

# Santa Clara Stadium Authority

## Study Session

Proposed Santa Clara Stadium Authority FY 2026/27  
Budget, 2026 Marketing Plan, and Compliance and  
Management Policies  
Item #2 (26-245)



March 5, 2026

## Agenda

1. Overview
2. Key Summary
3. February 24th Study Session Questions and Responses
4. Recommendation

<b>FY 2026/27 Budget Development</b>	
<b>October/November 2025</b>	Stadium Authority staff worked with ManCo to discuss the annual budget plan which included the dates that ManCo would provide all necessary documents as required by the Stadium Agreements.
<b>December 2025</b>	Stadium Authority staff provided the Stadium Authority G&A, Public Safety Capital Expenses, and Discretionary Fund costs to ManCo for review and incorporation into the annual budget.
<b>January 2026</b>	At least 45 days prior to the start of the fiscal year (January 30) ManCo provided the required documents per the Stadium Agreements: <ul style="list-style-type: none"> <li>• Stadium Operations and Maintenance Plan</li> <li>• Annual Shared Expense Budget with Five Year Projection</li> <li>• Annual Stadium Authority Operations Budget, Capital Expenditure Plan with Five-Year Projection</li> <li>• Annual Public Safety Budget</li> <li>• 2026 Marketing Plan and Public Safety Document Updates</li> </ul>
<b>February 2026</b>	Staff submitted a series of questions to ManCo on February 10, 2026, and received responses on February 23 <sup>rd</sup> .
<b>February 24, 2026</b>	Study Session on Fiscal Year 2026/27 Operating, Debt Service, and Capital Budget, Stadium Operation and Maintenance Plan, Public Safety Budget and Marketing Plan
<b>March 5, 2026</b>	Special Study Session on Fiscal Year 2026/27 Operating, Debt Service, and Capital Budget, Stadium Operation and Maintenance Plan, Public Safety Budget and Marketing Plan
<b>March 10, 2026</b>	Public Hearing to approve the SCSA Proposed Fiscal Year 2026/27 Operating, Debt Service, and Capital Budget
<b>March 13, 2026</b>	SCSA Notice of approval/disapproval of the Stadium Manager's Draft Annual Stadium Authority Budget
<b>March 20, 2026</b>	Stadium Manager required to submit Adopted Budget to the Trust (10 days prior to start of FY)
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<b>FY 2026/27 Budget Development (cont.)</b>	
○	<b>General Information</b>
○	<b>Year in Review for both NFL and Non-NFL Events</b>
○	<b>Excess Revenues Distribution</b>
○	<b>Operating Budget</b>
•	Stadium Authority General and Administrative Budget
•	Stadium Manager Shared Expenses and 5 Year Forecast
•	10-Year Forecast
○	<b>Debt Service Budget</b>
○	<b>Capital Expense Budget</b>
•	Capital Expenditure Plan and 5 Year Forecast
○	<b>Stadium Authority Work Plan</b>
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## FY 2026/27 Budget Development (cont.)

**Attachments:**

1. Proposed Santa Clara Stadium Authority Fiscal Year 2026/27 Operating, Debt Service, and Capital Budget
2. Fiscal Year 2026/27 Annual Public Safety Budget
3. 2026 Levi's Stadium Events Marketing Plan
4. Stadium Authority Board Budget Policy
5. Stadium Authority Board Compliance and Management Policy
6. Staff Report from February 24, 2026 Meeting
7. Staff Presentation from February 24, 2026 Meeting
8. Questions and Responses from February 24, 2026 Meeting

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## Stadium Authority FY2026/27 Budget Key Summary



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## Stadium Authority FY2026/27 Budget Key Summary (cont.)

