

# Santa Clara Stadium Authority

**Discussion, Consideration, and Direction to  
Staff Regarding Actions to be Taken in  
Response to the Santa Clara County Civil  
Grand Jury Report Entitled “Outplayed:  
Measure J, the City of Santa Clara, and the  
San Francisco 49ers ”**

**July 16, 2024, Item #4**



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## Civil Grand Jury

- The Civil Grand Jury is an investigatory body that may examine all aspects of county and city government and special districts to ensure that the best interests of Santa Clara County residents are being served.
- It reviews and evaluates procedures, methods and systems utilized by local government to determine whether more efficient and economical programs may be employed.
- Once each year, Superior Court judicial officers seek volunteers to apply for service on the Civil Grand Jury and nominate thirty prospective grand jurors from the pool of applicants.
- The prospective grand jurors are invited to appear before the Presiding Judge of the Superior Court at a ceremony. At that time, names are drawn randomly to form a panel of 19.
- Grand Jurors serve a minimum term of one year.

The logo for the Santa Clara Stadium Authority (SCSA) is located in the bottom left corner of the second page. It consists of a red rectangular box with the letters "SCSA" in white, bold, sans-serif font. Below "SCSA" in a smaller, white, sans-serif font is the text "SANTA CLARA STADIUM AUTHORITY".

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**POST MEETING MATERIAL**

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## Civil Grand Jury Report

- On June 13, 2024, the Santa Clara County Civil Grand Jury published a report entitled "Outplayed: Measure J, the City of Santa Clara, and the San Francisco 49ers" which includes various findings and recommendations.
- Penal Code Section 933(c) requires that a governing body of the particular public agency or department that has been the subject of a Civil Grand Jury final report to respond within 90 days on the specified findings and recommendations pertaining to matters under the control of the governing body.
- The City and Stadium Authority's responses on the Civil Grand Jury report findings and recommendations are due by September 11, 2024.
- Staff is not aware of any requests for individual responses from City Council/Board members for this report.

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## City/Stadium Authority Response Required

- The Civil Grand Jury report included a total of 20 findings and 13 recommendations.
- The Stadium Authority, as an agency, has been directed to respond to all of the findings and 13 recommendations.
- Some findings/recommendations may require a City or joint City and Stadium Authority response instead of a response from only the Stadium Authority.

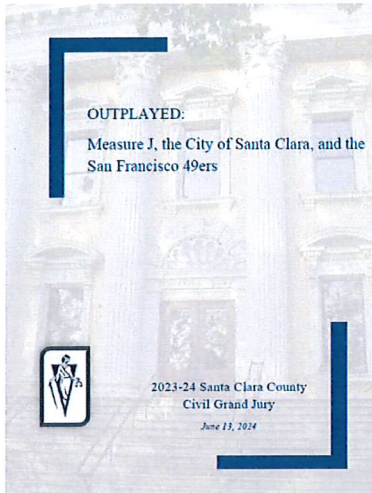
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# Findings Requiring City/Stadium Authority Response



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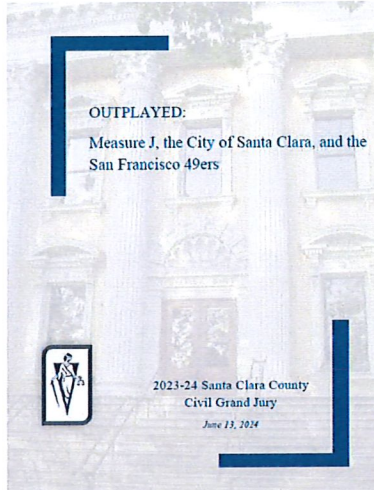
## Legally Required Responses for Findings

- Penal Code Section 933.05(a) requires the responding entity to indicate one of the following for each Civil Grand Jury finding:
  1. The respondent agrees with the finding.
  2. The respondent disagrees wholly or partially with the finding, in which case the response will specify the portion of the finding that is disputed and will include an explanation of the reasons therefor.



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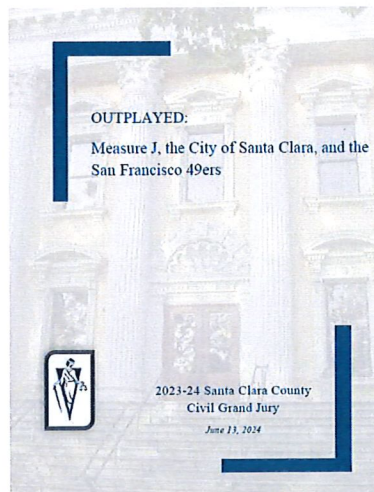


- **Finding 1:** From the beginning, the City was impatient and overmatched in its negotiation posture with the 49ers to the long-term detriment of the City/Stadium Authority.



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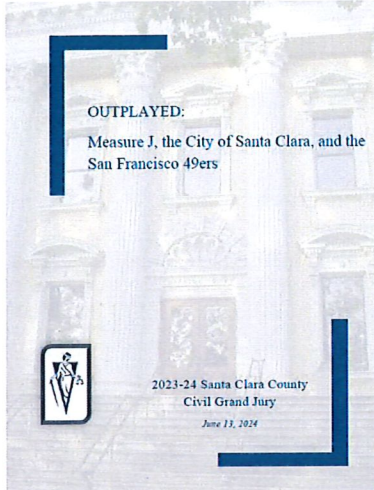


- **Finding 2:** The City has not studied the actual economic impact of the Stadium. The 49ers have produced their own studies, which they use to tout long-term unverified benefits and frame all discussions surrounding the success of the Stadium.



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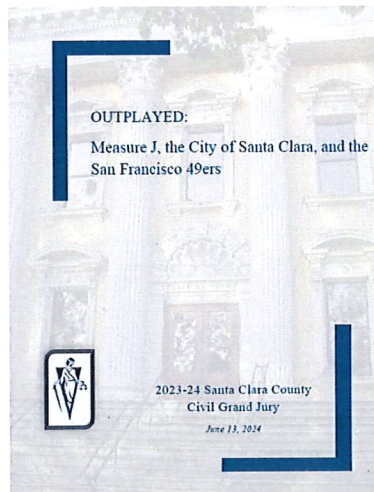


- **Finding 3:** Measure J's promise to protect the City's General Fund has been realized. The funding structure from the Stadium Lease has successfully allowed the Stadium Authority to pay off Stadium construction loans and fund required Waterfall reserves faster than originally planned.



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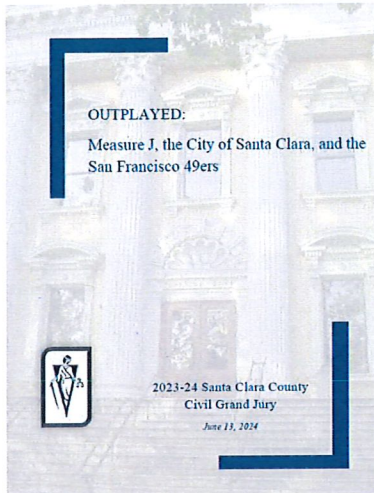


- **Finding 4:** The City/Stadium Authority agreed to use ManCo, an affiliate of the 49ers, with an inherent conflict of interest to handle the Stadium Authority's financial interests in non-NFL events.



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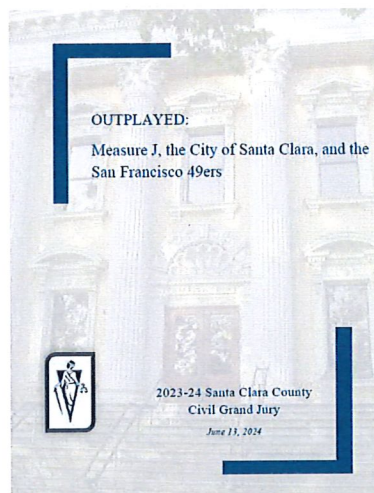


- **Finding 5:** The City/Stadium Authority failed to ensure that the Management Agreement included a fair termination clause.



