

**MINUTES FROM  
STADIUM AUTHORITY/STADIUM MANAGER  
PROCUREMENT MEETING  
August 26, 2020 | 3:00 – 4:00 p.m.  
Zoom Meeting**

**ManCo Staff Present:**

Jenti Vandertuig  
Jihad Beauchman  
Vinette Ly

**Stadium Authority Staff Present:**

Deanna J. Santana, Executive Director  
Brian Doyle, Stadium Authority Counsel  
Kenn Lee, Treasurer  
Mark Giovannetti, Purchasing Manager  
Christine Jung, Assistant to the Executive Director

**A G E N D A**

**The Executive Director shared that the Stadium Authority Board directed last night, August 25, 2020, to require meetings minutes from all the Stadium Authority/ManCo staff meetings moving forward.**

**ManCo staff has received the solicitation documents from the Stadium Authority and the following agenda items are areas that they require more clarification on.**

**1. Protest procedures**

ManCo procurement staff, Jenti Vandertuig, sought more information about the protest procedures for informal and formal bidding processes. Stadium Authority procurement staff, Mark Giovannetti, provided that bidders are allowed 3 days to respond/express concern to an informal bidding process and 10 days for a formal bidding process. Protests are handled administratively unless they are for a formal bidding process, which then go to Council. Jenti also wanted to know when a protest would go to legal. Mark clarified that legal is involved with every protest. Stadium Authority Counsel Brian Doyle clarified that this protest procedures discussion was not for public works procurements.

**2. Notice of Intent to Proceed process**

This item is covered by the discussion had under Item #6

**3. Pre-Bid Conference – When do you require a mandatory pre-bid conference**

Jenti asked for more information about when the Stadium Authority would require a mandatory pre-bid conference. Mark stated that pre-bid conferences are only held when it benefits the potential bidders to view something (e.g., viewing a room for a paint job bid) or when the specifications are more complex in nature. A pre-bid conference is usually not necessary for a service agreement.

**4. What do you consider as minor irregularities or informalities to waive in a solicitation?**

Jenti asked for more information about when a minor irregularity or informality could be waived in a solicitation. Stadium Authority Counsel Brian Doyle clarified that the state law provides what can and can't be waived and there is a court case that provides additional clarification. You cannot waive anything that gives a bidder a competitive advantage.

**5. Performance Bonds**

Jenti wanted more clarification about how performance bonds can be issued since the Code provides that discretion to the Purchasing Manager. Mark clarified that he has not required any performance bonds for non-public works procurement, but does require payment bonds for certain contracts. Public works, on the other hand, almost always requires performance bonds.

**6. BidSync - bid management system overview of features utilized**

Jenti shared that ManCo has signed up for BidSync and are planning to test out the application for six months. They are planning to initially post and accept bids manually, which will require notifying bidders off BidSync, before synchronizing everything electronically. They want to follow the City's process of posting Notices of Intent. Mark clarified that the City posts its Notices of Intent electronically. Jenti requested a summary of how the Stadium Authority/City handles RFPs and RFQs. Mark explained that the City is trying convert all bids to BidSync and that all the bids that are posted on BidSync are either RFPs or RFQs. Mark also clarified that any supplies/equipment totaling more than \$100,000 that would require a RFP and Stadium Counsel Doyle added that procurements cannot be piecemealed to avoid bidding requirement thresholds.

**7. What discretion do you use for tie bids?**

Jenti sought more information on how to proceed with tie bids. Mark noted he has not experienced any tie bids but suggested that if the tie bid was for pricing the award could be divided 50/50 between the two bidders. He also stated that if the agency can decide what to do if the bid amount was low. If the bid amount was high, it would go to Council/Board for a decision.

**8. Number of bids/proposals received**

Jenti sought more information on what to do if the agency puts out a formal bid and receives less than 3 bids. Mark shared that if the agency received less than 3 bids, staff would try to find out why less than 3 were received (i.e., if there are any issues with the competitive process, specifications, or market conditions). If it is clear that there are no issues with the competitive process, the agency can move forward. Jenti also asked if they are allowed to negotiate if they receive only one bid. Stadium Authority Counsel Doyle clarified that the Code does not allow staff to negotiate with the bidder. Additionally, the bid should be within budget and the agency might want to consider throwing out the bid if and resoliciting if the bid is way above budget. Lastly, Jenti asked if there is competition required for small dollar purchases. Mark clarified that no competition is required for under \$15,000 and those can be purchased with a purchasing card or purchase order.

