

City of Santa Clara

Revised Agenda

[Added Agenda Item 3]

Santa Clara Stadium Authority

Tuesday, March 27, 2018

7:00 PM

City Hall Council Chambers
1500 Warburton Avenue
Santa Clara, CA 95050

7:00 P.M. STADIUM AUTHORITY REGULAR MEETING

Call to Order in the Council Chambers

Pledge of Allegiance and Statement of Values

Roll Call

CONSENT CALENDAR

- 1.A 18-053 [Bills and Claims for the month of February 2018](#)
- 1.B 18-380 [Authorize the Executive Director to Execute the Concessionaire's Exit Agreement between the Forty Niners Stadium Management Company, Levy Premium Food Service Limited Partnership and Volume Services, Inc.](#)

PUBLIC PRESENTATIONS

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC HEARING/GENERAL BUSINESS

- 2. 18-052 [Adopt the Santa Clara Stadium Authority Fiscal Year 2018-19 Recommended Budget, Approve the Stadium Operation and Maintenance Plan, and Approve a Budget Amendment to the FY 2017-18 Santa Clara Stadium Authority Adopted Budget to Reduce the Total Outstanding Debt by \\$13.5 Million.](#)
- 3. Verbal report on the City's response to incidents that took place at the Mexico vs. Iceland soccer game held at Levi's Stadium on March 23

REPORTS OF MEMBERS AND SPECIAL COMMITTEES

EXECUTIVE DIRECTOR REPORT

- 18-381 [Tentative Meeting Agenda Calendar](#)

ADJOURNMENT

The next regular scheduled meeting is on Tuesday evening, April 24, 2018 in the City Hall Council Chambers.

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

AB23 ANNOUNCEMENT: Members of the Santa Clara Stadium Authority, Sports and Open Space Authority and Housing Authority are entitled to receive \$30 for each attended meeting.

Note: The City Council and its associated Authorities meet as separate agencies but in a concurrent manner. Actions taken should be considered actions of only the identified policy body.

LEGEND: City Council (CC); Stadium Authority (SA); Sports and Open Space Authority (SOSA); Housing Authority (HA); Successor Agency to the City of Santa Clara Redevelopment Agency (SARDA)

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

Agenda Report

18-053

Agenda Date: 3/27/2018

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Bills and Claims for the month of February 2018

BACKGROUND

Disbursements made by the Stadium Authority are based on invoices submitted for payment. Prior to payment, staff reviews all disbursement documents to ensure that they are in compliance with the goods or services provided.

The Bills and Claims listing represents the cash disbursements required of normal and usual operations during the period. Budget control is set by the Stadium Authority Board through the budget adoption process.

DISCUSSION

Significant expenditures in this time period include:

- Payment to Forty Niners Stadium Management Co. in the amount of \$1,074,404 for stadium operations costs such as staffing, supplies, equipment, insurance, and utilities.
- Payment to Forty Niners SC Stadium Co. (StadCo) of \$836,161 for the Community Facilities District (CFD) Advance (StadCo loaned the Stadium Authority \$35 million which is to be repaid solely by CFD hotel taxes).
- Various payments to two separate consulting firms in the total amount of \$91,525 as part of the stadium community engagement efforts.
- Payment to Wilson Ihrig & Associates of \$30,580 for acoustic monitoring services around the stadium.
- Two payments totaling \$26,241 to furnish the Stadium Authority office at Levi's Stadium.
- Payment to the City of Santa Clara of \$16,610 for reimbursement of General and Administrative (G&A) staff time (such as City Manager's Office, City Attorney, Finance, etc.)

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

There is a \$2,084,065 fiscal impact to the Stadium Authority.

PUBLIC CONTACT

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RECOMMENDATION

Approve the list of Bills and Claims for February 2018.

Prepared by: Tyler Cook, Management Analyst

Reviewed by: Angela Kraetsch, Treasurer

Reviewed by: Walter C. Rossmann, Chief Operating Officer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. 2018-02 SCSA Bills and Claims

Santa Clara Stadium Authority

Bills and Claims Expenses Paid by Wire Transfer For the Month of February 2018

Payment Date	Vendor	Invoice No.	Description	Fund	Amount
2/2/18	The Lew Edwards Group	1	Dec 2017 Comm Outreach Consult	Operating Fund	\$ 18,500.00
2/9/18	City of Santa Clara	N/A	B1803 SCSA admin payroll costs	Operating Fund	16,610.14
2/12/18	The Lew Edwards Group	2	Jan 18 Stad Community Outreach	Operating Fund	64,250.00
2/12/18	Wilson Ihrig & Assoc Inc	16125N7	Sept-Dec 2017 Noise Consultant	Operating Fund	30,580.49
2/15/18	Bank of America	N/A	Bank fees	Operating Fund	46.01
2/15/18	Forty Niners SC Stadium Co., LLC	N/A	CFD Advance payment	Debt Service Fund	836,160.89
2/26/18	Forty Niners Stadium Mgmt Co.	SLS-021518-A	Feb 2018 StadMgr - Security	Operating Fund	\$ 124,847.12
2/26/18	Forty Niners Stadium Mgmt Co.	SLS-021518-A	Feb 2018 StadMgr - Operations	Operating Fund	301,066.05
2/26/18	Forty Niners Stadium Mgmt Co.	SLS-021518-A	Feb 2018 StadMgr - Engineering	Operating Fund	136,304.61
2/26/18	Forty Niners Stadium Mgmt Co.	SLS-021518-A	Feb 2018 StadMgr - Guest Svcs	Operating Fund	70,630.49
2/26/18	Forty Niners Stadium Mgmt Co.	SLS-021518-A	Feb 2018 StadMgr - Groundskeeping	Operating Fund	20,515.07
2/26/18	Forty Niners Stadium Mgmt Co.	SLS-021518-A	Feb 2018 SBL Sales & Service	Operating Fund	157,291.62
2/26/18	Forty Niners Stadium Mgmt Co.	SLS-021518-A	Feb 2018 Insurance	Operating Fund	38,749.20
2/26/18	Forty Niners Stadium Mgmt Co.	SLS-021518-A	Feb 2018 Utilities	Operating Fund	225,000.00
			Forty Niners Stadium Mgmt Co. Subtotal		1,074,404.16
2/27/18	Bank of America Procurement	PC1217MNGR	SCSA Travel	Operating Fund	2,282.64
2/27/18	United Parcel Service	00009882E5517	Shipping	Operating Fund	64.57
2/27/18	T-Mobile	952058658 Nov	Mobile phones	Operating Fund	39.99
2/27/18	T-Mobile	952058658 Dec	Mobile phones	Operating Fund	39.99
2/27/18	Public Dialogue Consortium	Dec2017-Jan2018	Dec17-Jan18 Community Outreach	Operating Fund	8,775.00
2/27/18	Ricoh Usa, Inc	9024870277	Copier Lease	Operating Fund	1.39
2/28/18	Advantage Office Solutions Inc	10980	Stadium Office	Operating Fund	1,780.00

Santa Clara Stadium Authority

Bills and Claims Expenses Paid by Wire Transfer For the Month of February 2018

Payment Date	Vendor	Invoice No.	Description	Fund	Amount
2/28/18	Western Contract Interiors	21709RP	Stadium Office Furniture	Operating Fund	24,461.08
2/28/18	Shikada, Ruth	1/4/2018-1/9/2018	Travel Reimb College Football	Operating Fund	1,555.52
2/28/18	Santana, Deanna	1/5/2018-1/9/2018	Travel Reimb College Football	Operating Fund	241.88
2/28/18	Rossmann, Walter	1/5/2018-1/9/2018	Travel Reimb College Football	Operating Fund	2,014.01
2/28/18	Staples Advantage	8048294812-CMO	Office Supplies	Operating Fund	283.31
2/28/18	T-Mobile	952058658 1/20/18	Mobile phones	Operating Fund	39.90
2/28/18	Bank Of America Procurement	PC0118MNDR	SCSA Travel	Operating Fund	1,461.00
2/28/18	Bank Of America Procurement	PC0118FINC	Office Supplies	Operating Fund	32.69
2/28/18	Staples Advantage	8048495453-CMO	Office Supplies	Operating Fund	242.36
2/28/18	Ricoh Usa, Inc	9025011272	Copier Lease	Operating Fund	55.87
2/28/18	Ricoh Usa, Inc	9025584283	Copier Lease	Operating Fund	141.70
			Total		\$ 2,084,064.59

Agenda Report

18-380

Agenda Date: 3/27/2018

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Authorize the Executive Director to Execute the Concessionaire's Exit Agreement between the Forty Niners Stadium Management Company, Levy Premium Food Service Limited Partnership and Volume Services, Inc.

BACKGROUND

On February 27, 2018, per the Stadium Management Agreement (6.1 Selection of Concessionaire), Santa Clara Stadium Authority (SCSA) staff presented to the SCSA Board for their approval the Concessions Agreement between Forty Niners Stadium Management (StadCo) with Levy Premium Food Service Limited Partnership (Levy). The Board authorized the Executive Director to execute this contract with a unanimous vote.

The SCSA staff report (Attachment 1) included verbiage regarding the exit agreement between StadCo, and and Volume Services, Inc.(Centerplate) and (Attachment 2, page 2, paragraph 3), with a recommendation to the Board to approve that agreement:

As mentioned in the Background section, the current concessionaire's (Centerplate) contract is scheduled to expire in April 2019. Centerplate and the future concessionaire (Levy) agreed on an exit agreement (Attachment 3). The exit agreement outlines the terms and conditions for Levy taking over the food and beverage one year before the Centerplate contract is scheduled to expire including the assumption of Centerplate's collective bargaining agreement subject to the union's approval. With the innovations and investments Levy is bringing to the Stadium while maintaining the commission structure for non-NFL events, staff recommends approval of the Exit Agreement.

Staff inadvertently omitted specific language in the Recommendation to the Board regarding the exit agreement.

DISCUSSION

The Board has been taking steps to strengthen the SCSA's policies to improve governance, transparency, and responsiveness to the Santa Clara community and Levi's Stadium obligations. In support of these efforts, SCSA staff is presenting this report to the Board to provide explicit acceptance of the exit agreement.

FISCAL IMPACT

There is no change to the fiscal impact presented to the SCSA Board on February 27, 2018.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

PUBLIC CONTACT

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RECOMMENDATION

Authorize the Executive Director to Execute the Levi’s Stadium Exit Agreement between the Forty Niners Stadium Management Company, Levy Premium Food Service Limited Partnership and Volume Services, Inc.

Prepared by: Catlin Ivanetich, Assistant to the Executive Director

Reviewed by: Brian Doyle, Counsel

Reviewed by: Walter C. Rossmann, Chief Operating Officer

Approved by: Deanna J. Santana, Assistant to the Executive Director

ATTACHMENTS

1. February 27, 2018 SCSA Board Report: Concession’s Contact at Levi’s Stadium (without attachments)
2. Levi’s Stadium Exit Agreement

AGENDA REPORT

Date: February 27, 2018
To: Executive Director for Stadium Authority Action
From: Chief Operating Officer
Subject: Concessions Contract at Levi's Stadium

BACKGROUND

The 49ers Stadium Management Company (ManCo) provides food and beverage concessions through a third party contract for NFL and non-NFL event attendees at Levi's Stadium. The contract term for the current food and beverage provider, Centerplate, expires in April 2019. The existing contract has been in place since July 25, 2012. Annually, Levi's Stadium averages 10 NFL games a year, approximately ten other large events (soccer, concerts, etc.), and about 100 special/catered events. As a result of these scheduled events, the food and beverage provider is charged with servicing hundreds of thousands of guests a year.

This contract is brought forward for Stadium Authority Board (Board) approval per the Stadium Management Agreement. Specifically, per paragraph 6.1 titled Selection of Concessionaire, ManCo (Tenant) shall:

Deliver the Concessionaire's Agreement to the Stadium Authority for approval, which approval shall not reasonably be withheld; provided, however, that (i) the Stadium Authority shall have no right to review or approve any Concessionaire or Concession Agreement that pertains solely to Tenant's Exclusive Concession Rights; and (ii) the Stadium Authority shall not disapprove any Concessionaire as long as the Concessionaire agrees to include in the Concession Agreement, and be bound by, the "Ethical Requirements" ... and executes the "Affidavit of Compliance ... and such Concessionaire demonstrates to the Stadium Manager's satisfaction that the Concessionaire (1) has an excellent reputation in the industry with experience in merchandising and selling food, beverages, souvenirs, novelties and programs, and providing premium quality and concession and catering services at comparable arenas, stadiums, and other sports entertainment facilities in the United States, (2) and has the financial ability and creditworthiness necessary to perform each and all of the obligations to be performed by the Concessionaire in the Concession Agreement, and (3) shall engage on-site and off-site full-time executive leadership having the experience and reputation necessary to perform the Concessionaire's obligations at a level comparable to other NFL stadiums.

The Request for Proposal process and selection process for the new Concessionaire Agreement is guided by Section 7.3.1 of the Amended and Restated Stadium Lease Agreement. Specifically, Section 7.3.1(b) states that:

Tenant shall have the primary right and responsibility from time to time to (i) solicit and select one or more concessionaires who shall operate and be responsible for all Concession Operations within the Stadium Complex at all times during the lease term; (ii)

Manager's satisfaction that the Concessionaire (1) has an excellent reputation in the industry with experience in merchandising and selling food, beverages, souvenirs, novelties and programs, and providing premium quality and concession and catering services at comparable arenas, stadiums, and other sports entertainment facilities in the United States, (2) and has the financial ability and creditworthiness necessary to perform each and all of the obligations to be performed by the Concessionaire in the Concession Agreement, and (3) shall engage on-site and off-site full-time executive leadership having the experience and reputation necessary to perform the Concessionaire's obligations at a level comparable to other NFL stadiums.

As demonstrated with Levy's proposal, presentation, attached contract, and letter from the Stadium Manager, Levy's meets these requirements. Therefore, staff recommends that the Stadium Board authorizes the Executive Director to execute the concessions agreement (Attachment 2) with Levy.

As mentioned in the Background section, the current concessionaire's (Centerplate) contract is scheduled to expire in April 2019. Centerplate and the future concessionaire (Levy) agreed on an exit agreement (Attachment 3). The exit agreement outlines the terms and conditions for Levy taking over the food and beverage one year before the Centerplate contract is scheduled to expire including the assumption of Centerplate's collective bargaining agreement subject to the union's approval. With the innovations and investments Levy is bringing to the Stadium while maintaining the commission structure for non-NFL events, staff recommends approval of the Exit Agreement.

Upon the Stadium Authority Board's approval, ManCo will continue coordinating the transition of the concessionaire contract with Stadium Authority staff including and not limited to the implementation of the Worker Retention Ordinance, incorporation of the Levy's capital contributions in future Capital Expenditure plans, and partnerships with local restaurants consistent with the agreements between Santa Clara Stadium Authority (SCSA) and ManCo.

As stated in the attached letter from the Stadium Manager, as part of the annual budget process, ManCo will determine Key Performance Indicators (KPIs) with Levy. As detailed in the letter from the Stadium Manager, ManCo has agreed that these KPIs will be reviewed with Stadium Authority staff before finalizing them with Levy. As part of this annual process, ManCo will report to Stadium Authority staff the results of the prior year KPIs.

FISCAL IMPACT

The table below depicts the commission structure by event category of the current contract with Centerplate, the commission structure Centerplate proposed as part of this RFP process, and Levy's commission proposal. As shown, Levy's proposal keeps SCSA commissions at its current structure. Given the same amount of events by category, with Levy's plan of increased points-of-sale and a more data driven and higher quality food and beverage offerings, it is anticipated that SCSA revenues from concessions will increase.

SCSA revenues are accounted for in a profit and loss statement for each non-NFL event. Concession revenues are one of several revenue sources (e.g., Ticketmaster fees, parking revenues, sponsorship revenue) offset by various expense categories. As shown in the table below, depending on the event, SCSA receives different percentages of commissions with large events generating the most revenue for the Authority. In the attached letter from the Stadium

negotiate agreements with concessionaires with regard to the Concession Rights (each a Concession Agreement); and (iii) subject to the applicable Capital Expenditure Plan and ... and make changes to the location of concession facilities within the Stadium Complex from time to time.

Section 7.3.1 (c) more specifically defines the selection process as follows:

Without limiting Tenant's rights set forth in Paragraph 7.3.1(a) and (b), (i) Tenant shall meet regularly with the Stadium Authority to provide updates regarding the process in identifying Concessionaire(s), and to receive input from the Stadium Authority regarding the process for selection, the terms and conditions of such Concession Agreements and the location of Concession Facilities; and (ii) the Stadium Authority shall be entitled to (1) participate with Tenant in the determination of criteria for, and selection of, all Concessionaires which shall be generally consistent with the selection criteria used for approval of previous Concessionaires, and (2) attend, and participate in, all meetings and negotiations with Tenant and prospective Concessionaire.

DISCUSSION

Consistent with Section 7.3.1 (c), ManCo submitted the a letter to the Interim Stadium Authority Executive Director informing the Stadium Authority of the RFP for Food and Beverage Concessionaire and the selection process on August 30, 2018 (see Attachment 1 from the Stadium Manager's letter dated February 21, 2018). Upon ManCo's notice to the Stadium Authority and during transition of Stadium Authority Executive Directors, our records show that Stadium Authority staff was not assigned to provide input regarding the process for selection and the determination of selection criteria.

As discussed in the attached letter from the Stadium Manager, ManCo initiated a procurement process for new concessionaire services on September 5, 2017 by notifying and distributing the Request for Proposals to six major food service companies (Sodexo, Aramark, Delaware North, Levy, Centerplate and Legends). Early November 2017, ManCo approached the newly appointed Stadium Authority Executive Director for staff participation for concessionaire presentations. At that time, ManCo had decided to advance only the three proposals to the in-person presentation stage.

After review of the RFP for concession services, the proposals from the three finalists, participation in the finalists' presentations and the draft contract, staff has determined that the RFP selection process was, in general, consistent with the applicable paragraphs of the Amended and Restated Stadium Lease Agreement. Further, Levy's proposal represents the most advantageous proposal for the Stadium Authority as outlined in the Stadium Manager's letter. Further, Levy's agreed to comply with the City's worker retention ordinance and has signed the affidavit of ethical compliance as required in the management agreement as part of the attached contract.

As provided in the Background Section of this memorandum, the Stadium Authority's approval for the concessionaire agreement with Levy's shall be granted as long as the Concessionaire agrees to include in the Concession Agreement, and be bound by, the "Ethical Requirements" ... and executes the "Affidavit of Compliance ... and such Concessionaire demonstrates to the Stadium

Manager based on historical event experience, it is estimated that the Stadium Authority will generate approximately \$4.2 million in concession revenue. With the changes Levy intends to make with its service delivery and infrastructure improvements, other things being equal, revenue is expected to increase.

Table 1: Centerplate and Levy's Commission Structure

	Centerplate's Current Structure	Centerplate's Proposed Structure	Levy's Proposed Structure
Large Events Small Events (% of Gross Receipts)			
General	48% 40%	20% 15%	48% 40%
Catered Events	25% 25%	22% 22%	25% 25%
Club	35% 35%	20% 20%	35% 35%
Suites	20% 20%	20% 20%	20% 20%
In-Seat Sales	48% 40%	15% 15%	48% 40%
3rd Party Subs	50% 50%	50% 50%	50% 50%

SCSA receives the net revenue for each event as shown in the Stadium Authority budget. For the FY 2018/19 Recommended Stadium Authority Budget and subsequent Quarterly Financial Status Reports, staff will show major revenue and expenditure categories for Non-NFL events. At the end of the fiscal year, the net revenue to the Stadium Authority for the fiscal year of all events is added up and per the Amended and Restated Stadium Lease Agreement, Paragraph 6.4.2, performance based rent credits are applied as defined in the Ground Lease, and the remaining funds are paid to the City's General Fund. Applying these contractual clauses to concession revenues only including the performance rent credit of 50% of the Ground Rent (\$160,000 for FY 2018/19), the estimated revenue to the General Fund for FY 2018/19 would be \$1.94 million. However, this calculation does not include other revenues or expenditures for Non-NFL events and the actual revenue to the General Fund may be different.

In addition to the commission revenue structure detailed in the letter from the Stadium Manager for Non-NFL and NFL events, Levy's also committed in the attached contract to one-time investments benefitting both types of events. These investments include \$5,000,000 in initial capital investment, \$5,000,000 in "refresh investments" paid prior to the 6th year of this agreement, and an annual innovation fund of \$1,000,000. The use of these capital dollars will be reviewed with Stadium Authority staff before finalizing them with Levy. The use of the annual innovation fund will be discussed with Stadium Authority staff and reported to the Board.

RECOMMENDATION

Authorize the Executive Director to execute a contract with Levy's for Concession Services at Levi's Stadium for 12 years.



