

From: [Mercurio, Jim](#)
To: [Christine Jung](#); [Compliance Manager](#); [Deanna Santana](#)
Cc: [Brian Doyle](#); [Ruth Shikada](#)
Subject: RE: Field Seats and Levy Agreement
Date: Monday, May 10, 2021 5:43:33 PM
Attachments: [image001.png](#)
[image002.png](#)
[image004.png](#)
[First Amendment to Concessions Operating Agreement Levy Premium Foodserv....pdf](#)
[2021 Field Seats SCSA Revenue.pdf](#)

Deanna:

As we discussed in our most recent quarterly meeting, Stadium Manager is seeking approval from the SCSA of (1) the setting of SBL pricing for field seating in the north and south endzones of Levi's Stadium and (2) an amendment to the Stadium's Concessions Agreement as a result fewer than 8 games being played at Levi's Stadium during the 2020 NFL season.

For the Field Seats, these seats continue to be popular with fans and present a significant financial opportunity to drive additional revenue directly to the SCSA. Although we have not yet received final approval for the seats from the NFL for the 2021 season, we would like to proceed with finalizing the price point so that when approval is received, we are prepared to go to market with the seats.

While in the past we have presented multiple options for pricing, we believe that the optimal price point for these seats is an SBL of \$10,000 per seat. At this price level, we anticipate full sell-through of the field seating within 18 months, generating a projected \$1,172,980.00 in total revenue to the SCSA over the life of the seats.

Further, as we discussed in the quarterly meeting, the 49ers have committed to covering any food and beverage credits associated with these SBLs. Thus, the SCSA will not be obligated to fund any buffets associated with the seats.

I have attached our revenue projections for the seats to this email. The projections assume pricing approval at the May 25 SCSA Board meeting, and approval from the NFL prior to June 1.

The other item that requires approval at the May 25 SCSA Board meeting is the attached First Amendment to the Stadium's Concessions Agreement. Under Section 3.3 of the original Concessions Agreement, the parties agreed to the extension of the term of the agreement by one year in the event that fewer than 8 home games are played at the Stadium in any fiscal year. Because only 5 home games were played in Levi's Stadium during the 2020 NFL season, the parties are obligated to extend the term for one additional year.

In addition to extending the term of the agreement, the attached amendment contains limited financial housekeeping to ensure Levy's back-end accounting aligns with their investment commitment and the new 13-year term. These modifications have no impact on the revenues or costs to the SCSA.

We are happy to answer any additional questions that you or your staff may have ahead of the May

25 meeting.

Thanks,

JIM

JIM MERCURIO

Executive Vice President & General Manager

Forty Niners Stadium Management Company

T 408.562-4944 | M 650 642-4909

Levi's® Stadium

4900 Marie P. DeBartolo Way

Santa Clara, CA 95054



#FTTB

49ers.com

From: Christine Jung <CJung@SantaClaraCA.gov>

Sent: Thursday, April 29, 2021 9:04 AM

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

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

Subject: Field Seats and Levy Agreement

Hi Jim,

We have not yet received any information from the Stadium Manager on the proposed field seats and amendment to the Levy agreement which were discussed during our April 15 staff meeting. At this point, the Stadium Authority will not have sufficient time to review and analyze information the Stadium Manager submits and draft corresponding agenda reports on its behalf for the May 11 Stadium Authority Board meeting.

We can plan on bringing these two items forward for the Board's consideration at the May 25 meeting if the Stadium Manager is able to submit the written requests and supporting information/documentation by Monday, May 10, 2021. As requested during our April 15 meeting, we ask that the Stadium Manager send whatever information it currently has on the two items as soon as possible so that staff can start preparing the agenda reports and plug in the missing information/documents when received (e.g., NFL approval of the field seats).

Thank you,

Christine Jung | Assistant to the Executive Director

1500 Warburton Avenue | Santa Clara, CA 95050

D: 408.615.2218 | www.santaclaraca.gov/scsa