

From Dec 3, 2024 Agenda Item Budget Amendments and Reconciliation

Year-End Results – General Fund

- Revenues of \$296.9 M ended 4.7% (\$13.3 million) above budget; \$3.0 M allocated to Advanced Planning Fee, Technology Fee and Pension Stabilization Reserves, resulting in net additional revenue of **\$10.3 M**
- Expenditures of \$292.0 M were 3.4% (\$10.2 M) below budget; \$2.9 M carried over in the FY 2024/25 in Adopted Budget, resulting in net savings of **\$7.3 M**
- Additional fund balance of **\$17.6 M** over the estimate used to develop FY 2024/25 Adopted Budget; largest actions include:
 - Reserves: Budget Stabilization (\$7.5 M), Pension Trust (\$5.4 M), Ending Fund Balance (\$2.4 M)
 - Capital Projects: FHRMS Update (\$1.0 M); Library Concrete (\$0.2 M)
 - G.O. Bond Implementation (\$1.0 M)



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Table 4 - Recommended General Fund Budget Actions

Recommended Adjustments	\$ Impact
Fund Balance Reconciliation (adjusts for FY 2023/24 year-end revenues and expenditures)	\$17.6 M
Recommended Adjustments	
General Obligation Bond Implementation (cover staffing and other costs that are not eligible for bond funding)	\$1.00 M
Finance - FHRMS Capital Project (PeopleSoft Upgrade, Purchasing/ Contracts Module, P-Cards, Inventory Management)	\$1.00 M
New Commerce/Peddler's Plaza Maintenance Capital Project (from excess rent revenue collected over prior two fiscal years)	\$0.43 M
Transfer to the new Fire CUPA Fund (Fire hazardous materials regulation funded from excess FY 2023/24 revenue)	\$0.39 M
Human Resources Department (labor negotiations, safety evaluations, and as-needed staffing for recruitments)	\$0.34 M
Central Park Library Concrete Sidewalk Replacement Capital Project	\$0.22 M


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Central Park Library Concrete Sidewalk Replacement Capital Project (increase based on the latest engineer's estimate)	\$0.22 M
City Clerk - FY 2024/25 Election Costs (based on latest estimates from the County)	\$0.08 M
Human Resources Department - Safety Program Staff (1.0 Division Manager and 1.0 Management Analyst); cost to be absorbed in FY 2024/25 with ongoing cost of \$524,000	\$0.00 M
Capital Projects Reserve (Increase CPR from project savings at the end of FY 2023/24)	\$0.10 M
Transfer from Capital Funds to Return Project Savings to Capital Projects Reserve	(\$0.10 M)
Transfer from the PW Capital Projects Management Fund (return FY 2023/24 savings)	(\$0.16 M)
Commerce/Peddler's Plaza Carryover Reduction (reduce carryover from FY 2023/24 to FY 2024/25 based on actual FY 2023/24 expenses)	(\$1.00 M)
Pension Trust Reserve (1% of GF unfunded liability/bring reserve to 6.4% of liability, other funds will be increased to 10%)	\$5.38 M
Budget Stabilization Reserve (with FEMA reimbursements and Stadium settlement funds, the BSR would increase by \$16.2 M (from \$53.8 M to \$70.0 M); reserve increased from 18% to 23.8% of expenditures	\$7.52 M

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Additional General Fund Allocations