Walter C. Rossmann
Chief Operating Officer

APPROVED:



Deanna J. Santana
Executive Director

Documents Related to this Report:

1. *Stadium Manager Letter dated Feb. 21, 2018*
2. *Concessions Agreement with Levy*
3. *Exit Agreement between Centerplate and Levy*



ALEXANDER F. POWELL
VICE PRESIDENT &
ASSOCIATE GENERAL COUNSEL

February 20, 2018

Mr. Al Guido
President
San Francisco 49ers
4949 Marie P. DeBartolo Way
Santa Clara, CA 95054

Mr. Rob Ellis
EVP/CFO
Levy Restaurants
980 North Michigan Avenue, Suite 400
Chicago, IL 60611

RE: LEVI'S STADIUM EXIT AGREEMENT

Dear Mssrs. Guido and Lansing,

This letter (the "**Exit Agreement**") memorializes the agreement between the Forty Niners Stadium Management Company LLC ("**Manager**"), Levy Premium Food Service Limited Partnership ("**Levy**") and Volume Services, Inc. d/b/a Centerplate ("**Concessionaire**") and their respective subsidiaries and affiliates, concerning Concessionaire's exit – and Levy's attendant replacement – at Levi's Stadium in Santa Clara, CA ("**Stadium**"). The parties agree as follows:

1. Manager and Concessionaire entered into that certain Concessions Operating Agreement by and between Forty Niners Stadium Management Company LLC and Volume Services, Inc. d/b/a Centerplate dated July 25, 2012, as amended ("**COA**"), whereby Concessionaire provided food, beverage and merchandise services on behalf of Manager at the Stadium. Concessionaire no longer has the rights to or otherwise provides merchandise services.
2. Concessionaire agrees to exit the COA early. As of April 15, 2018, the Term of the COA shall be terminated. Concessionaire agrees to vacate the Stadium by that date and Levy agrees to commence performance at the Stadium no later than April 16, 2018. Concessionaire represents and warrants it (a) has not and will not alter, damage or otherwise modify any equipment at the Stadium (including without limitation POS systems); (b) will fully cooperate with all reasonable requests of Manager and/or Levy to effectuate a smooth transition of services; (c) will maintain, preserve (with the exception

- of Freedom Pay), and use commercially reasonable efforts to facilitate transfer of, all POS, IT and data infrastructure systems, configurations and data associated with the Stadium; (d) will leave all smallwares in a clean, orderly and accessible manner; and (e) will leave the premises in which it operated in a clean and sanitary manner, consistent with standard industry practices, by April 15, 2018.
3. On April 9, 2018, Concessionaire and Levy shall conduct a walkthrough of the Stadium during which Levy will have the opportunity to inspect all areas in the Stadium where Concessionaire operated (the “**Walkthrough**”). Costs of repair of any equipment or other damages to the Stadium shall be paid out of the COA’s Renewal and Replacement Account, the current balance of which is approximately \$1,600,000. The costs of any other repairs of any equipment or other damages to the Stadium directly attributed to Concessionaire’s sole negligence under the COA, shall be the responsibility of Concessionaire.
 4. Manager shall pay Concessionaire outstanding Accounts Receivables (“**AR**”) as of December 26, 2017 totaling \$56,325.91. Manager agrees to pay Concessionaire 2018 AR on a monthly basis, and all AR shall be paid by Manager to Concessionaire no later than April 13, 2018.
 5. Concessionaire shall pay Manager on or before April 13, 2018 any and all outstanding balances owed to Manager as of April 12, 2018, including, but not limited to, amounts owed from utilities at the Stadium, for parking at the Stadium, equipment purchases and rentals made on behalf of Concessionaire, services contracted on behalf of Concessionaire (e.g., electrical, waste), equipment maintenance and repair, telecom services, shipping, and any and all commissions owed to Manager. Concessionaire and Manager shall meet periodically prior to April 12, 2018 to determine in good faith the final amounts owed to Manager by Concessionaire.
 6. On or before March 31, 2018, subject to Section 2 of this Exit Agreement, Concessionaire shall transfer to Manager any and all Stadium data, business records, service records, contractor lists, or other information possessed or stored by Concessionaire in connection with the food and beverage services at the Stadium. Concessionaire shall work in good faith to provide such data, records, and information in native format or in a form reasonably requested by Manager.
 7. On April 13, 2018, Levy shall, provided Concessionaire has complied with its obligations in Section 2 of this Exit Agreement and its payment obligations to Manager under Sections 5 and 14 of this Exit Agreement, pay Concessionaire \$750,000, which such amount represents Concessionaire’s unamortized investment buyback amounts.
 8. Manager shall cause Levy to pay Concessionaire for all useable inventory of Refreshments (as defined in the COA) at Concessionaire’s original cost. Inventory shall be completed by April 12, 2018 and paid to Concessionaire by April 13, 2018.
 9. On April 2, 2018, Levy shall pay Concessionaire the amount of \$250,000.00 in consideration for exiting the Stadium early, provided Concessionaire has complied with its obligations in Section 2 of this Exit Agreement and its payment obligations to Manager under Sections 5 and 14 of this Exit Agreement. Levy shall also pay Concessionaire for any valid permits or licenses which are transferrable (and which Levy could not otherwise obtain at no cost), on a pro rata basis and no later than April 13, 2018.
 10. Any existing suite rental or related agreements by and between Manager and Concessionaire and their respective affiliates is hereby terminated, and Manager shall pay Concessionaire the amount of \$25,000 as a return of its suite security deposit, no later than April 13, 2018.
 11. In the event that by 11:59 p.m. April 15, 2018, any undisputed monies remain owed to Concessionaire from Manager, whether by AR, accounts payable or any other,

Centerplate shall have the right to remain at the Stadium and operate, and shall have no obligation to assign or otherwise transfer any licenses, until such time that all undisputed amounts are paid to Concessionaire by Manager.

12. The parties and their affiliates hereby release each other and their affiliates, owners, directors, agents and employees from and against any and all claims, complaints, costs, fees, liabilities, liens, litigation (collectively, “**Claims**”) (excepting third party claims) related in any way to the COA.
13. Subject to union approval, Levy agrees to assume Concessionaire’s collective bargaining agreement. Subject to execution of this Agreement, effective as of April 16, 2018, Centerplate shall assign, and Levy shall assume, all terms, conditions, obligations and duties therein, of that certain Collective Bargaining Agreement between Volume Services, Inc. d/b/a Centerplate and Unite Here! Local #19 For Covered Employees at Levi’s Stadium, November 1, 2015 through February 28, 2019 (the “**CBA**”).
14. The parties agree that time is of the essence in order for Concessionaire to comply with all federal and state WARN Act or similar laws and regulations.
15. Levy agrees to defend, indemnify and hold harmless Concessionaire and its affiliates, owners, directors, agents and employees, and Concessionaire agrees to defend, indemnify and hold harmless Levy and its affiliates, owners, directors, agents and employees from and against any and all Claims related in any way to this Exit Agreement, including but not limited to Claims related to the CBA. For the avoidance of doubt, and notwithstanding any other provisions of this agreement, in no event shall Levy have any obligation to defend, indemnify or hold harmless any party for any Claims related to the COA or the Stadium if the facts giving rise to such Claims arose prior to April 4, 2018.
16. Concessionaire shall transfer any and all amounts held by Concessionaire for the benefit of Manager or Stadium to Manager on or before April 13, 2018, including, without limitation, the Renewal and Replacement Account. Each of Manager and Levy and Concessionaire (and their respective affiliates) agrees that it shall not disparage the other, nor explicitly or impliedly state or infer to any one, anything negative about Concessionaire’s performance under the COA; nor shall Levy mention Concessionaire or anything related to the terms and circumstances (i.e. early exit/commencement) related to this Exit Agreement, either publicly or in any bid for other venues; provided, however that nothing herein shall preclude the disclosure of truthful information in cooperation with any government agency or in response to lawful subpoenas properly served, discovery requests as a party to litigation, or court orders. The parties agree and acknowledge that nothing herein is intended to limit any rights or remedies, whether in equity or at law.

Please confirm that the terms and conditions contained herein accurately and completely reflect the understanding between the parties as set forth in this letter agreement by signing on the following page and returning to my attention. This Exit Agreement shall become effective upon full execution by Manager, Levy, and Concessionaire and approval from the Santa Clara Stadium Authority and Forty Niners SC Stadium Company LLC. The parties agree to work in good faith to facilitate execution of this Exit Agreement by all signatories.

Sincerely,

Alexander F. Powell

[Signature Page Follows]

AGREED AND ACCEPTED
By its duly authorized signee:

MANAGER:
FORTY NINERS STADIUM
MANAGEMENT COMPANY LLC

CONCESSIONAIRE:
VOLUME SERVICES, INC. D/B/A
CENTERPLATE

DocuSigned by:
Al Guido
By: 1603895D80DD496...
Name: Al Guido
Title: President
Date: 2/21/2018

DocuSigned by:
Chris Verros
By: 5DC3EF3E98E9431...
Name: Chris Verros
Title: President & CEO
Date: 2/21/2018

LEVY:
LEVY PREMIUM FOOD SERVICE LIMITED PARTNERSHIP

DocuSigned by:
Rob Ellis
By: 069962AD348F4C3...
Name: Rob Ellis
Title: EVP/CFO
Date: 2/21/2018

APPROVED:

Santa Clara Stadium Authority, a joint exercise of powers entity, created through Government Code Sections 6500 et seq.

Name:
Executive Director
1500 Warburton Avenue
Santa Clara, CA 95050

Name:
Authority
General Counsel

Name:
Authority Secretary

Date: _____

FORTY NINERS SC STADIUM COMPANY, LLC

By: _____
Name: Al Guido
Title: President

Agenda Report

18-052

Agenda Date: 3/27/2018

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Adopt the Santa Clara Stadium Authority Fiscal Year 2018-19 Recommended Budget, Approve the Stadium Operation and Maintenance Plan, and Approve a Budget Amendment to the FY 2017-18 Santa Clara Stadium Authority Adopted Budget to Reduce the Total Outstanding Debt by \$13.5 Million.

BACKGROUND

Per the terms of the Amended and Restated Stadium Lease Agreement (Lease) by and Between the Santa Clara Stadium Authority (SCSA, Stadium Authority) and Forty Niners SC Stadium Company LLC (StadCo, Tenant), the Stadium Manager (ManCo) is responsible for preparing the Stadium Operation and Maintenance Plan (SOMP), including the Annual Shared Stadium Expense Budget, Annual Public Safety Budget and the Capital Expenditure Plan, which must be presented annually to the Stadium Authority and Tenant for their consideration and approval (7.2 Stadium Management Company). Additionally, per the terms of the Stadium Management Agreement (Management Agreement), the SOMP is required to include a marketing plan prepared by ManCo which shall be mutually agreed upon by StadCo and SCSA (4.10 Marketing Plan).

At its March 13, 2018 meeting, the SCSA Board held a Study Session to discuss the SOMP for the period of April 1, 2018 through March 31, 2019 (FY 2018-19). The discussion included the proposed SCSA Operating, Debt Service, and Capital Budget (Budget; Attachment 3) in accordance with Article 4 "*Records, Accounts, Budgets, and Reports*" of the Management Agreement, as well as ManCo's 2018 Marketing and Business Plan for Non-NFL Events (Attachment 2).

During the Study Session, both the Board and the public provided valuable feedback and asked pertinent questions. At the direction of the Board, SCSA staff has included responses as part of this report (Attachment 1).

At the same meeting, the SCSA Board adopted a Budget Policy that states SCSA staff will bring forward budget amendments for Board consideration during the year in order to address unanticipated needs, emergencies, or compliance with Stadium agreements. Consistent with this policy, staff is bringing forward for approval a budget amendment to the current adopted SCSA Budget.

DISCUSSION

The Board has been taking steps to strengthen the SCSA's policies to improve governance, transparency, and responsiveness to the Santa Clara community and Levi's Stadium obligations. For example, on March 13, the Board adopted a budget policy to guide the annual development of the budget. The FY 2018-19 Budget was prepared in alignment with the recently adopted SCSA Budget Policy. This public hearing meets the goal of the budget development process to present the Budget

to the Board and the public at one Study Session and one Public Hearing for final approval.

In addition, as part of the City's fiscal year 2018-19 General Fund Budget development, staff will separately present the Public Safety costs related to the support of Stadium Operations as a stand-alone program in order to provide more transparency to the Board and the public.

The SCSA FY 2018-19 Budget includes key components such as the Executive Director's Transmittal Letter; Stadium Operating Budget, which includes a breakdown of the Stadium Authority's General and Administrative costs; Shared Stadium Manager expenses, including the total expenses and the Stadium Authority's share of those expenses; Debt Service budget; and the Capital Budget. In addition, staff included a glossary of financial terms used to facilitate understanding of the types of revenues, expenses, debt, and capital expenses.

In accordance with Sections 4.5 through 4.8 of the Management Agreement, ManCo submitted the operating, capital, and debt budget for the Fiscal Year 2018-19 Stadium Authority Budget.

- In January, SCSA staff met with ManCo representatives and determined the date that ManCo would provide all necessary documents as required by the Stadium Lease and Stadium Management Agreement.
- On February 7th, ManCo provided annual documents as outlined in the Stadium Agreements, which were used in the Budget Development Process:
 - Stadium Operations and Management Plan
(Source: *Stadium Management Agreement*)
 - Annual Shared Expense Budget with Five Year Projection
 - Annual Stadium Operations Budget
 - Annual Public Safety Budget
 - Capital Expenditure Plan with Five Year Projection
 - Non-NFL Event Marketing Plan
(Source: *Stadium Management Agreement*)
- In February and early March, SCSA staff fully analyzed ManCo's budget submission including but not limited to the number of full-time equivalents (FTEs) recommended and related personnel costs as well as non-personnel costs and calculated the budget for Stadium Authority General and Administrative costs (such as staff costs, consulting, audit, legal, and any reasonable and necessary expenses to uphold its support of the Board) as well as any necessary funding to be used for the Stadium Authority's Discretionary Fund.

Key highlights for the Stadium Authority's FY 2018-19 Budget are as follows:

- **Accrual Basis** - As discussed in the SCSA FY 2017-18 third quarter financial status report, this budget is presented on an accrual basis. This will allow for more accurate budgeting because it will account for when expenses are incurred and revenue is earned, and not when cash is actually paid or received.

- The proposed budget reflects the clear identification of transfers as transfers-in (a revenue source) and transfers-out (an expense) versus showing Net Transfers in the revenue section.
- Revenues - The table below summarizes the FY 2018-19 projected revenues:

Gross Receipts from Non-NFL Events	\$62.1 million
Stadium Builder License (SBL) Revenue	\$26.2 million
Stadium Company Facility Rent	\$24.5 million
NFL Ticket Surcharge	\$8.0 million
Naming Rights Revenue	\$6.6 million
Non-NFL Ticket Surcharge	\$1.8 million
Miscellaneous Other Revenues	\$1.6 million
Total Revenues	\$130.8 million

- This is the first year the budget shows the gross receipts from Non-NFL events, which is the primary reason for the revenues increase comparison to the FY 2017/18 Adopted Budget. Previously, only the net Non-NFL revenue number was reflected in the Stadium Authority's budget.
 - Facility rent revenue is contingent on the outcome of the rent adjustment process as outlined in the Amended and Restated Stadium Lease.
- Expenses - The table below summarizes the FY 2018-19 proposed operating budget, which is an increase of \$50 million when compared to the prior year.

Gross Non-NFL Event Expenses	\$56.5 million
Transfers Out	\$52.7 million
Shared Stadium Manager Expenses	\$11.2 million
Performance Rent (paid to City)	\$2.7 million
SBL Sales and Service	\$2.3 million
Miscellaneous Other Expenses	\$2.2 million
Stadium Authority General & Administrative	\$1.7 million
Utilities	\$1.5 million
Total Expenses	\$130.8 million

- The primary increase to expenses is due to a change in budgeting by presenting gross Non-NFL event expenses (\$56.5 million) for the first time; previously, these expenses were only shown as net revenue.
 - The Stadium Authority General & Administrative expenses include \$695,000 for staff support and Board stipends.
 - The transfers out consist of \$3.4 million that will be transferred to the capital reserve for future stadium capital improvements, and the remaining \$49.3 million to the Debt

Service Fund.

- Reserves - The table below lists the reserves expected at end of FY 2018-19:

Debt Service Reserve	\$11.5 million
Operating Reserve	\$11.3 million
Capital Expenditure Reserve	\$7.9 million
Discretionary Fund Balance	\$1.1 million
Total Reserves	\$31.8 million

- Debt Service - The proposed FY 2018-19 Debt Service Budget of \$57.6 million (principal and interest) is based on the required debt service payments and anticipated excess cash that can be used towards debt. This is an increase of \$2.6 million from the proposed budget that was considered at the study session on March 13, 2018. This increase is due to additional SBL funds that were received in March 2018 and will be used for debt service in FY 2018-19. Total outstanding debt is projected to decrease by \$38.9 million from \$382.7 million to \$343.8 million.
- Capital Budget - The table below summarizes the FY 2018-19 Capital Budget.

New Capital Improvement Appropriations	\$4.8 million
Prior Year Appropriations Carried Forward to FY 2018-19	\$3.1 million
Total Capital Budget	\$7.9 million

FY 2018-19 SOMP

In addition to adoption of the annual budget, this report is the culmination of information provided to fulfill the Lease and Management Agreement requirements to annually present the SOMP to the SCSA Board for review and approval. The March 13, 2018 Study Session included discussion of the Annual Shared Stadium Expense Budget, Annual Public Safety Budget and the Capital Expenditure Plan, and Marketing Plan. Staff recommends approving the SOMP for FY 2018-19.

FY 2017-18 Budget Amendment

Per the SCSA Budget Policy, staff is recommending the Board approve an amendment to the SCSA FY 2017-18 Adopted Budget to increase SBL proceeds by \$3.7 million due to higher than anticipated SBL proceeds received in March 2018. SBL proceeds can only be used for debt service per Article III of the Amended and Restated Deposit and Disbursement Agreement. In addition, staff recommends increasing the transfers-out from the operating budget fund and a corresponding increase of transfers-in to the debt service fund to pay for additional debt service in the amount of \$13.5 million and, as required by the loan agreements, to be applied to the Subordinated Loan.

FISCAL IMPACT

The proposed SCSA FY 2018-19 Budget includes \$130.8 million for operating expenses, \$31.8 million in total reserves, \$57.6 million for debt service, and \$7.9 million for capital (includes a \$3.1 million carryforward from the prior year).

FY 2017-18 Budget Modification

Staff is recommending a budget amendment of \$13.5 million to cover debt service requirements:

	FY 2017-18 Current	Increase	FY 2017-18 Revised
Operating Fund			
<u>Revenues</u>			
SBL Revenues	\$28,056,000	\$3,700,000	\$31,756,000
<u>Expenses</u>			
Transfers Out	\$54,817,000	\$3,700,000	\$58,517,000
Debt Service Fund			
<u>Revenues</u>			
Transfers In	\$51,539,000	\$3,700,000	\$55,239,000
<u>Expenses</u>			
StadCo Subordinated Loan	\$38,000,000	\$13,500,000	\$51,500,000
Use of Fund Balance ⁽¹⁾	\$27,730,000	(\$9,800,000)	\$17,930,000 ⁽²⁾

⁽¹⁾ Inadvertently, the fund balance number was not updated during the third quarter fiscal year 2017-18 Financial Status Report when staff changed the budgeting methodology from cash to accrual basis.

⁽²⁾ Fund balance at 2017-18 fiscal year end will be used for debt service payments that are required at the beginning of the 2018-19 fiscal year.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environment Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

PUBLIC CONTACT

On March 14, 2018 a notice of the public hearing was published in the Santa Clara Weekly.

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES

1. Adopt the Santa Clara Stadium Authority Fiscal Year 2018-19 Operating, Debt Service, and Capital Budget.
2. Approve the Santa Clara Stadium Authority Fiscal Year 2018-19 Stadium Operations and Maintenance Plan.
3. Approve a Budget Amendment to the FY 2017-18 Adopted Santa Clara Stadium Authority Budget to Reduce the Total Outstanding Debt by \$13.5 million.
4. Take any other Action the Board deems appropriate.

RECOMMENDATION

Staff recommends Alternatives 1, 2 and 3:

- (1) Adopt the Santa Clara Stadium Authority Fiscal Year 2018-19 Operating, Debt Service, and Capital Budget;
- (2) Approve the Santa Clara Stadium Authority Fiscal Year 2018-19 Stadium Operations and Maintenance Plan; and
- (3) Approve a Budget Amendment to the FY 2017-18 Adopted Santa Clara Stadium Authority Budget to Reduce the Total Outstanding Debt by \$13.5 million.

Prepared by: Angela Kraetsch, Treasurer

Reviewed by: Brian Doyle, Counsel

Reviewed by: Catlin Ivanetich, Assistant to the Executive Director

Reviewed by: Walter C. Rossmann, Chief Operating Officer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. March 13, 2018 SCSA Budget Study Session Responses
2. Marketing Plan
3. Santa Clara Stadium Authority Proposed Fiscal Year 2018-19 Operating, Debt Service, and Capital Budget
4. Annual Public Safety Budget and Capital Expenditure Amortization Schedule

March 13, 2018 SCSA Budget Study Session Responses

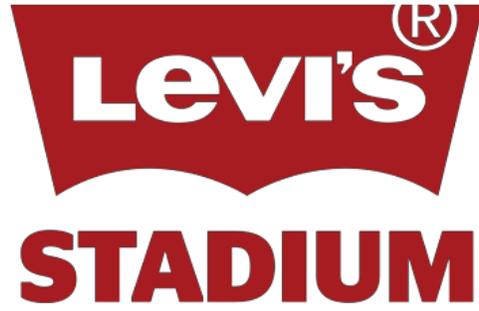
The following information is in response to the feedback and questions received during the Santa Clara Stadium Authority (SCSA) March 13, 2018 Study Session, as well as to additional questions received by e-mail after the Study Session.

