

SCSA

Santa Clara Stadium Authority

SANTA CLARA STADIUM AUTHORITY FINANCIAL STATUS REPORT

Fiscal Year Ending March 31, 2020



October 13, 2020

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Introduction

This Santa Clara Stadium Authority ("Stadium Authority") Financial Status Report provides information covering the fourth quarter of the Stadium Authority's 2019/20 fiscal year (FY) which ended on March 31, 2020. Comparative data from prior fiscal years is also included.

In addition to these quarterly reports, the Stadium Authority produces annual financial statements. The FY 2019/20 financial statements were audited by an external audit firm and presented to the Stadium Authority's Audit Committee on September 24, 2020 and the Stadium Authority Board ("Board") on October 13, 2020. Once presented to the Stadium Authority Board, the financial statements as well as this report are published on the Stadium Authority's website.

The Stadium Authority also prepares a detailed budget prior to the beginning of each fiscal year. The FY 2019/20 budget was considered at a study session on March 19, 2019 and adopted by the Board on March 27, 2019.

Stadium Authority finances are 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, including administrative and public safety, to the Forty Niners Stadium Management Company, LLC ("ManagementCo") or the Stadium Authority are fully reimbursed with Stadium Authority funds.

Methodology

Information provided in this report was based in part on documentation submitted by ManagementCo. Specifically, NFL and Non-NFL event statistics and financial information relating to Stadium Manager expenses are provided by ManagementCo. However, it should be noted that Stadium Manager still refuses full access to the Stadium Authority's books and records. Stadium Authority staff is limited to a review of selected financial information submitted by ManagementCo, including some source documentation for Non-NFL events with attendance greater than 25,000. For all other financial information, a detailed review and/or audit of source documentation has not been conducted by the Stadium Authority for this report.

Non-financial statistical information was also provided by ManagementCo and, similarly, ManagementCo refuses to allow a detailed review and/or audit of source documentation to verify this information. The Stadium Authority has contracted with JS Held (formerly Hagen, Streiff, Newton, & Oshiro), a forensic accounting firm, to review and evaluate non-NFL event financial information from prior years, including source documentation. This report is expected in late Fall 2020. The FY2019/20 Non-NFL source documentation that was sampled by KPMG during the year-end audit in accordance with generally accepted auditing standards. In addition, the Stadium Authority is conducting its own review of the source documentation. The information provided reflects the best known and available at the time of the writing of this report and is subject to further revision when the full body of records becomes available and review is complete. Consequently, the Board's notation and filing of this report should not be considered an approval of the accuracy of the information in the report.

NFL Events

This section provides year to date and comparative data for NFL games categorized as pre-season and regular season games.

The San Francisco Forty-Niners (“49ers”) played a total of twelve NFL games (two pre-season games, eight regular season games, and two playoff games) at Levi’s Stadium as of March 31, 2020. There was a total of 804,000 tickets sold to these NFL games, an average of 67,000 per game. This is up by 1,800 or 2.8% when compared to the same period in the prior fiscal year. The ticket sales resulted in \$8.4 million in NFL ticket surcharge revenue (10% of ticket sales) to the Stadium Authority. The average NFL ticket surcharge revenue was \$701,000 per game in the current year which is a decrease of \$107,000 or 13.2% from the same period in the prior fiscal year. This decrease can be attributed to the addition of two playoff games bringing down the average as the playoff games do not generate NFL ticket surcharge for SCSA. A total of \$250,000 of Senior and Youth Program Fees, which is based on \$0.35 per NFL ticket sold, were collected through the end of the fourth quarter of the fiscal year. These fees were transferred to the City’s General Fund in support of such programs.

A total of 81,000 cars were parked in the permitted offsite parking lots generating \$476,000 in offsite parking fees. The Tasman lot parking fee generated \$34,000 for the General Fund through the end of the fiscal year. The overall number of cars parked in the permitted offsite lots and the Tasman lots rose by an average of 1,200 cars per game or 20.4% when compared to the prior fiscal year.

There was \$5.4 million of NFL event public safety costs in the current reporting period which is an average of \$451,000 per game. This is up from the prior year average of \$299,000. Of the \$5.4 million NFL event public safety costs, \$3.8 million or 71% are direct City costs and \$1.6 million or 29% are outside agency costs. The City has received one invoice from an outside agency that does not reflect costs on a per game basis but rather a total for various games. A request has been made to the agency to provide costs by game. Approximately \$476,000 of the total NFL event public safety costs were covered by the offsite parking fees that were collected and the remaining was invoiced to ManagementCo. ManagementCo has reimbursed \$3.9 million of the public safety costs as of the end of August 2020, leaving an unpaid balance owed to the City of \$1 million of public safety costs related to FY2019/20 NFL events.

Statistics for the NFL games held at Levi’s Stadium in the 2019/20 fiscal year are shown in Table 1 and comparative data from all six years of operations can be found in Table 2. Additional detail has been added to Table 2 reflecting the entity that has reimbursed the Public Safety Costs to the City of Santa Clara.

Table 1
Levi's® Stadium
2019/20 NFL Event Statistics
As of March 31, 2020

| | Game 1 vs Cowboys 08/10/19 | Game 2 vs Chargers 08/29/19 | Game 3 vs Steelers 09/22/19 | Game 4 vs Browns 10/07/19 | Game 5 vs Panthers 10/27/19 | Game 6 vs Seahawks 11/11/19 | Game 7 vs Cardinals 11/17/19 | Game 8 vs Packers 11/24/19 | Game 9 vs Falcons 12/15/19 | Game 10 vs Rams 12/21/19 | Game 11 vs Vikings 01/11/20 | Game 12 vs Packers 01/19/20 | Various NFL Games | 2019/20 YTD Total |
|--|----------------------------------|-----------------------------------|-----------------------------------|---------------------------------|-----------------------------------|-----------------------------------|------------------------------------|----------------------------------|----------------------------------|--------------------------------|-----------------------------------|-----------------------------------|----------------------|----------------------|
| No. of Tickets Sold | 62,160 | 58,048 | 64,561 | 67,890 | 66,755 | 69,326 | 67,722 | 69,481 | 68,794 | 67,994 | 70,283 | 70,510 | - | 803,524 |
| NFL Ticket Surcharge | \$ 608,325 | \$ 578,533 | \$ 1,229,529 | \$ 986,721 | \$ 666,250 | \$ 824,060 | \$ 673,758 | \$ 1,342,590 | \$ 691,897 | \$ 810,629 | \$ - | \$ - | \$ - | \$ 8,412,291 |
| Senior/Youth Program Fees | \$ 21,756 | \$ 20,317 | \$ 22,596 | \$ 23,762 | \$ 23,364 | \$ 24,264 | \$ 23,703 | \$ 24,318 | \$ 24,078 | \$ 23,798 | \$ 18,044 | \$ - | \$ - | \$ 250,000 |
| Cars Parked at Offsite Lots | 5,076 | 4,239 | 7,263 | 6,367 | 7,232 | 7,096 | 7,415 | 7,107 | 6,576 | 6,589 | 8,358 | 8,083 | - | 81,401 |
| City Offsite Parking Fee | \$ 29,695 | \$ 24,798 | \$ 42,489 | \$ 37,247 | \$ 42,307 | \$ 41,512 | \$ 43,378 | \$ 41,576 | \$ 38,470 | \$ 38,546 | \$ 48,894 | \$ 47,286 | \$ - | \$ 476,196 |
| Cars Parked on Tasman Lots | 444 | 463 | 578 | 624 | 586 | 620 | 639 | 610 | 551 | 636 | 551 | 580 | - | 6,882 |
| City Tasman Lot Parking Fee | \$ 2,220 | \$ 2,315 | \$ 2,890 | \$ 3,120 | \$ 2,930 | \$ 3,100 | \$ 3,195 | \$ 3,050 | \$ 2,755 | \$ 3,180 | \$ 2,755 | \$ 2,900 | \$ - | \$ 34,410 |
| Stadium Public Safety Costs | \$ 421,161 | \$ 404,510 | \$ 438,173 | \$ 380,495 | \$ 393,951 | \$ 451,415 | \$ 411,002 | \$ 388,039 | \$ 385,955 | \$ 389,960 | \$ 425,225 | \$ 536,107 | \$ 390,933 | \$ 5,416,926 |
| Less: Offsite Parking Fee Credit | \$ (29,695) | \$ (24,798) | \$ (42,489) | \$ (37,247) | \$ (42,307) | \$ (41,512) | \$ (43,378) | \$ (41,576) | \$ (38,470) | \$ (38,546) | \$ (48,894) | \$ (47,286) | \$ - | \$ (476,196) |
| Reimbursable Stadium Public Safety Costs | \$ 391,466 | \$ 379,712 | \$ 395,685 | \$ 343,248 | \$ 351,644 | \$ 409,904 | \$ 367,624 | \$ 346,463 | \$ 347,486 | \$ 351,414 | \$ 376,331 | \$ 488,821 | \$ 390,933 | \$ 4,940,730 |
| Amount Reimbursed | \$ 355,164 | \$ 346,108 | \$ 359,383 | \$ 310,730 | \$ 315,264 | \$ 369,637 | \$ 329,554 | \$ 310,697 | \$ 309,420 | \$ 315,539 | \$ 259,255 | \$ 353,831 | \$ - | \$ 3,934,580 |