- Net Non-NFL Events Revenue budgeted at \$4.6 million
  - Lower than prior two fiscal years (FY)
    - FY 2024/25 Actual: \$10.2 million
    - FY 2025/26 Projection: \$6.2 million
  - Historical performance increases from preliminary budget projection
- Public Safety Costs (PSC) reimbursements over threshold expenditure is budgeted to be \$2.5 million
  - \$1.9 million from PSC Reserve
  - \$0.6 million from Discretionary Fund
- PSC 2024 Outstanding Balance (\$4.7 million in FY 2025/26, \$0.8 million in FY 2026/27)
  - Projected to be paid off at end of FY 2026/27
- Budget supports 2026 World Cup events

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## Stadium Authority FY2026/27 Budget Key Summary (cont.)

- Direct payments to the General Fund at \$6.6 million
  - Performance Rent for FY 2026/27 (\$1.8 million, accrual basis)
  - Projected FY 2026/27 Excess Revenue (\$3.6 million)
  - Ground Rent (\$1.0 million)
  - Senior and Youth Fees (\$248,000)
- Additional \$5.7 million transfer to the CapEx fund to projects necessary to maintain the facility pending finalization of a facility condition assessment
  - Carryover projects adjusted to cover rising construction costs
  - Project contingencies has been increased from 5% to 10%
  - Impacts to future excess revenue transfers in out-years

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## February 24<sup>th</sup> Study Session Questions and Responses

**Question:** Revenues increased by 3% but expenses increased by 7%, what is the budgeted net income for FY 2026/27?

**Response:** The table below reflects the overall budgeted net revenue for the Stadium Authority eliminating the transfers between the Operating and Debt Service funds which are internal to the Stadium Authority.

	2026/27 Proposed Budget
<b>Revenues</b>	
Operating Revenues	\$ 67,367,000
Debt Service Revenues	3,782,000
<b>Total Revenues</b>	<b>\$ 71,149,000</b>
<b>Expenses</b>	
Operating Expenses	38,128,000
Debt Service Expenses	20,970,000
Transfer to Capital Expense Reserve <sup>(1)</sup>	4,278,000
<b>Total Expenses</b>	<b>\$ 63,376,000</b>
<b>Total Budgeted Net Revenue</b>	<b>\$ 7,773,000</b>

<sup>(1)</sup> The Transfer to Capital Expense Reserve does not include one-time monies projected to fund budgeted expenses in FY 2026/27 such as the carry-over fund balance of \$12.4 million or the additional transfer from the Operating Reserve of \$5.7 million.

## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Why is the distribution to the General Fund not negatively impacted in FY 2026/27?

**Response:** The FY 2026/27 budgeted distribution to the City's General Fund from Stadium Authority excess revenues **does** decline from a projection of \$4.7 million in FY 2025/26 to a budget of \$3.6 million in FY 2026/27. This is the result of the additional CapEx contributions being requested. In future years beyond FY 2026/27 ManCo has indicated that CapEx needs will increase which is why the negative impact to the City's General Fund are projected to be worse after FY 2026/27. We will need to continue to work to refine the capital expenses requirement in the out-years to ensure any impact to the General Fund is minimized to the extent possible.

## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** How will increased capital funding needs affect the frequency and size of future distributions to the City's General Fund?

**Response:** As indicated in the Ten-Year Forecast (starting on page 41 of the Proposed Budget) the future distributions to the City's General Fund from Stadium Authority excess revenues are currently projected to go to zero in FY 2027/28 due to the CapEx requests included in ManCo's five-year CapEx plan. Should this occur, it will have a significant and negative impact on the General Fund. The Stadium Authority will continue to engage with StadCo and ManCo to review projected facility needs and identify funding sources that limit the impact to the General Fund to the extent possible.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Are the Stadium Authority reserves expected to keep pace with capital expenditure needs?

**Response:** The Ten-Year Forecast shows the Stadium Authority cash reserve balances going from a projected \$103.5 million in FY 2026/27 to \$110.7 million in FY 2035/36. This increase is primarily based on inflation factors to the reserves as outlined in the Lease Agreement and the assumption that revenue from operations would be sufficient to continue to fill the operating and capital reserves.

