



# City of Santa Clara

## Meeting Agenda

### Santa Clara Stadium Authority

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Tuesday, March 19, 2019

5:00 PM

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

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Boardmember O'Neill will be attending remotely from the following location:

Grand Hyatt Washington  
Room #514, Fifth Floor  
1000 H Street, NW  
Washington, DC 20001

#### **5:00 PM REGULAR STADIUM AUTHORITY MEETING**

Call to Order

Pledge of Allegiance and Statement of Values

Roll Call

1.      19-1606    [Study Session: Discussion of the Proposed Santa Clara Stadium Authority Fiscal Year 2019/20 Budget and Stadium Authority Compliance and Management Policy](#)

**Recommendation:** Review and provide input on the Santa Clara Stadium Authority Fiscal Year 2019/20 Operating, Debt Service, and Capital Budget and Stadium Authority Compliance and Management Policy.

2.      19-084    [Study Session: Discussion of the Draft 2019 Non-NFL Events Marketing Plan for Levi's® Stadium in accordance with Section 4.10 of the Stadium Management Agreement](#)

**Recommendation:** Review and provide input on the draft 2019 Non-NFL Events Marketing Plan as prepared by the Forty Niners Stadium Management Company, LCC (ManagementCo).

#### **CONTINUANCES/EXCEPTIONS**

#### **SPECIAL ORDER OF BUSINESS**

3.      19-289    [Proclamation of Women's History Month](#)

**CONSENT CALENDAR**

*[Items listed on the CONSENT CALENDAR are considered routine and will be adopted by one motion. There will be no separate discussion of the items on the CONSENT CALENDAR unless discussion is requested by a member of the Council, staff, or public. If so requested, that item will be removed from the CONSENT CALENDAR and considered under CONSENT ITEMS PULLED FOR DISCUSSION.]*

4.      **19-046**      [Action on Bills and Claims for the month of January 2019 \(Stadium Authority\)](#)

**Recommendation:** Approve the list of Bills and Claims for January 2019.

**PUBLIC PRESENTATIONS**

*[This item is reserved for persons to address the Council or authorities on any matter not on the agenda that is within the subject matter jurisdiction of the City or Authorities. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The governing body, or staff, may briefly respond to statements made or questions posed, and appropriate body may request staff to report back at a subsequent meeting. Although not required, please submit to the City Clerk your name and subject matter on the speaker card available in the Council Chambers.]*

**REPORTS OF MEMBERS AND SPECIAL COMMITTEES****EXECUTIVE DIRECTOR REPORT**

- 19-335**      [Tentative Meeting Agenda Calendar](#)

**ADJOURNMENT**

The next regular scheduled meeting is on Tuesday evening, March 26, 2019 (Council and Authorities Concurrent Meeting) 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) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

## Agenda Report

19-1606

Agenda Date: 3/19/2019

### REPORT TO STADIUM AUTHORITY BOARD

#### **SUBJECT**

**Study Session:** Discussion of the Proposed Santa Clara Stadium Authority Fiscal Year 2019/20 Budget and Stadium Authority Compliance and Management Policy

#### **BACKGROUND**

The Stadium Management Agreement (Management Agreement) defines the Stadium Operation and Maintenance Plan (SOMP) as the plan designed to achieve a safe and well maintained Stadium, and shall include the standards for management and operation of the Stadium, including the required security, staffing, and other required elements of hosting Stadium Events. The Stadium Manager is responsible for preparing the SOMP, each of which shall be presented annually to the Stadium Authority, which has to include the:

1. Annual Shared Stadium Expense Budget,
2. Annual Public Safety Budget,
3. Capital Expenditure Plan, and
4. Marketing Plan.

Each year, the Stadium Authority staff prepares, in coordination with the Forty Niners Stadium Management Company (ManagementCo), the proposed Santa Clara Stadium Authority (Stadium Authority) Operating, Debt Service, and Capital Budget for the Stadium Authority's twelve month fiscal year (April 1 through March 31 of the following year) in accordance with Article 4 "*Records, Accounts, Budgets, and Reports*" of the Stadium Management Agreement (Management Agreement).

Following the process implemented last year, the Stadium Authority Board (Board) will review and provide input on the draft 2019 Marketing Plan as prepared by ManagementCo during a Study Session following the discussion of the Proposed Budget.

The Stadium Operations Agreement between the Stadium Authority and Forty Niners SC Stadium Company LLC (StadCo) states (section 8) that with the draft budget, the Stadium Manager shall deliver to the Stadium Authority and StadCo, for review and comment, any proposed updates or revisions to documents applicable to the traffic management, security and public safety at Stadium Events for such Lease Year (Public Safety Document Updates). Stadium Authority staff will provide an informational report to the Board regarding these updates following completion of the review process anticipated for Spring 2019.

On January 31 and February 1, 2019, the Santa Clara City Council held two full-day sessions to review the state of the organization, advancements of policy priorities, and key data that provided direction on managing the City going forward. Following the [Overview of City Council Operational and Strategic Priority Setting Sessions](http://santaclaraca.gov/government/council/council-goals) <<http://santaclaraca.gov/government/council/council-goals>>.

Board Members provided feedback to staff on their priorities for the organization. The priorities of individual Board Members are discussed below.

## **DISCUSSION**

This report to the Stadium Authority transmits the Fiscal Year 2019/20 Stadium Authority Proposed Operating, Debt Service, and Capital Budget (Attachment 1) the Public Safety Budget that is required per the SOMP and is prepared by ManagementCo (Attachment 2). The budget document 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 has included glossaries of commonly used financial terms in this proposed budget to facilitate understanding the types of revenues, expenses, debt, and capital expenses.

In accordance with Sections 4.5 through 4.8 of the Management Agreement, ManagementCo submitted the operating, capital, and debt budget for the FY 2019/20 Stadium Authority Budget. Staff followed the budget development process outlined in the [Stadium Authority Budget Policy <http://santaclaraca.gov/home/showdocument?id=57074>](http://santaclaraca.gov/home/showdocument?id=57074) in preparing the Proposed FY 2019/20 Stadium Authority Budget. The goal of the budget development process is that the Budget is presented to the Board and the public at one Study Session and one Public Hearing before its final approval.

Steps that were followed during the budget process are listed below:

- In November, Stadium Authority staff met with ManagementCo to develop the annual budget plan which included the dates that ManagementCo would provide all necessary documents as required by the Stadium Lease and Stadium Management Agreement.
- In January, ManagementCo 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 (*Source: Stadium Management Agreement*)
  - Annual Stadium Authority Operations Budget (*Source: Stadium Management Agreement*)
  - Annual Public Safety Budget (*Source: Stadium Management Agreement*)
  - Capital Expenditure Plan with Five Year Projection (*Source: Stadium Management Agreement*)
  - Non-NFL Event Marketing Plan (*Source: Stadium Management Agreement*)
  - Public Safety Document Updates (*Source: Stadium Operations Agreement*)
- January through early March, Stadium Authority staff fully analyzed ManagementCo'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 (G&A) 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.

**The Proposed Budget represents information available to the Stadium Authority as of March 13, 2019. ManagementCo submitted additional budget information on March 14 that has not been included in this report as staff has not had sufficient time to properly analyze or research the new requests. Staff will update the Board at the March 27 meeting on the status of the additional submittals.**

It is important to note that during the budget review process, the Stadium Authority had several rounds of questions and clarifications for ManagementCo in reference to their budget submittals. ManagementCo provided the Stadium Authority with an estimated Net Non-NFL Event Revenue amount of \$750,000 for events held in the current FY 2018/19. Staff requested that ManagementCo provide supporting documentation, given that the fiscal trend information and documentation provided to date did not support this revised net revenue, and ManagementCo was unable to provide staff with the supporting documentation to determine how such a low value was calculated when compared to prior years. As such, once the event information is received and validated, a budget adjustment may be required if gross Non-NFL expenses are determined to be higher than budget. This due diligence will need to be completed in FY 2019/20 and does not assume a budget adjustment in this proposed budget. Accordingly, the Stadium Authority has elected to maintain projected revenue of \$4.0 million for Net Non-NFL Event Revenue in 2018/19 based on staff's analysis of the event make-up compared to prior years and draft profit and loss ("P&L") statements that were prepared by ManagementCo that support this projection.

ManagementCo also did not provide a budget amount for FY 2019/20 for Non-NFL revenues and expenses at the gross level nor an estimate for the FY 2019/20 Net Non-NFL Event Revenue. Therefore, staff continued the past practice of budgeting at the Net Non-NFL Event Revenue level at \$5.8 million, which is based on the Stadium Marketing and Booking Fee Benchmark for FY 2019/20 as outlined in Section 3.4 of Amendment No. 1 to the Management Agreement.

In addition, ManagementCo requested \$507,000 for "Other Expenses". This was an increase of approximately \$400,000 when compared to the prior year. ManagementCo stated that this increase was an estimate of additional ManagementCo costs required to perform additional services requested by the Stadium Authority. The Stadium Authority believes that it has been reasonable with its requests to perform oversight based on the requirements of the various agreements. With that in mind, Stadium Authority staff is recommending a budget of \$200,000 in the "Other Expense" line item and, upon supporting documentation; staff is amendable to bringing forward a budget adjustment with the appropriate detail of what the expense will fund. However, if there have been additional services requested of ManagementCo, they have been either consistent with the agreements while not implemented in prior years, have been denied by ManagementCo, or, in some cases, we feel may have resulted in the Stadium Authority not fully understanding the full financial transactions of ManagementCo.

In an effort to continue to strengthen the SCSA's policies to improve governance, transparency, and responsiveness to the Santa Clara community and Levi's® Stadium obligations, the proposed budget includes an update on the Stadium Authority FY 2019/20 Work Plan, first presented to the Board on November 27, 2018. The Work Plan includes efforts such as ensuring compliance with agreements, City Code and applicable laws and regulations; developing policy options; and evaluating and implementing changes to the City's deployment of public services to support events at Levi's

Stadium. Additionally, the feedback received from individual Board Members (Attachment 3) following the [Overview of City Council Operational and Strategic Priority Setting Sessions](http://santaclaraca.gov/government/council/council-goals) <<http://santaclaraca.gov/government/council/council-goals>> held on January 31 and February 1, 2019 is consistent with the proposed FY 2019/20 Work Plan. The recommended G&A budget includes funding to implement this Work Plan.

Additionally, this proposed budget is accompanied with a recommended Stadium Authority Compliance and Management Policy for the Board to consider (Attachment 4). The Santa Clara City Council has established a policy priority that applies to the City's public services support of the Stadium Authority, which is to "Ensure Compliance with Measure J and Manage Levi's® Stadium". As part of planned separate action in this budget process, this policy priority is presented to the Board to adopt and to establish the foundation for how the Board governs the Stadium Authority and how staff implements the Board's directives. This policy, if approved, will be incorporated in the Stadium Authority Board Policy Manual and published on the Stadium Authority's website.

The proposed operating budget reflects total revenues and expenses of \$73.6 million, which is a decrease of \$58.5 million from the prior year. This is due to the ManagementCo not providing projected gross revenues and expenses for Non-NFL events for 2019/20. As mentioned previously, ManagementCo did not provide supporting documentation related to 2018/19 Non-NFL events which the Stadium Authority staff could have used to estimate the 2019/20 budget amount versus assuming \$5.8 million per the Stadium Marketing and Booking Fee Benchmark for FY 2019/20 as outlined in Section 3.4 of Amendment No. 1 to the Management Agreement.

Key highlights for the Stadium Authority's 2019/20 budget are as follows:

#### Operating Budget -

##### Revenues

- 2019/20 total projected revenues of \$73.6 million includes \$25.4 million in Stadium Builder License (SBL) revenue, \$24.8 million in facility rent, \$8.1 million in NFL ticket surcharge, \$6.8 million in Naming Rights revenue, \$5.8 million in Net Non-NFL events, \$1.2 million in Non-NFL ticket surcharge, and \$1.5 million in miscellaneous other revenues.

##### Expenses

- The proposed Operating budget equals \$73.6 million and includes the Stadium Authority's share of expenses covered under the Management Agreement in the amount of \$11.9 million along with monies sufficient to fulfill the Stadium Authority's administrative oversight of the Stadium in the amount of \$2.5 million (of which \$1.2 million is for staff support and Board stipends), ground rent of \$355,000, Senior/Youth fees of \$230,000, and performance rent of \$2.7 million. It also includes transfers out of \$51.2 million as detailed below.
- Total transfers out of \$51.2 million include a \$3.5 million transfer to the Capital Fund for future Stadium capital improvements and \$47.7 million to the Debt Service Fund.

#### Debt Service Budget -

- The proposed 2019/20 Debt Service Budget of \$51.5 million (principal of \$34.8 million and interest of \$16.7 million) is based on the required debt service payments and anticipated excess revenue that will be used to prepay debt. Total outstanding debt is projected to decrease by \$34.8 million from \$340.1 million to \$305.3 million.

**Capital Expense Budget -**

- The FY 2019/20 Capital Expense Budget totals \$14.4 million. Of this total, \$6.4 million of prior year appropriations are carried over into FY 2019/20. New capital improvement appropriations equal \$8.0 million.

**Reserves -**

- Total reserves are expected to be \$29.1 million at the end of FY 2019/20. This is composed of an operating reserve of \$11.6 million, a discretionary fund balance of \$2.3 million, a debt service reserve of \$11.5 million and a capital expenditure reserve of \$3.7 million.

**FISCAL IMPACT**

The proposed 2019/20 budget includes \$73.6 million for operating costs (includes transfers out to Debt Service and Capital Funds), \$51.3 million for debt service, \$14.4 million for capital (includes a \$6.4 million carryforward from the prior year) and \$29.1 million in total reserves.

**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.

**COORDINATION**

This report has been coordinated with the City Attorney's Office.

**PUBLIC CONTACT**

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 beginning the Thursday evening before the Tuesday 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) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

Review and provide input on the Santa Clara Stadium Authority Fiscal Year 2019/20 Operating, Debt Service, and Capital Budget and Stadium Authority Compliance and Management Policy.

Reviewed by: Angela Kraetsch, Treasurer

Approved by: Deanna J. Santana, Executive Director

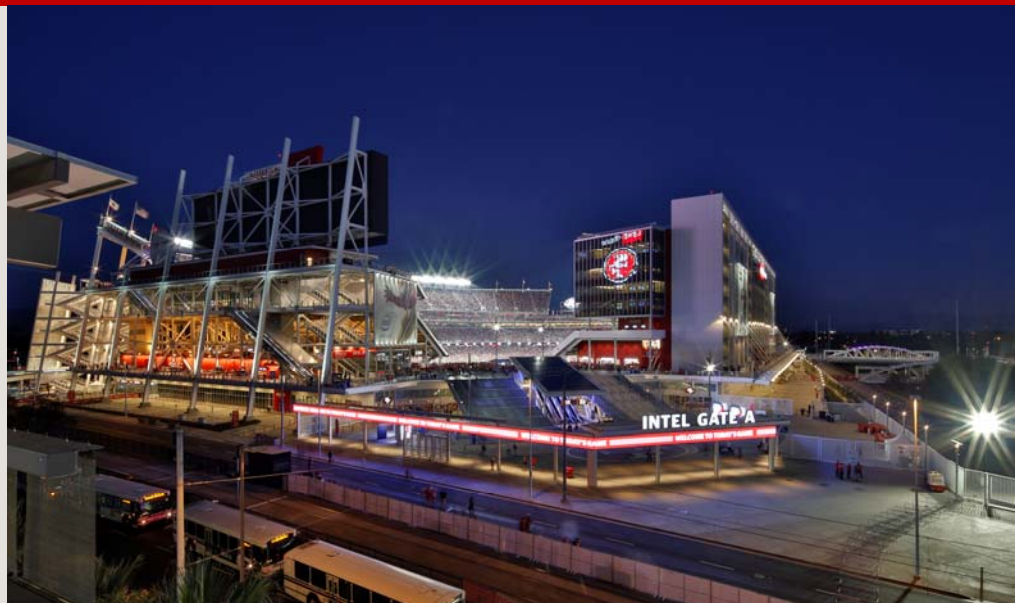
**ATTACHMENTS**

1. Santa Clara Stadium Authority Proposed Fiscal Year 2019/20 Operating, Debt Service, and Capital Budget
2. Annual Public Safety Budget
3. Stadium Authority Individual Board Member Priorities
4. Stadium Authority Compliance and Management Policy



# Santa Clara Stadium Authority

## **PROPOSED FISCAL YEAR 2019/20 OPERATING, DEBT SERVICE AND CAPITAL BUDGET**



**O**n 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 (Stadium Authority) 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: "[santaclaraca.gov/government/stadium-authority](http://santaclaraca.gov/government/stadium-authority)".

1500 Warburton Avenue  
Santa Clara, CA 95050  
Phone: (408) 615-2210  
Website: [santaclaraca.gov/government/stadium-authority](http://santaclaraca.gov/government/stadium-authority)  
Email: [communications@santaclaraca.gov](mailto:communications@santaclaraca.gov)



International Champions Cup Soccer  
August 2018



Redbox Bowl  
December 2018

# Santa Clara Stadium Authority

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March 27, 2019

Honorable Board Chair and Directors  
SANTA CLARA STADIUM AUTHORITY

**Subject: Proposed Fiscal Year 2019/20 Operating, Debt Service, and Capital Budget**

Members of the Board,

As required in the Santa Clara Stadium Authority ("Stadium Authority") Management Agreement, Section 4.6, I transmit the Proposed Fiscal Year 2019/20 Operating, Debt Service, and Capital Budget for the Stadium Authority. This budget provides the necessary funding to administer the duties of the Stadium Authority, including:

- Support for operating the Stadium for Non-NFL events through the Forty-Niners Stadium Management Company ("ManagementCo");
- Advancement of the FY 2019/20 Work Plan;
- Payment of debt service obligations; and,
- Maintenance of a five-year capital plan.

The Stadium Authority, a public entity, owns Levi's® Stadium and contracts with ManagementCo for promotion of Non-NFL events and facility operations and maintenance. This operational structure is implemented by using a variety of ManagementCo staff, vendors, and public service employees through reimbursement procedures. The Stadium Authority Board ("Board") provides overall governance and oversight of this operational structure, with use of Stadium Authority staff to support the Board's efforts. 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. While meeting the Stadium Authority's requirements, this budget continues to advance strategic initiatives necessary to ensure that the Board is responsive to various stakeholders and constituencies participating in advancing Levi's® Stadium's purpose (e.g., residents, businesses, national and regional clients, and various other interested parties).

**PROPOSED BUDGET IN BRIEF**

In January 2019, ManagementCo provided the Stadium Authority with an estimated Net Non-NFL Event Revenue amount of \$750,000 for events held in the current fiscal year 2018/19. Upon receipt of this information, staff requested that ManagementCo provide supporting documentation, given



## **HONORABLE BOARD CHAIR AND DIRECTORS**

### **SANTA CLARA STADIUM AUTHORITY**

#### **Subject: Proposed Fiscal Year 2019/20 Operating, Debt Service, and Capital Budget**

**March 27, 2019**

that the fiscal trend information and documentation provided to date did not support this revised net revenue, and ManagementCo was unable to provide staff with the supporting documentation to determine how such a low value was calculated when compared to prior years. As such, once the event information is received and validated, a budget adjustment may be required if gross Non-NFL expenses are determined to be higher than budget. This due diligence will need to be completed in FY 2019/20 and does not assume a budget adjustment in this proposed budget. Accordingly, the Stadium Authority has elected to maintain projected revenue of \$4.0 million for Net Non-NFL Event Revenue in FY 2018/19 based on staff's analysis of the event make-up compared to prior years and draft profit and loss ("P&L") statements that were prepared by ManagementCo that support this projection.

In addition, ManagementCo requested \$507,000 for "Other expenses". This was an increase of approximately \$400,000 when compared to the prior year. ManagementCo stated that this increase was an estimate of additional ManagementCo costs required to perform additional services requested by the Stadium Authority. Section 2.9 of the Management Agreement requires ManagementCo to "operate the Stadium as a quality NFL and multi-purpose public sports, public assembly, exhibit and entertainment facility, to a standard of quality comparable to other similar facilities". Section 2.9 also requires ManagementCo to "Control Manager Operating Expenses, StadCo Operating Expenses and Stadium Authority Operating Expenses".

The Stadium Authority believes that it has been reasonable with its requests to perform oversight based on the requirements of the various agreements. Accordingly, the Stadium Authority does not believe that our requests are above and beyond the normal costs of their day to day operations and would like to understand more details of this request and their characterization as "additional services". With that in mind, Stadium Authority staff is recommending a budget of \$200,000 in the "Other Expense" line item and, upon supporting documentation, staff is amenable to bringing forward a budget adjustment with the appropriate detail of what the expense will fund. However, if there have been additional services requested of ManagementCo, they have been either consistent with the agreements while not implemented in prior years, have been denied by ManagementCo, or, in some cases, we feel may have resulted in the Stadium Authority not fully understanding the full financial transactions of ManagementCo.

Like last year, this Proposed Budget is presented on an accrual basis which provides increased transparency for projected revenues and expenses, with added detail about financial transfers. The total Stadium Authority Operating Budget for FY 2019/20 is \$73.6 million and represents a decrease of \$58.5 million, or 44% reduction, compared to the prior fiscal year. This decrease is primarily due to the inability to budget the Non-NFL event revenue and expenses at the gross level in FY 2019/20 due to ManagementCo's reservation with forecasting fiscal activity for non-scheduled Non-NFL

**HONORABLE BOARD CHAIR AND DIRECTORS  
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events. Therefore, staff budgeted \$5.8 million which continued the past practice of budgeting at the Net Non-NFL Event Revenue level based on the Stadium Marketing and Booking Fee Benchmark for FY 2019/20 as outlined in Section 3.4 of Amendment No. 1 to the Management Agreement.

**KEY ISSUES IN THE PROPOSED BUDGET**

There are several key issues to surface as part of the discussion for the Proposed FY 2019/20 Operating, Debt Service, and Capital Budget: Stadium Authority Financial Management System, Naming Rights Agreement, Performance Rent, General and Administrative Expenses, Debt Service Payments, Capital Expense Budget, and Marketing Plan.

**Stadium Authority Financial/Accounting Management System** - On March 1, 2019, the ManagementCo and Stadium Authority staff discussed the opportunity to establish a stand-alone Stadium Authority financial/accounting management system. Over the past years, ManagementCo has commingled its portion of the revenues and expenses of the Stadium Authority into its San Francisco 49ers financial management system. There has been dispute over possession of documents, access to financial information, and overall improved knowledge of the complete set of financial information pertaining to the Stadium Authority. ManagementCo now agrees to work with the Stadium Authority to establish a segregated financial management system for the Stadium Authority, where Stadium Authority staff has full access to the system, supporting documentation, and in real-time (not at the end of the fiscal year or on other terms that require the Stadium Authority to always look backwards to understand financial activity). The Work Plan and details to support this effort still need to be established, but there is already some level of agreement on approach to achieve implementation. Not included in this budget, and subject to more due diligence, is the Stadium Authority staffing costs, along with the Stadium Authority's portion of costs to procure such system, which will be brought back to the Stadium Authority Board when completed and prepared for Board consideration.

**Naming Rights Agreement between Santa Clara Stadium Authority and Levi Strauss & Co. ("Naming Rights Agreement")** - It is important to note, that the Naming Rights agreement with Levi's® requires the Stadium Authority to hold at least 36 "Major Events" (with 25,000+ attendees) every three contract years. As of this report, the current number of Major Events held at Levi's® Stadium was fourteen (14) with one year remaining in the current three year period. If fewer than 36 major events are held in the three-year period, Levi's® receives a credit of \$15,000 multiplied by the difference between 36 and the actual number of events held during the three year period. The Second Amendment to the Stadium Management Agreement states that ManagementCo would pay

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the Stadium Authority as liquidated damages the amount owed by the Stadium Authority to Levi's®. Given the timing of the agreement terms, this will no doubt be an issue to address in the next fiscal year.