Table 2
Levi's® Stadium
Historical NFL Event Statistics

| | 2014/15 Q4 Total | 2015/16 Q4 Total | 2016/17 Q4 Total | 2017/18 Q4 Total | 2018/19 Q4 Total | 2019/20 Q4 Total |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| No. of NFL Events | 10 | 10 | 10 | 10 | 10 | 12 |
| No. of Tickets Sold | 682,095 | 669,826 | 655,891 | 643,189 | 651,237 | 803,524 |
| NFL Ticket Surcharge | \$ 8,366,290 | \$ 8,273,378 | \$ 8,175,462 | \$ 7,806,190 | \$ 8,076,510 | \$ 8,412,291 |
| Senior/Youth Program Fees | \$ 238,734 | \$ 234,439 | \$ 229,562 | \$ 225,116 | \$ 227,933 | \$ 250,000 |
| Cars Parked at Offsite Lots | 90,024 | 57,166 | 67,740 | 54,107 | 56,390 | 81,401 |
| City Offsite Parking Fee | \$ 442,918 | \$ 290,403 | \$ 354,958 | \$ 293,260 | \$ 317,476 | \$ 476,196 |
| Cars Parked on Tasman Lots | 4,983 | 6,876 | 5,122 | 5,530 | 4,729 | 6,882 |
| Cars Parked on Golf Course | 23,306 | 20,090 | - | - | - | - |
| City Tasman Lot and Golf Course Parking Fee | \$ 141,445 | \$ 134,830 | \$ 25,610 | \$ 27,650 | \$ 23,645 | \$ 34,410 |
| Stadium Public Safety Costs | \$ 2,455,404 | \$ 2,437,902 | \$ 3,084,850 | \$ 2,633,295 | \$ 2,994,735 | \$ 5,416,926 |
| Golf Course Public Safety Costs | \$ 180,766 | \$ 81,210 | \$ - | \$ - | \$ - | \$ - |
| Subtotal Event Public Safety Costs | \$ 2,636,170 | \$ 2,519,111 | \$ 3,084,850 | \$ 2,633,295 | \$ 2,994,735 | \$ 5,416,926 |
| Less: Offsite Parking Fee Credit | \$ (442,918) | \$ (290,403) | \$ (354,958) | \$ (293,260) | \$ (317,476) | \$ (476,196) |
| Reimbursable Stadium Public Safety Costs | \$ 2,193,252 | \$ 2,228,708 | \$ 2,729,892 | \$ 2,340,035 | \$ 2,677,259 | \$ 4,940,730 |
| Reimbursed by StadCo | \$ 1,437,848 | \$ 1,558,806 | \$ 1,556,550 | \$ 2,340,035 | \$ 2,677,259 | \$ 3,934,580 |
| Reimbursed by SCSA | \$ 755,404 | \$ 669,902 | \$ 1,173,342 | \$ - | \$ - | \$ - |
| Total Amount Reimbursed | \$ 2,193,252 | \$ 2,228,708 | \$ 2,729,892 | \$ 2,340,035 | \$ 2,677,259 | \$ 3,934,580 |

Non-NFL Events

This section provides annual and comparative data for Non-NFL Events categorized as events ranging from high school and college football games, international soccer matches, concerts, wedding fairs, and special events. During the current reporting period there were a total of 184,000 tickets sold for the eight ticketed Non-NFL Events with 181,000 total attendees. One factor that explains the difference between tickets sold and total attendees is the practice of providing free tickets through the non-NFL event agreement terms. The ticket surcharge is received for tickets sold; there is no surcharge revenue on free tickets. This resulted in \$735,000 Non-NFL Event ticket surcharge revenue (\$4 per ticket sold). This is a decrease in ticket surcharge revenue of \$595,000 or 44.7% less when compared to the same period in the prior year. The reason for the decrease is lower volume of ticket sales to the Non-NFL Events in the current period. In the prior fiscal year, there were twelve ticketed events compared to eight ticketed events this reporting period of which only five were large events.

The ManagementCo reports that there were also 79 smaller special events held at Levi's® Stadium which is down by 21 or 21% when compared to the same period in the prior fiscal year. The reported attendance decreased 6% to 34,000 in FY2019/20. The attendance figures and number of events are provided by the ManagementCo and cannot be independently confirmed by City staff. Examples of these special events include corporate events of various sizes, weddings, holiday parties, high school dances, etc.

In correlation with the decrease in total tickets sold, the number of cars parked at the permitted offsite parking lots saw a decrease when compared to the prior year. There were 17,000 cars parked at the offsite lots, a 40% decrease from the previous year. The City received \$99,000 in related offsite parking fees.

Total Non-NFL Event public safety costs were \$1.7 million, a decrease of \$703,000 or 29% from the prior year. As mentioned previously, this decrease in cost is due to the decrease in events being held in the current reporting period when compared to the prior year. The offsite parking fee of \$99,000 offset these costs and the remaining \$1.6 million was invoiced to ManagementCo, of which \$794,000 has been reimbursed. There remains an unpaid balance of \$826,000 of public safety costs related to FY2019/20 Non-NFL events payable from ManagementCo, on behalf of the Stadium Authority, to the City. ManagementCo states the reimbursement will not be made until the Stadium Authority funds the FY2019/20 Non-NFL net loss in the amount of \$2.7 million. Both the loss and the payment of the public safety costs are subjects of on-going litigation and arbitration.

Statistics for the eight Non-NFL ticketed events and 79 special events are shown in Table 3 and comparative data from all six years of operations are shown in Table 4.

Table 3
Levi's® Stadium
FY2019/20 Non-NFL Event Statistics
As of March 31, 2020

| | Monster Jam | Wedding Fair | USWNT Soccer Game | ICC Soccer | Rolling Stones | High School Football Series | PAC-12 Championship | Redbox Bowl | 2019/20 Q1-Q4 | 2019/20 |
|----------------------------------|-------------|--------------|-------------------|-------------|----------------|-----------------------------|---------------------|-------------|----------------|--------------|
| | 04/13/19 | 04/28/19 | 05/12/19 | 07/20/19 | 08/18/19 | 09/06/19 | 12/06/19 | 12/30/19 | Special Events | YTD Total |
| No. of Scanned Attendees | 39,701 | 781 | 20,464 | 15,575 | 47,442 | 4,625 | 28,769 | 24,021 | - | 181,378 |
| No. of Tickets Sold | 37,891 | 381 | 20,195 | 14,945 | 48,544 | 4,754 | 27,012 | 30,152 | - | 183,874 |
| Non-NFL Ticket Surcharge | \$ 151,564 | \$ 1,524 | \$ 80,780 | \$ 59,780 | \$ 194,176 | \$ 19,016 | \$ 108,048 | \$ 120,608 | \$ - | \$ 735,496 |
| No. of Non-NFL Special Events | | | | | | | | | 79 | 79 |
| Non-NFL Special Event Attendees | | | | | | | | | 33,535 | 33,535 |
| Cars Parked at Offsite Lots | 2,997 | - | 2,254 | 2,232 | 5,647 | - | 2,523 | 1,474 | | 17,127 |
| City Offsite Parking Fee | \$ 16,873 | \$ - | \$ 12,690 | \$ 12,566 | \$ 33,035 | \$ - | \$ 14,760 | \$ 8,623 | | \$ 98,547 |
| Stadium Public Safety Costs | \$ 231,864 | \$ - | \$ 118,616 | \$ 338,448 | \$ 347,966 | \$ 14,250 | \$ 345,136 | \$ 238,374 | \$ 84,270 | \$ 1,718,924 |
| Less: Offsite Parking Fee Credit | \$ (16,873) | \$ - | \$ (12,690) | \$ (12,566) | \$ (33,035) | \$ - | \$ (14,760) | \$ (8,623) | \$ - | \$ (98,547) |
| Reimbursable Public Safety Costs | \$ 214,991 | \$ - | \$ 105,926 | \$ 325,882 | \$ 314,931 | \$ 14,250 | \$ 330,376 | \$ 229,751 | \$ 84,270 | \$ 1,620,377 |
| | | | | | | | | | | |
| Amount Reimbursed | \$ 191,502 | \$ - | \$ 99,277 | \$ 217,079 | \$ 226,297 | \$ 14,250 | \$ - | \$ - | \$ 45,535 | \$ 793,941 |
| | | | | | | | | | | |

