

5/8/18

item 6

Santa Clara Stadium Authority

Action on the Terms for Assignment and Venue Agreements
for the College Football Playoff National Championship
at Levi's Stadium January 7, 2019



May 8, 2018 Item 6

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Background

- College Football Playoff (CFP) awarded the 2019 National Championship to Levi's Stadium in 2015.
- ManCo has advised SCSA that event will have financial losses.
- Bay Area Host Committee established January 2018 to manage and be financially responsible for CFP National Championship.
- Both ManCo and SCSA Executive Director recommend assigning event to the Bay Area Host Committee. SCSA needs to understand more about flow of funds and the Bay Area Host Committee, in process.
- At April 24, 2018, Study Session, SCSA Executive Director presented proposed terms that isolate the event's financial losses from the current Agreements.



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POST MEETING MATERIAL

Stadium Authority Study Session April 24, 2018

SCSA Board requested formal approval of:

- Terms that isolate financial losses from current Agreements -- Acknowledged proposed terms by consensus
- Options regarding escrow account or other form of pre-payment.
 - Neither General Fund nor SCSA budget advance payment of any funding for the public services necessary to support the CFP events.



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Assignment Agreement & Venue Agreement



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Assignment Agreement: SCSA Proposed Terms

- Host Committee will be responsible for all costs and expenses in connection with the Game, including all Stadium Operation Expenses (e.g., pre-, during-, and after- event costs), and specifically including:
 - All actual public services/workforce costs, including all public safety costs (up to double- overtime rate), planning, traffic, and code enforcement
 - All public service expenses for Non-Game Day events
 - Expenses not covered by permits
 - Any costs associated with team stay at hotels that don't fit in "Game" definition
 - In short, no public service support expenditures will be absorbed by the Stadium Authority and/or City of Santa Clara – No Financial Losses



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Assignment Agreement: SCSA Proposed Terms

Continued

- Shared net income to SCSA or City (General Fund) (if applicable)
- Complete accounting of all revenue and expenses provided to SCSA, through an independent third party auditor at no cost to SCSA, audit contract with and managed by SCSA Executive Director or SCSA Auditor (when hired):
 - Including but not limited to all financial information pertaining to the Venue Use Agreement, CFP National Championship Agreement, and any other vendor or related agreement or contract pertaining to the Game
- Bay Area Host Committee can't operate with a deficit, Forty Niners Football Company LLC (Team) will be the Third Party Guarantor to backstop any shortfall associated with the event. A full understanding of the backstop is required as part agreement and audit.



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Venue Agreement

- Venue Agreement relatively standard and consistent with past practice.
- Licensee (CFP Group) shall retain all parking revenue.
 - Licensee shall determine the price of parking in its sole discretion and the parties shall mutually agree on procedures for the sale of such parking.
 - City parking fee will be charged and paid to the City.



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Venue Agreement

Continued

- CFP Group determines the price of Event Tickets in its sole discretion.
 - The Ticket Surcharge shall be added to the Ticket Pricing of each ticket. Stadium Manager shall remit to Stadium Authority the Ticket Surcharge owed on each ticket. Stadium Manager and Licensee shall mutually agree upon whether fee shall be included in ticket price or appear as a stand-alone fee.
 - Ticket Surcharge means the Four Dollar (\$4) surcharge on each ticket shall be remitted to Stadium Authority via Stadium Manager pursuant to the Stadium Lease.
 - SCSA Executive Director or Auditor right to audit financials (as in Assignment Agreement) for the purpose of validating revenue to the SCSA.



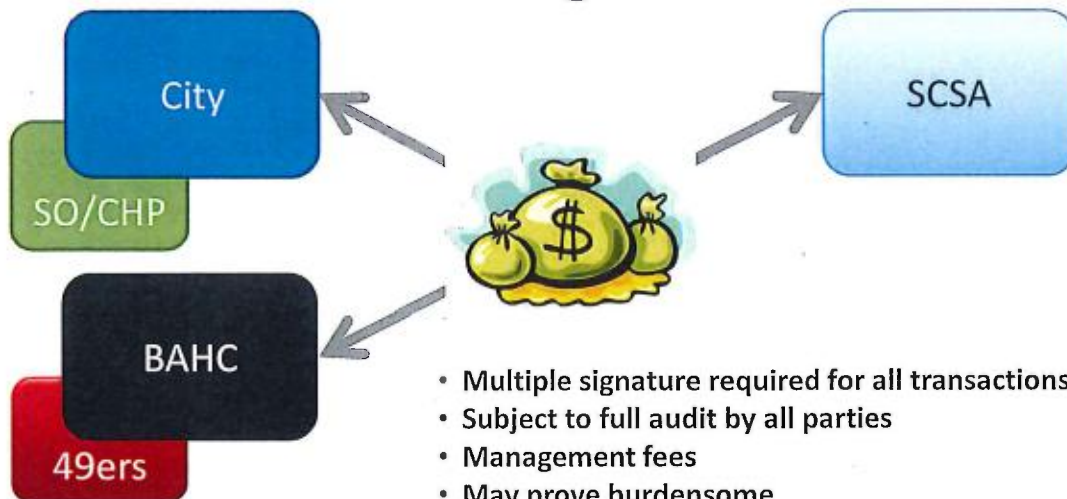
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Pre-payment of CFP Related Expenses



