

Santa Clara Stadium Authority

Study Session on Planned FIFA World Cup 2026 Matches at Levi's Stadium in Santa Clara



December 10, 2024

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Agenda

- Background/Overview
 - City/Stadium Authority Updates
 - FIFA Men's World Cup 2026 Documents and Agreements
 - Estimated Public Safety, and Other Event Costs
 - Assignment and Assumption Terms
 - Required Facility Improvements
 - Next Steps
 - Staff Recommendation
-
- Bay Area Host Committee Presentation



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2026 Major Events Background/Overview

Jövan D. Grogan
City Manager/Executive Director
City of Santa Clara/Stadium Authority



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Overview

- **In 2026, Levi's Stadium is anticipated to host**
 - Super Bowl LX in February
 - Six FIFA World Cup 2026 matches between June 13 – July 1
- **Levi's Stadium** is owned by the Santa Clara Stadium Authority, a public entity formed by the City of Santa Clara in 2011
- **Santa Clara Stadium Authority** contracts with Forty Niners Stadium Management Company, LLC for day-to-day operations
- **Santa Clara Police Department** is the lead law enforcement agency responsible for public safety planning and operation implementation
- **Since June 2023**, the City has been working with BAHC, Forty Niners, FIFA, NFL, U.S. Conference of Mayors, FBI, DHS, CHP, CA National Guard, CAL OES, and other partners, on planning these Major Events

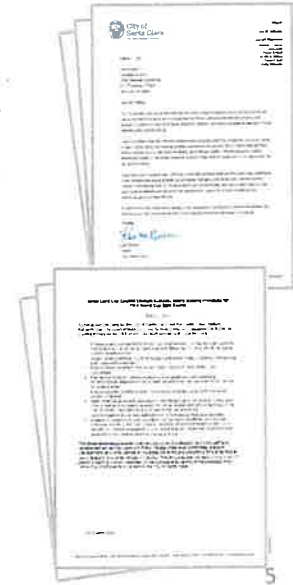


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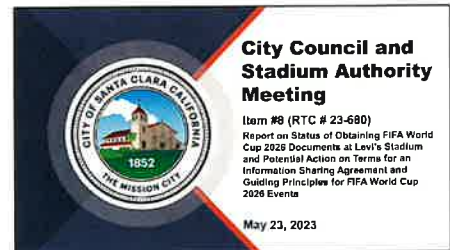
Prior City/SCSA Board Actions

- **On August 31, 2017**, Mayor Gillmor submitted a letter of support on behalf of the City.
 - *"The City of Santa Clara would like to declare its strong interest in being a host city for the 2026 World Cup."*
 - *"I am pleased to confirm that the City of Santa Clara/Levi's Stadium will submit a proposal to host one or more."*
 - *"We unequivocally support this bid and look forward to welcoming you to our beautiful city."*
- **On February 22, 2022**, City Council voted in favor of a resolution to support the City's bid to host one or more FIFA games
- **On May 23, 2023**, City Council and Stadium Authority Board voted to:
 - Adopt the Santa Clara City Council Guiding Principles for FWC26
 - Direct the City Manager/Executive Director and City Attorney/Stadium Authority Counsel to negotiate and execute an Information Sharing and Event Cooperation Agreement



Overview (cont.)

- **May 23, 2023**, staff presented an Informational Report on FWC26 preparations, covering
 - Recent Efforts to Obtain World Cup 2026 Documents
 - Staff Document Assessment & Event Preparations
 - Draft Guiding Principles for World Cup 2026 Events



World Cup 2026 Guiding Principles

Adopted by the City Council and Stadium Authority Board (May 23, 2023)

1. Professionally oversee FIFA World Cup 2026 events in a manner that positively highlights the City of Santa Clara and celebrates the rich diversity of Santa Clara's neighborhoods.
2. Attain reimbursement of all event costs, including public safety (pre- and post-event costs).
3. Ensure direct benefits to the Santa Clara community and Santa Clara businesses.
4. Plan and provide for communication and engagement with residential neighborhoods adjacent to Levi's Stadium and other venues that will be utilized for large events.
5. Ensure specific benefits to and involvement of Santa Clara youth and adult soccer programs.
6. Seek revenue generating utilization of the Santa Clara Convention Center and other event and recreation spaces (including college and school facilities) in the City of Santa Clara without any impact to the General Fund.
7. Seek mitigation of City and Stadium Authority financial risks and liabilities.
8. Engage in transparent communication on pre-planning efforts, with periodic progress reports to the City Council, including reports published on the City's website to promote engagement and awareness for residential neighborhoods adjacent to the Stadium and the City as a whole.
9. Pledge that the Santa Clara City Council, Stadium Authority Board, and City staff will follow the law, act ethically and transparently with the expectation that other parties do the same.



Overview (cont.)

- **September 26, 2023**, staff presented an Informational Report on FWC26 preparations, covering:
 - 2026 Major Events Management Structure
 - Update on External Stakeholder Meetings
 - Bay Area Host Committee (BAHC)
 - Valley Transportation Authority (VTA)
 - Update on Information Sharing Agreement and Document Acquisition Status
 - FIFA Field of Play Requirements



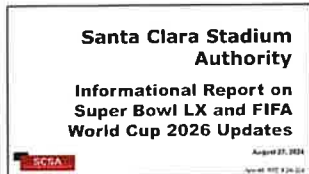
Overview (cont.)

- **March 5, 2024**, staff and the Bay Area Host Committee (BAHC) presented an Informational Report on Super Bowl LX and FWC26 Updates. Key topics related to FWC26 included:
 - FWC26 Match Schedule for Levi's Stadium
 - Stakeholder Structure
 - City Infrastructure and Resource Needs
 - Capital Improvements Leading Up to 2026 and FIFA Field Requirements
 - Emergency Preparedness and Public Safety Planning Updates
 - Update on Assignment & Assumption Agreement Negotiations








Overview (cont.)

- **August 27, 2024**, Staff and Stadium Authority presented an Informational Report on Super Bowl LX and FWC26, covering:
 - **Cost and Planning Strategy** – Staff outlined a reimbursement strategy under an Interim Funding Agreement with BAHC for FWC26 event-related expenses, starting July 1, 2024 through December 31, 2024.
 - **Public Safety and Emergency Planning** - Ongoing planning and training sessions emphasized robust safety measures for major events. Updates were provided to regional safety councils, ensuring local plans align with broader priorities.
 - **Infrastructure and Venue Preparations** – Discussed that plans to modify the stadium field to meet FIFA standards, including demountable structures, are under review. All costs are expected to be covered by BAHC.
 - **National Security and Safety Conferences** - Staff attended various conferences and seminars on emergency response, AI in safety, and cybersecurity to enhance readiness for Super Bowl and World Cup events.
 - **Negotiations and Agreements** – Update Assignment and Assumption Agreement and key terms being negotiated.







World Cup 2026 Stakeholders

-  Non-profit focused on bringing and managing mega-events in the Bay Area. Host City for both SBLX and FWC26.
-  Professional football league responsible for organizing the annual Super Bowl event.
-  Soccer's international governing body that organizes the FIFA World Cup, an international competition between FIFA's national teams.
-  Local jurisdiction where Levi's Stadium is located. Lead agency responsible for public safety and permitting for the events.
-  Owner of Levi's Stadium, which will host SBLX and six FWC26 matches.

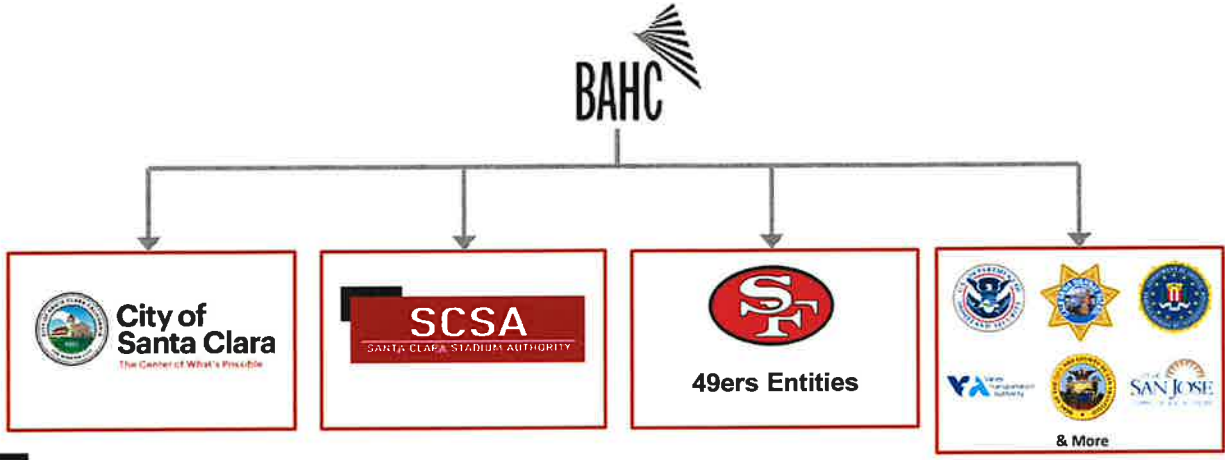


World Cup Stakeholder (Cont.)