Table 4
Levi's® Stadium
Historical Non-NFL Event Statistics⁽¹⁾

| | 2014/15 Q4 Total | 2015/16 Q4 Total | 2016/17 Q4 Total | 2017/18 Q4 Total | 2018/19 Q4 Total | 2019/20 Q4 Total |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| No. of non-NFL Ticketed Events | 9 | 17 | 18 | 13 | 12 | 8 |
| No. of Tickets Sold | 377,312 | 629,004 | 582,349 | 384,282 | 332,600 | 183,874 |
| Non-NFL Ticket Surcharge | \$ 1,431,540 | \$ 2,477,084 | \$ 2,329,396 | \$ 1,537,128 | \$ 1,330,400 | \$ 735,496 |
| No. of Non-NFL Special Events | 186 | 207 | 127 | 113 | 100 | 79 |
| Non-NFL Special Event Attendees | 62,357 | 105,997 | 49,151 | 62,917 | 35,676 | 33,535 |
| Cars Parked at Offsite Lots | 26,156 | 55,720 | 60,969 | 30,734 | 28,566 | 17,127 |
| City Offsite Parking Fee | \$ 128,688 | \$ 278,704 | \$ 313,979 | \$ 165,149 | \$ 158,623 | \$ 98,547 |
| Cars Parked on Golf Course | 12,004 | 20,661 | 9,562 | - | - | - |
| City Golf Course Parking Fee | \$ 60,020 | \$ 103,305 | \$ 47,810 | \$ - | \$ - | \$ - |
| Stadium Public Safety Costs | \$ 1,782,821 | \$ 3,083,668 | \$ 3,207,507 | \$ 2,020,343 | \$ 2,421,914 | \$ 1,718,924 |
| Golf Course Public Safety Costs | \$ 76,462 | \$ 119,842 | \$ 39,905 | \$ - | \$ - | \$ - |
| Subtotal Event Public Safety Costs | \$ 1,859,283 | \$ 3,203,510 | \$ 3,247,412 | \$ 2,020,343 | \$ 2,421,914 | \$ 1,718,924 |
| Less: Offsite Parking Fee Credit | \$ (128,688) | \$ (278,704) | \$ (313,979) | \$ (165,149) | \$ (158,623) | \$ (98,547) |
| Reimbursable Public Safety Costs | \$ 1,730,595 | \$ 2,924,805 | \$ 2,933,433 | \$ 1,855,194 | \$ 2,263,291 | \$ 1,620,377 |
| Amount Reimbursed | \$ 1,730,595 | \$ 2,924,805 | \$ 2,933,433 | \$ 1,855,194 | \$ 2,263,291 | \$ 793,941 |
| | | | | | | |

⁽¹⁾ Includes non-NFL special events.

Table 5 summarizes ticketed Non-NFL Event revenue and expenditures by event. This table shows that six of the eight (75%) events operated at a loss or did not make any money. Table 6 and 7 show Non-NFL net revenue by event type and event revenue and expenses by category. The inclusion of this information is to provide a greater level of transparency and provide the overall financial results of the Non-NFL events.

Table 5
Levi's® Stadium
Ticketed Non-NFL Events Revenue and Expenditure Summary
FY 2019/20 Quarter 4

In Millions \$

| Ticketed Event | Revenue | Expense | Net |
|---|----------------|----------------|-----------------|
| Monster Jam | \$ 1.6 | \$ 2.0 | \$ (0.4) |
| Bay Area Wedding Fair | 0.0 | 0.0 | 0.0 |
| USWNT vs South Africa | 0.3 | 0.1 | 0.2 |
| ICC: Chivas vs Benfica | 1.2 | 1.5 | (0.3) |
| Rolling Stones: No Filter Tour | 11.4 | 10.5 | 0.9 |
| High School Football Series | 0.1 | 0.1 | 0.0 |
| Pac-12 Championship | 3.1 | 5.7 | (2.6) |
| Redbox Bowl | 4.6 | 5.2 | (0.6) |
| Total Ticketed Non-NFL Net Revenue to date | \$ 22.3 | \$ 25.1 | \$ (2.8) |

*Numbers may vary due to rounding

There were eight ticketed Non-NFL events held in FY 2019/20 with an average net loss to the Stadium Authority of about \$300,000 per event. In other words, each time ManagementCo hosts a ticketed Non-NFL event, the Stadium Authority must subsidize the event with \$300,000. Out of a total of eight ticketed Non-NFL events, six Non-NFL ticketed events (75%) were money losing events or generated no revenue for the Stadium Authority. Based on the analysis shown in the following tables, the Special Events (such as weddings, corporate events, birthday parties, etc.) generate the largest revenue for the Stadium Authority.

The revenue and expenses in the tables below are created using information provided by ManagementCo. Based on the information provided, it is difficult to determine what areas of "business" during an event generate revenue and what areas generate a loss. As an example, it appears that the Food and Beverage portion of the business is not generating revenue, however, it is difficult to determine by the provided information if this is actually the case. There may be Food and Beverage revenue or cost reimbursements that are grouped with other revenue line items obscuring the bottom line of the Food and Beverage business. The Stadium Authority looks to work with ManagementCo on greater transparency for future reports.

For FY 2019/20, the Stadium Manager submitted to the Board a “TBD” for forecasted revenue. In March 2020 after Stadium Authority questioned the “TBD” submittal, ManagementCo provided a revised projected loss for the year between \$1.7 million and \$2 million in direct contrast to the Non-NFL event profit and loss report provided to the Stadium Authority for Quarter 3 showing a positive net revenue of about \$404,000 for all events. The increase from the projected \$1.7 million to \$2 million dollar loss and the actual loss of \$2.7 million provided by ManagementCo is still under review by Stadium Authority staff.

During the Stadium Authority’s FY2019/20 audit, KPMG performed sampling of the Non-NFL event source documentation in accordance with generally accepted auditing standards. However, Stadium Authority staff is performing a more exhaustive review of the supporting documentation provided. ManagementCo has requested the Stadium Authority to fund the \$2.7 million dollar loss. Because this issue is in litigation and the details supporting this loss are not completely known for lack of documentation and examination of it, no payment will be recommended until the litigation is resolved. It should be noted that any payment would require the approval by the Stadium Authority Board, along with an associated budget amendment.

