

## Santa Clara Stadium Authority

Santa Clara Stadium Authority 2018-19 Operating, Debt Service, and Capital Budget

March 27, 2018



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### 2018-19 Budget Development

January	Staff worked with ManCo to establish a date to provide all required documents
February	<p>ManCo provided the required documents as outlined in the Stadium Agreements:</p> <ul style="list-style-type: none"> <li>• Stadium Operations and Management Plan (SOMP): <ul style="list-style-type: none"> <li>• Annual Shared Expense Budget with Five Year Projection</li> <li>• Annual Stadium Operations Budget</li> <li>• Annual Public Safety Budget</li> <li>• Capital Expenditure Plan with Five Year Projection</li> <li>• Non-NFL Event Marketing Plan</li> </ul> </li> </ul>
February/March	Staff analyzed ManCo's budget submission
March 13, 2018	Study Session held to receive Stadium Authority Board and public input on the SCSA's proposed budget
March 27, 2018	Public Hearing to approve the SCSA Proposed Fiscal Year 2018-19 Operating, Debt Service, and Capital Budget

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## Santa Clara Stadium Authority Fiscal Year 2018-19 Proposed Budget

- Executive Director's Transmittal Letter
- Organizational Chart (separating the Treasurer/Auditor functions)
- General Information
- Year in Review for both NFL and Non-NFL events
- Operating Budget (Accrual Basis)
  - Stadium Authority General and Administrative Budget (new)
  - Stadium Manager Shared Expenses and 5 Year Forecast
- Debt Service Budget
- Capital Budget
  - Capital Expenditure Plan – 5 Year Forecast



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## FY 2018-19 Operating Budget Revenues

NFL Ticket Surcharge	\$8,031,000
SBL Proceeds	26,156,000
Interest	794,000
Non-NFL Event Revenue	62,147,000
Naming Rights	6,558,000
Sponsorship Revenue (STR)	545,000
Rent	24,500,000
Senior & Youth Program Fees	230,000
Non-NFL Event Ticket Surcharge	1,800,000
<b>Total Revenues</b>	<b>\$130,761,000</b>



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## FY 2018-19 Operating Budget Expenses

Shared Stadium Manager Expenses	\$11,173,000
SBL Sales and Service	2,324,000
Senior and Youth Program Fees	230,000
Non-NFL Event Expense	56,519,000
Ground Rent	320,000
Performance Rent	2,654,000
Discretionary Fund Expense	990,000
Utilities	1,506,000
Use of StadCo Tenant Improvements	236,000
Stadium Authority General & Administrative	1,685,000
Other Expenses	105,000
Transfers Out	52,691,000
Contribution to Operating Reserve	328,000
<b>Total Expenses</b>	<b>\$130,761,000</b>

**Paid to  
the City's  
General  
Fund -  
\$3.2 Million**



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## FY 2018-19 Stadium Authority General and Administrative Budget

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



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## Santa Clara Stadium Authority Discretionary Fund

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

- The Discretionary Fund has been used to cover NFL public safety costs above the public safety cost threshold, public safety capital expenses, and other items at the Stadium Authority's discretion.



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## Santa Clara Stadium Authority Performance Rent Calculation

FY 2018-19 Performance Rent Calculation	Budget
Ground Rent	\$320,000
Non-NFL Event Revenue	62,147,000
Non-NFL Event Expense	(56,519,000)
Net Non-NFL Event Revenue	<b>\$5,628,000</b>
50% of Net Non-NFL Revenue	\$2,814,000
Performance Rent Credit (50% of Ground Rent)	(160,000)
Total Performance Rent paid to the City of Santa Clara	<b>\$2,654,000</b>



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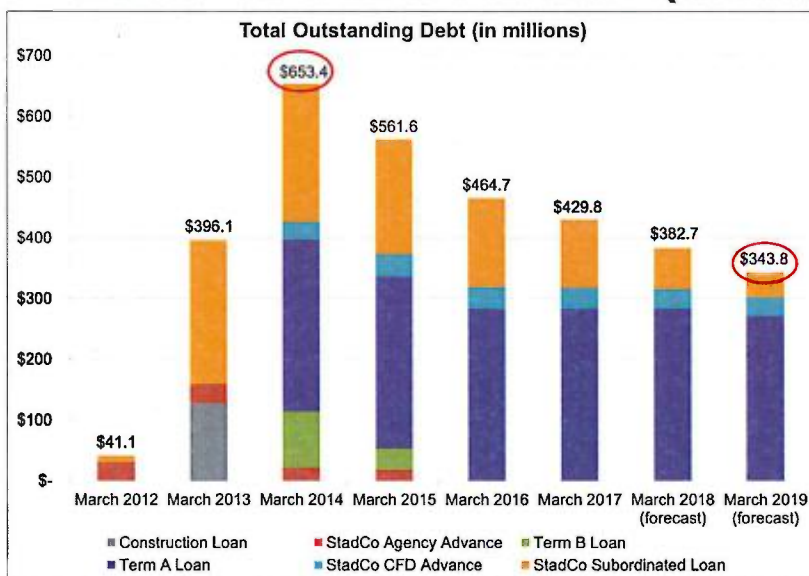
## Santa Clara Stadium Authority FY 2018-19 Debt Service

Debt Type	Budget
CFD Advance	\$3,600,000
Term A Loan	25,644,000
StadCo Subloan	28,323,000
<b>Total</b>	<b>\$57,567,000</b>

- Debt Service amount of \$57.6 million includes Principal and Interest Payments
- Total Outstanding Debt is projected to decrease by \$38.9 million (principal payments) from \$382.7 million to \$343.8 million

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## Santa Clara Stadium Authority FY 2018-19 Debt Service (cont.)



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## **Santa Clara Stadium Authority FY 2018-19 Capital Budget**

**Total Capital Budget of \$7.9 million**

- **Stadium Improvements - \$6,227,469**
  - Community room build out of \$630,000
  - Public Safety Budget of \$1,757,000
    - Carryforward of \$1,140,000 for Street Signage, Cad Replacement, and Med Cart upgrade
- **Stadium Warranty Related Construction - \$1,653,270**
  - Part of the original Stadium Development/Construction Budget



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## **FY 2017-18 Budget Modification**

- **Operating Fund** - Increase SBL proceeds by \$3.7 million due to higher than anticipated SBL proceeds received in March 2018.
  - SBL proceeds can only be used for debt service per Article III of the Amended and Restated Deposit and Disbursement Agreement.
- **Debt Service Fund** – Increase in transfers-out from the operating budget fund and a corresponding increase of transfers-in to the debt service fund to pay for additional debt service in the amount of \$13.5 million.
  - SBL proceeds
  - Applied to Subordinated Loan



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## **Conclusion**

- Budget document includes the implementation of fourteen (14) Harvey M. Rose Audit Recommendations
- The Public Safety Budget and Capital Expenditure Amortization Schedule are included as a stand-alone document
- Staff has included the responses to questions received from the Board and public from the March 13, 2018 Budget Study Session

