

SCSA

Santa Clara Stadium Authority

SANTA CLARA STADIUM AUTHORITY FINANCIAL STATUS REPORT

**Quarter and Fiscal Year Ending
March 31, 2022**



November 1, 2022

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Introduction

This Santa Clara Stadium Authority (“Stadium Authority”) Financial Status Report provides information covering the fourth quarter of the Stadium Authority’s 2021/22 fiscal year (FY) which ended on March 31, 2022. Comparative data from prior fiscal years is also included.

In addition to these quarterly reports, the Stadium Authority produces annual financial statements. The FY 2021/22 financial statements were audited by an external audit firm and presented to the Stadium Authority’s Audit Committee on September 30, 2022 and the Stadium Authority Board (“Board”) on October 18, 2022. Once presented to the Stadium Authority Board, the financial statements as well as this report are published on the Stadium Authority’s website.

The Stadium Authority also prepares a detailed budget prior to the beginning of each fiscal year. The FY 2021/22 budget was considered at a study session on March 9, 2021 and adopted by the Board on March 23, 2021.

Stadium Authority finances are structured so that the City of Santa Clara (City) is not liable for the debts or obligations of the Stadium Authority. All services provided by the City, including administrative and public safety, to the Forty Niners Stadium Management Company, LLC (“ManagementCo”) or the Stadium Authority are fully reimbursed with Stadium Authority funds.

Methodology

Information provided in this report was based in part on documentation submitted by ManagementCo. Specifically, NFL and Non-NFL event statistics and financial information relating to Stadium Manager expenses are provided by ManagementCo. Stadium Authority staff is limited to a review of selected financial information submitted by ManagementCo, including some source documentation for Non-NFL events with attendance greater than 25,000, submitted 45 days after each event. More detailed documents are received over 90 days after the close of the fiscal year. For all other financial information, a full detailed review and/or audit of source documentation has not been completed by the Stadium Authority for this report.

The Stadium Authority has contracted with JS Held (formerly Hagen, Streiff, Newton, & Oshiro), a forensic accounting firm, to review and evaluate Non-NFL event financial information from prior years, including source documentation. The report was discussed with the Board at the December 1, 2020 Stadium Authority Board meeting. The Stadium Authority is working with JS Held for the review of additional historical years.

The information provided reflects the best known and available at the time of the writing of this report and is subject to further revision when the full body of records becomes available and review is complete. Consequently, the Board’s notation and filing of this report should not be considered an approval of the accuracy of the information in the report.

NFL Events

This section provides fiscal year to date and comparative data for NFL games categorized as pre-season and regular season games. In FY 2020/21, there were no fans present for the NFL games. The comparative data is based on the quarter ended March 31, 2020.

The San Francisco Forty-Niners (“49ers”) played a total of ten NFL games (two pre-season games and eight regular season games) at Levi’s® Stadium as of March 31, 2022. There was a total of 674,214 tickets sold to these NFL games, an average of 67,421 tickets per game. This is at approximately the same level as FY 2019/20. The ticket sales resulted in \$9.8 million in NFL ticket surcharge revenue (10% of ticket sales) to the Stadium Authority. The average NFL ticket surcharge revenue was \$981,000 per game in the current year which is up by \$280,000 or 40% from the same period in FY 2019/20. A total of \$236,000 of Senior and Youth Program Fees, which is based on \$0.35 per NFL ticket sold, were collected through the end of the fourth quarter of the fiscal year. These fees were transferred to the City’s General Fund in support of such programs.

A total of 71,614 cars were parked in the permitted offsite parking lots generating \$423,000 in offsite parking fees. The Tasman lot parking had a total of 4,449 parked cars and generated an additional \$22,000 for the General Fund through the end of the fourth quarter of the fiscal year. The overall number of cars parked in the permitted offsite lots and the Tasman lots increased by 3% when compared to the same period in FY 2019/20.

There were \$5.3 million of NFL event public safety costs in the current fiscal year which is an average of \$503,000 per game. This is up from the FY 2019/20 average of \$451,000 per game. Of the \$5.3 million NFL event public safety costs, \$3.7 million or 69.6% are direct City costs and \$1.6 million or 30.4% are outside agency costs. Approximately \$423,000 of the total NFL event public safety costs were covered by the offsite parking fees that were collected and the remaining \$4.9 million were invoiced to the ManagementCo. ManagementCo, on behalf of StadCo, has paid all NFL public safety costs to the City, including certain disputed costs that were paid under protest pursuant to the parties’ August 31, 2022 Stipulation to Stay of the public safety cost arbitration. It should be noted that costs differ depending on deployment needs for each event.

Statistics for the NFL games held at Levi’s® Stadium in the 2021/22 fiscal year are shown in Table 1 and comparative data from all seven years of operations can be found in Table 2.

Table 1

Levi's® Stadium
 2021/22 NFL Event Statistics
 As of March 31, 2022

	Game 1 vs Chiefs 08/14/21	Game 2 vs Raiders 08/29/21	Game 3 vs Packers 09/26/21	Game 4 vs Seahawks 10/03/21	Game 5 vs Colts 10/24/21	Game 6 vs Cardinals 11/07/21	Game 7 vs Rams 11/15/21	Game 8 vs Vikings 11/28/21	Game 9 vs Falcons 12/19/21	Game 10 vs Texans 01/02/22	2021/22 YTD Total
No. of Tickets Sold	63,172	68,258	68,021	67,016	64,768	67,398	66,659	69,572	69,682	69,668	674,214
NFL Ticket Surcharge	\$ 498,759	\$ 551,632	\$ 1,601,010	\$ 1,551,718	\$ 865,536	\$ 889,178	\$ 1,128,298	\$ 901,571	\$ 912,696	\$ 908,611	\$ 9,809,009
Senior/Youth Program Fees	\$ 22,110	\$ 23,890	\$ 23,807	\$ 23,456	\$ 22,669	\$ 23,589	\$ 23,331	\$ 24,350	\$ 24,389	\$ 24,384	\$ 235,975
Cars Parked at Offsite Lots	5,340	8,145	8,193	7,581	5,514	7,244	6,066	7,718	7,917	7,896	71,614
City Offsite Parking Fee	\$ 31,559	\$ 48,137	\$ 48,421	\$ 44,804	\$ 32,588	\$ 42,812	\$ 35,850	\$ 45,613	\$ 46,789	\$ 46,665	\$ 423,238
Cars Parked on Tasman Lots	364	416	400	439	397	455	472	501	486	519	4,449
City Tasman Lot Parking Fee	\$ 1,820	\$ 2,080	\$ 2,000	\$ 2,195	\$ 1,985	\$ 2,275	\$ 2,360	\$ 2,505	\$ 2,430	\$ 2,595	\$ 22,245
Stadium Public Safety Costs	\$ 555,609	\$ 817,391	\$ 482,191	\$ 497,096	\$ 444,785	\$ 524,390	\$ 483,650	\$ 519,618	\$ 494,051	\$ 484,710	\$ 5,303,491
Less: Offsite Parking Fee Credit	\$ (31,559)	\$ (48,137)	\$ (48,421)	\$ (44,804)	\$ (32,588)	\$ (42,812)	\$ (35,850)	\$ (45,613)	\$ (46,789)	\$ (46,665)	\$ (423,238)
Reimbursable Stadium Public Safety Costs	\$ 524,050	\$ 769,254	\$ 433,770	\$ 452,292	\$ 412,197	\$ 481,578	\$ 447,800	\$ 474,005	\$ 447,262	\$ 438,045	\$ 4,880,253
Amount Reimbursed	\$ 524,050	\$ 769,254	\$ 433,770	\$ 452,292	\$ 412,197	\$ 481,578	\$ 447,800	\$ 474,005	\$ 447,262	\$ 438,045	\$ 4,880,253