Table 6
Levi's® Stadium
Net Revenue for Non-NFL Events
by Event Type
FY 2019/20 Quarter 4

| Event Type | No. of Events | Net Revenue |
|--|---------------|-----------------------|
| Ticketed Events | | |
| Concerts | 1 | \$ 856,583 |
| Sporting Events | | |
| Football (Non-NFL) | 3 | (3,170,926) |
| Soccer | 2 | (65,295) |
| Miscellaneous Events | 2 | (458,609) |
| Subtotal Ticketed Events | 8 | \$ (2,838,247) |
| Subtotal Ticketed Events - Other Expenses ⁽²⁾ | | \$ (167,217) |
| Subtotal Non-Ticketed Non-NFL Events (weddings, corporate events, etc) | 79 | \$ 1,492,331 |
| Subtotal Other Operating Expenses | | \$ (1,227,881) |
| Total Non-NFL Event Net Revenue | 87 | \$ (2,741,014) |
| Total Estimated Performance Rent paid to the General Fund⁽¹⁾ | | \$ - |

⁽¹⁾ Performance Rent is calculated as 50% of the net revenue from Non-NFL events less performance-based credit of 50% of fixed ground rent

⁽²⁾ Other Expenses not attributable to a specific event

Table 7
Levi's® Stadium
Non-NFL Event Results by Category
FY 2019/20 Quarter 4

| | 2019/20 YTD Total |
|-----------------------------------|-----------------------|
| REVENUE: | |
| Seating Bowl | \$ 16,826,550 |
| Ticket Master Fees | 742,708 |
| Suites | 349,759 |
| Food & Beverage | 1,810,989 |
| Parking | 958,424 |
| Sponsorship | 662,800 |
| Merchandise | 111,724 |
| Miscellaneous ⁽¹⁾ | 7,850,340 |
| Total Revenue | \$ 29,313,294 |
| EXPENSE: | |
| Public Safety/Security | \$ 2,781,540 |
| Utilities/Solid Waste | 123,826 |
| Parking | 1,053,322 |
| Food & Beverage - Ticketed Events | 528,776 |
| Food & Beverage - Special Events | 4,052,646 |
| Operations/Janitorial/Maintenance | 3,913,217 |
| Miscellaneous ⁽²⁾ | 19,600,981 |
| Total Expense | \$ 32,054,308 |
| Total Non-NFL Net Revenue | \$ (2,741,014) |

⁽¹⁾Includes special event revenue such as corporate events, weddings, holiday parties, etc.

⁽²⁾Includes rentals, fees & commissions, transportation, marketing, and other expenses

Discretionary Fund

The Discretionary Fund is funded by revenue equal to 50% of the Non-NFL Ticket Surcharge of \$4 per ticket. The eight ticketed Non-NFL Events contributed \$368,000 to the Discretionary Fund in the reporting period. Table 8 shows the revenues and expenses in the Discretionary Fund since FY2014/15. The balance at the end of this reporting period was \$2.3 million.

Table 8

| Discretionary Fund - Accrual Basis | | | | |
|------------------------------------|-------------------|------------|------------|----------------|
| Fiscal Year | Beginning Balance | Revenue | Expenses | Ending Balance |
| 2014/15 | \$ - | \$ 715,770 | \$ 714,028 | \$ 1,742 |
| 2015/16 | 1,742 | 1,238,542 | 699,129 | 541,155 |
| 2016/17 | 541,155 | 1,164,698 | 1,209,342 | 496,511 |
| 2017/18 | 496,511 | 768,564 | - | 1,265,075 |
| 2018/19 | 1,265,075 | 796,294 | 101,267 | 1,960,102 |
| 2019/20 | 1,960,102 | 367,748 | | 2,327,850 |

Stadium Builder Licenses

The total principal value of currently active Stadium Builder Licenses (“SBLs”) is \$531.7 million and, as of March 31, 2020, 86.3% of the total principal value of all SBLs sold (i.e., \$458.9 million) had been collected.

SBL holders that finance their purchase pay an annual interest rate of 8.5% and payments are due by March 1st each year. The majority of SBL holders make their payments on time. For those that do not pay on time, SBL service staff, working for ManagementCo on the Stadium Authority’s behalf, contact the SBL holders and attempt to collect the full amounts owed. Ultimately, an SBL can be defaulted for non-payment. Once an SBL is defaulted, the SBL holder in default loses their right to buy season tickets as well as their priority rights to tickets to Non-NFL Events, and forfeits any money they had invested in the SBL. Defaulted SBLs are then available for resale.

There is a total of 60,237 currently active SBLs, or 91% of the 65,879 total sellable SBL seats. This is down by 22 from the total active SBLs at the end of the prior fiscal year (March 31, 2019). The main reason for the reduction is due to defaulted SBLs. The defaulted SBLs were offset by (1) the sale of new SBLs and (2) the net increase related to the customer seat relocation program. The customer seat relocation program allows customers to trade in their SBLs in return for others in a different location as long as the total face value of the new seats is equal to or greater than the original seats.

During the current reporting period, 1,310 SBLs were sold for a total face value of \$7.9 million. The customer seat relocation program resulted in an increase of \$1.1 million to the SBL face value, while netting 144 more SBLs. There were also 1,476 SBLs defaulted during the year with a total face value of \$9.8 million. The number of defaults and associated value is in line with the two-year historical average.

Additional details regarding currently active SBLs are noted in Table 9.

Table 9
Santa Clara Stadium Authority
Currently Active Stadium Builder License (SBL) Summary⁽¹⁾

| Through March 31, 2020 | | | | | | | | | | |
|------------------------|---------------------|------------------------------|---------------|---------------------|----------------|----------------|-----------------------|-----------------------|---------------------------|--|
| Seat Value | SBL Seats Available | SBL Seats Sold as of 3/31/19 | New SBL Sales | Net SBL Relocations | SBL Defaults | SBL Seats Sold | SBL Value | SBL Collected | % SBL Principal Collected | |
| 141,392 | 100 | 100 | - | - | - | 100 | \$ 14,082,625 | \$ 12,285,200 | 87.2% | |
| 80,000 | 938 | 930 | 2 | 11 | (13) | 930 | 74,400,000 | 66,046,170 | 88.8% | |
| 40,000 | 2 | 2 | - | - | - | 2 | 80,000 | 65,883 | 82.4% | |
| 30,000 | 4,869 | 4,554 | 42 | (13) | (56) | 4,527 | 135,810,000 | 119,919,658 | 88.3% | |
| 20,000 | 3,395 | 2,965 | 39 | (26) | (66) | 2,912 | 58,240,000 | 50,733,524 | 87.1% | |
| 15,000 | 7 | 7 | - | - | - | 7 | 105,000 | 73,182 | 69.7% | |
| 12,000 | 2,167 | 2,118 | 45 | 13 | (25) | 2,151 | 25,812,000 | 22,285,457 | 86.3% | |
| 10,000 | 9 | 7 | - | - | - | 7 | 70,000 | 59,443 | 84.9% | |
| 6,000 | 20,623 | 20,441 | 460 | 81 | (478) | 20,504 | 123,024,000 | 102,103,111 | 83.0% | |
| 5,000 | 14,301 | 13,164 | 338 | 115 | (297) | 13,320 | 66,600,000 | 56,560,482 | 84.9% | |
| 4,000 | 917 | 913 | 3 | 4 | (6) | 914 | 3,656,000 | 3,317,840 | 90.8% | |
| 3,000 | 94 | 94 | - | - | (3) | 91 | 273,000 | 221,527 | 81.1% | |
| 2,500 | 45 | 45 | - | - | (1) | 44 | 110,000 | 92,424 | 84.0% | |
| 2,000 | 18,373 | 14,881 | 381 | (40) | (529) | 14,693 | 29,386,000 | 25,070,124 | 85.3% | |
| 1,000 | 39 | 38 | - | (1) | (2) | 35 | 35,000 | 29,989 | 85.7% | |
| Total | 65,879 | 60,259 | 1,310 | 144 | (1,476) | 60,237 | \$ 531,683,625 | \$ 458,864,012 | 86.3% | |

Plus: Interest on financed SBLs 55,876,187
Total Principal & Interest \$ 514,740,199

⁽¹⁾ This table does not include \$26.1 million that has been collected life-to-date from defaulted SBL holders.

Santa Clara Stadium Authority Budget Status Reports

Operating Budget

With Fiscal Year 2019/20 complete, total operating revenues for the current reporting period were \$97.8 million representing 133% of the overall budget for revenues. The primary reason that revenue is over budget is because non-NFL event revenue is recorded gross while the budget includes the revenue net of expenses. Stadium rent earned from StadCo totaled \$24.8 million. During the current reporting period, the Stadium Authority also collected \$26.2 million in SBL proceeds or 103% of what was budgeted. All SBL proceeds are to be transferred to the debt service fund per applicable loan agreements. The non-NFL event ticket surcharge amounted to \$735,000 or 100% of the final budget.