<b>Naming Rights Agreement Three-Year Periods</b>	<b>Number of Major Events</b>
March 1, 2014 to February 28, 2017	39
March 1, 2017 to February 29, 2020	14*

\* Through February 2019

**Performance Rent** - As stated previously, Net Non-NFL Event Revenue directly impacts the amount of Performance Rent that is an expense to the Stadium Authority and paid to the City of Santa Clara. Performance Rent is calculated using 50% of the Net Non-NFL Event Revenue minus performance based credits (see page 28 for more detail on Performance Rent).

<b>Performance Rent Calculation</b>	<b>Fiscal Year 2018/19 Projection</b>	<b>Fiscal Year 2019/20 Budget</b>
Ground Rent	\$ 320,000	\$ 355,000
Net Non-NFL Event Revenue	\$ 3,956,000	\$ 5,796,000
50% of Net Non-NFL Event Revenue	\$ 1,978,000	\$ 2,898,000
Performance Rent Credit (50% of Ground Rent)	\$ (160,000)	\$ (177,500)
Total Performance Rent paid to the City of Santa Clara	\$ 1,818,000	\$ 2,720,500

**General and Administrative Expenses** - The General and Administrative (G&A) portion of the proposed budget funds expenses to implement the Board's direction and oversight of the Stadium per the various authoritative agreements. As more staff resources have been required to advance the Board's directives, with some remaining gaps in services, Stadium Authority staff has increased its budget to reflect the required general oversight, accounting, and new resources for neighborhood mitigation efforts and ongoing undesirable impacts to neighborhoods resulting from events at the Stadium. Stadium Authority staff recommends a G&A budget for FY 2019/20 totaling \$2.5 million, an increase of \$795,000 or 47% from the prior fiscal year. The Stadium Authority G&A budget makes up 3% of the FY 2019/20 Proposed Stadium Authority Expense Budget of \$73.6 million. A portion of the increase is due to increases in salaries and benefits per negotiated Memorandum of Understandings ("MOUs"), projected increases in the percentage of time City employees are allocating to the Stadium Authority based on increased workload, adding additional support staff approved by Council on September 18, 2018 for record keeping and administrative support, as well as the partial funding of a Deputy City Manager position with specific focus on neighborhood services, policy development pertaining to improved neighborhood conditions during events, deployment of the multi-department public services coordination and oversight, and assignment of routine Stadium issues that require City response and action.

**HONORABLE BOARD CHAIR AND DIRECTORS  
SANTA CLARA STADIUM AUTHORITY**

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Additionally, the Santa Clara City Council has established a policy priority that applies to the City's public services support of the Stadium Authority, which is to "Ensure Compliance with Measure J and Manage Levi's® Stadium". As part of planned separate action in this budget process, this policy priority is presented for the Board's consideration to establish the foundation for how the Board governs the Stadium Authority and how staff implements the Board's directives in compliance with Measure J.

**Debt Service Budget** - The FY 2019/20 Debt Service Budget of \$51.5 million is based on the required and additional payments for principal of \$34.8 million and interest of \$16.7 million. The budget reflects a total decrease of \$34.8 million of outstanding debt from \$340.1 million to \$305.3 million.

**Capital Expense Budget** - The FY 2019/20 Capital Expense ("CapEx") Budget totals \$14.4 million, which includes \$6.4 million in carryover expenses from the prior year. This budget includes various security improvements, fencing on Tasman, furniture replacement and upgrades, and public safety equipment (a detailed list of CapEx projects begins on page 40).

**Marketing Plan** - The Stadium Management Agreement states that the Stadium Operation and Maintenance Plan (SOMP) shall include a Marketing Plan (4.10), and the Stadium Lease states that the SOMP shall be presented annually to the Stadium Authority for their consideration and approval (7.2). As part of last year's Stadium Authority budget approval process, ManagementCo and Stadium Authority staff presented the draft Marketing Plan to the Board during a Study Session. This practice allows the Board an opportunity to discuss the effectiveness of the proposed strategies and ask questions.

During discussion of last year's Marketing Plan, the Board discussion supported the mutual effort of ManagementCo and Stadium Authority to develop key performance indicators (KPIs) for the purpose of tracking marketing strategies and the outcomes achieved. The Board approved a recommendation to complete this work within 90 days and collect data. This was not completed, as discussed in November 2018 with the Board, and, unfortunately, the proposed 2019 Marketing Plan did not include KPIs.

The Management Agreement specifically provides that the marketing plan will include information in reasonable detail, as mutually agreed upon by ManagementCo and Stadium Authority. ManagementCo's submitted draft was not mutually agreed upon by the Executive Director, given the Board's discussion last year regarding KPIs. Additionally, given the above discussion relative to the Naming Rights Agreement and the Executive Director's request to include reference to the Naming Rights Agreement and strategies to achieve compliance, which were denied during development of the draft, it is the Executive Director's position that the proposed draft Marketing Plan does not



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include reasonable details that a Marketing Plan should contain, and that were committed to (e.g., KPIs) by ManagementCo last year, to monitor and track activity to book Non-NFL events successfully and in accordance with the goals as described in various agreements and documents. Further, given that ManagementCo's draft 2019 Marketing Plan does not address the various issues that we had discussed with them for over a year, Stadium Authority staff took the effort to detail our questions and comments in good faith and toward achieving a mutually agreed to 2019 Marketing Plan and ManagementCo must do the same. As such, the Executive Director does not recommend approval of the 2019 Marketing Plan given the absence of key information that is pertinent to comply with existing agreements (e.g., Naming Rights Agreement), commitments (e.g., KPIs), and good faith efforts to achieve mutual agreement.

**STRATEGIC INITIATIVES AND ACCOMPLISHMENTS**

In FY 2018/19, the first ever Stadium Authority Executive Director's Annual Report was published and publicly presented on November 27, 2018 at the Stadium Authority meeting. This marked a significant departure from past practice and demonstrated that the work between the Board and Executive Director were better aligned toward establishing set priorities, initiatives, and with the ability to achieve outcomes.

This past year can easily be characterized as getting the Stadium Authority's business in order, expanding transparency of this public agency's work, and ensuring compliance with Agreements in place for proper oversight of this publicly owned asset. The Board has shown great leadership and support for Stadium Authority's staff work and together we have established strong oversight practices with initial baseline data to inform public safety/public service strategic decision making.

However, our work is not complete and Stadium Authority staff has a good understanding of additional areas that require completion, review, or improved performance. For example, after a year of studying our deployment model and researching other models, we understand deficiencies in our neighborhood deployment during events at Levi's® Stadium, areas of accounting that requires reconciliation, and required communications to optimize our limited public safety/public service resources to support events. It is my opinion that these gaps in service require more resources to meet the Board's direction, establish internal policies, and implement new practices that meet community needs. Staff has been proactive in addressing these resource requirements as evidenced in our recent success with robust recruitment efforts for the "double badge" law enforcement program that resulted in over 40 applicants in one month, detailed reporting on the average value of Non-NFL events and the required activity to support the financials reported (e.g., concerts, soccer, Non-NFL football [College and High School], and non-ticketed events), and have tested new communication strategies to keep our community informed.

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Stadium Authority staff initiated and/or accomplished several major work efforts over the past year including, but not limited to:

- **Community Engagement** - (1) Conducted a robust Community Outreach and Engagement work plan to obtain statistically valid data relative to public opinion on community impacts resulting from Levi's® Stadium and for future policy development. Specifically, the purpose of this work plan was 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. (2) Established a dedicated telephone number to receive input from residents. (3) Increased social media presence to provide advance notice and information about events at Levi's® Stadium. This effort was for both ManagementCo and Stadium Authority to be informed of the community sentiment and develop strategies for addressing them.
- **Noise Monitoring** - Implemented web-based, publicly available, ongoing, real-time noise monitoring services in the areas surrounding the Stadium and training facility.
- **College Football Playoff ("CFP") Championship Game** - Stadium Authority, ManagementCo, and the Bay Area Host Committee ("BAHC") entered into an Assignment and Assumption Agreement that will result in no losses to Stadium Authority budget or the City of Santa Clara's General Fund. In accordance with this agreement, approved by the Board on July 17, 2018, BAHC is responsible for all net expenditures; will share any net revenues with Stadium Authority, if applicable; and, will provide a complete accounting of all revenues and expenses, including supporting documentation. The Stadium Authority has audit rights for which staff will pursue over FY 2019/20 and, at the timing of writing this budget cover letter, is actively closing out reimbursement requirements for public services provided to BAHC for the CFP game.
- **Implemented Measure J Compliance Audit Recommendations** - The Stadium Authority Ad Hoc Audit Committee of the Board ("Committee") maintained a regular meeting schedule to receive updates on staff's efforts to implement the 37 audit recommendation in the Harvey M. Rose Associates, LLC Comprehensive Audit of Stadium Authority Finances. As reported to the Committee on October 29, 2018, Stadium Authority has now implemented approximately 70% of the audit recommendations, and these audit recommendations have provided for strengthened oversight and increased transparency of Stadium Authority's operations for Levi's® Stadium by improved fiscal and operational data and management practices. Examples include the discovery of significant funds held by ManagementCo that have now been transferred over to the Stadium Authority, violations of procurement requirements that will require corrective action by the Board, violations of procurement requirements with respect to required reporting for financial transactions between \$100,000 to \$250,000, and changed administrative processes or formalized practices by Stadium Authority staff. Additional meetings are planned in FY 2019/20 to present additional compliance with these audit recommendations.

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- **Independent Auditor Function** - The Stadium Authority Agreements allow for a designated Auditor to perform reviews of all Stadium Authority work. This past year, the Stadium Authority Ad Hoc Committee and Board reviewed and approved staff's proposal to establish a formal Stadium Authority Auditor. In turn, after a robust recruitment process, City/Stadium Authority Auditor Linh Lam was appointed to this role; she is a Certified Public Accountant who has met the State of California audit experience requirement, qualifying her to attest to reports, findings, and audit engagements. Already, the Stadium Authority Auditor has worked to address performance audits, including a proposed audit of ManagementCo's procurement practices due to their recent violation with Section 2.1 of the First Amendment to the Stadium Management Agreement. The Auditor, with support of consultant services, will also work to reconcile the past four years of general ledger entries and the Construction Fund expenditures that have been the focus of past Board meetings.
- **Policy Manual Development** - As capacity has allowed, established a Board Policy Manual as part of strengthening the Stadium Authority's policies to improve governance, transparency, and responsiveness to the Santa Clara community and Levi's® Stadium obligations.
- **Stadium Authority Coordination** - Instituted weekly Stadium Authority staff business meetings to develop stronger proactive community communications with the goal of addressing concerns revealed from the community research work. These meetings provide a forum to address community issues, and for organizational awareness of City and Stadium Authority services required to support Levi's® Stadium, staffing coverage and deployment issues for planned NFL/ Non-NFL events.
- **Rent Arbitration Award** - On June 18, 2018, the arbitrator entered an Interim Arbitration Award in favor of the Stadium Authority and on August 2, 2018 an Order Regarding the Parties' Interim Award Responses was issued essentially serving to make the Interim Award final. This adjusted the rent from \$24.5 million to \$24.8 million, an increase of \$262,000 per year. Since this increase was retroactive to the first lease year the result was an additional \$1.31 million in rent revenue for the first five years of operations. On December 10, 2018, the arbitrator entered the Final Arbitration Award which included the reimbursement of reasonable attorney's fees to the Stadium Authority in the approximate amount of \$2.3 million.
- **Average Value of Non-NFL Events** - Over the past year, staff worked diligently to respond to the long standing Board directive to report in greater detail on the Non-NFL events financial activity. Striking a balance between concern for market interest confidentiality and competitiveness and public agency transparency, for the first time since the inception of Non-NFL events at Levi's® Stadium, Stadium Authority staff presented the following table which provided information for the Board to better understand which events are profitable, money-losers, volume of events required to make up for losses, and average value of a Non-NFL event. This was a critical juncture in the history of Stadium Authority financial reporting because it



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equips the Board with making informed decisions and truly understanding the financial performance for these events. As a reasonable practice, the combination of the following information and a detailed Marketing Plan can yield valuable information for understanding the deployed strategies and the impacts to the financial bottom line.

EVENT TYPE	2014/15		2015/16		2016/17		2017/18	
	No. of Events	Net Revenue	No. of Events	Net Revenue	No. of Events	Net Revenue	No. of Events	Net Revenue
<b>Ticketed Events</b>								
Concerts	0	\$ -	7	\$ 3,791,985	4	\$ 2,424,572	2	\$ 1,819,099
Sporting events:								
Football (non-NFL)	5	(3,007,907)	4	(2,316,903)	4	(2,946,165)	4	(3,601,827)
Soccer	2	3,948,144	2	891,300	5	2,414,209	3	3,228,754
Miscellaneous events	2	2,504,912	4	(149,392)	5	(159,175)	4	76,379
Subtotal Ticketed Events	9	\$ 3,445,149	17	\$ 2,216,989	18	\$ 1,733,441	13	\$ 1,522,405
Special Events (w eddings, corporate events, etc.)	186	\$ 1,762,404	204	\$ 3,862,027	127	\$ 3,583,453	113	\$ 3,640,924
<b>Total Non-NFL Net Revenue</b>	<b>195</b>	<b>\$ 5,207,553</b>	<b>221</b>	<b>\$ 6,079,016</b>	<b>145</b>	<b>\$ 5,316,894</b>	<b>126</b>	<b>\$ 5,163,329</b>
<b>Total Performance Rent paid to the General Fund<sup>(1)</sup></b>		<b>\$ 2,513,777</b>		<b>\$ 2,932,008</b>		<b>\$ 2,533,447</b>		<b>\$ 2,439,164</b>
<b>Average General Fund Revenue per Ticketed Event</b>		<b>\$ 184,782</b>		<b>\$ 62,899</b>		<b>\$ 45,887</b>		<b>\$ 55,322</b>

<sup>(1)</sup> Performance Rent is calculated as 50% of the net revenue from Non-NFL events less performance-based credit of 50% of fixed Ground Rent

**STADIUM AUTHORITY FY 2019/20 WORK PLAN**

The recommended funding for G&A in the amount of \$2.5 million is set at a level to implement the FY 2019/20 Work Plan. The Work Plan includes efforts to ensure compliance with the Amended and Restated Stadium Lease and various agreements (Stadium Management Agreement, Stadium Operations Agreement, Parking Agreement, etc.), as well as with all various permit conditions (e.g. temporary field seats) and applicable City Code and other laws and regulations. As reported to the Board, together with the Stadium Authority Counsel, I have continued the Board's position that ManagementCo produce for our possession all Stadium Authority documentation, comply with our mutual agreements, and be responsive to our audits. The discussion addressing the Naming Rights Agreement, Stadium Authority Financial/Accounting Management System, and good faith efforts to achieve a mutually agreed to 2019 Marketing Plan are already included in the proposed Work Plan; however, additional actionable items are required for this fiscal year.

The Work Plan also includes developing policy options for Board consideration for two high interest topics: the Community Room and San Thomas Aquino Creek Trail access during events. As outlined extensively in my correspondence dated August 31, 2018, following Board direction in November 2017, Stadium Authority staff worked with ManagementCo to find an alternate location for a Community Room at Levi's® Stadium that is more accessible (both in location and cost) than the current space. Due to ManagementCo's active cooperation and apparent commitment to make the space available, the Stadium Authority FY 2018/19 Operating, Debt Service, and Capital Budget included a capital budget appropriation to build out that particular designated space and, as such,



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the Stadium Authority approved a specific amount of \$630,000 which was established based on a cost estimate for build out of that designated space. However, the Forty Niners Stadium SC Company, LLC (“StadCo”) sent notice on September 12, 2018 that they would not convert this space or make it available for a community room purpose. Additionally, our efforts to request documents from ManagementCo (including copies of lease agreements) were not successful and did not allow for Stadium Authority staff to fully understand the financial/lease terms required to successfully make this space available. As part of the FY 2019/20 Work Plan, and upon completion of this budget development workload, staff will seek Board input on proposed next steps, including evaluation of the other locations discussed earlier in 2018, to finally resolve this issue.

For the San Thomas Aquino Creek Trail, Stadium Authority staff will evaluate options for keeping the Trail open during Levi’s® Stadium events and/or providing alternate routes if portions of the Trail are closed. For example, the Work Plan includes comparison to other stadiums or arenas, such as the Barclays Center, SAP Center at San Jose and Madison Square Garden, where the perimeter allows for a shallower entrance. It is of particular interest to Stadium Authority staff to more fully understand how these venues have shallow security perimeters and still maintain safety levels required for large venues. These examples offer favorable opportunities to examine how to proceed with our analysis and, with added resources, it is staff’s belief that we can achieve an outcome that addresses the community concerns.

The FY 2019/20 Work Plan also continues efforts that began following the March 23, 2018 soccer match to review and improve our multi-department deployment model, with a specific focus on law enforcement deployment methodology and neighborhood protection. This includes evaluating and modifying our deployment model as well as other options, such as a parking permit program, number of public service staff deployed per event, and continuing our multi-departmental coordination to minimize effects of events at Levi’s® Stadium on the surrounding neighborhoods and the Santa Clara community as a whole. To support these efforts, I am recommending the addition of a Deputy City Manager position during the City budget process which will be partially funded by this budget, as well as capital funds to install fencing at the Lafayette Street and Tasman Drive overcrossing to prevent unsafe pedestrian traffic and discourage improper rideshare pickups and drop-offs in that area. The Board has expressed concern for the ongoing neighborhood impacts during Stadium events, along with the absence of permanently addressing these concerns.

Additionally, the statistically valid community base line data found:

- In a telephone survey of registered Santa Clara voters, 60 percent of survey takers said noise from stadium events was one of the most important issues to address.
- A survey conducted by EMC Research found that approximately a third of near neighbors and citywide voters were concerned about noise from events at night.





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- The EMC Research survey also found that roughly a third of near neighbors and citywide voters were concerned about the number of weekday events.
- Public Dialogue Consortium's 2018 engagement activities included community interviews at two events, focus groups, online questionnaire and three community events with over 400 participants echoed what the surveys told us. Near neighbors voiced concerns about noise generated by Stadium events, including post-event noise from people and traffic.
- Many residents involved in the Public Dialogue Consortium's public engagement process stated that a lack of trust developed between the City, community and ManagementCo, due to the lack of financial transparency and follow through on initial commitments made when voters approved the Stadium via Measure J.

Existing staff capacity does not allow for staff to absorb the required multi-department and agency deployment and policy development to advance these ongoing concerns and, it has become clear, that this is not a one-time assignment as event conditions and impacts change based on event type, impacts, etc. The most recent example of the multi-department and multi-agency deployment complexity for the March 26th soccer match between the 2019 Mexican National Team vs. Paraguay is an example of the need to add dedicated resources to improve coordination and deployment strategies. While staff resources exist to adequately address the administrative needs of the Stadium Authority, the Stadium Authority has never considered adding the needed resources to improve coordination between the various departments to support events and to maintain constant communication with our neighborhoods. The addition of a focused resource in this area will allow for existing staff to stay focused on the Board's direction, while also addressing community focused needs.

The FY 2019/20 Work Plan includes the following items from the Stadium Authority Auditor's Annual Audit Work Plan:

- Analyzing the Stadium Authority's review procedures for Non-NFL events' revenues and expenses and provide feedback on procedure and control issues, if any.
- Reviewing the Stadium Authority Financial Reporting Policy with staff and external auditors and providing feedback on best practices.
- Reviewing past Construction Fund and Public Safety transactions and providing feedback on the allocation of staff charges (contracted service).
- Annual External Financial Audit for the Stadium Authority (contracted audit service).

Combined, the proposed Work Plan is significant compared to year's past and will require additional dedicated resources to implement. Unfortunately, some of these task are not necessarily new, but

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are efforts that had been delayed until resources or expertise were put into place, intentionally deferred, or disputed and for which now there is a path of how to proceed.

**CONCLUSION**

As with any proposed budget, there are risks that we can factor into our projections and those that we cannot. For example, some of our revenue projections are more fiscally conservative than in previous years. In some instances, this was necessary due to factors that can easily not materialize and the need to plan accordingly. For example, the Proposed Budget projects \$5.8 million of Net Non-NFL Event Revenue which can easily swing more or less favorable due to the actual number of events held, as well as increased costs of public service resources required to support these events, and the inevitable impact of a moderate or severe economic slow-down. The Proposed Budget is sensitive to each of these cost scenarios and, if changes should occur, Stadium Authority staff would be sure to bring forward any required budget amendments for the Stadium Authority Board to consider.

Within the above context, 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, the following major Non-NFL events are scheduled in the near horizon for FY 2019/20, with more to come:

- Monster Jam — Saturday, April 13, 2019
- U.S. Women's National Team vs. South Africa — Sunday, May 12, 2019
- The Rolling Stones "No Filter" Tour — Saturday, May 18, 2019

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, Board oversight of its property manager, and to ensure that the Stadium Authority and ManagementCo continue to be held accountable to the various agreements. Our commitment is to continue to look for improvements within the organization and to deliver the kind of results that the public expects. I look forward to presenting this proposed budget at our upcoming sessions.

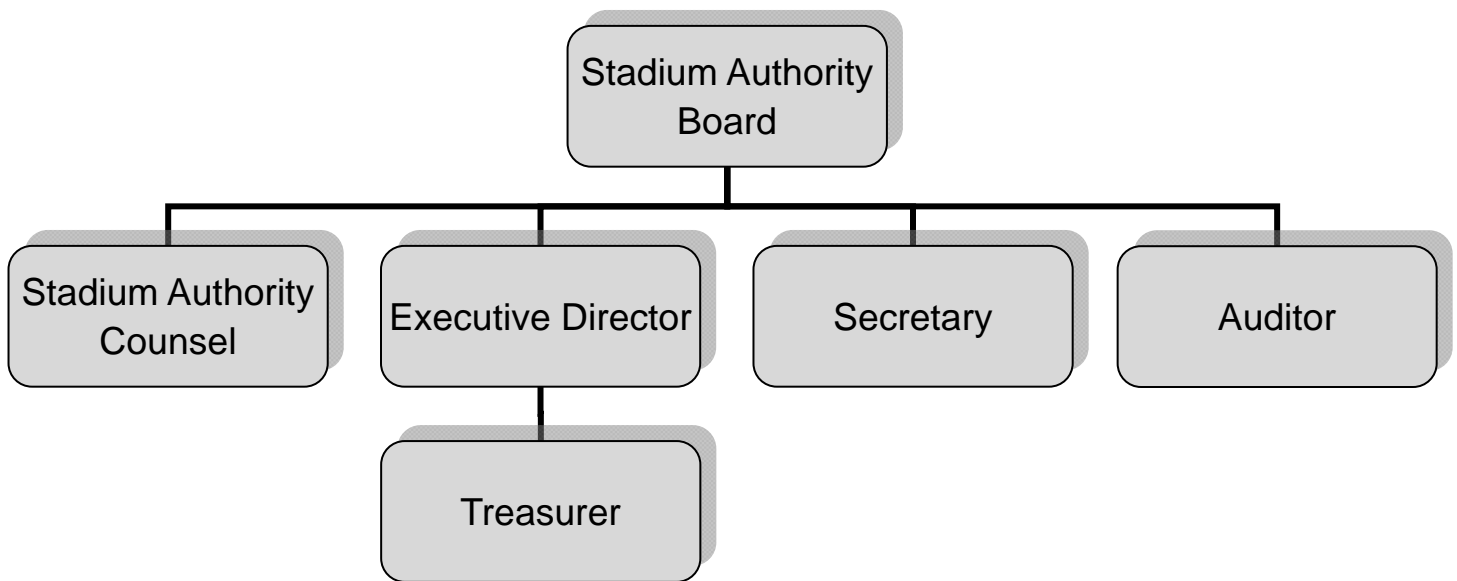
Respectfully Submitted,



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 (“Stadium Authority”) Budget Report provides information covering the Proposed FY 2019/20 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 FY 2018/19 is unaudited and therefore subject to change as a result of the annual audit conducted by an external and independent auditing firm.

