, 2018.



City of Santa Clara

Meeting Minutes Ad-Hoc Stadium Audit Committee

10/29/2018

5:00 PM

City Hall Council Chambers

CALL TO ORDER AND ROLL CALL

Chairperson Gillmor called the meeting to order at 5:00 PM.

Present 3 - Chairperson Lisa M. Gillmor, Committee Member Patrick Kolstad, and Committee Member Teresa O'Neill

CONSENT CALENDAR

1. [18-1462](#) Action on Ad-Hoc Stadium Audit Committee Minutes

Recommendation: Approve the minutes for the March 19, 2018 Ad-Hoc Stadium Audit Committee meeting.

A motion was made by Committee Member Kolstad, seconded by Committee Member O'Neill, to approve the minutes of March 19, 2018.

Aye: 3 - Chairperson Gillmor, Committee Member Kolstad, Committee Member O'Neill

PUBLIC PRESENTATIONS

None.

GENERAL BUSINESS

2. [18-1414](#) Status of Harvey M. Rose Associates Audit Recommendations

Recommendation: Note and file an update on the Status of the Harvey M. Rose Associates Audit Recommendations.

A motion was made by Committee Member Kolstad, seconded by Committee Member O'Neill to note and file an update on the Status of the Harvey M. Rose Associates Audit Recommendations.

Aye: 3 - Chairperson Gillmor, Committee Member Kolstad, Committee Member O'Neill

STAFF REPORT

COMMITTEE REPORT

ADJOURNMENT

Chairperson Gillmor adjourned the meeting at 6:05 PM.



Agenda Report

20-399

Agenda Date: 3/24/2020

REPORT TO STADIUM AUDIT COMMITTEE

SUBJECT

Status of Harvey M. Rose Associates Audit Recommendations [Board Pillar: Ensure Compliance with Measure J and Manage Levi’s Stadium]

BACKGROUND

On November 27, 2017, staff presented the following to the Ad-Hoc Stadium Audit Committee (Committee): (1) standard audit recommendation tracking matrix listing the thirty-seven audit recommendations, (2) designation for the status of the recommendation (e.g., Complete, Partially Complete, or Not Implemented), and (3) action taken to date. This matrix continues to be used as a tool to track staff’s progress and will continue to be presented to the Committee at future meetings.

Since November 2017, staff has provided updates on the status of completing the audit recommendations or identifying barriers to completing them.

DISCUSSION

The attached Harvey M. Rose Audit Recommendations matrix provides the auditor’s recommendation and a detailed description of the action taken as of March 2020. The matrix is color coded by status with items that were previously deemed as completed shown in grey, items completed during this reporting period shown in green, and partially complete (items that are in process) shown in orange.

The table below shows that 76% (28 of 37) of audit recommendations are complete and none are in the “Not Implemented” status-a 12% increase in completed audit recommendations since October 2018. Table 1 reflects staff’s progress of implementing the audit recommendations from October 2018 to March 2020:

Table 1: Summary of Audit Recommendations Status - March to October 2018

Status	Progress of Audit Recommendations as of March 2018	Progress of Audit Recommendations as of October 2018	Progress of Audit Recommendations as of March 2020	% Change
Complete	18	25	28	12% ↑
Partially Complete	14	12	9	25% ↓
Not Implemented	5	0	0	NA
TOTAL	37	37	37	

It should be noted that during the process of preparing this report staff determined that recommendation 1E (shown below) which was previously stated as “Complete” should be amended

to reflect the current status as “Partially Complete”. This change is due to the fact that SCSA staff continues to be challenged in receiving information at a level that details the exact line item amounts generated for Food & Beverage (F&B) revenue. It should also be noted that there are several on-going litigation matters that may uncover additional facts and financial information that would warrant changing a “complete” or “partially complete” categorization to “not implemented” or otherwise require additional auditing or an accounting.

#	Audit Recommendation
1E	The Stadium Authority Board should direct the Executive Director to renegotiate provisions of the Stadium Lease so that the Stadium Authority receives a share of any concessionaire revenue that exceeds the minimum guaranteed amount from non-NFL events.

Unfortunately, during the last seventeen months, the Stadium Authority has made very little progress in implementing the remaining audit recommendations as several are either in litigation and/or they require cooperation, collaboration, or consent from ManCo and StadCo.

However, overall staff has been successful in implementing many of the audit recommendations thereby strengthening oversight of Stadium Authority operations. One of the key results from the audit is the inclusion of detailed Non-NFL event information in the Stadium Authority’s Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2019 which provided a greater level of transparency and provided the overall financial results of the Non-NFL events by specific event. Table 2 and 3 summarize the ticketed Non-NFL Events Revenue and Expenditure for FY 2018/19 and provide a snapshot of this performance for FY 2020/21

Table 2: FY 2018/19 Ticketed Non-NFL Events Revenue and Expenditure Summary

In Millions \$

Ticketed Events	Revenue	Expenses	Net
Monster Jam	1.4	1.6	(0.2)
Taylor Swift Tour Day 1	5.1	6.9	(1.8)
Taylor Swift Tour Day 2	10.5	7.8	2.7
Stadium Links	0.1	0.0	0.0
Manchester United vs Earthquakes	1.6	1.9	(0.3)
ICC: Barcelona vs AC Milan	4.4	4.0	0.4
High School Football Series	0.1	0.1	0.0
Jay-Z/Beyonce	8.4	7.9	0.5
SJSU vs Army	0.2	0.4	(0.2)
Pac-12	1.3	4.0	(2.7)
Redbox Bowl	4.6	5.2	(0.6)
Mexico vs Paraguay	3.6	4.1	(0.5)
Events to date	41.3	43.9	(2.6)

The above table summarizes ticketed Non-NFL Events revenue and expenditures by event. This table shows that nine of the twelve events operated at a loss or did not make any money. That information alone provides greater transparency about management decisions made with respect to scheduling of Non-NFL events, revenue or losses, and foundational information about future public

policy making decisions relative to neighborhood impacts. Table 3 below shows the same event information based on information to date for FY 2019/20. This information is subject to change as additional revenue and/or expenditure information may be recorded. Table 4 below shows a history of net revenue by event type.

Table 3: FY 2019/20 Ticketed Non-NFL Events Revenue and Expenditure Summary

In Millions \$

Ticketed Events	Revenue	Expenses	Net
Monster Jam	1.6	2.0	(0.4)
Wedding Fair	0.0	0.0	0.0
USWNT vs South Africa	0.3	0.1	0.2
ICC: Chivas vs Benfica	1.2	1.4	(0.2)
Rolling Stones	11.3	10.5	0.8
High School Football Series	0.1	0.1	0.0
Pac-12 Championship	3.1	5.3	(2.2)
Redbox Bowl	4.5	4.5	0.0
Events to date	22.1	23.9	(1.8)

Table 4: Net Revenue for Non-NFL Events by Event Type as of March 31, 2019

EVENT TYPE	2014/15		2015/16		2016/17		2017/18		2018/19	
	No. of Events	Net Revenue	No. of Events	Net Revenue						
Ticketed Events										
Concerts	0	\$ -	7	\$ 3,791,985	4	\$ 2,424,572	2	\$ 1,819,099	3	\$ 1,438,848
Sporting events:										
Football (non-NFL)	5	(3,007,907)	4	(2,316,903)	4	(2,946,165)	4	(3,601,827)	4	(3,437,297)
Soccer	2	3,948,144	2	891,300	5	2,414,209	3	3,228,754	3	(267,981)
Miscellaneous events	2	2,504,912	4	(149,392)	5	(159,175)	4	76,379	2	(67,502)
Subtotal Ticketed Events	9	\$ 3,445,149	17	\$ 2,216,989	18	\$ 1,733,441	13	\$ 1,522,405	12	\$ (2,333,932)
Special Events (weddings, corporate events, etc.)	186	\$ 1,762,404	204	\$ 3,862,027	127	\$ 3,583,453	113	\$ 3,640,924	100	\$ 2,352,523
Total Non-NFL Net Revenue	195	\$ 5,207,553	221	\$ 6,079,016	145	\$ 5,316,894	126	\$ 5,163,329	112	\$ 18,591
Total Performance Rent paid to the General Fund		\$ 2,513,777		\$ 2,932,008		\$ 2,533,447		\$ 2,439,164		\$ -

As the next step in completing the audit recommendations, staff intends to return to the Committee when there has been significant progress on the remaining 9 audit recommendations. This will most likely occur once decisions have been made on the current litigation as that will have a direct impact on the majority of the remaining recommendations.

COORDINATION

This report was coordinated with the City Attorney's Office.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environment Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

There is no fiscal impact to the Stadium Authority with this status update; however, there are

decisions that the Ad Hoc Committee will recommend to the SCSA Board that may have a fiscal impact.

PUBLIC CONTACT

Public contact was made by posting the Ad-Hoc Stadium Audit Committee agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file an update on the Status of the Harvey M. Rose Associates Audit Recommendations.

Reviewed by: Kenn Lee, Treasurer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. Status of Harvey M. Rose Associates Audit Recommendations

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

1. COMPLIANCE WITH STADIUM AUTHORITY AGREEMENTS

Audit Recommendation	Current Status	Action Taken
1.A The Stadium Authority Board should direct the Executive Director to request the public safety costs threshold be adjusted through negotiations with StadCo to reflect actual costs to the City for providing public safety services for NFL events.	Partially Complete	This item is now in litigation and will be resolved through the legal system.
1.B The Stadium Authority Board should direct the Executive Director and Stadium Authority counsel to notify ManCo that the absence of five year capital expenditure plans for FYs 2014-15 and 2015-16 was a breach of Section 10.3 of the Stadium Lease and that ManCo is required to provide such plans under the lease for the current and all future Stadium Authority fiscal years.	Complete	ManCo has been providing a five-year capital expenditure plan since February 2017 and these plans were incorporated into the Stadium Authority's Adopted Budgets.
1.C The Stadium Authority Board should direct the Executive Director to provide a copy of the Operation and Maintenance Plan to the Stadium Authority Board for review, in closed session if deemed necessary for public safety reasons by the Stadium Authority counsel.	Complete	In accordance with Section 3.1 of the Stadium Operations Agreement, Section 4.5 of the Stadium Management Agreement, and Section 7.2 of the Stadium Lease Agreement, the 49ers Management Company (ManCo) is responsible for preparing the Stadium Operation and Maintenance Plan (SOMP). The SOMP consists of the Annual Shared Stadium Expense Budget, Annual Public Safety Budget and Capital Expenditure Plan, as well as the Annual Public Safety Budget and the Amortization of Public Safety Capital Expenditures. All documents have been presented to the Stadium Authority Board since March 13, 2018.
1.D The Stadium Authority Board should require that Stadium Authority staff and ManCo prepare an annual public safety budget in conjunction with the City's public safety departments detailing both NFL and non-NFL event public safety costs for submission to and adoption by the Board.	Complete	ManCo provided a Public Safety Budget to staff in February 2017 during the 2017-18 budget process. This was also provided to staff on February 7, 2018 as part of the 2018-19 budget process. The Public Safety Budget was included as part of the 2018-19 Adopted SCSA Budget that was presented to the Board on March 13, 2018. The SCSA Board approved the SCSA budget, comprising the SOMP, at the March 27, 2018 meeting.
1.E The Stadium Authority Board should direct the Executive Director to renegotiate provisions of the Stadium Lease so that the Stadium Authority receives a share of any concessionaire revenue that exceeds the minimum guaranteed amount from non-NFL events.	Partially Complete	The Stadium Authority does receive revenue in excess of minimum per Stadium Lease: 7.3.2 Concession Revenue. In February 2018, the SCSA Board approved a new concessionaire contract and included in that presentation was detail of how the SCSA receives revenue, including a portion that would be received in the General Fund as performance rent. The Board's request has been noted, however, SCSA staff continues to be challenged in receiving information at a level that details the exact line item amounts generated for Food & Beverage (F&B) revenue.
1.F The Stadium Authority Board should direct the Executive Director to notify StadCo that a formal consolidated draft parking plan must be produced and delivered to the Community Development Department and to the Board for review and approval as required under the Stadium Lease.	Partially Complete	Stadium Authority staff agreed with the audit that the information provided in the one page summary of parking lots in the TMOP was not adequate to determine the available and utilized parking facilities. Staff has also determined that the Stadium Manager requires additional information from the City regarding parking permit applications from property owners/operators not associated with Stadium Manager in order to provide a complete consolidated parking plan. City staff will have to determine what can be provided from permit applications, and whether any modifications to the City permit application are required, to provide the necessary information to the Stadium Manager to prepare a timely and complete consolidated parking plan as recommended by the audit. However, the information that the City will gather and share is also dependent on the Stadium Manager and off-site operators submitting their off-site parking applications by May 1 so that the staff has adequate time to review the applications and issue permits by July 1. In previous years, the Stadium Manager has not submitted all its off-site parking applications until after the pre-season has already started. Lastly, the consolidated draft parking plan should demonstrate how the Stadium Manager intends to provide at least 20,740 spaces in its annual parking program as required by P19 & P20 of the Development Permit.
1.G The Stadium Authority Board should direct the Chief of Police to present the public safety plan to the Stadium Authority Board for review and formal approval (in closed session if deemed necessary by Stadium Authority counsel) and to present any updates to the public safety plan to the Stadium Authority Board for review and documented adoption.	Complete	In light of recent national incidents and heightened focus on large crowds, it should be noted that the Plan is dynamic and will require adjustments to respond to various public safety conditions. The public safety plan has been approved and the Executive Director is in possession of a copy under lock and key. The Council can review this plan on an individual basis. In addition, Public Safety experts were contracted to review the current public safety model.

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

Audit Recommendation	Current Status	Action Taken
<p>1.H The Stadium Authority Board should direct the Executive Director to formally notify StadCo that the total cost for stadium insurance must be disclosed in the shared stadium expenses budget pursuant to Section 4.6 of the Management Agreement and, based on the disclosure, consider proposing to StadCo an amendment to the Stadium Lease to remove the provision that the Stadium Authority pay a fixed amount of insurance costs, with StadCo paying an unknown amount.</p>	Complete	<p>Section 8.3.1 of the Stadium Lease states that the Stadium Authority Insurance Share shall be calculated as follows: (i) for the first lease year the Stadium Authority Insurance Share shall equal two million five hundred fifty thousand dollars (\$2,550,000) and (ii) on the commencement of the second and each succeeding lease year, the insurance shall be increased by three percent (3%). This fixed rate for insurance was included in the Facility Rent calculation as part of exhibit J and confirmed as part of the Rent Arbitration award. An amendment to the Management Agreement is not recommended at this time.</p>
<p>1.I The Stadium Authority Board should direct the Executive Director to formally notify StadCo and ManCo that ManCo is in breach of the Management Agreement because it did not furnish Annual Statements of Stadium Operations for FYs 2014-15 and 2015-16, and to require that such statements be provided for those years, for FY 2016-17 and each year thereafter.</p>	Partially Complete	<p>Section 8.3.3 of the Amended and Restated Stadium Lease states that the Landlord (Stadium Authority) shall furnish (or cause the Stadium Manager to furnish) to Tenant (StadCo) a statement for such Lease Year an Annual Statement of Stadium Operations prepared by a qualified, third-party independent certified public accountant (CPA) selected by Landlord (Stadium Authority) and approved by Tenant (StadCo). Stadium Authority staff is in the process of selecting a third-party CPA to prepare the Annual Statement of Stadium Operations and ManCo has been noticed that it has been in breach of the Management Agreement.</p>
<p>1.J The Stadium Authority Board should direct the Executive Director to send formal notification to ManCo and StadCo that ManCo was in apparent breach of the Stadium Lease requirement that a one year budget and five year projection of shared Stadium expenses be provided on an annual basis to the Stadium Authority and demanding that ManCo provide such budgets and projections for the current and all future years. The Executive Director should be directed to provide a written response to ManCo each year on the draft budget submitted by ManCo.</p>	Complete	<p>ManCo has provided a one year budget and five year projection of shared stadium expenses to staff since February 2017 and they have been incorporated into the Adopted SCSA Budgets. A written response to ManCo is provided, including in the Transmittal Letter of the SCSA Proposed Budget each year.</p>
<p>1.K The Stadium Authority Board should direct the Executive Director and Treasurer to work with ManCo to require that the annual operating budget and quarterly financial status reports disclose sufficient information to ensure that staff and the Board can determine whether the Stadium Authority is adhering to Stadium Lease requirements contained in Article 14 regarding the allocation of excess Stadium Authority revenue.</p>	Complete	<p>Article 14 of the Amended and Restated Stadium Authority Lease Agreement describes the steps if Stadium Authority Revenue exceeds Stadium Authority Expenses for any Lease Year prior to the Tenant Season Expansion Date. This information was included beginning in the Adopted 2018-19 SCSA Budget and subsequent quarterly reports. It should be noted that some of the information is limited due to the lateness of the receipt of information and/or limited by the data provided.</p>
<p>1.L The Stadium Authority Board should direct the Executive Director to notify ManCo that previous annual marketing plans were inadequate as they did not set forth reasonably detailed plans to develop, implement, and monitor marketing, booking, advertising, and promotion of non-NFL activities. The Board should further direct the Executive Director to notify ManCo that future marketing plans must include such details and be reviewed for sufficient detail by the Executive Director before being presented to the Board.</p>	Complete	<p>ManCo provided a Sales and Marketing Plan to staff in February 2017 during the 2017-18 budget process. This information was also provided in February 2018. Staff has worked with ManCo to provide a more robust marketing plan that was presented to the Board on March 13, 2018. As noted during the March 13th presentation, the agreement sets a "reasonable detail" standard which we believe the fiscal year 2018-19 plan reflects. The SCSA Board approved the Marketing Plan on March 27, 2018, but took no action on the Marketing Plan in March 2019. A revised Plan was received in February 2020, however, the proposed plan continues to demonstrate a failure by ManCo to strategize a plan for turning around the decline in revenues and contained limited strategies moving forward. The Plan proposed included the addition of a LinkedIn account and quarterly reports.</p>
<p>1.M The Stadium Authority Board should direct the Executive Director to confer with the Finance Director/Treasurer to determine what financial information would be necessary to assess non-NFL event financial performance, including incentive payments to ManCo, and then notify ManCo regarding what additional information will be required on an ongoing basis.</p>	Complete	<p>On October 2, 2018, staff presented the Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2018 which included detailed information by type of event (i.e. concert, sporting events, and miscellaneous events) and by revenue and expense categories. Staff has notified ManCo/StadCo that this information will be required going forward in order to present to the SCSA Board as part of the fourth quarter status report. On December 17, 2019, as part of the Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2019, staff presented revenue and expense information for each non-NFL event, clearly showing financial performance for each event.</p>

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

Audit Recommendation	Current Status	Action Taken
<p>1.N The Stadium Authority Board should direct the Executive Director to notify ManCo that it is in breach of Management Agreement Section 3.3, which requires that written revenue or other reports relating to non-NFL events be provided to the Stadium Authority within 45 days of each non-NFL event with attendance projected to exceed 25,000. The Stadium Authority Board should further direct the Executive Director to demand that ManCo provide such written revenue reports according to specifications to be detailed by the Treasurer for all future non-NFL events with attendance projected to exceed 25,000.</p>	Complete	<p>Section 3.3 of the Management Agreements states that the Stadium Manager shall furnish the Executive Director, within 45 days of each non-NFL event with attendance projected to exceed 25,000 and on a quarterly basis for all other events, such written revenue or other reports relating to non-NFL events as the parties may agree from time to time. While ManCo has begun complying with the basics of this requirement, the Stadium Authority would like more robust reporting and continues to communicate this to ManCo. The Stadium Authority does not receive a complete detailed set of information for events exceeding 25,000 within 45 days. For other events, this information is currently provided at the end of the year, not quarterly.</p>
<p>1.O The Stadium Authority Board should direct the Executive Director and Stadium Authority counsel to request an amendment to the Management Agreement that would require formal and/or informal bidding procedures for any transactions with ManCo affiliates or for transactions above a designated threshold to ensure that goods and services received from an affiliate of ManCo are competitively priced.</p>	Complete	<p>The Stadium Authority Board removed the procurement authority from the Executive Director. All subsequent transactions will need to be reported to the Stadium Authority Board directly by ManCo, or through a subsequent delegation of authority provided that all documentation is provided, and assurance that no conflict of interest occurred during the procurement process.</p>
<p>1.P The Stadium Authority Board should direct the Executive Director to direct ManCo to provide quarterly written reports to the Stadium Authority, to be maintained as permanent Stadium Authority records, detailing parking lot information as required in the first amendment to the management agreement.</p>	Complete	<p>Section 4.1 Off-Site Parking (First amendment to the Management Agreement) In accordance with Section 2.6.22 of the existing Management Agreement, the Stadium Manager shall have full authority and discretion to select the off-site private parking locations for Stadium Events, and to negotiate, approve, enter into and administer contracts with the private parking lot owners for the use of their parking spaces for all or certain of such Stadium Events which agreements may also make provision, to the extent available, for additional parking for surrounding properties that would be paid for by such properties (Private Parking Agreements). At the quarterly meetings (with the Executive Director) as described in Paragraph 3.3, the Stadium Manager shall report on the status of such Private Parking Agreements, the status of any ongoing negotiations with private parking lot owners, and the financial performance and other matters relating to the off-site private parking locations for Stadium Authority Events, and such other similar or other topics as the Stadium Authority may request. On October 18, 2018, the Executive Director requested in writing that the Stadium Manager begin providing written quarterly reports detailing parking lot information as required by the Management Agreement. ManCo has complied, and most recently, issued its report in November 2019.</p>
<p>1.Q The Stadium Authority Board should direct the Executive Director to require that all meetings, including the date and purpose of the meetings, between Stadium Authority staff and ManCo be documented and reported quarterly or annually to the Stadium Authority Board.</p>	Complete	<p>The Executive Director issued a quarterly report for the period April 1 - June 30, 2018 on July 17, 2018 and has continued to provide such a report at the completion of each quarter</p>
<p>1.R The Stadium Authority Board should direct the Executive Director to establish procedures to ensure that all existing plans, reports, and budget documents required to be provided by ManCo are provided to the Stadium Authority in the manner required by existing agreements. The Stadium Authority Board should further direct the Executive Director to report annually on the status (receipt, review, and approval status) of each required plan, report, and budget document.</p>	Complete	<p>Staff has prepared a schedule to track the deliverables. The required documents were provided to staff in February 2018 during the 2018-19 budget process as reported at the March 13, 2018 Stadium Authority Budget Study Session. For the March 2019 budget cycle, the Stadium Authority did not receive all information that was requested and publically stated what was missing.</p>
<p>2. STADIUM AUTHORITY REVENUES AND EXPENSES</p>		
<p>2.A The Stadium Authority Board should request that ManCo provide the relevant reports and documentation that back up the NFL ticket surcharge summary report in order to retain permanent verification of the accuracy of the surcharge calculated by ManCo.</p>	Partially Complete	<p>ManCo was notified in writing on October 9, 2018, to provide all relevant reports and documentation that back up the NFL ticket surcharge to the SCSA. StadCo responded on October 18, 2018 to affirm receipt of the letter and to notify staff that they are in the process of providing the requested documentation. As of this report, StadCo has not provided supporting documentation to back up the NFL ticket surcharge.</p>

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

Audit Recommendation	Current Status	Action Taken
<p>2.B The Stadium Authority Board should negotiate with ManCo to establish a level of detail regarding non-NFL event revenue and expenses that can be provided in City reports, public documents, and permanent records to be kept by the Stadium Authority without compromising ManCo's ability to book and negotiate deals with non-NFL event acts and performances. The Board should direct staff to include this level of detail for both budgeted and actual revenues and expenses in the annual proposed budget and the quarterly financial status reports to allow the Board and public to monitor the performance of non-NFL events and ManCo's performance in managing and executing the events.</p>	Complete	On October 2, 2018, staff presented the Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2018 which included detailed information by type of event (i.e. concert, sporting events, and miscellaneous events) and by revenue and expense categories. Staff has notified ManCo/StadCo that this information will be required going forward in order to present to the SCSA Board as part of the fourth quarter status report. On December 17, 2019, as part of the Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2019, staff presented revenue and expense information for each non-NFL event, clearly showing financial performance for each event.
<p>2.C The Stadium Authority Board should require that a detailed breakdown of performance rent calculations and payments to the City of Santa Clara be included in the budget and quarterly financial status reports using additional information provided by ManCo.</p>	Complete	Performance Rent calculation was included as part of the Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2019. In addition, staff presented revenue and expense information for each non-NFL event, clearly showing how financial performance for each event impacted the overall performance rent.
<p>2.D The Stadium Authority Board should require that ManCo provide reports and documentation that can be kept in Stadium Authority records, consistent with confidentiality provisions in the agreements that back up the non-NFL ticket surcharge summary report in order to verify that the surcharge calculated by ManCo is accurate.</p>	Partially Complete	SCSA staff reviewed the non-NFL ticket surcharge process with ManCo. However, as of this report, StadCo has not provided supporting documentation to support the non-NFL ticket surcharge. The Stadium Authority continues to seek source supporting documentation, rather than ManCo's reporting of ticket surcharge revenue. A protective order was issued by ManCo, limiting the release of documentation pending the outcome of current litigation.
<p>2.E The Stadium Authority Board should require that a comprehensive accounting of Debt Service Fund transactions, including beginning and year-end balances, budget vs. actual revenues and expenditures by specific line item, and details on all transfers in and out of the fund, be presented in Stadium Authority budgets and financial status reports.</p>	Complete	This information has been incorporated in the Stadium Authority's Adopted Budgets and Quarterly Financial Status Reports.
<p>2.F The Stadium Authority Board should require that Discretionary Fund revenues, expenses, budget-to-actual comparisons, and account balances be reported in Stadium Authority budgetary documents separately from the Operating Fund.</p>	Complete	The discretionary fund expenses and budget-to-actual comparisons have been reported to the SCSA Board beginning with the YE 3/31/15 Stadium Authority Financial Status Report that was presented on 8/18/15. The revenues that fund the discretionary fund and the account balance have been reported to the SCSA Board since the QE 6/30/16 Stadium Authority Financial Status Report that was presented on 8/23/16.
<p>2.G The Stadium Authority Board should require that ManCo prepare the five year Shared Expense Budget, per the requirements in the Stadium Management Agreement, and the Board should direct the Executive Director to document receipt of the Shared Expense Budget, and provide written comments to ManCo in response to the proposed expenses.</p>	Complete	ManCo has provided a one year budget and five year projection of shared stadium expenses to staff since February 2017 and they have been incorporated into the Adopted SCSA Budgets. SCSA continues to request supporting documentation for Shared Expense Budget, however, only receives a high level detail of the proposed expenses.
<p>2.H The Stadium Authority Board, StadCo, and ManCo should amend the Management Agreement or separately establish binding policies that do not allow retroactive increases in authorized expenditures such as Stadium Manager expenses, and should require that detailed explanations be provided to the Board when additional funding is requested midyear in advance of such expenses being incurred.</p>	Complete	SCSA staff has been proactive in bringing the budget adjustments to the Board before the expense is incurred. In addition, The SCSA Board adopted a Budget Policy on March 13, 2018 that requires that budget amendments are approved by the Board before the expense is incurred.

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

Audit Recommendation	Current Status	Action Taken
2.I The Stadium Authority should require that ManCo provide independently prepared reports and documentation to back up the number of NFL tickets sold for each fiscal year in order to verify that the senior/youth fee calculated by ManCo is accurate and to have a set of permanent records documenting the validity of this revenue.	Partially Complete	ManCo was notified in writing on October 9, 2018, to provide all relevant reports and documentation that back up the NFL ticket surcharge to the SCSA. StadCo responded on October 18, 2018 to affirm receipt of the letter and to notify staff that they are in the process of providing the requested documentation. As of this report, StadCo has not provided supporting documentation to back up the NFL ticket surcharge.
2.J The Stadium Authority Board and the City of Santa Clara should clarify when the City Purchasing Authority procurement thresholds (Santa Clara Municipal Code Chapter 2.105.070 et seq.) apply and when the Stadium Authority Procurement Policy thresholds (Santa Clara Municipal Code Chapter 17.30) apply.	Complete	The Stadium Authority Board removed the procurement authority from the Executive Director. All subsequent transactions will need to be reported to the Stadium Authority Board directly by ManCo, or through a subsequent delegation of authority provided that proper documentation was provided and that the procurement process was free of conflict of interest.
2.K The Stadium Authority Board should direct staff to prepare policies and procedures pertaining to all purchases made on behalf of the Stadium Authority to require a level of specificity in costs and services in all vendor contracts, that all invoices bill using the rates or unit costs specified in their contracts, and that the invoices and contracts be periodically reviewed by Stadium Authority staff.	Complete	The Stadium Authority Board removed the procurement authority from the Executive Director. All subsequent transactions will need to be reported to the Stadium Authority Board directly by ManCo, or through a subsequent delegation of authority provided that proper documentation was provided and that the procurement process was free of conflict of interest. As of February 2020, with the exception of several contracts executed for the Redbox Bowl, no further requests have been made.
2.L The Stadium Authority Board should require that budgets and actual expenditures for the Stadium construction budget be presented alongside the Stadium Authority Operating Budget to provide an accurate overall picture of purchases for all materials, services, and supplies for the Stadium.	Complete	The construction budget is shown in the Quarterly Financial Reports and Annual Budgets as part of the Capital Expense Budget. The remaining construction budget is designated for warranty related work. An audit of the construction fund has been procured and underway.
2.M The Stadium Authority Board should direct staff to report actual revenues and expenditures on an accrual basis in budgetary documents so that all amounts presented reflect actual results for the year, regardless of the timing of revenue receipt or expenses incurred.	Complete	The Stadium Authority's Third Quarter Financial Report presented to the Board on February 13, 2018 included adjustments to bring the budget to full accrual. The Adopted 2018-19 and 2019-20 SCSA Budgets were prepared using the accrual method of budgeting. In addition, accrual budgeting was included in the SCSA Budget Policy approved by the Board on March 13, 2018 as a requirement.
3. UNCLAIMED, UNREIMBURSED CITY STAFF COSTS		
3.A The Stadium Authority Board should request that staff prepare plans for reimbursement to the City's General Fund for unreimbursed staff costs from the appropriate source: Discretionary Fund, ManCo, or, to the extent funds are available and appropriate, the Construction Fund.	Partially Complete	Staff has self-corrected where it was clear that the General Fund was incorrectly charged for Stadium Authority staff time and the General Fund has been repaid in the amount of \$11,641. An outside auditor has been hired to determine if there is any additional corrective action required in relation to this recommendation. Outstanding reimbursements are subject to litigation (eg. public safety costs)
3.B The Stadium Authority Board should request that staff have ManCo prepare an annual comprehensive Public Safety budget, as required by the Stadium Lease, to include all components of Stadium public safety costs and reimbursement, including NFL public safety costs paid for directly by ManCo on behalf of StadCo, by the Stadium Authority from the Discretionary Fund, and any costs paid using other funds such as the Construction Fund.	Complete	ManCo provided a Public Safety Budget beginning in February 2017 and each year thereafter.

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

Audit Recommendation	Current Status	Action Taken
3.C The Stadium Authority Board should direct staff to develop specific definitions of which costs should be charged as overhead and which should be direct billed. Alternatively, staff should adjust the rate applied to direct billed staff costs from the current 10 percent to a more appropriate rate, and communicate to all staff which positions or activities will be charged as overhead.	Complete	Staff has been instructed to direct bill for all hours worked on Stadium Authority items. In reference to the overhead, staff hired a third-party consultant, Matrix Consulting Group, to prepare an updated Cost Allocation Plan ("CAP"). The consultant calculated the new overhead rate for the Stadium Authority to be 10.79%. The consultant calculated the new rate based on straight time salaries and benefits. The Stadium Authority began charging the updated rate effective at the beginning of the Stadium Authority 2019/20 fiscal year and the rate is only applied to straight time salary and benefits.
4. STADIUM PARKING REVENUE CONTROLS		
4.A The Stadium Authority should exercise its right stipulated in the agreement between master parking lot operator Citypark and ManCo to periodically audit the detailed records of individual parking lots for NFL and non-NFL events.	Complete	ManCo engaged the audit firm BDO USA, LLP to perform an audit of Parking and Concessions. City staff observed and assisted with the audit process at a Non-NFL event (Gold Cup on 7/26/17). Staff has received a copy of the final audit report that included several findings. ManCo is working with the Parking vendor (ImPark), Concessionaire vendor (Levy), and Merchandise vendor (Fanatics) on responses to the various audit findings and recommendations.
4.B The Stadium Authority Board should direct staff to report back on the advantages and disadvantages of adding City audit rights as a condition of granting parking permits.	Complete	Staff has included audit rights language as a condition of granting parking permits
4.C The Stadium Authority Board should direct staff to require that ManCo provide a written report on matters related to off-site parking operations at their quarterly meetings, requiring that baseline information be provided in a specific format.	Partially Complete	A letter was mailed on October 18, 2018 from the Executive Director to the Stadium Manager requesting that he provide written reports on parking location, capacity, and availability dates for large non-NFL events beginning with the next Quarterly Status Meeting scheduled for November 29, 2018. They have provided updates on a quarterly basis.



Agenda Report

20-91

Agenda Date: 3/24/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Action on the Santa Clara Stadium Authority Financial Status Report for Quarters Ending June 30, 2019 and September 30, 2019 and Related Budget Amendments [Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium & Enhance Community Engagement and Transparency]

BACKGROUND

In Fiscal Year 2014/15 the Stadium Authority Board ("Board") requested that staff prepare quarterly Santa Clara Stadium Authority ("Stadium Authority") Financial Status Reports. These reports provide an update on the events held at Levi's Stadium, Stadium Authority finances, and the impact of Stadium Authority activity on the City of Santa Clara's ("City").

These reports provide information covering the Stadium Authority's first (April 1, 2019 - June 30, 2019) and second (July 1, 2019 - September 30, 2019) quarters of the 2019/20 fiscal year.

The Adopted Stadium Authority Budget incorporates the estimated revenues and expenses for all Stadium Authority funds. The attached Financial Status Reports provide the budget to actual revenue and expense summaries for the operating, debt service, and capital funds. Analysis of the financial activity through the fiscal year measures the adherence to the budget and allows the Stadium Authority to monitor and project revenues and expenses. Any significant variances are explained in the reports.

Additionally, staff is recommending amendments to the Fiscal Year 2019/20 Stadium Authority Budget to align revenues and expenditures to actual activity during the fiscal year.

DISCUSSION

The attached financial status reports provide information covering the Stadium Authority's first (April 1, 2019 - June 30, 2019) and second (July 1, 2019 - September 30, 2019) quarters of the 2019/20 fiscal year. The reports summarize National Football League ("NFL") and non-NFL event activity at Levi's Stadium and describes the financial impact of these events on the Stadium Authority and City since FY 2014/15.

NFL Event Revenue and Expenses

Levi's Stadium hosted three NFL games in the first two quarters of FY 2019/20 with a total of 184,769 tickets sold. This resulted in \$2.4 million in NFL ticket surcharge for the Stadium Authority and \$65,000 of Senior and Youth Program Fees for the City. Public safety costs for NFL games totaled \$1.2 million which is 51% higher than the prior fiscal year due to increases in negotiated salary and benefits costs for the various agencies providing public safety services as well as City costs for providing the appropriate level of public safety services for each game. The Tasman lot parking fee also generated \$7,425 for the City's General Fund.

Non-NFL Event Revenue and Expenses

The Stadium Authority held six ticketed Non-NFL event and 28 special events which are detailed in the report. The Non-NFL event ticket sales generated \$502,000 in ticket surcharge revenue, half of which funded the discretionary fund. Public safety costs for these events totaled \$1 million, of which \$791,000 has been reimbursed to the City as of the end of February 2020.

The table below summarizes ticketed Non-NFL Event revenue and expenditures by event through the end of the fiscal year. This table shows that six of the eight ticketed events operated at a loss or did not make any money. The inclusion of this information is to provide a greater level of transparency and provide the overall financial results of the Non-NFL events. It is estimated that the ticketed Non-NFL Events will lose close to \$2 million in FY 2019/20. It should be noted, however, the financial information provided in the table is draft and subject to change as additional revenue and/or expenditures are recorded. Final performance will be presented to the Board at a later date.

Table 1
Levi's [®] Stadium
Ticketed Non-NFL Events Revenue and Expenditure Summary
FY 2019/20

In Millions \$

Ticketed Event	Revenue	Expense	Net
Monster Jam	\$ 1.6	\$ 2.0	\$ (0.4)
Bay Area Wedding Fair	0.0	0.0	0.0
USWNT vs South Africa	0.3	0.1	0.2
ICC: Chivas vs Benfica	1.2	1.4	(0.2)
Rolling Stones: No Filter Tour	11.3	10.5	0.8
High School Football Series	0.1	0.1	0.0
Pac-12 Championship	3.1	5.3	(2.2)
Redbox Bowl	4.5	4.5	0.0
Total Ticketed Non-NFL Net Revenue to date	\$ 22.2	\$ 23.9	\$ (1.8)

When combining ticketed and non-ticketed Non-NFL Revenue to date, Table 2 below shows approximately \$943,000 in net revenue through the end of the second quarter. It should be noted, however, the financial information provided in Table 1 and 2 are draft and subject to change as additional revenue and/or expenditures are recorded. In addition, as presented in Table 1, additional ticketed Non-NFL Events completed in the third quarter and fourth quarter show that the ticketed net revenue is estimated to lose close to \$2 million for FY 2019/20. Final performance for the third and fourth quarter will be presented to the Board at a later date.

Table 2

**Net Revenue for Non-NFL Events
by Event Type
FY 2019/20 Quarter 2**

Event Type	No. of Events	Net Revenue
Ticketed Events		
Concerts	1	\$ 871,777
Sporting Events		
Football (Non-NFL)	1	30,938
Soccer	2	83,456
Miscellaneous Events	2	(404,883)
Subtotal Ticketed Events	6	\$ 581,288
Subtotal Non-Ticketed Non-NFL Events (weddings, corporate events, etc)	28	\$ 362,074
Total Non-NFL Event Net Revenue	34	\$ 943,362
Total Estimated Performance Rent paid to the General Fund ⁽¹⁾		\$ 294,181

⁽¹⁾ Performance Rent is calculated as 50% of the net revenue from Non-NFL events less

Stadium Builder Licenses (“SBLs”)

SBLs account for 35% of the Stadium Authority’s annual budgeted revenue in FY 2019/20. SBL proceeds through the second quarter amounted to \$9.4 million, 37% of what was budgeted. There are a total of 58,957 currently active SBLs which is 89% of the 65,879 total sellable SBL seats. The value of the active SBLs amount to \$524.5 million of which \$440.4 million has already been collected.

Stadium Authority Budgets

The detailed analysis of Stadium Authority budget to actual financials is provided in the attached Financial Status Reports. In summary, total operating revenues were \$28.7 million representing 39% of the overall budget for revenues and total operating expenses were \$18.3 million or 25% of the budget. The debt service fund was able to pay down \$13.4 million in debt, bringing total Stadium Authority debt down to \$326.8 million. Lastly, capital expenses amounted to \$61,000 or <1% of the \$14.2 million budget.

FY 2019/20 Stadium Authority Budget Amendments

As mentioned previously, staff is recommending amendments to the FY 2019/20 Stadium Authority Budget. From time to time, budget adjustments may be necessary to align revenues or expenditures to actual or unexpected activity during the course of a fiscal year, known after the adoption of the Stadium Authority Budget. As of the timing of the publication of this report, additional information from activity known through the completion of the majority of FY 2019/20 has resulted in recommended budget adjustments as follows:

- 1) The Stadium Authority, ManagementCo, and BAHC entered into an Assignment and Assumption Agreement (“Agreement”) on October 5, 2018 which in part describes the process by which the City is to be reimbursed for its costs as they relate to the CFP Championship that was

held at Levi's Stadium on January 7, 2019. The process that has been established is to have the Stadium Authority reimburse the City for all costs when incurred and invoice the BAHC for reimbursement. All costs that the City incurs to plan for and staff the CFP Championship as well as any post-event work will be reimbursed by the Stadium Authority within 15 days of being invoiced by the City. Per the Agreement the Stadium Authority will subsequently invoice the BAHC for the costs and be reimbursed within 15 days. City costs were paid by SCSA after the end of FY 2018/19 and subsequently invoiced to BAHC and in line with this process a budget amendment is needed to appropriate the CFP Championship expenses as well as the reimbursement revenue from the BAHC.

- 2) Senior and Youth Program Fees (based on \$0.35 per NFL game ticket) came in \$20,000 higher than the \$230,000 budget. A budget amendment is needed to appropriate the \$20,000 increase in the payment to the City's General Fund as well as the revenue to the Stadium Authority.
- 3) In addition, the NFL Ticket Surcharge Revenue (10% NFL ticket surcharge on the price of admission) is higher than anticipated by \$270,300, Non-NFL Event Ticket Surcharge (\$4 per ticket) fell below anticipated by \$496,00, and a reimbursement of Shared Stadium Manager Expenses was received for \$115,700. Staff is requesting operating budget amendments to account for these revenue changes.
- 4) Staff is requesting an operating budget reduction to Shared Stadium Manager Expenses and an increase to a Legal Contingency line item. Payments for Shared Stadium Manager Expenses were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, arising from ManagementCo's inappropriate use of public funds relative to procurement practices and potential self-dealing/conflicts of interests. At that meeting, the Board directed the Executive Director to only release public funds to the Forty Niners Management Company (ManCo) if all supporting documents have been submitted and adhere to our agreements and State and local laws. As part of that suspension of payment, the Stadium Authority continues to pay for utilities, insurance and costs associated with SBL sales and services. However, rather than provide the Stadium Authority with complete documentation to substantiate proper procurement and/or the absence of self-dealing/conflicts of interests, ManagementCo opted to take out loans and continue to pay itself public funds without demonstrating compliance with State and local laws. Total estimated withheld Shared Stadium Manager Expenses total \$7 million and the Stadium Authority maintains its position that it should not use public funds for violations of public procurement violations, prevailing wage violations, and/or self-dealing/conflicts of interests.

Due to the suspension of payments combined with total invoiced Shared Stadium Manager Expenses falling under budget, staff requests a total reduction of \$7.5 million to Shared Stadium Expenses and an increase to Legal Contingency of \$7 million for the estimated revolving loan/litigation reserve.

- 5) Staff is also requesting an operating budget amendment to the SBL Sales and Service line item for \$1.4 million. This is to incorporate costs associated with providing a complimentary buffet to certain SBL Holders required by Section 4.6.1 of the Stadium Lease. The costs will be partially

offset by the increase in NFL Ticket Surcharge Revenue, reimbursement of Shared Stadium Manager Expenses, and Shared Stadium Manager Expenses falling under budget.

- 6) Utility Expenses were invoiced to the Stadium Authority over budget by \$17,000. Staff requests an operating budget amendment to incorporate this increased cost.
- 7) Budget Adjustments that are not offset by increased revenue and expense reduction is considered a reduction to excess revenues that, after meeting the Operating Reserve and the CapEx Reserve requirements (which are already budgeted for in current FY 2019/20 budget) are used to prepay the StadCo Subordinated Loan. The increase in complimentary buffet costs have reduced the Operating Fund's ability to transfer funds for prepayment of the StadCo Subordinated Loan. Therefore, staff is also requesting a debt service budget adjustment for the reduced transfer in from the Operating Fund.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

As discussed, staff recommends several budget amendments as detailed in the table below.

	Current	Increase/ (Decrease)	Revised
Operating Fund			
Revenues			
NFL Ticket Surcharge	\$8,142,000	\$270,291	\$8,412,291
Senior & Youth Program Fees	\$230,000	\$20,000	\$250,000
Non-NFL Event Ticket Surcharge	\$1,232,000	(\$496,504)	\$735,496
Bay Area Host Committee Reimb.	\$0	\$4,642	\$4,642
Other Revenue	\$0	\$115,773	\$115,773
Expenses			
Shared Stadium Manager Expenses	\$11,904,000	(\$7,528,847)	\$4,375,153
SBL Sales and Service	\$2,221,000	\$1,393,477	\$3,614,477
Senior & Youth Fees (paid to City)	\$230,000	\$20,000	\$250,000
Utilities	\$1,551,000	\$17,265	\$1,568,265
College Football Playoff Expense	\$0	\$4,642	\$4,642
Legal Contingency	\$0	\$6,996,000	\$6,996,000
Transfers Out	\$51,273,000	(\$988,335)	\$50,284,665

Debt Service Fund			
Revenues			
Transfers In	\$47,795,000	(\$988,335)	\$46,806,665
Expenses			
StadCo Subordinated Loan	\$21,440,000	(\$988,335)	\$20,451,665

COORDINATION

This report was coordinated with the Stadium Manager per section 4.6 of the Management Agreement as well as the Stadium Authority Counsel's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Note and file the Santa Clara Stadium Authority Financial Status Reports for the Quarter Ending June 30, 2019 and Quarter Ending September 30, 2019.
2. Approve Budget Amendments to the 2019/20 Santa Clara Stadium Authority Budget.

Reviewed by: Kenn Lee, Treasurer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. SCSA Financial Status Report for the Quarter Ending June 30, 2019
2. SCSA Financial Status Report for the Quarter Ending September 30, 2019

SCSA

Santa Clara Stadium Authority

SANTA CLARA STADIUM AUTHORITY FINANCIAL STATUS REPORT

Quarter Ending June 30, 2019



March 24, 2020

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Introduction

This Santa Clara Stadium Authority (“Stadium Authority”) Financial Status Report provides information covering the first quarter of the Stadium Authority’s 2019/20 fiscal year (FY) which ended on June 30, 2019. Comparative data from prior fiscal years is also included.

In addition to these quarterly reports, the Stadium Authority produces annual financial statements. The FY 2018/19 financial statements were audited by an external audit firm and presented to the Stadium Authority’s Audit Committee on September 10, 2019 and the Stadium Authority Board (“Board”) on September 17, 2019. Once presented to the Stadium Authority Board, the financial statements as well as this report are published on the Stadium Authority’s website.

The Stadium Authority also prepares a detailed budget prior to the beginning of each fiscal year. The FY 2019/20 budget was considered at a study session on March 19, 2019 and adopted by the Board on March 27, 2019.

Stadium Authority finances are structured so that the City of Santa Clara (City) is not liable for the debts or obligations of the Stadium Authority. All services provided by the City, including administrative and public safety, to the Forty Niners Stadium Management Company, LLC (“ManagementCo”) or the Stadium Authority are fully reimbursed.

Methodology

Information provided in this report was based in part on documentation submitted by ManagementCo. Specifically, non-NFL event statistics and financial information relating to Stadium Manager expenses are provided by ManagementCo. Stadium Authority staff conducts a review of selected financial information submitted by ManagementCo, including some source documentation for non-NFL events with attendance greater than 25,000. For all other financial information, a detailed review and/or audit of source documentation for this information has not been conducted by the Stadium Authority for this report. In addition, information provided by ManagementCo is considered draft and subject to change at any time. Non-financial statistical information was also provided by ManagementCo and, similarly, a detailed review and/or audit of source documentation to verify this information is not conducted by the Stadium Authority. The Stadium Authority has contracted with JS Held (formerly Hagen, Streiff, Newton, & Oshiro), a forensic accounting firm, to review and evaluate non-NFL event financial information from prior years, including source documentation. This report is expected in Spring 2020. The information provided reflects the best known and available at the time of the writing of this report.

NFL Events

There were no NFL games held in the first quarter of the 2019/20 Fiscal Year. Levi's® Stadium hosted the first 49ers pre-season game of the 2019 season on August 10, 2019 which will be included in the report for the second quarter.

Non-NFL Events

This section provides annual and comparative data for Non-NFL Events categorized as events ranging from high school and college football games, international soccer matches, concerts, wedding fairs, and special events. During the current reporting period there were a total of 57,344 tickets sold for the three ticketed Non-NFL Events with 60,946 total attendees. One factor that explains the difference between tickets sold and total attendees is the practice of providing free tickets through the non-NFL event agreement terms. The surcharge is received for tickets sold; there is no surcharge revenue on free tickets. This resulted in \$229,000 Non-NFL Event ticket surcharge revenue (\$4 per ticket sold). This is a decrease in ticket surcharge revenue of \$233,000 or 50.4% less when compared to the same period in the prior year. The reason for the decrease is lower volume of ticket sales to the Non-NFL Events in the current period. In the prior fiscal year, there were three large ticketed events (Monster Jam and two Taylor Swift concerts); this reporting period there were only two large ticketed events (Monster Jam and USWNT Soccer).

The ManagementCo reports that there were also 20 smaller special events held at Levi's® Stadium which is similar than the same period in the prior fiscal year (24). However, they report that the attendance at these events went down from 13,683 in the prior year to 5,737 in the current year, a 58% decrease. The attendance figures and number of events are provided by the ManagementCo and cannot be independently confirmed by City staff. Examples of these special events include corporate events of various sizes, weddings, holiday parties, high school dances, etc.

In correlation with the decrease in total tickets sold, the number of cars parked at the permitted offsite parking lots saw a decrease when compared to the prior year. There were 5,251 cars parked at the offsite lots, a 50% decrease from the previous year. The City received \$30,000 in related offsite parking fees.

Total Non-NFL Event public safety costs were \$338,000, a decrease of \$370,000 or 52% from the prior year. As mentioned previously, this decrease in cost is due to the smaller events being held in the current reporting period when compared to the prior year. The offsite parking fee of \$30,000 offset these costs and the remaining \$308,000 was invoiced to ManagementCo and was subsequently reimbursed.

Statistics for the three Non-NFL ticketed events and 20 special events are shown in Table 1 and comparative data from all six years of operations are shown in Table 2.

Table 1
Levi's® Stadium
FY2019/20 Non-NFL Event Statistics
As of June 30, 2019

	Monster Jam 04/13/19	Wedding Fair 04/28/19	USWNT Soccer Game 05/12/19	2019/20 Q1 Special Events	2019/20 YTD Total
No. of Scanned Attendees	39,701	781	20,464	-	60,946
No. of Tickets Sold	37,235	381	19,728	-	57,344
Non-NFL Ticket Surcharge	\$ 148,940	\$ 1,524	\$ 78,912	\$ -	\$ 229,376
No. of Non-NFL Special Events				20	20
Non-NFL Special Event Attendees				5,737	5,737
Cars Parked at Offsite Lots	2,997	-	2,254		5,251
City Offsite Parking Fee	\$ 16,873	\$ -	\$ 12,690		\$ 29,563
Stadium Public Safety Costs	\$ 208,375	\$ -	\$ 111,967	\$ 17,630	\$ 337,972
Less: Offsite Parking Fee Credit	\$ (16,873)	\$ -	\$ (12,690)	\$ -	\$ (29,563)
Reimbursable Public Safety Costs	\$ 191,502	\$ -	\$ 99,277	\$ 17,630	\$ 308,409
Amount Reimbursed	\$ 191,502	\$ -	\$ 99,277	\$ 17,630	\$ 308,409

Table 2
Levi's® Stadium
Historical Non-NFL Event Statistics⁽¹⁾

	2014/15 Q1 Total ⁽²⁾	2015/16 Q1 Total	2016/17 Q1 Total	2017/18 Q1 Total	2018/19 Q1 Total	2019/20 Q1 Total
No. of non-NFL Ticketed Events	-	6	8	4	4	3
No. of Tickets Sold	-	284,352	351,837	90,456	115,661	57,344
Non-NFL Ticket Surcharge	\$ -	\$ 1,137,408	\$ 1,407,348	\$ 361,824	\$ 462,444	\$ 229,376
No. of Non-NFL Special Events	-	62	31	25	24	20
Non-NFL Special Event Attendees	-	19,345	13,709	8,438	13,683	5,737
Cars Parked at Offsite Lots	-	27,215	34,376	7,939	10,495	5,251
City Offsite Parking Fee	\$ -	\$ 133,898	\$ 174,632	\$ 41,600	\$ 56,883	\$ 29,563
Cars Parked on Golf Course	-	9,465	9,562	-	-	-
City Golf Course Parking Fee	\$ -	\$ 47,325	\$ 47,810	\$ -	\$ -	\$ -
Stadium Public Safety Costs	\$ -	\$ 1,425,075	\$ 1,721,055	\$ 475,003	\$ 707,108	\$ 337,972
Golf Course Public Safety Costs	\$ -	\$ 73,951	\$ 39,905	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ -	\$ 1,499,026	\$ 1,760,960	\$ 475,003	\$ 707,108	\$ 337,972
Less: Offsite Parking Fee Credit	\$ -	\$ (133,898)	\$ (174,632)	\$ (41,600)	\$ (56,883)	\$ (29,563)
Reimbursable Public Safety Costs	\$ -	\$ 1,365,128	\$ 1,586,328	\$ 433,403	\$ 650,225	\$ 308,409
Amount Reimbursed	\$ -	\$ 1,365,128	\$ 1,586,328	\$ 433,403	\$ 650,225	\$ 308,409

⁽¹⁾ Includes non-NFL special events.

⁽²⁾ The first event at Levi's Stadium was in August 2014 (the second quarter of the 2014/15 Fiscal Year).

Table 3 summarizes ticketed Non-NFL Event revenue and expenditures by event. This table shows that two of the three events operated at a loss or did not make any money. Table 4 and 5 show Non-NFL net revenue by event type and event revenue and expenses by category. The inclusion of this information is to provide a greater level of transparency and provide the overall financial results of the Non-NFL events.

NOTE: THE FINANCIAL INFORMATION PROVIDED IN THESE TABLES IS DRAFT AND SUBJECT TO CHANGE AS ADDITIONAL REVENUE AND/OR EXPENDITURES ARE RECORDED.

Table 3
Levi's® Stadium
Ticketed Non-NFL Events Revenue and Expenditure Summary
FY 2019/20 Quarter 1

In Millions \$

Ticketed Event	Revenue	Expense	Net
Monster Jam	\$ 1.6	\$ 2.0	\$ (0.4)
Bay Area Wedding Fair	0.0	0.0	0.0
USWNT vs South Africa	0.3	0.1	0.2
Total Ticketed Non-NFL Net Revenue to date	\$ 1.9	\$ 2.1	\$ (0.2)

There were three ticketed Non-NFL events held in the first quarter of FY 2019/20 with an average net loss to the Stadium Authority of about \$100,000 per event. Out of a total of three ticketed Non-NFL events, two Non-NFL ticketed events (67%) were money losing events or generated no revenue for the Stadium Authority. Based on the analysis shown in the following tables, Special Events (such as weddings, corporate events, birthday parties, etc.) generate the largest revenue for the Stadium Authority followed by the soccer game.

The revenue and expenses in the tables below are created using information provided by ManagementCo. Based on the information provided, it appears that the Food and Beverage portion of the business is operating at a loss. It is difficult to determine by the provided information if this is actually the case or if there is additional Food and Beverage revenue or cost reimbursements that are grouped with other revenue line items and not called out on the face of the provided Event Flash Reports. The Stadium Authority looks to work with ManagementCo on greater transparency for future reports.

Table 4
Levi's® Stadium
Net Revenue for Non-NFL Events
by Event Type
FY 2019/20 Quarter 1

Event Type	No. of Events	Net Revenue
Ticketed Events		
Sporting Events		
Soccer	1	\$ 206,729
Miscellaneous Events	2	(404,883)
Subtotal Ticketed Events	3	\$ (198,154)
Subtotal Non-Ticketed Non-NFL Events (weddings, corporate events, etc)	20	\$ 236,588
Total Non-NFL Event Net Revenue	23	\$ 38,433
Total Estimated Performance Rent paid to the General Fund⁽¹⁾		\$ -

⁽¹⁾ Performance Rent is calculated as 50% of the net revenue from Non-NFL events less performance-based credit of 50% of fixed ground rent

Table 5
Levi's® Stadium
Non-NFL Event Results by Category
FY 2019/20 Quarter 1

	2019/20 YTD Total
REVENUE:	
Seating Bowl	\$ 1,180,490
Suites	40,140
Food & Beverage	400,620
Parking	308,280
Miscellaneous ⁽¹⁾	813,987
Total Revenue	\$ 2,743,517
EXPENSE:	
Public Safety/Security	\$ 519,514
Utilities/Solid Waste	35,254
Parking	264,912
Food & Beverage - Ticketed Events	61,610
Food & Beverage - Special Events	458,396
Operations/Janitorial/Maintenance	675,944
Miscellaneous ⁽²⁾	689,454
Total Expense	\$ 2,705,084
Total Non-NFL Net Revenue	\$ 38,433

⁽¹⁾ Includes special event revenue such as corporate events, weddings, holiday parties, etc.

⁽²⁾ Includes rentals, fees & commissions, transportation, marketing, and other expenses

Section 3.2.1 of the Management Agreement describes the marketing and booking duties and responsibilities of the Stadium Manager as follows:

Subject to all limitations and exclusions contemplated by the Major Contracts, and consistent with any guidelines as may be adopted from time to time in the Marketing Plan, use commercially reasonable efforts to market, promote, schedule and book Non-NFL Events and other activities at the Stadium in accordance with the Scheduling Procedures; and negotiate, execute, and perform all contracts, use agreements, licenses and other agreements...

As we move forward it is prudent that the Board be provided a complete Marketing Plan that will provide them with the ability to provide input on the type of Non-NFL events that are being booked and reject those that they do not feel are in the best interest of the Stadium Authority, City, and the surrounding community as a whole. As the Board will recall in early 2019, ManagementCo was unable to provide a Marketing Plan that could be approved by the Stadium Authority Board and that responded to the Stadium Authority's commercially reasonable questions about ManagementCo's proposed business practices. ManagementCo's lack of a strong marketing plan that outlines commercially reasonable strategies for generating revenue is a reflection of a poor business practice and contributes to the current fiscal activity.

Discretionary Fund

The Discretionary Fund is funded by revenue equal to 50% of the Non-NFL Ticket Surcharge of \$4 per ticket. The three ticketed Non-NFL Events contributed \$114,000 to the Discretionary Fund in the reporting period. Table 6 shows the revenues and expenses in the Discretionary Fund since FY2014/15. The balance at the end of this reporting period was \$2.07 million.

Table 6

Discretionary Fund - Accrual Basis				
Fiscal Year	Beginning Balance	Revenue	Expenses	Ending Balance
2014/15	\$ -	\$ 715,770	\$ 714,028	\$ 1,742
2015/16	1,742	1,238,542	699,129	541,155
2016/17	541,155	1,164,698	1,209,342	496,511
2017/18	496,511	768,564	-	1,265,075
2018/19	1,265,075	796,294	101,267	1,960,102
2019/20	1,960,102	114,688		2,074,790

Stadium Builder Licenses

The total principal value of currently active Stadium Builder Licenses (“SBLs”) is \$523.6 million and, as of June 30, 2019, 84.0% of the total principal value of all SBLs sold (i.e., \$439.7 million) had been collected.

SBL holders that finance their purchase pay an annual interest rate of 8.5% and payments are due by March 1st each year. The majority of SBL holders make their payments on time. For those that do not pay on time, SBL service staff, working for ManagementCo on the Stadium Authority’s behalf, contact the SBL holders and attempt to collect the full amounts owed. Ultimately, an SBL can be defaulted for non-payment. Once an SBL is defaulted, the SBL holder in default loses their right to buy season tickets as well as their priority rights to tickets to Non-NFL Events, and forfeits any money they had invested in the SBL. Defaulted SBLs are then available for resale.

There is a total of 58,791 currently active SBLs, or 89% of the 65,879 total sellable SBL seats. This is down by 1,468 from the total active SBLs at the end of the prior fiscal year (March 31, 2019). The main reason for the reduction is due to defaulted SBLs. The defaulted SBLs were offset by (1) the sale of new SBLs and (2) the net increase related to the customer seat relocation program. The customer seat relocation program allows customers to trade in their SBLs in return for others in a different location as long as the total face value of the new seats is equal to or greater than the original seats.

During the current reporting period, 82 SBLs were sold for a total face value of \$392,000. The customer seat relocation program resulted in an increase of \$589,000 to the SBL face value, while netting 42 more SBLs. There were also 1,592 SBLs defaulted during the year with a total face value of \$9.8 million. The number of defaults and associated value is in line with the two-year historical average.

Additional details regarding currently active SBLs are noted in Table 7.

Santa Clara Stadium Authority Budget Status Reports

Operating Budget

With 25% of the fiscal year complete, total operating revenues for the first quarter of the 2019/20 Fiscal Year were \$15.3 million representing 21% of the overall budget for revenues. The two primary reasons that revenue is below 25% is because non-NFL event revenue is recorded at the end of the fiscal year in accordance with Article 5 of the Stadium Management Agreement, and the Naming Rights revenue is collected twice a year in October and February. Stadium rent earned from StadCo totaled \$6.2 million. During the current reporting period, the Stadium Authority also collected \$8.5 million in SBL proceeds or 34% of what was budgeted. All SBL proceeds are to be transferred to the debt service fund per applicable loan agreements. The non-NFL event ticket surcharge amounted to \$229,000 or 19% of the budget.

Total operating expenses were \$3.9 million, or 5% of the annual budget. The primary reason that total expenses are below 25% is due to timing of the debt service transfer that takes place in Quarter 2. The shared stadium manager expenses were at 18% or \$2.1 million of the \$11.9 million budgeted amount and SBL Sales & Service expenses were 27% of the budget, or \$589,000. The Stadium Authority pays for all utility costs from February 1st through July 31st and the tenant (StadCo) pays for utility costs from August 1st through January 31st (Tenant Season). Therefore, utility costs are 51% of the budget for the first quarter, or \$792,000. The current reporting period covers 50% (three out of the six months) that the Stadium Authority is responsible for utility costs. Lastly, Stadium Authority G&A costs were \$296,000 or 12% of the budget.

Overall, the Stadium Authority operating fund ended the first quarter with a fund balance of \$34 million, an increase of \$11.3 million or 49%. Included in that amount is an \$11.2 million operating reserve and a \$2.1 million discretionary fund.

Additional details are shown in Table 8.

Table 8
Santa Clara Stadium Authority
Operating Budget Status Report
For the Period Ending June 30, 2019 and 2018

	Period Ending June 30, 2019					Period Ending June 30, 2018				
	Final Budget	Q1 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received	
Resources										
Revenues										
NFL Ticket Surcharge	\$ 8,142,000	\$ -	\$ -	\$ 8,142,000	0%	\$ 8,031,000	\$ -	\$ 8,031,000	0%	
SBL Proceeds	25,416,000	8,525,454	8,525,454	16,890,546	34%	27,214,000	7,395,026	19,818,974	27%	
Interest	938,000	234,203	234,203	703,797	25%	794,000	165,737	628,263	21%	
Non-NFL Event Revenue	-	-	-	-	NA	62,147,000	-	62,147,000	N/A	
Net Revenues from Non-NFL Events	5,796,000	-	-	5,796,000	0%	-	-	-	NA	
Naming Rights	6,754,000	-	-	6,754,000	0%	6,558,000	-	6,558,000	0%	
Sponsorship Revenue (STR)	345,000	81,250	81,250	263,750	24%	545,000	143,453	401,547	26%	
Rent	24,762,000	6,190,500	6,190,500	18,571,500	25%	25,810,000	6,125,001	19,684,999	24%	
Senior & Youth Program Fees	230,000	-	-	230,000	0%	230,000	-	230,000	0%	
Non-NFL Event Ticket Surcharge	1,232,000	229,376	229,376	1,002,624	19%	1,800,000	460,552	1,339,448	26%	
Bay Area Host Committee Reimbursement	-	3,715	3,715	(3,715)	NA	1,400,000	-	1,400,000	N/A	
Other Revenue	-	-	-	-	NA	2,281,000	-	2,281,000	N/A	
Revenues Subtotal	\$ 73,615,000	\$ 15,264,498	\$ 15,264,498	\$ 58,350,502	21%	\$ 136,810,000	\$ 14,289,768	\$ 122,520,232	10%	
Net Transfers	-	-	-	-	N/A	-	-	-	NA	
Total Resources	\$ 73,615,000	\$ 15,264,498	\$ 15,264,498	\$ 58,350,502	21%	\$ 136,810,000	\$ 14,289,768	\$ 122,520,232	10%	
Expenses										
Shared Stadium Manager Expenses										
Stadium Operations	\$ 4,004,000	\$ 653,401	\$ 653,401	\$ 3,350,599	16%	\$ 3,721,000	\$ 930,294	\$ 2,790,706	25%	
Engineering	2,054,000	328,481	328,481	1,725,519	16%	1,835,000	458,681	1,376,319	25%	
Guest Services	825,000	137,782	137,782	687,218	17%	813,000	203,248	609,752	25%	
Groundskeeping	177,000	29,039	29,039	147,961	16%	164,000	40,892	123,108	25%	
Security	1,656,000	270,450	270,450	1,385,550	16%	1,543,000	385,778	1,157,222	25%	
Insurance	2,956,000	739,038	739,038	2,216,962	25%	2,871,000	717,513	2,153,487	25%	
Stadium Management Fee	232,000	-	-	232,000	0%	226,000	-	226,000	0%	
Shared Stadium Mngr Exps Subtotal	\$ 11,904,000	\$ 2,158,191	\$ 2,158,191	\$ 9,745,809	18%	\$ 11,173,000	\$ 2,736,406	\$ 8,436,594	24%	
Other Expenses										
SBL Sales and Service	\$ 2,221,000	\$ 589,477	\$ 589,477	\$ 1,631,523	27%	\$ 2,324,000	\$ 581,000	\$ 1,743,000	25%	
Senior & Youth Fees (paid to City)	230,000	-	-	230,000	0%	230,000	-	230,000	0%	
Non-NFL Event Expense	-	-	-	-	NA	56,519,000	-	56,519,000	0%	
Ground Rent (paid to City)	355,000	-	-	355,000	0%	320,000	-	320,000	0%	
Performance Rent (paid to City)	2,721,000	-	-	2,721,000	0%	2,654,000	-	2,654,000	0%	
Discretionary Fund Expense	250,000	-	-	250,000	0%	90,000	8,486	981,514	1%	
Utilities	1,551,000	791,625	791,625	759,375	51%	1,506,000	787,500	718,500	52%	
Use of StadCo Tenant Improvements	182,000	-	-	182,000	0%	236,000	463	235,537	0%	
Stadium Authority G&A	2,480,000	295,995	295,995	2,184,005	12%	1,685,000	311,701	1,373,299	18%	
College Football Playoff Expense	-	3,715	3,715	(3,715)	NA	1,400,000	-	1,400,000	NA	
Other Expenses	110,000	109,915	109,915	85	100%	105,000	-	105,000	0%	
Transfers Out	51,273,000	-	-	51,273,000	0%	57,340,000	7,372,926	49,967,074	13%	
Contribution to Operating Reserve	338,000	-	-	338,000	0%	328,000	-	328,000	0%	
Other Expenses Subtotal	\$ 61,711,000	\$ 1,790,726	\$ 1,790,726	\$ 59,920,274	3%	\$ 125,637,000	\$ 9,062,076	\$ 116,574,924	7%	
Total Expenses	\$ 73,615,000	\$ 3,948,918	\$ 3,948,918	\$ 69,666,082	5%	\$ 136,810,000	\$ 11,798,481	\$ 125,011,519	9%	
Operating Reserve	\$ 11,593,270		\$ 11,255,088			\$ 11,255,088	\$ 10,927,270			
Discretionary Fund	\$ 2,302,075		\$ 2,074,790			\$ 1,086,407	\$ 1,486,865			

Operating Budget – Recommended Budget Adjustments

From time to time, budget adjustments may be necessary to align revenues or expenditures to actual or unexpected activity during the course of a fiscal year, known after the adoption of the Stadium Authority Budget. As of the timing of the publication of this report, additional information from activity known through the completion of the majority of FY 2019/20 has resulted in recommended budget adjustments as follows:

- 1) The Stadium Authority, ManagementCo, and BAHC entered into an Assignment and Assumption Agreement (“Agreement”) on October 5, 2018 which in part describes the process by which the City is reimbursed for its costs as they relate to the CFP Championship that will be held at Levi’s Stadium on January 7, 2019. The process that has been established is to have the Stadium Authority reimburse the City for all costs when incurred and invoice the BAHC for reimbursement. All costs that the City incurs to plan for and staff the CFP Championship as well as any post-event work will be reimbursed by the Stadium Authority within 15 days of being invoiced by the City. Per the Agreement the Stadium Authority will subsequently invoice the BAHC for the costs and be reimbursed within 15 days. In line with this process a budget amendment is needed to appropriate the CFP Championship expenses as well as the reimbursement revenue from the BAHC.
- 2) Senior and Youth Program Fees (based on \$0.35 per NFL game ticket) came in \$20,000 higher than the \$230,000 budget. A budget amendment is needed to appropriate the \$20,000 increase in the payment to the City’s General Fund as well as the revenue to the Stadium Authority.
- 3) In addition, the NFL Ticket Surcharge Revenue (10% NFL ticket surcharge on the price of admission) is higher than anticipated by \$270,300, Non-NFL Event Ticket Surcharge (\$4 per ticket) fell below anticipated by \$496,00, and a reimbursement of Shared Stadium Manager Expenses was received for \$115,700. Staff is requesting operating budget amendments to account for these revenue changes.
- 4) Staff is requesting an operating budget reduction to Shared Stadium Manager Expenses and an increase to a Legal Contingency line item. Payments for Shared Stadium Manager Expenses were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, arising from ManagementCo’s inappropriate use of public funds relative to procurement practices and potential self-dealing/conflicts of interests. At that meeting, the Board directed the Executive Director to only release public funds to the Forty Niners Management Company (ManCo) if all supporting documents have been submitted and adhere to our agreements and State and local laws. As part of that suspension of payment, the Stadium Authority continues to pay for utilities, insurance and costs associated with SBL sales and services. However, rather than provide the Stadium Authority with complete documentation to substantiate proper procurement and/or the absence of self-dealing/conflicts of interests, ManagementCo opted to take out loans and continue to pay itself public funds without demonstrating compliance

with State and local laws. Total estimated withheld Shared Stadium Manager Expenses total \$7 million and the Stadium Authority maintains its position that it should not use public funds for violations of public procurement violations, prevailing wage violations, and/or self-dealing/conflicts of interests.

Due to the suspension of payments combined with total invoiced Shared Stadium Manager Expenses falling under budget, staff requests a total reduction of \$7.5 million to Shared Stadium Expenses and an increase to Legal Contingency of \$7 million for the estimated revolving loan/litigation reserve.

- 5) Staff is also requesting an operating budget amendment to the SBL Sales and Service line item for \$1.4 million. This is to incorporate costs associated with providing a complimentary buffet to certain SBL Holders required by Section 4.6.1 of the Stadium Lease. The costs will be partially offset by the increase in NFL Ticket Surcharge Revenue, reimbursement of Shared Stadium Manager Expenses, and Shared Stadium Manager Expenses falling under budget.
- 6) Utility Expenses were invoiced to the Stadium Authority over budget by \$17,000. Staff requests an operating budget amendment to incorporate this increased cost.
- 7) Budget Adjustments that are not offset by increased revenue and expense reduction is considered a reduction to excess revenues that, after meeting the Operating Reserve and the CapEx Reserve requirements (which are already budgeted for in current FY 2019/20 budget) are used to prepay the StadCo Subordinated Loan. The increase in complimentary buffet costs have reduced the Operating Fund's ability to transfer funds for prepayment of the StadCo Subordinated Loan. Therefore, staff is also requesting a debt service budget adjustment for the reduced transfer in from the Operating Fund.

Details regarding the operating budget adjustment are shown in Table 9.

Table 9
Santa Clara Stadium Authority
2019/20 Operating Budget Adjustment

	2019/20 Fiscal Year			
	Adopted Budget	Amended Budget	Adjustments	Final Amended Budget
Resources				
Revenues				
NFL Ticket Surcharge	\$ 8,142,000	\$ 8,142,000	\$ 270,291	\$ 8,412,291
SBL Proceeds	25,416,000	25,416,000	-	25,416,000
Interest	938,000	938,000	-	938,000
Net Revenues from Non-NFL Events	5,796,000	5,796,000	-	5,796,000
Naming Rights	6,754,000	6,754,000	-	6,754,000
Sponsorship Revenue (STR)	345,000	345,000	-	345,000
Rent	24,762,000	24,762,000	-	24,762,000
Senior & Youth Program Fees	230,000	230,000	20,000	250,000
Non-NFL Event Ticket Surcharge	1,232,000	1,232,000	(496,504)	735,496
Bay Area Host Committee Reimbursement	-	-	4,642	4,642
Other Revenue	-	-	115,773	115,773
Revenues Subtotal	\$ 73,615,000	\$ 73,615,000	\$ (85,798)	\$ 73,529,202
Net Transfers	-	-	-	-
Total Resources	\$ 73,615,000	\$ 73,615,000	\$ (85,798)	\$ 73,529,202
Expenses				
Shared Stadium Manager Expenses				
Stadium Operations	\$ 4,004,000	\$ 4,004,000	\$ (3,350,599)	\$ 653,401
Engineering	2,054,000	2,054,000	(1,725,519)	328,481
Guest Services	825,000	825,000	(687,218)	137,782
Groundskeeping	177,000	177,000	(147,961)	29,039
Security	1,656,000	1,656,000	(1,385,550)	270,450
Insurance	2,956,000	2,956,000	-	2,956,000
Stadium Management Fee	232,000	232,000	(232,000)	-
Shared Stadium Mngr Exps Subtotal	\$ 11,904,000	\$ 11,904,000	\$ (7,528,847)	\$ 4,375,153
Other Operating Expenses				
SBL Sales and Service	\$ 2,221,000	\$ 2,221,000	\$ 1,393,477	\$ 3,614,477
Senior & Youth Fees (paid to City)	230,000	230,000	20,000	250,000
Non-NFL Event Expense	-	-	-	-
Ground Rent (paid to City)	355,000	355,000	-	355,000
Performance Rent (paid to City)	2,721,000	2,721,000	-	2,721,000
Discretionary Fund Expense	250,000	250,000	-	250,000
Utilities	1,551,000	1,551,000	17,265	1,568,265
Use of StadCo Tenant Improvements	182,000	182,000	-	182,000
Stadium Authority G&A	2,480,000	2,480,000	-	2,480,000
College Football Playoff Expense	-	-	4,642	4,642
Legal Contingency	-	-	6,996,000	6,996,000
Other Expenses	110,000	110,000	-	110,000
Transfers Out	51,273,000	51,273,000	(988,335)	50,284,665
Contribution to Operating Reserve	338,000	338,000	-	338,000
Other Operating Expenses Subtotal	\$ 61,711,000	\$ 61,711,000	\$ 7,443,049	\$ 69,154,049
Total Expenses	\$ 73,615,000	\$ 73,615,000	\$ (85,798)	\$ 73,529,202
Operating Reserve	\$ 11,593,270	\$ 11,593,270	-	\$ 11,593,270
Discretionary Fund	\$ 2,302,075	\$ 2,302,075	-	\$ 2,302,075

Debt Service Budget

The Stadium Authority's FY2019/20 debt service revenue budget of \$3.8 million represents anticipated contributions from the Community Facilities District (CFD). During the first quarter of the current fiscal year, \$951,000 was contributed by the CFD.

Total Stadium Authority debt service expenses for the current reporting period were \$17.6 million, 34% of the budgeted amount. The debt service expenses for the CFD Advance, the Term A Loan, and the StadCo Subordinated Loan were \$1 million, \$15.9 million, and \$643,000, respectively.

As of June 30, 2019, the total outstanding amount of Stadium Authority debt had declined to \$326.8 million. This is a reduction in principal of \$13.4 million from the March 31, 2019 outstanding debt amount of \$340.2 million.

Additional details are shown in Tables 10 and 11 and Chart 1.

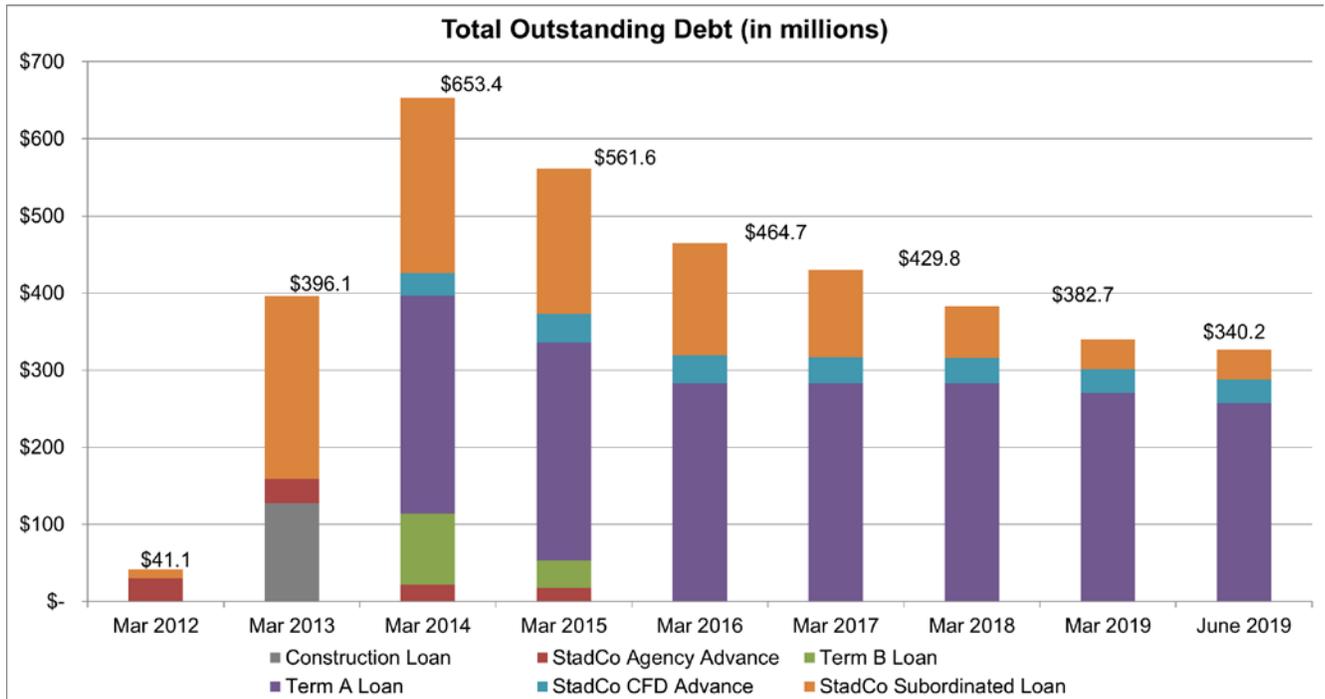
Table 10
Santa Clara Stadium Authority
Debt Service Budget Status Report
For the Period Ending June 30, 2019 and 2018

	Period Ending June 30, 2019					Period Ending June 30, 2018			
	Final Budget	Q1 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources									
Revenues									
Contribution from CFD	\$ 3,872,000	\$ 951,360	\$ 951,360	\$ 2,920,640	25%	\$ 3,800,000	\$ 984,180	\$ 2,815,820	26%
Revenues Subtotal	\$ 3,872,000	\$ 951,360	\$ 951,360	\$ 2,920,640	25%	\$ 3,800,000	\$ 984,180	\$ 2,815,820	26%
Transfers In from Operating	47,795,000	-	-	47,795,000	0%	53,963,000	7,372,926	46,590,074	14%
Contribution from Fund Balance	-	16,665,922	16,665,922	(16,665,922)	NA	4,653,000	13,825,931	(9,172,931)	297%
Total Resources	\$ 51,667,000	\$ 17,617,282	\$ 17,617,282	\$ 50,715,640	34%	\$ 62,416,000	\$ 22,183,037	\$ 40,232,963	36%
Expenses									
CFD Advance	\$ 3,844,000	\$ 1,002,705	\$ 1,002,705	\$ 2,841,295	26%	\$ 3,800,000	\$ 878,861	\$ 2,921,139	23%
Term A Loan	26,383,000	15,971,276	15,971,276	10,411,724	61%	26,702,000	15,908,172	10,793,828	60%
StadCo Subordinated Loan	21,440,000	643,301	643,301	20,796,699	3%	31,914,000	5,396,004	26,517,996	17%
Total Expenses	\$ 51,667,000	\$ 17,617,282	\$ 17,617,282	\$ 34,049,718	34%	\$ 62,416,000	\$ 22,183,037	\$ 40,232,963	36%
Debt Service Reserve	\$ 11,536,235		\$ 11,536,235			\$ 11,536,235	\$ 11,536,235		

Table 11
Santa Clara Stadium Authority
Debt Summary Report
For the Period Ending June 30, 2019

Type of Indebtedness	Interest Rates	Outstanding as of March 31, 2019	Net Change	Outstanding as of June 30, 2019
Stadium Funding Trust Loan:				
Term A Loan	5.00%	\$ 270,266,412	\$ (12,752,172)	\$ 257,514,240
StadCo CFD Advance	5.73%	30,925,978	(561,874)	30,364,104
StadCo Subordinated Loan	5.50%	39,024,833	(107,449)	38,917,384
Total		\$ 340,217,223	\$ (13,421,495)	\$ 326,795,728

Chart 1



Debt Service Budget - Adjustment

As described on page 10 of this report, the Stadium Authority received \$115,000 in refunded Shared Stadium Manager Expenses and \$270,000 in additional NFL Ticket Surcharge revenue, which is considered additional FY 2019/20 revenue. This additional revenue, along with the portion of Shared Stadium Manager Expenses falling under budget, will be used to partially offset the increased cost in SBL Sales and Service and Utilities. The costs that are not offset, primarily the increase to SBL Sales and Service for the complimentary buffet, by the additional revenue received reduce the excess revenue transfer to the debt service fund that is used to prepay the StadCo Subordinated Loan.

Therefore, staff is requesting the budget amendments noted in Table 12.