-  & more Federal partners to work with City/SCSA and BAHC on public safety and security for the 2026 major events.
-  & more State partners to work with City/SCSA and BAHC on emergency planning, public safety and other items for the 2026 major events.
-  & more Regional partners to work with City/SCSA and BAHC on public safety, emergency planning, and other items for the 2026 major events.
-  & more Regional public transportation agencies to work with City/SCSA and BAHC to coordinate transportation to and from the 2026 major events.



Key Stakeholder: BAHC as Overall Event Coordinator



BAHC Active Across All Levels of Government



Federal:

- White House Task Force (FIFA)
- Security (NSA)
- Transport (DOT)
- Appropriations

State:

- Bid and Event Support (Governor, Lt. Gov, Representatives)
- Emergency Services (OES)
- Transport (DOT)
- Appropriations

Local:

- Bid and Event Support (Mayor + Council, City Staff, County Presidents and Boards of Supervisors)
- Public Safety and Security
- Local Transportation Agencies (VTA, Caltrain etc)
- Labor & Human Rights
- Climate & Sustainability

Key Stakeholder: 49ers Entities



49ers Entities



ManCo

ManCo, as Stadium Manager, to assist BAHC to fulfill its Stadium Agreement obligations.



StadCo

StadCo to purchase suites to fulfill its owner suite obligations.



TeamCo

TeamCo to provide guarantee to cover shortfall if BAHC is unable to meet its reimbursement obligations

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FWC26 Overview

The FIFA World Cup is an international soccer competition between national teams under FIFA, the sport's global governing body. Held every four years, it is the most prestigious and widely viewed single sporting event in the world

- FIFA launched the 2026 World Cup bid process in May 2016, with final bids due by March 2018.
- United States, Canada, and Mexico were selected as hosts on June 13, 2018
- On June 16, 2022, FIFA announced the 16 regions that will host matches for World Cup

1. Atlanta (Mercedes-Benz Stadium)
2. Boston (Gillette Stadium)
3. Dallas (AT&T Stadium)
4. Guadalajara, Mexico (Estadio Akron)
5. Houston (NRG Stadium)
6. Kansas City (Arrowhead Stadium)
7. Los Angeles (SoFi Stadium)
8. Mexico City, Mexico (Estadio Azteca)

9. Miami (Hard Rock Stadium)
10. Monterrey, Mexico (Estadio BBVA)
11. New York / NJ (MetLife Stadium)
12. Philadelphia (Lincoln Financial Field)
13. San Francisco Bay Area (Levi's Stadium)
14. Seattle (Lumen Field)
15. Toronto, Canada (BMO Field)
16. Vancouver, Canada (BC Place)

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FWC26 Overview (cont.)

On February 4, 2024, FIFA announced the match schedule for FWC26

Group Matches

- 48 teams
- 12 "groups" of 4 teams each
- Top 2 from each group and top 8 third place teams advance

Knockout Matches

- 32 teams
- Single elimination
- Final on July 19 at New York/New Jersey Stadium



Levi's Stadium is scheduled to host six (6) matches over a 19-day period

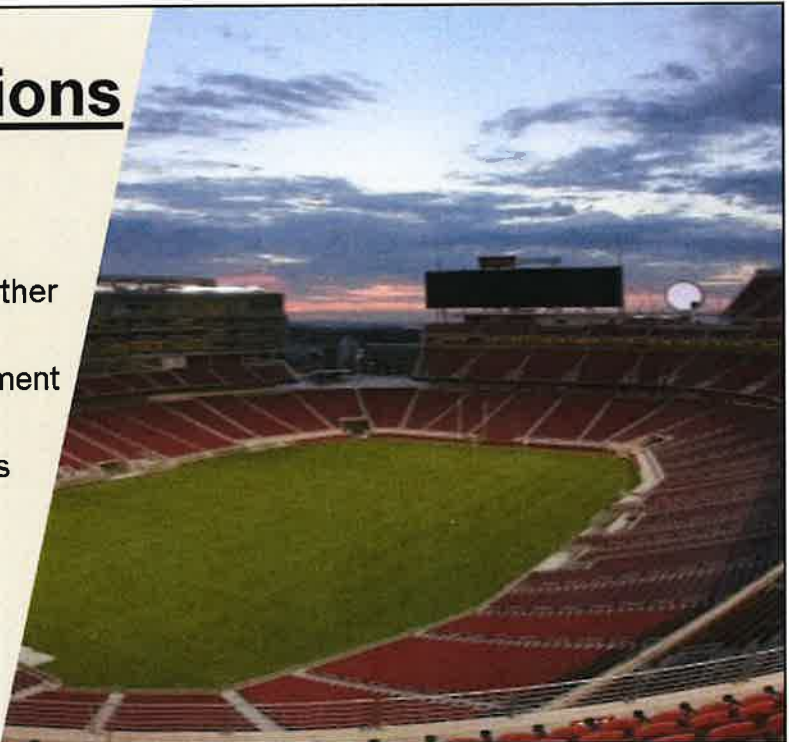
- Group Matches:
June 13, 16, 19, 22 and 25
- Knockout Match:
July 1, 2026

★ *Teams assigned to Levi's Stadium still to be determined. Each matchup will be evaluated for public safety risk.*



Discussion Sections

1. FIFA World Cup 2026 Key Documents
2. Estimated Public Safety, and Other Event Costs
3. Proposed Terms for an Assignment and Assumption Agreement
4. Required Facility Improvements



FIFA World Cup 2026 Key Documents

Glen Googins
City Attorney/General Counsel
City of Santa Clara/Stadium Authority



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Key Documents Section

The Challenge

The City and Stadium Authority initially lacked access to key FWC26 agreements between BAHC, ManCo, and FIFA, as staff were not involved in negotiations of these agreements and FIFA was not accustomed to making such documents public, especially while many terms were still under negotiation at various venues resisted disclosure.



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Process to Acquire Documents

- **Late 2022 - Early 2023:** City/Stadium Authority requests documents from ManCo and BAHC to assess obligations and risks, with little progress
- **April-May 2023:** City engages ManCo, BAHC, and FIFA to develop an information-sharing framework
- **May 23, 2023:** Information Sharing Agreement framework presented at City/Stadium Authority meeting
- **August 1, 2023:** After extensive negotiations, agreement on terms finally reached and Information Sharing Agreement is finalized



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Information Sharing Agreement Overview

- Requires ManCo, BAHC, and FIFA to share relevant World Cup documents with the City/SCSA.
- City/SCSA agrees to meet and confer to identify confidential information, not to disclose confidential information to the public, and coordinate on CPRA requests for confidential information.
- City/SCSA internal access to confidential documents limited to "Relevant Personnel"
- Protocols for maintaining confidentiality include requirement for Relevant Personnel to execute an "Acknowledgement of Duty of Confidentiality as a condition to full access
- Types of documents and level of access arranged into three "categories" depending upon whether or not City/SCSA is a party, and whether document contains information that might have a direct or material indirect impact on City/SCSA responsibilities or resources



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Document Categories

- **Category One:** World Cup agreements entered into “on behalf of” Stadium Authority, that are public documents. City/SCSA to get possession, with ability to disclose to the public with only exempt “confidential” information redacted. E.g. the Stadium Agreement.
- **Category Two:** Documents to which neither City nor SCSA is a party but reasonably expected to have direct or material indirect impact on City/SCSA. City/SCSA can review but not possess, so not disclosable to the public. E.g., the Host City Agreement
- **Category Three:** Agreements not in category One or Two, but involving activities that may occur in City. BAHC/FIFA to provide list for City/SCSA review and meet and confer or relevance/level of access to be provided. E.g., hotel, local event or training site agreements.



