

4/30/19

item 4

Santa Clara Stadium Authority

Informational Report Transmitting Levi's® Stadium Manager
Responses to Stadium Authority Board Inquiries

April 30, 2019, Item 4



Background

The Stadium Authority Board made the following inquiries* related to hosting events at Levi's® Stadium:

1. Parking costs - can event day costs to park in parking lots be lowered?
2. Field Level Seats and Stadium Builder Licenses (SBLs) - why isn't the City/Stadium Authority receiving SBL revenue for the field level seats that were added in 2018?
3. Taylor Swift tickets - Explain why the public safety costs are almost the same since the number of tickets sold per night differs by approximately 21,000. How many tickets were given away? Were the tickets listed on Goldstar or other discount ticket sites?



* December 11, 2018, during discussion of report 18-1439: Action on the SCSA Financial Status Report for Quarter Ending September 30, 2018

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POST MEETING MATERIAL

Discussion

- Stadium Authority staff discussed the Board's inquiries with the Stadium Manager in December and January, and via email.
- Stadium Authority staff did not consider Stadium Manager's responses satisfactory to the Board's inquiries
- Stadium Authority Staff determined that transmitting the Stadium Manager's responses directly to the Board would be the most appropriate method of response.
- Stadium Manager provided responses on March 15, 2019.

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Question 1: Parking costs - can event day costs to park in parking lots be lowered?

Stadium Manager Response	Stadium Authority Staff Comments
We discussed this in our Quarterly Meeting with City Staff on 12.20.18. The issue was identified on the agenda as "Neighborhood Parking Protection". Reducing the cost of parking would not be effective in achieving the desired outcome, and would likely adversely impact public transit ridership, resulting in more cars on the roads.	<ul style="list-style-type: none">• Stadium Authority staff is not aware of the "desired outcome" referenced by the Stadium Manager nor of any potential adverse impacts from lowering the event day parking lot costs.• Stadium Manager has not provided any data or analysis to support this statement.

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Question 1: Parking costs - can event day costs to park in parking lots be lowered?

Next Steps:

Stadium Authority staff will include review of parking lot event day costs, and options for changes, in the Stadium Authority FY 2019/20 Work Plan item: Public Safety Service Model - Neighborhood Protection.

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Question 2: SBLs - why isn't the City/Stadium Authority receiving SBL revenue for the field level seats that were added in 2018?

Stadium Manager Response	Stadium Authority Staff Comments
Please refer to the prior correspondence on this issue, including the letter from the NFL dated 2.25.19 confirming that the field seats are not permanent seats, and their use for NFL games must be approved by the NFL prior to each season.	<ul style="list-style-type: none">Stadium Manager has not provided a copy of the NFL application, guidelines, other related documents, etc. to obtain approval, or confirm an annual NFL application process.Stadium Authority staff advised Stadium Manager of its concern that these were being sold as season tickets.

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Question 2: SBLs - why isn't the City/Stadium Authority receiving SBL revenue for the field level seats that were added in 2018?

Next Steps:

As of March 26, 2019, the field level seats have been removed; City staff will not issue another permit related to these seats without, at minimum, the documentation requested by the Stadium Authority.

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Question 3a: Taylor Swift tickets - Explain why the public safety costs are almost the same since the number of tickets sold per night differs by ~21,000.

Stadium Manager Response	Stadium Authority Staff Comments
<ul style="list-style-type: none">Public Safety Costs primarily driven by law enforcement staffing costs from SCPD & SCFD.Number of attendees and # of cars parked were similar for both Taylor Swift shows, which would explain why public safety costs for 2 shows were similar.	<ul style="list-style-type: none">Law enforcement costs based upon staffing levels necessary to support event.Staffing/deployment plans based in large part upon attendance estimates provided by Stadium Manager.Had promotor not provided 20,000 free tickets, staffing/deployment would have been for a smaller scale event, and correspondingly less law enforcement expenses.

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Question 3b: Taylor Swift tickets - How many tickets were given away?

Stadium Manager Response	Stadium Authority Staff Comments
In accordance with the Event Contract, the promoter of the concert, Messina Touring Group LLC, sets the price of the tickets in its sole discretion. As indicated in the quarterly reports previously provided to the City, the promoter distributed approximately 20,000 complimentary tickets to targeted groups for the Friday 5.11.18 show. Targeted groups included military veterans, local universities, and local employers.	<ul style="list-style-type: none"> Ultimately, the Stadium Manager is responsible for the activity of providing free tickets, because of the contract provisions that it permits in executed agreements. By allowing the promotor to distribute complimentary tickets to targeted groups, the Stadium Manager is preventing the Stadium Authority from collecting the \$ 4per ticket surcharge.

Question 3c: Taylor Swift tickets - Were the tickets listed on Goldstar or other discount ticket sites?

Stadium Manager Response	Stadium Authority Staff Comments
The promoter did not offer tickets for sale on Goldstar, but there is often an active secondary market for tickets that is not controlled by the promoter.	No Comments

Question 3: Taylor Swift tickets - Explain why the public safety costs are almost the same since the number of tickets sold per night differs by ~21,000. How many tickets were given away? Were the tickets listed on Goldstar or other discount ticket sites?

Next Steps:

Staff will continue working with the Stadium Manager on these issues and will report back to the Board as information becomes available.



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Recommendation

Note and file this report transmitting Levi's® Stadium Manager responses to Stadium Authority Board inquiries.



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