Total operating expenses were \$73.2 million, or 100% of the annual budget. Of note, the payment on shared stadium manager expenses is withheld until sufficient support is received for the expenses. The Stadium Authority's FY2019/20 budget was amended on March 24, 2020, with a reduction of \$7.5 million to the Shared Stadium Manager Expense budget and an increase in Legal Contingency of that amount. The expenses that were reduced include Stadium Operations, Engineering, Guest Services, Groundskeeping, Security and the Stadium Management Fee. The budget for these expenses will remain in the Legal Contingency line item until adequate support is provided to justify legitimate expenditures of the amounts requested. Operating expense payments were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, arising from ManagementCo's inappropriate use of public funds relative to procurement practices and potential self-dealing/conflicts of interests. At that meeting, the Board directed the Executive Director to only release public funds to ManagementCo if all supporting documents have been submitted and adhere to our agreements and State and local laws. As part of that suspension of payment, the Stadium Authority continues to pay for utilities, insurance and costs associated with SBL sales and services. However, rather than provide the Stadium Authority with complete documentation to substantiate proper procurement and/or the absence of self-dealing/conflicts of interests, ManagementCo forced loans on the Stadium Authority through the revolving loan instrument and continues to pay itself public funds without demonstrating compliance with State and local laws.

In FY2019/20, ManagementCo drew a total of \$6.3 million against the revolving loan line of credit for the Shared Stadium Manager Expense payments withheld by the Stadium Authority. The draws on the revolving loan were not authorized by the Stadium Authority and documentation rejecting these draws was provided to the Stadium Manager. The Stadium Authority maintains its position that it should not release public funds to ManagementCo unless it can demonstrate compliance with public procurement laws, prevailing wage laws, and absence of self-dealing/conflicts of interests. Shared Stadium Manager expenses were at 99% or \$4.32 million of the \$4.38 million final budget, amended from \$11.9 million. The bulk of the expense is for insurance, which the Stadium Authority continues to pay. The remaining payments of

Shared Stadium Manager Expenses took place prior to the Board's direction to only release funds after receiving supporting documentation.

SBL Sales & Service expenses were 100% of the budget, or \$3.6 million. The Stadium Authority pays for all utility costs from February 1st through July 31st and the tenant (StadCo) pays for utility costs from August 1st through January 31st (Tenant Season). Utility costs are 100% of the budget for the year, or \$1.6 million. Transfers out amounted to \$28.5 million and, lastly, Stadium Authority G&A costs were \$2.4 million or 96% of the budget.

Overall, the Stadium Authority operating fund ended the year with a fund balance of \$47.4 million; included in that amount is an \$11.3 million operating reserve and a \$2.3 million discretionary fund.

Additional details are shown in Table 10.

Table 10
Santa Clara Stadium Authority
Operating Budget Status Report
For the Period Ending March 31, 2020 and 2019

| | Period Ending March 31, 2020 | | | | | | | | Period Ending March 31, 2019 | | | |
|--|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------------|-------------|------------------------------|-----------------------|-----------------------------|------------|
| | Final Budget | Q1 Actuals | Q2 Actuals | Q3 Actuals | Q4 Actuals | YTD Actuals | Budget to Actual Difference | % Received | Final Budget | YTD Actuals | Budget to Actual Difference | % Received |
| Resources | | | | | | | | | | | | |
| Revenues | | | | | | | | | | | | |
| NFL Ticket Surcharge | \$ 8,412,291 | \$ - | \$ 2,416,387 | \$ 5,995,904 | \$ - | \$ 8,412,291 | \$ (0) | 100% | \$ 8,031,000 | \$ 8,076,510 | \$ (45,510) | 101% |
| SBL Proceeds | 25,416,000 | 8,525,454 | 827,998 | 1,077,869 | 15,814,216 | 26,245,536 | (829,536) | 103% | 27,214,000 | 26,750,973 | 463,027 | 98% |
| Interest | 938,000 | 234,203 | 247,406 | 219,504 | 202,648 | 903,761 | 34,239 | 96% | 794,000 | 1,001,640 | (207,640) | 126% |
| Non-NFL Event Revenue | - | - | - | - | 29,313,294 | 29,313,294 | (29,313,294) | NA | 62,147,000 | 50,856,562 | 11,290,438 | N/A |
| Net Revenues from Non-NFL Events | 5,796,000 | - | - | - | - | - | 5,796,000 | 0% | - | - | - | NA |
| Naming Rights | 6,754,000 | - | 3,327,117 | - | 3,426,930 | 6,754,047 | (47) | 100% | 6,558,000 | 6,557,327 | 673 | 100% |
| Sponsorship Revenue (STR) | 345,000 | 81,250 | 81,250 | 81,250 | 81,250 | 325,000 | 20,000 | 94% | 545,000 | 387,203 | 157,797 | 71% |
| Rent | 24,762,000 | 6,190,500 | 6,190,500 | 6,190,500 | 6,190,500 | 24,762,000 | - | 100% | 25,810,000 | 25,810,002 | (2) | 100% |
| Senior & Youth Program Fees | 250,000 | - | 64,669 | 167,287 | 18,044 | 250,000 | - | 100% | 230,000 | 227,933 | 2,067 | 99% |
| Non-NFL Event Ticket Surcharge | 735,496 | 229,376 | 253,956 | 252,164 | - | 735,496 | - | 100% | 1,800,000 | 1,592,588 | 207,412 | 88% |
| Bay Area Host Committee Reimbursement | 4,642 | 3,715 | 927 | - | - | 4,642 | (0) | 100% | 1,400,000 | 1,166,884 | 233,116 | N/A |
| Other Revenue | 115,773 | - | - | - | 128,379 | 128,379 | (12,606) | 111% | 2,281,000 | 2,281,903 | (903) | N/A |
| Revenues Subtotal | \$ 73,529,202 | \$ 15,264,498 | \$ 13,410,210 | \$ 13,984,478 | \$ 55,175,260 | \$ 97,834,446 | \$ (24,305,244) | 133% | \$ 136,810,000 | \$ 124,709,525 | \$ 12,100,475 | 91% |
| Net Transfers | - | - | - | - | - | - | - | N/A | - | - | - | NA |
| Total Resources | \$ 73,529,202 | \$ 15,264,498 | \$ 13,410,210 | \$ 13,984,478 | \$ 55,175,260 | \$ 97,834,446 | \$ (24,305,244) | 133% | \$ 136,810,000 | \$ 124,709,525 | \$ 12,100,475 | 91% |
| Expenses | | | | | | | | | | | | |
| Shared Stadium Manager Expenses | | | | | | | | | | | | |
| Stadium Operations | \$ 653,401 | \$ 653,401 | \$ - | \$ - | \$ - | \$ 653,401 | \$ 0 | 100% | \$ 3,721,000 | \$ 3,659,714 | \$ 61,286 | 98% |
| Engineering | 328,481 | 328,481 | - | - | - | 328,481 | 0 | 100% | 1,835,000 | 1,999,576 | (164,576) | 109% |
| Guest Services | 137,782 | 137,782 | - | - | - | 137,782 | 0 | 100% | 813,000 | 561,641 | 251,359 | 69% |
| Groundskeeping | 29,039 | 29,039 | - | - | - | 29,039 | (0) | 100% | 164,000 | 154,101 | 9,899 | 94% |
| Security | 270,450 | 270,450 | - | - | - | 270,450 | (0) | 100% | 1,543,000 | 1,058,475 | 484,525 | 69% |
| Insurance | 2,956,000 | 739,038 | 870,038 | 608,038 | 684,886 | 2,902,000 | 54,000 | 98% | 2,871,000 | 2,870,047 | 953 | 100% |
| Stadium Management Fee | - | - | - | - | - | - | - | NA | 226,000 | 225,102 | 898 | 100% |
| Shared Stadium Mngr Exps Subtotal | \$ 4,375,153 | \$ 2,158,191 | \$ 870,038 | \$ 608,038 | \$ 684,886 | \$ 4,321,153 | \$ 54,000 | 99% | \$ 11,173,000 | \$ 10,528,656 | \$ 644,344 | 94% |
| Other Expenses | | | | | | | | | | | | |
| SBL Sales and Service | \$ 3,614,477 | \$ 589,477 | \$ 1,440,000 | \$ 1,025,000 | \$ 560,000 | \$ 3,614,477 | \$ - | 100% | \$ 2,324,000 | \$ 1,771,307 | \$ 552,693 | 76% |
| Senior & Youth Fees (paid to City) | 250,000 | - | 42,073 | 189,883 | 18,044 | 250,000 | - | 100% | 230,000 | 227,933 | 2,067 | 99% |
| Non-NFL Event Expense | - | - | - | - | 32,054,308 | 32,054,308 | (32,054,308) | NA | 56,519,000 | 50,837,971 | 5,681,029 | 90% |
| Ground Rent (paid to City) | 355,000 | - | 355,000 | - | - | 355,000 | - | 100% | 320,000 | 320,000 | - | 100% |
| Performance Rent (paid to City) | 2,721,000 | - | - | - | - | - | 2,721,000 | 0% | 2,654,000 | - | 2,654,000 | 0% |
| Discretionary Fund Expense | 250,000 | - | - | - | - | - | 250,000 | 0% | 990,000 | 101,267 | 888,733 | 10% |
| Utilities | 1,568,265 | 791,625 | 258,000 | - | 519,000 | 1,568,625 | (360) | 100% | 1,506,000 | 1,444,485 | 61,515 | 96% |
| Use of StadCo Tenant Improvements | 182,000 | - | - | - | - | - | 182,000 | 0% | 236,000 | 256,263 | (20,263) | 109% |
| Stadium Authority G&A | 2,480,000 | 295,995 | 484,664 | 661,333 | 929,206 | 2,371,198 | 108,802 | 96% | 1,685,000 | 1,556,580 | 128,420 | 92% |
| College Football Playoff Expense | 4,642 | 3,715 | 927 | - | - | 4,642 | - | 100% | 1,400,000 | 1,166,884 | 233,116 | NA |
| Legal Contingency | 6,996,000 | - | - | - | - | - | 6,996,000 | 0% | - | - | - | - |
| Other Expenses | 110,000 | 109,915 | - | - | (5,000) | 104,915 | 5,085 | 95% | 105,000 | (33,900) | 138,900 | -32% |
| Transfers Out | 50,284,665 | - | 10,894,241 | 8,843,109 | 8,810,911 | 28,548,261 | 21,736,404 | 57% | 57,340,000 | 56,529,584 | 810,416 | 99% |
| Contribution to Operating Reserve | 338,000 | - | - | - | - | - | 338,000 | 0% | 328,000 | - | 328,000 | 0% |
| Other Expenses Subtotal | \$ 69,154,049 | \$ 1,790,726 | \$ 13,474,905 | \$ 10,719,326 | \$ 42,886,469 | \$ 68,871,426 | \$ 282,623 | 100% | \$ 125,637,000 | \$ 114,178,374 | \$ 11,458,626 | 91% |
| Total Expenses | \$ 73,529,202 | \$ 3,948,918 | \$ 14,344,943 | \$ 11,327,364 | \$ 43,571,355 | \$ 73,192,579 | \$ 336,623 | 100% | \$ 136,810,000 | \$ 124,707,031 | \$ 12,102,969 | 91% |
| Operating Reserve | \$ 11,593,270 | - | - | - | - | \$ 11,255,088 | - | - | \$ 11,255,088 | - | - | - |
| Discretionary Fund | \$ 2,302,075 | - | - | - | - | \$ 2,327,850 | - | - | \$ 1,086,407 | \$ 1,960,102 | - | - |