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Document Sharing Under the ISA

- **August 2023:** Parties meet and confer regarding proposed redactions
- **August 29, 2023:** Partially redacted Stadium Agreement shared with Council in preparation for its release to public
- **September 8, 2023:** public release of the redacted Stadium Agreement to the San Francisco Chronicle; shortly thereafter, agreement posted online
- **September 22, 2023:** Acknowledgement of Duty of Confidentiality forms distributed to Council for ISA access
- **October 2023:** "Intralinks" platform activated for Council/Authority to review Category Two documents, including the Host City Agreement
- **January 2024:** Redacted Addendum to the Stadium Agreement released and posted online
- **September-November 2024:** FIFA reminded that unredacted documents may need to be public for decision-making
- **December 6, 2024:** Substantially unredacted Stadium Agreement and Addendum released via a Public Records Act request and included in this report



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Key Documents Matrix

| Documents | Parties | Purpose | Disclosure Status |
|--|---------------------------------|--|---|
| Stadium Agreement (2018) | ManCo and USA Soccer (now FIFA) | Required bid package submittal; specifies Stadium operations and infrastructure requirements | <ul style="list-style-type: none"> Initial "redacted" version on 9.8.2023 Substantially "unredacted" version on 12.6.2024 |
| Host City Agreement (2018) | BAHC and FIFA | Required bid package submittal; specifies "Host City Authority" local and regional event support obligations | <ul style="list-style-type: none"> Disclosed to City/SCSA on "Intralinks" Not disclosed to public because not a "public record" in possession of City/SCSA |
| Addendum (to both) (2022) <i>Note: Amended and Restated Addendum Pending</i> | ManCo, BAHC and FIFA | Provides financial, infrastructure and operational details unique to Levi's Stadium | <ul style="list-style-type: none"> Stadium Agreement portion: Initial redacted version disclosed to public 1.10.24; substantially unredacted on 12.6.2024 Host City Portion only available to City/SCSA on "Intralinks" |



Stadium Agreement Basics

- Sets forth FIFA's terms for stadium operations and infrastructure and initial terms for allocation of event costs and revenues
- Heavily favors FIFA, with reserved right to add or amend requirements
- Similar agreements in place at other venues
- The Addendum adds terms specific to Levi's Stadium, including:
 - Replacing USA Soccer with FIFA as the contracting party
 - Defining "Basic Services" and stadium rental fees (now unredacted)
 - Updating the Stadium Footprint Map for FIFA's exclusive use (security details remain redacted).
 - Specifying required field and technical improvements
- Under the proposed Assignment and Assumption Agreement, ManCo's responsibilities under the agreement will transfer to BAHC, leaving no direct obligations for the City or Stadium Authority



Stadium Agreement Basics (cont'd)

Remaining Redactions

- "Version 2" of the Stadium Agreement and Addendum amending the Stadium Agreement released on December 6, 2024, disclose previously redacted financial and other terms.
- Some redactions remain for security, pending negotiations and financial details, though overall financial totals are disclosed.
- For the Stadium Agreement, remaining redactions include actual signatures, contact information, and "line-item" figures for "rental fees" (although bottom line numbers now provided.)
- For the Addendum, remaining redactions include:
 - Provisions relating to the Host City Agreement (throughout, marked in "black")
 - Security details regarding number of FIFA employees at the Stadium, stadium footprint map and descriptions of security areas/perimeter; and
 - Redactions of number of Suites and Seats (Section 12)
 - "Line-item" details of "base services/variable rent" figures (although bottom line numbers revealed) (Exhibit B)
- Redactions for security, FIFA practices, and pending details are marked with "Redacted" in red text.



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Host City Agreement Basics

- The 2018 Host City Agreement (HCA), submitted with the region's bid, names BAHC, not the City, as the "Host City Authority." Its terms and related Addendum provisions are not binding on the City or Stadium Authority. Addendum terms related to the private Host City Agreement remain redacted.
- City and Stadium Authority are not parties to the HCA, so it is not a public record. FIFA and BAHC granted "Relevant Personnel" access under the ISA, recognizing the City's interest in provisions that may impact the City (Category Two).
- The HCA outlines the Host City Authority's role in supporting the event, including training sites, accommodations, transportation, fan activities, and protecting FIFA's commercial interests.
- If City or Stadium Authority services are needed, BAHC must contract with them.
- Draft Assignment and Assumption Agreement includes provisions for meeting and negotiating reasonable terms for such services.



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Estimated Public Safety, and Other Event Costs

Chuck Baker

*Asst. City Manager/ Asst. Executive Director
City of Santa Clara/Stadium Authority*



PSC Estimate Overview

Measure J prohibits City funds from covering Stadium Authority expenses, requiring all FWC26 and SBLX-related work to be tracked and reimbursed.

Interim Funding Agreement

- BAHC agreed to reimburse the City for World Cup event planning costs under an Interim Funding Agreement (IFA) executed on July 1, 2024.
- The City submitted and received payment for July–September 2024 invoices totaling \$34,062 and expects timely reimbursement for October–December. The total estimated cost allocation is \$150,000.

| Eligible Cost Category | Total Costs | Percent of Total |
|------------------------|-------------------|------------------|
| Fire (13%) | \$ 19,500 | 13% |
| Police (69.5%) | \$ 104,250 | 69.5% |
| Public Works (17.5%) | \$ 26,250 | 17.5% |
| Grand Total | \$ 150,000 | 100% |



Staff Time & Reimbursement

Time Reclassification tracked costs From May 22, 2023 to June 30, 2024

In June 2024, staff reclassified time for FWC26 and SBLX activities to comply with Measure J and prepare for reimbursement. An August 2024 update to CMD 136 clarified timekeeping and reporting requirements.

Two Reclassification Categories

- **SCSA Budgeted Staff:**
 - Spent 584 hours, costing \$141,017, covered by the Stadium Authority's approved budgets.
- **Non-SCSA Budgeted Staff:**
 - Spent 106 hours, costing \$24,845, primarily involving Community Development, Police, and Emergency Management activities.

• Cost Reimbursement

- These costs were not reimbursed by BAHC but may be covered if it secures government funding.
- **If not reimbursed, the \$24,845 may be covered by the Stadium Authority, as done for past events like the 2019 College Football Playoff and Super Bowl 50**



Staff Time & Reimbursement (cont.)

Updated City Manager's Directive (CMD 136) outlines staff's timekeeping responsibilities and City-wide reimbursement procedures.

- Since its initial promulgation in August 2016, CMD 136 been used to communicate the requirement of accurately reporting and charging of City services provided to the San Francisco Forty Niners entities, Stadium Authority, and Levi's Stadium.
- The August 2024 update provides additional clarification on City services that should be tracked and reported.
- Also delineates direct Stadium event costs related to public safety from administrative and management time
- Update provides additional clarification on City services that should be tracked and reported
- Delineates direct Stadium event costs as it relates to public safety, from administrative and management time



Methodology to Calculate PSC Estimates

Public Safety Cost (PSC) estimates cover staff and vendor expenses for Planning, Equipment, and Event costs. They are based on past events like Super Bowl 50 and the 2023 Concacaf Gold Cup, adjusted for current market conditions and risks. Estimates may change due to FIFA requirements or emerging factors.

FWC26 Public Safety Cost (PSC) estimates were developed using tailored methodologies for each category:

- **Planning and Training:** Costs were based on Super Bowl 50 (SB50) as a baseline, with estimates calculated by department, position, and hour for each planning year, streamlined for FWC26 needs.
- **Equipment:** SB50 was used to determine needs. Equipment will be borrowed, rented, or purchased as a last resort, using a cost-efficient model.
- **Direct Event:** The 2023 Concacaf Gold Cup match served as a baseline, with a 1.5x multiplier applied to account for larger perimeters, increased security threats, and 24/7 deployments around FWC26 matches.



Summary of Preliminary PSC Estimates

Over next 12-18 months, working with BAHC and Fed/State agencies as well as NFL and FIFA, open items such finalization of the security perimeter, transit modes, pathways to city, and other to be confirmed. Team matchups are an important factor in assessing threat risk and costs.