**9. Matrix of the various processes to use as a guideline**

Jenti asked if the Stadium Authority/City has a guideline for each process. Mark responded that the City has a draft but it requires review from the City Attorney's Office. Jenti provided an update that she has been working on redlining the solicitation documents that were shared and will send them over to Jihad for review.

**Additional topics that were discussed but were not on the agenda:**

Process for answering procurement questions moving forward: Jihad asked if there is a procurement contact on the Stadium Authority/City side who can answer these types of questions in the future. Executive Director Santana clarified that such questions can be sent to Christine Jung since the Stadium Authority would like to better understand what information or level of training the Stadium Manager is seeking regarding public procurement.

Bid Process Confidentiality Form: Jenti requested a copy of the confidentiality form that evaluators are required to complete. Mark agreed that the Stadium Authority/City would send a copy.

Meeting Minutes: Jihad asked if they can review the meeting minutes prior to them being published. Stadium Authority Counsel Doyle stated that any language regarding agreed upon next step will be clearly defined during each meeting. Executive Director Santana stated that the Stadium Authority will issue the minutes and that the Stadium Manager could issue notice of agreement or disagreement to the Board.

Upcoming Contracts: Stadium Authority Counsel Doyle asked if the Stadium Manager has any big contracts that are expiring soon and to let the Stadium Authority know if any contracts need to go to the Board. Jihad responded that are none. Executive Director Santana said it would be helpful for the Stadium Manager to share any contract schedules.

Procurement Matrix: Executive Director Santana asked if there was any progress/update to the contracts outlined in the matrix that the Stadium Manager shared and that the Stadium Authority reviewed and provided comments for a March 2020 Board report. Jihad said they will need to go back and look but it was their impression that the contracts were valid and in order. Executive Director Santana asked Christine to share the report and that the Stadium Authority would add it to next monthly meeting agenda.

Quarterly Status Meeting: Jihad noted that the quarterly status meeting schedule has shifted and it would be helpful to relook at the calendar to help with reporting. Executive Director Santana agreed.

**MINUTES FROM  
STADIUM AUTHORITY/STADIUM MANAGER  
QUARTERLY STATUS MEETING  
August 27, 2020 | 9:00 – 10:30 a.m.  
Zoom Meeting**

**ManCo Staff Present:**

Jim Mercurio, Executive Vice President & General Manager  
Jihad Beauchman, Vice President, Deputy General Counsel  
Jas Sajjan, Senior Manager, Public Affairs & Strategic Communications

**Stadium Authority Staff Present:**

Deanna J. Santana, Executive Director  
Brian Doyle, Stadium Authority Counsel  
Kenn Lee, Treasurer  
Ruth Mizobe Shikada, Assistant City Manager  
Manuel Pineda, Assistant City Manager  
Christine Jung, Assistant to the Executive Director  
Rachel Copes, Senior Management Analyst

**A G E N D A**

**Executive Director Santana shared that the Stadium Authority Board directed on August 25, 2020 to require meetings minutes from all Stadium Authority/Management Company (ManCo) staff meetings moving forward. Santana stated that if an item is confidential, that it should be noted beforehand so that the item can be appropriately captured as a confidential matter and not reflected in the minutes.**

**I. COVID Update from Stadium Manager**

**a. Updates on Attendance at Games**

ManCo's Executive Vice President & General Manager Jim Mercurio updated Stadium Authority staff that the September 13 home game will be held without fans, which has already been announced publicly. While there will still be people at the Stadium (e.g., football players, coach, broadcasters, etc.), they anticipate that number will be significantly reduced due to no fans (i.e., reduced number of traffic control, guest services, etc. in addition to no fans) and, therefore, less resources from the City will be required. Mercurio stated that ManCo is working with the City's Police Department on staffing and will finalize everything during the next 7 days.