In addition to this report, the Stadium Authority 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 Stadium Authority’s Audit Committee and Board. Once presented to the Board, the financial statements are published on the Stadium Authority’s web page. The FY 2018/19 audited financial statements will be presented to the Board in August 2019.

The Stadium Authority 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 to ManagementCo or the Stadium Authority 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.

## NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

The San Francisco 49ers played ten (10) National Football League (“NFL”) games (two pre-season games and eight regular season games) in FY 2018/19. The total number of tickets sold for these games was 651,237, an average of 65,124 tickets sold for each game. The ticket sales resulted in \$8.1 million of NFL ticket surcharge revenue to Stadium Authority (based on the 10% NFL ticket surcharge on each ticket sold). A total of \$228,000 of Senior and Youth Program Fees were collected and forwarded to the City in FY 2018/19.

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 FY 2017/18 (July 1, 2017 through June 30, 2018) the offsite parking fee was \$5.42 and it increased to \$5.63 in the City’s FY 2018/19.

Cars parked at the permitted offsite parking lots equaled 56,390. The associated offsite parking fee generated \$317,000. There were also 4,729 cars that were parked on the City’s Tasman lots. The Tasman lot parking fee generated \$24,000 for the City’s General Fund.



## Non-NFL Event Highlights - Year in Review

There were a total of 290,341 tickets sold for the eleven ticketed Non-NFL events that were held in the first three quarters of FY 2018/19, resulting in \$1.2 million in Non-NFL event ticket surcharge revenue (from the \$4 per ticket Non-NFL event surcharge).

As stated in the NFL Event Highlights, 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. Cars parked at the permitted offsite parking lots equaled 26,041 in the first three quarters of FY 2018/19 resulting in \$144,000 in offsite parking fees from Non-NFL events.

There were also 87 smaller special events with 32,593 total attendees in the first three quarters of FY 2018/19. Examples of these special events include corporate events of various sizes, weddings, holiday parties, etc.

As mentioned previously in the transmittal letter, the Stadium Authority, ManagementCo, and the Bay Area Host Committee ("BAHC") entered into an Assignment and Assumption Agreement that would result in no losses to the Stadium Authority or the City of Santa Clara's General Fund for the College Football Playoff Championship game. Although this was not treated as a Non-NFL event, the Stadium Authority did receive the Non-NFL event ticket surcharge of \$4 per ticket for this event.

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 reflected in this section.

2018/19 Non-NFL Events		
Event	Date	Tickets Sold
Wedding Fair	April 22, 2018	473
Monster Jam	April 28, 2018	35,302
Taylor Swift Concert	May 11, 2018	29,333
Taylor Swift Concert	May 12, 2018	50,503
Earthquakes Soccer	July 22, 2018	22,281
Champions Cup Soccer	August 4, 2018	43,393
High School Football	September 21, 2018	3,802
OTR II Concert (Beyoncé/Jay-Z)	September 29, 2018	47,235
SJSU vs Army West Point Football	October 13, 2018	4,005
Pac-12 Championship	November 30, 2018	24,530
Redbox Bowl	December 31, 2018	29,484
Mexican National Team Soccer	March 26, 2019	TBD
Total to date		290,341

# STADIUM AUTHORITY OPERATING BUDGET

The proposed FY 2019/20 Stadium Authority Budget covers the Stadium Authority's twelve month fiscal year which runs April 1, 2019 through March 31, 2020.

Key highlights for the Stadium Authority's FY 2019/20 Operating Budget are as follows:

## Revenues

- ♦ FY 2019/20 total projected revenues of \$73.6 million includes \$25.4 million in stadium builder license (SBL) revenue, \$24.8 million in facility rent, \$8.1 million in NFL ticket surcharge, \$6.8 million in naming rights revenue, \$5.8 million in net receipts from Non-NFL events, \$1.2 million in Non-NFL ticket surcharge, and \$1.5 million in miscellaneous other revenues.

## Expenses

- ♦ The proposed Operating Budget of \$73.6 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 transfers out of \$51.2 million.

Fund	Transfers Out	Transfers In
Operating	\$ 51,183,000	
Debt Service		\$ 47,705,000
CIP		3,478,000
<b>Total</b>	<b>\$ 51,183,000</b>	<b>\$ 51,183,000</b>

- ♦ As shown in the table above, \$47.7 million will be transferred from the Operating Fund to the Debt Service Fund for future principal and interest debt service payments. The remaining \$3.5 million will be transferred from the Operating Fund to the Capital Fund for future Stadium capital improvements.
- ♦ Shared Stadium Manager expenses increased by \$731,000 or 7% from the prior year budget of \$11.2 million to \$11.9 million. ManagementCo states that these increases are needed for the following:
  - ♦ Two new positions in Stadium Operations to sustain successful event operations and efficiently manage Internet Protocol Television ("IPTV") content
  - ♦ Increases to the minimum wage and third-party contracted security staff
  - ♦ Added repair and maintenance costs needed to maintain Levi's® Stadium
  - ♦ Increase in operational and training costs for Guest Services to continue to provide quality service to stadium patrons



# STADIUM AUTHORITY OPERATING BUDGET

## **Expenses (cont.)**

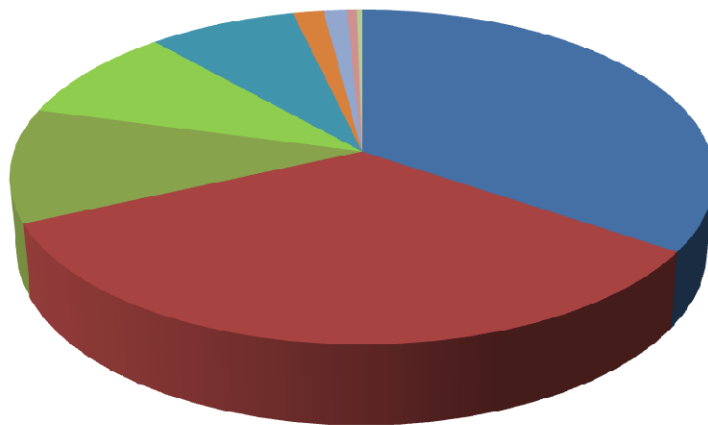
- ◆ Stadium Authority General & Administration costs increased by \$795,000 or 47% when compared to the prior year budget of \$1.7 million to \$2.5 million. These costs are described in detail on page 24 of this report. These increases are needed for the following:
  - ◇ Added staff capacity to assist with mitigating neighborhood impacts during events, multi-department and multi-regional deployment coordination, policy development, general accounting, and administrative support
  - ◇ Increases in salaries and benefits per applicable Memorandum of Understandings (MOUs)
  - ◇ Increase in the Audit line item to include targeted performance audits and a Ticket Surcharge audit

## **Reserves**

- ◆ Total Operating reserves equal \$11.6 million (as required by the Stadium Lease) at the end of FY 2019/20, which is an increase of \$338,000 when compared to FY 2018/19. The Discretionary Fund is projected to have a balance of \$2.3 million.

## STADIUM AUTHORITY OPERATING BUDGET (CONT.)

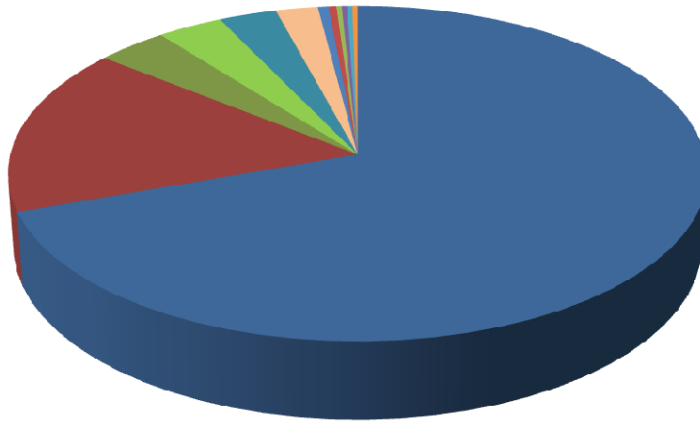
### OPERATING REVENUES



**\$73.6 Million**

- SBL Proceeds - \$25.4M, 34.5%
- Rent - \$24.8M, 33.7%
- NFL Ticket Surcharge - \$8.1M, 11.0%
- Naming Rights - \$6.8M, 9.2%
- Net Non-NFL Event Revenue - \$5.8 M, 7.9%
- Non-NFL Event Ticket Surcharge - \$1.2M, 1.6%
- Interest - \$0.9M, 1.2%
- Sponsorship Revenue (STR) - \$0.4M, 0.6%
- Senior & Youth Program Fees - \$0.2M, 0.3%

### OPERATING EXPENSES



**\$73.6 Million**

- Transfers Out - \$51.2M, 69.6%
- Shared Stadium Manager Expenses - \$11.9M, 16.2%
- Performance Rent (paid to City) - \$2.7M, 3.7%
- Stadium Authority General & Administrative - \$2.5M, 3.4%
- SBL Sales and Service - \$2.2M, 3.0%
- Utilities - \$1.6M, 2.2%
- Ground Rent (paid to City) - \$0.4M, 0.5%
- Contribution to Operating Reserve - \$0.3M, 0.4%
- Discretionary Fund Expense - \$0.2M, 0.3%
- Senior & Youth Program Fees (paid to City) - \$0.2M, 0.3%
- Other Expenses - \$0.2M, 0.2%
- Use of StadCo Tenant Improvements - \$0.2M, 0.2%

# Santa Clara Stadium Authority

## Operating Budget Summary

	2017/18 Final Budget <sup>(1)</sup>	2017/18 Year-end Actuals	2018/19 Final Budget	2018/19 Projected Actuals	2019/20 Proposed Budget
<b>Revenues</b>					
NFL Ticket Surcharge	\$ 8,258,000	\$ 7,806,190	\$ 8,031,000	\$ 8,077,000	\$ 8,142,000
SBL Proceeds	31,756,000	31,738,451	26,156,000	27,214,000	25,416,000
Interest	280,000	522,996	794,000	969,000	938,000
Non-NFL Event Revenue <sup>(2)</sup>	-	-	62,147,000	-	-
Net Revenues from Non-NFL Events	10,768,135	10,480,223	-	3,956,000	5,796,000
Naming Rights	6,366,000	6,366,337	6,558,000	6,557,000	6,754,000
Sponsorship Revenue (STR)	406,000	456,379	545,000	474,000	345,000
Rent	24,500,000	23,375,000	25,810,000	25,810,000	24,762,000
Senior & Youth Program Fees	231,000	225,116	230,000	228,000	230,000
Non-NFL Event Ticket Surcharge	2,000,000	1,537,128	1,800,000	1,542,000	1,232,000
BAHC Reimbursement for CFP Expenses	-	-	-	1,400,000	-
Other Revenue	-	-	-	2,281,000	-
<b>Total Revenues</b>	<b>\$ 84,565,135</b>	<b>\$ 82,507,820</b>	<b>\$ 132,071,000</b>	<b>\$ 78,508,000</b>	<b>\$ 73,615,000</b>
<b>Expenses</b>					
<b>Shared Stadium Manager Expenses<sup>(3)</sup></b>					
Stadium Operations	\$ 3,613,000	\$ 3,072,360	\$ 3,721,000	\$ 3,621,000	\$ 4,004,000
Engineering	1,636,000	2,063,747	1,835,000	1,835,000	2,054,000
Guest Services	848,000	447,248	813,000	763,000	825,000
Groundskeeping	246,000	165,709	164,000	164,000	177,000
Security	1,498,000	1,292,455	1,543,000	1,543,000	1,656,000
Insurance	2,787,000	2,786,749	2,871,000	2,870,000	2,956,000
Stadium Management Fee	219,000	219,165	226,000	225,000	232,000
<b>Shared Stadium Manager Expenses Subtotal</b>	<b>\$ 10,847,000</b>	<b>\$ 10,047,433</b>	<b>\$ 11,173,000</b>	<b>\$ 11,021,000</b>	<b>\$ 11,904,000</b>
<b>Other Operating Expenses</b>					
SBL Sales and Service <sup>(3)</sup>	\$ 2,095,000	\$ 1,449,213	\$ 2,324,000	\$ 2,148,000	\$ 2,221,000
Senior & Youth Program Fees (paid to City) <sup>(3)</sup>	231,000	225,116	230,000	228,000	230,000
Non-NFL Event Expense <sup>(2)</sup>	-	-	56,519,000	-	-
Ground Rent (paid to City) <sup>(4)</sup>	285,000	285,000	320,000	320,000	355,000
Performance Rent (paid to City) <sup>(4)</sup>	5,116,568	4,972,611	2,654,000	1,818,000	2,721,000
Discretionary Fund Expense <sup>(5)</sup>	2,230,000	1,209,342	990,000	100,000	250,000
Utilities <sup>(3)</sup>	1,434,000	937,978	1,506,000	1,506,000	1,551,000
Use of StadCo Tenant Improvements <sup>(3)</sup>	245,000	237,120	236,000	248,000	182,000
Stadium Authority General & Administrative <sup>(5)</sup>	3,395,000	3,025,782	1,685,000	1,342,000	2,480,000
CFP Expenses	-	-	-	1,400,000	-
Other Expenses <sup>(6)</sup>	76,000	96,602	105,000	105,000	200,000
Transfers Out <sup>(4)</sup>	58,517,000	57,795,817	54,001,000	57,030,000	51,183,000
Contribution to Operating Reserve <sup>(4)</sup>	-	-	328,000	328,000	338,000
<b>Other Operating Expenses Subtotal</b>	<b>\$ 73,624,568</b>	<b>\$ 70,234,581</b>	<b>\$ 120,898,000</b>	<b>\$ 66,573,000</b>	<b>\$ 61,711,000</b>
<b>Total Expenses</b>	<b>\$ 84,471,568</b>	<b>\$ 80,282,014</b>	<b>\$ 132,071,000</b>	<b>\$ 77,594,000</b>	<b>\$ 73,615,000</b>
Operating Reserve	\$ 10,927,270	\$ 10,927,270	\$ 11,255,088	\$ 11,255,270	\$ 11,593,270
Discretionary Fund	\$ 1,555,853	\$ 1,265,075	\$ 1,086,407	\$ 1,936,075	\$ 2,302,075

<sup>(1)</sup> 2017/18 Final Budget includes entries to move the budget from cash to accrual basis

<sup>(2)</sup> Information not provided by ManagementCo at the time of this report

<sup>(3)</sup> Recommended by ManagementCo

<sup>(4)</sup> Expense is based on payment schedule or calculated as instructed per relevant agreements

<sup>(5)</sup> Recommended by Stadium Authority staff

<sup>(6)</sup> The 2019/20 proposed budget for Other Expenses differs from the original request of \$507,000 received from ManagementCo as it requires further review by Stadium Authority staff.

## STADIUM AUTHORITY OPERATING BUDGET (CONT.)

### Stadium Authority Board Duties and Proposed General and Administrative Budget

The 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 Stadium Authority staff, and auditing/oversight of its policy implementation, as reasonable and necessary.

To accomplish Board direction, staff recommends the following administrative budget for the 2019/20 Fiscal Year totaling \$2.5 million, or 3%, of the total Fiscal Year 2019/20 Proposed Stadium Authority Operating Expense Budget of \$73.6 million. With this recommended budget, staff will support the Board with its oversight of Levi's® Stadium per the various agreements with ManagementCo and Forty-Niners SC Stadium Company LLC (StadCo or 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 Stadium Authority oversight efforts;
4. Continue the current community engagement process to address the public opinion research of the community impacts of Levi's® Stadium, with a focus on neighborhood response and public service deployment improvements;
5. Continue the current noise monitoring program;
6. Implement public safety expert's recommendations during events held at Levi's® Stadium;
7. Address the Work Plan items, as referenced in the Executive Director's transmittal letter to this budget; and,
8. 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. As mentioned in the prior year budget, current staffing levels were under review and it stated that the Executive Director may bring forward staffing adjustments for the Board's consideration. As part of the review, the Executive Director is recommending a Deputy City Manager position with specific focus on neighborhood services, multi-department public services coordination, and overall deployment coordination. The Stadium Authority is already sufficiently staffed with management and financial resources to maintain the current level of operations; but, to the extent that Work Plan items continue to increase, more resources will be needed (e.g. implementation of a Stadium Authority Financial/Accounting System).

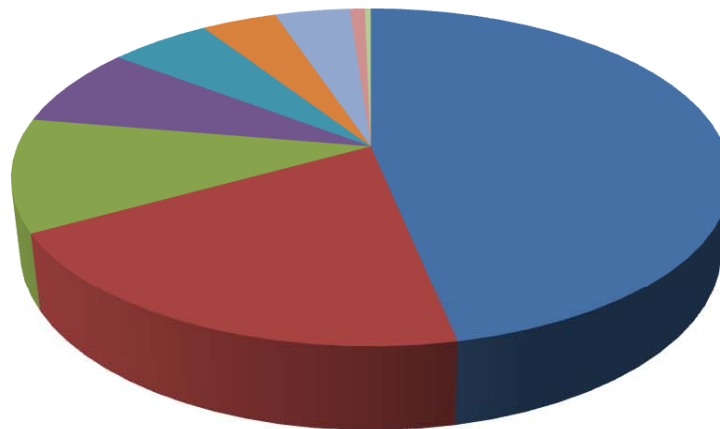


## STADIUM AUTHORITY OPERATING BUDGET (CONT.)

As such, the Stadium Authority G&A expense budget of \$2.5 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 \$73.6 million is shown below.

Stadium Authority General and Administrative Budget		
Expense Type	Amount	Comments
Staff support (3.8 FTE)	\$ 1,160,000	To support the Stadium Authority with its oversight duties of stadium activities
Legal Services	500,000	As needed for outside legal services
Audit services	267,000	Financial, Ticket Surcharge, and performance audits performed by external auditors
Consultants		
Community outreach/Board initiatives	190,000	Community engagement efforts and/or Board initiatives consistent with the work plan
Noise monitoring	135,000	Continued noise monitoring of Levi's® Stadium
Public safety	100,000	Implementation of public safety expert's recommendations
Executive Director & Board directives	100,000	Funding for unanticipated Board directives, Executive Director assignments, etc.
Other expenses	20,000	Routine office expenses
Board stipends	8,000	Stadium Authority meetings
<b>Total</b>	<b>\$ 2,480,000</b>	

**Stadium Authority 2019/20 General and Administrative Budget**



- Staff support - \$1.16M, 46.8%
- Legal - \$500k, 20.2%
- Audit services - \$267k, 10.8%
- Community outreach - \$190k, 7.7%
- Noise monitoring - \$135k, 5.4%
- Public safety consultant - \$100k, 4%
- Unanticipated expenses - \$100k, 4%
- Other expenses - \$20k, 0.8%
- Board stipends - \$8k, 0.3%

## STADIUM AUTHORITY OPERATING BUDGET GLOSSARY

**Accrual Basis Accounting:** The method of recording revenues and expenses when they are incurred, regardless of when cash is exchanged.

**Bay Area Host Committee Reimbursement:** This is the reimbursement received from the Bay Area Host Committee for all costs associated with the College Football Playoff Championship (CFP) that was held at Levi's® Stadium on January 7, 2019. This reimbursement is subsequently used to pay internal City and outside agency costs associated with the CFP (see College Football Playoff Expense below). (Source: Assignment and Assumption Agreement)

**College Football Playoff Expense:** All internal City and outside agency costs associated with the CFP that are invoiced to the Stadium Authority. (Source: Assignment and Assumption Agreement)

**Contribution to Operating Reserve:** The contributions to the operating reserve are funded by means of excess revenues (see Excess Revenue below). (Source: The Amended and Restated Stadium Lease Agreement)

**Discretionary Fund Expense:** This is funded by half of the Non-NFL ticket surcharge (see Non-NFL Event Ticket Surcharge on page 28) and has been used to cover NFL public safety costs above the public safety cost threshold in the first three fiscal years of operation and other items at the Stadium Authority's discretion.

Projected Beginning Balance	50% of 2019/20 Non-NFL Event Ticket Surcharge	2019/20 Discretionary Fund Expense	Projected Ending Balance
\$ 1,936,075	\$ 616,000	\$ 250,000	\$ 2,302,075

**Excess Revenue:** If Stadium Authority 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 2018/19 fiscal year. (Source: The Amended and Restated Stadium Lease Agreement)

2018/19 Use of Excess Revenues

#	Description	Amount Funded	Balance	Notes
	Excess Revenues at Year-end		\$ 21,113,799	
1	Payment of ManCo Revolving Loan	\$ -	21,113,799	N/A (this loan has not been utilized)
2	Funding Operating Reserve up to \$2 Million +3% annually	-	21,113,799	Funding requirement met
3	Funding CapEx Reserve an Additional \$1 Million +3% annually	(1,125,509)	19,988,290	Funding annual CapEx Reserve
4	Funding Operating Reserve up to \$10 Million +3% annually	(327,818)	19,660,472	Funding annual 3% requirement
5	Prepayment of StadCo Subordinated Loan	(19,660,472)	-	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

## STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

**Ground Rent:** The City has agreed to lease the land under Levi's® Stadium to Stadium Authority 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

**Insurance:** ManagementCo procures insurance for Levi's® Stadium for the entire year and the cost is split between Stadium Authority and StadCo (see Shared Stadium Manager Expenses on page 31). The stadium lease sets Stadium Authority'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 Stadium Authority. 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 on or before March 1<sup>st</sup> and October 1<sup>st</sup>. (Source: *Naming Rights Agreement*)

**Net Revenues from Non-NFL Events:** ManagementCo provides management services for Levi's® Stadium year-round. As such ManagementCo is responsible for booking and scheduling all Non-NFL events on behalf of Stadium Authority. ManagementCo 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 Stadium Authority staff and/or outside consultants and audited by an independent auditor. After the completion of the fiscal year, the net revenues are paid to Stadium Authority by ManagementCo. (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 Stadium Authority. (Source: *Amended and Restated Non-Relocation Agreement*)

**Non NFL Event Expense:** The gross expenses for Non-NFL events held at Levi's® Stadium.

## STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

**Non-NFL Event Revenue:** The gross receipts from Non-NFL events held at Levi's® Stadium.

**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 Stadium Authority. Half of this surcharge that is paid to Stadium Authority covers general stadium operations and the other half funds the Stadium Authority Discretionary Fund. (Source: Amended and Restated Stadium Lease Agreement)

**Other Expenses:** Miscellaneous Stadium Authority expenses such as bank fees.

**Other Revenue:** Miscellaneous Stadium Authority revenues. The projected 2018/19 other revenue is the result of the Final Rent Reset Arbitration Award. As part of that award, StadCo will reimburse the Stadium Authority for its legal costs associated with the Rent Reset Arbitration.

