

03-24-19
STADIUM MEETING

20-47

Stadium Management Company
Annual Public Safety Budget
FY 2020

	<u>Amount</u>	<u>Footnote</u>
Public Safety Costs - Tenant (NFL Events)	\$ 3,914,771	1
Public Safety Costs - Authority (Non-NFL Events)	\$ 1,226,502	2
Public Safety Capital Expenditures (2020/21 Budget)	\$ 2,557,115	3
Amortization of 2020/21 Budgeted Public Safety Capital Expenditures	\$ 164,427	4
Amortization of Prior Years Public Safety Capital Expenditures included in 2020/21 Budget	\$ 79,938	4
Public Safety Capital Expenditure Amortization in 2020/21 Budget	\$ 244,365	4
Tenant's Estimated Public Safety Share	\$ 174,546	4
Stadium Authority's Estimated Public Safety Share	\$ 69,819	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 the 2019 season). Assumes a 3% increase in premium cost for PSC liability insurance.

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). Assumes a 3% increase in premium cost for PSC liability insurance.

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 the current lease year is \$244,365, which includes \$79,938 of amortization from prior year Capital Expenditure purchases. The Tenant's estimated Public Safety Share is \$174,546 and the Stadium Authority's estimated Public Safety Share is \$69,819.

* This excludes costs relating to Public Safety worker's compensation claims/settlements. Budget will be revised to include these costs when City provides the information requested by Stadium Manager on 2/11/2020.

Stadium Public Safety Capital Expenditure Requests

Equipment	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		\$ 17,209		
Kawasaki Pro-FXT LE Black Mule #2	Police	10	1		\$ 17,209		
Kawasaki Pro-FXT LE Black Mule #3	Police	10	1		====>	\$ 15,738	
Handheld Radios	Police	5	20		\$ 50,980		
Command Post Dispatch System (related to CAD)	Police, IT	5	1		\$ 189,931		
Diesel Particulate Filter for Stadium Authority Fire Truck	Fire	10	1			\$ 9,392	
APX 8500 Mobile Radio for SA Fire Truck	Fire	10	1			\$ 7,150	
LCD3-3 Chemical Warfare Detector	Fire	10	1			\$ 13,734	
Staff Scheduling Software	Police	5	1			\$ 40,000	
Upfitting Mules purchased in 2018-19	Police	10	3			\$ 9,000	
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	\$ 283,711	\$ 156,925	\$ 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)	6/26/2019		5	\$ 0	\$ 0	\$ 5,135	\$ 6,162
ZOLL AutoPulse System (cardiac arrest system)	5/2/2019		5	\$ 0	\$ 0	\$ 5,702	\$ 6,220
Kawasaki Pro-FXT LE Black Mule #1	1/7/2019		10	\$ 0	\$ 430	\$ 1,721	\$ 1,721
Kawasaki Pro-FXT LE Black Mule #2	1/7/2019		10	\$ 0	\$ 430	\$ 1,721	\$ 1,721
Kawasaki Pro-FXT LE Black Mule #3	6/6/2019		10	\$ 0	\$ 0	\$ 1,312	\$ 1,574
Handheld Radios	9/1/2018		5	\$ 0	\$ 5,948	\$ 10,196	\$ 10,196
Command Post Dispatch System (related to CAD)	3/13/2019		5	\$ 0	\$ 3,166	\$ 37,986	\$ 37,986
Diesel Particulate Filter for Stadium Authority Fire Truck	6/14/2019		10	\$ 0	\$ 0	\$ 783	\$ 939
APX 8500 Mobile Radio for SA Fire Truck	10/31/2019		10	\$ 0	\$ 0	\$ 358	\$ 715
LCD3-3 Chemical Warfare Detector	9/19/2019		10	\$ 0	\$ 0	\$ 801	\$ 1,373
Staff Scheduling Software	3/31/2020	estimate	5	\$ 0	\$ 0	\$ 667	\$ 8,000
Upfitting Mules purchased in 2018-19	6/6/2019		10	\$ 0	\$ 0	\$ 750	\$ 900
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	10/1/2020	estimate	3	\$ 0	\$ 0	\$ 0	\$ 10,000
Motorola Earpieces	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 100
Motorola APX 6000 Radio/Charger/Battery	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 460
Battery Charging Pack for JHAT Crew	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 7
Radio Chargers	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 300
Radio Batteries	10/1/2020	estimate	3	\$ 0	\$ 0	\$ 0	\$ 2,585
Dispatch Monitors	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 799
Safety Gear for SEOs & TCs	10/1/2020	estimate	2	\$ 0	\$ 0	\$ 0	\$ 1,748
EOD Blankets/Water Barrier	10/1/2020	estimate	5	\$ 0	\$ 0	\$ 0	\$ 1,263
Bicycles	10/1/2020	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	\$ 12,264	\$ 69,561	\$ 244,365
				\$0	\$12,264	\$69,561	\$244,365