Table 2

Levi's® Stadium
Historical NFL Event Statistics

	2014/15 Q4	2015/16 Q4	2016/17 Q4	2017/18 Q4	2018/19 Q4	2019/20 Q4	2020/21 Q4	2021/22 Q4
	Total	Total	Total	Total	Total	Total	Total	Total
No. of NFL Events	10	10	10	10	10	12	5	10
No. of Tickets Sold	682,095	669,826	655,891	643,189	651,237	803,524	-	674,214
NFL Ticket Surcharge	\$ 8,366,290	\$ 8,273,378	\$ 8,175,462	\$ 7,806,190	\$ 8,076,510	\$ 8,412,291	\$ -	\$ 9,809,009
Senior/Youth Program Fees	\$ 238,734	\$ 234,439	\$ 229,562	\$ 225,116	\$ 227,933	\$ 250,000	\$ -	\$ 235,975
Cars Parked at Offsite Lots	90,024	57,166	67,740	54,107	56,390	81,401	-	71,614
City Offsite Parking Fee	\$ 442,918	\$ 290,403	\$ 354,958	\$ 293,260	\$ 317,476	\$ 476,196	\$ -	\$ 423,238
Cars Parked on Tasman Lots	4,983	6,876	5,122	5,530	4,729	6,882	-	4,449
Cars Parked on Golf Course	23,306	20,090	-	-	-	-	-	-
City Tasman Lot and Golf Course Parking Fee	\$ 141,445	\$ 134,830	\$ 25,610	\$ 27,650	\$ 23,645	\$ 34,410	\$ -	\$ 22,245
Stadium Public Safety Costs	\$ 2,455,404	\$ 2,437,902	\$ 3,084,850	\$ 2,633,295	\$ 2,994,735	\$ 5,416,926	\$ 887,617	\$ 5,303,491
Golf Course Public Safety Costs	\$ 180,766	\$ 81,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ 2,636,170	\$ 2,519,111	\$ 3,084,850	\$ 2,633,295	\$ 2,994,735	\$ 5,416,926	\$ 887,617	\$ 5,303,491
Less: Offsite Parking Fee Credit	\$ (442,918)	\$ (290,403)	\$ (354,958)	\$ (293,260)	\$ (317,476)	\$ (476,196)	\$ -	\$ (423,238)
Reimbursable Stadium Public Safety Costs	\$ 2,193,252	\$ 2,228,708	\$ 2,729,892	\$ 2,340,035	\$ 2,677,259	\$ 4,940,730	\$ 887,617	\$ 4,880,253
Reimbursed by StadCo	\$ 1,437,848	\$ 1,558,806	\$ 1,556,550	\$ 2,340,035	\$ 2,677,259	\$ 4,940,730	\$ 887,617	\$ 4,880,253
Reimbursed by SCSA	\$ 755,404	\$ 669,902	\$ 1,173,342	\$ -	\$ -	\$ -	\$ -	\$ -
Total Amount Reimbursed	\$ 2,193,252	\$ 2,228,708	\$ 2,729,892	\$ 2,340,035	\$ 2,677,259	\$ 4,940,730	\$ 887,617	\$ 4,880,253

Non-NFL Events

This section provides annual and comparative data for Non-NFL Events categorized as events ranging from high school and college football games, international soccer matches, concerts, wedding fairs, and special events. Due to the pandemic, there were no Non-NFL events held in FY 2021/22. Non-NFL events are expected to resume in FY 2022/23. In correlation with the no ticketed events being held, the City did not receive any revenue from cars parked at the permitted offsite parking lot.

The ManagementCo reports that there were 12 smaller special events held at Levi's® Stadium which is down by 67 events or 85% when compared to the same period in FY 2019/20. The reported attendance was 3,698 in FY 2021/22. Examples of these special events include corporate events of various sizes, weddings, holiday parties, high school dances, etc.

Total Non-NFL events public safety costs were \$99,000, a decrease of \$1.6 million or 94%. As mentioned previously, the decrease in cost is due to the decrease in events being held in the current reporting period when compared to FY 2019/20.

Statistics for comparative data from all eight years of operations are shown in Table 3.

Table 3

Levi's® Stadium
Historical Non-NFL Event Statistics⁽¹⁾

	2014/15 Q4 Total	2015/16 Q4 Total	2016/17 Q4 Total	2017/18 Q4 Total	2018/19 Q4 Total	2019/20 Q4 Total	2020/21 Q4 Total	2021/22 Q4 Total
No. of non-NFL Ticketed Events	9	17	18	13	12	8	-	-
No. of Tickets Sold	377,312	629,004	582,349	384,282	332,600	183,874	-	-
Non-NFL Ticket Surcharge	\$ 1,431,540	\$ 2,477,084	\$ 2,329,396	\$ 1,537,128	\$ 1,330,400	\$ 735,496	\$ -	\$ -
No. of Non-NFL Special Events	186	207	127	113	100	79	-	12
Non-NFL Special Event Attendees	62,357	105,997	49,151	62,917	35,676	33,535	-	3,698
Cars Parked at Offsite Lots	26,156	55,720	60,969	30,734	28,566	17,127	-	-
City Offsite Parking Fee	\$ 128,688	\$ 278,704	\$ 313,979	\$ 165,149	\$ 158,623	\$ 98,547	\$ -	\$ -
Cars Parked on Golf Course	12,004	20,661	9,562	-	-	-	-	-
City Golf Course Parking Fee	\$ 60,020	\$ 103,305	\$ 47,810	\$ -	\$ -	\$ -	\$ -	\$ -
Stadium Public Safety Costs	\$ 1,782,821	\$ 3,083,668	\$ 3,207,507	\$ 2,020,343	\$ 2,421,914	\$ 1,718,924	\$ -	\$ 98,983
Golf Course Public Safety Costs	\$ 76,462	\$ 119,842	\$ 39,905	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ 1,859,283	\$ 3,203,510	\$ 3,247,412	\$ 2,020,343	\$ 2,421,914	\$ 1,718,924	\$ -	\$ 98,983
Less: Offsite Parking Fee Credit	\$ (128,688)	\$ (278,704)	\$ (313,979)	\$ (165,149)	\$ (158,623)	\$ (98,547)	\$ -	\$ -
Reimbursable Public Safety Costs	\$ 1,730,595	\$ 2,924,805	\$ 2,933,433	\$ 1,855,194	\$ 2,263,291	\$ 1,620,377	\$ -	\$ 98,983
Amount Reimbursed	\$ 1,730,595	\$ 2,924,805	\$ 2,933,433	\$ 1,855,194	\$ 2,263,291	\$ 1,620,377	\$ -	\$ 98,983

⁽¹⁾ Includes Non-NFL special events.

Table 4 and 5 show Non-NFL net revenue by event type and event revenue and expenses by category. The inclusion of this information is to provide a greater level of transparency and provide the overall financial results of the Non-NFL events.

For FY 2021/22's budget, the Stadium Manager initially estimated FY 2021/22 Non-NFL events to result in a net loss of \$600,000 and it was revised to a net loss of \$551,000. The year ended with a loss of \$289,000, which includes ongoing operating costs, staffing costs and insurance. Stadium Authority staff is currently reviewing the supporting documentation provided. FY 2021/22 Non-NFL events loss is attributable to Other Operating Expenses which are non-event specific overhead costs. The largest expenditures included \$339,000 of catered events labor costs, consisting of employees responsible for managing special events at the stadium. Approximately \$222,000 of the loss consisted of non-event specific staffing costs, consisting of labor costs from the general accounting, ticket operations, and business strategy departments.