#	Question	Answer
1.	What is the revenue received by event type?	Revenue by event type will be included in the key performance metrics developed by SCSA and the Stadium Management Company (ManCo) FY 2018-19 Q1, with presentation to the Board in Q2.
2.	What are the results of the satisfaction surveys by event type?	This will be included in the development of key performance metrics by SCSA and ManCo in FY 2018-19 Q1, with presentation to the Board in Q2.
3.	What is the status of the golf course parking fee?	This is related to a contract with the City of Santa Clara (City) and the City is currently proceeding with collection.
4.	Where does the offsite parking fee fit in if there is no public safety threshold?	This fee was created to recover the public safety costs associated with the offsite parking lots. Since the public safety costs associated with the offsite parking lots are reimbursed directly to the City by means of the offsite parking fee, the City captures all public safety costs associated with each event (inclusive of those associated with the offsite parking lots) and invoices for the total costs less those that were covered by the offsite parking fee. The public safety threshold does not directly impact this process.
5.	A measure J campaign brochure says that the neighborhoods should be protected from stadium related traffic and parking at all times. Is this happening?	The Police Department provides special neighborhood protection during large scaled events at the stadium. Officers focus on traffic, parking and fans walking through the area. For other parking issues, they are addressed if a call is made to the department or if an Officer self-initiates illegal parking.
6.	How is the revenue and expense related to the suites differentiated from the seats at non-NFL events?	SCSA receives ticket revenue associated with all of the suites that are sold for each non-NFL event. The Forty Niners SC Stadium Company (StadCo) receives suite rental revenue and Food and Beverage (F&B) commission revenue for F&B sold in the suite areas. StadCo also pays for the all-inclusive F&B costs (including staffing) associated with select suites.

#	Question	Answer
7.	There is a line in the FY 2018-19 budget for legal expenses in the Stadium Authority general and administrative budget. What is this for and is it enough based on the higher 2017-18 legal expenses?	The amount budgeted is the best estimate of what the expenses will be for SCSA's outside legal representation. The FY 2018-19 budget is lower than in the prior year because SCSA has already worked through many of the expenses that were budgeted in the prior year.
8.	Can the agreements that are referenced in the budget be hyperlinked to the agreements themselves?	Staff will look into creating hyperlinks for the final budget that is posted online.
9.	Can the "transfers out" line in the operating budget be expanded to "transfers to debt service" and "transfers to capital fund"?	The table on page 11 of the proposed FY 2018-19 budget shows this level of detail.
10.	Can a table be added to the budget showing anticipated SBL income for each year for which the SBL payments could still be due?	A table of this nature that goes out beyond the budget year would be subject to annual swings in defaults, resales, pre-payments, etc. The operating budget estimates the revenue that will be received by SBL holders in the current budget year.
11.	Since SBL defaults are higher than previous documents assumed, what are the risks to future revenue, particularly if tickets are not sold out?	It should be noted that the risk associated with possible future SBL defaults is largely mitigated due to the fact that a significant portion of currently active SBL principal has already been collected (76.9% as of December 31, 2017). Additionally, this does not include principal payments collected from SBL holders that have already defaulted. Those defaulted SBLs have either been resold or are currently available for sale at full price which results in additional unanticipated SBL proceeds. While it is true that defaults are an inherent risk associated with SBL proceeds, putting a dollar value to this risk is particularly challenging. The performance of the 49ers Football Team along with macro- and microeconomic factors have an impact on the likelihood of defaults.

#	Question	Answer
12.	How long are the ticket surcharges in effect? Can this information be added to the budget document?	<ul style="list-style-type: none"> • The Non-NFL event ticket surcharge of \$4 per non-NFL event ticket sold is in effect through the 40-year stadium lease term which runs through the FY 2053-54 fiscal year. This is stated in article 12 of the Amended and Restated Stadium Lease dated June 19, 2013. • The Senior and Youth fee of \$0.35 per NFL ticket sold is in effect through the 40-year stadium lease term which runs through the FY 2053-54 fiscal year. This is noted in article 12 of the Amended and Restated Stadium Lease dated June 19, 2013. • The 10% NFL ticket surcharge is in effect through the 25th lease year or the FY 2038-39 fiscal year. This is described in section 5.1 of the Amended and Restated Team Non-Relocation Agreement dated June 19, 2013. • Staff will add this information to future Quarterly Financial Status Reports and Annual Budget documents.
13.	Can the Annual Fixed Ground Rent table on page 16 and the Term A Loan Amortization table on page 27 be labeled with the "fiscal year ending" date?	The ground rent table will be updated to include reference to the applicable fiscal year. The Term A loan amortization table already references the date that the required principal payment is due.
14.	The Executive Director's Transmittal Letter on pages 4 and 5 state that "staff will consider various types of debt financing that are available to the Stadium Authority to draw upon if needed." What types of future debt are contemplated beyond the existing 3 loans? Is this a contingency plan in case the rent reset decision isn't favorable to the Stadium Authority? Or some major investment to fix the sun heat problems? Or something else?	SCSA has a \$25 million revolving loan available from the Forty Niners Stadium Management Company (ManCo) for the purpose of paying SCSA operating expenses to the extent that funds are not otherwise available. This loan has not currently been utilized.

#	Question	Answer
15.	Is the naming rights income contingent on booking a certain number of major non-NFL events?	<p>Section 9 of the Naming Rights Agreement dated May 9, 2013 states that a naming rights fee credit would be owed to the naming rights sponsor at the end of every 3 contract years if during the previous 3 contract years there were fewer than 36 “major events” (which includes NFL games). Based on the definition of “major events” (any Super Bowl counts as 8 major events), there were more than 36 major events held at Levi’s Stadium in the first 3 contract years.</p> <p>It should also be noted that the Second Amendment to the Stadium Management Agreement dated May 9, 2013 stipulates that ManCo will reimburse SCSA for any reduction in naming rights payment resulting from the 36 major event threshold not being met.</p>
16.	Why is the debt service reserve funded at the level it currently is at?	The reserve amount of \$11.54 million is designated by section 2.1 of the Amended and Restated Credit Agreement dated June 19, 2013.
17.	Are there any comments about how the new minimum wage is likely to affect staff expense?	SCSA and ManCo will comply with the new minimum wage requirements.
18.	What pension is being referred to on page 22 of the budget?	This section of the budget covers the ManCo shared expenses. A portion of SCSA’s share of ManCo staffing is for benefits which include deferred compensation contributions. This is not related to City staff pensions. Reimbursement for City staff costs (which includes benefits) is part of the SCSA general and administrative expense in the budget. More details on this line can be found on pages 14 and 15 of the FY 2018-19 budget.
19.	Why are there expenses related to carpet mentioned on page 22? Isn’t upkeep of suite areas a responsibility of StadCo? Are there other areas where this would legitimately be a Stadium Authority expense.	Yes, the upkeep of carpet in the suite area would be the responsibility of StadCo. However there are areas of the stadium where carpet maintenance and repair would be the responsibility of SCSA. As an example, the club areas have various floor finishes including carpet that would need to be maintained and repaired.
20.	Can the debt service payment schedule table on page 25 be modified to include the interest for each loan?	The table was adjusted to include the interest expense associated with each loan.



2018 Non-NFL Events Marketing & Business Plan

Thursday, March 8th, 2018

Table of Contents

Executive Summary 2

2017 In-Review 3

 Annual Summary..... 3

 Key Wins 4

 Actionable Opportunities 5

Events Business Model and Organizational Structure 7

 Levi’s® Stadium Non-NFL Event Profiles 7

Levi’s® Stadium Special Events 8

 Business Updates 8

 2018 Initiatives 8

 Go-to-Market Strategy..... 10

Levi’s® Stadium Major Events 15

 Business Updates 15

 2018 Initiatives 15

 Go-to-Market Strategy..... 16

Conclusion..... 19

Executive Summary

Levi's® Stadium's non-NFL events business continues to generate profit for the Stadium Authority and the City's General Fund while successfully bringing new shows and events to Santa Clara. Levi's® Stadium has grown a distinct reputation as a premier entertainment venue, resulting from the combination of consistently high client satisfaction ratings, a steady pipeline of high-impact events, and incorporating data-driven decision-making into contracting, planning, and executing events.

As Stadium Manager, the Forty Niners Stadium Management Company continues to adapt its business strategy to the changing sports and entertainment landscape, and will focus our efforts in 2018 on guests, partners, and building the Levi's® Stadium brand as an entertainment venue. It is becoming ever more important to understand the behavior of guests and attendees, how they engage with the Levi's® Stadium brand, and their unique customer journey. To achieve these objectives the strategy and approach must evolve to enhance guest communication and engagement by adapting our traditional communication vehicles and content strategies, tailored to different demographics. Specifically, the Stadium Manager plans to engage new and returning clients and guests by:

- Defining the brand with a new logo and revamped marketing assets, including physical and digital collateral
- Hosting in-market private events to returning and prospective clients to showcase the venue's capabilities and event opportunities
- Leveraging historical event data to market Levi's® Stadium's comparative advantages to the most relevant industries and organizations
- Targeting specific client and business groups through social and digital marketing, leveraging Levi's® Stadium's social media channels and web properties
- Co-branding / sponsoring local conferences and industry-relevant events while growing new and existing partnerships

Through this deeper connection between Levi's® Stadium events and its guests, the Stadium Manager will achieve the optimal outcome for the business, Stadium Authority profit and community engagement.

2017 In-Review

Annual Summary:

Levi's® Stadium's non-NFL events business has continued to thrive in the local market as the venue completes year 4 of its operational lifetime. The non-NFL events business is built on two different categories of events, **Major Events**, which are stadium-wide ticketed events open to the public, and **Special Events**, which are private, contracted and generally non-ticketed exclusive events. With a growing reputation as a national highlight and coveted destination for premier events, to-date in FY 2017 alone Levi's® Stadium has hosted 11 Major events and over 100 Special Events, resulting in over **450,000 total attendees** and generating over **\$48M in gross revenue**. For context, we have hosted a wide variety of Major Events and 120 – 150 Special Events in past years, indicating that we have been able to increase the number of high-impact, public-facing events while continuing to be more efficient with how we book and execute Special Events.

While the majority of this revenue came from Major Events, Special Events performed very well in generating revenue. Understandably, the former concessionaire described this business as a “mid-size convention center which hosts both NFL and non-NFL events.” While this year is not over for the Stadium's event calendar, with 1 Major Event and 10 Special Events remaining, the holistic business model has enabled the Stadium Authority to maintain profitability while delivering great experiences to clients, fans, and community.

**12 Major
Stadium
Events**

**100+
Special
Events**

**450K+
Total
Attendees**

**\$48M+
Gross
Revenue***

*Based on actual gross revenue to-date plus projected revenue from remaining Major and Special events

Among our Major Events, Levi's® Stadium has hosted a wide range of event types in order to cater to our wide variety of fans and their respective interests, including:

- Soccer – 3 events
- Concerts – 2 events
- Stadium Experience – 2 events
- High School Football – 2 events
- College Football – 2 events
- Extreme Sports – 1 event

Among our Special Events, Levi's® Stadium has successfully attracted a wide range of event and client types, collectively hosting 56 receptions, 17 Holiday Parties, 19 Meetings / Conferences, 10 Private Parties (weddings, formals, proms), 4 tradeshows, and 3 full-stadium private events, also known as stadium buy-out events. Furthermore, we have improved in how we book, plan, and execute events, as evidenced by the Stadium Manager's **98% client satisfaction rating** among events to-date in FY17.





Key Wins / Strengths from 2017:

As the event-centric business at Levi's® Stadium maps out new growth opportunities, including more large-scale private events and new types of stadium-wide ticketed events, it is important to recognize key wins from recent history in order to provide an understanding of our comparative advantages and what to build on in future years. In examining the Stadium Authority's non-NFL event business, there are three key wins / strengths that have helped set Levi's® Stadium apart as an iconic entertainment venue:

1. High client satisfaction ratings across client and event types

Based on feedback from our Special Events clients, the Stadium Manager has earned a **98% client satisfaction rating** across all events in FY17. Furthermore, through our robust client feedback program, our clients have over an **87% satisfaction rating across all 9 key event metrics**, including:

- Overall Event Score
- Event Booking Score
- Event Planning Score
- Event Execution Score
- A/V Functionality Score
- A/V Customer Service Score
- Food & Beverage Quality Score
- Food & Beverage Customer Service Score
- Event Day Staff Score

Specific to Major Events, client satisfaction is evidenced through our renewed agreements to host the Pac-12 Championship and Monster Jam in the coming years with consistently high attendance in past events. Our guests and local media also recognize our ability to execute and deliver high-impact events, illustrated by the social posts and news clip below from previous events. Our consistently high performance has allowed us to not only deepen our relationships with current partners, but also build the venue's profile in order to pursue some of the world's largest and most iconic events.



2. Leveraging existing partnerships to attract more high-impact events

The Stadium Manager’s success in booking events for different leagues and promoters is demonstrated with repeat visits from Soccer United Marketing, ICC / Relevant and others that have contributed to Levi’s® Stadium hosting 11 soccer matches in the last three years.

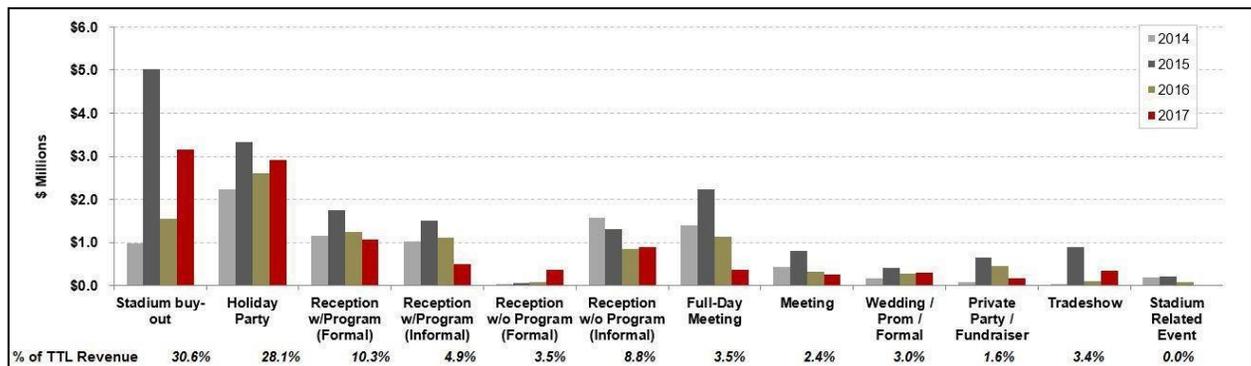
Our ability to both continue executing large-scale events at a top-tier level and growing our business relationships will enable Levi’s® Stadium and the City of Santa Clara to be coveted landmarks for the world’s premier events. This strength will continue to play a major role in our overall strategic marketing plan as we look to grow and develop these relationships to build a sustainable pipeline and greater industry-wide collaboration.

3. Enhanced analytical tools and capabilities to leverage data and insights from past events to improve financial, tactical, and operational planning and execution

Our Major and Special Events businesses have effectively incorporated new analytical tools and strategies to improve how we monitor the health of the non-NFL business by learning from past event and client data. The direct impact of these efforts has been an improved payment collections process (moving from an average of 65 days post-event to 15 days), improved client satisfaction scores across event components, and improved efficiencies between stakeholder groups.

Furthermore, we have been able to adapt and mold many of our tracking tools to serve as internal analyses in order to inform Special Events leadership what events we execute best and present the greatest financial upside for the Stadium Authority.

As an example, below is a dashboard mapping out booked revenue by event type, which helped us refocus our priorities on contracting stadium buy-outs instead of smaller events.



Actionable Opportunities:

While Levi’s® Stadium’s event profile continues to grow, we recognize opportunities where we can improve as a business, specifically how we leverage our comparative advantages in our event booking and planning allocation process, improve how we attract new clients / guests, and define the venue’s brand as an all-in-one event service business.

1. Segment our internal staff in order for our sales and planning teams to capitalize on their comparative advantages among event and client types

With increased tracking and analytics, we have been able to analyze the business on an event-level basis, but our next step will be identifying particular strengths and weaknesses among our staff to best allocate our resources in the sales, planning, and execution processes in order to position our collective team for success.

2. Improve who, how, and when we target new and existing clients

It is imperative to incorporate advanced marketing and analytics tools and popular communication platforms, particularly social media, to understand our guests, where they shop, and how they consume content so we can best tailor stadium event experiences and marketing materials to our guest's interests and behaviors. Specifically, we see opportunities to deploy various types of marketing assets, differing based on content and messaging, on Facebook, Instagram, and LinkedIn and use A/B testing to analyze what assets are most effective. Furthermore, we plan to begin tracking and managing marketing-centric KPIs that we identify with current staff members and the Board in order to effectively measure the results of our marketing campaigns. Finally, we will improve how we strategically segment our audiences / potential clients using particular criteria, including demographics, industry, title / position, associated vendors, and interests.

3. Define the venue's brand as a leader in the event industry

We must focus on how we cultivate the venue's brand with a reputation of consistent success in planning and executing events at all levels for all guests. Concrete branding efforts need to flourish across physical, digital, and social channels and platforms to reach this goal. Specifically, we plan to grow the brand by establishing a digital presence on social media, highlighting the events business to industry leaders, and creating new partnerships and sponsorships that support / amplify our collective vision to become a world-renowned events venue.

Events Business Model and Organizational Structure

Levi's® Stadium Event Definitions and Profiles:

The venue's non-NFL business is comprised of two over-arching event categories, Major Events and Special Events.

Major Events are stadium-wide, ticketed events open to the public. As outlined in our 2017 review, the Stadium has successfully executed a variety of different events that have brought greater fandom and economic impact to the local market. Spanning numerous leagues, sports, and attractions, Major Events have helped establish Levi's® Stadium as an iconic venue, but by no means is the Major Events business the sole driver of the non-NFL events business.

Special Events are private, contracted, and usually non-ticketed and exclusive events, subject to the event's nature and the client's objectives. These events span a wide range, from weddings to corporate anniversaries, charitable fundraisers, and conferences, and make up the vast majority of the venue's event calendar (over 80% of all Stadium events). The Special Events sales pipeline is driven primarily by relationships formed with local companies as well as our reputation and established experience in hosting a variety of events. Therefore, we are not only focused on the immediate health and profitability of our business, but also the connections we create with clients and opportunities to innovate the venue's guest experience.

Levi's® Stadium Special Events

Business Update:

As we advance and develop the business strategy, the Stadium Manager's approach will continue to evolve and improve in how we book, plan, and execute events. In order to continue growing the Special Event business, we have made three key changes to set our venue up for sustainable success:

1. Adding resources

Specific to Special Events sales and planning, we will be adding an additional Sales Representative and a Department Coordinator. While the Sales Representative will focus on selling events, the Department Coordinator will help manage the team's pipeline, contract work, and facilitate the execution of several marketing efforts. This addition will allow us to increase the pipeline's volume capacity along with our abilities to source / book more events while growing the brand as an event venue. Additionally, the Department Coordinator and additional Sales Representative will be able to help support more of the marketing efforts planned for 2018, including creating additional sales collateral, supporting conference partnership / involvement, etc.

2. Leveraging existing analytical tools and resources

In order to streamline our events processes and capitalize on our strengths, we have refined our analytical toolkits to help prioritize high-impact events and opportunities and built additional capabilities to help shape our sales strategy throughout 2018.

3. New Concessionaire & Partner

Stadium Concessionaire responsibilities will transfer to Levy Restaurants, which we anticipate will elevate the comprehensive Levi's® Stadium experience for guests and clients alike across every event. Furthermore, Levy will be able to leverage their core customers in the Bay Area and help augment our marketing efforts for Special Events and serve as partners in helping to grow the venue's events brand. Additionally, Levy will improve food and beverage operation and quality for events with an eye for improving staffing efficiencies.

Given our recent additions and changes, our Special Events team is poised to expand the business more than ever, guided by our three key initiatives for the coming year.

2018 Initiatives:

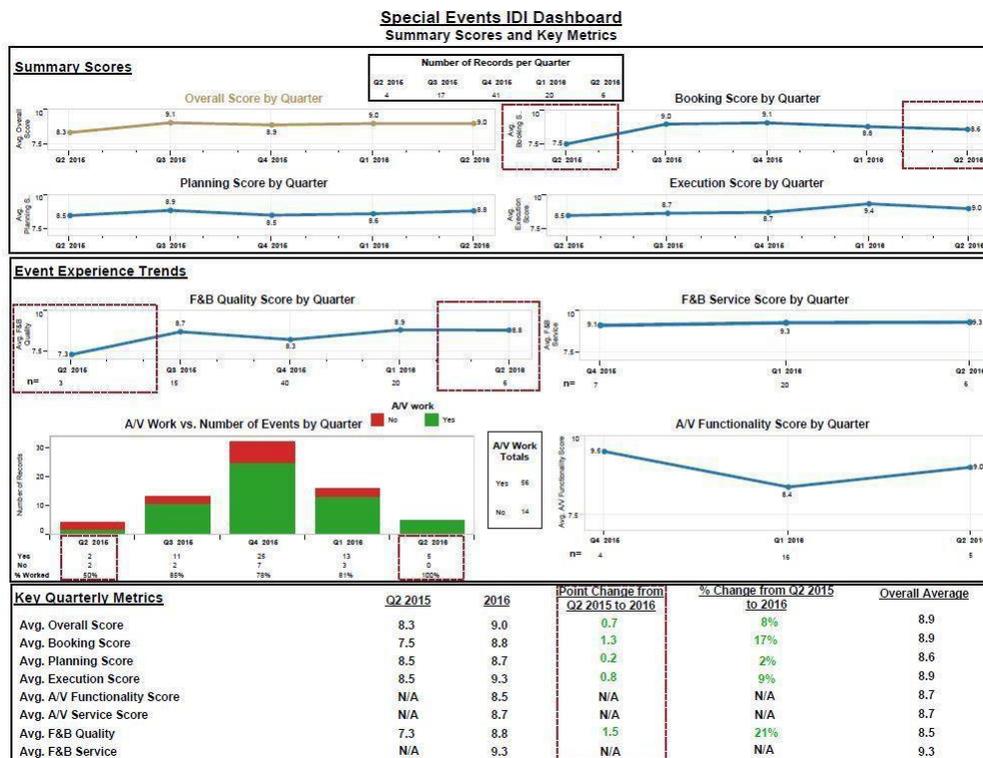
Within Special Events we believe there is more potential for growth, which will be realized through relentless innovation and a driving pursuit to enhance the client / guest experience. While we see the potential in the market, we also recognize the challenges that come with a stadium's fifth year in operation. Inevitably, the Stadium is no longer the newest event venue within the region and cannot assume the same level of inbound business, heightening the demand for prospecting and lead generation. To address such challenges while pursuing our greater vision to become the premier event venue, our team is focusing on three key initiatives in the coming fiscal year:

1. Amplify the venue's brand in the marketplace

While the general brand of Levi's® Stadium has grown alongside its portfolio of major events hosted, we need to lay the groundwork for the venue's future business by cultivating our brand as an all-in-one event service provider. Therefore, a key area of focus for the Special Events business heading into FY18 will not only be how we define our brand, but also how we market and amplify that brand within the events world to become a true industry leader. Specific priorities and associated activities are outlined below within our go-to-market strategy.