Debt Service Budget

The Stadium Authority's FY 2019/20 debt service revenue budget of \$3.8 million represents anticipated contributions from the Community Facilities District (CFD). During the current fiscal year, \$3.6 million was contributed by the CFD. Transfers in from the operating fund amounted to \$26.2 million or 56% of the budget.

Total Stadium Authority debt service expenses for the current reporting period were \$31 million, 63% of the budgeted amount. The debt service expenses for the CFD Advance, the Term A Loan, and the StadCo Subordinated Loan were \$3.9 million, \$25.6 million, and \$2.2 million, respectively.

The Stadium Authority debt service fund ended the current quarter with a fund balance of \$23.6 million which includes \$11.5 million in the debt service reserve account. The remaining is reserved for future debt payments.

As of March 31, 2020, the total outstanding amount of Stadium Authority debt had declined to \$325.3 million. This is a reduction in principal of \$15 million from the March 31, 2019 outstanding debt amount of \$340.2 million.

Additional details are shown in Tables 11 and 12 and Chart 1.

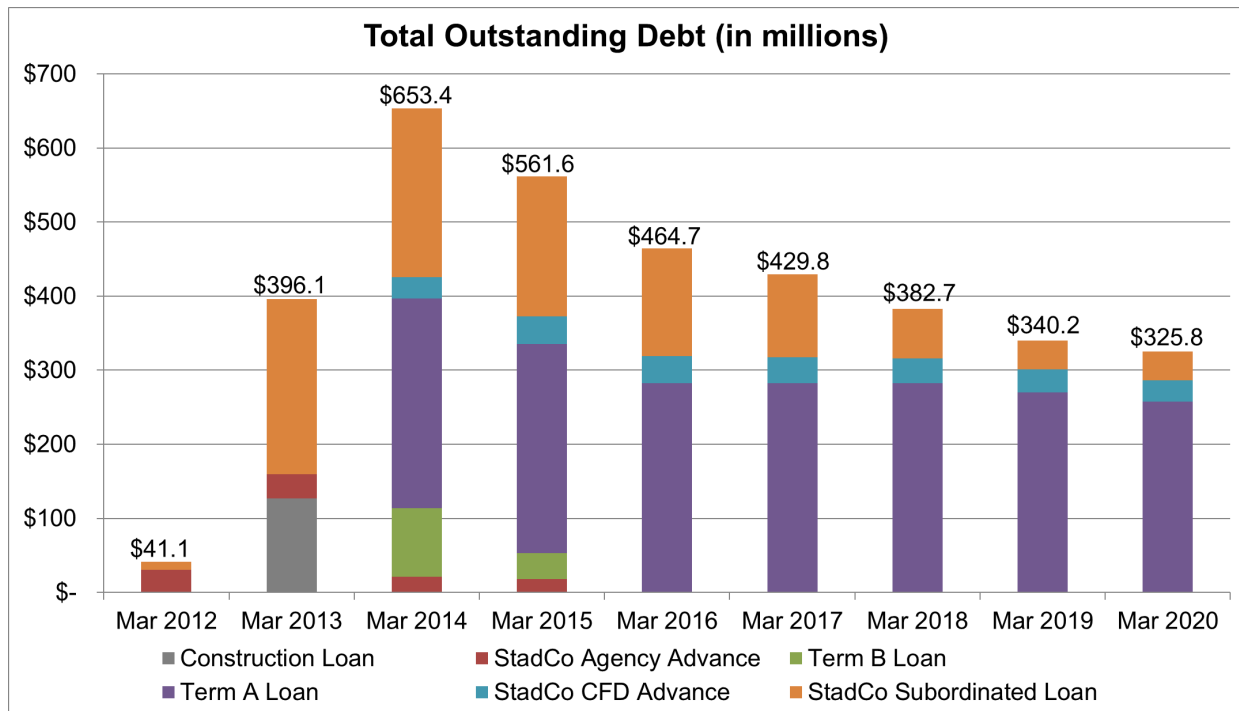
Table 11
Santa Clara Stadium Authority
Debt Service Budget Status Report
For the Period Ending March 31, 2020 and 2019