Table 12
Santa Clara Stadium Authority
2019/20 Debt Service Budget Adjustment

	2019/20 Fiscal Year			
	Adopted Budget	Amended Budget	Adjustments	Final Amended Budget
Resources				
Revenues				
Contribution from CFD	\$ 3,872,000	\$ 3,872,000	\$ -	\$ 3,872,000
Revenues Subtotal	\$ 3,872,000	\$ 3,872,000	\$ -	\$ 3,872,000
Transfers in from Operating	47,795,000	47,795,000	(988,335)	46,806,665
Contribution from Fund Balance	-	-	-	-
Total Resources	\$ 51,667,000	\$ 51,667,000	\$ (988,335)	\$ 50,678,665
	Adopted Budget	Amended Budget	Adjustments	Final Amended Budget
Expenses				
CFD Advance	\$ 3,844,000	\$ 3,844,000	\$ -	\$ 3,844,000
Term A Loan	26,383,000	26,383,000	-	26,383,000
StadCo Subordinated Loan	21,440,000	21,440,000	(988,335)	20,451,665
Total Expenses	\$ 51,667,000	\$ 51,667,000	\$ (988,335)	\$ 50,678,665
Debt Service Reserve	\$ 11,536,235	\$ 11,536,235		\$ 11,536,235

Capital Improvement Project Budget

As part of the Capital Expense (“CapEx”) Plan, the following projects have been completed as of the current reporting period:

- Kawasaki Mule Purchase
- Two Auto Pulse Automated Compressor Purchases
- ALS Lifepack Monitor Purchase

The following CapEx projects are currently in progress and expected to be completed by the end of the fiscal year:

- Diesel Particulate Filter
- Mobile Radio
- Chemical Warfare Detector
- Staff Scheduling Software
- Upfit Kawasaki Mules

A total of \$61,000 has been spent in FY 2019/20, which amounts to <1% of the budget. The main reasons that this is below budget are (1) there has been little activity on warranty work which makes up 11% of the CIP Budget, and (2) a number of projects are behind schedule due to the ManagementCo not following State procurement and prevailing wage laws so projects had to be halted. Given the fact that almost no capital projects were completed by ManagementCo, there is serious concern where ManagementCo is unable to complete the projects included in this budget. We will continue to raise this issue with ManagementCo to ensure the Stadium Authority asset is maintained in a sufficient manner; however, there is valid concern that ManagementCo is unable to complete these duties given the record to date. During this reporting period, the ManagementCo has not demonstrated its ability to award contracts in compliance with state laws.

Additional details are shown below in Table 13.

Table 13
Santa Clara Stadium Authority
CIP Budget Status Report
For the Period Ending June 30, 2019 and 2018

	Period Ending June 30, 2019					Period Ending June 30, 2018			
	Final Budget	Q1 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Beginning Balances	\$ 14,532,870	\$ 14,516,225	\$ 14,516,225	\$ 16,645		\$ 12,358,833	\$ 12,718,700		
Resources									
Transfers In from Operating Budget	3,478,000	-	-	3,478,000	0.00%	3,377,000	-	3,377,000	0%
Total Resources	\$ 18,010,870	\$ 14,516,225	\$ 14,516,225	\$ 3,494,645	81%	\$ 15,735,833	\$ 12,718,700	\$ 3,377,000	81%
	Final Budget	Q1 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Final Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses									
Construction	4,956,922	(4,845)	(4,845)	4,961,767	0%	4,875,415	278,907	4,596,508	6%
Equipment	7,070,988	65,038	65,038	7,005,950	1%	1,210,000	65,000	1,145,000	5%
Contingency	657,397	812	812	656,585	0%	296,546	3,250	293,296	1%
Stadium Warranty Related Construction	1,528,202	-	-	1,528,202	0%	1,600,971	-	1,600,971	0%
Total Expenses	\$ 14,213,509	\$ 61,005	\$ 61,005	\$ 14,152,504	0%	\$ 7,982,932	\$ 347,157	\$ 7,635,774	4%
Ending Balances	\$ 3,797,361	\$ 14,455,221	\$ 14,455,221			\$ 7,752,901	\$ 12,371,543		

City of Santa Clara Net General Fund Impact

There were no contributions to the General Fund in the current reporting period. This is due to the timing of when the ground rent is paid and the performance rent is calculated. Additionally, the Senior and Youth fee and the Tasman lots parking fee are both related to NFL games of which there were none in the first quarter. This section of the report also provides information on General Fund revenue and expenditure impacts resulting from the stadium.

Public Safety and Administrative Cost Reimbursement

As described in earlier sections of this report, costs incurred by the City on NFL and Non-NFL Events are tracked and billed to the Stadium Manager. Reimbursement is monitored and included in this report. A total of \$338,000 in public safety costs were incurred in support of non-NFL events that were held at Levi's Stadium in the current reporting period, all of which have been reimbursed to the City. These reimbursements came from a combination of payments from the Stadium Manager, and the offsite parking fees that were collected.

In addition to public safety costs, administrative costs are also tracked and billed to the Stadium Authority. These include the cost of providing overall stadium management, financial, human resource, legal, and other services to the Stadium Authority. In the first quarter of FY 2019/20, a total of \$218,000 of administrative costs were incurred by the General Fund, which have been reimbursed to the City.

Rents and Senior and Youth Fee

As noted above the City's General Fund did not collect any rents or Senior and Youth fees in the current reporting period.

Other Revenue Impacts

General Fund sales tax, property tax, and transient occupancy tax (TOT) collections have benefited from the direct and indirect economic activity related to stadium events.

Food and beverage concession sales and merchandise sales at Levi's® Stadium are taxable, resulting in sales tax revenue for the City. The last quarter of sales tax collections from Levi's® Stadium transactions generated \$179,000 for the City's General Fund. In addition to the direct sellers at the Stadium, other businesses in Santa Clara are benefiting from the influx of people coming to attend one or more events at Levi's® Stadium, resulting in potentially more sales tax collections for the General Fund.

In accordance with State Law, StadCo must pay possessory interest property tax based on their lease of Levi's® Stadium from the Stadium Authority. This revenue is collected by the county and placed into the Redevelopment Property Tax Trust Fund (RPTTF). Amounts remaining in the RPTTF after paying any enforceable obligations of the Successor Agency are distributed to taxing entities in the same proportion as secured property taxes. The City's proportion is approximately 10%.

Many stadium events bring travelers to the region, resulting in hotel stays which generate TOT collections for the City's General Fund. Although it is impossible to say exactly what portion of the City's TOT collections is due to the stadium, it is clear that hotels both inside and outside the City have benefited, resulting in increases in TOT collections in Santa Clara and our neighboring cities.

Glossary

This section of the report provides details behind key terms that are used in the body of this report.

Discretionary Fund – The Amended and Restated Stadium Lease Agreement describes the Non-NFL Event ticket surcharge which is imposed by the Stadium Authority. All promoters or sponsors of ticketed Non-NFL Events are required to collect a Non-NFL ticket surcharge of \$4 per ticket on behalf of the Stadium Authority. One-half of these proceeds are used to cover Stadium Authority operating and maintenance costs. The other one-half of the proceeds are deposited in the Stadium Authority’s discretionary fund. If at any time the discretionary fund balance exceeds \$1 million, then in consultation with the Stadium Manager, the Stadium Authority will determine if provision has been made for replacement and improvement of capital improvements contemplated under the public safety plan. If not, then funds will be reserved in the discretionary fund for such purposes. If adequate provision has been made for these items and the balance of the discretionary fund still exceeds \$1 million, then up to half of the amount over \$1 million can be transferred to the General Fund, in which event an equal amount will also be transferred from the discretionary fund to the Stadium Authority operating fund and will be included as revenue available to pay Stadium Authority expenses.

Ground Lease – The Ground Lease Agreement has an initial term of 40 years commencing on the date of substantial completion which was July 31, 2014. The amount of annual base ground rent that is payable by the Stadium Authority to the City is noted in the chart below.

Lease Year	Fiscal Year	Annual Fixed Ground Rent
1	2014/15	\$ 180,000
2	2015/16	\$ 215,000
3	2016/17	\$ 250,000
4	2017/18	\$ 285,000
5	2018/19	\$ 320,000
6	2019/20	\$ 355,000
7	2020/21	\$ 390,000
8	2021/22	\$ 425,000
9	2022/23	\$ 460,000
10	2023/24	\$ 495,000
11-15	2024/25 - 2028/29	\$ 1,000,000
16-20	2029/30 - 2033/34	\$ 1,100,000
21-25	2034/35 - 2038/39	\$ 1,200,000
26-30	2039/40 - 2043/44	\$ 1,300,000
31-35	2044/45 - 2048/49	\$ 1,400,000
36-40	2049/50 - 2053/54	\$ 1,500,000

Net Non-NFL Event Revenue – Net Non-NFL Event revenue is remitted by ManagementCo to the Stadium Authority on a yearly basis. This is done annually because the final reconciliation of the Non-NFL Event revenues and expenses does not occur until after the conclusion of each fiscal year.

Beginning with FY 2018/19, the Stadium Authority budgeted the Non-NFL Event activity at gross, budgeting for revenue and expenses separately. In the prior fiscal years that activity was budgeted as a net amount.

NFL Ticket Surcharge – The Amended and Restated Non-Relocation Agreement states that the Team will collect a 10% NFL ticket surcharge on the price of admission to all NFL games on behalf of Stadium Authority.

Non-NFL Event Ticket Surcharge – The Stadium Lease Agreement requires that the promoter or sponsor of any Non-NFL Event collect a Non-NFL Event ticket surcharge of \$4 per ticket. The Lease Agreement sets aside one-half of the Non-NFL ticket surcharge for stadium operating and maintenance costs and one-half for discretionary expenses of the Stadium Authority.

Offsite Parking Fees – Parking lot operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City’s permitting process. If approved, per the City’s Municipal Fee Schedule, these operators remit an offsite parking fee for each car that is parked for sports or entertainment events. This fee is designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for NFL or Non-NFL public safety costs for a particular event held at Levi’s® Stadium, the offsite parking fee that is collected for said event partly offsets the total public safety costs owed for that event. In the City’s FY 2019/20 (July 1, 2019 through June 30, 2020) the offsite parking fee is \$5.63.

Performance-Based Rent - The Amended and Restated Stadium Lease Agreement and the Ground Lease Agreement both describe the performance-based rent that is due to the City. (It is calculated as 50% of the net income from Non-NFL events less performance-based rent credits. The performance-based rent credits include 50% of the fixed ground rent for the current lease year.)

Public Safety Costs – For each NFL and Non-NFL Event held at Levi’s® Stadium, a public safety plan is developed and implemented. Multiple City departments provide staffing, materials, and supplies to support the public safety plan. Services are provided through a combination of City staff, contracts with other agencies (California Highway Patrol, County Sheriff’s Office, and City of Sunnyvale) and some vendor provided services.

The Amended and Restated Stadium Lease Agreement section 7.5 states that the tenant is responsible for reimbursing the City for the public safety costs attributed to NFL events at Levi’s® Stadium. Additionally, Article 5 of the Stadium Management Agreement notes that the Stadium Manager is responsible for paying Non-NFL Event expenses on behalf of the Stadium Authority. Therefore, the cost of providing public safety services are tracked through the City’s financial system and invoices are sent to the Stadium Manager. All of these costs are reimbursed to the City of Santa Clara.

Senior and Youth Program Fees – The Amended and Restated Stadium Lease Agreement requires that StadCo collect a Senior and Youth Program Fee of \$0.35 per NFL ticket sold on behalf of the Stadium Authority. Per section 8.2 of the Ground Lease Agreement between the City and the Stadium Authority, the Stadium Authority remits this fee to the City as additional rent to support senior and youth programs in the City.

Stadium Management Fee – The Stadium Manager receives an annual base management fee to manage Levi’s® Stadium. The fee was \$400,000 in the first lease year and increases by 3% annually as detailed in the table below. This annual base management fee is split 50/50 between StadCo and the Stadium Authority since the Stadium Manager manages the stadium year-round for both entities. In addition to the base management fee, the Stadium Manager also receives a stadium marketing and booking fee (incentive fee) which is based on a percentage of the amount that the net income from Non-NFL Events exceeds the marketing and booking fee benchmark. The marketing and booking fee benchmark was \$5 million in the first lease year and also increases by 3% annually as detailed in the table below. The annual stadium management fee for each of the first ten lease years are noted in the chart below.

Fiscal Year	Lease Year	Annual Base Stadium Management Fee (SCSA Share)	Stadium Marketing and Booking Fee Benchmark	Net Income from Non-NFL Events	Additional Stadium Marketing and Booking Fee	Total Stadium Management Fee
2014/15	1	\$ 200,000	\$ 5,000,000	\$ 5,207,553	\$ 10,378	\$ 210,378
2015/16	2	206,000	5,150,000	6,079,016	46,451	252,451
2016/17	3	212,180	5,304,500	5,316,894	620	212,800
2017/18	4	218,545	5,463,635	5,163,329	-	218,545
2018/19	5	225,102	5,627,544	18,591	-	225,102
2019/20	6	231,855	5,796,370			
2020/21	7	238,810	5,970,261			
2021/22	8	245,975	6,149,369			
2022/23	9	253,354	6,333,850			
2023/24	10	260,955	6,523,866			

Tasman Lots Parking Fees – The City collects a fee of \$5 per space for all cars that are parked on the Tasman surface lots during NFL events.

SCSA

Santa Clara Stadium Authority

SANTA CLARA STADIUM AUTHORITY FINANCIAL STATUS REPORT

Quarter Ending September 30, 2019



March 24, 2020

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Introduction

This Santa Clara Stadium Authority (“Stadium Authority”) Financial Status Report provides information covering the second quarter of the Stadium Authority’s 2019/20 fiscal year (FY) which ended on September 30, 2019. Comparative data from prior fiscal years is also included.

In addition to these quarterly reports, the Stadium Authority produces annual financial statements. The FY 2018/19 financial statements were audited by an external audit firm and presented to the Stadium Authority’s Audit Committee on September 10, 2019 and the Stadium Authority Board (“Board”) on September 17, 2019. Once presented to the Stadium Authority Board, the financial statements as well as this report are published on the Stadium Authority’s website.

The Stadium Authority also prepares a detailed budget prior to the beginning of each fiscal year. The FY 2019/20 budget was considered at a study session on March 19, 2019 and adopted by the Board on March 27, 2019.

Stadium Authority finances are structured so that the City of Santa Clara (City) is not liable for the debts or obligations of the Stadium Authority. All services provided by the City, including administrative and public safety, to the Forty Niners Stadium Management Company, LLC (“ManagementCo”) or the Stadium Authority are fully reimbursed.

Methodology

Information provided in this report was based in part on documentation submitted by ManagementCo. Specifically, NFL and non-NFL event statistics and financial information relating to Stadium Manager expenses are provided by ManagementCo. Stadium Authority staff conducts a review of selected financial information submitted by ManagementCo, including some source documentation for non-NFL events with attendance greater than 25,000. For all other financial information, a detailed review and/or audit of source documentation has not been conducted by the Stadium Authority for this report. In addition, information provided by ManagementCo is considered draft and subject to change at any time. Non-financial statistical information was also provided by ManagementCo and, similarly, a detailed review and/or audit of source documentation to verify this information is not conducted by the Stadium Authority. The Stadium Authority has contracted with JS Held (formerly Hagen, Streiff, Newton, & Oshiro), a forensic accounting firm, to review and evaluate non-NFL event financial information from prior years, including source documentation. This report is expected in Spring 2020. The information provided reflects the best known and available at the time of the writing of this report.

NFL Events

This section provides year to date and comparative data for NFL games categorized as pre-season and regular season games.

The San Francisco Forty-Niners (“49ers”) played a total of three NFL games (two pre-season games and one regular season game) at Levi’s Stadium as of September 30, 2019. There was a total of 184,769 tickets sold to these NFL games, an average of 61,590 per game. This is down by 2,023 or 3.2% when compared to the same period in the prior fiscal year. The ticket sales resulted in \$2.4 million in NFL ticket surcharge revenue (10% of ticket sales) to the Stadium Authority. The average NFL ticket surcharge revenue was \$805,000 per game in the current year which is up by \$228,000 or 39.5% from the same period in the prior fiscal year. This increase can be attributed to dynamically priced tickets to each NFL game. A total of \$65,000 of Senior and Youth Program Fees, which is based on \$0.35 per NFL ticket sold, were collected through the end of the second quarter of the fiscal year. These fees were transferred to the City’s General Fund in support of such programs.

A total of 16,580 cars were parked in the permitted offsite parking lots generating \$97,000 in offsite parking fees. The Tasman lot parking fee generated \$7,400 for the General Fund through the end of the fiscal year. The overall number of cars parked in the permitted offsite lots and the Tasman lots rose by an average of 600 cars per game or 11% when compared to the prior fiscal year.

There was \$1.2 million of NFL event public safety costs in the current reporting period which is an average of \$386,000 per game. This is up from the prior year average of \$255,000. Of the \$1.2 million NFL event public safety costs, \$802,000 or 69.3% are direct City costs and \$356,000 or 30.7% are outside agency costs. \$97,000 of the total NFL event public safety costs were covered by the offsite parking fees that were collected and the remaining was invoiced to ManagementCo. ManagementCo has reimbursed \$741,000 of the public safety costs as of the end of February 2020.

Statistics for the NFL games held at Levi’s Stadium in the first two quarters of the 2019/20 fiscal year are shown in Table 1 and comparative data from all six years of operations can be found in Table 2.

Table 1
Levi's® Stadium
2019/20 NFL Event Statistics
As of September 30, 2019

	Game 1 vs Cowboys 08/10/19	Game 2 vs Chargers 08/29/19	Game 3 vs Steelers 09/22/19	2019/20 YTD Total
No. of Tickets Sold	62,160	58,048	64,561	184,769
NFL Ticket Surcharge	\$ 608,325	\$ 578,533	\$ 1,229,529	\$ 2,416,387
Senior/Youth Program Fees	\$ 21,756	\$ 20,317	\$ 22,596	\$ 64,669
Cars Parked at Offsite Lots	5,076	4,239	7,263	16,578
City Offsite Parking Fee	\$ 29,695	\$ 24,798	\$ 42,489	\$ 96,981
Cars Parked on Tasman Lots	444	463	578	1,485
City Tasman Lot Parking Fee	\$ 2,220	\$ 2,315	\$ 2,890	\$ 7,425
Stadium Public Safety Costs	\$ 384,859	\$ 370,906	\$ 401,871	\$ 1,157,636
Less: Offsite Parking Fee Credit	\$ (29,695)	\$ (24,798)	\$ (42,489)	\$ (96,981)
Reimbursable Stadium Public Safety Costs	\$ 355,164	\$ 346,108	\$ 359,383	\$ 1,060,654
Amount Reimbursed	\$ 254,988	\$ 244,909	\$ 241,498	\$ 741,395

Table 2
Levi's® Stadium
Historical NFL Event Statistics

	2014/15 Q2 Total	2015/16 Q2 Total	2016/17 Q2 Total	2017/18 Q2 Total	2018/19 Q2 Total	2019/20 Q2 Total
No. of NFL Events	4	3	3	4	3	3
No. of Tickets Sold	271,503	198,634	188,705	249,408	190,840	184,769
NFL Ticket Surcharge	\$ 2,911,416	\$ 1,851,550	\$ 2,343,474	\$ 2,544,721	\$ 1,732,335	\$ 2,416,387
Senior/Youth Program Fees	\$ 95,026	\$ 69,522	\$ 66,047	\$ 87,293	\$ 66,794	\$ 64,669
Cars Parked at Offsite Lots	37,884	16,986	18,295	21,442	15,030	16,578
City Offsite Parking Fee	\$ 186,389	\$ 86,289	\$ 95,866	\$ 116,216	\$ 84,619	\$ 96,981
Cars Parked on Tasman Lots	1,737	1,967	1,689	2,357	1,244	1,485
Cars Parked on Golf Course	11,378	7,353	-	-	-	-
City Tasman Lot and Golf Course Parking	\$ 65,575	\$ 46,600	\$ 8,445	\$ 11,785	\$ 6,220	\$ 7,425
Stadium Public Safety Costs	\$ 914,005	\$ 673,723	\$ 740,565	\$ 975,574	\$ 764,421	\$ 1,157,636
Golf Course Public Safety Costs	\$ 111,690	\$ 25,242	\$ -	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ 1,025,695	\$ 698,965	\$ 740,565	\$ 975,574	\$ 764,421	\$ 1,157,636
Less: Offsite Parking Fee Credit	\$ (186,389)	\$ (86,289)	\$ (95,866)	\$ (116,216)	\$ (84,619)	\$ (96,981)
Reimbursable Stadium Public Safety Costs	\$ 839,306	\$ 612,676	\$ 644,700	\$ 859,359	\$ 679,802	\$ 1,060,654
Amount Reimbursed	\$ 839,306	\$ 612,676	\$ 644,700	\$ 859,359	\$ 679,802	\$ 741,395

Non-NFL Events

This section provides annual and comparative data for Non-NFL Events categorized as events ranging from high school and college football games, international soccer matches, concerts, wedding fairs, and special events. During the current reporting period there were a total of 125,587 tickets sold for the six ticketed Non-NFL Events with 128,588 total attendees. One factor that explains the difference between tickets sold and total attendees is the practice of providing free tickets through the non-NFL event agreement terms. The ticket surcharge is received for tickets sold; there is no surcharge revenue on free tickets. This resulted in \$502,000 Non-NFL Event ticket surcharge revenue (\$4 per ticket sold). This is a decrease in ticket surcharge revenue of \$425,000 or 45.8% less when compared to the same period in the prior year. The reason for the decrease is lower volume of ticket sales to the Non-NFL Events in the current period. In the prior fiscal year, there were seven ticketed events, five of which were large events, compared to six ticketed events this reporting period of which only three were large events.

The ManagementCo reports that there were also 28 smaller special events held at Levi's® Stadium which is down by 13 or 31.7% when compared to the same period in the prior fiscal year. However, they report that the attendance at these events went down from 15,943 in the prior year to 7,752 in the current year, a 51.4% decrease. The attendance figures and number of events are provided by the ManagementCo and cannot be independently confirmed by City staff. Examples of these special events include corporate events of various sizes, weddings, holiday parties, high school dances, etc.

In correlation with the decrease in total tickets sold, the number of cars parked at the permitted offsite parking lots saw a decrease when compared to the prior year. There were 13,130 cars parked at the offsite lots, a 41.2% decrease from the previous year. The City received \$75,000 in related offsite parking fees.

Total Non-NFL Event public safety costs were \$1 million, a decrease of \$375,000 or 27% from the prior year. As mentioned previously, this decrease in cost is due to the decrease in events being held in the current reporting period when compared to the prior year. The offsite parking fee of \$75,000 offset these costs and the remaining \$929,000 was invoiced to ManagementCo, of which \$791,000 has been reimbursed.

Statistics for the six Non-NFL ticketed events and 28 special events are shown in Table 3 and comparative data from all six years of operations are shown in Table 4.

Table 3
Levi's® Stadium
FY2019/20 Non-NFL Event Statistics
As of September 30, 2019

	Monster Jam 04/13/19	Wedding Fair 04/28/19	USWNT Soccer Game 05/12/19	ICC Soccer 07/20/19	Rolling Stones 08/18/19	High School Football Series 09/06/19	2019/20 Q1-Q2 Special Events	2019/20 YTD Total
No. of Scanned Attendees	39,701	781	20,464	15,575	47,442	4,625	-	128,588
No. of Tickets Sold	37,235	381	19,728	14,945	48,544	4,754	-	125,587
Non-NFL Ticket Surcharge	\$ 148,940	\$ 1,524	\$ 78,912	\$ 59,780	\$ 194,176	\$ 19,016	\$ -	\$ 502,348
No. of Non-NFL Special Events							28	28
Non-NFL Special Event Attendees							7,752	7,752
Cars Parked at Offsite Lots	2,997	-	2,254	2,232	5,647	-		13,130
City Offsite Parking Fee	\$ 16,873	\$ -	\$ 12,690	\$ 12,566	\$ 33,035	\$ -		\$ 75,164
Stadium Public Safety Costs	\$ 208,375	\$ -	\$ 111,967	\$ 311,290	\$ 315,497	\$ 14,250	\$ 42,620	\$ 1,004,000
Less: Offsite Parking Fee Credit	\$ (16,873)	\$ -	\$ (12,690)	\$ (12,566)	\$ (33,035)	\$ -	\$ -	\$ (75,164)
Reimbursable Public Safety Costs	\$ 191,502	\$ -	\$ 99,277	\$ 298,724	\$ 282,462	\$ 14,250	\$ 42,620	\$ 928,836
Amount Reimbursed	\$ 191,502	\$ -	\$ 99,277	\$ 217,079	\$ 226,297	\$ 14,250	\$ 42,620	\$ 791,025

Table 4
Levi's® Stadium
Historical Non-NFL Event Statistics⁽¹⁾

	2014/15 Q2 Total	2015/16 Q2 Total	2016/17 Q2 Total	2017/18 Q2 Total	2018/19 Q2 Total	2019/20 Q2 Total
No. of non-NFL Ticketed Events	2	13	14	7	7	6
No. of Tickets Sold	106,699	542,390	518,542	210,157	231,849	125,587
Non-NFL Ticket Surcharge	\$ 426,796	\$ 2,130,628	\$ 2,074,168	\$ 840,628	\$ 927,396	\$ 502,348
No. of Non-NFL Special Events	43	100	53	42	41	28
Non-NFL Special Event Attendees	12,521	73,196	17,959	23,726	15,943	7,752
Cars Parked at Offsite Lots	10,748	51,669	55,731	19,466	22,338	13,130
City Offsite Parking Fee	\$ 52,880	\$ 258,252	\$ 286,531	\$ 104,077	\$ 123,559	\$ 75,164
Cars Parked on Golf Course	5,413	19,743	9,562	-	-	-
City Golf Course Parking Fee	\$ 27,065	\$ 98,715	\$ 47,810	\$ -	\$ -	\$ -
Stadium Public Safety Costs	\$ 444,151	\$ 2,624,988	\$ 2,469,148	\$ 1,035,289	\$ 1,378,966	\$ 1,004,000
Golf Course Public Safety Costs	\$ 55,701	\$ 113,440	\$ 39,905	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ 499,852	\$ 2,738,429	\$ 2,509,053	\$ 1,035,289	\$ 1,378,966	\$ 1,004,000
Less: Offsite Parking Fee Credit	\$ (52,880)	\$ (258,252)	\$ (286,531)	\$ (104,077)	\$ (123,559)	\$ (75,164)
Reimbursable Public Safety Costs	\$ 446,972	\$ 2,480,177	\$ 2,222,522	\$ 931,212	\$ 1,255,407	\$ 928,836
Amount Reimbursed	\$ 446,972	\$ 2,480,177	\$ 2,222,522	\$ 931,212	\$ 1,255,407	\$ 791,025

⁽¹⁾ Includes non-NFL special events.

Table 5 summarizes ticketed Non-NFL Event revenue and expenditures by event. This table shows that two of the three events operated at a loss or did not make any money. Table 6 and 7 show Non-NFL net revenue by event type and event revenue and expenses by category. The inclusion of this information is to provide a greater level of transparency and provide the overall financial results of the Non-NFL events.

NOTE: THE FINANCIAL INFORMATION PROVIDED IN THESE TABLES IS DRAFT AND SUBJECT TO CHANGE AS ADDITIONAL REVENUE AND/OR EXPENDITURES ARE RECORDED.

**Table 5
Levi's® Stadium
Ticketed Non-NFL Events Revenue and Expenditure Summary
FY 2019/20 Quarter 2**

In Millions \$

Ticketed Event	Revenue	Expense	Net
Monster Jam	\$ 1.6	\$ 2.0	\$ (0.4)
Bay Area Wedding Fair	0.0	0.0	0.0
USWNT vs South Africa	0.3	0.1	0.2
ICC: Chivas vs Benfica	1.2	1.4	(0.2)
Rolling Stones: No Filter Tour	11.3	10.5	0.8
High School Football Series	0.1	0.1	0.0
Total Ticketed Non-NFL Net Revenue to date	\$ 14.6	\$ 14.1	\$ 0.4

*Numbers may vary due to rounding

There were six ticketed Non-NFL events held in the first two quarters of FY 2019/20 with an average net gain to the Stadium Authority of about \$70,000 per event. Out of a total of six ticketed Non-NFL events, four Non-NFL ticketed events (67%) were money losing events or generated no revenue for the Stadium Authority. Based on the analysis shown in the following tables, the concert followed by Special Events (such as weddings, corporate events, birthday parties, etc.) generate the largest revenue for the Stadium Authority.

The revenue and expenses in the tables below are created using information provided by ManagementCo. Based on the information provided, it appears that the Food and Beverage portion of the business is not generating revenue. It is difficult to determine by the provided information if this is actually the case or if there is additional Food and Beverage revenue or cost reimbursements that are grouped with other revenue line items and not called out on the face of the provided Event Flash Reports. The Stadium Authority looks to work with ManagementCo on greater transparency for future reports.

Table 6
Levi's® Stadium
Net Revenue for Non-NFL Events
by Event Type
FY 2019/20 Quarter 2

Event Type	No. of Events	Net Revenue
Ticketed Events		
Concerts	1	\$ 871,777
Sporting Events		
Football (Non-NFL)	1	30,938
Soccer	2	83,456
Miscellaneous Events	2	(404,883)
Subtotal Ticketed Events	6	\$ 581,288
Subtotal Non-Ticketed Non-NFL Events (weddings, corporate events, etc)	28	\$ 362,074
Total Non-NFL Event Net Revenue	34	\$ 943,362
Total Estimated Performance Rent paid to the General Fund⁽¹⁾		\$ 294,181

⁽¹⁾ Performance Rent is calculated as 50% of the net revenue from Non-NFL events less performance-based credit of 50% of fixed ground rent

Table 7
Levi's® Stadium
Non-NFL Event Results by Category
FY 2019/20 Quarter 2

	2019/20 YTD Total
REVENUE:	
Seating Bowl	\$ 12,156,577
Ticket Master Fees	651,322
Suites	243,967
Food & Beverage	906,283
Parking	652,866
Miscellaneous ⁽¹⁾	1,233,855
Total Revenue	\$ 15,844,870
EXPENSE:	
Public Safety/Security	\$ 1,544,049
Utilities/Solid Waste	74,033
Parking	567,665
Food & Beverage - Ticketed Events	242,716
Food & Beverage - Special Events	663,423
Operations/Janitorial/Maintenance	1,942,322
Miscellaneous ⁽²⁾	9,867,299
Total Expense	\$ 14,901,508
Total Non-NFL Net Revenue	\$ 943,362

⁽¹⁾Includes special event revenue such as corporate events, weddings, holiday parties, etc.

⁽²⁾Includes rentals, fees & commissions, transportation, marketing, and other expenses

Discretionary Fund

The Discretionary Fund is funded by revenue equal to 50% of the Non-NFL Ticket Surcharge of \$4 per ticket. The six ticketed Non-NFL Events contributed \$251,000 to the Discretionary Fund in the reporting period. Table 8 shows the revenues and expenses in the Discretionary Fund since FY2014/15. The balance at the end of this reporting period was \$2.2 million.

Table 8

Discretionary Fund - Accrual Basis				
Fiscal Year	Beginning Balance	Revenue	Expenses	Ending Balance
2014/15	\$ -	\$ 715,770	\$ 714,028	\$ 1,742
2015/16	1,742	1,238,542	699,129	541,155
2016/17	541,155	1,164,698	1,209,342	496,511
2017/18	496,511	768,564	-	1,265,075
2018/19	1,265,075	796,294	101,267	1,960,102
2019/20	1,960,102	251,174		2,211,276

Stadium Builder Licenses

The total principal value of currently active Stadium Builder Licenses (“SBLs”) is \$524.5 million and, as of September 30, 2019, 84.0% of the total principal value of all SBLs sold (i.e., \$440.4 million) had been collected.

SBL holders that finance their purchase pay an annual interest rate of 8.5% and payments are due by March 1st each year. The majority of SBL holders make their payments on time. For those that do not pay on time, SBL service staff, working for ManagementCo on the Stadium Authority’s behalf, contact the SBL holders and attempt to collect the full amounts owed. Ultimately, an SBL can be defaulted for non-payment. Once an SBL is defaulted, the SBL holder in default loses their right to buy season tickets as well as their priority rights to tickets to Non-NFL Events, and forfeits any money they had invested in the SBL. Defaulted SBLs are then available for resale.

There is a total of 58,957 currently active SBLs, or 89% of the 65,879 total sellable SBL seats. This is down by 1,302 from the total active SBLs at the end of the prior fiscal year (March 31, 2019). The main reason for the reduction is due to defaulted SBLs. The defaulted SBLs were offset by (1) the sale of new SBLs and (2) the net increase related to the customer seat relocation program. The customer seat relocation program allows customers to trade in their SBLs in return for others in a different location as long as the total face value of the new seats is equal to or greater than the original seats.

During the current reporting period, 234 SBLs were sold for a total face value of \$1.5 million. The customer seat relocation program resulted in an increase of \$721,000 to the SBL face value, while netting 29 more SBLs. There were also 1,565 SBLs defaulted during the year with a total face value of \$10.1 million. The number of defaults and associated value is in line with the two-year historical average.

Additional details regarding currently active SBLs are noted in Table 9.

Table 9
Santa Clara Stadium Authority
Currently Active Stadium Builder License (SBL) Summary⁽¹⁾

Through September 30, 2019										
Seat Value	SBL Seats Available	SBL Seats Sold as of 3/31/19	New SBL Sales	Net SBL Relocations	SBL Defaults	SBL Seats Sold	SBL Value	SBL Collected	% SBL Principal Collected	
141,392	100	100	-	-	-	100	\$ 14,082,625	\$ 11,966,318	85.0%	
80,000	938	930	-	7	(13)	924	73,920,000	63,952,301	86.5%	
40,000	2	2	-	-	-	2	80,000	61,976	77.5%	
30,000	4,869	4,554	6	3	(57)	4,506	135,180,000	117,010,112	86.6%	
20,000	3,395	2,965	12	(22)	(68)	2,887	57,740,000	49,065,304	85.0%	
15,000	7	7	-	-	(1)	6	90,000	59,499	66.1%	
12,000	2,167	2,118	7	12	(28)	2,109	25,308,000	21,438,998	84.7%	
10,000	9	7	-	-	-	7	70,000	57,422	82.0%	
6,000	20,623	20,441	86	60	(483)	20,104	120,624,000	96,192,406	79.7%	
5,000	14,301	13,164	63	20	(297)	12,950	64,750,000	53,041,175	81.9%	
4,000	917	913	3	4	(4)	916	3,664,000	3,254,731	88.8%	
3,000	94	94	-	-	(4)	90	270,000	206,822	76.6%	
2,500	45	45	-	-	(1)	44	110,000	87,211	79.3%	
2,000	18,373	14,881	57	(54)	(607)	14,277	28,554,000	23,999,107	84.0%	
1,000	39	38	-	(1)	(2)	35	35,000	28,469	81.3%	
Total	65,879	60,259	234	29	(1,565)	58,957	\$ 524,477,625	\$ 440,421,849	84.0%	

Plus: Interest on financed SBLs 50,559,791
Total Principal & Interest \$ 490,981,640

⁽¹⁾ This table does not include \$26.6 million that has been collected life-to-date from defaulted SBL holders.

Santa Clara Stadium Authority Budget Status Reports

Operating Budget

With 50% of the fiscal year complete, total operating revenues for the second quarter of the FY 2019/20 were \$28.7 million representing 39% of the overall budget for revenues. The two primary reasons that revenue is below 50% is because non-NFL event revenue is recorded at the end of the fiscal year in accordance with Article 5 of the Stadium Management Agreement, and the Naming Rights revenue is collected twice a year in October and February. Stadium rent earned from StadCo totaled \$12.4 million. During the current reporting period, the Stadium Authority also collected \$9.4 million in SBL proceeds or 37% of what was budgeted. All SBL proceeds are to be transferred to the debt service fund per applicable loan agreements. The non-NFL event ticket surcharge amounted to \$483,000 or 39% of the budget.

Total operating expenses were \$18.3 million, or 25% of the annual budget. The primary reasons that total expenses are below 50% are that the Non-NFL event expenses are recorded at the end of the fiscal year and the decision to withhold payment on shared stadium manager expenses until sufficient support is received for the expenses. Operating expenses payments were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, arising from the ManagementCo's inappropriate use of public funds relative to procurement practices and potential self-dealing/conflicts of interests. At that meeting, the Board directed the Executive Director to only release public funds to the Forty Niners Management Company (ManCo) if all supporting documents have been submitted and adhere to our agreements and State and local laws. As part of that suspension of payment, the Stadium Authority continues to pay for utilities, insurance and costs associated with SBL sales and services. However, rather than provide the Stadium Authority with complete documentation to substantiate proper procurement and/or the absence of self-dealing/conflicts of interests, ManagementCo opted to take out loans and continue to pay itself public funds without demonstrating compliance with State and local laws. Total estimated revolving credit loans total \$6.5 million and the Stadium Authority maintains its position that it should not use public funds for violations of public procurement violations, prevailing wage violations, and/or self-dealing/conflicts of interests. Shared Stadium Manger expenses were at 25% or \$3 million of the \$11.9 million budgeted amount and SBL Sales & Service expenses were 91% of the budget, or \$2 million. The Stadium Authority pays for all utility costs from February 1st through July 31st and the tenant (StadCo) pays for utility costs from August 1st through January 31st (Tenant Season). Therefore, utility costs are 68% of the budget for the second quarter, or \$1 million. The current reporting period covers 67% (four out of the six months) that the Stadium Authority is responsible for utility costs. Transfers out for debt service amounted to \$10.9 million and, lastly, Stadium Authority G&A costs were \$781,000 or 31% of the budget.

Overall, the Stadium Authority operating fund ended the second quarter with a fund balance of \$33 million, an increase of \$10.4 million or 45.7%. Included in that amount is an \$11.3 million operating reserve and a \$2.2 million discretionary fund.

Additional details are shown in Table 10.

Table 10
Santa Clara Stadium Authority
Operating Budget Status Report
For the Period Ending September 30, 2019 and 2018

	Period Ending September 30, 2019						Period Ending September 30, 2018			
	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources										
Revenues										
NFL Ticket Surcharge	\$ 8,142,000	\$ -	\$ 2,416,387	\$ 2,416,387	\$ 5,725,613	30%	\$ 8,031,000	\$ 1,732,335	\$ 6,298,665	22%
SBL Proceeds	25,416,000	8,525,454	827,998	9,353,451	16,062,549	37%	27,214,000	9,094,712	18,119,288	33%
Interest	938,000	234,203	247,406	481,610	456,390	51%	794,000	386,229	407,771	49%
Non-NFL Event Revenue	-	-	-	-	-	NA	62,147,000	-	62,147,000	N/A
Net Revenues from Non-NFL Events	5,796,000	-	-	-	5,796,000	0%	-	-	-	NA
Naming Rights	6,754,000	-	3,327,117	3,327,117	3,426,884	49%	6,558,000	-	6,558,000	0%
Sponsorship Revenue (STR)	345,000	81,250	81,250	162,500	182,500	47%	545,000	224,703	320,297	41%
Rent	24,762,000	6,190,500	6,190,500	12,381,000	12,381,000	50%	25,810,000	13,429,000	12,381,000	52%
Senior & Youth Program Fees	230,000	-	64,669	64,669	165,331	28%	230,000	66,794	163,206	29%
Non-NFL Event Ticket Surcharge	1,232,000	229,376	253,956	483,332	748,668	39%	1,800,000	927,396	872,604	52%
Bay Area Host Committee Reimbursement	-	3,715	927	4,642	(4,642)	NA	1,400,000	107,325	1,292,675	N/A
Other Revenue	-	-	-	-	-	NA	2,281,000	1,686	2,279,314	N/A
Revenues Subtotal	\$ 73,615,000	\$ 15,264,498	\$ 13,410,210	\$ 28,674,708	\$ 44,940,292	39%	\$ 136,810,000	\$ 25,970,179	\$ 110,839,821	19%
Net Transfers	-	-	-	-	-	N/A	-	-	-	NA
Total Resources	\$ 73,615,000	\$ 15,264,498	\$ 13,410,210	\$ 28,674,708	\$ 44,940,292	39%	\$ 136,810,000	\$ 25,970,179	\$ 110,839,821	19%
Expenses										
Shared Stadium Manager Expenses										
Stadium Operations	\$ 4,004,000	\$ 653,401		\$ 653,401	\$ 3,350,599	16%	\$ 3,721,000	\$ 1,863,495	\$ 1,857,505	50%
Engineering	2,054,000	328,481		328,481	1,725,519	16%	1,835,000	917,363	917,638	50%
Guest Services	825,000	137,782		137,782	687,218	17%	813,000	406,496	406,504	50%
Groundskeeping	177,000	29,039		29,039	147,961	16%	164,000	81,783	82,217	50%
Security	1,656,000	270,450		270,450	1,385,550	16%	1,543,000	771,555	771,445	50%
Insurance	2,956,000	739,038	870,038	1,609,076	1,346,924	54%	2,871,000	1,435,025	1,435,975	50%
Stadium Management Fee	232,000	-		-	232,000	0%	226,000	-	226,000	0%
Shared Stadium Mngr Exps Subtotal	\$ 11,904,000	\$ 2,158,191	\$ 870,038	\$ 3,028,229	\$ 8,875,771	25%	\$ 11,173,000	\$ 5,475,718	\$ 5,697,283	49%
Other Expenses										
SBL Sales and Service	\$ 2,221,000	\$ 589,477	\$ 1,440,000	\$ 2,029,477	\$ 191,523	91%	\$ 2,324,000	\$ 1,175,912	\$ 1,148,088	51%
Senior & Youth Fees (paid to City)	230,000	-	42,073	42,073	187,927	18%	230,000	66,794	163,206	29%
Non-NFL Event Expense	-	-	-	-	-	NA	56,519,000	-	56,519,000	0%
Ground Rent (paid to City)	355,000	-	355,000	355,000	-	100%	320,000	320,000	-	100%
Performance Rent (paid to City)	2,721,000	-	-	-	2,721,000	0%	2,654,000	-	2,654,000	0%
Discretionary Fund Expense	250,000	-	-	-	250,000	0%	990,000	48,185	941,815	5%
Utilities	1,551,000	791,625	258,000	1,049,625	501,375	68%	1,506,000	1,050,000	456,000	70%
Use of StadCo Tenant Improvements	182,000	-	-	-	182,000	0%	236,000	463	235,537	0%
Stadium Authority G&A	2,480,000	295,995	484,664	780,659	1,699,341	31%	1,685,000	706,396	978,604	42%
College Football Playoff Expense	-	3,715	927	4,642	(4,642)	NA	1,400,000	107,325	1,292,675	NA
Other Expenses	110,000	109,915	-	109,915	85	100%	105,000	-	105,000	0%
Transfers Out - Debt Service	51,273,000	-	10,894,241	10,894,241	40,378,759	21%	57,340,000	10,850,891	46,489,109	19%
Contribution to Operating Reserve	338,000	-	-	-	338,000	0%	328,000	-	328,000	0%
Other Expenses Subtotal	\$ 61,711,000	\$ 1,790,726	\$ 13,474,905	\$ 15,265,631	\$ 46,445,369	25%	\$ 125,637,000	\$ 14,325,966	\$ 111,311,034	11%
Total Expenses	\$ 73,615,000	\$ 3,948,918	\$ 14,344,943	\$ 18,293,860	\$ 55,321,140	25%	\$ 136,810,000	\$ 19,801,684	\$ 117,008,316	14%
Operating Reserve	\$ 11,593,270			\$ 11,255,088			\$ 11,255,088	\$ 10,927,270		
Discretionary Fund	\$ 2,302,075			\$ 2,201,768			\$ 1,086,407	\$ 1,680,589		

Debt Service Budget

The Stadium Authority's FY 2019/20 debt service revenue budget of \$3.8 million represents anticipated contributions from the Community Facilities District (CFD). During the first two quarters of the current fiscal year, \$1.8 million was contributed by the CFD. Transfers in from the operating fund amounted to \$10.9 million or 23% of the budget.

Total Stadium Authority debt service expenses for the current reporting period were \$21.8 million, 42% of the budgeted amount. The debt service expenses for the CFD Advance, the Term A Loan, and the StadCo Subordinated Loan were \$1.4 million, \$19.2 million, and \$1.2 million, respectively.

The Stadium Authority debt service fund ended the current quarter with a fund balance of \$16.5 million which includes \$11.5 million in the debt service reserve account. The remaining \$5 million is reserved for future debt payments.

As of September 30, 2019, the total outstanding amount of Stadium Authority debt had declined to \$326.8 million. This is a reduction in principal of \$13.4 million from the March 31, 2019 outstanding debt amount of \$340.2 million.

Additional details are shown in Tables 11 and 12 and Chart 1.

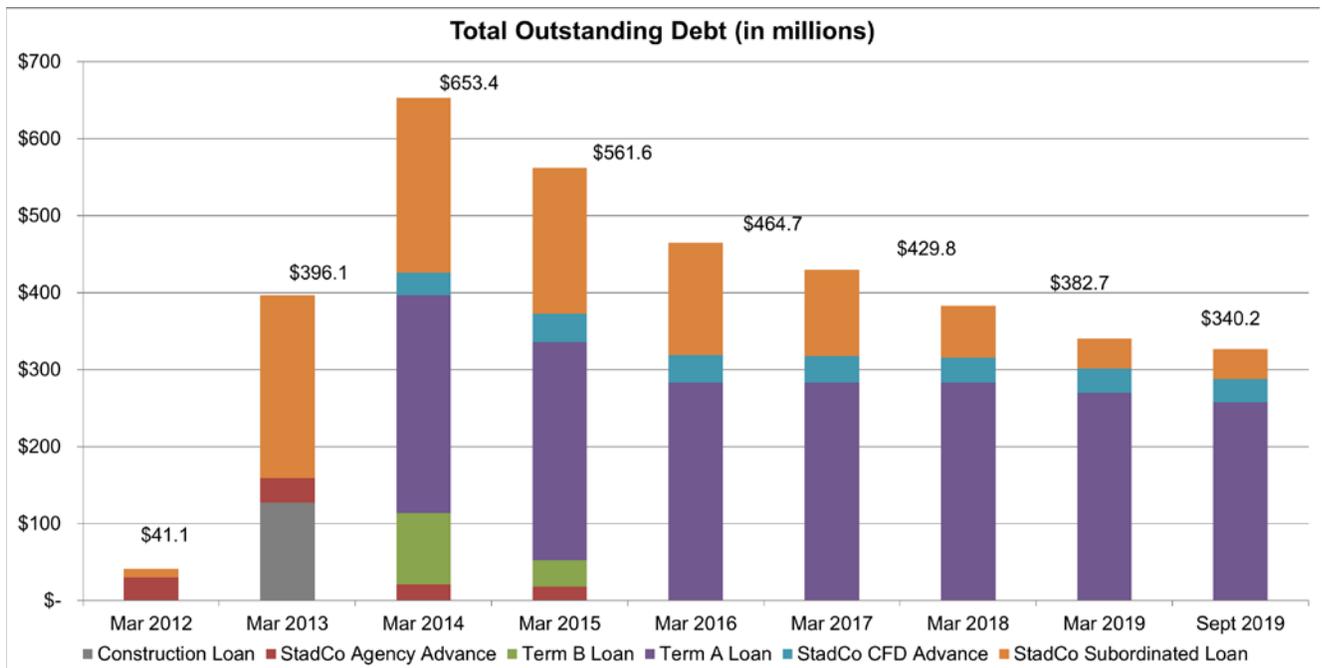
Table 11
Santa Clara Stadium Authority
Debt Service Budget Status Report
For the Period Ending September 30, 2019 and 2018

	Period Ending September 30, 2019						Period Ending September 30, 2018			
	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources										
Revenues										
Contribution from CFD	\$ 3,872,000	\$ 951,360	\$ 892,307	\$ 1,843,667	\$ 2,028,333	48%	\$ 3,800,000	\$ 1,943,500	\$ 1,856,500	51%
Revenues Subtotal	\$ 3,872,000	\$ 951,360	\$ 892,307	\$ 1,843,667	\$ 2,028,333	48%	\$ 3,800,000	\$ 1,943,500	\$ 1,856,500	51%
Transfers In from Operating	47,795,000	-	10,894,241	10,894,241	36,900,759	23%	53,963,000	10,850,891	43,112,109	20%
Contribution from Fund Balance	-	16,665,922	(7,593,965)	9,071,957	(9,071,957)	NA	4,653,000	14,627,398	(9,974,398)	314%
Total Resources	\$ 51,667,000	\$ 17,617,282	\$ 4,192,583	\$ 21,809,865	\$ 38,929,092	42%	\$ 62,416,000	\$ 27,421,789	\$ 34,994,211	44%
Expenses										
CFD Advance	\$ 3,844,000	\$ 1,002,705	\$ 438,541	\$ 1,441,246	\$ 2,402,755	37%	\$ 3,800,000	\$ 1,879,532	\$ 1,920,468	49%
Term A Loan	26,383,000	15,971,276	3,218,928	19,190,204	7,192,796	73%	26,702,000	19,286,502	7,415,498	72%
StadCo Subordinated Loan	21,440,000	643,301	535,114	1,178,415	20,261,585	5%	31,914,000	6,255,755	25,658,245	20%
Total Expenses	\$ 51,667,000	\$ 17,617,282	\$ 4,192,583	\$ 21,809,865	\$ 29,857,135	42%	\$ 62,416,000	\$ 27,421,789	\$ 34,994,211	44%
Debt Service Reserve	\$ 11,536,235			\$ 11,536,235			\$ 11,536,235	\$ 11,536,235		

Table 12
Santa Clara Stadium Authority
Debt Summary Report
For the Period Ending September 30, 2019

Type of Indebtedness	Interest Rates	Outstanding as of March 31, 2019	Net Change	Outstanding as of September 30, 2019
Stadium Funding Trust Loan:				
Term A Loan	5.00%	\$ 270,266,412	\$ (12,752,172)	\$ 257,514,240
StadCo CFD Advance	5.73%	30,925,978	(561,874)	30,364,104
StadCo Subordinated Loan	5.50%	39,024,833	(107,449)	38,917,384
Total		\$ 340,217,223	\$ (13,421,495)	\$ 326,795,728

Chart 1



Capital Improvement Project Budget

As part of the Capital Expense (“CapEx”) Plan, the following projects have been completed as of the current reporting period:

- Kawasaki Mule Purchase
- Two Auto Pulse Automated Compressor Purchases
- ALS Lifepack Monitor Purchase

The following CapEx projects are currently in progress and expected to be completed by the end of the fiscal year:

- Diesel Particulate Filter
- Mobile Radio
- Chemical Warfare Detector
- Staff Scheduling Software
- Upfit Kawasaki Mules

A total of \$61,000 has been spent in FY 2019/20, which amounts to <1% of the budget. The main reasons that this is below budget are (1) there has been little activity on warranty work which makes up 11% of the CIP Budget, and (2) a number of projects are behind schedule due to the ManagementCo not following State procurement and prevailing wage laws so projects had to be halted. Given the fact that almost no capital projects were completed by ManagementCo, there is serious concern where ManagementCo is unable to complete the projects included in this budget. We will continue to raise this issue with ManagementCo to ensure the Stadium Authority asset is maintained in a sufficient manner; however, there is valid concern that ManagementCo is unable to complete these duties given the record to date. During this reporting period, the ManagementCo has not demonstrated its ability to award contracts in compliance with state laws.

Additional details are shown below in Table 13.

Table 13
Santa Clara Stadium Authority
CIP Budget Status Report
For the Period Ending September 30, 2019 and 2018

	Period Ending September 30, 2019						Period Ending September 30, 2018			
	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Beginning Balances	\$ 14,532,870	\$ 14,516,225	\$ 14,455,221	\$ 14,516,225	\$ 16,645		\$ 12,358,833	\$ 12,718,700		
Resources										
Transfers In from Operating Budget	3,478,000	-	-	-	3,478,000	0.00%	3,377,000	-	3,377,000	0%
Transfers In from Stadium Manager	-	-	308,568	308,568	(308,568)	N/A	-	-	-	-
Total Resources	\$ 18,010,870	\$ 14,516,225	\$ 14,763,788	\$ 14,824,793	\$ 3,186,077	82%	\$ 15,735,833	\$ 12,718,700	\$ 3,377,000	81%
	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Final Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses										
Construction	4,956,922	(4,845)	-	(4,845)	4,961,767	0%	4,875,415	848,970	4,026,445	17%
Equipment	7,070,988	65,038	-	65,038	7,005,950	1%	1,210,000	82,700	1,127,300	7%
Contingency	657,397	812	-	812	656,585	0%	296,546	3,250	293,296	1%
Stadium Warranty Related Construction	1,528,202	-	-	-	1,528,202	0%	1,600,971	33,769	1,567,202	2%
Total Expenses	\$ 14,213,509	\$ 61,005	\$ -	\$ 61,005	\$ 14,152,504	0%	\$ 7,982,932	\$ 968,689	\$ 7,014,243	12%
Ending Balances	\$ 3,797,361	\$ 14,455,221	\$ 14,763,788	\$ 14,763,788			\$ 7,752,901	\$ 11,750,011		

City of Santa Clara Net General Fund Impact

During the current reporting period there was a total of \$807,000 that was contributed to the General Fund as shown in Table 14. This section of the report also provides information on General Fund revenue and expenditure impacts resulting from the stadium.

Table 14

City of Santa Clara Net General Fund Impact

For Stadium Authority Fiscal Year to Date Ending September 30, 2019

Ground Rent	\$	355,000
Performance Rent		-
Senior and Youth Fee		42,073
Tasman Lots Parking Fee		7,425
Sales Tax		402,388
<hr/>		
Total Net General Fund Impact	\$	806,886

Public Safety and Administrative Cost Reimbursement

As described in earlier sections of this report, costs incurred by the City on NFL and non-NFL Events are tracked and billed to the Stadium Manager. Reimbursement is monitored and included in this report. Public safety costs incurred in support of NFL and non-NFL events totaled \$1.2 million and \$1 million, respectively. Reimbursements of the non-NFL public safety costs amounted to \$791,000, and \$741,000 has been received for the NFL public safety costs as of the end of February 2020. These reimbursements came from a combination of payments from the Stadium Manager, and the offsite parking fees that were collected.

In addition to public safety costs, administrative costs are also tracked and billed to the Stadium Authority. These include the cost of providing overall stadium management, financial, human resource, legal, and other services to the Stadium Authority. In the first two quarters of FY 2019/20, a total of \$436,000 of administrative costs were incurred by the General Fund, which have been reimbursed to the City.

Rents and Senior and Youth Fee

As noted above the City's General Fund collected ground rent (\$355,000) from the Stadium Authority. Additionally, the Senior and Youth Fee generated \$65,000, of which \$42,000 was forwarded to the City year-to-date in support of senior and youth programs fees, and the remaining to be transferred in the following quarter. Lastly, the Tasman Lot Parking Fee generated \$7,400 for the City. See the Glossary for more information on these revenues and how they are calculated.

Other Revenue Impacts

General Fund sales tax, property tax, and transient occupancy tax (TOT) collections have benefited from the direct and indirect economic activity related to stadium events.

Food and beverage concession sales and merchandise sales at Levi's® Stadium are taxable, resulting in sales tax revenue for the City. The last two quarters of sales tax collections from Levi's® Stadium transactions generated \$402,000 for the City's General Fund. In addition to the direct sellers at the Stadium, other businesses in Santa Clara are benefiting from the influx of people coming to attend one or more events at Levi's® Stadium, resulting in potentially more sales tax collections for the General Fund.

In accordance with State Law, StadCo must pay possessory interest property tax based on their lease of Levi's® Stadium from the Stadium Authority. This revenue is collected by the county and placed into the Redevelopment Property Tax Trust Fund (RPTTF). Amounts remaining in the RPTTF after paying any enforceable obligations of the Successor Agency are distributed to taxing entities in the same proportion as secured property taxes. The City's proportion is approximately 10%.

Many stadium events bring travelers to the region, resulting in hotel stays which generate TOT collections for the City's General Fund. Although it is impossible to say exactly what portion of the City's TOT collections is due to the stadium, it is clear that hotels both inside and outside the City have benefited, resulting in increases in TOT collections in Santa Clara and our neighboring cities.

Glossary

This section of the report provides details behind key terms that are used in the body of this report.

Discretionary Fund – The Amended and Restated Stadium Lease Agreement describes the Non-NFL Event ticket surcharge which is imposed by the Stadium Authority. All promoters or sponsors of ticketed Non-NFL Events are required to collect a Non-NFL ticket surcharge of \$4 per ticket on behalf of the Stadium Authority. One-half of these proceeds are used to cover Stadium Authority operating and maintenance costs. The other one-half of the proceeds are deposited in the Stadium Authority’s discretionary fund. If at any time the discretionary fund balance exceeds \$1 million, then in consultation with the Stadium Manager, the Stadium Authority will determine if provision has been made for replacement and improvement of capital improvements contemplated under the public safety plan. If not, then funds will be reserved in the discretionary fund for such purposes. If adequate provision has been made for these items and the balance of the discretionary fund still exceeds \$1 million, then up to half of the amount over \$1 million can be transferred to the General Fund, in which event an equal amount will also be transferred from the discretionary fund to the Stadium Authority operating fund and will be included as revenue available to pay Stadium Authority expenses.

Ground Lease – The Ground Lease Agreement has an initial term of 40 years commencing on the date of substantial completion which was July 31, 2014. The amount of annual base ground rent that is payable by the Stadium Authority to the City is noted in the chart below.

Lease Year	Fiscal Year	Annual Fixed Ground Rent
1	2014/15	\$ 180,000
2	2015/16	\$ 215,000
3	2016/17	\$ 250,000
4	2017/18	\$ 285,000
5	2018/19	\$ 320,000
6	2019/20	\$ 355,000
7	2020/21	\$ 390,000
8	2021/22	\$ 425,000
9	2022/23	\$ 460,000
10	2023/24	\$ 495,000
11-15	2024/25 - 2028/29	\$ 1,000,000
16-20	2029/30 - 2033/34	\$ 1,100,000
21-25	2034/35 - 2038/39	\$ 1,200,000
26-30	2039/40 - 2043/44	\$ 1,300,000
31-35	2044/45 - 2048/49	\$ 1,400,000
36-40	2049/50 - 2053/54	\$ 1,500,000

Net Non-NFL Event Revenue – Net Non-NFL Event revenue is remitted by ManagementCo to the Stadium Authority on a yearly basis. This is done annually because the final reconciliation of the Non-NFL Event revenues and expenses does not occur until after the conclusion of each fiscal year.

Beginning with FY 2018/19, the Stadium Authority budgeted the Non-NFL Event activity at gross, budgeting for revenue and expenses separately. In the prior fiscal years that activity was budgeted as a net amount.

NFL Ticket Surcharge – The Amended and Restated Non-Relocation Agreement states that the Team will collect a 10% NFL ticket surcharge on the price of admission to all NFL games on behalf of Stadium Authority.

Non-NFL Event Ticket Surcharge – The Stadium Lease Agreement requires that the promoter or sponsor of any Non-NFL Event collect a Non-NFL Event ticket surcharge of \$4 per ticket. The Lease Agreement sets aside one-half of the Non-NFL ticket surcharge for stadium operating and maintenance costs and one-half for discretionary expenses of the Stadium Authority.

Offsite Parking Fees – Parking lot operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City’s permitting process. If approved, per the City’s Municipal Fee Schedule, these operators remit an offsite parking fee for each car that is parked for sports or entertainment events. This fee is designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for NFL or Non-NFL public safety costs for a particular event held at Levi’s® Stadium, the offsite parking fee that is collected for said event partly offsets the total public safety costs owed for that event. In the City’s FY 2019/20 (July 1, 2019 through June 30, 2020) the offsite parking fee is \$5.63.

Performance-Based Rent - The Amended and Restated Stadium Lease Agreement and the Ground Lease Agreement both describe the performance-based rent that is due to the City. (It is calculated as 50% of the net income from Non-NFL events less performance-based rent credits. The performance-based rent credits include 50% of the fixed ground rent for the current lease year.)

Public Safety Costs – For each NFL and Non-NFL Event held at Levi’s® Stadium, a public safety plan is developed and implemented. Multiple City departments provide staffing, materials, and supplies to support the public safety plan. Services are provided through a combination of City staff, contracts with other agencies (California Highway Patrol, County Sheriff’s Office, and City of Sunnyvale) and some vendor provided services.

The Amended and Restated Stadium Lease Agreement section 7.5 states that the tenant is responsible for reimbursing the City for the public safety costs attributed to NFL events at Levi’s® Stadium. Additionally, Article 5 of the Stadium Management Agreement notes that the Stadium Manager is responsible for paying Non-NFL Event expenses on behalf of the Stadium Authority. Therefore, the cost of providing public safety services are tracked through the City’s financial system and invoices are sent to the Stadium Manager. All of these costs are reimbursed to the City of Santa Clara.

Senior and Youth Program Fees – The Amended and Restated Stadium Lease Agreement requires that StadCo collect a Senior and Youth Program Fee of \$0.35 per NFL ticket sold on behalf of the Stadium Authority. Per section 8.2 of the Ground Lease Agreement between the City and the Stadium Authority, the Stadium Authority remits this fee to the City as additional rent to support senior and youth programs in the City.

Stadium Management Fee – The Stadium Manager receives an annual base management fee to manage Levi’s® Stadium. The fee was \$400,000 in the first lease year and increases by 3% annually as detailed in the table below. This annual base management fee is split 50/50 between StadCo and the Stadium Authority since the Stadium Manager manages the stadium year-round for both entities. In addition to the base management fee, the Stadium Manager also receives a stadium marketing and booking fee (incentive fee) which is based on a percentage of the amount that the net income from Non-NFL Events exceeds the marketing and booking fee benchmark. The marketing and booking fee benchmark was \$5 million in the first lease year and also increases by 3% annually as detailed in the table below. The annual stadium management fee for each of the first ten lease years are noted in the chart below.

Fiscal Year	Lease Year	Annual Base Stadium Management Fee (SCSA Share)	Stadium Marketing and Booking Fee Benchmark	Net Income from Non-NFL Events	Additional Stadium Marketing and Booking Fee	Total Stadium Management Fee
2014/15	1	\$ 200,000	\$ 5,000,000	\$ 5,207,553	\$ 10,378	\$ 210,378
2015/16	2	206,000	5,150,000	6,079,016	46,451	252,451
2016/17	3	212,180	5,304,500	5,316,894	620	212,800
2017/18	4	218,545	5,463,635	5,163,329	-	218,545
2018/19	5	225,102	5,627,544	18,591	-	225,102
2019/20	6	231,855	5,796,370			
2020/21	7	238,810	5,970,261			
2021/22	8	245,975	6,149,369			
2022/23	9	253,354	6,333,850			
2023/24	10	260,955	6,523,866			

Tasman Lots Parking Fees – The City collects a fee of \$5 per space for all cars that are parked on the Tasman surface lots during NFL events.



Agenda Report

20-429

Agenda Date: 3/24/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Presentation on Proposed Santa Clara Stadium Authority Fiscal Year 2020/21 Budget, Stadium Operation and Maintenance Plan, and 2020 Marketing Plan [Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium & Enhance Community Engagement and Transparency]

BACKGROUND

Action on the Proposed Santa Clara Stadium Authority Fiscal Year 2020/21 Budget, Stadium Operation and Maintenance Plan, and 2020 Marketing Plan is scheduled for 6:00pm on March 24, 2020.

DISCUSSION

Due to the timing of the Stadium Authority Board meeting, a presentation will be given as part of this report. Action on the Proposed Budget will follow separately at 6:00pm.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environment Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

No fiscal impact from this presentation.

COORDINATION

This report has been coordinated with the Stadium Authority Counsel's Office.

PUBLIC CONTACT

On March 11, 2020, a notice of the public hearing was published in the Santa Clara Weekly.

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file Staff Presentation on the Proposed Santa Clara Stadium Authority Fiscal Year 2020/21 Budget, Stadium Operation and Maintenance Plan, and 2020 Marketing Plan.

Reviewed by: Kenn Lee, Treasurer

Approved by: Deanna J. Santana, Executive Director



Agenda Report

20-47

Agenda Date: 3/24/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Action on the Proposed Santa Clara Stadium Authority Fiscal Year 2020/21 Budget, Stadium Operation and Maintenance Plan, and 2020 Marketing Plan [Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium] (Not to be heard prior to 6:00 PM)

BACKGROUND

The Stadium Management Agreement (Management Agreement) defines the Stadium Operation and Maintenance Plan (SOMP) as the plan designed to achieve a safe and well maintained Stadium, and shall include the standards for management and operation of the Stadium, including the required security, staffing, and other required elements of hosting Stadium Events. The Stadium Manager is responsible for preparing the SOMP annually and presenting it to the Stadium Authority, with the following items included:

1. Annual Shared Stadium Expense Budget;
2. Annual Public Safety Budget;
3. Capital Expenditure Plan; and,
4. Marketing Plan.

Each year, the Stadium Authority staff prepares, in coordination with the Forty Niners Stadium Management Company (ManagementCo), the proposed Santa Clara Stadium Authority Operating, Debt Service, and Capital Budget for the Stadium Authority's twelve month fiscal year (April 1 through March 31) in accordance with Article 4 "*Records, Accounts, Budgets, and Reports*" of the Management Agreement. The 2020/21 Proposed Budget is included as Attachment 1 to this memorandum and reflects adjustments from the Proposed Budget presented to the Santa Clara Stadium Authority Board (Board) on March 5, 2020.

At its March 5, 2020 meeting, the Board held a Study Session to discuss the proposed Santa Clara Stadium Authority Operating, Debt Service, and Capital Budget, and the Proposed Budget document and staff presentation are included as Attachment 2. As a separate item on the March 5 Study Session agenda, the draft 2020 Non-NFL Events Marketing Plan as prepared by ManagementCo (Attachment 3 - report and presentation) was also discussed. In addition, the Annual Public Safety Budget (Attachment 4), a revised Stadium Authority Budget Policy (Attachment 5), the Stadium Authority Compliance and Management Policy (Attachment 6), and Stadium Authority budget submittal questions were presented (Attachment 7).

During the Study Session, the Board and the public provided valuable feedback and asked pertinent questions. At the direction of the Board, Stadium Authority staff has included responses to those questions as part of this report (Attachment 8). The Board also directed staff and the City Attorney to return with a legal opinion outlining the options available to the Board regarding the Stadium budget.

The legal opinion is included in this memorandum.

DISCUSSION

The Stadium Authority FY 2020/21 Budget includes key components such as the Executive Director's Transmittal Letter; Stadium Operating Budget, which includes a breakdown of the Stadium Authority's General and Administrative (G&A) costs; Shared Stadium Manager expenses; Debt Service budget; and the Capital Budget. In addition, staff included a glossary of financial terms used to facilitate understanding of the types of revenues, expenses, debt, and capital expenses.

In accordance with Sections 4.5 through 4.8 of the Management Agreement, ManagementCo submitted the operating, capital, and debt budget for the FY 2020/21 Stadium Authority Budget. Staff followed the approved budget development process outlined in the Stadium Authority Budget Policy in preparing the Proposed FY 2020/21 Stadium Authority Budget. As presented at the March 5 Study Session, there are a couple of proposed changes to the Policy, including 1) dates to reflect that the submittal by ManagementCo is required at least 45 days prior to the start of the fiscal year, and 2) clarification to establish the budgetary appropriation control for expenditures set at the fund level, consistent with City funds where expenditures are not allocated to a specific department (see Attachment 5). The Santa Clara City Council established a policy priority that applies to the City's public services support of the Stadium Authority, which is to "Ensure Compliance with Measure J and Manage Levi's® Stadium". The Stadium-Authority approved Compliance and Management Policy remains unchanged (see Attachment 6).

FY 2020/21 Budget Process

The goal of the budget development process is to allow the Budget to be presented to the Board and the public at one Special Meeting/Study Session and one Public Hearing before its final consideration for approval. The following summarizes the timeline of the budget:

- November 2019: Stadium Authority staff met with ManagementCo to develop the annual budget plan which included the dates that ManagementCo would provide all necessary documents as required by the Stadium Lease and Stadium Management Agreement. At that meeting, it was expressed that ManagementCo would follow the due dates outlined in the Stadium Agreements.
- February 2020: At least 45 days prior to the start of the fiscal year (February 15), ManagementCo provided annual documents as outlined in the Stadium Agreements, which were used in the Budget Development Process:
 - Stadium Operations and Management Plan (*Source: Stadium Management Agreement*)
 - Annual Shared Expense Budget with Five Year Projection (*Source: Stadium Management Agreement*)
 - Annual Stadium Authority Operations Budget (*Source: Stadium Management Agreement*)
 - Annual Public Safety Budget (*Source: Stadium Management Agreement*)
 - Capital Expenditure Plan with Five-Year Projection (*Source: Stadium Management Agreement*)
 - Non-NFL Event Marketing Plan (*Source: Stadium Management Agreement*)
 - Public Safety Document Updates (*Source: Stadium Operations Agreement*)

- February through early March 2020: Stadium Authority staff analyzed ManagementCo's budget submission including but not limited to the number of full-time equivalents (FTEs) recommended and related personnel costs as well as non-personnel costs and calculated the budget for Stadium Authority General and Administrative (G&A) costs (such as staff costs, consulting, audit, legal, and any reasonable and necessary expenses to uphold its support of the Board) as well as any necessary funding to be used for the Stadium Authority's Discretionary Fund. The Stadium Authority submitted a series of questions to ManagementCo, that they had committed to responding to by March 6, 2020, and received responses on March 11, 2020 as detailed in Attachment 7. The Stadium Authority also received comments regarding the Marketing Plan on March 13, 2020 as detailed in Attachment 9.
- March 2020: Stadium Authority held a Study Session on March 5, 2020 and received questions and feedback from the public and Board. To complete the annual budget process, staff recommends that the Board take the recommended actions on March 24, 2020 to 1) Adopt the Santa Clara Stadium Authority Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget as presented in this report; 2) Approve the Santa Clara Stadium Authority Fiscal Year 2020/21 Stadium Operations and Maintenance Plan excluding the Marketing Plan; and 3) Approve the revised Stadium Authority Budget Policy.

Options Available to Stadium Authority

At the March 5 Study Session, the Board also directed staff and the City Attorney to return with options available to the Board regarding the Stadium budget. The Stadium Authority Board is a legislative body with the legal authority to approve its budget. The Stadium Lease creates certain debt repayment obligations which includes the marketing of SBL's and use of other revenue to make scheduled debt repayment obligations. The Board should approve those elements of the Budget that will continue these payment obligations.

The Non-NFL elements of the budget are within the Board's ultimate discretion about what to approve or not to approve. The Board has the discretion not to approve expenses that will not generate revenue. The Board may consider specific elements of expenses to disapprove based upon the facts before it. In addition, the Board may consider the effects of the current pandemic on whether it should be making public expenditures for events that most likely will not occur.

Key highlights for the Stadium Authority's FY 2020/21 Budget

The Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget is being presented under unusual circumstances. During FY 2019/20, the Stadium Authority Board issued several Notices of Breaches and Default of the Management Agreement which prompted issuing a Notice of Termination and Default of the Management Agreement to the Forty Niners. Regardless of how the termination issues are resolved, the Stadium Authority budget must include repayment of the debt, funding an operating budget and capital investment in the stadium. Work on the budget is not intended as a waiver or release of the termination notice or any Stadium Authority rights and claims.

- Operating Budget

**Santa Clara Stadium Authority
Operating Budget Summary**

	2019/20 Final Budget	ManCo		SCSA
		Study Session 2020/21 Proposed Budget	Revised Submission 2020/21 Proposed Budget	Recommended 2020/21 Proposed Budget
Revenues				
NFL Ticket Surcharge	\$ 8,142,000	\$ 8,665,000	\$ 8,665,000	\$ 8,665,000
Stadium Builder License (SBL) Proceeds	25,416,000	24,213,000	24,213,000	24,213,000
Net Revenues from Non-NFL Events	5,796,000	-	1,500,000	1,500,000
Naming Rights	6,754,000	6,957,000	6,957,000	6,957,000
Rent	24,762,000	24,762,000	24,762,000	24,762,000
Other Revenues	2,745,000	2,130,000	2,090,000	2,090,000
Total Revenues	\$ 73,615,000	\$ 66,727,000	\$ 68,187,000	\$ 68,187,000
Expenses				
Shared Stadium Manager Expenses ⁽²⁾				
Shared Stadium Manager Expenses ⁽¹⁾	\$ 11,904,000	\$ 12,132,000	\$ 12,276,000	\$ 3,045,000
SBL Sales and Service	2,221,000	3,610,000	3,610,000	3,610,000
Performance Rent (paid to City)	2,721,000	-	555,000	555,000
Utilities	1,551,000	1,597,000	1,597,000	1,597,000
Stadium Authority Staff and Contracts	2,480,000	4,851,000	4,581,000	4,581,000
Legal Contingency	-	-	-	9,231,000
Transfers Out - Capital Improvement Program	3,478,000	3,582,000	3,582,000	3,582,000
Transfers Out - Debt Service	47,795,000	38,234,000	39,265,000	39,265,000
Other Expenses	1,465,000	2,721,000	2,721,000	2,721,000
Total Expenses	\$ 73,615,000	\$ 66,727,000	\$ 68,187,000	\$ 68,187,000

⁽¹⁾ Stadium operations, engineering, guest services, groundskeeping, security, insurance, Stadium Management Fee
The 2020/21 SCSA Recommended Budget of \$3,045,000 is for insurance costs only.

Revenues

As shown in the table above, the FY 2020/21 projected revenues of \$68.2 million includes \$24.8 million in facility rent, \$24.2 million in Stadium Builder License (SBL) revenue, \$8.7 million in NFL ticket surcharge, \$7.0 million in Naming Rights revenue, and \$2.0 million in Other Revenues. In addition, in its latest submittal, ManagementCo revised the estimate for net revenues from non-NFL events from TBD to \$1.5 million. It should be noted that while this amount is included in the Budget, the Stadium Authority did not receive back-up gross revenues and expenditures or projected events that would support this amount.

Expenditures

The proposed Operating Budget totals \$68.2 million and includes the Stadium Authority's share of expenses covered under the Management Agreement in the amount of \$3.05 million. This amount is well below the revised submission from ManagementCo of \$12.3 million and the March 5 Proposed Budget figure of \$12.1 million. Given the uncertainty regarding events in the upcoming year due to safety precautions associated with the Coronavirus and the lack of supporting documents for the ManagementCo expenses, the recommended budget of \$3.05 million covers insurance costs only. It is anticipated that additional funding will be added as budget amendments during the year based on identified needs and actual activity, if proper

backup documentation is received. There is \$9.23 million set aside in a Legal Contingency to cover these potential costs during the year.

The budget also includes \$4.6 million for the Stadium Authority's administrative oversight of the Stadium (of which \$2.1 million is for staff support and board stipends). This amount is \$270,000 below the amount presented in the March 5 Proposed Budget due to the shift of the Financial Management System cost from the Operating Budget to the Capital Budget. In addition, the proposed budget includes transfers out of \$42.9 million described below, \$3.6 million for SBL sales and services, \$1.6 million for utilities, \$555,000 for performance rent to be paid to the City, and \$2.7 million in other costs.

The total transfer out of \$42.9 million includes a \$3.6 million transfer to the Capital Fund for future Stadium capital improvements and a \$39.3 million transfer to the Debt Service Fund.

- Reserves

The table below lists the reserves expected at end of FY 2020/21:

Reserve Fund	Proposed Budget (\$ millions)
Operating Reserve	\$11.9
Debt Service Reserve	\$11.5
Capital Expense Reserve	\$8.1
Discretionary Fund Balance	\$2.4
Total Reserves	\$33.9

- Debt Service Budget

The proposed FY 2020/21 Debt Service Budget of \$43.3 million (principal of \$28.2 million and interest of \$15.1 million) is based on the required debt service payments and anticipated excess cash that can be used towards debt. Total outstanding debt is projected to decrease by \$28.2 million from \$309.2 million to \$281.0 million.

- Capital Budget

The table below summarizes the FY 2020/21 Capital Budget.

Expense Type	Proposed Budget (\$ millions)
New Capital Improvement Appropriations	\$5.3
Stadium Warranty Related Construction Carry Forward	\$1.5
Prior Year Appropriations Carryover to FY 2019/20	\$6.5
Total Capital Budget	\$13.3

FY 2020/21 SOMP

In addition to adoption of the annual budget, this report is the culmination of information provided to fulfill the Lease and Management Agreement requirements to annually present the SOMP to the Board for review and approval. The March 5, 2020 Study Session included discussion of the Annual Shared Stadium Expense Budget, the Annual Public Safety Budget, the Capital Expense Plan, and the Marketing Plan.

Revisions to the SOMP for FY 2020/21 is currently under review with the Police and Fire Departments. As such, staff recommends deferring Board action on the SOMP until March 31, 2020.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environment Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

The proposed SCSA FY 2020/21 Budget includes \$68.2 million for Operating (includes \$42.8 million in transfers-out to Debt Service and Capital); \$43.3 for Debt Service (includes \$4.0 million funded by the Community Facilities District); and \$13.3 million for Capital (includes a \$9.7 million carryover from the prior year).

COORDINATION

This report has been coordinated with the Stadium Authority Counsel's Office.

PUBLIC CONTACT

On March 11, 2020 a notice of the public hearing was published in the Santa Clara Weekly.

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES

1. Adopt the Santa Clara Stadium Authority Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget, including funding Shared Stadium Manager Expenses at \$3,045,000 and a Legal Contingency at \$9,231,000
2. Adopt the Santa Clara Stadium Authority Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget as submitted by ManagementCo, including funding Shared Stadium Manager Expenses at \$12,276,000
3. Direction to staff to return on March 31, 2020 with the Stadium Operations Management Plan (SOMP)
4. Approve the revised Stadium Authority Budget Policy
5. Take No Action on the 2020 Marketing Plan
6. Take any other Action the Board deems appropriate

RECOMMENDATION

Staff recommends Alternatives 1, 3, 4, and 5:

1. Adopt the Santa Clara Stadium Authority Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget, including funding Shared Stadium Manager Expenses at \$3,045,000 and a Legal Contingency at \$9,231,000;
3. Direction to staff to return on March 31, 2020 with the Stadium Operations Management Plan (SOMP);
4. Approve the revised Stadium Authority Budget Policy; and,
5. Take No Action on the 2020 Marketing Plan

Reviewed by: Kenn Lee, Treasurer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. Proposed Santa Clara Stadium Authority Fiscal Year 2020-21 Operating, Debt Service, and Capital Budget
2. March 5, 2020 Agenda Report 20-45 Proposed Santa Clara Stadium Authority Fiscal Year 2020-21 Operating, Debt Service, and Capital Budget and Staff Presentation
3. March 5, 2020 Agenda Report 20-272 Draft 2020 Non-NFL Events Marketing Plan for Levi Stadium and Staff Presentation
4. Annual Public Safety Budget
5. Revised Stadium Authority Budget Policy
6. Stadium Authority Compliance and Management Policy
7. February 25, 2020 Stadium Authority Budget Submittal Questions and March 11, 2020 and March 18, 2020 ManagementCo Responses to Questions
8. Stadium Authority Responses to March 5, 2020 Budget Study Session Questions
9. 2020 Marketing Plan Questions and Responses

Santa Clara Stadium Authority

PROPOSED FISCAL YEAR 2020/21 OPERATING, DEBT SERVICE AND CAPITAL BUDGET



On June 8, 2010 the residents of Santa Clara voted to adopt Measure J, the Santa Clara Stadium Taxpayer Protection and Economic Progress Act, resulting in the approval to construct a new stadium to be leased by the San Francisco 49ers. Measure J called for the creation of the Santa Clara Stadium Authority (Stadium Authority) to own, develop, construct, operate, and maintain the Stadium. The Stadium Authority exists as a public body, separate and distinct from the City. The Stadium Authority is structured so that the City is not liable for the debts or obligations of the Stadium Authority.

This budget and additional financial information on the Stadium Authority can be found at: "[santaclaraca.gov/our-city/santa-clara-stadium-authority](https://www.santaclaraca.gov/our-city/santa-clara-stadium-authority)".

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Redbox Bowl
December 2019



Monster Jam
April 2019

Santa Clara Stadium Authority

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March 24, 2020

Honorable Board Chair and Directors
SANTA CLARA STADIUM AUTHORITY

Subject: Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget

Members of the Board,

As required in the Santa Clara Stadium Authority (“Stadium Authority”) Management Agreement, Section 4.6: Annual Operating Budget, I transmit the Proposed Fiscal Year (FY) 2020/21 Operating, Debt Service, and Capital Budget for the Stadium Authority. This budget provides the necessary funding to administer the duties of the Stadium Authority, including:

- Support for operating the Stadium for Non-NFL events through a management company
- Advancement of the FY 2020/21 Work Plan;
- Payment of debt service obligations; and,
- Maintenance of a five-year capital plan.

The Stadium Authority Board (“Board”) provides overall governance and oversight of this operational structure, with the use of Stadium Authority staff to support the Board’s efforts. Amongst other due diligence requirements to support these duties, the Board is also responsible for: setting policy; debt and fiscal management; ensuring implementation required to uphold core duties related to operations and capital projects; and oversight as necessary. While meeting the Stadium Authority’s requirements, this budget continues to advance strategic initiatives necessary to ensure that the Board is responsive to various stakeholders and constituencies participating in advancing Levi’s® Stadium’s purpose (e.g., residents, businesses, national and regional clients, and various other interested parties).

CONTEXT FOR PROPOSED BUDGET

The Proposed FY 2020/21 Operating, Debt Service, and Capital Budget is presented to the Stadium Authority Board under unusual circumstances. For example, during FY 2019/20, the Stadium Authority issued to ManagementCo several Notices of Breaches and Default of the Management Agreement that ultimately resulted in issuing a Notice of Termination of the Management Agreement.

HONORABLE BOARD CHAIR AND DIRECTORS SANTA CLARA STADIUM AUTHORITY

Subject: Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget

March 24, 2020

In recognition of the fact that until these matters are resolved, the Stadium Authority budget must include repayment of debt, funding of some type for an operating budget, and capital investment in the stadium asset. Submission of this year's budget to the Stadium Authority Board for consideration is not intended as an indication of a change in its position that the Management Agreement with ManagementCo must be terminated.

