

# Santa Clara Stadium Authority

## Public Hearing

Action on the Proposed Santa Clara Stadium Authority FY 2026/27 Budget, and Compliance and Management Policies, and 2026 Marketing Plan  
Item #5 (26-45)

March 10, 2026



## Agenda

**1. Staff Presentation**

- i. Opening Remarks / Key Themes
- ii. Budget Development Schedule / Process
- iii. Budget Flowchart
- iv. Key Summary
- v. Updates After Study Sessions
- vi. Excess Revenues Distribution
- vii. Stadium Authority Operating Budget
- viii. Stadium Authority Debt Service Budget
- ix. Stadium Authority Capital Budget
- x. 2026 Marketing Plan
- xi. Summary / Key Themes
- xii. Staff Recommendations

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**2. Board Questions**

- i. Q/A on Staff Presentation

**3. Stadium Manager Presentation**

- i. Budget Presentation & Remarks

**4. Board Questions**

- i. Q/A on Stadium Manager Presentation

**5. Public Comment**

**6. Board Deliberation & Action**

**POST MEETING MATERIAL**

## Opening Remarks/Key Themes

- Entering the 13<sup>th</sup> year of Stadium operations
- Santa Clara Stadium Authority (SCSA)
  - A public body, separate and distinct from the City
  - Established to provide for the development and operation of Levi's Stadium
  - Structured so that the City is not liable for the debts or obligations of the Authority
- City owns land, SCSA owns stadium
- Lease Agreement with StadCo provides for Base Rent, Performance Rent, and, to the extent available, Excess Revenue to the City's General Fund

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## Opening Remarks/Key Themes

- SCSA To-date
  - ✓ 200+ Major Events & 9M+ Attendance
  - ✓ 70% Reduction in Original Construction Debt
    - From **\$653M** in March 2017 to **\$199M** by March 2027
  - ✓ Total Revenue Provided to General Fund = **\$51.6M**
    - Ahead of the Lease projections (Exhibit J) by \$6.4M
  - ✓ Renovation & Demolition Fund Progress
    - Required to be @ \$70M by Year 40, projected to be \$58.4M in FY 26-27 (Year 13)
  - ✓ Resolved Disputes
    - Buffet Costs (Annual Cap Implemented)
    - Public Safety Threshold Increased
    - Structured Repayment of \$14.8M SCSA Public Safety Balance
    - New Revenue Stream – Enhanced Ticket Surcharge
    - \$25M Transferred to General Fund in the last 24 months

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## Opening Remarks/Key Themes

- Proposed FY 2026-27 Budget = **\$79.5M**
- Elevated Revenues & Strong Operating and Cash Reserves = **\$88.7M**
- Direct Payments to the City's General Fund = **\$7.5M**

### Challenges

- Significant Capital Needs Projected
  - FY 26-27 Capital Request More Than Double Prior Forecast
  - FY 27-28 and Beyond More than Triple Prior Forecast

*Requires further analysis and negotiations with Stadium Manager and/or Tenant (StadCo)*

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## Opening Remarks/Key Themes

### Challenges, continued

- Not in alignment with Stadium Manager Recommendations
  - Office Rent Request
  - SCSA Funding for NFL Mandated Security Enhancements
- Further Inquiry Needed on...
  - Stadium Builder License Staffing
  - Recommendations for Capital Project Forecast
    - FY 27-28 and Beyond

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## Recommendations

1. Adopt the Santa Clara Stadium Authority Fiscal Year 2026/27 Operating, Debt Service, and Capital Budget;
2. With respect to the CapEx Plan:
  - (a) Approve the Fiscal Year 2026/27 CapEx projects (Year One), of the Stadium Manager's 5-Year Capital Expenditure Plan, including such projects that are to be completed over Multiple Years;
  - (b) do not approve at this time CapEx projects to be commenced after Fiscal Year 2026/27 (Years 2 through 5); and
  - (c) upon completion of the Stadium Manager's FCA, Stadium Authority staff's evaluation and completion of its own FCA, and further discussions with Stadium Manager, return to the Board with staff's recommendation for Stadium Authority action on the CapEx program for Years 2 through 5;

## Recommendations (cont.)

3. Note and file the 2026 Levi's Stadium Marketing Plan;
4. Authorize the Executive Director to amend the Agreement with Canyon Oaks Ventures, LLC to extend the term through December 31, 2026, and increase the not-to-exceed amount up to \$130,000, as needed, to complete the described scope of work for a Stadium Non-NFL Event Marketing Plan Review and Market Trend Analysis;
5. Adopt the Stadium Authority Board Budget Policy; and
6. Adopt the Stadium Authority Board Compliance and Management Policy.

# Stadium Authority Treasurer Kenn Lee

<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)

## FY 2026/27 Budget Development (cont.)

- **General Information**
- **Year in Review for both NFL and Non-NFL Events**
- **Excess Revenues Distribution**
- **Operating Budget**
  - Stadium Authority General and Administrative Budget
  - Stadium Manager Shared Expenses and 5 Year Forecast
  - 10-Year Forecast (New Section)
- **Debt Service Budget**
- **Capital Budget**
  - Capital Expenditure Plan and 5 Year Forecast
- **Stadium Authority Work Plan**

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## Stadium Authority Budget Flowchart



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## Stadium Authority FY2026/27 Budget Key Summary

- Net Non-NFL Events Revenue budgeted at \$4.6 million
- Public Safety Costs (PSC) reimbursements over threshold expenditure is budgeted to be \$2.5 million
- PSC 2024 Outstanding Balance (\$4.9 million in FY 2025/26, \$0.4 million in FY 2026/27)
- Budget supports 2026 World Cup events
- Direct payments to the General Fund at \$7.5 million
- Additional \$5.7 million transfer to the CapEx fund to projects necessary to maintain the facility pending finalization of a facility condition assessment

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## Stadium Authority FY2026/27 Budget Updates after Study Sessions

- Stadium Manager Offsite Leased Office Space
  - During the FY 2025/26 budget process \$620,000 was proposed to be included under Other Expenses by Stadium Manager
  - The Stadium Manager has proposed this cost again within Other Expenses for FY 2026/27
  - Based on Study Session feedback and staff review, the Stadium Authority **does not recommend** including ManCo's request in this year's budget
  - ManCo and Stadium Authority to meet and confer process in accordance with contractual agreements

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## Stadium Authority FY2026/27 Budget Updates after Study Sessions (cont.)

- Shared Stadium Manager Expenses: Security
  - The Stadium Manager's FY 2026/27 Security Shared Expense budget includes a new cost for implementing a new NFL-mandated 24/7 security protocol at the stadium
  - The Stadium Authority's 50% share of the new protocol is estimated at \$350,000–\$400,000 annually
  - The request is currently under review by the Police Department and staff needs additional time to evaluate the cost under the Stadium Management Agreement
  - Staff recommends the reduction of the Shared Stadium Manager Expenses - Security line item by \$400,000 from the proposed budget while discussion continues with the Stadium Manager

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## Stadium Authority FY2026/27 Budget Updates after Study Sessions (cont.)

