



June 19, 2020

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

SUBJECT: FY 2019/20 Net Non-NFL Loss

Dear Mr. MacNeil:

We are in receipt of your June 15, 2020 letter regarding the FY2019/20 Net Non-NFL Loss totaling \$2,741,014.

Overall, we disagree with your claims and the way you characterize the issue at hand. This letter will not address each of your bulleted items; instead, your claims will be addressed in an informational report to the Board.

Our position that SCSA must review the accounting records related to the FY 2019/20 Net Non-NFL loss prior to any disbursement has not changed. The fact that SCSA may have sufficient cash on hand to make such disbursement is irrelevant to the need to provide the public with transparency regarding the validity of your claimed losses and does not change the fact that the Stadium Authority Board must approve the payments, nor does it change the fact that the appropriation to make this payment was not included in the FY 2019/20 budget. SCSA will only bring any budget action to the Board once the year-end Non-NFL Event review has taken place and staff has determined that the expenditures creating the loss were validly incurred.

As a reminder, Measure J prohibits the City's General Fund from paying any costs associated with the Stadium. Your prompt payment of outstanding invoices is requested.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Kenn Lee", is written over the word "Sincerely,".

Kenn Lee
Treasurer

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