**b. Status of Requested Transportation Management and Operations Plan (TMOP) and Parking Plans Addendums for No or Limited Audience**

ManCo staff noted that they have provided a copy of the TMOP, which incorporates Related information, back in March. *Note: This item has been placed on the agenda because it would need to be amended if COVID regulations allow for fans to attend events.*

**c. Status of Annual Parking Permits**

ManCo staff stated that they haven't submitted the parking applications yet because they don't expect any fans at the games. They will notify the Stadium Authority when they are ready to send the applications. *Note: This item has been placed on the agenda because it would need to be amended if COVID regulations allow for fans to attend events.*

**II. Updates from Stadium Manager: Quarterly Status Meeting (First Amendment to Stadium Management Agreement)**

As a follow up to a request made by ManCo's Vice President, Deputy General Counsel Jihad Beauchman at the 8/26 Procurement Meeting, ManCo and Stadium Authority staff agreed to shift the quarterly reporting to the September and December 2020 meetings.

**a. Financial performance of past Non-NFL Events**

**i. Non-NFL Events P&L for current year**

**b. Status of future Non-NFL Events**

**i. Booked Events**

**ii. Pipeline Events**

ManCo's Executive Vice President & General Manager Mercurio shared that ManCo has booked some events for 2021, which they will share at the next quarterly meeting. Executive Director Santana noted that it would be helpful if ManCo would include cancelled events in their quarterly reporting to understand the quantity of lost business due to COVID.

**c. Private Parking Agreements**

**i. Executed private parking agreements**

**ii. Ongoing negotiations for private parking agreements**

**III. Revenue Forecasts and Cost Savings**

ManCo's Executive Vice President & General Manager Mercurio shared that ManCo is tracking a 10% reduction in cost savings (about \$2M) due to staffing, utilities, etc. They will be able to provide more details as they get closer to the end of the year. ManCo's Vice President, Deputy General Counsel Beauchman noted that in terms of revenue, ManCo staff has already sent a revenue forecast. Treasurer Kenn Lee shared that any specifications would help the Stadium Authority better understand whether any Reserve funds are needed and to report back to the Board.

ManCo's Executive Vice President & General Manager Mercurio provided some clarification about the forecast for SBL payments and senior and youth surcharge fees. Stadium Authority Counsel Doyle and ManCo's Vice President, Deputy General Counsel Beauchman also discussed StadCo's position that StadCo does not need to pay facility rent. The Stadium Authority Counsel stated that it does not accept StadCo's position and asked if we were in anticipatory breach situation.

Beauchman requested further discussion. Doyle responded that no discussion would be productive without StadCo providing third-party documentation of their position.

**IV. Discussion on AIG Insurance Claim for SCSA**

Executive Director Santana stated that ManCo filed an insurance claim about lost revenue on the Stadium Authority's behalf and has not provided any detail to the Stadium Authority. Executive Director Santana stated that the Stadium Authority would like more details on what exactly was submitted, noting the two cancelled concerts and various meetings. ManCo's Vice President, Deputy General Counsel Beauchman clarified that the claim only stated general losses (e.g., concerts) and projected losses. He further stated that it is an industry practice among teams to give insurance notice that they are filing and that the documents shared with the Stadium Authority are the extent of what has been submitted. ManCo is working with their counsel to assemble more details. Stadium Authority Counsel Doyle stated that the claim should not include facility rent. ManCo's Vice President, Deputy General Counsel Beauchman confirmed that it would not and acknowledged that would be "double dipping."

**V. Stadium Builder Licenses (SBLs)**

**a. SBL Paper Copy Project Update**

ManCo's Vice President, Deputy General Counsel Beauchman updated the Stadium Authority that they anticipate completing the paper copy SBL project in 2-3 business days and will be able to transfer the hard copy SBL agreements to the Stadium Authority's Administrative Office in the Stadium by Labor Day.

**b. SBL Electronic Copy Project Update**

ManCo's Vice President, Deputy General Counsel Beauchman updated the Stadium Authority that they anticipate completing the electronic SBL project within the same timeframe as the hard copy SBL agreements. Stadium Authority staff noted that the Purchasing Manager will move forward with the digitization services RFP process once the transfer is completed. ManCo's Vice President, Deputy General Counsel Beauchman asked if ManCo could be provided copies as well once the SBL digitization is completed, so they won't need to ask for copies when making a change/relocation in the future.

**c. Owner's Club Amendment**

CONFIDENTIAL discussion about potential litigation.



**d. Other SBL Matters (Defaults and Class Action Direction)**

CONFIDENTIAL discussion about potential litigation.