- CapEx Projects Carryover
  - The Stadium Manager provided update to cancel several long-standing carryover CapEx projects (originally requested between FY 2016/17 and FY 2023/24), removing \$316,000 from the budget.
  - Project and Construction Management Firm costs were reallocated to the specific projects being managed to better reflect true project costs
  - Carryover funding from certain projects were combined with new project funding to support additional scope of previously approved work
  - Minor adjustments were made to several other CapEx projects
  - These changes resulted in total CapEx budget reduction of \$358,000

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## Stadium Authority FY2026/27 Budget Updates after Study Sessions (cont.)

- Stadium Manager's Five-Year Capital Expenses
  - The Stadium Manager proposed a significant investment in capital expenses in the years beyond FY 2026/27
  - Staff needs more time to review these projects and analyze them in conjunction with Facilities Condition Assessments (FCAs)
  - Staff recommends approving (First Year) FY 2026/27 CapEx projects and not approving FY 2027/28 to FY 2030/31 projects
  - Projects included as part of multi-year, multi-phase are recommended for approval (e.g. LED Lighting Replacement)
  - Upon completion of FCAs, staff will return to board with recommended action on the FY 2027/28 to FY 2030/31 CapEx program

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## Stadium Authority FY2026/27 Budget Updates after Study Sessions (cont.)

- Civic Event and Discretionary Fund Expense
  - FY 2026/27 Proposed Budget originally included \$1.3M in the Discretionary Fund for a potential Civic Event at Levi's Stadium
  - On February 24, 2026, the Board approved the Civic Event to occur on February 28, 2026 and a \$1 million FY 2025/26 budget amendment funded from the Discretionary Fund Reserve
  - FY 2026/27 Discretionary Fund beginning balance and expenses were each reduced by \$1M to reflect the event occurring in FY 2025/26 instead of FY 2026/27 (only a timing difference, no impact to ending balance).

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## Stadium Authority FY2026/27 Budget Updates after Study Sessions (cont.)

- Public Safety Cost (PSC) 2024 Outstanding balance
  - Projected paydown increased in FY 2025/26 resulting in a smaller balance carried forward into FY 2026/27
  - This change resulted in total reduction of \$415,000 in the PSC 2024 Outstanding balance in FY 2026/27
- Transfer to the City General Fund
  - The changes described above results in an additional \$924,000 in Excess Revenue available for transfer to the City’s General fund

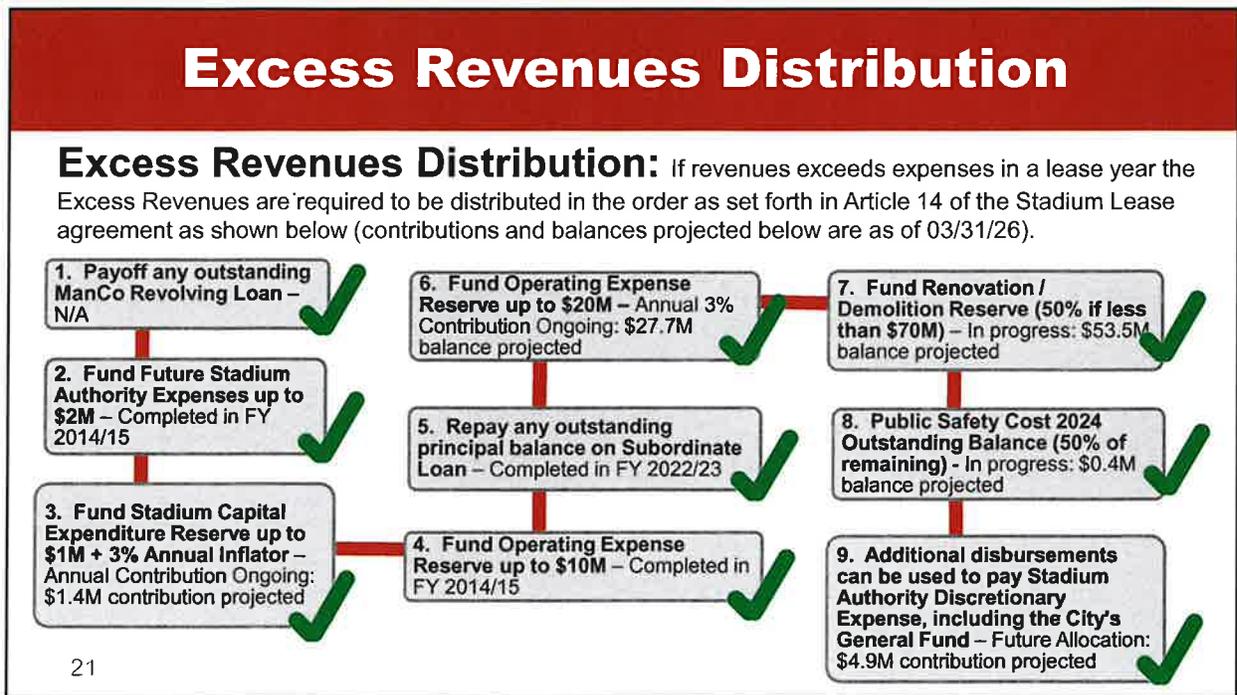
## Stadium Authority FY2026/27 Budget Updates after Study Sessions (cont.)

### Summary of Changes to Expenses From Study Session

(\$ in thousands)

Operating Expense Line Items	Study Session	Current	Change
Shared Stadium Expense - Security	\$2,742	\$2,342	(\$400)
Discretionary Fund Expense	\$1,250	\$250	(\$1,000)
Other Expenses	\$1,717	\$1,097	(\$620)
PSC 2024 Outstanding Balance	\$836	\$421	(\$415)
Transfer to the City’s General Fund	\$3,550	\$4,474	\$924
<b>Total Changes to Operating Expenses</b>			<b>(\$1,511)</b>

Capital Expense Line Items	Study Session	Current	Change
Construction	\$12,129	\$11,747	(\$382)
Equipment	\$6,690	\$6,746	\$56
Contingency	\$1,882	\$1,850	(\$32)
<b>Total Changes to Capital Expenses</b>			<b>(\$358)</b>



## Excess Revenues Distribution (cont.)

### Excess Revenue Cash Reserves Summary (cash based)

Reserve Category	FY 2024/25 Actual	FY 2025/26 Projected	FY 2026/27 Budget
Capital Expenditure Reserve	\$16.9M	\$12.0M	\$1.7M
Operating Reserve	\$26.9M	\$27.7M	\$28.5M
Renovation/Demolition Reserve	\$43.8M	\$53.5M	\$58.4M
<b>Total</b>	<b>\$87.5M</b>	<b>\$93.2M</b>	<b>\$88.6M</b>

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# Stadium Authority Operating Budget

**Key Assumptions in Proposed Operating Budget:**

- **General and Administrative Expenses** - \$4.6 million, includes 7.9 full time equivalent positions as a baseline level of support
  - Budget decreased by \$120,000 or 3%



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# Stadium Authority Operating Budget (cont.)