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Escrow Agreement

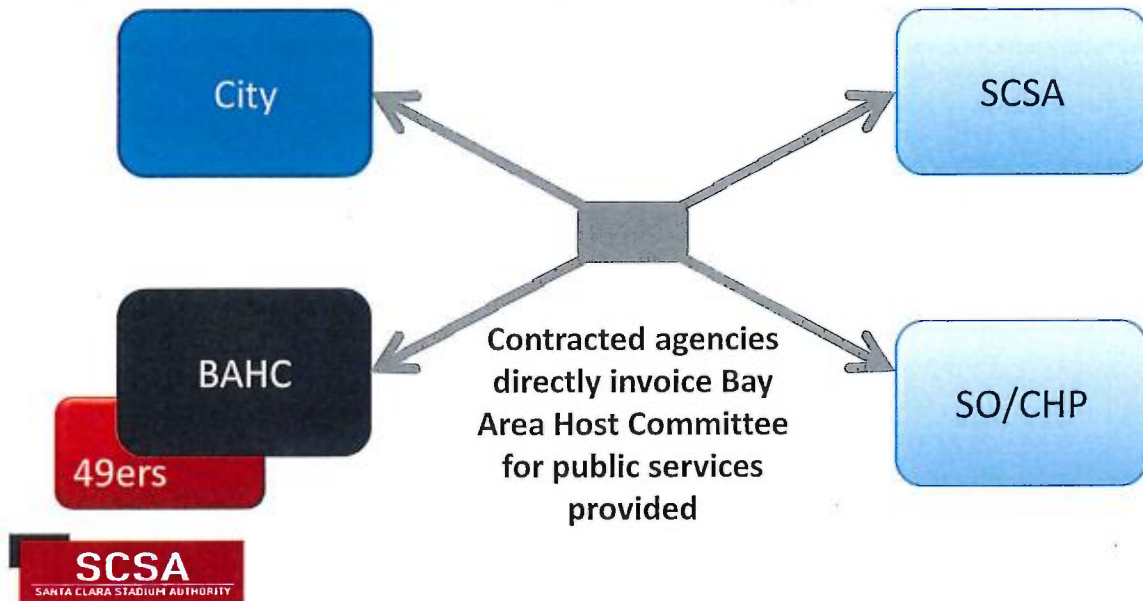


- Multiple signature required for all transactions
- Subject to full audit by all parties
- Management fees
- May prove burdensome
- City should not manage non-public funds



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Contracted Public Services Agreement



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Recommendation to Board

- Approve the terms proposed by the Santa Clara Stadium Authority Executive Director for the Assignment and Venue Agreements for the CFP 2019 National Championship Game Agreement as presented to the Board on April 24, 2018 and summarized in the report.
- Direct the SCSA Executive Director to pursue and enter into a four party agreement to allow contracted public service providers to directly invoice the Bay Area Host Committee for all CFP related expenses.

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Next Steps

- May 29, 2018 -- SCSA Board will consider Assignment and Venue Agreements
- Aug/Sept – Monthly updates to SCSA Board
- Integrate SCSA Board March 27, 2018 motion into future discussions on this event (any relevant findings that provide for improved planning, etc.)



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Levi's Stadium Events November 30 – January 7

- Hosting a College Football Bowl Game on December 31, 2018.
 - ManCo shared with SCSA on May 3, 2018
- Hosting six football games in a span of six weeks
 - Combination of college and NFL games
 - Period of November 30, 2018 – January 7, 2019
 - Potentially 7 games if Levi's hosts NFL Wild Card Round (January 5 or 6)
 - Potential for two additional NFL playoff games after January 7 (January 12 or 13 and January 19 or 20)
- Events fall during the holiday season
 - Providing public services may prove challenging without advanced planning
 - CFP Assignment Agreement (with specific terms proposed by SCSA) will help



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Levi's Stadium Events November 30 – January 7

Date	Day	Time	Game Type	Opponent	SCSA Note
November 30	Friday	TBD	College	Pac-12 Football Championship Game	City Offices Closed December 24, 2018 through January 2, 2019
December 9	Sunday	1:05	NFL	49ers vs. Denver Broncos	
December 16	Sunday	1:05	NFL	49ers vs. Seattle Seahawks	
December 23	Sunday	1:05	NFL	49ers vs. Chicago Bears	
December 31	Monday	TBD	College	College Football Bowl Game	
January 5/6	Sat./Sun.	TBD	NFL*	49ers vs. TBD	
January 7	Monday	5:00	College	CFP National Championship	

* Potential playoff game Saturday, January 5 or Sunday, January 6
Additional potential playoff games January 12 or 13 and January 19 or 20



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