★ **Disclaimer:** All PSC estimates, assumptions, and responses are subject to change due to FIFA requirements, market conditions, new threats, and other factors.

| | |
|-----------------------|----------------------|
| Planning and Training | \$ 3,281,521 |
| Equipment | \$ 356,369 |
| Direct Event | \$ 8,522,927 |
| TOTAL | \$ 12,160,817 |



Proposed Terms for an Assignment and Assumption Agreement

Glen Googins
City Attorney/General Counsel
City of Santa Clara/Stadium Authority



Premise

- Like the College Football Playoff event in 2019, FIFA World Cup 2026 is projected as highly likely to be a "net loss event" for the Stadium Authority
- Analysis of unredacted FIFA documents confirmed this approach, leading to extensive negotiations in 2023–2024 of the terms for an Assignment and Assumption Agreement.
- Assignment and Assumption approach assigns the rights and obligations under the Stadium Agreement with FIFA to the BAHC, effectively reallocating the risk of loss for the event from ManCo/Stadium Authority to the BAHC



Premise (cont.)

- BAHC the appropriate party to raise money for and manage an event of this magnitude
- ManCo continues to provide Stadium operations services, but now under contract with the BAHC
- City lead role as local public safety/security services provider maintained, with assurances for reimbursement of City costs
- Includes potential for Stadium Authority surcharge revenues above and beyond indirect benefits of economic activity generated by the event within the City (and the region)



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Summary of Key Terms

- **ManCo to Assign Stadium Obligations to BAHC**
 - BAHC assumes all obligations under the Stadium Agreement, including event costs, public safety costs, and capital improvements, estimated to total between \$45 and \$50 million.
 - Obligations partially offset by right to receive “Variable Rental Fees” for “Basic Services” (discussed further, below)
 - Assignment subject to FIFA approval, with provisions for a formal release of the Stadium Authority from liability.
- **City to Provide Local Event Support Services**
 - City will handle security, transportation, and related event services, with final approval of a Public Safety Plan that City prepares with input from stakeholders covering security, emergency preparedness, transportation and post-event reviews.



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Summary of Key Terms (cont.)

- **BAHC to Reimburse City/Authority Costs**
 - Covers all “Qualified Event Expenses” (planning, training, equipment, and event costs), currently estimated at \$12.2 million
 - City to provide periodic “Updated Cost Estimates.”
 - BAHC reimbursement obligation applies even if Qualified Event Expenses exceed Updated Cost Estimates.
- **Reimbursement Process**
 - Pre-event expenses are billed monthly, with any disputed amounts set aside and deposited into a “Dispute Escrow” if they ever exceed 50K, with expedited mediation if they ever exceed \$200K
 - Actual event expenses require “Advance Payments” of 50% by May 1, 2026 and an additional 25% by June 22, 2026
 - Final invoice to be submitted September 18, 2026 and paid within 60 days.
 - Amounts due but not paid to accrue interest at 1.25% per month

Summary of Key Terms (cont.)

- **TeamCo to Guarantee BAHC Reimbursement Obligation**
 - If BAHC fails to pay “Qualified Event Expenses” TeamCo will be responsible for making those payments under terms of a Guaranty Agreement
 - No cap on obligation, but obligation will be offset by Stadium Authority obligation to contribute lesser of 20% of payment obligation, and a percentage of surcharge revenues actually received.
 - Details being finalized but will be presented for approval along with the final Assignment and Assumption Agreement.

Summary of Key Terms (cont.)

- **Payments to BAHC for “Basic Services”**
 - BAHC assigned right to receive earns “Variable Rental Fees” from FIFA (\$13.5 million estimated), and suite resale revenue from an allocated number of Suites.
- **Stadium Authority**
 - Stadium Authority to receive a \$6 per ticket surcharge, projected at \$1.8 to \$2.16 million (if between 50K to 60K tickets are “sold” per game)
 - ManCo to work with FIFA to implement per existing protocols under the Stadium Lease
 - Surcharge to be deposited 50/50 into Stadium Authority General Revenues and Discretionary Funds



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Assignment & Assumption Agreement Section

Summary of Key Terms (cont.)

- **Stadium Improvements**
 - BAHC required to construct at its cost FIFA-required Stadium upgrades, primarily “Field Improvements,” estimated to cost \$20 to \$25 million
 - Improvements subject to Stadium Authority approval
 - ManCo to oversee construction using only private sources of funds
 - Unless removed and restored, ownership of all improvements reverts to the Stadium Authority
- **Government Funding**
 - Parties will seek state and federal funding to offset costs
 - If other Qualified Event Expenses paid, remaining funding may be used to pay any unreimbursed staff time (pre-July 1, 2024)
- **Equipment Costs**
 - Equipment may be borrowed, leased, or purchased, with BAHC reimbursing costs or keeping equipment (if allowed) after the event



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Summary of Key Terms (cont.)

- **Additional Agreements**

- **Convention Center Use:** BAHC to book desired use of Convention Center by April 1, 2025 at applicable rates, or operator free to market to third parties.
- **Youth Sports Park:** FIFA use is subject to City approval and restoration of facilities. If typical activities displaced, parties to cooperate to find alternative fields at equivalent rates, or provide some other form of support to displaced youth programs
- **Third Party Approvals:** ManCo to obtain all third-party approvals/contract waivers required by FIFA's Stadium Agreement rights at no cost or risk to the Stadium Authority (e.g., Levi's approvals under the Naming Rights Agreement for any Stadium re-branding required)
- **Community Programs:** BAHC to implement community legacy initiatives regionally, including Santa Clara, and to assist with promoting programs and benefits locally
- **Obligation to Mitigate Pre-Empted Non-NFL Events:** ManCo required to develop and implement an enhanced Marketing Plan for the 2026/27 booking season to help address any lost revenues Stadium Authority might have received from displaced events.



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Summary of Key Terms (cont'd)

- **Additional Agreements (cont'd)**

- **Accounting Requirements:** ManCo to provide initial and final accounting of event in accordance with existing standards for Non-NFL Events; parties reserve option for independent accounting at their cost
- **Conflicts of Interest:** ManCo must comply with its obligations under the Management Agreement, including approved Conflict of Interest policies; BAHC to assure that no ManCo or StadCo official shall participate or vote on Assignment and Assumption Agreement
- **No Waiver of City Fees/Taxes:** No agreement by City to waive or reduce and local fees or taxes
- **Marketing of City Assets:** BAHC and ManCo to cooperate in the marketing of City assets City believes may have value to FIFA and its "Commercial Affiliates"
- **Legal Provisions:** Insurance, Indemnities, Remedies and Dispute Resolution



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Completion of Draft Agreement

- These terms have been largely agreed upon by the parties at a staff level, with some details/terms still to be negotiated
- A final draft agreement is expected to be completed soon at the staff level
- Such agreement will then be presented to the Council/Stadium Authority Board for review and action
- This review is scheduled for the January 28, 2025, Council/Board meeting
- BAHC and FIFA have indicated this will be the first agreement FIFA approves for the FIFA World Cup 2026

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Stadium Capital Projects - Current Status

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Bowl/Field Modification

The Stadium playing field and seating bowl (bowl) will undergo modifications to meet FIFA World Cup 2026 pitch regulations, with a system enabling quick restoration to the original configuration after the event.

Estimated Cost: \$25 million funded by BAHC

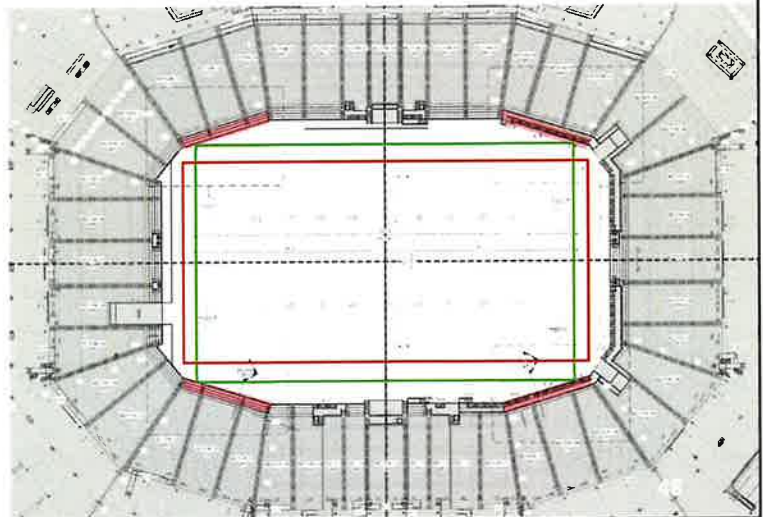


Bowl/Field Modification (cont.)