The capital expense requirement will need to be adjusted once the Facility Condition Assessment (FCA) that ManCo is working on has been finalized, reviewed and analyzed by Stadium Authority staff, and once the Stadium Authority's own FCA is completed. The completion of this FCA process is crucial to giving staff and the Board a complete picture of what the true capital needs will be.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** There is a 26% decrease in Non-NFL Events forecasted for FY 2026/27. How can the Stadium Authority fulfill its oversight to maintain profitability when it comes to Non-NFL Events?

**Response:** Stadium Authority staff will continue to engage with ManCo staff on a shift in their budgeting practices. To date, ManCo estimates revenue for ticketed Non-NFL events on booked events at the time of the budget. This practice has resulted in actual revenue significantly exceeding the budget in prior years, because additional ticketed Non-NFL events were booked after the adoption of the budget.

Additionally, the SCSA hired a consultant, Canyon Oaks Ventures, LLC (Canyon Oaks) to conduct market research on how large multi-purpose venues promote and market Non-NFL Events, review the Levi's Stadium Marketing Plan, and provide ongoing research and analysis of stadium market and Non-NFL event trends. This will further guide the Stadium Authority's strategic oversight of Non-NFL Event marketing through additional insights on benchmarking stadium performance, industry trends, profitability, key performance metrics, and recommendations for areas of improvement.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** What fund will cover public safety costs expected to be reimbursed by the Bay Area Host Committee (BAHC) if those reimbursements are delayed, reduced, or disputed and Stadium Authority is required to pay any portion that exceeds the amounts available in the public safety cost reserve and discretionary fund?

**Response:** Public Safety and related event costs for all events are budgeted in and paid for by the General Fund initially and reimbursed by the Bay Area Host Committee (BAHC) The process for invoicing and reimbursement is set forth in detail under the terms of the Assignment and Assumption Agreement for FIFA (FIFA Agreement) and the League Event Agreement for Super Bowl LX (LEA).

In the event BAHC reasonably disputes any portion of a payment request, the BAHC and City have agreed to immediately meet and confer in good faith to resolve the dispute. If after two meet and confer sessions, the parties have been unable to resolve the dispute, the dispute will be subject to an expedited third-party resolution process using binding arbitration.

For both Super Bowl and FIFA, if amounts owed to the City by the BAHC are undisputed, or are ultimately determined to be owed, and BAHC fails to make the required payment, such payment obligations are "backstopped" by a 49ers entity.

Any of City's event costs that are determined to be ineligible for reimbursement through the dispute resolution process would be reimbursed to the City by the Stadium Authority using Stadium Authority funds. In no event would any such costs be borne by the City's general fund.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Did we meet the number of events required under the Naming Rights Agreement and if not, who pays the liquidated damages?

**Response:** Under the Naming Rights Agreement, if there are fewer than 36 major events with an attendance of more than 25,000 in any three-year period, Levi's receives a Naming Rights Fee Credit from the Stadium Authority. The Second Amendment to the Stadium Management Agreement further specifies that when this occurs, ManCo will pay the Stadium Authority as liquidated damages, the amount equivalent to the Naming Rights Fee Credit. This effectively makes the Stadium Authority whole in any three-year period where 36 major events are not held. The Stadium Authority currently has 23 major events for the three-year period ending February 28, 2027. The Stadium Authority will continue to track these events and, if the requirement is not met, take appropriate action in accordance with the agreements.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** What is the impact to Senior and Youth Fee revenue due to the one 49ers home game that will be played internationally and is there any mitigation mechanism in place to protect this funding stream?

**Response:** On average, there were 69,000 tickets sold to each NFL game in FY 2025/26. Based on a Senior and Youth Program fee of \$0.40 per ticket, that amounts to approximately \$27,600 that will impact the contribution to the Senior and Youth programs. There are no impacts to senior and youth programs offered by the Parks and Recreation Department. The resulting impact will be absorbed by other City General Fund revenue.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Is the Stadium Authority under any legal obligation to pay for a share of ManCo's offsite office space? If not, why has this request come up again?