Table 4

Levi's® Stadium
Net Revenue (Loss) for Non-NFL Events
by Event Type
FY 2021/22 Quarter 4

Event Type	No. of Events	Net Revenue
Ticketed Events		
Concerts	0	\$ -
Sporting events:		
Football (non-NFL)	0	-
Soccer	0	-
Miscellaneous ⁽³⁾	0	9,018
Subtotal Ticketed Events	0	\$ 9,018
Subtotal Remaining Non-NFL Events (weddings, corporate events, etc.)	0	\$ 354,358
Subtotal Other Operating Expenses ⁽²⁾		\$ (652,117)
Total Non-NFL Net Revenue (Loss)	0	\$ (288,741)
Total Performance Rent paid to the General Fund ⁽¹⁾		\$ -

⁽¹⁾ Performance Rent is calculated as 50% of the net revenue from Non-NFL events less performance-based credit of 50% of fixed ground rent

⁽²⁾ Other Expenses not attributable to a specific event

⁽³⁾ Miscellaneous revenues from previously canceled events

Table 5

Levi's® Stadium
Non-NFL Event Results by Category
FY 2021/22 Quarter 4

	2021/22 YTD Total
REVENUE:	
Seating Bow I	\$ -
Ticket Master Fees	-
Suites	-
Food & Beverage	123,864
Parking	-
Sponsorship	-
Merchandise	-
Miscellaneous ⁽¹⁾	1,109,092
Total Revenue	\$ 1,232,956
EXPENSE:	
Public Safety/Security	\$ 16,122
Utilities/Solid Waste	-
Parking	(4,026)
Food & Beverage - Ticketed Events	-
Food & Beverage - Special Events	702,023
Operations/Janitorial/Maintenance	36,078
Miscellaneous ⁽²⁾	771,500
Total Expense	\$ 1,521,697
Total Non-NFL Net Revenue (Loss)	\$ (288,741)

⁽¹⁾ Includes special event revenue such as corporate events, weddings, holiday parties, etc.

⁽²⁾ Includes Labor Charges from Other Departments, rentals, fees & commissions, transportation, marketing, and other expenses

Discretionary Fund

The Discretionary Fund is funded by revenue equal to 50% of the Non-NFL Ticket Surcharge of \$4 per ticket. Table 6 shows the revenues and expenses in the Discretionary Fund since FY 2014/15. The balance at the end of this reporting period was \$2.3 million.

Table 6

Discretionary Fund - Accrual Basis				
Fiscal Year	Beginning Balance	Revenue	Expenses	Ending Balance
2014/15	\$ -	\$ 715,770	\$ 714,028	\$ 1,742
2015/16	1,742	1,238,542	699,129	541,155
2016/17	541,155	1,164,698	1,209,342	496,511
2017/18	496,511	768,564	-	1,265,075
2018/19	1,265,075	796,294	101,267	1,960,102
2019/20	1,960,102	367,748	-	2,327,850
2020/21	2,327,850	-	18	2,327,832
2021/22	2,327,832	-	(18)	2,327,850

Stadium Builder Licenses

The total principal value of currently active Stadium Builder Licenses (“SBLs”) is \$539.3 million and, as of March 31, 2022, 93.0% of the total principal value of all SBLs sold (\$501.4 million) had been collected.

SBL holders that finance their purchase pay an annual interest rate of 8.5% and payments are due by March 1st each year. The majority of SBL holders make their payments on time. For those that do not pay on time, SBL service staff, working for ManagementCo on the Stadium Authority’s behalf, contact the SBL holders and attempt to collect the full amounts owed. Ultimately, an SBL can be defaulted for non-payment. Once an SBL is defaulted, the SBL holder in default loses their right to buy season tickets as well as their priority rights to tickets to Non-NFL Events, and forfeits any money they had invested in the SBL. Defaulted SBLs are then available for resale.

There is a total of 61,955 currently active SBLs, or 93.8% of the 66,066 total sellable SBL seats. This is an increase of 1,587 from the total active SBLs at the end of the prior fiscal year (March 31, 2021). The main reasons for the increase are due to sales of new SBLs and the net increase related to the customer seat relocation program offset by customer defaults. The customer seat relocation program allows customers to trade in their SBLs in return for others in a different location as long as the total face value of the new seats is equal to or greater than the original seats.

During the current reporting period, 1,936 SBLs were sold for a total face value of \$13.2 million. The customer seat relocation program resulted in an increase of \$1.8 million to the SBL face value, while netting 97 more SBLs. There were also 447 SBLs defaulted during the year with a total face value of \$4.7 million.

Additional details regarding currently active SBLs are noted in Table 7.

Table 7

Santa Clara Stadium Authority

Currently Active Stadium Builder License (SBL) Summary ⁽¹⁾

Through March 31, 2022											
Seat Value	SBL Seats Available	SBL Seats Sold as of 3/31/21	New SBL Sales	Net SBL Relocations	SBL Defaults	Other	SBL Seats Sold	SBL Value	SBL Collected	% SBL Principal Collected	
141,392	100	100	-	-	-	-	100	\$ 14,082,625	\$ 13,109,418	93.1%	
80,000	942	925	11	6	(14)	-	928	\$ 74,240,000	\$ 71,467,447	96.3%	
40,000	2	2	-	-	-	-	2	\$ 80,000	\$ 74,636	93.3%	
30,000	4,945	4,463	112	12	(38)	-	4,549	\$ 136,470,000	\$ 129,176,789	94.7%	
20,000	3,475	2,852	68	1	(27)	-	2,894	\$ 57,880,000	\$ 54,164,298	93.6%	
15,000	7	7	-	-	-	-	7	\$ 105,000	\$ 95,780	91.2%	
12,000	2,162	2,166	57	5	(29)	-	2,199	\$ 26,388,000	\$ 24,064,399	91.2%	
10,000	7	7	-	-	-	-	7	\$ 70,000	\$ 66,122	94.5%	
6,000	20,652	20,547	348	88	(133)	-	20,850	\$ 125,100,000	\$ 114,354,436	91.4%	
5,000	14,306	13,302	720	131	(117)	1	14,037	\$ 70,185,000	\$ 62,927,921	89.7%	
4,000	916	920	-	2	(3)	-	919	\$ 3,676,000	\$ 3,568,103	97.1%	
3,000	91	91	-	-	-	-	91	\$ 273,000	\$ 256,990	94.1%	
2,500	41	44	-	-	-	-	44	\$ 110,000	\$ 104,814	95.3%	
2,000	18,387	14,907	620	(146)	(85)	-	15,296	\$ 30,592,000	\$ 27,984,284	91.5%	
1,000	33	35	-	(2)	(1)	-	32	\$ 32,000	\$ 30,503	95.3%	
Total	66,066	60,368	1,936	97	(447)	1	61,955	\$ 539,283,625	\$ 501,445,940	93.0%	
Plus: Interest on financed SBLs									62,950,573		
Total Principal & Interest									564,396,513		

⁽¹⁾ This table does not include \$32.1 million that has been collected life-to-date from defaulted SBL holders.