**Key Assumptions in Proposed Operating Budget:**

- **Net Non-NFL Events** - \$4.6 million projected for FY2026/27
  - Stadium Manager is projecting four (4) concerts and two (1) soccer events for FY2026/27

**Net Non-NFL Events Revenue Summary**

FY 2024/25 Actual	FY 2025/26 Projected	FY 2026/27 Budget
\$10.2M	\$6.2M	\$4.6M

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## Stadium Authority Operating Budget (cont.)

**Key Assumptions in Proposed Operating Budget:**

- **Stadium Manager Shared Expenses** - \$14.8 million, includes 75 full time equivalent positions
  - FY 2024/25 Actuals: \$11.8 million; FY 2025/26 Projected: \$13.8 million
  - Costs increased by \$859,000 or 6%
    - Higher compensation costs in Stadium Ops and Security
- **SBL Sales and Service** - \$2.5 million, includes 12.4 positions charged based on actual time spent
  - FY 2024/25 Actuals: \$2.3 million; FY 2025/26 Projected: \$2.3 million
  - Future organizational assessment of SBL Sales and Service by third-party consultant and review time tracking details

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## Stadium Authority Operating Budget (cont.)

**Revenues:**

Facility Rent	\$ 24,762,000
NFL Ticket Surcharge	16,166,000
Naming Rights	8,307,000
SBL Proceeds	5,154,000
Non-NFL Event Net Revenue	4,600,000
Non-NFL Event Ticket Surcharge	4,097,000
Interest	3,155,000
Sponsorship Revenue (STR)	794,000
Senior & Youth Program Fees	248,000
Non-NFL Events PSC Depreciation Reimbursement	84,000
<b>Total Revenues</b>	<b>\$67,367,000</b>

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## Stadium Authority Operating Budget (cont.)

<b>Expenses:</b>		
Shared Stadium Manager Expenses	\$14,848,000	
Stadium Authority General & Administrative	4,567,000	
Transfer to City General Fund from Excess Revenues	4,474,000	→
PSC Over Threshold	2,500,000	
SBL Sales and Service	2,468,000	
Utilities	1,868,000	
Performance Rent	1,800,000	→
Other Expenses	1,097,000	
Ground Rent	1,000,000	→
Buffet Costs	859,000	
Public Safety Costs (PSC) 2024 Outstanding Balance	421,000	
Discretionary Fund Expense	250,000	
Senior and Youth Program Fees	248,000	→
Naming Rights Expenses	142,000	
Use of StadCo Tenant Improvements	75,000	
<b>Subtotal Expenses</b>	<b>\$36,617,000</b>	

\$7.5 million projected to the City's General Fund

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## Stadium Authority Operating Budget (cont.)

<b>Subtotal Expenses</b>	<b>\$36,617,000</b>
<b>Transfers Out:</b>	
Debt Service	17,823,000
Capital Expenditure Reserve	4,278,000
Capital Expenditure Reserve – Additional Transfers	5,666,000
<b>Subtotal Transfers Out</b>	<b>\$27,767,000</b>
<b>Total Use of Funds</b>	<b>\$64,384,000</b>

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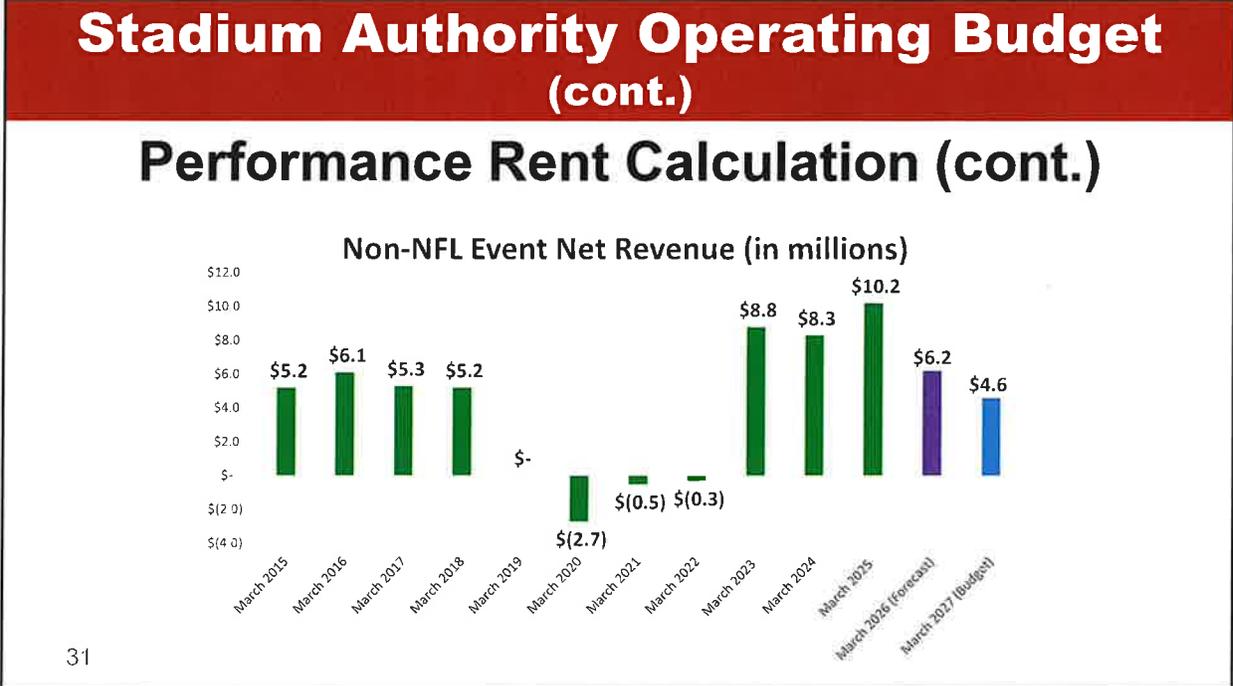
<b>Stadium Authority Operating Budget (cont.)</b>				
<b>Discretionary Fund</b>				
	50% of FY 2026/27 Base			
<b>Projected Beginning Balance</b>	<b>Non-NFL Event Ticket Surcharge</b>	<b>FY 2026/27 Discretionary Fund Expense</b>	<b>Public Safety Costs Over Threshold</b>	<b>Projected Ending Balance</b>
\$604,000	\$1,097,000	(\$250,000)	(\$582,000)	\$869,000

○ The Discretionary Fund is projected to be used to cover NFL public safety costs above the public safety cost threshold, and other items at the Stadium Authority's discretion. The Civic Event is reflected in the FY 2025/26 Budget.

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<b>Stadium Authority Operating Budget (cont.)</b>
<b>Performance Rent Calculation</b>
<ul style="list-style-type: none"> <li>○ Stadium Authority pays the City performance-based rent on top of the fixed ground rent</li> <li>○ Performance-based rent is equal to 50% of the net income from Non-NFL events less 50% of the ground rent and any credited public safety costs</li> <li>○ Credited public safety costs is the amount by which public safety costs exceed the public safety costs threshold</li> <li>○ Performance-based rent is remitted to the City in July following the Stadium Authority's fiscal year-end.</li> </ul>

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## Stadium Authority Operating Budget (cont.)