**Response:** ManCo asserted last year, and again this year, that they were entitled to reimbursement of an allocable portion of their lease costs under the terms of the Management Agreement. They point to the contract's broad definition of "Manager Operating Expenses" as contemplating such costs as a reimbursable expense. They have calculated this amount to be \$620,000 per year. Stadium Authority staff disagrees with ManCo's contract interpretation: this type of expense had not been charged in any previous year, is not specifically identified as a reimbursable expense in the Management Agreement and is not believed to be a typical reimbursable expense under this type of agreement. So far, staff has not seen any new information that would suggest this amount should be included in this year's budget. If there is no agreement this year, this matter is likely to be tendered to mediation, and ultimately binding arbitration under the applicable dispute resolution provisions in the Management Agreement.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Can the charts in the budget document be labeled?

**Response:** Yes, the Finance Department will include labels on the charts in the budget document presented for Board consideration at the March 10th Board meeting.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Why is the Additional Ticket Surcharge (the amount over \$4/ticket) lower than the base ticket surcharge?

**Response:** The main contributing factor to this is related to the six (6) FIFA World Cup soccer matches. The FIFA World Cup 2026 Assignment and Assumptions Agreement specifies that the Non-NFL Event Ticket Surcharge for these events would be \$6.00 per ticket which means that the amount over the base ticket surcharge is \$2.00 per ticket. This is less than the base ticket surcharge of \$4.00 per ticket. The ticket surcharge for the other five (5) Non-NFL events currently scheduled in FY 2026/27 will have an additional ticket surcharge of \$4.00 or more per ticket, however, the projected number of tickets sold to the six (6) FIFA soccer events is much higher than the projected number of tickets sold to the other five (5) Non-NFL events currently scheduled in FY 2026/27 which results in an additional ticket surcharge being lower than the base ticket surcharge. It should be noted that the original agreement with FIFA, on FIFA's standard form agreement, did not provide for a surcharge at all. In subsequent negotiations for the terms of the FIFA Assignment and Assumption Agreement, Stadium Authority staff, working with ManCo, was able to negotiate this amount up to \$6.00 per ticket.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Provide more details behind the Economic Impact Study described in the workplan?

**Response:** The Economic Impact Study is related to a Civil Grand Jury recommendation to have the City commission its own report to determine the Stadium's actual economic impact over the last decade. The Stadium Authority is finalizing a scope of work to issue a Statement of Qualifications (SOQ) for a review of the Stadium's financial impacts to the City's General Fund between 2014 and 2021 and the Stadium's economic impact between 2022 and 2025. 2022 was selected as a starting point because no major Non-NFL Events were held at the Stadium between 2020 and 2021 due to the COVID-19 Pandemic with Major Non-NFL Events resuming at the Stadium in May 2022. The SOQ will also include an economic impact study of the 2026 major events. Staff plans to release the SOQ in the next few weeks.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** The description of the Discretionary Fund describes that under certain circumstances the Stadium Authority may transfer to the City's General Fund, up to half of the balance of the Discretionary Fund over \$1 million. How is it that the Discretionary Fund can drop below \$1 million?

**Response:** The balance in the Discretionary Fund can go below \$1.0 million and this has happened in the past when the Discretionary Fund was used for specific identified uses; for example, to cover NFL public safety costs over the threshold. If the Stadium Authority wants to transfer funds directly from the Discretionary Fund to the City's General Fund, however, the language in the Stadium Lease indicates that certain conditions must be met. One of the conditions for this type of transfer is that the Discretionary Fund must be over \$1.0 million, and the transfer to the General Fund is limited to half of this "excess" amount. Since funding for a Civic Event using the Discretionary Fund is specifically contemplated by the Stadium Lease, and the Civic Event was approved by the process outlined for such an event in the Stadium Lease, both the Stadium Authority and StadCo/ManCo have interpreted this provision as allowing the use of the Discretionary Fund, and allowing the balance to go lower than \$1.0 million.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Can pages and the tables be numbered be added to the Marketing Plan?