The Stadium Authority, a public entity, owns Levi's® Stadium and contracts with ManagementCo for promotion of Non-NFL events and facility operations and maintenance. This operational structure is implemented by using a variety of ManagementCo staff, vendors, and public service employees through reimbursement procedures as outlined in the Management Agreement. Through the Management Agreement, ManagementCo is held to a Standard of Care as outlined in Section 2.9 of the Management Agreement, which states:

2.9 Standard of Care. Subject to the limitations set forth in this Agreement, the Budget, and the Stadium Lease, the Stadium Manager shall exercise prudent, commercially reasonable good faith efforts in managing and operating the Stadium in accordance with the terms hereof so as to (a) maintain the Stadium in the Required Condition and operate the Stadium as a quality NFL and multi-purpose public sports, public assembly, exhibit and entertainment facility, to a standard of quality comparable to other similar facilities (except that the parties recognize that portions of the Stadium may be in need of capital upgrades); (b) control Manager Operating Expenses, StadCo Operating Expenses and Stadium Authority Operating Expenses; and (c) maximize Operating Revenues.

This Proposed FY 2020/21 Operating, Debt Service, and Capital Budget is presented to the Stadium Authority Board within the context of a management company that has not exercised the required standard of care or exercised commercially reasonable good faith efforts in managing and operating the Stadium. For example, notably, ManagementCo allowed the Stadium to go for months, during essentially the NFL season, without a state required Fire Alarm Certification, which serves as not only the fire alarm system but as the system that allows for public safety officials to issue verbal commands for tens of thousands of attendees during events. ManagementCo allowed this condition to continue while incurring daily fee penalties and did not remedy the condition until the Fire Department escalated enforcement. Additionally, ManagementCo allowed expenditures to grossly increase in FY 2018/19, by over \$2.5 million, but did not disclose the details and actual amount of increased expenditures until halfway through FY 2019/20. Last, despite having an operations budget of \$136.8 million to achieve the Authority's mission, ManagementCo was only able to generate about \$18,000 of Net Non-NFL revenue for FY 2018/19, as reported to the Stadium Authority in December 2019. While ManagementCo did not provide FY 2019/20 projected Net Non-NFL revenue at the time of the March 5, 2020 budget study session, they project that Net Non-NFL revenue will lose \$1.7 to \$2.0 million in FY 2019/20 and make \$1.5 million in FY 2020/21. This level of performance continues to be cause for concern, especially since this would be the first year the Stadium Authority would lose money on Non-NFL Events. As such, ManagementCo has not demonstrated compliance with the Standard of Care provision along with other requirements, state and local laws, and policies.

Fiscal Year 2020/21 will mark the seventh year of stadium management by the Forty Niners. Through a sole source/no-bid procurement, ManagementCo was brought on touting strong public



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assembly/facility market experience in the management of a stadium and Non-NFL Event marketing to maintain our world-class facility and maximize revenues to the City. Through the Stadium Authority's oversight, expanded public transparency and reporting, and efforts to ensure compliance with Agreements in place, unprecedented discoveries were revealed regarding the management of our public stadium asset. Through the close out of the prior fiscal year, it was determined that the continued booking of less events overall and, particularly, significant money losing events, combined with dramatic escalating operational costs, resulted in no performance rent generated for the City.

The Board calls for a new third-party management to take over operations and management of Levi's Stadium for both the NFL and Non-NFL season. The Forty Niners filed a lawsuit to dispute the termination; the termination date remains subject to litigation and remains uncertain. As a result, the Forty Niners will continue to operate the stadium until these issues are resolved in court. In addition, the Stadium Authority's work with the Forty Niners on the budget and fiscal processes do not constitute a waiver or release of the termination notice, or any Stadium Authority rights and claims.

PROPOSED BUDGET IN BRIEF

The Proposed Budget is presented on an accrual basis which provides increased transparency for projected revenues and expenses, with added detail about financial transfers. The total Stadium Authority Operating Budget for FY 2020/21 is \$68.2 million and represents a decrease of \$5.4 million, or 7.4%, compared to the prior fiscal year.

A summary of key changes and assumptions for the Proposed Budget include:

- Proposed Capital Expenditures totaling \$13.3 million including general building, security, furnishings and equipment, and public safety investments.
- Funding for a new Financial Management/Accounting System (\$283,500 and subject to subsequent court rulings on cost allocation) in an effort to provide greater transparency to Non-NFL Event and Shared Expense costs.
- Adjustments to the General and Administrative Budget funding 6.8 full-time equivalent positions totaling \$2.1 million. We believe this to be a baseline level of support necessary for Stadium Authority operations.
- Two new positions in the Finance Department (1.0 Management Analyst and the conversion of a part-time Accounting Technician to full-time) totaling \$280,000.
- Net Non-NFL Events revenue loss of \$2.0 million for the current year and projected revenue of \$1.5 million for FY 2020/21. This level of performance continues to be cause for concern.
- Total estimated Debt Service payments of \$43.3 million including debt related to the CFD (\$4 million) and Subordinate Loan (\$13.7 million) and Term A Loan (\$25.6 million).



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METHODOLOGY

Information provided in this report was based in part on documentation submitted by ManagementCo on February 14, 2020. Per Section 4.6 of the Management Agreement, ManagementCo is required to submit a budget 45 days prior to the start of the fiscal year. While budget submittals were conducted earlier in years past, this year, following a timeline in accordance with the Management Agreement, ManagementCo has limited the amount of additional information the Stadium Authority is able to provide for this budget. Additional detail and explanations pertaining to requests submitted by ManagementCo are pending response from Stadium Authority staff inquiries. Some responses were provided on March 11, 2020 and have been incorporated into this Proposed Budget. If any additional detail or information provided after the release of this document, it will be incorporated into the presentation or verbally updated at the scheduled adoption and public hearing on March 24, 2020.

KEY ISSUES IN THE PROPOSED BUDGET

There are several key issues to surface as part of the discussion for the Proposed FY 2020/21 Operating, Debt Service, and Capital Budget: Stadium Authority Financial Management System, Naming Rights Agreement, Performance Rent, General and Administrative Expenses, Debt Service Payments, Capital Expense Budget, and Marketing Plan.

Termination of Stadium Management Agreement – On February 11, 2020, the Board authorized the termination of the stadium management agreement with the Forty Niners Stadium Management Company LLC (Forty Niners) in its entirety. The Board’s authorization to terminate the agreement is based on (1) Stadium Manager’s fraud, intentional misrepresentation, and material omissions of facts in connection with the Management Agreement; (2) Stadium Manager’s misappropriations and self-dealing; and (3) Stadium Manager’s willful misconduct that resulted in two Events of Defaults, which Stadium Manager failed to cure. The Stadium Authority’s work with the Forty Niners on the budget and fiscal processes do not constitute a waiver or release of the termination notice, or any Stadium Authority rights and claims.

It is important to note that since this was a sole source/no bid contract award, whether the costs incurred over time are commercially reasonable is unknown. In other words, the shared expenses have never been validated against the market rate to determine whether the Stadium Authority is getting the best value for the Management Agreement costs that it pays to ManagementCo for its services and its results.

Performance Rent and Continued Decline in General Fund Revenue - As stated previously, Net Non-NFL Event Revenue directly impacts the amount of Performance Rent that is an expense to the Stadium Authority and paid to the City of Santa Clara. Performance Rent is calculated using 50% of the Net Non-NFL Event Revenue minus performance-based credits (see Page 28 for more detail on Performance Rent). In follow up information provided by ManagementCo, the Net Non-NFL Event Revenue projected a loss of \$1.7 to \$2.0 million for FY 2019/20 and projected revenue of \$1.5 million



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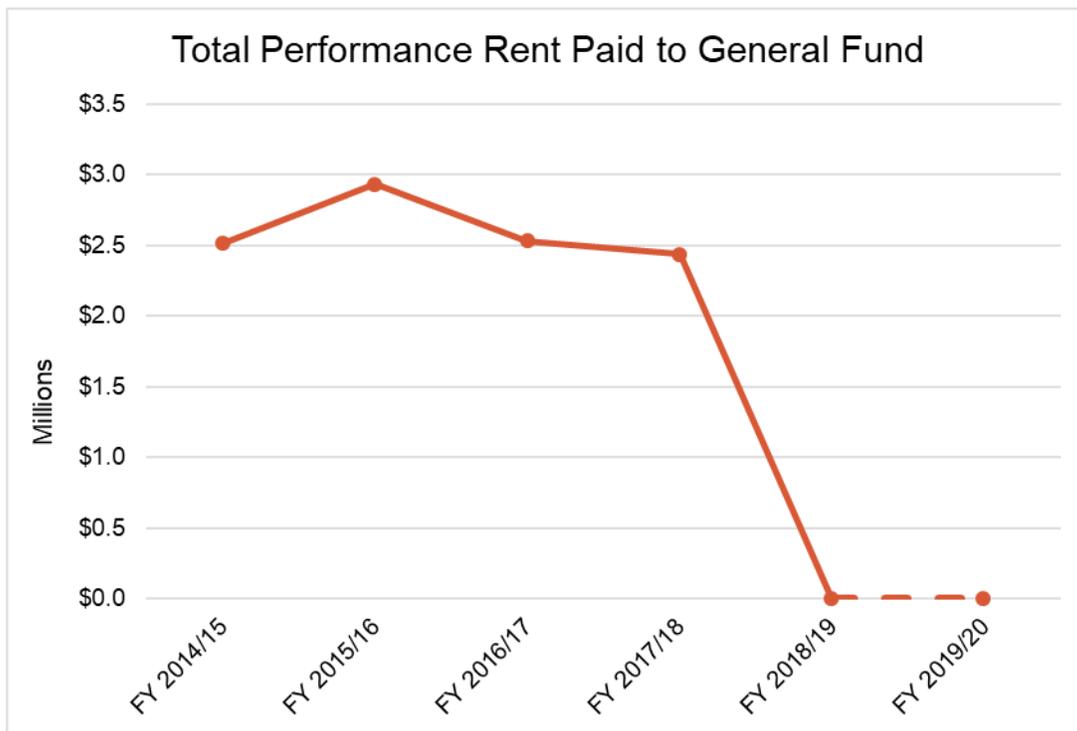
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for FY 2020/21. While ManagementCo originally stated “TBD” and did not provide a projection for FY 2019/20 nor a budget amount for FY 2020/21, the table below has been updated with the revisions provided by ManagementCo. It should be noted that details regarding the gross revenue or expenditures, or the types and number of events were not provided.

Performance Rent Calculation	Fiscal Year 2019/20 Projection	Fiscal Year 2020/21 Budget
Ground Rent	\$ 355,000	\$ 390,000
Net Non-NFL Event Revenue (Expense)	\$ (2,000,000)	\$ 1,500,000
50% of Net Non-NFL Event Revenue (Expense)	\$ (1,000,000)	\$ 750,000
Performance Rent Credit (50% of Ground Rent)	\$ (177,500)	\$ (195,000)
Total Performance Rent paid to the City of Santa Clara	\$ 0	\$ 555,000

The two years shown in the table above project that no revenue will be paid to the City of Santa Clara for performance rent in FY 2019/20 and approximately \$555,000 would be paid in FY 2020/21 if the projections materialize. This performance continues to be of concern as a result of the mismanagement by the Stadium Manager who oversees over \$100 million in non-NFL activity annually. For reference, the chart below shows the performance rent revenue generated by the Stadium Authority in past years:



Naming Rights Agreement between Santa Clara Stadium Authority and Levi Strauss & Co.



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(“Naming Rights Agreement”) - It is important to note, that the Naming Rights agreement with Levi’s® requires the Stadium Authority to hold at least 36 “Major Events” (with 25,000+ attendees) every three contract years. As of this report, the current number of Major Events held at Levi’s® Stadium was eighteen (18) through the current three-year period. Based on these numbers, Levi’s® is expected to receive a credit totaling \$313,000 (\$15,000 multiplied by the difference between 36 and the actual number of events held during the three-year period then multiplied by an Annual Proportionate Increase). The Second Amendment to the Stadium Management Agreement states that ManagementCo would pay the Stadium Authority as liquidated damages the amount owed by the Stadium Authority to Levi’s®. ManagementCo has acknowledged responsibility for liquidated damages.

Naming Rights Agreement Three-Year Periods	Number of Major Events
March 1, 2014 to February 28, 2017	39
March 1, 2017 to February 29, 2020	18*

* Through February 2020

Stadium Authority Financial/Accounting Management System – The Management Agreement establishes several requirements for the accounting of Stadium Authority financial activity, such as:

- Pre-Opening Obligations (Management Agreement 2.4):
 - **2.4.7 Establish charts of accounts and accounting policies**, procedures and systems, including policies, procedures and systems for payroll processing, accounts payable, accounts receivable, depository accounts, box office and reporting functions;
 - **2.4.8 Design, establish and maintain effective internal accounting controls with respect to compliance with Applicable Laws**, this Agreement and contracts pertaining to the Stadium, in such a manner as to **minimize the risk of noncompliance and to provide for the detection of any noncompliance within a timely period** by the Stadium Manager's employees in the normal course of performing their assigned functions;
- The Stadium Manager shall maintain complete and accurate books and records relating to the Net Income from Non-NFL Events, in accordance with generally accepted accounting and management practices, consistently applied. **The Stadium Manager shall maintain complete and accurate books and records relating to the operations of the Stadium and its services provided hereunder**, including all Stadium Authority Revenue, Shared Stadium Expenses, Stadium Authority Expenses, Net Income from Non-NFL Events, the cost of Capital Repairs, distributions to and from the Operating Expense Reserve and Stadium Capital Expenditure Reserve, any additional information required to prepare the Annual Statement of Stadium Operations and, to the extent so directed by either StadCo or the Stadium Authority, StadCo Operating Expenses and Stadium Authority Operating Expenses, respectively (collectively, "Stadium Records"). (Management Agreement 4.1)



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- The **Stadium Manager shall use reasonable efforts to maintain separate records for the Tenant Season and the Stadium Authority Season and for NFL Events and Non-NFL Events**, in order to effectively protect the confidentiality of records relating solely StadCo. (First Amendment to Management Agreement 7).

Despite the requirements of the Management Agreement, ManagementCo is unable to give the Stadium Authority its documents related to Non-NFL events. On March 1, 2019, ManagementCo and Stadium Authority staff discussed the opportunity to establish a stand-alone Stadium Authority financial/accounting management system. Over the past years, ManagementCo has commingled its portion of the revenues and expenses of the Stadium Authority into its San Francisco 49ers financial system, such that they now claim that it would be extremely costly to fully produce the Stadium Authority's records. There has been dispute over possession of documents, access to financial information, and overall improved knowledge of the complete set of financial information pertaining to the Stadium Authority.

ManagementCo agreed to work with the Stadium Authority to establish a segregated financial management system for the Stadium Authority, where Stadium Authority staff has full access to the system, supporting documentation, and in real time (not at the end of the fiscal year or on other terms that require the Stadium Authority to always look backwards to understand financial activity). Procurement for the system is underway with an evaluation team taking a cooperative approach to the implementation of the system. Funding for the system totaling \$283,500 is included in the budget through the Capital Expense budget, subject to subsequent court rulings on cost allocation.

General and Administrative Expenses - The General and Administrative (G&A) portion of the proposed budget reflects expenses considered to provide a base level of service to implement the Board's direction and oversight of the Stadium per the various authoritative agreements. As more staff resources have been required to advance the Board's directives, with some remaining gaps in services, Stadium Authority staff has increased its budget to reflect the required general oversight, accounting, and new resources for neighborhood mitigation efforts and ongoing undesirable impacts to neighborhoods resulting from events at the Stadium. Stadium Authority staff recommends a G&A budget for FY 2020/21 totaling \$4.6 million, an increase of \$2.1 million from the prior fiscal year. The Stadium Authority G&A budget makes up 6.7% of the FY 2020/21 Proposed Stadium Authority Expense Budget of \$68.2 million.

This increase is primarily due to the projected outside legal costs to defend the Stadium Authority from litigation currently in progress. In addition, a portion of the increase is due to increases in salaries and benefits per negotiated Memorandum of Understandings ("MOUs"), projected increases in the percentage of time City employees are allocating to the Stadium Authority based on significant increased workload, costs associated with the implementation of a separate financial/accounting management system, a shift in funding of a portion Deputy City Manager position included in last year's budget for public safety, and the addition of two new positions in the Finance Department (1.0 Management Analyst and conversion of a part-time Accountant Technician to full-time basis) to



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provide day-to-day financial support of the Stadium Authority, including an increase in data information requests from ManagementCo. In total, the funding of 6.8 total positions in the General and Administrative Expenses budget is included in this document. While it represents an increase from the actual time charged in previous years, we believe it reflects a reasonable level of support for the Stadium Authority activities anticipated in the upcoming year.

Litigation Reserve/Revolving Fund Loan - Funding has been set aside for potential payments that may arise related to Certificate of Loans entered by ManagementCo to cover Operating Expenses in FY 2019/20. Operating expenses payments were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, arising from ManagementCo's inappropriate use of public funds relative to procurement practices and potential self-dealing/conflicts of interests. At that meeting, the Board directed the Executive Director to only release public funds to ManagementCo if all supporting documents have been submitted and adhere to our agreements and State and local laws. As part of that suspension of payment, the Stadium Authority continues to pay for utilities, insurance and costs associated with SBL sales and services. However, rather than provide the Stadium Authority with complete documentation to substantiate proper procurement and/or the absence of self-dealing/conflicts of interests, ManagementCo opted to take out loans and continue to pay itself public funds without demonstrating compliance with State and local laws. Total estimated revolving credit loans total \$7 million for FY 2019/20 and the Stadium Authority maintains its position that it should not use public funds for violations of public procurement violations, prevailing wage violations, and/or self-dealing/conflicts of interests.

The FY 2020/21 budget assumes that the same suspension of payments will be in effect until ManagementCo presents the required supporting documentation for the expenses. In addition, at the March 5, 2020 Study Session, the Board requested an alternate budget proposal option that incorporates the fact that no events are scheduled due the outbreak of the novel coronavirus (COVID-19) and Santa Clara County Public Health Department's mandatory cancellation of mass gatherings in the County. To the extent events continue or are scheduled, the Stadium Authority will return to the Board with budget amendments, provided that sufficient backup documentation is provided.

Debt Service Budget - The FY 2020/21 Debt Service Budget of \$43.3 million is based on the required and additional payments for principal of \$28.2 million and interest of \$15.1 million. The budget reflects a total decrease of \$28.2 million of outstanding debt from \$309.2 million to \$281 million.

Capital Expense Budget - The FY 2020/21 Capital Expense ("CapEx") Budget totals \$13.3 million, which includes \$8 million in carryover expenses from the prior year due to ManagementCo's inability to properly procure projects and issue contracts. This budget includes various security improvements, fencing on Tasman, furniture replacement and upgrades, and public safety equipment (a detailed list of CapEx projects begins on Page 40). Given the fact that almost no capital projects were completed by ManagementCo, there is serious concern where ManagementCo is unable to complete the projects included in this budget. We will continue to raise this issue with ManagementCo to ensure



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the Stadium Authority asset is maintained in a sufficient manner: however, there is valid concern that ManagementCo is unable to complete these duties given the record to date.

Marketing Plan – The Stadium Management Agreement states that the Stadium Operation and Maintenance Plan (SOMP) shall include a Marketing Plan (4.10), and the Stadium Lease states that the SOMP shall be presented annually to the Stadium Authority for their consideration and approval (7.2). The draft Marketing Plan is submitted separately to the Board and was reviewed in a separate Study Session on March 5, 2020 where the Board provided feedback to this document. As a general concern, given the significant poor financial results over several fiscal years, the Marketing Plan makes no mention about ManagementCo’s “turnaround” strategy to improve their performance, meet their Standard of Care requirements, and demonstrate their ability to profitably operate a public assembly facility.

Previous Board feedback, and ManagementCo’s commitment, included the development of key performance indicators (KPIs) for the purpose of tracking marketing strategies and the outcomes achieved. The Board approved a recommendation to complete this work within 90 days and collect data. This continues to be omitted from the Marketing Plan for the past two years.

STATUS OF ONGOING WORKPLAN EFFORTS

On January 30-31, 2020, as part of the 2020 City Council Priority Setting Retreat, the Board reviewed and discussed updated workplan efforts currently underway. A status of some of these ongoing work efforts are summarized below.

- **Community Engagement** - (1) Conducted a robust Community Outreach and Engagement work plan to obtain statistically valid data relative to public opinion on community impacts resulting from Levi’s® Stadium and for future policy development. Specifically, the purpose of this work plan was to identify the community’s perspectives on issues related to Levi’s® Stadium such as noise, public safety, nuisances, parking, flyovers, crowd control, cleanliness, loitering, lighting, pyrotechnics/fireworks, performance curfew, and other items. (2) Established a dedicated telephone number to receive input from residents. (3) Increased social media presence to provide advance notice and information about events at Levi’s® Stadium. This effort was for both ManagementCo and Stadium Authority to be informed of the community sentiment and develop strategies for addressing them. Staff has worked to dramatically change its public safety deployment model, with the assistance of law enforcement consultants, and has made other changes, such as: complaint call in number, circulation of the complaint call in number through marketing/information materials, use of noise data to inform current activities in the northside, requests of ManagementCo with respect to flyover protocols, and increase distribution of information about stadium activities on social media. Later in 2020, staff will provide an update on the recommendations that came from the consultant report issued in 2018 and how staff is doing with addressing community concerns.



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- **Noise Monitoring** - Implemented web-based, publicly available, ongoing, real-time noise monitoring services in the areas surrounding the Stadium and training facility. See above activities relative to actions taken on noise management.

- **Implemented Measure J Compliance Audit Recommendations** - The Stadium Authority Ad Hoc Audit Committee of the Board (“Committee”) continues efforts to implement the 37 audit recommendations in the Harvey M. Rose Associates, LLC Comprehensive Audit of Stadium Authority Finances. Stadium Authority has now implemented approximately 73% of the audit recommendations and the remaining 27% designated as “partially complete”. These audit recommendations have provided for strengthened oversight and increased transparency of Stadium Authority’s operations for Levi’s® Stadium by improved fiscal and operational data and management practices. Examples include the discovery of significant funds held by ManagementCo that have now been transferred over to the Stadium Authority, violations of procurement requirements that will require corrective action by the Board, violations of procurement requirements with respect to required reporting for financial transactions between \$100,000 to \$250,000, and changed administrative processes or formalized practices by Stadium Authority staff. At this time, an update to the Ad Hoc Stadium Authority Audit Committee is scheduled for March 16, 2020.

- **Stadium Authority Coordination** - Instituted weekly Stadium Authority staff business meetings to develop stronger proactive community communications with the goal of addressing concerns revealed from the community research work. These meetings provide a forum to address community issues, and for organizational awareness of City and Stadium Authority services required to support Levi’s® Stadium, staffing coverage and deployment issues for planned NFL/Non-NFL events. Additionally, given the significant and numerous fire code violations that the ManagementCo has committed, a full-time Deputy Fire Marshal has been assigned to the Stadium to monitor ManagementCo’s compliance and report frequency to the Stadium Authority staff. Additionally, this assignment allows for the proper transfer of knowledge of maintaining the Stadium.

- **Stadium Authority/Auditor’s Workplan Updates**
 - Analysis of the Stadium Authority’s review procedures for Non-NFL events’ revenues and expenses is underway by a forensic accountant. This report is expected in Spring 2020.
 - College Football Playoff Accounting Review Audit – Procurement of this audit is underway.
 - Annual Statement of Stadium Operations – Procurement of this audit is underway.
 - Reviewing past Construction Fund and Public Safety transactions and providing feedback on the allocation of staff charges – This audit has been procured and in the beginning stages. This report is expected in Spring 2020.
 - Maintain workload requirements with seven lawsuits.
 - Bring for discussion with the Stadium Authority Board the next steps regarding the community room



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- Propose an option for San Tomas Aquino Creek Trail access during NFL and non-NFL ticketed events.

CONCLUSION

As with any proposed budget, there are risks that we can factor into our projections and those that we cannot. For example, some of our revenue projections are more fiscally conservative than in previous years. In some instances, this was necessary due to factors that can easily not materialize and the need to plan accordingly. For example, the Proposed Budget projects a loss of \$2.0 million for Net Non-NFL Event Revenue for FY 2019/20 and revenue of \$1.5 million for FY 2020/21.

Within the above context, the Silicon Valley region, and particularly the Levi's® Stadium, continues to be a desirable venue for Non-NFL events such as concerts, soccer events, small and large corporate events and other gatherings (e.g., weddings, private parties, etc.). As we look forward, the following major Non-NFL events are scheduled in the near horizon for FY 2020/21:

- Monster Jam — Saturday, April 4, 2020
- BTS “Map of the Soul” Tour — Saturday/Sunday, April 25-26, 2020
- Justin Bieber “Changes” Tour — Saturday, May 22, 2020

However, with recent developments of the COVID-19 outbreak, it appears likely that these events may be cancelled or postponed. Additional information, as it becomes available to the impact of these events will be communicated to the Board separately.

This budget outlines a work program and financial strategy to assist in meeting the guiding principles of the Stadium Authority, namely that no City of Santa Clara General Fund monies are to be used to fund Stadium costs, Board oversight of its property manager, and to ensure that the Stadium Authority and ManagementCo continue to be held accountable to the various agreements. Our commitment is to continue to look for improvements within the organization and to deliver the kind of results that the public expects. I look forward to presenting this proposed budget at our upcoming sessions.

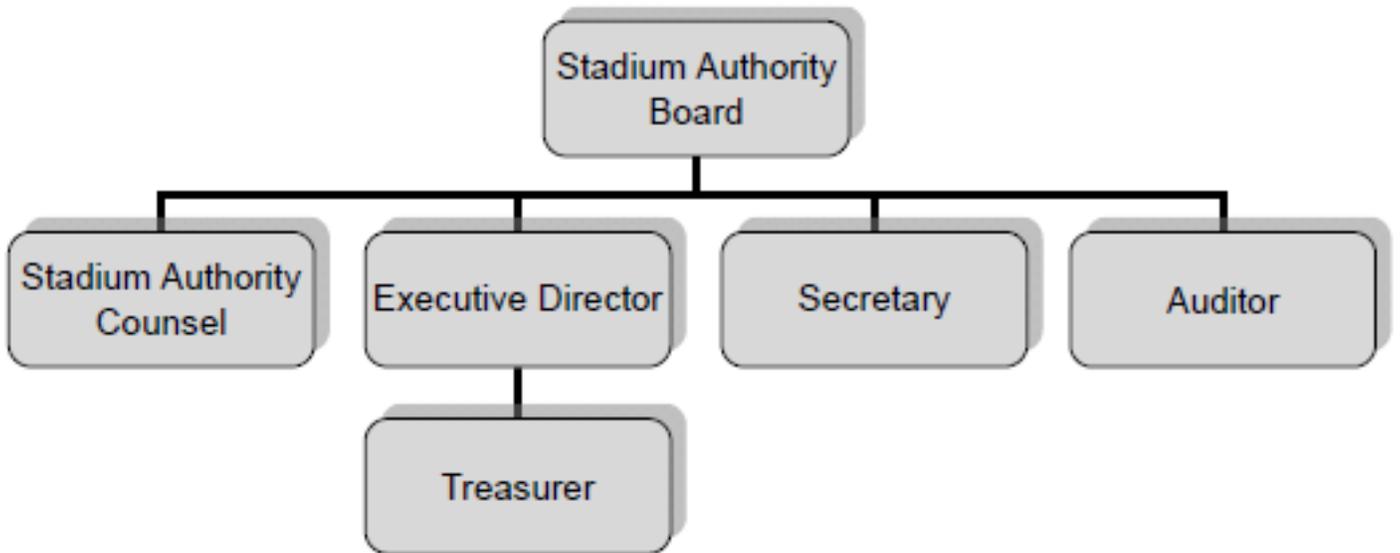
Respectfully Submitted,



Deanna J. Santana
Executive Director



ORGANIZATIONAL CHART



The seven elected members of the City Council serve as the governing Board of the Santa Clara Stadium Authority with the Mayor serving as Chairperson of the Authority.

In addition, City of Santa Clara staff serve as Officers of the Stadium Authority with the City Manager serving as the Executive Director.

GENERAL INFORMATION

This Santa Clara Stadium Authority (“Stadium Authority”) Budget Report provides information covering the Proposed FY 2020/21 Operating, Debt Service, and Capital Budget as well as comparative data from prior fiscal years. Estimated revenue and expense information (three quarters of actuals and one projected quarter) included in this report for the FY 2019/20 is unaudited and, therefore, subject to change as a result of the annual audit conducted by an external and independent auditing firm.

In addition to this report, the Stadium Authority produces annual financial statements within six months of the fiscal year-end (March 31st). These financial statements are audited by an external auditing firm and presented to the Stadium Authority’s Audit Committee and Board. Once presented to the Board, the financial statements are published on the Stadium Authority’s web page. The FY 2019/20 audited financial statements will be presented to the Board by the end of September 2020.

The Stadium Authority is structured so that the City of Santa Clara (“City”) is not liable for the debts or obligations of the Stadium Authority.

All services provided by the City to ManagementCo or the Stadium Authority are fully reimbursed. Types of services include the following:

- Administrative General Fund costs that are spent during operations are separately tracked using special account codes in the City’s financial system and all such costs are billed for reimbursement.
- General Fund public safety costs for NFL and Non-NFL events are separately tracked and all such costs are billed for reimbursement.

NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

The San Francisco 49ers played twelve (12) National Football League (“NFL”) games (two pre-season games, eight regular season games, and two playoff games) in FY 2019/20. The total number of tickets sold for these games was 803,524, an average of 66,960 tickets sold for each game. The ticket sales resulted in \$8.4 million of NFL ticket surcharge revenue to Stadium Authority (based on the 10% NFL ticket surcharge on each ticket sold). A total of \$250,000 of Senior and Youth Program Fees (based on \$0.35 per NFL game ticket, with a maximum of \$250,000) were collected and forwarded to the City in FY 2019/20.

Operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City’s permitting process. If approved, per the City’s Municipal Fee Schedule, these operators remit an offsite parking fee for each car that is parked for sports or entertainment events. This fee was designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for NFL or Non-NFL public safety costs for a particular event held at Levi’s® Stadium, the offsite parking fee that is collected for said event partly offsets the total public safety costs owed for that event. In the City’s 2018/19 fiscal year (July 1, 2018 through June 30, 2019) the offsite parking fee was \$5.63, and it increased to \$5.85 in the City’s 2019/20 fiscal year.

Cars parked at the permitted offsite parking lots equaled 81,401. The associated offsite parking fee generated \$476,196. There were also 6,882 cars that were parked on the City’s Tasman lots. The Tasman lot parking fee generated \$34,410 (\$5 fee) for the City’s General Fund. There are additional parking counts and revenue expected to be received before the end of the year that would change these reported numbers.



NON-NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

There was a total of 183,874 tickets sold for the eight ticketed Non-NFL events that were held in the first three quarters of FY 2019/20, resulting in \$735,496 in Non-NFL event ticket surcharge revenue (from the \$4 per ticket Non-NFL event surcharge).

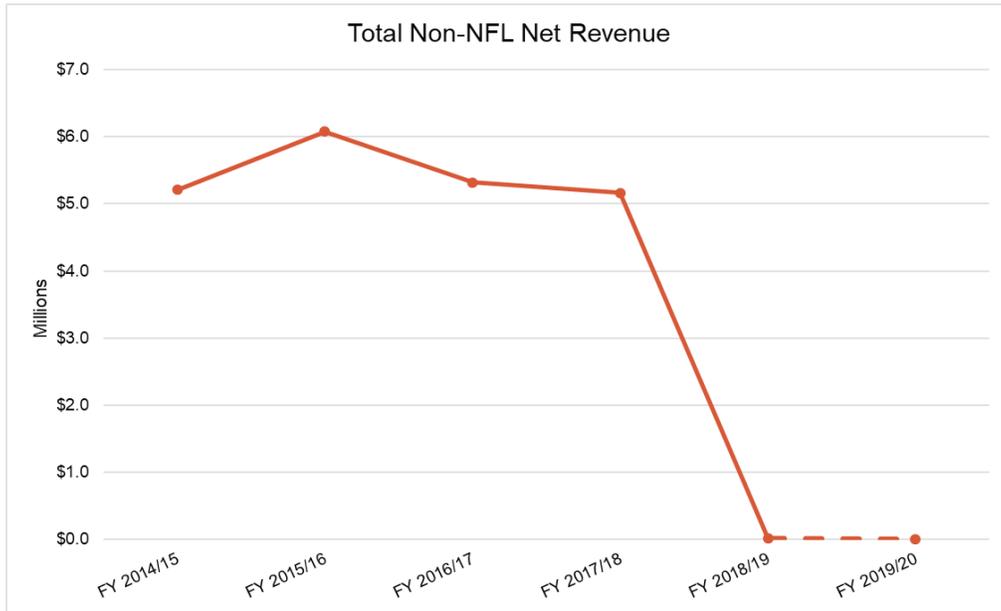
2019/20 Non-NFL Events		
Event	Date	Tickets Sold
Monster Jam	April 13, 2019	37,891
Wedding Fair	April 28, 2019	381
USWNT Soccer Game	May 12, 2019	20,195
ICC Soccer: Benfica vs Chivas	July 20, 2019	14,945
Rolling Stones Concert	August 18, 2019	48,544
HS Football Series	September 6, 2019	4,754
PAC-12 Championship Game	December 6, 2019	27,012
Redbox Bowl	December 30, 2019	30,152
Total to date		183,874

As stated in the NFL Event Highlights, Operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City's permitting process. Approved operators remit an offsite parking fee, per the City's Municipal Fee Schedule, for each car that is parked for sports or entertainment events. This fee was designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for Non-NFL public safety costs for a particular event held at Levi's® Stadium, the offsite parking fee that is collected for said event partly offsets the public safety costs incurred with respect to the operations, parking, and traffic management. Cars parked at the permitted offsite parking lots equaled 17,127 resulting in \$98,547 in offsite parking fees from Non-NFL events. There are additional parking counts and revenue expected to be received before the end of the year that would change these reported numbers.

There were also 64 smaller special events with 22,155 total attendees in the first three quarters of FY 2019/20. Examples of these special events include corporate events of various sizes, weddings, holiday parties, etc. A number of smaller special events are scheduled before the end of the fiscal year which will result in a change in the numbers reflected in this section.

NON-NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

As indicated in earlier sections of this report, net Non-NFL revenue has shown a drastic decline and is projected to show no improvement. For reference, the chart below shows the net Non-NFL revenue generated by the Stadium Authority in past years:



STADIUM AUTHORITY OPERATING BUDGET

The proposed FY 2020/21 Stadium Authority Budget covers the Stadium Authority's twelve-month fiscal year which runs April 1, 2020 through March 31, 2021.

Key highlights for the Stadium Authority's FY 2020/21 Operating Budget are as follows:

Revenues

- ◆ FY 2020/21 total projected revenues of \$68.2 million includes \$24.2 million in stadium builder license (SBL) revenue, \$24.8 million in facility rent, \$8.7 million in NFL ticket surcharge, \$6.9 million in naming rights revenue, \$1.5 in Net Revenue from Non-NFL Events, \$0.6 million in Non-NFL ticket surcharge and \$1.5 in other revenues.

Expenses

- ◆ The proposed Operating Budget of \$68.2 million monies sufficient to reimburse the City for its staff support and payments for ground rent, Senior/Youth fees, and performance rent. It also includes transfers out of \$42.8 million.

Fund	Transfers Out	Transfers In
Operating	\$ 42,847,000	-
Debt Service	-	\$ 39,265,000
CIP	-	3,582,000
Total	\$ 42,847,000	\$ 42,847,000

As shown in the table above, \$39.2 million will be transferred from the Operating Fund to the Debt Service Fund for principal and interest debt service payments. The remaining \$3.6 million will be transferred from the Operating Fund to the Capital Fund for Stadium capital improvements.

- ◆ Proposed Shared Stadium Expenses totals \$3 million for insurance. This assumes that the continuation of suspension of payments that was instructed in FY 2019/20 will be in effect until ManagementCo presents the required supporting documentation for the expenses. In addition, at the March 5, 2020 Study Session, the Board requested an alternate budget proposal option that incorporates the fact that no events are scheduled due the outbreak of the novel coronavirus (COVID-19) and Santa Clara County Public Health Department's mandatory cancellation of mass gatherings in the County. To the extent events continue or are scheduled, the Stadium Authority will return to the Board with budget amendments, provided that sufficient backup documentation is provided. The remainder of funding requested by ManagementCo will be allocated in a Legal Contingency until that documentation is provided or resolution to the litigation is completed.

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

Expenses (cont.)

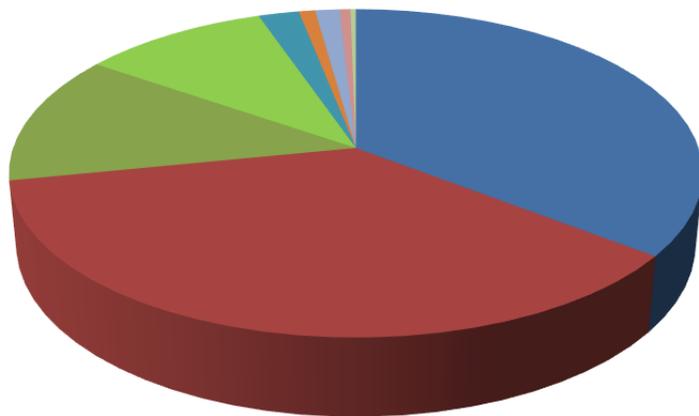
- ◆ Stadium Authority General & Administration costs increased by \$2.1 million or 84% when compared to the prior year budget of \$2.5 million to \$4.6 million. These costs are described in detail on Page 25 of this report. These increases are needed for the following:
 - ◇ Added staff capacity and contractual services to assist with policy development, legal services, general accounting, and administrative support
 - ◇ Increase in the Audit line item to include targeted performance audits and a Ticket Surcharge audit
 - ◇ Increases in salaries and benefits per applicable Memorandum of Understandings (MOUs)

Reserves

- ◆ The Operating Reserve totals \$11.9 million (as required by the Stadium Lease) at the end of FY 2020/21, which is an increase of \$348,000 when compared to FY 2019/20. The Discretionary Fund is projected to have a balance of \$2.4 million.

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

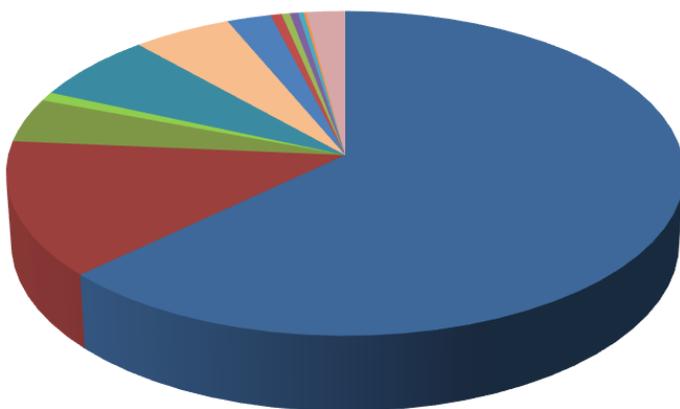
OPERATING REVENUES



\$68.2 Million

- SBL Proceeds - \$24.2M, 35.5%
- Rent - \$24.8M, 36.4%
- NFL Ticket Surcharge - \$8.7M, 12.8%
- Naming Rights - \$6.9M, 10.1%
- Net Non-NFL Event Revenue - \$1.5M, 2.2%
- Non-NFL Event Ticket Surcharge - \$0.6M, 0.9%
- Interest - \$0.9M, 1.3%
- Sponsorship Revenue (STR) - \$0.4M, 0.6%
- Senior & Youth Program Fees - \$0.2M, 0.2%

OPERATING EXPENSES



\$68.2 Million

- Transfers Out - \$42.9M, 63%
- Legal Contingency - \$9.2M, 13.5%
- Shared Stadium Manager Expenses - \$3M, 4.4%
- Performance Rent (paid to City) - \$0.6M, .9%
- Stadium Authority General & Administrative - \$4.6M, 6.7%
- SBL Sales and Service - \$3.6M, 5.3%
- Utilities - \$1.6M, 2.3%
- Ground Rent (paid to City) - \$0.4M, 0.6%
- Contribution to Operating Reserve - \$0.3M, 0.4%
- Discretionary Fund Expense - \$0.3M, 0.4%
- Senior & Youth Program Fees (paid to City) - \$0.2M, 0.3%
- Use of StadCo Tenant Improvements - \$0.1M, 0.1%
- Naming Rights - \$0.03M, 0.04%
- Other Expenses - \$1.4M, 2.1%

Santa Clara Stadium Authority

Operating Budget Summary

	2018/19 Final Budget	2018/19 Year-end Actuals	2019/20 Final Budget	2019/20 Projected Actuals	2020/21 Proposed Budget
Revenues					
NFL Ticket Surcharge	\$ 8,031,000	\$ 8,076,510	\$ 8,142,000	\$ 8,412,000	\$ 8,665,000
SBL Proceeds	27,214,000	26,750,973	25,416,000	26,246,000	24,213,000
Interest	794,000	1,001,640	938,000	1,024,000	896,000
Non-NFL Event Revenue ⁽¹⁾	62,147,000	50,856,562	-	-	-
Net Revenues from Non-NFL Events ⁽⁵⁾	-	-	5,796,000	-	1,500,000
Naming Rights	6,558,000	6,557,327	6,754,000	6,754,000	6,957,000
Sponsorship Revenue (STR)	545,000	387,203	345,000	325,000	392,000
Rent	25,810,000	25,810,002	24,762,000	24,762,000	24,762,000
Senior & Youth Program Fees	230,000	227,933	230,000	250,000	230,000
Non-NFL Event Ticket Surcharge	1,800,000	1,592,588	1,232,000	736,000	572,000
BAHC Reimbursement for CFP Expenses	1,400,000	1,166,884	-	-	-
Other Revenue	2,281,000	2,281,903	-	115,700	-
Total Revenues	\$ 136,810,000	\$ 124,709,525	\$ 73,615,000	\$ 68,624,700	\$ 68,187,000
Expenses					
Shared Stadium Manager Expenses					
Stadium Operations	\$ 3,721,000	\$ 3,659,714	\$ 4,004,000	\$ 1,452,000	\$ -
Engineering	1,835,000	1,999,576	2,054,000	-	-
Guest Services	813,000	561,641	825,000	-	-
Groundskeeping	164,000	154,101	177,000	-	-
Security	1,543,000	1,058,475	1,656,000	-	-
Insurance	2,871,000	2,870,047	2,956,000	2,956,000	3,045,000
Stadium Management Fee	226,000	225,102	232,000	-	-
Shared Stadium Manager Expenses Subtotal	\$ 11,173,000	\$ 10,528,656	\$ 11,904,000	\$ 4,408,000	\$ 3,045,000
Other Operating Expenses					
SBL Sales and Service ⁽²⁾	\$ 2,324,000	\$ 1,771,307	\$ 2,221,000	\$ 3,217,000	\$ 3,610,000
Senior & Youth Program Fees (paid to City) ⁽²⁾	230,000	227,933	230,000	250,000	230,000
Non-NFL Event Expense ⁽¹⁾	56,519,000	50,837,971	-	-	-
Net Expense from Non-NFL Events	-	-	-	2,000,000	-
Ground Rent (paid to City) ⁽³⁾	320,000	320,000	355,000	355,000	390,000
Performance Rent (paid to City) ⁽³⁾	2,654,000	-	2,721,000	-	555,000
Discretionary Fund Expense ⁽⁴⁾	990,000	101,267	250,000	-	250,000
Utilities ⁽²⁾	1,506,000	1,444,485	1,551,000	1,490,000	1,597,000
Use of StadCo Tenant Improvements ⁽²⁾	236,000	256,263	182,000	182,000	73,000
Stadium Authority General & Administrative ⁽⁴⁾	1,685,000	1,556,580	2,480,000	1,955,000	4,581,000
CFP Expenses	1,400,000	1,166,884	-	-	-
Naming Rights Commission	-	-	-	-	30,000
Legal Contingency	-	-	-	6,996,000	9,231,000
Other Expenses	105,000	(33,900)	110,000	66,000	1,400,000
Transfers Out ⁽³⁾	57,340,000	56,529,584	51,273,000	47,367,700	42,847,000
Contribution to Operating Reserve ⁽³⁾	328,000	327,818	338,000	338,000	348,000
Other Operating Expenses Subtotal	\$ 125,637,000	\$ 114,506,192	\$ 61,711,000	\$ 64,216,700	\$ 65,142,000
Total Expenses	\$ 136,810,000	\$ 125,034,849	\$ 73,615,000	\$ 68,624,700	\$ 68,187,000
Operating Reserve	\$ 11,255,088	\$ 11,255,088	\$ 11,593,270	\$ 11,593,088	\$ 11,941,088
Discretionary Fund	\$ 1,086,407	\$ 1,960,102	\$ 2,302,075	\$ 2,328,102	\$ 2,364,102

⁽¹⁾ Information not provided by ManagementCo at the time of this report

⁽²⁾ Recommended by ManagementCo

⁽³⁾ Expense is based on payment schedule or calculated as instructed per relevant agreements

⁽⁴⁾ Recommended by Stadium Authority staff

⁽⁵⁾ Net Revenues from Non-NFL events is provided by ManCo on a cash basis

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

Stadium Authority Board Duties and Proposed General and Administrative Budget

The Board is a public entity responsible for governing the matters concerning Levi's® Stadium. As such, the Board is responsible for setting policy direction, ensuring implementation of its policy direction and other due diligence requirements through Stadium Authority staff, and auditing/oversight of its policy implementation, as reasonable and necessary.

To accomplish Board direction, staff recommends the following administrative budget for the 2020/21 Fiscal Year totaling \$4.6 million, or 6.7%, of the total Fiscal Year 2020/21 Proposed Stadium Authority Operating Expense Budget of \$68.2 million. With this recommended budget, staff will support the Board with its oversight of Levi's® Stadium per the various agreements with ManagementCo and Forty-Niners SC Stadium Company LLC (StadCo or Tenant) of the stadium, such as:

1. Uphold fiduciary responsibilities and debt obligations;
2. Maintain a productive and functional business relationship with the Tenant;
3. Develop Board policies as required for proper governance and transparency efforts concerning the Stadium Authority oversight efforts;
4. Continue the current community engagement process to address the public opinion research of the community impacts of Levi's® Stadium, with a focus on neighborhood response and public service deployment improvements;
5. Continue the current noise monitoring program;
6. Implement public safety expert's recommendations during events held at Levi's® Stadium;
7. Address the Work Plan items, as referenced in the Executive Director's transmittal letter to this budget; and,
8. Develop and implement oversight initiatives consistent with public entity organizations.

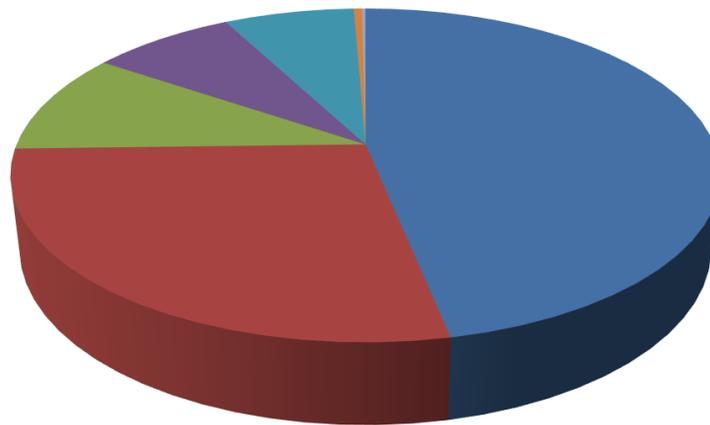
Stadium Authority staff are responsible for the programmatic oversight and audit of Stadium activities. As part of this budget, the oversight of stadium activities is allocated primarily to the Executive Director, General Counsel, Auditor, Treasurer and various supporting professional staff. With the implementation of a Stadium Authority Financial Management System and increased financial reporting and auditing needs, the Executive Director is recommending two additional financial support staff to assist the Treasurer with these requirements.

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

As such, the Stadium Authority G&A expense budget of \$4.6 million provides the financial means in which to fulfill the Board policy direction and strategic initiatives. A breakdown of the Stadium Authority's portion of the overall operating expense budget of \$68.2 million is shown below.

Stadium Authority General and Administrative Budget		
Expense Type	Amount	Comments
Staff support	\$2,144,000	To support the Stadium Authority with its oversight duties of stadium activities
Legal Services	1,273,000	As needed for outside legal services
Audit Services	452,000	Financial, Ticket Surcharge, and performance audits performed by external auditors
Consultants	358,000	As needed for outside consulting services
Executive Director & Board Directives	325,000	Funding for unanticipated Board directives, Executive Director assignments, etc
Other Expenses	20,000	Routine office expenses
Board Stipends	9,000	Stadium Authority meetings
Total	\$4,581,000	

Stadium Authority FY2020/21 General and Administrative Budget



■ Staff Support ■ Legal Services ■ Audit Services ■ Consulting Services ■ Unanticipated expenses ■ Other expenses ■ Board stipends

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY

Accrual Basis Accounting: The method of recording revenues and expenses when they are incurred, regardless of when cash is exchanged.

Bay Area Host Committee Reimbursement: This is the reimbursement received from the Bay Area Host Committee for all costs associated with the College Football Playoff Championship (CFP) that was held at Levi's® Stadium on January 7, 2019. This reimbursement is subsequently used to pay internal City and outside agency costs associated with the CFP (see College Football Playoff Expense below). (Source: Assignment and Assumption Agreement)

College Football Playoff (CFP) Expense: All internal City and outside agency costs associated with the CFP that are invoiced to the Stadium Authority. (Source: Assignment and Assumption Agreement)

Contribution to Operating Reserve: The contributions to the operating reserve are funded by means of excess revenues (see Excess Revenue below). (Source: The Amended and Restated Stadium Lease Agreement)

Discretionary Fund Expense: This is funded by half of the Non-NFL ticket surcharge (see Non-NFL Event Ticket Surcharge on Page 28) and has been used to cover NFL public safety costs above the public safety cost threshold in the first three fiscal years of operation and other items at the Stadium Authority's discretion.

Projected Beginning Balance	50% of 2020/21 Non-NFL Event Ticket Surcharge	2020/21 Discretionary Fund Expense	Projected Ending Balance
\$ 2,328,102	\$ 286,000	\$ 250,000	\$ 2,364,102

Excess Revenue: If Stadium Authority revenue exceeds expenses for any lease year, such excess revenues shall be distributed as described in the table below. This table reflects how the excess revenues were distributed in the 2018/19 fiscal year. (Source: The Amended and Restated Stadium Lease Agreement)

2018/19 Use of Excess Revenues				
#	Description	Amount	Balance	Notes
	Excess Revenues at Year-end		\$ 27,964,971	
1	Payment of ManCo Revolving Loan	\$ -	27,964,971	N/A (this loan has not been utilized)
2	Funding Operating Reserve up to \$2 Million +3% annually	-	27,964,971	Funding requirement met
3	Funding CapEx Reserve an Additional \$1 Million +3% annually	(1,125,509)	26,839,463	Funding annual CapEx Reserve
4	Funding Operating Reserve up to \$10 Million +3% annually	(327,818)	26,511,644	Funding annual 3% requirement
5	Prepayment of StadCo Subordinated Loan	(26,511,644)	-	Prepayment requirement met
6	Funding Operating Reserve up to \$20 Million +3% annually	-	-	N/A
7	Funding Renovation/Demolition Reserve up to \$70 Million	-	-	N/A
8	Available for Additional Disbursements as described in the Stadium Lease	-	-	N/A

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

Ground Rent: The City has agreed to lease the land under Levi's® Stadium to Stadium Authority for an initial term of 40 years. The fixed ground rent schedule is noted below for the 40-year initial term. (Source: *Ground Lease Agreement*)

Lease Year(s)	Fiscal Year(s)	Annual Fixed Ground Rent
1	2014-15	\$ 180,000
2	2015-16	\$ 215,000
3	2016-17	\$ 250,000
4	2017-18	\$ 285,000
5	2018-19	\$ 320,000
6	2019-20	\$ 355,000
7	2020-21	\$ 390,000
8	2021-22	\$ 425,000
9	2022-23	\$ 460,000
10	2023-24	\$ 495,000
11-15	2024-25 through 2028-29	\$ 1,000,000
16-20	2029-30 through 2033-34	\$ 1,100,000
21-25	2034-35 through 2038-39	\$ 1,200,000
26-30	2039-40 through 2043-44	\$ 1,300,000
31-35	2044-45 through 2048-49	\$ 1,400,000
36-40	2049-50 through 2053-54	\$ 1,500,000

Insurance: ManagementCo procures insurance for Levi's® Stadium for the entire year and the cost is split between Stadium Authority and StadCo (see Shared Stadium Manager Expenses on Page 31). The stadium lease sets Stadium Authority's share of insurance expense at \$2,550,000 for the first lease year with each succeeding lease year's insurance expense increasing by 3%. (Source: *Stadium Management Agreement & The Amended and Restated Lease Agreement*)

Interest: This is interest earned from cash on hand.

Naming Rights: Levi Strauss & Co (Levi's®) pays an annual naming rights fee to Stadium Authority. The annual fee increases by 3% each contract year through the 20-year term. This annual fee is paid in two equal semi-annual installments on or before March 1st and October 1st. (Source: *Naming Rights Agreement*)

Net Revenues from Non-NFL Events: ManagementCo provides management services for Levi's® Stadium year-round. As such ManagementCo is responsible for booking and scheduling all Non-NFL events on behalf of Stadium Authority. ManagementCo is required by the agreement to maintain complete and accurate books and records relating to the net income from the Non-NFL events. Those records are reviewed by Stadium Authority staff and/or outside consultants and audited by an independent auditor. After the completion of the fiscal year, the net revenues are paid to Stadium Authority by ManagementCo. (Source: *Stadium Management Agreement*)

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

NFL Ticket Surcharge: The Forty Niners Football Company, LLC (the Team) collects a 10% NFL ticket surcharge on the price of admission to all NFL games occurring in Levi's® Stadium on behalf of Stadium Authority. (Source: Amended and Restated Non-Relocation Agreement)

Non-NFL Event Expense: The gross expenses for Non-NFL events held at Levi's® Stadium.

Non-NFL Event Revenue: The gross receipts from Non-NFL events held at Levi's® Stadium.

Non-NFL Event Ticket Surcharge: Promoters or sponsors of any ticketed Non-NFL event that is held at Levi's® Stadium are required to collect a \$4 per ticket surcharge on behalf of Stadium Authority. Half of this surcharge that is paid to Stadium Authority covers general stadium operations and the other half funds the Stadium Authority Discretionary Fund. (Source: Amended and Restated Stadium Lease Agreement)

Other Expenses: Miscellaneous Stadium Authority expenses such as bank fees.

Other Revenue: Miscellaneous Stadium Authority revenues. The projected 2019/20 other revenue is the result of a reimbursement of Shared Stadium Expenses.

Performance Rent: Stadium Authority pays the City performance rent on top of the fixed ground rent. The basic calculation for the performance-based rent is 50% of the net income from Non-NFL events for any given lease year less the sum of performance-based rent credits. The performance-based rent credits include 50% of the current year's base ground rent, and other credits. The table below represents a projection of the 2019/20 and 2020/21 Fiscal Years performance rent. (Source: Ground Lease Agreement & Amended and Restated Stadium Lease Agreement)

Performance Rent Calculation	Fiscal Year 2019/20 Projection	Fiscal Year 2020/21 Budget
Ground Rent	\$ 355,000	\$ 390,000
Net Non-NFL Event Revenue (Expense)	\$ (2,000,000)	\$ 1,500,000
50% of Net Non-NFL Event Revenue (Expense)	\$ (1,000,000)	\$ 750,000
Performance Rent Credit (50% of Ground Rent)	\$ (177,500)	\$ (195,000)
Total Performance Rent paid to the City of Santa Clara	\$ 0	\$ 555,000

Rent: The facility rent was originally set at \$24.5 million for StadCo to lease the stadium for their half of the year. As a result of the rent reset arbitration award in favor of Stadium Authority, the facility rent was reset to \$24.8 million retro-active to the first lease year. The rent adjustment process is outlined in the Amended and Restated Stadium Lease. (Source: Amended and Restated Stadium Lease Agreement)

Senior and Youth Program Fees: During the lease terms, StadCo collects a City of Santa Clara Senior and Youth program Fee on behalf of Stadium Authority. The fee is based on \$0.35 per NFL game ticket up to a maximum of \$250,000 per lease year. (Source: Amended and Restated Stadium Lease Agreement)

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

Shared Stadium Manager Expenses: ManagementCo oversees the day to day operations of Levi's® Stadium year-round. Since StadCo leases the stadium from Stadium Authority for half of each fiscal year, the ManagementCo stadium manager expenses are shared between StadCo and Stadium Authority. Most shared stadium manager expenses are split 50/50 between StadCo and Stadium Authority; grounds-keeping is the exception with a 70/30 split, StadCo being responsible for the larger share. In addition, ManagementCo procures insurance for Levi's® Stadium that is shared between Stadium Authority and StadCo (see Insurance on page 27). (*Source: Stadium Management Agreement & The Amended and Restated Stadium Lease Agreement*)

In FY 2019/20, the Stadium Authority Board instructed the suspension of payments until ManagementCo presents the required supporting documentation for the expenses. The FY 2020/21 Budget assumes the continuation of the suspension of payments (excludes insurance). In addition, at the March 5, 2020 Study Session, the Board requested an alternate budget proposal option that incorporates the fact that no events are scheduled due the outbreak of the novel coronavirus (COVID-19) and Santa Clara County Public Health Department's mandatory cancellation of mass gatherings in the County. To the extent events continue or are scheduled, the Stadium Authority will return to the Board with budget amendments, provided that sufficient backup documentation is provided. The remainder of funding requested by ManagementCo will be allocated in a Legal Contingency until that documentation is provided or resolution to the litigation is completed.

Sponsorship Revenue (STR): STR Marketplace, LLC (STR) established a secondary market website to facilitate the transfer and resale of SBLs. In exchange for the use of the Levi's® Stadium trademarks and links on the website (hence the title Sponsorship Revenue), STR pays Stadium Authority a minimum annual fee of \$325,000 based on the commissions that are collected by STR. In addition to the minimum annual fee, Stadium Authority also receives 50% of any commissions in excess of \$650,000. (*Source: SBL Website Marketing Agreement*)

Stadium Authority General & Administrative: As an independent public entity, Stadium Authority incurs its own expenses in relation to Board governance, fiduciary responsibilities, oversight, and operations of Levi's® Stadium. These include but are not limited to Stadium Authority staff time, due diligence requirements for proper fiscal and operational oversight, and various outside contractors and consultants who are hired to administer the necessary requirements for owning and operating Levi's® Stadium. Also included are various administrative type costs such as bank fees, phone charges, IT equipment maintenance, etc.

Stadium Builder License (SBL) Proceeds: SBL holders who are on a payment plan make annual payments. Additionally, some SBL holders make payments above and beyond their annual scheduled payment plan. There are also sales of new SBLs and/or SBLs that were defaulted and resold. SBL cash collections from all of these sources make up SBL proceeds.

Stadium Builder License (SBL) Sales and Service: ManagementCo provides sales and service to SBL holders on behalf of Stadium Authority. This includes all SBL collection efforts and customer service support. (*Source: Agreement for Stadium Builder License Sales & Fourth Amendment to the Stadium Management Agreement*)

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

Stadium Management Fee: ManagementCo receives an annual base management fee to manage Levi's® Stadium. The fee was \$400,000 in the first lease year and increases by 3% annually. This annual base management fee is split 50/50 between StadCo and Stadium Authority since ManagementCo manages the stadium year-round for both entities. In addition to the base management fee, ManagementCo receives a stadium marketing and booking fee (incentive fee) which is based on a percentage of the amount that the net income from Non-NFL events exceeds the marketing and booking fee benchmark. The table below shows the first 10 years of the base management fee and the stadium marketing and booking fee benchmark. It also shows the first five years of net income from Non-NFL events and a projection of the sixth year as well as the applicable marketing and booking fee which was 5% of the net Non-NFL income over the benchmark. (*Source: The Stadium Management Agreement*)

Fiscal Year	Lease Year	Annual Base Stadium Management Fee (SCSA Share)	Stadium Marketing and Booking Fee Benchmark	Actual/Projected Net Income from Non-NFL Events	Actual Stadium Marketing and Booking Fee	Total Stadium Management Fee
2014/15	1	\$ 200,000	\$ 5,000,000	\$ 5,207,553	\$ 10,378	\$ 210,378
2015/16	2	\$ 206,000	\$ 5,150,000	\$ 6,079,016	\$ 46,451	\$ 252,451
2016/17	3	\$ 212,180	\$ 5,304,500	\$ 5,316,894	\$ 620	\$ 212,800
2017/18	4	\$ 218,545	\$ 5,463,635	\$ 5,163,329	\$ -	\$ 218,545
2018/19	5	\$ 225,102	\$ 5,627,544	\$ 18,591	\$ -	\$ 225,102
2019/20 ⁽¹⁾	6	\$ 231,855	\$ 5,796,370	\$ (2,000,000)	\$ -	\$ 231,855
2020/21	7	\$ 238,810	\$ 5,970,261	To be determined		
2021/22	8	\$ 245,975	\$ 6,149,369			
2022/23	9	\$ 253,354	\$ 6,333,850			
2023/24	10	\$ 260,955	\$ 6,523,866			

⁽¹⁾ The Net Loss from Non-NFL Events for 2019/20 is a projection.

Transfers Out: Transfers from the Stadium Authority Operating Fund to fund Debt Service and Capital Funds.

Utilities: StadCo leases the stadium from Stadium Authority for six months of each fiscal year from August through January. StadCo is therefore responsible for the day-to-day utilities during that period. Stadium Authority pays for the day-to-day utilities from February through July. Utilities associated with large ticketed Non-NFL events are charged as an expense to the event which is included in the Non-NFL event expense.

Use of StadCo Tenant Improvements: StadCo charges Stadium Authority for use of various StadCo tenant improvements (such as the use of the scoreboard) during Non-NFL events. (*Source: Amended and Restated Lease Agreement*)

STADIUM MANAGER SHARED EXPENSES

The Stadium Management Agreement is between the Stadium Authority, StadCo and ManagementCo and was entered into as of March 28, 2012. This agreement provides the Stadium Authority with the expertise of an outside manager to oversee the day-to-day operations of Levi's® Stadium. Additionally, the Amended and Restated Stadium Lease Agreement between the Stadium Authority and StadCo was made and entered into as of June 19, 2013.

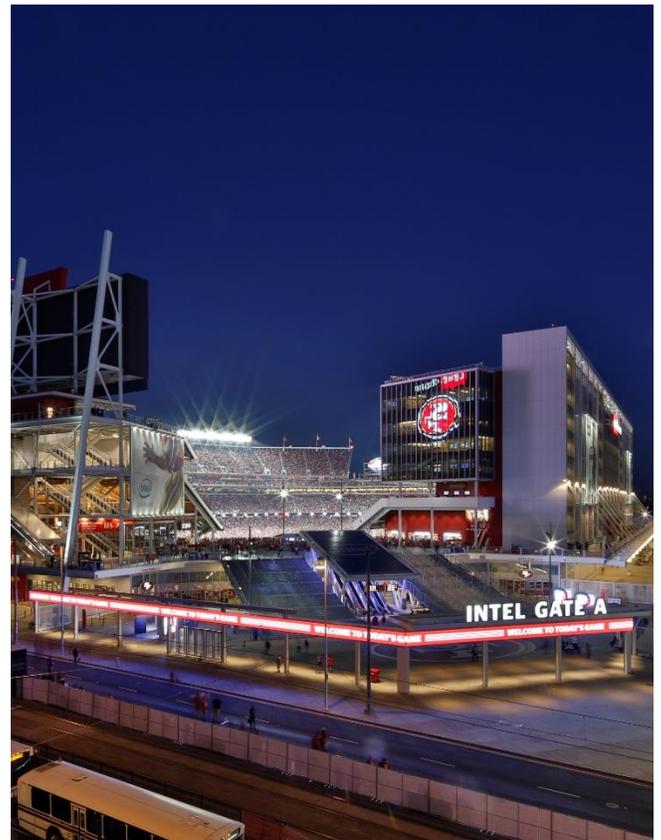
This agreement amended the original stadium lease to set the initial rent, to allow StadCo to enter into agreements with alternative energy providers, to cap Stadium Authority's share of the insurance costs at a fixed amount each year, and to require Stadium Authority to fund various reserves.

Per the terms of the stadium lease, StadCo leases the stadium from the Stadium Authority for half of each fiscal year and is responsible for the Stadium Manager operating expenses during that period. The Stadium Manager operating expenses for the other half of the year are the responsibility of the Stadium Authority. Section 8.3.1 describes the proportionate share of Stadium Manager expenses that are owed by the Stadium Authority and StadCo. Namely that most stadium manager operating expenses are split 50/50 with grounds-keeping being the exception with a 70/30 split, StadCo being responsible for the larger share.

ManagementCo procures insurance for Levi's® Stadium for the entire year and the cost is shared between Stadium Authority and StadCo.

Section 4.7 of the management agreement notes that ManagementCo will provide an Annual Shared Stadium Expense Budget to be adopted annually by Stadium Authority and StadCo.

Once the budget has been adopted, ManagementCo invoices Stadium Authority monthly for its budgeted portion of shared expenses which include stadium manager operating expenses. As part of the year-end work, the budgeted amounts that were paid are trued up with actuals for which ManagementCo provides details. The Stadium Authority has requested documentation, including invoices and insurance policies, that support the Shared Expenses provided by ManagementCo, however, at the time of this report, Stadium Authority has not received the supporting documentation.



STADIUM MANAGER SHARED EXPENSES (CONT'D)

Stadium Manager

2020/21 Total Shared Stadium Expenses

Between the Santa Clara Stadium Authority and Forty Niners SC Stadium Company (StadCo)

	Security	Stadium Operations	Engineering	Guest Services	Groundskeeping	Total
Total Compensation ⁽²⁾	\$ 426,155	\$ 2,555,821	\$ 1,402,782	\$ 391,723	\$ 188,802	\$ 4,965,283
Travel, Meals & Entertainment	-	203,988	6,000	40,990	4,795	255,773
Outside Services	992,078	1,091,000	449,387	800	619,472	3,152,737
General Supplies	1,608	61,850	78,000	102,655	132,958	377,071
Telephone	5,100	280,000	10,200	4,464	1,008	300,772
Equipment	8,094	225,688	28,000	58,000	5,600	325,382
Uniforms	5,124	-	1,500	78,100	1,750	86,474
Other	-	44,150	1,250	29,250	-	74,650
Subtotal	\$ 1,438,159	\$ 4,462,497	\$ 1,977,119	\$ 705,982	\$ 954,385	\$ 9,538,142

Santa Clara Stadium Authority Proportionate Share of Stadium Expenses ⁽¹⁾⁽⁵⁾

	Security	Stadium Operations	Engineering	Guest Services	Groundskeeping	Total
Total Compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel, Meals & Entertainment	-	-	-	-	-	-
Outside Services	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Telephone	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Uniforms	-	-	-	-	-	-
Other	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance ⁽³⁾						3,044,833
Management Fee ⁽⁴⁾						-
Total						\$ 3,044,833

⁽¹⁾ The Santa Clara Stadium Authority proportionate share of stadium expenses is rounded to the nearest \$1,000 in the operating budget.

⁽²⁾ Total compensation is based on a total of 58 full time equivalent positions.

⁽³⁾ The stadium lease sets Stadium Authority's share of insurance expense at \$2,550,000 for the first lease year with each succeeding lease year's expense increasing 3%.

⁽⁴⁾ The stadium management agreement sets the base management fee at \$400,000 for the first lease year with each succeeding lease management fee increasing 3%. This base management fee is split 50/50 between Stadium Authority and StadCo.

⁽⁵⁾ Proposed Shared Stadium Expenses totals \$3 million for insurance. This assumes that the continuation of suspension of payments that was instructed in FY 2019/20 will be in effect until ManagementCo presents the required supporting documentation for the expenses. In addition, at the March 5, 2020 Study Session, the Board requested an alternate budget proposal option that incorporates the fact that no events are scheduled due the outbreak of the novel coronavirus (COVID-19) and Santa Clara County Public Health Department's mandatory cancellation of mass gatherings in the County. To the extent events continue or are scheduled, the Stadium Authority will return to the Board with budget amendments, provided that sufficient backup documentation is provided. The remainder of funding requested by ManagementCo will be allocated in a Legal Contingency until that documentation is provided or resolution to the litigation is completed.

STADIUM MANAGER SHARED EXPENSES GLOSSARY

Total Compensation: This cost includes full-time staff (58 employees), part-time staff, and benefits. Stadium Authority pays for 50% of these costs except for groundskeeping which is set at 30%.

- **Full-time wages** are costs for all management company full-time employees.
- **Part-time wages** are costs for all management company part time employees. Wages include annual training for all Guest Services Representatives.
- **Benefits** are costs of employees' health insurance, pension, vacation time, and all employer taxes.

Travel, Meals & Entertainment: These are costs for employee travel (airfare, ground, lodging, and meals) to stadium management conferences. In addition, this category includes costs for staff meals for general food and beverage, vendor engagement, and the year-end guest service employee appreciation banquet.

Outside Services: Costs for outside service providers which include the following:

- **Janitorial and Medical** costs related to the janitorial, cleaning, landscaping, and trash services of the interior and exterior of the stadium and medical services for the stadium during regular business hours.
- **Stadium Security** costs for staffing 24/7 security guards in and around the stadium and explosive detection canines.
- **Engineering & Maintenance** for mandatory safety and general maintenance costs associated with fire sprinklers, fire alarms, elevators, and backflows. Also includes outside sub-contracted calls for services for windows, signage and roof repair, HVAC & electrical, carpet, concrete or other miscellaneous repairs.

General Supplies: Supplies for stadium operations, janitorial, engineering, and Guest Services (For example: janitorial supplies, general printing costs for stadium signage, deployment sheet, notes, handbooks etc.).

Telephone: These are costs for land lines and internet/data service for the stadium, (net of the costs for the Team's business offices), and cell service for stadium operations' and security personnel.

Equipment: Costs associated with stadium operations and security software, including incident tracking, mobile safety application, stadium staff scheduling/event calendar software, video surveillance licensing software, X-ray machine rental for deliveries, and monthly cost for off-site equipment storage.

STADIUM MANAGER SHARED EXPENSES GLOSSARY (CONT.)

Uniforms: Guest Services replacement and replenishment of uniforms.

Other Costs: Costs associated with Stadium Operations (For example: specialized training, command post, CPR first aid, background checks, recruiting, marketing/advertising, and employee retention program).

Tenant Improvements: Interior improvements within Tenant's exclusive facilities and any other improvements within the Stadium that are to be owned by, and constructed at the cost of, Tenant or any Tenant transferee as may be agreed by the Parties (Stadium Authority and StadCo). (Source: Stadium Lease Agreement)

Stadium Manager Santa Clara Stadium Authority Proportionate Share of Stadium Expenses - Five Year Forecast

	2021/22	2022/23	2023/24	2024/25	2025/26
Total Compensation ⁽¹⁾	\$ 5,003,118	\$ 5,153,212	\$ 5,307,808	\$ 5,467,042	\$ 5,631,054
Travel, Hotel & Staff/Partner F&B	260,623	268,442	276,495	284,790	293,334
Outside Services	2,882,716	2,969,197	3,058,273	3,150,021	3,244,522
General Supplies	310,128	319,432	329,015	338,885	349,052
Telephone	309,202	318,478	328,032	337,873	348,009
Equipment	331,847	341,802	352,056	362,618	373,497
Uniforms	88,038	90,679	93,400	96,202	99,088
Other	76,890	79,196	81,572	84,019	86,540
Total	\$ 9,262,562	\$ 9,540,438	\$ 9,826,651	\$ 10,121,450	\$ 10,425,096
Insurance ⁽²⁾	3,136,178	3,230,264	3,327,172	3,426,987	3,529,796
Management Fee ⁽³⁾	245,975	253,354	260,955	268,783	276,847
Total	\$ 12,644,715	\$ 13,024,056	\$ 13,414,778	\$ 13,817,220	\$ 14,231,739

⁽¹⁾ Total compensation is based on a total of 58 full-time equivalent positions.

⁽²⁾ The stadium lease sets SCSA's share of insurance expense at \$2,550,000 for the first lease year with each succeeding lease year's expense increasing 3%.

⁽³⁾ The stadium management agreement sets the base management fee at \$400,000 for the first lease year with succeeding lease year's management fee increasing 3%. This base management fee is split 50/50 between and StadCo.

STADIUM DEBT SERVICE BUDGET

Santa Clara Stadium Authority Debt Service Budget Summary

	2018/19 Final Budget	2018/19 Year-end Actuals	2019/20 Current Budget	2019/20 Projected Actuals	2020/21 Proposed Budget
Resources					
Revenues					
Contribution from CFD	\$ 3,800,000	\$ 3,779,880	\$ 3,872,000	\$ 3,873,000	\$ 4,028,000
Revenues Subtotal	3,800,000	3,779,880	3,872,000	3,873,000	4,028,000
Transfers In from Operating	53,963,000	53,153,057	47,795,000	43,889,700	39,265,000
Contribution from Fund Balance	4,653,000	4,094,296	-	-	-
Total Resources	\$ 62,416,000	\$ 61,027,233	\$ 51,667,000	\$ 47,762,700	\$ 43,293,000
Expenses					
CFD Advance	\$ 3,800,000	\$ 3,506,299	\$ 3,844,000	\$ 3,835,000	\$ 3,989,000
Term A Loan	26,702,000	26,043,162	26,383,000	25,628,000	25,562,000
StadCo Subordinated Loan	31,914,000	31,477,772	21,440,000	18,299,700	13,742,000
Total Expenses	\$ 62,416,000	\$ 61,027,233	\$ 51,667,000	\$ 47,762,700	\$ 43,293,000
Debt Service Reserve	\$ 11,536,235	\$ 11,536,235	\$ 11,536,235	\$ 11,536,235	\$ 11,536,235

The proposed FY 2020/21 Debt Service Budget of \$43.3 million is based on the required and additional principal and interest debt service payments. A glossary is included at the end of this section that describes the type of debt and the applicable source documents for each loan. Of the \$43.3 million budget, \$4.0 million represents anticipated contributions from the Community Facilities District (CFD). The total Debt Service Reserves are projected to remain at \$11.5 million.

The schedule on the following page provides a breakdown of the principal and interest payments budgeted in FY 2020/21 for each loan as well as the beginning and ending balances. The total outstanding debt is projected to decrease by \$28.2 million in FY 2020/21 from \$309.2 million to \$281 million.

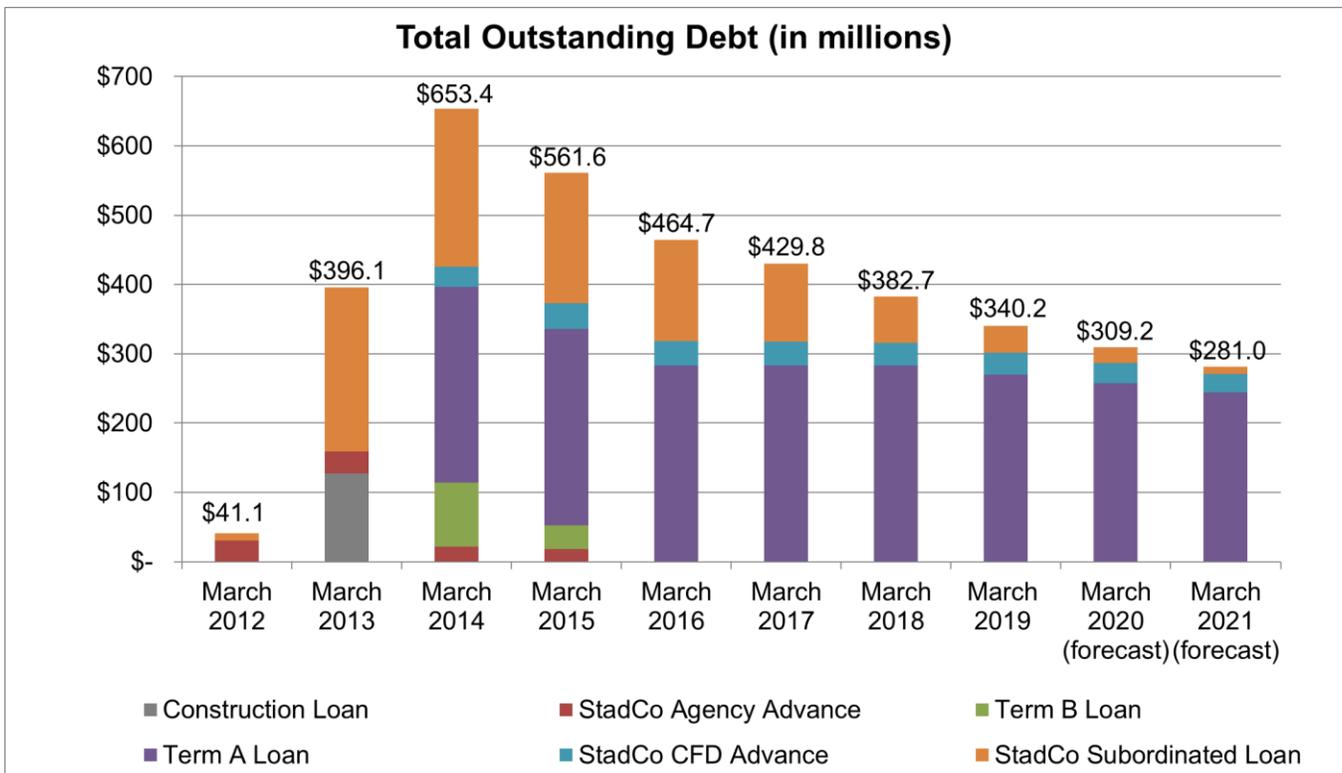
STADIUM DEBT SERVICE BUDGET (CONT'D)

Santa Clara Stadium Authority Debt Service Payment Schedule

Debt Obligations	Interest rates	2020/21 Interest	2020/21 Beginning Balance	2020/21 Principal Payments	2020/21 Additional Payments ⁽¹⁾	2020/21 Ending Balance
Stadium Funding Trust Term A Loan	5.00%	\$ 12,208,000	\$ 257,514,000	\$ 13,354,000	\$ -	\$ 244,160,000
StadCo CFD Advance ⁽²⁾	5.73%	1,598,000	28,821,000	2,391,000	-	26,430,000
StadCo Subordinated Loan	5.50%	1,258,000	22,866,000	4,412,590	8,071,410	10,382,000
Total		\$ 15,064,000	\$ 309,201,000	\$ 20,157,590	\$ 8,071,410	\$ 280,972,000

⁽¹⁾Additional payment is based on anticipated revenue that is in excess of all expenses and reserve requirements.

⁽²⁾Community Facilities District (CFD) principal payment is an estimate based on anticipated contributions from the CFD



STADIUM DEBT SERVICE BUDGET GLOSSARY

Contribution from the Community Facilities District (CFD): The CFD was established for the purpose of financing and constructing publicly owned facilities. To support that, the CFD levies and collects a special hotel tax of 2% on hotel rooms within the CFD. During the construction of Levi's® Stadium, Stadium Authority spent \$35 million on CFD infrastructure. All collections from the special CFD hotel taxes are contributed to Stadium Authority to pay down the CFD Advance which was used to fund the construction of the CFD publicly owned facilities. (Source: The Reimbursement Agreement Relating to the CFD)

CFD Advance: StadCo agreed to loan Stadium Authority a not to exceed amount of \$35 million for CFD infrastructure and with a maximum principal amount of \$38 million including capitalized interest. This loan bears interest at a fixed rate of 5.73% and the loan is payable solely from amounts actually received by Stadium Authority from the CFD. (Source: The Authority Promissory Note in Respect of StadCo CFD Advance)

Term A Loan: The Stadium Funding Trust (FinCo) agreed to loan Stadium Authority \$282.8 million to fund construction of Levi's® Stadium. This loan bears interest at a fixed rate of 5% payable semi-annually, with annual principal payments due beginning in April 2018. It has a maturity date in 2039 and is subject to certain prepayment premiums. The principal payment schedule is noted below. (Source: The Restated Credit Agreement)

Term A Loan Amortization							
Date	Annual Principal Payment		Date	Annual Principal Payment		Date	Annual Principal Payment
April 1, 2018	\$ 12,110,000		April 1, 2026	\$ 8,404,934		April 1, 2033	\$ 13,306,164
April 1, 2019	\$ 12,718,000		April 1, 2027	\$ 9,001,865		April 1, 2034	\$ 14,160,901
April 1, 2020	\$ 13,354,000		April 1, 2028	\$ 9,630,410		April 1, 2035	\$ 15,060,270
April 1, 2021	\$ 14,022,000		April 1, 2029	\$ 10,292,166		April 1, 2036	\$ 16,006,521
April 1, 2022	\$ 14,723,000		April 1, 2030	\$ 10,988,812		April 1, 2037	\$ 17,002,017
April 1, 2023	\$ 15,459,000		April 1, 2031	\$ 11,722,111		April 1, 2038	\$ 18,049,239
April 1, 2024	\$ 7,299,896		April 1, 2032	\$ 12,493,914		April 1, 2039	\$ 19,150,794
April 1, 2025	\$ 7,838,094						

StadCo Subordinated Loan: StadCo agreed to loan Stadium Authority an amount not to exceed \$500 million to fund construction of Levi's® Stadium. The actual amount loaned to the Stadium Authority was \$236.9 million. This loan bears a fixed interest rate of 5.5% with annual principal payments due beginning in March 2016 and it may be prepaid at any time without penalties. (Source: The Restated StadCo Obligations Agreement)

STADIUM AUTHORITY CAPITAL EXPENSE BUDGET

The Capital Expense (CapEx) Budget is used to fund the purchase or upgrade of fixed assets for the Stadium. While the funding for appropriations occur on an annual basis, the Capital Expense Plan extends for a five-year period (shown on Page 48 of this report). Changes to existing projects, as well as the addition of new projects, may occur during the five-year planning period as new needs are identified. The appropriations for capital projects do not lapse at year-end but carryover into future years until the project is complete.

The FY 2020/21 CapEx Budget totals \$13.3 million. Of this total, \$8.0 million of prior year appropriations are projected to be carried over from FY 2019/20 (\$1.5 million of the projected carryover amount is for warranty-related construction, and the other \$6.5 million is for prior year CapEx projects). New capital improvement appropriations equal \$5.3 million.