### Performance Rent Calculation (cont.)

	Fiscal Year 2025/26 Projection	Fiscal Year 2026/27 Budget
<b>Performance Rent Calculation</b>		
Ground Rent	\$ 1,000,000	\$ 1,000,000
Net Non-NFL Event Revenue (Expense)	6,222,000	4,600,000
50% of Net Non-NFL Event Revenue (Expense)	\$ 3,111,000	\$ 2,300,000
Performance Rent Credit from Ground Rent (50% of Ground Rent)	(500,000)	(500,000)
<b>Subtotal</b>	<b>\$ 2,611,000</b>	<b>\$ 1,800,000</b>
Public Safety Credits	0	0
Other Credits	N/A	N/A
<b>Net Performance Rent paid to the City of Santa Clara</b>	<b>\$ 2,611,000</b>	<b>\$ 1,800,000</b>

Per Stadium Lease Paragraph 7.5.3(a), credited public safety costs is the amount by which public safety costs exceed the public safety costs threshold.

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## Stadium Authority Operating Budget (cont.)

### Shared Stadium Manager Expenses (cont.)

There are four (4) positions added to Security and one (1) position removed from Engineering:

- **Security:** FTE is increasing by 4 positions
  - Supports enhanced stadium security measures. In 2025, all 24/7 security responsibilities were transitioned in-house and removed from third-party vendors.
- **Engineering:** FTE is decreasing by net one position
  - Director of Engineering role shifted from Stadium Operations to Engineering. In addition, the Principal Project Manager and Project Manager roles were reallocated from Engineering to Stadium Operations. Eliminate the Vice President of Hospitality & Retail position.

## Stadium Authority Ten-Year Forecast

- Excess revenues projected in each year, \$17.7 million in FY 2026/27 to \$10.0 million in FY2035/36
  - Excess revenue transfer to City's General Fund in FY 2026/27 is projected to be \$4.5 million with minimal transfers in some later years
- Public Safety Cost 2024 Outstanding Balance paid off in FY 2026/27
- Renovation/Demolition Reserve not projected to be filled in the next ten years
- Overall Stadium Authority Reserves increase from \$105.1 million in FY2026/27 to \$115.7 million in FY2035/36
- Contributions to the City's General Fund include ground and performance rent, Senior and Youth Fees and Stadium Authority Excess Revenue.

## Stadium Authority Ten-Year Forecast (cont.)

### Stadium Contribution to the General Fund (in millions)

	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	FY34/35	FY35/36
Ground Rent	\$1.0	\$1.0	\$1.0	\$1.1	\$1.1	\$1.1	\$1.1	\$1.1	\$1.2	\$1.2
Performance Rent	2.6	1.8	1.9	0.7	1.6	1.0	1.2	0.9	0.6	1.3
Senior & Youth Fees	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Excess Revenue	4.5	0.4	-	0.2	-	-	-	-	-	-
<b>Total GF Impact</b>	<b>\$8.4</b>	<b>\$3.5</b>	<b>\$3.2</b>	<b>\$2.3</b>	<b>\$3.0</b>	<b>\$2.4</b>	<b>\$2.6</b>	<b>\$2.3</b>	<b>\$2.1</b>	<b>\$2.8</b>

\*Assumptions surrounding revenues and expenses in future years are described in the budget document. Information presented is based on budget submissions and assumptions that will need further refinement. The reduction to contribution from excess revenue reflects potential increases in capital contributions in future years which are still pending additional staff analysis.

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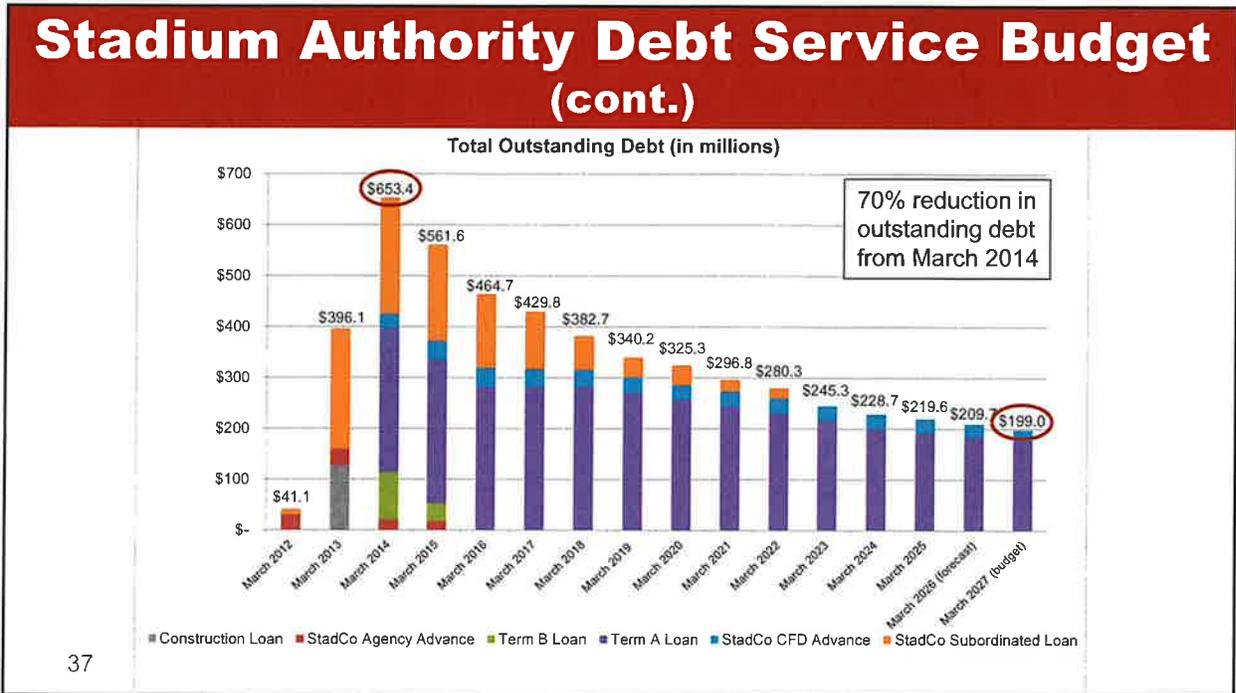
## Stadium Authority Debt Service Budget

### FY 2026/27

Debt Type	Budget
CFD Advance	\$3,769,000
Term A Loan	\$17,226,000
<b>Total</b>	<b>\$20,995,000</b>

- Debt service amount of \$21.0 million includes principal payment of \$10.8 million and interest payment of \$10.2 million
- Total outstanding debt is projected to decrease to \$199.0 million

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## Stadium Authority Capital Budget

**SCSA Role and Responsibilities re: CapEx Budget**

- **Tenant’s Exclusive Facilities (Stadium Lease 4.3.1):** Includes Stadium Commercial Areas (e.g., Team Store and Hall of Fame), Tenant’s Administrative Space, locker rooms and related training space, Stadium Audio/Video Facilities, Stadium Ticket Office, the Owners’ Club, and the Suite Tower and all Suites (excluding any Premium Stadium Areas and Press Areas in Suite Tower).
- **Stadium Operations Areas (Stadium Operations Agreement 9.3 and Stadium Lease Exhibit C-2):** Includes concessions, restrooms, roof, trash/recycling, storage, press box, etc. Stadium Manager can use these areas on behalf of Tenant and Stadium Authority to facilitate their respective use of Stadium.
- **Stadium Authority’s Obligations (Stadium Lease 7.1.1.b):** Except for Capital Repairs required for Tenant Improvements, Stadium Authority as the Landlord is responsible for performing Capital Repairs in the Stadium, South Lot, Bridges, and Main Lot. The reasonable cost of such Capital Repairs shall be paid from funds available in the Stadium Capital Expenditure Reserve, Operating Expense Reserve and, if applicable, Demolition Reserve Excess.