**Performance Rent:** Stadium Authority 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, and other credits. The table below represents a projection of the 2018/19 and 2019/20 Fiscal Years performance rent. (Source: Ground Lease Agreement & Amended and Restated Stadium Lease Agreement)

Performance Rent Calculation	Fiscal Year 2018/19 Projection	Fiscal Year 2019/20 Budget
Ground Rent	\$ 320,000	\$ 355,000
Net Non-NFL Event Revenue	\$ 3,956,000	\$ 5,796,000
50% of Net Non-NFL Event Revenue	\$ 1,978,000	\$ 2,898,000
Performance Rent Credit (50% of Ground Rent)	\$ (160,000)	\$ (177,500)
Total Performance Rent paid to the City of Santa Clara	\$ 1,818,000	\$ 2,720,500

**Rent:** The facility rent was originally set at \$24.5 million for StadCo to lease the stadium for their half of the year. As a result of the rent reset arbitration award in favor of Stadium Authority, the facility rent was reset to \$24.8 million retro-active to the first lease year. The rent adjustment process is outlined in the Amended and Restated Stadium Lease. (Source: Amended and Restated Stadium Lease 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 Stadium Authority. 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)

## STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

**Shared Stadium Manager Expenses:** ManagementCo oversees the day to day operations of Levi's® Stadium year-round. Since StadCo leases the stadium from Stadium Authority for half of each fiscal year, the ManagementCo stadium manager expenses are shared between StadCo and Stadium Authority. Most shared stadium manager expenses are split 50/50 between StadCo and Stadium Authority; grounds-keeping is the exception with a 70/30 split, StadCo being responsible for the larger share. In addition, ManagementCo procures insurance for Levi's® Stadium that is shared between Stadium Authority and StadCo (see Insurance on page 27). (*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 Stadium Authority a minimum annual fee of \$325,000 based on the commissions that are collected by STR. In addition to the minimum annual fee, Stadium Authority 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, Stadium Authority 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 Stadium Authority 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 Builder License (SBL) Sales and Service:** ManagementCo provides sales and service to SBL holders on behalf of Stadium Authority. This includes all SBL collection efforts and customer service support. (*Source: Agreement for Stadium Builder License Sales & Fourth Amendment to the Stadium Management Agreement*)

## STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

**Stadium Management Fee:** ManagementCo 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 Stadium Authority since ManagementCo manages the stadium year-round for both entities. In addition to the base management fee, ManagementCo 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 four years of net income from Non-NFL events and a projection of the fifth year 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/Projected 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	\$ 5,163,329	\$ -	\$ 218,545
2018/19 <sup>(1)</sup>	5	\$ 225,102	\$ 5,627,544	\$ 3,956,000	\$ -	\$ 225,102
2019/20	6	\$ 231,855	\$ 5,796,370	To be determined		
2020/21	7	\$ 238,810	\$ 5,970,261			
2021/22	8	\$ 245,975	\$ 6,149,369			
2022/23	9	\$ 253,354	\$ 6,333,850			
2023/24	10	\$ 260,955	\$ 6,523,866			

<sup>(1)</sup> The Net Income from Non-NFL Events for 2018/19 is a projection.

**Transfers Out:** Transfers from the Stadium Authority Operating Fund to fund Debt Service and Capital Funds.

**Utilities:** StadCo leases the stadium from Stadium Authority for six months of each fiscal year from August through January. StadCo is therefore responsible for the day to day utilities during that period. Stadium Authority 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 Stadium Authority 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 is between the Stadium Authority, StadCo and ManagementCo and was entered into as of March 28, 2012. This agreement provides Stadium Authority 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 Stadium Authority and StadCo was made and entered into as of June 19, 2013.

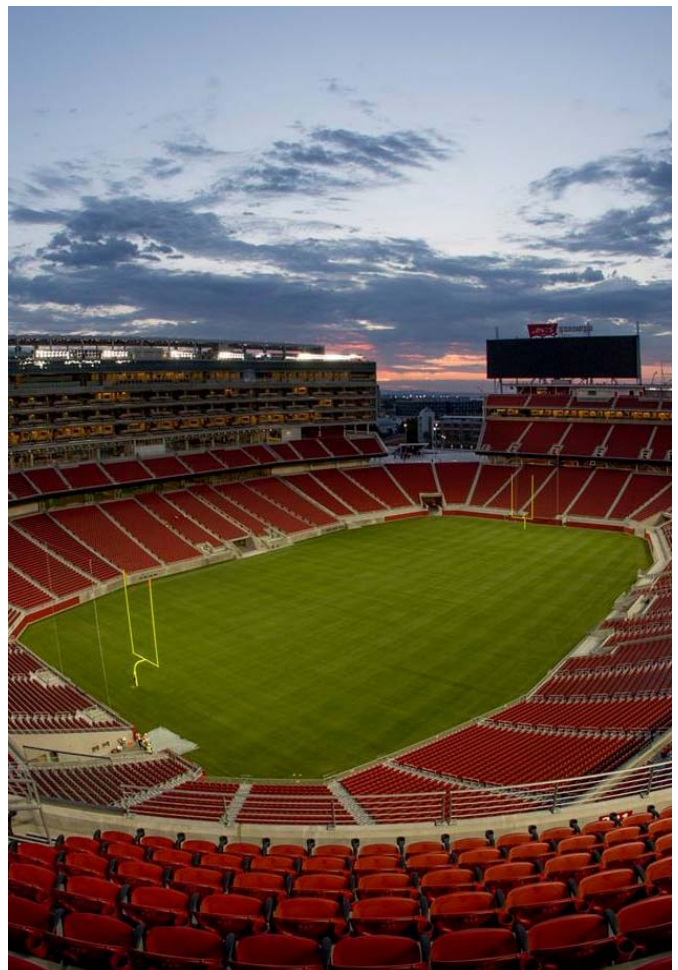
This agreement amended the original stadium lease to set the initial rent, to allow StadCo to enter into agreements with alternative energy providers, to cap Stadium Authority's share of the insurance costs at a fixed amount each year, and to require Stadium Authority to fund various reserves.

Per the terms of the stadium lease, StadCo leases the stadium from the Stadium Authority for half of each fiscal year, and is 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 the Stadium Authority. Section 8.3.1 describes the proportionate share of Stadium Manager expenses that are owed by the Stadium Authority 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.

ManagementCo procures insurance for Levi's® Stadium for the entire year and the cost is shared between Stadium Authority and StadCo.

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

Once the budget has been adopted, ManagementCo invoices Stadium Authority 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 ManagementCo provides details.



# Stadium Manager

## 2019/20 Total 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	\$ 965,828	\$ 4,285,958	\$ 2,634,822	\$ 991,144	\$ 295,287	\$ 9,173,039
Travel, Meals & Entertainment	2,186	413,076	12,000	73,226	10,060	510,548
Outside Services	2,041,426	2,068,172	1,396,416	14,900	54,037	5,574,951
General Supplies	78,404	120,000	-	140,112	196,560	535,076
Telephone	15,914	454,998	20,400	10,416	1,320	503,048
Equipment	191,220	567,380	31,500	129,504	29,120	948,724
Uniforms	10,490	-	2,500	174,638	3,120	190,748
Other	6,556	99,300	10,000	115,146	-	231,002
<b>Subtotal</b>	<b>\$ 3,312,024</b>	<b>\$ 8,008,884</b>	<b>\$ 4,107,638</b>	<b>\$ 1,649,086</b>	<b>\$ 589,504</b>	<b>\$ 17,667,136</b>

## Santa Clara Stadium Authority Proportionate Share of Stadium Expenses <sup>(1)</sup>

	Stadium					Total
	Security (50%)	Operations (50%)	Engineering (50%)	Guest Services (50%)	Groundskeeping (30%)	
Total Compensation <sup>(2)</sup>	\$ 482,914	\$ 2,142,979	\$ 1,317,411	\$ 495,572	\$ 88,586	\$ 4,527,462
Travel, Meals & Entertainment	1,093	206,538	6,000	36,613	3,018	253,262
Outside Services	1,020,713	1,034,086	698,208	7,450	16,211	2,776,668
General Supplies	39,202	60,000	-	70,056	58,968	228,226
Telephone	7,957	227,499	10,200	5,208	396	251,260
Equipment	95,610	283,690	15,750	64,752	8,736	468,538
Uniforms	5,245	-	1,250	87,319	936	94,750
Other	3,278	49,650	5,000	57,573	-	115,501
<b>Subtotal</b>	<b>\$ 1,656,012</b>	<b>\$ 4,004,442</b>	<b>\$ 2,053,819</b>	<b>\$ 824,543</b>	<b>\$ 176,851</b>	<b>\$ 8,715,667</b>
Insurance <sup>(3)</sup>						2,956,149
Management Fee <sup>(4)</sup>						231,855
<b>Total</b>						<b>\$ 11,903,671</b>

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

<sup>(2)</sup> Total compensation is based on a total of 61 full time equivalent positions.

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

<sup>(4)</sup> 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 Stadium Authority and StadCo.



## STADIUM MANAGER SHARED EXPENSES GLOSSARY

**Total Compensation:** This cost includes full-time staff (61 employees), part-time staff, and benefits. Stadium Authority 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.

**Travel, Meals & Entertainment:** 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.

**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.

**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.

**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.

## STADIUM MANAGER SHARED EXPENSES GLOSSARY (CONT.)

**Uniforms:** Guest Services replacement and replenishment of uniforms.

**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).

**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 (Stadium Authority and StadCo).  
(Source: Stadium Lease Agreement)

### Stadium Manager

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

	2020/21	2021/22	2022/23	2023/24	2024/25
Total Compensation <sup>(1)</sup>	\$ 4,663,285	\$ 4,803,184	\$ 4,947,279	\$ 5,095,698	\$ 5,248,568
Travel, Hotel & Staff/Partner F&B	260,859	268,685	276,745	285,048	293,599
Outside Services	2,882,467	2,907,141	2,994,355	3,084,186	3,176,711
General Supplies	235,072	242,125	249,388	256,870	264,576
Telephone	258,798	266,562	274,559	282,795	291,279
Equipment	482,594	497,072	511,984	527,344	543,164
Uniforms	97,593	100,520	103,536	106,642	109,841
Other	118,966	122,535	126,211	129,997	133,897
<b>Total</b>	<b>\$ 8,999,634</b>	<b>\$ 9,207,824</b>	<b>\$ 9,484,057</b>	<b>\$ 9,768,580</b>	<b>\$10,061,635</b>
Insurance <sup>(2)</sup>	3,044,833	3,136,178	3,230,264	3,327,172	3,426,987
Management Fee <sup>(3)</sup>	238,810	245,975	253,354	260,955	268,783
<b>Total</b>	<b>\$ 12,283,277</b>	<b>\$12,589,977</b>	<b>\$12,967,675</b>	<b>\$13,356,707</b>	<b>\$13,757,405</b>

<sup>(1)</sup> Total compensation is based on a total of 61 full-time equivalent positions.

<sup>(2)</sup> 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%.

<sup>(3)</sup> 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

	2017/18 Final Budget	2017/18 Year-end Actuals	2018/19 Final Budget	2018/19 Projected Actuals	2019/20 Proposed Budget
<b>Resources</b>					
<b>Revenues</b>					
Contribution from CFD	\$ 4,500,000	\$ 4,399,224	\$ 3,600,000	\$ 3,759,000	\$ 3,872,000
<b>Revenues Subtotal</b>	<b>4,500,000</b>	<b>4,399,224</b>	<b>3,600,000</b>	<b>3,759,000</b>	<b>3,872,000</b>
Transfers In from Operating	55,239,000	54,517,636	50,624,000	53,653,000	47,705,000
Contribution from Fund Balance	16,831,000	16,588,392	4,653,000	3,963,000	-
<b>Total Resources</b>	<b>\$ 76,570,000</b>	<b>\$ 75,505,252</b>	<b>\$ 58,877,000</b>	<b>\$ 61,375,000</b>	<b>\$ 51,577,000</b>
<b>Expenses</b>					
CFD Advance	\$ 3,860,000	\$ 3,722,535	\$ 3,600,000	\$ 3,732,000	\$ 3,844,000
Term A Loan	21,210,000	21,209,558	25,644,000	26,043,000	26,383,000
StadCo Subordinated Loan	51,500,000	50,573,159	29,633,000	31,600,000	21,350,000
<b>Total Expenses</b>	<b>\$ 76,570,000</b>	<b>\$ 75,505,252</b>	<b>\$ 58,877,000</b>	<b>\$ 61,375,000</b>	<b>\$ 51,577,000</b>
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 \$34.8 million from \$340.1 million to \$305.3 million. The proposed 2019/20 Debt Service Budget of \$51.5 million is based on the required and additional principal and interest debt service payments. Of this total, \$3.9 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 37, 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 \$340.1 million as of March 31, 2019 and the projected principal payments for 2019/20.

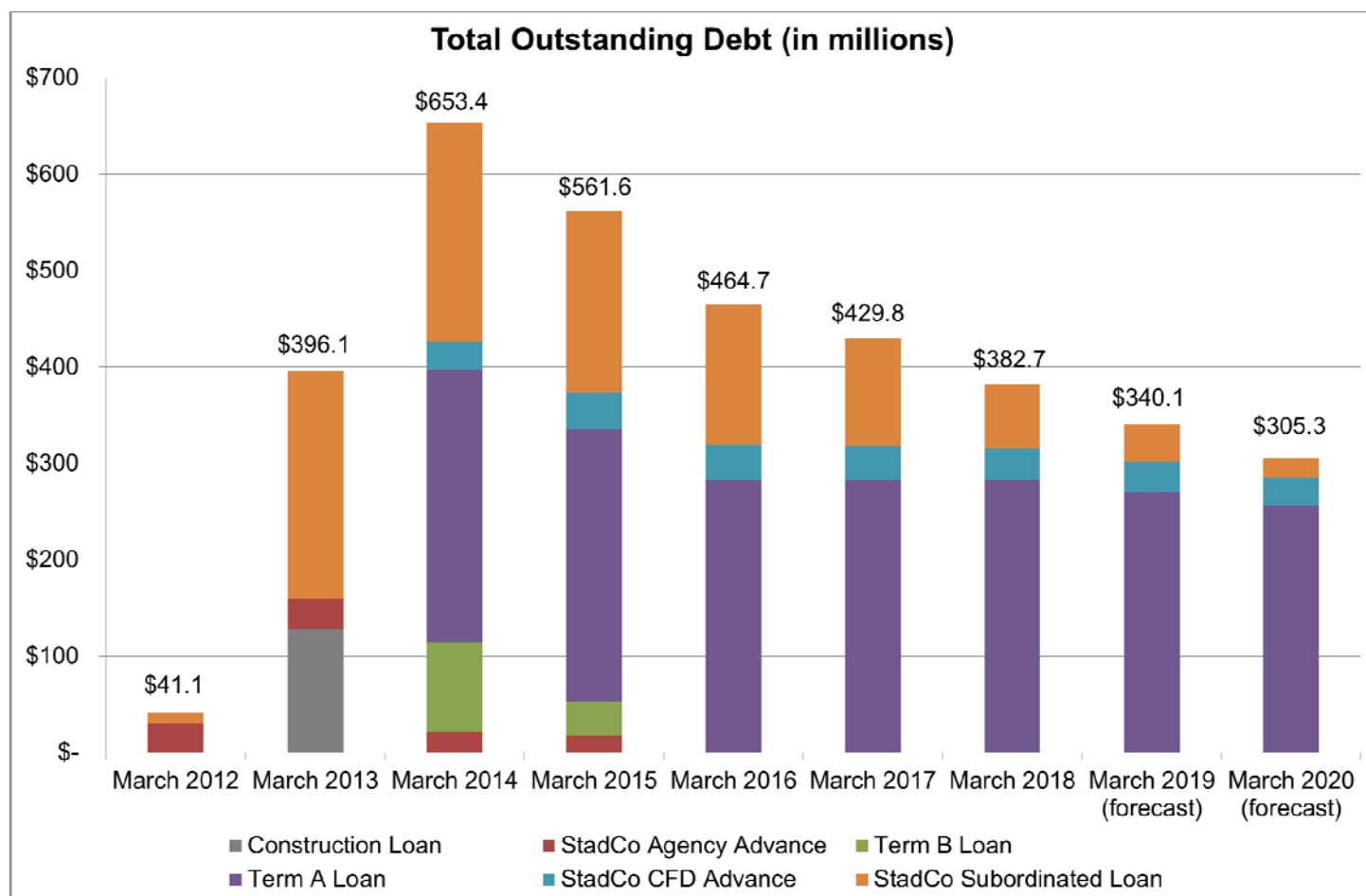
# Santa Clara Stadium Authority

## Debt Service Payment Schedule

Debt Obligations	Interest rates	2019/20 Interest	2019/20 Beginning Balance	2019/20 Principal Payments	2019/20 Additional Payments <sup>(1)</sup>	2019/20 Ending Balance
Stadium Funding Trust Term A Loan	5.00%	\$ 12,878,000	\$270,266,000	\$ 12,718,000	\$ 787,000	\$256,761,000
StadCo CFD Advance <sup>(2)</sup>	5.73%	1,720,000	30,926,000	2,124,000	-	28,802,000
StadCo Subordinated Loan	5.50%	2,140,000	38,902,000	4,182,550	15,027,450	19,692,000
<b>Total</b>		<b>\$ 16,738,000</b>	<b>\$340,094,000</b>	<b>\$ 19,024,550</b>	<b>\$ 15,814,450</b>	<b>\$305,255,000</b>

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

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



## STADIUM AUTHORITY DEBT SERVICE BUDGET GLOSSARY

**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, Stadium Authority spent \$35 million on CFD infrastructure. All collections from the special CFD hotel taxes are contributed to Stadium Authority 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)

**CFD Advance:** StadCo agreed to loan Stadium Authority a not to exceed amount of \$35 million for CFD infrastructure and 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 Stadium Authority from the CFD. (Source: The Authority Promissory Note in Respect of StadCo CFD Advance)

**Term A Loan:** The Stadium Funding Trust (FinCo) agreed to loan Stadium Authority \$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		Date	Annual Principal Payment		Date	Annual Principal Payment
April 1, 2018	\$ 12,110,000		April 1, 2026	\$ 8,404,934		April 1, 2033	\$ 13,306,164
April 1, 2019	\$ 12,718,000		April 1, 2027	\$ 9,001,865		April 1, 2034	\$ 14,160,901
April 1, 2020	\$ 13,354,000		April 1, 2028	\$ 9,630,410		April 1, 2035	\$ 15,060,270
April 1, 2021	\$ 14,022,000		April 1, 2029	\$ 10,292,166		April 1, 2036	\$ 16,006,521
April 1, 2022	\$ 14,723,000		April 1, 2030	\$ 10,988,812		April 1, 2037	\$ 17,002,017
April 1, 2023	\$ 15,459,000		April 1, 2031	\$ 11,722,111		April 1, 2038	\$ 18,049,239
April 1, 2024	\$ 7,299,896		April 1, 2032	\$ 12,493,914		April 1, 2039	\$ 19,150,794
April 1, 2025	\$ 7,838,094						

**StadCo Subordinated Loan:** StadCo agreed to loan Stadium Authority an amount not to exceed \$500 million to fund construction of Levi's® Stadium. The actual amount loaned to the Stadium Authority 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 CAPITAL EXPENSE BUDGET

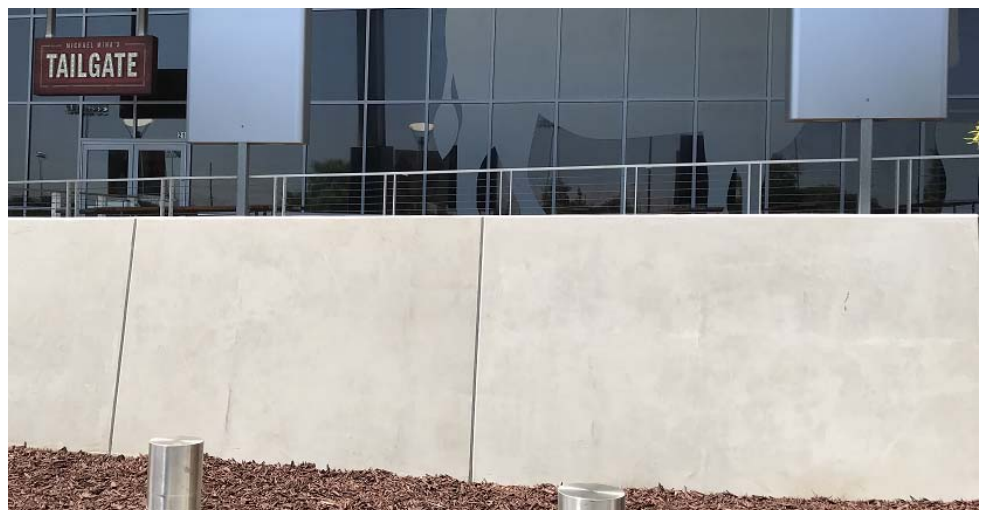
The Capital Expense (CapEx) Budget is used to fund the purchase or upgrade of fixed assets for the Stadium. While the funding for appropriations occur on an annual basis, the Capital Expenditure Plan extends for a five year period (shown on page 44 of this report). Changes to existing projects, as well as the addition of new projects, may occur during the five year planning period as new needs are identified. The appropriations for capital projects do not lapse at year-end but carryover into future years until the project is complete.

The FY 2019/20 CapEx Budget totals \$14.4 million. Of this total, \$6.4 million of prior year appropriations are projected to be carried over from FY 2018/19 (\$1.5 million of the projected carryover amount is for warranty related construction, and the other \$4.9 million is for prior year CapEx projects). New capital improvement appropriations equal \$8 million.

A detailed listing of proposed FY 2019/20 projects is provided on page 40 of this report.



Before and After Concrete Masonry Wall (CMU) Built to Protect the Main Stadium Natural Gas Pipeline





# Santa Clara Stadium Authority

## Capital Expense Budget Summary

	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2019/20
	Final Budget	Year-end Actuals	Final Budget	Projected Actuals	Projected Carryover	Proposed Budget	Total Proposed Budget
<b>Beginning Balances</b>	<b>\$ 8,528,701</b>	<b>\$ 8,887,218</b>	<b>\$ 12,358,833</b>	<b>\$ 12,718,700</b>	<b>\$ 14,628,528</b>		<b>\$ 14,628,528</b>
<b>Resources</b>							
Transfers In from Operating	3,278,000	3,278,181	3,377,000	3,376,527	-	3,478,000	3,478,000
Transfers In from Stadium Development <sup>(1)</sup>	1,851,000	1,851,000	-	-	-	-	-
<b>Total Resources</b>	<b>13,657,701</b>	<b>14,016,399</b>	<b>15,735,833</b>	<b>16,095,227</b>	<b>14,628,528</b>	<b>3,478,000</b>	<b>18,106,528</b>
	2017/18	2017/18	2018/19	2018/19	2019/20	2019/20	2019/20
	Final Budget	Year-end Actuals	Final Budget	Projected Actuals	Projected Carryover <sup>(2)</sup>	Proposed Budget	Total Proposed Budget
<b>Expenses</b>							
Construction	1,766,517	1,036,285	4,875,415	1,277,748	2,981,208	2,068,714	5,049,922
Equipment	1,022,000	11,385	1,210,000	112,932	1,610,654	5,555,300	7,165,954
Contingency	122,000	-	296,546	3,250	280,846	381,201	662,047
Stadium Warranty Related Construction	1,851,000	250,029	1,600,971	72,769	1,528,202	-	1,528,202
<b>Total Expenses</b>	<b>4,761,517</b>	<b>1,297,699</b>	<b>7,982,932</b>	<b>1,466,699</b>	<b>6,400,910</b>	<b>8,005,215</b>	<b>14,406,125</b>
Capital Expense Reserve	\$ 8,896,184	\$ 12,718,700	\$ 7,752,901	\$ 14,628,528	\$ 8,227,618		\$ 3,700,403

<sup>(1)</sup> Carryover from the original Stadium Construction Budget for Warranty related work

<sup>(2)</sup> Projected Carryover includes \$115,000 in CapEx savings that are being returned to Fund Balance and a reallocation between the Construction and Equipment lines.