A detailed listing of proposed FY 2020/21 projects is provided starting on Page 40 of this report.



Public Safety Kawasaki Mule
Used for public safety patrol and
emergency response

Santa Clara Stadium Authority Capital Expense Budget Summary

	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2020/21 Total
	Final Budget	Year-End Actuals	Final Budget	Projected Actuals	Projected Carryover	Proposed Budget	Proposed Budget
Beginning Balances	\$ 12,358,833	\$ 12,718,700	\$ 14,532,870	\$ 14,516,225	\$ 17,837,300		\$ 17,837,300
Resources							
Transfers In from Operating	3,377,000	3,376,527	3,478,000	3,478,000	-	3,582,000	3,582,000
Transfers In from Stadium Development ⁽¹⁾	-	-	-	-	-	-	-
Total Resources	15,735,833	16,095,227	18,010,870	17,994,225	17,837,300	3,582,000	21,419,300
	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2020/21 Total
	Final Budget	Projected Actuals	Final Budget	Projected Actuals ⁽²⁾	Projected Carryover	Proposed Budget	Proposed Budget
Expenses							
Construction	4,875,415	1,378,251	4,956,922	-	1,888,911	2,836,416	4,725,327
Equipment	1,210,000	124,732	7,070,988	156,114	4,252,034	2,208,523	6,460,557
Contingency	296,546	3,250	657,397	812	307,048	252,248	559,296
Stadium Warranty Related Construction	1,600,971	72,769	1,528,202	-	1,528,202	-	1,528,202
Total Expenses	7,982,932	1,579,002	14,213,509	156,926	7,976,195	5,297,187	13,273,382
Capital Expense Reserve	\$ 7,752,901	\$ 14,516,225	\$ 3,797,361	\$ 17,837,300	\$ 9,861,105		\$ 8,145,918



ALS Lifepack Monitor allows better
diagnosis and treatment of cardiac
arrest patients.

Santa Clara Stadium Authority 2020/21 CapEx Budget

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
General Building		Updated Stadium Wayfinding Signage Install Premium/Club wayfinding, Suite wayfinding, Smoking section signs, No smoking signs for around the main and upper concourses, section numbers/floor decals, ADA blue lines, tunnel signs that indicate "no photos/no autographs", etc.	\$ 250,000	\$ 12,500	\$ 262,500
General Building		Levi's Naming Rights Signage Replacement Replace Levi's Naming Rights signage.	650,000	32,500	682,500
Plumbing		Lift Station Replace pumps, motors and controls at sewage ejector sumps in Quadrants A, B, C & D on 100 level.	200,000	10,000	210,000
Plumbing		Plumbing Replace pressure reducing valves and other parts on domestic and recycled water systems.	100,000	5,000	105,000
Public Safety	x	Stadium Vehicles (Gator & Kubota) Upfits Add a utility storage box for John Deere Gator utility vehicle to store all of Joint Hazard Assessment Team's (JHAT) equipment in a secure and organized area. The upfits for the Gator and Kubota utility vehicles also include adding roll-up windows to protect staff against rain, and hood racks for additional storage for the many pieces of equipment that JHAT carries.	9,000	450	9,450
Public Safety	x	Storage Conex Garage for Apparatus Add a new lockable, weatherproof storage conex for storage of three stadium vehicles (two John Deere Gators and one Kubota utility vehicle). With the temporary closing of Fire Station 10, the space is needed to house the vehicles that are currently housed at Fire Station 10. The storage container will be located at Fire Station 8 which is the closest location to the Stadium.	12,416	621	13,037
Public Safety	x	Pedestrian Safety Fencing Install raised fencing on Tasman Drive from Centennial Boulevard to Calle Del Sol. This is approximately 0.4 miles and would be adjacent to the VTA/Light Rail tracks. This fencing is required to guarantee the safety of patrons as pedestrians on Tasman Drive. Currently, pedestrians regularly jump temporary construction barriers and cross eastbound Tasman Drive and cross live/active VTA light rail tracks. In addition, during events the traffic flow is reversed and pedestrians will not expect cars coming from that direction. This poses a clear danger for pedestrians and mobile personnel are not always available to prevent this regular attempt by pedestrians. Raised fencing will guarantee this dangerous situation stops. The cost is an estimate based on the Fencing on Tasman project.	100,000	5,000	105,000
Security		Enhance Stadium Security Coverage Evaluate and replace existing cameras with technologically advanced multi-lens panoramic/360/multi-directional cameras. Design locations and camera styles have created visual obstructions and gaps in coverage. Height locations with fixed lens cameras create the inability to adjust field of views. Installation of television monitors/signage near camera mounts have created field of view obstructions. Due to high volume of club space usage for large scale, and smaller events, request for video investigations become frequent. Low lighting situations are constant with event type needs, and enhanced technology from newer cameras will enable greater video quality. The areas which need to be evaluated include, but are not limited to: BNY Mellon East and West Club, Yahoo Club, United Club, FII Club, 501 Club, Citrix Owners Club, Entry Gates, and Perimeter fences.	330,000	16,500	346,500
Security		Enhance Stadium Security Access Control Install card readers on manual doors to increase access control features and security. Based on operational demands, doors have been identified via staff request and event activity in order to improve operational awareness and enhance the access control abilities by automating the doors. This also increases security to areas deemed by staff to hold sensitive or high value assets. The access control enhancements include Vertx/Mercury upgrade, EvoE400/Mercury upgrade, and various doors with access control needs.	235,000	11,750	246,750

Santa Clara Stadium Authority 2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Security		CCTV Pop Up Trailers Purchase five (5) additional units to continue to meet NFL Best Practices guidelines by covering parking lots outside stadium footprint that currently have no camera coverage.	\$ 235,000	\$ 11,750	\$ 246,750
Security		Parking Lot Camera Upgrades Replace Great America parking lot cameras with technologically advanced multi- lens panoramic/360/multi-directional cameras. New camera technology would provide better overall coverage of the main parking lot. Sun baked cameras with fixed angles have created gaps in coverage. With more video incident request coming from ingress/egress incidents, new technology would assist in these investigations. Install cameras in Gold lot 4/5 where there is very limited coverage.	40,000	2,000	42,000
Security		Bowl Camera Upgrade/Refurbish Replace bowl cameras. Several bowl cameras have become sun baked and provide poor/obscured coverage of bowl seating. Maintenance has become an issue as it takes a lot of time and money to set up scaffolding to reach camera boxes. Need to re-engineer housing (suggest relocating housing closer to stadium infrastructure).	135,000	6,750	141,750
Security		Surveillance - Command Center Equipment Build out workstations with equipment that can handle the load of video viewing during large scale events, as well as the 24/7 security operations in both 100 and 800 command rooms. Equipment includes, but is not limited to, monitors, keyboards, video cards, CPU processors, power supplies, motherboards, and cabling.	50,000	2,500	52,500
Security		Software Upgrade to Genetec 5.8 Upgrade to Genetecs newest firmware version 5.8. This would improve overall system performance and stability, and add new features that will help in operator training and utilization of software. Customizable live dashboards assist in monitoring alarms and events in real time.	35,000	1,750	36,750
Security		Video Analytics Add video analytics to assist with video investigations. Video investigations take several hours/days to complete using traditional playback methods. Adding video analytics will greatly decrease man-hours spent in video review process, as well as aid in investigations using newer technology.	35,000	1,750	36,750
Security		License Plate Reader at Vehicle Entry Gates Add six (6) License Plate Reader cameras on entry/exit lanes of all vehicle gates (Post 1,2, and 3) to document and track vehicles entering and exiting the stadium.	45,000	2,250	47,250
Security		Security X-Ray Scanners Purchase four (4) portable X-ray units to observe postage that comes into the loading dock 24/7 and screen bags/deliveries during event days.	150,000	7,500	157,500
Site		Security Fencing - Main Lot Remove and replace approximately 1,000 linear feet of 4-foot high security fencing in Main Lot per request of City.	150,000	7,500	157,500
Site		Stationary Electric Pressure Washers Install one (1) to two (2) demo stations on the 300 concourse. If these are effective, we would look to replace all gas-powered pressure washers with electrically powered ones.	75,000	3,750	78,750
Subtotal CapEx Construction Costs			\$ 2,836,416	\$ 141,821	\$ 2,978,237

Santa Clara Stadium Authority 2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Food and Beverage		Beverage Distribution System Add a beverage distribution system to stadium concession areas and bars. This includes the lines and CO2 dispensing equipment.	\$ 50,000	\$ 2,500	\$ 52,500
Food and Beverage		CO2 Monitoring & Sensors for Code Compliance Install remote CO2 monitoring for enhanced safety for stadium staff per SCFD & State of CA.	200,000	10,000	210,000
HVAC/ Mechanical		Variable Frequency Drive(s) Replace exterior Variable Frequency Drive units for Cooling Tower pumps due to life expectancy issues. This system supports the mechanical cooling functions for the HVAC system.	150,000	7,500	157,500
HVAC/ Mechanical		HVAC Replace HVAC fan coils, motors, squirrel cage fans, and controls to heat pumps throughout facility.	100,000	5,000	105,000
HVAC/ Mechanical		Cooling Towers Replace Cooling Towers internal parts and systems. This includes the motors, fans, fill, controls, and piping which support the mechanical cooling functions for the HVAC system.	50,000	2,500	52,500
Information Technology		Financial Management Information System Project Procure a new cloud-based financial management system for the Stadium Authority that would allow greater visibility in to Non-NFL Events. The management company that handles Non-NFL events would use the financial management system for all transactions related to Non-NFL events as well as store supporting documentation for the transactions (Including invoices). The costs include software license/subscription, hosting fee and a consultant for implementation and process improvement. There will be ongoing software license costs and possibility for additional staff time for implementation. *Subject to subsequent court rulings on cost allocation.	270,000	13,500	283,500
Life Safety/Fire	x	Fire Alarm System Replace/update fire alarm system field devices, including interior/exterior signaling devices, detectors, and control panel parts.	250,000	12,500	262,500
Life Safety/Fire		Photoluminescent Tape for Life Safety Replace photoluminescent tape in stairwells A1, A2, A3, A4, from level 100 to 900 per Santa Clara City Fire Marshall.	200,000	10,000	210,000
Public Safety Equipment	x	Mass Decontamination Hydrant Nozzles Purchase nozzles that can be attached to fire hydrants used to decontaminate large amounts of people very quickly in the event of a HazMat event. This is new equipment for the Team.	1,608	80	1,688
Public Safety Equipment	x	Small Cooler and Ice Pack Purchase a cooler to hold Anthrax Sample kits which need to be refrigerated for a minimum of 12 hours while on assignment.	250	13	263
Public Safety Equipment	x	Radios Add new radios to equip additional staff in our public safety deployment. Personnel will continue to use these specific radios for varied public safety responsibilities. These radios allow for communication to the command post and between public safety partners working our events. Without these critical radios, personnel would not be able to function in their capacity and as expected to provide public safety services including emergency response. There is a yearly operating cost; requesting quote.	79,000	3,950	82,950
Public Safety Equipment	x	Motor Vehicle Barricades Add eight (8) motor vehicle barricades. Our operational area requires rapid and versatile deployment of physical barriers. These 8 barriers are essential for vehicular traffic routing and stopping. In the event of intentional barricade breaching, these barriers will prevent a full breach and protect pedestrians from vehicles. Current and traditional barricades require substantial planning and are labor-intensive. Our new mobile barricades would reduce intense labor, but significantly raise the safety and versatility of our barrier placement. Of the cost, \$100,000 is a carryover from FY2018/19 and \$245,000 is additional funding requested.	345,929	17,296	363,225

Santa Clara Stadium Authority 2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Public Safety Equipment		Explosive Ordinance Detection Blankets/Water Barrier	12,637	632	13,269
	x	Purchase bomb blankets and water barriers for the explosive ordinance detection (EOD) team. This team is responsible for the identification and mitigation of explosive items. They currently have no ability to quickly mitigate a verified suspicious package. Bomb blankets and water barriers are easily transportable and deployable. The use of these two measures will greatly reduce the collateral damage of an explosive device.			
Public Safety Equipment		Bicycles	\$ 25,000	\$ 1,250	\$ 26,250
	x	Purchase 10 bicycles for the bicycle unit, which is an integral part of our exterior public safety operation. The scattered locations of all parking lots and the congested nature of the roadways require bicycles as the primary mode of travel for ease of movement for public safety officers. 10 bicycles (5 will be used for replacements) will bring the current inventory to 30 and will allow us to expand our bike unit.			
Public Safety Equipment		Stadium Personal Protective Equipment	60,000	3,000	63,000
	x	Add personal protective equipment for various teams at the Stadium. Active Shooter has been an emerging threat. The Santa Clara Fire Department does not currently have Active Shooter gear for the Stadium, and to equip the team of 12 to handle an Active Shooter threat, the following gear is requested: vests, helmets, protective plates, EMS equipment and other appropriate Personal Protective Equipment (PPE) for an Active Shooter. In addition, the gear requested includes vests, helmets and respiratory protection for the Joint Hazard Assessment Team (JHAT) of 6 for blast and chemical release protection; and Stadium battle dress uniform (BDU) blouses and pants to protect against the weather for the stadium team of 60. The vest and helmets are new equipment for the team and BDU is a combination of replacement and new.			
Public Safety Equipment		Heavy Lift Kit	51,913	2,596	54,509
	x	Add a Heavy Lift Kit to be able to lift larger vehicles and equipment for rescue purposes in the event of an accident, stage or crane collapse. Stadium has increased traffic of large vehicles and equipment on a regular basis, including buses for team and performer transport and semi trucks for delivery.			
Public Safety Equipment		Radiation Detector	21,500	1,075	22,575
	x	Purchase a radiation detector. The Joint Hazard Assessment Team (JHAT) had historically used the Identifinder radiation detector on the HazMat apparatus; however, the Identifinder (purchased in 2008) has been decommissioned due to age and is no longer serviceable by manufacturer. The Radiation (Gamma and Neutron) Detector will be a replacement purchase with expected life of 10 years.			
Public Safety Equipment		Rope Rescue Gear Including Storage Container	31,500	1,575	33,075
	x	Add high angle and vertical rescue equipment needed to address the intricate and complex areas of the stadium. This includes an artificial high point, full rope response kit, winch, rigging, fall protection, and patient extraction device. This is new gear for the Stadium Team.			
Public Safety Equipment		Mass Casualty Incident Trailer	120,000	6,000	126,000
	x	Purchase a Mass Casualty Incident (MCI) Trailer. The fire department currently has equipment to treat 25 patients during a large-scale emergency. The MCI Trailer would allow the first responders to treat between 500-1000 people during a large-scale emergency by allowing quick access to on-board equipment and supplies.			
Public Safety Equipment		Motorola APX 6000 Radio/Charger/Battery	4,600	230	4,830
	x	Add a radio charger and extra battery for the Fire Incident Commander in the Command Post to assist with monitoring multiple channels.			
Public Safety Equipment		Motorola Earpieces	1,000	50	1,050
	x	Replace earpieces for the radios used by the crews. The original earpieces were purchases six years ago and are at end of life.			
Public Safety Equipment		Battery Pack for JHAT Crew	72	4	76
	x	Add a portable battery charging pack for the Joint Hazard Assessment Team (JHAT) that uses a lot of battery power. A portable battery charging pack is needed to recharge equipment for the long duration JHAT missions. This is a new purchase.			

Santa Clara Stadium Authority 2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Public Safety Equipment	x	2-Way CAD/24-7 Link Add a 2-way link between the 24/7 dispatch system and the CAD system. All stadium personnel operate on the 24/7 dispatch system. SCPD and SCFD operate on the CAD system. When public safety personnel are sent on calls, the call must be generated by hand in both systems. This causes extra work for dispatchers, however, more importantly this creates delays in reporting and responses to public safety incidents. A 2-way link would allow both systems to "talk" to each other and automatically create incidents in each other's system. Additionally, without this link, we cannot log officers on which creates an officer safety issue as well as an issue when it comes to management of personnel.	150,000	7,500	157,500
Public Safety Equipment	x	Dispatch Monitors Replace dispatch monitors with larger screens. Our public safety dispatchers utilize several screens at their work stations in order to facilitate their duties. The necessary upgrading of our latest public safety communications center's CAD and associated software will require larger screen area to effectively manage the new information. These 16 replacement 22" larger monitors are needed to optimize the use and intended application of the latest public safety dispatching software. The larger screens are required to view the additional windows from the CAD system and are expected to last five years. The prior monitors were purchased six years ago and are 19" monitors. The cost includes estimated installation for three workstations.	\$ 8,000	\$ 400	\$ 8,400
Public Safety Equipment	x	Radio Batteries Replace radio batteries that are at the end of their life expectancy. This is due to their natural order of deterioration where the expected battery power retention is lost. Current radio inventory requires the battery replacement for this reason. Radios with batteries performing at full capacity are required for public safety personnel to ensure radios will remain at a functional level during a standard shift. Life expectancy is three years.	15,514	776	16,290
Public Safety Equipment	x	Safety Gear for Special Event Officers & Traffic Control Personnel Add safety gear for traffic control personnel that are a critical element to our public safety deployment. Beyond this application, they also provide welcomed guidance and direction to visitors and our neighborhood residents. Upon directing traffic and pedestrians, our traffic control staff work amongst vehicles in all types of weather for extended periods of time. Rain suits would afford this staff the ability to effectively and safely work in these conditions while remaining dry. High visibility jackets will increase our staff's visual recognition increasing their personal safety while performing their duties around vehicles. Flashlights and high visibility jackets will increase the public's ability to notice the traffic control staff leading to overall safety of all who visit our footprint and increased recognition of direction offered by this staff.	7,000	350	7,350
Public Safety Equipment	x	Radio Chargers Add three radio charging stations. Our radio equipment is critical and, therefore, their serviceability must be maintained. Each new radio will require a charging port. These three charging stations each have a 6-radio capacity and three are needed to maintain radios at their peak power and usability. Having these three charging stations will ensure all radios are ready for use by public safety without the risk of personnel being without this crucial equipment in a functional state.	3,000	150	3,150
Subtotal CapEx Equipment Costs			\$ 2,208,523	\$ 110,427	\$ 2,318,950
Total New CapEx Project Costs			\$ 5,044,939	\$ 252,248	\$ 5,297,187

Santa Clara Stadium Authority

2020/21 CapEx Budget Carryover

Item Type	SCSA Requested	Description	Cost	Remaining Contingency	Total Cost
Electrical		Mechanical and Electrical Closet Lighting (2019/20 Carryover) Install LED lighting in all mechanical and electrical closets located in the service tunnel, 300 Level, and 700 level. These lights not only improve visibility, but also provide longer and more efficient power usage.	\$ 150,000	\$ 7,500	\$ 157,500
Electrical		Broadcast Booth Power (2019/20 Carryover) Install power components used for stadium events. These components will adhere to LEED certification, provide a clean source of power for our clients, and improve operating efficiencies.	35,000	1,750	36,750
Electrical		Concessions Cart Cabling (2019/20 Carryover) Install code rated low voltage cabling (CAT6) to portable concession carts. This will provide Internet Protocol (IP) based access to the IPTV menu boards and Point of Sale (POS) systems for credit card transactions, as well as deliver an emergency signage to be displayed at the concession stands if	50,000	2,500	52,500
General Building		Stadium Event Signage (2019/20 Carryover) Install stadium signage (including but not limited to tunnel awnings, accessible seating reference areas, lower bowl sections placards, and additional fire and building code signage per Fire Marshal).	138,000	6,900	144,900
General Building		Miscellaneous (2019/20 Carryover) Add funding for unforeseen building-related repairs.	100,000	5,000	105,000
General Building		Command Post Window Treatment (2019/20 Carryover) Install window shades and/or tint the exterior windows on the 800 level command post to reduce heat and glare. This will assist dispatchers and command post operators working in this space.	16,000	800	16,800
General Building		Stadium and Special Event Spaces (2019/20 Carryover) Add entry mats to be placed at stadium entrances to help alleviate wet floor scenarios and provide safety to stadium patrons. Will extend the finish of the existing flooring and help prevent slip and falls during inclement weather.	75,000	3,750	78,750
General Building		Non-Slip Floor Matting (2019/20 Carryover) Install non-slip matting from the north side locker rooms to tunnels primarily for event usage (that include access to the field for athletes, performers and customers).	50,000	2,500	52,500
General Building		Women's Locker Room (2019/20 Carryover) Convert a portion of the auxiliary locker room area to accommodate a larger private space for female athletes, performers, officials, and other female event day sporting and entertainment professionals visiting or working events at Levi's Stadium.	372,000	18,600	390,600
General Building		Automatic Logic Control Building Engineering System (2019/20 Carryover) Install an automatic logic controller system upgrade to monitor the building's HVAC in all quadrants simultaneously. This updated system will enable graphic interface and help the system to operate more efficiently with time clock management and assist in potential lighting control energy savings.	35,000	1,750	36,750
General Building		Club Space Flooring (2019/20 Carryover) Strip, resurface, and/or replace hardwood flooring surfaces in the BNY East & West and Levi's 501 spaces. These spaces are among the most utilized spaces in the building and get a large amount of foot traffic. This work will help extend the useful life of these spaces as well as reducing slips and falls	85,000	4,250	89,250
General Building		Command Post Communication Equipment (2019/20 Carryover) Purchase and install public safety screens, monitors, and projection devices used in monitoring stadium and security operations to help improve situational awareness and response.	58,000	2,900	60,900
General Building		Stadium Field Conduits (2018/19 Carryover) Add a permanent solution for power and data on field/floor of stadium, making electrical connections safer and efficient for concert and events.	118,197	5,910	124,107

Santa Clara Stadium Authority 2020/21 CapEx Budget Carryover (cont.)

Item Type	SCSA Requested	Description	Cost	Remaining Contingency	Total Cost
Security		Stadium Camera Booth Card Readers (2019/20 Carryover) Install card reader for north and south camera booths to secure the spaces that enter into/from general public access areas.	\$ 84,000	\$ 4,200	\$ 88,200
Site		Stadium Insulation (above 300 level and below 400/500 level) (2019/20 Carryover) Install new insulation in the 400/500 underside above the 300 level. Original insulation is failing due to weather conditions. This also helps reduce sound reverberation throughout the concourse and protects the concrete from the elements.	150,000	7,500	157,500
Site		Gold Lot 4 and 5 Lighting (2019/20 Carryover) Install LED lighting in Gold 4 and Gold 5 parking lots. The current light plan is underpowered and is not sufficient given the work environment during stadium event load in/out. This lighting improves safety conditions for stadium personnel and provides energy cost savings with more efficient fixtures.	50,000	2,500	52,500
Site		Rust Prevention Mitigation (2019/20 Carryover) Implement rust prevention measures. The stadium railings, beams, and other steel areas need rust prevention and coating in specific areas throughout the	90,000	4,500	94,500
Site		Stadium Event Power Upgrades & Switchgear Electrical (2019/20) Install and enhance Stadium Event wiring service on the 12 Kilovolt (KV) Primary Switch Gear (PMSG) to main electrical panel.	42,714	2,136	44,850
Site		Asphalt (2018/19 Carryover) Slurry coat the visitor parking on Tasman, Gold 4 & 5 parking lots and South Access Road.	190,000	9,500	199,500
Subtotal CapEx Construction Carryover Costs			\$ 1,888,911	\$ 94,446	\$ 1,983,357
Audio/Visual		Radio Booth Cabling (2019/20 Carryover) Install fiber optic cabling to increase the low voltage cabling backbone. This installation will accommodate the expanding requests for booth usage during stadium events and keep up with emerging trends.	\$ 600,000	\$ 30,000	\$ 630,000
Audio/Visual		Creston Control & Building Operating System Upgrades (2019/20) Install a Creston Control System to monitor HVAC, lighting, electrical, and fire alarms. This comprehensive system enables all of these items to interface with one another for engineers to see a real time view of the building's systems.	10,000	500	10,500
Furniture, Fixtures & Equipment		Replace Furniture in Club and Special Event Spaces (2019/20 Carryover) Purchase replacement furniture for clubs (BNY, United, Levi's 501 and Yahoo) and special event spaces to enhance areas and meet client expectations. These spaces are amongst the most utilized in the entire stadium.	1,600,000	80,000	1,680,000
Furniture, Fixtures & Equipment		Security and Life Safety Partitions/Dividers (2019/20 Carryover) Install service tunnel drapery and/or partitions for security and public safety personnel during stadium events that require public access to the service level. This helps coordinate public movements in "back of house areas" without affecting stadium operations.	68,000	3,400	71,400
Furniture, Fixtures & Equipment		Tunnel Slip and Fall Protection (2019/20 Carryover) Install non-slip material at the South, Northeast, and Northwest Field Tunnels.	30,000	1,500	31,500
Furniture, Fixtures & Equipment		Guest Service Booths (2018/19 Carryover) Add two additional guest services booths on the main concourse for better enhanced customer service touchpoints.	70,000	3,500	73,500
HVAC/Mechanical		Kitchen Exhaust Fans (2019/20 Carryover) Install variable frequency drive (VFD) Units on kitchen exhaust fans for soft start (slow ramp up) capabilities. Kitchen exhaust fans currently operate 100 percent of the time. Installing VFD units will modulate the power and save energy whenever the fan is in use. Soft start extends the life of the equipment and saves energy.	300,000	15,000	315,000

Santa Clara Stadium Authority

2020/21 CapEx Budget Carryover (cont.)

Item Type	SCSA		Description	Cost	Remaining	
	Requested				Contingency	Total Cost
Life Safety/Fire			Fire Sprinkler Extension (2019/20 Carryover) Add fire sprinklers to the Gate F entrance. The Santa Clara Fire Marshal has requested that fire sprinklers be installed at the Gate F entrance to mitigate potential fire risk beneath the existing ribbon boards.	\$ 55,000	\$ 2,750	\$ 57,750
Public Safety Equipment			GPS Software for Tracking Personnel (2019/20 Carryover) Add GPS software to track public safety personnel. Live tracking of law enforcement personnel is critical in providing an accurate picture of public safety coverage. This technology and software will allow the Command Post to know where our personnel are at all times and make necessary assignment adjustments on the go. It is desired that the software also be capable of retaining data for historical analysis. The requested funding of \$25,000 is the initial purchase price for approximately 100 devices and the software. There is a monthly operating cost of \$30/month each; \$36,000 total	25,000	1,250	26,250
		x				
Public Safety Equipment			Body Worn Cameras (BWCs) (2019/20 Carryover) Add BWCs for use by public safety personnel. BWCs are now standard issue in law enforcement and an expectation from the public, especially in contacts that can turn negative. Issuing BWCs to all police staff for use during Stadium events would better protect all interests and provide the transparency that the public has come to expect.	150,000	7,500	157,500
		x				
Public Safety Equipment			Fencing on Tasman (2019/20 Carryover) Add fencing to prevent stadium event pedestrian traffic from crossing unsafely between Lafayette St. and the Tasman St. overcrossing.	70,000	3,500	73,500
		x				
Public Safety Equipment			Street Signage (2017/18 Carryover) Add street signage. This item was brought before the SCSA Board and approved in the 2017/18 budget. Staff has been working with the Department of Public Works, the Executive Director's office and the Chief of Police's office to identify appropriate locations on surrounding city streets (Great America Parkway, Tasman Drive, etc.) to place signage to better protect, inform and serve patrons visiting Levi's® Stadium, non-event day traffic, community event advisories and emergency public safety and traffic	1,000,000	50,000	1,050,000
		x				
Public Safety Equipment			Portable License Plate Reader/PTZ Cameras (2018/19 Carryover) Purchase portable license plate readers. Placing temporary/moveable license plate readers in remote stadium parking lots will provide better information and intelligence to the Command Post in order to deter crime and assist in apprehending crime suspects in the aftermath of an incident.	160,000	8,000	168,000
		x				
Public Safety Equipment			Public Safety Command Post Dispatch System (2018/19 Carryover) Add a system that will interface between the system that is used at Levi's Stadium to track all incidents/requests that occur during an event and the City's Hexagon CAD system. This will provide a seamless transition of data including calls for service, personnel assignments, and event tracking.	94,034	4,702	98,736
		x				
Vertical Transport			Elevator Door Replacement (2019/20 Carryover) Replace and install new elevator doors on one of the freight elevators in the stadium.	20,000	1,000	21,000
			Subtotal CapEx Equipment Carryover Costs	\$ 4,252,034	\$ 212,602	\$ 4,464,636
Stadium Warranty-Related Construction			Carryover costs from the original Stadium Construction Budget for warranty-related work.	\$ 1,528,202		\$ 1,528,202
			Total CapEx Carryover Costs	\$ 7,669,147	\$ 307,048	\$ 7,976,195

STADIUM AUTHORITY CAPITAL EXPENSE BUDGET (CONT'D)

Santa Clara Stadium Authority Capital Expense Plan Summary - 5 Year Forecast

	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Electrical	\$ -	\$ -	\$ 750,000	\$ 1,250,000	\$ 1,475,000
General Building	900,000	1,352,000	600,000	1,050,000	3,125,000
Plumbing	300,000	150,000	-	-	460,000
Public Safety	121,416	-	-	-	-
Security	1,290,000	150,000	-	-	1,110,000
Site	225,000	400,000	-	150,000	575,000
Subtotal CapEx Construction Costs	\$ 2,836,416	\$ 2,052,000	\$ 1,350,000	\$ 2,450,000	\$ 6,745,000
Audio/Visual	\$ -	\$ -	\$ 600,000	\$ -	\$ 650,000
FF&E	-	30,000	-	30,000	31,669
Food & Beverage	250,000	-	-	-	200,000
HVAC/Mechanical	300,000	150,000	-	75,000	1,060,000
Information Technology	270,000	-	-	-	-
Life Safety/Fire	450,000	50,000	-	-	135,000
Public Safety Equipment	938,523	115,000	517,500	140,000	100,000
Vertical Support	-	-	-	-	1,000,000
Subtotal CapEx Equipment Costs	\$ 2,208,523	\$ 345,000	\$ 1,117,500	\$ 245,000	\$ 3,176,669
Contingency (5%)	252,248	119,850	123,375	134,750	496,083
Total CapEx Project Costs	\$ 5,297,187	\$ 2,516,850	\$ 2,590,875	\$ 2,829,750	\$ 10,417,752



STADIUM AUTHORITY WORK PLAN

Unfortunately, the Work Plan that Stadium Authority staff shared last year was not successfully completed because staff resources were redirected to address the discovery of several serious violations of State and local laws, e.g., prevailing wage violations, public procurement laws, etc. That said, and within the context of supporting the several lawsuits that the 49ers have filed against the City or Stadium Authority, staff will focus on the following:

Work Effort	Work Plan	Planned Outcome
ADA Compliance	<ul style="list-style-type: none"> Complete ADA compliance with improvements to Main Lot. 	Compliance regarding accessible parking spaces at Stadium Main Lot Use of other satisfactory solutions that prioritize ADA compliance.
Community Room	<ul style="list-style-type: none"> Return to Board to seek input on proposed next steps, including evaluation of the other locations discussed earlier in 2018. Develop policy/guidelines for use. 	Resolution of Community Room location, policy/guidelines for use.
San Tomas Aquino Creek Trail	<ul style="list-style-type: none"> By review of other venues with shallow security perimeters and consultation with Homeland Security, evaluate options for keeping trail open during events and/or providing alternate routes if trail is closed. 	Creek trail access and/or safe and/or accessible alternate route.
SCSA Board Policy Manual	<ul style="list-style-type: none"> Continue to create manual, beginning with Governance and Budget policies. Identify areas where policies are appropriate and propose drafts for the Board's approval. Already identified: financial reporting; flags flown at Levi's® Stadium; non-NFL event Planning. 	Develop additional policies and present to Board for inclusion in manual.

<p>SCSA Auditor Annual Audit Work Plan</p>	<ul style="list-style-type: none"> • Analyze the Stadium Authority’s review procedures for Non-NFL Events’ revenues and provide feedback on procedure and control issues, if any. • Review the Stadium Authority Financial Reporting Policy with staff and external auditors and provide feedback on best practices. • Review past Construction Fund and Public Safety transactions and provide feedback on the allocation of staff charges (contracted service). • Retain consultants to audit Non-NFL Events and prevailing wage contracts (contracted service). • Retain consultants to perform the annual financial audit for the Stadium Authority (contracted audit service). 	<p>Promote honest, efficient, effective and fully accountable city government through accurate, independent and objective audits.</p>
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Administrative Work Efforts

There are several administrative work efforts that directly impact the ability of Stadium Authority staff to complete the above work plan. These are provided as reference:

- Code enforcement: monitor and enforce City Code and various permit conditions for (including but not limited to):
 - Development permit
 - Building permits
 - Offsite parking permits
- CFP National Championship: review of post event financial reconciliation and retain professional services firm to perform a full event audit
- Community engagement:
 - continue to evaluate and implement various recommendations from statistically valid data collected in 2018
 - continue to improve City's communication efforts through social media and MySantaClara
- Fiscal accountability: continue implementing and monitoring processes, collecting data and conducting audits to improve transparency and accountability
- Harvey M. Rose Compliance Audit: Complete implementation of final third of recommendations
- Noise Monitoring: continue monitoring and code enforcement efforts
- Public Safety Costs Threshold: continue to bill 49ers for all actual costs; continue good faith efforts
- Stadium Management Agreement Compliance: monitor and take action to ensure compliance, particularly First Amendment section 3.3
 - Advance communications of potential events
 - Written report for Non- NFL Events
 - Complete supporting documentations for all vendor invoice

Attachment 2

March 5, 2020
Agenda Report 20-45
Proposed Santa Clara Stadium
Authority Fiscal Year 2020/21
Operating, Debt Service, and
Capital Budget
and
Staff Presentation

Santa Clara Stadium Authority

PROPOSED FISCAL YEAR 2020/21 OPERATING, DEBT SERVICE AND CAPITAL BUDGET



On June 8, 2010 the residents of Santa Clara voted to adopt Measure J, the Santa Clara Stadium Taxpayer Protection and Economic Progress Act, resulting in the approval to construct a new stadium to be leased by the San Francisco 49ers. Measure J called for the creation of the Santa Clara Stadium Authority (Stadium Authority) to own, develop, construct, operate, and maintain the Stadium. The Stadium Authority exists as a public body, separate and distinct from the City. The Stadium Authority is structured so that the City is not liable for the debts or obligations of the Stadium Authority.

This budget and additional financial information on the Stadium Authority can be found at: "[santaclaraca.gov/our-city/santa-clara-stadium-authority](https://www.santaclaraca.gov/our-city/santa-clara-stadium-authority)".

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Redbox Bowl
December 2019



Monster Jam
April 2019

Santa Clara Stadium Authority

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March 5, 2020

Honorable Board Chair and Directors
SANTA CLARA STADIUM AUTHORITY

Subject: Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget

Members of the Board,

As required in the Santa Clara Stadium Authority (“Stadium Authority”) Management Agreement, Section 4.6: Annual Operating Budget, I transmit the Proposed Fiscal Year (FY) 2020/21 Operating, Debt Service, and Capital Budget for the Stadium Authority. This budget provides the necessary funding to administer the duties of the Stadium Authority, including:

- Funding for operating the Stadium for Non-NFL events through the Forty-Niners Stadium Management Company (“ManagementCo”);
- Advancement of the FY 2020/21 Work Plan;
- Payment of debt service obligations; and,
- Maintenance of a five-year capital plan.

The Stadium Authority Board (“Board”) provides overall governance and oversight of this operational structure, with the use of Stadium Authority staff to support the Board’s efforts. Amongst other due diligence requirements to support these duties, the Board is also responsible for: setting policy; debt and fiscal management; ensuring implementation required to uphold core duties related to operations and capital projects; and oversight or due diligence efforts as necessary. While meeting the Stadium Authority’s requirements, this budget continues to advance strategic initiatives necessary to ensure that the Board is responsive to various stakeholders and constituencies participating in advancing Levi’s® Stadium’s purpose (e.g., residents, businesses, national and regional clients, and various other interested parties).

CONTEXT FOR PROPOSED BUDGET

The Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget is presented to the Stadium Authority Board under unusual circumstances. For example, during FY 2019/20, the Stadium Authority issued to ManagementCo several Notices of Breaches and Default of the Management

HONORABLE BOARD CHAIR AND DIRECTORS SANTA CLARA STADIUM AUTHORITY

Subject: Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget

March 5, 2020

Agreement that ultimately resulted in issuing a Notice of Termination of the Management Agreement. In recognition of the fact that until these matters are resolved, the Stadium Authority budget must include repayment of debt, funding of some type for an operating budget, and capital investment in the stadium asset. Submission of this year's budget to the Stadium Authority Board for consideration is not intended as an indication of a change in its position that the Management Agreement with ManagementCo must be terminated.

The Stadium Authority, a public entity, owns Levi's® Stadium and contracts with ManagementCo for promotion of Non-NFL events and facility operations and maintenance. This operational structure is implemented by using a variety of ManagementCo staff, vendors, and public service employees through reimbursement procedures as outlined in the Management Agreement. Through the Management Agreement, ManagementCo is held to a Standard of Care as outlined in Section 2.9 of the Management Agreement, which states:

2.9 Standard of Care. Subject to the limitations set forth in this Agreement, the Budget, and the Stadium Lease, the Stadium Manager shall exercise prudent, commercially reasonable good faith efforts in managing and operating the Stadium in accordance with the terms hereof so as to (a) maintain the Stadium in the Required Condition and operate the Stadium as a quality NFL and multi-purpose public sports, public assembly, exhibit and entertainment facility, to a standard of quality comparable to other similar facilities (except that the parties recognize that portions of the Stadium may be in need of capital upgrades); (b) control Manager Operating Expenses, StadCo Operating Expenses and Stadium Authority Operating Expenses; and (c) maximize Operating Revenues.

This Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget is presented to the Stadium Authority Board within the context of a management company that has not exercised the required standard of care or exercised commercially reasonable good faith efforts in managing and operating the Stadium. For example, notably, ManagementCo allowed the Stadium to go for months, during essentially the NFL season, without a state required Fire Alarm Certification, which serves as not only the fire alarm system but as the system that allows for public safety officials to issue verbal commands for the tens of thousands of attendees during events. ManagementCo allowed this condition to continue while incurring daily fee penalties and did not remedy the condition until the Fire Department escalated enforcement. Additionally, ManagementCo allowed expenditures to grossly increase in FY 2018/19, by over \$2.5 million, but did not disclose the details and actual amount of increased expenditures until halfway through FY 2019/20. Last, despite having an operations budget of \$136.8 million to achieve the Authority's mission, ManagementCo was only able to generate about \$18,000 of Net Non-NFL revenue for FY 2018/19, as reported to the Stadium Authority in December 2019. ManagementCo has not provided FY 2019/20 projected Net Non-NFL revenue at the time of this report, therefore, Stadium Authority is assuming no FY 2019/20 Net Non-NFL revenue. ManagementCo has not demonstrated compliance with the Standard of Care provision along with other requirements, state and local laws, and policies.

Fiscal Year 2020/21 will mark the seventh year of stadium management by the Forty Niners. Through a sole source/no-bid procurement, ManagementCo was brought on touting strong public assembly/facility market experience in the management of a stadium and Non-NFL Event marketing



HONORABLE BOARD CHAIR AND DIRECTORS SANTA CLARA STADIUM AUTHORITY

Subject: Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget

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to maintain our world-class facility and maximize revenues to the City. Through the Stadium Authority's oversight, expanded public transparency and reporting, and efforts to ensure compliance with Agreements in place, unprecedented discoveries were revealed regarding the management of our public stadium asset. Through the close out of the prior fiscal year, it was determined that the continued booking of less events overall and, particularly, significant money losing events, combined with dramatic escalating operational costs, resulted in no performance rent generated for the City.

The Board calls for a new third-party management to take over operations and management of Levi's Stadium for both the NFL and non-NFL season. The Forty Niners filed a lawsuit to dispute the termination; the termination date remains subject to litigation and remains uncertain. As a result, the Forty Niners will continue to operate the stadium until these issues are resolved in court. In addition, the Stadium Authority's work with the Forty Niners on the budget and fiscal processes do not constitute a waiver or release of the termination notice, or any Stadium Authority rights and claims.

PROPOSED BUDGET IN BRIEF

The Proposed Budget is presented on an accrual basis which provides increased transparency for projected revenues and expenses, with added detail about financial transfers. The total Stadium Authority Operating Budget for FY 2020/21 is \$66.7 million and represents a decrease of \$6.9 million, or 9%, compared to the prior fiscal year. It should be noted that these figures assume net Non-NFL Event Revenue which does not consider gross revenues and expenditures from these activities.

A summary of key changes and assumptions for the Proposed Operating Budget include:

- Proposed Capital Expenditures totaling \$13 million including general building, security, furnishings and equipment, and public safety investments.
- Adjustments to the General and Administrative Budget funding 6.8 full-time equivalent positions totaling \$2.1 million. We believe this to be a baseline level of support necessary for Stadium Authority operations.
- Two new positions in the Finance Department (1.0 Management Analyst and the conversion of a part-time Accounting Technician to full-time) totaling \$280,000.
- Funding for a new Financial Management/Accounting System (\$270,000 and subject to subsequent court rulings on cost allocation) in an effort to provide greater transparency to Non-NFL Event and Shared Expense costs.
- Net Non-NFL Events revenue of \$0 for the current and proposed fiscal years. No additional information has been provided regarding the types and number of events assumed that would change the fiscal trajectory of last fiscal year and the current fiscal year. The Stadium Authority will continue to produce no performance rent revenue to the City.
- Total estimated Debt Service payments of \$42.3 million including debt related to the CFD (\$4 million) and Subordinate Loan (\$12.7 million) and Term A Loan (\$25.6 million).



HONORABLE BOARD CHAIR AND DIRECTORS SANTA CLARA STADIUM AUTHORITY

Subject: Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget

March 5, 2020

METHODOLOGY

Information provided in this report was based in part on documentation submitted by ManagementCo on February 14, 2020. Per Section 4.6 of the Management Agreement, ManagementCo is required to submit a budget 45 days prior to the start of the fiscal year. While budget submittals were conducted earlier in years past, this year, following a timeline in accordance with the Management Agreement, ManagementCo has limited the amount of additional information the Stadium Authority is able to provide for this budget. Additional detail and explanations pertaining to requests submitted by ManagementCo are pending response from Stadium Authority staff inquiries. Any additional detail or information provided will be identified and incorporated into the budget for the scheduled adoption and public hearing on March 24, 2020 or verbally updated at the March 5, 2020 Study Session (if the responses are provided).

KEY ISSUES IN THE PROPOSED BUDGET

There are several key issues to surface as part of the discussion for the Proposed FY 2020/21 Operating, Debt Service, and Capital Budget: Stadium Authority Financial Management System, Naming Rights Agreement, Performance Rent, General and Administrative Expenses, Debt Service Payments, Capital Expense Budget, and Marketing Plan.

Termination of Stadium Management Agreement – On February 11, 2020, the Board authorized the termination of the stadium management agreement with the Forty Niners Stadium Management Company LLC (Forty Niners) in its entirety. The Board’s authorization to terminate the agreement is based on (1) Stadium Manager’s fraud, intentional misrepresentation, and material omissions of facts in connection with the Management Agreement; (2) Stadium Manager’s misappropriations and self-dealing; and (3) Stadium Manager’s willful misconduct that resulted in two Events of Defaults, which Stadium Manager failed to cure. The Stadium Authority’s work with the Forty Niners on the budget and fiscal processes do not constitute a waiver or release of the termination notice, or any Stadium Authority rights and claims.

It is important to note that since this was a sole source/no bid contract award, whether the costs incurred over time are commercially reasonable is unknown. In other words, the shared expenses have never been validated against the market rate to determine whether the Stadium Authority is getting the best value for the Management Agreement costs that it pays to ManagementCo for its services and its results.

Performance Rent and Continued Decline in General Fund Revenue - As stated previously, Net Non-NFL Event Revenue directly impacts the amount of Performance Rent that is an expense to the Stadium Authority and paid to the City of Santa Clara. Performance Rent is calculated using 50% of the Net Non-NFL Event Revenue minus performance-based credits (see Page 28 for more detail on Performance Rent). The Stadium Authority received “TBD” from ManagementCo instead of actual projections for Net Non-NFL Event Revenue in FY 2019/20 and has not received a budget for FY 2020/21 and, therefore, the table below assumes no net revenue.



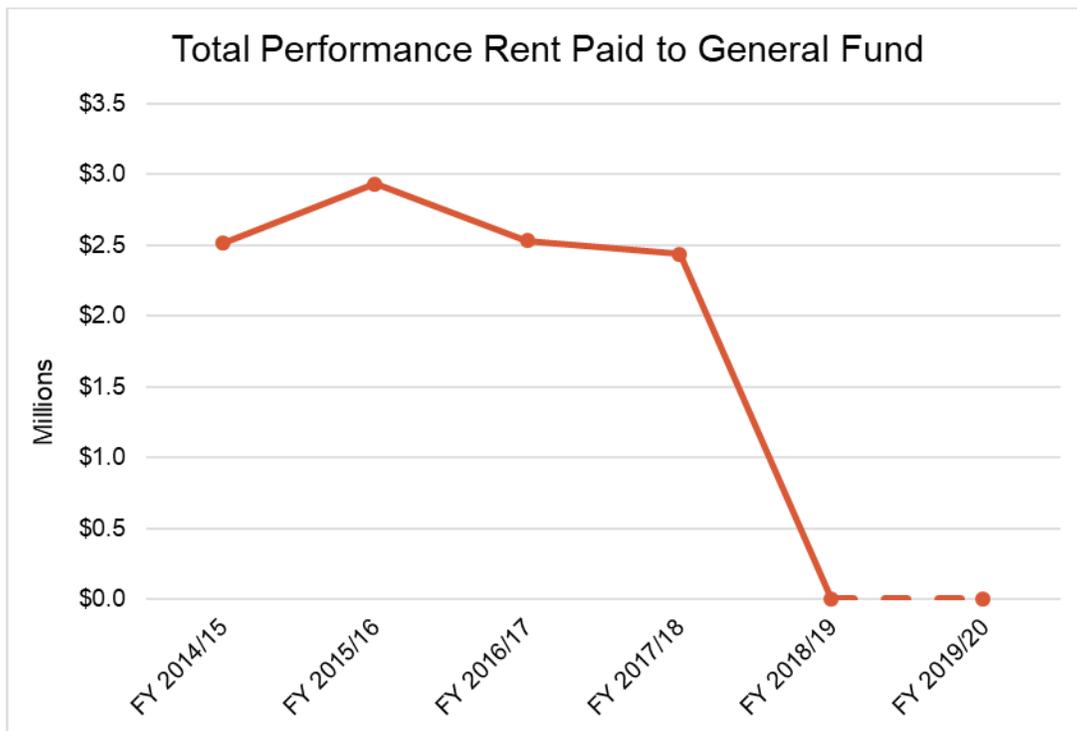
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Performance Rent Calculation	Fiscal Year 2019/20 Projection	Fiscal Year 2020/21 Budget
Ground Rent	\$ 355,000.00	\$ 390,000.00
Net Non-NFL Event Revenue	\$ 0	\$ 0
50% of Net Non-NFL Event Revenue	\$ 0	\$ 0
Performance Rent Credit (50% of Ground Rent)	\$ (177,500.00)	\$ (195,000.00)
Total Performance Rent paid to the City of Santa Clara	\$ 0	\$ 0

The two years shown in the table above project that no revenue will be paid to the City of Santa Clara for performance rent. If these projections materialize, that will represent three straight years of no performance rent revenue paid to the City from our Stadium Manager who oversees over \$100 million in non-NFL activity annually. For reference, the chart below shows the performance rent revenue generated by the Stadium Authority in past years:



Naming Rights Agreement between Santa Clara Stadium Authority and Levi Strauss & Co. (“Naming Rights Agreement”) - It is important to note, that the Naming Rights agreement with Levi’s® requires the Stadium Authority to hold at least 36 “Major Events” (with 25,000+ attendees) every three contract years. As of this report, the current number of Major Events held at Levi’s® Stadium was eighteen (18) through the current three-year period. Based on these numbers, Levi’s® is expected to receive a credit totaling \$313,000 (\$15,000 multiplied by the difference between 36



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and the actual number of events held during the three-year period then multiplied by an Annual Proportionate Increase). The Second Amendment to the Stadium Management Agreement states that ManagementCo would pay the Stadium Authority as liquidated damages the amount owed by the Stadium Authority to Levi's®. We are requesting clarification from ManagementCo that the budget presented includes the payment that would be required under the agreement.

Naming Rights Agreement Three-Year Periods	Number of Major Events
March 1, 2014 to February 28, 2017	39
March 1, 2017 to February 29, 2020	18*

* Through February 2020

Stadium Authority Financial/Accounting Management System – The Management Agreement establishes several requirements for the accounting of Stadium Authority financial activity, such as:

- Pre-Opening Obligations (Management Agreement 2.4):
 - 2.4.7 **Establish charts of accounts and accounting policies**, procedures and systems, including policies, procedures and systems for payroll processing, accounts payable, accounts receivable, depository accounts, box office and reporting functions;
 - 2.4.8 Design, establish and **maintain effective internal accounting controls with respect to compliance with Applicable Laws**, this Agreement and contracts pertaining to the Stadium, in such a manner as to **minimize the risk of noncompliance and to provide for the detection of any noncompliance within a timely period** by the Stadium Manager's employees in the normal course of performing their assigned functions;
- The Stadium Manager shall maintain complete and accurate books and records relating to the Net Income from Non-NFL Events, in accordance with generally accepted accounting and management practices, consistently applied. **The Stadium Manager shall maintain complete and accurate books and records relating to the operations of the Stadium and its services provided hereunder**, including all Stadium Authority Revenue, Shared Stadium Expenses, Stadium Authority Expenses, Net Income from Non-NFL Events, the cost of Capital Repairs, distributions to and from the Operating Expense Reserve and Stadium Capital Expenditure Reserve, any additional information required to prepare the Annual Statement of Stadium Operations and, to the extent so directed by either StadCo or the Stadium Authority, StadCo Operating Expenses and Stadium Authority Operating Expenses, respectively (collectively, "Stadium Records"). (Management Agreement 4.1)
- The **Stadium Manager shall use reasonable efforts to maintain separate records for the Tenant Season and the Stadium Authority Season and for NFL Events and Non-NFL Events**, in order to effectively protect the confidentiality of records relating solely StadCo. (First Amendment to Management Agreement 7).



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Despite the requirements of the Management Agreement, ManagementCo is unable to give the Stadium Authority its documents related to Non-NFL events. On March 1, 2019, ManagementCo and Stadium Authority staff discussed the opportunity to establish a stand-alone Stadium Authority financial/accounting management system. Over the past years, ManagementCo has commingled its portion of the revenues and expenses of the Stadium Authority into its San Francisco 49ers financial system, such that they now claim that it would be extremely costly to fully produce the Stadium Authority's records. There has been dispute over possession of documents, access to financial information, and overall improved knowledge of the complete set of financial information pertaining to the Stadium Authority.

ManagementCo agreed to work with the Stadium Authority to establish a segregated financial management system for the Stadium Authority, where Stadium Authority staff has full access to the system, supporting documentation, and in real time (not at the end of the fiscal year or on other terms that require the Stadium Authority to always look backwards to understand financial activity). Procurement for the system is underway with an evaluation team taking a cooperative approach to the implementation of the system. Funding for the system totaling \$270,000 is included in the budget through the General and Administrative budget, subject to subsequent court rulings on cost allocation.

General and Administrative Expenses - The General and Administrative (G&A) portion of the proposed budget reflects expenses considered to provide a base level of service to implement the Board's direction and oversight of the Stadium per the various authoritative agreements. As more staff resources have been required to advance the Board's directives, with some remaining gaps in services, Stadium Authority staff has increased its budget to reflect the required general oversight, accounting, and new resources for neighborhood mitigation efforts and ongoing undesirable impacts to neighborhoods resulting from events at the Stadium. Stadium Authority staff recommends a G&A budget for FY 2020/21 totaling \$4.9 million, an increase of \$2.4 million from the prior fiscal year. The Stadium Authority G&A budget makes up 7.4% of the FY 2020/21 Proposed Stadium Authority Expense Budget of \$66.7 million.

This increase is primarily due to the projected outside legal costs to defend the Stadium Authority from litigation currently in progress. In addition, a portion of the increase is due to increases in salaries and benefits per negotiated Memorandum of Understandings ("MOUs"), projected increases in the percentage of time City employees are allocating to the Stadium Authority based on significant increased workload, costs associated with the implementation of a separate financial/accounting management system, a shift in funding of a portion Deputy City Manager position included in last year's budget for public safety, and the addition of two new positions in the Finance Department (1.0 Management Analyst and conversion of a part-time Accountant Technician to full-time basis) to provide day-to-day financial support of the Stadium Authority, including an increase in data information requests from ManagementCo. In total, the funding of 6.8 total positions in the General and Administrative Expenses budget is included in this document. While it represents an increase from the actual time charged in previous years, we believe it reflects a reasonable level of support for the Stadium Authority activities anticipated in the upcoming year.



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Litigation Reserve/Revolving Fund Loan - Funding has been set aside for potential payments that may arise related to Certificate of Loans entered by ManagementCo to cover Operating Expenses in FY 2019/20. Operating expenses payments were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, arising from the ManagementCo's inappropriate use of public funds relative to procurement practices and potential self-dealing/conflicts of interests. At that meeting, the Board directed the Executive Director to only release public funds to the Forty Niners Management Company (ManCo) if all supporting documents have been submitted and adhere to our agreements and State and local laws. As part of that suspension of payment, the Stadium Authority continues to pay for utilities, insurance and costs associated with SBL sales and services. However, rather than provide the Stadium Authority with complete documentation to substantiate proper procurement and/or the absence of self-dealing/conflicts of interests, ManagementCo opted to take out loans and continue to pay itself public funds without demonstrating compliance with State and local laws. Total estimated revolving credit loans total \$6.5 million and the Stadium Authority maintains its position that it should not use public funds for violations of public procurement violations, prevailing wage violations, and/or self-dealing/conflicts of interests.

Debt Service Budget - The FY 2020/21 Debt Service Budget of \$42.3 million is based on the required and additional payments for principal of \$27.3 million and interest of \$15 million. The budget reflects a total decrease of \$27.3 million of outstanding debt from \$308.3 million to \$281 million.

Capital Expense Budget - The FY 2020/21 Capital Expense ("CapEx") Budget totals \$13 million, which includes \$8 million in carryover expenses from the prior year due to ManagementCo's inability to properly procure projects and issue contracts. This budget includes various security improvements, fencing on Tasman, furniture replacement and upgrades, and public safety equipment (a detailed list of CapEx projects begins on Page 40). Given the fact that almost no capital projects were completed by ManagementCo, there is serious concern where ManagementCo is unable to complete the projects included in this budget. We will continue to raise this issue with ManagementCo to ensure the Stadium Authority asset is maintained in a sufficient manner: however, there is valid concern that ManagementCo is unable to complete these duties given the record to date.

Marketing Plan – The Stadium Management Agreement states that the Stadium Operation and Maintenance Plan (SOMP) shall include a Marketing Plan (4.10), and the Stadium Lease states that the SOMP shall be presented annually to the Stadium Authority for their consideration and approval (7.2). The draft Marketing Plan is submitted separately to the Board as a Study Session for consideration and feedback. This practice allows the Board an opportunity to discuss the effectiveness of the proposed strategies and ask questions. As a general concern, given the significant poor financial results over several fiscal years, the Marketing Plan makes no mention about ManagementCo's "turnaround" strategy to improve their performance, meet their Standard of Care requirements, and demonstrate their ability to profitably operate a public assembly facility.



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Previous Board feedback, and ManagementCo's commitment, included the development of key performance indicators (KPIs) for the purpose of tracking marketing strategies and the outcomes achieved. The Board approved a recommendation to complete this work within 90 days and collect data. This continues to be omitted from the Marketing Plan for the past two years.

STATUS OF ONGOING WORKPLAN EFFORTS

On January 30-31, 2020, as part of the 2020 City Council Priority Setting Retreat, the Board reviewed and discussed updated workplan efforts currently underway. A status of some of these ongoing work efforts are summarized below.

- **Community Engagement** - (1) Conducted a robust Community Outreach and Engagement work plan to obtain statistically valid data relative to public opinion on community impacts resulting from Levi's® Stadium and for future policy development. Specifically, the purpose of this work plan was to identify the community's perspectives on issues related to Levi's® Stadium such as noise, public safety, nuisances, parking, flyovers, crowd control, cleanliness, loitering, lighting, pyrotechnics/fireworks, performance curfew, and other items. (2) Established a dedicated telephone number to receive input from residents. (3) Increased social media presence to provide advance notice and information about events at Levi's® Stadium. This effort was for both ManagementCo and Stadium Authority to be informed of the community sentiment and develop strategies for addressing them. Staff has worked to dramatically change its public safety deployment model, with the assistance of law enforcement consultants, and has made other changes, such as: complaint call in number, circulation of the complaint call in number through marketing/information materials, use of noise data to inform current activities in the northside, requests of ManagementCo with respect to flyover protocols, and increase distribution of information about stadium activities on social media. Later in 2020, staff will provide an update on the recommendations that came from the consultant report issued in 2018 and how staff is doing with addressing community concerns.
- **Noise Monitoring** - Implemented web-based, publicly available, ongoing, real-time noise monitoring services in the areas surrounding the Stadium and training facility. See above activities relative to actions taken on noise management.
- **Implemented Measure J Compliance Audit Recommendations** - The Stadium Authority Ad Hoc Audit Committee of the Board ("Committee") continues efforts to implement the 37 audit recommendations in the Harvey M. Rose Associates, LLC Comprehensive Audit of Stadium Authority Finances. Stadium Authority has now implemented approximately 73% of the audit recommendations and the remaining 27% designated as "partially complete". These audit recommendations have provided for strengthened oversight and increased transparency of Stadium Authority's operations for Levi's® Stadium by improved fiscal and operational data and management practices. Examples include the discovery of significant funds held by ManagementCo that have now been transferred over to the Stadium Authority, violations of procurement requirements that will require corrective action by the Board, violations of



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procurement requirements with respect to required reporting for financial transactions between \$100,000 to \$250,000, and changed administrative processes or formalized practices by Stadium Authority staff. At this time, an update to the Ad Hoc Stadium Authority Audit Committee is scheduled for March 16, 2020.

- **Stadium Authority Coordination** - Instituted weekly Stadium Authority staff business meetings to develop stronger proactive community communications with the goal of addressing concerns revealed from the community research work. These meetings provide a forum to address community issues, and for organizational awareness of City and Stadium Authority services required to support Levi's® Stadium, staffing coverage and deployment issues for planned NFL/Non-NFL events. Additionally, given the significant and numerous fire code violations that the ManagementCo has committed, a full-time Deputy Fire Marshal has been assigned to the Stadium to monitor ManagementCo's compliance and report frequency to the Stadium Authority staff. Additionally, this assignment allows for the proper transfer of knowledge of maintaining the Stadium.
- **Stadium Authority/Auditor's Workplan Updates**
 - Analysis of the Stadium Authority's review procedures for Non-NFL events' revenues and expenses is underway by a forensic accountant. This report is expected in Spring 2020.
 - College Football Playoff Accounting Review Audit – Procurement of this audit is underway.
 - Annual Statement of Stadium Operations – Procurement of this audit is underway.
 - Reviewing past Construction Fund and Public Safety transactions and providing feedback on the allocation of staff charges – This audit has been procured and in the beginning stages. This report is expected in Spring 2020.
 - Maintain workload requirements with seven lawsuits.
 - Bring for discussion with the Stadium Authority Board the next steps regarding the community room
 - Propose an option for San Tomas Aquino Creek Trail access during NFL and non-NFL ticketed events.

CONCLUSION

As with any proposed budget, there are risks that we can factor into our projections and those that we cannot. For example, some of our revenue projections are more fiscally conservative than in previous years. In some instances, this was necessary due to factors that can easily not materialize and the need to plan accordingly. For example, the Proposed Budget projects \$0 of Net Non-NFL Event Revenue because ManagementCo only generated \$18,000 for FY 2018/19 and submitted "TBD" as its proposal.

Within the above context, the Silicon Valley region, and particularly the Levi's® Stadium, continues to be a desirable venue for Non-NFL events such as concerts, soccer events, small and large corporate



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events and other gatherings (e.g., weddings, private parties, etc.). As we look forward, the following major Non-NFL events are scheduled in the near horizon for FY 2020/21, with more to come:

- Monster Jam — Saturday, April 4, 2020
- BTS “Map of the Soul” Tour — Saturday/Sunday, April 25-26, 2020
- Justin Bieber “Changes” Tour — Saturday, May 22, 2020

This budget outlines a work program and financial strategy to assist in meeting the guiding principles of the Stadium Authority, namely that no City of Santa Clara General Fund monies are to be used to fund Stadium costs, Board oversight of its property manager, and to ensure that the Stadium Authority and ManagementCo continue to be held accountable to the various agreements. Our commitment is to continue to look for improvements within the organization and to deliver the kind of results that the public expects. I look forward to presenting this proposed budget at our upcoming sessions.

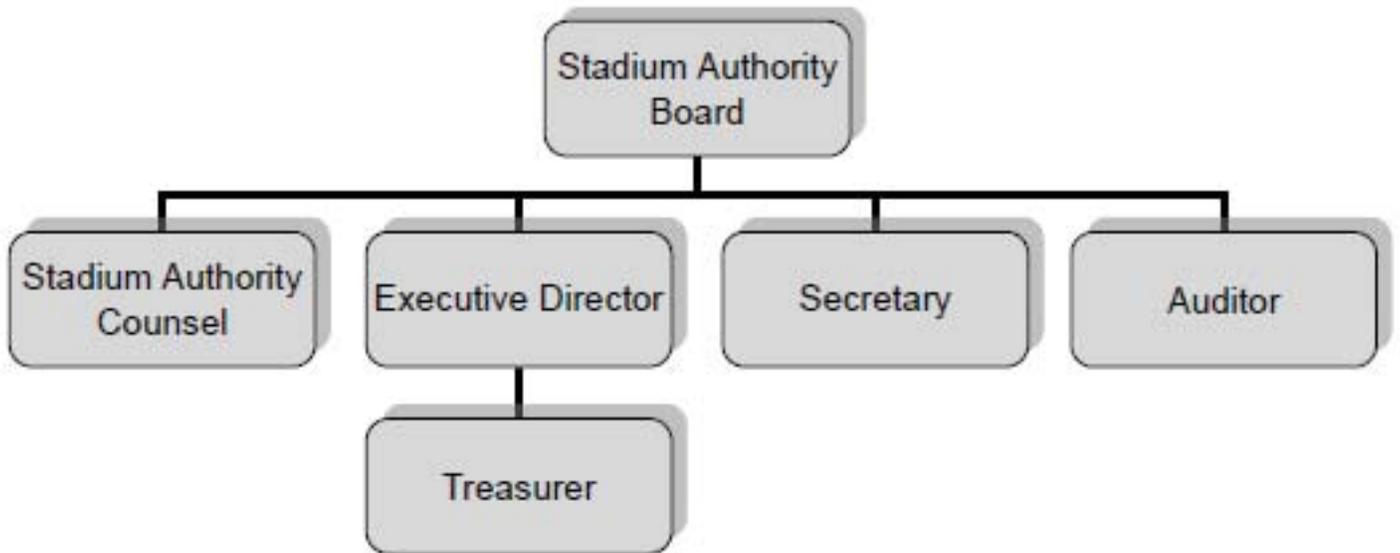
Respectfully Submitted,



Deanna J. Santana
Executive Director



ORGANIZATIONAL CHART



The seven elected members of the City Council serve as the governing Board of the Santa Clara Stadium Authority with the Mayor serving as Chairperson of the Authority.

In addition, City of Santa Clara staff serve as Officers of the Stadium Authority with the City Manager serving as the Executive Director.

GENERAL INFORMATION

This Santa Clara Stadium Authority (“Stadium Authority”) Budget Report provides information covering the Proposed FY 2020/21 Operating, Debt Service, and Capital Budget as well as comparative data from prior fiscal years. Estimated revenue and expense information (three quarters of actuals and one projected quarter) included in this report for the FY 2019/20 is unaudited and, therefore, subject to change as a result of the annual audit conducted by an external and independent auditing firm.

In addition to this report, the Stadium Authority produces annual financial statements within six months of the fiscal year-end (March 31st). These financial statements are audited by an external auditing firm and presented to the Stadium Authority’s Audit Committee and Board. Once presented to the Board, the financial statements are published on the Stadium Authority’s web page. The FY 2019/20 audited financial statements will be presented to the Board by the end of September 2020.

The Stadium Authority is structured so that the City of Santa Clara (“City”) is not liable for the debts or obligations of the Stadium Authority.

All services provided by the City to ManagementCo or the Stadium Authority are fully reimbursed. Types of services include the following:

- Administrative General Fund costs that are spent during operations are separately tracked using special account codes in the City’s financial system and all such costs are billed for reimbursement.
- General Fund public safety costs for NFL and Non-NFL events are separately tracked and all such costs are billed for reimbursement.

NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

The San Francisco 49ers played twelve (12) National Football League (“NFL”) games (two pre-season games, eight regular season games, and two playoff games) in FY 2019/20. The total number of tickets sold for these games was 803,524, an average of 66,960 tickets sold for each game. The ticket sales resulted in \$8.4 million of NFL ticket surcharge revenue to Stadium Authority (based on the 10% NFL ticket surcharge on each ticket sold). A total of \$250,000 of Senior and Youth Program Fees (based on \$0.35 per NFL game ticket) were collected and forwarded to the City in FY 2019/20.

Operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City’s permitting process. If approved, per the City’s Municipal Fee Schedule, these operators remit an offsite parking fee for each car that is parked for sports or entertainment events. This fee was designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for NFL or Non-NFL public safety costs for a particular event held at Levi’s® Stadium, the offsite parking fee that is collected for said event partly offsets the total public safety costs owed for that event. In the City’s 2018/19 fiscal year (July 1, 2018 through June 30, 2019) the offsite parking fee was \$5.63, and it increased to \$5.85 in the City’s 2019/20 fiscal year.

Cars parked at the permitted offsite parking lots equaled 80,111. The associated offsite parking fee generated \$468,649. There were also 6,882 cars that were parked on the City’s Tasman lots. The Tasman lot parking fee generated \$34,410 (\$5 fee) for the City’s General Fund. There are additional parking counts and revenue expected to be received before the end of the year that would change these reported numbers.



NON-NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

There was a total of 183,874 tickets sold for the eight ticketed Non-NFL events that were held in the first three quarters of FY 2019/20, resulting in \$735,496 in Non-NFL event ticket surcharge revenue (from the \$4 per ticket Non-NFL event surcharge).

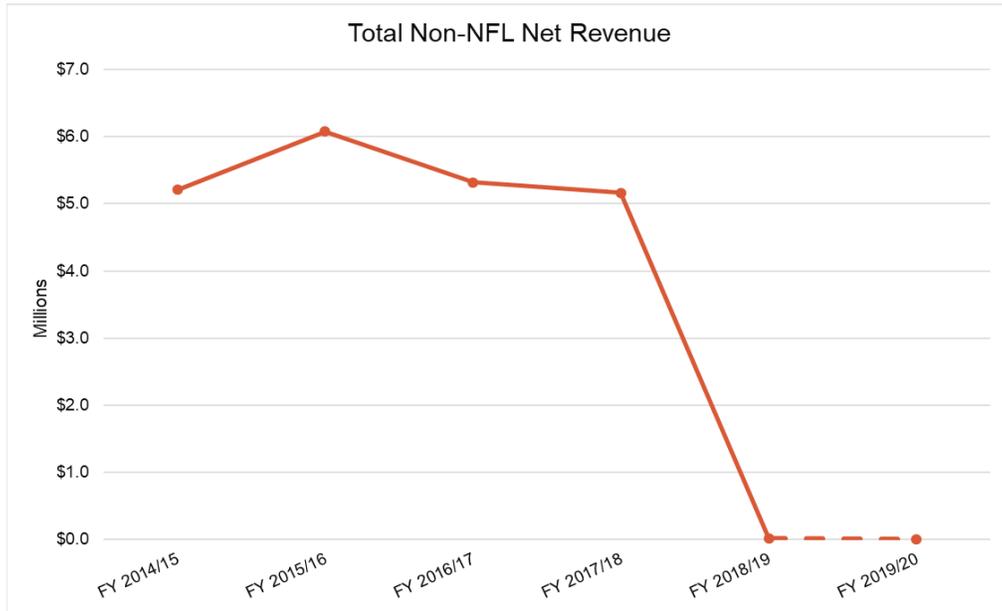
2019/20 Non-NFL Events		
Event	Date	Tickets Sold
Monster Jam	April 13, 2019	37,891
Wedding Fair	April 28, 2019	381
USWNT Soccer Game	May 12, 2019	20,195
ICC Soccer: Benfica vs Chivas	July 20, 2019	14,945
Rolling Stones Concert	August 18, 2019	48,544
HS Football Series	September 6, 2019	4,754
PAC-12 Championship Game	December 6, 2019	27,012
Redbox Bowl	December 30, 2019	30,152
Total to date		183,874

As stated in the NFL Event Highlights, Operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City's permitting process. Approved operators remit an offsite parking fee, per the City's Municipal Fee Schedule, for each car that is parked for sports or entertainment events. This fee was designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for Non-NFL public safety costs for a particular event held at Levi's® Stadium, the offsite parking fee that is collected for said event partly offsets the public safety costs incurred with respect to the operations, parking, and traffic management. Cars parked at the permitted offsite parking lots equaled 17,127 resulting in \$98,547 in offsite parking fees from Non-NFL events. There are additional parking counts and revenue expected to be received before the end of the year that would change these reported numbers.

There were also 64 smaller special events with 22,155 total attendees in the first three quarters of FY 2019/20. Examples of these special events include corporate events of various sizes, weddings, holiday parties, etc. A number of smaller special events are scheduled before the end of the fiscal year which will result in a change in the numbers reflected in this section.

NON-NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

As indicated in earlier sections of this report, net Non-NFL revenue has shown a drastic decline and is projected to show no improvement. For reference, the chart below shows the net Non-NFL revenue generated by the Stadium Authority in past years:



STADIUM AUTHORITY OPERATING BUDGET

The proposed FY 2020/21 Stadium Authority Budget covers the Stadium Authority's twelve-month fiscal year which runs April 1, 2020 through March 31, 2021.

Key highlights for the Stadium Authority's FY 2020/21 Operating Budget are as follows:

Revenues

- ◆ FY 2020/21 total projected revenues of \$66.7 million includes \$24.2 million in stadium builder license (SBL) revenue, \$24.8 million in facility rent, \$8.7 million in NFL ticket surcharge, \$7.0 million in naming rights revenue, \$0.6 million in Non-NFL ticket surcharge and \$1.4 in other revenues.

Expenses

- ◆ The proposed Operating Budget of \$66.7 million includes the Stadium Authority's share of expenses covered under the Management Agreement along with monies sufficient to reimburse the City for its staff support and payments for ground rent, Senior/Youth fees, and performance rent. It also includes transfers out of \$41.8 million.

Fund	Transfers Out	Transfers In
Operating	\$ 41,816,000	-
Debt Service	-	\$ 38,234,000
CIP	-	3,582,000
Total	\$ 41,816,000	\$ 41,816,000

- ◆ As shown in the table above, \$38.2 million will be transferred from the Operating Fund to the Debt Service Fund for principal and interest debt service payments. The remaining \$3.6 million will be transferred from the Operating Fund to the Capital Fund for Stadium capital improvements.
- ◆ Shared Stadium Manager (ManagementCo) expenses increased by \$228,376 or 2% from the prior year budget of \$11.9 million to \$12.1 million. This reflects the following:
 - ◇ Net reduction in the full-time equivalent staffing level from 61 to 58.
 - ◇ Annual 3% increase in insurance and management fees set by the Management Agreement.
 - ◇ Shifts in costs and staffing across the various departments (Stadium Operations, Engineering, Guest Services, Groundskeeping, and Security).

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

Expenses (cont.)

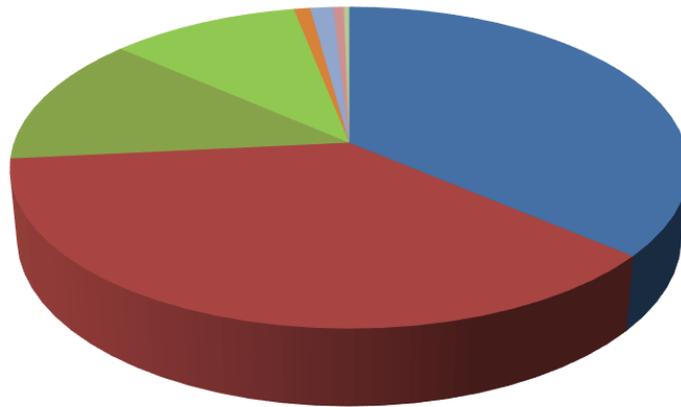
- ◆ Stadium Authority General & Administration costs increased by \$2.4 million or 96% when compared to the prior year budget of \$2.5 million to \$4.9 million. These costs are described in detail on Page 25 of this report. These increases are needed for the following:
 - ◇ Added staff capacity and contractual services to assist with policy development, legal services, general accounting, and administrative support
 - ◇ Purchase and implementation of a Financial Management System (subject to subsequent court rulings on cost allocation)
 - ◇ Increase in the Audit line item to include targeted performance audits and a Ticket Surcharge audit
 - ◇ Increases in salaries and benefits per applicable Memorandum of Understandings (MOUs)

Reserves

- ◆ The Operating Reserve totals \$11.9 million (as required by the Stadium Lease) at the end of FY 2020/21, which is an increase of \$348,000 when compared to FY 2019/20. The Discretionary Fund is projected to have a balance of \$2.4 million.

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

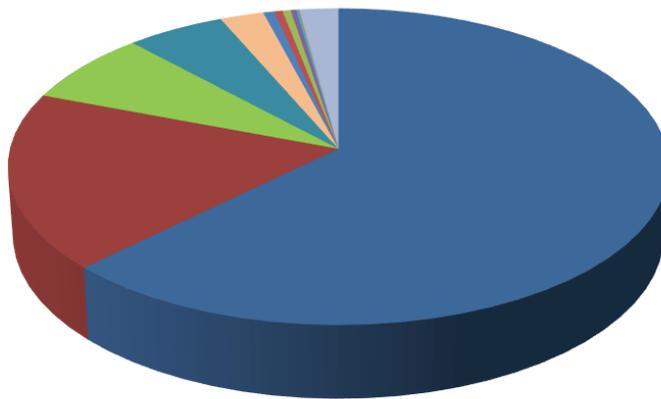
OPERATING REVENUES



\$66.7 Million

- SBL Proceeds - \$24.2M, 36.2%
- Rent - \$24.8M, 37.1%
- NFL Ticket Surcharge - \$8.7M, 13.0%
- Naming Rights - \$6.9M, 10.5%
- Net Non-NFL Event Revenue - \$0.00M, 0.00%
- Non-NFL Event Ticket Surcharge - \$0.6M, 0.9%
- Interest - \$0.9M, 1.3%
- Sponsorship Revenue (STR) - \$0.4M, 0.6%
- Senior & Youth Program Fees - \$0.2M, 0.3%

OPERATING EXPENSES



\$66.7 Million

- Transfers Out - \$41.8M, 62.8%
- Shared Stadium Manager Expenses - \$12.1M, 18.1%
- Performance Rent (paid to City) - \$0, 0%
- Stadium Authority General & Administrative - \$4.9M, 7.4%
- SBL Sales and Service - \$3.6M, 5.4%
- Utilities - \$1.6M, 2.4%
- Ground Rent (paid to City) - \$0.4M, 0.6%
- Contribution to Operating Reserve - \$0.3M, 0.4%
- Discretionary Fund Expense - \$0.2M, 0.4%
- Senior & Youth Program Fees (paid to City) - \$0.2M, 0.3%
- Use of StadCo Tenant Improvements - \$0.1M, 0.1%
- Naming Rights - \$0.03M, 0.04%
- Other Expenses - \$1.4M, 2.1%

Santa Clara Stadium Authority

Operating Budget Summary

	2018/19 Final Budget	2018/19 Year-end Actuals	2019/20 Final Budget	2019/20 Projected Actuals	2020/21 Proposed Budget
Revenues					
NFL Ticket Surcharge	\$ 8,031,000	\$ 8,076,510	\$ 8,142,000	\$ 8,412,000	\$ 8,665,000
SBL Proceeds	27,214,000	26,750,973	25,416,000	25,900,000	24,213,000
Interest	794,000	1,001,640	938,000	974,000	896,000
Non-NFL Event Revenue ⁽¹⁾	62,147,000	50,856,562	-	-	-
Net Revenues from Non-NFL Events ⁽¹⁾	-	-	5,796,000	-	-
Naming Rights	6,558,000	6,557,327	6,754,000	6,754,000	6,957,000
Sponsorship Revenue (STR)	545,000	387,203	345,000	325,000	392,000
Rent	25,810,000	25,810,002	24,762,000	24,762,000	24,762,000
Senior & Youth Program Fees	230,000	227,933	230,000	250,000	230,000
Non-NFL Event Ticket Surcharge	1,800,000	1,592,588	1,232,000	736,000	612,000
BAHC Reimbursement for CFP Expenses	1,400,000	1,166,884	-	-	-
Other Revenue	2,281,000	2,281,903	-	115,700	-
Total Revenues	\$ 136,810,000	\$ 124,709,525	\$ 73,615,000	\$ 68,228,700	\$ 66,727,000
Expenses					
Shared Stadium Manager Expenses⁽²⁾					
Stadium Operations	\$ 3,721,000	\$ 3,659,714	\$ 4,004,000	\$ 1,452,000	\$ 4,338,000
Engineering	1,835,000	1,999,576	2,054,000	-	1,977,000
Guest Services	813,000	561,641	825,000	-	686,000
Groundskeeping	164,000	154,101	177,000	-	409,000
Security	1,543,000	1,058,475	1,656,000	-	1,438,000
Insurance	2,871,000	2,870,047	2,956,000	2,956,000	3,045,000
Stadium Management Fee	226,000	225,102	232,000	232,000	239,000
Shared Stadium Manager Expenses Subtotal	\$ 11,173,000	\$ 10,528,656	\$ 11,904,000	\$ 4,640,000	\$ 12,132,000
Other Operating Expenses					
SBL Sales and Service ⁽²⁾	\$ 2,324,000	\$ 1,771,307	\$ 2,221,000	\$ 3,217,000	\$ 3,610,000
Senior & Youth Program Fees (paid to City) ⁽²⁾	230,000	227,933	230,000	250,000	230,000
Non-NFL Event Expense ⁽¹⁾	56,519,000	50,837,971	-	-	-
Ground Rent (paid to City) ⁽³⁾	320,000	320,000	355,000	355,000	390,000
Performance Rent (paid to City) ⁽³⁾	2,654,000	-	2,721,000	-	-
Discretionary Fund Expense ⁽⁴⁾	990,000	101,267	250,000	-	250,000
Utilities ⁽²⁾	1,506,000	1,444,485	1,551,000	1,551,000	1,597,000
Use of StadCo Tenant Improvements ⁽²⁾	236,000	256,263	182,000	182,000	73,000
Stadium Authority General & Administrative ⁽⁴⁾	1,685,000	1,556,580	2,480,000	1,955,000	4,851,000
CFP Expenses	1,400,000	1,166,884	-	-	-
Naming Rights Commission	-	-	-	-	30,000
Legal Contingency	-	-	-	6,552,600	-
Other Expenses	105,000	(33,900)	110,000	100,000	1,400,000
Transfers Out ⁽³⁾	57,340,000	56,529,584	51,273,000	48,286,000	41,816,000
Contribution to Operating Reserve ⁽³⁾	328,000	327,818	338,000	338,000	348,000
Other Operating Expenses Subtotal	\$ 125,637,000	\$ 114,506,192	\$ 61,711,000	\$ 62,786,600	\$ 54,595,000
Total Expenses	\$ 136,810,000	\$ 125,034,849	\$ 73,615,000	\$ 67,426,600	\$ 66,727,000
Operating Reserve	\$ 11,255,088	\$ 11,255,088	\$ 11,593,270	\$ 11,593,088	\$ 11,941,088
Discretionary Fund	\$ 1,086,407	\$ 1,960,102	\$ 2,302,075	\$ 2,328,102	\$ 2,384,102

⁽¹⁾ Information not provided by ManagementCo at the time of this report

⁽²⁾ Recommended by ManagementCo

⁽³⁾ Expense is based on payment schedule or calculated as instructed per relevant agreements

⁽⁴⁾ Recommended by Stadium Authority staff

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

Stadium Authority Board Duties and Proposed General and Administrative Budget

The Board is a public entity responsible for governing the matters concerning Levi's® Stadium. As such, the Board is responsible for setting policy direction, ensuring implementation of its policy direction and other due diligence requirements through Stadium Authority staff, and auditing/oversight of its policy implementation, as reasonable and necessary.

To accomplish Board direction, staff recommends the following administrative budget for the 2020/21 Fiscal Year totaling \$4.9 million, or 7.4%, of the total Fiscal Year 2020/21 Proposed Stadium Authority Operating Expense Budget of \$66.7 million. With this recommended budget, staff will support the Board with its oversight of Levi's® Stadium per the various agreements with ManagementCo and Forty-Niners SC Stadium Company LLC (StadCo or Tenant) of the stadium, such as:

1. Uphold fiduciary responsibilities and debt obligations;
2. Maintain a productive and functional business relationship with the Tenant;
3. Develop Board policies as required for proper governance and transparency efforts concerning the Stadium Authority oversight efforts;
4. Continue the current community engagement process to address the public opinion research of the community impacts of Levi's® Stadium, with a focus on neighborhood response and public service deployment improvements;
5. Continue the current noise monitoring program;
6. Implement public safety expert's recommendations during events held at Levi's® Stadium;
7. Address the Work Plan items, as referenced in the Executive Director's transmittal letter to this budget; and,
8. Develop and implement oversight initiatives consistent with public entity organizations.