2. Leverage historical event data and established marketing channels to understand and strategically target new clients and opportunities

In the last 18 months we have made great strides across the non-NFL events business by incorporating historical data, competitive analysis, and client feedback into how we evaluate and improve our non-NFL events' business model. Specific to client feedback, we developed the In-Depth Interview (IDI) program where we interview clients after events to review their holistic event experience and capture qualitative and quantitative feedback. After the first year of implementing the IDI program we effectively increased client satisfaction across event elements, as illustrated in the dashboard below:



While the internally-focused improvements have helped us refine our product as an event services provider, the competitive landscape across the Bay Area dictates that we improve how we strategically build our pipeline and appropriately target the ideal customer demographic. Using historical data and the reach of the stadium's existing audiences will be paramount in expanding the event pipeline.

3. Engage local civic and industry-relevant partners to grow strategic relationships and recurring business

While we have successfully created relationships with key promotional partners and athletic organizations and associations in service of contracting Major Events, we have not fully realized our potential to grow the Special Events business alongside key civic partners, including the Santa Clara and San Jose Convention Centers. Furthermore, we have a new opportunity to work with the new concessionaire, Levy, in developing a true partnership by leveraging their network and client portfolio to bring new clients and recurring events to Levi's® Stadium.

While the three key initiatives will serve as the focus lens through which we pursue our business objectives and milestones, the success of our initiatives and overall business-plan become actionable and measurable through our go-to-market strategy.

Go-to-Market Strategy:

The Special Events go-to-market strategy will effectively actualize the 2018 key initiatives by laying out various means and opportunities to pursue these initiatives, with measurable goals and milestones along the way to continually evaluate our methodology and course of action. Therefore, we have organized the go-to-market strategy as a comprehensive set of proposed solutions and measures aligned to achieve the key initiatives, beginning with efforts to amplify the Levi's® Stadium brand.

Amplify the venue's brand in the marketplace

In order for the venue and its Special Events business to build a strong presence in the market, it is important to think about building the brand from all aspects, beginning with a tangible, recognizable identity.

Launching a Logo: As a first step in our brand-building objective, we have created a new logo and developed various leave-behind items to help build the logo's exposure:



The logo's application to smaller items and physical takeaways is only a first step as a new, elegant logo will help redefine the look and feel of our marketing materials along with our physical and digital assets (see example below). We have undoubtedly enjoyed the tangential benefits of our Special Event's connection to the greater Levi's® Stadium brand, but in order to establish our venue as a long-standing brand realize our event business' full potential we need to heighten our focus on our guests and clients so they know the Stadium to be a consistent first-class experience for private events.

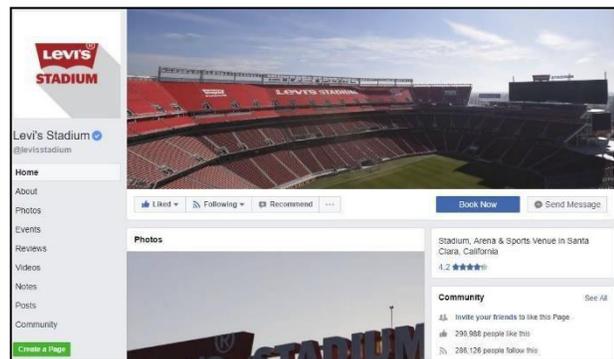
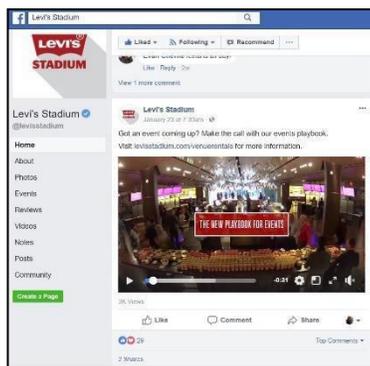


Creating Engaging Marketing Material: A second go-to-market strategy we have implemented in order to grow the brand is developing new, engaging marketing content to live on our various marketing platforms, including Facebook, Instagram, LinkedIn, and our owned web properties. Specifically, one piece of engaging content will take the form of a new highlight reel compiled from recent events along with clip-style testimonial videos from past clients (images below) who are eager to share their unique stories and event experience. In an advertising world focused on short, engaging content, we are working to tailor our style to the 2018 consumer, by channel and demographic, so that regardless how a prospective client may hear about us, the marketing material they see reflects the vast potential that exists for their own event at Levi's®

Stadium. These efforts will ultimately serve lead generation campaigns executed online while showcased at local in-market events to build a sustain a robust pipeline of clients and opportunities.



Establishing a strong social media presence: A third strategy to build the venue's brand in the marketplace is creating a strong social media presence and leveraging our existing accounts (Facebook account and past post featured below), along with our social following to engage with our fans and prospective clients. In an era where the average consumer spends over 90 minutes on social media daily, it's no wonder social media continues to grow its user populations and influence as an advertising, sales, and customer service platform. However, we are not interested in social media simply for its popularity, but rather social media presents an opportunity for us to curate the story of our brand and implement an engaging content strategy that goes beyond the eye-catching photographs. In harmony with our new logo and newly developed marketing materials, we are poised to launch a sustainably engaging and creative content plan to catalyze traffic and interest across our social channels in 2018.



Promote Special Events opportunities at NFL activities: A fourth strategy to amplify the venue's brand is continuing to actively promote and advertise Special Events capabilities and opportunities at NFL games and related activities. Given the Stadium Manager's business model, it is critical to continue prioritizing the development, implementation, and execution of marketing materials in support of the Special Events business. Therefore, advertising opportunities to book and plan events at Levi's® Stadium before and during 49ers home games, most notably through highlight videos and associated calls-to-action, will continue to be an important channel in amplifying the venue's brand in the catered events marketplace.

Brand Building Strategy in review:

1 New Logo

New Marketing Materials

Leverage Social Channel

Promote at NFL Activities

Leverage historical event data and established marketing channels to understand and strategically target new clients and opportunities

Potentially our greatest opportunity exists in targeted marketing, specifically implementing new tools to leverage historical customer data, along with innovative strategies to understand our target demographic, and how we can tailor our messaging to various guest segments.

Implement CRM to increase returning clients and manage new opportunities: One of the most critical go-to-market strategies for our Special Events team will be a full roll-out of a CRM platform. Successful implementation of CRM will allow us to save time on lead generation, contract management, and client conversion by tracking new opportunities within the tool. Additionally, CRM will also help us maintain strong relationships with existing clients and capitalize on returning and recurring business. While all event venues need to balance new and existing business, structured data flow and client management will help us focus our efforts and resources on the best opportunities available.

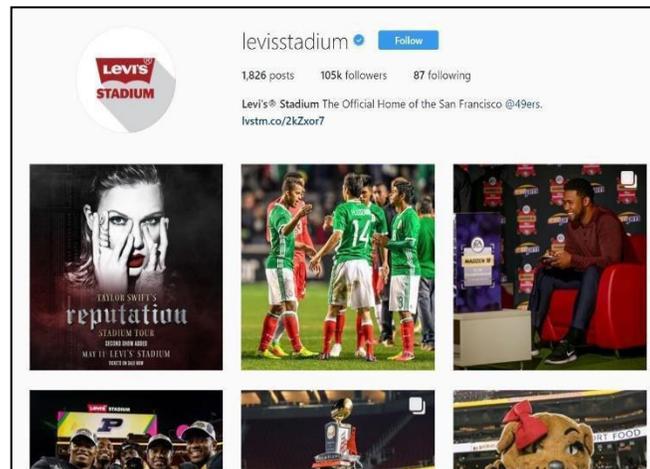
Revamp Sales Kit: In order for our materials and messaging to resonate with prospective clients, we need to be agile and flexible in how we deliver that content depending on the client, the context, and the end goal. To make our materials and overall presentation adaptable, we have unrolled a new sales kit, composed of three distinct sales materials:

1. Digital Brochure – Similar look and feel to our website (levisstadium.com/venue-rentals/about) with pricing and additional details included
2. Sales Snapshot – Quick snapshot featuring pictures of past events and contact information for a quick leave-behind (example featured below)
3. Sales Toolkit – A robust menu of capabilities, event space information, details, and pricing, intended for clients ready to book an event

A fundamentally flexible sales kit will allow our team to always be ready to engage clients at all stages, but with a fresh and tailored look to ensure our message is communicated in a way that resonates with our clients.



Leverage social media tools and strategies to build and market to target audiences: While social media is a great opportunity for us to build the brand, there is potentially a greater business need to leverage social media to understand our client's profiles and interests so we can find similar demographics and profiles around the greater Bay Area. While no two clients are the same, there are often overlapping characteristics, traits, or behaviors common to many clients. Given social media's enormous user population, we have the ability to use our current following and client profiles to create client "lookalikes," or mirroring profiles, on Facebook to strategically target new clients that fit those descriptions and behaviors with tailored messaging and offerings. This go-to-market strategy has already been in development for the last three months, with over \$50K budgeted to social / email ad spend alone to both advertise events and attract prospective clients.



When thinking about key criteria to look for, we have started exploring the following attributes / characteristics in some initial social and email campaigns:

- Relevant locations (i.e. proximity to the Stadium)
- Company Industry (most often tech companies, local businesses, and non-profits)
- Company Size (both by revenue and headcount)
- Key event decision-makers (i.e. Human Resources, Marketing Departments, Executive Assistants, and third-party corporate event planners)

While Facebook’s user population presents the most recognized targeted marketing opportunity, we believe based on our clients and their patterns of social engagement, we can use Instagram and LinkedIn to showcase past events with a call-to-action, in addition to Facebook, to engage new prospective clients.

Finally, we plan on taking targeted social marketing a step further by applying client behavior insights to geo-targeted and profile-targeted social posts and email campaigns to cover all primary modes of our client’s communication. While this will be a first launch into the next generation of targeted marketing, we will be able to learn fast through A / B test to iterate and determine the best forms of content (i.e. photo vs. video), respective to the channel. Ultimately, social media and our application of data-driven decision-making will be central to engaging with the right audiences with the right products at the right time.

Section in-review:

Implement CRM Solution

Revamp Sales Kit

Build Target Audience

Engage local civic and industry-relevant partners to grow strategic relationships and recurring business

Creating relationships is not a new activity or priority for our venue / organization, but in order to succeed in our initiative to be strategic in our partnerships in pursuit of returning and recurring business, we need to focus our go-to-market strategy on how to *engage* our partners at a deeper level.

Co-branding / sponsoring relevant conferences: While we have improved in expanding our network among the local event industry, we need to continue to become an even greater known presence among industry leaders. Going a step beyond attending relevant conferences / summits (some featured below) will be leveraging our new logo and the Levi’s® Stadium Special Events brand to help drive exposure while staying current with new opportunities and mutually beneficial partnerships with local businesses / associations.



Showcasing our product to partners and prospective clients: Through our analysis by event along with client feedback, it became clear that the best way for clients and partners to understand the scope of our capabilities and the level of service we provide is to literally show them. We experimented with a few smaller, exclusive events for past clients in this last year, and based on positive feedback and favorable results, we have invested \$50K through the next fiscal year to host more prospecting events, specifically geared towards:

- Previous clients
- New / prospective clients
- Current 49ers corporate partners and suite holders

With marketing funds allocated to more events, we anticipate higher conversion among prospective clients along with increased returning business as we continue building and reaffirming our reputation for consistent greatness across our events.

Collaborating with Levy to generate new business: Levy has expressed interest in growing the Special Events business, both in their execution level as our concessionaire and through promotional efforts across their greater network across the Bay Area. As an established, reputable brand in the stadium / arena event landscape, Levy presents unique value opportunities in helping us connect with traveling events as well as more long-term event partners. Beyond Levy’s initial interest in playing an active and highlighting role in our Special Events business, forging a sustainable partnership will help grow our overall non-NFL events pipeline and our own network.

Section in-review:

Co-brand / Sponsor Conferences

Host Live Events

Collaborate with Levy

Levi's® Stadium Major Events

Business Updates:

The Levi's® Stadium's Major Events business has been a key driver in propelling the venue's reputation and hosting popularity to new heights, most recently evidenced by the Stadium's opportunity to host Super Bowl 50. However, to sustainably grow the business as well as develop a consistent event calendar for years to come, we cannot rest on prior achievements but must look ahead to how we can be innovative in the events we attract as well as the fan experience we provide. With that in mind, our Major Events business underwent three significant changes / updates over the last six months that will serve as initial groundwork to help grow this particular business:

1. Improved proposal process

The Stadium Manager has continually raised the quality of bids presented and have improved the contracted event agreements, to the benefit of the City of Santa Clara and the venue. As we gain experience in bidding on, winning, and executing events, we have optimized the proposal process to ensure we are competitive for attractive high-impact events and most often successful in bringing new or established events to the community of Santa Clara. Furthermore, by continually innovating our proposal process, we have effectively standardized roles and responsibilities within the greater bid process to better prepare ourselves on announcing, marketing, and delivering these events.

2. Cross-departmental involvement in the promotion and execution of an event

Including more departments in how an event gets announced, promoted, and executed has allowed Levi's® Stadium to capitalize on several unique skillsets residing around the organization to optimize how we perform as a business and as a service with respect to our Major Events. For example, we have created more structure to incorporate our Marketing and Design teams into the comprehensive event execution plan, which has not only helped overall exposure and caused attendance to rise but has also paid dividends on increasing demand and viewership for these events.

3. Emergence as a soccer destination

In the last 18 months Levi's® Stadium has developed a reputation as a soccer destination for local, national, and international teams and tournaments. For context, Levi's® Stadium has hosted 11 soccer matches in the last three years, including European soccer clubs in the International Champions Cup, International teams in the Copa America Centenario as well as the CONCACAF Gold Cup, and professional teams from Major League Soccer. Furthermore, our soccer matches have attracted a wide range of fans, in total bringing over 588,000 fans to the stadium. While soccer has been successful so far, the Stadium Manager aims to continue hosting national and international soccer matches while pursuing more high-demand international tournaments and anticipated matches. Most recently, the venue has submitted a complete bid for the FIFA 2026 World Cup and expect to not only be competitive in the soccer world, but also continue emerging as a leader and U.S. soccer destination.

With several important changes made to the Major Events business, in both process and capabilities, we are now equipped to embark on new initiatives designed to take this Major Event portfolio to new heights.

2018 Initiatives:

After four years of attracting, contracting, and successfully executing several high-profile events and shows, we plan to evolve our business towards financial optimization with a focus on innovation for both the fan's experience and the venue's brand.

1. Leverage financial projections and ticketing data from past events to drive incremental revenue

As the ticketing landscape and financial models behind sports and entertainment continue to change, we need to think of new ways to capitalize on high-demand products and events by tracking and monitoring the ticket marketplace with predictive analytics.

2. Strengthen existing partnerships with external teams and leagues to increase our event schedule and host more high-impact events

Several marquee events in Levi's® Stadium's history were only made possible through the relationships that the Stadium Manager and the City of Santa Clara forged across the greater Bay Area community, which over time have and will continue to bring more high-impact events to Santa Clara. Civic leaders from the City of Santa Clara and beyond have come together to bring events like WrestleMania, Super Bowl 50, the College Football Playoff National Championship and the 2017 Gold Cup Finals to Santa Clara, and we are already working towards bigger events and achievements together, most recently in the 2026 FIFA World Cup bid.

In order to find similar opportunities for large-scale events, we will continue building our relationships with the key promoter groups involved across event types. These promoter groups include ICC / Relevant, Soccer United Marketing, FIFA, AEG, Live Nation, Global Planet, the Pac-12 Conference, Feld Entertainment, and the College Football Circuit. As a priority for 2018 we are working with these promoters to expand our business and event profile, ideally bringing new events and audiences to Levi's® Stadium.

3. Source new events and relationships

In conjunction with our existing relationships with teams, leagues, and industries, tremendous potential exists to bring in new events that could not only serve immediate financial and community benefits, but also create financial sustainability as recurring events. By working to break down and understand the event landscape relative to what our guests and community want, we can bring new events with less risk and greater potential to attract new, diverse groups.

Furthermore, we will work to review the curfew policies with the City of Santa Clara and associated partners in order to align on an event calendar that is set up to host new, attractive events for the community. While there are several factors and aspects to the city curfew and associated policies, it will be critical to collaboratively develop a flexible event calendar that is attractive to the events and partners our collective community wants to bring to Santa Clara.

Despite many restrictions and challenges in contracting, executing, and budgeting Major Events, our go-to-market strategy to actualize the three key initiatives above will help further the City of Santa Clara and venue's ability to keep new Major Events coming while working towards financial stability and consistent growth in event count and revenue.

Go-to-Market Strategy:

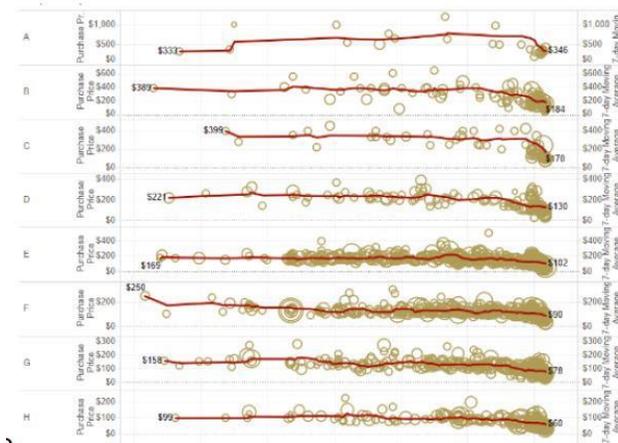
We have organized our go-to-market strategy as a comprehensive set of proposed solutions and measures aligned to achieve our key initiatives, beginning with our efforts to optimize the Stadium Authority's financial performance across non-NFL events.

Leverage financial projections and ticketing data from past events to drive incremental revenue

Data-driven marketing campaigns: Similar to how we aim to apply the principles of A / B testing to determine optimum marketing strategies for Special Events, we need to better understand where fans go to learn about events, where they buy tickets, and what drives those actions in order to best market our events to fans and drive conversion. This concept is realized through a multitude of campaigns across email and

social channels, especially Facebook, measured against KPIs to help monitor success and failure to best use our marketing spend. An iterative feedback loop will be instrumental in helping us continually improve our marketing strategy while learning what plans / campaigns work for different events, various target demographics, or other determining factors.

Dynamic Ticket Pricing: Applying dynamic ticket pricing as a common practice to all non-NFL events will help us better price ticketed events while allowing the Stadium Authority to capture significant incremental revenue using predictive analytics of the secondary market. We have developed tools and dashboards similar to the following examples, which highlight secondary market activity and current sell-through rates for Stadium events.



Ticket prices relative to secondary market



Levi's® Stadium view by percentage seats sold

Group Packages and Experiences: To help drive demand and attendance for events that are not anticipated sell-outs, we have several methods to incentivize group ticket purchases and additional hospitality or premium packages to drive additional revenue. Specifically, Levi's® Stadium events can leverage Loaded Tickets, a virtual payment method that allows fans to spend money by using their ticket at the game, in order to drive group sales and increased event day per cap. Additionally, Levi's® Stadium can leverage other elements of the Stadium Manager's business, especially fan-facing departments (i.e. Fan Engagement and 49ers EDU) to tap into viable group ticket sale targets.

Section in-review:

Data-drive Marketing Campaigns

Dynamic Ticket Pricing

Group Packages & Experiences

Strengthen existing partnerships with external teams and leagues to increase our event schedule and host more high-impact events

Incentivize collaboration in booking and hosting events: Historically Levi's® Stadium has been successful in hosting MLS and international soccer matches, in part due to a mutually beneficial partnership between the Stadium Manager and the San Jose Earthquakes. This partnership continues to be very fruitful, both in events co-hosted along with unexpected opportunities by virtue of collaborating with a leader in a related but distinct event field, most recently in our bid to host the 2026 World Cup. Forging similar partnerships where teams, leagues, and organizations are incentivized to collaborate is a key go-to-market strategy,

specifically with peer organizations / venues, including AT&T Park to help the holistic Bay Area event business grow and present new opportunities otherwise unknown.

Incentivize multi-year agreements: Securing consistent events provides a degree of secured revenue to plan and budget around while providing flexibility to host events with ranging financial incentives. Furthermore, multi-year deals allow our organization to continue improving in our execution of an event, ideally resulting in improved financial performance with reduced costs based on learned efficiencies.