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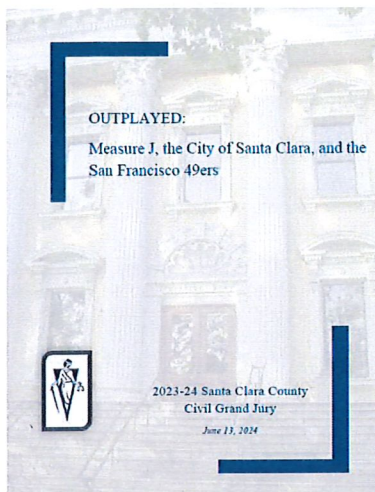


- **Finding 6a:** The City/Stadium Authority failed to ensure the Management Agreement provided the Stadium Authority with full access to financial records.



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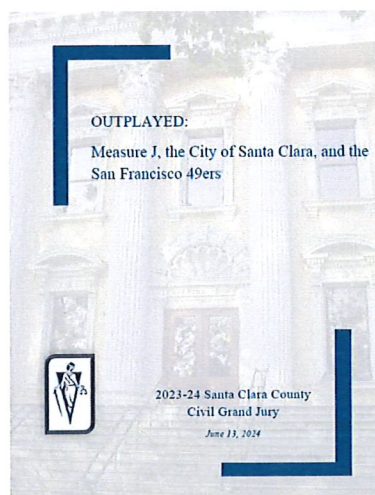


- **Finding 6b:** ManCo's financial transparency with the Stadium Authority has improved with the implementation in 2022 of a new financial management system.



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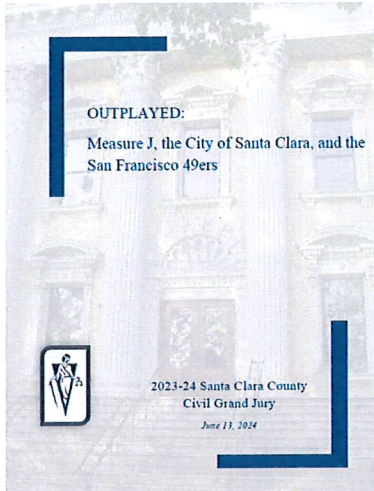


- **Finding 6c:** Transaction-level testing generally supports ManCo's reporting of financial results for non-NFL events.



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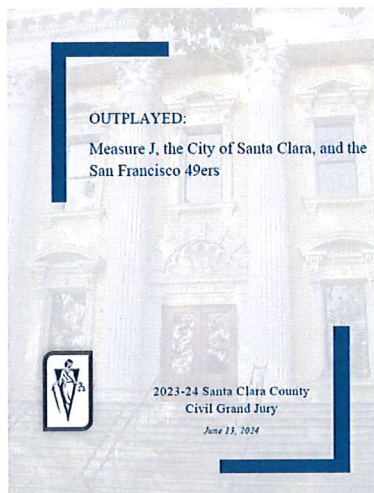


- **Finding 7a:** The City/Stadium Authority failed to ensure that the original Management Agreement and the 2022 settlement agreement contained sufficient language requiring specific items or methods and performance metrics to prioritize Stadium Authority revenue generation. This has resulted in a failure to hold ManCo accountable for the success of non-NFL events.



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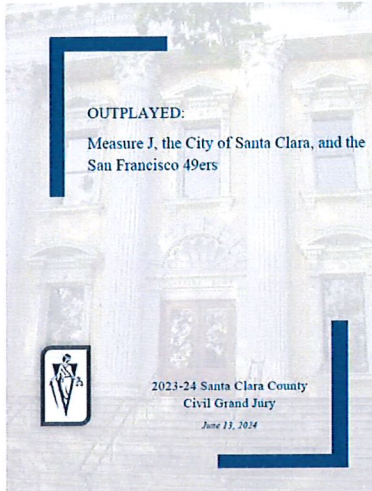


- **Finding 7b:** The Stadium Authority failed to use the prescribed Marketing Correction Plan per Article 3.3.1 of the Management Agreement process to hold ManCo accountable for unsuccessful non-NFL event bookings.



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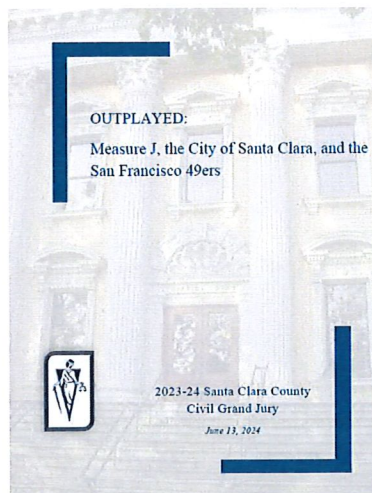


- **Finding 8a:** There is no evidence showing that ManCo is negotiating to maximize Stadium Authority profits for non-NFL events.



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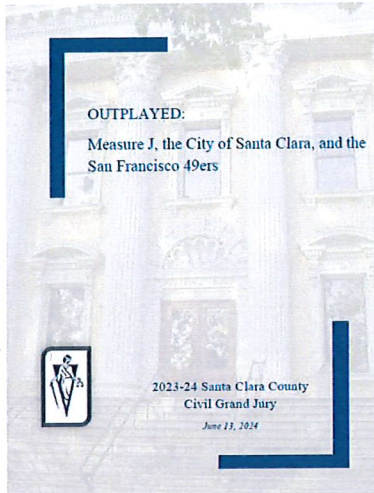


- **Finding 8b:** The Stadium Authority has failed to ensure the Management Agreement requires ManCo to incentivize its staff to prioritize the Stadium Authority's success. There is no evidence that there are employee sales goals, metrics, or consequences related to unprofitable non-NFL events.



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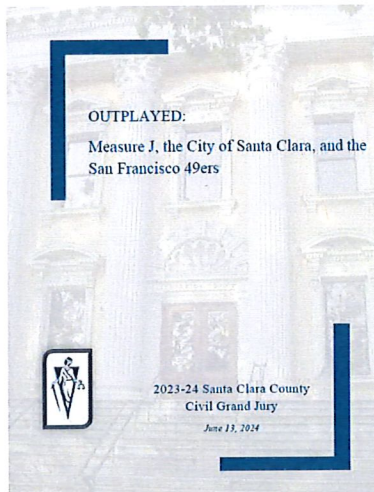


- **Finding 9a:** StadCo/ManCo interprets the Stadium Lease to require non-NFL ticket surcharges be applied to tickets associated with Rental and Trophy Luxury Suites, but failed to remit all corresponding surcharges to the Stadium Authority.



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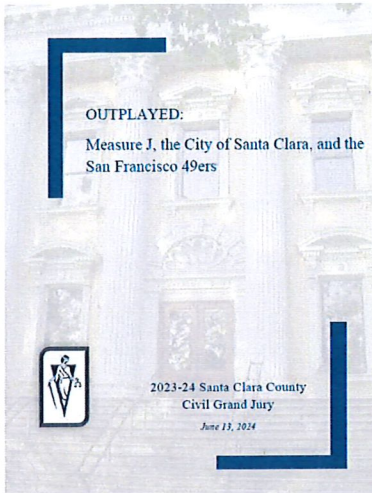


- **Finding 9b:** StadCo/ManCo interprets the Stadium Lease to not require non-NFL ticket surcharges to be applied to Seating Bowl complimentary tickets and Owners Club Luxury Suite tickets.