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## Stadium Authority Capital Budget

**Total Capital Budget of \$21.9 million**

- **Stadium Improvements: \$20.3 million**
  - **New Projects: \$11.1 million**
    - Construction (\$6.6 million): LED Lighting Replacement, Fire Alarm Upgrade, Restroom Flushing Device Replacement
    - Equipment (\$3.4 million): Cooling Towers, Back of House Control Panels, Amplifiers & Speakers
    - Contingency (\$1.0 million)
  - **Carryover Projects: \$9.3 million**
    - Construction (\$5.1 million): Lighting Systems, Waterproofing/Caulk/Joint Replacements
    - Equipment (\$3.3 million): Radio Booth Cabling, HVAC Boilers Exhaust Flues
    - Contingency (\$845,000)
- **Stadium Warranty-Related Construction: \$1.5 million**
  - Outstanding projects and claims are under review, upon confirmation that no warranty work is anticipated, funds can be allocated to general Stadium improvements

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## Stadium Authority Capital Budget (cont.)

### FY2025/26 Projects



General Areas/ Coating Main Deck

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## Stadium Authority Capital Budget (cont.)

### FY2025/26 Projects



Plumbing Boilers



Lighting Systems – Fixture Replacement of  
Major Outdoor Lighting / LED Retrofit / Sports  
Lighting

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## Stadium Authority Capital Budget (cont.)

### FY2025/26 Projects



Levi's Naming Rights Signage Refurbishment

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## Stadium Authority Capital Budget (cont.)

### FY 2026/27 Capital Expenditure Projects

- LED Lighting Replacement (\$4.8 million) – replaces existing fluorescent, incandescent, and High-Intensity Discharge (HID) fixtures with LED, part of multi-phase replacement
- HVAC Boilers and Boiler Exhaust Flues (\$1.0 million) – replaces boiler and/or critical boiler support components
- Back of House (BOH) Control Panels, Amplifiers & Speakers (\$2.1 million) – replacement of equipment that is beyond end of life

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## 2026 Marketing Plan

- The Stadium Manager submitted the 2026 Marketing Plan as part of annual Budget process.
- The Stadium Authority hired a consultant, Canyon Oaks Ventures, LLC, to conduct market trend research on how large multi-purpose venues market and promote Non-NFL Events and complete an assessment of the 2025 and 2026 Marketing Plans.
- Together, the research and review will:
  - Assess current market strategies
  - Provide benchmarking of stadium performance
  - Identify industry trends and areas for improvements

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## 2026 Marketing Plan

- Work efforts are in progress and expected to be completed in May/June 2026.
- Current agreement needs to be amended to extend the term and add additional funds to complete the two work efforts.
- Final report and recommendations will enhance the Stadium Authority's strategic oversight of the 2026 Marketing Plan, including:
  - Subsequent review of the 2026 Marketing Plan outcomes
  - Review and analysis of future Marketing Plans and related outcomes
  - Help inform ongoing discussions with the Stadium Manager related to booking profitable Non-NFL Events

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## Stadium Authority FY2026/27 Budget Key Summary

- Net Non-NFL Events Revenue budgeted at \$4.6 million
- Public Safety Costs (PSC) reimbursements over threshold expenditure is budgeted to be \$2.5 million
- PSC 2024 Outstanding Balance (\$4.9 million in FY 2025/26, \$0.4 million in FY 2026/27)
- Budget supports 2026 World Cup events
- Direct payments to the General Fund at \$7.5 million
- Additional \$5.7 million transfer to the CapEx fund to projects necessary to maintain the facility pending finalization of a facility condition assessment

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## Key Themes

- Proposed FY 2026-27 Budget = **\$79.5M**
- Elevated Revenues & Strong Operating and Cash Reserves = **\$88.7M**
- Direct Payments to the City's General Fund = **\$7.5M**

### **Challenges**

- Significant Capital Needs Projected
  - FY 26-27 Capital Request More Than Double Prior Forecast
  - FY 27-28 and Beyond More than Triple Prior Forecast

***Requires further analysis and negotiations with Stadium  
Manager and/or Tenant (StadCo)***

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## Key Themes

### Challenges, continued

- Not in alignment with Stadium Manager Recommendations
  - Office Rent Request
  - SCSA Funding for NFL Mandated Security Enhancements
  
- Further Inquiry Needed on...
  - Stadium Builder License Staffing
  - Recommendations for Capital Project Forecast
    - FY 27-28 and Beyond

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## Key Themes

### Next Steps

- Formally notify StadCo/ManCo of any items not approved within 10 days
- Continue to engage on FY 2027-28 Capital Projects (report back to the Board within 90 days)
- Facility Condition Assessments
  - Obtain Final StadCo/ManCo Facility Condition Assessment
  - Obtain SCSA Facility Consultant
    - Perform SCSA Facility Condition Assessment
    - Peer Review StadCo/ManCo Facility Condition Assessment
  - Work with StadCo/ManCo to reach agreement on Stadium Capital Needs
  - Determine funding strategies, renegotiate agreements, etc.
  - Seek SCSA Board direction/feedback (throughout process)

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## Recommendations

1. Adopt the Santa Clara Stadium Authority Fiscal Year 2026/27 Operating, Debt Service, and Capital Budget;
2. With respect to the CapEx Plan:
  - (a) Approve the Fiscal Year 2026/27 CapEx projects (Year One), of the Stadium Manager's 5-Year Capital Expenditure Plan, including such projects that are to be completed over Multiple Years;
  - (b) do not approve at this time CapEx projects to be commenced after Fiscal Year 2026/27 (Years 2 through 5); and
  - (c) upon completion of the Stadium Manager's FCA, Stadium Authority staff's evaluation and completion of its own FCA, and further discussions with Stadium Manager, return to the Board with staff's recommendation for Stadium Authority action on the CapEx program for Years 2 through 5;

## Recommendations (cont.)

3. Note and file the 2026 Levi's Stadium Marketing Plan;
4. Authorize the Executive Director to amend the Agreement with Canyon Oaks Ventures, LLC to extend the term through December 31, 2026, and increase the not-to-exceed amount up to \$130,000, as needed, to complete the described scope of work for a Stadium Non-NFL Event Marketing Plan Review and Market Trend Analysis;
5. Adopt the Stadium Authority Board Budget Policy; and
6. Adopt the Stadium Authority Board Compliance and Management Policy.