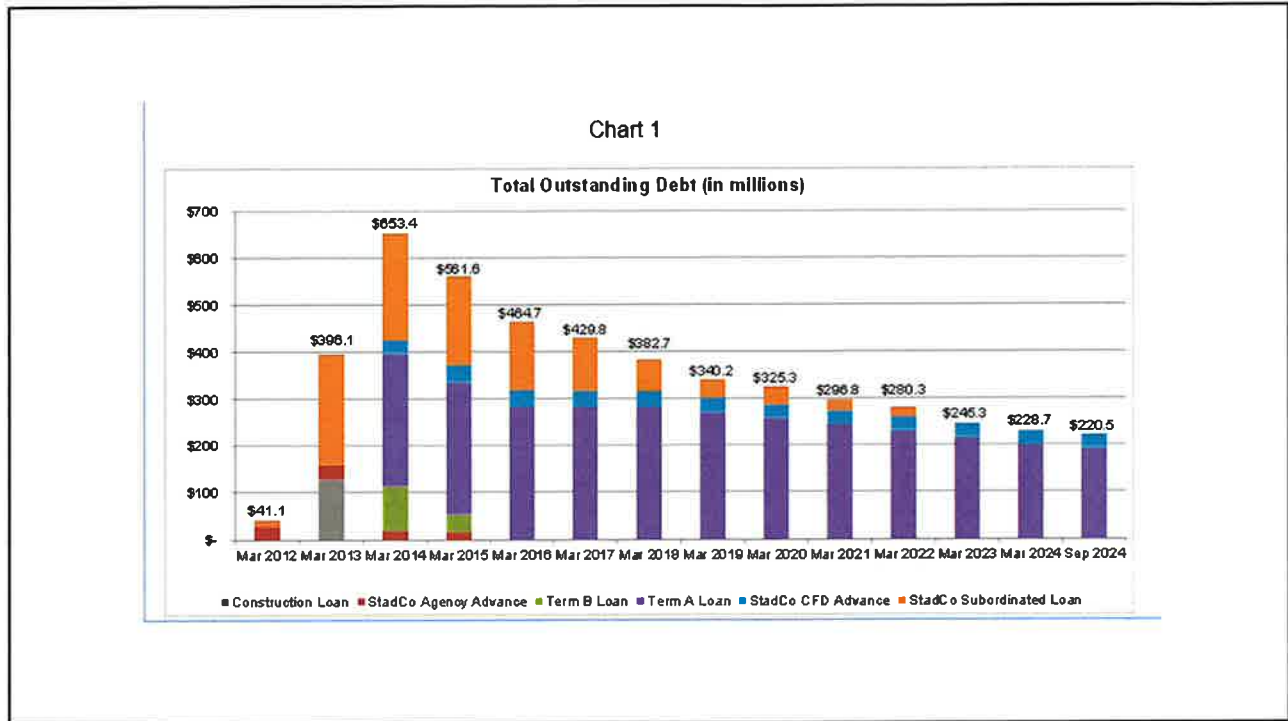
General Fund Recommended Use of Additional Revenue	Impact on Fund Balance
<i>Recommended Adjustments (Cont'd.)</i>	
FEMA Reimbursement Revenue / Budget Stabilization Reserve	\$1.36 M
Stadium Settlement Funds (Performance Rent) / Budget Stabilization Reserve	\$7.32 M
Total Additional Adjustments	\$8.68 M



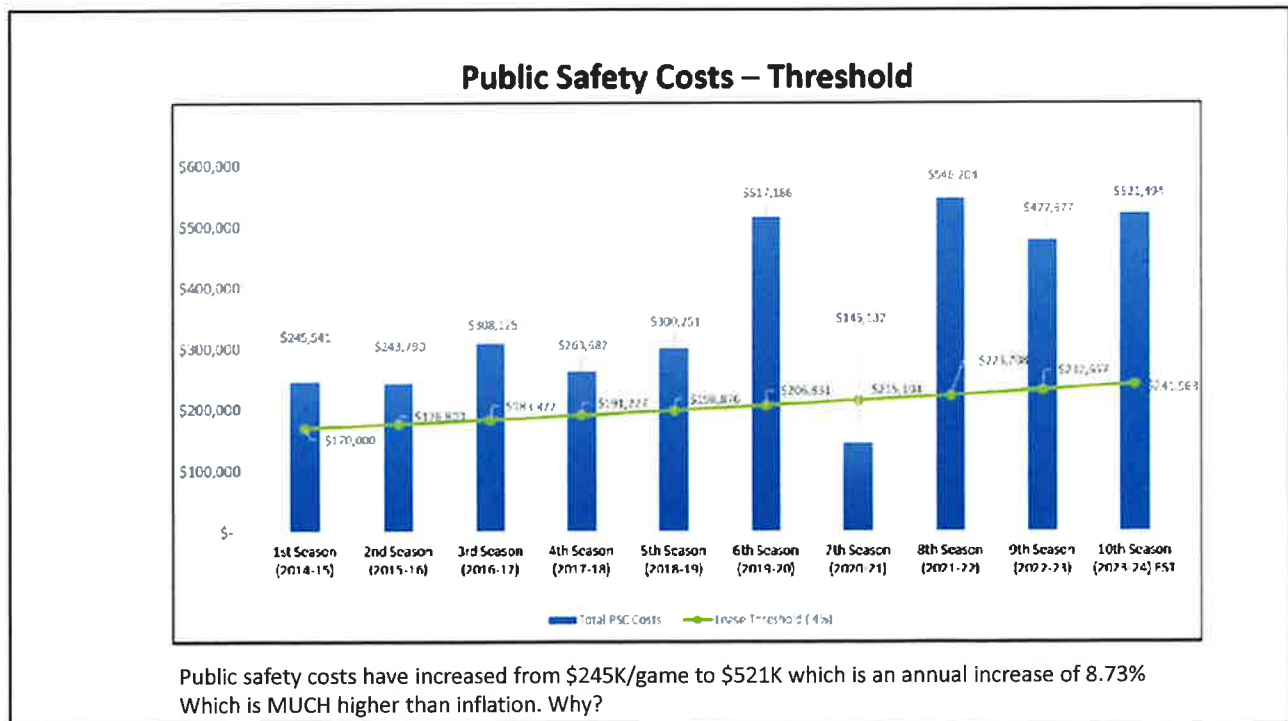
**City of
Santa Clara**
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PSC Settlement – Threshold Adjustment