Section in-review:

Incentivize collaborative booking

Incentivize multi-year deals

Source new events and relationships

Competitive market research on upcoming / future events: In our continued effort to grow the non-NFL business on behalf of the Stadium Authority, we are constantly researching, analyzing, and planning for new events. One key tool that has allowed us to create early momentum behind this initiative is a multi-departmental research collection of nearby leagues, events, and upcoming event dates. Maintaining an updated event landscape allows us to keep pulse on the local entertainment market's activity, interest, and opportunities in order for us to best allocate our resources and contract events that will be a win for the Stadium Authority and the community.

Bid strategically and creatively: We are well-positioned with an established proposal framework, bid team, and drafting / execution process to bid on most stadium-relevant events that we believe will benefit the Stadium Authority and appeal to our community, increasing our opportunities to further develop our Major Events pipeline. While no proposals are the same, having the processes solidified with a framework to begin with and be executed by a trained department will help keep Levi's® Stadium nimble in its non-NFL events business efforts and better adapt to new and / or immediate event opportunities. A new focus for the coming year will be reviewing and analyzing more opportunities to host different events, such as the Stadium Links event, that creatively leverage the Stadium and accommodating infrastructure. Expanding our event profile will not only help build out our event calendar, but also attract new audiences and guests to the venue.

Advertise and promote Major Events and NFL games and related activities: To help increase popularity, viewership, and demand for Major Events, the Stadium Manager will continue promoting Major Events at 49ers home games and related NFL activities. While this has been an effective strategy for some past Major Events, such as Monster Jam and previous Coldplay concerts, the Stadium Manager will look to increase and prioritize promoting Major Events at NFL events, with the expectation of increasing a Major Event's demand while bringing new, diverse audiences to our non-NFL events. Furthermore, the Stadium Manager will increase efforts to capitalize on NFL activities as opportunities to promote upcoming Major Events. The most recent example of this concept was during Fan Appreciation Day, before and during the final home game, where the 49ers used Gameday Entertainment activations to build awareness and demand for Monster Jam and the Taylor Swift concert, which was a successful effort we plan to build on next year.

Section in-review:

Competitive market research

Bid strategically & creatively

Promote at NFL games & activities

Conclusion

While 2017 proved to be another successful year for Levi's® Stadium's non-NFL events business, we intend to use this business plan and our collective efforts to raise the bar in terms of the level and profile of events we host and the level of service and satisfaction we provide to our guests and clients. While we continue to build out our capabilities, we are also eager to continue working with the Stadium Authority and furthering our partnership to help continue growing our collective economic impact and leveraging the stadium as a driver for community engagement.

We are confident that we have outlined a business plan and overall strategic approach that sets all parties up for success, but there are some additional risks and considerations we will need to address and work on with the SCSA Staff to ensure the Stadium Authority's success for years to come. Specific to costs, it will be important to continue working together with respect to changes / updates that may impact the venue. From a brand perspective, it will be important for all parties to collectively manage the venue's reputation, calendar availability, and event broadcasting as these three factors are significant in our efforts to bring high-impact events to the Stadium while attracting a wide variety of guests.

We look forward to embarking on the next chapter of our business plan while serving as a trusted business partner to the Santa Clara Stadium Authority.

SCSA

Santa Clara Stadium Authority

***PROPOSED
FISCAL YEAR
2018-19
OPERATING,
DEBT
SERVICE
AND
CAPITAL
BUDGET***



On June 8, 2010 the residents of Santa Clara voted to adopt Measure J, the Santa Clara Stadium Taxpayer Protection and Economic Progress Act, resulting in the approval to construct a new stadium to be leased by the San Francisco 49ers. Measure J called for the creation of the Santa Clara Stadium Authority (SCSA) to own, develop, construct, operate, and maintain the Stadium. The Stadium Authority exists as a public body, separate and distinct from the City. The Stadium Authority is structured so that the City is not liable for the debts or obligations of the Stadium Authority.

This budget and additional financial information on the Stadium Authority can be found at "<http://santaclaraca.gov/government/stadium-authority>".

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website: [santaclaraca.gov/
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CONCACAF Gold Cup Final
July 2017

SCSA

Santa Clara Stadium Authority

Table of Contents

Executive Director’s Transmittal Letter	4
Organizational Chart.....	7
General Information.....	8
NFL Event Highlights – Year in Review.....	9
Non-NFL Event Highlights – Year in Review.....	10
Santa Clara Stadium Authority Budget	
Operating Budget.....	11
Stadium Authority General and Administrative Budget.....	15
Operating Budget Glossary	16
Stadium Manager Shared Expenses	20
Stadium Manager Shared Expenses Glossary	22
Shared Expenses – 5 Year Forecast.....	23
Debt Service Budget.....	24
Debt Service Glossary.....	26
Capital Budget.....	28
Capital Expense Detail.....	30
Capital Expense Plan-5 Year Forecast.....	31
Public Safety Capital Expense Request.....	31

SCSA

Santa Clara Stadium Authority

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March 27, 2018

Subject: Fiscal Year 2018-19 Proposed Budget

Members of the Board,

I am pleased to present the Santa Clara Stadium Authority's (SCSA) Proposed Fiscal Year 2018-19 Operating, Debt Service, and Capital Budget. This budget provides the necessary funding to administer the duties of the Stadium Authority, operate the Stadium for Non-NFL events through the 49ers Stadium Management Company (ManCo), pay for debt service obligations, and maintain a five-year financial and capital plan.

While meeting the SCSA's requirements, this budget also advances strategic initiatives necessary to ensure that the Board is responsive to various stakeholders and constituencies, e.g., residents, businesses, national and regional clients, and various other interested parties participating in advancing Levi's Stadium's purpose. The Stadium Authority owns Levi's Stadium, but has contracted with ManCo for facility operations and maintenance (using a variety of ManCo staff, vendors, and public service employees through reimbursement procedures). The SCSA Board provides overall governance of this relationship. Amongst other due diligence requirements to support these duties, the Board is also responsible for: setting policy; debt and fiscal management; ensuring implementation required to uphold core duties related to operations and capital projects; and oversight or due diligence efforts as necessary.

SCSA staff recommends an administrative budget for the 2018-19 Fiscal Year totaling \$1.7 million or 1.3% of the Fiscal Year 2018-19 Proposed Stadium Authority Operating Expense Budget of \$130.8 million. In a departure from past practice, and in order to provide greater transparency, this proposed budget document was presented at a Study Session on March 13 and has been expanded to include additional information such as the SCSA's proposed expenses to implement the Board's direction and oversight of Levi's Stadium, Performance Rent calculation, Discretionary Fund financial history, and flow of excess revenues at year-end. In addition, SCSA staff has included glossaries of commonly used financial terms in this proposed budget to facilitate understanding the types of revenues, expenses, debt, and capital expenses. This added session for review of the proposed budget document provides for more thorough and improved dialogue surrounding this very important policy document: as such, the many questions that surfaced during the session are also included in your packet with staff responses.

Other important changes to the budget format respond to Board direction and Measure J audit recommendations. As discussed in the Fiscal Year 2017-18 third quarter financial status report this budget is presented on an accrual versus cash basis. This budgeting change results in increased transparency

for projected revenues and expenses, with added detail about financial transfers. For example, the proposed budget reflects total operating expenses of \$130.8 million which is an increase of \$50 million when compared to the prior year budget. This increase results from inclusion of Non-NFL event gross expenses of \$56.5 million for the first time. In the past, these expenses were only shown as a net number in the revenue section. Additionally, staff has also included a budget for the gross Non-NFL event revenue in order to provide more transparency for Non-NFL events. Another change to the proposed budget is the clear identification of transfers as transfers-in (a revenue source) and transfers-out (an expense) versus showing Net Transfers in the revenue section.

As part of strengthening the SCSA's policies to improve governance, transparency, and responsiveness to the Santa Clara community and Levi's Stadium obligations, this budget is accompanied with a recommended Governance Policy and a Budget Policy for the Board to consider as separate actions. These policies, if approved, will be incorporated in a new Stadium Authority Board Policy Manual and published on the Stadium Authority's website.

The SCSA Board has initiated several oversight and due diligence efforts over the past years, for example:

- Community Engagement -- Robust Community Outreach and Engagement work plan to obtain public opinion research on community impacts resulting from Levi's Stadium and for future policy development. Specifically, the purpose of this work plan is to identify the community's perspectives on issues related to Levi's Stadium such as noise, public safety, nuisances, parking, flyovers, crowd control, cleanliness, loitering, lighting, pyrotechnics/fireworks, performance curfew, and other items.
- Noise Monitoring -- Consultant will continue to provide noise monitoring services surrounding the Stadium and training facility. This information will be available in real-time on the City's website and available publicly.
- Community Room -- Staff identified a preferred location for establishing a Community Room at Levi's Stadium, as originally contemplated, and for the community to assess for its meeting needs. Funding for this Community Room is included based on preliminary estimates in the CapEx Plan. This preferred location is tenant exclusive space and use of this space by the Stadium Authority is subject to tenant's approval which at this time has not been given.
- Member of the US Conference of Mayors, Mayors Professional Sports Alliance -- The mission of this organization is to share among the mayors information, resources, and support on issues related to professional sports and to work effectively with leagues, players and owners. The group is composed of mayors from cities with major league sports teams -- NFL, NBA, MLB, NHL, MLS.

Levi's Stadium continues to be a desirable venue for Non-NFL events such as concerts, soccer events, small and large corporate events and other gatherings (e.g., weddings, private parties, etc.). As we look forward, 2018-19 promises to be another exciting year for the Stadium Authority with the following major Non-NFL events scheduled:

- Monster Jam – Saturday, April 28, 2018
- Taylor Swift – Friday, May 11, 2018 & Saturday, May 12, 2018
- Jay-Z and Beyoncé – Saturday, September 29, 2018

In early 2018-19 Fiscal Year, the SCSA Board will consider several actions relative to the fifth annual College Football National Championship game. This Championship game is one of the biggest sporting events in the country. As with the Community Room, ManCo and SCSA staff are diligently

Members of the Board
March 27, 2018

working to bring necessary agreements for the Board's consideration in the first months of the Stadium Authority's 2018-19 fiscal year which will require significant focus of staff capacity and Board review. As such, this event has not been included in staff's budget projections and any budget amendments, as applicable, related to this event will be brought forward with the necessary agreements for the Board's approval.

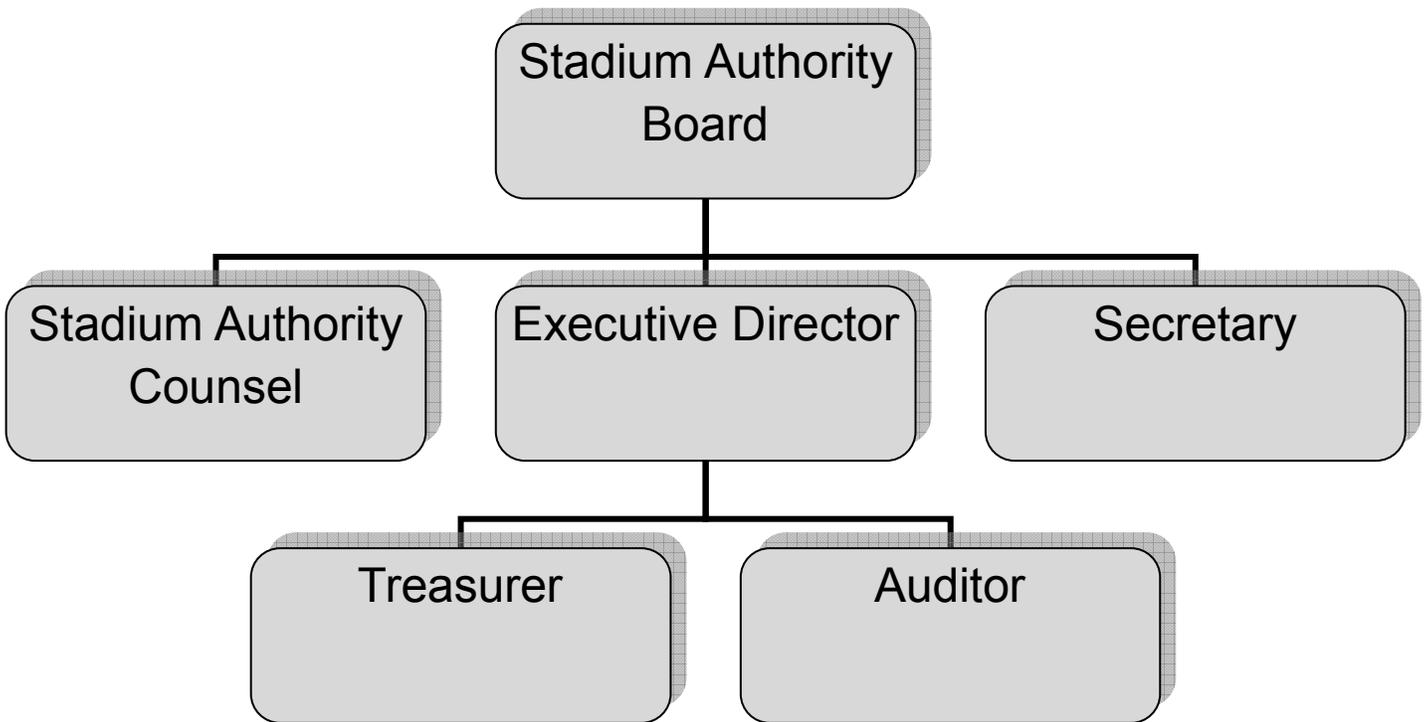
This budget outlines a work program and financial strategy to assist in meeting the guiding principles of the Stadium Authority, namely that no City of Santa Clara General Fund monies are to be used to fund Stadium costs. Our commitment is to continue to look for improvements within the organization and to deliver the kind of results that the public expects. As part of this effort, the Stadium Board approved a new food & beverage concessionaire contract on February 27, 2018 which resulted in the transfer of concession services from Centerplate to Levy Premium Foodservice Limited Partnership. Similarly, during development of this proposed budget, there are open litigation items that could have an adverse impact to this proposed budget and, if that is the case, SCSA and ManCo would need to re-open the budget to ensure it is balanced. If re-opening the budget is necessary, staff will evaluate all expenses, including ManCo's management expenses and SCSA general and administrative costs, to determine if adjustments need to be made. In addition, staff will consider various types of debt financing that are available to the Stadium Authority to draw upon if needed. I look forward to presenting this proposed budget at our upcoming sessions.

Best regards,



Deanna J. Santana
Executive Director

ORGANIZATIONAL CHART



The seven elected members of the City Council serve as the governing Board of the Santa Clara Stadium Authority with the Mayor serving as Chairperson of the Authority.

In addition, City of Santa Clara staff serve as Officers of the Stadium Authority with the City Manager serving as the Executive Director.

GENERAL INFORMATION

This Santa Clara Stadium Authority (SCSA) Budget Report provides information covering the Proposed 2018-19 Operating, Debt Service, and Capital Budget as well as comparative data from prior fiscal years. Estimated revenue and expense information (three quarters of actuals and one projected quarter) included in this report for the 2017-18 fiscal year is unaudited and therefore subject to change as a result of the annual audit conducted by an external auditing firm.

In addition to this report, the SCSA produces annual financial statements within six months of the fiscal year-end (March 31st). These financial statements are audited by an external auditing firm and presented to the SCSA's Audit Committee and Stadium Authority Board. Once presented to the Stadium Authority Board, the financial statements are published on the SCSA's web page. The 2017-18 audited financial statements will be presented to the Stadium Authority Board in August 2018.

The SCSA is structured so that the City of Santa Clara (City) is not liable for the debts or obligations of the Stadium Authority.

All services provided by the City of Santa Clara to the Forty-Niners Stadium Management Company, LLC (ManCo) or the SCSA are fully reimbursed. Types of services include the following:

- Administrative General Fund costs that are spent during operations are separately tracked using special account codes in the City's financial system and all such costs are billed for reimbursement.
- General Fund public safety costs for NFL and Non-NFL events are separately tracked and all such costs are billed for full reimbursement.



2017 Foster Farms Bowl Champions—Purdue University 8

NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

The San Francisco 49ers played ten (10) NFL games (two pre-season games and eight regular season games) in the 2017-18 fiscal year. The total number of tickets sold for these games was 643,189, an average of 64,319 tickets sold for each game. The ticket sales resulted in \$7.8 million of NFL ticket surcharge revenue to the Stadium Authority (based on the 10% NFL ticket surcharge on each ticket sold). A total of \$225,116 of Senior and Youth Program Fees were collected and forwarded to the City in fiscal year 2017-18.

Parking lot operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City's permitting process. If approved, per the City's Municipal Fee Schedule, these operators remit an offsite parking fee for each car that is parked for sports or entertainment events. This fee was designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for NFL or non-NFL public safety costs for a particular event held at Levi's Stadium, the offsite parking fee that is collected for said event partly offsets the total public safety costs owed for that event. In the City's 2016-17 fiscal year (July 1, 2016 through June 30, 2017) the offsite parking fee was \$5.24 and it increased to \$5.42 in the City's 2017-18 fiscal year.

Cars parked at the permitted offsite parking lots equaled 54,107. The associated offsite parking fee generated \$293,260. There were also 5,530 cars that were parked on the City's Tasman lots. The Tasman lot parking fee generated \$27,650 for the City's General Fund.



NON-NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

As of this report, there were a total of 322,948 tickets sold in fiscal year 2017-18 for the twelve (12) ticketed Non-NFL events, resulting in \$1.3 million in Non-NFL event ticket surcharge revenue (from the \$4 per ticket Non-NFL event surcharge).

As stated in the NFL Event Highlights, parking lot operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City's permitting process. Approved operators remit an offsite parking fee, per the City's Municipal Fee Schedule, for each car that is parked for sports or entertainment events. This fee was designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for Non-NFL public safety costs for a particular event held at Levi's Stadium, the offsite parking fee that is collected for said event should partly offset the public safety costs incurred with respect to the operations, parking, and traffic management. The City's offsite parking fee was \$5.42 in 2017-18. Cars parked at the permitted offsite parking lots equaled 25,741. In 2017-18, the City collected \$138,087 in offsite parking fees from Non-NFL events. The revenue and expenditure information included in this report for the 2017-18 fiscal year is unaudited.

There were also 84 smaller special events with 51,928 total attendees in the first three quarters of the 2017-18 fiscal year. Examples of these special events include corporate events of various sizes, weddings, holiday parties, etc.

Note: One additional ticketed Non-NFL event and a number of smaller special events are scheduled before the end of the fiscal year which will result in a change in the numbers listed above.

2017-18 Non-NFL Events

Event	Date	Tickets Sold
Monster Jam	April 22, 2017	38,805
U2 Concert	May 17, 2017	49,489
Wedding Fair	May 21, 2017	401
Wedemeyer High School Football	June 24, 2017	1,761
Champions Cup Soccer	July 23, 2017	58,294
Gold Cup Soccer	July 26, 2017	57,728
High School Football	September 23, 2017	3,679
Coldplay Concert	October 4, 2017	44,547
Bay Area Wedding Fair	October 15, 2017	438
Pac-12 Championship	December 1, 2017	38,282
Foster Farms Bowl	December 27, 2017	26,156
Bacon and Beer Classic	February 24, 2018	3,368
Mexico vs Iceland Soccer	March 23, 2018	TBD
Total to date		322,948

STADIUM AUTHORITY OPERATING BUDGET

The proposed 2018-19 Santa Clara Stadium Authority Budget covers the Stadium Authority's twelve month fiscal year which runs April 1, 2018 through March 31, 2019.

Key highlights for the Stadium Authority's 2018-19 Operating Budget are as follows:

Revenues

- ◆ 2018-19 total projected revenues of \$130.8 million includes \$26.2 million in Stadium Builder License (SBL) revenue, \$62.1 million in gross receipts from Non-NFL events, \$8 million in NFL ticket surcharge, \$6.6 million in naming rights revenue, \$1.8 million in Non-NFL ticket surcharge, \$24.5 million in facility rent, and \$1.6 million in miscellaneous other revenues.
- ◆ This is the first year that the budget has shown the estimated gross receipts from Non-NFL events of \$62.1 million. In the past only the net Non-NFL revenue number was reflected in the Stadium Authority's budget. The estimated net Non-NFL revenue equals \$5.6 million.
- ◆ The revenue amount of \$24.5 million in facility rent from the Forty Niners SC Stadium Company (StadCo) is contingent on the outcome of the rent adjustment process as outlined in the Amended and Restated Stadium Lease.

Expenses

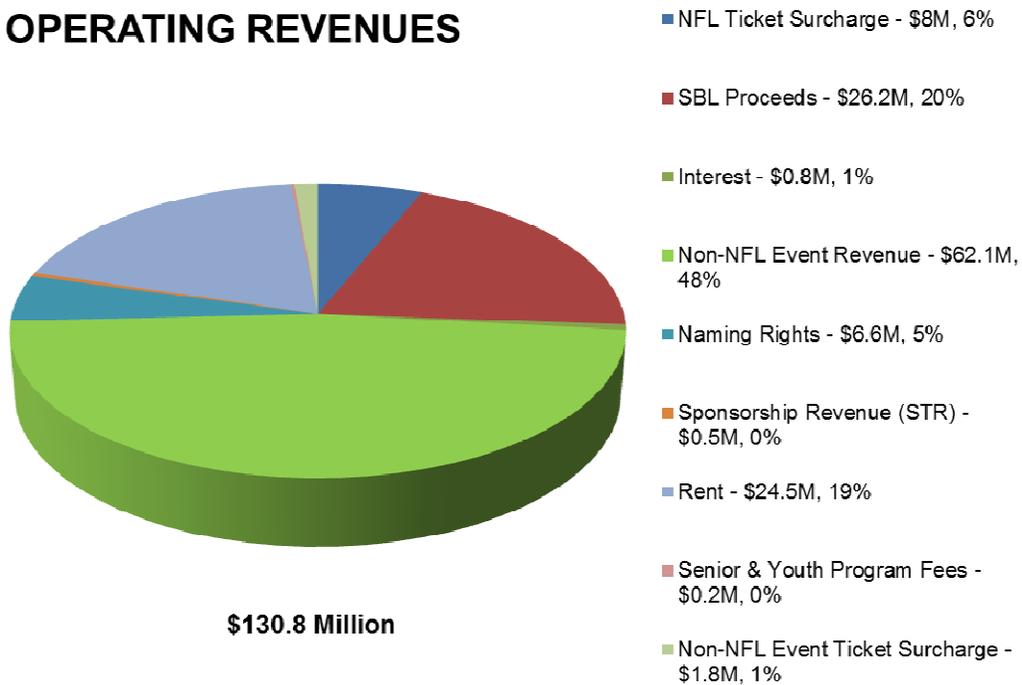
- ◆ As shown in the table below the Operating budget includes transfers totaling \$52.7 million. Of this amount, \$3.4 million will be transferred out of the Operating budget to the capital reserve for future Stadium capital improvements. The remaining \$49.3 million will be transferred out of the Operating budget to the Debt Service Fund.