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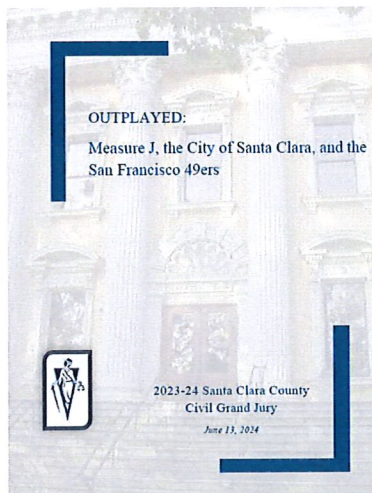


- **Finding 9c:** Suite ticket revenue submitted to the Stadium Authority does not account for suite ticket revenue for certain suite attendees.



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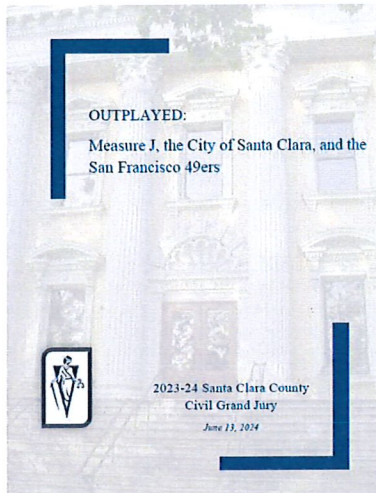


- **Finding 10a:** Most revenue from non-NFL events goes to the promoter, which is typical. StadCo can make money on luxury suites regardless of the event's profitability for the Stadium Authority.



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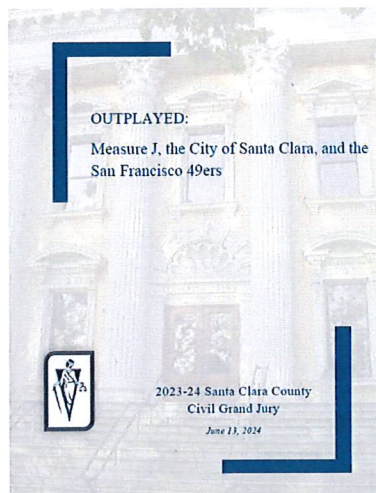


- **Finding 10b:** The Stadium Authority is unaware of the market revenue potential for non-NFL events at the Stadium. The Stadium Authority does not know what net revenues should be expected for non-NFL, ticketed and non-ticketed, events.



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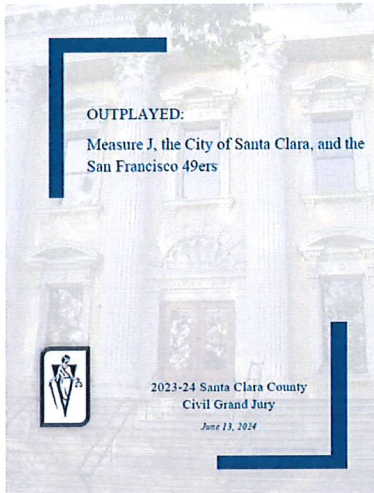


- **Finding 11:** Per the Stadium Lease, the Stadium Authority failed to negotiate pertinent details about buffet costs in the contract, such as parameters on cost thresholds and alcohol. The Stadium Authority accepted responsibility for buffet costs but failed to follow up when the expense was omitted from ManCo's budgets.



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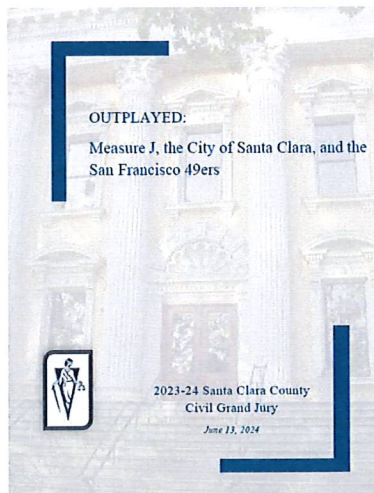


- **Finding 12:** A Multi-Use Community Facility at the Stadium was one of Measure J's original promises and was memorialized in the Stadium Lease. The current designated space for the Community Room at the Stadium is not easily accessible nor is it pragmatic for most civic events.



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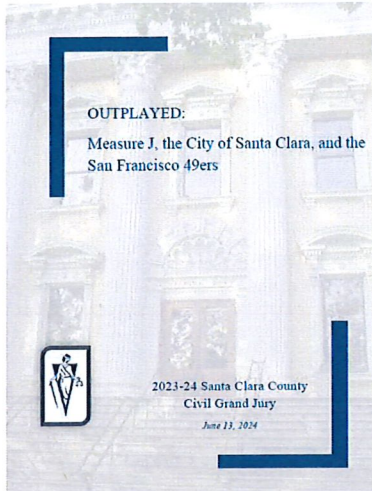


- **Finding 13:** The FIFA World Cup commitments for the City and the Stadium Authority were made without consultation with the City/Stadium Authority.



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# **Recommendations** **Requiring** **City/Stadium** **Authority** **Response**



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## **Legally Required Responses for Recommendations**

- Penal Code Section 933.05(b) requires the responding entity to report one of the following actions for each Civil Grand Jury recommendation:
  1. The recommendation has been implemented, with a summary regarding the implemented action.
  2. The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.



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## Legally Required Responses for Recommendations

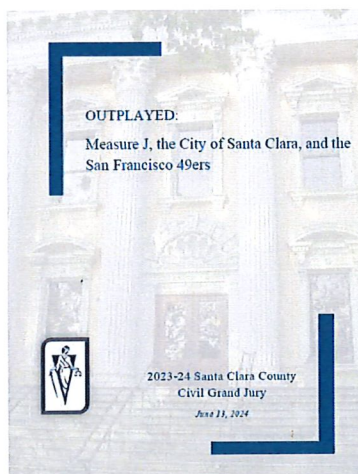
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe cannot exceed six months from the date of publication of the grand jury report.
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.

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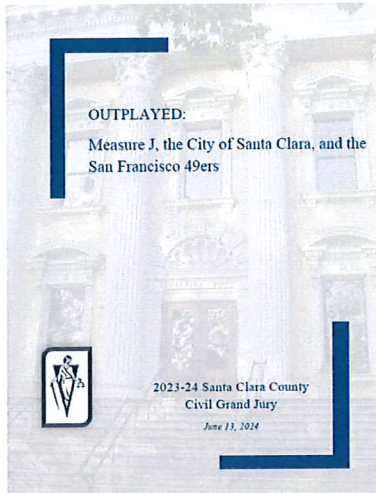
- **Recommendation 1:** Given the long-term nature of the various agreements, the 49ers' sophistication, and the history of past disputes, the City/Stadium Authority should engage advisors with specialized knowledge to determine options to level the playing field.

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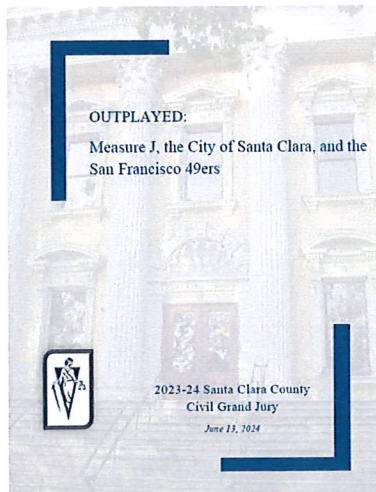


- **Recommendation 2:** The City should commission its own report to determine the Stadium's actual economic impact over the last decade. This recommendation should be implemented by July 1, 2025.