Santa Clara Stadium Authority Budget Status Reports

Operating Budget

With Fiscal Year 2021/22 complete, total operating revenues for the current reporting period were \$66.5 million representing 102% of the overall budget for revenues. As a reminder, there were no Non-NFL events being held at the Stadium due to the pandemic and therefore the Stadium Authority did not receive any revenue related to event attendance. The revenue affected by the pandemic includes Non-NFL Event Revenue and Non-NFL Event Ticket Surcharge. The Stadium Authority still collected NFL ticket surcharge, SBL proceeds, sponsorship revenue, Naming Rights revenue and rent. During the current reporting period, the Stadium Authority collected \$27.3 million in SBL proceeds or 115% of what was budgeted. Stadium rent earned from StadCo totaled \$24.7 million, an increase of \$7.4 million.

Total operating expenses were \$58.4 million, or 90% of the annual budget. The shared stadium manager expenses were \$22.9 million or 307% of what was budgeted. The increase was mainly due to litigation settlement related to the stadium manager expenses. On August 31, 2022, the Stadium Authority entered into a settlement agreement with StadCo and ManagementCo over disputes regarding the Operating and Management Expenses, Shared Expenses, and Capital Expenditures that were previously withheld. As part of the settlement, the Stadium Authority agreed to recognize the \$15.8 million of unpaid ManagementCo expenses along with the \$426,000 interest expenses from the Revolving Loan. As a result, total shared stadium manager expenses increased by \$15.4 million compared to the annual budget. Under the written settlement agreement, Stadium Manager's prior unauthorized payments of these unpaid expenses through the Revolving Loan are now treated as timely Stadium Authority payments, but without Stadium Authority agreeing to Stadium Manager's actions or draws under the Revolving Loan.

SBL Sales & Service expenses were \$1.8 million, or 51% of the annual budget. This is under budget due to the exclusion of \$1.3 million of SBL buffet costs. These buffet costs were excluded from the settlement mentioned above, and the Stadium Authority does not recognize these expenses. The Stadium Authority pays for all utility costs from February 1st through July 31st and the tenant (StadCo) pays for utility costs from August 1st through January 31st (Tenant Season). Utility expenses were \$1.1 million, or 68% of the budget for the year. This is also under budget due to no ticketed Non-NFL events being held. Other Expenses were \$1.6 million, or 304% of the budget, due recognition of unpaid ManagementCo expenses that were previously partially suspended from payment, and also interest expenses from the Revolving Loan, which were resolved under the parties' August 31, 2022 Settlement Agreement. Net Transfers out amounted to \$27.0 million and, lastly, Stadium Authority G&A costs were \$2.9 million or 57% of the budget.

Overall, the Stadium Authority operating fund ended the year with a fund balance of \$38.9 million; included in that amount is an \$12.3 million operating reserve and a \$2.3 million discretionary fund.

Additional details are shown in Table 8.

Table 8

Santa Clara Stadium Authority
Operating Budget Status Report
 For the Period Ending March 31, 2022 and 2021

	Period Ending March 31, 2022								Period Ending March 31, 2021			
	Final Budget	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources												
Revenues												
NFL Ticket Surcharge	\$ 8,665,000	\$ -	\$ 2,651,401	\$ 6,248,997	\$ 908,611	\$ 9,809,009	\$ (1,144,009)	113%	\$ -	\$ -	\$ -	NA
SBL Proceeds	23,682,000	-	11,577,075	3,814,026	11,888,315	27,279,416	(3,597,416)	115%	24,934,279	24,934,279	-	100%
Interest	56,000	4,659	4,934	5,354	9,746	24,693	31,307	44%	896,000	31,645	864,355	4%
Non-NFL Event Revenue	-	-	-	-	-	-	-	NA	-	-	-	NA
Net Revenues from Non-NFL Events	-	-	-	-	-	-	-	NA	-	-	-	NA
Naming Rights	7,165,000	-	3,529,738	-	-	3,529,738	3,635,262	49%	6,957,000	6,956,668	332	100%
Sponsorship Revenue (STR)	325,000	81,250	81,250	81,250	99,676	343,426	(18,426)	106%	392,000	325,000	67,000	83%
Rent	24,762,000	6,741,100	6,190,500	6,190,500	5,639,900	24,762,000	-	100%	17,333,400	17,333,400	-	100%
Senior & Youth Program Fees	232,000	-	69,808	141,783	24,384	235,975	(3,975)	102%	-	-	-	NA
Non-NFL Event Ticket Surcharge	150,000	-	-	-	-	-	150,000	0%	-	-	-	NA
Bay Area Host Committee Reimbursement	-	-	-	-	-	-	-	NA	727	727	0	100%
Other Revenue	-	-	-	-	550,600	550,600	(550,600)	NA	-	26,430	(26,430)	NA
Revenues Subtotal	\$ 65,037,000	\$ 6,827,009	\$ 24,104,706	\$ 16,481,910	\$ 19,121,231	\$ 66,534,856	\$ (1,497,856)	102%	\$ 50,513,406	\$ 49,608,149	\$ 905,257	98%
Total Resources	\$ 65,037,000	\$ 6,827,009	\$ 24,104,706	\$ 16,481,910	\$ 19,121,231	\$ 66,534,856	\$ (1,497,856)	102%	\$ 50,513,406	\$ 49,608,149	\$ 905,257	98%
Expenses												
Shared Stadium Manager Expenses												
Stadium Operations	\$ 1,681,393	\$ 386,890	\$ 640,618	\$ 410,934	\$ 7,011,821	\$ 8,450,263	\$ (6,768,870)	503%	\$ -	\$ (851,589)	\$ 851,589	NA
Engineering	1,543,240	314,610	546,060	409,545	3,811,707	5,081,922	(3,538,682)	329%	-	408,194	(408,194)	NA
Guest Services	304,134	49,445	85,820	64,365	1,038,323	1,237,953	(933,819)	407%	-	(221,124)	221,124	NA
Groundskeeping	93,809	19,125	33,200	24,900	559,430	636,655	(542,846)	679%	-	(121,267)	121,267	NA
Security	378,652	77,190	133,980	100,485	2,953,318	3,264,973	(2,886,321)	862%	-	102,175	(102,175)	NA
Procurement	311,412	-	51,902	155,706	51,902	259,510	51,902	83%	-	-	-	NA
Insurance	3,136,000	784,045	894,044	400,000	1,126,090	3,204,179	(68,179)	102%	3,045,000	3,098,982	(53,982)	102%
Stadium Management Fee	-	-	-	-	716,640	716,640	(716,640)	NA	-	-	-	NA
Shared Stadium Mngr Exps Subtotal	\$ 7,448,640	\$ 1,631,305	\$ 2,385,624	\$ 1,565,935	\$ 17,269,231	\$ 22,852,095	\$ (15,403,455)	307%	\$ 3,045,000	\$ 2,415,371	\$ 629,629	79%
Other Expenses												
SBL Sales and Service	\$ 3,448,000	\$ 540,000	\$ 720,000	\$ 540,000	\$ (46,549)	\$ 1,753,451	\$ 1,694,549	51%	\$ 1,967,000	\$ 913,471	\$ 1,053,529	46%
Senior & Youth Fees (paid to City)	232,000	-	93,263	118,328	24,384	235,975	(3,975)	102%	-	-	-	NA
Net Non-NFL Event Loss	600,000	-	-	-	288,741	288,741	311,259	48%	600,000	509,649	90,351	85%
Ground Rent (paid to City)	425,000	-	425,000	-	-	425,000	-	100%	390,000	390,000	-	100%
Performance Rent (paid to City)	-	-	-	-	-	-	-	NA	-	-	-	NA
Discretionary Fund Expense	250,000	-	-	-	-	-	250,000	0%	-	-	-	NA
Utilities	1,586,000	370,500	125,000	-	583,733	1,079,233	506,767	68%	1,264,000	695,999	568,001	55%
Use of StadCo Tenant Improvements	26,000	-	1,353	1,353	162,120	164,826	(138,826)	634%	-	-	-	NA
Stadium Authority G&A	5,115,000	580,570	681,991	844,088	816,937	2,923,587	2,191,413	57%	3,581,000	2,792,128	788,872	78%
Naming Rights Commission	88,000	44,122	-	44,122	-	88,244	(244)	100%	30,000	29,782	218	99%
Legal Contingency	3,684,360	-	-	-	-	-	3,684,360	0%	-	-	-	NA
Other Expenses	514,000	-	-	149,500	1,415,304	1,564,804	(1,050,804)	304%	913,000	(73,476)	986,476	-8%
College Football Playoff Expense	-	-	-	-	-	-	-	NA	727	727	0	100%
Transfers Out	41,262,000	-	13,716,691	12,144,192	1,170,927	27,031,810	14,230,190	66%	42,847,000	58,497,780	(15,650,780)	137%
Contribution to Operating Reserve	-	-	-	-	-	-	-	NA	348,000	-	348,000	0%
Other Expenses Subtotal	\$ 57,230,360	\$ 1,535,192	\$ 15,763,299	\$ 13,841,583	\$ 4,415,597	\$ 35,555,671	\$ 21,674,689	62%	\$ 51,940,727	\$ 63,756,060	\$ (11,815,333)	123%
Total Expenses	\$ 64,679,000	\$ 3,166,497	\$ 18,148,923	\$ 15,407,518	\$ 21,684,827	\$ 58,407,765	\$ 6,271,235	90%	\$ 54,985,727	\$ 66,171,431	\$ (11,185,704)	120%
Operating Reserve	\$ 9,693,657					\$ 12,301,659			\$ 11,593,270	\$ 11,592,741		
Discretionary Fund	\$ 2,327,850					\$ 2,327,850			\$ 2,302,075	\$ 2,327,850		