**VI. Concessions Refresh Updates**

Stadium Authority staff is interested to know more about the funding of the project, expressing concern that the projects may exceed available funding. ManCo's Executive Vice President & General Manager Mercurio provided an update on the Concessions Refresh project. ManCo has received 100% of the equipment and expects that the project and final inspection will be completed in October. ManCo's Vice President, Deputy General Counsel Beauchman provided more clarification on the remaining fund balances for the Innovation and Investment Funds and stated that after the existing projects that there will be over \$1 million left for more work. Assistant City Manager Shikada asked for a reporting of the remaining balances for the funds as well as a summary of projects that were funded by the funds in the past. ManCo staff agreed to send the report to Assistant City Manager Shikada and Treasurer Lee.

**VII. Emergency Repairs at Stadium**

ManCo's Executive Vice President & General Manager Mercurio provided an update on the pipe repairs at the Stadium. The contractor is still working on the repairs and the cause of the damage is still unknown. The work should be completed in the week or 2 weeks.

**VIII. ADA Improvements on Red Lot**

ManCo's Executive Vice President & General Manager Mercurio provided an update on the ADA improvements on the Red Lot Parking Lot. ManCo is working on the agreements with Assistant City Attorney Su Reuter. ManCo staff noted that they will have more information in the next two weeks on next steps and confirmed that the work will not utilize using public funds.

**IX. Planned/Budgeted Capital Improvements (procurement schedule)**

ManCo's Executive Vice President & General Manager Mercurio provided an update that ManCo is pushing off inside remodeling projects/updates for now. ManCo has identified 8 projects of the outside work and/or safety nature that will be prioritized. They are aiming to bring forth the projects to the November 17 Board meeting and will provide an update at the next quarterly status meeting. Assistant City Manager Shikada requested the number of parking spaces. ManCo's Executive Vice President & General Manager Mercurio agreed to send drawings.

ManCo's Executive Vice President & General Manager Mercurio noted that the refresh and Cache Creek projects will most likely be completed in November and to ensure effective social distancing, ManCo will wait for those projects to be completed before starting the CapEx projects. He also provided update on Stadium seating.

**Future communication collaboration opportunities regarding the Stadium were discussed {CONFIDENTIAL}.**

**SCSA Board Direction for Stadium Manager Follow Up**

- Compliance Plan and Oversight of Corrective Action (including Validation)
- Number of public riders for large stadium events
- Analysis re Event Day Parking Costs
- Stadium Manager Report to Board Summarizing Contracts Let on Behalf of Stadium Authority
- May 27, 2020 Letter re COVID-19 Plan for the Stadium, revolving loan, the buffet invoice, maintenance of the Stadium, and event parking/public transportation.

**Upcoming SCSA Board Meeting Dates**

- November 17, 2020



Meeting Date/Time: 9/1/2020 4:00 PM via Teams  
Attendees: Rachel Copes and Darren Wong

1. Shared Expenses
  - a. Discussed ETA on final true-up
  - b. Discussed Meeting Time and Application: Thursday September 10, 2020 at 1PM for Shared Expense

**MINUTES FROM  
SHARED STADIUM EXPENSES REVIEW MEETING  
September 10, 2020 | 1:00 – 4:00 p.m.  
GoToMeeting**

**ManCo Staff Present:**

Darren Wong, Director of Accounting  
Esther Chi, Vice President, Controller

**Stadium Authority Staff Present:**

Deanna J. Santana, Executive Director  
Linh Lam, Assistant Director of Finance  
David Noce, Accounting Manager  
Rachel Copes, Senior Management Analyst  
David Presley, Accounting Technician  
Anne Tran, Staff Aide I

**A G E N D A**

**Stadium Authority Auditor Linh Lam asked if the meeting can be recorded for minute taking purposes and in case the City needed to review what invoices were requested at a later date. Esther stated that they would need to ask management/legal about the request and declined the request to record the meeting.**

**1. Overview of Shared Stadium Expenses Population and Sample Selection**

ManCo's Director of Accounting, Darren Wong, shared his screen to show the General Ledger of Shared Stadium Expenses on an Excel spreadsheet. Darren represented that what was being presented was all the detailed transactions that make up the Shared Stadium Expenses (e.g. Stadium Ops, Security, SBL Sales and Services, Grounds, and etc). He continued to discuss the breakdown of the Excel spreadsheet, going over the insurance costs and utility costs. Darren continued to review the Management Fee, the other G&A that was touched on earlier in the meeting and the details of the Lender Fees, which is separate.