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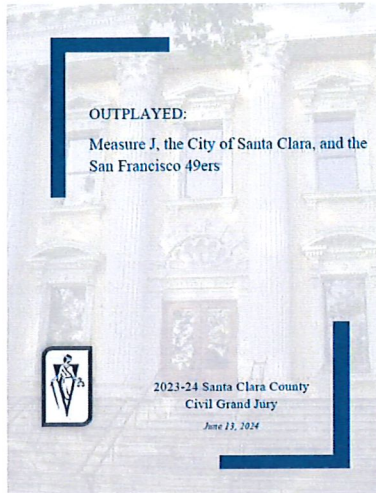


- **Recommendation 3:** The May 2024 settlement agreement gives the Board/City Council new flexibility to divert Excess Revenue from the Stadium Authority to the City's General Fund. When diverting Excess Revenue, the Board/City Council should be mindful of the long-term financial health of the Stadium Authority and request the Treasurer to produce a long-term plan for funding all required Stadium reserves, including reserves for capital improvements. This recommendation should be implemented by October 31, 2024.



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- **Recommendation 7:** The Stadium Authority should retain the expertise needed to meaningfully weigh in on ManCo's Marketing Plan to ensure that the Stadium Authority's profitability is maximized. The Stadium Authority should also establish a yearly audit procedure to measure and analyze each season's Marketing Plan against its outcomes, updating future plans based on this analysis. This recommendation should be implemented by December 31, 2024.

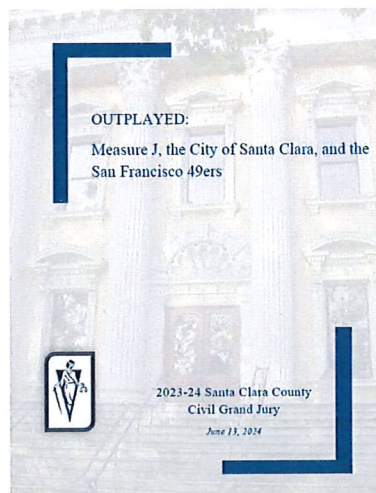
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\* The Civil Grand Jury identified Recommendations 7a and 7b, which are not listed, for Stadium Authority response; however, Recommendation 7 does exist and appears to be relevant for Stadium Authority response.

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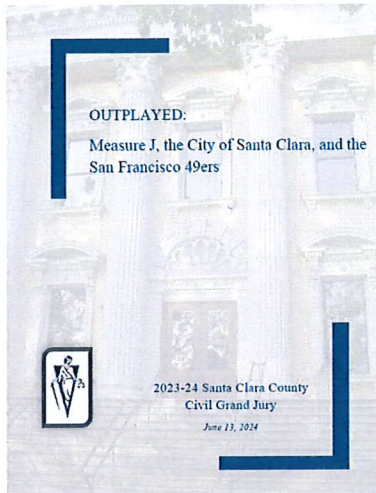
- **Recommendation 8:** As part of the Marketing Plan, Stadium Authority should require that ManCo produce a marketing plan that maximizes profits for the Stadium Authority and incentivizes ManCo marketing staff to prioritize the profitability of the Stadium Authority. This recommendation should be implemented by December 31, 2024.

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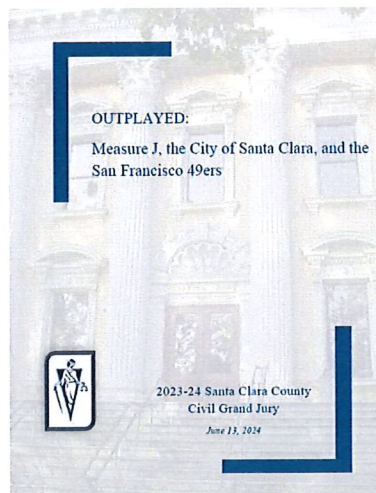


- **Recommendation 9:** The Stadium Authority should review and ensure that it receives all a) non-NFL event ticket surcharges for all event attendees, and b) ticket revenue for all suite attendees owed to the Stadium Authority. This recommendation should be implemented by October 31, 2024.



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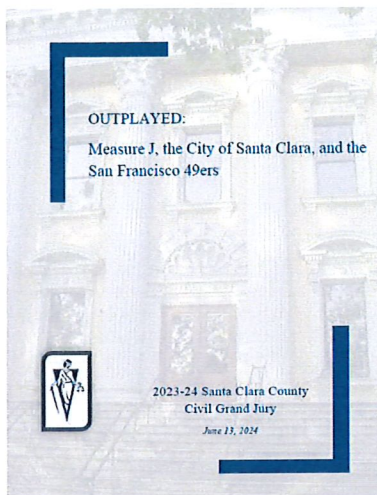
- **Recommendation 10:** The Stadium Authority should hire a professional third-party consultant, not affiliated with the 49ers, to analyze the reasonable expectations for non-NFL events such as:
  - An analysis of the market revenue potential for non-NFL events at the Stadium.
  - An analysis of ManCo's Marketing Plans, comparing successful (FY 2022-23) and unsuccessful (FY 2017-18) bookings to potential market revenue.
  - A plan with measurable objectives and incentives for ManCo to achieve these results.

This recommendation should be implemented by December 31, 2024.



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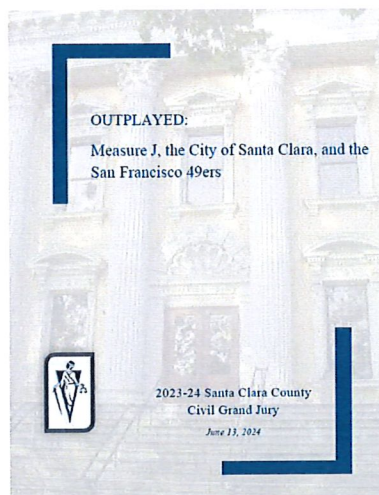


- **Recommendation 12:** The Stadium is not an appropriate location for a Community Facility. The Stadium Authority should work with the 49ers to identify and procure an alternative space for community needs. This recommendation should be implemented by June 30, 2025.



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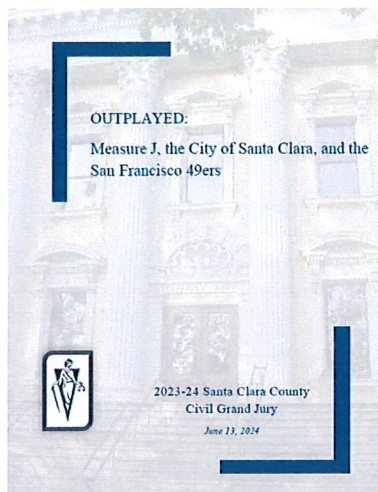


- **Recommendation 13:** The Stadium Authority should insist on consultation and prior notice before any major Stadium event commitments are made. This recommendation should be implemented by December 31, 2024.



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- Recommendations 4, 5, and 11 which were identified for City/Stadium Authority response provide no recommendation.
- Recommendations 6a, 6b and 6c provide no recommendation and were not identified for City/Stadium Authority response.

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## Next Steps

- Staff is requesting that the Council/Board provide direction on the process it would like to follow to develop the City/Stadium Authority's required responses by September 11, 2024.
- The Council/Board could provide input tonight or alternatively, due to tonight's heavy agenda, direct the scheduling of a special meeting to address the pending responses for both the "Irreconcilable Differences" and "Outplayed" Civil Grand Jury reports.
- Staff could then bring draft responses back to the Council/Board for review and possible approval at the August 27, 2024 Council/Board Meeting, or at a special meeting (or meetings) to be determined.