| Period Ending March 31, 2020 | | | | | | | | | Period Ending March 31, 2019 | | | |
|--------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|----------------------|-----------------------------------|------------|------------------------------|----------------------|-----------------------------------|------------|
| | Final Budget | Q1 Actuals | Q2 Actuals | Q3 Actuals | Q4 Actuals | YTD Actuals | Budget to Actual Difference | % Received | Final Budget | YTD Actuals | Budget to Actual Difference | % Received |
| Resources | | | | | | | | | | | | |
| Revenues | | | | | | | | | | | | |
| Contribution from CFD | \$ 3,872,000 | \$ 951,360 | \$ 892,307 | \$ 1,026,881 | \$ 742,950 | \$ 3,613,498 | \$ 258,502 | 93% | \$ 3,800,000 | \$ 3,779,881 | \$ 20,119 | 99% |
| Revenues Subtotal | \$ 3,872,000 | \$ 951,360 | \$ 892,307 | \$ 1,026,881 | \$ 742,950 | \$ 3,613,498 | \$ 258,502 | 93% | \$ 3,800,000 | \$ 3,779,881 | \$ 20,119 | 99% |
| Transfers In from Operating | 46,806,665 | - | 10,894,241 | 8,843,109 | 6,492,362 | 26,229,712 | 20,576,953 | 56% | 53,963,000 | 53,153,057 | 809,943 | 98% |
| Contribution from Fund Balance | - | 16,665,922 | (7,593,965) | (4,641,839) | (4,430,118) | (0) | 0 | NA | 4,653,000 | 4,094,296 | 558,704 | 88% |
| Total Resources | \$ 50,678,665 | \$ 17,617,282 | \$ 4,192,583 | \$ 5,228,151 | \$ 2,805,194 | \$ 29,843,210 | \$ 20,835,455 | 59% | \$ 62,416,000 | \$ 61,027,234 | \$ 1,388,766 | 98% |
| Expenses | | | | | | | | | | | | |
| CFD Advance | \$ 3,844,000 | \$ 1,002,705 | \$ 438,541 | \$ 1,474,108 | \$ 1,018,182 | \$ 3,933,536 | \$ (89,536) | 102% | \$ 3,800,000 | \$ 3,506,299 | \$ 293,701 | 92% |
| Term A Loan | 26,383,000 | 15,971,276 | 3,218,928 | 3,218,928 | 3,218,928 | 25,628,060 | 754,940 | 97% | 26,702,000 | 26,043,162 | 658,838 | 98% |
| StadCo Subordinated Loan | 20,451,665 | 643,301 | 535,114 | 535,114 | 535,114 | 2,248,643 | 18,203,022 | 11% | 31,914,000 | 31,477,772 | 436,228 | 99% |
| Total Expenses | \$ 50,678,665 | \$ 17,617,282 | \$ 4,192,583 | \$ 5,228,151 | \$ 4,772,224 | \$ 31,810,239 | \$ 18,868,426 | 63% | \$ 62,416,000 | \$ 61,027,234 | \$ 1,388,766 | 98% |
| Debt Service Reserve | \$ 11,536,235 | | | | | \$ 11,536,235 | | | \$ 11,536,235 | \$ 11,536,235 | | |

Table 12
Santa Clara Stadium Authority
Debt Summary Report
For the Period Ending March 31, 2020

| Type of Indebtedness | Interest Rates | Outstanding as of March 31, 2019 | Net Change | Outstanding as of March 31, 2020 |
|-----------------------------|----------------|----------------------------------|------------------------|----------------------------------|
| Stadium Funding Trust Loan: | | | | |
| Term A Loan | 5.00% | \$ 270,266,412 | \$ (12,752,172) | \$ 257,514,240 |
| StadCo CFD Advance | 5.73% | 30,925,978 | (2,092,999) | 28,832,979 |
| StadCo Subordinated Loan | 5.50% | 39,024,833 | (107,449) | 38,917,384 |
| Total | | \$ 340,217,223 | \$ (14,952,620) | \$ 325,264,603 |

Chart 1



Capital Improvement Project Budget

As part of the Capital Expense (“CapEx”) Plan, the following projects have been completed as of the current reporting period:

- Kawasaki Mule Purchase
- Two Auto Pulse Automated Compressor Purchases
- ALS Lifepack Monitor Purchase
- Upfit Kawasaki Mules
- Mobile Radio Purchase
- Diesel Particulate Filter Purchase
- Chemical Warfare Detector Purchase

The following CapEx projects were currently in progress at the end of the fiscal year:

- Staff Scheduling Software

A total of \$132,000 has been spent in FY 2019/20, which amounts to 1% of the budget. The main reasons that this is below budget are (1) there has been little activity on warranty work which makes up 11% of the CIP Budget, and (2) a number of projects are behind schedule due to ManagementCo’s inability to demonstrate compliance with State procurement and prevailing wage laws. As a result, capital projects have stalled. We continue to raise this issue with ManagementCo to ensure the Stadium Authority asset is maintained in a sufficient manner; however, there is valid concern that ManagementCo is unable to complete these duties given the record to date. During this reporting period, the ManagementCo has not demonstrated its ability to award contracts in compliance with state laws.

Additional details are shown below in Table 13.

Table 13
Santa Clara Stadium Authority
CIP Budget Status Report
For the Period Ending March 31, 2020 and 2019

| | Period Ending March 31, 2020 | | | | | | | Period Ending March 31, 2019 | | | |
|---------------------------------------|------------------------------|----------------------|----------------------|----------------------|----------------------|-----------------------------------|------------|------------------------------|----------------------|-----------------------------------|-------------|
| | Final Budget | Q1 Actuals | Q2 Actuals | Q3 Actuals | YTD Actuals | Budget to Actual Difference | % Received | Final Budget | YTD Actuals | Budget to Actual Difference | % Received |
| Beginning Balances | \$ 14,532,870 | \$ 14,516,225 | \$ 14,455,221 | \$ 14,763,788 | \$ 14,516,225 | \$ 16,645 | | \$ 12,358,833 | \$ 12,718,700 | | |
| Resources | | | | | | | | | | | |
| Transfers In from Operating Budget | 3,478,000 | - | - | 2,318,549 | 2,318,549 | 1,159,451 | 66.66% | 3,377,000 | 3,376,527 | 473 | 100% |
| Transfers In from Stadium Manager | - | - | 308,568 | - | 308,568 | (308,568) | N/A | - | - | - | |
| Total Resources | \$ 18,010,870 | \$ 14,516,225 | \$ 14,763,788 | \$ 17,082,337 | \$ 17,143,342 | \$ 867,528 | 95% | \$ 15,735,833 | \$ 16,095,227 | \$ 473 | 102% |
| | Final Budget | Q1 Actuals | Q2 Actuals | Q3 Actuals | YTD Actuals | Budget to Actual Difference | % Used | Final Budget | YTD Actuals | Budget to Actual Difference | % Used |
| | Final Budget | Q1 Actuals | Q2 Actuals | Q3 Actuals | YTD Actuals | Budget to Actual Difference | % Used | Final Budget | YTD Actuals | Budget to Actual Difference | % Used |
| Expenses | | | | | | | | | | | |
| Construction | 4,956,922 | (4,845) | - | - | (4,845) | 4,961,767 | 0% | 4,875,415 | 1,378,251 | 3,497,164 | 28% |
| Equipment | 7,070,988 | 65,038 | - | 71,727 | 136,765 | 6,934,223 | 2% | 1,210,000 | 124,732 | 1,085,268 | 10% |
| Contingency | 657,397 | 812 | - | - | 812 | 656,585 | 0% | 296,546 | 3,250 | 293,296 | 1% |
| Stadium Warranty Related Construction | 1,528,202 | - | - | - | - | 1,528,202 | 0% | 1,600,971 | 72,769 | 1,528,202 | 5% |
| Total Expenses | \$ 14,213,509 | \$ 61,005 | \$ - | \$ 71,727 | \$ 132,731 | \$ 14,080,778 | 1% | \$ 7,982,932 | \$ 1,579,002 | \$ 6,403,930 | 20% |
| Ending Balances | \$ 3,797,361 | \$ 14,455,221 | \$ 14,763,788 | \$ 17,010,611 | \$ 17,010,611 | | | \$ 7,752,901 | \$ 14,516,225 | | |

City of Santa Clara Net General Fund Impact

During the current reporting period there was a total of \$1.5 million that was contributed to the General Fund as shown in Table 14. This section of the report also provides information on General Fund revenue and expenditure impacts resulting from the stadium.

Table 14

City of Santa Clara Net General Fund Impact

For Stadium Authority Fiscal Year to Date Ending March 31, 2020

| | | |
|--------------------------------------|-----------|------------------|
| Ground Rent | \$ | 355,000 |
| Performance Rent | | - |
| Senior and Youth Fee | | 250,000 |
| Tasman Lots Parking Fee | | 34,410 |
| Sales Tax | | 834,314 |
| <hr/> | | |
| Total Net General Fund Impact | \$ | 1,473,724 |

Public Safety and Administrative Cost Reimbursement

As described in earlier sections of this report, costs incurred by the City on NFL and non-NFL Events are tracked and billed to the Stadium Manager. Reimbursement is monitored and included in this report. Public safety costs incurred in support of NFL and non-NFL events occurring in FY2019/20 totaled \$5.4 million and \$1.7 million, respectively. Reimbursements of the NFL public safety costs amounted to \$4.4 million, and \$892,000 has been received for the non-NFL public safety costs as of the end of March 2020. These reimbursements came from a combination of payments from the Stadium Manager, and the offsite parking fees that were collected.