Modifications to the inner bowl are required by FIFA to allow for an expanded field pitch

- NFL dimensions (red)
- FIFA dimensions (green)

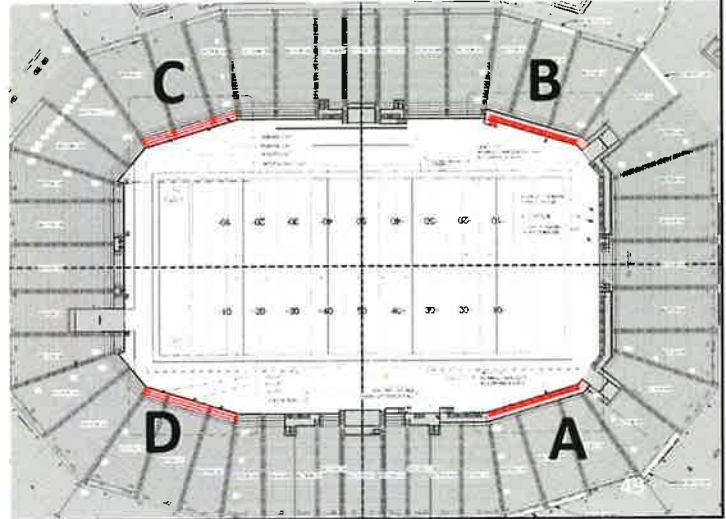
Items not shown include; player warmup areas and benches, personnel and operations staff, media, security and LED ribbon boards



Bowl/Field Modification (cont.)

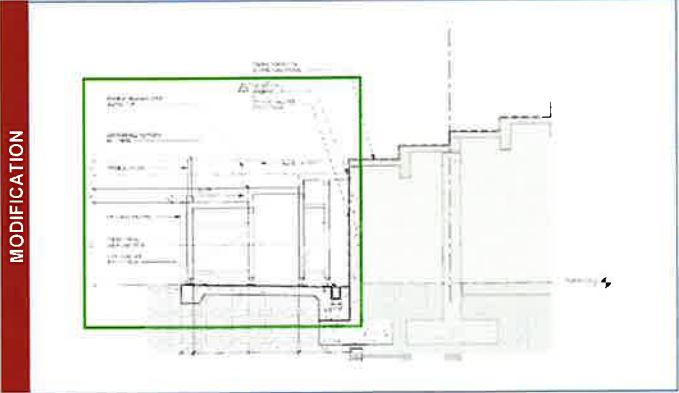
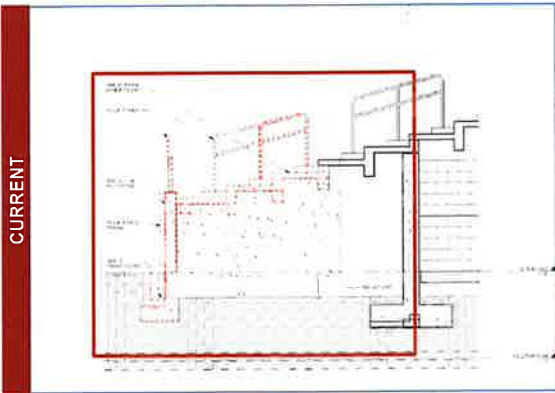
FIFA Compliance Modifications:

- The inner bowl modifications (Quadrants A, B, C, and D) must be expanded to accommodate the pitch area per FIFA standards
- Modified sections will be replaced with demountable steel structures for flexibility in future events



Bowl/Field Modification (cont.)

- The stadium manager submitted a permit to remove 3 rows of general seating (Quadrants C and D) and a row of ADA seating (Quadrants A and B), which will be relocated to a slightly higher section of the lower bowl
- The proposed design preserves the existing look and feel of the bowl, ensuring minimal aesthetic impact



Bowl/Field Modification (cont.)

- **Scope of Project:**
 - Modifications to the lower seating bowl at four quadrants (Level 100)
 - Demolition of three rows in each section, replaced with demountable steel structures
 - Installation of ADA platforms and railings
 - Addition of grow light outlets in the field area
- **Benefits:**
 - Allows hosting of FIFA World Cup matches and future events, such as Rugby tournaments
 - Adds long-term flexibility for events requiring pitch adjustments
- **Project Timeline and Permits:**
 - Building permit filed in May 2024 by the Stadium Manager
 - Bi-weekly meetings with City and Stadium Authority representatives ensured compliance
 - Permit fees paid, and the project is ready to proceed
- **Funding and Management:**
 - ManCo responsible for implementation using private funding
 - Must comply with approved plans, laws, and procurement requirement
 - Stadium Authority indemnified against third-party claims
 - Project implementation must not disrupt other stadium events



Next Steps/ Staff Recommendation



Next Steps Following This Meeting

- Provide additional information to the Council/Board and the public
 - Amended and Restated Addendum to the Stadium Agreement and Host Committee Agreement
 - Draft Assignment and Assumption Agreement (*full agreement language*)
- Final Council/Stadium Board action on the Assignment and Assumption Agreement to be agendized on January 28, 2025
- Following City Council and Stadium Authority Board approval of the Assignment and Assumption Agreement, staff will issue the permits to allow for the bowl improvements to commence

The logo for the Santa Clara Stadium Authority (SCSA) features the acronym "SCSA" in white, bold, sans-serif font on a dark red rectangular background. Below the acronym, the full name "SANTA CLARA STADIUM AUTHORITY" is written in a smaller, white, all-caps font.

SANTA CLARA STADIUM AUTHORITY

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Next Steps This Evening

- Council/Board Questions on Staff Presentation
- Bay Area Host Committee Presentation
- Council/Board Questions on Host Committee Presentation
- Public Comment
- Council/Board Deliberations
- Council/Board Action

The logo for the Santa Clara Stadium Authority (SCSA) features the acronym "SCSA" in white, bold, sans-serif font on a dark red rectangular background. Below the acronym, the full name "SANTA CLARA STADIUM AUTHORITY" is written in a smaller, white, all-caps font.

SANTA CLARA STADIUM AUTHORITY

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Recommendation Actions

- Provide input to staff on the proposed terms for an Assignment and Assumption Agreement
- Note and file informational report on FIFA World Cup 2026



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SCSA

Santa Clara Stadium Authority

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12.10.2024 Study Session Comments

*This series of comments will first cite the staff report section: comments and questions in **bold** will follow:*

A. Documents and Agreements Related to Hosting the FIFA Men's World Cup Matches at Levi's Stadium in 2026

The Challenge

One early obstacle to the City/Stadium Authority's ability to achieve a full understanding of the risks, responsibilities, and costs involved in hosting FWC26 games at the Stadium was not having access to the FWC26 Agreements entered into by the BAHC, ManCo and FIFA for the event. The main challenge here was that neither City nor Stadium Authority staff were involved in negotiating or executing these agreements, and FIFA was not accustomed to having such agreements made available to anyone other than the contracting parties themselves. In resisting disclosure, it should be noted that the parties did express some legitimate concerns regarding full disclosure of financial terms still under negotiation at other venues and terms that, if disclosed publicly, could compromise event security.

Although it took more time than expected, over the spring and summer of 2023, City/Stadium Authority staff were ultimately able to overcome FIFA, BAHC and ManCo resistance to disclose key documents through the terms of a negotiated Information Sharing Agreement ("ISA"). A copy of the final ISA dated August 1, 2023, is attached to this report as Attachment 1.

Report p. 8

Why did City staff acquiesce to the hiding of information by Al Guido who was the Stadium Authority's designated consultant under the Stadium Authority's Conflict of Interest Code?

Doesn't Mr. Guido have a duty to declare any conflicts and not participate in decisions if he has conflict?

As CEO of BAHC, a California non-profit, didn't Mr Guido have a similar duty to declare conflicts?