# Santa Clara Stadium Authority

## Public Hearing

Action on the Proposed Santa Clara Stadium Authority FY 2026/27 Budget, and Compliance and Management Policies, and 2026 Marketing Plan  
Item #5 (26-45)



March 10, 2026

## Stadium Authority Exhibit J Comparison

### Santa Clara Stadium Authority

#### 10-Year Forecast Comparison with Rent Arbitration Exhibit J

#### General Fund Impact

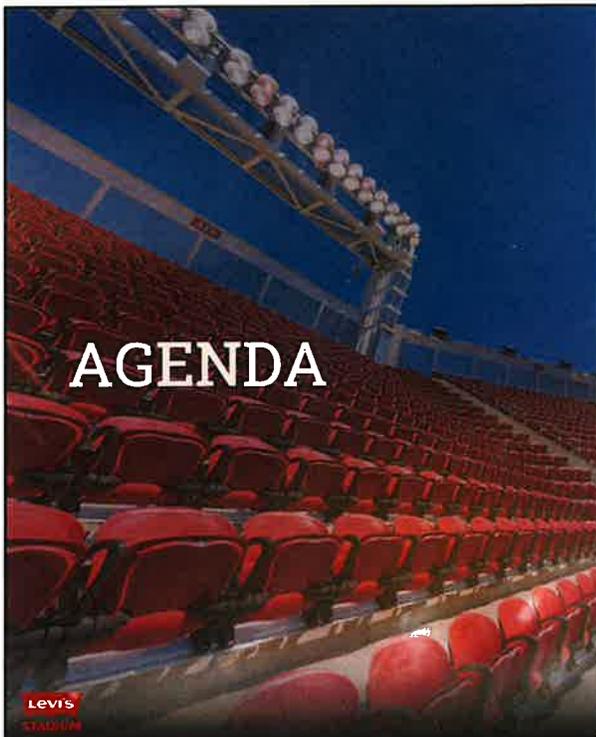
(In millions)

Levi's® Stadium Year of Operations	Fiscal Year	Actuals										Projected		Budgeted	Totals	
		2014/15	2016/16	2016/17	2017/18	2018/19	2019/20	2020/21 <sup>(1)</sup>	2021/22 <sup>(1)</sup>	2022/23	2023/24	2024/25	2025/26	2026/27		
<b>Original Lease Exhibit J</b>																
Ground Rent - Base		\$ 0.180	\$ 0.215	\$ 0.250	\$ 0.285	\$ 0.320	\$ 0.355	\$ 0.390	\$ 0.425	\$ 0.460	\$ 0.495	\$ 1.000	\$ 1.000	\$ 1.000		\$ 6.375
Ground Rent - Performance		2.410	2.467	2.527	2.589	2.654	2.721	2.790	2.862	2.937	3.014	2.860	2.961	3.064		35.858
Senior/Youth Fee		0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	0.230	2.990
Excess Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Original Lease Exhibit J Totals</b>		<b>\$ 2.820</b>	<b>\$ 2.912</b>	<b>\$ 3.007</b>	<b>\$ 3.104</b>	<b>\$ 3.204</b>	<b>\$ 3.308</b>	<b>\$ 3.410</b>	<b>\$ 3.517</b>	<b>\$ 3.627</b>	<b>\$ 3.739</b>	<b>\$ 4.090</b>	<b>\$ 4.191</b>	<b>\$ 4.294</b>		<b>\$ 45.221</b>
<b>Actuals/Budgeted</b>																
Ground Rent - Base		\$ 0.180	\$ 0.215	\$ 0.250	\$ 0.285	\$ 0.320	\$ 0.355	\$ 0.390	\$ 0.425	\$ 0.460	\$ 0.495	\$ 1.000	\$ 1.000	\$ 1.000		\$ 6.375
Ground Rent - Performance		2.509	2.937	2.533	2.439	-	-	-	4.175	3.150	4.582	2.611	1.800			28.736
Senior/Youth Fee		0.239	0.234	0.230	0.225	0.228	0.250	-	0.236	0.250	0.250	0.279	0.300	0.250		2.971
Excess Revenue		-	-	-	-	-	-	-	-	-	-	\$ 6.165	4.879	4.474		16.618
<b>Actuals/Budgeted</b>		<b>\$ 2.928</b>	<b>\$ 3.386</b>	<b>\$ 3.013</b>	<b>\$ 2.949</b>	<b>\$ 0.548</b>	<b>\$ 0.606</b>	<b>\$ 0.390</b>	<b>\$ 0.861</b>	<b>\$ 4.885</b>	<b>\$ 3.895</b>	<b>\$ 12.026</b>	<b>\$ 8.790</b>	<b>\$ 7.624</b>		<b>\$ 61.600</b>
<b>Comparison</b>																
Ground Rent - Base		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ground Rent - Performance		0.099	0.470	0.006	(0.150)	(2.654)	(2.721)	(2.790)	(2.862)	1.238	0.136	1.722	(0.350)	(1.264)		(9.120)
Senior/Youth Fee		0.009	0.004	-	(0.005)	(0.002)	0.020	(0.230)	0.006	0.020	0.020	0.049	0.070	0.020		(0.049)
Excess Revenue		-	-	-	-	-	-	-	-	-	-	\$ 6.165	4.879	4.474		16.618
<b>Actuals/Budgeted Higher/Lower than Exhibit J</b>		<b>\$ 0.108</b>	<b>\$ 0.474</b>	<b>\$ 0.006</b>	<b>\$ (0.155)</b>	<b>\$ (2.656)</b>	<b>\$ (2.701)</b>	<b>\$ (3.020)</b>	<b>\$ (2.856)</b>	<b>\$ 1.268</b>	<b>\$ 0.156</b>	<b>\$ 7.936</b>	<b>\$ 4.599</b>	<b>\$ 3.230</b>		<b>\$ 6.379</b>

<sup>(1)</sup>FY 2020/21 & 2021/22 Performance Rent and Senior/Youth Fee Impacted by COVID-19 Pandemic