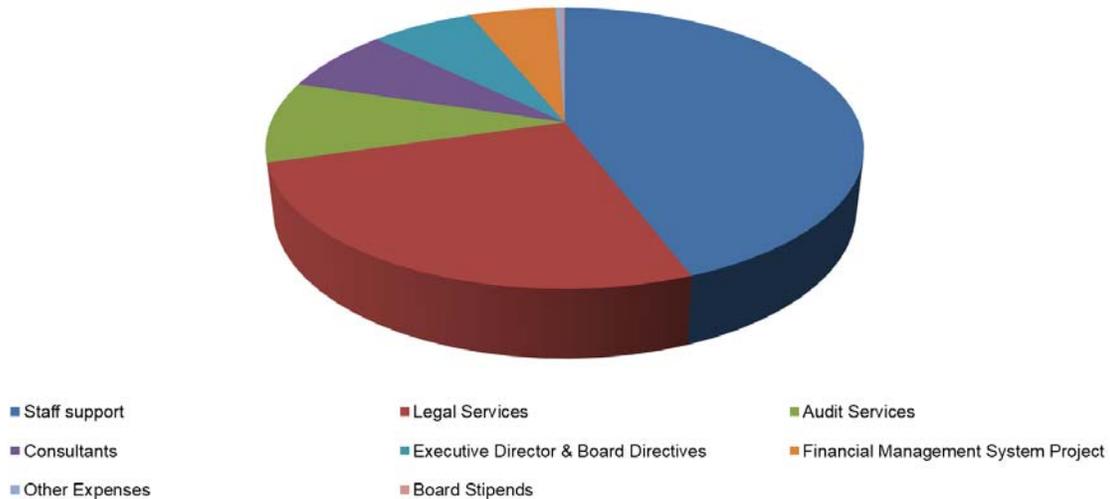
Stadium Authority staff are responsible for the programmatic oversight and audit of Stadium activities. As part of this budget, the oversight of stadium activities is allocated primarily to the Executive Director, General Counsel, Auditor, Treasurer and various supporting professional staff. With the implementation of a Stadium Authority Financial Management System and increased financial reporting and auditing needs, the Executive Director is recommending two additional financial support staff to assist the Treasurer with these requirements.

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

As such, the Stadium Authority G&A expense budget of \$4.9 million provides the financial means in which to fulfill the Board policy direction and strategic initiatives. A breakdown of the Stadium Authority's portion of the overall operating expense budget of \$66.7 million is shown below.

Stadium Authority General and Administrative Budget		
Expense Type	Amount	Comments
Staff support	\$2,144,000	To support the Stadium Authority with its oversight duties of stadium activities
Legal Services	1,273,000	As needed for outside legal services
Audit Services	452,000	Financial, Ticket Surcharge, and performance audits performed by external auditors
Consultants	358,000	As needed for outside consulting services
Executive Director & Board Directives	325,000	Funding for unanticipated Board directives, Executive Director assignments, etc
Financial Management System Project	270,000	Purchase and Implementation of Financial Management System
Other Expenses	20,000	Routine office expenses
Board Stipends	9,000	Stadium Authority meetings
Total	\$4,851,000	

Stadium Authority FY2020/21 General and Administrative Budget



STADIUM AUTHORITY OPERATING BUDGET GLOSSARY

Accrual Basis Accounting: The method of recording revenues and expenses when they are incurred, regardless of when cash is exchanged.

Bay Area Host Committee Reimbursement: This is the reimbursement received from the Bay Area Host Committee for all costs associated with the College Football Playoff Championship (CFP) that was held at Levi's® Stadium on January 7, 2019. This reimbursement is subsequently used to pay internal City and outside agency costs associated with the CFP (see College Football Playoff Expense below). (Source: Assignment and Assumption Agreement)

College Football Playoff (CFP) Expense: All internal City and outside agency costs associated with the CFP that are invoiced to the Stadium Authority. (Source: Assignment and Assumption Agreement)

Contribution to Operating Reserve: The contributions to the operating reserve are funded by means of excess revenues (see Excess Revenue below). (Source: The Amended and Restated Stadium Lease Agreement)

Discretionary Fund Expense: This is funded by half of the Non-NFL ticket surcharge (see Non-NFL Event Ticket Surcharge on Page 28) and has been used to cover NFL public safety costs above the public safety cost threshold in the first three fiscal years of operation and other items at the Stadium Authority's discretion.

Projected Beginning Balance	50% of 2020/21 Non-NFL Event Ticket Surcharge	2020/21 Discretionary Fund Expense	Projected Ending Balance
\$ 2,328,102	\$ 306,000	\$ 250,000	\$ 2,384,102

Excess Revenue: If Stadium Authority revenue exceeds expenses for any lease year, such excess revenues shall be distributed as described in the table below. This table reflects how the excess revenues were distributed in the 2018/19 fiscal year. (Source: The Amended and Restated Stadium Lease Agreement)

2018/19 Use of Excess Revenues				
#	Description	Amount	Balance	Notes
	Excess Revenues at Year-end		\$27,964,971	
1	Payment of ManCo Revolving Loan	\$ -	27,964,971	N/A (this loan has not been utilized)
2	Funding Operating Reserve up to \$2 Million +3% annually	-	27,964,971	Funding requirement met
3	Funding CapEx Reserve an Additional \$1 Million +3% annually	(1,125,509)	26,839,463	Funding annual CapEx Reserve
4	Funding Operating Reserve up to \$10 Million +3% annually	(327,818)	26,511,644	Funding annual 3% requirement
5	Prepayment of StadCo Subordinated Loan	(26,511,644)	-	Prepayment requirement met
6	Funding Operating Reserve up to \$20 Million +3% annually	-	-	N/A
7	Funding Renovation/Demolition Reserve up to \$70 Million	-	-	N/A
8	Available for Additional Disbursements as described in the Stadium Lease	-	-	N/A

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

Ground Rent: The City has agreed to lease the land under Levi's® Stadium to Stadium Authority for an initial term of 40 years. The fixed ground rent schedule is noted below for the 40-year initial term. (Source: *Ground Lease Agreement*)

Lease Year(s)	Fiscal Year(s)	Annual Fixed Ground Rent
1	2014-15	\$ 180,000
2	2015-16	\$ 215,000
3	2016-17	\$ 250,000
4	2017-18	\$ 285,000
5	2018-19	\$ 320,000
6	2019-20	\$ 355,000
7	2020-21	\$ 390,000
8	2021-22	\$ 425,000
9	2022-23	\$ 460,000
10	2023-24	\$ 495,000
11-15	2024-25 through 2028-29	\$ 1,000,000
16-20	2029-30 through 2033-34	\$ 1,100,000
21-25	2034-35 through 2038-39	\$ 1,200,000
26-30	2039-40 through 2043-44	\$ 1,300,000
31-35	2044-45 through 2048-49	\$ 1,400,000
36-40	2049-50 through 2053-54	\$ 1,500,000

Insurance: ManagementCo procures insurance for Levi's® Stadium for the entire year and the cost is split between Stadium Authority and StadCo (see Shared Stadium Manager Expenses on Page 31). The stadium lease sets Stadium Authority's share of insurance expense at \$2,550,000 for the first lease year with each succeeding lease year's insurance expense increasing by 3%. (Source: *Stadium Management Agreement & The Amended and Restated Lease Agreement*)

Interest: This is interest earned from cash on hand.

Naming Rights: Levi Strauss & Co (Levi's®) pays an annual naming rights fee to Stadium Authority. The annual fee increases by 3% each contract year through the 20-year term. This annual fee is paid in two equal semi-annual installments on or before March 1st and October 1st. (Source: *Naming Rights Agreement*)

Net Revenues from Non-NFL Events: ManagementCo provides management services for Levi's® Stadium year-round. As such ManagementCo is responsible for booking and scheduling all Non-NFL events on behalf of Stadium Authority. ManagementCo is required by the agreement to maintain complete and accurate books and records relating to the net income from the Non-NFL events. Those records are reviewed by Stadium Authority staff and/or outside consultants and audited by an independent auditor. After the completion of the fiscal year, the net revenues are paid to Stadium Authority by ManagementCo. (Source: *Stadium Management Agreement*)

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

NFL Ticket Surcharge: The Forty Niners Football Company, LLC (the Team) collects a 10% NFL ticket surcharge on the price of admission to all NFL games occurring in Levi's® Stadium on behalf of Stadium Authority. (Source: Amended and Restated Non-Relocation Agreement)

Non-NFL Event Expense: The gross expenses for Non-NFL events held at Levi's® Stadium.

Non-NFL Event Revenue: The gross receipts from Non-NFL events held at Levi's® Stadium.

Non-NFL Event Ticket Surcharge: Promoters or sponsors of any ticketed Non-NFL event that is held at Levi's® Stadium are required to collect a \$4 per ticket surcharge on behalf of Stadium Authority. Half of this surcharge that is paid to Stadium Authority covers general stadium operations and the other half funds the Stadium Authority Discretionary Fund. (Source: Amended and Restated Stadium Lease Agreement)

Other Expenses: Miscellaneous Stadium Authority expenses such as bank fees.

Other Revenue: Miscellaneous Stadium Authority revenues. The projected 2019/20 other revenue is the result of a reimbursement of Shared Stadium Expenses.

Performance Rent: Stadium Authority pays the City performance rent on top of the fixed ground rent. The basic calculation for the performance-based rent is 50% of the net income from Non-NFL events for any given lease year less the sum of performance-based rent credits. The performance-based rent credits include 50% of the current year's base ground rent, and other credits. The table below represents a projection of the 2019/20 and 2020/21 Fiscal Years performance rent. (Source: Ground Lease Agreement & Amended and Restated Stadium Lease Agreement)

Performance Rent Calculation	Fiscal Year 2019/20 Projection	Fiscal Year 2020/21 Budget
Ground Rent	\$ 355,000.00	\$ 390,000.00
Net Non-NFL Event Revenue	\$ 0	\$ 0
50% of Net Non-NFL Event Revenue	\$ 0	\$ 0
Performance Rent Credit (50% of Ground Rent)	\$ (177,500.00)	\$ (195,000.00)
Total Performance Rent paid to the City of Santa Clara	\$ 0	\$ 0

Rent: The facility rent was originally set at \$24.5 million for StadCo to lease the stadium for their half of the year. As a result of the rent reset arbitration award in favor of Stadium Authority, the facility rent was reset to \$24.8 million retro-active to the first lease year. The rent adjustment process is outlined in the Amended and Restated Stadium Lease. (Source: Amended and Restated Stadium Lease Agreement)

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

Senior and Youth Program Fees: During the lease terms, StadCo collects a City of Santa Clara Senior and Youth program Fee on behalf of Stadium Authority. The fee is based on \$0.35 per NFL game ticket up to a maximum of \$250,000 per lease year. (*Source: Amended and Restated Stadium Lease Agreement*)

Shared Stadium Manager Expenses: ManagementCo oversees the day to day operations of Levi's® Stadium year-round. Since StadCo leases the stadium from Stadium Authority for half of each fiscal year, the ManagementCo stadium manager expenses are shared between StadCo and Stadium Authority. Most shared stadium manager expenses are split 50/50 between StadCo and Stadium Authority; grounds-keeping is the exception with a 70/30 split, StadCo being responsible for the larger share. In addition, ManagementCo procures insurance for Levi's® Stadium that is shared between Stadium Authority and StadCo (see Insurance on page 27). (*Source: Stadium Management Agreement & The Amended and Restated Stadium Lease Agreement*)

Sponsorship Revenue (STR): STR Marketplace, LLC (STR) established a secondary market website to facilitate the transfer and resale of SBLs. In exchange for the use of the Levi's® Stadium trademarks and links on the website (hence the title Sponsorship Revenue), STR pays Stadium Authority a minimum annual fee of \$325,000 based on the commissions that are collected by STR. In addition to the minimum annual fee, Stadium Authority also receives 50% of any commissions in excess of \$650,000. (*Source: SBL Website Marketing Agreement*)

Stadium Authority General & Administrative: As an independent public entity, Stadium Authority incurs its own expenses in relation to Board governance, fiduciary responsibilities, oversight, and operations of Levi's® Stadium. These include but are not limited to Stadium Authority staff time, due diligence requirements for proper fiscal and operational oversight, and various outside contractors and consultants who are hired to administer the necessary requirements for owning and operating Levi's® Stadium. Also included are various administrative type costs such as bank fees, phone charges, IT equipment maintenance, etc.

Stadium Builder License (SBL) Proceeds: SBL holders who are on a payment plan make annual payments. Additionally, some SBL holders make payments above and beyond their annual scheduled payment plan. There are also sales of new SBLs and/or SBLs that were defaulted and resold. SBL cash collections from all of these sources make up SBL proceeds.

Stadium Builder License (SBL) Sales and Service: ManagementCo provides sales and service to SBL holders on behalf of Stadium Authority. This includes all SBL collection efforts and customer service support. (*Source: Agreement for Stadium Builder License Sales & Fourth Amendment to the Stadium Management Agreement*)

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

Stadium Management Fee: ManagementCo receives an annual base management fee to manage Levi's® Stadium. The fee was \$400,000 in the first lease year and increases by 3% annually. This annual base management fee is split 50/50 between StadCo and Stadium Authority since ManagementCo manages the stadium year-round for both entities. In addition to the base management fee, ManagementCo receives a stadium marketing and booking fee (incentive fee) which is based on a percentage of the amount that the net income from Non-NFL events exceeds the marketing and booking fee benchmark. The table below shows the first 10 years of the base management fee and the stadium marketing and booking fee benchmark. It also shows the first five years of net income from Non-NFL events and a projection of the sixth year as well as the applicable marketing and booking fee which was 5% of the net Non-NFL income over the benchmark. (Source: *The Stadium Management Agreement*)

Fiscal Year	Lease Year	Annual Base Stadium Management Fee (SCSA Share)	Stadium Marketing and Booking Fee Benchmark	Actual/Projected Net Income from Non-NFL Events	Actual Stadium Marketing and Booking Fee	Total Stadium Management Fee
2014/15	1	\$ 200,000	\$ 5,000,000	\$ 5,207,553	\$ 10,378	\$ 210,378
2015/16	2	\$ 206,000	\$ 5,150,000	\$ 6,079,016	\$ 46,451	\$ 252,451
2016/17	3	\$ 212,180	\$ 5,304,500	\$ 5,316,894	\$ 620	\$ 212,800
2017/18	4	\$ 218,545	\$ 5,463,635	\$ 5,163,329	\$ -	\$ 218,545
2018/19	5	\$ 225,102	\$ 5,627,544	\$ 18,591	\$ -	\$ 225,102
2019/20 ⁽¹⁾	6	\$ 231,855	\$ 5,796,370	\$ -	\$ -	\$ 231,855
2020/21	7	\$ 238,810	\$ 5,970,261	To be determined		
2021/22	8	\$ 245,975	\$ 6,149,369			
2022/23	9	\$ 253,354	\$ 6,333,850			
2023/24	10	\$ 260,955	\$ 6,523,866			

⁽¹⁾ The Net Income from Non-NFL Events for 2019/20 is a projection.

Transfers Out: Transfers from the Stadium Authority Operating Fund to fund Debt Service and Capital Funds.

Utilities: StadCo leases the stadium from Stadium Authority for six months of each fiscal year from August through January. StadCo is therefore responsible for the day-to-day utilities during that period. Stadium Authority pays for the day-to-day utilities from February through July. Utilities associated with large ticketed Non-NFL events are charged as an expense to the event which is included in the Non-NFL event expense.

Use of StadCo Tenant Improvements: StadCo charges Stadium Authority for use of various StadCo tenant improvements (such as the use of the scoreboard) during Non-NFL events. (Source: *Amended and Restated Lease Agreement*)

STADIUM MANAGER SHARED EXPENSES

The Stadium Management Agreement is between the Stadium Authority, StadCo and ManagementCo and was entered into as of March 28, 2012. This agreement provides the Stadium Authority with the expertise of an outside manager to oversee the day-to-day operations of Levi's® Stadium. Additionally, the Amended and Restated Stadium Lease Agreement between the Stadium Authority and StadCo was made and entered into as of June 19, 2013.

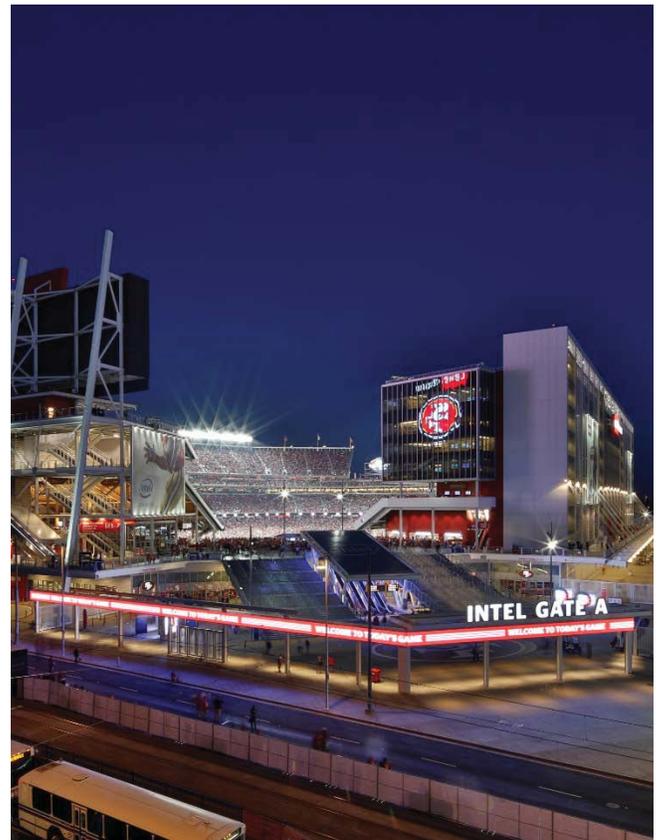
This agreement amended the original stadium lease to set the initial rent, to allow StadCo to enter into agreements with alternative energy providers, to cap Stadium Authority's share of the insurance costs at a fixed amount each year, and to require Stadium Authority to fund various reserves.

Per the terms of the stadium lease, StadCo leases the stadium from the Stadium Authority for half of each fiscal year and is responsible for the Stadium Manager operating expenses during that period. The Stadium Manager operating expenses for the other half of the year are the responsibility of the Stadium Authority. Section 8.3.1 describes the proportionate share of Stadium Manager expenses that are owed by the Stadium Authority and StadCo. Namely that most stadium manager operating expenses are split 50/50 with grounds-keeping being the exception with a 70/30 split, StadCo being responsible for the larger share.

ManagementCo procures insurance for Levi's® Stadium for the entire year and the cost is shared between Stadium Authority and StadCo.

Section 4.7 of the management agreement notes that ManagementCo will provide an Annual Shared Stadium Expense Budget to be adopted annually by Stadium Authority and StadCo.

Once the budget has been adopted, ManagementCo invoices Stadium Authority monthly for its budgeted portion of shared expenses which include stadium manager operating expenses. As part of the year-end work, the budgeted amounts that were paid are trued up with actuals for which ManagementCo provides details. The Stadium Authority has requested documentation, including invoices and insurance policies, that support the Shared Expenses provided by ManagementCo, however, at the time of this report, Stadium Authority has not received the supporting documentation.



STADIUM MANAGER SHARED EXPENSES (CONT'D)

Stadium Manager

2020/21 Total Shared Stadium Expenses

Between the Santa Clara Stadium Authority and Forty Niners SC Stadium Company (StadCo)

	Stadium					Total
	Security	Operations	Engineering	Guest Services	Groundskeeping	
Total Compensation	\$ 852,310	\$ 4,867,892	\$ 2,805,564	\$ 783,446	\$ 269,717	\$ 9,578,929
Travel, Meals & Entertainment	-	407,976	12,000	81,980	6,850	508,806
Outside Services	1,984,156	2,162,000	898,774	1,600	884,960	5,931,490
General Supplies	3,216	123,700	156,000	165,310	189,940	638,166
Telephone	10,200	560,000	20,400	8,928	1,440	600,968
Equipment	16,188	466,376	56,000	116,000	8,000	662,564
Uniforms	10,248	-	3,000	156,200	2,500	171,948
Other	-	88,300	2,500	58,500	-	149,300
Subtotal	\$ 2,876,318	\$ 8,676,244	\$ 3,954,238	\$ 1,371,964	\$ 1,363,407	\$ 18,242,171

Santa Clara Stadium Authority Proportionate Share of Stadium Expenses ⁽¹⁾

	Stadium					Total
	Security (50%)	Operations (50%)	Engineering (50%)	Guest Services (50%)	Groundskeeping (30%)	
Total Compensation ⁽²⁾	\$ 426,155	\$ 2,433,946	\$ 1,402,782	\$ 391,723	\$ 80,915	\$ 4,735,521
Travel, Meals & Entertainment	-	203,988	6,000	40,990	2,055	\$ 253,033
Outside Services	992,078	1,081,000	449,387	800	265,488	\$ 2,788,753
General Supplies	1,608	61,850	78,000	82,655	56,982	\$ 281,095
Telephone	5,100	280,000	10,200	4,464	432	\$ 300,196
Equipment	8,094	233,188	28,000	58,000	2,400	\$ 329,682
Uniforms	5,124	-	1,500	78,100	750	\$ 85,474
Other	-	44,150	1,250	29,250	-	\$ 74,650
Subtotal	\$ 1,438,159	\$ 4,338,122	\$ 1,977,119	\$ 685,982	\$ 409,022	\$ 8,848,404
Insurance ⁽³⁾						3,044,833
Management Fee ⁽⁴⁾						238,810
Total						\$ 12,132,047

⁽¹⁾ The Santa Clara Stadium Authority proportionate share of stadium expenses is rounded to the nearest \$1,000 in the operating budget.

⁽²⁾ Total compensation is based on a total of 58 full time equivalent positions.

⁽³⁾ The stadium lease sets Stadium Authority's share of insurance expense at \$2,550,000 for the first lease year with each succeeding lease year's expense increasing 3%.

⁽⁴⁾ The stadium management agreement sets the base management fee at \$400,000 for the first lease year with each succeeding lease management fee increasing 3%. This base management fee is split 50/50 between Stadium Authority and StadCo.

STADIUM MANAGER SHARED EXPENSES GLOSSARY

Total Compensation: This cost includes full-time staff (58 employees), part-time staff, and benefits. Stadium Authority pays for 50% of these costs except for groundskeeping which is set at 30%.

- **Full-time wages** are costs for all management company full-time employees.
- **Part-time wages** are costs for all management company part time employees. Wages include annual training for all Guest Services Representatives.
- **Benefits** are costs of employees' health insurance, pension, vacation time, and all employer taxes.

Travel, Meals & Entertainment: These are costs for employee travel (airfare, ground, lodging, and meals) to stadium management conferences. In addition, this category includes costs for staff meals for general food and beverage, vendor engagement, and the year-end guest service employee appreciation banquet.

Outside Services: Costs for outside service providers which include the following:

- **Janitorial and Medical** costs related to the janitorial, cleaning, landscaping, and trash services of the interior and exterior of the stadium and medical services for the stadium during regular business hours.
- **Stadium Security** costs for staffing 24/7 security guards in and around the stadium and explosive detection canines.
- **Engineering & Maintenance** for mandatory safety and general maintenance costs associated with fire sprinklers, fire alarms, elevators, and backflows. Also includes outside sub-contracted calls for services for windows, signage and roof repair, HVAC & electrical, carpet, concrete or other miscellaneous repairs.

General Supplies: Supplies for stadium operations, janitorial, engineering, and Guest Services (For example: janitorial supplies, general printing costs for stadium signage, deployment sheet, notes, handbooks etc.).

Telephone: These are costs for land lines and internet/data service for the stadium, (net of the costs for the Team's business offices), and cell service for stadium operations' and security personnel.

Equipment: Costs associated with stadium operations and security software, including incident tracking, mobile safety application, stadium staff scheduling/event calendar software, video surveillance licensing software, X-ray machine rental for deliveries, and monthly cost for off-site equipment storage.

STADIUM MANAGER SHARED EXPENSES GLOSSARY (CONT.)

Uniforms: Guest Services replacement and replenishment of uniforms.

Other Costs: Costs associated with Stadium Operations (For example: specialized training, command post, CPR first aid, background checks, recruiting, marketing/advertising, and employee retention program).

Tenant Improvements: Interior improvements within Tenant's exclusive facilities and any other improvements within the Stadium that are to be owned by, and constructed at the cost of, Tenant or any Tenant transferee as may be agreed by the Parties (Stadium Authority and StadCo). (Source: Stadium Lease Agreement)

Stadium Manager Santa Clara Stadium Authority Proportionate Share of Stadium Expenses - Five Year Forecast

	2021/22	2022/23	2023/24	2024/25	2025/26
Total Compensation ⁽¹⁾	\$ 4,877,587	\$ 5,023,915	\$ 5,174,632	\$ 5,329,871	\$ 5,489,767
Travel, Hotel & Staff/Partner F&B	260,623	268,442	276,495	284,790	293,334
Outside Services	2,872,416	2,958,588	3,047,346	3,138,766	3,232,929
General Supplies	289,528	298,214	307,160	316,375	325,866
Telephone	309,202	318,478	328,032	337,873	348,009
Equipment	339,572	349,759	360,252	371,059	382,191
Uniforms	88,038	90,679	93,400	96,202	99,088
Other	76,890	79,196	81,572	84,019	86,540
Total	\$ 9,113,856	\$ 9,387,271	\$ 9,668,889	\$ 9,958,955	\$ 10,257,724
Insurance ⁽²⁾	3,136,178	3,230,264	3,327,172	3,426,987	3,529,796
Management Fee ⁽³⁾	245,975	253,354	260,955	268,783	276,847
Total	\$ 12,496,009	\$ 12,870,889	\$ 13,257,016	\$ 13,654,725	\$ 14,064,367

⁽¹⁾ Total compensation is based on a total of 58 full-time equivalent positions.

⁽²⁾ The stadium lease sets SCSA's share of insurance expense at \$2,550,000 for the first lease year with each succeeding lease year's expense increasing 3%.

⁽³⁾ The stadium management agreement sets the base management fee at \$400,000 for the first lease year with succeeding lease year's management fee increasing 3%. This base management fee is split 50/50 between and StadCo.

STADIUM DEBT SERVICE BUDGET

Santa Clara Stadium Authority Debt Service Budget Summary

	2018/19 Final Budget	2018/19 Year-end Actuals	2019/20 Current Budget	2019/20 Projected Actuals	2020/21 Proposed Budget
Resources					
Revenues					
Contribution from CFD	\$ 3,800,000	\$ 3,779,880	\$ 3,872,000	\$ 3,873,000	\$ 4,028,000
Revenues Subtotal	3,800,000	3,779,880	3,872,000	3,873,000	4,028,000
Transfers In from Operating	53,963,000	53,153,057	47,795,000	44,808,000	38,234,000
Contribution from Fund Balance	4,653,000	4,094,296	-	-	-
Total Resources	\$ 62,416,000	\$ 61,027,233	\$ 51,667,000	\$ 48,681,000	\$ 42,262,000
Expenses					
CFD Advance	\$ 3,800,000	\$ 3,506,299	\$ 3,844,000	\$ 3,835,000	\$ 3,989,000
Term A Loan	26,702,000	26,043,162	26,383,000	25,628,000	\$ 25,562,000
StadCo Subordinated Loan	31,914,000	31,477,772	21,440,000	19,218,000	12,711,000
Total Expenses	\$ 62,416,000	\$ 61,027,233	\$ 51,667,000	\$ 48,681,000	\$ 42,262,000
Debt Service Reserve	\$ 11,536,235	\$ 11,536,235	\$ 11,536,235	\$ 11,536,235	\$ 11,536,235

The proposed FY 2020/21 Debt Service Budget of \$42.3 million is based on the required and additional principal and interest debt service payments. A glossary is included at the end of this section that describes the type of debt and the applicable source documents for each loan. Of the \$42.3 million budget, \$4.0 million represents anticipated contributions from the Community Facilities District (CFD). The total Debt Service Reserves are projected to remain at \$11.5 million.

The schedule on the following page provides a breakdown of the principal and interest payments budgeted in FY 2020/21 for each loan as well as the beginning and ending balances. The total outstanding debt is projected to decrease by \$27.3 million in FY 2020/21 from \$308.3 million to \$281.0 million.

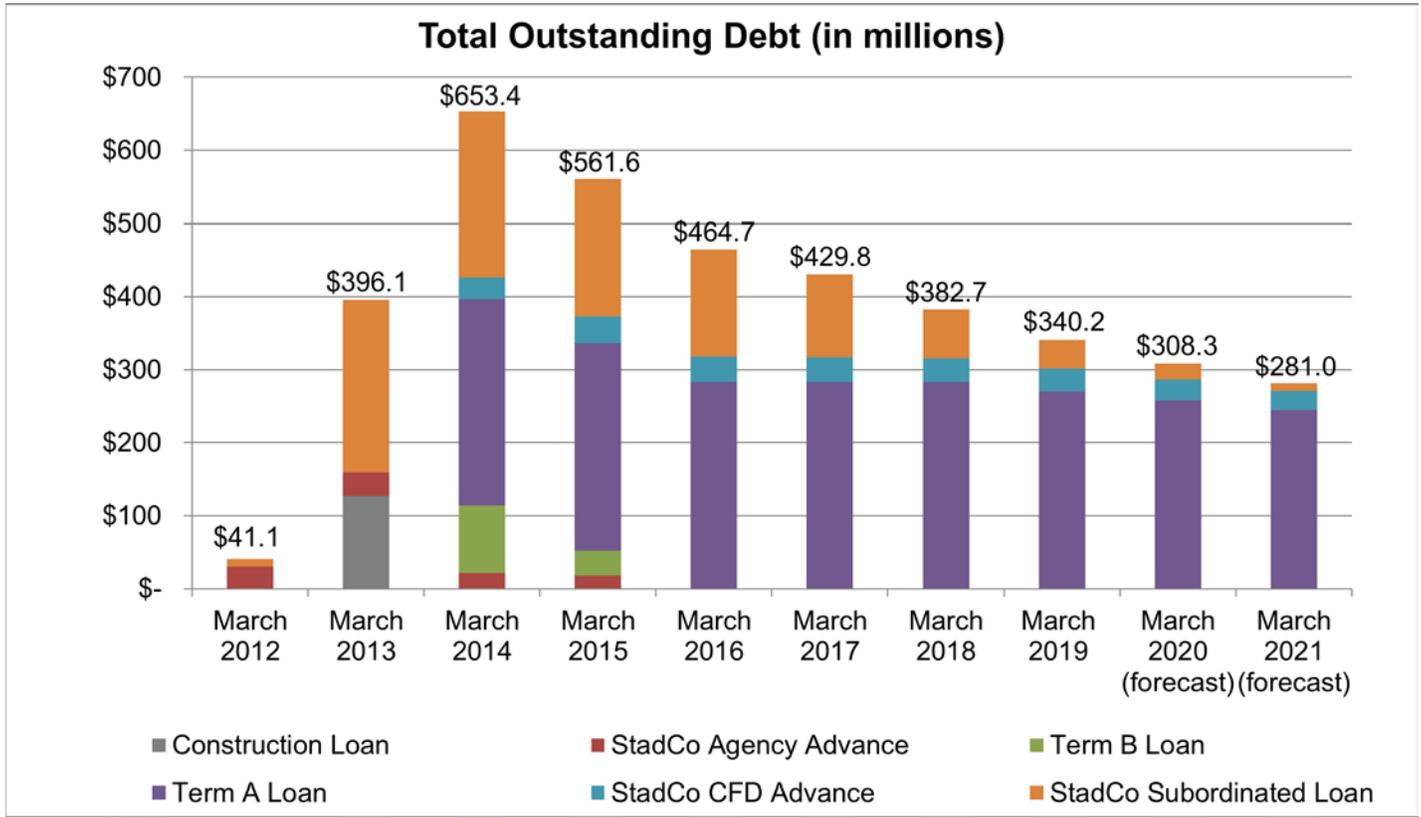
STADIUM DEBT SERVICE BUDGET (CONT'D)

Santa Clara Stadium Authority Debt Service Payment Schedule

Debt Obligations	Interest rates	2020/21 Interest	2020/21 Beginning Balance	2020/21 Principal Payments	2020/21 Additional Payments ⁽¹⁾	2020/21 Ending Balance
Stadium Funding Trust Term A Loan	5.00%	\$ 12,208,000	\$ 257,514,000	\$ 13,354,000	\$ -	\$ 244,160,000
StadCo CFD Advance ⁽²⁾	5.73%	1,598,000	28,821,000	2,391,000	-	26,430,000
StadCo Subordinated Loan	5.50%	1,207,000	21,948,000	4,412,590	7,091,410	10,444,000
Total		\$ 15,013,000	\$ 308,283,000	\$ 20,157,590	\$ 7,091,410	\$ 281,034,000

⁽¹⁾Additional payment is based on anticipated revenue that is in excess of all expenses and reserve requirements.

⁽²⁾Community Facilities District (CFD) principal payment is an estimate based on anticipated contributions from the CFD



STADIUM DEBT SERVICE BUDGET GLOSSARY

Contribution from the Community Facilities District (CFD): The CFD was established for the purpose of financing and constructing publicly owned facilities. To support that, the CFD levies and collects a special hotel tax of 2% on hotel rooms within the CFD. During the construction of Levi's® Stadium, Stadium Authority spent \$35 million on CFD infrastructure. All collections from the special CFD hotel taxes are contributed to Stadium Authority to pay down the CFD Advance which was used to fund the construction of the CFD publicly owned facilities. (Source: The Reimbursement Agreement Relating to the CFD)

CFD Advance: StadCo agreed to loan Stadium Authority a not to exceed amount of \$35 million for CFD infrastructure and with a maximum principal amount of \$38 million including capitalized interest. This loan bears interest at a fixed rate of 5.73% and the loan is payable solely from amounts actually received by Stadium Authority from the CFD. (Source: The Authority Promissory Note in Respect of StadCo CFD Advance)

Term A Loan: The Stadium Funding Trust (FinCo) agreed to loan Stadium Authority \$282.8 million to fund construction of Levi's® Stadium. This loan bears interest at a fixed rate of 5% payable semi-annually, with annual principal payments due beginning in April 2018. It has a maturity date in 2039 and is subject to certain prepayment premiums. The principal payment schedule is noted below. (Source: The Restated Credit Agreement)

Term A Loan Amortization							
Date	Annual Principal Payment		Date	Annual Principal Payment		Date	Annual Principal Payment
April 1, 2018	\$ 12,110,000		April 1, 2026	\$ 8,404,934		April 1, 2033	\$ 13,306,164
April 1, 2019	\$ 12,718,000		April 1, 2027	\$ 9,001,865		April 1, 2034	\$ 14,160,901
April 1, 2020	\$ 13,354,000		April 1, 2028	\$ 9,630,410		April 1, 2035	\$ 15,060,270
April 1, 2021	\$ 14,022,000		April 1, 2029	\$ 10,292,166		April 1, 2036	\$ 16,006,521
April 1, 2022	\$ 14,723,000		April 1, 2030	\$ 10,988,812		April 1, 2037	\$ 17,002,017
April 1, 2023	\$ 15,459,000		April 1, 2031	\$ 11,722,111		April 1, 2038	\$ 18,049,239
April 1, 2024	\$ 7,299,896		April 1, 2032	\$ 12,493,914		April 1, 2039	\$ 19,150,794
April 1, 2025	\$ 7,838,094						

StadCo Subordinated Loan: StadCo agreed to loan Stadium Authority an amount not to exceed \$500 million to fund construction of Levi's® Stadium. The actual amount loaned to the Stadium Authority was \$236.9 million. This loan bears a fixed interest rate of 5.5% with annual principal payments due beginning in March 2016 and it may be prepaid at any time without penalties. (Source: The Restated StadCo Obligations Agreement)

STADIUM AUTHORITY CAPITAL EXPENSE BUDGET

The Capital Expense (CapEx) Budget is used to fund the purchase or upgrade of fixed assets for the Stadium. While the funding for appropriations occur on an annual basis, the Capital Expense Plan extends for a five-year period (shown on Page 48 of this report). Changes to existing projects, as well as the addition of new projects, may occur during the five-year planning period as new needs are identified. The appropriations for capital projects do not lapse at year-end but carryover into future years until the project is complete.

The FY 2020/21 CapEx Budget totals \$13 million. Of this total, \$8.0 million of prior year appropriations are projected to be carried over from FY 2019/20 (\$1.5 million of the projected carryover amount is for warranty-related construction, and the other \$6.5 million is for prior year CapEx projects). New capital improvement appropriations equal \$5 million.

A detailed listing of proposed FY 2020/21 projects is provided starting on Page 40 of this report.



Public Safety Kawasaki Mule
Used for public safety patrol and
emergency response

Santa Clara Stadium Authority Capital Expense Budget Summary

	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2020/21
	Final Budget	Year-End Actuals	Final Budget	Projected Actuals	Projected Carryover	Proposed Budget	Total Proposed Budget
Beginning Balances	\$ 12,358,833	\$ 12,718,700	\$ 14,532,870	\$ 14,516,225	\$ 17,837,300		\$ 17,837,300
Resources							
Transfers In from Operating	3,377,000	3,376,527	3,478,000	3,478,000	-	3,582,000	3,582,000
Transfers In from Stadium Development ⁽¹⁾	-	-	-	-	-	-	-
Total Resources	15,735,833	16,095,227	18,010,870	17,994,225	17,837,300	3,582,000	21,419,300
	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21	2020/21
	Final Budget	Projected Actuals	Final Budget	Projected Actuals ⁽²⁾	Projected Carryover	Proposed Budget	Total Proposed Budget
Expenses							
Construction	4,875,415	1,378,251	4,956,922	-	1,888,911	2,836,416	4,725,327
Equipment	1,210,000	124,732	7,070,988	156,114	4,252,034	1,936,665	6,188,699
Contingency	296,546	3,250	657,397	812	307,048	238,655	545,703
Stadium Warranty Related Construction	1,600,971	72,769	1,528,202	-	1,528,202	-	1,528,202
Total Expenses	7,982,932	1,579,002	14,213,509	156,926	7,976,195	5,011,736	12,987,931
Capital Expense Reserve	\$ 7,752,901	\$ 14,516,225	\$ 3,797,361	\$ 17,837,300	\$ 9,861,105		\$ 8,431,369

⁽¹⁾ Carryover from the original Stadium Construction Budget for Warranty-related work

⁽²⁾ Projected Actuals exclude some project payments withheld due to the ManagementCo not following State procurement and prevailing wage laws.



ALS Lifepack Monitor allows better
diagnosis and treatment of cardiac
arrest patients.

Santa Clara Stadium Authority

2020/21 CapEx Budget

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
General Building		Updated Stadium Wayfinding Signage Install Premium/Club wayfinding, Suite wayfinding, Smoking section signs, No smoking signs for around the main and upper concourses, section numbers/floor decals, ADA blue lines, tunnel signs that indicate "no photos/no autographs", etc.	\$ 250,000	\$ 12,500	\$ 262,500
General Building		Levi's Naming Rights Signage Replacement Replace Levi's Naming Rights signage.	650,000	32,500	682,500
Plumbing		Lift Station Replace pumps, motors and controls at sewage ejector sumps in Quadrants A, B, C & D on 100 level.	200,000	10,000	210,000
Plumbing		Plumbing Replace pressure reducing valves and other parts on domestic and recycled water systems.	100,000	5,000	105,000
Public Safety	x	Stadium Vehicles (Gator & Kubota) Upfits Add a utility storage box for John Deere Gator utility vehicle to store all of Joint Hazard Assessment Team's (JHAT) equipment in a secure and organized area. The upfits for the Gator and Kubota utility vehicles also include adding roll-up windows to protect staff against rain, and hood racks for additional storage for the many pieces of equipment that JHAT carries.	9,000	450	9,450
Public Safety	x	Storage Conex Garage for Apparatus Add a new lockable, weatherproof storage conex for storage of three stadium vehicles (two John Deere Gators and one Kubota utility vehicle). With the temporary closing of Fire Station 10, the space is needed to house the vehicles that are currently housed at Fire Station 10. The storage container will be located at Fire Station 8 which is the closest location to the Stadium.	12,416	621	13,037
Public Safety	x	Pedestrian Safety Fencing Install raised fencing on Tasman Drive from Centennial Boulevard to Calle Del Sol. This is approximately 0.4 miles and would be adjacent to the VTA/Light Rail tracks. This fencing is required to guarantee the safety of patrons as pedestrians on Tasman Drive. Currently, pedestrians regularly jump temporary construction barriers and cross eastbound Tasman Drive and cross live/active VTA light rail tracks. In addition, during events the traffic flow is reversed and pedestrians will not expect cars coming from that direction. This poses a clear danger for pedestrians and mobile personnel are not always available to prevent this regular attempt by pedestrians. Raised fencing will guarantee this dangerous situation stops. The cost is an estimate based on the Fencing on Tasman project.	100,000	5,000	105,000
Security		Enhance Stadium Security Coverage Evaluate and replace existing cameras with technologically advanced multi-lens panoramic/360/multi-directional cameras. Design locations and camera styles have created visual obstructions and gaps in coverage. Height locations with fixed lens cameras create the inability to adjust field of views. Installation of television monitors/signage near camera mounts have created field of view obstructions. Due to high volume of club space usage for large scale, and smaller events, request for video investigations become frequent. Low lighting situations are constant with event type needs, and enhanced technology from newer cameras will enable greater video quality. The areas which need to be evaluated include, but are not limited to: BNY Mellon East and West Club, Yahoo Club, United Club, FII Club, 501 Club, Citrix Owners Club, Entry Gates, and Perimeter fences.	330,000	16,500	346,500
Security		Enhance Stadium Security Access Control Install card readers on manual doors to increase access control features and security. Based on operational demands, doors have been identified via staff request and event activity in order to improve operational awareness and enhance the access control abilities by automating the doors. This also increases security to areas deemed by staff to hold sensitive or high value assets. The access control enhancements include Vertx/Mercury upgrade, EvoE400/Mercury upgrade, and various doors with access control needs.	235,000	11,750	246,750

Santa Clara Stadium Authority
2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Security		CCTV Pop Up Trailers Purchase five (5) additional units to continue to meet NFL Best Practices guidelines by covering parking lots outside stadium footprint that currently have no camera coverage.	\$ 235,000	\$ 11,750	\$ 246,750
Security		Parking Lot Camera Upgrades Replace Great America parking lot cameras with technologically advanced multi-lens panoramic/360/multi-directional cameras. New camera technology would provide better overall coverage of the main parking lot. Sun baked cameras with fixed angles have created gaps in coverage. With more video incident request coming from ingress/egress incidents, new technology would assist in these investigations. Install cameras in Gold lot 4/5 where there is very limited coverage.	40,000	2,000	42,000
Security		Bowl Camera Upgrade/Refurbish Replace bowl cameras. Several bowl cameras have become sun baked and provide poor/obscured coverage of bowl seating. Maintenance has become an issue as it takes a lot of time and money to set up scaffolding to reach camera boxes. Need to re-engineer housing (suggest relocating housing closer to stadium infrastructure).	135,000	6,750	141,750
Security		Surveillance - Command Center Equipment Build out workstations with equipment that can handle the load of video viewing during large scale events, as well as the 24/7 security operations in both 100 and 800 command rooms. Equipment includes, but is not limited to, monitors, keyboards, video cards, CPU processors, power supplies, motherboards, and cabling.	50,000	2,500	52,500
Security		Software Upgrade to Genetec 5.8 Upgrade to Genetecs newest firmware version 5.8. This would improve overall system performance and stability, and add new features that will help in operator training and utilization of software. Customizable live dashboards assist in monitoring alarms and events in real time.	35,000	1,750	36,750
Security		Video Analytics Add video analytics to assist with video investigations. Video investigations take several hours/days to complete using traditional playback methods. Adding video analytics will greatly decrease man-hours spent in video review process, as well as aid in investigations using newer technology.	35,000	1,750	36,750
Security		License Plate Reader at Vehicle Entry Gates Add six (6) License Plate Reader cameras on entry/exit lanes of all vehicle gates (Post 1,2, and 3) to document and track vehicles entering and exiting the stadium.	45,000	2,250	47,250
Security		Security X-Ray Scanners Purchase four (4) portable X-ray units to observe postage that comes into the loading dock 24/7 and screen bags/deliveries during event days.	150,000	7,500	157,500
Site		Security Fencing - Main Lot Remove and replace approximately 1,000 linear feet of 4-foot high security fencing in Main Lot per request of City.	150,000	7,500	157,500
Site		Stationary Electric Pressure Washers Install one (1) to two (2) demo stations on the 300 concourse. If these are effective, we would look to replace all gas-powered pressure washers with electrically powered ones.	75,000	3,750	78,750
Subtotal CapEx Construction Costs			\$ 2,836,416	\$ 141,821	\$ 2,978,237

Santa Clara Stadium Authority 2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Food and Beverage		Beverage Distribution System Add a beverage distribution system to stadium concession areas and bars. This includes the lines and CO2 dispensing equipment.	\$ 50,000	\$ 2,500	\$ 52,500
Food and Beverage		CO2 Monitoring & Sensors for Code Compliance Install remote CO2 monitoring for enhanced safety for stadium staff per SCFD & State of CA.	200,000	10,000	210,000
HVAC/ Mechanical		Variable Frequency Drive(s) Replace exterior Variable Frequency Drive units for Cooling Tower pumps due to life expectancy issues. This system supports the mechanical cooling functions for the HVAC system.	150,000	7,500	157,500
HVAC/ Mechanical		HVAC Replace HVAC fan coils, motors, squirrel cage fans, and controls to heat pumps throughout facility.	100,000	5,000	105,000
HVAC/ Mechanical		Cooling Towers Replace Cooling Towers internal parts and systems. This includes the motors, fans, fill, controls, and piping which support the mechanical cooling functions for the HVAC system.	50,000	2,500	52,500
Information Technology	x	Financial Management Information System Project Procure a new cloud-based financial management system for the Stadium Authority that would allow greater visibility in to Non-NFL Events. The management company that handles Non-NFL events would use the financial management system for all transactions related to Non-NFL events as well as store supporting documentation for the transactions (Including invoices). The costs include software license/subscription, hosting fee and a consultant for implementation and process improvement. There will be ongoing software license costs and possibility for additional staff time for implementation. *Subject to subsequent court rulings on cost allocation. *\$270,000 Funded by Operating Fund	-	-	-
Life Safety/Fire		Fire Alarm System Replace/update fire alarm system field devices, including interior/exterior signaling devices, detectors, and control panel parts.	250,000	12,500	262,500
Life Safety/Fire		Photoluminescent Tape for Life Safety Replace photoluminescent tape in stairwells A1, A2, A3, A4, from level 100 to 900 per Santa Clara City Fire Marshall.	200,000	10,000	210,000
Public Safety Equipment	x	Radios Add new radios to equip additional staff in our public safety deployment. Personnel will continue to use these specific radios for varied public safety responsibilities. These radios allow for communication to the command post and between public safety partners working our events. Without these critical radios, personnel would not be able to function in their capacity and as expected to provide public safety services including emergency response. There is a yearly operating cost; requesting quote.	79,000	3,950	82,950
Public Safety Equipment	x	Motor Vehicle Barricades Add eight (8) motor vehicle barricades. Our operational area requires rapid and versatile deployment of physical barriers. These 8 barriers are essential for vehicular traffic routing and stopping. In the event of intentional barricade breaching, these barriers will prevent a full breach and protect pedestrians from vehicles. Current and traditional barricades require substantial planning and are labor-intensive. Our new mobile barricades would reduce intense labor, but significantly raise the safety and versatility of our barrier placement. Of the cost, \$100,000 is a carryover from FY2018/19 and \$245,000 is additional funding requested.	345,929	17,296	363,225
Public Safety Equipment	x	Explosive Ordinance Detection Blankets/Water Barrier Purchase bomb blankets and water barriers for the explosive ordinance detection (EOD) team. This team is responsible for the identification and mitigation of explosive items. They currently have no ability to quickly mitigate a verified suspicious package. Bomb blankets and water barriers are easily transportable and deployable. The use of these two measures will greatly reduce the collateral damage of an explosive device.	12,637	632	13,269

Santa Clara Stadium Authority 2020/21 CapEx Budget (cont.)

Item Type	SCSA		Description	Contingency		
	Requested			Cost	(5%)	Total Cost
Public Safety Equipment	x		Bicycles Purchase 10 bicycles for the bicycle unit, which is an integral part of our exterior public safety operation. The scattered locations of all parking lots and the congested nature of the roadways require bicycles as the primary mode of travel for ease of movement for public safety officers. 10 bicycles (5 will be used for replacements) will bring the current inventory to 30 and will allow us to expand our bike unit.	\$ 25,000	\$ 1,250	\$ 26,250
Public Safety Equipment	x		Stadium Personal Protective Equipment Add personal protective equipment for various teams at the Stadium. Active Shooter has been an emerging threat. The Santa Clara Fire Department does not currently have Active Shooter gear for the Stadium, and to equip the team of 12 to handle an Active Shooter threat, the following gear is requested: vests, helmets, protective plates, EMS equipment and other appropriate Personal Protective Equipment (PPE) for an Active Shooter. In addition, the gear requested includes vests, helmets and respiratory protection for the Joint Hazard Assessment Team (JHAT) of 6 for blast and chemical release protection; and Stadium battle dress uniform (BDU) blouses and pants to protect against the weather for the stadium team of 60. The vest and helmets are new equipment for the team and BDU is a combination of replacement and new.	60,000	3,000	63,000
Public Safety Equipment	x		Heavy Lift Kit Add a Heavy Lift Kit to be able to lift larger vehicles and equipment for rescue purposes in the event of an accident, stage or crane collapse. Stadium has increased traffic of large vehicles and equipment on a regular basis, including buses for team and performer transport and semi trucks for delivery.	51,913	2,596	54,509
Public Safety Equipment	x		Radiation Detector Purchase a radiation detector. The Joint Hazard Assessment Team (JHAT) had historically used the Identifinder radiation detector on the HazMat apparatus; however, the Identifinder (purchased in 2008) has been decommissioned due to age and is no longer serviceable by manufacturer. The Radiation (Gamma and Neutron) Detector will be a replacement purchase with expected life of 10 years.	21,500	1,075	22,575
Public Safety Equipment	x		Rope Rescue Gear Including Storage Container Add high angle and vertical rescue equipment needed to address the intricate and complex areas of the stadium. This includes an artificial high point, full rope response kit, winch, rigging, fall protection, and patient extraction device. This is new gear for the Stadium Team.	31,500	1,575	33,075
Public Safety Equipment	x		Mass Casualty Incident Trailer Purchase a Mass Casualty Incident (MCI) Trailer. The fire department currently has equipment to treat 25 patients during a large-scale emergency. The MCI Trailer would allow the first responders to treat between 500-1000 people during a large-scale emergency by allowing quick access to on-board equipment and supplies.	120,000	6,000	126,000
Public Safety Equipment	x		Motorola APX 6000 Radio/Charger/Battery Add a radio charger and extra battery for the Fire Incident Commander in the Command Post to assist with monitoring multiple channels.	4,600	230	4,830
Public Safety Equipment	x		Motorola Earpieces Replace earpieces for the radios used by the crews. The original earpieces were purchases six years ago and are at end of life.	1,000	50	1,050
Public Safety Equipment	x		Battery Pack for JHAT Crew Add a portable battery charging pack for the Joint Hazard Assessment Team (JHAT) that uses a lot of battery power. A portable battery charging pack is needed to recharge equipment for the long duration JHAT missions. This is a new purchase.	72	4	76
Public Safety Equipment	x		2-Way CAD/24-7 Link Add a 2-way link between the 24/7 dispatch system and the CAD system. All stadium personnel operate on the 24/7 dispatch system. SCPD and SCFD operate on the CAD system. When public safety personnel are sent on calls, the call must be generated by hand in both systems. This causes extra work for dispatchers, however, more importantly this creates delays in reporting and responses to public safety incidents. A 2-way link would allow both systems to "talk" to each other and automatically create incidents in each other's system. Additionally, without this link, we cannot log officers on which creates an officer safety issue as well as an issue when it comes to management of personnel.	150,000	7,500	157,500

Santa Clara Stadium Authority 2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Public Safety Equipment	x	<p>Dispatch Monitors Replace dispatch monitors with larger screens. Our public safety dispatchers utilize several screens at their work stations in order to facilitate their duties. The necessary upgrading of our latest public safety communications center's CAD and associated software will require larger screen area to effectively manage the new information. These 16 replacement 22" larger monitors are needed to optimize the use and intended application of the latest public safety dispatching software. The larger screens are required to view the additional windows from the CAD system and are expected to last five years. The prior monitors were purchased six years ago and are 19" monitors. The cost includes estimated installation for three workstations.</p>	\$ 8,000	\$ 400	\$ 8,400
Public Safety Equipment	x	<p>Radio Batteries Replace radio batteries that are at the end of their life expectancy. This is due to their natural order of deterioration where the expected battery power retention is lost. Current radio inventory requires the battery replacement for this reason. Radios with batteries performing at full capacity are required for public safety personnel to ensure radios will remain at a functional level during a standard shift. Life expectancy is three years.</p>	15,514	776	16,290
Public Safety Equipment	x	<p>Safety Gear for Special Event Officers & Traffic Control Personnel Add safety gear for traffic control personnel that are a critical element to our public safety deployment. Beyond this application, they also provide welcomed guidance and direction to visitors and our neighborhood residents. Upon directing traffic and pedestrians, our traffic control staff work amongst vehicles in all types of weather for extended periods of time. Rain suits would afford this staff the ability to effectively and safely work in these conditions while remaining dry. High visibility jackets will increase our staff's visual recognition increasing their personal safety while performing their duties around vehicles. Flashlights and high visibility jackets will increase the public's ability to notice the traffic control staff leading to overall safety of all who visit our footprint and increased recognition of direction offered by this staff.</p>	7,000	350	7,350
Public Safety Equipment	x	<p>Radio Chargers Add three radio charging stations. Our radio equipment is critical and, therefore, their serviceability must be maintained. Each new radio will require a charging port. These three charging stations each have a 6-radio capacity and three are needed to maintain radios at their peak power and usability. Having these three charging stations will ensure all radios are ready for use by public safety without the risk of personnel being without this crucial equipment in a functional state.</p>	3,000	150	3,150
Subtotal CapEx Equipment Costs			\$ 1,936,665	\$ 96,834	\$ 2,033,499
Total New CapEx Project Costs			\$ 4,773,081	\$ 238,655	\$ 5,011,736

Santa Clara Stadium Authority

2020/21 CapEx Budget Carryover

Item Type	SCSA Requested	Description	Cost	Remaining Contingency	Total Cost
Electrical		Mechanical and Electrical Closet Lighting (2019/20 Carryover) Install LED lighting in all mechanical and electrical closets located in the service tunnel, 300 Level, and 700 level. These lights not only improve visibility, but also provide longer and more efficient power usage.	\$ 150,000	\$ 7,500	\$ 157,500
Electrical		Broadcast Booth Power (2019/20 Carryover) Install power components used for stadium events. These components will adhere to LEED certification, provide a clean source of power for our clients, and improve operating efficiencies.	35,000	1,750	36,750
Electrical		Concessions Cart Cabling (2019/20 Carryover) Install code rated low voltage cabling (CAT6) to portable concession carts. This will provide Internet Protocol (IP) based access to the IPTV menu boards and Point of Sale (POS) systems for credit card transactions, as well as deliver an emergency signage to be displayed at the concession stands if	50,000	2,500	52,500
General Building		Stadium Event Signage (2019/20 Carryover) Install stadium signage (including but not limited to tunnel awnings, accessible seating reference areas, lower bowl sections placards, and additional fire and building code signage per Fire Marshal).	138,000	6,900	144,900
General Building		Miscellaneous (2019/20 Carryover) Add funding for unforeseen building-related repairs.	100,000	5,000	105,000
General Building		Command Post Window Treatment (2019/20 Carryover) Install window shades and/or tint the exterior windows on the 800 level command post to reduce heat and glare. This will assist dispatchers and command post operators working in this space.	16,000	800	16,800
General Building		Stadium and Special Event Spaces (2019/20 Carryover) Add entry mats to be placed at stadium entrances to help alleviate wet floor scenarios and provide safety to stadium patrons. Will extend the finish of the existing flooring and help prevent slip and falls during inclement weather.	75,000	3,750	78,750
General Building		Non-Slip Floor Matting (2019/20 Carryover) Install non-slip matting from the north side locker rooms to tunnels primarily for event usage (that include access to the field for athletes, performers and customers).	50,000	2,500	52,500
General Building		Women's Locker Room (2019/20 Carryover) Convert a portion of the auxiliary locker room area to accommodate a larger private space for female athletes, performers, officials, and other female event day sporting and entertainment professionals visiting or working events at Levi's Stadium.	372,000	18,600	390,600
General Building		Automatic Logic Control Building Engineering System (2019/20 Carryover) Install an automatic logic controller system upgrade to monitor the building's HVAC in all quadrants simultaneously. This updated system will enable graphic interface and help the system to operate more efficiently with time clock management and assist in potential lighting control energy savings.	35,000	1,750	36,750
General Building		Club Space Flooring (2019/20 Carryover) Strip, resurface, and/or replace hardwood flooring surfaces in the BNY East & West and Levi's 501 spaces. These spaces are among the most utilized spaces in the building and get a large amount of foot traffic. This work will help extend the useful life of these spaces as well as reducing slips and falls	85,000	4,250	89,250
General Building		Command Post Communication Equipment (2019/20 Carryover) Purchase and install public safety screens, monitors, and projection devices used in monitoring stadium and security operations to help improve situational awareness and response.	58,000	2,900	60,900
General Building		Stadium Field Conduits (2018/19 Carryover) Add a permanent solution for power and data on field/floor of stadium, making electrical connections safer and efficient for concert and events.	118,197	5,910	124,107

Santa Clara Stadium Authority 2020/21 CapEx Budget Carryover (cont.)

Item Type	SCSA Requested	Description	Cost	Remaining Contingency	Total Cost
Security		Stadium Camera Booth Card Readers (2019/20 Carryover) Install card reader for north and south camera booths to secure the spaces that enter into/from general public access areas.	\$ 84,000	\$ 4,200	\$ 88,200
Site		Stadium Insulation (above 300 level and below 400/500 level) (2019/20 Carryover) Install new insulation in the 400/500 underside above the 300 level. Original insulation is failing due to weather conditions. This also helps reduce sound reverberation throughout the concourse and protects the concrete from the elements.	150,000	7,500	157,500
Site		Gold Lot 4 and 5 Lighting (2019/20 Carryover) Install LED lighting in Gold 4 and Gold 5 parking lots. The current light plan is underpowered and is not sufficient given the work environment during stadium event load in/out. This lighting improves safety conditions for stadium personnel and provides energy cost savings with more efficient fixtures.	50,000	2,500	52,500
Site		Rust Prevention Mitigation (2019/20 Carryover) Implement rust prevention measures. The stadium railings, beams, and other steel areas need rust prevention and coating in specific areas throughout the stadium.	90,000	4,500	94,500
Site		Stadium Event Power Upgrades & Switchgear Electrical (2019/20 Carryover) Install and enhance Stadium Event wiring service on the 12 Kilovolt (KV) Primary Switch Gear (PMSG) to main electrical panel.	42,714	2,136	44,850
Site		Asphalt (2018/19 Carryover) Slurry coat the visitor parking on Tasman, Gold 4 & 5 parking lots and South Access Road.	190,000	9,500	199,500
Subtotal CapEx Construction Carryover Costs			\$ 1,888,911	\$ 94,446	\$ 1,983,357
Audio/Visual		Radio Booth Cabling (2019/20 Carryover) Install fiber optic cabling to increase the low voltage cabling backbone. This installation will accommodate the expanding requests for booth usage during stadium events and keep up with emerging trends.	\$ 600,000	\$ 30,000	\$ 630,000
Audio/Visual		Crestron Control & Building Operating System Upgrades (2019/20 Carryover) Install a Crestron Control System to monitor HVAC, lighting, electrical, and fire alarms. This comprehensive system enables all of these items to interface with one another for engineers to see a real time view of the building's systems.	10,000	500	10,500
Furniture, Fixtures & Equipment		Replace Furniture in Club and Special Event Spaces (2019/20 Carryover) Purchase replacement furniture for clubs (BNY, United, Levi's 501 and Yahoo) and special event spaces to enhance areas and meet client expectations. These spaces are amongst the most utilized in the entire stadium.	1,600,000	80,000	1,680,000
Furniture, Fixtures & Equipment		Security and Life Safety Partitions/Dividers (2019/20 Carryover) Install service tunnel drapery and/or partitions for security and public safety personnel during stadium events that require public access to the service level. This helps coordinate public movements in "back of house areas" without affecting stadium operations.	68,000	3,400	71,400
Furniture, Fixtures & Equipment		Tunnel Slip and Fall Protection (2019/20 Carryover) Install non-slip material at the South, Northeast, and Northwest Field Tunnels.	30,000	1,500	31,500
Furniture, Fixtures & Equipment		Guest Service Booths (2018/19 Carryover) Add two additional guest services booths on the main concourse for better enhanced customer service touchpoints.	70,000	3,500	73,500
HVAC/Mechanical		Kitchen Exhaust Fans (2019/20 Carryover) Install variable frequency drive (VFD) Units on kitchen exhaust fans for soft start (slow ramp up) capabilities. Kitchen exhaust fans currently operate 100 percent of the time. Installing VFD units will modulate the power and save energy whenever the fan is in use. Soft start extends the life of the equipment and saves energy.	300,000	15,000	315,000

Santa Clara Stadium Authority
2020/21 CapEx Budget Carryover (cont.)

Item Type	SCSA	Description	Cost	Remaining	Total Cost
	Requested			Contingency	
Life Safety/Fire		Fire Sprinkler Extension (2019/20 Carryover) Add fire sprinklers to the Gate F entrance. The Santa Clara Fire Marshal has requested that fire sprinklers be installed at the Gate F entrance to mitigate potential fire risk beneath the existing ribbon boards.	\$ 55,000	\$ 2,750	\$ 57,750
Public Safety Equipment	x	GPS Software for Tracking Personnel (2019/20 Carryover) Add GPS software to track public safety personnel. Live tracking of law enforcement personnel is critical in providing an accurate picture of public safety coverage. This technology and software will allow the Command Post to know where our personnel are at all times and make necessary assignment adjustments on the go. It is desired that the software also be capable of retaining data for historical analysis. The requested funding of \$25,000 is the initial purchase price for approximately 100 devices and the software. There is a monthly operating cost of \$30/month each; \$36,000 total	25,000	1,250	26,250
Public Safety Equipment	x	Body Worn Cameras (BWCs) (2019/20 Carryover) Add BWCs for use by public safety personnel. BWCs are now standard issue in law enforcement and an expectation from the public, especially in contacts that can turn negative. Issuing BWCs to all police staff for use during Stadium events would better protect all interests and provide the transparency that the public has come to expect.	150,000	7,500	157,500
Public Safety Equipment	x	Fencing on Tasman (2019/20 Carryover) Add fencing to prevent stadium event pedestrian traffic from crossing unsafely between Lafayette St. and the Tasman St. overcrossing.	70,000	3,500	73,500
Public Safety Equipment	x	Street Signage (2017/18 Carryover) Add street signage. This item was brought before the SCSA Board and approved in the 2017/18 budget. Staff has been working with the Department of Public Works, the Executive Director's office and the Chief of Police's office to identify appropriate locations on surrounding city streets (Great America Parkway, Tasman Drive, etc.) to place signage to better protect, inform and serve patrons visiting Levi's® Stadium, non-event day traffic, community event advisories and emergency public safety and traffic	1,000,000	50,000	1,050,000
Public Safety Equipment	x	Portable License Plate Reader/PTZ Cameras (2018/19 Carryover) Purchase portable license plate readers. Placing temporary/moveable license plate readers in remote stadium parking lots will provide better information and intelligence to the Command Post in order to deter crime and assist in apprehending crime suspects in the aftermath of an incident.	160,000	8,000	168,000
Public Safety Equipment	x	Public Safety Command Post Dispatch System (2018/19 Carryover) Add a system that will interface between the system that is used at Levi's Stadium to track all incidents/requests that occur during an event and the City's Hexagon CAD system. This will provide a seamless transition of data including calls for service, personnel assignments, and event tracking.	94,034	4,702	98,736
Vertical Transport		Elevator Door Replacement (2019/20 Carryover) Replace and install new elevator doors on one of the freight elevators in the stadium.	20,000	1,000	21,000
Subtotal CapEx Equipment Carryover Costs			\$ 4,252,034	\$ 212,602	\$ 4,464,636
Stadium Warranty-Related Construction		Carryover costs from the original Stadium Construction Budget for warranty-related work.	\$ 1,528,202		\$ 1,528,202
Total CapEx Carryover Costs			\$ 7,669,147	\$ 307,048	\$ 7,976,195

STADIUM AUTHORITY CAPITAL EXPENSE BUDGET (CONT'D)

Santa Clara Stadium Authority Capital Expense Plan Summary - 5 Year Forecast

	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Electrical	\$ -	\$ -	\$ 750,000	\$ 1,250,000	\$ 1,475,000
General Building	900,000	1,352,000	600,000	1,050,000	3,125,000
Plumbing	300,000	150,000	-	-	460,000
Public Safety	121,416	-	-	-	-
Security	1,290,000	150,000	-	-	1,110,000
Site	225,000	400,000	-	150,000	575,000
Subtotal CapEx Construction Costs	\$ 2,836,416	\$ 2,052,000	\$ 1,350,000	\$ 2,450,000	\$ 6,745,000
Audio/Visual	\$ -	\$ -	\$ 600,000	\$ -	\$ 650,000
FF&E	-	30,000	-	30,000	31,669
Food & Beverage	250,000	-	-	-	200,000
HVAC/Mechanical	300,000	150,000	-	75,000	1,060,000
Life Safety/Fire	450,000	50,000	-	-	135,000
Public Safety Equipment	936,665	115,000	517,500	140,000	100,000
Vertical Support	-	-	-	-	1,000,000
Subtotal CapEx Equipment Costs	\$ 1,936,665	\$ 345,000	\$ 1,117,500	\$ 245,000	\$ 3,176,669
Contingency (5%)	238,655	119,850	123,375	134,750	496,083
Total CapEx Project Costs	\$ 5,011,736	\$ 2,516,850	\$ 2,590,875	\$ 2,829,750	\$ 10,417,752

STADIUM AUTHORITY WORK PLAN

Unfortunately, the Work Plan that Stadium Authority staff shared last year was not successfully completed because staff resources were redirected to address the discovery of several serious violations of State and local laws, e.g., prevailing wage violations, public procurement laws, etc. That said, and within the context of supporting the several lawsuits that the 49ers have filed against the City or Stadium Authority, staff will focus on the following:

Work Effort	Work Plan	Planned Outcome
ADA Compliance	<ul style="list-style-type: none"> Complete ADA compliance with improvements to Main Lot. 	Compliance regarding accessible parking spaces at Stadium Main Lot Use of other satisfactory solutions that prioritize ADA compliance.
Community Room	<ul style="list-style-type: none"> Return to Board to seek input on proposed next steps, including evaluation of the other locations discussed earlier in 2018. Develop policy/guidelines for use. 	Resolution of Community Room location, policy/guidelines for use.
San Thomas Aquino Creek Trail	<ul style="list-style-type: none"> By review of other venues with shallow security perimeters and consultation with Homeland Security, evaluate options for keeping trail open during events and/or providing alternate routes if trail is closed. 	Creek trail access and/or safe and/or accessible alternate route.
SCSA Board Policy Manual	<ul style="list-style-type: none"> Continue to create manual, beginning with Governance and Budget policies. Identify areas where policies are appropriate and propose drafts for the Board’s approval. Already identified: financial reporting; flags flown at Levi’s® Stadium; non-NFL event Planning. 	Develop additional policies and present to Board for inclusion in manual.

<p>SCSA Auditor Annual Audit Work Plan</p>	<ul style="list-style-type: none"> • Analyze the Stadium Authority’s review procedures for Non-NFL Events’ revenues and provide feedback on procedure and control issues, if any. • Review the Stadium Authority Financial Reporting Policy with staff and external auditors and provide feedback on best practices. • Review past Construction Fund and Public Safety transactions and provide feedback on the allocation of staff charges (contracted service). • Retain consultants to audit Non-NFL Events and prevailing wage contracts (contracted service). • Retain consultants to perform the annual financial audit for the Stadium Authority (contracted audit service). 	<p>Promote honest, efficient, effective and fully accountable city government through accurate, independent and objective audits.</p>
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Administrative Work Efforts

There are several administrative work efforts that directly impact the ability of Stadium Authority staff to complete the above work plan. These are provided as reference:

- Code enforcement: monitor and enforce City Code and various permit conditions for (including but not limited to):
 - Development permit
 - Building permits
 - Offsite parking permits
- CFP National Championship: review of post event financial reconciliation and retain professional services firm to perform a full event audit
- Community engagement:
 - continue to evaluate and implement various recommendations from statistically valid data collected in 2018
 - continue to improve City's communication efforts through social media and MySantaClara
- Fiscal accountability: continue implementing and monitoring processes, collecting data and conducting audits to improve transparency and accountability
- Harvey M. Rose Compliance Audit: Complete implementation of final third of recommendations
- Noise Monitoring: continue monitoring and code enforcement efforts
- Public Safety Costs Threshold: continue to bill 49ers for all actual costs; continue good faith efforts
- Stadium Management Agreement Compliance: monitor and take action to ensure compliance, particularly First Amendment section 3.3
 - Advance communications of potential events
 - Written report for Non-NFL Events
 - Complete supporting documentations for all vendor invoice

Santa Clara Stadium Authority

STUDY SESSION

Santa Clara Stadium Authority FY 2020/21 Operating,
Debt Service, and Capital Budget and Stadium Authority
Budget, Compliance and Management Policies



March 5, 2020

Agenda

1. Standard of Care
2. Budget Development Schedule
3. Overview of Budget
4. Stadium Authority Operating Budget
 - Operating Budget Revenues & Expenses
 - Stadium Authority General & Administrative (G&A) Expenses
 - Discretionary Expense
 - Performance Rent Calculation
6. Stadium Authority Debt Budget
7. Stadium Authority Capital Budget
8. Stadium Authority Work Plan

Management Agreement – Standard of Care

2.9 Standard of Care. Subject to the limitations set forth in this Agreement, the Budget, and the Stadium Lease, the Stadium Manager shall exercise **prudent, commercially reasonable good faith efforts in managing** and operating the Stadium in accordance with the terms hereof so as to (a) maintain the Stadium in the Required Condition and operate the Stadium as a **quality NFL and multi-purpose public sports, public assembly, exhibit and entertainment facility, to a standard of quality comparable to other similar facilities** (except that the parties recognize that portions of the Stadium may be in need of capital upgrades); (b) **control Manager Operating Expenses, StadCo Operating Expenses and Stadium Authority Operating Expenses**; and (c) **maximize Operating Revenues.**

Standard of Care

- Prudent, commercially reasonable good faith efforts in managing
- Quality NFL and multi-purpose public sports, public assembly, exhibit and entertainment facility, to a standard of quality comparable to other similar facilities
- Control Manager Operating Expenses
- Maximize Operating Revenues

FY 2020/21 Budget Development

November 2019

Stadium Authority staff met with ManCo to discuss the annual budget plan which included dates that ManCo would provide all documents. At that meeting, it was expressed ManCo would follow the due dates outlined in the Stadium Agreements

February 2020

At least 45 days prior to the start of the fiscal year (February 15) ManCo provided the required documents per the Stadium Agreements:

- Stadium Operations and Management Plan
 - Annual Shared Expense Budget with Five Year Projection
 - Annual Stadium Authority Operations Budget
 - Annual Public Safety Budget
 - Capital Expenditure Plan with Five Year Projection
 - Non-NFL Event Marketing Plan
 - Public Safety Document Updates
-

**Mid-February to
End-February
2020**

Staff analyzed ManCo's budget submission. A list of questions and a request for additional details were submitted to ManCo. On February 28, ManCo stated we would receive a response by March 6. Any additional information or detail will be provided at budget adoption.

**March 2, 2020
March 5, 2020**

- Release of Proposed FY 2020/21 Operating, Debt Service, and Capital Budget
 - Study Session to receive Board and public input on the SCSA's proposed budget
-

March 24, 2020

Public Hearing to approve the SCSA Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget and Approve the Stadium Operations Management Plan

FY 2020/21 Budget Development (Cont.)

- **Executive Director's Transmittal Letter**
- **Organizational Chart**
- **General Information**
- **Year in Review for both NFL and Non-NFL events**
- **Operating Budget (Accrual Basis)**
 - Stadium Authority General and Administrative Budget
 - Stadium Manager Shared Expenses and 5 Year Forecast
- **Debt Service Budget**
- **Capital Budget**
 - Capital Expenditure Plan – 5 Year Forecast
- **Stadium Authority Work Plan**

FY 2020/21 Budget Development (Cont.)

- **Annual Public Safety Budget submitted by ManCo (Attachment 2)**
- **Revised Stadium Authority Budget Policy (Attachment 3)**
- **Stadium Authority Compliance and Management Policy (Attachment 4)**
- **Stadium Authority Budget Submittal Questions (Attachment 5)**
- **Non-NFL Event Marketing Plan (Separate Board Item)**

Overview

- Proposed Budget of \$66.7 million presented on an accrual basis, which provides increased transparency
 - Decrease of \$6.9 million (9%) from prior fiscal year
 - Assumes \$0 net Non-NFL event revenue
- General and Administrative Budget includes 6.8 positions as a baseline level of support
- Proposed Capital Expenditures total \$13 million including general building, security, furnishings and equipment, and public safety investments
- Debt Service payments total \$42.3 million, including debt related to the CFD (\$4 million), Subordinate Loan (\$12.7 million) and Term A Loan (\$25.6 million)



Overview (cont.)

Key Issues in the Proposed Budget

- **Termination of Stadium Management Agreement**
 - Board authorized termination on February 11, 2020
 - Work on the budget and fiscal processes do not constitute a waiver or release of termination notice or any Stadium Authority rights and claims
- **Performance Rent and Continued Decline in General Fund Revenue**
 - Net Non-NFL event revenue impacts Performance Rent to General Fund
 - ManCo did not provide a net Non-NFL event revenue estimate for FY 2020/21
 - Budget assumes no net revenue and no performance rent for FY 2019/20 and FY 2020/21 and does not reflect a “turnaround” marketing strategy
- **Stadium Authority Financial/Accounting Management System**
 - Contractual requirement to maintain separate records for tenant season and Stadium Authority season; records comingled in past
 - Separate system included in the General and Administrative budget, subject to subsequent court rulings on cost allocation

Overview (cont.)

Budget Questions for ManCo Submitted February 25, 2020

- **Operating Budget Requests**

- Assumptions for lower SBL revenue and details on defaulted SBLs/SBL seat relocations
- Non-NFL Event activity at gross level for FY 2019/20 and FY 2020/21 and event contracts
- Calculations and assumptions for projected Non-NFL Ticket Surcharge, interest earnings projections, use of StadCo tenant improvements, Other Expenses category (1300% increase)
- Shared Expenses: breakout by department and expense type, an organizational chart, staffing costs by position, explanation for compensation increase with staff reduction, details on outside services costs, procurement plan, and changes between department budgets
- SBL sales and service expenses breakout, organization chart, and description of increase
- For SCSA General and Administrative Cost, explain difference between SCSA's submittal and amount carried in budget
- Request for insurance documents for all Stadium-related policies with documentation
- Naming Rights liquidated damages information
- Debt: explain differences from the amortization schedule, when will the issue of additional debt reserve funding be resolved and potential impact on SCSA, interest calculations

Overview (cont.)

Budget Questions for ManCo Submitted February 25, 2020

- **Capital Budget Requests**

- Detailed listing of projects in the FY 2019/20 and FY 2020/21 five-year CapEx plan
- Explanation of increase in five-year plan and large increase in FY 2024/25
- Prioritization matrix for new and carryover projects; information on any expected savings
- Timeline for completion of new and carryover projects
- Status of specific projects not included in the CapEx budget
- Plans for Concession Signage and Stadium Event Signage
- Detail and justification for Asphalt Project and clarification on the Stationary Electric Pressure Washers
- Categorization of the CO2 Monitoring & Sensors for Code Compliance
- Procurement Plan to deliver the CapEx projects

Overview (cont.)

Status of Ongoing Workplan Efforts

- Community Engagement (robust Community Outreach and Engagement Workplan, dedicated telephone number for community input, increased social media presence to provide advance notice about events at the stadium)
- Noise Monitoring (implemented web-based, publicly available, real-time noise monitoring services)
- Implemented 73% of Measure J Compliance Audit Recommendations with the remaining 27% designated as “partially complete”
- Stadium Authority Coordination (weekly Stadium Authority staff business meetings to develop stronger proactive community communications, forum to address community issues, organizational awareness of required City and Stadium Authority services, fire code violation monitoring, knowledge transfer)

Overview (cont.)

Stadium Authority Auditor's Workplan Updates

- Analysis of Stadium Authority's review procedures for Non-NFL events' revenue and expenses (Spring 2020)
- College Football Playoff Account Review Audit (procurement underway)
- Annual Statement of Stadium Operations (procurement underway)
- Review past Construction Fund and Public Safety transactions and provide feedback on allocation of staff charges (Spring 2020)
- Maintain workload requirements with seven lawsuits
- Bring for discussion with the Stadium Authority Board the next steps regarding the community room
- Propose an option for San Tomas Aquino Creek Trail access during NFL and non-NFL ticketed events

SANTA CLARA STADIUM AUTHORITY

Proposed Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget



Stadium Authority Flowchart



Stadium Authority Budget Flowchart



Note: The \$13.5 million difference between the Operating Budget and the Total Budget includes capital projects funded by beginning fund balance (\$9.5 million) and debt service funded by the CFD (\$4.0 million).

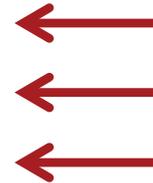
FY 2020/21 Operating Budget Revenues

NFL Ticket Surcharge	\$ 8,665,000
SBL Proceeds	24,213,000
Interest	896,000
Net Non-NFL Event Revenue	0
Naming Rights	6,957,000
Sponsorship Revenue (STR)	392,000
Rent	24,762,000
Senior & Youth Program Fees	230,000
Non-NFL Event Ticket Surcharge	612,000
Total Revenues	\$66,727,000

FY 2020/21 Operating Budget Expenses

Shared Stadium Manager Expenses	\$12,132,000
SBL Sales and Service	3,610,000
Senior and Youth Program Fees	230,000
Ground Rent	390,000
Performance Rent	0
Discretionary Fund Expense	250,000
Utilities	1,597,000
Use of StadCo Tenant Improvements	73,000
Stadium Authority General & Administrative	4,851,000
Naming Rights Commission	30,000
Other Expenses	1,400,000
Transfers Out	41,816,000
Contribution to Operating Reserve	348,000
Total Expenses	\$66,727,000

Paid to
the
City's
General
Fund



FY 2020/21 Stadium Authority General and Administrative Budget

Expense Type	Amount	Comments
Staff support (6.8 FTE)	\$2,144,000	To support the Stadium Authority with its oversight duties of stadium activities
Legal services	1,273,000	As needed for outside legal services
Audit services	452,000	Financial and Performance Audits – external auditors
Consultants	358,000	As needed for outside consulting services
Executive Director and Board directives	325,000	Unanticipated Board directives, Executive Director assignments, etc.
Financial Mgmt System	270,000	Purchase and implementation of Financial Management System
Other expenses	20,000	Routine office expenses (e.g., office supplies, copier lease)
Board stipends	9,000	Monthly Stadium Authority meetings
Total	\$4,851,000	7% of total Expense budget of \$66.7 million

Santa Clara Stadium Authority Discretionary Fund

Projected Beginning Balance	50% of FY 2020/21 Non-NFL Event Ticket Surcharge	FY 2020/21 Discretionary Fund Expense	Projected Ending Balance
\$2,328,102	\$306,000	\$250,000	\$2,384,102

- The Discretionary Fund has been used to cover NFL public safety costs above the public safety cost threshold, public safety capital expenses, and other items at the Stadium Authority's discretion.

Santa Clara Stadium Authority Performance Rent Calculation

FY 2020/21 Performance Rent Calculation	Budget
Ground Rent	\$390,000
Net Non-NFL Event Revenue	0
50% of Net Non-NFL Revenue	0
Performance Rent Credit (50% of Ground Rent)	(195,000)
Total Performance Rent paid to the City of Santa Clara	\$0

Santa Clara Stadium Authority Performance Rent Calculation (cont.)