Operating Budget – Recommended Budget Amendments

From time to time, budget adjustments may be necessary to align revenues or expenditures to actual or unexpected activity during the course of a fiscal year, known after the adoption of the Stadium Authority Budget. As of the timing of the publication of this report, additional information from FY 2021/22 has resulted in recommended budget adjustments as follows:

- 1) Senior and Youth Program Fees (based on \$0.35 per NFL game ticket) came in higher than anticipated by \$4,000. A budget amendment is needed to reflect the increase in the payment to the city's General Fund as well as the revenue to the Stadium Authority.
- 2) Naming Rights Commission came in higher than anticipated by \$244, and staff is requesting an operating budget amendment to account for the additional commission expense incurred.

On August 31, 2022, the Stadium Authority entered into a settlement agreement with StadCo and Stadium Manager over disputes regarding the Operating and Management Expenses, Shared Expenses, and Capital Expenditures that were previously withheld. The following budget adjustments are request as a result of the settlement agreement:

- 3) As part of the settlement, the Stadium Authority agreed to recognize unpaid Shared Stadium Manager Expenses that were previously withheld. A budget amendment is needed to reflect the additional \$15.4 million of Shared Stadium Manager Expenses recognized.
- 4) As part of the settlement, the Stadium Authority agreed to recognize unpaid Operating and Management Expenses that were previously withheld. A budget amendment is needed to reflect the additional \$139,000 in expenses related to the use of StadCo's Tenant Improvements and \$1.1 million in other expenses related to admin and lender fees, interest expenses, and other general and administrative expenses recognized.

A reduction to the Operating Reserve of \$244 is recommended to offset the actions recommended above.

Details regarding the operating budget adjustment are shown in Table 9.

Table 9

Santa Clara Stadium Authority 2021/22 Operating Budget Adjustment

2021/22 Fiscal Year

	Adopted Budget	Amended Budget	Adjustments	Final Amended Budget
Resources				
Revenues				
NFL Ticket Surcharge	\$ 8,665,000	\$ -	\$ -	\$ 8,665,000
SBL Proceeds	23,682,000	-	-	23,682,000
Interest	56,000	-	-	56,000
Non-NFL Event Revenue	-	-	-	-
Naming Rights	7,165,000	-	-	7,165,000
Sponsorship Revenue (STR)	325,000	-	-	325,000
Rent	24,762,000	-	-	24,762,000
Senior & Youth Program Fees	232,000	-	3,975	235,975
Non-NFL Event Ticket Surcharge	150,000	-	-	150,000
Bay Area Host Committee Reimbursement	-	-	-	-
Other Revenue	-	-	-	-
Revenues Subtotal	\$ 65,037,000	\$ -	\$ 3,975	\$ 65,040,975
Net Transfers	-	-	-	-
Total Resources	\$ 65,037,000	\$ -	\$ 3,975	\$ 65,040,975
Expenses				
Shared Stadium Manager Expenses				
Stadium Operations	\$ -	\$ 1,681,393	\$ 6,768,870	\$ 8,450,263
Engineering	-	1,543,240	3,538,682	5,081,922
Guest Services	-	304,134	933,819	1,237,953
Groundskeeping	-	93,809	542,846	636,655
Security	-	378,652	2,886,321	3,264,973
Procurement	-	311,412	(51,902)	259,510
Insurance	3,136,000	-	68,179	3,204,179
Stadium Management Fee	-	-	716,640	716,640
Shared Stadium Mngr Exps Subtotal	\$ 3,136,000	\$ 4,312,640	\$ 15,403,455	\$ 22,852,095
Other Operating Expenses				
SBL Sales and Service	\$ 3,448,000	\$ -	\$ -	\$ 3,448,000
Senior & Youth Fees (paid to City)	232,000	-	3,975	235,975
Non-NFL Event Expense	600,000	-	-	600,000
Ground Rent (paid to City)	425,000	-	-	425,000
Performance Rent (paid to City)	-	-	-	-
Discretionary Fund Expense	250,000	-	-	250,000
Utilities	1,586,000	-	-	1,586,000
Use of StadCo Tenant Improvements	26,000	-	138,826	164,826
Stadium Authority G&A	5,115,000	-	-	5,115,000
Naming Rights Commission	88,000	-	244	88,244
Legal Contingency	8,123,000	(4,438,640)	(3,684,360)	-
College Football Playoff Expense	-	-	-	-
Other Expenses	388,000	126,000	1,050,804	1,564,804
Transfers Out	41,262,000	-	(12,908,725)	28,353,275
Contribution to Operating Reserve	-	-	-	-
Other Operating Expenses Subtotal	\$ 61,543,000	\$ (4,312,640)	\$ (15,399,236)	\$ 41,831,124
Total Expenses	\$ 64,679,000	\$ -	\$ 4,219	\$ 64,683,219
Operating Reserve	\$ 9,693,657	-	\$ (244)	\$ 9,693,413
Discretionary Fund	\$ 2,327,850	-	-	\$ 2,327,850

Debt Service Budget

The Stadium Authority's FY 2021/22 debt service revenue budget of \$483,000 represents anticipated contributions from the Community Facilities District (CFD). The CFD levies and collects a special hotel tax on hotel rooms within the CFD. All collections from the special CFD hotel taxes are contributed to Stadium Authority to pay down the CFD Advance. The CFD Advance is payable solely from amounts actually received by the Stadium Authority from the CFD. During the current fiscal year, \$1.1 million was contributed by the CFD, or 225% of the annual budget. The primary reason CFD collections have increased is due to the recovery from COVID-19 pandemic. Other Debt revenues include transfers in from the operating fund, which amounted to \$23.3 million or 62% of the budget.