Doesn't BAHC have a duty to publicly disclose its tax returns and financial statements?

What authority did the BAHC have to participate in the bid?

C. FIFA World Cup 2026 - Assignment and Assumption Agreement

Since early 2023, all parties have generally agreed that the best approach to having the World Cup Event at Levi's Stadium, while mitigating Stadium Authority and City liability for what was expected to be a money losing event, was to enter into an agreement whereby ManCo would assign all obligations under the World Cup Stadium Agreement to the BAHC, with a commitment from the BAHC to reimburse the City for all event related public safety costs. The logic of this approach was borne out once staff was able to obtain and analyze unredacted versions of the key FIFA documents (in particular the Stadium Agreement and the Addendum), and the number and timing of when the proposed matches at the Stadium was announced. Accordingly, since late 2023 and throughout 2024, a substantial amount of time has been dedicated to developing and negotiating appropriate terms for an Assignment and Assumption agreement among the BAHC, the City, the Stadium Authority and ManCo. The resulting agreement does two main things. First it places the responsibility on the BAHC, working with ManCo, to fulfill all Stadium Agreement obligations at no cost to the Stadium Authority. Second, it provides that the City will be the lead local agency in providing security at and around the Stadium for the events, with assurances that the City will be reimbursed for all of its costs.

Report p. 14

When did the Stadium Authority Board agree that because Al Guido booked a money-losing non-NFL event in violation of the state conflict of interest law and in violation of the terms of his agency, that “the best approach would be to enter into an assignment to BAHC?

The 2022 Settlement Agreement requires the Management Co. to prioritize the profitability of non-NFL events over the financial benefits to StadCo. This deal appears to violate that provision in that it is a money losing event to the Stadium Authority, and provides financial benefit to StadCo and to the Host Committee at the Stadium Authority expense.

Al Guido is President of the Forty Niners Stadium Management Company LLC (ManCo) which manages Levi's Stadium on behalf of the Santa Clara Stadium Authority. Mr. Guido is a designated “Consultant” of the Santa Clara Stadium Authority, the joint powers authority that owns Levi's Stadium. Mr. Guido is also an executive who has a financial interest in several for profit and nonprofit entities that have had contractual and financial dealings with each other and with the Santa Clara Stadium Authority. Mr. Guido has been regularly violating California conflict of interest laws and regulations.

As ManCo President, Mr. Guido has been designated as a consultant under the Stadium Authority's Conflict of Interest Code.

<https://www.santaclaraca.gov/home/showpublisheddocument/72415/637522642489870000>. In 2022 when he negotiated and signed the deal with FIFA Mr. Guido was

also President of the Bay Area Host Committee (BAHC), a California nonprofit mutual benefit corporation.

Levi's Stadium is owned by the Santa Clara Stadium Authority which leases it to the FORTY NINERS SC STADIUM COMPANY LLC (StadCo) which in turn leases the Stadium to the San Francisco 49ers to play NFL games. A copy of the Lease can be found at

<https://www.santaclaraca.gov/home/showpublisheddocument/46687/636071428735770000>. Under Article 13 of the Lease, the (StadCo) receives revenue from non-NFL events in the form of Suite revenue and other revenue sources. StadCo is a source of income to Mr. Guido by way of his position as President.

The Management Agreement with ManCo can be found at

<https://www.santaclaraca.gov/home/showpublisheddocument/46731/636071429908830000>. Under section 3.2.1 the Stadium Authority delegated authority to book "non-NFL" events at the stadium to the Stadium Manager.

in signing the Addendum with FIFA on June 13, 2020, as both the President of ManCo and the President of the Bay Area Host Committee¹ Mr. Guido violated Government Code Section 1090, rendering the Addendum void, and consequently rendering the confidentiality provisions of the Addendum void.

¹ The Bay Area Host Committee (4097051) was formed on January 8, 2018 as a California nonprofit mutual benefit corporation with Al Guido as its Chief Executive Officer and its business address the same as that for the 49ers organizations including ManCo and StadCo. According to BAHC's Statement of Information filed on March 2, 2022 with the California Secretary of State, Al Guido continued in his role as CEO.

On January 3, 2024, the California Attorney General determined that the BAHC was not required to register as a charity "because it is organized and operated primarily as a mutual benefit corporation that does not solicit or hold assets for charitable purposes."

On February 22, 2024, the 49ers formed a second nonprofit called the Bay Area Host Committee Foundation (6097413). This new 501 (c)(3) entity was formed as a California nonprofit public benefit corporation with Zailen Janmohamed as its Chief Executive Officer.

On May 1, 2024, the original Bay Area Host Committee (4097051) replaced Al Guido with Zailen Janmohamed as its Chief Executive Officer.

It is important to note that StadCo's Lease of Levi's Stadium contains no provisions for the assignment of non-NFL events. Moreover, ManCo's Management Agreement with the Stadium Authority contains no provisions authorizing ManCo unilaterally to approve agreements with the Bay Area Host Committee. Thus, Mr. Guido had no legal authority to enter into the Addendum; moreover signing on behalf of both ManCo and the BAHC was a violation of both Government Code Section 1090 and the Political Reform Act.

Government Code Section 1090 forbids government officials from entering into contracts with another party in which they have a financial interest. As CEO of the Bay Area Host Committee, Mr. Guido has a *per se* fiduciary duty to that nonprofit corporation. Recognition of this conflicting interest is embodied in the provisions of the Government Code which describe remote interests (Government Code Section 1091) and non-interests of members and officers of nonprofit corporations (Government Code Section 1091.5). If status as an executive officer of a nonprofit were not considered a financial interest, then there would be no need to circumscribe exceptions. It is important to note that Mr. Guido does not fit within the exception of section 1091.5 (a)(8):

That of a noncompensated officer of a nonprofit, tax-exempt corporation, which, as one of its primary purposes, supports the functions of the body or board or to which the body or board has a legal obligation to give particular consideration, and provided further that this interest is noted in its official records.

The BAHC does not have as its primary purpose the support of the functions of the Stadium Authority, nor does the Authority have a legal obligation to give particular consideration to the BAHC.

Aside from his financial interest in BAHC as the result of his fiduciary duty as its CEO, Mr Guido had a financial interest as a 49er StadCo officer in the Stadium suites revenue and other revenue that a non-NFL event would produce for StadCo. Although under the Lease non-NFL event revenue and expenses belong to the Stadium Authority, revenue related to the Stadium suites from non-NFL events still belongs to the 49ers. The 49ers recently announced that they had received a loan from the NFL to finance \$200M in suite improvements at Levi's Stadium in anticipation of the World Cup and Super Bowl: [SFChronicle.8.27.24](#)

No doubt StadCo will look to the suite revenue generated by holding these events to repay the NFL loan. This anticipated revenue from the World Cup matches is

clearly a tangible financial interest that Mr. Guido had when he signed on behalf of both ManCo and BAHC,

As further evidence of his culpability, Mr. Guido has never publicly denied that he violated the law. Government Code Section 1094 provides:

Every officer whose duty it is to audit and allow the accounts of other state, county, or city officers shall, before allowing such accounts, require each of such officers to make and file with him an affidavit or certificate under penalty of perjury that he has not violated any of the provisions of this article, and any individual who wilfully makes and subscribes such certificate to an account which he knows to be false as to any material matter shall be guilty of a felony and upon conviction thereof shall be subject to the penalties prescribed for perjury by the Penal Code of this State.

There does not appear to be any evidence that in paying the Management Fee to ManCo that the Stadium Authority's auditors or financial officers ever obtained an affidavit from Mr. Guido that he had not violated any of the referenced provisions.

Finally, analysis of the corporate changes to the BAHC, as described in footnote 1, evidences a tacit acknowledgement by Mr. Guido and his advisors at the 49ers entities that his executive position was a potential liability under state conflict of interest law.

Because the StadCo's revenue is a source of income to Mr. Guido, the Political Reform Act and FPPC regulations also prohibit him from participating in the making of a decision regarding the booking of non-NFL events, including negotiations to bring FIFA World Cup events to Levi's Stadium.

