

7/14/20

Item #2.M

Santa Clara Stadium Authority

FY2019/20 Net Loss on Non-NFL Events

Item #2.M (20-615)

July 14, 2020



Informational Report on FY2019/20 Net Loss on Non-NFL Events



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POST MEETING MATERIAL

Loss on Non-NFL Events

- ManCo projected **\$2.7 million Net Loss** for FY2019/20 Non-NFL events
- Section 4.7.3 of the Amended and Restated Stadium Lease requires that the Stadium Authority receive all revenue and pay for all expenses related to Non-NFL Events
 - “The Stadium Authority shall be entitled to all Stadium Authority Event Revenue; and...the Stadium Authority shall pay all Stadium Authority Event Expenses.”



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Summary of Correspondence

- Stadium Authority received correspondence from ManCo on June 8, 2020 (Attachment 1)
 - Insufficiently detailed, highly summarized, profit and loss statement (Attachment 2) and invoice (Attachment 3)
 - Request to fund \$2.7 million loss with payment certificate to Trust by June 12, 2020 (only four day notice)
 - City of Santa Clara public safety invoices totaling \$1.1 million to be paid AFTER loss is funded



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Summary of Correspondence

- Stadium Authority responded to ManCo on June 10, 2020 (Attachment 4)
 - Four days is not sufficient to review and disburse \$2.7 million
 - Review of accounting records must take place
 - City Auditor reached out to schedule in-person or remote review on June 9, 2020
 - Board must approve budgetary appropriation
 - City of Santa Clara invoices must be paid
 - Measure J does not allow City funds to cover costs of Stadium



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Summary of Correspondence

- ManCo's response letter received June 15, 2020 (Attachment 5)
 - Various claims that Stadium Authority responded to via Informational Report to the Board
 - Review of accounting records can take place once County removes health restrictions
 - City of Santa Clara public safety invoices totaling \$1.1 million paid AFTER loss is funded



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Summary of Correspondence

- Stadium Authority provided final response June 19, 2020 (Attachment 6)
 - SCSA stands by requirement to review accounting records prior to funding net loss of \$2.7 million
 - Stadium Authority Board must approve appropriation after staff has provided sufficient review of records
 - Prompt payment of City of Santa Clara invoices requested



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Next Steps

- Stadium Authority will need to review records to confirm the \$2.7 million net loss
- Budgetary appropriation action will need Board approval at a future date



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Recommendation

- Note and file the Informational Report on FY2019/20 Net Loss on Non-NFL Events



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SCSA

Santa Clara Stadium Authority