In addition to public safety costs, administrative costs are also tracked and billed to the Stadium Authority. These include the cost of providing overall stadium management, financial, human resource, legal, and other services to the Stadium Authority. In FY 2019/20, a total of \$984,000 of administrative costs were incurred by the General Fund, which have been reimbursed to the City.

Rents and Senior and Youth Fee

As noted above the City's General Fund collected ground rent (\$355,000) from the Stadium Authority. Additionally, the Senior and Youth Fee generated \$250,000 which was forwarded to the City year-to-date in support of senior and youth programs fees. Lastly, the Tasman Lot Parking Fee generated \$34,410 for the City. See the Glossary for more information on these revenues and how they are calculated.

Other Revenue Impacts

General Fund sales tax, property tax, and transient occupancy tax (TOT) collections have benefited from the direct and indirect economic activity related to stadium events.

Food and beverage concession sales and merchandise sales at Levi's® Stadium are taxable, resulting in sales tax revenue for the City. The last four quarters of sales tax collections from Levi's® Stadium transactions generated \$834,000 for the City's General Fund. In addition to the direct sellers at the Stadium, other businesses in Santa Clara are benefiting from the influx of people coming to attend one or more events at Levi's® Stadium, resulting in potentially more sales tax collections for the General Fund.

In accordance with State Law, StadCo must pay possessory interest property tax based on their lease of Levi's® Stadium from the Stadium Authority. This revenue is collected by the county and placed into the Redevelopment Property Tax Trust Fund (RPTTF). Amounts remaining in the RPTTF after paying any enforceable obligations of the Successor Agency are distributed to taxing entities in the same proportion as secured property taxes. The City's proportion is approximately 10%.

Many stadium events bring travelers to the region, resulting in hotel stays which generate TOT collections for the City's General Fund. Although it is impossible to say exactly what portion of the City's TOT collections is due to the stadium, it is clear that hotels both inside and outside the City have benefited, resulting in increases in TOT collections in Santa Clara and our neighboring cities.

Glossary

This section of the report provides details behind key terms that are used in the body of this report.

Discretionary Fund – The Amended and Restated Stadium Lease Agreement describes the Non-NFL Event ticket surcharge which is imposed by the Stadium Authority. All promoters or sponsors of ticketed Non-NFL Events are required to collect a Non-NFL ticket surcharge of \$4 per ticket on behalf of the Stadium Authority. One-half of these proceeds are used to cover Stadium Authority operating and maintenance costs. The other one-half of the proceeds are deposited in the Stadium Authority's discretionary fund. If at any time the discretionary fund balance exceeds \$1 million, then in consultation with the Stadium Manager, the Stadium Authority will determine if provision has been made for replacement and improvement of capital improvements contemplated under the public safety plan. If not, then funds will be reserved in the discretionary fund for such purposes. If adequate provision has been made for these items and the balance of the discretionary fund still exceeds \$1 million, then up to half of the amount over \$1 million can be transferred to the General Fund, in which event an equal amount will also be transferred from the discretionary fund to the Stadium Authority operating fund and will be included as revenue available to pay Stadium Authority expenses.

Ground Lease – The Ground Lease Agreement has an initial term of 40 years commencing on the date of substantial completion which was July 31, 2014. The amount of annual base ground rent that is payable by the Stadium Authority to the City is noted in the chart below.

| Lease Year | Fiscal Year | 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 - 2028/29 | \$ 1,000,000 |
| 16-20 | 2029/30 - 2033/34 | \$ 1,100,000 |
| 21-25 | 2034/35 - 2038/39 | \$ 1,200,000 |
| 26-30 | 2039/40 - 2043/44 | \$ 1,300,000 |
| 31-35 | 2044/45 - 2048/49 | \$ 1,400,000 |
| 36-40 | 2049/50 - 2053/54 | \$ 1,500,000 |

Net Non-NFL Event Revenue – Net Non-NFL Event revenue is remitted by ManagmentCo to the Stadium Authority on a yearly basis. This is done annually because the final reconciliation of the Non-NFL Event revenues and expenses does not occur until after the conclusion of each fiscal year.

Beginning with FY 2018/19, the Stadium Authority budgeted the Non-NFL Event activity at gross, budgeting for revenue and expenses separately. In the prior fiscal years that activity was budgeted as a net amount.

NFL Ticket Surcharge – The Amended and Restated Non-Relocation Agreement states that the Team will collect a 10% NFL ticket surcharge on the price of admission to all NFL games on behalf of Stadium Authority.

Non-NFL Event Ticket Surcharge – The Stadium Lease Agreement requires that the promoter or sponsor of any Non-NFL Event collect a Non-NFL Event ticket surcharge of \$4 per ticket. The Lease Agreement sets aside one-half of the Non-NFL ticket surcharge for stadium operating and maintenance costs and one-half for discretionary expenses of the Stadium Authority.

Offsite Parking Fees – Parking lot operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City's permitting process. If approved, per the City's Municipal Fee Schedule, these operators remit an offsite parking fee for each car that is parked for sports or entertainment events. This fee is 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 2019/20 (July 1, 2019 through June 30, 2020) the offsite parking fee is \$5.63.

Performance-Based Rent - The Amended and Restated Stadium Lease Agreement and the Ground Lease Agreement both describe the performance-based rent that is due to the City. (It is calculated as 50% of the net income from Non-NFL events less performance-based rent credits. The performance-based rent credits include 50% of the fixed ground rent for the current lease year.)

Public Safety Costs – For each NFL and Non-NFL Event held at Levi's® Stadium, a public safety plan is developed and implemented. Multiple City departments provide staffing, materials, and supplies to support the public safety plan. Services are provided through a combination of City staff, contracts with other agencies (California Highway Patrol, County Sheriff's Office, and City of Sunnyvale) and some vendor provided services.

The Amended and Restated Stadium Lease Agreement section 7.5 states that the tenant is responsible for reimbursing the City for the public safety costs attributed to NFL events at Levi's® Stadium. Additionally, Article 5 of the Stadium Management Agreement notes that the Stadium Manager is responsible for paying Non-NFL Event expenses on behalf of the Stadium Authority. Therefore, the cost of providing public safety services are tracked through the City's financial system and invoices are sent to the Stadium Manager. All of these costs are reimbursed to the City of Santa Clara.

Senior and Youth Program Fees – The Amended and Restated Stadium Lease Agreement requires that StadCo collect a Senior and Youth Program Fee of \$0.35 per NFL ticket sold on behalf of the Stadium Authority. Per section 8.2 of the Ground Lease Agreement between the City and the Stadium Authority, the Stadium Authority remits this fee to the City as additional rent to support senior and youth programs in the City.

Stadium Management Fee – The Stadium Manager 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 as detailed in the table below. This annual base management fee is split 50/50 between StadCo and the Stadium Authority since the Stadium Manager manages the stadium year-round for both entities. In addition to the base management fee, the Stadium Manager also receives a stadium marketing and booking fee (incentive fee) which is based on a percentage of the amount that the net income from Non-NFL Events exceeds the marketing and booking fee benchmark. The marketing and booking fee benchmark was \$5 million in the first lease year and also increases by 3% annually as detailed in the table below. The annual stadium management fee for each of the first ten lease years are noted in the chart below.

| Fiscal Year | Lease Year | Annual Base Stadium Management Fee (SCSA Share) | Stadium Marketing and Booking Fee Benchmark | Net Income from Non-NFL Events | Additional 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 | 5 | 225,102 | 5,627,544 | 18,591 | - | 225,102 |
| 2019/20 | 6 | 231,855 | 5,796,370 | | | |
| 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 | | | |

Tasman Lots Parking Fees – The City collects a fee of \$5 per space for all cars that are parked on the Tasman surface lots during NFL events.