Two Flag Poles Added to Original Three



Fire Sprinkler System Upgrades

# Santa Clara Stadium Authority

## 2019/20 CapEx Budget

Item Type	Description	Cost	Contingency (5%)	Total Cost
Electrical	<b>Mechanical and Electrical Closet Lighting</b> Install LED lighting in all mechanical and electrical closets located in the service tunnel, 300 Level, and 700 level. These lights not only improve visibility, but also provide longer and more efficient power usage.	\$ 150,000	\$ 7,500	\$ 157,500
Electrical	<b>Escalator Covered Canopy Lighting</b> Purchase proprietary Traxon canopy lights, modules, drivers, LED strips, connectors, etc. to cover Gate A and Gate C escalators. This specialized lighting system can be used for all stadium events, and branded according to the event.	100,000	5,000	105,000
Electrical	<b>Broadcast Booth Power</b> Installation of power components used for stadium events. These components will adhere to LEED certification, provide a clean source of power for our clients, and improve operating efficiencies.	35,000	1,750	36,750
Electrical	<b>Concessions Cart Cabling</b> Install code rated low voltage cabling (CAT6) to portable concession carts. This will provide Internet Protocol (IP) based access to the IPTV menu boards and Point of Sale (POS) systems for credit card transactions, as well as deliver an emergency signage to be displayed at the concession stands if needed.	50,000	2,500	52,500
General Building	<b>Stadium Event Signage</b> Install stadium signage (including but not limited to tunnel awnings, accessible seating reference areas, lower bowl sections placards, and additional fire and building code signage per fire marshal).	138,000	6,900	144,900
General Building	<b>Miscellaneous</b> Funds for unforeseen building related repairs.	100,000	5,000	105,000
General Building	<b>Command Post Window Treatment</b> Install window shades and/or tint the exterior windows on the 800 level command post to reduce heat and glare. This will assist dispatchers and command post operators working in this space.	16,000	800	16,800
General Building	<b>Stadium and Special Event Spaces</b> Entry mats to help alleviate wet floor scenarios and provide safety to stadium patrons. This will extend the finish of the existing flooring and help prevent slip and falls during inclement weather.	75,000	3,750	78,750
General Building	<b>Non-Slip Floor Matting</b> Install non-slip matting from the North Side Locker Rooms to tunnels primarily for event usage (that include access to the field for athletes, performers and customers).	50,000	2,500	52,500
General Building	<b>Women's Locker Room</b> Convert a portion of the auxiliary locker room area to accommodate a larger private space for female athletes, performers, officials, and other female event day sporting and entertainment professionals visiting or working events at Levi's Stadium.	372,000	18,600	390,600
General Building	<b>Automated Logic Control Building Engineering System</b> Install an automatic logic controller system upgrade to monitor the building's HVAC in all quadrants simultaneously. This updated system will enable graphic interface and help the system to operate more efficiently with time clock management and assisting in potential lighting control energy savings.	35,000	1,750	36,750
General Building	<b>Club Space Flooring</b> Strip, resurface, and/or replace hardwood flooring surfaces in the BNY East & West and Levi's 501 spaces. These spaces are among the most utilized spaces in the building and get a large amount of foot traffic. This work will help extend the useful life of these spaces as well as reducing slips and falls from worn floors.	85,000	4,250	89,250
General Building	<b>Command Post Communication Equipment</b> Purchase and install public safety screens, monitors, and projection devices used in monitoring stadium and security operations to help improve situational awareness and response.	58,000	2,900	60,900
Security	<b>Stadium Camera Booth Card Readers</b> Install card reader for North and South camera booths to secure the spaces that enter into/from general public access areas.	84,000	4,200	88,200

# Santa Clara Stadium Authority

## 2019/20 CapEx Budget (cont.)

Item Type	Description	Cost	Contingency (5%)	Total Cost
Security	<b>Enhance Stadium Security Perimeter</b> Install additional Cameras, Radio Frequency Identification (RFID) tags, readers, and rolling gate remotes. Install new actuators in Security/Fire command center in the 100 level for remote access and 24/7 security operations.	250,000	12,500	262,500
Site	<b>Parking Gates at Youth Soccer Park</b> Currently the closest parking that is available to Stadium Authority staff while working at the stadium is across Tasman Drive. These gate improvements will allow for Stadium Authority staff to park at the Santa Clara Youth Soccer Park. This would provide parking that is secure and in closer proximity to the Stadium Authority office in the stadium.	93,000	4,650	97,650
Site	<b>Stadium Insulation</b> Install new insulation above the 300 level (under the 400/500 level). Original insulation is failing due to weather conditions. This also helps reduce sound reverberation throughout the concourse and protects the concrete from the elements.	150,000	7,500	157,500
Site	<b>Security Fencing</b> Install additional fencing under Gate C escalator to create a separation from "front and back of house" operations.	45,000	2,250	47,250
Site	<b>Gold Lot 4 and 5 Lighting</b> Install LED lighting in Gold 4 and Gold 5 parking lots. The current light plan is underpowered and is not sufficient given the work environment during stadium event load in/out. This lighting improves safety conditions for stadium personnel and provides energy cost savings with more efficient fixtures.	50,000	2,500	52,500
Site	<b>Rust Prevention Mitigation</b> The stadium railings, beams, and other steel areas need rust prevention and coating in specific areas throughout the stadium.	90,000	4,500	94,500
Site	<b>Stadium Event Power Upgrades</b> Install and enhance Stadium Event wiring service on the 12 Kilovolt (KV) Primary Switch Gear (PMSG) to main electrical panel.	42,714	2,136	44,850
<b>Subtotal CapEx Construction Costs</b>		<b>\$ 2,068,714</b>	<b>\$ 103,436</b>	<b>\$ 2,172,150</b>
Audio/Visual	<b>Radio Booth Cabling</b> Install fiber optic cabling to increase the low voltage cabling backbone. This installation will accommodate the expanding requests we get for booth usage during stadium events, and keep up with emerging trends.	\$ 600,000	\$ 30,000	\$ 630,000
Audio/Visual	<b>Creston Control &amp; Building Operating System Upgrades</b> Installation of a Creston Control system to monitor HVAC, Lighting, Electrical, and Fire Alarm. This comprehensive system enables all of these items to interface with one another for engineers to see a real time view of the building's systems.	10,000	500	10,500
Furniture, Fixtures & Equipment	<b>Replace Furniture in Club and Special Event Spaces</b> Purchase replacement furniture for clubs (BNY, United, Levi's 501 and Yahoo) and special event spaces to enhance areas and meet client expectations. These spaces are amongst the most utilized in the entire stadium.	1,600,000	80,000	1,680,000
Furniture, Fixtures & Equipment	<b>Security and Life Safety Partitions/Dividers</b> Install service tunnel drapery and/or partitions for security and public safety personnel during stadium events that require public access to the service level. This helps coordinate public movements in "back of house areas" without affecting stadium operations.	68,000	3,400	71,400
Furniture, Fixtures & Equipment	<b>Tunnel Slip and Fall Protection</b> Install Non-Slip material at the South, Northeast, and Northwest Field Tunnels.	30,000	1,500	31,500

# Santa Clara Stadium Authority

## 2019/20 CapEx Budget (cont.)

Item Type	Description	Cost	Contingency (5%)	Total Cost
Food & Beverage	<b>Concession Signage</b> Install new fascia signage at all fixed and portable concession stands throughout the stadium on all levels (60+ Concessions stands). Remove the existing "channel cut letters" that are obsolete and install new flexible signage to accommodate menu changes, allowing for increased sales and service opportunities.	2,500,000	125,000	2,625,000
HVAC/Mechanical	<b>Kitchen Exhaust Fans</b> Install variable frequency drive (VFD) Units on kitchen exhaust fans for soft start (slow ramp up) capabilities. Kitchen exhaust fans currently operate 100 percent of the time. Installing VFD units will modulate the power and save energy whenever the fan is in use. Soft start extends the life of the equipment and saves energy.	300,000	15,000	315,000
Life Safety/Fire	<b>Fire Sprinkler Extension</b> The Santa Clara Fire Marshal has requested that fire sprinklers be installed at the Gate F entrance to mitigate potential fire risk beneath the existing ribbon boards.	55,000	2,750	57,750
Life Safety/Fire	<b>Carbon Dioxide (CO<sub>2</sub>) Alarms</b> Install CO <sub>2</sub> Alarms for walk-in coolers that are integrated into the automatic logic controller system so that building engineering can monitor CO <sub>2</sub> levels (per the fire marshal); this improves the safety and security of employees entering these	45,000	2,250	47,250
Public Safety Equipment	<b>Diesel Particulate Filter for SCSA Fire Truck</b> Filter for the Stadium Authority fire truck to remove diesel exhaust particulate reducing exposure to firefighters.	11,500	575	12,075
Public Safety Equipment	<b>Mobile Radio for SCSA Fire Truck</b> Dedicated mobile radio for the Stadium Authority fire truck so that crews do not have to use portable radios that are subject to battery failure.	7,500	375	7,875
Public Safety Equipment	<b>Chemical Warfare Detector</b> identifying and mitigating any possible hazardous material threats at stadium events.	14,300	715	15,015
Public Safety Equipment	<b>GPS Software for Tracking Personnel</b> Live tracking of law enforcement personnel is critical to providing a safe environment at the Stadium. This technology and software will allow the Command Post to know where our personnel are at all times and make necessary assignment adjustments on the go. It is desired that the software also be capable of retaining data for historical analysis.	25,000	1,250	26,250
Public Safety Equipment	<b>Body Worn Cameras (BWCs)</b> BWCs are now standard issue in law enforcement and an expectation from the public, especially in contacts that can turn negative. Issuing BWCs to all police staff for use during Stadium events would better protect all interests and provide the transparency that the public has come to expect.	150,000	7,500	157,500
Public Safety Equipment	<b>Staff Scheduling Software</b> The Stadium requires Special Event Officers (SEOs) to operate safely. Notifying and communicating with our SEOs is critical in properly planning our staffing needs. We currently use an out of date version of "Game Day Staffing."	40,000	2,000	42,000
Public Safety Equipment	<b>Upfit Kawasaki Mules</b> City of Santa Clara Corp Yard "up-fits" the standard Kawasaki mules by adding decals, The rifle racks, emergency response lights and siren, and a public-address system. The purchase of three new mules was done from the FY 18/19 CapEx budget.	9,000	450	9,450
Public Safety Equipment	<b>Fencing on Tasman</b> Fencing to prevent stadium event pedestrian traffic from crossing unsafely between Lafayette St. and the Tasman St. overcrossing.	70,000	3,500	73,500
Vertical Transport	<b>Elevator Door Replacement</b> Replace and install new elevator doors on one of the freight elevators in the stadium.	20,000	1,000	21,000
<b>Subtotal CapEx Equipment Costs</b>		<b>\$ 5,555,300</b>	<b>\$ 277,765</b>	<b>\$ 5,833,065</b>
<b>Total New CapEx Project Costs</b>		<b>\$ 7,624,014</b>	<b>\$ 381,201</b>	<b>\$ 8,005,215</b>

# Santa Clara Stadium Authority

## 2019/20 CapEx Budget Carryover

Item Type	Description	Cost	Remaining Contingency	Total Cost
Food & Beverage	<b>Concession Area (2018/19 Carryover)</b> Maintenance repair & programming of the beverage distribution system, concession stand equipment, repair walk-in coolers and main kitchen equipment.	\$ 469,161	\$ 24,250	\$ 493,411
General Building	<b>Fire Sprinkler System (2018/19 Carryover)</b> Fire Marshal request to have a sprinkler system installed for to accommodate combustible storage in open area under the escalator at gates A, C, and D, loading dock and highbay storage for fire life safety.	18,437	8,725	27,162
General Building	<b>Loading Dock Security and Safety (2018/19 Carryover)</b> 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	<b>Miscellaneous (2018/19 Carryover)</b> Flooring, carpeting, millwork, tiles, masonry, granite counters, Stainless steel panels and counters, cladding, wall acoustic panels etc.	17,417	5,000	22,417
General Building	<b>Premium Areas/Special Event Assets (2018/19 Carryover)</b> 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.	1,026,482	69,250	1,095,732
General Building	<b>Stadium Field Conduits (2018/19 Carryover)</b> Adding permanent solution for power and data on field/floor of stadium making electrical connections safer and efficient for concert and events.	111,607	12,500	124,107
Plumbing	<b>Hot water Additions for Sump Pump (2018/19 Carryover)</b> Install four hot water sump pump wash down stations to hose down the sump wells in the sewage system and four heat pumps at electrical rooms in quads A, B, C, and D.	235,120	17,500	252,620
Security	<b>Access Control System (2018/19 Carryover)</b> 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.	111,190	9,850	121,040
Security	<b>Security Cameras (2018/19 Carryover)</b> Repair and update security cameras in the stadium to consistently view access areas & security perimeter.	53,884	2,950	56,834
Site	<b>Asphalt (2018/19 Carryover)</b> Slurry coat - visitor parking on Tasman, Gold 4 & 5 parking lots and South Access Road.	190,000	9,500	199,500
Site	<b>Community Room Buildout (2018/19 Carryover)</b> Consideration to build out an unfinished storage space in the stadium to potentially accommodate a new Community Space per Executive Director'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
<b>Subtotal CapEx Construction Carryover Costs</b>		<b>\$ 2,981,208</b>	<b>\$ 196,921</b>	<b>\$ 3,178,129</b>
Furniture, Fixtures & Equipment	<b>Guest Service Booths (2018/19 Carryover)</b> Two additional guest services booths on the main concourse for better enhanced customer service touchpoints.	\$ 70,000	\$ 3,500	\$ 73,500
Furniture, Fixtures & Equipment	<b>Water Stations (2018/19 Carryover)</b> Install Elkay- type water stations on-site for public consumption. These are essentially water refill stations for guests and staff at the facility.	12,068	3,000	15,068
Public Safety Equipment	<b>Street Signage (2017/18 Carryover)</b> This item was brought before the SCSA Board and approved in the 2017/18 budget. Working with the Dept. of Public Works, the Executive Director's office and the Chief of Police's office to identify appropriate locations on surrounding city streets (Great America Parkway, Tasman Drive, 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

## Santa Clara Stadium Authority

### 2019/20 CapEx Budget Carryover (cont.)

Item Type	Description	Cost	Remaining Contingency	Total Cost
Public Safety Equipment	<b>Portable License Plate Reader/PTZ Cameras (2018/19 Carryover)</b> Placing temporary/moveable license plate readers in remote stadium parking lots will provide better information and intelligence to the Command Post in order to deter crime and assist in apprehending crime suspects in the aftermath of an	160,000	8,000	168,000
Public Safety Equipment	<b>Kawasaki Pro-FXT LE Black Mule (2018/19 Carryover)</b> The Kawasaki Mule's are an essential part of the public safety plan at Levi's® Stadium events. Adding three new mules will allow staff to meet the public safety deployment needs.	17,586	1,875	19,461
Public Safety Equipment	<b>Motor Vehicle Barriers (2018/19 Carryover)</b> Having motor vehicle barriers would reduce the need to use vehicles and personnel to provide physical barriers during events.	100,000	5,000	105,000
Public Safety Equipment	<b>EMS Equip - Auto Pulse Automated Compressors (2018/19 Carryover)</b> Two auto pulse automated compressors would provide automatic compressions in the event of cardiac arrests while a patient is being transported from the stands.	32,000	1,600	33,600
Public Safety Equipment	<b>EMS Equip - ALS Lifepack Monitor (2018/19 Carryover)</b> This monitor would allow fire crews to better diagnose and treat cardiac patients by running various tests.	30,000	1,500	31,500
Public Safety Equipment	<b>Public Safety Command Post Dispatch System (2018/19 Carryover)</b> This system will interface between the system that is used at Levi's® Stadium to track all incidents/requests that occur during an event and the City's Hexagon CAD system. This will provide a seamless transition of data including calls for service, personnel assignments, and event tracking.	189,000	9,450	198,450
<b>Subtotal CapEx Equipment Carryover Costs</b>		<b>\$ 1,610,654</b>	<b>\$ 83,925</b>	<b>\$ 1,694,579</b>
<b>Total CapEx Carryover Costs</b>		<b>\$ 4,591,862</b>	<b>\$ 280,846</b>	<b>\$ 4,872,708</b>

## Santa Clara Stadium Authority

### Capital Expense Plan Summary - 5 Year Forecast

	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget
Electrical	\$ 335,000	\$ -	\$ -	\$ 750,000	\$ 1,250,000
General Building	929,000	300,000	1,152,000	600,000	1,050,000
Plumbing	-	325,000	100,000	-	-
Security	334,000	325,000	150,000	-	-
Site	470,714	575,000	300,000	-	-
<b>Subtotal CapEx Construction Costs</b>	<b>\$ 2,068,714</b>	<b>\$ 1,525,000</b>	<b>\$ 1,702,000</b>	<b>\$ 1,350,000</b>	<b>\$ 2,300,000</b>
Audio/Visual	\$ 610,000	\$ 600,000	\$ -	\$ -	\$ -
FF&E	1,698,000	-	30,000	-	30,000
Food & Beverage	2,500,000	200,000	-	-	-
HVAC/Mechanical	300,000	325,000	100,000	-	-
Life Safety/Fire	100,000	100,000	-	-	-
Public Safety Equipment	327,300	110,000	120,000	-	-
Vertical Transport	20,000	-	-	-	-
<b>Subtotal CapEx Equipment Costs</b>	<b>\$ 5,555,300</b>	<b>\$ 1,335,000</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ 30,000</b>
Contingency (5%)	381,201	143,000	97,600	67,500	116,500
<b>Total CapEx Project Costs</b>	<b>\$ 8,005,215</b>	<b>\$ 3,003,000</b>	<b>\$ 2,049,600</b>	<b>\$ 1,417,500</b>	<b>\$ 2,446,500</b>



## Stadium Authority FY 2019/20 Work Plan

Work Effort	Work Plan	Planned Outcome
<b>ADA Compliance</b>	<ul style="list-style-type: none"> <li>Complete ADA compliance with improvements to Main Lot</li> </ul>	Compliance regarding accessible parking spaces and Stadium Main Lot Use or other satisfactory solutions that prioritize ADA compliance
<b>Community Room</b>	<ul style="list-style-type: none"> <li>Return to Board to seek input on proposed next steps, including evaluation of the other locations discussed earlier in 2018.</li> </ul>	Resolution of Community Room location, policy/guidelines for use
<b>Fiscal Transparency and Accountability</b>	<ul style="list-style-type: none"> <li>Continue/complete fiscal review of past years and provide analysis to Board, as available</li> <li>Review and implement audit functions and support SCSA Auditor on establishing a work plan</li> <li>Implement remaining Harvey M. Rose audit recommendations (currently 70% complete)</li> <li>Review process for ensuring StadCo is compliant with SBL requirements (e.g. season tickets on sale for “temporary” field seats)</li> </ul>	Audit Program for real-time accounting of Non-NFL Events at Levi’s® Stadium and validation of financial information provided for past years.
<b>Marketing Plan for Non-NFL Events</b>	<ul style="list-style-type: none"> <li>Receive Board input and direction toward coming to mutual agreement on the 2019 Marketing Plan</li> <li>Continue working with ManCo, via correction action, if necessary, to revise their draft 2019 Marketing Plan (including KPIs), consistent with their 2018 commitment</li> </ul>	Marketing Plan that includes reasonable details to monitor and track activity to book non-NFL events successfully and in accordance with the goals as described in various agreements and documents
<b>Public Safety Service Model</b>	<ul style="list-style-type: none"> <li>Implement public safety experts’ recommendations and pilot new practices (multi-department actions)</li> </ul>	Provide a safe and family-friendly environment for NFL and Non-NFL events at Levi’s® Stadium, while addressing the impacts to neighborhoods as surfaced in the community research effort
<b>Emergency Operations</b>	<ul style="list-style-type: none"> <li>Review model to determine where appropriate to make updates and/or implement best practices</li> </ul>	Clarify and document roles and responsibilities
<b>Lafayette Overpass at Tasman</b>	<ul style="list-style-type: none"> <li>Evaluate rideshare options (locations, signage, enforcement)</li> <li>Capital project to install fencing on Tasman</li> </ul>	Reduce traffic, neighborhood protection issues on Lafayette

Work Effort	Work Plan	Planned Outcome
<i>Public Safety Service Model Continued</i> <b>Neighborhood Protection</b>	<ul style="list-style-type: none"> <li>Evaluate current deployment, implement changes</li> <li>Present parking permit program to Board for consideration</li> <li>Develop consolidated parking plan for NFL and Non-NFL Events that encompasses all City permitted offsite parking lots</li> <li>Evaluate and improve communication strategies</li> </ul>	<p>Reduce impact of NFL and Non-NFL events at Levi's® Stadium on surrounding neighborhoods with ongoing and predicable protections</p>
<b>San Thomas Aquino Creek Trail</b>	<ul style="list-style-type: none"> <li>By review of other venues with shallow security perimeters and consultation with Homeland Security, evaluate options for keeping trail open during events and/or providing alternate routes if trail is closed</li> </ul>	<p>Creek trail access and/or safe and/or accessible alternate route</p>
<b>SCSA Board Policy Manual</b>	<ul style="list-style-type: none"> <li>Continue to create manual, beginning with Governance and Budget policies</li> <li>Identify areas where policies are appropriate and propose drafts for the Board's approval.</li> <li>Already identified: financial reporting; flags flown at Levi's® Stadium; non-NFL event planning</li> </ul>	<p>Develop additional policies and present to Board for inclusion in manual</p>
<b>SCSA Auditor Annual Audit Work Plan</b>	<ul style="list-style-type: none"> <li>Analyzing the Stadium Authority's review procedures for Non-NFL Events' revenues and provide feedback on procedure and control issues, if any.</li> <li>Reviewing the Stadium Authority Financial Reporting Policy with staff and external auditors and providing feedback on best practices.</li> <li>Reviewing past Construction Fund and Public Safety transactions and providing feedbacks on the allocation of staff charges (contracted service).</li> <li>Annual External Financial Audit for the Stadium Authority (contracted audit service)</li> </ul>	<p>Promote honest, efficient, effective and fully accountable city government through accurate, independent and objective audits.</p>

### **Administrative Work Efforts**

There are several administrative work efforts that directly impact the ability of Stadium Authority staff to complete the above work plan. These are provided as reference:

- Code enforcement: monitor and enforce City Code and various permit conditions for (including but not limited to):
  - Development permit
  - Building permits
  - Offsite parking permits
- CFP National Championship: Post Event financial reconciliation and full event audit
- Community engagement:
  - continue to evaluate and implement various recommendations from statistically valid data collected in 2018
  - continue to improve City's communication efforts through social media and MySantaClara
- Fiscal accountability: continue implementing and monitoring processes, collecting data and conducting audits to improve transparency and accountability
- Harvey M. Rose Compliance Audit: Complete implementation of final third of recommendations (25 or 37 are complete)
- Noise Monitoring: continue monitoring and code enforcement efforts
- Public Safety Costs Threshold: continue to bill 49ers for all actual costs; continue good faith efforts
- Stadium Management Agreement Compliance: monitor and take action to ensure compliance, particularly First Amendment section 3.3
  - Advance communications of potential events
  - Written report for Non-NFL Events



**Stadium Management Company**  
**Annual Public Safety Budget**  
**FY 2019**

	<u>Amount</u>	<u>Footnote</u>
Public Safety Costs - Tenant (NFL Events)	\$ 2,844,798	1
Public Safety Costs - Authority (Non-NFL Events)	\$ 1,723,476	2
Public Safety Capital Expenditures (2019-20 Budget)	\$ 1,257,300	3
Public Safety Capital Expenditure Amortization	\$ 190,923	3
Tenant's Estimated Public Safety Share	\$ 84,855	3
Public Safety Capital Expenditure Amortization (prior years)	\$ 19,139	4

**Footnotes to Schedule:**

- 1 Assumes 10 home games. PSC above the threshold may be paid from the Discretionary Fund per Section 7.5.3 (a). The StadCo budget for 2019-20 is based on projected 2019 PSC for 10 NFL games, based on an estimated 10% hourly rate increase vs. 2018-19 rates.
- 2 The proposed non-NFL event PSC budget is based on the number and type of non-NFL events scheduled/projected for the 2019-20 fiscal year, and an estimated 10% hourly rate increase vs. 2018-19 rates.
- 3 The Stadium Manager has received Public Safety Capital Expenditure requests from the SCSA Finance Director in January 2019 for the 2019-20 fiscal year totaling \$647,300. The Stadium Manager has included permanent changeable street signage previously approved in the Capital Expenditure Plan for 2018-19 for \$1,000,000. This line item will be described in detail in the Proposed Capital Expenditure Plan. Assumes amortization of six months (half year) for 2019-20 for all assets then full year amortization in subsequent years.

