

Melissa Lee

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**From:** Emily Matthews <Emily.Matthews@49ers.com>  
**Sent:** Tuesday, December 7, 2021 3:24 PM  
**To:** Deanna Santana  
**Cc:** Mayor and Council  
**Subject:** Letter - Financial Status Report  
**Attachments:** EM on NNE expenses 12-7-21 .pdf

Dear City Manager Santana,

Please find the letter attached regarding misrepresentations in the Financial Status Report.

Best,  
Emily

EMILY MATTHEWS  
Manager, Communications & Public Affairs  
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**POST MEETING MATERIAL**



FORTY NINERS STADIUM MANAGEMENT COMPANY

December 7, 2021

VIA EMAIL - DSantana@SantaClaraCA.gov

Deanna J. Santana  
Executive Director  
Santa Clara Stadium Authority  
1500 Warburton Avenue  
Santa Clara, CA 95050

Ms. Santana:

We want to correct one of the misrepresentations in your Financial Status Report that is being presented to the Board tonight.

On page 7 of your report, City Staff has noted the following:

*"The Stadium Manager invoiced the Stadium Authority \$150 thousand in estimated Non-NFL Events Expenses in this quarter. The invoice is premature, and the Stadium Manager did not provide adequate supporting documentation for the estimated expenses so the Stadium Authority withheld payments to this expense item in the first quarter."*

The invoices are not "premature". The SCSA is required to fund its share of stadium expenses in advance, not in arrears based on the budget approved by the Stadium Authority. As we have explained to you previously and in Mr. MacNeil's e-mail to Mr. Lee on April 23, 2021, this delay in paying the SCSA's stadium expenses is in direct violation of the relevant stadium contracts. Section 5.5 of the Management Agreement is clear:

"Each of StadCo and the Stadium Authority shall provide to the Stadium Manager from time to time all such sums as are needed to pay their respective shares of Manager Operating Expenses and any StadCo Operating Expenses and Stadium Authority Operating Expenses, respectively, of the Stadium which are not paid from Operating Receipts available for that purpose, subject to the budgeting procedures and other limitations set forth in this Agreement."

Your assertion that there is "...inadequate supporting documentation for the estimated expenses..." is also false. We provided the documentation for budgeted expenses as part of the budget process. The Board approved the budget, and you have simply refused to pay the expenses.

While the Board directed SCSA staff to review certain documentation prior to distributing funds in connection with Shared Stadium Expenses (specifically salaries), it gave no such delegation of authority to SCSA staff in connection with Non-NFL Event expenses, which you are now refusing to fund. Those items were approved for payment without reservation. Your refusal to fund these approved FY21 expenses is not only in violation of the stadium contracts, it is in direct contravention of the SCSA Board's direction. The SCSA Staff's

refusal to implement the clear direction of the current SCSA Board in reliance on its own tortured reading of a 3-year-old resolution illustrates how SCSA Staff continues to show disdain for the elected officials and constituents that they have been tasked to serve.

Accordingly, you are in default and are incurring interest at the rate of 12% on the amounts that you have refused to fund.

Please arrange to pay these expenses without further delay.

Sincerely,

Emily Matthews  
Manager, Communications & Public Affairs

Cc: Mayor & Council