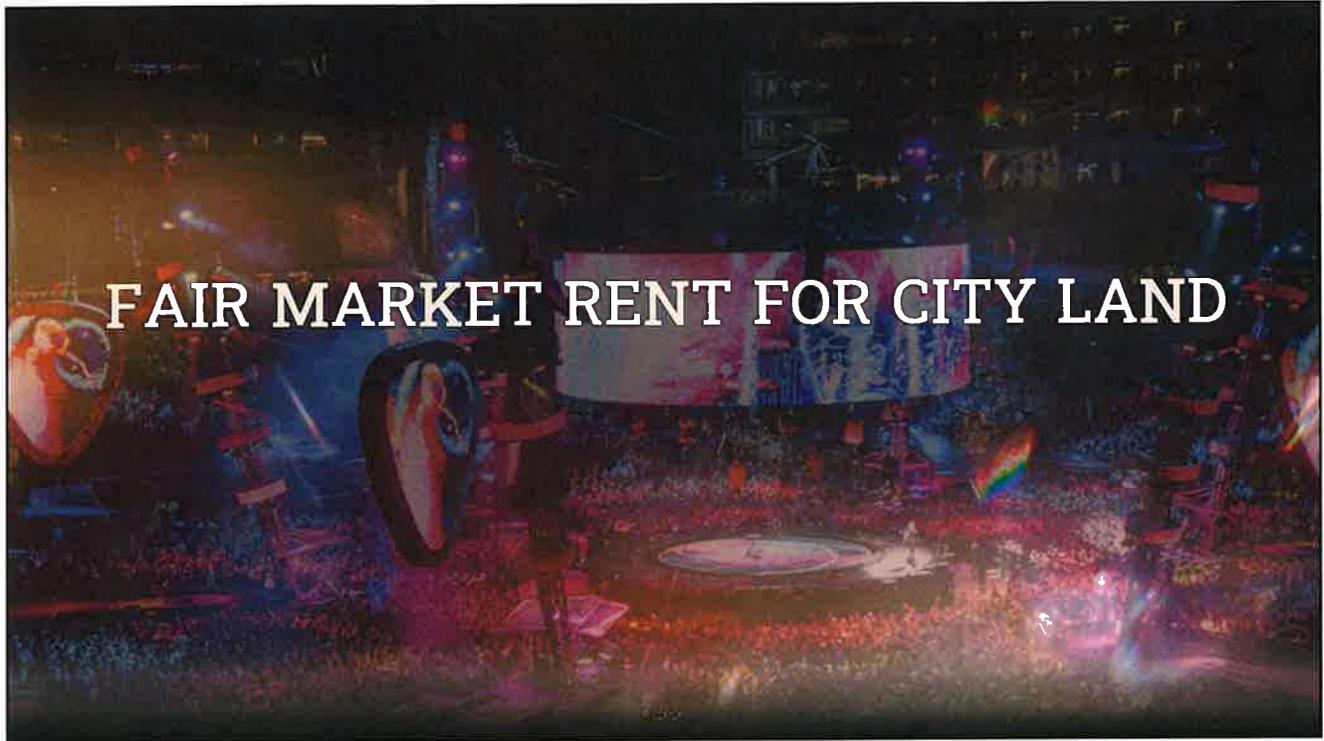


1



- 01** The City's general fund has **already received** revenue that exceeds the fair market value of the stadium land.
- 02** Non-NFL Event Revenue continues to **exceed** original forecasts.
- 03** The latest consultant evaluation of the Non-NFL Event Marketing Plan is **overdue, over budget** and is not a valid reason to delay approval of the FY26/27 Marketing Plan.
- 04** The recommendation by SCSA Staff to **delay approval of the FY26/27 5-Year Capital Expenditure Plan is a mistake**. We have a compromise proposal.

2



3

# FAIR MARKET RENT FOR CITY LAND

As required by Measure J, On 2.28.12 The **Santa Clara City Council approved Resolution 12-7909** confirming their determination that the Ground Lease was projected to provide fair market rent for the City land.

The City's land valuation, prepared by Keyser Marston (KMA), concluded the land value "could be nearly" \$14.5M (cash), and **\$21.5M (ground lease)**.

KMA concluded that the projected Base Rent and Performance Based Rent (PBR) under the **Ground Lease had a net present value (NPV) in 2012 of \$34M.**

Over the 40 year lease term, the projected Base Rent NPV was \$10M, and the PBR was \$24M, indicating that **only \$11.5M of PBR was needed** in order for the City to achieve the \$21.5M FMV.

I. The City Council hereby finds that the Ground Lease contains the provisions necessary to comply with Measure J and Section 17.20.020 of the City Municipal Code, and in particular the City Council hereby finds and determines that based on the information presented by Keyser Marston in that certain report titled Updated Economic Evaluation of Fair Market Rent for the Stadium Site, that the performance based rent and fixed rent set forth in the Ground Lease is projected to provide a fair market rent to the City.

AYES:	COUNCILORS:	Gillmer, Kostas, Mahan and Moore and Mayor Matthews
NOES:	COUNCILORS:	Kennedy and McLeod
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST:  
  
 ROD ERICKSON, JR.  
 CITY CLERK  
 CITY OF SANTA CLARA

the net market value could be nearly \$14.5 M, with an open market rent of about \$1.15 M per year at an 8% lease rate. Such annual rent equates to a net present value of \$21.5 million (applying a 6% discount rate) assuming escalation in ground rent approximately every five years and a 40 year lease term for consistency of comparison to the proposed stadium ground lease.

**III. Conclusion**

Based on the economic analysis delineated in this document, Fixed Ground Rent generated by the Stadium Authority Lease will equate to a net present value of \$10 million (rounded), and Performance Based Rent is projected to have a net present value of \$24 million. Alternatively, it is projected that the site could achieve a net present value of \$21.5 million if placed on the open market. Therefore only \$11.5 million (48%) of the \$24 million projected Performance Based Rent from the Stadium Lease needs to be achieved to match the ground rent achievable in the open market (\$11.5 million Performance plus \$10 million fixed or \$21.5 million total equals the Open Market Rent).



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## Payments to City as of FY25/26F

Through FY25/26, the City's General Fund has already received \$41.8M, with an NPV of \$28.1M – compared to the land FMV of \$21.5M (excluding the Youth and Senior sports fees of ~\$2.5M).

The City has **already received fair market value for its land**, and we are only in year 12 of a 40 year lease.

Discount Rate of 4%:

- In considering the NPV of that \$41.8M, it's important to put ourselves back in February 2012 when the City Council made its FMV finding.
- In 2012 there was uncertainty as to the amounts and timing of future cash flows. But now, with perfect hindsight, that uncertainty has been eliminated, which means a lower discount rate is appropriate.
- In 2012, the "risk free" interest rate (e.g. the 10-year treasury rate) was ~2%. We used a 4% discount rate in this calculation to be conservative.



### Payments to City FY14-FY25 (\$000s)

Year	Base Rent	Performance Based Rent	Excess Revenues to GF	Total to City General Fund
2012	-	-	-	-
2013	-	-	-	-
2014	180	2,509	-	2,689
2015	215	2,937	-	3,152
2016	250	2,533	-	2,783
2017	285	2,439	-	2,724
2018	320	-	-	320
2019	355	-	-	355
2020	390	-	-	390
2021	425	-	-	425
2022	460	4,175	-	4,635
2023	495	3,150	-	3,645
2024	1,000	4,582	6,185	11,747
2025F	1,000	2,611	5,305	8,916
<b>Total</b>	<b>\$ 5,375</b>	<b>\$ 24,936</b>	<b>\$ 11,471</b>	<b>\$ 41,781</b>
Discount rate	4%	4%	4%	
NPV @ Feb '12	\$ 3,624	\$ 17,690	\$ 6,766	\$ 28,080

5

## NON-NFL EVENT REVENUES

6

## Non-NFL Revenue Continues to Exceed Forecast

Despite claims to the contrary, Non-NFL Revenue continues to be strong.

For the past four years, NNE Revenue has exceeded the KMA forecast by ~60% on average.