**Stadium Public Safety Capital Expenditure Requests**

Equipment¹	Dept.	Depr. Life	FY17/18	FY18/19	FY19/20
Kubota 4x4 gas powered UTV ambulance	Fire	10	\$ 15,922		
Kimtech MTD-103 Advanced (med cart upgrade)	Fire	10		\$ 8,382	
Physio-Contorl LIFEPAK (monitor/defibulator)	Fire	5		\$ 29,187	
ZOLL AutoPulse System (cardiac arrest system)	Fire	5		\$ 28,440	
Kawasaki Pro-FXT LE Black Mule #1	Police	10		\$ 17,209	
Kawasaki Pro-FXT LE Black Mule #2	Police	10		\$ 17,209	
Kawasaki Pro-FXT LE Black Mule #3	Police	10		\$ 17,209	
Handheld Radios	Police	5		\$ 50,980	
Command Post Dispatch System (related to CAD)	Police, IT	5		\$ 179,966	
Portable Changeable Message Boards		15			\$ 1,000,000
CAD Replacement	Police, IT	5		\$ 130,000	
Portable License Plate Reader/PTZ Cameras	Police	5		\$ 160,000	
Motor Vehicle Barriers	Police	5		\$ 100,000	
Diesel Particulate Filter for Stadium Authority Fire Truck	Fire	10			\$ 11,500
APX 8500 Mobile Radio for SA Fire Truck	Fire	10			\$ 7,500
LCD3-3 Chemical Warefare Detector	Fire	10			\$ 14,300
GPS Personnel Tracking Software & Devices	Police	5			\$ 25,000
Body Worn Cameras	Police	5			\$ 150,000
Staff Scheduling Software	Police	5			\$ 40,000
Upfitting Mules purchased in 2018-19	Police	10			\$ 9,000
Radiation Detector	Fire	10			
Upfitting of SA John Deere Gator and Kubota Vehicles	Fire	10			
Cach of Rescue Gear	Fire	10			
<b>Total:</b>			<b>\$ 15,922</b>	<b>\$ 738,582</b>	<b>\$ 1,257,300</b>

**Notes:**

1 Five year Useful Life of Equipment unless otherwise noted.

**Stadium Public Safety Asset Amortization**

Equipment	Placed in Svc Date	Est?	FY 2017/18 Depreciation	FY 2018/19 Depreciation	FY 2019/20 Depreciation
Kubota 4x4 gas powered UTV ambulance	4/1/2018		\$ 0	\$ 1,592	\$ 1,592
Kimtech MTD-103 Advanced (med cart upgrade)	6/1/2018		\$ 0	\$ 699	\$ 838
Physio-Contorl LIFEPAK (monitor/defibulator)	2/1/2019	estimate	\$ 0	\$ 973	\$ 5,837
ZOLL AutoPulse System (cardiac arrest system)	2/1/2019	estimate	\$ 0	\$ 948	\$ 5,688
Kawasaki Pro-FXT LE Black Mule #1	1/7/2019		\$ 0	\$ 430	\$ 1,721
Kawasaki Pro-FXT LE Black Mule #2	1/7/2019		\$ 0	\$ 430	\$ 1,721
Kawasaki Pro-FXT LE Black Mule #3	2/1/2019	estimate	\$ 0	\$ 287	\$ 1,721
Handheld Radios	9/1/2018		\$ 0	\$ 5,948	\$ 10,196
Command Post Dispatch System (related to CAD)	3/15/2019	estimate	\$ 0	\$ 2,999	\$ 35,993
Portable Changeable Message Boards	10/1/2019	estimate	\$ 0	\$ 0	\$ 30,000
CAD Replacement	3/15/2019	estimate	\$ 0	\$ 2,167	\$ 26,000
Portable License Plate Reader/PTZ Cameras	3/15/2019	estimate	\$ 0	\$ 2,667	\$ 32,000
Motor Vehicle Barriers	10/1/2019	estimate	\$ 0	\$ 0	\$ 10,000
Diesel Particulate Filter for Stadium Authority Fire Truck	10/1/2019	estimate	\$ 0	\$ 0	\$ 575
APX 8500 Mobile Radio for SA Fire Truck	10/1/2019	estimate	\$ 0	\$ 0	\$ 375
LCD3-3 Chemical Warefare Detector	10/1/2019	estimate	\$ 0	\$ 0	\$ 715
GPS Personnel Tracking Software & Devices	10/1/2019	estimate	\$ 0	\$ 0	\$ 2,500
Body Worn Cameras	10/1/2019	estimate	\$ 0	\$ 0	\$ 15,000
Staff Scheduling Software	10/1/2019	estimate	\$ 0	\$ 0	\$ 4,000
Upfitting Mules purchased in 2018-19	10/1/2019	estimate	\$ 0	\$ 0	\$ 450
Radiation Detector	10/1/2019	estimate	\$ 0	\$ 0	\$ 2,100
Upfitting of SA John Deere Gator and Kubota Vehicles	10/1/2019	estimate	\$ 0	\$ 0	\$ 450
Cach of Rescue Gear	10/1/2019	estimate	\$ 0	\$ 0	\$ 1,450
<b>Total:</b>			<b>\$ 0</b>	<b>\$ 19,139</b>	<b>\$ 190,923</b>

Events w/Attendance >20k	FY17/18	FY18/19	FY19/20
NFL (StadCo) Events	10	10	10
SCSA Events	8	9	8
Total Events	18	19	18

StadCo Allocation	56%	53%	56%
SCSA Allocation	44%	47%	44%

StadCo Amortization	\$ 0	\$ 10,073	\$ 106,068
SCSA Amortization	\$ 0	\$ 9,066	\$ 84,855





## Stadium Authority Individual Board Member Priorities

On January 31 and February 1, 2019, the Santa Clara City Council held two full-day sessions to review the state of the organization, advancements of policy priorities, and key data that provide direction on managing the City going forward. Following these [Overview of City Council Operational and Strategic Priority Setting Sessions](#), Board Members provided feedback to staff on their priorities for the organization.

The feedback received from individual Board Members related to Levi's® Stadium is consistent with the proposed Stadium Authority FY 2019/20 Work Plan. Below is a compilation of the Stadium Authority priorities received from individual Board Members, and the corresponding Work Plan item(s).

Individual Board Member Priority	Requested by	Corresponding FY 2019/20 Work Plan Item(s)
Improved relationship with 49ers	Chahal	All work plan items: the Board is responsible to the public entity, SCSA, and its mission and provides direction that staff implements.
Stop non-NFL events that operate at a loss	Chahal	<ul style="list-style-type: none"><li>• Fiscal Transparency &amp; Accountability</li><li>• Marketing Plan for Non-NFL Events</li><li>• SCSA Auditor Annual Audit Work Plan</li><li>• Stadium Management Agreement</li></ul> Compliance: monitor and take action to ensure compliance, particularly First Amendment section 3.3 (Administrative Work Effort)
Ongoing and predictable protections for residents and businesses in the area of Levi's Stadium with higher level of enforcement, including parking solutions	Gillmor Watanabe	Public Safety Service Model (Overall Model; Emergency Operations; Lafayette Overpass at Tasman; Neighborhood Protection)
Police Staffing Capacity related to Levi's Stadium	Hardy	Public Safety Service Model (Overall Model; Emergency Operations; Lafayette Overpass at Tasman; Neighborhood Protection)  Note: Council recently updated the Per Diem Special Event Police Officers ("Double Badge") hourly salary rate, with staff administering additional recruitment.
Access to San Tomas Aquino/Saratoga Creek Bike Trail	Chahal Hardy Davis	San Thomas Aquino Creek Trail

# Stadium Authority Compliance and Management Policy

This policy sets the framework for compliance of the mandates of The Santa Clara Stadium Taxpayer Protection and Economic Progress Act (Measure J), passed by the voters of the City of Santa Clara in June 2010 and the management of Levi's Stadium (Stadium). Measure J was the legislation that approved the development on City-owned land of a Stadium suitable for the exhibition of professional football games and other event subjects, however, to the binding requirements set forth in Measure J to safeguard the City's General and Enterprise Fund and protect City taxpayers. Measure J was enacted for the following purposes:

1. Generate New Revenue for Santa Clara
2. Create New Jobs
3. Provide Taxpayer Protections
4. Generate Community Funding

To ensure that Levi's Stadium (Stadium) operates within the boundaries of Measure J and that the Stadium is managed effectively, the Stadium Authority Board (Board) established the following Board priority in January 2017:

- Ensure Compliance with Measure J and Manage Levi's Stadium

The Board is committed to complying with the regulations of Measure J and governance of the Stadium Authority and its activities through the below framework:

- Oversight – effective management of the Stadium
- Commitment – to the citizens of Santa Clara to protect the community and safeguard the City's General Fund
- Compliance – with Measure J and various Stadium agreements
- Transparency – to provide information required for decision making
- Communication – to keep the public informed of issues related to the Stadium
- Adequate Resources – to maintain the necessary resources, including staffing, to effectively manage the Stadium
- Enforcement – to require that Stadium contracts and agreements are accurately followed
- Monitoring – perform compliance and financial audits by both internal and external auditors
- Corrective Action – audit report of all findings which will require a written response to any non-compliant finding

Stadium Authority Board decisions must be aligned to the voter approved Measure J legislation and evaluation of this initiative must be reviewed against the purpose for which Measure J was established. The intent of the above framework is to provide transparency of conventional activities that the Stadium Authority will engage in to ensure Measure J compliance.

## Agenda Report

19-084

Agenda Date: 3/19/2019

### REPORT TO STADIUM AUTHORITY BOARD

#### SUBJECT

Study Session: Discussion of the Draft 2019 Non-NFL Events Marketing Plan for Levi's® Stadium in accordance with Section 4.10 of the Stadium Management Agreement

#### BACKGROUND

Per Section 7.2 of the Amended and Restated Stadium Lease (Lease) by and between the Santa Clara Stadium Authority (Stadium Authority) and Forty Niners SC Stadium Company (StadCo), the Stadium Manager shall be 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 shall be presented annually to the Stadium Authority and StadCo for their consideration and approval. These components of the SOMP are presented to the Stadium Authority Board (Board) as part of the annual Stadium Authority Proposed Operating, Debt Service, and Capital Budget. Prior to March 30 of each year, the Board reviews and provides feedback during a Study Session, and then considers adoption during a Public Hearing. On March 27, 2019, the Board will consider approval of the Fiscal Year 2019/20 Stadium Authority Proposed Operating, Debt Service, and Capital Budget.

Additionally, the Stadium Management Agreement (Management Agreement) between the Stadium Authority and Forty Niners Stadium Management Company, LCC (ManagementCo), requires ManagementCo to develop a Marketing Plan for Non-NFL events for inclusion in the SOMP:

**4.10 Marketing Plan.** Until the exercise of any Non-NFL Event Replacement Right, the Stadium Operation and Maintenance Plan shall include a marketing plan setting forth in reasonable detail the Stadium Manager's plans to develop, implement and monitor marketing, booking, advertising and promotion of Non-NFL Events for the Stadium, ***which marketing plan shall be mutually agreed upon by the Stadium Manager and the Stadium Authority*** (the "Marketing Plan"). If the Stadium Authority exercises the Non-NFL Event Replacement Right, the Stadium Authority and the Stadium Manager will develop a similar plan with the third-party provider.

In prior years, the Marketing Plan was reviewed in the form of a slide deck presentation at the time the Stadium Authority budget was considered for approval, which provided the Board and ManagementCo little opportunity to discuss and deliberate strategically on its components. When Harvey M. Rose Associates, LLC (Auditor) performed an audit of Stadium operations to ensure compliance with the 2010 voter approved Measure J, they found (Finding 1.L):

The Management Agreement's requirement that "reasonably detailed" annual marketing plans, produced by ManagementCo and setting forth their plans to develop, implement, and monitor marketing, booking, advertising, and promotion of non-NFL events for the Stadium, was not met as such plans were not provided to the Stadium Authority for FYs 2014-15 and 2015-16.

The Board agreed with this audit finding and expressed concern for the absence of strategic detail and the need for an improved Marketing Plan. Beginning with the current fiscal year, FY 2018/19 (April 1, 2018 -March 30, 2019), Stadium Authority staff proposed that the Board and ManagementCo review the draft Marketing Plan in a Study Session prior to approving the SOMP at a subsequent Board Meeting.

Stadium Authority staff and ManagementCo mutually agreed and collaboratively presented the draft 2018 Non-NFL Events Marketing & Business Plan (2018 Marketing Plan) to the Board during a Study Session on March 13, 2018. The report to the Board noted the improvements in the draft 2018 Marketing Plan from previous years, and provided data to show how the improved draft Marketing Plan is responsive to the Auditor's recommendation (1.L):

The Stadium Authority Board should direct the Executive Director to notify ManagementCo that previous annual marketing plans were inadequate as they did not set forth reasonably detailed plans to develop, implement, and monitor marketing, booking, advertising, and promotion of non-NFL activities. The Board should further direct the Executive Director to notify ManagementCo that future marketing plans must include such details and be reviewed for sufficient detail by the Executive Director before being presented to the Board.

Various discussions were held between both parties from December 2017 through March 2018 on the above audit recommendation and approaches to mutually approve the Marketing Plan. As a result of those discussions, ManagementCo agreed to draft, and Stadium Authority staff agreed to support the effort to establish, key performance indicators (KPIs) during the first quarter of FY 2018/19 to evaluate the effectiveness of the Marketing Plan, as well as inform the decision making process for the next Marketing Plan. Noting that that the strategic initiatives proposed provide a solid foundation to improve the use of data analytics/metrics for desired performance outcomes, the March 13, 2018 presentation of the draft 2018 Marketing Plan included the intent to provide an informational report updating the Board of the proposed metrics status/completion in the second quarter of FY 2018/19 (July - September 2018). That effort was not completed within the targeted timeline suggested to the Board and both parties spent time working toward the completion of these key performance indicators through December 2018.

During the [Santa Clara Stadium Authority Annual Report to the Board <http://santaclaraca.gov/home/showdocument?id=62194>](http://santaclaraca.gov/home/showdocument?id=62194) on November 27, 2018, the Executive Director reported that efforts to work with ManagementCo to develop meaningful, useful and sustainable KPIs had not been completed, as agreed to during the March 13, 2018 Study Session for advanced review of both the marketing plan and proposed budget approval process. The Annual Report included documentation of Stadium Authority staff efforts throughout the year to advance this work, including providing everything from reporting categories to a reporting template to ManagementCo.

## **DISCUSSION**

ManagementCo provided the draft 2019 Non-NFL Events Marketing Plan (2019 Marketing Plan) on January 29, 2019 (Attachment 1). As Stadium Authority staff began review of the draft 2019 Marketing Plan, it became clear that it does not incorporate the many discussions Stadium Authority staff and ManagementCo had over the past year on this topic, and does not incorporate Board direction from last March 2018 to include KPIs. In fact, none of the KPI templates that were prepared

for inclusion are proposed for the 2019 Marketing Plan.

On February 7, 2019, Stadium Authority staff provided this feedback to ManagementCo and asked if they would revise and resubmit their draft 2019 Marketing Plan. On February 8, 2019 ManagementCo replied, "We believe the draft Marketing Plan is in full compliance with the requirements of the Management Agreement".

On February 15, 2019 the Executive Director provided a detailed response to ManagementCo to reasonably demonstrate that the draft 2019 Marketing Plan was missing basic and/or standard information that would be important to include in any marketing plan, as well as missing information that ManagementCo had agreed to complete for the past year. Therefore, staff cannot recommend that the Board approve the 2019 Marketing Plan in its current state; rather, the Board should direct the Stadium Authority staff to work with ManagementCo to complete its commitments from last year and reach mutual agreement on the items raised this year for inclusion in the 2019 Marketing Plan. Stadium Authority staff sent an additional inquiry to ManagementCo on March 12 to understand their position and communicate it to the Board, since this matter has not been resolved timely. On March 13, ManagementCo responded as detailed at the end of the Discussion section of this report.

Stadium Authority staff's issues with the draft Marketing Plan are as follows:

#### **Data and Key Performance Indicators**

As it is standard for any strategic marketing plan, and mutually agreed to last year, ManagementCo was to include in each section metrics and supporting data to measure past performance and inform goals for 2019. Following the March 13, 2018 Study Session, Stadium Authority staff had numerous meetings and communications with ManagementCo regarding the development of KPIs, documented in the Executive Director's October 4, 2018 letter to ManagementCo (see [Santa Clara Stadium Authority Annual Report to the Board <http://santaclaraca.gov/home/showdocument?id=62194>](http://santaclaraca.gov/home/showdocument?id=62194), page 5 and Attachment 5). As recently as December 14, 2018, when Stadium Authority staff and ManagementCo met to discuss KPIs, ManagementCo stated that KPIs would be included in the draft Plan. ManagementCo again repeated and confirmed inclusion of KPIs during the January 17, 2019 Quarterly Status Meeting, attended by staff from both the Stadium Authority and ManagementCo.

While the draft Plan includes some data, the data does not show the outcome of strategic efforts, how success is measured, or how it informs the draft 2019 Marketing Plan activities. The KPI work that was completed is a good start for producing qualitative and quantitative data regarding the marketing and booking activity and the success of it. As an example, there are several sections with no data provided to quantify past or planned efforts:

**Example: page 4, Increased attendance at industry events & participation in strategic partnerships.** The paragraph includes language such as "amplify our brand", "invest in strategic partnerships that will provide us with additional exposure to local businesses, associations and planners", "continue to evaluate these partnerships and the ROI based on leads generated from each event and the overall impact to brand awareness," but there is no data provided to quantify the effort or demonstrate how implementation of strategies are measured, and the failure or success of them. This information is useful for determining financial investment, changes to strategy, and where to focus limited resources for booking non-NFL events at the Stadium.

**Example: page 14, 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 venue to capture 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.** The Stadium Authority does not regularly receive reports from these tools or dashboards to meaningfully track trends and make informed decisions. Further, there is no data regularly provided to demonstrate how “applying dynamic ticket pricing” is successful, or what additional revenue has been realized as a result of the practice. The use of dynamic ticketing pricing should be of particular concern to the Board given that ManagementCo is charged with booking, and executing the required contracts, non-NFL events at the Stadium. Since ManagementCo negotiates and executes promoter contracts for these events and, to our understanding, has allowed for the inclusion of a provision that allows for the promoter without limitation to price tickets at \$0, including \$0 for the ticket surcharge, it is reasonable for the Stadium Authority to track and be informed with how this feature results in financial gain or loss to the Stadium Authority. ManagementCo may argue its position that this is a standard practice in the industry and, while the Stadium Authority is fully aware of the practice, it is reasonable for the Stadium Authority to understand the financial impact of this practice for the purpose of informed decision making.

**Example: page 15, 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.** While ManagementCo affirmatively makes this statement, it is reasonable to believe that it is based on some sort of data tied to revenue. The record already has demonstrated that ManagementCo entered into at least one multi-year agreement that did not produce revenue, and in fact came at a multi-million annual loss to the Stadium Authority, so it is reasonable for the Stadium Authority to desire to track this information and be concerned with Marketing Plan strategies that ManagementCo may pursue at a multi-million dollar loss for multiple years. To the extent that that ManagementCo has entered into multi-year revenue generating events, there should be clear data, and a willingness to share it with the Stadium Authority to collaboratively work toward strategies that support these efforts. This presents an example of where additional information about strategic efforts, and financial outcomes, are worthy of tracking data and measurable outcomes.

In sum, ManagementCo needs to include for each section meaningful KPIs that provide enough statistical information to evaluate and measure the effectiveness of the 2018 Marketing Plan and/or inform the decision making process over time and, specifically, for the 2019 marketing activities, as ManagementCo agreed to do this past year.

### **Addressing Required Events under the Naming Rights Agreement**

Since October 2017, ManagementCo has expressed concern that the agreed upon condition regarding event end times (the Development Permit condition aka “curfew”) is impacting the ability to



book events, and the risk of not being in compliance with the Naming Rights Agreement between the Stadium Authority and Levi Strauss & Co. (Naming Rights Agreement).

The Naming Rights Agreement requires the Stadium Authority to hold at least 36 “Major Events” (with 25,000+ attendees) every three contract years. As of this report, the current number of large events held at the Stadium during the current three year period is fourteen (14), with one year remaining. If fewer than 36 major events are held in the three-year period, the Naming Rights Sponsor (Levi Strauss & Co.) receives a credit of \$15,000 multiplied by the difference between 36 and the actual number of events held during the three year period. The Second Amendment to the Stadium Management Agreement states that ManagementCo would pay the Stadium Authority as liquidated damages the amount owed by the Stadium Authority to the Naming Rights Sponsor.

Given the threshold metrics in the Naming Rights Agreement, the Stadium Authority is being completely reasonable to request inclusion in the draft 2019 Marketing Plan narrative, at minimum, that includes this basic information:

- How many Major Events need to be held during this period,
- How many events are confirmed to meet this obligation,
- How many Major Events need to be pursued to book the number that need to be held; and
- Specific plans to ensure success.

Considering the financial impact of the Naming Rights Agreement, this should be a major driver/theme of the draft 2019 Marketing Plan; however, the draft Plan was completely silent on this topic.

### **Non-NFL Revenues and Expenses**

The FY 2018/19 non-NFL revenues and expenses submitted by ManagementCo estimate net revenues of \$750,000, or approximately 80% lower than prior projections and production, but the draft 2019 Marketing Plan does not even acknowledge the significant net revenue reduction or address strategies of how such a reduction can be mitigated.

In fact, much of the language in the draft 2019 Marketing Plan refers to a favorable booking and revenue environment. For example, the Executive Summary of the draft 2019 Marketing Plan purports that “Levi’s® Stadium’s non-NFL events business continues to generate revenue for the Stadium Authority while successfully bringing new shows and events to Santa Clara.” It is more important and effective for the draft 2019 Marketing Plan to acknowledge the actual context and remedy the projected net non-NFL revenue reduction, and provide the data to substantiate this trend, rather than include a general statement regarding successes.

### **Free Tickets or other Promotions/Giveaways**

Following inquiries from the Board, Stadium Authority staff and ManagementCo discussed in December and January what ManagementCo refers to as the common practice of “papering the house” with free tickets. Per a December 27, 2018 email from ManagementCo, “comp’ed” tickets are distributed for nearly every event that happens at Levi’s® Stadium and every other entertainment venue in the country. However, there is no mention in the draft 2019 Marketing Plan of how this practice is used and the favorable strategic results it achieves, such as to (1) attract other events, (2) increase Stadium Authority revenue, or (3) how Stadium Authority is compensated for lost revenue

and/or increased public safety costs.

It is reasonable for the Stadium Authority to be concerned about the practice of “papering the house” because each of these “comp’ed” tickets represents a direct financial loss to the Stadium Authority. Moreover, the practice results in substantial reduction in revenue for large-attendance at non-NFL events (as was the case for the Taylor Swift concert which was widely covered in the media by inquiries of the public purpose of giving a high number of Oakland officials free tickets and, subsequently, the strategic or financial benefit to Levi’s® Stadium that requires the same expenditures as large events with similar numbers of fully paid tickets), resulting in an overall lower Return on Investment (ROI) for the events. The Board identified this trend in December 2018, when it asked about the 29,000 paid tickets for the Friday concert vs. the nearly 50,000 paid tickets for the Saturday concert, and the public safety costs being near equal for both nights. This was the result of employing this “papering the house” strategy. Separate from this practice, the ManagementCo also gets an allocation of tickets for its targeted distribution at a direct loss to the Stadium Authority. Accordingly, it is reasonable for the Stadium Authority to understand this practice from a marketing strategy and the positive financial outcomes for the Stadium Authority.