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# SCSA

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Santa Clara Stadium Authority

I'm relying on this document for my data as well as KPMG report and May 28, 2024 staff presentation

SCSA

Santa Clara Stadium Authority

**SANTA CLARA  
STADIUM AUTHORITY  
FINANCIAL STATUS REPORT  
Quarter Ending December 31, 2023**

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I relied on this presentation by Staff at the May 28, 2024 Council Meeting

**Santa Clara Stadium  
Authority**

Action on Amendment No. 2 to the Ground Lease and Amendment No. 1 to the Restated and Amended Stadium Lease to Implement the **Settlement Agreement and Mutual Release (Buffet and Public Safety Cost Arbitration) with Forty Niners SC Stadium Company LLC and Forty Niners Stadium Management Company LLC**

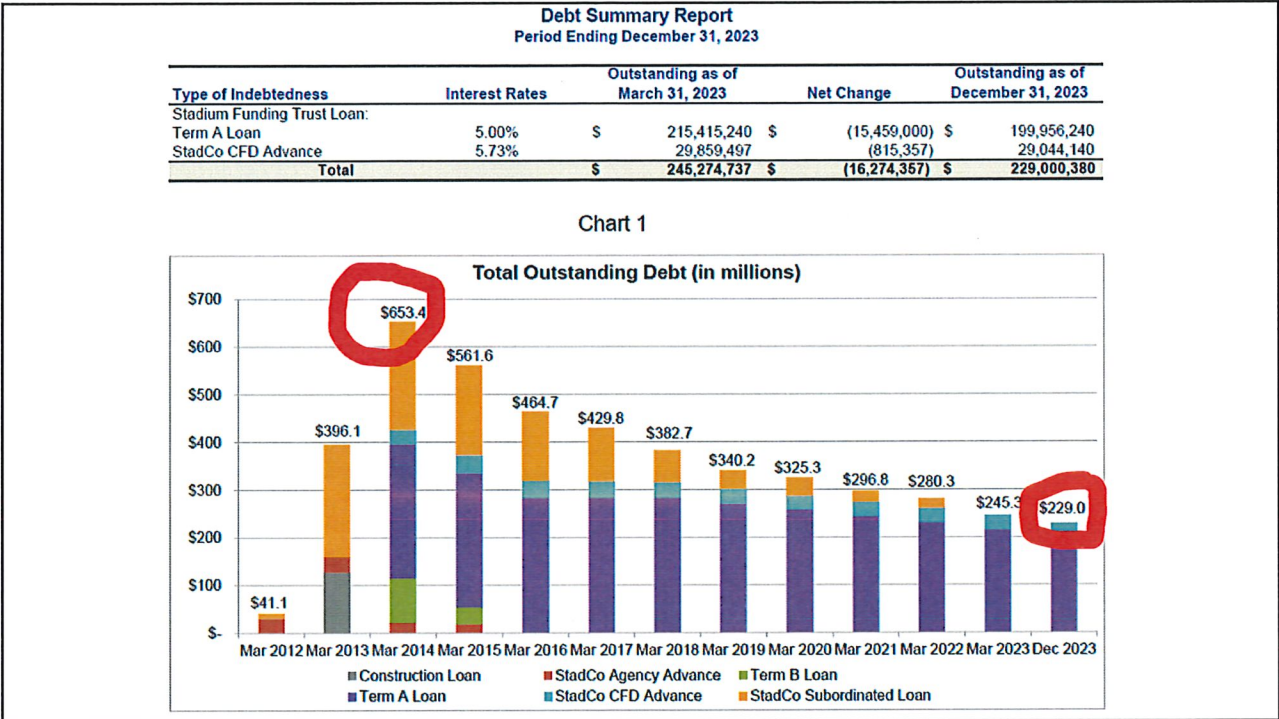
**May 28, 2024, #24-578**



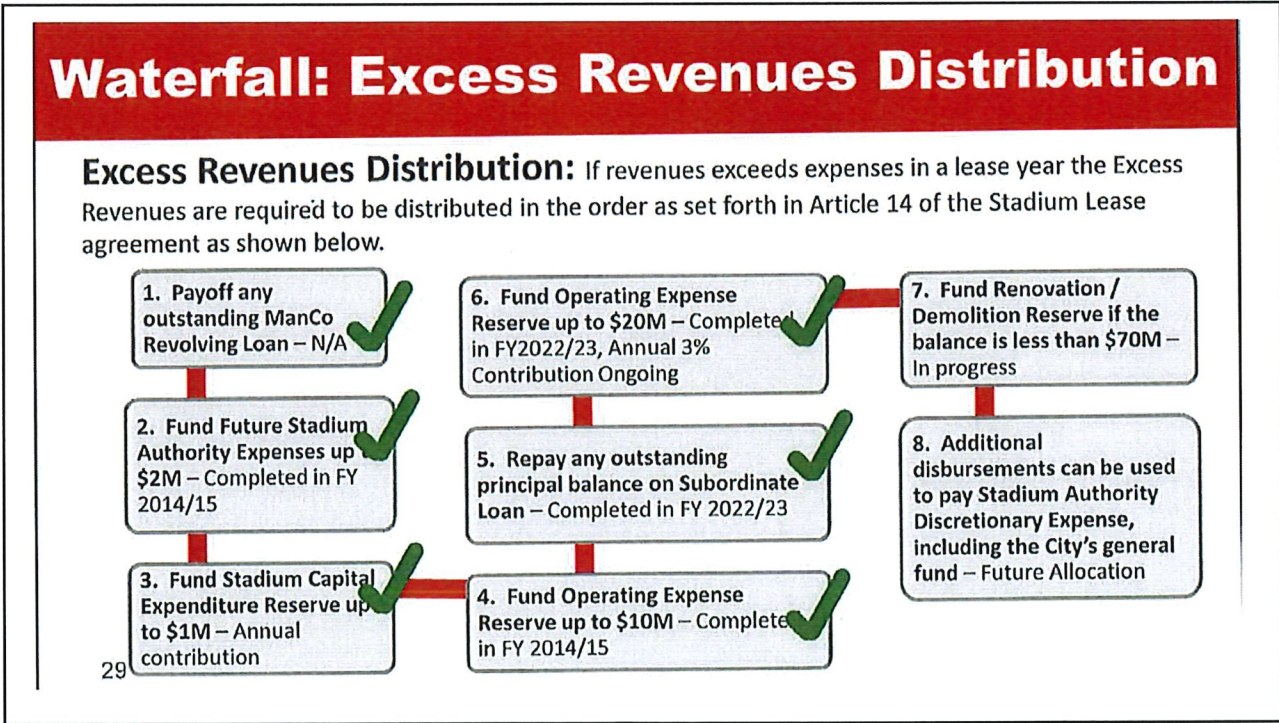
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**POST MEETING MATERIAL**