Critics often selectively omit several key factors:

- Non-NFL Ticket Surcharge collected for the SCSA is a major revenue source.
- Two years of COVID - no events.
- Skyrocketing Public Safety Costs have crushed NNE profits - they are 2X comparable venues. At Levi's Stadium, PSC is the second largest event expense - right behind the cost of performers.



### KMA Projections vs. Actuals (in \$000s)

Fiscal	KMA Projections		Actuals		+ / (-)
	NNE Profit	NNE Profit	NNE Surcharge	Totals	
2014	4,960	5,208	634	6,042	1,082
2015	5,109	6,079	3,053	9,132	4,024
2016	5,262	5,317	2,351	7,668	2,405
2017	5,420	5,163	1,537	6,700	1,281
2018	5,583	19	1,593	1,611	(3,971)
2019	5,750	(2,741)	735	(2,006)	(7,756)
2020	5,922	(510)	-	(510)	(6,432)
2021	6,100	(286)	-	(286)	(6,387)
2022	6,283	8,809	1,280	10,089	3,806
2023	6,472	8,267	1,593	9,860	3,388
2024	6,666	10,164	1,394	11,558	4,892
2025F	6,866	6,222	4,097	10,318	3,452
<b>Totals</b>	<b>70,392</b>	<b>51,710</b>	<b>18,467</b>	<b>70,176</b>	<b>(216)</b>
<b>Totals Excluding COVID</b>	<b>58,370</b>	<b>62,506</b>	<b>18,467</b>	<b>70,972</b>	<b>12,603</b>

© 2026 7

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8

# NNE MARKETING CONSULTANT

This project is now 5.5X over the original budget, and two years behind schedule. This is an example of the delays and cost overruns we have seen on projects.

## Mar '24

SCSA approved Marketing plan and asked Staff to get an outside Consultant to review Marketing Plan.

## Jul '24

SCSA issued an RFP for a Marketing Consultant. According to the RFP, the cost was not to exceed \$20K, and the report was due 8/29/24.

## Mar '25

SCSA did NOT approve the Marketing Plan. The consultant report was not completed, and Staff requested a budget of \$50K.

## Dec '26

Staff is now requesting an extension to the Canyon Oaks contract through 12.31.26, and an increase in the cost to \$130K.

## Recommendation

Based on the actual results, the Marketing Plan has proven to be successful and FY26/27 Plan should be approved.



9

# APPROVAL FOR CAPEX REQUIRED



10

## SCSA Staff’s Recommendation to Disapprove the Capital Expenditure Plan is a Mistake

The 5-Year plan is an **integral component** of the overall Capital Expenditure Plan. It allows the Stadium Manager to plan and prepare for future capital projects, within the context of a busy event schedule at Levi’s Stadium.

StadCo and the SCSA are both required to either approve the plan, or they have 45-days to provide detailed comments on individual items they disapprove. (Lease 10.4.1).

The proposal by Staff to simply delay approval of the five-year plan (except for projects that start in FY26/27) does not make sense.

- Staff is overly optimistic in their estimated time for reviewing/completing an FCA. 12.31.26 is unrealistic.
- Event schedule dictates project schedule – typically April to June.
- Delaying capital projects means important systems will “run to failure,” likely requiring expensive emergency repairs.

### Examples of capital projects that SCSA will disapprove under Staff’s recommendation:

Project Name	Sub category	2026*	2027	2028	2029	2030	Totals
ADA Platforms	Seating Bowl	\$0	\$1,500,000	\$0	\$0	\$0	\$1,500,000
Wayfinding Signs	Wayfinding and other Code Signage	\$0	\$1,238,036	\$0	\$0	\$0	\$1,238,036
Steel Coatings	Structural Steel Coatings	\$0	\$0	\$963,406	\$1,970,525	\$0	\$2,933,931
Window Gasket Replacement	Doors & Windows	\$0	\$658,944	\$0	\$0	\$0	\$658,944
<b>TOTALS</b>		<b>\$0</b>	<b>\$3,396,980</b>	<b>\$963,406</b>	<b>\$1,970,525</b>	<b>\$0</b>	<b>\$6,330,911</b>



- 01** SCSA and StadCo **approve the Capital Expenditure Plan for FY26/27 and modified plan for FY27/28.**
- 02** Consideration of the **remaining Capital Plan for FY27/28 brought back to council for vote within 90 days.**
- 03** Consideration of the Capital Plans for FY28/29, FY29/30, FY30/31 are postponed until SCSA Staff evaluates the proposed projects, prior to March 2027. Capital Plans for those three years (along with FY31/32) will be **considered as part of the FY27/28 budget process in March 2027.**

# COMPROMISE PROPOSAL SUMMARY

A summary of the Staff recommendation (approved capex for FY26/27 + multi-year projects) and compromise plan for FY27/28 approval (additional \$5.7M) is below. Further details follow on the next page.

	2026	2027	2028	2029	2030	Total
Carry forwards from FY25/26	\$10,333,804					\$10,333,804
New Projects for FY26/27	\$10,008,271					\$10,008,271
Multi-Year Projects begun FY26/27		\$4,366,208	\$5,120,451	\$3,746,649	\$280,800	\$13,514,109
Remaining FY27/28 Projects		\$5,755,371	\$0	\$0	\$0	\$5,755,371
<b>Total</b>	<b>\$20,342,075</b>	<b>\$10,121,579</b>	<b>\$5,120,451</b>	<b>\$3,746,649</b>	<b>\$280,800</b>	<b>\$39,611,554</b>



## FY27/28 Approval Detail & Discussion

### FY27/28 Projects to be Approved

Project Name	Category	FY27
ADA Platforms	Architectural	\$1,500,000
Air Compressors	Architectural	\$114,950
Beer Systems	Architectural	\$410,107
Replace Furniture - First Aid Hospital Beds	Architectural	\$68,970
Seismic Joints	Architectural	\$369,096
Tire Shredder	Architectural	\$131,234
Trench Drain Replacement	Architectural	\$118,111
Wayfinding Signs	Architectural	\$1,238,036
Ceilings - Grid or Metal Outdoor Stadium	Building Envelope	\$143,688
Exterior Facing Fixed Glazing	Building Envelope	\$147,963
Window Gasket Replacement	Building Envelope	\$658,944
Backflow Preventers repair/replace as needed	Building Systems	\$57,475
Condenser Water systems and VAV wet units	Building Systems	\$114,950
Elevator Modernization	Building Systems	\$287,375
Heat Exchanger	Building Systems	\$114,950
Irrigation - Interior field and roof garden pumps and piping	Building Systems	\$22,990
Surveillance - Command Center Equip.	Building Systems	\$114,950
Kawasaki ATVs	Public Safety	\$53,000
Backbone Fiber Optics	Technology	\$88,583
<b>Totals</b>		<b>\$5,755,371</b>

### FY27/28 Projects to be Discussed

Project Name	Category	FY27
Premium Areas	Architectural	\$2,410,116
Swisspearl Exterior Panel System	Building Envelope	\$500,000
<b>Totals</b>		<b>\$2,910,116</b>





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