Fund	Transfers Out	Transfers In
Operating	\$52,691,000	
Debt Service		\$49,314,000
CIP		3,377,000
Total	\$52,691,000	\$52,691,000

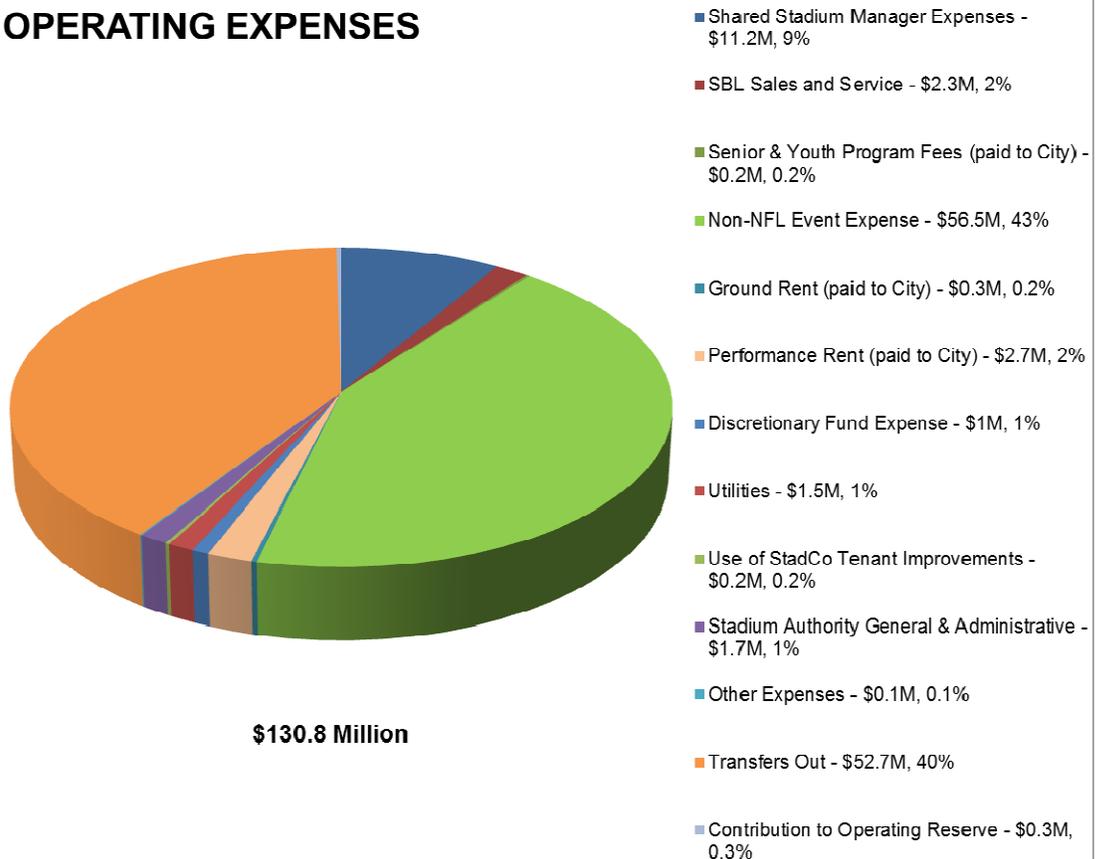
- ◆ The proposed Operating budget of \$130.8 million includes the Stadium Authority's share of expenses covered under the Management Agreement along with monies sufficient to reimburse the City for its staff support and payments for ground rent, Senior/Youth fees, and performance rent. It also includes the gross Non-NFL expenses of \$56.5 million and transfers out of \$52.7 million (as shown above).
- ◆ Stadium Manager expenses increased by \$326,000 or 3% from the prior year budget. This increase is due to annual increases in approved contracts (such as security and guest services) and cost of living increases for Stadium management staff.
- ◆ This is the first year that the budget reflects the gross Non-NFL event expenses of \$56.5 million. In the past this expense was shown as part of the net Non-NFL revenue.

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

OPERATING REVENUES



OPERATING EXPENSES



Santa Clara Stadium Authority

Operating Budget Summary

	2016-17 Final Budget	2016-17 Year-end Actuals	2017-18 Final Budget ⁽¹⁾	2017-18 as of March 31, 2018	2018-19 Proposed Budget
Revenues					
NFL Ticket Surcharge	\$ 8,452,000	\$ 8,175,462	\$ 8,258,000	\$ 7,806,190	\$ 8,031,000
SBL Proceeds	33,804,000	39,068,783	28,056,000	31,738,451	26,156,000
Interest	-	125,593	280,000	496,283	794,000
Non-NFL Event Revenue	-	-	-	-	62,147,000
Net Revenues from Non-NFL Events	5,710,000	6,079,016	10,768,135	10,780,529	-
Naming Rights	6,181,000	6,180,910	6,366,000	6,366,337	6,558,000
Sponsorship Revenue (STR)	717,000	567,517	406,000	397,707	545,000
Rent	24,500,000	24,500,000	24,500,000	23,375,000	24,500,000
Senior & Youth Program Fees	242,000	229,562	231,000	225,116	230,000
Fanwalk Revenue	-	7,811	-	-	-
Non-NFL Event Ticket Surcharge	2,000,000	2,350,664	2,000,000	1,487,792	1,800,000
Total Revenues	\$ 81,606,000	\$ 87,285,318	\$ 80,865,135	\$ 82,673,404	\$ 130,761,000
	2016-17 Final Budget	2016-17 Year-end Actuals	2017-18 Final Budget	2017-18 as of March 31, 2018	2018-19 Proposed Budget
Expenses					
Shared Stadium Manager Expenses⁽²⁾					
Security	\$ 1,545,000	\$ 1,686,925	\$ 1,498,000	\$ 1,313,589	\$ 1,543,000
Stadium Operations	3,370,000	3,278,125	3,613,000	3,260,683	3,721,000
Engineering	1,524,000	1,468,625	1,636,000	2,026,656	1,835,000
Guest Services	895,000	771,246	848,000	532,880	813,000
Groundskeeping	155,000	144,553	246,000	151,223	164,000
Insurance	2,705,000	2,705,000	2,787,000	2,786,454	2,871,000
Stadium Management Fee	212,000	258,631	219,000	219,165	226,000
Shared Stadium Manager Expenses Subtotal	\$ 10,406,000	\$ 10,313,105	\$ 10,847,000	\$ 10,290,650	\$ 11,173,000
Other Operating Expenses					
SBL Sales and Service ⁽²⁾	\$ 1,945,000	\$ 1,659,654	\$ 2,095,000	\$ 1,338,218	\$ 2,324,000
Senior & Youth Program Fees (paid to City) ⁽²⁾	242,000	229,562	231,000	225,116	230,000
Non-NFL Event Expense ⁽⁴⁾	-	-	-	-	56,519,000
Ground Rent (paid to City) ⁽³⁾	250,000	250,000	285,000	285,000	320,000
Performance Rent (paid to City) ⁽³⁾	2,932,000	2,937,197	5,116,568	5,122,764	2,654,000
Measure J Compliance Audit	200,000	151,406	-	-	-
Discretionary Fund Expense ⁽⁴⁾	1,000,000	699,129	2,230,000	1,273,342	990,000
Utilities ⁽²⁾	1,473,000	1,646,124	1,434,000	1,327,012	1,506,000
Use of StadCo Tenant Improvements ⁽²⁾	250,000	245,820	245,000	161,472	236,000
Stadium Authority General & Administrative ⁽⁴⁾	1,448,840	1,171,704	3,395,000	2,793,328	1,685,000
Other Expenses ⁽²⁾	123,000	133,588	76,000	96,899	105,000
Transfers Out ⁽³⁾	60,728,000	65,561,078	54,817,000	57,795,817	52,691,000
Contribution to Operating Reserve ⁽³⁾	-	-	-	-	328,000
Other Operating Expenses Subtotal	\$ 70,591,840	\$ 74,685,262	\$ 69,924,568	\$ 70,418,969	\$ 119,588,000
Total Expenses	\$ 80,997,840	\$ 84,998,367	\$ 80,771,568	\$ 80,709,619	\$ 130,761,000
Operating Reserve	\$ 10,609,000	\$ 10,609,000	\$ 10,927,270	\$ 10,927,270	\$ 11,255,088
Discretionary Fund	\$ 799,016	\$ 1,705,853	\$ 1,555,853	\$ 1,176,407	\$ 1,086,407

⁽¹⁾ 2017-18 Budget includes entries to move the budget from cash to accrual basis as approved at the February 13th Stadium Authority meeting

⁽²⁾ Expense information is provided by ManCo

⁽³⁾ Expense is based on payment schedule or calculated as instructed per relevant agreements

⁽⁴⁾ Recommended by Stadium Authority staff

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

Stadium Authority Board Duties and Proposed General and Administrative Budget

The Santa Clara Stadium Authority (SCSA) Board (Board) is a public entity responsible for governing the matters concerning Levi's Stadium. As such, the Board is responsible for setting policy direction, ensuring implementation of its policy direction and other due diligence requirements through SCSA staff, and auditing/oversight of its policy implementation, as reasonable and necessary.

To accomplish Board direction, staff recommends the following administrative budget for the 2018-19 Fiscal Year totaling \$1.7 million or 1.3% of the total Fiscal Year 2018-19 Proposed Stadium Authority Operating Expense Budget of \$130.8 million. In addition to the proposed administrative budget, included in the 2018-19 Fiscal Year Capital portion of this budget is an appropriation for the build-out of the Community Room that is under discussion with ManCo. With this recommended budget, staff will support the Board with its oversight of Levi's Stadium per the various agreements with the ManCo and 49ers SC Stadium Company LLC (Tenant) of the stadium, such as:

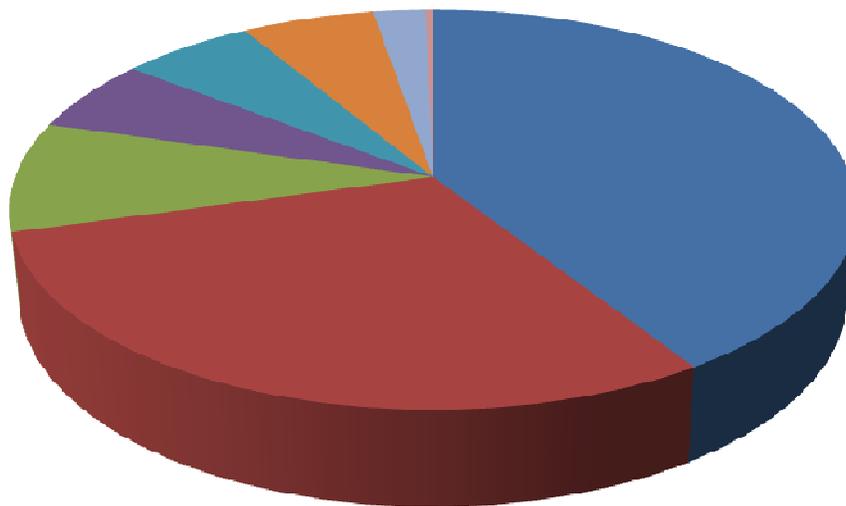
1. Uphold fiduciary responsibilities and debt obligations;
2. Maintain a productive and functional business relationship with the Tenant;
3. Develop Board policies as required for proper governance and transparency efforts concerning the SCSA oversight efforts;
4. Continue the current community engagement process to obtain public opinion research of the community impacts of Levi's Stadium;
5. Continue the current noise monitoring program;
6. Participate and engage with the US Conference of Mayors, Mayors' Professional Sports Alliance; and,
7. Develop and implement oversight initiatives consistent with public entity organizations.

Stadium Authority staff are responsible for the programmatic oversight and audit of Stadium activities. As part of this budget, the oversight of stadium activities is allocated primarily to the Executive Director, the Chief Operating Officer, the Treasurer and supporting staff. Further, the approved Chief Stadium Officer position has not been filled and as part of the City's budget process staff will be recommending that the position be downgraded to a high-level analyst in the Executive Director's Office that can provide the necessary support in the administration of these duties. This position reclassification will provide cost savings to the Stadium Authority. Please note that current staffing levels are still under review and the Executive Director may bring forward staffing adjustments for the Board's consideration to further support these efforts. The Stadium Authority General and Administrative expense budget of \$1.7 million provides the financial means in which to fulfill the Board policy direction and strategic initiatives. A breakdown of the Stadium Authority's portion of the overall operating expense budget of \$130.8 million is shown on the following page.

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

Stadium Authority General and Administrative Budget		
Expense Type	Amount	Comments
Staff support	\$690,000	To support the Stadium Authority with its oversight duties of stadium activities
Board stipends	\$5,000	Monthly Stadium Authority meetings
Annual Audit Contract	\$100,000	Performed by an external financial auditor
Legal	\$500,000	As needed for outside legal services
Other Consulting	\$100,000	Targeted compliance audits
Community Outreach	\$150,000	Ongoing community engagement efforts
Other expenses	\$40,000	Routine office expenses such as office supplies, copier lease, IT support, etc..
Unanticipated expenses	\$100,000	Funding for unanticipated needs
Total	\$1,685,000	1.3% of total expense budget of \$130,761,000

Stadium Authority General and Administrative Budget



■ Staff support - \$690k, 41%	■ Legal - \$500k, 30%
■ Community outreach - \$150k, 9%	■ Annual audit contract - \$100k, 6%
■ Other consulting - \$100k, 6%	■ Unanticipated expenses - \$100k, 6%
■ Other expenses - \$40k, 2%	■ Board stipends - \$5k, 0%

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY

Discretionary Fund: This is funded by half of the Non-NFL surcharge (see Non-NFL Event Ticket Surcharge on the following page) and has been used to cover NFL public safety costs above the public safety cost threshold, public safety capital expenses, and other items at the Stadium Authority's discretion.

Projected Beginning Balance	50% of 2018-19 Non-NFL Event Ticket Surcharge	2018-19 Discretionary Fund Expense	Projected Ending Balance
\$ 1,176,407	\$ 900,000	\$ 990,000	\$ 1,086,407

Excess Revenue: If SCSA revenue exceeds expenses for any lease year, such excess revenues shall be distributed as described in the table below. This table reflects a projection on how the excess revenues will be distributed in the 2017-18 fiscal year. (Source: *The Amended and Restated Stadium Lease Agreement*)

2017-18 Use of Excess Revenues

#	Description	Amount Funded	Balance	Notes
	Excess Revenues at Year-end		\$ 16,783,460	
1	Payment of ManCo Revolving Loan	\$ -	16,783,460	N/A (this loan has not been utilized)
2	Funding Operating Reserve up to \$2 Million +3% annually	-	16,783,460	Funding requirement met
3	Funding CapEx Reserve an Additional \$1 Million +3% annually	(1,092,727)	15,690,733	Funding annual CapEx Reserve
4	Funding Operating Reserve up to \$10 Million +3% annually	(318,270)	15,372,463	Funding annual 3% requirement
5	Prepayment of StadCo Subordinated Loan	(15,372,463)	-	Prepayment requirement met
6	Funding Operating Reserve up to \$20 Million +3% annually	-	-	N/A
7	Funding Renovation/Demolition Reserve up to \$70 Million	-	-	N/A
8	Available for Additional Disbursements as described in the Stadium Lease	-	-	N/A

Ground Rent: The City has agreed to lease the land under Levi's Stadium to SCSA for an initial term of 40 years. The fixed ground rent schedule is noted below for the 40-year initial term. (Source: *Ground Lease Agreement*)

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

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY

Insurance: ManCo procures insurance for Levi's Stadium for the entire year and the cost is split between SCSA and Forty-Niners SC Stadium Company, LLC (StadCo) (see Shared Stadium Manager Expenses on the following page). The stadium lease sets SCSA's share of insurance expense at \$2,550,000 for the first lease year with each succeeding lease year's insurance expense increasing by 3%. (Source: *Stadium Management Agreement & The Amended and Restated Lease Agreement*)

Interest: This is interest earned from cash on hand.

Naming Rights: Levi Strauss & Co (Levi's) pays an annual naming rights fee to SCSA. The annual fee increases by 3% each contract year through the 20 year term. This annual fee is paid in two equal semi-annual installments that are paid on or before March 1st and October 1st. (Source: *Naming Rights Agreement*)

Net Revenues from Non-NFL Events: The Forty-Niners Stadium Management Company, LLC (ManCo) provides management services for Levi's Stadium year-round. As such ManCo is responsible for booking and scheduling all Non-NFL events on behalf of SCSA. ManCo is required by the agreement to maintain complete and accurate books and records relating to the net income from the Non-NFL events. Those records are reviewed by SCSA staff and audited by an independent auditor. After the completion of the fiscal year, the net revenues are paid to SCSA by ManCo. Beginning in the 2018-19 Budget this will be reflected as the gross revenue and gross expense. (Source: *Stadium Management Agreement*)

NFL Ticket Surcharge: The Forty Niners Football Company, LLC (the Team) collects a 10% NFL ticket surcharge on the price of admission to all NFL games occurring in Levi's Stadium on behalf of SCSA. (Source: *Amended and Restated Non-Relocation Agreement*)

Non-NFL Event Ticket Surcharge: Promoters or sponsors of any ticketed Non-NFL event that is held at Levi's Stadium are required to collect a \$4 per ticket surcharge on behalf of SCSA. Half of this surcharge that is paid to SCSA covers general stadium operations and the other half funds the SCSA discretionary fund. (Source: *Amended and Restated Stadium Lease Agreement*)

Performance Rent: The SCSA pays the City performance rent on top of the fixed ground rent. The basic calculation for the performance based rent is 50% of the net income from Non-NFL events for any given lease year less the sum of performance based rent credits. The performance based rent credits include 50% of the current year's base ground rent, any NFL public safety costs that exceed the public safety costs threshold and are paid by ManCo, and other credits. (Source: *Ground Lease Agreement & Amended and Restated Stadium Lease Agreement*)

Performance Rent Calculation	Fiscal Year 2018-19
Ground Rent	\$320,000
Net Non-NFL Event Revenue	5,628,000
50% of Net Non-NFL Revenue	\$2,814,000
Performance Rent Credit (50% of Ground Rent)	(160,000)
Total Performance Rent paid to the City of Santa Clara	\$2,654,000

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

Rent: The facility rent is currently set at \$24.5 million for StadCo to lease the stadium for their half of the year. Note that this amount is contingent on the current outcome of the rent adjustment process as outlined in the Amended and Restated Stadium Lease. (*Source: Amended and Restated Stadium Lease Agreement*)

SBL Sales and Service: ManCo provides sales and service to SBL holders on behalf of SCSA. This includes all SBL collection efforts and customer service support. (*Source: Agreement for Stadium Builder License Sales & Fourth Amendment to the Stadium Management Agreement*)

Senior and Youth Program Fees: During the lease terms, StadCo collects a City of Santa Clara Senior and Youth program Fee on behalf of SCSA. The fee is based on \$0.35 per NFL game ticket up to a maximum of \$250,000 per lease year. (*Source: Amended and Restated Stadium Lease Agreement*)

Shared Stadium Manager Expenses: ManCo oversees the day to day operations of Levi's Stadium year-round. Since StadCo leases the stadium from SCSA for half of each fiscal year, the ManCo stadium manager expenses are shared between StadCo and SCSA. Most shared stadium manager expenses are split 50/50 between StadCo and SCSA; grounds-keeping is the exception with a 70/30 split, StadCo being responsible for the larger share. In addition, ManCo procures insurance for Levi's stadium that is shared between SCSA and StadCo (see Insurance on page 17). (*Source: Stadium Management Agreement & The Amended and Restated Stadium Lease Agreement*)

Sponsorship Revenue (STR): STR Marketplace, LLC (STR) established a secondary market website to facilitate the transfer and resale of SBLs. In exchange for the use of the Levi's Stadium trademarks and links on the website (hence the title Sponsorship Revenue), STR pays SCSA a minimum annual fee of \$325,000 based on the commissions that are collected by STR. In addition to the minimum annual fee, SCSA also receives 50% of any commissions in excess of \$650,000. (*Source: SBL Website Marketing Agreement*)

Stadium Authority General & Administrative: As an independent public entity, SCSA incurs its own expenses in relation to Board governance, fiduciary responsibilities, oversight, and operations of Levi's Stadium. These include but are not limited to SCSA staff time, due diligence requirements for proper fiscal and operational oversight, and various outside contractors and consultants who are hired to administer the necessary requirements for owning and operating Levi's Stadium. Also included are various administrative type costs such as bank fees, phone charges, IT equipment maintenance, etc.