**Response:** A revised Marketing Plan with page numbers and tables are attached to this report.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** The Marketing Plan states that overall private Non-NFL event output was lower than previous years due to team staffing transitions. What is being done to prevent staffing changes from affecting the number of events being booked?

**Response:** To ensure staffing changes are prevented from affecting Non-NFL event output, the Stadium Manager has implemented several proactive measures:

- Cross training across marketing and sales functions to retain continuity during transition periods
- Documented campaign calendars and standardized processes to preserve institutional knowledge
- Advanced transition planning and structural handoffs when staffing changes occur
- Alignment between marketing campaigns and confirmed stadium availability to ensure efforts are focused on available inventory

These strategies help ensure operational continuity and protect performance regardless of staffing changes.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** How can the competition to book events at the Convention Center versus Levi's Stadium be resolved?

**Response:** The Convention Center and Levi's Stadium are operated by two different third-party managers. However, as the venues are respectively owned by the City and Stadium Authority, the two entities have oversight over the booking of events at the two venues. This oversight requires additional coordination with the two operators to ensure that booking decisions are strategic with consideration to things like revenue maximization, capacity and configuration fit, calendar and conflict management, relationships with promoters/event organizers, market positioning and brand strategy, and long-term portfolio optimization. This also requires additional coordination and communication between the two operators and the City's Destination Marketing Organization. Further, City staff are planning to initiate an assessment of marketing/booking practices at the Convention Center this year. We will include collaboration with the Stadium in that assessment as well.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** How is the Marketing Plan leveraging the 49ers team fanbase in its Non-NFL private event sales efforts?

**Response:** Sales efforts are leveraged by:

- Ticket offer email blasts to all SBL members
- Digital / Email Promotion
- Paid Advertising on Social Media (Google and Meta)
- Paid Advertising on Ticketmaster
- Paid Advertising through Linear and Digital TV
- Leveraging the 49ers Trade with NBC Sports
- Organic Social Promotion

If the event overlaps with the NFL season then the team makes a good faith effort to promote on 49ers socials and use players to promote the events (for example 49ers players were sent to the Earthquakes soccer match to promote the event)

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** When will StadCo Facilities Condition Assessment (FCA) be complete and available for review?

**Response:** StadCo communicated to staff that the FCA will be completed next fiscal year.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Please describe the plan for the Stadium Authority's independent FCA. What is the scope and timeline of this work (RFP, Vendor Selection, when will the results be made public)?

**Response:** Once the FY 2026/27 budget process concludes in mid-March, staff will begin working on a scope of work for an independent FCA through the Stadium Authority. Project services will be procured through a competitive procurement process. The goal is to complete the independent FCA by the end of calendar year 2026 to allow time for coordination ahead of the FY 2027/28 budget process. It should be noted that an FCA for a stadium is a massive undertaking and will require significant coordination with the Stadium Manager. Many factors can potentially impact the project timeline.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** When will Canyon Oaks complete its review and analysis of the Marketing Plan and deliver their report?

**Response:** Canyon Oaks' scope of work for the final Marketing Plan Review will be completed after the review of the draft 2026 Marketing Plan that was submitted by ManCo on January 30, 2026, incorporating available 2023 and 2024 qualitative data, and meeting with the Stadium Manager's Non-NFL Events teams to share recommendations. The consultant is expected to deliver their final Marketing Plan Review report to the Stadium Authority in the May/June 2026 timeframe.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** How many 49ers games will be played internationally?