Senior Management Analyst, Rachel Copes, established that the request for all the supporting documents for the G&A and Lender Fees has already been made and ManCo is pulling the invoices for that request. Rachel suggested that they review the spreadsheet from the top and pull the samples for each type of expense while going down the list. Darren showed the layout of the spreadsheets, which has been broken into multiple time periods as follows: April – June, July – September, October – February, and March, that make up the total Shared Stadium Expenses for the fiscal year. For any time period, there is a summary tab that summarizes the expenses in a pivot table and the transaction details would be included on the second tab. The sum of all the spreadsheets in each time period makes up the total Shared Stadium Expenses reported for the year.

ManCo's Vice President/Controller, Esther Chi, spoke on how this process was handled in a previous year at the Stadium. Both City and ManCo staff were present and City staff reviewed samples on a laptop to make their selection, with minimal discussion, then the supporting documents were brought to a follow up meeting two weeks later. Accounting Manager, David Noce, confirmed that previously City staff did review the samples independently and highlighted the entire sample on the printed excel sheet provided by ManCo staff. Esther stated that going through each line item and having Darren explain each item would be time consuming. She suggested that the City take control over the spreadsheet and look through the samples and make their selection.

Executive Director, Deanna J. Santana, stated that she believes it is reasonable for the City to request more information due to the negative \$2.7 million reported, especially since the first three quarters did not reflect that negative trend. Esther clarified that the \$2.7 million reported was for the Non-NFL Event Expense P&L. Deanna noted that ultimately it is all part of the same budget and financial transactions for the fiscal year between the agencies, therefore additional due diligence is expected on either non-NFL expenses or shared expenses. It was suggested that Stadium Authority staff take as many samples as they need to complete their work. Darren clarified that the documents being reviewed for this meeting are for the Shared Stadium Expenses and the test work for the Non- NFL lot is not included in this meeting. He suggested that if the City would like to discuss Non-NFL Event Expense P&L, a separate call needs to be made. Deanna agreed that another call would be needed.

Linh suggested that Darren provide a walkthrough of a few samples so that staff can have a quick overview of the process, the supporting documentation, and timing of review before selecting samples. Darren agreed and gave a brief summary and walkthrough of the first line item. Linh selected Invoice 4235 and requested for backup source documents to verify the charges; she also requested that the spreadsheet be expanded for a better view. Darren pulled up the invoice on SAP Concur for staff to review. Rachel was able to validate that the payment charged to the Stadium Authority had the correct allocation percentage. Linh agreed with Esther that the process is time consuming since Darren needs to spend some time looking for the invoice backup for each line item in a meeting. Linh requested copies of the GL detail and Excel spreadsheets so staff can fully review, combine all the GL details into one spreadsheet, and make their sample selections. She suggested that this process might be quicker and City staff can send a list of sample selections to ManCo staff and setup another meeting time to review the backup documents.

Darren explained that the purpose of this meeting was so that they did not have to give the City a copy of the detailed GL since they would like to keep all Stadium data within Levi Stadium, therefore he is declining the request. Linh asked if it is possible to upload the Excel spreadsheet into the laptop at the Stadium and have City staff go there to review and make sample selections. Esther stated that she will need to check on that request. Linh explained that that might be the best process to review all the information needed to make a selection. Deanna agreed with Linh that that seems like the most efficient way and that the Stadium Manager's proposed process was inefficient. Esther stated that she can check with legal on this request. Staff decided to reconvene after ManCo reviews the request and ended the call.

**Additional topics that were discussed but were not on the agenda:**

Linh reviewed the past practice of going on site to the Levi's Stadium to pull the soft copies of samples on SAP Concur. Linh asked Darren if SAP Concur was still being used for live invoicing and document retrieval. Darren confirmed that SAP Concur was still being used and they might be able to pull the invoices as the meeting goes on. However, it might take longer to pull the invoices up since he will need some time to research and retrieve the data.

Darren updated Rachel on the detailed GL and that the amount of \$1.9 million (previously given to Finance) excludes the BNY Club and is invoiced separately. The amount is invoiced on the O&M line, which is split into two pieces, the sales and services and the buffet. Darren believed that his predecessor, Connor, sent the B&Y invoices to the City in the past. Rachel requested that the total SBL sales and services, including the buffet cost, be sent to the City. The costs were not detailed in the O&M invoices that the City received.