FPPC Regulation 18700(a) lays out the basic rule:

A public official at any level of state or local government has a prohibited conflict of interest and may not make, participate in making, or in any way use or attempt to use the official's position to influence a governmental decision when the official knows or has reason to know the official has a disqualifying financial interest. A public official has a disqualifying financial

interest if the decision will have a reasonably foreseeable material financial effect, distinguishable from the effect on the public generally, directly on the official, or the official's immediate family, or on any financial interest described in subdivision (c)(6)(A-F) herein. (Sections 87100, 87101, & 87103.)

As a designated consultant Mr. Guido is clearly considered a public official who has a disqualifying financial interests under several possible subsections of subdivision (c)(6)²:

(A) Any business entity, as defined in Section 82005, in which the public official has a direct or indirect investment worth at least \$2,000 (Section 87103(a)). For a “parent, subsidiary or otherwise related business entity,” see Regulation 18700.2.

...

(C) Any source of income, including commission income and incentive income as defined in 18700.1, amounting to a total of at least \$500, provided or promised to, and received by the public official within 12 months before the decision is made (Section 87103(c)). Income is “promised to” the public official if the official has a legally enforceable right to the promised income. For a source of income that is a business entity that is a “parent, subsidiary, or otherwise related business entity,” see Regulation 18700.2.

(D) Any business entity, as defined in Section 82005, in which the public official is a director, officer, partner, trustee, employee, or holds any position of management (Section 87103(d)). For a “parent, subsidiary, or otherwise related business entity,” see Regulation 18700.2.

...

(F) For purposes of paragraph (c)(6), indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of

² Mr. Guido has multiple sources of income and investments in various 49er entities as evidenced by a review of his Form 700's, as well as arising from his multiple roles as a director, officer, partner and other positions of management. See subdivision (c)(6)(d).

a public official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially at least a 10- percent interest (Section 87103(e) see also Sections 82033 and 82034).

Under FPPC Regulation 18700(d): To determine whether a public official has a prohibited conflict of interest under the Act, the following 4 step test is applied:

(1) Step One: Is it reasonably foreseeable that the governmental decision will have a financial effect on any of the public official's financial interests? To determine if the financial effect is reasonably foreseeable, apply Regulation 18701. If the answer is no, there is no conflict of interest under the Act. If the answer is yes, proceed to Step Two.

The booking of the World Cup events at Levi's Stadium will have a reasonably foreseeable financial effect on the revenue earned by StadCo through the booking of the luxury suites for the matches. Evidence of this reasonably foreseeable effect is the Stadium Lease which allocates non-NFL suite revenue to StadCo as well as the \$200 Million loan from the NFL for suite upgrades in anticipation of the Super Bowl and World Cup events. The NFL would not have made the loan unless there would be revenue to pay the loan back.

(2) Step Two: Will the reasonably foreseeable financial effect be material? To determine if the reasonably foreseeable financial effect is material, apply Regulation 18702. If the answer is no, there is no conflict of interest under the Act. If the answer is yes, proceed to Step Three.

Given the \$200 Million loan, materiality is evident.

(3) Step Three: Can the public official demonstrate that the material financial effect on the public official's financial interest is indistinguishable from its effect on the public generally? To determine if the material financial effect on any of the public official's financial interest is indistinguishable from its effect on the public generally,

apply Regulation 18703. If the answer is yes, there is no conflict of interest under the Act. If the answer is no, proceed to Step Four.

The financial effect of the World Cup deal on the public appears to be negative; the effect on Mr. Guido appears to be positive.

(4) Step Four: If after applying the three step analysis and determining the public official has a conflict of interest, absent an exception, the official may not make, participate in making, or in any way attempt to use the official's position to influence the governmental decision. To determine if the public official is "making, participating in making, or in any way attempting to use the official's position to influence a governmental decision," apply Regulation 18704. If the public official will be called upon to make, participate in the making, or use the official's position to influence a governmental decision in which the official has a financial interest as determined under Step One through Step Three, the official will have a prohibited conflict of interest.

Mr Guido signed the contract; he clearly participated in a prohibited conflict of interest.

Mr. Guido appears to have violated Government Code Section 87100:

A public official at any level of state or local government shall not make, participate in making, or in any way attempt to use the public official's official position to influence a governmental decision in which the official knows or has reason to know the official has a financial interest.

What legal authority does the Stadium Authority have to violate Government Code Section 1090 and the Government Code Section 87100?

1. ManCo to Assign all Stadium Agreement Obligations to BAHC

- a. BAHC obligations include everything set forth in the Stadium Agreement initially entered into between ManCo and United States Soccer Federation (now FIFA), as amended. The total cost of such obligations, including their own event costs, public safety costs to be paid to the City (described in Section 3, below), and the Capital Improvement obligations described in Section 10, below, are estimated to be in the range of \$45 million to \$50 million).
- b. In consideration of assuming all obligations, BAHC will be entitled to receive all payments for "Basic Services" to be made by FIFA under the Stadium Agreement. Such payments shall be paid in the form of cost based, variable "rental fees." Total payments are projected to be approximately \$13.5 million (based on a payment of \$1.5 million for each of the 6 match days and, \$150K for each of the 30 projected non-match days), but may be more or less if the number of non-match days is adjusted (See Stadium Agreement Addendum Section 3 and Exhibit B).
- c. Because BAHC will assume all obligations under the Stadium Agreement, the agreement calls for FIFA to approve the assignment (as required under Section 16.7 of the Stadium Agreement), and to formally release the Stadium Authority from all such obligations.

2. Subject to Reimbursement, City shall Provide all Necessary Local Security, Transportation and Related Event Services ("World Cup Support Services")

- a. "World Cup Support Services" include what's typically involved in support of any non-NFL event at the Stadium, plus, given the unique nature of the event, additional security services/standards required by federal, state and regional agencies. FIFA security requirements will also be included.
- b. City to produce a Public Safety Plan, with input from all stakeholders, as guideline for event security services.
- c. Ultimately, City (SCPD) has final approval over the Public Safety Plan; and the City will be local agency responsible for Public Safety Plan implementation.
- d. Public Safety Plan will include Event Overview, Goals and Objectives, Roles and Responsibilities, Incident Command System (ICS) Framework, Risk Assessment, Emergency Communications Plan, Crowd Management Plan, Security Measures, Emergency Medical Service (EMS), Evacuation Plan, Severe Weather Preparedness, Coordination with Federal Resources, Community Impact Mitigation, and Post-Event Review.

3. BAHC Responsible to Reimburse City/Stadium Authority for all "Qualified Event Expenses"

- a. "Qualified Event Expenses" include all reasonable cost incurred by City/Stadium Authority that are necessary to support World Cup Support Services at and around the Stadium. Categories of expenses include "Event Planning and Training Expenses," "Actual Event Expenses," "Required Equipment Expenses," and "Miscellaneous or Unexpected Expenses."
- b. Preliminary Cost Estimate: Public safety **planning and training** activities are currently estimated to cost \$3,281,521; **equipment costs** are estimated at \$356,369; and **actual event costs** are estimated to be \$8,522,927, for a total of \$12,160,817.
- c. This Preliminary Cost Estimate is to be updated periodically, at least every 2 months, based on new information regarding cost or requirements.
- d. BAHC's ultimate reimbursement obligation is to pay whatever reasonable "Qualified Event Costs" are incurred and invoiced, even if such amount is above the final "Updated Cost Estimate."

Report pp. 15 -16

If the City is projecting that BAHC will have to pay it \$12,160,187 and the rent is expected to be \$13.5 Million, why would we hand the rent over to BAHC and then have to invoice them to get it back through a convoluted approval process subject to a third party decision-making?

Why not put the rent into an Escrow Account that the City can draw on to directly reimburse itself for expenses that it deems in its sole discretion to be necessary to avoid violation of Measure J?

Why are the City's costs being limited to just public safety costs?

Where are the administrative and overhead costs?

Why has staff not complied with Council direction (and Measure J) to reimbursement for all of their time for work on the World Cup and Super Bowl?

Doesn't failure to recapture these expenditures constitute a subsidy by the Stadium Authority to the 49ers?

Why did staff continue to work on the projects without receiving full reimbursement?

Where will BAHC get the rest of the \$45 - \$50 Million?

Is Staff asking the Board to approve the expenditure of Stadium funds, past or future, toward any of these events? Why?

What is the Stadium Authority's expected Return on Investment (ROI) on these expenditures?