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Period Ending December 31, 2023				
	Amended <sup>(1)</sup> Budget	YTD Actuals	Budget to Actual Difference	% Received
<b>Revenue</b>				
NFL Ticket Surcharge	\$ 12,178,000	\$ 11,523,355	\$ 654,645	95%
SBL Proceeds	12,589,000	12,174,665	414,315	97%
Interest	1,249,000	3,164,680	(1,915,680)	253%
Net Revenues from Non-NFL Events	4,500,000	-	4,500,000	0%
Naming Rights	7,602,000	3,744,690	3,857,301	49%
Sponsorship Revenue (STR)	475,000	407,523	67,477	86%
Rent	24,782,000	19,948,500	4,815,500	81%
Senior & Youth Program Fees	234,000	216,108	17,892	92%
Non-NFL Event Ticket Surcharge	1,296,000	1,592,360	(296,360)	123%
Other Revenue	-	70,043	(70,043)	NA
<b>Total Revenue</b>	<b>\$ 64,885,000</b>	<b>\$ 62,840,153</b>	<b>\$ 12,044,847</b>	<b>81%</b>
<b>Expenses</b>				
	Amended <sup>(1)</sup> Budget	YTD Actuals	Budget to Actual Difference	% Used
<b>Shared Stadium Manager Expenses</b>				
Stadium Operations	\$ 4,550,000	\$ 3,397,116	\$ 1,152,884	75%
Engineering	2,694,000	2,012,044	681,956	75%
Guest Services	645,000	482,636	162,364	75%
Groundskeeping	650,000	488,944	161,056	75%
Security	1,564,000	1,174,366	389,614	75%
Insurance	3,327,000	2,495,378	831,622	75%
Stadium Management Fee	516,515	255,370	261,145	49%
<b>Shared Stadium Mgr Exp Subtotal</b>	<b>\$ 13,946,515</b>	<b>\$ 10,395,874</b>	<b>\$ 3,640,641</b>	<b>74%</b>
<b>Other Operating Expenses</b>				
SBL Sales and Service	\$ 2,333,000	\$ 1,749,936	\$ 583,064	75%
Senior & Youth Fees (paid to City)	234,000	216,108	17,892	92%
Ground Rent (paid to City)	495,000	495,000	-	100%
Performance Rent (paid to City)	-	-	-	NA
Discretionary Fund Expense	250,000	-	250,000	0%
Utilities	1,391,000	927,030	463,970	67%
Use of StadCo Tenant Improvements	121,085	116,402	4,683	96%
Stadium Authority G&A	3,919,900	1,957,998	1,961,902	50%
Naming Rights Commission	94,000	93,618	382	100%
Legal Contingency	-	-	-	NA
Other Expenses	734,000	550,191	183,809	75%
<b>Other Operating Expenses Subtotal</b>	<b>\$ 9,571,965</b>	<b>\$ 6,106,283</b>	<b>\$ 3,465,682</b>	<b>64%</b>
<b>Total Expenses</b>	<b>\$ 23,518,480</b>	<b>\$ 16,412,157</b>	<b>\$ 7,106,323</b>	<b>70%</b>
<b>Transfers Out</b>				
Debt Service	\$ 25,457,000	\$ 17,297,708	\$ 8,159,292	68%

## Amended Budget for FY 2024

Total Revenue \$64.9M

Total Operating Expenses: \$23.5M

Net Revenue: \$41.5M

Debt Service \$25.4M

YTD actuals cover only 3 out of 4 quarters

BUT YTD Net Revenue: \$52.8M - \$16.4M =  
\$ 36.4M

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500 Capitol Mall, Ste 2100 Sacramento, CA 95814-4754

## Independent Auditors' Report

The Board of Directors  
Santa Clara Stadium Authority:

## Report on the Audit of the Financial Statements

## Opinion

We have audited the financial statements of the Santa Clara Stadium Authority (the Stadium Authority), a component of the City of Santa Clara, as of and for the years ended March 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Stadium Authority's basic financial statements for the years then ended as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Stadium Authority as of March 31, 2023 and 2022, and the changes in its financial position and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

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FROM KPMG REPORT FOR YEARS ENDING March 31, 2023 and 2022

#### Financial Highlights

Key financial highlights for the fiscal year ended March 31, 2023 are as follows:

- The carrying value of Levi's Stadium at March 31, 2023, net of depreciation, is \$683,106,548.
- During the fiscal year, there were twelve National Football League (NFL) games, seven ticketed Non-NFL events, and sixty-nine smaller special events held at Levi's Stadium.
- The Stadium Authority recognized \$72,153,423 in operating revenue and \$49,065,823 in operating expenses.
- The revenues from the Non-NFL events were \$19,574,275 and the related expenses were \$10,765,108 resulting in net Non-NFL event profit of \$8,809,167.
- Debt service payments during the fiscal year totaled \$48,589,277. Overall remaining outstanding debt was reduced by \$35,038,955. The Stadium Authority also paid off the StadCo Subordinated Loan during the year.
- The assets of the Stadium Authority exceeded its liabilities by \$109,570,809 due to income from the operation of Levi's Stadium.

Suds note: For FY2023: SCSA revenue \$72.2 M and Operating Expenses \$49.1M → **\$ 23.1 M Net Revenue**

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Table 16

### City of Santa Clara Net General Fund Impact

For Stadium Authority  
Period Ending December 31, 2023

Ground Rent	\$ 495,000
Performance Rent	-
Senior and Youth Fee	216,108
Sales Tax	657,763
<b>Total Net General Fund Impact</b>	<b>\$ 1,368,872</b>

NOTE: There was no Performance Rent because Non-NFL profits were banked in the Liability Contingency Fund. The May 2024 settlement released those banked funds and the City of Santa Clara press release on May 23, 2024 Stated that the settlement :

**"provides payment of \$7.1 million in Performance Rent to the City of Santa Clara. The settlement also amends various agreements resulting in new revenue to the City of Santa Clara on an annual basis (estimated at \$2.8M next fiscal year, FY 2024-25)."**

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Table 5

**Levi's® Stadium**  
**Ticketed Non-NFL Events Revenue and Expenditure Summary**  
**As of December 31, 2023**

In Millions \$

Ticketed Event	Revenue	Expense	Net
Concert 1	\$ 2.8	\$ 1.1	\$ 1.6
Concert 2	2.6	1.6	1.0
Concert 3	2.5	1.7	0.8
Concert 4	2.5	1.4	1.1
Concert 5	1.8	0.7	1.1
Sporting Event 1	1.7	1.1	0.6
Sporting Event 2	0.9	0.5	0.4
Sporting Event 3	-	0.7	(0.7)
<b>Total Ticketed Non-NFL Net Revenue to Date</b>	<b>\$ 14.8</b>	<b>\$ 8.9</b>	<b>\$ 5.9</b>

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Table 6

**Levi's Stadium**  
**Net Revenue for Non-NFL Events**  
**by Event Type**  
**Historical Year-to-Date through December 31, 2023**