Historical Value of Non-NFL Events by Fiscal Year and Event Category

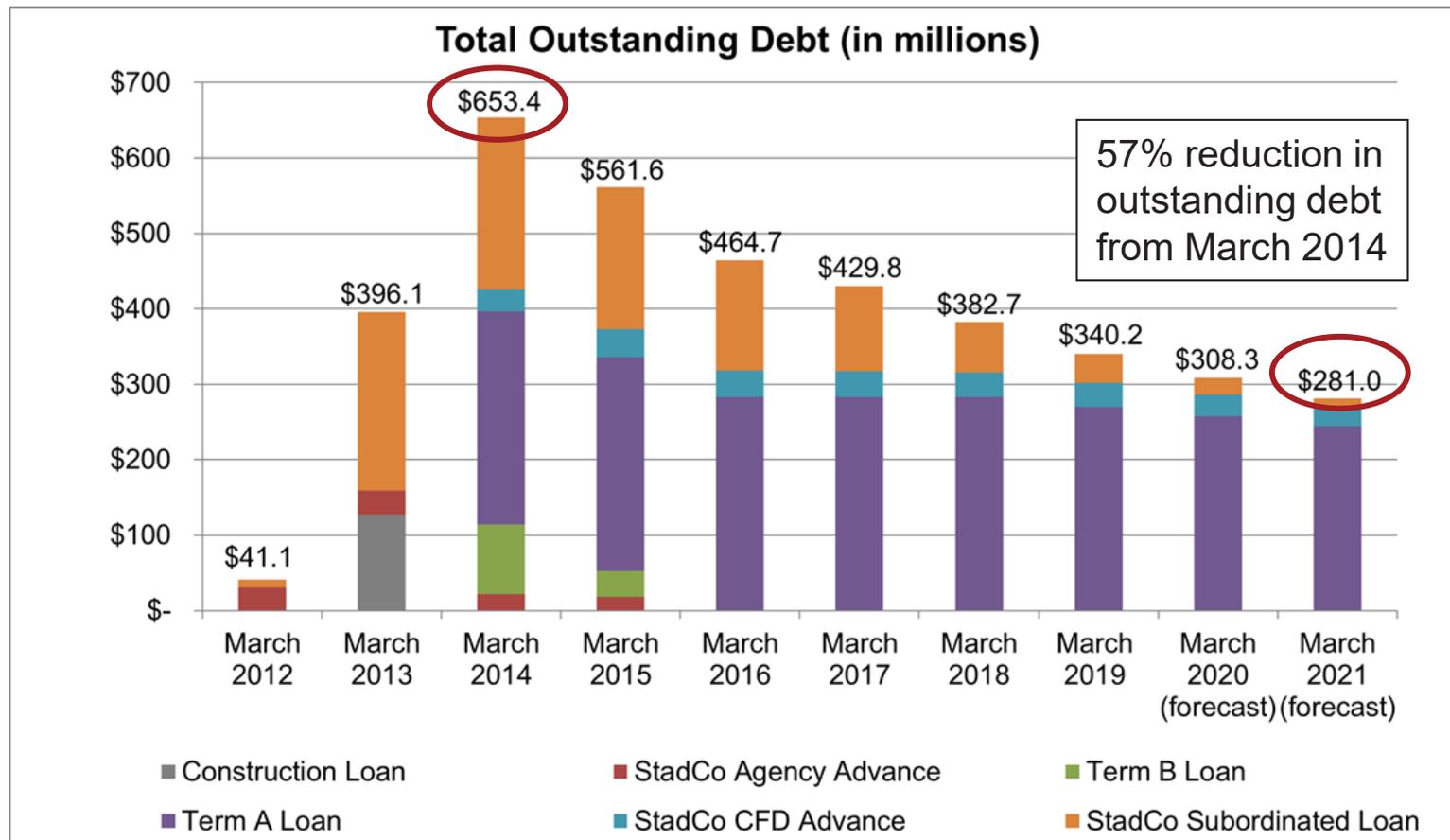
EVENT TYPE	2014/15		2015/16		2016/17		2017/18		2018/19	
	No. of Events	Net Revenue	No. of Events	Net Revenue						
Ticketed Events										
Concerts	0	\$ -	7	\$3,791,985	4	\$2,424,572	2	\$1,819,099	3	\$ 1,438,848
Sporting events:										
Football (non-NFL)	5	(3,007,907)	4	(2,316,903)	4	(2,946,165)	4	(3,601,827)	4	(3,437,297)
Soccer	2	3,948,144	2	891,300	5	2,414,209	3	3,228,754	3	(267,981)
Miscellaneous events	2	2,504,912	4	(149,392)	5	(159,175)	4	76,379	2	(67,502)
Subtotal Ticketed Events	9	\$3,445,149	17	\$2,216,989	18	\$1,733,441	13	\$1,522,405	12	\$ (2,333,932)
Special Events (weddings, corporate events, etc.)	186	\$1,762,404	204	\$3,862,027	127	\$3,583,453	113	\$3,640,924	100	\$ 2,352,523
Total Non-NFL Net Revenue	195	\$5,207,553	221	\$6,079,016	145	\$5,316,894	126	\$5,163,329	112	\$ 18,591
Total Performance Rent paid to the General Fund		\$2,513,777		\$2,932,008		\$2,533,447		\$2,439,164		\$ -

Santa Clara Stadium Authority FY 2020/21 Debt Service

Debt Type	Budget
CFD Advance	\$3,989,000
Term A Loan	25,562,000
StadCo Subloan	12,711,000
Total	\$42,262,000

- Debt Service amount of \$42.3 million includes Principal (\$27.3M) and Interest Payments (\$15.0M)
- Total Outstanding Debt is projected to decrease by \$27.3 million (principal payments) from \$308.3 million to \$281.0 million

Santa Clara Stadium Authority FY 2020/21 Debt Service (cont.)



Santa Clara Stadium Authority

FY 2020/21 Capital Budget

Total Capital Budget of \$13.0 million

- **Stadium Improvements - \$11.5 million**
 - **New Projects (\$5.0 million)**
 - Construction (\$3.0 million): signage replacement, security cameras, pedestrian safety fencing, wayfinding signage, security access control, CCTV pop-up trailers
 - Equipment (\$2.0 million): public safety/life safety (\$1.4 million), other (\$578,000)
 - **Carryover Projects (\$6.5 million)**
 - Construction (\$2.0 million): women's locker room, parking lot asphalt, signage
 - Equipment (\$4.5 million): public safety/life safety (\$1.7 million), other (\$2.8 million)
- **Stadium Warranty-Related Construction - \$1.5 million**
 - Part of the original Stadium Development/Construction Budget

Santa Clara Stadium Authority FY 2020/21 Capital Budget (cont.)

Santa Clara Stadium Authority Capital Expense Plan Summary - 5 Year Forecast

	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Electrical	\$ -	\$ -	\$ 750,000	\$ 1,250,000	\$ 1,475,000
General Building	900,000	1,352,000	600,000	1,050,000	3,125,000
Plumbing	300,000	150,000	-	-	460,000
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Site	225,000	400,000	-	150,000	575,000
Subtotal CapEx Construction Costs	\$ 2,836,416	\$ 2,052,000	\$ 1,350,000	\$ 2,450,000	\$ 6,745,000
Audio/Visual	\$ -	\$ -	\$ 600,000	\$ -	\$ 650,000
FF&E	-	30,000	-	30,000	31,669
Food & Beverage	250,000	-	-	-	200,000
HVAC/Mechanical	300,000	150,000	-	75,000	1,060,000
Life Safety/Fire	450,000	50,000	-	-	135,000
Public Safety Equipment	936,665	115,000	517,500	140,000	100,000
Vertical Support	-	-	-	-	1,000,000
Subtotal CapEx Equipment Costs	\$ 1,936,665	\$ 345,000	\$ 1,117,500	\$ 245,000	\$ 3,176,669
Contingency (5%)	238,655	119,850	123,375	134,750	496,083
Total CapEx Project Costs	\$ 5,011,736	\$ 2,516,850	\$ 2,590,875	\$ 2,829,750	\$ 10,417,752

Santa Clara Stadium Authority

FY 2020/21 Work Plan

- Redirection of staff resources to address violations of local and State laws has impacted completion of Work Plan items
- Within the context of supporting several lawsuits, staff will focus on:
 - ADA Compliance
 - Community Room
 - San Tomas Aquino Creek Trail
 - SCSA Board Policy Manual
 - SCSA Auditor Annual Audit Work Plan

Conclusion

- Provides the necessary funding to operate the stadium (operating, debt, capital) and is structurally balanced between revenues and expenditures
- Maintains required reserves for operating, discretionary, and capital funds
- Maintains debt service commitments and identifies anticipated excess revenue that can be used toward debt
- Invests in strategic capital expenditures
- Advances strategic initiatives necessary to ensure that the Board is responsive to various stakeholders and constituencies
- Additional budget adjustments may be required based on ManCo's responses to questions/request for additional information
- Continued legal challenges associated with ManCo; the submission of the budget does not indicate a change in the Board's position

Conclusion

- Non-NFL Event Net Performance Rent continues to project zero for FY 2019/20 and FY2020/21 with no “turnaround”
- Compliance and Management Policy included in report – no changes proposed
- The Stadium Authority Board as the legislative body having full authority, under the law, is to set its budget
- Next Board Meeting – March 24 will incorporate further changes for Board consideration/Adoption
- The Stadium Authority Board as the legislative body having full authority, under the law, is to set its budget

Santa Clara Stadium Authority

STUDY SESSION

Santa Clara Stadium Authority FY 2020/21 Operating,
Debt Service, and Capital Budget and Stadium Authority
Budget, Compliance and Management Policies



March 5, 2020

Attachment 3

March 5, 2020
Agenda Report 20-272
Draft 2020 Non-NFL Events
Marketing Plan
for Levi's Stadium
and
Staff Presentation



2020 Non-NFL Events Marketing Plan

January 30, 2020

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Executive Summary

Levi's Stadium's non-NFL events business continues to bring new shows and events to Santa Clara, delivering significant economic impacts and exposure for our region. Additionally, the local hotels and businesses benefit from the large number of people who travel to Santa Clara from all over the state and country to attend these events. Levi's Stadium has grown a distinct reputation as a premier entertainment venue, resulting from the combination of consistently high client satisfaction ratings, a steady pipeline of high-impact events, and incorporating data-driven decision-making into contracting, planning, and executing events.

As Stadium Manager, the Forty Niners Stadium Management Company continues to adapt its business strategy to the changing sports and entertainment landscape, and will focus our efforts in 2020 on business development, continued guest satisfaction, and building the Levi's Stadium brand as a global entertainment venue. To achieve these objectives, our strategy and approach to guest communication and engagement requires us to adapt our traditional communication vehicles and content strategies, tailored to different demographics. Specifically, the Stadium Manager plans to engage new and returning clients and guests by:

- Sourcing new events and relationships through active involvement in local and national organizations
- Leveraging historical event data to market Levi's Stadium's comparative advantages to the most relevant industries and organizations
- Creating engaging and informational sales collateral to educate new clients and spark interest in the marketplace
- Utilizing a CRM platform to update the way we manage sales leads and measure ROI on sales initiatives and marketing campaigns

Through this deeper connection between Levi's Stadium events and its guests, the Stadium Manager will achieve the optimal outcome for the business, Stadium Authority revenue and community engagement.

Levi's Stadium Event Definitions and Profiles:

The venue's non-NFL business is comprised of two over-arching event categories, Major Events and Special Events.

Major Events are stadium-wide, ticketed events open to the public. The Stadium has successfully executed a variety of different events that have brought greater fandom and economic impact to the local market. Spanning numerous leagues, sports, and attractions, Major Events have helped establish Levi's Stadium as an iconic venue. These high-profile events keep Levi's Stadium in the limelight, which is a significant factor in driving the Special Events category of the non-NFL event business.

Special Events are private, contracted, and usually non-ticketed and exclusive events, subject to the event's nature and the client's objectives. These events span a wide range, from weddings to corporate anniversaries, charitable fundraisers, and conferences, and make up the vast majority of the venue's event calendar (over 80% of all Stadium events). The Special Events sales pipeline is driven primarily by relationships formed with local companies as well as our reputation and established experience in hosting a variety of events. Therefore, we are not only focused on the immediate health and profitability of our business, but also the connections we create with clients and opportunities to innovate the venue's guest experience.

Levi's Stadium Special Events

Looking back:

In the 2019 calendar year, Levi's Stadium hosted a total of 35,000 corporate and social event guests. From 30 guests to 3,000 guests and from corporate meetings, tradeshows and conferences to proms, wedding receptions and even an engagement with party to follow. It was a busy year for Special Events at Levi's Stadium including the busiest December since 2015. In addition to hosting the Pac-12 Championship game, the Redbox Bowl and two NFL games, Levi's Stadium hosted 26 holiday parties. December is undoubtedly the busiest time of the year for special events at the stadium and the 49ers winning season added an extra layer of excitement for clients and guests as they enjoyed the sights and sounds of the stadium. Outside of event bookings, the Levi's Stadium Special Events Sales team was busy taking part in national conferences, attending local networking events, partnering with industry organizations to amplify the brand, hosting prospecting events at the stadium, and reaching out to prospects with updated sales collateral. In addition to sales efforts, the stadium experienced continued success with consistently high client survey scores in event booking, event planning and event execution categories.



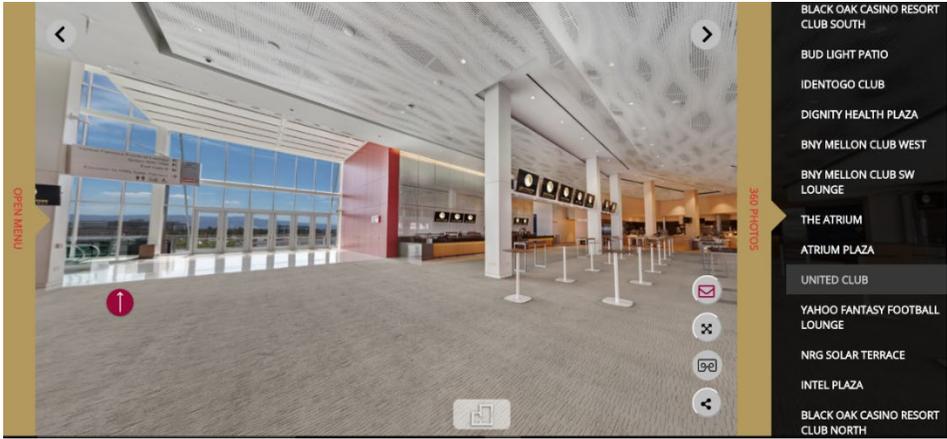
2019 Key Wins/Strengths

1. Sales Collateral

A major component in selling the stadium to special event clients is being able to tell the story. When a person first thinks of an NFL stadium they think of the field, the bowl seats, and the concession stands. They don't typically see how a meeting or reception fits into those spaces and assume the stadium cannot fit their needs. What many people do not think about are the various premium club spaces and other rooms around the stadium that can transform into private event spaces. Levi's Stadium found this challenge to be an opportunity and created a sales kit that guides clients through each event space and provides photos and specifications to help clients understand what each space can offer. The sales kit is a valuable resource during the preliminary sales process, when clients are comparing venues and need a full concept of what an event at Levi's Stadium could look like. The sales kit is posted on the website for visitors who are just browsing for venues and it is also a useful tool to send as a digital link directly to clients we are prospecting with or who have inquired about event opportunities.

The sales kit is only the first step towards telling the story. In addition to the digital sales kit, Levi's Stadium also added high definition 360 degree photos of each event space along with adjacent spaces to provide an immersive tour experience for clients and prospects. Photos are helpful during preliminary conversations, but the 360 degree photos provide an opportunity for clients to step into the event spaces and "take a look around." These are especially valuable when clients are in another city, state or country. In-person site visits and walkthrough meetings are always preferred to work with clients in booking and planning their events, but it is not always possible given the number of national and international clients

we work with at Levi's Stadium.



2. Participation in local and national sales events to promote Levi's Stadium and continue to build a database of qualified prospects

In 2019, the Special Events Sales team was actively engaging with both local and national industry groups and events to continue to promote Levi's Stadium as a world class event venue. Although the stadium is a landmark in the Bay Area, the work is never done when it comes to educating corporate clients and event professionals about special event opportunities at Levi's Stadium. Tradeshows and networking events are extremely valuable in the sales process as most attendees are attending with a desire to book an event or obtain information for future event needs. This year, the Special Events Sales team engaged with 14 local events including San Francisco Business Journal (SFBJ) and Silicon Valley Business Journal (SVBJ) 40 Under 40 Awards, Admin Awards of San Francisco and Silicon Valley, Smart Meeting (San Francisco), All Things Meetings (Santa Clara), and the Meeting Planners International Norther California Chapter (MPINCC) Gala in San Francisco. By attending each of these events and participating as a sponsor or exhibitor, the sales team is able to connect directly with event professionals and also receive a list of attendees which becomes valuable for future outreach.





In addition to the local and regional industry events, the team attended three tradeshows which provided Levi's Stadium with a national platform to sell and promote special events. The team participated in Connect California, which is specifically geared towards qualified statewide buyers, connecting them with California suppliers like Levi's Stadium. Next the team traveled to Louisville, Kentucky for Connect Marketplace which is a national conference and tradeshow that provides one-on-one opportunities to meet directly with interested buyers. The team conducted 80 one-on-one meetings, engaged with hundreds of attendees as they visited the Levi's Stadium booth with four site visits booking directly out of the conference. Finally, the sales team participated in the annual International Meeting Executives (IMEX) Tradeshow where they joined together with Travel SF as a partner in their booth. The team booked 30 one-on-one meetings and co-hosted a networking happy hour event which brought in contacts from Destination Marketing Companies (DMCs) and major event production companies. IMEX is a highlight each year as it's one of the most well attended event tradeshows in the U.S. Many sports and entertainment venues participate with a goal to connect with national and international buyers and create lasting relationships that result in future bookings.



3. Developed creative sales campaigns & events to engage prospects

Campaigns:

In 2019 the Levis Stadium Special Events team focused on strategic marketing campaigns to expand visibility and create more opportunities to connect with qualified prospects. With the new sales collateral available, the team utilized the database of past clients and prospects to deliver the creative campaigns. The strategy behind the campaigns came from special event data collected over the past five years. The data collected includes categories such as, most common types of events booked at the stadium, the most common season for booking certain events, type of companies that typically book events at the stadium and the person most likely to book an event within the company.



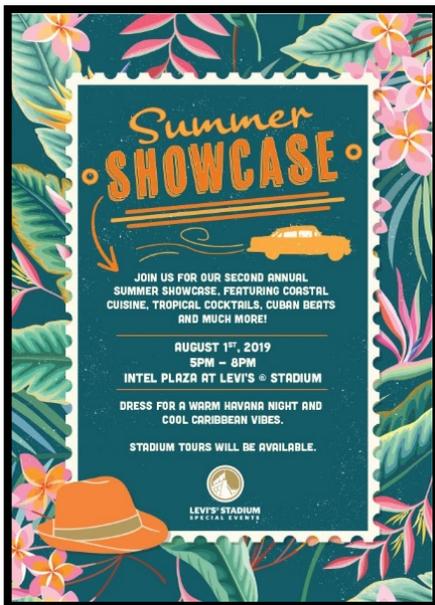
The first campaign was geared towards proms & socials and went out in May, during prom season, on social media and via direct e-mail. Several proms were booked because of this campaign and it increased awareness among the high schools in the South Bay for future events. In June and October, the sales team delivered themed baskets to companies located within 5-10 miles of the stadium. The baskets were themed for a summer picnic in June and Oktoberfest in October. The goal of this campaign was to create an opportunity to meet with prospects in person and spark interest around hosting an event at the stadium. In August the team ran an e-mail campaign for last minute holiday party bookings. Although the December calendar typically books up in the first half of the year, there are usually dates and spaces available going into August, so it is a great time to reach out to companies to target short turnaround bookings. The final campaign of the year was direct marketing campaign via LinkedIn which targeted individuals who typically book events or are may be likely to book an event in the Bay Area. This campaign ran through the start of January 2020.

Events:

Levi's Stadium Special Events hosted two prospecting events in 2019. The first event was the "Admin Wellness & Health Break", an event targeted to administrative professionals who are tasked with booking events for their companies. The event started with a detailed tour of the stadium event spaces and ended on the NRG Solar Terrace for a healthy snack and "office yoga," hosted by a yoga professional. The goal of this event was to bring Administrative Professionals to the stadium and educate them about the event spaces while also providing a moment to relax and recharge. Site visits and stadium tours are extremely valuable when selling a unique space. Often times it can be difficult to get a group of Administrative Professionals from various companies to the stadium at the same time, so adding elements like yoga, wellbeing etc. helps with attendance and provides a lasting impression.

In August the team hosted the second annual Levi's Stadium Special Events Summer Showcase. Similar to last year's event, it featured food and beverage prepared by Levy and event décor, entertainment and activities provided by Bay Area vendors. The goal of this event is to showcase the stadium in a new way each year, coming up with themes that are on-trend, creative food and beverage items and unique activations that will spark curiosity and excitement around the stadium. The Special Events team was able to double attendance from 2018 and capture many qualified leads and contacts from this year's event. The stadium has found that getting people in the door is the first step to selling events, but leaving

them with a lasting memory and a personal takeaway, will create an experience they will never forget. In an industry full of networking events and e-mail advertisements, going the extra mile to create one-of-a-kind sales opportunities and moments is key.

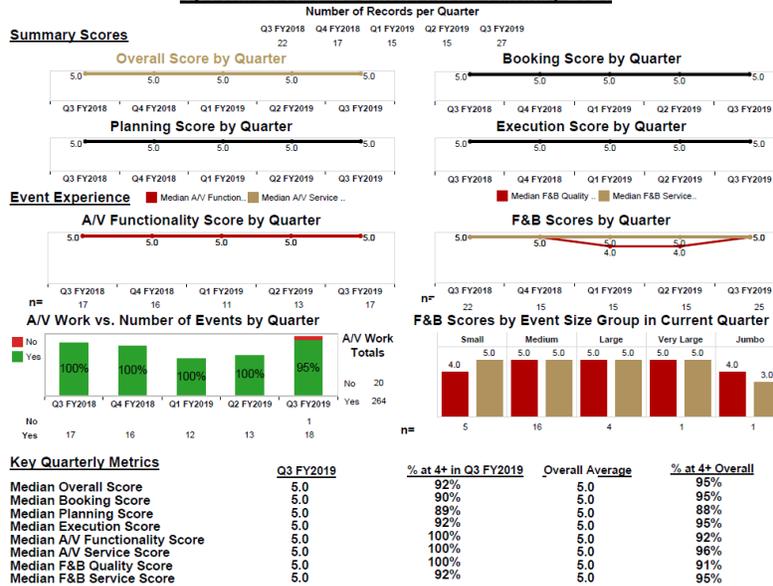


4. Continued success with high client satisfaction ratings

Consistent with 2018, 2019 was another successful year for In-Depth-Interview (IDI) survey results. As much as the sale is important to book first time business, it's the customer service throughout the sales, service and successful execution of the event that is essential to repeat business and client loyalty. Levi's Stadium understands the importance of client retention and therefore puts an emphasis on providing clients with a "one stop shop" level of service. The special events planning team becomes the main point of contact for clients, providing an easy roadmap when navigating the stadium environment and all the elements and teams that go into supporting successful event execution.

This system reduces stress for clients which is clear through the IDI scores and client feedback received throughout the year. From booking, to planning to event execution and catering, all categories received an average of 4.6 or above. When asked if the clients would rebook an event at Levi's Stadium, 98% said they would re-book or were likely to re-book depending on budget, need for event spaces and geographic distribution of future events.

Special Events IDI Dashboard - January 2020



"I actually was able to enjoy the event knowing that everything was taken care of by Levi's staff." Corporate Client

"We have had this event every year for over 40 years. The entire Board commented that this year's event was the best so far. They are very happy with the venue, the event staff and the catering." Association Event

"Everyone I came across was friendly and extremely helpful I could not have imagined the planning of this event without the staff members." High School Social

"Levi's is my top choice for any event. They take care of everything while keeping in mind the budget. Superb service!" Corporate Client

"We were very impressed by the attentiveness and helpfulness of the Levi's staff. Every detail was covered and discussed. If any questions/issues came up, they were quick to resolve it. It really made event day stress free." Corporate Client

Learnings:

As covered in 2018's Marketing Plan, a major component to remaining relevant and exciting for buyers is the opportunity for new offerings. As the stadium continues to age, it becomes more and more important to look at it through a new lens each year. Whether it be updates to an existing space or creating completely new spaces and activations, repeat clients are always looking for something new to offer their attendees and drive excitement and attendance.

Adding to Inventory:

In 2019, the green room off the south tunnel was upgraded to the South Club a beautiful premium space, adding new events space inventory for clients hosting events at Levi's Stadium. The unique location of the club, positioned behind the south end zone, provides a one-of-kind opportunity for clients to get a "behind the scenes" feel when visiting the stadium. Not to mention the modern design inside the club which adds to the "exclusive" vibe when hosting an event in that space. The sales team sold the first South Club event in the fall of 2019 and it was a huge success, providing the client with a perfect location for a VIP reception connected to a larger event in another space. The sales team looks forward to continuing to promote this new beautiful space and creating unforgettable experiences for clients and guests. Given the success of the South Club, the plan for 2020 is to create an additional premium club space in the northwest quadrant.

Turnkey Packages:

Since opening in 2014, Levi's Stadium has hosted 33 proms and/or formals for Bay Area high schools. To further the engagement for these types of successful events, Levi's Stadium created turn-key prom packages that make the booking and planning process easier for high school students and their advisors. As staff has learned through years of experience, proms generally have fairly standard requirements and budgets are often limited. With the partnership of Levy, the team was able to create prom package levels to fit various budgets and needs. After creating the packages, the information was sent out via social media and direct e-mail communication, resulting in the booking of multiple proms.

Dynamic Pricing for Underutilized Spaces:

Along with the data analyzed for proms/formals, the Special Events team was also able to look at underutilized spaces over the past year. Whether it is due to location, features of the space or price point, there are certain club spaces that book more often than others. When taking a look at the underutilized spaces it was discovered that both the price point and the location were two major factors that impacted the amount of bookings in those spaces. Since it was not possible to change the location of these spaces, the team decided to implement "dynamic pricing" to flex the rental rate and minimum spend with a goal to encourage more bookings. This adjustment created opportunities in spaces for smaller meetings and receptions to book as well as clients who put less of an emphasis on location within the stadium. Dynamic pricing has become a valuable resource when used with data from past events and understanding clients' priorities.

Business Updates:**1. LinkedIn Page**

One of the ongoing initiatives of the Special Events department is brand awareness and exposure. LinkedIn has been a great platform for connecting with business professionals and sharing content in a forum where participants are looking for information. In 2019 the Special Events department started a business page on LinkedIn to help promote the brand, communicate business updates, sharing posts and connect with event professionals. The sales team manages the page weekly with a goal of gaining more followers through relevant and engaging posts as well as Levi's Stadium and 49ers updates. This is just one more platform to help boost the brand and keep Levi's Stadium top of mind for anyone searching for an event venue in the Bay Area.

2. Tracking in CRM

Over the past year, the Special Events sales team has been successfully utilizing the CRM software by inputting and tracking leads and scheduling follow up communication. This software captures both inbound and outbound leads as well as any leads gained from corporate partnerships. Having all client data in a centralized CRM system helps with consistent client follow up and communication, tracking client history and

collecting data for sales campaigns.

CRM also acts as a resource for setting goals, allowing the sales team to measure output and results month over month. For example, there might be a goal to input a certain number of contacts in the system each month, or a goal of “X” amount of leads generated from outbound efforts.

This system is also a resource for the other departments involved in servicing the events. This process helps the larger stadium events team to understand where clients are in the process of booking and prepare for events months in advance.

3. Local Collaborations

As the Special Events team continues to grow the business inside the stadium, it is also a priority to collaborate with local hospitality businesses outside the stadium to help draw more event business to Santa Clara. Throughout 2019, the sales team continued to work with the Santa Clara Convention Center, Great America and the local hotels to build a network of resources for clients looking to book events in Santa Clara. The goal of the Special Events team is to grow revenue through booked events inside the stadium, however, if the stadium is not able to accommodate an event, the next goal is to keep the business in Santa Clara. This would typically be the role of the Santa Clara CVB so until that role is filled, Levi’s Stadium continues to work closely with its neighbors to sell Santa Clara as an event destination.

In January of 2020, Levi’s Stadium partnered with the Santa Clara Convention Center, Great America and Santa Clara hotels to host a tradeshow booth at the California Society of Association Executives (CALSAE) in Sacramento. The goal of this partnership was to drive traffic to the booth to then create opportunities to educate attendees about what Santa Clara has to offer. Associations, corporate clients and Destination Management Companies are not only looking for a unique venue, they are looking for a complete city experience, from restaurants, to entertainment to hotels and more. As Santa Clara continues to grow, it will become more and more important to have strong relationships and partnerships between the local venues to provide the best value for clients and guests visiting the city.

Looking Forward:

In 2020, the Levi’s Stadium Special Events team will focus on three key initiatives to help grow the business and drive revenue.

1. Increase New Business Leads & Bookings

Levi’s Stadium is proud of the high percentage (52% in 2019) repeat business year over year as well as the diverse list of companies and organizations who have held events at the stadium. Repeat business is an important component to sustaining the special events business. It not only demonstrates the outstanding customer service and hospitality provided, but it also creates a foundation for future booking opportunities. As the stadium moves into its sixth year of operation, the sales team will not only focus on bringing back past clients, but also continuing to cultivate and capture new business. This goal will become a part of the sales team’s monthly tracking process, identifying which companies are “new business” versus “repeat business” as leads are generated and added to the system. The team will not only be measured on how many new clients are added to the system but also how many events are booked with those new clients. The special events sales process can be a lengthy one, sometimes lasting 9-12 months, so this will be a long-term tracking model.

In an effort to increase communication and touch points with new companies in the Bay Area and beyond, the Special Events team will be launching a quarterly newsletter. The newsletter will include updates about the stadium, new offerings and experiences, staff spotlights, event sales and planning tips, photos of featured events, and much more. The goal of this newsletter is to create engaging content that not only educates the reader but also inspires them to pick up the phone and call us or e-mail us.

In addition to the newsletter, the Special Events team will continue to provide content through social media, LinkedIn and run strategic e-mail campaigns.

2. Generate more opportunities to book large events

Levi's Stadium has hosted private events of all sizes, from 20 guests to 20,000 guests. Although identifying events and inquiries for large events (over 5,000 guests) is less common, we continue to mine the opportunities in the Bay Area given the unique corporate landscape. Levi's Stadium is not only a unique venue perfect for small to medium groups but it also provides a valuable feature for large groups... square footage!

In 2020 the Special Events team plans to host focus groups that will be centered around third-party Event Planners/DMCs and Administrative Assistants, the two primary groups who book corporate events. The goal of these focus groups will be to understand the priorities of the companies and planners, as well as their decision making process while selecting an event venue. Although Levi's Stadium is now the only NFL stadium in the Bay Area, clients have many venue choices and there are many factors that impact the venue booking process. The Special Events team looks to learn more directly from clients regarding the stadium's strengths as well as its challenges in order to continue to grow with the industry and compete with new/updated venues.

3. Create Small Meetings & Reception Packages

As we continually look for new sales avenues, creative offerings and ways to capture additional business, the sales team is working with internal stakeholders to create small meetings and reception packages. These packages will include standard room setups, menus designed for small groups, turnkey AV packages and other event enhancements. Large events vary in size and scope and lead times can be anywhere from 12-24 months in advance of the event date. Most of the event inquiries or sales requiring a short lead time (2-3 weeks) are for small meetings and receptions. The goal in creating these packages is to streamline the booking and contract process for clients by providing a turnkey event that can be executed within a short timeframe.

The packages will be created by using historical event data like event size, event location, duration of the event and the associated operational costs. The sales team will work closely with Levy and internal departments to build the packages, with a goal to reduce the workload and increase booking opportunities.

Section in-Review:

**Increase New
Business
Leads &
Bookings**

**Generate More
Opportunities
to Book Large
Events**

**Create Small
Meeting &
Reception
Packages**

Levi's Stadium Major Events

Looking Back:

The Levi's Stadium's Major Events business since the stadium's inception has been a key driver in propelling the venue's reputation and popularity.

This past season we proudly hosted the USWNT v South Africa on their sendoff tour, the Mexican National Team and Rolling Stones. Major Events also drive the Special Event business, enticing corporate and social clients to book events at Levi's Stadium based on its popularity and prominence in the sports and entertainment industry. In 2019, we saw roughly 300,000 patrons come to Levi's Stadium for Major Events – many of these events also drawing national TV viewership.

These types of marquee events are also important to the thousands of SBL holders, who have committed more than \$500M to Levi's Stadium. Recent data shows that the quality and quantity of Major Events at Levi's Stadium is ranked as an important benefit for the SBL customers, and more than half of the SBL customers have purchased tickets to one or more Major Events. In a 2020 survey, 54% of the survey participants ranked Major Events as "Extremely or Very Important", with an additional 20+% ranking them as "Moderately Important".

To sustainably grow the business as well as develop a consistent event calendar for years to come, we cannot rest on prior achievements but must look ahead to how we can be innovative in the events we attract as well as the fan experience we provide. With that in mind, our Major Events business underwent three significant changes / updates over the last six months that will serve as initial groundwork to help grow this particular business:

1. Improved proposal process

The Stadium Manager has continually raised the quality of bids presented and has improved the contracted event agreements. Our goal is to optimize the proposal process to ensure we are competitive for attractive high-impact events and succeed in bringing new or established events to Levi's Stadium. Furthermore, by continually innovating our proposal process, we have effectively standardized roles and responsibilities within the greater bid process to better prepare ourselves on announcing, marketing, and delivering these events. We look forward to submitting several RFPs in 2020.

2. Cross-departmental involvement in the promotion and execution of an event

This past year, we created a Major Events Leadership team, led by Chief Revenue Officer, Brent Schoeb. The team covers all aspects of an event, with a particular emphasis on driving profitability and marketing for events. We have created more structure to incorporate internal Marketing and Design teams into the comprehensive event execution plan, which has not only helped overall exposure and caused attendance to rise but has also paid dividends on increasing demand and viewership for these events.

3. Proactivity on outreach

This past year, our team was focused on finding additional content to come to Levi's Stadium. Our team has met with organizations across all event sizes, from several large scale talent promoters to small ancillary festival events companies. We look forward to further cementing these relationships to drive events to Levi's Stadium.

As of January 2020, we currently have four major events slated for 2020, anchored by both BTS and Justin Bieber. Landing BTS was a major win for our building this year as BTS, the most popular band in the world, was very selective on their venues.

Looking Forward:

After four years of attracting, contracting, and successfully executing several high-profile events and shows, we will continue to focus on innovation for both the fan's experience and the venue's brand.

1. Source new events and relationships

In conjunction with our existing relationships with teams, leagues, and industries, tremendous potential exists to bring in new events that could not only serve immediate financial and community benefits, but also create financial sustainability as recurring events. By working to break down and understand the event landscape relative to what our guests and community want, we can bring new events with less risk and greater potential to attract new, diverse groups.

We are looking into increasing the diversity of ticketed events to not only host large-scale concerts and sporting events, but also smaller and more intimate events as well. For example, one promoter has launched a non-traditional events business that encompasses smaller family/children events and book tours. We are one of the first football stadiums to have expressed strong interest in hosting these events and we believe that our strong relationship with the promoter may provide an opportunity to bring these events to Levi's Stadium in the future. We also have team members studying the feasibility and opportunity of other larger stadium events such as rugby, cricket, stadium golf, obstacle course racing, etc.

Furthermore, we will work to review the curfew policies with the City of Santa Clara and associated partners in order to align on an event calendar that is set up to host new, attractive events for the community. While there are several factors and aspects to the city curfew and associated policies, it will be critical to collaboratively develop a flexible event calendar that is attractive to the events and partners our collective community wants to bring to Santa Clara. The results of these efforts will be most clearly manifested in how many events are contracted and executed, along with lost or missed opportunities based on our policies and reputation in the entertainment industry.

Despite many restrictions and challenges in contracting, executing, and budgeting Major Events, our go-to-market strategy to actualize the three key initiatives above will help further the City of Santa Clara and venue's ability to keep new Major Events coming while working towards financial stability and consistent growth in event count and revenue.

Bid strategically and creatively: We are well-positioned with an established proposal framework, bid team, and drafting / execution process to bid on most stadium-relevant events that we believe will benefit the Stadium Authority and appeal to our community, increasing our opportunities to further develop our Major Events pipeline. While no proposals are the same, having the processes solidified with a framework to begin with and be executed by a trained department will help keep Levi's Stadium nimble in its non-NFL events business efforts and better adapt to new and / or immediate event opportunities. A new focus for the coming year will be reviewing and analyzing more opportunities to host different events, such as the Stadium Links event, that creatively leverage the Stadium and accommodating infrastructure. Expanding our event profile will not only help build out our event calendar, but also attract new audiences and guests to the venue.

Advertise and promote Major Events and NFL games and related activities: To help increase popularity, viewership, and demand for Major Events, the Stadium Manager expects to continue promoting Major Events at 49ers home games and related NFL activities. While this has been an effective strategy for past Major Events, such as Monster Jam and previous Coldplay concerts, the Stadium Manager will look to increase and prioritize promoting Major Events at NFL events, with the expectation of increasing a Major Event's demand while bringing new, diverse audiences to our non-NFL events. Furthermore, the Stadium Manager will increase efforts to capitalize on NFL activities as opportunities to promote

upcoming Major Events. These promotions at NFL Events, and on the exterior LED panels on Levi's Stadium, will need to be negotiated with the 49ers, and the costs of the promotions will be borne by the Major Events.

2. Leverage financial projections and ticketing data from past events to drive incremental revenue

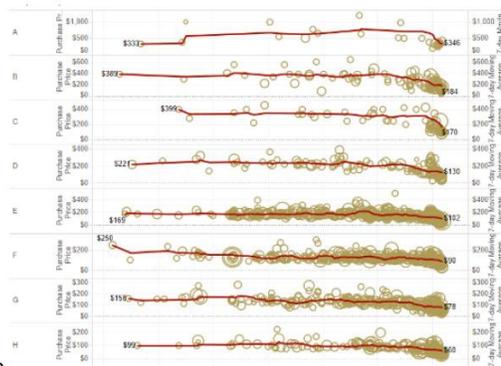
As the ticketing landscape and financial models behind sports and entertainment continue to change, we need to think of new ways to capitalize on high-demand products and events by tracking and monitoring the ticket marketplace with predictive analytics. With four successful previous years of hosting events we can leverage past results and key event metrics, including attendance, average ticket price (ATP), revenue per fan by event, number of new fans versus returning fans. Keeping our measurements tied to the revenue results of our events will provide the clearest indication of these effort's success and what elements of our strategy or initiatives need to be changed or improved moving forward.

Data-driven marketing campaigns: Similar to how we aim to apply the principles of A / B testing to determine optimum marketing strategies for Special Events, we will continue examining where fans go to learn about events, where they buy tickets, and what drives those actions in order to best market our events to fans and drive conversion. This concept is realized through a multitude of campaigns across email and social channels, especially Facebook. An iterative feedback loop will be instrumental in helping us continually improve our marketing strategy while learning what plans / campaigns work for different events, various target demographics, or other determining factors.

Dynamic Ticket Pricing: Applying dynamic ticket pricing as a common practice to all non-NFL events will help us better price ticketed events while allowing the venue to capture incremental revenue using predictive analytics of the secondary market. We have developed tools and dashboards similar to the following examples, which highlight secondary market activity and current sell-through rates for Stadium events.

Ticket prices relative to secondary market

Levi's Stadium view by percentage seats sold



Group Packages and Experiences: To help drive demand and attendance for events that are not anticipated sell-outs, we have several methods to incentivize group ticket purchases, strategic use of complimentary tickets, and additional hospitality or premium packages to drive additional revenue. Specifically, Levi's Stadium events can leverage Loaded Tickets, a virtual payment method that allows fans to spend money by using their ticket at the game, in order to drive group sales and increased event day per cap. Additionally, Levi's Stadium seeks to leverage other elements of the Stadium Manager's business, especially fan-facing departments (i.e. Fan Engagement and 49ers EDU) to tap into viable group ticket sale targets.

3. Enhance Fan Experience at Major Events

We have issued thousands of surveys to our guests and gathered have a great understanding of our fans' highlights and pain points. Based off this feedback, we are planning to enhance our food and beverage experience. Our intent is to upgrade concessions and club areas by adding 100+ additional pieces of equipment for all of our concession stands, customized signage across all concessions stands, and upgraded technology to create a seamless experience for our guests.

In addition, we recently introduced the Executive Huddle, a real-time data center designed to help staff identify and resolve attendee issues during all major events at Levi's Stadium. This custom solution is the first-of-its kind, and helps us provide all attendees with a better experience across a myriad of stadium functions: parking, ingress, restrooms, concessions, retail, premium spaces, and guest services. The Executive Huddle is especially valuable during non-NFL events, when a higher percentage of attendees are new to the stadium. It can be daunting to navigate a new stadium, but with the Executive Huddle, we can better service first-time attendees and provide the level of experience one might expect of a seasoned veteran.

Section in-review:

**Increase
relationship
with Major
Events**

**Leverage
data to
maximize
ATP and
Profits**

**Enhance
customer
experience**

Conclusion

We are confident that we have outlined a marketing plan and overall strategic approach that will continue to drive high-impact events and revenues for Levi's Stadium, but there are some additional risks and considerations we will need to address and work on with the SCSA Staff to ensure the Stadium Authority's success for years to come. Specific to costs, it will be important to continue working together with respect to changes / updates that may impact the venue. From a brand perspective, it will be important for all parties to collectively manage the venue's reputation, calendar availability, and event broadcasting as these three factors are significant in our efforts to bring high-impact events to the Stadium while attracting a wide variety of guests.

Appendix

The Life Cycle of a Special Event

The life cycle of a special event begins with a lead and ideally will end with a lead. Whether it be a social gathering, association event or corporate meeting, groups are constantly planning events to help grow their business and build a stronger community within their industry. After a group determines what the event will be and how much they would like to spend, the next step is deciding on a venue. The objective of the Levi's Stadium Event Sales team is to be front and center when clients search for a venue whether it be online, through a referral or by attending events. Below is a brief description of our sales process from start to finish.

1. Sales Leads - Inbound V. Outbound

- a. Source of Inbound Leads:
 - Website – Event Inquiry Form
 - Direct e-mail (listed on our website & marketing materials)
 - Phone call (listed on our website & marketing materials)
- b. Source of Outbound Leads:
 - Networking events
 - Cold calls (phone or in-person meeting)
 - E-mail (direct or e-blast)

2. Initial Sales Call – Qualifying a lead

- a. Once a lead is generated, the sales representative will qualify the lead, discussing the client's budget and event specifications
 - If the lead does not fit the minimum requirements or the specifications are beyond what the stadium can accommodate, the sales representative will keep the lead on a list of prospective clients and include them in future e-mail campaigns and outreach. There is always a potential for these clients to come back to Levi's Stadium in the future.
 - If the client's budget and event specifications meet the stadium's requirements, then the lead is qualified as a "hot lead" meaning it's likely to go to contract.

3. Proposal Phase – Sales calls & site visits

- a. After the lead has been qualified as a "hot lead," the sales representative will then continue conversations with the client, setting up additional calls as well as a stadium site visit. This is when the client has an opportunity to tour the event space and ask questions about logistics, layouts, space capabilities, food and beverage, AV, event add-ons and anything else they wish to discuss. The sales representative may also include an Event Manager, the Catering Sales Manager and the AV Manager on site visits if it benefits the client.
- b. Once the sales representative understands fully what the client is looking for and the event objectives, a proposal can be created which outlines the estimated event costs.
- c. This phase will likely include communication back and forth between the client and the sales representative, clarifying the costs in the proposal and making updates as needed.

4. Contract Phase

- a. Once a proposal is agreed on, the sales representative will generate a standard event contract to include the estimated event costs and payment schedule as well as insurance requirements and other policies and procedures related to hosting an event at the stadium.
- b. Once the contract is signed by both parties and a deposit is paid by the client, the event is confirmed and can move on to the next phase, event planning.

5. Event Planning Phase

- a. After the contract has been fully executed, the Sales Representative introduces the client to their assigned Event Manager who will act as the main point of contact through the end of the event.
- b. The Event Manager is responsible for assisting in all event logistics, menu planning, AV requirements, event add-ons and 3rd party vendors as well as managing the client's budget and coordinating with internal departments. There are many roles involved in planning and executing private events, therefore the purpose of the stadium Event Manager is to streamline communication and reduce unnecessary stress on the client's side.

6. Event Execution Phase

- a. On the day of the event, the Event Manager works closely with the Event Operations Coordinator and internal department leads to ensure all event details have been properly communicated. From event install to a pre-event operations meeting to opening doors, there is always someone on site with the client making sure last minutes updates and adjustments can be accommodated.
- b. At the conclusion of the event, either the Event Manager or the Event Operations Coordinator remains onsite until all guests, client staff and vendors have exited the building.

7. Post-Event Phase – Billing, Event Survey and Sales Outreach

- a. In the days following the event, the Event Manager collects all final costs and sends the client a final invoice, typically within 48 hours. In addition to the final invoice, the client is sent a link to a post event survey. The survey covers every phase of the event, from sales to event planning to final billing. The goal of the survey is to give clients an opportunity to provide honest feedback immediately following the event, which is then reported and reviewed with internal departments.

8. Final Phase - Sales Outreach

- a. In an effort to keep the process truly cyclical, the Sales Representative will then reach out to the client to setup a call to discuss future event opportunities. Whether this call happens immediately following the event or weeks/months later, the Sales Representative will keep the client on a "past buyer" list and will check in with the client periodically. We never know when the next event opportunity will arise so frequent and consistent sales outreach is imperative.

3/5/2020

item 1

Santa Clara Stadium Authority

*Draft 2020 Non-NFL Events Marketing Plan for Levi's® Stadium in
accordance with Section 4.10 of the Stadium Management
Agreement*



March 5, 2020
Item 1, RTC #20-272

1

Agenda

1. Review of draft 2020 Marketing Plan

- Data Metrics
- Agreement with Management Agreement
- Other Marketing Plan Items

2. Review of draft Proposed 2020/21 Stadium Authority Shared Expenses & Capital Budgets



2

2

POST MEETING MATERIAL

1

Marketing Plan

- Sets out business activity strategies for booking, marketing, operation, and managing, etc. the Stadium.
- Contextual for informing business decision and how to strategically proceed
- Must be mutually agreed to by both the Stadium Manager and the Stadium Authority
- Quality review and discussion is needed “at a bigger picture” because of the Stadium Manager’s poor financial performance

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Background

- Section 4.10 Marketing Plan in the Management Agreement between the Stadium Authority and ManCo, requires ManCo to develop a Marketing Plan for Non-NFL events for inclusion in the Stadium Operation and Maintenance Plan (SOMP) and mutual agreement of it by the Stadium Authority.

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Background

- Marketing Plan is required to include the Stadium Manager's plans to develop, implement and monitor marketing, booking, advertising and promotion of Non-NFL Events for the Stadium.
- ***Oversight and Monitoring & Data Driven Decisions*** -- ManCo committed to develop key performance indicators (KPIs) during the first quarter of FY 2018/19 but ultimately did not, despite significant support from Stadium Authority staff.

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Draft 2019 Marketing Plan

- On March 19, 2019, Stadium Authority staff transmitted ManCo's draft 2019 Marketing Plan to the Board.
- By this time, ManCo had already advised through the media that the projected revenues for FYs 2018/19 and 2019/20 would decrease significantly.
- With no KPI data and ManCo's report of their poor financial performance, the Stadium Authority did not approve the Marketing Plan.

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Impact on Non-NFL Event Revenue

- FY 2018/19 Q4 fiscal status report showed that Non-NFL event activities only generated \$18,591 in net revenue, reflecting a \$5.1 million loss in net revenue compared to FY 2017/18
- ManCo has already advised of similar results for this current fiscal year (FY 2019/20)
- For FY 2020/21, ManCo has only provided a “TBD” for its net Non-NFL event revenue.

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Key Issues with 2019 Marketing Plan

- Absence of KPIs and corresponding data for data-driven decisions
- No meaningful discussion regarding the Naming Rights Agreement requirement (36 “Major Events”) and lacking plan to meet the minimum goals
- Significant decrease in projected net revenue for FY 2018/19 Non-NFL events and NO strategies to mitigate more losses
- Lack of explanation of how ManCo’s business practices, e.g., booking so many money-losing events and various giveaways, was strategically profitable and commercially reasonable, within the fiscal context

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Draft 2020 Marketing Plan

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Key Considerations

- ManCo is required as fiduciaries under the Management Agreement to act in the Stadium Authority's sole best interest.
- With anticipated three FYs of poor financial performance, ManCo should have responsibly proposed how to restore financial viability for the Stadium Authority and a "turnaround" strategy.
- Stadium Authority's draft 2020 Marketing Plan was reviewed and considered against:
 1. Data Results,
 2. Alignment to Management Agreement provisions, and
 3. Other Key Information.

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Marketing Plan Data Results

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Marketing Plan – *Booking and Financial Performance*

- In absence of KPI data committed to by ManCo, Stadium Authority has staff compiled several key charts with data that reflects ManCo's performance with Non-NFL events.
- The following charts illustrate how ManCo ended FY 2018/19 and their overall management of Non-NFL events based on their existing Marketing Plan strategies and practices.

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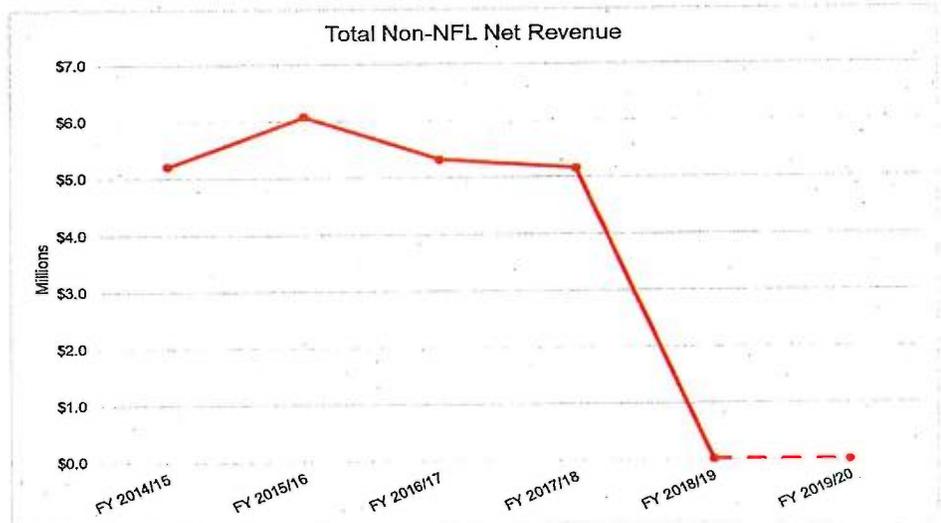
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Total Non-NFL Net Revenue, FYs 2014 – 2020

- Since FY 2015/16, total Non-NFL net revenue has declined year after year.
- Total Non-NFL net revenue dropped most significantly from FY 2017/18 to FY 2018/19, reflecting a \$5.1 million decrease.



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Marketing Plan – Booking and Financial Performance

- The trend is expected to continue since there is no net revenue proposed, just a “TBD”, by ManCo for FY 2020/21.
- The sum of these data demonstrate that both the Stadium Authority and City of Santa Clara make no revenue from ManCo’s booking and operations of Non-NFL events.

Net General Fund Impact

For Stadium Authority Fiscal Year to Date Ending March 31, 2019

Ground Rent	\$	320,000
Performance Rent		-
Senior and Youth Fee		227,933
Tasman Lots Parking Fee		23,645
Sales Tax		619,224
Total Net General Fund Impact		\$ 1,190,802

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Marketing Plan – Booking and Financial Performance

- 75% of ticketed events are money-losers, 9 out of 12 events lost money or made zero revenue for the Stadium Authority.
- ManCo spent \$43.9 million to make \$41.3 million.
- ManCo's sudden booking of second day concert and multi-year Non-NFL football events are bad booking decisions for the Stadium Authority.
- Even soccer games, which were once profitable, have now begun to lose the Stadium Authority money.

2018/19 Ticketed Non-NFL Events Revenue and Expenditure Summary In Millions \$

Ticketed Events	Revenue	Expenses	Net
Monster Jam	1.4	1.6	(0.2)
Taylor Swift Tour Day 1	5.1	6.9	(1.8)
Taylor Swift Tour Day 2	10.5	7.8	2.7
Stadium Links	0.1	0.0	0.0
Manchester United vs Earthquakes	1.6	1.9	(0.3)
ICC: Barcelona vs AC Milan	4.4	4.0	0.4
High School Football Series	0.1	0.1	0.0
Jay-Z/Beyonce	8.4	7.9	0.5
SJSU vs Army	0.2	0.4	(0.2)
Pac-12	1.3	4.0	(2.7)
Redbox Bowl	4.6	5.2	(0.6)
Mexico vs Paraguay	3.6	4.1	(0.5)
Events to date	41.3	43.9	(2.6)



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Marketing Plan – Booking and Financial Performance

Net Revenue for Non-NFL Events by Event Type as of March 31, 2019

EVENT TYPE	2014/15		2015/16		2016/17		2017/18		2018/19	
	No. of Events	Net Revenue								
Ticketed Events										
Concerts	0	\$ -	7	\$ 3,791,985	4	\$ 2,424,572	2	\$ 1,819,099	3	\$ 1,438,848
Sporting events:										
Football (non-NFL)	5	(3,007,907)	4	(2,316,903)	4	(2,946,165)	4	(3,601,827)	4	(3,437,297)
Soccer	2	3,948,144	2	891,300	5	2,414,209	3	3,228,754	3	(267,981)
Miscellaneous events	2	2,504,912	4	(149,392)	5	(159,175)	4	76,379	2	(67,502)
Subtotal Ticketed Events	9	\$ 3,445,149	17	\$ 2,216,989	18	\$ 1,733,441	13	\$ 1,522,405	12	\$ (2,333,932)
Special Events (weddings, corporate events, etc.)	186	\$ 1,782,404	204	\$ 3,862,027	127	\$ 3,583,463	113	\$ 3,640,924	100	\$ 2,352,523
Total Non-NFL Net Revenue	195	\$ 5,207,563	221	\$ 6,079,016	145	\$ 5,316,894	126	\$ 5,163,329	112	\$ 18,591
Total Performance Rent paid to the General Fund		\$ 2,613,777		\$ 2,932,008		\$ 2,533,447		\$ 2,439,164		\$ -



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Marketing Plan – *Booking and Financial Performance*

- Year after year, Non-NFL football events have lost over **\$15 million** for the Stadium Authority.
- Special Events have consistently generated revenue for the Stadium Authority, but their numbers have declined since FY 2015/16.
- The amount of total performance rent paid to the General Fund has also decreased year after year since FY 2015/16.
- There was zero performance rent paid to the General Fund in FY 2018/19.

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“Business as Usual” Approach

- Based on this data, any business can reasonably require a “turnaround” strategy and ManCo’s absence of one should concern the Board.
- ManCo should explain how it is commercially reasonable to continue with these business practices.
- Shallow strategies to drive up Non-NFL event bookings:
 - LinkedIn site
 - Proposed quarterly newsletter

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Alignment to Management Agreement Provisions

Some Relevant Management Agreement Provisions

1. Notify, Section 2.6.20
2. Standard of Care, Section 2.9
3. Marketing Plan, Contracting Authority, Section 3.2
4. Quarterly Status Meetings, Section 3.3

Duty to Promptly Disclose

- Section 2.6.20 (“Notify”) in the Management Agreement requires that ManCo notify the Stadium Authority of **any expected material variations from budgeted line item revenues and/or expense projections as promptly as is practicable** after the Stadium Manager becomes aware of such likely variations.
- Despite \$2.4 million of increasing expenses in FY 2018/19, ManCo did not take any action to formally advise the Board of increased expenditures projections.
- ManCo should proactively and timely disclose any financial matters that enable the Board to make sound financial decisions.

Standard of Care

- Section 2.9 (“Standard of Care”) in the Management Agreement requires ManCo to:
 1. Maintain the Stadium in required condition and operate it as a quality facility,
 2. Control Manager Operating Expenses, and
 3. Maximize operating revenues.
- The draft 2020 Marketing Plan does not reflect an urgency and effort on ManCo’s part to meet these three requirements.

Standard of Care Cont'd

- During FY 2019/20, City staff discovered that ManCo was not maintaining the Stadium in the required safe condition. Examples include:
 - Failure to maintain a certified Stadium Fire Alarm System for months, which is state required
 - Failure to control Manager Operating Expenses
 - Failure to Maximize Operating Revenue

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Marketing and Booking Requirements

- Section 3.2 (“Marketing Plan; Contracting Authority”) in the Management Agreement makes clear that ManCo’s work is done **“on behalf of the Stadium Authority only (not StadCo), (a) the Stadium Manager shall use commercially reasonable efforts, consistent with the Marketing Plan, to market, promote, schedule and book Non-NFL Events and other activities at the Stadium.”**
- However, the contract terms that ManCo enters into have resulted in significant losses to the Stadium Authority.
- Additionally, ManCo’s own documents have surfaced concerns about their questionable business practices of not working exclusively for the Stadium Authority when booking Non-NFL events.

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Example: Redbox Bowl

- The December 2019 discussions revealed that ManCo's actions directly conflicted with Section 3:
 - Negotiated contracts on behalf of the Stadium that resulted in more losses and potential self-dealing by President Al Guido. Contract's redacted sections were financial commitments made to StadCo by ManCo by President Al Guido (who acted obo of parties).
 - Several terms that were committed to by ManCo, on the part of the Stadium authority that lowered profitability (e.g. room night stays at a top-of-the-line downtown San Francisco hotel, complimentary meals and gifts to each participant, courtesy vehicles, etc.)



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	12/30/2014 Foster Farms Bowl	12/26/2015 Foster Farms Bowl	12/26/2016 Foster Farms Bowl	12/30/2017 Foster Farms Bowl	12/31/2018 RedBox Bowl	Totals
Revenue						
Seating Bowl Revenue	2,229,000	600,158	1,749,344	1,709,883	2,106,960	8,395,345
TM Fees	33,885	26,318	15,876	20,403	31,609	127,893
Suite Revenue	60,379	90,834	26,759	51,382	58,426	287,779
F & B Revenue	146,907	158,572	90,072	102,043	147,527	644,522
Parking Revenue	155,393	138,130	59,760	66,005	97,073	516,361
Rental / Guarantee						
Sponsorship			1,332,125	496,600	499,800	2,828,525
Merchandise		1,096	21,378	16,551	11,402	50,427
Other Revenue		7,000	1,666,524	1,628,368	1,658,827	4,960,718
Total Revenue	2,624,965	1,021,907	4,961,838	4,091,234	4,611,625	17,311,570
Expenses						
Guest Service Representatives	60,541	78,979	57,361	30,513	59,024	286,419
Public Safety Cost	171,161	163,416	156,643	110,560	326,096	927,876
Security	142,201	131,060	113,802	58,266	104,234	549,562
Janitorial / Maintenance	88,483	107,097	98,391	81,527	10,164	385,661
Field Conversion / Replacement	15,280	10,619	4,413	3,387	840	34,538
Other Stadium Operations	30,693	27,303	23,814	35,155	92,023	208,987
Utilities	20,518	15,324	20,658	20,544	19,368	96,412
Other Gameday Staff	25,913	57,614	118,887	74,377	179,425	456,216
Transportation	25,958	25,573	(2,429)	26,895	21,238	97,236
Parking Operations	149,630	164,686	148,866	91,034	151,318	705,535
Parking - 3rd Party Lot Rentals		13,759	1,071	1,601	(6,653)	9,778
Credit Card Fees	1,236	9,795	5,633	3,616	710	20,990
Catering	59,940	9,281	86,213	36,039	87,388	278,862
Partner Payments & Guarantees	2,143,404	412,939	3,615,000	3,600,000	3,602,535	13,373,878
Ticket Sales Commissions	24,975	7,292	7,315	1,779	3,597	45,157
Marketing Expense	7,998	11,087	137,068	105,666	108,500	370,320
Bowl Committee Expenses			456,023	441,253	397,554	1,294,830
Partner Reimbursement			(65,026)	(77,658)		(142,684)
Total Expenses	2,967,932	1,245,822	4,983,901	4,644,556	5,157,362	18,999,573
Net Profit/(Loss)	(342,967)	(223,915)	(22,063)	(553,322)	(545,737)	(1,688,003)

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Title Sponsorship Agreement



ARTICLE 8. SPONSORSHIP FEES.

8.1 Sponsorship Fees. In consideration for the rights granted to Sponsor in this Agreement by the Forty Niners, Sponsor shall pay the Forty Niners annual sponsorship fees (the "Sponsorship Fees") in the following amounts on or before the following dates:

Amount	Date Due
\$ [REDACTED]	October 1, 2018
\$ [REDACTED]	January 7, 2019
\$ [REDACTED]	July 7, 2019
\$ [REDACTED]	January 7, 2020
\$ [REDACTED]	October 1, 2020
\$ [REDACTED]	January 7, 2021

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Stadium Venue Use Agreement

Exhibit A-2: Bowl Hospitality Requirements

2. Hotels.

- a. Each Event Partner shall require its respective Participant to arrive four days prior to the Event and utilize at least Six Hundred (600) room nights at the team hotel designated by Stadium Manager with a four-night stay (five-night stay optional) with rates not to exceed One Hundred and Sixty-One Dollars and Seventy Cents (\$161.70), plus tax, in 2016 (escalating at a maximum of four percent per year during the Term) per night per room, at a downtown San Francisco, top-of-the-line hotel. The Participants shall have the option of staying at a hotel at or near Santa Clara the night before the Event. The Pac-12 Conference official hotel and the Big Ten Conference official hotel shall each be a premier San Francisco property.
- b. Five Hundred (500) additional team, official party, and fan room nights at rates not to exceed One Hundred and Sixty-One Dollars and Seventy Cents (\$161.70), plus tax, in 2016 (escalating at a maximum of four percent per year during the Term) per night per room will be made available to and at the option of the participating institutions. Stadium Manager shall make best efforts to secure lower room rates.
- c. In no event shall the room rate under Sections 2.a.-b. exceed \$175.00, plus tax, during the Term.
- d. Each Event Partner shall require its Participant to have its pep band arrive at least two days prior to the Event and the Participant shall be provided rooms at a maximum of One Hundred and Forty-Three Dollars (\$143.00), plus tax, in 2018, (escalating at a maximum of four percent per year during the Term) per night for either double, triple, or quadruple rooms.
- e. Each Event Partner shall receive Three (3) complimentary hotel suites at the team hotel.
- f. Team meeting space shall also be provided at the team hotel at no charge.
3. Meals. Stadium Manager shall cause Three (3) complimentary meals to be provided to each Participant between the date the Participants arrive for the Event and the day following the Event. Example of one meal would be the official Team Party for One Hundred and Twenty-Five (125) guests with the time and location to be determined by Stadium Manager.
4. Vehicles. Each Participant shall receive Four (4) courtesy vehicles for use during the official party stay to be supplied by Stadium Manager, and in addition, Stadium Manager shall make available One (1) additional car and a driver to each of the Pac-12 Conference and the Big Ten Conference to transport members of the respective conference institution's official party to official functions of Stadium Manager.
5. Gifts. Stadium Manager shall provide on a complimentary basis One Hundred and Twenty-Five (125) team/player/official party gifts to each Participant at a value that should be at, but not exceed, the applicable NCAA limit for such year.
6. Practice Facilities. Stadium Manager shall provide practice facilities to each Participant and band at no cost and at a location determined by Stadium

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Marketing Plan – *Booking and Financial Performance*

- Section 3.2 requires that ManCo “shall use commercially reasonable efforts, consistent with the Marketing Plan,”.
- Inadequate explanation of how ManCo’s practice of money-losing ticketed events, costly contract terms, existing business practices (that are in violations of state and local laws), etc. are advantageous marketing strategies and commercially reasonable.
- Redbox Bowl provides illustrates why both data and the quality of contract negotiations are important for the Marketing Plan.
- A “business as usual” Marketing Plan provides no assurance that these actions will be terminated.
- This is just one example, the extent is unknown. Stadium Authority has asked for event contracts but has not received all of them.

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Disclosure and Reporting “Without Limitation”

3.3 Quarterly Status Meetings. The Stadium Manager and the Executive Director shall, at the request of the Executive Director, at a mutually convenient time meet and confer no less than quarterly during the Term of the Management Agreement to report on the status of the approved Marketing Plan, including, without limitation, **the status of Stadium Manager’s marketing and promotional efforts, the status of any ongoing negotiations with respect to Non-NFL Events, financial performance and other matters relating to past Non-NFL Events,** development of the Marketing Plan for the succeeding fiscal year, and such other similar or other topics as the Stadium Authority may request. In addition, ... **the Stadium Manager shall furnish the Executive Director, within 45 days of each Non-NFL event with attendance projected to exceed 25,000 and on a quarterly basis for all other events,** such as written revenue or reports relating to Non-NFL Events as the Parties may agree from time to time.

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Disclosure and Reporting “Without Limitation”

- Stadium Authority continues to learn of events through the media. Executive Director has requested event contracts and ManCo has not complied with requests.
- ManCo has been delayed on numerous occasions with providing the required “45 day reports”.
- ManCo’s actions impair Stadium Authority’s ability and monitor ManCo’s booking and financial performance.

Other Key Information

Reoccurring Issues

- The draft 2020 Marketing Plan reflects many of the same issues that were previously highlighted for the 2019 Marketing Plan:
 - Poorly gauges the seriousness of ManCo's poor financial performance, arising from their marketing, booking, and operations of Non-NFL events.
 - Misleading reference of high volume of activity, but does not mention the financial quality of that activity.
 - Does not mention the Naming Rights Agreement requirement to hold at least 36 Non-NFL "Major Events" every three contract years nor includes plan to meet this requirement in the future.

"Turnaround" Strategy Needed

Unless a dramatic financial "turnaround" strategy is presented or a valid explanation for how this continued performance is commercially reasonable, the Stadium Authority staff cannot recommend investment in or approval of the 2020 Marketing Plan.

ManCo should explain how continuing their booking and financial performance is commercially reasonable, compliant with the law, and ensures that the Board's approval is not in support of state laws regarding self-dealing, public procurements, etc.

Recommendation to the Board

Stadium Authority Board Discussion and possible action on ManCo's draft 2020 Marketing Plan.



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FY 2019/20 Ticketed Non-NFL Events Performance to Date

- Important Note: All Revenue and Expenses presented includes actual data known to date, but is not complete. Invoices and other expense data are periodically updated as actual amounts become known. As such, the Net revenue amounts will change and are not final until all event Revenue and Expenses are known.

In Millions \$

Ticketed Events	Revenue	Expenses	Net
Monster Jam	1.6	2.0	(0.4)
Wedding Fair	0.0	0.0	0.0
USWNT vs South Africa	0.3	0.1	0.2
ICC: Chivas vs Benfica	1.2	1.4	(0.2)
Rolling Stones	11.3	10.5	0.8
High School Football Series	0.1	0.1	0.0
Pac-12 Championship	3.1	5.3	(2.2)
Redbox Bowl	4.5	4.5	0.0
Events to date	22.1	23.9	(1.8)

Attachment 4

Annual Public Safety Budget

Stadium Management Company
Annual Public Safety Budget
FY 2020

	<u>Amount</u>	<u>Footnote</u>
Public Safety Costs - Tenant (NFL Events)	\$ 3,824,309	1
Public Safety Costs - Authority (Non-NFL Events)	\$ 1,190,317	2
Public Safety Capital Expenditures (2020/21 Budget)	\$ 2,557,115	3
Public Safety Capital Expenditure Amortization	\$ 232,437	3
Tenant's Estimated Public Safety Share	\$ 166,027	3
Public Safety Capital Expenditure Amortization (prior years)	\$ 81,413	4

Footnotes to Schedule:

1 Assumes 10 home games. PSC above the threshold may be paid from the Discretionary Fund per Section 7.5.3 (a). StadCo budget for 2020-21 is based on projected 2020 PSC for 10 NFL games, based on an estimated 4% increase vs. 2019-20 actuals (still missing charges for multiple games from the 2019 season).

2 The proposed non-NFL event PSC budget is based on the number and type of non-NFL events scheduled to date for the 2020-21 fiscal year, and an estimated 4% increase vs. 2019-20 actuals (still missing charges for events in 2019).

3 The Stadium Manager has received Public Safety Capital Expenditure requests from the SCSA Finance Director in January 2020 for the 2020-21 fiscal year totaling \$2,557,115. This includes \$1,499,034 of carryover requests for items approved in prior Capital Expenditure Plans. Please see the 2020-21 Capital Expenditure Plan for more detail.

4 Public Safety Capital Expenditure amortization for prior years is reflected above.

Stadium Public Safety Capital Expenditure Requests

Equipment ¹	Dept. (carryover)	Depr. Life	Quantity	FY17/18	FY18/19	FY19/20	FY20/21
Kubota 4x4 gas powered UTV ambulance	Fire	10	1	\$ 15,922			
Kimtech MTD-103 Advanced (med cart upgrade)	Fire	10	1		\$ 8,382		
Physio-Control LIFEPAK (monitor/defibrillator)	Fire	5	2		\$ 30,810		
ZOLL AutoPulse System (cardiac arrest system)	Fire	5	2		\$ 31,101		
Kawasaki Pro-FXT LE Black Mule #1	Police	10	1		\$ 15,738		
Kawasaki Pro-FXT LE Black Mule #2	Police	10	1		\$ 17,209		
Kawasaki Pro-FXT LE Black Mule #3	Police	10	1		\$ 17,209		
Handheld Radios	Police	5	20		\$ 50,980		
Command Post Dispatch System (related to CAD)	Police, IT	5	1		\$ 189,931		
Portable Changeable Message Boards	Carryover	10	1			====>	\$ 1,000,000
Portable License Plate Reader/PTZ Cameras	Carryover	5	4			====>	\$ 160,000
GPS Personnel Tracking Software & Devices	Carryover	5	100			====>	\$ 25,000
Body Worn Cameras	Carryover	5	250			====>	\$ 150,000
Public Safety Command Post Dispatch System	Carryover	5	1			====>	\$ 94,034
Stadium Vehicles (Gator & Kubota) Upfits	Fire	10	1				\$ 9,000
Storage Conex Garage for Apparatus	Fire	10	1				\$ 12,416
Heavy Lift Kit	Fire	10	1				\$ 51,913
Radiation Detector	Fire	10	1				\$ 21,500
Rope Rescue Gear Kit	Fire	10	1				\$ 31,500
MCI Trailer	Fire	10	1				\$ 120,000
2-way CAD/24-7 Link	Police	5	1				\$ 150,000
Radios	Police	5	18				\$ 79,000
Mobile Vehicle Barricades	Police	10	8				\$ 345,929
Stadium Personal Protective Equipment	Fire	3	1				\$ 60,000
Motorola Earpieces	Fire	5	25				\$ 1,000
Motorola APX 6000 Radio/Charger/Battery	Fire	5	1				\$ 4,600
Battery Charging Pack for JHAT Crew	Fire	5	1				\$ 72
Radio Chargers	Police	5	3				\$ 3,000
Radio Batteries	Police	3	188				\$ 15,514
Dispatch Monitors	Police	5	16				\$ 8,000
Safety Gear for SEOs & TCs	Police	2	195				\$ 7,000
EOD Blankets/Water Barrier	Police	5	1				\$ 12,637
Bicycles	Police	5	10				\$ 25,000
Pedestrian Safety Fencing	Police	20	1				\$ 100,000
Fencing on Tasman & Lafayette	Carryover	20	1				\$ 70,000
Total:				\$ 15,922	\$ 361,360	\$ 0	\$ 2,557,115

Notes:

1 Five year Useful Life of Equipment unless otherwise noted.

Stadium Public Safety Asset Depreciation Expense

Equipment	Placed in Svc Date	Est?	Useful Life	FY 2017/18 Depreciation	FY 2018/19 Depreciation	FY 2019/20 Depreciation	FY 2020/21 Depreciation
Kubota 4x4 gas powered UTV ambulance	4/1/2018		10	\$ 0	\$ 1,592	\$ 1,592	\$ 1,592
Kimtech MTD-103 Advanced (med cart upgrade)	6/1/2018		10	\$ 0	\$ 699	\$ 838	\$ 838
Physio-Control LIFEPAK (monitor/defibrillator)	3/15/2019		5	\$ 0	\$ 514	\$ 6,162	\$ 6,162
ZOLL AutoPulse System (cardiac arrest system)	3/15/2019		5	\$ 0	\$ 518	\$ 6,220	\$ 6,220
Kawasaki Pro-FXT LE Black Mule #1	1/7/2019		10	\$ 0	\$ 393	\$ 1,574	\$ 1,574
Kawasaki Pro-FXT LE Black Mule #2	1/7/2019		10	\$ 0	\$ 430	\$ 1,721	\$ 1,721
Kawasaki Pro-FXT LE Black Mule #3	3/15/2019		10	\$ 0	\$ 143	\$ 1,721	\$ 1,721
Handheld Radios	9/1/2018		5	\$ 0	\$ 5,948	\$ 10,196	\$ 10,196
Command Post Dispatch System (related to CAD)	3/15/2019		5	\$ 0	\$ 3,166	\$ 37,986	\$ 37,986
Portable Changeable Message Boards	10/1/2020	estimate	10	\$ 0	\$ 0	\$ 0	\$ 45,000
Portable License Plate Reader/PTZ Cameras	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 16,000
GPS Personnel Tracking Software & Devices	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 2,500
Body Worn Cameras	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 15,000
Public Safety Command Post Dispatch System	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 9,403
Stadium Vehicles (Gator & Kubota) Upfits	10/1/2020	estimate	10	\$ 0	\$ 0	\$ 0	\$ 450
Storage Conex Garage for Apparatus	10/1/2020	estimate	10	\$ 0	\$ 0	\$ 0	\$ 621
Heavy Lift Kit	10/1/2020	estimate	10	\$ 0	\$ 0	\$ 0	\$ 2,596
Radiation Detector	10/1/2020	estimate	10	\$ 0	\$ 0	\$ 0	\$ 1,075
Rope Rescue Gear Kit	10/1/2020	estimate	10	\$ 0	\$ 0	\$ 0	\$ 1,575
MCI Trailer	10/1/2020	estimate	10	\$ 0	\$ 0	\$ 0	\$ 6,000
2-way CAD/24-7 Link	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 15,000
Radios	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 7,900
Mobile Vehicle Barricades	10/1/2020	estimate	10	\$ 0	\$ 0	\$ 0	\$ 17,296
Stadium Personal Protective Equipment	10/2/2020	estimate	3	\$ 0	\$ 0	\$ 0	\$ 10,000
Motorola Earpieces	10/3/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 100
Motorola APX 6000 Radio/Charger/Battery	10/4/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 460
Battery Charging Pack for JHAT Crew	10/5/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 7
Radio Chargers	10/6/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 300
Radio Batteries	10/7/2020	estimate	3	\$ 0	\$ 0	\$ 0	\$ 2,585
Dispatch Monitors	10/8/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 799
Safety Gear for SEOs & TCs	10/9/2020	estimate	2	\$ 0	\$ 0	\$ 0	\$ 1,748
EOD Blankets/Water Barrier	10/10/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 1,263
Bicycles	10/11/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 2,499
Pedestrian Safety Fencing	10/1/2020	estimate	20	\$ 0	\$ 0	\$ 0	\$ 2,500
Fencing on Tasman & Lafayette	10/1/2020	estimate	20	\$ 0	\$ 0	\$ 0	\$ 1,750
Total:				\$ 0	\$ 13,403	\$ 68,010	\$ 232,437

\$0 \$13,403 \$68,010 \$232,437

Events w/Attendance >20k	FY17/18	FY18/19	FY19/20	FY20/21
NFL (StadCo) Events	10	10	12	10
SCSA Events	10	9	5	4
Total Events	20	19	17	14
StadCo Proportion	50%	53%	71%	71%
SCSA Proportion	50%	47%	29%	29%
StadCo Depreciation Split	\$ 0	\$ 7,054	\$ 48,007	\$ 166,027
SCSA Depreciation Split	\$ 0	\$ 6,349	\$ 20,003	\$ 66,411

Stadium Authority Board Budget Policy

The Santa Clara Stadium Authority (Stadium Authority) has a responsibility to the Santa Clara community, its financing agencies, the Forty Niners Stadium Management Company (ManCo), and other stakeholders to manage the Stadium finances wisely and with transparency and to plan for the provision of services desired by, and in the best interest of, the public.

The Proposed Operating, Debt Service, and Capital Budget for the Stadium Authority is developed as required in the Stadium Authority Management Agreement, Section 4.6: Annual Operating Budget. The budget provides the necessary funding to administer the duties of the Stadium Authority, including:

- Funding for operating the Stadium for Non-NFL events through ManCo.
- Advancement of the FY 2020/21 Work Plan;
- Payment of debt service obligations; and,
- Maintenance of a five-year capital plan.

Through the Management Agreement, ManCo is held to a Standard of Care as outlined in Section 2.9 of the Management Agreement, which states:

2.9 Standard of Care. Subject to the limitations set forth in this Agreement, the Budget, and the Stadium Lease, the Stadium Manager shall exercise prudent, commercially reasonable good faith efforts in managing and operating the Stadium in accordance with the terms hereof so as to (a) maintain the Stadium in the Required Condition and operate the Stadium as a quality NFL and multi-purpose public sports, public assembly, exhibit and entertainment facility, to a standard of quality comparable to other similar facilities (except that the parties recognize that portions of the Stadium may be in need of capital upgrades); (b) control Manager Operating Expenses, StadCo Operating Expenses and Stadium Authority Operating Expenses; and (c) maximize Operating Revenues.

This policy is designed to provide standards for financial decision-making consistent with applicable law, agreements, and debt covenants and establish parameters for directing the financial affairs of the Stadium.

This policy is meant to be dynamic and is subject to change as the needs arise or when additional information is available. All amendments will be approved by the Stadium Authority Board (Board) at a public meeting.

A. Budget Objectives:

1. Ensure proper governance and accountability as reflected in the annual budget.
2. Identify needs of the community, ManCo, and key stakeholders (such as Stadium Builder License holders/season ticket holders, fans, and event attendees).
3. Inform and communicate clearly and thoroughly to the community as a whole the Stadium Authority's fiscal position and budget schedule/hearings to actively

- participate in the Stadium Board's budget deliberations.
4. Align the budget with Stadium Authority Board priorities and duties, as proposed by the ManCo, Stadium Authority staff, and/or Board members.
 5. Identify and budget the resources required to perform services and accomplish policy objectives.
 6. Ensure the long-term upkeep and maintenance of the Stadium.
 7. Set standards to measure, monitor, and evaluate the Stadium Authority's accomplishment of budget objectives and expenditure of appropriations:
 - Quarterly Financial Reports
 - Annual Budget Review and Adoption
 - Annual Financial Statements
 8. Focus on business process redesign in order to improve productivity and quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, simplifying, reorganizing functions, and reallocating resources).

B. Budget Policy Statements:

1. Stadium Authority Staff will submit a structurally balanced budget (revenues will equal or exceed expenses) for Stadium Authority Board approval to cover annual debt requirements and operating and maintenance expenses. If a structural imbalance occurs, a plan will be developed and implemented to correct the imbalance.
2. Stadium Authority Executive Director will submit the annual proposed budget to the Board in compliance with the relevant provisions of the Stadium Management Agreement in late February/early March for Board review and public input and the Board will adopt the annual budget before March 31st of each year.
3. The Stadium Authority Budget will comply with all local, including Measure J, State, and Federal legal requirements.
4. The Stadium Authority Budget will provide for adequate maintenance and repair of capital and equipment for the Stadium:
 - a. An annual capital budget will be prepared and approved by the Board as part of the annual budget.
 - b. A five-year capital plan will be prepared and updated annually. The plan will prioritize all anticipated capital projects.
5. The Stadium Authority will maintain a budgetary control system to ensure adherence to the budget and will use a budget/encumbrance control system to ensure proper budgetary control. Budgetary appropriation control for expenditures shall be at the fund level.
6. Stadium Authority staff will prepare quarterly reports comparing actual revenues and expenses to budgeted amounts.
7. Stadium Authority staff will bring forward budget amendments for Board consideration during the year in order to address unanticipated needs, emergencies, or compliance with Stadium agreements.
8. The Stadium Authority Budget will be prepared using the accrual basis.
9. The Stadium Authority Treasurer is responsible for coordinating the overall preparation of the Stadium Authority's budget and analyzing its content, reflective

of expenses for operations of ManCo and Stadium Authority staff, debt requirements, and capital expenses.

- **Budget Development Process:**

The Stadium Authority Treasurer is responsible for coordinating the overall preparation of the Stadium Authority's budget and analyzing its content. The goal of each budget development process is that the Budget is presented to the Board and the public at one Study Session and one Public Hearing before its final approval of the annual budget. The following are key steps to the budget development process:

1. In November of each year (or before), Stadium Authority staff will meet with the ManCo and develop the annual budget development plan which includes the date that the ManCo will provide all necessary documents as required by the Stadium Lease and Stadium Management Agreement.
2. No later than ~~January of each year (date as determined at the November meeting referred to above)~~, 45 days prior to the start of the upcoming fiscal year, the ManCo will provide annual documents as outlined in the Stadium Agreements, which will be used in the Budget Development Process.
 - Stadium Operations and Management Plan (*Source: Stadium Management Agreement*)
 - Annual Shared Expense Budget w/ Five Year Projection (*Source: Stadium Management Agreement*)
 - Annual Stadium Operations Budget (*Source: Stadium Management Agreement*)
 - Annual Public Safety Budget (*Source: Stadium Management Agreement*)
 - Capital Expenditure Plan with Five Year Projection (*Source: Stadium Management Agreement*)
 - Non-NFL Event Marketing Plan (*Source: Stadium Management Agreement*)
3. Stadium Authority staff will fully analyze the ManCo's budget submission including but not limited to the number of FTEs recommended and related personnel costs; line item recommended expenses; and strategic focus of recommended resources using various tools such as historical expense analysis, incremental increases, and base budget review.
4. Stadium Authority staff will calculate the budget for Stadium Authority General and Administrative costs (such as staff costs, consulting, audit, legal, and any reasonable and necessary expenses to uphold its support of the Board).
5. Stadium Authority staff will calculate any necessary funding to be used for the Stadium Authority's Discretionary Fund.
6. Stadium Authority staff will compile a draft budget incorporating the items provided by the ManCo (see step 2 on the previous page) and calculated by staff and will submit the document to the Stadium Authority Board at a Study Session or Public Hearing for review and seeking input from the public and the Board.
7. Prior to March 31st, staff will submit the proposed Annual Stadium Authority Budget to the Board for final approval.

Stadium Authority Compliance and Management Policy

This policy sets the framework for compliance of the mandates of *The Santa Clara Stadium Taxpayer Protection and Economic Progress Act* (Measure J), passed by the voters of the City of Santa Clara in June 2010 and the management of Levi's Stadium (Stadium). Measure J was the legislation that approved the development on City-owned land of a Stadium suitable for the exhibition of professional football games and other event subjects, however, to the binding requirements set forth in Measure J to safeguard the City's General and Enterprise Fund and protect City taxpayers. Measure J was enacted for the following purposes:

1. Generate New Revenue for Santa Clara
2. Create New Jobs
3. Provide Taxpayer Protections
4. Generate Community Funding

To ensure that Levi's Stadium (Stadium) operates within the boundaries of Measure J and that the Stadium is managed effectively, the Stadium Authority Board (Board) established the following Board priority in January 2017:

- *Ensure Compliance with Measure J and Manage Levi's Stadium*

The Board is committed to complying with the regulations of Measure J and governance of the Stadium Authority and its activities through the below framework:

- Oversight – effective management of the Stadium
- Commitment – to the citizens of Santa Clara to protect the community and safeguard the City's General Fund
- Compliance – with Measure J and various Stadium agreements
- Transparency – to provide information required for decision making
- Communication – to keep the public informed of issues related to the Stadium
- Adequate Resources – to maintain the necessary resources, including staffing, to effectively manage the Stadium
- Enforcement – to require that Stadium contracts and agreements are accurately followed
- Monitoring – perform compliance and financial audits by both internal and external auditors
- Corrective Action – audit report of all findings which will require a written response to any non-compliant finding

Stadium Authority Board decisions must be aligned to the voter approved Measure J legislation and evaluation of this initiative must be reviewed against the purpose for which Measure J was established. The intent of the above framework is to provide transparency of conventional activities that the Stadium Authority will engage in to ensure Measure J compliance.