The Host City Agreement

Like the Stadium Agreement, the Host City Agreement (HCA) was first entered into back in 2018 and submitted to FIFA as part of the region's bid package. Despite the "Host City" reference, the City is not a party to the HCA. Instead, the BAHC is the identified "Host City Authority". Therefore, the terms of the HCA, and the provisions within the Addendum that amend the HCA are not directly binding on the City or the Stadium Authority.

Report p. 11

What does the term "not directly binding" mean?

Because neither the City nor the Stadium Authority are parties to the HCA, and City/Stadium Authority are not in physical possession of the agreement, the HCA is not a traditional "public record" subject to disclosure. However, while FIFA and BAHC have indicated they are not willing to disclose this "private agreement" to the public, they do recognize that the City has a legitimate interest in

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having access to review the terms of the agreement. This is because some of the contemplated activities under the agreement will occur within the City, and/or at or near the Stadium, and the BAHC will surely need to engage or further contract with the City for cooperation and support to fulfill several of its HCA obligations. Accordingly, access to review the HCA has been provided to all City/Stadium Authority "Relevant Personnel" under the terms of the ISA.

Report pp. 11-12

If the only authority for ManCo to enter into this non-NFL event was as the Stadium Authority's agent, why is it not a party to the agreement?

If it was creating a legal obligation on behalf of the Stadium Authority why is the agreement a “private agreement” and why didn’t staff demand a copy of it, before it even began to negotiate this deal?

What does the phrase “not directly binding” mean? If the agreement was entered into in violation of state law and in breach of the Management Agreement, why is it binding on the Stadium Authority at all?

In general, the HCA defines the role of the “Host City Authority” to promote and support the event, including the obligation to provide training sites, accommodations, transportation and parking, “fan fest” activities, public relations and support and protection for FIFA commercial activities. To the extent City or Stadium Authority services or support are necessary to facilitate such obligations, BAHC will need to contract with the City or Stadium Authority as appropriate. While not imposing any specific obligation, a provision in the pending draft Assignment and Assumption Agreement provides that the City/Stadium Authority agrees to meet and confer with the BAHC regarding reasonable terms to provide such services or support.

Report p. 11

Where is the draft?

The report completely ignores the effect of holding this “assigned” event on the Stadium Authority’s ability to generate net revenue in order to meet its obligations under Measure J to pay fair market value to the City’s General Fund as the performance rent portion of ground rent.

Why should the Stadium Authority be paying shared expenses, management fees, insurance premiums and other staff time on events that it will not benefit by due to the assignment?

There are two staff reclassification categories: a) Staff that have a portion of their time allocated in the Stadium Authority budget (SCSA Budgeted Staff); and b) Staff that do not budget a portion of their time for Stadium Authority work (Non-SCSA Budgeted Staff).

- SCSA Budgeted Staff spent approximately 584 hours costing \$141,017 on FWC26-related activities. This amount was covered by the Stadium Authority 2023/24 and 2024/25 approved budgets.
- Non-SCSA Budgeted Staff spent approximately 106 approximate hours costing \$24,845 on FWC26-related activities (Unreimbursed Staff Costs"). These costs include staff time from across the City organization, primarily in the departments of Community Development, Police, and Office of Emergency Management. Activities related to the 106 hours vary from initial departmental meetings after the announcement of the FIFA match schedule, to research by individuals staff members to understand the potential impact of the FWC26 events on City operations. The BAHC did not agree to cover these costs, as such the costs do not meet the definition of "pre-event expenses" within the draft Assignment & Assumption Agreement (outlined below). However, as per the draft Agreement, if BAHC obtains government funding, and such funding remains available after other primary obligations to fund City public safety costs are satisfied, such funding may be used to reimburse these costs. Should funds not be obtained to cover the \$24,845 of pre-planning staff time, the cost should be allocated to and paid by the Stadium Authority. Stadium Authority payment of non-reimbursed pre-planning costs are allowable and aligns to how the City and the Stadium Authority have treated similar expense for prior events such as the 2019 College Football Playoff National Championship and Super Bowl 50 that were both held at Levi's Stadium.

Report p. 13

Just because staff at the time made the mistake of not collecting costs from the event holders, i.e. the NFL and the BAHC, does not mean it should make this mistake again. Assignment of the College Football Championship event was never meant to include subsidizing the BAHC in holding a losing event. If the audit did not recapture these Stadium Authority expenses, then it was a mistake and never intended as a legal determination.

Why would the City agree to follow any model of a Super Bowl about which many questioned whether it had lost the City money? An event which resulted in the mayor resigning the day after with 3 years left in his term never to be heard from again? And which saw the City Manager leave several months later after hiding from the Council that he had told the 49ers to stop paying Facility Rent?

How will holding the World Cup affect the ability of the City to collect Performance Rent from non-NFL events?

Measure J (Santa Clara City Code Section 17.20.020 provides:

(g) In addition to the fixed base rent, the ground lease shall require payment by the Stadium Authority into the City's general fund of

performance-based rent which, together with the fixed base rent, the City Council has determined is projected to provide fair market rent to the City. Performance-based rent shall be pursuant to a formula that provides for sharing of the revenues less expenses of non-NFL events at the stadium. As used herein, the term “non-NFL events” means events such as concerts and sporting events that are approved by the Stadium Authority and the private tenant, excluding NFL events. The fixed base rent and performance-based rent payable by the Stadium Authority to the City under the ground lease, as provided in this subsection and subsection (f) of this section, are referred to in this chapter as “ground rent.”

Because ManCo booked the event at a loss, they are prohibiting the City from receiving Fair Market Value rent in violation of Measure J. ManCo should reimburse the City for this loss to prevent the violation.

8. Revenues under the Stadium Agreement and Agreed Upon Ticket Surcharge to the Stadium Authority

- a. BAHC shall receive payments for “Basic Services” (estimated at \$13.5 million, as described in Section 1.b, above), and shall also be entitled to generate revenue from resale of a limited number of allocated Suites and possible commissions from local sales of Hospitality Packages under contract with FIFA’s designated sales agent.
- b. ManCo is representing that StadCo is being required to purchase Owner’s Suites to satisfy existing obligations to Suite Holders and that it shall not receive revenues from the sale of Suites.
- c. Stadium Authority is to receive a \$6 ticket surcharge on each ticket sold to World Cup matches (FIFA has agreed to this in the Addendum to the Stadium Agreement.). ManCo is to exercise best efforts to work with FIFA to implement the \$6 surcharge consistent with current surcharge protocols for other Non-NFL Events. Assuming 60,000 “sold” tickets per game, ManCo is projecting \$1.8 million in Surcharge revenues.
- d. Surcharge amounts received will be deposited 50% into the Stadium Authority general revenues account and 50% into the Discretionary Fund under the terms of the Stadium Lease.

Report p.18

How was the surcharge calculated? Why shouldn’t the entire amount go towards net event revenue to result in Performance Rent Payable to the City? How does the surcharge compare to the expected ticket price?

- g. Conflicts of Interest. In implementing its obligations under the Agreement, ManCo is obligated to comply with all standards under the Management Agreement, including the conflict-of-interest policy previously approved by Stadium Authority and adopted by ManCo. BAHC represents that no ManCo or StadCo official has or shall participate on behalf of BAHC in connection with BAHC's negotiations, approval or implementation of its obligations to Stadium Authority under the Assignment and Assumption agreement. This restriction will not apply to fundraising efforts or with respect to BAHC's independent obligations under the Host City Agreement between BAHC and FIFA.

Report p. 19

What in Heaven's name does this gibberish mean? As discussed above, it appears that Mr. Guido has in fact participated on behalf of BAHC in connection with BAHC's negotiations, approval or implementation of its obligations to Stadium Authority. Also, if, as the result of the Stadium Authority's rights it receives to fund raise or has "independent obligations" that would otherwise be seen as a conflict of interest, why should the Stadium Authority waive its rights to determine if there is a conflict of interest in these transactions?

Has the City requested any advice from the FPPC to determine if any of section 11 g complies with State conflict of interest requirements? What evidence has City staff reviewed to determine the truth of this statement?

These documents say that they are to be interpreted under Swiss law? Has staff consulted any Swiss lawyers with respect to their interpretation as you explain them to the public?

Will the proposed assignment agreement release from FIFA be governed by Swiss law and subject to arbitration in Geneva? What are the risks involved in not thinking through signing an agreement like this?