Stadium Builder License (SBL) Proceeds: SBL holders who are on a payment plan make annual payments. Additionally, some SBL holders make payments above and beyond their annual scheduled payment plan. There are also sales of new SBLs and/or SBLs that were defaulted and resold. SBL cash collections from all of these sources make up SBL proceeds.

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

Stadium Management Fee: ManCo receives an annual base management fee to manage Levi's Stadium. The fee was \$400,000 in the first lease year and increases by 3% annually. This annual base management fee is split 50/50 between StadCo and SCSA since ManCo manages the stadium year-round for both entities. In addition to the base management fee, ManCo also receives a stadium marketing and booking fee (incentive fee) which is based on a percentage of the amount that the net income from Non-NFL events exceeds the marketing and booking fee benchmark. The table below shows the first 10 years of the base management fee and the stadium marketing and booking fee benchmark. It also shows the first three years of net income from Non-NFL events as well as the applicable marketing and booking fee which was 5% of the net Non-NFL income over the benchmark. (*Source: The Stadium Management Agreement*)

Fiscal Year	Lease Year	Annual Base Stadium Management Fee (SCSA Share)	Stadium Marketing and Booking Fee Benchmark	Actual Net Income from Non-NFL Events	Actual Stadium Marketing and Booking Fee	Total Stadium Management Fee
2014-15	1	\$200,000	\$5,000,000	\$5,207,553	\$10,378	\$210,378
2015-16	2	\$206,000	\$5,150,000	\$6,079,016	\$46,451	\$252,451
2016-17	3	\$212,180	\$5,304,500	\$5,316,894	\$620	\$212,800
2017-18	4	\$218,545	\$5,463,635	To be determined		
2018-19	5	\$225,101	\$5,627,544			
2019-20	6	\$231,854	\$5,796,370			
2020-21	7	\$238,810	\$5,970,261			
2021-22	8	\$245,974	\$6,149,369			
2022-23	9	\$253,353	\$6,333,850			
2023-24	10	\$260,954	\$6,523,866			

Transfers In and Out: Transfers from the SCSA Operating Fund to fund Debt Service and Capital Expenses.

Utilities: StadCo leases the stadium from SCSA for six months of each fiscal year from August through January. StadCo is therefore responsible for the day to day utilities during that period. SCSA pays for the day to day utilities from February through July. Utilities associated with large ticketed Non-NFL events are charged as an expense to the event which is included in the Non-NFL event expense.

Use of StadCo Tenant Improvements: StadCo charges SCSA for use of various StadCo tenant improvements (such as the use of the scoreboard) during Non-NFL events. (*Source: Amended and Restated Lease Agreement*)

STADIUM MANAGER SHARED EXPENSES

The Stadium Management Agreement between Santa Clara Stadium Authority (SCSA) and Forty Niners Stadium Management Company, LLC (ManCo) and Forty Niners SC Stadium Company, LLC (StadCo) was made and entered into as of March 28, 2012. This agreement provides SCSA with the expertise of an outside manager to oversee the day-to-day operations of Levi's Stadium. Additionally, the Amended and Restated Stadium Lease Agreement between SCSA and StadCo was made and entered into as of June 19, 2013.

This agreement amends the original stadium lease to set the initial rent, to allow StadCo to enter into agreements with alternative energy providers, to cap SCSA's share of the insurance costs at a fixed amount each year, and to require SCSA to fund various reserves.

Per the terms of the stadium lease, StadCo leases the stadium from SCSA for half of each fiscal year, and is therefore responsible for the Stadium Manager operating expenses during that period. The Stadium Manager operating expenses for the other half of the year are the responsibility of SCSA. Section 8.3.1 describes the proportionate share of Stadium Manager expenses that are owed by SCSA and StadCo. Namely that most stadium manager operating expenses are split 50/50 with grounds-keeping being the exception with a 70/30 split, StadCo being responsible for the larger share.

In addition, ManCo procures insurance for Levi's Stadium for the entire year and the cost is shared between SCSA and StadCo.

Section 4.7 of the management agreement notes that ManCo will provide an Annual Shared Stadium Expense Budget to be adopted annually by SCSA and StadCo.

Once the budget is adopted, ManCo invoices SCSA monthly for its budgeted portion of shared expenses which include stadium manager operating expenses. As part of the year-end work, the budgeted amounts that were paid are trued up with actuals for which ManCo provides details.



Stadium Manager

2018-19 Shared Stadium Expenses

Between the Santa Clara Stadium Authority and Forty Niners SC Stadium Company (StadCo)

	Stadium					Total
	Security	Operations	Engineering	Guest Services	Groundskeeping	
Total Compensation	\$ 924,002	\$ 3,786,166	\$ 2,531,650	\$ 952,592	\$ 286,757	\$ 8,481,167
Travel, Hotel & Staff/Partner F&B	2,122	389,802	12,000	47,218	7,107	458,249
Outside Services	1,899,000	1,761,740	1,035,408	51,958	46,783	4,794,889
General Supplies	76,120	202,678	-	167,056	186,960	632,814
Telephone	15,450	482,708	40,000	5,792	1,167	545,117
Equipment	152,976	670,208	40,314	65,198	13,260	941,956
Uniforms	10,184	3,714	4,244	200,612	3,183	221,937
Other	6,366	145,338	5,834	135,562	-	293,100
Subtotal	\$3,086,220	\$ 7,442,354	\$ 3,669,450	\$ 1,625,988	\$ 545,217	\$16,369,229

Santa Clara Stadium Authority Proportionate Share of Stadium Expenses ⁽¹⁾

	Stadium					Total
	Security (50%)	Operations (50%)	Engineering (50%)	Guest Services (50%)	Groundskeeping (30%)	
Total Compensation ⁽²⁾	\$ 462,001	\$ 1,893,083	\$ 1,265,825	\$ 476,296	\$ 86,027	\$ 4,183,232
Travel, Hotel & Staff/Partner F&B	1,061	194,901	6,000	23,609	2,132	227,703
Outside Services	949,500	880,870	517,704	25,979	14,035	2,388,088
General Supplies	38,060	101,339	-	83,528	56,088	279,015
Telephone	7,725	241,354	20,000	2,896	350	272,325
Equipment	76,488	335,104	20,157	32,599	3,978	468,326
Uniforms	5,092	1,857	2,122	100,306	955	110,332
Other	3,183	72,669	2,917	67,781	-	146,550
Subtotal	\$1,543,110	\$ 3,721,177	\$ 1,834,725	\$ 812,994	\$ 163,565	\$ 8,075,571
Insurance ⁽³⁾						2,870,048
Management Fee ⁽⁴⁾						225,101
Total						\$11,170,720

⁽¹⁾ The Santa Clara Stadium Authority proportionate share of stadium expenses is rounded to the nearest \$1,000 in the operating budget.

⁽²⁾ Total compensation is based on a total of 59 full time equivalent positions.

⁽³⁾ The stadium lease sets SCSA's share of insurance expense at \$2,550,000 for the first lease year with each succeeding lease year's expense increasing 3%.

⁽⁴⁾ The stadium management agreement sets the base management fee at \$400,000 for the first lease year with each succeeding lease year's management fee increasing 3%. This base management fee is split 50/50 between SCSA and StadCo.

STADIUM MANAGER SHARED EXPENSES GLOSSARY

Total Compensation: This cost includes full-time staff (59 employees), part-time staff, and benefits. The SCSA pays for 50% of these costs except for groundskeeping which is set at 30%.

- **Full-time wages** are costs for all management company full-time employees.
- **Part-time wages** are costs for all management company part time employees. Wages include annual training for all Guest Services Representatives.
- **Benefits** are costs of employees' health insurance, pension, vacation time, and all employer taxes.

Outside Services: Costs for outside service providers which include the following:

- **Janitorial and Medical** costs related to the janitorial, cleaning, landscaping, and trash services of the interior and exterior of the stadium and medical services for the stadium during regular business hours.
- **Stadium Security** costs for staffing 24/7 security guards in and around the stadium and explosive detection canines.
- **Engineering & Maintenance** for mandatory safety and general maintenance costs associated with fire sprinklers, fire alarms, elevators, and backflows. Also includes outside sub-contracted calls for services for windows, signage and roof repair, HVAC & electrical, carpet, concrete or other misc. repair.

Equipment: Costs associated with stadium operations and security software, including incident tracking, mobile safety application, stadium staff scheduling/event calendar software, video surveillance licensing software, X-ray machine rental for deliveries, and monthly cost for off-site equipment storage.

General Supplies: Supplies for stadium operations, janitorial, engineering, and Guest Services (For example: Janitorial supplies, general printing costs for stadium signage, deployment sheet, notes, handbooks etc.).

Telephone: These are costs for land lines and internet/data service for the stadium, (net of the costs for the Team's business offices), and cell service for stadium operations' and security personnel.

Travel, Hotel & Staff/Partner F&B: These are costs for employee travel (airfare, ground, lodging, and meals) to stadium management conferences. In addition, this category includes costs for staff meals for general food and beverage, vendor engagement, and the year-end guest service employee appreciation banquet.

STADIUM MANAGER SHARED EXPENSES GLOSSARY

Other Costs: Costs associated with Stadium Operations (For example: specialized training, command post, CPR first aid, background checks, recruiting, marketing/advertising, and employee retention program).

Uniforms: Guest Services replacement and replenishment of uniforms.

Tenant Improvements: Interior improvements within Tenant's exclusive facilities and any other improvements within the Stadium that are to be owned by, and constructed at the cost of, Tenant or any Tenant transferee as may be agreed by the Parties (SCSA and StadCo). *(Source: Stadium Lease Agreement)*

Stadium Manager

Santa Clara Stadium Authority Proportionate Share of Stadium Expenses - 5 Year Forecast

	2019-20	2020-21	2021-22	2022-23	2023-24
Total Compensation ⁽¹⁾	\$ 4,308,730	\$ 4,437,992	\$ 4,571,131	\$ 4,708,265	\$ 4,849,513
Travel, Hotel & Staff/Partner F&B	234,534	241,570	248,817	256,282	263,970
Outside Services	2,459,730	2,593,522	2,609,527	2,687,813	2,768,448
General Supplies	287,386	296,007	304,887	314,034	323,455
Telephone	280,495	288,909	297,577	306,504	315,699
Equipment	482,376	496,847	511,753	527,105	542,919
Uniforms	113,641	117,050	120,562	124,179	127,904
Other	150,947	155,475	160,139	164,944	169,892
Total	\$ 8,317,839	\$ 8,627,372	\$ 8,824,393	\$ 9,089,126	\$ 9,361,800
Insurance ⁽²⁾	2,956,149	3,044,833	3,136,178	3,230,263	3,327,171
Management Fee ⁽³⁾	231,854	238,810	245,974	253,353	260,954
Total	\$ 11,505,842	\$11,911,015	\$12,206,545	\$12,572,742	\$12,949,925

⁽¹⁾ Total compensation is based on a total of 59 full-time equivalent positions.

⁽²⁾ The stadium lease sets SCSA's share of insurance expense at \$2,550,000 for the first lease year with each succeeding lease year's expense increasing 3%.

⁽³⁾ The stadium management agreement sets the base management fee at \$400,000 for the first lease year with each succeeding lease year's management fee increasing 3%. This base management fee is split 50/50 between SCSA and StadCo.

Santa Clara Stadium Authority

Debt Service Budget Summary

	2016-17 Final Budget	2016-17 Year-end Actuals	2017-18 Final Budget	2017-18 as of March 31, 2018	2018-19 Proposed Budget
Resources					
Revenues					
Contribution from CFD	\$ 3,400,000	\$ 3,573,523	\$ 4,500,000	\$ 4,357,288	\$ 3,600,000
Revenues Subtotal	3,400,000	3,573,523	4,500,000	4,357,288	3,600,000
Transfers In from Operating	57,545,000	62,378,378	51,539,000	54,517,636	49,314,000
Contribution from Fund Balance	8,883,000	-	7,031,000	16,630,328	4,653,000
Total Resources	\$ 69,828,000	\$ 65,951,901	\$ 63,070,000	\$ 75,505,252	\$ 57,567,000
Expenses					
CFD Advance	\$ 3,400,000	\$ 3,573,523	\$ 3,860,000	\$ 3,722,535	\$ 3,600,000
Term A Loan	14,140,000	14,139,705	21,210,000	21,209,558	25,644,000
StadCo Subordinated Loan	52,288,000	42,678,366	38,000,000	50,573,159	28,323,000
Total Expenses	\$ 69,828,000	\$ 60,391,594	\$ 63,070,000	\$ 75,505,252	\$ 57,567,000
Debt Service Reserve	\$ 11,536,235	\$ 11,536,235	\$ 11,536,235	\$ 11,536,235	\$ 11,536,235

Total outstanding debt is projected to decrease by \$38.9 million from \$382.7 million to \$343.8 million. The proposed 2018-19 Debt Service Budget of \$57.6 million is based on the required and additional principal and interest debt service payments. Of this total, \$3.6 million represents anticipated contributions from the Community Facilities District (CFD).

Total Debt Service Reserves are projected to be \$11.5 million. A glossary has been provided, beginning on page 26, that describes the type of debt and the applicable source documents for each loan.

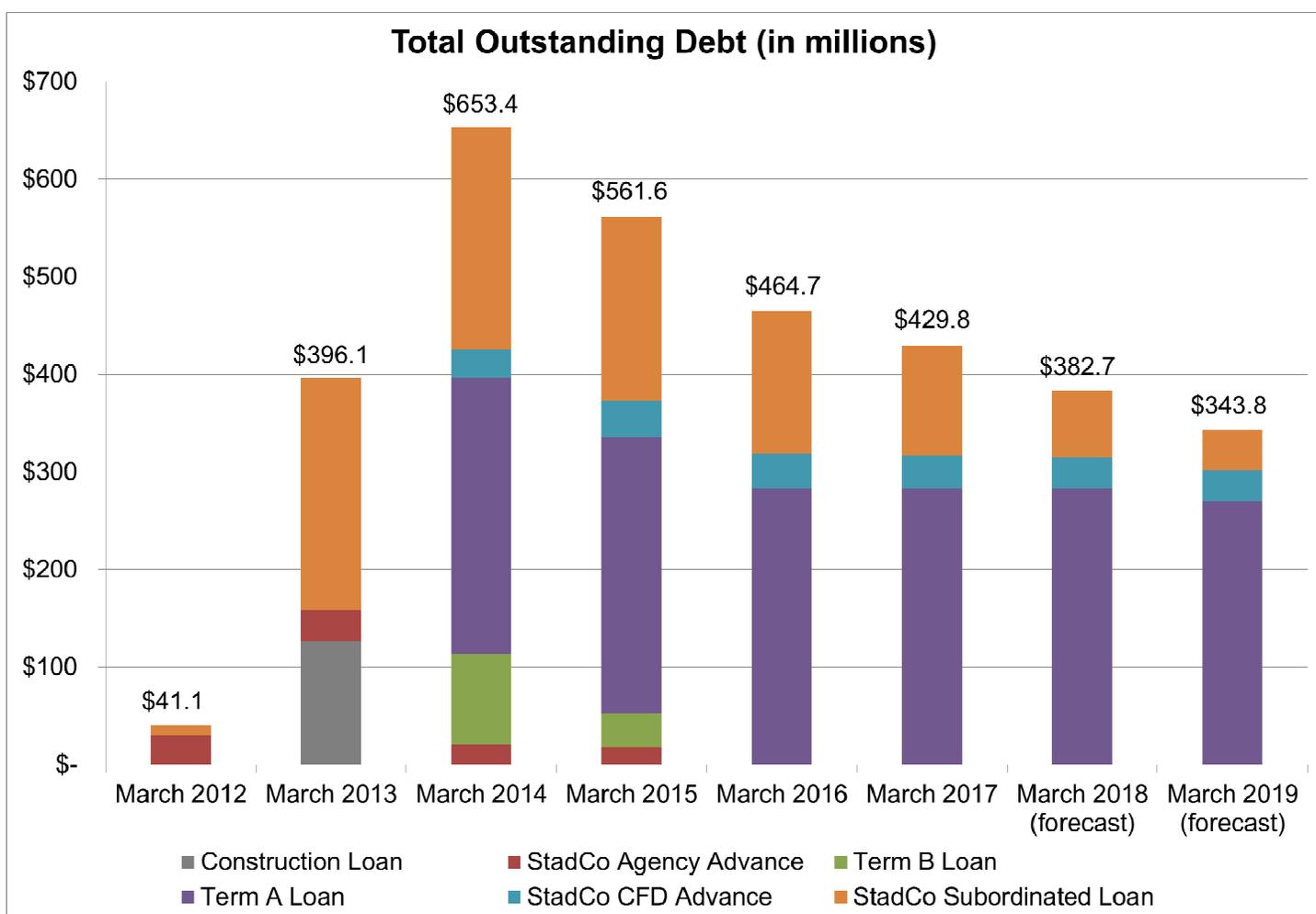
The schedule shown on the following page reflects the outstanding debt projection of \$382.7 million as of March 31, 2018 and the projected principal payments for 2018-19.

Santa Clara Stadium Authority Debt Service Payment Schedule

Debt Obligations	Interest rates	2018-19 Interest	2018-19 Beginning Balance	2018-19 Principal Payments	2018-19 Additional Payments ⁽¹⁾	2018-19 Ending Balance
Stadium Funding Trust Term A Loan	5.00%	\$ 13,534,000	\$282,794,108	\$ 12,110,000	\$ -	\$270,684,108
StadCo CFD Advance ⁽²⁾	5.73%	1,610,000	32,834,885	1,990,000	-	30,844,885
StadCo Subordinated Loan	5.50%	3,535,000	67,032,627	3,964,502	20,823,498	42,244,627
Total		\$ 18,679,000	\$382,661,620	\$ 18,064,502	\$ 20,823,498	\$343,773,620

⁽¹⁾ Additional payment is based on anticipated revenue that is in excess of all expenses and reserve requirements.

⁽²⁾ CFD principal payment is an estimate based on anticipated contributions from the Community Facilities District



STADIUM AUTHORITY DEBT SERVICE BUDGET GLOSSARY

Agency Advance: StadCo agreed to loan SCSA a not to exceed amount of \$30.3 million to fund certain stadium project costs. This Agency Advance would be payable solely from amounts actually received by SCSA from the Successor Agency. On September 23, 2013 StadCo, SCSA, the Successor Agency, and the State of California reached a settlement agreement regarding the repayment of the Agency Advance. In accordance with the settlement \$30.3 million would be paid to SCSA plus interest at an amended rate of 4.5%. This amount was being paid in installments beginning January 2, 2014 and continuing until July 1, 2017. As of March 31, 2016 the loan was fully repaid, in advance of the payment schedule. (Source: Authority Promissory Note In Respect of StadCo Agency Advance & First Amendment to Cooperation Agreement to Assist Public-Owned Stadium and First Amendment to Predevelopment Funding Agreement)

CFD Advance: StadCo agreed to loan SCSA a not to exceed amount of \$35 million in respect to CFD infrastructure with a maximum principal amount of \$38 million including capitalized interest. This loan bears interest at a fixed rate of 5.73% and the loan is payable solely from amounts actually received by SCSA from the CFD. (Source: The Authority Promissory Note in Respect of StadCo CFD Advance)

Contribution from the Community Facilities District (CFD): The CFD was established for the purpose of financing and constructing publicly owned facilities. To support that, the CFD levies and collects a special hotel tax of 2% on hotel rooms within the CFD. During the construction of Levi's Stadium, SCSA spent \$35 million on CFD infrastructure. All collections from the special CFD hotel taxes are contributed to SCSA to pay down the CFD Advance which was used to fund the construction of the CFD publicly owned facilities. (Source: The Reimbursement Agreement Relating to the CFD)

Contribution from Successor Agency: The Successor Agency committed to contribute a total of \$41.6 million toward stadium project costs. It funded \$11.4 million up front and committed the remaining \$30.3 million plus interest to SCSA in future years. As of March 31, 2016, the Successor Agency had fulfilled its commitment. (Source: RDA Funding Agreements)

StadCo Subordinated Loan: StadCo agreed to loan SCSA an amount not to exceed \$500 million to fund construction of Levi's Stadium. The actual amount loaned to the SCSA was \$236.9 million. This loan bears a fixed interest rate of 5.5% with annual principal payments due beginning in March 2016 and it may be prepaid at any time without any penalties. (Source: The Restated StadCo Obligations Agreement)

STADIUM AUTHORITY DEBT SERVICE BUDGET GLOSSARY (CONT.)

Term A Loan: The Stadium Funding Trust (FinanceCo) agreed to loan SCSA \$282.8 million to fund construction of Levi's Stadium. This loan bears interest at a fixed rate of 5% payable semi-annually, with annual principal payments due beginning in April 2018. It has a maturity date in 2039 and is subject to certain prepayment premiums. The principal payment schedule is noted below. (Source: The Restated Credit Agreement)

Term A Loan Amortization	
Date	Annual Principal Payment
April 1, 2018	\$12,110,000.00
April 1, 2019	\$12,718,000.00
April 1, 2020	\$13,354,000.00
April 1, 2021	\$14,022,000.00
April 1, 2022	\$14,723,000.00
April 1, 2023	\$15,459,000.00
April 1, 2024	\$7,299,896.00
April 1, 2025	\$7,838,094.00
April 1, 2026	\$8,404,934.00
April 1, 2027	\$9,001,865.00
April 1, 2028	\$9,630,410.00
April 1, 2029	\$10,292,166.00
April 1, 2030	\$10,988,812.00
April 1, 2031	\$11,722,111.00
April 1, 2032	\$12,493,914.00
April 1, 2033	\$13,306,164.00
April 1, 2034	\$14,160,901.00
April 1, 2035	\$15,060,270.00
April 1, 2036	\$16,006,521.00
April 1, 2037	\$17,002,017.00
April 1, 2038	\$18,049,239.00
April 1, 2039	\$19,150,794.00

Term B Loan: FinanceCo agreed to loan SCSA an amount not to exceed \$167.2 million to fund construction of Levi's Stadium. The Term B Loan had a variable interest rate of LIBOR plus 2% and a maturity date in 2018. This loan was fully repaid as of March 31, 2016. (Source: The Restated Credit Agreement)

STADIUM AUTHORITY CAPITAL BUDGET

The Capital Budget is used to fund the purchase or upgrade of fixed assets for the Stadium. While the funding for appropriations occur on an annual basis, the Capital Expenditure Plan extends for a five (5) year period (shown on page 31 of this report). Changes to existing projects, as well as the addition of new projects, may occur during the five (5) year planning period as new needs are identified. The appropriations for capital projects do not lapse at year-end but carryforward into future years until the project is complete.