Darren asked if the City would like to review the use of StadCo TI's, which are based on the number of events and a set rate per event. These costs are not necessarily in the transaction tiers, but the calculations of those actual numbers can be made available. City staff confirmed that they would like to review it as well.

**MINUTES FROM  
STADIUM AUTHORITY/STADIUM MANAGER  
QUARTERLY STATUS MEETING  
September 17, 2020 | 9:00 – 10:00 a.m.  
Zoom Meeting**

**Stadium Manager/ManCo Staff Present:**

Executive Vice President & General Manager, Jim Mercurio  
Vice President, Deputy General Counsel, Jihad Beauchman  
Senior Manager, Public Affairs & Strategic Communications, Jas Sajjan

**Stadium Authority Staff Present:**

Executive Director, Deanna J. Santana  
Stadium Authority Counsel, Brian Doyle  
Treasurer, Kenn Lee  
Assistant City Manager, Ruth Mizobe Shikada  
Assistant City Manager, Manuel Pineda  
Assistant to the Executive Director, Christine Jung  
Senior Management Analyst, Rachel Copes

Executive Director Santana reminded everyone that minutes will be taken for the meeting. Jihad asked if ManCo would receive a draft copy before the minutes are published. Executive Director Santana explained that the Stadium Authority was not planning to, which is the normal practice for a public agency preparing meeting minutes. ManCo staff were informed by Santana that if they had any issues with the published minutes that they could issue comments directly to the Board. ManCo staff confirmed that they understood.

**A G E N D A**

**I. COVID Update from Stadium Manager**

**a. Updates on Attendance at Upcoming Games**

ManCo's Executive Vice President & General Manager Mercurio provided a brief update on their September 13 game, which had no fans in attendance. He shared that some teams are hosting fans, but only about 25% capacity so that might be the next step when fans are allowed. He noted that the game went well and that they reminded fans through social media to respect the County order. They will continue pushing that information out since it seems to be working. They only heard of one service call, which was about a tent at the park, but it was quickly resolved.

CONFIDENTIAL discussion about Stadium security. [REDACTED]

**b. Status of Requested Transportation Management and Operations Plan (TMOP) and Parking Plans Addendums for No or Limited Audience**

ManCo's Executive Vice President & General Manager Mercurio didn't expect there to be much changes to the documents that they submitted earlier in the year. The 49ers have operations meetings the week before each game and will share any changes with City/Stadium Authority staff if they come up then, especially Police's traffic staff.

**c. Status of Annual Parking Permits**

Item was addressed/discussed as part of the traffic/parking documents above.

**II. Updates from Stadium Manager: Quarterly Status Meeting (First Amendment to Stadium Management Agreement)**

**a. Financial performance of past Non-NFL Events**

**i. Non-NFL Events P&L for current year**

ManCo's Vice President, Deputy General Counsel Beauchman shared that the report, if it hasn't already, will be placed in the Stadium Authority's Administrative Office. ManCo's Executive Vice President & General Manager Mercurio confirmed that the USB was placed in the office yesterday and that the Stadium Authority can coordinate Stadium access for Stadium Authority staff by emailing him.

**b. Status of future Non-NFL Events**

**i. Booked Events**

**ii. Pipeline Events**

CONFIDENTIAL discussion about Stadium Non-NFL Events. [REDACTED]

[REDACTED]

**c. Private Parking Agreements**

**i. Executed private parking agreements**

**ii. Ongoing negotiations for private parking agreements**

**III. Stadium Builder Licenses**

**a. SBL Paper Copy Project Update—Transfer of SBLs (paper and digital copies) to SCSA for proper archiving**

ManCo's Vice President, Deputy General Counsel Beauchman shared that the hard copy SBLs are all boxed. There are 75-100 boxes, which probably won't all fit in the Stadium Authority's Stadium Office. He asked how Stadium Authority staff wanted the boxes. Executive Director Santana asked how the boxes were organized for purpose of easy tracking or retrieval if the Stadium Manager required an SBL agreement (i.e., alphabetically or by SBL types). Vice President, Deputy General Counsel Beauchman responded that he was not sure. He said he would find out and let Stadium Authority staff know. Executive Director Santana asked him to let staff know via email when he finds out [REDACTED]

[REDACTED] ManCo's Vice President, Deputy General Counsel Beauchman also provided an update on the digital SBL files, which totaled about 80 gigabits. ManCo is determining the best process to transfer those records.