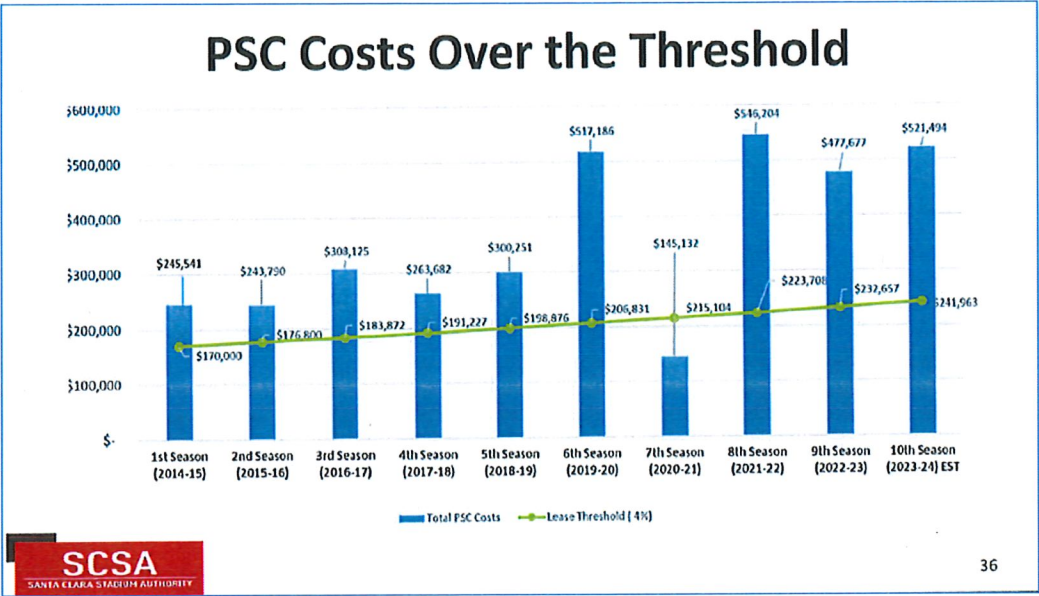
EVENT TYPE	2019/20		2020/21		2021/22		2022/23		2023/24	
	No. of Events	Net Revenue <sup>(1)</sup>	No. of Events	Net Revenue <sup>(1)</sup>	No. of Events	Net Revenue <sup>(1)</sup>	No. of Events	Net Revenue <sup>(1)</sup>	No. of Events	Net Revenue <sup>(1)</sup>
<b>Ticketed Events</b>										
Concerts	1	\$ 856,583	0	\$ -	0	\$ -	6	\$ 6,131,747	5	\$ 5,600,578
Sporting events:										
Football (non-NFL)	3	(3,170,926)	0	-	0	-	0	-	0	-
Soccer	2	(65,295)	0	-	0	-	1	451,890	3	305,067
Miscellaneous events	2	(458,609)	0	-	0	-	0	-	0	-
<b>Subtotal Ticketed Events</b>	<b>8</b>	<b>\$ (2,838,247)</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>7</b>	<b>\$ 6,583,637</b>	<b>8</b>	<b>\$ 5,905,645</b>
<b>Subtotal Special Events (weddings, corporate events, etc.)</b>	<b>79</b>	<b>\$ 1,492,331</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>56</b>	<b>\$ 1,998,619</b>	<b>37</b>	<b>\$ 1,191,841</b>
<b>Subtotal Other Operating Income</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ 1,712,309</b>
<b>Subtotal Other Operating Expenses</b>		<b>\$ (1,395,098)</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ (495,578)</b>		<b>\$ (1,057,378)</b>
<b>Total Non-NFL Net Revenue</b>	<b>87</b>	<b>\$ (2,741,013)</b>	<b>0</b>	<b>\$ -</b>	<b>0</b>	<b>\$ -</b>	<b>63</b>	<b>\$ 8,086,678</b>	<b>45</b>	<b>\$ 7,752,417</b>

<sup>(1)</sup> Does not include non-NFL ticket surcharge revenue

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From May 28, 2024 Staff presentation. Actual per Game Public Safety Costs went up from \$245.5M to \$521.5M  
That calculates to an **annual increase of 8.7% over 9 years.**





**August 24, 2017 Stadium Authority Meeting**

Agenda item 8.D. Informational and Possible Action Report: Stadium Manager Presentation on Non-NFL Events

**Matt Prieshoff**, Chief Operation Officer at Live Nation in California

“Live Nation has produced multiple sold out events at Levi’s Stadium including One Direction and Luke Bryan in 2015, two sold out Beyoncé shows in 2016 as well as sold out Coldplay show in 2016. U2 is later this year and we are exciting for Coldplay coming back for what we anticipate to be another sold out show on Wednesday, October 4<sup>th</sup>. Live Nation is the leader in live entertainment in the world, close to over 26,000 events last year and over 71 million fans attending those events. Now we standing with this volume and our standing in the industry, we can’t dictate to the artist what venue to play, what day of the week to play or where to play on a specific date. However, we can and do present Levi’s Stadium to the artist for what we believe it to be, an appealing venue and a very appealing city with the large array of modern and first class amenities. However, the city diminishes our opportunity to book events there and our enthusiasm to play with a 10pm curfew 5 out of the 7 days a week. It will be increasingly difficult for us to book acts at this venue with this curfew. The Rose Bowl in Pasadena, AT&T Park in San Francisco, Shoreline Amphitheatre, Oakland Coliseum, Concord Pavilion, Qualcomm Stadium, the Hollywood Bowl, Dodger Stadium all have 11:00pm curfew every day of the week. We keep wanting to do events here, we want to keep doing sold out events here and generate revenue for the City of Santa Clara. We are currently looking at an event that we believe will sell out Levi’s Stadium in 2018. But if 5 of those 7 days a week are not available until 11:00pm it will be very difficult for this artist to play. We are looking for a compromise of up to 4-5 nights per year that would go to 11:00pm, which is 1% a year for all days. On October 4<sup>th</sup>, I invite you to attend Coldplay. It is one of the best shows I have ever seen in my 25 years of working in this business. I want you to imagine for a second the 45,000 people that are coming to or from your City to attend that event that are having dinner here, having drinks here, that are getting gas here. I want you to imagine their faces when the confetti go off and the fireworks go up in the air, I want you to imagine their faces smiling when leaving the event. Now can you imagine those 45,000 faces at the event in Northern California instead of your city.”





**CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION  
OFFICE OF THE STATE FIRE MARSHAL**

FIRE ENGINEERING  
FIREWORKS PROGRAM  
P.O. Box 944246, Sacramento, California 94244-2460  
(916) 445-8373 Fax (916) 445-8458

**PYROTECHNIC OPERATOR POST DISPLAY REPORT**

Pursuant to California Code of Regulations, Title 19, Section 1005(a) within ten (10) working days following any public display, the licensed pyrotechnic operator in charge of the display shall submit a complete, accurate and factual written report directly to the State Fire Marshal

*Failure to comply with these requirements may result in suspension or revocation of your license.*

I. LARRY ESTANFILL <sup>alt</sup> 835-5511, CSFM license number 14-10, Pyrotechnic Operator  
(Name and Phone Number)  
supervising the discharge of fireworks for this display, submit the following report per Title 19, Section 1005:

1. FIREWORKS COMPANY NAME AND PHONE NUMBER <u>IMAGE ENGINEERING</u>		GPD# <u>1413</u>
2. FIREWORKS COMPANY ADDRESS <u>7525 PERRYMAN CT.</u>		3. CITY <u>Curtis Bay Md 21226</u>
4. DATE OF DISPLAY <u>10/27/19</u>	5. TIME OF DISPLAY FROM <u>1:05</u> to <u>1:08</u>	
6. EXACT LOCATION OF DISPLAY <u>Levi Stadium Santa Clara CA</u>		
7. DEFECTIVE SHELLS LIST MANUFACTURER'S NAME, SIZE OF SHELL, AND MALFUNCTION. (Refer to reverse side for definitions to be used.) <u>Stage FX INC. effect launched but did NOT IGNITE 1-50mm COMET</u>		
8. INJURY TO PERSON FROM FIREWORKS. PROVIDE INJURED PERSON'S NAME AND ADDRESS. Verbal notification is required within 24 hours to the State Fire Marshal in Injury or Death. <u>Santa Clara Fire Dept</u> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <u>INCIDENT # 1908713</u>		
9. VIOLATIONS OF HEALTH AND SAFETY CODE OR REGULATIONS RELATING TO PUBLIC DISPLAY OF FIREWORKS. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
10. FIRES CAUSED BY FIREWORKS. INCLUDE OWNER'S NAME, ADDRESS AND A BRIEF SUMMARY OF INCIDENT. Verbal notification is required within 24 hours to the State Fire Marshal if emergency action or response was required due to the fire. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
11. RECOMMENDATIONS OR COMMENTS <u>It was a defective "shell" - 1.4 manufacturer has been notified</u>		
12. LIST NAMES OF PYROTECHNIC ASSISTANTS AND STATE FIRE MARSHAL PYROTECHNIC LICENSE NUMBER IF APPLICABLE.		
A. <u>Kevin Schulewicz</u>	B.	
C. <u>Mike Schulewicz</u>	D.	
E.	F.	
13. SIGNATURE OF PYROTECHNIC OPERATOR IN CHARGE <u>Larry Estanfill</u>	14. DATE <u>10/28/19</u>	

Attach additional pages if necessary.