Total Stadium Authority debt service expenses for the current reporting period were \$31.8 million, 84% of the budgeted amount. Actual expenses for the StadCo Subordinate Loan were under budget due to excess cash diversion to pay off the outstanding Revolving Loan balance at year-end. The debt service expenses for the CFD Advance, the Term A Loan, and the StadCo Subordinated Loan were \$1.7 million, \$25.5 million, and \$4.6 million, respectively.

The Stadium Authority debt service fund ended the current period with a fund balance of \$26.7 million which includes \$11.5 million in the debt service reserve account. The remaining is reserved for future debt payments.

As of March 31, 2022, the total outstanding amount of Stadium Authority debt had declined to \$280.3 million. This is a reduction in principal of \$16.5 million from the March 31, 2021 outstanding debt amount of \$296.8 million. Overall, each loan has been paid down with the exception of the StadCo CFD Advance, which has increased by \$871,610. The reason is because there were not enough contributions from the CFD to pay down the interest amounts incurred for the fiscal year, and therefore, the interest amounts has been capitalized to the principal loan balance.

Additional details are shown in Tables 10 and 11 and Chart 1.

Table 10

Santa Clara Stadium Authority
Debt Service Budget Status Report
 For the Period Ending March 31, 2022 and 2021

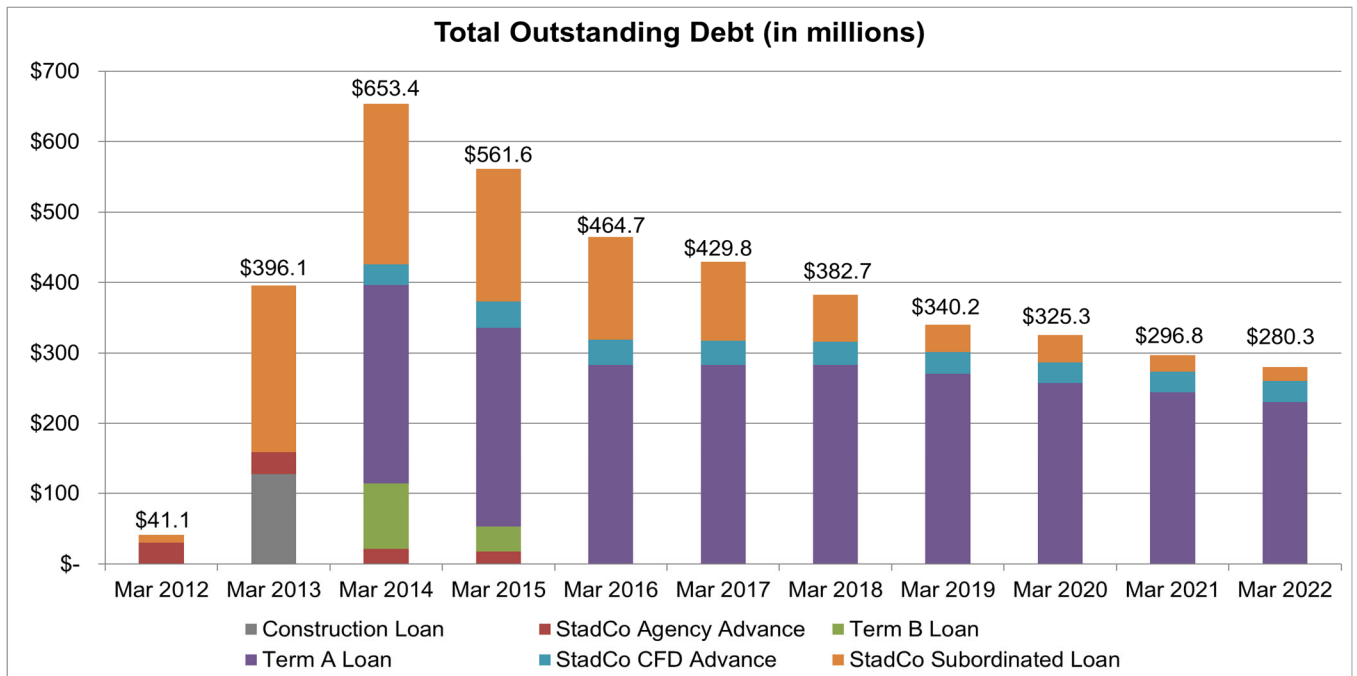
	Period Ending March 31, 2022								Period Ending March 31, 2021			
	Final Budget	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources												
Revenues												
Contribution from CFD	\$ 483,000	\$ 158,418	\$ 257,517	\$ 126,862	\$ 542,777	\$ 1,085,574	\$ (602,574)	225%	\$ 4,028,000	\$ 282,021	\$ 3,745,979	7%
Revenues Subtotal	\$ 483,000	\$ 158,418	\$ 257,517	\$ 126,862	\$ 542,777	\$ 1,085,574	\$ (602,574)	225%	\$ 4,028,000	\$ 282,021	\$ 3,745,979	7%
Net Transfers from Operating	37,572,000	-	13,716,691	12,144,192	(2,518,695)	23,342,188	14,229,812	62%	39,265,000	53,756,348	(14,491,348)	137%
Contribution from Fund Balance	-	17,479,851	(10,353,307)	(8,650,152)	8,919,033	7,395,425	(7,395,425)	NA	-	(9,275,332)	9,275,332	NA
Total Resources	\$ 38,055,000	\$ 17,638,270	\$ 3,620,901	\$ 3,620,902	\$ 6,943,114	\$ 31,823,187	\$ 6,231,813	84%	\$ 43,293,000	\$ 44,763,038	\$ (1,470,038)	103%
Expenses												
CFD Advance	\$ 483,000	\$ 421,471	\$ 426,103	\$ 426,103	\$ 416,840	\$ 1,690,516	\$ (1,207,516)	350%	\$ 3,989,000	\$ 2,015,931	\$ 1,973,069	51%
Term A Loan	25,529,000	16,898,728	2,876,728	2,876,728	2,876,728	25,528,912	88	100%	25,562,000	25,562,012	(12)	100%
StadCo Subordinated Loan	12,043,000	318,071	318,071	318,071	3,649,547	4,603,759	7,439,241	38%	13,742,000	17,185,095	(3,443,095)	125%
Total Expenses	\$ 38,055,000	\$ 17,638,270	\$ 3,620,901	\$ 3,620,901	\$ 6,943,114	\$ 31,823,187	\$ 6,231,813	84%	\$ 43,293,000	\$ 44,763,038	\$ (1,470,038)	103%
Debt Service Reserve	\$ 11,536,235					\$ 11,536,235			\$ 11,536,235	\$ 11,536,235		

Table 11

Santa Clara Stadium Authority
Debt Summary Report
 For the Period Ending March 31, 2022

Type of Indebtedness	Interest Rates	Outstanding as of March 31, 2021	Net Change	Outstanding as of March 31, 2022
Stadium Funding Trust Loan:				
Term A Loan	5.00%	\$ 244,160,240	\$ (14,022,001)	\$ 230,138,239
StadCo CFD Advance	5.73%	29,502,893	871,610	30,374,503
StadCo Subordinated Loan	5.50%	23,132,426	(3,331,476)	19,800,950
Total		\$ 296,795,559	\$ (16,481,867)	\$ 280,313,692

Chart 1



Debt Service Budget – Recommended Budget Amendments

From time to time, budget adjustments may be necessary to align revenues or expenditures to actual or unexpected activity during the course of a fiscal year, known after the adoption of the Stadium Authority Budget. CFD Advance interest expenses incurred for the fiscal year exceeded the anticipated contributions by \$1.2 million, and staff is requesting a debt service budget amendment to account for the additional interest expense incurred.