**b. Owner's Club Amendment**

CONFIDENTIAL discussion about potential litigation. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**c. SBL Defaults**

CONFIDENTIAL discussion about potential litigation.

[REDACTED]

**IV. Emergency Repairs at Stadium**

There are two emergency repairs that are being worked on at the Stadium. ManCo staff noted that they sent the documents that the Stadium Authority requested. Executive Director Santana confirmed that staff was reviewing the documents and will let ManCo know if there are any questions.

**V. ADA Improvements on Red Lot**

ManCo's Vice President, Deputy General Counsel Beauchman provided an update on the progress that they were making on the ADA improvements. Once ManCo signs off on the settlement, they will need to amend the Design Building Agreement (DBA), which will go to the Board for approval. Under the proposed DBA amendment, no public funds will be used.

CONFIDENTIAL discussion about the funding of the improvements.

[REDACTED]

**VI. Planned/Budgeted Capital Improvements (procurement schedule)**

ManCo's Executive Vice President & General Manager Mercurio shared that not much has changed but the City has put a hold on building and fire permits because of Stadium Manager's fire code violations. He is trying to resolve those issues so that ManCo can move forward on projects, including Levi's Stadium signage, tunnel safety improvements, etc. The projects were all included as part of the approved 2019 and 2020 budgets. He noted that ManCo will not open any new projects until they get permits.

CONFIDENTIAL discussion about Stadium Improvements.

[REDACTED]

## **VII. Full Rental Payment**

**There are extensive notes on this topic due to its sensitive nature.**

ManCo's Vice President, Deputy General Counsel Beauchman and Stadium Authority Counsel Doyle discussed the conversation that took place regarding Stadium rent payment during the August meeting. ManCo's Vice President, Deputy General Counsel Beauchman stated he had hoped to have a collaborative conversation with Stadium Authority Counsel Doyle to walk through the steps before the Stadium Authority Board took action to initiate arbitration. He stated that he hopes in the future that he and Stadium Authority Counsel could discuss these things before resources were unnecessarily expended.

Stadium Authority Counsel noted that Vice President, Deputy General Counsel Beauchman could have just told him that ManCo was planning to pay the rent in full at the August meeting or at anytime thereafter, but instead was told at the last meeting that ManCo's position was that the rent should be reduced due to the cancellation of the games. Additionally, Stadium Authority Doyle had requested Vice President, Deputy General Counsel Beauchman to provide documentation of ManCo's justification for the reduction when the topic was discussed at the last meeting, which did not happen.

Executive Director Santana added that his efforts of a "collaborative" process or comments did not make sense, nor were his actions over the past months consisted with his comments today. Stadium Counsel Doyle noted that while Deputy General Counsel Beauchman discussed the cancellation of the pre-season games in several telephone conversations, he never mentioned any intention to rely on the cancellations to reduce rent. Executive Director Santana stated that instead Scott Sabatino issued a letter of Stadium Manager's intent to reduce rental payments by 10% for each canceled game, noting a 20% intended rental payment reduction. Executive Director Santana noted that she sent a letter rejecting the basis for reducing rent and disagreeing with their claims. Santana noted during July or August, Jihad had never reached out to collaborate on rental reduction and instead the Stadium Manager:

- (1) Took action in July to send a letter advising of its intent to reduce rental payments,
- (2) Rejected Stadium Authority's letter of its inability to take such action and, indeed,
- (3) Failed to pay rent in the amount of \$5+ million.

Executive Director Santana noted that the Stadium Authority acted reasonably with the information it had by taking this matter to the Board since nothing in the Stadium Manager's actions from June - September indicated their willingness to be collaborative or pay their full rent.

Stadium Authority Counsel Doyle said that what matters is that the Stadium Authority got the full rent payment and if Vice President, Deputy General Counsel Beauchman wants to talk in the future, he could call or email. ManCo's Vice President, Deputy General Counsel Beauchman said there is more than one reason why the rent was reduced. Executive Director Santana asked that he put those items on the agenda for future meetings and not delay collaborative discussion opportunities until after the fact.