Threshold Overview

- Initial threshold set at \$170K/game, increasing 4% annually, reaching \$251K/game by Year 11 (2024-25)
- StadCo has discretion to adjust the threshold after good faith negotiations.

Negotiated Outcome

- Year 11 threshold increased from \$251K to \$360K/game.
- Increase of \$109K/game x 10 games = \$1.1M additional value per year compared to original contract threshold




SCSA
Santa Clara Stadium Authority

1.14.2025

**Consent Calendar
Item 3B**

**SANTA CLARA
STADIUM AUTHORITY
FINANCIAL STATUS REPORT**
Quarter Ending September 30, 2024



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CONTRARY TO POPULAR BELIEF...

...The City of Santa Clara makes **NO** money
from the 49ers' Management of Levi's Stadium

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TURN TO P. 24 - Table 15

City of Santa Clara Net General Fund Impact

During the current reporting period there was a total of \$1.4 million that was contributed to the General Fund as shown in Table 15. This section of the report also provides information on General Fund revenue and expenditure impacts resulting from the stadium.

Table 15

City of Santa Clara Net General Fund Impact

For Stadium Authority
Period Ending September 30, 2024

Ground Rent	\$ 1,000,000
Performance Rent	-
Senior and Youth Fee	72,911
Sales Tax	347,546
Total Net General Fund Impact	\$ 1,420,457

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TURN TO P. 9 - Table 6

Table 6

Net Revenue for Non-NFL Events by Event Type Historical Year-to-Date through September 30, 2024

EVENT TYPE	2020/21		2021/22		2022/23		2023/24		2024/25	
	No. of Events	Net Revenue	No. of Events	Net Revenue	No. of Events	Net Revenue	No. of Events	Net Revenue	No. of Events	Net Revenue
Ticketed Events										
Concerts	0	\$ -	0	\$ -	4	\$ 2,966,483	5	\$ 4,267,153	3	\$ 4,074,498
Sporting events:										
Football (non-NFL)	0	-	0	-	0	-	0	-	0	-
Soccer	0	-	0	-	1	231,987	3	305,067	5	3,392,260
Miscellaneous events	0	-	0	-	0	-	0	-	0	-
Net Revenue from Ticketed Events	0	\$ -	0	\$ -	5	\$ 3,218,470	8	\$ 4,572,220	8	\$ 7,468,758
Subtotal Ticketed Events - Other Expenses ⁽¹⁾		\$ -		\$ -		\$ -		\$ -		\$ -
Net Revenue from Special Events (weddings, corporate events, etc.)	0	\$ -	6	\$ 98,187	31	\$ 1,350,957	25	\$ 903,221	30	\$ 1,198,148
Other Operating Income ⁽¹⁾		\$ -		\$ -		\$ 63,987		\$ 1,271,700		\$ 1,029,491
Other Operating Expenses ⁽²⁾		\$ -		\$ -		\$ (801,530)		\$ (681,705)		\$ (1,188,951)
Total Non-NFL Net Revenue⁽²⁾	0	\$ -	6	\$ 98,187	36	\$ 4,031,884	33	\$ 6,065,436	38	\$ 8,505,448

⁽¹⁾ Other Operating Income are income not attributable to a specific event. Examples are interest income and reimbursements unrelated to a specific event.

⁽²⁾ Other Operating Expenses are expenses not attributable to a specific event. Examples are event selling expenses, administrative expenses and miscellaneous costs.

⁽³⁾ Net Revenue from Non-NFL Events does not include Non-NFL Event Ticket Surcharge.