**Response:** The 49ers will be playing two games internationally in FY 2026/27, one in Australia and one in Mexico. The game being played in Australia is an "away" game for the 49ers, while the one being played in Mexico will be a "home" game for the 49ers. The international "home" game will negatively impact revenue to the Stadium Authority, reducing the Senior and Youth Fee by approximately \$27,600 and in turn the contribution in the same amount to the City's Senior and Youth Programs.

There is also an impact to the NFL ticket surcharge revenue. The Stadium Manager submitted a budget of \$16.2 million NFL ticket surcharge revenue for the nine (9) home games that will be held at Levi's Stadium in FY 2026/27 which equates to an average of \$1.8 million per NFL game. The loss of this revenue also has an effect on the potential excess revenue that could be available to transfer to the Stadium Authority's Renovation/Demolition Reserve (~\$900,000) and the City's General Fund (~\$900,000). The Stadium Authority and the City do not have the ability to impact the NFL's scheduling decisions, and the Stadium agreements do not provide a mitigation when the NFL reduces home games.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** What is the policy for capital investment into Levi's Stadium? How can we maintain and keep the stadium in good working order?

**Response:** The current required contributions for CapEx investments are outlined in the Stadium Lease Agreement. The annual base contribution amount was \$2.0 million in FY 2014/15, and each successive annual contribution grows by a 3% escalation. In FY 2026/27 the base contribution amount will be \$2.9 million. As part of the Excess Revenue Distribution also outlined in the Stadium Lease Agreement, an additional \$1.0 million can be allocated for capital expenses. This additional contribution also grows by 3% each year with the FY 2026/27 amount being \$1.4 million. Based on the Stadium Manager's initial work on a FCA, they believe that contributions above the amounts outlined in the Lease Agreement are necessary. The source of these contributions are from the Operating Reserve. Any policy beyond those outlined in the Lease Agreement would require further negotiations and an amendment to the lease.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Does the interest revenue include interest earned on Renovation/Demolition reserve?

**Response:** Yes, the interest revenue includes a projection of interest earned on all reserve accounts. The Stadium Authority is limited in the types of investments it can use by the Lease Agreement. As a result, funds are invested in a money market mutual fund that primarily invests in high-quality U.S. government securities.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Why is interest revenue budgeted lower in FY 2026/27?

**Response:** There are two contributing factors to this. First, with the projected CapEx spending, it is expected that the CapEx reserve will have a lower average balance in FY 2026/27 than in FY 2025/26. Secondly, since projecting how interest rates will fluctuate in the future is challenging and involves risk, a conservative estimate was used. If interest rates end up producing higher interest revenue, the Stadium Authority can request an amendment to the budget in the future to recognize the additional revenue.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** How can the Stadium Authority project Non-NFL Event revenue in a more realistic manner?

**Response:** This work will be a part of the Stadium Authority's ongoing coordination with ManCo on the Marketing Plan and booking of Non-NFL Events.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** How does Stadium Authority debt get paid off if there is a reduction in Non-NFL event net revenue?

**Response:** The Non-NFL Event Net Revenue is one source of Operating Revenue among several others that support operations as well as transfers to Debt Service to support debt service payments. Other Operating Revenues include Rent, NFL Ticket Surcharge, Naming Rights Revenue, SBL Proceeds, etc. In addition, the Community Facilities District (CFD) was established to finance and construct publicly owned facilities. To support this, the CFD levies and collects a special hotel tax of 2% on hotel rooms within the CFD. During the construction of Levi's Stadium, the Stadium Authority spent \$35.0 million on CFD infrastructure. All collections from the special hotel taxes are contributed to the Stadium Authority to pay down the CFD Advance which was used to fund the construction of the CFD publicly owned facilities.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Since SBL Proceeds are projected to decline, at what point will the SBL Sales and Service contract with ManCo get restructured to reflect the declining workload? Why are SBL Sales and Service costs going up by 6% in FY 2026/27?

