

7/5/2022

item 11

# Santa Clara Stadium Authority

## Action to Delegate Authority to Executive Director to Procure, Negotiate, and Execute an Agreement for Levi's Stadium Naming Rights Signage Assessment Services

July 5, 2022 Item #11



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## May 2021 Board Direction

- April 2022: Stadium Manager submitted a request to procure interim repairs (up to \$420,000).
- May 10, 2022: Stadium Authority Board approved the Stadium Manager's request and directed staff to review the available Naming Rights signage documentation as provided by the Stadium Manager to advise the Board on next steps.



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POST MEETING MATERIAL

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## Naming Rights Agreement

- Naming Rights Entitlements includes Exterior Stadium Signage [Schedule 1]:
  - Suite Tower – Marquee Sign
  - Suite Tower – Theme Graphics
  - East Façade Marquee Sign
  - Stadium Gate Signage
- Except for the changes requested by the Naming Rights Sponsor, all the signage granted to the Naming Rights Sponsor shall be designed, produced, installed, illuminated, and maintained by the SCSA at the SCSA's expense. [Section 3(g)]



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## Naming Rights Agreement

- SCSA shall be responsible for the cleaning, repairing and maintenance of all signage included in the Naming Rights Entitlements.
- Levi's shall be entitled, at its sole cost and expense, to replace, update, change, refresh or refurbish any such initial signage at any time and from time to time (and for any reason). [Section 5(f)]



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## Existing Third-Party Assessment

- August 2021: the Stadium Manager provided an assessment report prepared by sign vendor, AD/S, for the Levi's Stadium Naming Rights exterior signage.
- AD/S' assessment included:
  - Review of internal documents
  - June 2021 onsite survey
  - Summary of discoveries
  - Recommendation to remove the existing signage and replace with new

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## Summary of Assessment

1. Current condition of the signs was not recommended for retrofit/reconstruction.
2. Levi's Stadium would be without Naming Rights signage for a significantly longer timeframe if decision is to reuse and reconstruct the signs to complete working order compared to removal and replacement.
3. Equipment required onsite will directly impact Stadium events.
4. Repair vs. replacement costs. ~\$995,000 and ~\$1,190,850, respectively, based on market conditions at the time.
5. Material and product used to fabricate these signs have evolved greatly since 2014.

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## Staff Analysis

- Scope of the third-party assessment was comprehensive; however, signs' condition have changed through subsequent repairs.
- September 2021 Repairs (\$249,000): Removal of red fabric, replacement of 100% red LEDs in the East and West signs and 50% of red LEDs in the North and South signs, original fabric was reinstalled.
- Additional repairs anticipated to be completed by August 2022 (\$420,000): Replacement of 100% of white LEDs for signs and the remaining 50% of red LEDs in the North and South signs.

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## Staff Analysis (Continued)

- Given the signs' updated condition, some of the analysis/conclusions in the AD/S report may have changed or no longer apply.
- Without additional assistance, SCSA and City do not have the internal resources or expertise necessary to advise the Board on the best next course of action: 1) continue to repair as the need arises, 2) refurbish the signage, or 3) replace the signage.
- An independent assessment to evaluate the Naming Rights exterior signage is recommended.
- If approved, third-party assessment will be procured during Council recess. Report completed by Fall 2022.

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## **Recommendation**

1. Authorize the Executive Director to procure, negotiate, and execute an agreement with a third-party vendor in an amount not to exceed \$30,000 to assess the Levi's Stadium Naming Rights exterior signs and make a recommendation on the most cost-effective long-term approach.



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