Events with tickets sold or available for sale >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	\$ 6,455	\$ 49,102	\$ 174,546
SCSA Depreciation Split	\$ 0	\$ 5,809	\$ 20,459	\$ 69,819

3/24/20

Item #3
AND Item #4

Santa Clara Stadium Authority

Proposed Santa Clara Stadium Authority Fiscal Year
2020/21 Budget, Stadium Operation and Maintenance
Plan, and 2020 Marketing Plan
Item #3 (20-429)

March 24, 2020



Agenda

1. Standard of Care
2. Budget Development Schedule
3. Update from March 5th Study Session
4. Stadium Authority Operating Budget
5. Stadium Authority Debt Budget
6. Stadium Authority Capital Budget
7. 2020 Marketing Plan
8. FY 2020/21 Stadium Operations Management Plan (SOMP)
9. Conclusion
10. Alternatives
11. Recommendations

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POST MEETING MATERIAL

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

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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	<p>At least 45 days prior to the start of the fiscal year (February 15) ManCo provided the required documents per the Stadium Agreements:</p> <ul style="list-style-type: none"> • 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 March 2020	Staff analyzed ManCo's budget submission. A list of questions and a request for additional details were submitted to ManCo on February 25 and March 9. ManCo submitted responses on March 11 and 18.
March 2, 2020 March 5, 2020	<ul style="list-style-type: none"> • 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; approve revised Stadium Authority Budget Policy, and take action on 2020 Marketing Plan

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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**

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FY 2020/21 Budget Development (Cont.)

Attachments:

1. Proposed Santa Clara Stadium Authority Fiscal Year 2020-21 Operating, Debt Service, and Capital Budget
2. March 5, 2020 Proposed Santa Clara Stadium Authority Fiscal Year 2020-21 Operating, Debt Service, and Capital Budget and Staff Presentation
3. March 5, 2020 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 ManagementCo Responses to Questions
8. Stadium Authority Responses to March 5, 2020 Budget Study Session/Public Questions
9. 2020 Marketing Plan Questions and Responses

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Update from March 5 Study Session

Board Direction: 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 its should be making public expenditures for events that most likely will not occur.

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Update from March 5 Study Session

Santa Clara Stadium Authority Operating Budget Summary

	2019/20 Final Budget	Study Session 2020/21 Proposed Budget	ManCo	SCSA
			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	5,795,000	-	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.

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Update from March 5 Study Session

Key Changes - Shared Expenses

- ManagementCo revised the budget from \$12.13 million to \$12.28 million to reflect higher Stadium operations and guest services costs
- The recommended funding level is \$3.05 million for insurance costs only, with the balance of \$9.23 million set aside in a Legal Contingency
- Given the impact of coronavirus on events, staff will return with budget adjustments if events are scheduled, provided that sufficient backup documentation is submitted

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Update from March 5 Study Session

Other Key Changes

- While no estimate was available for March 5th, there is a loss of \$1.7 million to \$2.0 million projected for FY 2019/20 the FY 2020/21 revenue estimate is revised from "TBD" to \$1.5 million
- Based on \$1.5 million net revenue, performance rent has been revised from \$0 to \$555,000 in FY 2020/21. This was provided before orders regarding COVID-19 were fully known; will likely impact these figures.
- The Stadium Authority did not receive back-up of gross revenues and expenditures or projected events that would support this amount
- Financial Management System Project (\$283,500) has been moved from the Operating Budget to the Capital Budget, subject to subsequent court rulings on cost allocation

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Stadium Authority Budget Flowchart



Note: The \$13.7 million difference between the Operating Budget and the Total Budget includes capital projects funded by beginning fund balance (\$9.7 million) and debt service funded by the CFD (\$4.0 million).

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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*	1,500,000
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	572,000
Total Revenues	\$68,187,000

* Revised from TBD to \$1.5m; before COVID-19 orders were known

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FY 2020/21 Operating Budget Expenses

Shared Stadium Manager Expenses	\$3,045,000	
Legal Contingency	9,231,000	
SBL Sales and Service	3,610,000	
Senior and Youth Program Fees	230,000	←
Ground Rent	390,000	←
Performance Rent	555,000	←
Discretionary Fund Expense	250,000	
Utilities	1,597,000	
Use of StadCo Tenant Improvements	73,000	
Stadium Authority General & Administrative	4,581,000	
Naming Rights Commission	30,000	
Other Expenses	1,400,000	
Transfers Out	42,847,000	
Contribution to Operating Reserve	348,000	
Total Expenses	\$68,187,000	

Paid to
the
City's
General
Fund

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Santa Clara Stadium Authority Performance Rent Calculation

FY 2020/21 Performance Rent Calculation	Budget
Ground Rent	\$390,000
Net Non-NFL Event Revenue	1,500,000
50% of Net Non-NFL Revenue	750,000
Performance Rent Credit (50% of Ground Rent)	(195,000)
Total Performance Rent paid to the City of Santa Clara	\$555,000