## **VIII. \$2.7M for Non-NFL Event FYE 3/31/2020**

Stadium Manager asked when the fiscal report regarding last year's fiscal year would be presented to the Board and if would include the \$2.7 million. Stadium Treasurer Lee confirmed that the fourth quarter report is scheduled to go to the Board on October 13. Staff stated that it has been reviewing the documents and may have follow up questions. Stadium Authority staff stated that its focus is on the year end audit.

ManCo's Vice President, Deputy General Counsel Beauchman asked when the projected payment would be transferred. Executive Director Santana stated that she couldn't answer that question since it would depend on the Board discussion and action. ManCo's Vice President, Deputy



General Counsel Beauchman also wanted to clarify that the \$2.7M was not part of the Shared Expenses since it was brought up in conversation during the September 10 meeting between ManCo and Stadium Authority staff. Executive Director Santana clarified that she had brought up the \$2.7M during the meeting but only as an example for the need to have access to all information and not limit the audit review process, and not as a Shared Expense. She noted that Esther Chi from the 49ers was going to follow up to see if they would be open to showing the documents differently since last week's process was inefficient.

**IX. Public Safety Cost Billings**

Stadium Treasurer Lee noted there were a lot more questions than usual from the 49ers regarding public safety costs. Stadium Authority staff has the backup documents and is preparing them to send to ManCo, as time permits.

**X. LCPtracker Agreement**

Executive Director Santana shared that Stadium Authority staff checked notes from May's meeting regarding LCPtracker, which stated that ManCo would discuss internally about how to move forward with the "piggybacking" process and get back additional information to the Stadium Authority. ManCo's Vice President, Deputy General Counsel Beauchman noted that his understanding was that there were two different conversations.

Executive Director Santana clarified that the notes mentioned that Jihad was to get back with additional information and that she thought the follow up information could be about the difference in pricing (but that no detail was noted in the notes) and that we also are waiting for ManCo to submit changes to the report. Santana went on to state that ManCo needed to explain the difference in pricing and actual contract amount authority. ManCo's Vice President, Deputy General Counsel Beauchman didn't recall what information they needed to follow up about from May or if there was any discussion about the difference in pricing of the agreement.

Since there was confusion about the follow up information referenced in the May notes, Executive Director Santana asked him to revise the report to include an explanation about the difference in pricing, since it is not appropriate to request \$25,000 for a \$13,000 expenditure without an explanation of what the funds would be used for. ManCo's Vice President, Deputy General Counsel Beauchman noted that he would take another look at the report but that there was contention about ManCo writing the Stadium Authority's Board reports.

Executive Director Santana rejected that Stadium Authority should draft Stadium Manager's reports and clarified that Stadium Manager would have to do some work and provide an analysis to explain the difference in pricing in the report. Stadium Authority Counsel Doyle added that the 49ers procurement manager who has experience with the County should be able to draft the explanation for why there is a \$12/\$13K difference for the agreement. Executive Director Santana suggested that if there are any issues and items that they are waiting for in the future, ManCo shouldn't wait four months to follow up and that they caused the delay in action by not following up for four months on this item, because Stadium Authority notes show that Stadium Manager was to follow up with the Stadium Authority on both "piggybacking" and more information. Santana stated that it could take the Stadium Manager's request to the Board on October 13 as submitted and write a separate report from the Stadium Authority. There was not disagreement with that course of action.

### **SCSA Board Direction for Stadium Manager Follow Up**

- Compliance Plan and Oversight of Corrective Action (including Validation)
- Number of public riders for large stadium events
- Analysis re Event Day Parking Costs
- Stadium Manager Report to Board Summarizing Contracts Let on Behalf of Stadium Authority
- May 27, 2020 Letter re COVID-19 Plan for the Stadium, revolving loan, the buffet invoice, maintenance of the Stadium, and event parking/public transportation.

### **Upcoming SCSA Board Meeting Dates**

- October 13, 2020 Special Board Meeting
- November 17, 2020

Meeting Date/Time: 9/17/2020 2:45 PM via Teams  
Attendees: Rachel Copes and Darren Wong

1. Discussed Other G&A and Lender Fees Invoice
2. Discussed Non-NFL Other Operating Expenses
3. Discussed Naming Rights Agreement