A reduction to the Debt Service Reserve in the amount of \$1.2 million is recommended to offset the recommendation above.

Details regarding the debt service budget adjustment are show in Table 12.

Table 12

Santa Clara Stadium Authority 2021/22 Debt Service Budget Adjustment

	2021/22 Fiscal Year			
	Adopted Budget	Amended Budget	Adjustments	Final Amended Budget
Resources				
Revenues				
Contribution from CFD	\$ 483,000	\$ -	\$ -	\$ 483,000
Revenues Subtotal	\$ 483,000	\$ -	\$ -	\$ 483,000
Transfers in from Operating	37,572,000	-	-	37,572,000
Contribution from Fund Balance	-	-	-	-
Total Resources	\$ 38,055,000	\$ -	\$ -	\$ 38,055,000
Expenses				
CFD Advance	\$ 483,000	\$ -	\$ 1,207,516	\$ 1,690,516
Term A Loan	25,529,000	-	-	25,529,000
StadCo Subordinated Loan	12,043,000	-	-	12,043,000
Total Expenses	\$ 38,055,000	\$ -	\$ 1,207,516	\$ 39,262,516
Debt Service Reserve	\$ 11,536,235	\$ -	\$ (1,207,516)	\$ 10,328,719

Capital Improvement Project Budget

As part of the Capital Expense (“CapEx”) Plan, the following projects have been completed as of the current reporting period:

- Stadium and Special Event Spaces
- Surveillance - Command Center Equipment
- CCTV Pop Up Trailers
- Security X-Ray Scanners
- Security and Life Safety Partitions/Dividers
- Tunnel Slip and Fall Protection
- Levi's Naming Rights Signage Repair
- Key Management System
- RadHalo Remote Radiation Monitors
- Rigaku CWL 1064nm Handheld Raman Chemical Detector
- Tru Defender FTX S1 WMD Chemical Detector
- Vehicle upfits for John Deere Gator
- Mass Casualty Incident Trailer
- Rope Rescue Gear Including Storage Container
- Stadium Personal Protective Equipment

The following CapEx projects were currently in progress at the end of the fiscal year:

- Financial Management Information System Project

A total of \$1,494,305 has been spent in FY 2021/22, which amounts to 10% of the budget. The main reasons that this is below budget are (1) there has been little activity on warranty work which makes up 10% of the CIP Budget, (2) delays in projects due to staffing shortage from the contractors as a result of COVID-19, and (3) a number of projects are behind schedule due to compliance reviews of State procurement and prevailing wage laws.

On August 31, 2022, the Stadium Authority entered into a settlement agreement with StadCo and ManagementCo over disputes regarding the Operating and Management Expenses, Shared Expenses, and Capital Expenditures that were previously withheld. As part of the settlement, in regards to Capital Expenditures, the Stadium Authority agreed to discontinue the current practice of withholding payment for Capital Expenditures subject to the review and approval of the prevailing wage documentation by Stadium Authority's labor law compliance consultant. Under the Settlement Agreement, ManagementCo further confirmed its obligation to comply with applicable laws, including Prevailing Wage Laws, and ManagementCo also implemented its new internal Prevailing Wage Laws compliance policy and procedures. Accordingly, the Stadium Authority will process the invoice payments as they come in.

Additional details are shown below in Table 13.

Table 13

Santa Clara Stadium Authority
CIP Budget Status Report
 For the Period Ending March 31, 2022 and 2021

	Period Ending March 31, 2022								Period Ending March 31, 2021			
	Final Budget	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Beginning Balances	\$ 19,438,420	\$ 20,805,741	\$ 20,779,512	\$ 20,388,556	\$ 20,007,474	\$ 20,805,741	\$ (1,367,321)		\$ 17,837,300	\$ 17,010,611	826,689	
Resources												
Transfers In from Operating Budget	3,690,000	-	-	-	3,689,622	3,689,622	378	100%	3,582,000	4,741,431	(1,159,431)	132%
Transfers In from Stadium Manager	-	-	-	-	-	-	-	NA	-	-	-	NA
Total Resources	\$ 23,128,420	\$ 20,805,741	\$ 20,779,512	\$ 20,388,556	\$ 23,697,096	\$ 24,495,363	\$ (1,366,943)	106%	\$ 21,419,300	\$ 21,752,042	\$ (332,742)	102%
	Final Budget	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Final Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses												
Construction	7,116,470	-	324,661	24,808	408,016	757,485	6,358,985	11%	4,725,327	235,542	4,489,785	5%
Equipment	6,120,110	26,229	66,294	356,274	288,022	736,820	5,383,290	12.0%	6,460,557	710,759	5,749,798	11%
Contingency	623,935	-	-	-	-	-	623,935	0%	559,296	-	559,296	0%
Stadium Warranty Related Construction	1,528,202	-	-	-	-	-	1,528,202	0%	1,528,202	-	1,528,202	0%
Total Expenses	\$ 15,388,717	\$ 26,229	\$ 390,956	\$ 381,082	\$ 696,038	\$ 1,494,305	\$ 13,894,412	9.7%	\$ 13,273,382	\$ 946,301	\$ 12,327,081	7%
Ending Balances	\$ 7,739,703	\$ 20,779,512	\$ 20,388,556	\$ 20,007,474	\$ 23,001,058	\$ 23,001,058			\$ 8,145,918	\$ 20,805,741		

City of Santa Clara Net General Fund Impact

During the current reporting period there was a total of \$1,136,722 that was contributed to the General Fund as shown in Table 14. This section of the report also provides information on General Fund revenue and expenditure impacts resulting from the stadium.

Table 14

City of Santa Clara Net General Fund Impact

For Stadium Authority Fiscal Year Ending March 31, 2022

Ground Rent	\$	425,000
Performance Rent		-
Senior and Youth Program Fees		235,975
Tasman Lots Parking Fee		22,245
Sales Tax		453,502
Total Net General Fund Impact	\$	1,136,722

Public Safety and Administrative Cost Reimbursement

As described in earlier sections of this report, costs incurred by the City on NFL and Non-NFL Events are tracked and billed to the Stadium Manager. Reimbursements are monitored and included in this report. Public safety costs incurred in support of NFL and Non-NFL events occurring in FY 2021/22 totaled \$5,303,491 and \$98,983, respectively.

Public safety costs continue to be above the annual public safety cap. The Stadium Authority is in discussion with StadCo to renegotiate the annual public safety cap to reflect the true cost of service, which is higher than the cap. It is one of the outstanding claims that are currently under litigation with StadCo. As of March 31, 2022, ManagementCo, on behalf of StadCo, has paid all NFL public safety costs under protest with the pending public safety cost arbitration.

In addition to public safety costs, administrative costs are also tracked and billed to the Stadium Authority. These include the cost of providing overall stadium management, financial, human resource, legal, and other services to the Stadium Authority. In FY 2021/22, a total of \$1.6 million of administrative costs were incurred by the General Fund, which have been reimbursed to the City.

Rents and Senior and Youth Fee

As noted above the City's General Fund collected \$425,000 in ground rent from the Stadium Authority. Additionally, the City's General Fund received Senior and Youth fees of \$236,000 in the current reporting period. See the Glossary for more information on these revenues and how they are calculated.