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So if Performance Rent equals half of Net Revenue

$$\$8,505,446 \div 2 = \$4,252,723$$

Why is the Performance Rent

\$0.00

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TURN TO P. 24:

Public safety costs for NFL events continue to be above the annual public safety cap. Pursuant to the Amended and Restated Lease, the Stadium Authority was in discussion with StadCo to adjust the annual public safety cap to reflect the true cost of service, which is higher than the cap. On May 23, 2024, the Stadium Authority entered into a settlement agreement with StadCo and ManCo over disputes regarding public safety and buffet costs. As a result of the settlement, the public safety cap will be adjusted to increase the per game and annual threshold beginning in FY 2024/25. Under the settlement agreement, credits that were issued from public safety costs paid in excess of the annual public safety costs threshold were redefined as Public Safety Costs 2024 Outstanding Balance and will be partially reimbursed to StadCo with litigation contingency funds and partially over time through excess revenues.

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Now go to p. 19
- Table 17

Stadium Management Fee – The Stadium Manager receives an annual base management fee to manage Levi’s® Stadium. The fee was \$400,000 in the first lease year and increases by 3% annually as detailed in the table below. This annual base management fee is split 50/50 between StadCo and the Stadium Authority since the Stadium Manager manages the stadium year-round for both entities. In addition to the base management fee, the Stadium Manager also receives a stadium marketing and booking fee (incentive fee) which is based on a percentage of the amount that the net income from Non-NFL events exceeds the marketing and booking fee benchmark. The marketing and booking fee benchmark was \$5 million in the first lease year and also increases by 3% annually as detailed in the table below. The annual stadium management fee for each of the first ten lease years are noted in the Table 16 below.

Table 17

Fiscal Year	Lease Year	Annual Base Stadium Management Fee (SCSA Share)	Stadium Marketing and Booking Fee Benchmark	Net Income from Non-NFL Events	1st Tier - paid at 10% Fee	Additional Stadium Marketing and Booking Fee 10% 1st Tier	2nd Tier - paid at 15% Fee	Additional Stadium Marketing and Booking Fee 15% 2nd Tier	Total Stadium Management Fee
2014/15	1	\$ 200,000	\$ 5,000,000	\$ 5,207,553		\$ 10,378		\$ -	\$ 210,378
2015/16	2	206,000	5,150,000	6,079,016		46,451		-	252,451
2016/17	3	212,180	5,304,500	5,316,894		620		-	212,800
2017/18	4	218,545	5,463,635	5,163,329	2,000,000	-	4,000,000	-	218,545
2018/19	5	225,102	5,627,544	18,591	2,060,000	-	4,120,000	-	225,102
2019/20	6	231,855	5,796,370	(2,741,014)	2,121,800	-	4,243,600	-	231,855
2020/21	7	238,810	5,970,261	(476,960)	2,185,454	-	4,370,908	-	238,810
2021/22	8	245,975	6,149,369	(289,741)	2,251,018	-	4,502,035	-	245,975

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So it looks like ...

The Stadium Authority is paying ManCo a management fee of \$217,618 to earn \$0 in Performance Rent, because all of the Net Revenue from non-NFL events goes to pay for public safety costs of NFL games.

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SANTA CLARA EASES CURFEW RULES AT LEVI'S - City manager can approve time extensions for 5 weeknights a year



November 18, 2021 Mercury News, The (San Jose, CA)
 Author/Byline: Grace Hase ghase@bayareanewsgroup.com Page: A1 Section: Front

"This decision will help draw world class entertainment to Santa Clara and will not only excite those in our community who love live music, but will also generate necessary revenue for the City of Santa Clara, local hotels, and small business," he said. "It's thoughtful policy and we hope to continue moving past the petty political disputes and dysfunction under Mayor Gillmor and Manager Santana."

- Rahul Chandhok

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SANTA CLARA, 49ERS END LONG STADIUM DISPUTE - Latest issues stem from public safety costs and food buffet reimbursements



May 29, 2024 Mercury News, The (San Jose, CA)
 Author/Byline: Grace Hase ghase@bayareanewsgroup.com Page: A1 Section: Front
 642 Words Readability: Lexile: 1540, grade level(s): >12

In the news release, the city boasted the deal's "many benefits" including the reduction in the amount of money the Stadium Authority owes the NFL team - from \$22 million to \$14.8 million - and the payment of \$7.1 million in performance rent.

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So what happened to the
\$7.1 Million that was
supposed to go to the City's
General Fund?

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“You cannot be serious!”

- John McEnroe

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