**From:** MacNeil, Larry  
**To:** Deanna Santana (DSantana@SantaClaraCA.gov); Walter Rossman (WRossmann@SantaClaraCA.gov); Ruth Shikada; Catlin Ivanetich (civanetich@santaclaraca.gov); Angela Kraetsch (AKraetsch@SantaClaraCA.gov)  
**Cc:** Mercurio, Jim; Sabatino, Scott  
**Subject:** Taylor Swift - Confidential  
**Date:** Thursday, December 27, 2018 10:52:00 AM  
**Attachments:** image002.jpg

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Deanna –

I am following up on your question at our 12/20/18 meeting regarding the Taylor Swift show.

Before answering your question, I want to restate what I said in that meeting. Your public discussion on the economics of individual Non-NFL Events has a material adverse impact on Manco's ability to book Non-NFL Events. Divulging artists' confidential business information, combined with the SCSA's weeknight music ban, impairs Manco's ability to perform its duties.

In the meeting, you said that you have already heard this admonition from our staff many, many times, but I wanted to remind you that your discussion of this particular issue on the Taylor Swift show should remain confidential.

You responded by saying you didn't know if you would or would not keep this confidential, and "that is not Manco's concern".

That is wrong. The SCSA undermining our efforts is Manco's concern.

The SCSA has stated in the past that it is able to maintain the confidentiality of the economics of individual events, but this matter was discussed in an open City Council/SCSA meeting on 12/11/18. Mayor Gillmor asked about free tickets and you said it was the first time you heard about it and you would look into it. If you were not aware of the complimentary tickets for that show, it is only because you neglected to review the report previously submitted to you by Manco. The Taylor Swift 45-day flash report that was provided to your office more than a month ago clearly shows tickets distributed of 101,876 and tickets sold of 79,836. The report already provided to you also breaks these numbers down by individual show.

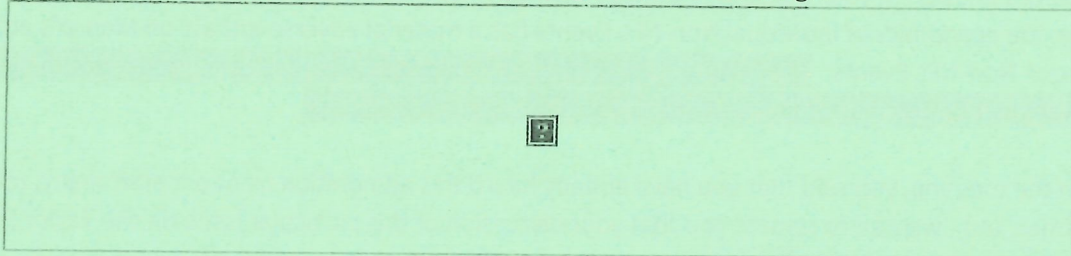
As I explained, "papering the house" is a common practice for entertainment events. The promoters and the artists want to have a full house, so if a promoter or an act is unable to sell out an event, for whatever reason, as the event date approaches and they know how many seats will go empty, they will quietly distribute tickets in order to fill the venue. The reasons for this practice are obvious. It makes for a more vibrant experience, supports future demand, and increases ancillary revenues through concessions and parking. Again – the acts and promoters do this quietly. They don't want to talk publicly about a particular act that does not sell out a performance, or about complimentary tickets.

This practice is particularly common when a big act sells out one pre-scheduled show, and then later decides to add a second show to – hopefully – sell out again. And that is what happened with the Taylor Swift show. The challenge was that the second show (on Friday) did not sell as well as the

first, and there were a significant number of tickets that the promoter needed to get distributed to paper the house.

The fact that you did not read about this in the media means that the promoter was successful in papering the house. The promoters and acts do not want to have this practice discussed publicly, and they select groups for ticket distribution that are not going to bring attention to the practice.

You asked specifically about the \$4.00 surcharge on the distributed comp tickets. There is no surcharge collected for those tickets, since that would not be "complimentary". It would make no sense to ask someone to attend an event at no charge, and then ask them for a \$4.00 surcharge. This is consistent with the language in the lease regarding the \$4.00 surcharge:



These tickets were neither sold nor distributed to the "general public". They were distributed to specific targeted groups in order to paper the house. You can imagine the negative impacts of offering free tickets to a Taylor Swift show to the "general public".

Indeed, comp tickets are distributed for nearly every event that happens at Levi's Stadium and every other entertainment venue in the country. The counts of tickets "scanned" versus tickets "sold" are clearly reported on the reports already provided to you.

Larry MacNeil  
408.416.1639

**San Francisco Chronicle**

**Ed Sheeran says 'no thanks' to Levi's Stadium show: Curfew kills the buzz**

**Matier & Ross**

**September 24, 2017**

Source: <https://www.sfchronicle.com/bayarea/matier-ross/article/Ed-Sheeran-says-no-thanks-to-Levi-s-12222539.php>

Santa Clara's concert curfew has prompted British pop phenom Ed Sheeran to drop Levi's Stadium from his 2018 tour.

Sheeran announced a 15-city North American tour via Instagram on Friday, and notably absent from the lineup was a Bay Area stop that had tentatively been planned for Levi's on Aug. 21. That's a Tuesday night, which would have forced Sheeran to wrap it up by 10 p.m. to comply with the City Council's weeknight deadline for the final song.

Al Guido, the 49ers president who had been negotiating the appearance, said he was told by Sheeran's agent that there was "no way" he'd be done by 10 p.m. — and without a waiver from the city, the deal was scuttled.

"Four thousand hardworking individuals have lost their right to work, residents have lost out on millions of dollars in revenue, and music lovers have been denied an opportunity to view a world-class concert," Guido said. Not to mention that the 49ers lost out on their undisclosed cut, which comes from filling up the stadium's 150 luxury boxes.

But the loss to Santa Clara and the Niners may be the San Francisco Giants' gain. Word is that Sheeran's team is negotiating for the singer to appear at AT&T Park on the same date, when the Giants will be on the road. The Giants declined to comment.

"This potential concert loss is news to us," said Santa Clara Mayor Lisa Gillmor, whose council majority has been feuding with the Niners for months over stadium finances.

Weeknight concerts at Levi's Stadium have become a sore spot with Santa Clara. Two acts at Levi's — Beyoncé and U2 — blew right past the 10 p.m. curfew even after the city denied them extensions.

Coldplay is scheduled to play at Levi's next month, even though the City Council voted 4-3 to turn down the group's request for a one-hour curfew extension.

Gillmor said that even before Levi's construction began, the city promised nearby residents that weeknight noise would be limited. Officials are simply living up to that promise, she said.

Guido said the city is being unreasonable.

"The noise ordinance states 10 p.m. (as the curfew), but it also clearly states that the city manager can make exceptions," he said.

According to the team, Santa Clara risks losing out on a big chunk of the estimated \$100 million that concerts were expected to deliver to the city over the 40-year stadium contract — money that could support libraries, police and other city services.

Team reps complain that the Great America amusement park next door has gotten permission to go until 1 a.m. up to 30 times a year. The 49ers, meanwhile, have been denied their request for four extensions a year for non-football events.

What's more, Levi's is the only major outdoor stadium in California bound by a 10 p.m. weeknight curfew, the Niners say.

The 49ers aren't looking to book concert acts out of the goodness of their hearts. The team could use the money, because its pigskin division has the customers running for the exits.

As Chronicle sports columnist Ann Killion notes, 1,653 seat license holders — folks who plunked down big money just so they could buy game tickets at Levi's — defaulted on their payments in the past quarter.