The fiscal year 2018-19 Capital Budget totals \$7.9 million. Of this total, \$3.1 million of prior year appropriations are carried forward into 2018-19. New capital improvement appropriations equal \$4.8 million.

A detailed listing of proposed 2018-19 projects is provided on page 30 of this report.



Field Safety Barrier for Security

Santa Clara Stadium Authority Capital Expense Budget Summary

	2016-17 Final Budget	2016-17 Year-end Actuals	2017-18 Final Budget	2017-18 as of March 31, 2018	2018-19 Projected Carryforward	2018-19 New Budget	2018-19 Proposed Budget
Beginning Balances	\$ 6,090,000	\$6,090,000	\$ 8,528,701	\$ 8,887,218	\$ 12,358,833	\$ -	\$ 12,358,833
Resources							
Transfers In from Operating	3,183,000	3,182,700	3,278,000	3,278,181	-	3,377,000	3,377,000
Transfers In from Stadium Development ⁽¹⁾	-	-	1,851,000	1,851,000	-	-	-
Total Resources	9,273,000	9,272,700	13,657,701	14,016,399	12,358,833	3,377,000	15,735,833
	2016-17 Final Budget	2016-17 Year-end Actuals	2017-18 Final Budget	2017-18 as of March 31, 2018	2018-19 Projected Carryforward	2018-19 New Budget	2018-19 Proposed Budget
Expenses							
Construction	3,025,000	137,722	1,766,517	1,437,836	328,681	4,392,242	4,720,923
Equipment	275,000	247,760	1,022,000	22,000	1,000,000	210,000	1,210,000
Contingency	-	-	122,000	-	122,000	174,546	296,546
Stadium Warranty Related Construction	-	-	1,851,000	197,730	1,653,270	-	1,653,270
Total Expenses	3,300,000	385,482	4,761,517	1,657,566	3,103,951	4,776,788	7,880,739
Capital Expense Reserve	\$ 5,973,000	\$8,887,218	\$ 8,896,184	\$ 12,358,833	\$ 9,254,882	\$(1,399,788)	\$ 7,855,094

⁽¹⁾ Carryforward from the original Stadium Construction Budget for Warranty related work



Restroom Vacancy signs



Water Treatment/Softener System

2018-19 STADIUM AUTHORITY CAPEX Request Items

Item Requested	Description	Cost	Contingency	Total Project Cost
Food and Beverage	Concession Area Maintenance repair & programming of the beverage distribution system, concession stand equipment, repair walk-in coolers and main kitchen equipment.	485,000	24,250	\$509,250
FF&E	Guest Services Booths Two additional guest services booths on the main concourse for better enhanced customer service touchpoints.	70,000	3,500	\$73,500
FF&E	Flag Poles Add two additional flag poles on the north side of the stadium to accommodate state, city, civic and local flags.	65,000	3,250	\$68,250
FF&E	Water Stations Install elkay- type water stations on-site for public consumption. These are essentially water refill stations for guests and staff at the facility.	60,000	3,000	\$63,000
FF&E	200 Level Mesh Under Stairs Install mesh covering on fencing under the 200 level stairs for security.	15,000	750	\$15,750
General Building	Premium Areas/Special Event Assets Lyntal coating throughout the concourse. Floor restoration/terrazzo. Hardwood floor restoration in clubs. Coat service tunnel with epoxy coating and fill any cracks to protect against slips, trips and falls.	1,385,000	69,250	\$1,454,250
General Building	Santa Clara Public Safety Equipment Major Equipment Replacement for Santa Clara Public Safety, Police & Fire. See attached schedule.	617,004	30,850	\$647,855
General Building	Stadium Field Conduits Adding permanent solution for power and data on field/floor of stadium making electrical connections safer and efficient for concert and events.	250,000	12,500	\$262,500
General Building	Loading Dock Security and Safety Improvements Install security and safety equipment in the loading dock area to safely move workers and attendees around heavy equipment workflow.	147,910	7,396	\$155,306
General Building	Miscellaneous Flooring, carpeting, millwork, tiles, masonry, granite counters, Stainless steel panels and counters, cladding, wall acoustic panels etc.	100,000	5,000	\$105,000
General Building	CMU Wall Build Build a safety enclosure for the main stadium natural gas pipeline @ Gate F per safety surveyor.	75,000	3,750	\$78,750
General Building	Fire Sprinkler System Fire Marshal request to have a sprinkler system installed at loading dock and additional work in high bay storage to accommodate combustible storage and safety for activations.	95,000	4,750	\$99,750
Plumbing	Hot Water Additions for Sump Pump Install 4 sump pumps and 4 substation water source heat pumps to hose down the sump wells in the sewage system.	350,009	17,500	\$367,509
Security	Access Control System Install card readers on doors currently keyed for controlled security, install gate actuators at Gate A and Gate C. Update access control throughout to provide tighter and more efficient security measures.	197,000	9,850	\$206,850
Security	Security Cameras Repair and update security cameras in the stadium to consistently view access areas & security perimeter.	59,000	2,950	\$61,950
Site	Community Room Build Out Consideration to build out an unfinished storage space in the stadium to potentially accommodate a new Community Space per City Manager's request. This is Tenant's Exclusive Space - use of space by SCSA is subject to Tenant's approval which has not been given.	600,000	30,000	\$630,000
Site	Asphalt Slurry coat - visitor parking on Tasman, Gold 4 & 5 parking lots and South Access Road.	190,000	9,500	\$199,500
Site	Bridge - Pedestrian Seal walkways and paint bridges to enhance public safety access areas.	30,000	1,500	\$31,500
Subtotal 2018-19 Project Budget		4,790,923	239,546	\$5,030,469

Roll forward from prior years
 Approved in 2017-18

FF&E	Permanent Changeable Street Signage for Public Safety & Traffic Control This item was brought before the SCSA Board and approved in the 2017 - 18 budget. Working with the Dept of Public Works, the City Manager's office and the Chief of Police's office to identify appropriate locations on surrounding city streets (GAP, Tasman, etc.) to place signage to better protect, inform and serve patrons visiting Levi's Stadium, non-event day traffic, community event advisories and emergency public safety and traffic advisories.	1,000,000	50,000	\$1,050,000
General Building	Santa Clara Public Safety Equipment CAD Replacement & Kimtech MTD-103 Advanced.	140,000	7,000	\$147,000
Total 2018-19 project budget including projects rolled forward from prior years		5,930,923	296,546	\$6,227,469

Santa Clara Stadium Authority Capital Expense Plan Summary - 5 Year Forecast

	2018-19 Budget	2019-20 Budget	2020-21 Budget	2021-22 Budget	2022-23 Budget
Audio/Visual	\$ -	\$ -	\$ -	\$ -	\$ -
Electrical	-	-	-	-	750,000
FF&E	1,210,000	30,000	-	30,000	-
Food & Beverage	485,000	-	200,000	-	-
General Building	2,809,914	252,000	410,000	1,272,000	600,000
HVAC/Mechanical	-	263,355	225,000	-	-
Life Safety/Fire	-	-	100,000	-	-
Plumbing	350,009	-	100,000	-	-
Security	256,000	-	175,000	-	-
Site	820,000	325,000	200,000	-	-
Vertical Transport	-	-	-	-	-
Subtotal CapEx Project Costs	\$5,930,923	\$ 870,355	\$ 1,410,000	\$ 1,302,000	\$ 1,350,000
Contingency (5%)	296,546	43,518	70,500	65,100	67,500
Total CapEx Project Costs	\$6,227,469	\$ 913,873	\$ 1,480,500	\$ 1,367,100	\$ 1,417,500

Santa Clara Stadium Authority Public Safety Capital Expense Request

Equipment	Dept	Quantity	2018-19 Proposed Budget
Permanent Changeable Street Signage	Public Works	-	1,000,000
CAD Replacement	Police, IT	-	130,000
Portable License Plate Reader/PTZ Cameras	Police	4	160,000
Kawasaki Pro-FXT LE Black Mule	Police	3	52,000
Motor Vehicle Barriers	Police	4	100,000
Kimtech MTD-103 Advanced (med cart upgrade)	Fire	1	10,000
Portable Radios	Fire	13	54,000
EMS Equipment (2 Auto Pulse Automated Compressors)	Fire	2	32,000
EMS Equipment (ALS Lifepack Monitor)	Fire	1	30,000
Public Safety Command Post Dispatch System	Public Safety	1	189,000
Total			\$1,757,000



Stadium Management Company
Annual Public Safety Budget
FY 2018

	<u>Amount</u>	<u>Footnote</u>
Public Safety Costs - Tenant (NFL Events)	\$ 2,740,540	1
Public Safety Costs - Authority (Non-NFL Events)	\$ 2,682,201	2
Public Safety Capital Expenditures	\$ 1,757,004	3
Public Safety Capital Expenditure Amortization	\$ 211,401	3
Tenant's Estimated Public Safety Share	\$ 105,700	3
Public Safety Capital Expenditure Amortization (prior years)	\$ 1,750	4

Footnotes to Schedule:

- 1 Assumes 10 home games. Public Safety Costs (PSC) above the PSC threshold may be paid from the Discretionary Fund per Section 7.5.3 (a). For 2018-19, the PSC threshold is \$1,988,760. StadCo budget for 2018-19 is based on projected 2017 PSC per consultation with SCPD Capt. Burress and Chief Sellers.
- 2 The proposed non-NFL event PSC budget is based on the number and type of non-NFL events scheduled to date for the 2018-19 fiscal year, and consultation with SCPD Capt. Burress and Chief Sellers. The Stadium Authority Budget for net non-NFL event revenue is net of all PSC for non-NFL events.
- 3 The Stadium Manager has received Public Safety Capital Expenditure requests for the 2018-19 fiscal year totaling \$757,004. The Stadium Manager has included permanent changeable street signage previously approved in the Capital Expenditure Plan for 2017-18 for \$1,000,000. This line item is described in detail in the Proposed Capital Expenditure Plan.
- 4 Public Safety Capital Expenditure amortization for prior years is projected to be \$1,750.

Stadium Management Company

Annual Public Safety Budget - Capital Expenditures Amortization Schedules
FY 2018

Permanent Changeable Signage

Cost of Permanent Changeable Signage	\$	1,000,000
Depreciable Life		15
Salvage Value	\$	100,000
Number of NFL Games		10
Number of "Stadium Events" >20K Excluding NFL Games		10
Number of Stadium Events > 20K		20

Annual Amortization

Capital Cost	\$	1,000,000
Estimated Salvage Value	\$	(100,000)
Depreciable basis	\$	900,000
Depreciable Life		15
Annual Amortization	\$	<u>60,000</u>

Tenant's Estimated Public Safety Share:

Number of NFL Games		10
Number of Stadium Events >20K		<u>20</u>
Tenant's Estimated Share		<u>50%</u>

Stadium Authority's Estimated Public Safety Share:

Number of "Stadium Events" >20K Excluding NFL Games		10
Number of Stadium Events > 20K		<u>20</u>
Authority's Estimated Share		<u>50%</u>

Results - Include in the Annual Public Safety Budget:

1 Public Safety Capital Expenditures - Permanent Signage	\$ 1,000,000
Amortization Schedule for Permanent Changeable Signage	
	<u>Year Book Value Amortization</u>
	2018 1,000,000 60,000
	2019 940,000 60,000
	2020 880,000 60,000
	2021 820,000 60,000
	2022 760,000 60,000
	2023 700,000 60,000
	2024 640,000 60,000
	2025 580,000 60,000
	2026 520,000 60,000
	2027 460,000 60,000
	2028 400,000 60,000
	2029 340,000 60,000
	2030 280,000 60,000
	2031 220,000 60,000
	2032 160,000 60,000
	Salvage 100,000
Current Year Amortization	\$ 60,000
	X
Tenant's Estimated Public Safety Share	<u>50%</u> (10 NFL Games; 20 Total Stadium Events > 20K)
Tenant's Estimated Share of Amortization for 2018-19	\$ 30,000
Stadium Authority's Estimated Public Safety Share	50%
Authority's Estimated Share of Amortization for 2018-19	\$ 30,000

2 Public Safety Capital Expenditures - City PSC Requests \$ 757,004 (see attached schedule)

Amortization Schedule for 5-year depreciable life assets	Year	Book Value	Amortization
	2018	757,004	151,401
	2019	605,603	151,401
	2020	454,202	151,401
	2021	302,802	151,401
	2022	151,401	151,401
	Salvage	-	
Current Year Amortization	\$	151,401	
		X	
Tenant's Estimated Public Safety Share	50%	(10 NFL Games; 20 Total Stadium Events > 20K)	
Tenant's Estimated Share of Amortization for 2018-19	\$	75,700	
Stadium Authority's Estimated Public Safety Share		50%	
Authority's Estimated Share of Amortization for 2018-19	\$	75,700	

Total Public Safety Capital Expenditures	\$ 1,757,004
Current Year Amortization	\$ 211,401
Tenant's Estimated Share of Amortization for 2018-19	\$ 105,700
Authority's Estimated Share of Amortization for 2018-19	\$ 105,700

Public Safety Capital Expenditures - 2017-18 (projected) \$ 17,500 (see attached schedule)

Amortization Schedule for 10-year depreciable life assets	Year	Book Value	Amortization
	2018	17,500	1,750
	2019	15,750	1,750
	2020	14,000	1,750
	2021	12,250	1,750
	2022	10,500	1,750
	2019	8,750	1,750
	2020	7,000	1,750
	2021	5,250	1,750
	2022	3,500	1,750
	2023	1,750	1,750
	Salvage	-	
Current Year Amortization	\$	1,750	
		X	
Tenant's Estimated Public Safety Share	56%	(10 NFL Games; 28 Total Stadium Events > 20K)	
Tenant's Estimated Share of Amortization for 2018-19	\$	972	
Stadium Authority's Estimated Public Safety Share		44%	
Authority's Estimated Share of Amortization for 2018-19	\$	778	

Tenant's Estimated Public Safety Share:

Number of NFL Games 2017	10
Number of Stadium Events >20K	18
Tenant's Estimated Share	<u>56%</u>

Stadium Authority's Estimated Public Safety Share:

Number of "Stadium Events" >20K Excluding NFL Games	8
Number of Stadium Events > 20K	18
Authority's Estimated Share	<u>44%</u>

Stadium Public Safety Capital Expenditure Requests

Equipment ¹	Dept.	Depr. Life	Quantity	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23
CAD Replacement	Police, IT	5	-	\$ 130,000				
Portable License Plate Reader/PTZ Cameras	Police	5	4	\$ 160,000				
Kawasaki Pro-FXT LE Black Mule	Police	5	3	\$ 52,000				
Motor Vehicle Barriers	Police	5	4	\$ 100,000				
Kimtech MTD-103 Advanced (med cart upgrade)	Fire	5	1	\$ 10,000				
Portable Radios	Fire	5	13	\$ 53,953				
EMS Equipment (2 Auto Pulse Automated Compressors)	Fire	5	2	\$ 31,556				
EMS Equipment (ALS Lifepack Monitor)	Fire	5	1	\$ 30,295				
Public Safety Command Post Dispatch System	Public Safety	5	1	\$ 189,200				
Total:				\$ 757,004	\$ 0	\$ 0	\$ 0	\$ 0

Notes:

1 Five year Useful Life of Equipment unless otherwise noted.

Agenda Report

18-381

Agenda Date: 3/27/2018

SUBJECT

Tentative Meeting Agenda Calendar

BACKGROUND AND DISCUSSION

As discussed by the Acting City Clerk during the March 6, 2018 City Council Meeting, this month, the City is taking the final steps in implementing a new Agenda Management System. As part of this implementation, the City will publish a weekly Tentative Meeting Agenda Calendar (TMAC). The purpose of the TMAC is to provide the public advanced notifications of tentative dates of Council Study Sessions, Joint Council/Commission meetings, as well as Council Public Hearing and General Business agenda items. It is important to note that the TMAC is a Tentative Calendar planning tool and reports listed are subject to change due to Public Hearing publication requirements and agenda management.

The TMAC will be published weekly no later than Friday 5 pm on the City's website



City of Santa Clara

Tentative Meeting Agenda Calendar

Thursday, March 29, 2018 - Council and Authorities Concurrent Meeting

Study Session

18-306 4:00 PM City Clerk Duties and Responsibilities

Tuesday, April 3, 2018 - Council and Authorities Concurrent Meeting

Special Order of Business

18-275 Cultural Commission Presentation of Upcoming Events in April and May 2018

18-230 Recognition of Rusell's Furniture

18-299 Recognition of Outgoing PAL Director Robert Martinez

Public Hearing/General Business

18-283 First Amendment to Exclusive Negotiations Agreement with Core Affordable Housing for BAREC site

18-291 Waive the First Reading by Substitution of the Title and Introduce a Second Amendment to Development Agreement between SI 55, LLC

18-068 281 Serena Way Daycare Rezoning and Use Permit Appeal

18-091 Note and File the Parks and Recreation Facilities Condition Assessment Report (Kitchell, 2017)

18-168 Action on Options Related to the Position of the City Auditor

Tuesday, April 10, 2018 - Council and Authorities Concurrent Meeting

Public Hearing/General Business

18-294 5:00 PM Interviews and Appointment to Planning Commission

Tuesday, April 24, 2018 - Council and Authorities Concurrent & Stadium Authority Meeting

Study Session

- 18-303 Public Infrastructure Assessment and Priorities
- 18-335 College Championship Game at Levi's Stadium 2019 (Stadium Authority)

Special Order of Business

- 18-216 Presentation by Goals for a Cure Fundraising
- 18-276 Cultural Commission Presentation of Upcoming Events in May and June 2018

Public Hearing/General Business

- 18-189 Vesting Tentative Subdivision Map at 2961 Corvin Drive
- 18-226 Adoption of the Fiscal Year 2018-19 Municipal Fee Schedule

Tuesday, May 8, 2018 - Council and Authorities Concurrent Meeting

Study Session

- 18-273 Review the Proposed Capital Improvement Program Budget
- 18-186 Informational Joint Dinner Meeting with the Housing Rehabilitation Loan Committee

Public Hearing/General Business

- 18-332 District Boundaries Ordinance First Reading

Tuesday, May 15, 2018 - Council and Authorities Concurrent Meeting

Study Session

- 18-315 High Speed Rail Briefing to Council
- 18-287 Review of various infrastructure improvement needs (e.g.: International Swim Center, Community Recreation Center, and Park facilities) and funding for consideration as part of a possible November 2018 infrastructure ballot measure

Special Order of Business

- 18-342 Cultural Commission Presentation of Upcoming Events in June and July 2018

Tuesday, May 22, 2018 - Council and Authorities Concurrent Meeting

Study Session

- 18-327 Water, Sewer, and Recycled Water Rate Study Report
- 18-274 Review the Proposed Annual Operating Budget and Ten-Year Financial Plan

Tuesday, June 12, 2018 - Council and Authorities Concurrent Meeting

Study Session

- 18-217 Draft Massage Establishment Ordinance

Public Hearing/General Business

- 18-152 Hearing for Sewer, Solid Waste, Water Water, Sewer, and Recycled Water Rates
- 18-277 Public Hearing of Proposed Annual Operating and Capital Improvement Program (CIP) Budgets
- 18-262 Small Cell Attachment Rate on City Owned Utility Poles

Tuesday, June 19, 2018 – Stadium Authority Meeting

Study Session

- 18-316 Presentation of Final Community Engagement Report for Issues Related to Levi's Stadium

Tuesday, June 26, 2018 - Council and Authorities Concurrent Meeting

Special Order of Business

- 18-343 Cultural Commission Presentation of Upcoming Events in July and August 2018

Public Hearing/General Business

- 18-278 Adoption of Proposed Annual Operating and Capital Improvement Program (CIP) Budgets

Tuesday, October 9, 2018 - Council and Authorities Concurrent Meeting

Special Order of Business

- 18-308 Special Order of Business: Presentation on Public Power Week

To Be Determined - Council and Authorities Concurrent Meeting

Study Session

18-185 Informational Joint Dinner Meeting with the Civil Service Commission

Special Order of Business

18-232 Recognition of Kaiser Permanente and Able Glass as part of the City's Business Recognition Program

18-080 Second Survey Results of Pilot Residential Food Scraps Recycling Program

Public Hearing/General Business

18-112 Public Hearing: For Maintenance District 183

18-076 Public Hearing: For Maintenance District 122

18-70 Public Hearing: Adoption a Resolution Setting the Storm Drain Environmental Compliance Fee Rates

18-71 Public Hearing: Adoption of a Resolution Setting the Overall Collection and Disposal of Garbage, Refuse, Clean Green, Recycling, Annual Clean-up Campaign, and Household Hazardous Waste Rates