There may be other promotions and/or giveaways that are common practice, but Stadium Authority has not been informed of them by ManagementCo. The draft 2019 Marketing Plan should elaborate on giveaways in detail and the strategies being employed to advance favorable revenue conditions and overall success for the Stadium Authority. Over time, with data, the Stadium Authority and ManagementCo have the benefit of tracking the financial consequences and can make informed decisions in the future. The Stadium Authority is reasonable in seeking data about this practice as it has direct financial consequences and, at the core, it is directly related to how the ManagementCo books events and executes the contracts for them.

**Example:** When Stadium Authority staff inquired about a 2018 concert where tickets sold < attendance by ~ 20,000, ManagementCo replied it was common practice. The response did not provide an explanation of how Stadium Authority was compensated for lost ticket surcharge revenue and/or public safety costs. The 2019 Marketing Plan needs to explain and address this practice, and its value to the Stadium Authority, particularly since the Board has specifically asked about its impact on the Stadium Authority revenues. ManagementCo argues that it is not giving away these tickets, rather it is the promoter, but ultimately it is ManagementCo that negotiates and executes these agreements for the non-NFL events and can influence either the limitation of this use or on which events to employ this provision - with giving advanced notice to the Stadium Authority to financially plan for such losses.

When Stadium Authority staff provided feedback on the draft 2019 Marketing Plan to ManagementCo, their February 20, 2019 response stated that Stadium Authority staff appeared to be confused over the appropriate information to be included in the Marketing Plan. ManagementCo further stated they would prioritize the budget work over the Marketing Plan and, in the meantime, will continue to negotiate and book Non-NFL Events at Levi’s® Stadium in accordance with the Management Agreement.

On March 12, 2019, the Stadium Authority staff responded to ManagementCo to further explain its position, and affirm that Stadium Authority staff was not confused about the Marketing Plan’s content

and details. Stadium Authority staff's position is that the draft 2019 Marketing Plan submitted by ManagementCo does not contain the reasonable detail required by the Stadium Management Agreement and, therefore, Stadium Authority staff does not agree to the 2019 Marketing Plan. When the SOMP is presented to the Board for approval on March 27, the recommendation will include a request to not approve the Marketing Plan, and, if needed, to direct staff to pursue correction action, in accordance with section 3.3.1 of the Stadium Management Agreement to, which states, in part:

**If the Stadium Manager has, in the reasonable judgment of the Stadium Authority, materially failed to implement the provisions of the Marketing Plan so as to materially and adversely affect the marketing, promotion and booking of Non-NFL Events and/or Net Income from Non-NFL Events, the Stadium Authority may provide the Stadium Manager with written notice of such fact, with a copy to StadCo.**

The Management Agreement specifically provides that the marketing plan will include information in reasonable detail, as mutually agreed upon by Stadium Manager and Stadium Authority. ManagementCo's submitted draft was not mutually agreed upon by the Executive Director, given the Board's discussion last year regarding KPIs. Additionally, given the above discussion relative to the Naming Rights Agreement and the Executive Director's request to include reference to the Naming Rights Agreement and strategies to achieve compliance, which were denied during development of the draft, it is the Executive Director's position that the proposed draft Marketing Plan does not include reasonable details that a Marketing Plan should contain, and that were committed to (e.g., KPIs) by ManagementCo last year, to monitor and track activity to book non-NFL events successfully and in accordance with the goals as described in various agreements and documents.

As such, while the Executive Director will recommend approval of other portions of the SOMP during the Study Session on the proposed budget, approval of the draft 2019 Marketing Plan is not recommended given the absence of key information that is pertinent to compliance with existing agreements (e.g., Naming Rights Agreement), commitments (e.g., KPIs), and good faith efforts to achieve mutual agreement. ManagementCo refused to engage in past commitments and areas of interest for the Stadium Authority and, instead, abandoned this work for which it is required to complete in good faith.

Stadium Authority staff sent an email on March 12, 2019 to confirm the position of the ManagementCo so that it could accurately advise the Board. On March 13, ManagementCo responded stating, "We are not refusing to make any changes, nor are we planning to submit a revised draft at this time. Based on Item 5 in your email dated 2/15/19 (below), we are (still) awaiting your: "... separate table or document that lists our other concerns and questions, by page and section." My suggestion is to collect any Board input you deem appropriate on this matter and then please send us your detailed comments on the Marketing Plan, incorporating comments from your Board. Upon receipt, ManCo will consider those comments, and potentially send you a revised draft."

SCSA staff will provide detailed comments to ManagementCo and expects the ManagementCo to incorporate the Board's comments in a revised Marketing Plan.

## **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.

**FISCAL IMPACT**

There is no cost to the Stadium Authority other than administrative staff time and expense. The effectiveness of the Marketing Plan to market and book Non-NFL Events at Levi's® Stadium has a direct impact on the amount of Stadium Authority revenue, and the amount paid to the City's General Fund.

**COORDINATION**

This report has been coordinated with the Stadium Authority Counsel's Office.

**PUBLIC CONTACT**

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) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

Review and provide input on the draft 2019 Non-NFL Events Marketing Plan as prepared by the Forty Niners Stadium Management Company, LCC (ManagementCo).

Reviewed by: Walter C. Rossmann, Chief Operating Officer

Approved by: Deanna J. Santana, Executive Director

**ATTACHMENTS**

1. Draft 2019 Non-NFL Events Marketing Plan



# **2019 Non-NFL Events Marketing Plan**

*January, 29<sup>th</sup> 2019*

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## Executive Summary

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Levi's® Stadium's non-NFL events business continues to generate revenue for the Stadium Authority while successfully bringing new shows and events to Santa Clara. Additionally, the local hotels and businesses benefit from the large number of people who travel to Santa Clara from all over the state and country to attend these events. 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 2019 on business development, continued guest satisfaction, and building the Levi's® Stadium brand as a global entertainment venue. To achieve these objectives, our strategy and approach to guest communication and engagement requires us to adapt 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:

- Sourcing new events and relationships through active involvement in local and national organizations
- Leveraging historical event data to market Levi's® Stadium's comparative advantages to the most relevant industries and organizations
- Creating engaging and informational sales collateral to educate new clients and spark interest in the marketplace
- Utilizing a CRM platform to update the way we manage sales leads and measure ROI on sales initiatives and marketing campaigns

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 revenue and community engagement.

### 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. 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

### Looking back:

In the 2018 calendar year, the Levi's Stadium Special Events sales team booked 106 special events resulting in over 40,000 event guests visiting the stadium. Of the 106 special events booked, 9 events consisted of 1,000+ attendees and 38 of the 110 events occurred in the months of October and December. The holiday season is consistently a busy time for the stadium and this season was no exception. The sales team booked 22 holiday parties and meetings within the timespan of two and half weeks, all while maneuvering the NFL schedule and college football games. In one weekend alone, the stadium hosted four parties on a Friday night, two parties on a Saturday night for over 3,000 guests and then hosted an NFL football game that Sunday at 1pm. It was no doubt one of our busiest weekends and we were able to successfully execute all events while also securing repeat business for the 2019 holiday season.



### 2018 Key Wins/Strengths

#### 1. New concessionaire

In March 2018, Levy began operating as the new concessionaire and caterer at Levi's Stadium which created an exciting opportunity for the Special Events team. About 50-60% of a private event is typically spent on food and beverage so the caterer is a large part of what makes the event a success. Although food and beverage is not always the top priority for our clients, it's typically what guests remember most, for better or worse. The introduction of a new catering partner provided us with an opportunity to start fresh and work with the staff and Executive Chef to create menus and concepts that are popular with clients. We have been encouraged by Levy's innovative mindset and willingness to think beyond standard banquet menus to provide a truly memorable culinary experience. We feel the addition of a new caterer will be a major opportunity as we work to bring in new clients and events.



## 2. Increased attendance at industry events & participation in strategic partnerships

One of our 2018 initiatives was to amplify our brand in the marketplace and we were able to accomplish that initiative through industry sponsorships and networking events. Over the past year, the Special Events Sales team was tasked with attending monthly events in the Bay Area and traveling to national conferences. Although every event may not result in a lead, each event provides an opportunity to connect with companies and organizations that host events and understand what they are looking for in a venue. The time between meeting a prospect and booking their event could be months or even years, so it's important that we build strong relationships with our clients and maintain them through consistent sales calls and events. In addition to meeting clients, the events are also a great way to promote our brand and build trust within the community which can lead to referrals.

In addition to events, we have made it a priority to invest in strategic partnerships that will provide us with additional exposure to local businesses, associations and planners. These include the Silicon Valley Business Journal, SF Travel, Professional Convention Management Association, Meeting Professionals International and the Admin Awards. We have selected these organizations based on their list of members & attendees, style of events and added partner benefits. We will continue to evaluate these partnerships and the ROI based on leads generated from each event and the overall impact to brand awareness.



## 3. Continued success with high client satisfaction ratings

Over the past year, 74 of our clients have completed a post-event survey, otherwise known as an In-Depth-Interview or IDI. The survey covers each step in the event process, from sales to planning to event execution and billing. Clients are asked a series of questions about their experience working with the stadium event staff and then asked to rank their experience 1-5, 1 being a low score and 5 being a high score. Of the 74 surveys received, 90% of clients gave the event experience an overall score of 4 or above. Additionally, the following categories received an average score of 4.5 or above: Event Booking (4.75), Event Planning (4.5), Event Execution (4.7) & Overall Score (4.6).

## Learnings

### **Learning how to market and sell the stadium after 5 years in operation and new venues opening around the Bay Area.**

During the first couple years in operation, Levi's Stadium created quite a buzz amongst local corporations, associations and social groups looking to host their event in a unique location. Like most organizations in the Bay Area, our clients are constantly seeking out new and exciting event venues to provide their attendees with one of kind experiences. Whether it be a sports venue, museum, historic building, warehouse space or some other unique location, companies are moving beyond hotels and convention centers and looking into venues that will flip the script on the standard ballroom experience. Although Levi's Stadium has quickly become a favorite destination for Special Events, we understand newer venues might become exciting for clients in the short term so we must continue to evolve.

Since opening our doors we have had the privilege to host almost every type of special event and with each event we host, we learn more about our clients and how best to activate the stadium. We have been able to use feedback and statistics from past events to really understand what clients are looking for and how Levi's Stadium can add value to an event experience. Information from past events can be used to drive new business by creating templates for each space, considering successful room layouts, AV setups and unique activations (i.e. signage opportunities.) We also consider client feedback from post-event survey results and internal event recaps while building proposals for future events.

As we look to the future, we must first understand the changing landscape around us and what newer venues are bringing to the table. Levi's Stadium provides an experience and backdrop unlike any other in the Bay Area, which is why we subscribe to the belief that we do not need to compete with other venues. However, we must continue to evolve if we plan to grow the Special Event business and remain competitive with our neighboring venues. This evolution includes adapting to new event trends, updating event spaces through décor and technology, and creating new experience packages to add value for clients. We can achieve this through attending industry events and conferences, visiting other venues and not only surveying clients but putting their feedback into action. It goes without saying that Silicon Valley is the heart of global technology and innovation which puts Levi's Stadium in the spotlight when it comes to innovative venues.

### **Learnings In-Review:**





## Business Updates:

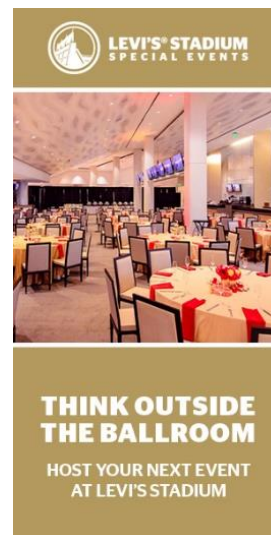
### 1. Adding resources

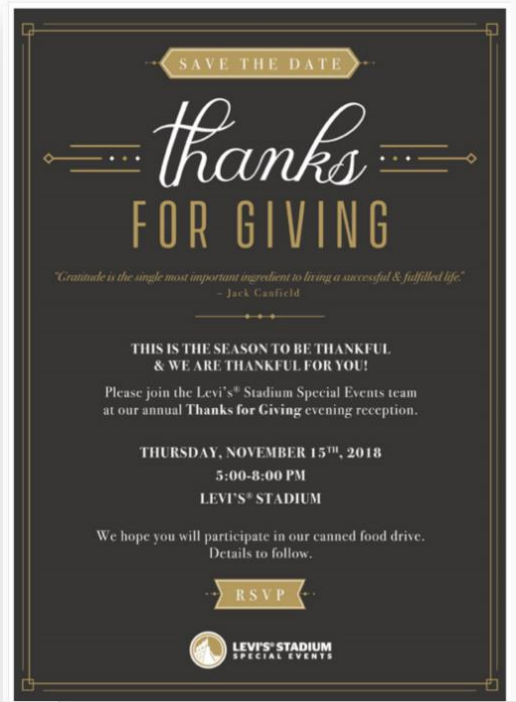
In May 2018, the Special Events team hired a Manager to oversee the Sales Team and business development. The purpose of this role is to encourage outbound sales, source strategic partnership opportunities and manage the daily productivity of the sales team including sales calls, site visits and contract negotiations. While we continue to have daily inbound calls and e-mails, it's equally as important to prospect new opportunities and spread brand awareness through active involvement in the local and national marketplace. This position enables the team to grow and helps to build a sustainable model that will bring in new business for years to come.

### 2. Amplify the venue's brand in the marketplace

In 2018, we launched the Levi's Stadium Special Events logo under the Levi's Stadium brand. The goal was to create a brand strictly dedicated to Special Events at Levi's Stadium that could be used for marketing, collateral and sponsorships at industry events. The Special Events business is unique when compared to the Major Events business and this brand provides the sales team with a platform to tell our story. As other sports and entertainment venues begin to understand the value of a Special Events department, many are moving in a similar direction. Since the launch of our logo in 2018, we have fully transitioned to only using the Levi's Stadium Special Events logo when selling and marketing private events. We had initial concerns that it would take some time for clients to recognize the new logo, but that was not the case. Thanks to great design work and clear communication, we experienced a nearly seamless transition and we have received positive reviews of the new logo. Below are some samples of how the logo has been used over the past year:

### Web Ads:



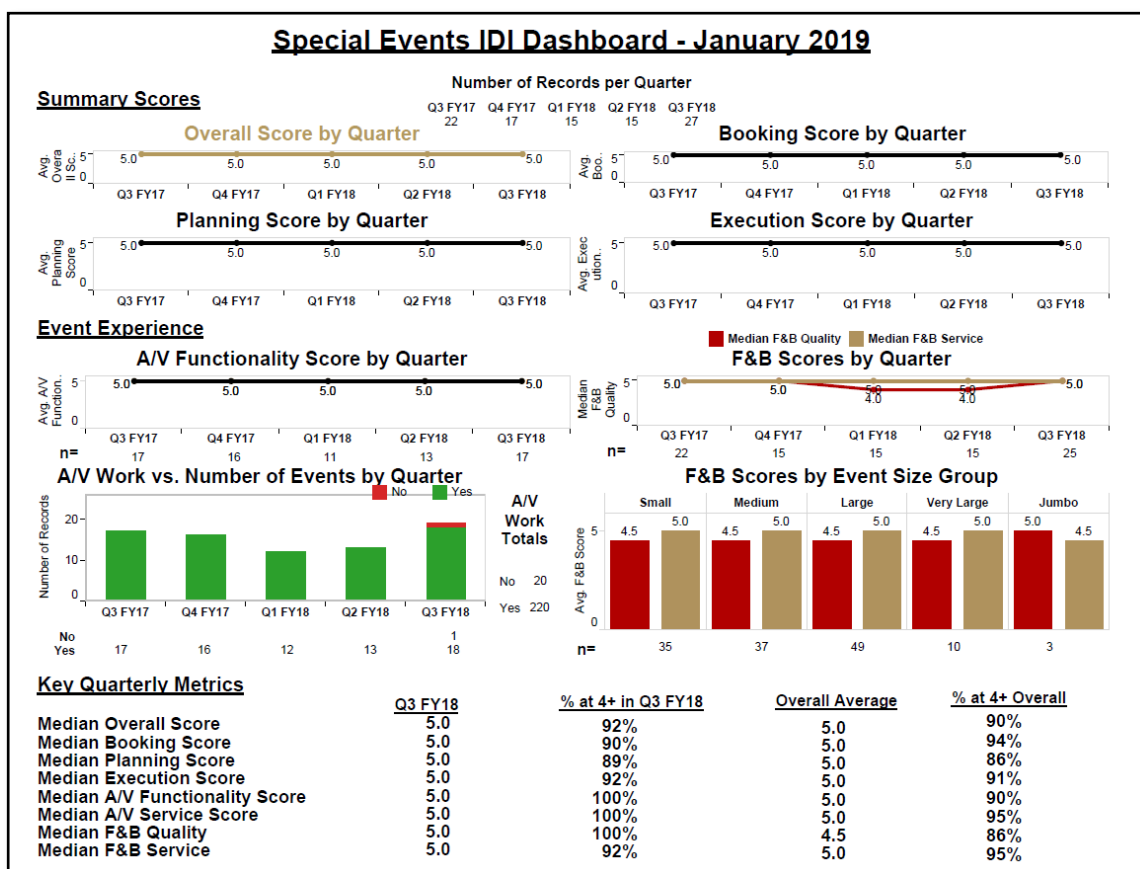
**Client/Prospecting Events:**

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

We continue to make 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.

Client feedback is paramount to our business and has become one of the most important tools in measuring success and understanding our clients. These surveys are a key indicator of our ability to successfully sell, plan and operate an event, based on our client's goals and objectives. The number of leads generated by a particular marketing campaign is irrelevant if we are not able to properly execute an event and keep our clients satisfied. Having the ability to survey our clients immediately after an event provides a unique opportunity to gather real-time feedback, which might otherwise be lost or distorted with the passing of time. As shown in the chart below, 74 clients completed an IDI survey for the 2018 calendar year. The results will show that we consistently score high on event booking, event planning, event execution and AV functionality. We did receive lower than average scores on F&B during Q1 and Q2 which was attributed to the catering transition between our previous concessionaire and our current partner, Levy. We were pleased to see that F&B scores increased during Q3 and we look forward to continued success with Levy as we build out custom menus and F&B experiences for clients.





We use the feedback collected from IDIs along with successful event templates to target new clients and event opportunities. For example, if we receive great feedback from a client that hosted a conference in certain event spaces, we will use that template to build out new proposal for future clients. Although every event is slightly different from the next, we can provide a roadmap for clients to navigate the stadium and understand how their event might fit into such a unique space.

#### 4. 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 an 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.

Over the past year, we have focused our efforts on sourcing strategic partnerships and building strong relationships with businesses and organizations around the Bay Area. As with most event venues, our first step was to lean on our local CVB to understand their pipeline and how we might be able to encourage large conferences and private events to come to Santa Clara. As the status of the Santa Clara CVB changed throughout the year, we began to work with other local organizations to continue to promote Santa Clara as a destination for Special Events. We have continued our partnership with SF Travel which includes print and online ad opportunities as well as speaking opportunities at events. We have also discussed ways to partner with SF Travel at national events to help promote the greater Bay Area as an event destination.

Another organization we have partnered with is the Silicon Valley Business Journal. Through this partnership we have been able to promote the Levi's Stadium Special Events brand both online and at Business Journal events. These events include the C-Suite Awards, the Corporate Philanthropy Awards and most recently, the Book of Lists event. Although we have experienced interest from businesses and associations at these events, we understand that many of these relationships will be long term and the ROI might be most evident in brand awareness and referrals.



## Looking Forward:

This year, we are not only focused on how to sustain the Special Events business but also how to ensure it thrives for years to come. As we embark on our fifth year in operation, we have a solid base of data and experience that we can use to drive decision making. However, we must also look outwards to other venues and industry professionals to continue to educate ourselves. Our industry is built on relationships and reputation so we must be proactive in our approach to networking and find new opportunities to grow our business.

As we continue to “think big” and work to build a foundation for a thriving business, we will focus on three key initiatives this year:

### **1. Active involvement at local and national sales conferences to build brand awareness and bring national events to Santa Clara.**

A majority of our market research is conducted through attending local and national tradeshows, meeting with planners and Destination Management Companies (DMCs) and visiting other venues to compare best practices. Although there are many factors that can drive the decision making process for clients, there are common themes that arise each year related to event venues. The top priorities are typically: budget, location, room capabilities/flexibility, unique setting and responsiveness of staff. With this information we can focus on what makes Levi's Stadium valuable to prospective clients and what sets us apart from other venues in the area.

We currently focus our outbound sales efforts within the Silicon Valley region, given that most of our clients are located within 20 miles of the stadium. We then expand to the greater Bay Area, attending events in San Francisco and the East Bay and even Sacramento as clients are typically willing to invest in transportation for a unique venue experience. Finally, we look to regional and national conferences which provide us with exposure to national brands and traveling shows.

A new initiative for 2019 is to have a stronger presence at national sales conferences and tradeshows to spread brand awareness outside of our local marketplace. We are consistently learning of new clients and industries we have not yet had the opportunity to work with attending events is a great way to meet prospects. Without a CVB to partner with currently, we will look to other partnership opportunities to provide national exposure for not only Levi's Stadium but the Santa Clara region. As we continue to maintain strong relationships in the Bay Area, it's imperative that we also look to the national conferences for opportunities to host larger events and build our reputation.

Below are a few examples of the industry events we have attended over the past year and some we hope to attend in 2019:

#### **Silicon Valley events**

- All Things Meetings
- Silicon Valley Business Journal
- Genentech Supplier Event
- Silicon Valley Young Professionals
- Silicon Valley Concierge Association

#### **Bay Area events**

- Meeting Professionals International, Northern CA
- Professional Convention Management Association – BAMIE Awards
- SF Business Journal
- Admin Awards
- Connect CA
- CalSAE

#### **National Events**

- Meeting Professionals International, World Education Conference
- Connect Marketplace
- IMEX

### **2. Fully integrate the CRM platform to manage sales leads, track conversions and better understand trends related to lost business.**

In 2019, the CRM software will be fully integrated into the Special Events sales process. This software will help organize leads, tracking from initial call to booking the event. Over the past year we have reevaluated our internal process and determined that CRM will play an important role in running reports and understanding ROI related to industry events and sponsorships. Moving forward, we will be able to track leads that were generated from networking events and pull that data when evaluating whether to continue participation or look to new opportunities within the industry. This process will also help us to understand common reasons for lost business, whether it be availability, budget, scope of the event, client cancellation, etc. Although we understand we will not be able to book 100% of the leads that enter our pipeline, we will continue to review lost business and determine how to create future opportunities based on the information we track.

### **3. Create engaging and informative sales collateral to encourage new business and spark interest in the marketplace.**

We will focus on continuing to create engaging and informative collateral for clients. When speaking with new clients, our first suggestion is to setup a site visit so they can experience the stadium first hand. With unique club spaces and layouts, it's important for clients to be in the space while discussing options for their event. When clients are not able to visit the stadium or need information prior to their visit, the collateral we share can play a major role in the decision making process.

One strategy that we are excited to launch this year is the Special Events Sales Kit. This is a document that will be available both online and in print for clients to reference during sales calls and site visits. The purpose of the sale kit is to provide new clients with a snapshot of what it looks like to host an event at Levi's Stadium. The kit will include pages dedicated to each event space as well as information on Levy catering and other amenities and experiences specific to Levi's Stadium.

In addition to the Sales Kit, we are currently working on a promotional video that we can feature on social media channels and at industry events. Through market research, we have learned that videos perform better than static content on social media, therefore we have decided to make it one of our initiatives for 2019 as we build a collection of engaging material that can be shared with clients. We hope to have this project completed by late spring and promote the video through the end of the year.