**Response:** It is important to distinguish between SBL sales costs and SBL service costs, as they serve different but equally essential functions.

### Sales Costs

Sales expenses represent an investment in securing long-term, contractually obligated revenue for the Stadium Authority. Many SBLs sold each year are financed over a 10-year period. As a result, the current fiscal year's SBL revenue largely reflects sales executed in prior years. Comparing current-year sales expenses solely to current-year SBL cash collections does not accurately capture the long-term revenue stream being secured.

### Service Costs

Service costs must be viewed in the context of the more than \$600 million in total SBL revenue collected to date. The Authority will always have these costs. The service team manages ongoing relationships with SBL holders, handles relocations and inquiries, and is responsible for invoicing and collecting annual payments. Without this infrastructure in place, the Authority would risk both customer retention and timely cash collection on existing contractual obligations. SBL Service staff's time dedicated to NFL events is tracked and charged to 49ers.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Can a projection be provided when SBL Proceeds will reach zero and what the total ManCo SBL Sales and Service costs will be between now and that date?

**Response:** If no further SBLs were sold and there were no defaults on existing accounts, approximately \$34 million (including interest) in remaining SBL proceeds would be collected over the next ten years, tapering off to zero around 2036. However, the scenario is not reflective of current operations. ManCo will continue to sell SBLs, of which most are financed over a 10-year period. Each new sale would therefore add incremental, contractually obligated revenue to future years and extend the timeline over which SBLs are expected to be received. As a result, the projected date of zero will continue to move outward as long as sales activity continues. While long-term predictions will rely heavily on overall market and team performance factors, ManCo currently projects new SBL sales will be in the range of \$4 million to \$5 million for the next few fiscal years.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** What performance metrics or benchmarks exist to support the SBL Sales and Service costs and who approved the cost escalation?

**Response:** The Stadium Manager has various performance metrics and benchmarks such as:

- SBL Sales Goal: \$5 million
- SBL Outbound Calls: 1,500 weekly
- SBL Inbound Leads: 200-500 weekly
- SBL Touchpoints: 100-150 meetings/year per representative
- SBL Sales Pitches: 20+ per representative weekly

The Board approves the Stadium Authority Budget which includes the SBL Sales and Service Costs

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Legal services are projected to be \$96,000 in FY 2025/26 but the FY 2026/27 budget for legal services is \$460,000. Why is there such a large increase? What legal matters do staff expect? Are these tied to disputes or anticipated disputes with ManCo or StadCo?

**Response:** The \$96,000 projection for FY 2025/26 legal services was based on actual expenses through September 2025, with projected costs straight-lined for the remainder of the fiscal year. Staff looked at this projection again and noted that legal expenses from October 2025 through January 2026 were running higher than the first half of the year. Taking this into account, the updated projection for legal expenses through the end of the fiscal year is \$200,000.

The amount requested in the budget takes a holistic view of all the legal work we can reasonably expect at the time of budget submission; this may include anticipated disputes with ManCo or StadCo (if applicable), but that is only a portion of the budget. Other expenses, which can be (and have been) significant, include attorney fees expended in matters not covered by insurance (such as ADA claims and insurance coverage), and repayments to the City's Special Liability Fund.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Regarding the ManCo offsite office space, when did ManCo move, why did they move, and who authorized them to relocate at the Stadium Authority's expense?

**Response:** ManCo moved into the off-site office space in November 2024. Stadium Authority staff were not aware of the relocation until the issue surfaced during the Stadium Manager's FY 2025/26 budget submittal. ManCo previously communicated that the relocation was meant to have all their teams located at one site to optimize collaboration. This was not the case prior to the relocation, with StadCo and ManCo staff located in two different offices.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** What is the itemized budget for the Other Expense line in the budget?