Attachment 7

February 25, 2020 Stadium Authority
Budget
Submittal Questions
and
March 11, 2020 and March 18, 2020
ManagementCo Responses to
Questions



February 25, 2020

Mr. Scott Sabatino, Chief Financial Officer
Forty Niners Stadium Management Company LLC
4900 Marie P. DeBartolo Way
Santa Clara, CA 95054

SUBJECT: Stadium Authority (SCSA) Budget

Dear Mr. Sabatino:

We are in receipt of the budget submittal provided on February 14, 2020. After having reviewed your submittal, we have comprised the attached 1) Budget Questions on SCSA CapEx Budget Submittal and 2) Budget Questions on SCSA Operating Budget Submittal.

Section 4.6 of the Management Agreement states that the Stadium Manager will prepare an annual operating budget for the Stadium for each Fiscal Year (the "Stadium Operations Budget") to meet the scope of services and objectives under this Agreement; such Stadium Operations Budget may include such other information as may be requested by StadCo and the Stadium Authority. As such, please provide responses to the attached questions by close of business Tuesday, March 3, 2020, for consideration and inclusion in the Adopted Budget. As a reminder, the Budget Study Session is scheduled for March 5, 2020, and the Budget Adoption is scheduled for March 24, 2020.

Please feel free to contact me if you wish to discuss the SCSA budget.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kenn Lee", is positioned below the word "Sincerely,".

Kenn Lee
Treasurer

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



**Questions for the Stadium Manager
in reference to the
2020/21 SCSA Budget**

Per Article 4 of the Management Agreement, RECORDS, ACCOUNTS, BUDGETS AND REPORTS, Section 4.6 states that the Stadium Manager will prepare an annual operating budget for the Stadium for each Fiscal Year (the “Stadium Operations Budget”) to meet the scope of services and objectives under this Agreement; such Stadium Operations Budget may include such other information as may be requested by StadCo and the Stadium Authority.

As a result of the City’s revocation of the Executive Director’s authority to procure goods and services on behalf of the SCSA, as of November 8, 2019, the Stadium Manager must now seek approval from the Board and demonstrate that the Stadium Manager has properly and legally procured goods and services before Stadium Authority contracts may be executed.

Note: SCSA may ask additional questions once the information requested below is provided.

Facility Rent

- StadCo’s 2019/20 projection and 2020/21 budget are in accordance with the rent reset. SCSA does not have any questions.

NFL Ticket Surcharge (10% of NFL Ticket Revenue)

NFL Ticket Surcharge			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 8,031,000	\$ 8,142,000	
SCSA Actuals/Projections	\$ 8,076,510	\$ 8,412,000	
StadCo Projection		\$ 8,412,000	
StadCo Proposed Budget			\$ 8,665,000

- All FY2019/20 NFL Games have been completed with total surcharge of \$8.4M. SCSA does not have any questions.

Stadium Builder License (SBL) Receivables

SBL Receivables			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 27,214,000	\$ 25,416,000	
SCSA Actuals/Projections	\$ 26,750,973	\$ 31,694,795	
StadCo Projection		\$ 25,900,000	
StadCo Proposed Budget			\$ 24,213,000

- StadCo’s 2019/20 projection is \$25,900,000; however, SCSA projects SBL receivables to be closer to \$31,700,000.
- March is the biggest month for SBL receipts due to the March 1st annual due date for SBL holders who financed their SBL.

SCSA SBL Receipts in March	
March 2016	\$ 21,767,743
March 2017	\$ 22,496,106
March 2018	\$ 23,450,012
March 2019	\$ 17,340,039
Average March SBL Receipts (2016-2019)	\$ 21,263,475
StadCo's Projected March 2020 SBL Receipts	\$ 15,468,680

- Based on what has been collected by SCSA to date and the average of what has been received in March for the past four years, SCSA projects 2019/20 SBL receivables to be \$31,700,000 see table below:

SCSA 2019/20 SBL Receivable Projection	
2019/20 SBL Receipts Through December 2019	\$ 10,431,320
March 2020 SCSA Projected SBL Receivables	\$ 21,263,475
SCSA 2019/20 Projected SBL Receivables	\$ 31,694,795

1. Please explain your assumptions on why the March SBL receivables are projected to be \$5.8 million lower than what has been collected on average in the past four years. This information is important in order for the SCSA to calculate total transfers to debt service as well as the prepayment offering to Term A in 2020/21 based on excess SBL revenue.



- StadCo’s 2020/21 proposed budget for SBLs is \$24,213,000 which is \$1,687,000 lower than StadCo’s 2019/20 projection and \$7,482,000 lower than SCSA’s 2019/20 projection.
 2. **Since the annual payments related to financed SBLs is flat over the 10-year term please provide an explanation and all of the assumptions that were factored into the 2020/21 reduced budget.**
 3. **Please provide details on defaulted SBLs and SBL seat relocations to date. This information is important to understand the current year projections as well as next year’s proposed budget.**

STR Marketplace (This is an online marketplace where SBL owners can sell their SBLs directly to 3rd parties. Based on an agreement with STR, SCSA receives a portion of these transactions with a minimum \$325,000 annual fee due to SCSA).

- StadCo’s FY 2019/20 projection of \$325,000 is in line with SCSA’s projection based on FY 2019/20 average Monthly STR Fees. SCSA does not have any questions.

STR Marketplace			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 545,000	\$ 345,000	
SCSA Actuals/Projections	\$ 387,203	\$ 325,000	
StadCo Projection		\$ 325,000	
StadCo Proposed Budget			\$ 392,000

Non-NFL Events (Net)

Note: StadCo provided a cash-based budget (which is required for the Trust), therefore, the 2019/20 projection and 2020/21 budget (not provided) are related to the 2018/19 and 2019/20 Non-NFL Events, respectively.

4. **Please provide the projected Non-NFL Event activity at the gross level (revenues and expenses) for the events that were held in the Stadium Authority’s 2019/20 Fiscal Year (April 1, 2019 – March 31, 2020).**
5. **Please provide the budgeted Non-NFL Event activity at the gross level (revenues and expenses) for the Stadium Authority’s 2020/21 Fiscal Year (events that will occur April 1, 2020 – March 31, 2021).**
6. **For the SCSA to better understand FY 2020/21 potential for Non-NFL event revenue and expenditure, please provide event contracts for FY**



2020/21, including but not limited to Monster Jam, Justin Bieber, and BTS.

Non-NFL Ticket Surcharge (\$4 per ticket sold)

Non-NFL Ticket Surcharge				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	1,800,000	\$ 1,232,000	
SCSA Actuals/Projections	\$	1,592,588	\$ 735,000	
StadCo Projection			\$ 736,000	
StadCo Proposed Budget				\$ 612,000

- StadCo's 2019/20 projection is \$736,000 and corresponds to the known ticketed events that are complete for FY 2019/20 and associated ticket surcharge. See table below for summary by event.

2019/20 Projected Non-NFL Ticket Surcharge by Event			
Date	Event	# of Tickets	Non-NFL Ticket Surcharge
4/13/2019	Monster Jam	37,891	\$ 151,564
4/28/2019	Wedding Fair	381	\$ 1,524
5/12/2019	USWNT Soccer Game	20,195	\$ 80,780
7/20/2019	ICC Soccer: Benfica vs Chivas	14,945	\$ 59,780
8/18/2019	Rolling Stones Concert	48,544	\$ 194,176
9/6/2019	HS Football Series	4,754	\$ 19,016
12/6/2019	PAC-12 Championship Game	27,012	\$ 108,048
12/30/2019	Redbox Bowl	30,152	\$ 120,608
SCSA Projected Non-NFL Ticket Surcharge			\$ 735,496

- StadCo's FY 2020/21 proposed budget is \$612,000, a reduction of \$124,000 compared to FY 2019/20 projection and \$980,000 reduction compared to FY 2018/19 surcharge received.

7. Please provide the detailed assumptions by event category used to calculate this number. These assumptions should tie to the Marketing Plan.



Naming Rights

- StadCo’s FY 2019/20 projection and FY 2020/21 budget are in accordance with Naming Rights Contract. SCSA does not have any questions.

Senior/Youth Fee (\$0.35 per NFL ticket sold)

- StadCo’s 2019/20 projection ties to what was received by SCSA. The FY 2020/21 budget reflects \$230,000 and is in line with an average attendance of 66,000 for 10 NFL games.

Interest Income

Interest Income				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	794,000	\$ 938,000	
SCSA Actuals/Projections	\$	1,001,640	\$ 1,023,632	
StadCo Projection			\$ 974,000	
StadCo Proposed Budget				\$ 896,000

- StadCo’s 2019/20 projection is \$974,000 however SCSA’s projection for interest is closer to \$1,024,000. See table below:

2019/20 SCSA Projected Interest Income				
Month	Cash Balance	Interest	Effective Interest Rate	
April-19	\$ 49,618,914	\$ 77,691	1.88%	
May-19	50,630,296	81,187	1.92%	
June-19	59,429,975	75,326	1.52%	
July-19	60,237,300	81,388	1.62%	
August-19	61,040,323	84,297	1.66%	
September-19	70,200,366	81,721	1.40%	
October-19	66,783,999	74,349	1.34%	
November-19	71,930,387	71,137	1.19%	
December-19	76,529,844	74,018	1.16%	
January-20	78,173,844	99,041	1.52% *	
February-20	78,851,742	99,900	1.52% *	
March-20	97,540,348	123,577	1.52% *	
SCSA Projected Interest Income		\$ 1,023,632		

*Used estimated cash balances and 1.52% as interest rate assumption for January 2020 through March 2020 calculations

8. Please provide details and assumptions on how the projection of \$974,000 was developed.

- StadCo's FY 2020/21 proposed budget is \$896,000.

9. Please provide assumptions and calculations used to determine the interest income budgeted amount of \$896,000.

SCSA Stadium Manager Shared Expenses

Stadium Manager Shared Expenses			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 8,076,000	\$ 8,716,000	
SCSA Actuals/Projections	\$ 7,433,507		
StadCo Projection		\$ 7,264,000	
StadCo Proposed Budget			\$ 8,848,000



- StadCo’s 2019/20 projection is \$7,264,000. During the 2019/20 budget process ManCo provided a detailed breakout of the current year projected expenses.

10. Please provide the detailed breakout for the 2019/20 projection in the same manner as the SCSA Annual Shared Stadium Expense Budget (by department and expense type).

11. Please provide an organizational chart and position classification list for each department (Security, Stadium Ops, Engineering, Guest Services, and Groundskeeping).

12. For staffing costs, please provide the individual positions within each department, their actual hours charged to Shared Expenses, their hourly rate, and all records with respect to charges for the salaries, benefits, and related costs.

13. Total compensation increased by about 4.6% or \$208,059, but the FTE decreased by 3 (from 61 to 58). Please provide a description of the new position in Stadium Ops as well as the reasons for adding these positions.

14. For Outside Services cost, please provide the details supporting each expense, including payments, contracts, and invoices.

15. Please explain the procurement plan for any contracted services.

- StadCo’s 2020/21 budget is \$8,848,000 which is \$132,745 higher than the 2019/20 budget. The table below shows the differences between the 2020/21 budget and the 2019/20 budget at the department level.

Stadium Manager
2019/20 to 2020/21 Change in Budgeted Shared Stadium Expenses
Change in Santa Clara Stadium Authority Proportionate Share of Stadium Expenses

	Security		Stadium Operations		Engineering		Guest Services		Groundskeeping		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Total Compensation	\$ (56,759)	-12%	\$ 290,967	14%	\$ 85,371	6%	\$ (103,849)	-21%	\$ (7,671)	-9%	\$ 208,059	5%
Travel, Meals & Entertainment	(1,093)	-100%	(2,550)	-1%	-	0%	4,377	12%	(963)	-32%	(230)	0%
Outside Services	(28,635)	-3%	46,914	5%	(248,821)	-36%	(6,650)	-89%	249,277	1538%	12,099	0%
General Supplies	(37,594)	-96%	1,850	3%	78,000	0%	12,599	18%	(1,986)	-3%	52,868	23%
Telephone	(2,857)	-36%	52,501	23%	-	0%	(744)	-14%	36	9%	48,936	19%
Equipment	(87,516)	-92%	(50,502)	-18%	12,250	78%	(6,752)	-10%	(6,336)	-73%	(138,857)	-30%
Uniforms	(121)	-2%	-	0%	250	20%	(9,219)	-11%	(186)	-20%	(9,276)	-10%
Other	(3,278)	-100%	(5,500)	-11%	(3,750)	-75%	(28,323)	-49%	-	0%	(40,853)	-35%
Subtotal	\$(217,853)	-13%	\$ 333,680	8%	\$(76,700)	-4%	\$(138,561)	-17%	\$ 232,171	131%	\$ 132,745	2%

16. Please provide an explanation for the changes between department budgets that changed by more than 5%.

Utilities

- StadCo’s FY 2019/20 projection is on target and the FY 2020/21 proposed budget is an increase of 3%. SCSA does not have any questions.

SBL Sales and Service

SBL Sales and Service Expenses				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	2,324,000	\$ 2,221,000	
SCSA Actuals/Projections	\$	1,771,307		
StadCo Projection			\$ 3,217,000	
StadCo Proposed Budget				\$ 3,610,000

- StadCo’s 2019/20 projection is \$3,217,000, over budget by \$1,000,000.
 - 17. Please provide a detailed breakout for this projection similar to Stadium Manager Expenses (Compensation, Travel, Outside Services, General Supplies, etc.).**
 - 18. Please provide an organizational chart and position classification list for the employees included in the SBL Sales and Service departments.**
 - 19. Please provide an explanation for the \$1,000,000 projection over the adopted budget of \$2,221,000**
- StadCo’s 2020/21 proposed budget of \$3,610,000 is \$393,000 (or 12%) higher than the FY 2019/20 projection and \$1,389,000 (or 63%) higher than the adopted FY 2019/20 budget.
 - 20. Please provide a detailed breakout for this budget similar to Stadium Manager Expenses (Compensation, Travel, Outside Services, General Supplies, etc.).**
 - 21. Please describe the increase in this line item.**

Use of StadCo Tenant Improvements (based on Exhibit R to the Stadium Lease the Stadium Authority is charged for the use of StadCo assets during Non-NFL events)

Use of StadCo Tenant Improvements				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	236,000	\$ 182,000	
SCSA Actuals/Projections	\$	256,263	\$ 197,000	
StadCo Projection			\$ 182,000	
StadCo Proposed Budget				\$ 73,000

- StadCo’s 2019/20 projection is \$182,000, however SCSA’s projection is approximately \$197,000 based on 8 “major events” and 50 “smaller events”.

22. Please provide calculations and assumptions behind the \$182,000 projection.

- StadCo’s 2020/21 budget is \$73,000.

23. Please provide calculations and assumptions behind the budgeted amount of \$73,000.

Stadium Authority G&A Costs

Stadium Authority General and Administrative Costs (G&A)				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	1,685,000	\$ 2,480,000	
SCSA Actuals/Projections	\$	1,556,580	\$ 1,880,000	
StadCo Projection			\$ 2,480,000	
StadCo Proposed Budget				\$ 3,781,000

- StadCo’s 2020/21 proposed budget of \$3,781,000 does not match SCSA’s submittal of \$4,851,000.

24. Please provide assumptions behind the budgeted amount of \$3,781,000.

Management Co Base Fee

- StadCo’s FY 2019/20 projection of \$232,000 is based on the Management Agreement. No questions.
- StadCo’s FY 2020/21 proposed budget of \$246,000 is not based on the Management Agreement of 3% increase.



25. Please describe the increase in this line item.

Non-NFL Ticket Fee \$2 Discretionary Fund Deposit

- StadCo's FY 2019/20 projection and FY 2020/21 budget is the full \$2 per non-NFL event ticket that is deposited into the discretionary fund, not the actual discretionary fund expense.
- The FY 2019/20 discretionary fund expense is projected to be approximately \$0.
- The FY 2020/21 discretionary fund expense budget is \$250,000.

26. Once the questions noted under Non-NFL Ticket Surcharge are answered, additional questions about the discretionary fund expense may follow.

Ground Rent – Base

- StadCo's FY 2019/20 projection and FY 2020/21 budget are both based on Ground Lease Agreement. No questions.

Ground Rent – Performance

27. Once the questions noted under the Non-NFL Events (net) section are addressed, additional questions on the performance rent may follow.

Senior/Youth Fee Expense

- StadCo's 2019/20 projection ties to what was received by SCSA. The FY 2020/21 budget reflects \$230,000 and is in line with an average attendance of 66,000 for 10 NFL games.

Capital Expenditures

- Please see separate document with questions related to Capital Expenditures.

Insurance Expense

- StadCo's FY 2019/20 projection and 2020/21 budget are both based on Stadium Lease Agreement.

28. Please provide insurance documents for all Stadium-related policies with supporting invoices.

Naming Rights

- StadCo’s FY 2020/21 proposed budget is \$30,000.

29. Please confirm the proposed budget is for the Naming Rights Commission.

30. Please indicate if the liquidated damages amount payable to the Stadium Authority and subsequent payment to Levi’s has been included in the submitted budget. In addition, provide the calculation for liquidated damages.

Other Expenses

Other Expenses			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 105,000	\$ 110,000	
SCSA Actuals/Projections	\$ (33,900)		
StadCo Projection		\$ 100,000	
StadCo Proposed Budget			\$ 1,400,000

- StadCo’s FY 2020/21 proposed budget is an increase of \$1,300,000 or 1300% from the FY 2019/20 projection of \$100,000. Footnote states that this is for additional Manager Operating Expenses for additional services requested by SCSA.

31. Please provide a detailed explanation of this line item and why it increased by 1300%.

Debt Service

- Term A Interest: StadCo’s 2019/20 projection of \$12,877,000 and 2020/21 budget of \$12,208,000 is in line with SCSA calculations. No questions.
- Term A Principal
 - StadCo’s 2019/20 projection of \$12,876,000 is \$124,000 higher than SCSA calculation of \$12,752,000 (\$12,718,000 scheduled payment and \$34,000 accepted prepayment).



- StadCo's 2020/21 proposed budget of \$14,022,000 is \$668,000 higher than the \$13,354,000 scheduled principal payment.

32. Please explain the differences from the amortization schedule. Is this a timing issue?

- Lender Required Reserve deposit/withdrawal: there is a footnote that states "Pending status of NFL CBA, additional debt reserve funding of ~\$11.5M may be required".

33. When will the issue of additional debt reserve funding be resolved and what is the potential impact on SCSA?

- Subloan Scheduled Principal: StadCo's 2019/20 projection and 2020/21 budget do not match the schedule noted in the original agreement and reference a ledger credit.

34. Please explain why these do not match the original amortization schedule.

- Subloan Current Interest: StadCo's 2019/20 projection of \$2,146,000 is in agreement with SCSA calculations. StadCo's 2020/21 proposed budget of \$1,591,000 is higher than the SCSA calculation of \$1,207,000.

35. Please provide assumptions and calculations that support the 2020/21 budgeted interest amount.

CapEx Reserve

- StadCo's FY 2019/20 projection and 2020/21 budget are based on the annual \$1,000,000 (plus 3% annual inflator) increase to the CapEx reserve described in Article 14 of the Stadium Lease for use of excess revenues for the purposes of the trust cash flow. No questions.

Operating Reserve

- StadCo's FY 2019/20 projection and 2020/21 budget are based on the annual 3% increase to the Operating Reserve noted in Article 14 of the Stadium Lease for use of excess revenues for the purposes of the trust cash flow. No questions.



Questions for the Stadium Manager in reference to the 2020/21 CapEx Budget

Per Article 4 of the Management Agreement, RECORDS, ACCOUNTS, BUDGETS AND REPORTS, Section 4.8 states that the Draft Capital Expenditure Plan (a) shall contain the Stadium Manager's proposed Capital Repairs to be made to the Premises during the upcoming Fiscal Year, (b) shall describe in reasonable detail any material discrepancies between the Stadium Manager's proposed Capital Expenditures for such Fiscal Year and the five (5) year projection of anticipated Capital Expenditures included in the previous year's Capital Expenditure Plan, and (c) shall include any Capital Expenditures for public safety that the Stadium Manager proposes be made consistent with the then approved Public Safety Plan.

As a result of the City's revocation of the Executive Director's authority to procure goods and services on behalf of the SCSA, as of November 8, 2019, the Stadium Manager must now seek approval from the Board and demonstrate that the Stadium Manager has properly and legally procured goods and services before Stadium Authority contracts may be executed.

Note: SCSA may ask additional questions once the information requested below is provided.

Capital Expenditures

- The five-year CIP plan submitted for during the development of the FY 2019/20 totaled \$8.9 million for FY 2020/21 through FY 2023/24. The submittal for FY 2020/21 through FY 2023/24 totals \$13.2 million.
- 1. **The Financial Management System (\$270,000) was included in your CapEx submittal. There were numerous discussions around this item and, the Stadium Authority agreed to fund this project through the General and Administrative budget in the Operating Fund (Subject to subsequent court rulings on cost allocation). We have listed the Financial Management System in the Capital Projects with a note that the funding source is the Operating Fund.**
- 2. **Please provide a description for the change in approach and/or reasons which resulted in the \$4.3 million or nearly 50% increase in the five-year plan.**
 - a. **Provide a detailed list of all of the projects included in the 2019/20 five-year CapEx plan and the 2020/21 five-year CapEx plan.**
- 3. **While the FY 2021/22 through FY 2023/24 budgets average \$2.6 million, FY 2024/25's budget increases to \$10.4 million, which is a \$7.7 million increase**

(nearly 300%). Please explain what items are anticipated for FY 2024/25 that would result in such a large increase.

4. For the FY 2020/21 proposed CapEx plan and the projects that are being carried over from prior years, please provide a prioritization matrix identifying the needs for the projects such as health and safety, revenue generation, aesthetics/customer experience, cost savings etc. and additional narrative and justification to further understand the need and importance of the proposed projects. If ManCo expects cost savings and/or other financial impacts, please provide this information so that SCSA understands the return on investment for the proposed capital projects.
5. Given the carryover of capital funds from FY 2019/20 to 2020/21 because funded projects could not be procured or completed, please describe ManCo's plan to procure and substantially complete the projects during the next fiscal year which are proposed for funding for FY 2020/21. What is the timeline for project completion for all carryover projects and new projects?
6. Two projects (Small Cooler and Ice Pack - \$250 and Mass Decontamination Hydrant Nozzles - \$1,608) not included in CapEx submittal. Were these incorporated into other projects? If not included, please explain why.
7. Please provide pictures for the Replace Furniture for BNY Field Clubs, United, Levi's 501 & Yahoo clubs and Special Event Spaces project.
8. Please provide plans for both the Concession Signage and Stadium Event Signage.
 - a. What types of signage recommended by fire marshal?
 - b. ManCo recently included Levy in a capital improvement presentation at the Quarterly coordination meeting. As part of the meeting, ManCo stated that improvements made by Levy, including concession signage would have no cost to the Stadium Authority. Is the Concession Signage in the proposed project related to the proposal made by Levy's in this Quarterly Meeting?
9. Please provide additional detail and justification for the Asphalt project (Slurry Coat – visitor parking on Tasman, Gold 4 & 5 parking lots and South Access Road).
10. Stationary Electric Pressure Washers – clarify that the demo stations proposed to be installed are like pilot/test stations to determine benefits to Stadium?
11. CO2 Monitoring & Sensors for Code Compliance – this is currently categorized under “Food and Beverage,” is this accurate or should this be moved to Life Safety/Fire?
12. The following projects were included in FY 2019/20 CapEx budget; however, are not in the FY 2020/21 Proposed CapEx budget and have no actuals through



February. Please explain why these are not included in FY 2020/21 CapEx (i.e. completed, re-prioritized, combined with other projects):

- a. Escalator Covered Canopy Lighting
- b. Fire Sprinkler System (2018/19 carryover)
- c. Loading Dock Security & Safety (2018/19 carryover)
- d. Miscellaneous (2018/19 carryover)
- e. Premium Areas/Special Event Assets (2018/19 carryover)
- f. Hot Water Additions for Sump Pump (2018/19 carryover)
- g. Enhance Stadium Security Perimeter
- h. Access Control System (2018/19 carryover)
- i. Security Cameras (2018/19 carryover)
- j. Security Fencing (Gate C Escalator)
- k. Community Room Build Out (2018/19 carryover)
- l. Concession Signage
- m. Carbon Dioxide (CO2) Alarms



**Questions for the Stadium Manager
in reference to the
2020/21 SCSA Budget**

Per Article 4 of the Management Agreement, RECORDS, ACCOUNTS, BUDGETS AND REPORTS, Section 4.6 states that the Stadium Manager will prepare an annual operating budget for the Stadium for each Fiscal Year (the “Stadium Operations Budget”) to meet the scope of services and objectives under this Agreement; such Stadium Operations Budget may include such other information as may be requested by StadCo and the Stadium Authority.

As a result of the City’s revocation of the Executive Director’s authority to procure goods and services on behalf of the SCSA, as of November 8, 2019, the Stadium Manager must now seek approval from the Board and demonstrate that the Stadium Manager has properly and legally procured goods and services before Stadium Authority contracts may be executed.

Note: SCSA may ask additional questions once the information requested below is provided.

Facility Rent

- StadCo’s 2019/20 projection and 2020/21 budget are in accordance with the rent reset. SCSA does not have any questions.

NFL Ticket Surcharge (10% of NFL Ticket Revenue)

NFL Ticket Surcharge			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 8,031,000	\$ 8,142,000	
SCSA Actuals/Projections	\$ 8,076,510	\$ 8,412,000	
StadCo Projection		\$ 8,412,000	
StadCo Proposed Budget			\$ 8,665,000

- All FY2019/20 NFL Games have been completed with total surcharge of \$8.4M. SCSA does not have any questions.

Stadium Builder License (SBL) Receivables

SBL Receivables			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 27,214,000	\$ 25,416,000	
SCSA Actuals/Projections	\$ 26,750,973	\$ 31,694,795	
StadCo Projection		\$ 25,900,000	
StadCo Proposed Budget			\$ 24,213,000

- StadCo’s 2019/20 projection is \$25,900,000; however, SCSA projects SBL receivables to be closer to \$31,700,000.
- March is the biggest month for SBL receipts due to the March 1st annual due date for SBL holders who financed their SBL.

SCSA SBL Receipts in March	
March 2016	\$ 21,767,743
March 2017	\$ 22,496,106
March 2018	\$ 23,450,012
March 2019	\$ 17,340,039
Average March SBL Receipts (2016-2019)	\$ 21,263,475
StadCo's Projected March 2020 SBL Receipts	\$ 15,468,680

- Based on what has been collected by SCSA to date and the average of what has been received in March for the past four years, SCSA projects 2019/20 SBL receivables to be \$31,700,000 see table below:

SCSA 2019/20 SBL Receivable Projection	
2019/20 SBL Receipts Through December 2019	\$ 10,431,320
March 2020 SCSA Projected SBL Receivables	\$ 21,263,475
SCSA 2019/20 Projected SBL Receivables	\$ 31,694,795

Please explain your assumptions on why the March SBL receivables are projected to be \$5.8 million lower than what has been collected on average in the past four years. This information is important in order for the SCSA to calculate total transfers to debt service as well as the prepayment offering to Term A in 2020/21 based on excess SBL revenue.

Stadium Manager's Response:

Every year there are prepayments made by SBL holders that impact the amortization schedule. Taking the average over the previous four years is not an accurate way to project SBL receipts and is analyzing with no prior context.

We have also included a downward adjustment of \$188k as an allowance for customer refunds due to the SCSA failure to execute SBL contracts in a timely manner. Many of those contracts have now been voided because of the SCSA administrative inaction, and certain of the customer payments will need to be refunded.

Please note the updated projections.

- StadCo's 2020/21 proposed budget for SBLs is \$24,213,000 which is \$1,687,000 lower than StadCo's 2019/20 projection and \$7,482,000 lower than SCSA's 2019/20 projection.

Since the annual payments related to financed SBLs is flat over the 10-year term please provide an explanation and all of the assumptions that were factored into the 2020/21 reduced budget.

Stadium Manager's Response:

- 1,122 new SBLs sold at \$5.9k average SBL price, for a total new revenue of \$6.6M
- 3% gross default rate (on all outstanding payments)
- New SBLs are assumed to be financed 90% of the time at the existing 10-year / 8.5% financing terms
- These assumptions are consistent with prior year budgeting

Please provide details on defaulted SBLs and SBL seat relocations to date. This information is important to understand the current year projections as well as next year's proposed budget.

Stadium Manager's Response:

Please see the quarterly update that was submitted to Rachel Copes on Wednesday, January 29, 2020.

STR Marketplace (This is an online marketplace where SBL owners can sell their SBLs directly to 3rd parties. Based on an agreement with STR, SCSA receives a portion of these transactions with a minimum \$325,000 annual fee due to SCSA).

- StadCo's FY 2019/20 projection of \$325,000 is in line with SCSA's projection based on FY 2019/20 average Monthly STR Fees. SCSA does not have any questions.

STR Marketplace			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 545,000	\$ 345,000	
SCSA Actuals/Projections	\$ 387,203	\$ 325,000	
StadCo Projection		\$ 325,000	
StadCo Proposed Budget			\$ 392,000

Non-NFL Events (Net)

Note: StadCo provided a cash-based budget (which is required for the Trust), therefore, the 2019/20 projection and 2020/21 budget (not provided) are related to the 2018/19 and 2019/20 Non-NFL Events, respectively.

Please provide the projected Non-NFL Event activity at the gross level (revenues and expenses) for the events that were held in the Stadium Authority’s 2019/20 Fiscal Year (April 1, 2019 – March 31, 2020).

Stadium Manager’s Response:

Please review the quarterly reports that were saved on the SCSA laptop on February 26, 2020. These show known revenues and expenses at the gross level for Non-NFL events during the 2019/20 Fiscal Year, but as noted on the quarterly reports they are not yet complete. The net figure for the 2019/20 fiscal year is still TBD as several adjustments to 2019/20 Non-NFL event expenses, including charges from the City and review of SCSA's expense classifications, are still pending (see footnote ** on 2/14/2020 budget submission).

While we are unable to provide a figure for the 2019/20 fiscal year due to the several adjustments/charges to Non-NFL events, the estimated range for 2019/20 Non-NFL events is a net shortfall of between (\$1.7M - \$2M), inclusive of Non-NFL event staff time and public safety cost invoices received for prior fiscal years.

This range includes:

- Estimates for the charges from the City of Santa Clara for ticketed and catered events, which are up significantly YoY. Although we are still waiting for invoices for a number of events, we are estimating total charges from the City to be in the range of \$1.4M. The charges from the City for ticketed events are up significantly. Comparing the Rolling Stones show in 2019 to the Beyonce show in 2018, the charges from the City are up by 57%, which is an increase of \$110,000 for a single event.

Both events had similar attendance and an identical number of calls for service.

- A reduction in Catered Events estimates for the current year based on recent public health issues. Most of the events that were scheduled for March 2020 have been postponed. The estimated gross revenue from these events is \$750k.
- In reviewing prior year catered events with the City's auditors, JS Held, we noted that a number of events were previously incorrectly recorded as SCSA events. These events fall into two categories:
 - Events that were hosted in Tenant Exclusive Areas. These events are StadCo revenue year-round pursuant to Section 4.3.1(a) of the Stadium Lease.
 - Events that were hosted for sponsors of the 49ers during the Tenant Season. These events are StadCo revenue pursuant to Section 4.8.2(b) of the Stadium Lease.
 - We have properly classified these events to StadCo revenue for the year ending 3.31.20.
- Please note that we are still awaiting your response to my email dated 2.11.20 and the documents requested with respect to your worker's comp invoices. Accordingly, there is no adjustment available nor any reflected for those costs relating to non-NFL events.

As a reminder, the proposed budget for 2020/21 is on a cash basis. The SCSA's recent meeting materials and other publications misstate the information you are being provided with. The TBD listed for 2020/21 relates to Non-NFL events for the 2019/20 year. See response to question 5 for 2020/21 non-NFL events.

Please provide the budgeted Non-NFL Event activity at the gross level (revenues and expenses) for the Stadium Authority's 2020/21 Fiscal Year (events that will occur April 1, 2020 – March 31, 2021).

Stadium Manager's Response:

Although we have explained this to your predecessors, there still appears to be some confusion at City Hall over this issue. In addition to the lengthy record of correspondence on this topic detailing the reasons why detailed revenue and expense assumptions for ticketed events are not provided, please note that the majority of "event revenue" from ticketed events is not



SCSA revenue. That revenue is typically remitted to the Promoters/Artists. This is the case for nearly every major touring concert. The SCSA revenue from these events is typically in the form of F&B commissions, ticket surcharges, and ancillary revenues. It is therefore incorrect for you to budget event ticket revenue as SCSA revenue.

The situation with respect to Catered Events is a bit different. For those events, the SCSA revenue typically includes facility rent and F&B commissions. The event customers may also request specific outside services for their event, such as speakers or entertainers, but those costs are paid by the customers not the SCSA. If you would like us to provide additional budget detail with respect to Catered Events, we can do that.

We reviewed your annual budget for the Santa Clara Convention Center, which is a single page showing "Operating Income" of \$7.5M and "Net Income" of \$54,000. We can use that as a template for the Catered Event budget. Please provide us with the supporting detail for the individual line items.

If you have a different budget template in mind, please provide us with a sample budget from another comparable entertainment venue that provides the level of detail you would like to see.

It will take us a bit more time to produce this level of budget detail, but we are happy to do it if you find the information useful. We had discussed with Ms. Kraetsch the cost/benefit of the additional reporting costs that are layering on top of this business segment, but apparently you have studied that issue and concluded that the additional cost is worthwhile.

When projecting events for 2020/21, we will continue to monitor the evolving Coronavirus (COVID-19) situation and consult with regional health authorities and medical experts to ensure the safety of our employees and guests. At this time, there are no plans to cancel or postpone future ticketed events but as you are aware the situation is very fluid.

We estimate 2020/21 Non-NFL events to net a profit in the range of \$1.5M - \$2M. On a cash basis, this will be reflected in the 2021/22 budget.

Non-NFL Ticket Surcharge (\$4 per ticket sold)

Non-NFL Ticket Surcharge				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	1,800,000	\$ 1,232,000	
SCSA Actuals/Projections	\$	1,592,588	\$ 735,000	
StadCo Projection			\$ 736,000	
StadCo Proposed Budget				\$ 612,000

- StadCo’s 2019/20 projection is \$736,000 and corresponds to the known ticketed events that are complete for FY 2019/20 and associated ticket surcharge. See table below for summary by event.

2019/20 Projected Non-NFL Ticket Surcharge by Event			
Date	Event	# of Tickets	Non-NFL Ticket Surcharge
4/13/2019	Monster Jam	37,891	\$ 151,564
4/28/2019	Wedding Fair	381	\$ 1,524
5/12/2019	USWNT Soccer Game	20,195	\$ 80,780
7/20/2019	ICC Soccer: Benfica vs Chivas	14,945	\$ 59,780
8/18/2019	Rolling Stones Concert	48,544	\$ 194,176
9/6/2019	HS Football Series	4,754	\$ 19,016
12/6/2019	PAC-12 Championship Game	27,012	\$ 108,048
12/30/2019	Redbox Bowl	30,152	\$ 120,608
SCSA Projected Non-NFL Ticket Surcharge			\$ 735,496

- StadCo’s FY 2020/21 proposed budget is \$612,000, a reduction of \$124,000 compared to FY 2019/20 projection and \$980,000 reduction compared to FY 2018/19 surcharge received.

Please provide the detailed assumptions by event category used to calculate this number. These assumptions should tie to the Marketing Plan.

Stadium Manager’s Response:

See the list below for the “sold ticket” assumptions by event category used in budgeting the Non-NFL Ticket Surcharge for 2020/21.

Concerts (3): 107,000
 Other (1): 36,000

This corresponds to the Marketing Plan of four ticketed events. Please note the updated projection in the attached 2020/21 Budget.

Interest Income

Interest Income			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 794,000	\$ 938,000	
SCSA Actuals/Projections	\$ 1,001,640	\$ 1,023,632	
StadCo Projection		\$ 974,000	
StadCo Proposed Budget			\$ 896,000

StadCo's 2019/20 projection is \$974,000 however SCSA's projection for interest is closer to \$1,024,000. See table below:

2019/20 SCSA Projected Interest Income				
Month	Cash Balance	Interest	Effective Interest Rate	
April-19	\$ 49,618,914	\$ 77,691	1.88%	
May-19	50,630,296	81,187	1.92%	
June-19	59,429,975	75,326	1.52%	
July-19	60,237,300	81,388	1.62%	
August-19	61,040,323	84,297	1.66%	
September-19	70,200,366	81,721	1.40%	
October-19	66,783,999	74,349	1.34%	
November-19	71,930,387	71,137	1.19%	
December-19	76,529,844	74,018	1.16%	
January-20	78,173,844	99,041	1.52% *	
February-20	78,851,742	99,900	1.52% *	
March-20	97,540,348	123,577	1.52% *	
SCSA Projected Interest Income		\$ 1,023,632		

*Used estimated cash balances and 1.52% as interest rate assumption for January 2020 through March 2020 calculations

Please provide details and assumptions on how the projection of \$974,000 was developed.

Stadium Manager's Response:

The projected actuals were conservative in nature and based on actuals through December with an average run rate of estimated cash balances for the remaining months. The budget has been amended to reflect your \$1,023,632 as the projected interest income for FY 2019/20.

- StadCo’s FY 2020/21 proposed budget is \$896,000.

Please provide assumptions and calculations used to determine the interest income budgeted amount of \$896,000.

Stadium Manager’s Response:

The assumptions were an average of 2% interest on projected capex, operating, and debt service reserve balances, and assumes interest on the waterfall accounts is roughly flat year over year. If there are different interest rates and average balances that you prefer to be used for the 2020/21 budget, please advise.

SCSA Stadium Manager Shared Expenses

Stadium Manager Shared Expenses				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	8,076,000	\$ 8,716,000	
SCSA Actuals/Projections	\$	7,433,507		
StadCo Projection			\$ 7,264,000	
StadCo Proposed Budget				\$ 8,848,000

- StadCo’s 2019/20 projection is \$7,264,000. During the 2019/20 budget process ManCo provided a detailed breakout of the current year projected expenses.

Please provide the detailed breakout for the 2019/20 projection in the same manner as the SCSA Annual Shared Stadium Expense Budget (by department and expense type).

Stadium Manager’s Response:

Please see the attached file.



Please provide an organizational chart and position classification list for each department (Security, Stadium Ops, Engineering, Guest Services, and Groundskeeping).

Stadium Manager's Response:

Please see the attached file.

Total compensation increased by about 4.6% or \$208,059, but the FTE decreased by 3 (from 61 to 58). Please provide a description of the new position in Stadium Ops as well as the reasons for adding these positions.

Stadium Manager's Response:

The new positions are (1) Vice President, Stadium Operations & Strategic Planning and (2) Procurement Manager. These positions were added to assist in operations and procurement.

For Outside Services cost, please provide the details supporting each expense, including payments, contracts, and invoices.

Stadium Manager's Response:

There is a separate process for providing copies of contracts, invoices, etc. for prior year expenses.

Please explain the procurement plan for any contracted services.

Stadium Manager's Response:

We have attempted on several occasions to meet with the SCSA staff to discuss this matter, specifically with Mark Giovannetti. In May 2019, Mr. Giovannetti told us that he would be happy to meet with us to discuss the City's new procurement procedures, but those requests were later denied by Ms. Santana on June 6, 2019. We will send another letter to Mr. Giovannetti requesting that meeting.

- StadCo's 2020/21 budget is \$8,848,000 which is \$132,745 higher than the 2019/20 budget. The table below shows the differences between the 2020/21 budget and the 2019/20 budget at the department level.



Stadium Manager

2019/20 to 2020/21 Change in Budgeted Shared Stadium Expenses Change in Santa Clara Stadium Authority Proportionate Share of Stadium Expenses

	Security		Stadium Operations		Engineering		Guest Services		Groundskeeping		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Total Compensation	\$ (56,759)	-12%	\$ 290,967	14%	\$ 85,371	6%	\$ (103,849)	-21%	\$ (7,671)	-9%	\$ 208,059	5%
Travel, Meals & Entertainment	(1,093)	-100%	(2,550)	-1%	-	0%	4,377	12%	(963)	-32%	(230)	0%
Outside Services	(28,635)	-3%	46,914	5%	(248,821)	-36%	(6,650)	-89%	249,277	1538%	12,099	0%
General Supplies	(37,594)	-96%	1,850	3%	78,000	0%	12,599	18%	(1,986)	-3%	52,868	23%
Telephone	(2,857)	-36%	52,501	23%	-	0%	(744)	-14%	36	9%	48,936	19%
Equipment	(87,516)	-92%	(50,502)	-18%	12,250	78%	(6,752)	-10%	(6,336)	-73%	(138,857)	-30%
Uniforms	(121)	-2%	-	0%	250	20%	(9,219)	-11%	(186)	-20%	(9,276)	-10%
Other	(3,278)	-100%	(5,500)	-11%	(3,750)	-75%	(28,323)	-49%	-	0%	(40,853)	-35%
Subtotal	\$ (217,853)	-13%	\$ 333,680	8%	\$ (76,700)	-4%	\$ (138,561)	-17%	\$ 232,171	131%	\$ 132,745	2%

Please provide an explanation for the changes between department budgets that changed by more than 5%.

Stadium Manager's Response:

- **Security**
 - Director of Security and Security Coordinator positions eliminated
 - Savings in general supplies, outside services, and other equipment
- **Stadium Operations**
 - Procurement Manager and Vice President, Stadium Operations & Strategic Planning positions added
 - Shift of Guest Services Coordinator to Stadium Operations Coordinator
 - Increased stadium cleaning and medical services costs
 - Savings on computer equipment and other software
- **Guest Services**
 - Shift of Guest Services Coordinator to Stadium Operations Coordinator
 - Savings in Part Time Wages for Guest Services Staff
 - Training cost savings for service partners and hiring costs
- **Groundskeeping**
 - Change in field replacement methodology
 - Reduced equipment purchases

Please note the amended budget to reflect an additional allowance for Public Health initiatives to combat the COVID-19 situation, and adjusted part time wages.



SBL Sales and Service

SBL Sales and Service Expenses				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	2,324,000	\$ 2,221,000	
SCSA Actuals/Projections	\$	1,771,307		
StadCo Projection			\$ 3,217,000	
StadCo Proposed Budget				\$ 3,610,000

- StadCo’s 2019/20 projection is \$3,217,000, over budget by \$1,000,000.

Please provide a detailed breakout for this projection similar to Stadium Manager Expenses (Compensation, Travel, Outside Services, General Supplies, etc.).

Stadium Manager’s Response:

Please see the detailed breakout attached.

Please provide an organizational chart and position classification list for the employees included in the SBL Sales and Service departments.

Stadium Manager’s Response:

Please see the organizational chart attached.

Please provide an explanation for the \$1,000,000 projection over the adopted budget of \$2,221,000.

Stadium Manager’s Response:

The adopted budget neglected to include the BNY catering costs.

- StadCo’s 2020/21 proposed budget of \$3,610,000 is \$393,000 (or 12%) higher than the FY 2019/20 projection and \$1,389,000 (or 63%) higher than the adopted FY 2019/20 budget.

Please provide a detailed breakout for this budget similar to Stadium Manager Expenses (Compensation, Travel, Outside Services, General Supplies, etc.).

Stadium Manager’s Response:

Please see the detailed breakout attached.

Please describe the increase in this line item.

Stadium Manager’s Response:

This increase is primarily driven by forecasted sales commissions on a higher SBL revenue goal YoY (\$6.6M vs. \$4.8M) and an increase in prospecting events that have been beneficial for new SBL sales.

Use of StadCo Tenant Improvements (based on Exhibit R to the Stadium Lease the Stadium Authority is charged for the use of StadCo assets during Non-NFL events)

Use of StadCo Tenant Improvements				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	236,000	\$ 182,000	
SCSA Actuals/Projections	\$	256,263	\$ 197,000	
StadCo Projection			\$ 182,000	
StadCo Proposed Budget				\$ 73,000

- StadCo’s 2019/20 projection is \$182,000, however SCSA’s projection is approximately \$197,000 based on 8 “major events” and 50 “smaller events”.

Please provide calculations and assumptions behind the \$182,000 projection.

Stadium Manager’s Response:

Ticketed: \$142k
Catered: \$40k

- StadCo’s 2020/21 budget is \$73,000.

Please provide calculations and assumptions behind the budgeted amount of \$73,000.

Stadium Manager’s Response:

Ticketed: \$39k
Catered: \$34k



Stadium Authority G&A Costs

Stadium Authority General and Administrative Costs (G&A)				
		2018/19	2019/20	2020/21
SCSA Final Budget	\$	1,685,000	\$ 2,480,000	
SCSA Actuals/Projections	\$	1,556,580	\$ 1,880,000	
StadCo Projection			\$ 2,480,000	
StadCo Proposed Budget				\$ 3,781,000

- StadCo’s 2020/21 proposed budget of \$3,781,000 does not match SCSA’s submittal of \$4,851,000.

Please provide assumptions behind the budgeted amount of \$3,781,000.

Stadium Manager’s Response:

As this budget is on a cash basis, the SCSA submitted projected actuals for FY19 of \$1.88M versus a \$2.48M budget. Since the full \$2.48M budgeted cash amount has already been received by the SCSA in the current year, this \$600k difference will be trued up in FY20 (the \$600k cash received but not used by the SCSA will be applied to 2020/21 expenses). Another \$200k for SCSA audit services of Non-NFL events has been reclassified and shifted to Non-NFL event expenses. Lastly, the \$270k Financial Management System project is budgeted in CapEx per the SCSA’s original request.

Management Co Base Fee

- StadCo’s FY 2019/20 projection of \$232,000 is based on the Management Agreement. No questions.
- StadCo’s FY 2020/21 proposed budget of \$246,000 is not based on the Management Agreement of 3% increase.

Please describe the increase in this line item.

Stadium Manager’s Response:

Thank you for the note. The budget has been amended to reflect \$239,000 as the Management Co Base Fee.

Insurance Expense



- StadCo's FY 2019/20 projection and 2020/21 budget are both based on Stadium Lease Agreement.

Please provide insurance documents for all Stadium-related policies with supporting invoices.

Stadium Manager's Response:

As discussed with your predecessor, the Stadium Authority's rates are fixed per Section 8.3.1 of the Stadium Lease that states the Stadium Authority Insurance Share shall be calculated as follows: (i) for the first lease year the Stadium Authority Insurance Share shall equal two million five hundred fifty thousand dollars (\$2,550,000) and (ii) on the commencement of the second and each succeeding lease year, the insurance shall be increased by three percent (3%). This fixed rate for insurance was included in the Facility Rent calculation as part of Exhibit J.

Each year the SCSA receives a summary of insurance coverages (see attached) and certificates of coverage. If you would like copies of policies, we are happy to provide those as well.

Naming Rights

- StadCo's FY 2020/21 proposed budget is \$30,000.

Please confirm the proposed budget is for the Naming Rights Commission.

Stadium Manager's Response:

Confirmed. The proposed budget is for commissions due October of 2020.

Please indicate if the liquidated damages amount payable to the Stadium Authority and subsequent payment to Levi's has been included in the submitted budget. In addition, provide the calculation for liquidated damages.

Stadium Manager's Response:

The Naming Rights Agreement provides that if in any three-year period there are fewer than 36 major non-NFL Events then the Naming Rights Sponsor is

entitled to a credit toward future years naming rights payments equal to \$15,000 times the difference between 36 and the actual number of major events. The first three-year would commence on March 1, 2015. Major Events are defined as events with an attendance of at least 25,000 people and includes any NFL games played by a team other than the 49ers. Since ManagementCo, pursuant to the Management Agreement is responsible for booking non-NFL events, ManagementCo has agreed to an amendment to the Management Agreement to require ManagementCo to reimburse Stadium Authority for any reduction in naming rights payment resulting from the 36 major event threshold not being met. There is no net cost to the Stadium Authority for this item.

A footnote has been added to the attached amended budget.

Other Expenses

Other Expenses			
	2018/19	2019/20	2020/21
SCSA Final Budget	\$ 105,000	\$ 110,000	
SCSA Actuals/Projections	\$ (33,900)		
StadCo Projection		\$ 100,000	
StadCo Proposed Budget			\$ 1,400,000

- StadCo’s FY 2020/21 proposed budget is an increase of \$1,300,000 or 1300% from the FY 2019/20 projection of \$100,000. Footnote states that this is for additional Manager Operating Expenses for additional services requested by SCSA.

Please provide a detailed explanation of this line item and why it increased by 1300%.

Stadium Manager’s Response:

Your math is a bit off. The projection for 2020/21 is actually \$2.4M, which is the sum of the \$1.3M estimate for next year, combined with the \$1M for the 2019/20 year reflected in the footnote.

The 2019/20 estimate of \$100K is the amount actually funded by the SCSA during the current fiscal year.



We expect the actual charges for this line item for 2019/20 will be in the range of \$1M, which will be invoiced to you in the coming months.

We provided this to you as a footnote to the Annual Budget Draft Submission:

**** Excludes additional Manager Operating Expenses for services requested by Stadium Authority in 2019 (~\$1M).

For 2019/20 these charges represent wages, benefits and overhead for Stadium Manager staff responding to requests for additional services by the Stadium Authority. Such services include: stadium document compliance, accounting, finance and human resources support for the SCSA.

For 2020/21, it is difficult for us to predict what additional services will be requested by the Stadium Authority; however, based on the significant 85% increase in Stadium Authority Overhead expenses, we would expect our administrative activity to increase dramatically in the upcoming fiscal year. New accounting headcount requested by the Stadium Authority to implement and manage the new SCSA financial management information system is also included in this line item.

Debt Service

- Term A Interest: StadCo's 2019/20 projection of \$12,877,000 and 2020/21 budget of \$12,208,000 is in line with SCSA calculations. No questions.
- Term A Principal
 - StadCo's 2019/20 projection of \$12,876,000 is \$124,000 higher than SCSA calculation of \$12,752,000 (\$12,718,000 scheduled payment and \$34,000 accepted prepayment).
 - StadCo's 2020/21 proposed budget of \$14,022,000 is \$668,000 higher than the \$13,354,000 scheduled principal payment.

Please explain the differences from the amortization schedule. Is this a timing issue?

Stadium Manager's Response:

StadCo's projection for the Term A Principal payment is actually \$13,388,000 versus the \$12,876,000 stated above. The differences listed are due to timing.

- Lender Required Reserve deposit/withdrawal: there is a footnote that states “Pending status of NFL CBA, additional debt reserve funding of ~\$11.5M may be required”.

When will the issue of additional debt reserve funding be resolved and what is the potential impact on SCSA?

Stadium Manager’s Response:

CBA negotiations between the NFL and the NFLPA are ongoing. The potential impact to the SCSA is approximately \$11.5M and will be determined by the end of the fiscal year.

- Subloan Scheduled Principal: StadCo’s 2019/20 projection and 2020/21 budget do not match the schedule noted in the original agreement and reference a ledger credit.

Please explain why these do not match the original amortization schedule.

Stadium Manager’s Response:

The original amortization schedule was developed before the Subloan was adjusted in 2017. These adjustments were agreed upon and finalized with Angie Kraetsch.

- Subloan Current Interest: StadCo’s 2019/20 projection of \$2,146,000 is in agreement with SCSA calculations. StadCo’s 2020/21 proposed budget of \$1,591,000 is higher than the SCSA calculation of \$1,207,000.

Please provide assumptions and calculations that support the 2020/21 budgeted interest amount.

Stadium Manager’s Response:

- Scheduled StadCo Subloan principal payment of ~\$2.1M
- Additional StadCo Subloan principal payment of ~\$8M from net cash flows
- 5.5% interest rate on an estimated StadCo Subloan balance of \$29M

FY2020 Annual Stadium Authority Draft Budget (CONFIDENTIAL)
DRAFT

	Budget		Proj Actuals		Budget
	FY19 B		FY19	BvA	FY20 B
\$ in 000s					
REVENUE					
Facility Rent	24,762		24,762	0	24,762
Ticket Surcharge @10%	8,142		8,412	270	8,665
SBL Receivables*	25,880		26,246	366	24,213
STR Marketplace	345		325	(20)	392
Non-NFL events (Net)**	750		19	(731)	TBD
Non-NFL Ticket Surcharge	1,232		736	(496)	572
Naming Rights***	6,754		6,754	0	6,957
Senior / Youth Fee	230		250	20	230
Interest Income	846		1,024	178	896
Total Revenue	68,941		68,527	(413)	66,686
EXPENSES					
SCSA Stadium Manager Shared Expenses - Paid to ManCo	8,716		1,452	7,264	8,993
SCSA Stadium Manager Shared Expenses - Withheld by SCSA	0		6,321	(6,321)	0
Utilities	1,551		1,490	61	1,597
SBL Sales & Service	3,439		3,217	222	3,610
Use of StadCo Tenant Improvements - Paid to ManCo	182		0	182	73
Use of StadCo Tenant Improvements - Withheld by SCSA	0		182	(182)	0
Stadium Authority Overhead ****	2,480		2,480	0	3,781
Management Co Base Fee (50% Share)	232		232	0	239
Non-NFL Ticket Fee \$2 Discretionary Fund Deposit*****	616		368	248	286
Ground Rent - Base	355		355	0	390
Ground Rent - Performance	215		0	215	0
Senior Youth Fee	230		250	(20)	230
Capital Expenditures	2,319		2,319	0	2,388
Insurance (Liability, Prop, Erthqk)	2,956		2,956	0	3,045
Naming Rights Expense	0		0	0	30
Other *****	929		66	863	1,400
Total Expense Before Debt	24,219		21,687	2,532	26,062
Net Cash Flow Available For Debt	44,722		46,840	2,119	40,624
DEBT SERVICE					
Bonds/Notes Interest (Term A Loan)	12,877		12,876	2	12,208
Bonds/Notes Principal (Term A Loan)	13,354		13,388	(34)	14,022
Lender required Reserve deposit / (withdrawal)*****	215		215	0	0
Subtotal Takeout Debt Service & Lender Reserves	26,447		26,479	(32)	26,230
Net Cash Flow Available for Subordinated Loan	18,275		20,361	2,086	14,394
<u>StadCo Subordinated Loan</u>					
Scheduled Principal (subject to ledger credit)	2,128		2,128	0	2,245
Less: Principal Payment Reductions via Ledger Credit	0		0	0	0
Current Interest	2,146		2,146	0	1,575
Subordinated Loan Principal + Current interest	4,273		4,273	0	3,820
Net Cash Flow After Mandatory Debt Service	14,001		16,087	2,086	10,574
ManCo Line of Credit	0		6,323	(6,323)	0
Operating Reserve	338		338	0	348
Capex Reserve	1,159		1,159	0	1,194
Net Cash Flow After Capex & Opex Reserves	12,504		8,268	(4,236)	9,032

* ManCo has sold over 700 new SBLs since July 1, for a value of over \$4M to the SCSA. However, a number of these contracts were not signed by a representative of the SCSA.

Due to the SCSA's inaction, many of the contracts are now void. We will need to contact the customers and determine if they wish to execute new contracts, or if the initial deposits must be refunded.

** Pending adjustments to 2019 Non-NFL event expenses including charges from the City and review of SCSA's expense classifications.

*** Naming Rights Partner may choose to reduce their payment, and in such case this reduction would be reimbursed by ManCo.

**** Represents budget proposed by SCSA staff net of projected true-up per SCSA.

***** Assumes that Public Safety Costs in excess of the Public Safety Cost Threshold will be reimbursed from the Discretionary Fund pursuant to Section 7.5.3 of the Stadium lease.

***** Excludes additional Manager Operating Expenses for services requested by Stadium Authority in 2019 (~\$1M).

***** Pending status of NFL CBA, additional debt reserve funding of ~\$11.5M may be required.

SCSA Annual Shared Stadium Expense Budget
 FY19 Budget, FY20 Draft Budget + 5-Yr Forecast

FY19 Budget

Category	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
Total Compensation	482,914	2,142,979	1,317,411	495,572	88,586	4,527,461
Travel, Meals & Entertainment	1,093	206,538	6,000	36,613	3,018	253,261
Outside Services	1,020,713	1,034,086	698,208	7,450	16,211	2,776,667
General supplies	39,202	60,000	0	70,056	58,968	228,226
Telephone	7,957	227,499	10,200	5,208	396	251,260
Equipment	95,610	283,690	15,750	64,752	8,736	468,538
Uniforms	5,245	0	1,250	87,319	936	94,750
Other	3,278	49,650	5,000	57,573	0	115,501
Total	1,656,011	4,004,441	2,053,818	824,542	176,851	8,715,664

Compensation Breakout:	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
FT Wages	370,246	1,297,191	856,315	230,878	61,565	2,816,194
PT Wages	0	433,232	0	154,804	0	588,036
Benefits	112,668	412,557	461,096	109,890	27,021	1,123,231
Total Compensation	482,914	2,142,979	1,317,411	495,572	88,586	4,527,461

# of FT Headcount	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
	10	27	15	6	3	61

FY20 Draft Budget

Category	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
Total Compensation	426,155	2,555,821	1,402,782	391,723	80,915	4,857,396
Travel, Meals & Entertainment	0	203,988	6,000	40,990	2,055	253,033
Outside Services	992,078	1,091,000	449,387	800	265,488	2,798,753
General supplies	1,608	61,850	78,000	102,655	56,982	301,095
Telephone	5,100	280,000	10,200	4,464	432	300,196
Equipment	8,094	225,688	28,000	58,000	2,400	322,182
Uniforms	5,124	0	1,500	78,100	750	85,474
Other	0	44,150	1,250	29,250	0	74,650
Total	1,438,159	4,462,496	1,977,119	705,982	409,022	8,992,778

Compensation Breakout:	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
FT Wages	320,746	1,637,150	876,330	191,644	60,602	3,086,472
PT Wages	0	366,317	79,842	106,638	0	552,797
Benefits	105,408	552,355	446,609	93,441	20,313	1,218,128
Total Compensation	426,155	2,555,821	1,402,782	391,723	80,915	4,857,396

# of FT Headcount	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
	8	28	14	5	3	58

5-Yr Forecast

Category	FY21	FY22	FY23	FY24	FY25
Total Compensation	5,003,118	5,153,212	5,307,808	5,467,042	5,631,054
Travel, Meals & Entertainment	260,623	268,442	276,495	284,790	293,334
Outside Services	2,882,716	2,969,197	3,058,273	3,150,021	3,244,522
General supplies	310,128	319,432	329,015	338,885	349,052
Telephone	309,202	318,478	328,032	337,873	348,009
Equipment	331,847	341,802	352,056	362,618	373,497
Uniforms	88,038	90,679	93,400	96,202	99,088
Other	76,890	79,196	81,572	84,019	86,540
Total	9,262,562	9,540,438	9,826,652	10,121,451	10,425,095

Compensation Breakout:	FY21	FY22	FY23	FY24	FY25
FT Wages	3,179,066	3,274,438	3,372,671	3,473,852	3,578,067
PT Wages	569,380	586,462	604,056	622,177	640,843
Benefits	1,254,671	1,292,312	1,331,081	1,371,013	1,412,144
Total Compensation	5,003,118	5,153,212	5,307,808	5,467,042	5,631,054

Table 9
Santa Clara Stadium Authority
Currently Active Stadium Builder License (SBL) Summary⁽¹⁾

Through September 30, 2019									
Seat Value	SBL Seats Available	SBL Seats Sold as of 3/31/19	New SBL Sales	Net SBL Relocations	SBL Defaults	SBL Seats Sold	SBL Value	SBL Collected	% SBL Principal Collected
141,392	100	100	-	-	-	100	\$ 14,082,625	\$ 11,966,318	85.0%
80,000	938	930	-	7	(13)	924	73,920,000	63,952,301	86.5%
40,000	2	2	-	-	-	2	80,000	61,976	77.5%
30,000	4,869	4,554	6	3	(57)	4,506	135,180,000	117,010,112	86.6%
20,000	3,395	2,965	12	(22)	(68)	2,887	57,740,000	49,065,304	85.0%
15,000	7	7	-	-	(1)	6	90,000	59,499	66.1%
12,000	2,167	2,118	7	12	(28)	2,109	25,308,000	21,438,998	84.7%
10,000	9	7	-	-	-	7	70,000	57,422	82.0%
6,000	20,623	20,441	86	60	(483)	20,104	120,624,000	96,192,406	79.7%
5,000	14,301	13,164	63	20	(297)	12,950	64,750,000	53,041,175	81.9%
4,000	917	913	3	4	(4)	916	3,664,000	3,254,731	88.8%
3,000	94	94	-	-	(4)	90	270,000	206,822	76.6%
2,500	45	45	-	-	(1)	44	110,000	87,211	79.3%
2,000	18,373	14,881	57	(54)	(607)	14,277	28,554,000	23,999,107	84.0%
1,000	39	38	-	(1)	(2)	35	35,000	28,469	81.3%
Total	65,879	60,259	234	29	(1,565)	58,957	\$ 524,477,625	\$ 440,421,849	84.0%
								50,559,791	
								\$ 490,981,640	

⁽¹⁾ This table does not include \$26.6 million that has been collected life-to-date from defaulted SBL holders.

Ticketed Events Quarterly Report
Event Flash Report
For Events through 6/30/19
Draft & Confidential

	Monster Jam 4/13/2019	Bay Area Wedding Fair 4/21/2019	USWNT vs South Africa 5/12/2019	Quarter 1 Totals
Statistical Data				
Event Type	Motor Sport	Other	Soccer	
Tickets Sold	37,891	381	20,195	58,467
Scanned Attendance	39,701	781	20,464	60,946
Patron Parking - Main Lot	-	N/A	1,275	1,275
Patron Parking - Other	4,700	N/A	1,996	6,696
Total Parking	4,700	-	3,271	7,971

Financial Data (see Important Note below)

Revenue (see Important Note below)

Seating Bowl Revenue	1,152,329	22,431	5,730	1,180,490
TM Fees	-	-	-	-
Suite Ticket Revenue	20,844	-	19,296	40,140
F & B Revenue	203,773	6	108,984	312,763
Parking Revenue	176,110	-	132,170	308,280
Rent	-	-	-	-
Sponsorship	-	-	-	-
Merchandise	-	-	-	-
Other Revenue	2,189	-	-	2,189
Total Revenue	1,555,246	22,436	266,180	1,843,862

Expenses (see Important Note below)

Guest Service Representatives	63,516	3,531	35,839	102,886
Public Safety Cost	191,502	-	99,277	290,779
Security	124,603	3,058	68,662	196,323
Janitorial / Maintenance	25,733	5,580	79,102	110,415
Field Conversion / Replacement	368,638	-	-	368,638
Other Stadium Operations	54,049	3,044	49,246	106,340
Utilities	17,405	-	15,809	33,213
Other Gameday Staff	192,435	5,327	59,101	256,863
Transportation	45,000	-	25,288	70,288
Parking Operations	133,541	157	94,873	228,572
Parking - 3rd Party Lot Rental	23,455	-	11,860	35,315
Credit Card Fees	5,330	1,247	(357)	6,220
Catering	34,258	594	26,758	61,610
Partner Payments & Guarantees	679,107	-	-	679,107
Ticket Sales Commissions	1,454	-	-	1,454
Marketing Expense	-	-	14	14
Bowl Committee Expenses	-	-	-	-
Partner Reimbursement	-	-	(506,018)	(506,018)
Total Expense	1,960,028	22,538	59,451	2,042,017

Net Revenue (see Important Note below) \$ (404,782) \$ (101) \$ 206,729 \$ (198,155)

Non-NFL Ticket Surcharge \$ 151,564 \$ 1,524 \$ 80,780 \$ 233,868

Net Revenue + Surcharge (see Important Note below) \$ (253,218) \$ 1,423 \$ 287,509 \$ 35,714

Important Note: All Revenue and Expenses presented includes actual data known to date, but is not complete. Invoices and other expense data are periodically updated as actual amounts become known. As such, the Net revenue amounts will change and are not final until all event Revenue and Expenses are known.

Non-Ticketed Events Quarterly Report
Event Flash Report
For Events through 6/30/19
Draft & Confidential

	April	May	June	Quarter 1 Totals
Statistical Data				
Number of Events	7	5	8	20
Number of Attendees	2,560	1,293	1,884	5,737
Financial Data (see Important Note below)				
<i>Revenue (see Important Note below)</i>				
Revenue	389,249	150,491	272,058	811,798
Sales Tax	(6,894)	(3,105)	(6,932)	(16,931)
Food & Beverage Commissions	52,611	14,894	20,352	87,857
Total Revenue	434,966	162,279	285,478	882,724
<i>Expenses (see Important Note below)</i>				
Guest Service Representatives	9,217	5,401	16,125	30,743
Audio/Visual Event Day	2,253	5,401	3,821	11,476
Audio/Visual Rental	-	-	-	-
Nelson Event Staffing	9,534	3,645	12,957	26,135
Nelson Stage Staffing	2,710	1,637	10,596	14,943
Food & Beverage	182,711	57,237	72,940	312,889
Food & Beverage Bill Labor	20,150	5,350	4,925	30,425
Food & Beverage Sales Tax	22,412	6,828	8,588	37,828
Food & Beverage Service Charge	46,163	13,280	17,554	76,996
Linens	3,533	1,086	1,693	6,312
Game Rental	-	-	-	-
Other Rental	-	487	1,063	1,550
Security	11,000	5,043	4,478	20,522
Public Safety	6,305	5,586	-	11,891
Cleaning	11,269	4,551	9,217	25,037
Recycling	691	412	937	2,040
Janitorial Supplies	1,152	582	848	2,582
Entertainment	3,585	6,420	-	10,005
Parking	1,025	-	-	1,025
Signage	-	-	-	-
Other Food & Beverage	193	65	-	258
Credit Card Fees	14,010	5,090	969	20,068
Miscellaneous	1,949	454	1,007	3,409
Total Expense	349,864	128,555	167,717	646,136
Net Revenue (see Important Note below)	\$ 85,102	\$ 33,725	\$ 117,761	\$ 236,588

Important Note: All Revenue and Expenses presented includes actual data known to date, but is not complete. Invoices and other expense data are periodically updated as actual amounts become known. As such, the Net revenue amounts will change and are not final until all event Revenue and Expenses are known.

Ticketed Events Quarterly Report
Event Flash Report
For Events through 9/30/19
Draft & Confidential

	ICC: Chivas vs Benfica 7/20/2019	Rolling Stones: No Filter Tour 8/18/2019	High School Football Series 9/16/2019	Quarter 2 Totals
Statistical Data				
Event Type	Soccer	Concert	High School Football	
Tickets Sold	14,945	48,558	4,754	68,257
Scanned Attendance	15,575	47,442	4,625	67,642
Patron Parking - Main Lot	306	1,587	N/A	1,893
Patron Parking - Other	1,216	4,152	N/A	5,368
Total Parking	1,522	5,739	-	7,261

Financial Data (see Important Note below)

<i>Revenue (see Important Note below)</i>				
Seating Bowl Revenue	974,905	9,902,028	99,154	10,976,087
TM Fees	82,040	569,282	-	651,322
Suite Ticket Revenue	26,967	176,350	510	203,827
F & B Revenue	90,431	371,063	7,720	469,213
Parking Revenue	63,765	264,116	16,705	344,586
Rent	-	-	-	-
Sponsorship	-	-	-	-
Merchandise	-	-	-	-
Other Revenue	918	51,020	-	51,938
Total Revenue	1,239,025	11,333,859	124,089	12,696,973

Expenses (see Important Note below)

Guest Service Representatives	58,840	95,724	9,177	163,741
Public Safety Cost	298,724	296,331	14,250	609,305
Security	124,108	267,630	18,935	410,674
Janitorial / Maintenance	105,200	138,999	14,314	258,513
Field Conversion / Replacement	-	60,475	-	60,475
Other Stadium Operations	59,159	158,269	2,192	219,620
Utilities	17,201	20,997	45	38,243
Other Gameday Staff	62,118	495,048	16,879	574,045
Transportation	51,355	75,253	-	126,608
Parking Operations	107,040	132,402	7,259	246,701
Parking - 3rd Party Lot Rental	21,010	35,042	-	56,052
Credit Card Fees	3,487	512	520	4,519
Catering	68,597	109,547	2,963	181,107
Partner Payments & Guarantees	384,000	8,570,860	6,615	8,961,475
Ticket Sales Commissions	750	-	-	750
Marketing Expense	708	4,996	-	5,704
Bowl Committee Expenses	-	-	-	-
Partner Reimbursement	-	-	-	-
Total Expense	1,362,298	10,462,082	93,151	11,917,531

Net Revenue (see Important Note below)	\$ (123,273)	\$ 871,777	\$ 30,938	\$ 779,443
Non-NFL Ticket Surcharge	\$ 59,780	\$ 194,232	\$ 19,016	\$ 273,028
Net Revenue + Surcharge (see Important Note below)	\$ (63,493)	\$ 1,066,009	\$ 49,954	\$ 1,052,471

Important Note: All Revenue and Expenses presented includes actual data known to date, but is not complete. Invoices and other expense data are periodically updated as actual amounts become known. As such, the Net revenue amounts will change and are not final until all event Revenue and Expenses are known.

Non-Ticketed Events Quarterly Report
Event Flash Report
For Events through 9/30/19
Draft & Confidential

	July	August	September	Quarter 2 Totals
Statistical Data				
Number of Events	2	3	3	8
Number of Attendees	255	660	1,100	2,015
Financial Data (see Important Note below)				
<i>Revenue (see Important Note below)</i>				
Revenue	44,692	192,882	130,355	367,930
Sales Tax	(990)	(2,777)	(4,061)	(7,828)
Food & Beverage Commissions	3,658	23,274	9,519	36,450
Total Revenue	47,360	213,379	135,813	396,552
<i>Expenses (see Important Note below)</i>				
Guest Service Representatives	1,348	4,508	5,329	11,185
Audio/Visual Event Day	218	1,098	1,299	2,615
Audio/Visual Rental	-	-	-	-
Nelson Event Staffing	2,315	6,620	7,702	16,637
Nelson Stage Staffing	-	7,765	6,256	14,021
Food & Beverage	20,331	88,936	35,970	145,236
Food & Beverage Bill Labor	600	5,660	3,625	9,885
Food & Beverage Sales Tax	2,302	10,302	4,366	16,970
Food & Beverage Service Charge	4,649	19,867	8,420	32,936
Linens	-	1,048	1,314	2,362
Game Rental	-	-	-	-
Other Rental	-	-	-	-
Security	579	1,961	2,016	4,556
Public Safety	-	-	-	-
Cleaning	869	2,304	4,536	7,710
Recycling	103	97	336	536
Janitorial Supplies	115	297	495	907
Entertainment	-	-	-	-
Parking	-	-	-	-
Signage	-	-	-	-
Other Food & Beverage	-	-	-	-
Credit Card Fees	535	1,092	2,846	4,472
Miscellaneous	-	499	539	1,038
Total Expense	33,964	152,053	85,049	271,066
Net Revenue (see Important Note below)	\$ 13,396	\$ 61,327	\$ 50,764	\$ 125,486

Important Note: All Revenue and Expenses presented includes actual data known to date, but is not complete. Invoices and other expense data are periodically updated as actual amounts become known. As such, the Net revenue amounts will change and are not final until all event Revenue and Expenses are known.

Ticketed Events Quarterly Report
Event Flash Report
For Events through 12/31/19
Draft & Confidential

	Pac-12		Quarter 3 Totals
	Championship 12/6/2019	Redbox Bowl 12/30/2019	
Statistical Data			
Event Type	College Football	College Football	
Tickets Sold	27,012	30,152	57,164
Scanned Attendance	28,769	24,021	52,790
Patron Parking - Main Lot	858	1,512	2,370
Patron Parking - Other	1,684	1,715	3,399
Total Parking	2,542	3,227	5,769

Financial Data (see Important Note below)

Revenue (see Important Note below)

Seating Bowl Revenue	2,603,332	1,989,471	4,592,803
TM Fees	69,082	22,304	91,385
Suite Ticket Revenue	22,446	70,324	92,770
F & B Revenue	260,795	144,985	405,780
Parking Revenue	100,790	113,140	213,930
Rent	-	-	-
Sponsorship	26,000	525,900	551,900
Merchandise	-	13,193	13,193
Other Revenue	-	1,614,097	1,614,097
Total Revenue	3,082,445	4,493,413	7,575,858

Expenses (see Important Note below)

Guest Service Representatives	72,012	63,600	135,612
Public Safety Cost	-	-	-
Security	170,437	116,268	286,705
Janitorial / Maintenance	114,687	93,501	208,189
Field Conversion / Replacement	-	-	-
Other Stadium Operations	18,803	33,296	52,100
Utilities	19,358	18,428	37,786
Other Gameday Staff	67,954	45,264	113,218
Transportation	46,350	12,227	58,577
Parking Operations	139,275	93,385	232,660
Parking - 3rd Party Lot Rental	15,474	474	15,949
Credit Card Fees	2,170	744	2,914
Catering	30,069	40,271	70,340
Partner Payments & Guarantees	5,250,000	3,600,000	8,850,000
Ticket Sales Commissions	4,067	-	4,067
Marketing Expense	106,131	115,494	221,624
Bowl Committee Expenses	-	248,225	248,225
Partner Reimbursement	(750,000)	-	(750,000)
Total Expense	5,306,787	4,481,177	9,787,964

Net Revenue (see Important Note below) \$ (2,224,342) \$ 12,236 \$ (2,212,106)

Non-NFL Ticket Surcharge \$ 108,048 \$ 120,608 \$ 228,656

Net Revenue + Surcharge (see Important Note below) \$ (2,116,294) \$ 132,844 \$ (1,983,450)

Important Note: All Revenue and Expenses presented includes actual data known to date, but is not complete. Invoices and other expense data are periodically updated as actual amounts become known. As such, the Net revenue amounts will change and are not final until all event Revenue and Expenses are known.

Non-Ticketed Events Quarterly Report
Event Flash Report
For Events through 12/31/19
Draft & Confidential

	October	November	December	Quarter 3 Totals
Statistical Data				
Number of Events	5	11	20	36
Number of Attendees	1,135	2,895	10,373	14,403
Financial Data (see Important Note below)				
<i>Revenue (see Important Note below)</i>				
Revenue	386,572	630,012	2,347,531	3,364,115
Sales Tax	(8,116)	(11,363)	(34,105)	(53,583)
Food & Beverage Commissions	22,503	60,647	317,280	400,430
Total Revenue	400,960	679,296	2,630,706	3,710,962
<i>Expenses (see Important Note below)</i>				
Guest Service Representatives	8,615	14,163	35,099	57,877
Audio/Visual Event Day	1,897	237	-	2,134
Audio/Visual Rental	-	-	-	-
Nelson Event Staffing	29,196	7,907	15,131	52,234
Nelson Stage Staffing	3,688	8,718	4,441	16,846
Food & Beverage	138,459	205,386	942,714	1,286,559
Food & Beverage Bill Labor	9,000	14,900	61,150	85,050
Food & Beverage Sales Tax	18,046	23,705	109,321	151,072
Food & Beverage Service Charge	28,299	42,203	210,812	281,313
Linens	2,434	1,661	-	4,095
Game Rental	-	-	-	-
Other Rental	3,412	4,134	4,384	11,930
Security	4,016	8,457	10,343	22,816
Public Safety	-	-	-	-
Cleaning	8,359	-	-	8,359
Recycling	434	1,525	-	1,959
Janitorial Supplies	511	1,303	4,668	6,481
Entertainment	-	-	5,040	5,040
Parking	489	-	5,612	6,101
Signage	-	-	-	-
Other Food & Beverage	209	-	227	437
Credit Card Fees	3,424	6,145	15,726	25,295
Miscellaneous	218	1,776	10,788	12,782
Total Expense	260,707	342,220	1,435,454	2,038,381
Net Revenue (see Important Note below)	\$ 140,253	\$ 337,076	\$ 1,195,252	\$ 1,672,581

Important Note: All Revenue and Expenses presented includes actual data known to date, but is not complete. Invoices and other expense data are periodically updated as actual amounts become known. As such, the Net revenue amounts will change and are not final until all event Revenue and Expenses are known.

Shared Expenses FY2019/20 Projection

SCSA Supporting Documentation

Stadium Manager Shared Expenses

Confidential

FY19 Budget

Category	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
Total Compensation	482,914	2,142,979	1,317,411	495,572	88,586	4,527,461
Travel, Meals & Entertainment	1,093	206,538	6,000	36,613	3,018	253,262
Outside Services	1,020,713	1,034,086	698,208	7,450	16,211	2,776,668
General supplies	39,202	60,000	0	70,057	58,968	228,227
Telephone	7,957	227,499	10,200	5,208	396	251,260
Equipment	95,610	283,691	15,750	64,752	8,736	468,539
Uniforms	5,245	0	1,250	87,319	936	94,750
Other	3,278	49,650	5,000	57,573	0	115,501
Total	1,656,011	4,004,443	2,053,819	824,544	176,851	8,715,668

Compensation Breakout:	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
FT Wages	370,246	1,297,191	856,315	230,878	61,565	2,816,194
PT Wages	0	433,232	0	154,804	0	588,036
Benefits	112,668	412,557	461,096	109,890	27,021	1,123,231
Total Compensation	482,914	2,142,979	1,317,411	495,572	88,586	4,527,461

FY19 Forecast

Category	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
Total Compensation	479,642	2,048,928	1,373,161	414,708	78,899	4,395,338
Travel, Meals & Entertainment	1,093	180,038	6,000	36,613	3,018	226,762
Outside Services	970,713	884,086	673,208	7,450	7,211	2,542,668
General supplies	39,202	30,000	0	70,057	48,968	188,227
Telephone	7,957	227,499	10,200	5,208	396	251,260
Equipment	95,610	273,691	15,750	49,752	8,736	443,539
Uniforms	5,245	0	1,250	77,319	936	84,750
Other	3,278	21,650	5,000	52,573	0	82,501
*Total	1,602,740	3,665,892	2,084,569	713,680	148,164	8,215,045

Compensation Breakout:	Security	Stadium Ops	Engineering	Guest Services	Grounds	Total
FT Wages	370,651	1,305,668	879,200	177,244	57,514	2,790,277
PT Wages	0	330,859	20,973	124,037	0	475,869
Benefits	108,992	412,401	472,987	113,426	21,385	1,129,192
Total Compensation	479,642	2,048,928	1,373,161	414,708	78,899	4,395,338

*Does not include cash true up from prior year

Shared Expenses - Organization Chart

SCSA Annual Shared Stadium Expense Detail
Stadium Manager Full-Time Positions
FY19 Budget

Security	Stadium Operations	Engineering	Guest Services	Groundskeeping
Director of Security	Executive Vice President & GM	Director of Engineering	Director of Guest Services	Manager, Groundskeeping
Director of Security	Executive Administrative Assistant	Chief Engineer	Guest Service Manager	Groundskeeper
Manager of Security	Director of Stadium & Event Operations	Administrative Engineering Coordinator	Guest Service Coordinator	Groundskeeper
Manager of Security	Director of Stadium Operations Logistics	Assistant Chief Engineer	Guest Service Coordinator	
Manager of Security	Director of Technical Operations	Stationary Engineer	Guest Service Coordinator	
Manager of Security	Senior Manager, Special Event Operations	Stationary Engineer	Guest Service Coordinator	
Security Coordinator	Senior Manager, Stadium Operations	Stationary Engineer		
Security Coordinator	Senior Manager, Stadium Operations	Stationary Engineer		
Security Coordinator	Senior Manager, Stadium Logistics	Stationary Engineer		
Security Coordinator	Manager, Stadium & Event Operations	Stationary Engineer		
	Manager, Stadium Operations, Warehouse & Dock Operations	Stationary Engineer		
	Manager, Stadium Logistics	Stationary Engineer		
	Manager, Stadium Operations & Logistics	Stationary Engineer		
	Technical Operations Manager	Stationary Engineer		
	IPTV Manager	Apprentice Stationary Engineer		
	Stadium Operations, Systems & Reporting Manager			
	Locker Room Manager			
	Stadium Operations Project Manager			
	Stadium Operations Coordinator			
	Stadium Operations Coordinator			
	Stadium Events Coordinator			
	Project Coordinator			
	Warehouse Coordinator			
	Logistics Coordinator			
	Audio Visual Coordinator			
	Loading Dock Coordinator			
	Stadium Operations Staff			

SBL Sales and Service FY 2019/20 Projection

2020 SCSA Budget Supporting Doc

Sales & Service Team Costs

FY19 Forecast

Category	Sales Team	Service Team	Total
Compensation	992,664	579,443	1,572,107
Discretionary	222,500	353,061	575,561
Total	\$ 1,215,164	\$ 932,504	\$ 2,147,668

Compensation Breakout:	Sales Team	Service Team	Total
FT Wages	447,397	356,018	803,415
Bonuses/Commissions	297,000	51,690	348,690
Benefits	248,267	171,735	420,002
Total Compensation	\$ 992,664	\$ 579,443	\$ 1,572,107

# of FT Headcount	11	8	19
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Discretionary Breakout:	Cost
SBL Member Events	137,505
SBL Advertising	125,000
Sales Enablement & CRM Software	149,104
SBL Focus Groups	41,200
Sales Training	22,500
Travel, Meals & Entertainment	10,000
Other	43,252
Total	\$ 528,561

SBL Finance & Ticket Ops	Finance/Ticket Ops	Total
Compensation	70,241	\$ 70,241

FY19 SBL & Service Team Sub-Total	\$ 2,217,909
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+ BNY All-Inclusive	1,390,234
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*FY19 Total SBL Sales & Service Costs	\$ 3,608,143
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*Does not include \$392k cash true-up for prior year

**SCSA Annual Shared Stadium Expense Detail
Sales and Service Full-Time Positions
FY19 Budget**

Sales Team
SBL Director
Senior Membership Sales Consultant
Senior Membership Sales Consultant
Membership Sales Consultant
Membership Sales Consultant
Membership Sales Consultant
Membership Sales Consultant
Membership Sales Consultant
Membership Sales Consultant
Membership Sales Consultant
Premium Sales Consultant
Premium Sales Consultant
Group Sales Consultant

Service Team
Director, Membership Service & Suite Activation
Senior Manager, Membership Service
Membership Service Consultant

SBL Sales and Service FY 2020/21

2020 SCSA Budget Supporting Doc

Sales & Service Team Costs

FY20 Budget

Category	Sales Team	Service Team	Total
Compensation	1,160,879	654,722	1,815,601
Discretionary	202,500	335,350	537,850
Total	\$ 1,363,379	\$ 990,072	\$ 2,353,451

Compensation Breakout:	Sales Team	Service Team	Total
FT Wages	513,807	422,602	936,409
Bonuses/Commissions	340,540	55,015	395,555
Benefits	306,532	177,105	483,637
Total Compensation	\$ 1,160,879	\$ 654,722	\$ 1,815,601

# of FT Headcount	11	8	19
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Discretionary Breakout:	Total
SBL Member Events	127,000
SBL Advertising & Prospecting Events	175,000
Sales Enablement	119,750
SBL Focus Groups	41,200
Sales Training	22,500
Travel, Meals & Entertainment	12,500
Other	39,900
Total	537,850

SBL Finance & Ticket Ops	Total
Compensation	\$ 73,753
FY19 SBL & Service Team Sub-Total	\$ 2,427,204
+ BNY All-Inclusive	1,183,193
FY19 Total SBL Sales & Service Costs	\$ 3,610,396



For the SCSA to better understand FY 2020/21 potential for Non-NFL event revenue and expenditure, please provide event contracts for FY 2020/21, including but not limited to Monster Jam, Justin Bieber, and BTS.