**Section in-Review:**

**Active  
Involvement  
at National  
Sales Events**

**Improved  
Tracking  
Through CRM  
Platform**

**Engaging and  
Informative  
Sales  
Collateral**

## Levi's® Stadium Major Events

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### Looking Back:

The Levi's® Stadium's Major Events business has been a key driver in propelling the venue's reputation and popularity to new heights, most recently evidenced by the Taylor Swift Tour, which was the second highest grossing concert tour in the Stadium's history, the Mexico vs Iceland match, which was one of the highest grossing Mexico-friendlies at the Stadium, and the College Football National Championship game, which was watched by more than 25 million viewers. Major Events also drive the Special Event business, enticing corporate and social clients to book events at Levi's® Stadium based on its popularity and prominence in the sports and entertainment industry. In 2018, we saw roughly half a million patrons come to Levi's Stadium – many of these events also drawing national TV viewership.

These types of marquis events are also important to the Stadium Authority's 50,000+ SBL holders who have committed more than \$500M to Levi's Stadium. Recent data shows that the quality and quantity of Major Events at Levi's Stadium is ranked as an important benefit for the SBL customers, and more than half of the SBL customers have purchased tickets to one or more Major Events. In a 2018 survey, 57% of the survey participants ranked Major Events as "Extremely or Very Important", with an additional 33% ranking them as "Moderately Important".

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 has improved the contracted event agreements. Our goal is to optimize the proposal process to ensure we are competitive for attractive high-impact events and succeed in bringing new or established events to Levi's Stadium. 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

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.

As of January 2019, we currently have seven major events slated for 2019, anchored by the Rolling Stones. This is an important event for Levi's Stadium, as 2019 is shaping up to be a year where fewer artists are performing stadium shows. Landing the Rolling Stones show was a major win for our building - They are only playing fifteen shows, with just three of those on the west coast.

#### **Other highlights for 2019 include:**

- International Champions Cup – Relevant, the event promoter, has revamped their strategy for 2019, which will include fewer matches and more guarantees for premium matchups and players. We have proven over the past 4+ years to be a premium stop for international soccer events and this re-tooled approach will be very impactful on the overall success of the tour.
- US Women's National Team vs. South Africa – this will be the first ever women's team event to take place at Levi's® Stadium. This is a unique event and should attract a new fan base to Levi's® Stadium.
- Mexico Men's National Team vs. Paraguay – We will look to build upon our recent success with Mexico Men's National Team matches.

## **Looking Forward:**

After four years of attracting, contracting, and successfully executing several high-profile events and shows, we will continue to focus on innovation for both the fan's experience and the venue's brand.

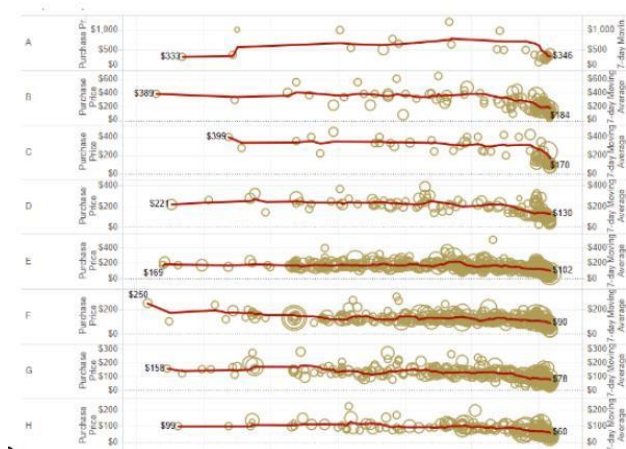
### **1. Leverage financial projections and ticketing data from past events to drive incremental revenue**

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. With four successful previous years of hosting events we can leverage past results and key event metrics, including attendance, average ticket price (ATP), revenue per fan by event, number of new fans versus returning fans. Keeping our measurements tied to the revenue results of our events will provide the clearest indication of these effort's success and what elements of our strategy or initiatives need to be changed or improved moving forward.

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 will continue examining 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 venue to capture 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, strategic use of complimentary tickets, 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 seeks to 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**

## 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 2019 we are working with these promoters to expand our business and event profile, ideally bringing new events and audiences to Levi's® Stadium.

Assessing these efforts will be based on both our efforts and activities related to bringing more high-impact events to the Stadium along with our results in booking and executing these events. Specifically, it will be important to track and report how many event proposals and bids we participate in along with what events we contract and the key results of those events, including attendance, guest satisfaction, revenue, profit, and economic impact.

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**

### 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.

We are looking into increasing the diversity of ticketed events to not only host large-scale concerts and sporting events, but also smaller and more intimate events as well. For example, one promoter has launched a non-traditional events business that encompasses smaller family/children events and book tours. We are one of the first football stadiums to have expressed strong interest in hosting these events and we believe that our strong relationship with the promoter may provide an opportunity to bring these events to Levi's Stadium in the future. We also have team members studying the feasibility and opportunity of other larger stadium events such as rugby, cricket, stadium golf, obstacle course racing, etc.

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. The results of these efforts will be most clearly manifested in how many events are contracted and executed, along with lost or missed opportunities based on our policies and reputation in the entertainment industry.

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.

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 expects to continue promoting Major Events at 49ers home games and related NFL activities. While this has been an effective strategy for 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. These promotions at NFL Events, and on the exterior LED panels on Levi's Stadium, will need to be negotiated with the 49ers, and the costs of the promotions will be borne by the Major Events.

#### Section in-review:



## Conclusion

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We are confident that we have outlined a marketing plan and overall strategic approach that will continue to drive high-impact events and revenues for Levi's Stadium, 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.

# Appendix

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## Levi's® Stadium Special Events

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### The Life Cycle of a Special Event

The life cycle of a special event begins with a lead and ideally will end with a lead. Whether it be a social gathering, association event or corporate meeting, groups are constantly planning events to help grow their business and build a stronger community within their industry. After a group determines what the event will be and how much they would like to spend, the next step is deciding on a venue. The objective of the Levi's Stadium Event Sales team is to be front and center when clients search for a venue whether it be online, through a referral or by attending events. Below is a brief description of our sales process from start to finish.

#### 1. Sales Leads - Inbound V. Outbound

- a. Source of Inbound Leads:
  - Website – Event Inquiry Form
  - Direct e-mail (listed on our website & marketing materials)
  - Phone call (listed on our website & marketing materials)
- b. Source of Outbound Leads:
  - Networking events
  - Cold calls (phone or in-person meeting)
  - E-mail (direct or e-blast)

#### 2. Initial Sales Call – Qualifying a lead

- a. Once a lead is generated, the sales representative will qualify the lead, discussing the client's budget and event specifications
  - If the lead does not fit the minimum requirements or the specifications are beyond what the stadium can accommodate, the sales representative will keep the lead on a list of prospective clients and include them in future e-mail campaigns and outreach. There is always a potential for these clients to come back to Levi's Stadium in the future.
  - If the client's budget and event specifications meet the stadium's requirements, then the lead is qualified as a "hot lead" meaning it's likely to go to contract.

#### 3. Proposal Phase – Sales calls & site visits

- a. After the lead has been qualified as a "hot lead," the sales representative will then continue conversations with the client, setting up additional calls as well as a stadium site visit. This is when the client has an opportunity to tour the event space and ask questions about logistics, layouts, space capabilities, food and beverage, AV, event add-ons and anything else they wish to discuss. The sales representative may also include an Event Manager, the Catering Sales Manager and the AV Manager on site visits if it benefits the client.
- b. Once the sales representative understands fully what the client is looking for and the event objectives, a proposal can be created which outlines the estimated event costs.
- c. This phase will likely include communication back and forth between the client and the sales representative, clarifying the costs in the proposal and making updates as needed.

#### 4. Contract Phase

- a. Once a proposal is agreed on, the sales representative will generate a standard event contract to include the estimated event costs and payment schedule as well as insurance requirements and other policies and procedures related to hosting an event at the stadium.
- b. Once the contract is signed by both parties and a deposit is paid by the client, the event is confirmed and can move on to the next phase, event planning.



**5. Event Planning Phase**

- a. After the contract has been fully executed, the Sales Representative introduces the client to their assigned Event Manager who will act as the main point of contact through the end of the event.
- b. The Event Manager is responsible for assisting in all event logistics, menu planning, AV requirements, event add-ons and 3<sup>rd</sup> party vendors as well as managing the client's budget and coordinating with internal departments. There are many roles involved in planning and executing private events, therefore the purpose of the stadium Event Manager is to streamline communication and reduce unnecessary stress on the client's side.

**6. Event Execution Phase**

- a. On the day of the event, the Event Manager works closely with the Event Operations Coordinator and internal department leads to ensure all event details have been properly communicated. From event install to a pre-event operations meeting to opening doors, there is always someone on site with the client making sure last minutes updates and adjustments can be accommodated.
- b. At the conclusion of the event, either the Event Manager or the Event Operations Coordinator remains onsite until all guests, client staff and vendors have exited the building.

**7. Post-Event Phase – Billing, Event Survey and Sales Outreach**

- a. In the days following the event, the Event Manager collects all final costs and sends the client a final invoice, typically within 48 hours. In addition to the final invoice, the client is sent a link to a post event survey. The survey covers every phase of the event, from sales to event planning to final billing. The goal of the survey is to give clients an opportunity to provide honest feedback immediately following the event, which is then reported and reviewed with internal departments.

**8. Final Phase - Sales Outreach**

- a. In an effort to keep the process truly cyclical, the Sales Representative will then reach out to the client to setup a call to discuss future event opportunities. Whether this call happens immediately following the event or weeks/months later, the Sales Representative will keep the client on a "past buyer" list and will check in with the client periodically. We never know when the next event opportunity will arise so frequent and consistent sales outreach is imperative.

## Agenda Report

19-289

Agenda Date: 3/19/2019

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### REPORT TO STADIUM AUTHORITY BOARD

#### **SUBJECT**

Proclamation of Women's History Month

#### **BACKGROUND**

Women's History Month originated as a national celebration in 1980 when President Jimmy Carter issued a presidential proclamation declaring the week of March 8, 1980, as National Women's History Week. In 1981, Senator Orrin Hatch and Representative Barbara Mikulskiln co-sponsored the first joint congressional resolution to proclaim a Women's History Week, which authorized and requested that the President proclaim the week of March 7, 1982, as Women's History Week. The United States Congress continued to pass joint resolutions to designate a week in March as Women's History Week until 1987, when the United States Congress designated the month of March as Women's History Month for the first time.

#### **DISCUSSION**

Women's History Month is an annual celebration that honors and recognizes the extraordinary achievements of American women. Women's History Month commemorates the vital role and important contributions of women in our nation's history, as well as recognizes that American women have fought diligently for equal opportunity and to secure their own rights of suffrage.

In honor of Women's History Month, the Mayor has signed a City Proclamation, proclaiming the month of March, 2019, as Women's History Month in the City of Santa Clara.

#### **ENVIRONMENTAL REVIEW**

This is an information report only and no action is being taken by the City Council and no environmental review under the California Environmental Quality Act ("CEQA") is required.

#### **PUBLIC CONTACT**

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) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

Reviewed by: Walter C. Rossmann, Chief Operating Officer  
Approved by: Deanna J. Santana, Executive Director

## Agenda Report

19-046

Agenda Date: 3/19/2019

### REPORT TO STADIUM AUTHORITY BOARD

#### **SUBJECT**

Action on Bills and Claims for the month of January 2019 (Stadium Authority)

#### **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 of \$866,631 to Forty Niners Stadium Management Company, LLC (ManagementCo) for stadium operations costs such as staffing, supplies, and equipment
- Payments totaling \$87,435 to the City of Santa Clara for the following:
  - \$16,705 for reimbursement of City staff time spent planning and preparing for the College Football Playoff (CFP) Championship game (the Stadium Authority has been reimbursed by the Bay Area Host Committee (BAHC) for these costs).
  - \$46,816 for reimbursement of General and Administrative (G&A) City staff time (e.g.: City Manager's Office, City Attorney's Office, and Finance Department).
  - \$23,914 for the Senior and Youth Fees collected (\$0.35 per ticket) for the last National Football League (NFL) game of the 2018/19 Fiscal Year
- Payment of \$57,498 to Johnson Controls for the Security Access Control System CapEx Project
- Payment to Royal Glass Co in the amount of \$39,000 to install new glass panels
- Payment of \$34,418 to Grand Prix Kawasaki for two Kawasaki Mules that were included in the 2018/19 CapEx budget under Public Safety Equipment

#### **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 \$1,115,270 fiscal impact to the Stadium Authority.

**COORDINATION**

This report has been coordinated with the Stadium Authority Counsel's Office.

**PUBLIC CONTACT**

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) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

Approve the list of Bills and Claims for January 2019.

Reviewed by: Angela Kraetsch, Treasurer

Approved by: Deanna J. Santana, Executive Director

**ATTACHMENTS**

1. 2019-01 SCSA Bills and Claims

## Santa Clara Stadium Authority

### Bills and Claims Expenses Paid by Wire Transfer For the Month of January 2019

Payment Date	Vendor	Invoice No.	Description	Fund	Amount
1/2/19	City of Santa Clara	86962	Nov 18 CFP Planning	Operating	\$ 16,704.71
1/4/19	City of Santa Clara	N/A	Sr-Yth fee NFL gm 10 addl rent	Operating	23,914.10
1/9/19	Grand Prix Kawasaki	30753571	CapEx - PS Equipm	CIP	34,417.86
1/10/19	City of Santa Clara	N/A	B1826 SCSA Admin PR Costs	Operating	30,860.58
1/15/19	Bank of America	N/A	Dec 2018 bank fees acct 6280	Operating	\$ 24.50
1/15/19	Bank of America	N/A	Dec 2018 bank fees acct 0444	Operating	1,207.00
1/15/19	Bank of America	N/A	Dec 2018 bank fees acct 0425	Operating	1,316.57
			Bank of America Subtotal		2,548.07
1/15/19	Colony Landscape Maint Inc	223645	CapEx - Field Conduit	CIP	3,876.07
1/15/19	Consolidated Electrical Dist. Inc	7488-446116	CapEx - Temporary Power	CIP	1,081.41
1/15/19	Cupertino Electric	40044	CapEx - PS Equipment	CIP	9,965.67
1/15/19	DLI Mechanical	6278	CapEx - Water Stations	CIP	8,850.00
1/15/19	Musson Theatrical	00432005	CapEx - Field Conduits	CIP	\$ 1,199.00
1/15/19	Musson Theatrical	00432754	CapEx - Field Conduits	CIP	1,199.00
			Musson Theatrical Subtotal		2,398.00
1/15/19	Smith-Emery Co	709562-2	CapEx - CMU Wall Build	CIP	\$ 453.12
1/15/19	Smith-Emery Co	714891-1	CapEx - Fire Sprinklers	CIP	1,116.42
			Smith-Emery Co Subtotal		1,569.54
1/17/19	Johnson Controls	1-82525118060	CapEx - Access Control Sys	CIP	57,497.50
1/25/19	City of Santa Clara	N/A	B1901 SCSA Admin PR Costs	Operating	15,955.47
1/25/19	Royal Glass Co Inc	181039	Warranty - Glass Panels	CIP	39,000.00

## Santa Clara Stadium Authority

### Bills and Claims Expenses Paid by Wire Transfer For the Month of January 2019

Payment Date	Vendor	Invoice No.	Description	Fund	Amount
1/30/19	Forty Niners Stadium Mgmnt Co, LLC	SLS-011519-A	Jan 19 Std Mgr - Grounds	Operating	\$ 13,630.52
1/30/19	Forty Niners Stadium Mgmnt Co, LLC	SLS-011519-A	Jan 19 Std Mgr - Guest Svcs	Operating	67,749.40
1/30/19	Forty Niners Stadium Mgmnt Co, LLC	SLS-011519-A	Jan 19 Std Mgr - Security	Operating	128,592.53
1/30/19	Forty Niners Stadium Mgmnt Co, LLC	SLS-011519-A	Jan 19 Std Mgr - Engineering	Operating	152,893.75
1/30/19	Forty Niners Stadium Mgmnt Co, LLC	SLS-011519-A	Jan 19 Std Mgr - SBL Sales	Operating	193,666.67
1/30/19	Forty Niners Stadium Mgmnt Co, LLC	SLS-011519-A	Jan 19 Std Mgr - Std Ops	Operating	310,098.03
			Forty Niners Stadium Mgmnt Co, LLC Subtotal		<u>866,630.90</u>
			<b>Total</b>		<b>\$ 1,115,269.88</b>



## Agenda Report

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19-335

Agenda Date: 3/19/2019

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### REPORT TO STADIUM AUTHORITY BOARD

#### **SUBJECT**

Tentative Meeting Agenda Calendar

#### **BACKGROUND AND DISCUSSION**

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 on the City's website.



## City of Santa Clara

### Tentative Meeting Agenda Calendar

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#### **Tuesday, March 26, 2019 – Council and Authorities Concurrent Meeting**

##### **Joint Dinner**

- 19-1072** 5:00 P.M. Informational Joint Dinner Meeting with the Bicycle Pedestrian Advisory Committee

##### **Presentation**

- 19-071** 6:00 P.M. Update on the Silicon Valley Power Quarterly Strategic Plan

##### **Special Order of Business**

- 19-130** 7:00 P.M. Introduction of Newly Elected Santa Clara County Board District 4 Supervisor Susan Ellenberg

##### **Public Hearing/General Business**

- 19-015** **Public Hearing:** FY 2019/2020 Draft Annual Action Plan for the use of Federal Housing and Urban Development Grant Funds
- 19-316** Action in Cancellation of the Public Hearing for the Gateway Crossings Project located at 1205 Coleman Avenue and direction to renote when the project is ready to be heard
- 19-313** Action on Selecting Relay for Life City Team Name

#### **Wednesday, March 27, 2019 – Stadium Authority Special Meeting**

##### **Public Hearing/General Business**

- 19-1605** Action on the Santa Clara Stadium Authority Financial Status Report for Quarter Ending December 31, 2018 and Related Budget Amendments
- 19-239** Corrective Action to Cure Violation of Section 2.1 of the First Amendment to the Stadium Management Agreement, Stadium Procurement Contracts by Retroactive Approval of an Agreement for NEx Systems for Stadium Floor Improvements and Stadium Manager Disclosure of Contracts Issued Through Delegated Authority from \$100,000 to \$250,000 (CONTINUED FROM MARCH 5, 2019)
- 19-1604** **7:00 PM Public Hearing** Adopt the Santa Clara Stadium Authority Fiscal Year 2019/20 Recommended Budget and Approve the Stadium Operation and Maintenance Plan

**Monday, April 1, 2019 – City Council Special Meeting**

**19-197**      5:00 P.M. (Tentative) Interviews and Appointment of Planning Commission (16 applicants)

**Tuesday, April 9, 2019 – Council and Authorities Concurrent Meeting**

**Joint Dinner**

**19-1346**      5:00 P.M. Civil Service Commission Joint Dinner Meeting

**Study Session**

**19-104**      6:00 P.M. - User Fees and Charges Study Session Recommending Cost Recovery Policies, Fee Study Results and Implementation Presented By Matrix Consulting Group

**Special Order of Business**

**19-321**      Presentation of Cultural Commission Work Plan Updates and Upcoming Events in April & May 2019

**Public Hearing/General Business**

**19-255**      Follow Up on a Written Petition and Potential Action on Establishing a Portion of El Camino as Korea Town (TENTATIVE)

**19-215**      Action on the Annual Report and Resolution of Intention for Levy of Annual Assessment for the Santa Clara Tourism Improvement District (TID)

**19-200**      Public Hearing: Action on Objectives for the City North Specific Plans

**19-517**      Action on a Resolution Establishing the Parkland In Lieu Fee Schedule for New Residential Development FY2018-19

**19-249**      Action on a Resolution to Establish Community Facilities District 2019-1 (Lawrence Station) to finance certain Public Services, Conduct a Special Election for the CFD Formation, and Introduce an Ordinance Ordering a Levy of Special Taxes for the CFD

**Tuesday, April 23, 2019 – Council and Authorities Concurrent Meeting**

**Joint Dinner**

**19-1345**      5:00 P.M. Historical & Landmarks Commission Joint Dinner Meeting

**Study Session**

**19-267**      Presentation by the Santa Clara Valley Transportation Authority on the BART Phase II Project and Transit-Oriented Development Corridor Strategies and Access Planning Study

## **Special Order of Business**

**19-271** Follow-up Presentation by Relay for Life

## **Public Hearing/General Business**

**19-1603** **Public Hearing:** Adoption of the Fiscal Year 2019/20 Municipal Fee Schedule

## **Tuesday, April 30, 2019 – Santa Clara Stadium Authority Board Meeting**

## **Public Hearing/General Business**

**19-496** Agenda Items Pending – To Be Scheduled

## **Tuesday, May 7, 2019 – Council and Authorities Concurrent Meeting**

## **Joint Dinner**

**19-1347** 5:00 P.M. Housing Rehabilitation Loan Committee Joint Dinner Meeting

## **Study Session**

**19-1608** Joint Study Session to Review Proposed FY 2019/20 and FY 2020/21 Biennial Operating Budget and CIP Changes

## **Special Order of Business**

**19-304** Presentation of the Santa Clara City Library Foundation and Friends Fiscal Year 2018/19 Accomplishments

## **Public Hearing/General Business**

**19-085** FY 2019-2020 Final Action Plan for the Use of Federal Housing and Urban Development Funds

## **Tuesday, May 21, 2019 – Council and Authorities Concurrent Meeting**

## **Public Hearing/General Business**

**19-008** **Public Hearing:** Adoption of a Resolution Setting the Rates for the Storm Drain Environmental Compliance Fee

**19-009** **Public Hearing:** Adoption of a Resolution Setting Overall Solid Waste Services, Annual Clean-up Campaign, and Household Hazardous Waste in the Exclusive Franchise Area

**19-1685** **Public Hearing:** Action on Resolution Approving Water, Recycled Water and Sewer Rates to be Effective July 1, 2019

**19-1387** Action on Approval of Non-Exclusive Franchise Agreements for the Hauling of Industrial Refuse and Recyclables

## **Tuesday, June 4, 2019 – Council and Authorities Concurrent Meeting**

### **Study Session**

**19-303** Caltrans Current Programs in Santa Clara County

### **Public Hearing/General Business**

**19-1609** **Public Hearing:** Proposed Biennial Operating Budget and Changes to the Capital Improvement Program

**19-095** **Public Hearing:** Resolution Overruling Any Other Protests and Ordering that the Alternative Method for the Levy of Benefit Assessment be Made Avail to the Santa Clara Convention Center Maintenance District No. 183

**19-238** Action on the 2019 Evaluation Report of the Local Hazard Mitigation Plan

### **City Manager/Executive Director Report**

Parade of Champions Update on Non-Profit Status and Fundraising Efforts

## **Tuesday, June 18, 2019 – Santa Clara Stadium Authority Board Meeting**

### **Public Hearing/General Business**

**19-496** Agenda Items Pending – To Be Scheduled

## **Tuesday, June 25, 2019 – Council and Authorities Concurrent Meeting**

### **Public Hearing/General Business**

**19-1610** **Public Hearing:** Adoption of Proposed Biennial Operating Budget and Changes to the Capital Improvement Program

**19-072** Silicon Valley Power Quarterly Strategic Plan Update

**19-211** Action on the 2019 Evaluation Report of the Local Hazard Mitigation Plan

## **Tuesday, July 2, 2019 – Council and Authorities Concurrent Meeting**

### **Public Hearing/General Business**

**19-324** Amendment of Title 18, Zoning, of the Municipal Code to Modify the Architectural Committee process

## **Tuesday, July 16, 2019 – Council and Authorities Concurrent Meeting**

### **Public Hearing/General Business**

**19-496** Agenda Items Pending – To Be Scheduled

## **July 17, 2019 – August 16, 2019 Council Recess**

**August 20, 2019 Joint Council and Authorities Concurrent and Stadium Authority Meeting**

**Public Hearing/General Business**

**19-496**      Agenda Items Pending – To Be Scheduled