**Response:**

	2026/27 Proposed Budget
Other Expenses	
Supporting Staff Time	\$ 868,000
Lender Fees, Bank Fees, Other, etc.	230,000
Offsite Office Expense	620,000
<b>Total Other Expenses</b>	<b>\$ 1,718,000</b>

The Offsite Office Expense budget request is the same as FY 2025/26. As the Board may recall, this was excluded in the FY 2025/26 adopted budget and the current year's request is still being analyzed. The Supporting Staff Time portion of the Other Expenses budget request increased by \$314,000 from last year. The largest contributing factor is the addition of two CapEx Project Managers that are proposed to be added to support the increase in anticipated CapEx work. This line item also includes Stadium Authority specific work provided by ManCo around accounting, debt management, and non-nfl event business analytical support. In total, 4.57 FTE are budgeted in Supporting Staff time.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** How much of the Stadium Authority General & Administrative budget increase is due to FWC26 event planning?

**Response:** Some positions were vacant in FY 2025/26, resulting in lower projected costs when compared to what is being budgeted in FY 2026/27. Staff budgeted within the Stadium Authority Budget who work on FWC26-related efforts will also charge time to the General & Administrative budget.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Should the Stadium Authority wait to commit to ManCo's Five Year CapEx Plan until after the Stadium Authority completes its own FCA?

**Response:** The Proposed FY 2026/27 budget does not commit the Stadium Authority to the entire five-year plan, the Stadium Authority Board is considering only FY 2026/27. A Five-Year CapEx Plan is provided for planning purposes and is displayed based on the best-known information at the time. The Stadium Authority will conduct its own FCA and refine the CapEx projects necessary for the out-years of the CapEx Plan.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Why does the performance rent in the out years drop?

**Response:** As described in the Ten-Year Forecast section of the budget starting on page 41, there are risks inherent in all long-term forecasts. In developing the Ten-Year Forecast, various methodologies and assumptions were made, some of which are described in the budget document. When it comes to the performance rent line item in particular, the main driver behind the lower performance rent projections in the out-years is related to Performance-Based Rent Credits due to NFL Public Safety Costs over the Threshold.

The Public Safety Cost Reserve, which is designed to cover those costs, relies on booking Non-NFL Events and the amount of Additional Ticket Surcharge that can be charged per ticket. Staff took a conservative approach to projecting these factors. To the extent that ManCo can book more Non-NFL Events than projected and/or charge a higher ticket surcharge for those events, this risk to the Performance Based Rent would be mitigated. In addition, an assumption was made that the 49ers would make the playoffs on average once every five (5) years, which would, in turn, result in higher Public Safety Costs over the Threshold. Of course, this is one of the risks inherent in producing a long-term forecast since it is impossible to know if this will happen. Stadium Authority staff believed it would be prudent to model in an effort to be conservative.

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## February 24<sup>th</sup> Study Session Questions and Responses (cont.)

**Question:** Why is the SOMP confidential?

**Response:** The SOMP contains operational information related to operating and maintaining the stadium. This includes but is not limited to Equipment Maintenance Services; Building Maintenance Services; Preventive, Predictive, and Reactive Services Maintenance Plan; Incident Management System; Loading Dock; Building Plans; Engineering Department Safety Training Plan; Flood Emergency Response Plan; and Fire Department's Concept of Operations. The vast majority of the SOMP documents contain, throughout, details regarding Stadium facilities and operations that, if made available to the public, and therefore became available to a bad actor, could pose substantial safety and security risks to the stadium and stadium personnel.

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## Recommendations

1. Review and Provide Input on the Proposed Santa Clara Stadium Authority Fiscal Year 2026/27 Operating, Debt Service, and Capital Budget, Draft 2026 Levi's Stadium Events Marketing Plan, and Proposed Stadium Authority Budget, Compliance and Management Policies

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# Santa Clara Stadium Authority

## Study Session

Proposed Santa Clara Stadium Authority FY 2026/27  
Budget, 2026 Marketing Plan, and Compliance and  
Management Policies  
Item #2 (26-245)

March 5, 2026