Stadium Manager's Response:

Monster Jam is on the final year of a three-year contract. This contract has previously been provided. As a result of the potential for postponements and the corona virus business interruption, contracts have not yet been signed for the two concerts. We will share them as soon as they are available.

For staffing costs, please provide the individual positions within each department, their actual hours charged to Shared Expenses, their hourly rate, and all records with respect to charges for the salaries, benefits, and related costs.

Stadium Manager's Response:

We would like to provide you with all reasonable levels of transparency into Stadium Authority expenses, but are not willing to disclose salaries, benefits, and other confidential information for Stadium Manager employees. We can provide you overall compensation information by department, or by other metrics that would be helpful to you. Please let me know if you have something in mind, or we can make some recommendations on the ways that we think this information can be produced in an anonymized way that will be helpful to you. If you believe that something in the Management Agreement directs a response, or a particular format, please let me know where to find it.

There is a Stadium Insulation CapEx carryover line item for \$157,500. Why was the insulation not previously installed? Does the insulation have a warranty, and if so, for how long?

Due to several scheduling conflicts, this CapEx project was unable to be completed during the 2019 fiscal year, and is listed as a carryover item in the 2020 SCSA CapEx budget submission. The original insulation was installed during the initial construction of the stadium, and with several years of wind and normal wear and tear, the exposed insulation requires some maintenance and potential replacement. The warranty for the original insulation expired two years after the Stadium's substantial completion.



Does ManCo have a 40-year maintenance plan/condition assessment for the Stadium so that it can project and anticipate for expenses related to the aging of the facility?

Stadium Manager has provided all of the plans and capital expenditure projections required pursuant to Section 4.8 of the Stadium Management Agreement.



Questions for the Stadium Manager in reference to the 2020/21 CapEx Budget

Per Article 4 of the Management Agreement, RECORDS, ACCOUNTS, BUDGETS AND REPORTS, Section 4.8 states that the Draft Capital Expenditure Plan (a) shall contain the Stadium Manager's proposed Capital Repairs to be made to the Premises during the upcoming Fiscal Year, (b) shall describe in reasonable detail any material discrepancies between the Stadium Manager's proposed Capital Expenditures for such Fiscal Year and the five (5) year projection of anticipated Capital Expenditures included in the previous year's Capital Expenditure Plan, and (c) shall include any Capital Expenditures for public safety that the Stadium Manager proposes be made consistent with the then approved Public Safety Plan.

As a result of the City's revocation of the Executive Director's authority to procure goods and services on behalf of the SCSA, as of November 8, 2019, the Stadium Manager must now seek approval from the Board and demonstrate that the Stadium Manager has properly and legally procured goods and services before Stadium Authority contracts may be executed.

Note: SCSA may ask additional questions once the information requested below is provided.

Capital Expenditures

- The five-year CIP plan submitted for during the development of the FY 2019/20 totaled \$8.9 million for FY 2020/21 through FY 2023/24. The submittal for FY 2020/21 through FY 2023/24 totals \$13.2 million.
- 1. **The Financial Management System (\$270,000) was included in your CapEx submittal. There were numerous discussions around this item and, the Stadium Authority agreed to fund this project through the General and Administrative budget in the Operating Fund (Subject to subsequent court rulings on cost allocation). We have listed the Financial Management System in the Capital Projects with a note that the funding source is the Operating Fund.**

Stadium Manager's Response:

The Financial Management System is included in the SCSA's CapEx budget per your original request. Thank you.



- 2. Please provide a description for the change in approach and/or reasons which resulted in the \$4.3 million or nearly 50% increase in the five-year plan.**

Stadium Manager's Response:

The five-year plan includes anticipated projects. The \$4.3M increase is a result of new public safety cost requests, code requirements and building engineering requirements. Examples of these projects include 2-Way CAD/24-4 Link and CO2 Monitoring and Sensors.

- a. Provide a detailed list of all of the projects included in the 2019/20 five-year CapEx plan and the 2020/21 five-year CapEx plan.**

Stadium Manager's Response:

Please see the attached lists.

- 3. While the FY 2021/22 through FY 2023/24 budgets average \$2.6 million, FY 2024/25's budget increases to \$10.4 million, which is a \$7.7 million increase (nearly 300%). Please explain what items are anticipated for FY 2024/25 that would result in such a large increase.**

Stadium Manager's Response:

Considering the long-term capital needs for the stadium, we anticipate that after year 10 of the stadium, there will be significant building improvements and replacements. This will require increased capital spending. However, we will continue to monitor and evaluate the needs of the facility and update this list as required on an annual basis.

- 4. For the FY 2020/21 proposed CapEx plan and the projects that are being carried over from prior years, please provide a prioritization matrix identifying the needs for the projects such as health and safety, revenue generation, aesthetics/customer experience, cost savings etc. and additional narrative and justification to further understand the need and importance of the proposed projects. If ManCo expects cost savings and/or other financial impacts, please provide this information so that SCSA understands the return on investment for the proposed capital projects.**

Stadium Manager's Response:

Please see the attached.

5. **Given the carryover of capital funds from FY 2019/20 to 2020/21 because funded projects could not be procured or completed, please describe ManCo’s plan to procure and substantially complete the projects during the next fiscal year which are proposed for funding for FY 2020/21. What is the timeline for project completion for all carryover projects and new projects?**

Stadium Manager’s Response:

We have attempted on several occasions to meet with the SCSA staff to discuss this matter, specifically with Mark Giovannetti. In May 2019, Mr. Giovannetti told us that he would be happy to meet with us to discuss the City’s new procurement procedures, but those requests were later denied by Ms. Santana on June 6, 2019. We will send another letter to Mr. Giovannetti requesting that meeting.

6. **Two projects (Small Cooler and Ice Pack - \$250 and Mass Decontamination Hydrant Nozzles - \$1,608) not included in CapEx submittal. Were these incorporated into other projects? If not included, please explain why.**

Stadium Manager’s Response:

These two projects do not meet the SCSA’s capitalization threshold and should be budgeted elsewhere. Please advise.

7. **Please provide pictures for the Replace Furniture for BNY Field Clubs, United, Levi’s 501 & Yahoo clubs and Special Event Spaces project.**

Stadium Manager’s Response:

Please see the attached photos.

8. **Please provide plans for both the Concession Signage and Stadium Event Signage.**

- a. **What types of signage recommended by fire marshal?**

Stadium Manager’s Response:

The Santa Clara Fire Marshal has requested that the fire lane located outside of Gate D and Gate E be striped so that it is more visible and easier to keep clear. The Fire Marshal also has required floor delineation within the 100-service level corridor of the stadium to maintain demarcation of areas that allow golf cart parking and equipment storage and areas that don’t. This would help maintain adequate path of travel/widths. The Fire Marshal has also mandated more “No Smoking” signage throughout the 300-level and 700-level concourses to help discourage smoking on those levels.



The following corrections and/or additions to stadium signage are also necessary:

- The Levi's 501 Club needs directional signage on both the main and outer concourses, and additional signage needs to be added to Sections 211 and 221 stating that there is no access to the Levi's 501 Club via those stairs.

- Additional signage to the SAP Tower is needed on both the 200-level and 300-level stating which sections are accessible through the tower.

- At Gate F, seating section directional signage needs to be added over the escalators.

- Directional signage to the fire gates in the Atrium breezeway needs to be added.

- The section numbers on the ground need to be replaced, and additional way finding hanging signage for seating section numbers on the 700-level concourse need to be added.

- There are a variety of locations inside the stadium that need floor striping including replacing line control striping on the 300 and 700 levels, replacing ADA blue lines behind the ADA seating sections, and re-striping at the top of the aisles to communicate "keep clear" and "Standing Room Only" sections on both concourses.

- At all gates and canopies, additional signage is needed for mobile ticketing information, Wi-Fi information, and egress information regarding rideshare.

- b. ManCo recently included Levy in a capital improvement presentation at the Quarterly coordination meeting. As part of the meeting, ManCo stated that improvements made by Levy, including concession signage would have no cost to the Stadium Authority. Is the Concession Signage in the proposed project related to the proposal made by Levy's in this Quarterly Meeting?**

Stadium Manager's Response:

Yes, this project was removed and incorporated into the Levy-funded Food and Beverage Upgrade project.

9. Please provide additional detail and justification for the Asphalt project (Slurry Coat – visitor parking on Tasman, Gold 4 & 5 parking lots and South Access Road).

Stadium Manager's Response:

Given the high impacts and constant usage of these areas and spaces for back of the house operations, deliveries and event load in and out for events at the stadium, it is important that these spaces be maintained on a regular basis.

The industry standard depending on use is recommended anywhere between 5-7 years. Weather and schedule play a significant role in determining when this work can be performed. This work was budgeted last year, but then delayed, primarily due to weather and the event calendar. We remain within the recommended timeframe for Preventative Maintenance work to be performed.

10. Stationary Electric Pressure Washers – clarify that the demo stations proposed to be installed are like pilot/test stations to determine benefits to Stadium?

Stadium Manager's Response:

Attachment included with proposed electric pressure washers. This purchase of a small quantity of pressure washers is indeed a test. Depending on the results, this could lead to future proposed expenditures.

11. CO2 Monitoring & Sensors for Code Compliance – this is currently categorized under “Food and Beverage,” is this accurate or should this be moved to Life Safety/Fire?

Stadium Manager's Response:

This is a Food and Beverage project as a result of a recommendation and/or mandate from the Santa Clara Fire Department. This project will complete an assessment of the existing system and develop a Standard Operating Procedure to comply with the NFPA and Hazmat requirements and this new requirement imposed by the SCFD.

12. The following projects were included in FY 2019/20 CapEx budget; however, are not in the FY 2020/21 Proposed CapEx budget and have no actuals through February. Please explain why these are not included in FY 2020/21 CapEx (i.e. completed, re-prioritized, combined with other projects):

a. Escalator Covered Canopy Lighting

Stadium Manager's Response:

Project resolved internally. No further action required at this time.

b. Fire Sprinkler System (2018/19 carryover)

Stadium Manager's Response:

Project resolved using internal and third-party solutions. No further action required at this time.

c. Loading Dock Security & Safety (2018/19 carryover)

Stadium Manager's Response:

Equipment and materials have been purchased. Installation of equipment may be re-submitted in a future budget. This project is not a high priority project at this time.

d. Miscellaneous (2018/19 carryover)

Stadium Manager's Response:

This project was an allowance to replace facility equipment and materials on an as needed basis. It was determined that there was not a need to use these funds during this fiscal year. New allowances are forecasted for upcoming fiscal years.

e. Premium Areas/Special Event Assets (2018/19 carryover)

Stadium Manager's Response:

Priority elements of project completed. Outstanding portions may be re-submitted in a future budget.

f. Hot Water Additions for Sump Pump (2018/19 carryover) 208

Stadium Manager's Response:

This project is complete.

g. Enhance Stadium Security Perimeter

Stadium Manager's Response:

This project is resubmitted in the FY 2020 budget under the line item titled, "Enhance Stadium Security Coverage."

h. Access Control System (2018/19 carryover)

Stadium Manager's Response:

This project is resubmitted in the FY 2020 budget under the line item titled, "Enhance Stadium Security Access Control."

i. Security Cameras (2018/19 carryover)

Stadium Manager's Response:

This project is resubmitted in the FY 2020 budget under the line item titled, "Enhance Stadium Security Coverage."

j. Security Fencing (Gate C Escalator)

Stadium Manager's Response:

This project is being re-evaluated and may be re-submitted in a future budget. This project is not a high priority at this time.

k. Community Room Build Out (2018/19 carryover)

Stadium Manager's Response:

The funding for this project was subject to identifying a mutually agreed upon location for development.

l. Concession Signage

Stadium Manager's Response:

This project cost was removed and incorporated into the Levy-funded Food and Beverage Upgrade Project.

m. Carbon Dioxide (CO2) Alarms

Stadium Manager's Response:

The 2019/20 Capex Project "Carbon Dioxide (CO2) Alarms" was deferred in 2019 and included in a larger building wide project on the 2020/21 Capex Project List. The new project title is called "CO2 Monitoring & Sensors for Code Compliance".

Stadium Authority 5 year capital improvement detail through 2023

PROJECT DESCRIPTION	COST	LIFE CYCLE	PROJECT TYPE	YEAR
Radio Booth Cabling	600,000	10	Audio/Visual	2019
Crestron Control & Building Operating Systems Upgrade	10,000	3	Audio/Visual	2019
Mechanical/Electrical Lighting	150,000	10	Electrical	2019
Escalator Covered Canopy & Lighting	100,000	5	Electrical	2019
Broadcast Booth Power	35,000	5	Electrical	2019
Concession Cart Cabling for Portable Carts	50,000	3	Electrical	2019
Slip and Fall Protection – South, Northeast, and Northwest Field Tunnels	30,000	2	FF&E	2019
Replace Furniture for BNY Field Clubs, United, Levi's 501, & Yahoo Clubs	1,600,000	5	FF&E	2019
Security & Life Safety Partitions & Dividers	68,000	3	FF&E	2019
Water Stations	14,350	5	FF&E	2019
Guest Services Booths	70,000	5	FF&E	2019
Concession Signage	2,500,000	5	Food and Beverage	2019
Concession Area	469,915	5	Food and Beverage	2019
Miscellaneous	100,000	1	General Building	2019
Stadium Event Signage	138,000	3	General Building	2019
Command Post Window Treatment	16,000	5	General Building	2019
Command Post Communications Equipment	58,000	3	General Building	2019
Stadium and Special Event Space Mats	75,000	2	General Building	2019
Walking Route Matting - North Side Locker Rooms	50,000	5	General Building	2019
Women's Locker Room	372,000	10	General Building	2019
ALC Graphic Upgrades	35,000	3	General Building	2019
Club Space Flooring	85,000	5	General Building	2019
Stadium Field Conduits	118,199	5	General Building	2019
Premium Areas/Special Event Assets	1,043,554	5	General Building	2019
Fire Sprinkler Extension	25,869	10	General Building	2019
Loading Dock Security and Safety	147,910	5	General Building	2019
Miscellaneous	21,350	3	General Building	2019
Install VFD Units on KX Fans for Soft Start Capabilities	300,000	10	HVAC/Mechanical	2019
Fire Sprinkler Extension	55,000	10	Life Safety/Fire	2019
CO2 Alarms for walk-in on ALC - Per Fire Marshal	45,000	3	Life Safety/Fire	2019
Hot Water Additions for Sump Pump	240,590	10	Plumbing	2019
Public Safety Equipment - SCPD and SCFD Requests	257,300	1	Public Safety	2019
Fencing on Tasman	70,000	1	Public Safety	2019
Permanent Changeable Street Signage for Public Safety & Traffic Control	1,000,000	10	Public Safety	2019
Public Safety Equipment - SCPD and SCFD Requests	439,090	5	Public Safety	2019
Card Reader Install for North & South Camera Booths	84,000	3	Security	2019
Camera, RFID, Rolling Gate Remotes for Security & Public Access	250,000	5	Security	2019
Security Cameras	54,128	5	Security	2019
Access Control System	115,276	5	Security	2019
Insulation Services 400/500 Underside above 300 level	150,000	5	Site	2019
Gate C Under Stair Fencing to Cover Security Area	45,000	5	Site	2019
LED's for Gold 4 & 5	50,000	5	Site	2019
Rust Prevention Mitigation - Stadium Perimeter Railings, Beams, etc.	90,000	3	Site	2019
Stadium Event Power Upgrades and Switchgear Electrical	42,714	5	Site	2019
Asphalt - Slurry coat - seal and stripe all parking lots	190,000	5	Site	2019
Community Room Build Out	600,000	10	Site	2019
200 C4 Elevator Door Reconfiguration	20,000	10	Vertical Transport	2019
Part 2: Fiber & Low Voltage Cabling Backbone into Radio Booths	600,000	10	Audio/Visual	2020
Beverage Distribution System	50,000	5	Food and Beverage	2020
Concession Stand Equip.	50,000	5	Food and Beverage	2020
Coolers - Walk-In	50,000	10	Food and Beverage	2020
Main Kitchen Equip.	50,000	5	Food and Beverage	2020
Aesthetic Improvements - General areas /coatings main decks	200,000	5	General Building	2020
Miscellaneous	100,000	1	General Building	2020
Condenser Water Pump(s)	75,000	5	HVAC/Mechanical	2020

Stadium Authority 5 year capital improvement detail through 2023

PROJECT DESCRIPTION	COST	LIFE CYCLE	PROJECT TYPE	YEAR
Cooling Towers	50,000	5	HVAC/Mechanical	2020
Variable Frequency Drive(s)	50,000	5	HVAC/Mechanical	2020
Heater Exchanger	50,000	1	HVAC/Mechanical	2020
HVAC	100,000	5	HVAC/Mechanical	2020
Fire Alarm System	50,000	5	Life Safety/Fire	2020
Smoke Evac System	50,000	5	Life Safety/Fire	2020
Lift Station	50,000	5	Plumbing	2020
Plumbing Fixtures	50,000	5	Plumbing	2020
Plumbing	100,000	5	Plumbing	2020
Plumbing for Water Fill Stations	125,000	5	Plumbing	2020
Santa Clara Public Safety Equipment	110,000	1	Public Safety	2020
Credential Machine	25,000	5	Security	2020
Surveillance Cameras	50,000	5	Security	2020
Surveillance - CCTV System	50,000	5	Security	2020
Surveillance - Command Center Equipment	50,000	5	Security	2020
Security	150,000	5	Security	2020
Asphalt - Slurry coat - seal and stripe all parking lots	50,000	5	Site	2020
Bridge - Pedestrian - Reseal walkways and Paint Bridges	100,000	5	Site	2020
Landscaping - Structure and Perimeter	50,000	2	Site	2020
Site	300,000	3	Site	2020
Stationary Electric pressure Washers	75,000	5	Site	2020
Slip and Fall Protection – South, Northeast, and Northwest Field Tunnels	30,000	2	FF&E	2021
Aesthetic Improvements - Premium Areas/Special Event Assets	1,000,000	5	General Building	2021
Stadium Field Event Emergency Exit – Tunnel Awning Signage	30,000	3	General Building	2021
Purchase NE & NW and install of permanent Tunnel Signage	8,000	2	General Building	2021
Purchase and install of cut-vinyl of "NO STORAGE" Signage	14,000	1	General Building	2021
Miscellaneous	100,000	5	General Building	2021
HVAC	100,000	5	HVAC/Mechanical	2021
Plumbing	100,000	5	Plumbing	2021
Santa Clara Public Safety Equipment	120,000	1	Public Safety	2021
Security	150,000	5	Security	2021
Site	300,000	3	Site	2021
Lighting System - Fixtures	750,000	5	Electrical	2022
Aesthetic Improvements	500,000	5	General Building	2022
Miscellaneous	100,000	1	General Building	2022
Lighting System - Fixtures (Part 2)	1,250,000	5	Electrical	2023
Slip and Fall Protection – South, Northeast, and Northwest Field Tunnels	30,000	2	FF&E	2023
Aesthetic Improvements - Premium Areas/Special Event Assets	1,000,000	5	General Building	2023
Restroom toilet stall to identify vacancy of stalls/Peep No More	50,000	5	General Building	2023

Stadium Authority 5 year capital improvement detail through 2024

PROJECT DESCRIPTION	COST	LIFE CYCLE	PROJECT TYPE	YEAR
Radio Booth Cabling	600,000	10	Audio/Visual	2020
Crestron Control & Building Operating Systems Upgrade	10,000	3	Audio/Visual	2020
Mechanical/Electrical Lighting	150,000	10	Electrical	2020
Broadcast Booth Power	35,000	5	Electrical	2020
Concession Cart Cabling for Portable Carts	50,000	3	Electrical	2020
Slip and Fall Protection – South, Northeast, and Northwest Field Tunnels	30,000	2	FF&E	2020
Install VFD Units on KX Fans for Soft Start Capabilities	300,000	10	FF&E	2020
Replace Furniture for BNY Field Clubs, United, Levi's 501, & Yahoo Clubs	1,600,000	5	FF&E	2020
Security & Life Safety Partitions & Dividers	68,000	3	FF&E	2020
Miscellaneous	100,000	1	General Building	2020
Stadium Event Signage	138,000	3	General Building	2020
Command Post Window Treatment	16,000	5	General Building	2020
Command Post Communications Equipment	58,000	3	General Building	2020
Stadium and Special Event Space Mats	75,000	2	General Building	2020
Walking Route Matting - North Side Locker Rooms	50,000	5	General Building	2020
Women's Locker Room	372,000	10	General Building	2020
ALC Graphic Upgrades	35,000	3	General Building	2020
Club Space Flooring	85,000	5	General Building	2020
Fire Sprinkler Extension	55,000	10	Life Safety/Fire	2020
Card Reader Install for North & South Camera Booths	84,000	3	Security	2020
Insulation Services 400/500 Underside above 300 level	150,000	5	Site	2020
LED's for Gold 4 & 5	50,000	5	Site	2020
Rust Prevention Mitigation - Stadium Perimeter Railings, Beams, etc.	90,000	3	Site	2020
Stadium Event Power Upgrades and Switchgear Electrical	42,714	5	Site	2020
200 C4 Elevator Door Reconfiguration	20,000	10	Vertical Transport	2020
Stadium Field Conduits	118,197	5	General Building	2020
Asphalt - Slurry coat - seal and stripe all parking lots	190,000	5	Site	2020
Santa Clara Public Safety Equipment	1,499,034	5-20	Public Safety	2020
Guest Services Booths	70,000	5	FF&E	2020
Beverage Distribution System	50,000	5	Food and Beverage	2020
CO2 Monitoring & Sensors for Code Compliance	200,000	5	Food and Beverage	2020
Updated Stadium Wayfinding Signage	250,000	5	General Building	2020
Levi's Naming Rights Signage Replacement	650,000	5	General Building	2020
Cooling Towers	50,000	5	HVAC/Mechanical	2020
HVAC	100,000	5	HVAC/Mechanical	2020
Variable Frequency Drive(s)	150,000	5	HVAC/Mechanical	2020
Financial Management System	270,000	5	IT	2020
Fire Alarm System	250,000	5	Life Safety/Fire	2020
Photoluminescent Tape for Fire and Safety	200,000	5	Life Safety/Fire	2020
Lift Station	200,000	5	Plumbing	2020
Plumbing	100,000	5	Plumbing	2020
Santa Clara Public Safety Equipment	1,058,081	2-20	Public Safety	2020
Enhanced Stadium Security Coverage	330,000	5	Security	2020
CCTV Pop-Up Trailers	235,000	5	Security	2020
Surveillance - Command Center Equipment	50,000	5	Security	2020
Enhanced Stadium Security Access Control	235,000	5	Security	2020
Software Upgrade to Genetec 5.8	35,000	5	Security	2020
Video Analytics	35,000	5	Security	2020
Parking Lot Camera Upgrades	40,000	5	Security	2020
Bowl Camera Upgrade/Refurbish	135,000	5	Security	2020
License Plate Reader at Vehicle Entry Gates	45,000	5	Security	2020
Security X-Ray Scanners	150,000	3	Security	2020
Stationary Electric pressure Washers	75,000	5	Site	2020
Fence Replacement at Secondary Perimeter	150,000	5	Site	2020
Slip and Fall Protection – South, Northeast, and Northwest Field Tunnels	30,000	2	FF&E	2021
Aesthetic Improvements - General areas /coatings main decks	200,000	5	General Building	2021
Aesthetic Improvements - Premium Areas/Special Event Assets	1,000,000	5	General Building	2021
Stadium Field Event Emergency Exit – Tunnel Awning Signage	30,000	3	General Building	2021
Purchase NE & NW and install of permanent Tunnel Signage	8,000	2	General Building	2021
Purchase and install of cut-vinyl of "NO STORAGE" Signage	14,000	1	General Building	2021
Miscellaneous	100,000	5	General Building	2021
Heater Exchanger	50,000	1	HVAC/Mechanical	2021
HVAC	100,000	5	HVAC/Mechanical	2021
Smoke Evac System	50,000	5	Life Safety/Fire	2021
Plumbing Fixtures	50,000	5	Plumbing	2021
Plumbing	100,000	5	Plumbing	2021
Santa Clara Public Safety Equipment	115,000	5-10	Public Safety	2021
Security	150,000	5	Security	2021
Bridge - Pedestrian - Reseal walkways and Paint Bridges	100,000	5	Site	2021

Stadium Authority 5 year capital improvement detail through 2024

PROJECT DESCRIPTION	COST	LIFE CYCLE	PROJECT TYPE	YEAR
Site	300,000	3	Site	2021
Part 2: Fiber & Low Voltage Cabling Backbone into Radio Booths	600,000	10	Audio/Visual	2022
Lighting System - Fixtures	750,000	5	Electrical	2022
Aesthetic Improvements	500,000	5	General Building	2022
Miscellaneous	100,000	1	General Building	2022
Santa Clara Public Safety Equipment	517,500	10	Public Safety	2022
Lighting System - Fixtures (Part 2)	1,250,000	5	Electrical	2023
Slip and Fall Protection – South, Northeast, and Northwest Field Tunnels	30,000	2	FF&E	2023
Aesthetic Improvements - Premium Areas/Special Event Assets	1,000,000	5	General Building	2023
Restroom toilet stall to identify vacancy of stalls/Peep No More	50,000	5	General Building	2023
Condenser Water Pump(s)	75,000	5	HVAC/Mechanical	2023
Santa Clara Public Safety Equipment	140,000	3-10	Public Safety	2023
Tunnel Flooring	150,000	5	Site	2023
A/V Cabling & Hardware Infrastructure	500,000	10	Audio/Visual	2024
Intercom - Camera	50,000	10	Audio/Visual	2024
Intercom - Spotlight	50,000	10	Audio/Visual	2024
Intercom - Wireless	50,000	10	Audio/Visual	2024
Distribution - Low Voltage - System upgrades	200,000	10	Electrical	2024
Emergency Generator rebuilds and refurbishing X 2 generators	25,000	20	Electrical	2024
Lighting System - Controls new system front end and controllers	500,000	10	Electrical	2024
Lighting System - Fixtures replacement of major outdoor lighting/LED Retrofit/Sports Lights	500,000	5	Electrical	2024
Show Power Same as high voltage components	250,000	10	Electrical	2024
Remove & Replace Visitor Locker Room Carpeting	31,669	5	FF&E	2024
Coolers - Walk-In	200,000	10	Food and Beverage	2024
Aesthetic Improvements - general areas /coatings main decks	750,000	5	General Building	2024
Ceilings - Acoustical Tile	100,000	10	General Building	2024
Ceilings - Grid or Metal Outdoor Stadium rust and corrosion	125,000	10	General Building	2024
Doors - Club-Front Entrance (Glass doors /aluminum frames	200,000	10	General Building	2024
Expansion Joints/Waterproofing /caulk joint replacements	300,000	10	General Building	2024
Overhead Doors/roll ups Motors/sensors/tracks etc.	100,000	10	General Building	2024
Painting (Structural Steel, Concrete Walls, etc.)White steel	1,000,000	10	General Building	2024
Restrooms - Fixtures repair as needed unless we remodel	250,000	5	General Building	2024
Restroom Public refinishing floors and walls	200,000	5	General Building	2024
Miscellaneous	100,000	1	General Building	2024
Air Compressors	100,000	10	HVAC/Mechanical	2024
Boiler(s) (Retube)Condensing boilers will need 10/15/20 replacements	150,000	10	HVAC/Mechanical	2024
Building Automation System (upgrade value eng. Items controllers etc.	150,000	10	HVAC/Mechanical	2024
Cooling Tower(s) - Fan outdoor harsh environment less life	75,000	5	HVAC/Mechanical	2024
Exhaust Fans Hundreds throughout the stadium	200,000	10	HVAC/Mechanical	2024
Heat Exchanger	100,000	5	HVAC/Mechanical	2024
Unit Heaters (Electric water heaters)	150,000	5	HVAC/Mechanical	2024
Variable Frequency Drive(s)main pumps central plant	60,000	5	HVAC/Mechanical	2024
Water Treatment Need water softener pre fill Value Eng. Out	75,000	5	HVAC/Mechanical	2024
Fall Protection System as needed scaffold tower ladders	10,000	10	Life Safety/Fire	2024
Fire Suppression System Novec gas and Pumps/fixtures	100,000	10	Life Safety/Fire	2024
Smoke Evac System custom door motors-tow/bowl/fans devices	25,000	5	Life Safety/Fire	2024
Backflow Preventers repair/replace as needed	50,000	10	Plumbing	2024
Drain Traps (Bowl, Concourse, etc.) exposed	25,000	10	Plumbing	2024
Irrigation - Exterior minimal recycled water system	10,000	10	Plumbing	2024
Lift Station 24 main storm sumps and sewer sump motors etc.	75,000	5	Plumbing	2024
Plumbing Fixtures urinals/sinks/water closets/hose bibs etc.	300,000	5	Plumbing	2024
Santa Clara Public Safety Equipment	100,000	10	Public Safety	2024
Access Control System/Card Readers	250,000	15	Security	2024
Credential Machine	10,000	5	Security	2024
Surveillance - Cameras	500,000	10	Security	2024
Surveillance - CCTV System	250,000	5	Security	2024
Surveillance - Command Center Equip.	100,000	5	Security	2024
Bridge - Pedestrian - Reseal walkways and Paint Bridges	125,000	5	Site	2024
Concrete (Sidewalk, Steps, etc.) major repairs and replacements	100,000	5	Site	2024
Exterior Skin, Swiss Pearl, steel finishes and moldings	125,000	10	Site	2024
Fencing as needed repair or major paint work	125,000	10	Site	2024
Landscaping - Structure (Planters) and perimeter re-do	100,000	5	Site	2024
Elevator Modernization - Freight	250,000	10	Vertical Transport	2024
Elevator Modernization - Passenger	350,000	5	Vertical Transport	2024
Escalator Modernization	400,000	10	Vertical Transport	2024

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* indicates 2019 Rollover Project

Priority 1: Health and Safety / Facility Maintenance or Security Requirement / Code Compliance

Priority 2: Revenue Generation / Cost Savings

Priority 3: Aesthetic / Customer & Client Experience

SCSA Capex Prioritization Matrix

PROJECT DESCRIPTION	COST	PRIORITY	YEAR	NOTES
Radio Booth Cabling	600,000	3	2020*	
Crestron Control & Building Operating Systems Upgrade	10,000	1	2020*	Allows stadium engineers to operate facility systems efficiently
Mechanical/Electrical Lighting	150,000	2	2020*	Energy savings project
Broadcast Booth Power	35,000	3	2020*	
Concession Cart Cabling for Portable Carts	50,000	1	2020*	SCFD cited current practice.
Slip and Fall Protection – South, Northeast, and Northwest Field Tunnels	30,000	1	2020*	Slip and Fall Prevention
Install VFD Units on KX Fans for Soft Start Capabilities	300,000	2	2020*	Energy savings and extends equipment life cycle
Replace Furniture for BNY Field Clubs, United, Levi's 501, & Yahoo Clubs	1,600,000	3	2020*	
Security & Life Safety Partitions & Dividers	68,000	1	2020*	Security/Public Safety Requirement
Miscellaneous	100,000	1	2020*	Facility Maintenance Allowance
Stadium Event Signage	138,000	1	2020*	Code Compliance
Command Post Window Treatment	16,000	2	2020*	Energy savings by reducing cooling demand
Command Post Communications Equipment	58,000	1	2020*	Requested by SCPD
Stadium and Special Event Space Mats	75,000	1	2020*	Slip and Fall Prevention
Walking Route Matting - North Side Locker Rooms	50,000	1	2020*	Slip and Fall Prevention
Women's Locker Room	372,000	1	2020*	Requested for equal gender accommodations
ALC Graphic Upgrades	35,000	2	2020*	Energy savings project
Club Space Flooring	85,000	1	2020*	Slip and Fall Prevention
Fire Sprinkler Extension	55,000	1	2020*	SCFD requested modification
Card Reader Install for North & South Camera Booths	84,000	1	2020*	Security/Public Safety Requirement
Insulation Services 400/500 Underside above 300 level	150,000	1	2020*	Facility Maintenance project
LED's for Gold 4 & 5	50,000	1	2020*	Safety project. Existing lighting is insufficient.
Rust Prevention Mitigation - Stadium Perimeter Railings, Beams, etc.	90,000	1	2020*	Facility Maintenance Requirement
Stadium Event Power Upgrades and Switchgear Electrical	42,714	1	2020*	Facility Maintenance Requirement
200 C4 Elevator Door Reconfiguration	20,000	1	2020*	SCFD Requirement
Stadium Field Conduits	118,197	3	2020*	
Asphalt - Slurry coat - seal and stripe all parking lots	190,000	1	2020*	Facility Maintenance Requirement
Santa Clara Public Safety Equipment	1,499,034	1	2020*	SC Public Safety CapEx
Guest Services Booths	70,000	3	2020*	
Beverage Distribution System	50,000	1	2020	Facility Maintenance Requirement
Cooling Towers	50,000	1	2020	Facility Maintenance Requirement
Fire Alarm System	250,000	1	2020	SCFD Life Safety Requirement
Lift Station	200,000	1	2020	Facility Maintenance Requirement
Enhanced Stadium Security Coverage	330,000	1	2020	Security/Public Safety Requirement
CCTV Pop-Up Trailers	235,000	1	2020	Security/Public Safety Requirement
Surveillance - Command Center Equipment	50,000	1	2020	Security/Public Safety Requirement
HVAC	100,000	1	2020	HVAC General Allowance to replace misc equipment.
Enhanced Stadium Security Access Control	235,000	1	2020	Security/Public Safety Requirement
Santa Clara Public Safety Equipment	921,258	1	2020	Santa Clara Public Safety Requirement
Plumbing	100,000	1	2020	Plumbing general allowance for equipment replacement
Stationary Electric Pressure Washers	75,000	2	2020	Energy Conservation Project - Spec Sheet Provided
CO2 Monitoring & Sensors for Code Compliance	200,000	1	2020	Code Compliance / SCFD Suggested
Updated Stadium Wayfinding Signage	250,000	1	2020	Improve legibility
Variable Frequency Drive(s)	150,000	1	2020	Replaces cooling tower VFDs
Software Upgrade to Genetec 5.8	35,000	1	2020	Security/Public Safety Requirement
Video Analytics	35,000	1	2020	Security/Public Safety Requirement
Parking Lot Camera Upgrades	40,000	1	2020	Security/Public Safety Requirement
Bowl Camera Upgrade/Refurbish	135,000	1	2020	Security/Public Safety Requirement
License Plate Reader at Vehicle Entry Gates	45,000	1	2020	Security/Public Safety Requirement
Security X-Ray Scanners	150,000	1	2020	Security/Public Safety Requirement
Fence Replacement at Secondary Perimeter	150,000	1	2020	Security/Public Safety Requirement
Photoluminescent Tape for Fire and Safety	200,000	1	2020	SCFD Requirement

Citrix

Levi's Stadium

Date: 2/27/2020

<u>Item Description</u>			<u>Location</u>		<u>Condition & Quantity</u>			<u>Item Details</u>	
Model Tag	Description	Category	Club/Area	Room	Condition	Qty.	Replace / Repair	Description	Photo/Info Link
T10	Communal Table	Table	North			8			
S24	Dining Chair	Chair	North			48			
T27	Coffee Table	Table	North			1			
NO TAG	White & Brown Padded Chair	Chair	North			4			
NO TAG	BRIGHT - Brown Chair	Chair	North			2			
T10	Communal Table	Table	Mid			16			See Model Tag T10
S24	Dining Chair	Chair	Mid			94			See Model Tag S24
T29	Console Table	Table	Mid			4			
NO TAG	White & Brown Padded Chair	Chair	Mid			20			See White & Brown Padded Chair
T32	Coffee Table	Table	Mid			4			
T10	Communal Table	Table	South			8			See Model Tag T10
S24	Dining Chair	Chair	South			48			See Model Tag S24
T27	Coffee Table	Table	South			1			See Model Tag T27
NO TAG	White & Brown Padded Chair	Chair	South			4			See White & Brown Padded Chair
NO TAG	BRIGHT - Brown Chair	Chair	South			2			See BRIGHT - Brown Chair

501 Club

Levi's Stadium

Date: 2/27/2020

Item Description			Location		Condition & Quantity			Item Details	
Model Tag	Description	Category	Club/Area	Room	Condition	Qty.	Replace / Repair	Description	Photo/Info Link
NO TAG	Glass Square Table	Table	North			2			
NO TAG	Large Egg shaped Table	Table	North			2			
NO TAG	Couch	Couch	North			2			
T38	Coffee Table	Table	North			10			
S18	Lounge Chair	Chair	North			16			
T37	Cocktail Table	Table	North			6			
T15	Dining table	Table	North			10	(5) Repair	Refinish / Repaint	
S29	Dining Chair	Chair	North			40	(20) Repair	Repaint	
T16	Bar Table	Table	North			2	(1) Repair	Refinish	
T14	Communal Table	Table	North			6	(3) Repair	Refinish	

501 Club

Levi's Stadium

Date: 2/27/2020

Item Description			Location		Condition & Quantity			Item Details	
Model Tag	Description	Category	Club/Area	Room	Condition	Qty.	Replace / Repair	Description	Photo/Info Link
S28	Barstool	Chair	North			36			
T14	Communal Table	Table	South			6	(3) Repair	Refinish	See Model Tag T14
S28	Barstool	Chair	South			36	(3) Repair	Refinish	See Model Tag S28
T16	Bar Table	Table	South			2	(2) Repair	Refinish	See Model Tag T16
T15	Dining table	Table	South			10	(6) Repair	Refinish / Repaint	See Model Tag T15
S29	Dining Chair	Chair	South			40			See Model Tag S29
S18	Lounge Chair	Chair	South			15			See Model Tag S18
T38	Coffee Table	Table	South			11			See Model Tag T38
T37	Cocktail Table	Table	South			5			See Model Tag T37
NO TAG	Glass Square Table	Table	South			2			See Glass Square Table
NO TAG	501 Couch	Couch	South			2			See Couch

Yahoo Club

Levi's Stadium

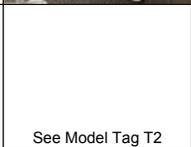
Date: 2/27/2020

Item Description			Location		Condition & Quantity			Item Details	
Model Tag	Description	Category	Club/Area	Room	Condition	Qty.	Replace / Repair	Description	Photo/Info Link
T6	Bar Table		North			6			
T7	Communal Bar		North			1			
S20	Barstool (white)		North			70	(25) Repair	Repaint	
T8	Dining Table		North			4			
S21	Dining Chair (white)		North			24	(6) Repair	Repaint	
S3	Ottoman		Mid			4			
S20	Barstool (white)		South			71			See model tag S20
S21	Dining Table		South			4			See model tag T8
S21	Dining Chair (white)		South			24			See model tag S21
T6	Bar Table		South			8			See model tag T6

United Club

Levi's Stadium

Date: 2/27/2020

<u>Item Description</u>			<u>Location</u>		<u>Condition & Quantity</u>			<u>Item Details</u>	
Model Tag	Description	Category	Club/Area	Room	Condition	Qty.	Replace / Repair	Description	Photo/Info Link
T4	Bar Table		North			22			
S20	Barstool (white)		North			48	(35) Repair	Repaint	
T2	Bar Table (dark)		North			10	(8) Replace	Chipped/Damaged Marble	
S20	Barstool (white)		South			22			
T4	Bar Table		South			18			
T2	Bar table (dark)		South			6	(4) Replace	Chipped/Damaged Marble	See Model Tag T2
S2b	Lounge chair (red)		Mid			4			
T20	Cocktail table		Mid			2			
S3	Ottoman		Mid			9			
T5	Communal Table		Mid			2			

BNY West

Levi's Stadium

Date: 2/27/2020

Item Description			Location		Condition & Quantity			Item Details	
Model Tag	Description	Category	Club/Area	Room	Condition	Qty.	Replace / Repair	Description	Photo/Info Link
T19	Dining Table	Table				5	(3) Replace	Chipped/Damaged Marble	
S32	Dining Chair	Chair				24	(12) Replace	Holes/Severe Damage	
T49	Bar Table, Stone	Table				12	(9) Replace	Chipped/Damaged Marble/ Damaged Legs	
S30	Barstool, Brown	Chair				18	(9) Replace	Holes/Severe Damage	
T39	Cocktail Table	Table				25			
S31	Side Chair	Chair				20			
S102	Bench, Brown					4			
T18	Communal Table	Table				2			
T2	Bar table, Dark					4	(3) Replace	Chipped/Damaged Marble	

BNY East

Levi's Stadium

Date: 2/27/2020

Item Description			Location		Condition & Quantity			Item Details	
Model Tag	Description	Category	Club/Area	Room	Condition	Qty.	Replace / Repair	Description	Photo/Info Link
T19	Dining Table	Table				6	(4) Replace	Chipped/Damaged Marble	
S32	Dining Chair	Chair				24	(14) Replace	Holes/Severe Damage	
T49	Bar Table, Stone	Table				12	(9) Replace	Chipped/Damaged Marble	
S30	Barstool, Brown	Chair				18	(8) Replace	Chipped/Damaged Marble	
T39	Cocktail Table	Table				25			
S31	Side Chair	Chair				20			
S102	Bench, Brown					4			
T18	Communal Table	Table				2			
T2	Bar table, Dark					4	(2) Replace	Chipped/Damaged Marble	

North BlackOak

Levi's Stadium

Date: 2/27/2020

<u>Item Description</u>			<u>Location</u>		<u>Condition & Quantity</u>			<u>Item Details</u>	
Model Tag	Description	Category	Club/Area	Room	Condition	Qty.	Replace / Repair	Description	Photo/Info Link
S10	Sofa Dark	Sofa	North			12			
T25	Coffee Table	Table	North			3			
S11	Lounge Chair	Chair	North			3			
T30	Cocktail Table	Table	North			6			
T26	Console Table	Table	North			5	(3) Replace	Damaged Legs	

South BlackOak

Levi's Stadium

Date: 2/27/2020

<u>Item Description</u>			<u>Location</u>		<u>Condition & Quantity</u>			<u>Item Details</u>	
Model Tag	Description	Category	Club/Area	Room	Condition	Qty.	Replace / Repair	Description	Photo/Info Link
S10	Sofa Dark	Sofa	North			12			
T25	Coffee Table	Table	North			3			
S11	Lounge Chair	Chair	North			3			
T30	Cocktail Table	Table	North			6			
T26	Console Table	Table	North			5	(3) Replace	Damaged Legs	

SEA

Stationary, Electric-Powered, Cold Water Pressure Washer

- Up to 4.2 GPM
- Up to 3000 PSI
- Stainless Steel or Mild Steel Cabinet
- Accepts Hot Water Up to 185°F

■ **Industrial-Grade Motor** is connected to the rugged, class-leading, tri-plunger, oil-bath **LT** (stainless steel model) or **LM** (mild steel model) **High-Pressure Pump** (with 7-year warranty) by dual, V-cogged belts. **Pulleys** are made of cast iron and can be easily adjusted by turning two bolts.

■ Four quick-couple **Nozzles** are made of hardened stainless steel and color-coded for easy selection of spray pattern: 0°, 15°, 25°, 40°.

■ Heavy-duty **Cabinet** rides on four **Rubber Feet** for absorption of vibration.

▶ Add portability to the SEA with optional **Wheel Kit** (stainless steel model #8.904-527.0 or mild steel model #9.801-031.0), including detergent jug holder. Optional **Hose Reel** (#8.903-521.0) provides tangle-free handling of up to 100 ft. of high-pressure hose.



■ Many **Safety Features**, including a thermal pump protector to prevent the buildup of excessive pressures or heat.



SEA3-11024D

Shown with stainless steel cabinet



■ **Inlet Filter** strainer protects pump from debris.

■ 50 ft. of double steel-wire braid **High Pressure Hose** with 24-inch **Hose Guard** for burst protection and swivel crimp fitting for tangle-free handling of hose and trigger gun.



SEA3-11024D

Shown with mild steel cabinet

■ Easy-to-attach **Detergent Injector** for easy application of soap.

■ Helpful **Tri-Lingual Labels** with operating instructions in English, Spanish and French for added liability protection and operator convenience.

■ **Time-Delay Shutdown** (stainless steel model only) automatically turns off unit, if not in use for a set time, for protection against unattended operation.

■ With the switch in the 'ON' position, the optional **Auto Start/Stop** function allows the unit to be turned on with the pull of the trigger for convenient remote operation. (This option replaces Time-Delay Shutdown.)

■ Insulated, fatigue-free, spring-loaded, 5000 PSI **Trigger Gun** with dual-lance **Variable Pressure Wand** make for easy cleaning and adjusting the pressure while washing.

■ Optional rust-free **Float Tank** with stainless steel inlet filter and backflow protection (stainless steel model only and cannot be ordered with wheel kit option).

■ 36 ft. of high-grade **Electrical Cord** with **Ground Fault Circuit Interrupter** (on single-phase models) for operator safety.

■ **Compact Design**, 26" L x 20" W x 16" H.

■ Easily handles **Water Up To 185°**.



WHY CHOOSE THE SEA

The SEA is the absolute top-of-the-line stationary, cold water pressure washer on the market today. All stainless steel models are belt driven with top-quality pumps, and feature time delay shutdown or optional auto start/stop. Mild steel models are available with either features as an option. Remote operation is available with the LanCom wireless remote control option.

QUALITY: Only the highest quality components are found in the SEA, including a tri-plunger high pressure pump with a 7-year warranty, stainless steel or mild steel cabinet riding on four vibration absorbing feet, and stainless steel variable pressure wand for maximum cleaning flexibility. Also, the SEA is assembled in a factory certified to the internationally recognized ISO-9001 quality standards.

SAFETY: The SEA is certified to the rigid UL-1776 and CSA C22.2 #68 safety standards. It also meets the National Electric Code (NEC), Canadian Electric Code (CEC), and complies with OSHA Regulation 1910.399, making it very safe to operate. The SEA comes equipped with magnetic contactor switch with thermal overload protection, time-delay shutdown (stainless steel model), 24-inch hose guard for burst protection, ground fault circuit interrupter on all single-phase models, and tri-lingual operating instructions.

APPLICATIONS: The SEA is the perfect cleaning solution for use within the food service and automotive industries. If hot water cleaning is required, it can easily pair with our EHW, NG, and HS heating modules.

Model #	Part #	Cabinet	GPM	PSI	Pump RPM	Motor HP	Volts	Phase	Amps	Ship Wt (lbs)
SEA3-11024D	1.106-500.0	stainless steel	2.8	1000	1540	2.0	120	1	20	205
SEA4-20024A	1.106-501.0	stainless steel	4.2	2000	1013	6.2	230	1	28	280
SEA4-20024B	1.106-502.0	stainless steel	4.2	2000	1013	6.2	230	3	16	220
SEA4-20024C	1.106-503.0	stainless steel	4.2	2000	1013	6.2	460	3	7.2	220
SEA4-20024G	1.106-505.0	stainless steel	4.2	2000	997	6.2	208	1	30	297
SEA4-20024H	1.106-506.0	stainless steel	4.2	2000	1028	6.2	208	3	18.5	220
SEA4-30024B	1.106-507.0	stainless steel	3.5	3000	943	7.5	230	3	21.5	235
SEA4-30024C	1.106-508.0	stainless steel	3.5	3000	943	7.5	460	3	10.5	235
SEA3-11024D	1.106-583.0	mild steel	2.8	1000	1500	2.0	120	1	20	210
SEA4-20024A	1.106-584.0	mild steel	4.2	2000	1281	6.2	230	1	29	285
SEA4-20024B	1.106-585.0	mild steel	4.2	2000	1281	6.2	230	3	11	255
SEA4-20024C	1.106-586.0	mild steel	4.2	2000	1281	6.2	460	3	11	260
SEA4-20024H	1.106-587.0	mild steel	4.2	2000	1281	6.2	208	3	16	265
SEA4-30024B	1.106-588.0	mild steel	3.5	3000	1070	7.5	230	3	19	275
SEA4-30024C	1.106-589.0	mild steel	3.5	3000	1070	7.5	460	3	11	270

Field Installed Options & Accessories

All Models

9.801-036.0	Cox Hose Reel Kit (floor stand / wall mount)	9.801-031.0	Wheel Kit with Detergent Rack
8.903-521.0	E-Zee Hose Reel & Mounting Kit (fits wheel kit)	8.903-040.0	24" Floor Stand
9.802-265.0	Hose Reel, Mini, (fits wall bracket, 150' capacity)	9.801-034.0	36" Floor Stand
8.711-860.0	Hose Reel, Mini (fits wall bracket, 100' capacity)	8.903-617.0	36" Floor Stand (stainless steel)
9.801-035.0	Wheel Kit (4 casters)		

Mild Steel Models Only

9.801-011.0	Auto Start/Stop ♦*
9.801-013.0	Hour Meter ♦
9.801-012.0	Time Delay Shutdown ♦
9.801-033.0	Wall Mount Bracket Assembly

Distributed by:

Stainless Steel Models Only

8.930-163.0	LanCom Wireless Remote Control, 1-Step Detergent ♦◊
8.930-177.0	LanCom Wireless Remote Control, 2-Step Detergent ♦◊
8.903-461.0	Remote On/Off Switch Option (Time Delay units only) ♦ •
8.930-358.0	Additional LanCom Remote
8.903-619.0	Wall Mount Bracket Assembly
8.930-131.0	Wall Mount Bracket for Fixed LanCom Remote
8.903-511.0	Auto Start/Stop (Replaces Time Delay Shutdown) ♦◊
8.904-527.0	Wheel Kit with Detergent Rack (stainless steel)*
8.903-448.0	Float Tank Option with Inlet Soap Injection ♦*◊

♦ Factory Installed
• Not compatible with LanCom

* Float Tank cannot be ordered with Wheel Kit
◊ Not compatible with Auto Start/Stop or Float Tank options'

Attachment 8

Stadium Authority Responses to
March 5, 2020 Budget Study
Session Questions



March 5, 2020 Stadium Authority Budget Study Session Responses

The following information is in response to the feedback and questions received during the Santa Clara Stadium Authority ("Stadium Authority") March 5, 2020 Study Session.

1. Specifically, for soccer events, are we losing revenue or have expenses increased when we compare to previous years? Show historical trend for this type of event.

The historical data is attached at the end of this document. The data shows that the revenue and expense have varied greatly over the past few years, as does the profit margin. Out of 17 major soccer events, 13 have been profitable.

2. They claim that their sales team sold their first South club event in the fall 2019. Do we have records of that?

SCSA does not have records of this at this time. On March 7, 2020, SCSA requested records of all events held in the South Club.

3. When they go on their trips, is that something we pay for? (e.g. local and national conferences)

Costs for employee travel (airfare, ground, lodging and meals) to stadium management conferences are included in Shared Expenses.

4. Did they pay off all the fines that they were required to pay?

There are currently three outstanding invoices for citations totaling \$34,250. Two are not yet due, one is past due (due March 11, 2020) for \$30,250. The remaining fines have been paid.

5. Regarding the free tickets and promotions – Do we know how much we lost?

We do not know exactly how many tickets were given away; we are not provided with that information. However, we are provided with the number of tickets sold and the number of scanned attendance. Through Quarter 3, tickets sold were 183,888 and scanned attendance was 181,378. This information is provided DRAFT and subject to change as additional information is received.

6. In reference to the asphalt capital expense on pg. 46. We split that cost with them when they make so much more per parking space than we do. Why is that expense being split?

Section 7.1.1 of the Stadium Lease (see Exhibit A) outlines the obligations of the Stadium Authority as a Landlord, of which the maintenance of parking lots is required.

7. Why should the Stadium Authority be charged for certain costs? e.g. replacement of furniture in the clubs on pg. 46. Is that for the benefit of the 49ers and benefit for the Stadium Authority?

Other than the Tenant's Exclusive Facilities, the Stadium Authority is responsible for maintenance and repair costs. The Tenant's Exclusive Facilities include the Team Store, the Hall of Fame, Ticket Office, locker rooms and training space, Stadium Audio/Video Facilities, Owners Club, including Team Suite, and the Suite Tower.

8. What are we contractually responsible for and who is getting the benefit of that? (in reference to the asphalt and fiber optics)

Stadium Authority, as the Landlord, is responsible for most capital expenditures. Tenant Exclusive Facilities are the exception which include Team Store, the Hall of Fame, Ticket Office, locker rooms and training space, Stadium Audio/Video Facilities, Owners Club, including Team Suite, and the Suite Tower. Section 7.1.1 of the Stadium Lease outlines the obligations of the Stadium Authority and is included as Exhibit A.

9. How do we stop them from continuing to take loans from the Revolving Credit Loan?

Section 5.2.2 outlines the Stadium Manager's ability to draw on the Management Company Revolving Loan to the extent required for Operating Expenses. This issue is currently in arbitration and will be resolved by the arbitrator.

10. How are we sharing the CapEx expenses?

As outlined in Stadium Lease Section 7.1.1. (See Exhibit A), the Stadium Authority is responsible for maintenance and repairs of the Stadium, except to Tenant's Exclusive Facilities. In addition, Section 10.3.1 indicates that the Stadium Capital Expenditure Reserve shall be used by the Stadium Authority for Capital Expenditures (including periodic updating of the Stadium).

11. Do we have guidelines for how major expenses are shared?

Per the terms of the Stadium Lease, StadCo leases the stadium from the Stadium Authority for half of each fiscal year corresponding to the NFL season and is fully responsible for the Stadium Manager operating expenses for NFL events expenses during that period. The Stadium Manager operating expenses for the Non-NFL half of the year are the responsibility of the Stadium Authority. Shared Stadium Manager Expenses include Security, Stadium Operations, Engineering, Guest Services and Groundskeeping. Section 8.3.1 describes the proportionate share of Stadium Manager expenses that are owed by the Stadium Authority and StadCo. Namely that most stadium manager operating expenses are split 50/50 with groundskeeping being the exception with a 70/30 split, StadCo being responsible for the larger share.

12. ManCo receives broadcasting revenue. Should the Radio Booth Cabling CapEx line item be a shared expense?

Other than the Tenant's Exclusive Facilities, the Stadium Authority is responsible for maintenance and repair costs. The Tenant's Exclusive Facilities include the Team Store, the Hall of Fame, Ticket Office, locker rooms and training space, Stadium Audio/Video Facilities, Owners Club, including Team Suite, and the Suite Tower. ManagementCo has verified the Radio Booth is not part of Tenant's Exclusive Facilities, and, therefore, falls under Stadium Authority's responsibilities.

13. Provide a list of Rolling Stones expenses.

Below are the DRAFT Rolling Stones Event Results by Category. Please note that these numbers are draft and subject to change as additional revenue and expenditures may be recorded.

Levi's® Stadium
Rolling Stones Event Results by Category
DRAFT

	Rolling Stones Event 8/18/2019	
REVENUE:		
Seating Bowl	\$	9,902,028
Ticket Master Fees		569,282
Suites		176,350
Food & Beverage		371,063
Parking		264,116
Miscellaneous ⁽¹⁾		51,020
Total Revenue	\$	11,333,859
EXPENSE:		
Public Safety/Security	\$	563,961
Utilities/Solid Waste		20,997
Parking		167,444
Food & Beverage - Ticketed Events		109,547
Operations/Janitorial/Maintenance		888,039
Miscellaneous ⁽²⁾		8,712,094
Total Expense	\$	10,462,082
Total Non-NFL Net Revenue	\$	871,777

*Event information is DRAFT and subject to change

14. How do we plan for ongoing CapEx costs, such as GPS monthly operating cost?

The monthly fee for the GPS Software for Tracking Personnel, or any ongoing Public Safety cost related to the Stadium, would be divided across the larger events (NFL and Non-NFL) and invoiced as a Public Safety cost.

QUESTIONS FROM THE PUBLIC

15. Both entire lists balance to the positive if you remove the PAC-12 event. That event is the biggest money loser every year. If you do nothing else, ask why they continue to hold it.

The Management Agreement, Section 3.2.1, granted ManagementCo with full rights to book Non-NFL Events. Although, in late 2018, the Executive Director did request that the event be transferred to the Bay Area Host Committee to cut future losses. On February 11, 2020, the Board authorized the termination of the stadium management agreement with ManagementCo due to mismanagement, such as these money losing events. This event is no longer scheduled to be held at Levi's Stadium.

16. Some of the other stuff, such as the soccer matches, appear to be close to parity. Could we/they get more of these into the black by selling more tickets/parking/concessions and keeping better control of costs?

It's possible that these types of events could generate more revenue. Without deeper insight to the event booking, marketing and costs themselves it's difficult to say how much revenue could be generated. However, due to mismanagement, the Board has authorized the termination of the stadium management agreement with ManagementCo. We are hopeful a new management company can provide better results.

17. The lists only show big events. Do the assorted corporate parties, tours, museum visits and community meetings add up, or are they insignificant compared to the scale of the larger events?

The smaller, non-ticketed events do generate a significant source of revenue. Through Quarter 2 in FY 2019/20, there were 28 non-ticketed events that generated net revenue of \$362,000. Please note: the financial information provided from ManagementCo to date is draft and subject to change as additional revenue or expense may be recorded.

18. How much do we know about other city benefits of stadium events, such as increased transient occupancy tax and sales tax revenue? And for that matter, how much do we know about indirect costs?

In order to respond to this question, staff would need to complete extensive research based on what is available through public documents and discussions. It should be noted that benefits to a City are based on the business model and governance structure with respect to public stadiums—which differ from city to city. This research has not been completed and would need to be contracted out due to limited resources.

19. Finally, what obligates the city to cover these shortfalls? If hosting the PAC-12 gives the 49ers or the stadium management some strategic or PR advantage beyond the money they don't make, perhaps they could take up the slack.

The City does not cover any costs related to the Stadium. Section 4.7.3 of the Stadium Lease states that the Stadium Authority is entitled to all Stadium Authority Event Revenue and shall pay all Stadium Authority Event Expenses.

HISTORICAL SOCCER EVENT RESULTS

	Quakes	Mexico	Earthquakes	ManU					Liverpool
	8/2/2014	vs Chile	vs Lions	vs. Barcelona	COPA #1	COPA #2	COPA #3	COPA #4	vs AC Milan
REVENUES		9/6/2014	5/24/2015	7/25/2015	6/3/2016	6/6/2016	6/13/2016	6/18/2016	7/30/2016
Seating Bowl Revenue	2,628,376.52	3,406,574.96	684,635.00	10,041,712.00	(169,340.00)	(133,394.00)	(110,878.00)	(147,450.00)	2,055,125.10
Ticket Master Fee Revenue	162,413.40	135,689.97	6,931.65	412,111.50	451.68	261.70		58.56	130,327.66
Suites Revenue	58,924.80	17,613.00	38,825.66	363,484.30	163,143.26	169,290.12	81,624.90	328,679.64	63,097.30
Food & Beverage Revenue	304,767.37	336,604.52	147,285.05	400,978.95	474,539.78	411,475.74	158,643.87	375,726.57	182,121.19
Parking Revenue	221,697.50	305,268.20	74,095.00	219,880.00	151,510.00	344,788.00	84,803.00	260,230.00	123,750.00
Sponsorship Revenue	135,000.00		150,000.00	-					
Merchandise Revenue	10,572.25	4,028.02	5,285.60	70,582.49	10,853.67	11,996.29	3,220.41	30,018.44	12,336.55
Miscellaneous Revenue		37,000.00	3,500.00	9,000.00	30,000.00	25,000.00	24,000.00	26,500.00	590.26
Total Revenue	3,521,751.84	4,242,778.67	1,110,557.96	11,517,749.24	661,158.39	829,417.85	241,414.18	873,763.21	2,567,348.06
EXPENSES									
Public Safety/Security	369,698.31	452,479.47	260,158.36	368,256.84	427,866.08	433,605.79	400,239.88	492,338.12	301,985.85
Utilities/Solid Waste		25,153.84	28,384.46	33,875.58	26,550.96	22,555.96	20,396.72	22,058.71	20,932.92
Parking Expenses	311,873.06	413,933.32	155,209.66	255,307.93	176,679.79	205,286.29	159,627.56	222,849.18	182,953.56
F&B - Ticketed	166,046.79	1,437.76	14,255.03	200,522.43	107,842.30	47,411.36	30,750.61	48,754.77	138,222.31
Operations/Janitorial/Maint	277,669.23	257,964.26	259,508.07	306,989.44	468,307.24	395,779.22	267,848.13	337,770.41	241,941.23
Miscellaneous Expenses	(1,122,219.21)	2,662,349.42	951,184.96	8,903,354.84	(1,235,042.32)	(814,294.67)	(825,342.60)	(911,296.03)	1,344,313.65
Total Expenses	3,068.18	3,813,318.07	1,668,700.54	10,068,307.06	(27,795.95)	290,343.95	53,520.30	212,475.16	2,230,349.52
Net Profit/Loss	3,518,683.66	429,460.60	(558,142.58)	1,449,442.18	688,954.34	539,073.90	187,893.88	661,288.05	336,998.54
% Expense of Net Profit	0%	888%	-299%	695%	-4%	54%	28%	32%	662%
% Net Profit to Revenue	100%	10%	-50%	13%	104%	65%	78%	76%	13%

HISTORICAL SOCCER EVENT RESULTS (CONTINUED)

	Real Madrid vs ManU 7/23/2017	Gold Cup Final 7/26/2017	Mexico vs Iceland 3/23/2018	Earthquakes vs ManU 7/22/2018	Barcelona vs AC Milan 8/4/2018	Mexico vs Paraguay 3/26/2019	USWNT vs South Africa 5/12/2019	Chivas vs Benfica 7/20/2019
REVENUES								
Seating Bowl Revenue	7,845,684.49	3,699,441.75	4,238,761.00	1,251,200.80	3,601,703.20	2,852,046.51	5,730.00	974,905.13
Ticket Master Fee Revenue	347,509.34	210,238.06	287,282.91	97,117.62	321,442.88	216,130.58	-	82,039.89
Suites Revenue	199,848.95	80,533.50	78,041.86	38,523.60	79,553.96	50,784.22	19,296.03	26,966.55
Food & Beverage Revenue	379,124.93	384,897.95	333,733.80	175,023.36	236,403.61	221,063.64	108,984.19	90,430.61
Parking Revenue	260,200.00	271,551.00	347,341.00	41,872.51	171,993.95	237,265.00	132,170.00	63,765.00
Sponsorship Revenue	-	-	-	-	-	-	-	-
Merchandise Revenue	17,120.19	15,471.26	3,286.97	-	25,574.38	2,612.29	-	-
Miscellaneous Revenue	10,450.00	14,822.89	5,865.84	-	-	-	-	918.07
Total Revenue	9,059,937.90	4,676,956.41	5,294,313.38	1,603,737.89	4,436,671.98	3,579,902.24	266,180.22	1,239,025.25
EXPENSES								
Public Safety/Security	349,266.80	423,822.79	374,107.63	252,813.89	311,932.67	455,774.25	167,938.81	422,832.29
Utilities/Solid Waste	21,992.27	23,184.80	20,845.12	19,275.35	21,075.67	18,244.99	15,808.66	17,200.73
Parking Expenses	223,785.53	202,124.04	207,505.14	123,834.66	155,655.68	118,848.92	106,733.34	128,050.40
F&B - Ticketed	213,311.44	89,399.90	35,566.00	128,793.57	119,332.26	60,354.84	26,757.91	68,597.22
Operations/Janitorial/Maint	306,315.55	354,430.14	332,834.42	257,927.59	338,071.46	556,782.30	223,287.17	285,317.37
Miscellaneous Expenses	6,713,576.64	3,376,870.61	2,533,514.97	1,112,333.45	3,011,605.66	2,904,401.03	(481,074.60)	440,299.94
Total Expenses	7,828,248.23	4,469,832.28	3,504,373.28	1,894,978.51	3,957,673.40	4,114,406.33	59,451.29	1,362,297.95
Net Profit/Loss	1,231,689.67	207,124.13	1,789,940.10	(291,240.62)	478,998.58	(534,504.09)	206,728.93	(123,272.70)
% Expense of Net Profit	636%	2158%	196%	-651%	826%	-770%	29%	-1105%
% Net Profit to Revenue	14%	4%	34%	-18%	11%	-15%	78%	-10%

EXHIBIT A

ARTICLE 7 STADIUM OPERATION

7.1 Operation, Maintenance and Repair Obligations

7.1.1 Stadium Authority's Obligations

(a) The Stadium Authority shall, throughout the Lease Term, at its sole cost and expense (but subject to reimbursement by Tenant if a Shared Stadium Expense pursuant to ARTICLE 8), operate and Maintain, or cause to be operated and Maintained, the Premises (excluding Tenant's Exclusive Facilities), as well as the South Lot, the Bridges and the Main Lot Stadium Improvements (collectively, the "Appurtenant Improvements") in the condition required by the Stadium Operation and Maintenance Plan (the "Required Condition"), which shall establish procedures and policies for operating and Maintaining the Stadium Complex in accordance with good, sound and prudent engineering practices, taking into account the age and the remaining useful life of the Stadium, and the requirements of any Permitted Landlord Financing. Notwithstanding the foregoing, Tenant shall pay all costs and expenses of operating and Maintaining the Premises and the Appurtenant Improvements to the extent such costs and expenses are directly attributable to Tenant Events, including (a) costs of ticketing, security, traffic control, crowd control and Playing Field preparation, and (b) to the extent not covered by the proceeds of insurance carried by the Parties, costs of repairing damage to the Premises or the Appurtenant Improvements to the extent directly attributable to a Tenant Event ("Tenant Event Expenses"). In no event will any Tenant Event Expenses constitute Shared Stadium Expenses.

(b) In addition to the foregoing, except for Capital Repairs required to be made to the Tenant Improvements (which shall be performed by Tenant as part of Tenant's O&M Obligations), if at any time during the Lease Year; including during the Tenant Season, any Capital Repairs are required to be performed in or to the Premises or the Appurtenant Improvements, then, subject to the Procurement Guidelines, Landlord shall perform (or cause to be performed) such Capital Repairs and, unless such Capital Repairs arise directly from any Stadium Authority Event (in which event, the cost of such Capital Repairs shall constitute Stadium Authority Event Expenses and shall be paid by the Stadium Authority), the reasonable cost of such Capital Repairs shall be paid from funds available in the Stadium Capital Expenditure Reserve and Operating Expense Reserve. The reasonable cost of such Capital Repairs not paid from the Stadium Capital Expenditure Reserve or Operating Expense Reserve shall be a Shared Stadium Expense as and to the extent provided in ARTICLE 8. Notwithstanding the foregoing, if the Stadium Authority Put Right is exercised, then from and after the Tenant Season Expansion Date, Tenant shall perform any Capital Repairs required, in Tenant's reasonable judgment, to continue to operate the Premises for Tenant Events; provided, however, that if, in any Lease Year, (a) the cost of any Capital Repairs required, in Tenant's reasonable judgment, to continue to operate the Premises for Tenant Events, exceeds (b) the then-outstanding balance of the Stadium Capital Expenditure Reserve (excluding any amounts deposited pursuant to Paragraph 20.4.2 on account of the Required Demolition Fund), by more than the Capital Expenditure Threshold applicable to such Lease Year, then Tenant shall have the right, by written notice to the Stadium Authority, to terminate this Lease, unless the Stadium Authority agrees to fund the amount of such excess.

Attachment 9

2020 Marketing Plan Questions and Response

2020 MARKETING PLAN QUESTIONS AND RESPONSE

Following the March 5 Board meeting that discussed the 2020 Marketing Plan, questions were submitted to ManagementCo, as listed below. The response from those questions along with the March 27, 2019 letter referenced in the response are also attached.

3/9/2020 SCSA Board Questions from the March 5, 2020 Special Board Meeting

1. How many events are being planned for 2020 and how are events from this year being benchmarked against those from previous years?
2. ManCo states that it hosted 33 proms and formals. Were those 33 events included in the total count of 106 events?
3. ManCo states that it is a favorite destination. If that is the case, how is the Stadium Authority not making any money?
4. Related Santa Clara is about to break ground across the street from Levi's Stadium. Why is there no mention of the project in the 2020 Marketing Plan? Does ManCo have any projections on the project's impact on future event bookings?
5. ManCo states that it is collaborating with its neighbors to sell Santa Clara as a destination but there is no evidence of this. Why isn't ManCo collaborating with the Convention Center and Tourism Improvement District to promote Santa Clara?
6. ManCo secured a CRM system to help with client communication, tracking client history, and collecting data for sales campaign. Why is ManCo not sharing that information with the Stadium Authority?
7. ManCo references a 2020 survey, which found that 54% of the survey participants ranked Major Events as "Extremely or Very Important", with an additional 20+% ranking them as "Moderately Important". In comparison, 57% of survey participants ranked Major Events as "Extremely or Very Important", with an additional 33% ranking them as "Moderately Important" in 2019. Can ManCo provide more information about why there is a decrease in the percentage of survey participants who rank Major Events to be either "Extremely or Very Important" or "Moderately Important"?
8. Under "1. Improved proposal process" in the Looking Back Section, ManCo states that it looks forward to issuing several RFPs in 2020. Please provide more information about those RFPs and how they relate to increasing marketing and booking of events for the Stadium.
9. In 2019, ManCo states that Levi's Stadium was becoming a soccer destination for local, national, and international teams and tournaments. The Stadium Authority no longer generates revenue from soccer events so why is ManCo still pursuing these events? Additionally, the 2020 Marketing Plan does not provide any update on the 2026 FIFA World Cup. Is there an update on that event?
10. The 2019 Marketing Plan referenced "KPIs to help monitor success and failure to best use our marketing spend." Why was that KPI reference removed from the 2020 Marketing Plan? Is that something that is no longer being tracked?

11. The Naming Rights Agreements requires the Stadium Authority to hold at least 36 non-NFL “Major Events” (with 25,000+) attendees every three contract years. As of this report, the current number of large events held at the Stadium during the current three-year period is 18. How will ManCo pay for the penalty for not meeting the Naming Rights Agreement? What is ManCo’s plan to meet that requirement in the future?
12. ManCo said that its sales team sold its first South Club event in the Fall 2019. Please provide a record of all events held in the South Club.

3/13/2020 Response from Scott Sabatino, Chief Financial Officer, San Francisco 49ers

With respect to the Board members’ discussion of the 2020 Marketing Plan, and the questions presented in Christina Jung’s email dated March 9, 2020, please note the following:

- The Marketing Plan submitted by the Stadium Manager is in full compliance with the requirements of the Stadium Management Agreement.
- Please refer to Mr. MacNeil’s letter dated March 27, 2019 addressing many of the issues discussed at the Board Meeting.
- We are happy to provide detailed responses to your other questions and comments on the Marketing Plan. These will be provided as time permits, in light of developing federal, state, and local safety directives.



FORTY NINERS STADIUM MANAGEMENT COMPANY

March 27, 2019

Via Email

Santa Clara Stadium Authority Board
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Stadium Authority Board,

This letter is to assist you in your March 27, 2019 meeting to consider the Stadium Authority Operating Budget (the "SAB") for the upcoming fiscal year, and also to respond to some of the recent statements on this subject made by SCSA Board members and staff.

First, at the most recent SCSA meeting, there were complaints that Forty Niners Stadium Management Company LLC ("ManCo") did not send a representative to the meeting. ManCo has been in frequent and regular consultation with your staff, including Ms. Santana, during the budget process (and throughout the year), and believed that it had provided SCSA staff with all information necessary to understand the proposed budgets. ManCo has, historically, chosen the staff person with expertise in the subject that was agendized, and made that person available at the meeting to answer questions. However, over the course of time, it became apparent that that process was no longer a productive one. The nature of the questions were often rhetorical, or could not be answered without significant review of financial (or other) records, or went beyond the anticipated scope of discussion, and/or the staff person's area of expertise. More disturbingly, the comments directed to ManCo staff were often sarcastic and antagonistic, and did not lead to useful exchanges of information or opinion.

We realize that SCSA Board and staff are attentive to political considerations and appearances, and that the demands of politics may sometimes take precedence over the conventions of professional and civil discourse. But we did not feel it appropriate to continue to expose our staff to such treatment. There is no contractual requirement that ManCo have a staff member present at Board meetings, and ManCo staff are just as (or more) capable of responding to Board and staff in writing.

Second, it is not true that ManCo has failed or refused to provide information, or that it failed to give SCSA staff sufficient time to review information, or that it is "too busy" to respond to SCSA staff questions, or that it gives SCSA's needs a low priority. The exact opposite of each of those assertions is true.

On January 16, 2019, ManCo delivered the draft SAB to SCSA staff, reflecting an estimated net revenue from non-NFL events of \$750,000.¹ ManCo and SCSA staff met the next day, and ManCo staff informed SCSA staff that the non-NFL events marketing plan would be available soon. Ms. Santana informed us that she would not be able to review that plan until sometime later. The day after that meeting, ManCo delivered the draft CapEx plan and five-year CapEx projection to SCSA staff. On January 29, ManCo delivered the non-NFL events marketing plan to Stadium Authority staff. In sum, drafts of the SAB, the non-NFL events marketing plan, the CapEx plan, and the five-year CapEx projection were provided to SCSA staff two months prior to their anticipated approval by the SCSA Board. Recent claims by SCSA representatives that this information was provided at the last minute, without adequate time to review and consider, are simply not true.

On January 29, 2019, SCSA staff sent ManCo 20 questions about the draft SAB. Eight days later, ManCo responded to those questions (the response was 16 pages long, with additional attached tables). On February 12, SCSA staff sent one additional question concerning the estimated profit from non-NFL events. Three days later, ManCo staff responded, and provided a table of estimated net revenue by event from the 2018-19 ticketed events. On February 22, ManCo provided additional information on the CapEx plan (that response was 14 pages long, not including the supporting schedules that were provided to SCSA staff), and six days later ManCo provided additional information on the SAB (that response was eight pages, not including supporting schedules and copies of requested correspondence).

Ms. Santana also asserted that she and SCSA staff had not had sufficient time to consider the buffet expenses and additional ManCo staff expenses. But on March 5, she and SCSA staff were alerted to those issues, and were given an estimate of the amounts that would be budgeted for the coming year. Those subjects were then discussed at a March 8 meeting between SCSA and ManCo staff. On March 14, ManCo sent SCSA staff the final figures that would be included in the SAB for the upcoming year.

SCSA staff should have understood long ago that ManCo's staffing expenses would increase significantly. SCSA is proposing to increase its employee expenses by 68% percent in order to conduct further oversight over Stadium operations. A significant part of that "oversight" consists of drafting questions to pose to ManCo staff. Many of those questions require in-depth analysis and review of years of financial and operational records. SCSA demands and expects prompt and thorough responses (and ManCo staff have, in fact, provided such services). All of that requires significant resources. It is not realistic for SCSA to demand a significantly higher level of service from ManCo that it then balks at paying for such services.

¹ We understand that the City is continuing to include a performance rent payment in its own budget that is premised on a much higher projection of non-NFL event net revenue. While the City's budget is outside the purview of ManCo's responsibility, it seems fiscally imprudent to prepare a City budget based on overstated revenue figures.

At the Board meeting, and in a recent press release, SCSA Board and staff have complained about the downturn in projected non-NFL event revenues. SCSA is, of course, not guaranteed a profit in any given year, and there may be years when SCSA fails to make any profit on non-NFL events. But a significant part of this recent decline in net revenues was predictable, and ManCo staff alerted SCSA to the likelihood that it would occur.

A major contributor to this decline is the City's 10:00 p.m. weekday curfew, despite previous conditions of approval. Specifically, because the SCSA Board (acting as the City Council) refuses to grant exemptions from the curfew, the Stadium can no longer attract weekday concerts. Those concerts are, in fact, profitable, notwithstanding SCSA's statements to the contrary. For example, the February 2019 "community letter" states that "one concert date alone" generated a \$2 million loss. What you did not disclose is that it was one day in a multi-show engagement at the Stadium, and that the engagement as a whole was quite profitable for SCSA.

Those types of events can no longer be hosted at the Stadium because of the curfew issues. The curfew, and the predicted effect on non-NFL event net revenues, has been discussed at length between SCSA and ManCo. SCSA staff at the Board's direction even conducted a survey of the public on the curfew issue and found that a majority of those polled favor modifications to the curfew, however there has been no progress much less a vote on this topic for close to a year now. Indeed, in 2017, Louis Messina, a top concert promoter who works with Taylor Swift, Ed Sheeran, George Strait, Kenny Chesney, Tim McGraw and Faith Hill, Kelly Clarkson, Blake Shelton, and others, said that Mr. Sheeran chose to play at AT&T Park in San Francisco, rather than at the Stadium, because of the curfew. Mr. Messina stated: "[SCSA is] going to lose so much revenue. No one is going to play a building with a 10 p.m. curfew. It would mean the headliner would have to play when it's still light outside and that's just not something that anyone would agree to."

ManCo remains hopeful that some of the SCSA and City impediments to non-NFL events revenue can be resolved, so that as to improve profitability going forward. SCSA Board member Davis mentioned at the meeting, the curfew issue was mentioned by very few respondents in the recent community engagement efforts, so she might be open to "working with" ManCo on the curfew issue. Of course, concert promoters will be reluctant to engage with ManCo at all unless the curfew issue has been resolved. In the meantime, ManCo will continue to manage and promote that business in a manner consistent with its contractual obligations.

We gave SCSA staff the opportunity to provide comments or ask questions about the draft non-NFL event marketing plan that was provided in January 2019. Ms. Santana instead instructed ManCo staff to watch the video from the last SCSA Board meeting, and to discern any questions or comments from that video. We have tried to glean what

we can, but welcome further input if our interpretation or understanding was not what was intended:

- Mr. Doyle commented that the marketing plan does not include sufficient detail. We believe it does, but we invite Mr. Doyle or SCSA staff to elaborate further. In the meantime, ManCo will review the sample marketing plan that we received from SCSA staff on March 26. We are happy to review and use accordingly next year.
- Ms. Santana commented that the plan lacks data. We are unclear as to what data Ms. Santana believes should be included in the plan, and would be happy to respond to more detailed questions on this issue.
- Ms. Santana commented that the plan lacks KPIs. We believe it would not be productive to continue to pursue defining KPIs in the current environment, where performance of non-NFL event net revenue is highly impacted by SCSA and City activities over which ManCo exercises no control. Further, development of KPIs is not required by the Management Agreement.
- Ms. Santana commented that she wanted more information about "free ticket" promotions. This issue has been discussed at some length on prior occasions. Typically, the concert promoters have the contractual right to control ticket pricing and distribution, and they decide on the distribution of "free" tickets. I provided a great deal of detail on this point in a lengthy email to Ms. Santana on December 27, 2018.
- Ms. Santana wanted more information about the naming rights strategy. Specifically, under the naming rights agreement, if fewer than 36 "major events" are held at the Stadium in any three-year period, Levi's receives a credit towards its payment obligations under the naming rights agreement. The amount of the credit is determined by the number of events by which the Stadium falls short of the 36 event goal. For example, if the Stadium hosts 35 events in a three-year period, then Levi's receives a \$15,000 credit. At present, if no other major events are booked in the next year, Levi's will receive a credit of \$270,000.

ManCo's strategy is to book as many major events as it reasonably can. While ManCo does monitor SCSA's compliance with the naming rights agreement, it is worthwhile to note that the maximum anticipated penalty is a fraction of the other expenses that are being discussed. For example, SCSA seeks to increase its own "General and Administrative" expenses by \$795,000, an amount which far exceeds the possible financial impact of any credit to Levi's.

We do not believe that the non-NFL events marketing plan should be amended in response to any of these comments. However, if the SCSA Board or staff has specific amendments to propose, we would be happy to consider them.

Finally, and in conclusion, as far as we are aware, ManCo has provided all information necessary to the SCSA Board to review and determine whether to approve the SAB and ancillary documents. I and other ManCo staff and executives have extended the same invitation many times before, but we will use this letter as another opportunity to do so – we welcome the opportunity to work cooperatively to manage the Stadium, in order to achieve the best financial and community benefits for the City of Santa Clara and the Santa Clara Stadium Authority.

Sincerely,

V.L. on behalf of

Larry MacNeil
Compliance Manager

Copy: Al Guido, President

Hannah Gordon, Chief Administrative Officer & General Counsel

Scott Sabatino, Chief Financial Officer

Jim Mercurio, Vice President, Stadium Operations & General Manager