Other Revenue Impacts

General Fund sales tax, property tax, and transient occupancy tax (TOT) collections have benefited from the direct and indirect economic activity related to stadium events.

Food and beverage concession sales and merchandise sales at Levi's® Stadium are taxable, resulting in sales tax revenue for the City. The last four quarters of sales tax collections from Levi's® Stadium transactions generated \$454,000 for the City's General Fund. It should be noted that there is a lag in the collection of sales tax and the amount attributable to this reporting period was collected in from FY 2020/21 activity. In addition to the direct sellers at the Stadium, other businesses in Santa Clara are benefiting from the influx of people coming to attend one or more events at Levi's® Stadium, resulting in potentially more sales tax collections for the General Fund.

In accordance with State Law, StadCo must pay possessory interest property tax based on their lease of Levi's® Stadium from the Stadium Authority. This revenue is collected by the county and placed into the Redevelopment Property Tax Trust Fund (RPTTF). Amounts remaining in the RPTTF after paying any enforceable obligations of the Successor Agency are distributed to taxing entities in the same proportion as secured property taxes. The City's proportion is approximately 10%.

Many stadium events bring travelers to the region, resulting in hotel stays which generate TOT collections for the City's General Fund. Although it is impossible to say exactly what portion of the City's TOT collections is due to the stadium, it is clear that hotels both inside and outside the City have benefited, resulting in increases in TOT collections in Santa Clara and our neighboring cities.

Glossary

This section of the report provides details behind key terms that are used in the body of this report.

Discretionary Fund – The Amended and Restated Stadium Lease Agreement describes the Non-NFL Event ticket surcharge which is imposed by the Stadium Authority. All promoters or sponsors of ticketed Non-NFL Events are required to collect a Non-NFL ticket surcharge of \$4 per ticket on behalf of the Stadium Authority. One-half of these proceeds are used to cover Stadium Authority operating and maintenance costs. The other one-half of the proceeds are deposited in the Stadium Authority’s discretionary fund. If at any time the discretionary fund balance exceeds \$1 million, then in consultation with the Stadium Manager, the Stadium Authority will determine if provision has been made for replacement and improvement of capital improvements contemplated under the public safety plan. If not, then funds will be reserved in the discretionary fund for such purposes. If adequate provision has been made for these items and the balance of the discretionary fund still exceeds \$1 million, then up to half of the amount over \$1 million can be transferred to the General Fund, in which event an equal amount will also be transferred from the discretionary fund to the Stadium Authority operating fund and will be included as revenue available to pay Stadium Authority expenses.

Ground Lease – The Ground Lease Agreement has an initial term of 40 years commencing on the date of substantial completion which was July 31, 2014. The amount of annual base ground rent that is payable by the Stadium Authority to the City is noted in the chart below.

Lease Year	Fiscal Year	Annual Fixed Ground Rent
1	2014/15	\$ 180,000
2	2015/16	\$ 215,000
3	2016/17	\$ 250,000
4	2017/18	\$ 285,000
5	2018/19	\$ 320,000
6	2019/20	\$ 355,000
7	2020/21	\$ 390,000
8	2021/22	\$ 425,000
9	2022/23	\$ 460,000
10	2023/24	\$ 495,000
11-15	2024/25 - 2028/29	\$ 1,000,000
16-20	2029/30 - 2033/34	\$ 1,100,000
21-25	2034/35 - 2038/39	\$ 1,200,000
26-30	2039/40 - 2043/44	\$ 1,300,000
31-35	2044/45 - 2048/49	\$ 1,400,000
36-40	2049/50 - 2053/54	\$ 1,500,000

Net Non-NFL Event Revenue – Net Non-NFL Event revenue is remitted by ManagementCo to the Stadium Authority on a yearly basis. This is done annually because the final reconciliation of the Non-NFL Event revenues and expenses does not occur until after the conclusion of each fiscal year.

Beginning with FY 2018/19, the Stadium Authority budgeted the Non-NFL Event activity at gross, budgeting for revenue and expenses separately. In the prior fiscal years that activity was budgeted as a net amount.

NFL Ticket Surcharge – The Amended and Restated Non-Relocation Agreement states that the Team will collect a 10% NFL ticket surcharge on the price of admission to all NFL games on behalf of Stadium Authority.

Non-NFL Event Ticket Surcharge – The Stadium Lease Agreement requires that the promoter or sponsor of any Non-NFL Event collect a Non-NFL Event ticket surcharge of \$4 per ticket. The Lease Agreement sets aside one-half of the Non-NFL ticket surcharge for stadium operating and maintenance costs and one-half for discretionary expenses of the Stadium Authority.

Offsite Parking Fees – Parking lot operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City’s permitting process. If approved, per the City’s Municipal Fee Schedule, these operators remit an offsite parking fee for each car that is parked for sports or entertainment events. This fee is designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for NFL or Non-NFL public safety costs for a particular event held at Levi’s® Stadium, the offsite parking fee that is collected for said event partly offsets the total public safety costs owed for that event. In the City’s FY 2021/22 (July 1, 2021 through June 30, 2022) the offsite parking fee is \$5.91.

Performance-Based Rent - The Amended and Restated Stadium Lease Agreement and the Ground Lease Agreement both describe the performance-based rent that is due to the City. (It is calculated as 50% of the net income from Non-NFL events less performance-based rent credits. The performance-based rent credits include 50% of the fixed ground rent for the current lease year.)

Public Safety Costs – For each NFL and Non-NFL Event held at Levi’s® Stadium, a public safety plan is developed and implemented. Multiple City departments provide staffing, materials, and supplies to support the public safety plan. Services are provided through a combination of City staff, contracts with other agencies (California Highway Patrol, County Sheriff’s Office, and City of Sunnyvale) and some vendor provided services.

The Amended and Restated Stadium Lease Agreement section 7.5 states that the tenant is responsible for reimbursing the City for the public safety costs attributed to NFL events at Levi’s® Stadium. Additionally, Article 5 of the Stadium Management Agreement notes that the Stadium Manager is responsible for paying Non-NFL Event expenses on behalf of the Stadium Authority. Therefore, the cost of providing public safety services are tracked through the City’s financial system and invoices are sent to the Stadium Manager. All of these costs are reimbursed to the City of Santa Clara.

Senior and Youth Program Fees – The Amended and Restated Stadium Lease Agreement requires that StadCo collect a Senior and Youth Program Fee of \$0.35 per NFL ticket sold on behalf of the Stadium Authority. Per section 8.2 of the Ground Lease Agreement between the City and the Stadium Authority, the Stadium Authority remits this fee to the City as additional rent to support senior and youth programs in the City.

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 chart below.

Fiscal Year	Lease Year	Annual Base Stadium Management Fee (SCSA Share)	Stadium Marketing and Booking Fee Benchmark	Net Income from Non-NFL Events	Additional Stadium Marketing and Booking Fee	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	-	218,545
2018/19	5	225,102	5,627,544	18,591	-	225,102
2019/20	6	231,855	5,796,370	(2,741,014)	-	231,855
2020/21	7	238,810	5,970,261	(476,960)	-	238,810
2021/22	8	245,975	6,149,369	(288,741)	-	245,975
2022/23	9	253,354	6,333,850			
2023/24	10	260,955	6,523,866			

Tasman Lots Parking Fees – The City collects a fee of \$5 per space for all cars that are parked on the Tasman surface lots during NFL events.