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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								
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		\$ -

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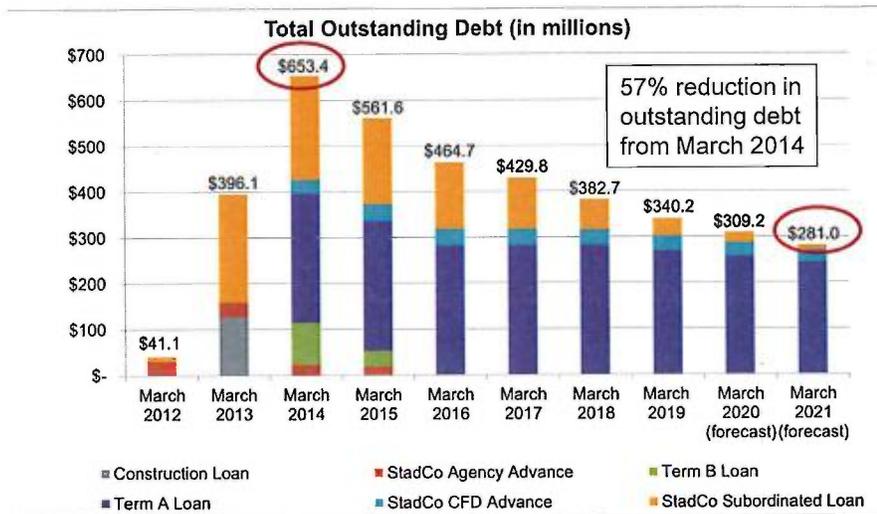
Santa Clara Stadium Authority FY 2020/21 Debt Service

Debt Type	Budget
CFD Advance	\$3,989,000
Term A Loan	25,562,000
StadCo Subloan	13,742,000
Total	\$43,293,000

- Debt Service amount of \$43.3 million includes Principal (\$28.2M) and Interest Payments (\$15.1M)
- Total Outstanding Debt is projected to decrease by \$28.2 million (principal payments) from \$309.2 million to \$281.0 million

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Santa Clara Stadium Authority FY 2020/21 Debt Service (cont.)



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Santa Clara Stadium Authority FY 2020/21 Capital Budget

Total Capital Budget of \$13.3 million

- **Stadium Improvements - \$11.8 million**
 - **New Projects (\$5.3 million)**
 - Construction (\$3.0 million): signage replacement, security cameras, pedestrian safety fencing, wayfinding signage, security access control, CCTV pop-up trailers
 - Equipment (\$2.3 million): public safety/life safety (\$1.4 million), Financial Management System (\$283,500), and 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

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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
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	\$ 2,690,875	\$ 2,829,750	\$ 10,417,762

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2020 Marketing Plan

- Stadium Authority Board and Staff posed many questions on the budget and Marketing Plan (Attachments 7, 8, and 9)
- On March 13, 2020, Stadium Manager submitted last year's response (for the 2019 Marketing Plan) for the 2020 Marketing Plan (Attachment 9)
- Stadium Manager is non-responsive to the Board's 2020 Marketing Plan questions nor has it explained how their practices are commercially reasonable

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FY 2020/21 Stadium Operations Management Plan (SOMP)

- Required by the Agreement
- Dropped off to Stadium Authority Staff without notice in February
- Under review by Police and Fire Departments and we will return on March 31 for Board action

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Conclusion

- Provides a level of funding to operate the stadium (operating, debt, capital) with adjustments to Shared Expenses to be brought forward during the year
- Shared Expenses budget of \$3 million covers insurance costs only; given the impact of coronavirus on events, staff will return with budget adjustments if events are scheduled, provided that sufficient backup documentation is submitted
- Legal Contingency available to cover budget adjustments for Shared Expenses
- Non-NFL Event Net Performance: now projects a loss of \$2.0 million in FY 2019/20 and a gain of \$1.5 million in FY 2020/21
- 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

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Conclusion

- 2020 Marketing Plan not recommended for approval (no discussion of “turnaround” strategy to improve performance and demonstrate ability to profitably operate the facility)
- Proposed changes to Stadium Authority Budget Policy (added language regarding funding requirements (Section 4.6) and the Standard of Care (Section 2.9) included in the Stadium Authority Management Agreement, described budgetary appropriation control for expenditures at the fund level, and modified the language to clarify the ManCo budget submittal date of 45 days prior to the upcoming budget)
- Continued legal challenges associated with ManCo; the submission of the budget does not indicate a change in the Board’s position
- The Stadium Authority Board as the legislative body having full authority, under the law, is to set its budget

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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.

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Recommendations

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

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Santa Clara Stadium Authority

Proposed Santa Clara Stadium Authority Fiscal Year
2020/21 Budget, Stadium Operation and Maintenance
Plan, and 2020 Marketing Plan
Item #3 (20-429)

March 24, 2020

