



## Agenda Report

21-1592

Agenda Date: 12/7/2021

### REPORT TO STADIUM AUTHORITY BOARD

#### **SUBJECT**

Report from the Stadium Authority Regarding Stadium Manager's Request for Retroactive Approval for Incurred Charges Related to the November 9-11, 2021 IMEX Conference

#### **BOARD PILLAR**

Ensure Compliance with Measure J and Manage Levi's Stadium

#### **BACKGROUND**

Through the Stadium Management Agreement, the Forty Niners Stadium Management Company (Stadium Manager) manages and operates Levi's Stadium on behalf of the Stadium Authority for Non-National Football League (Non-NFL) Events, like concerts, sporting events, and non-ticketed events. On behalf of the Stadium Authority, the Stadium Manager is responsible for the marketing and booking of Non-NFL events among other duties at Levi's Stadium.

The Stadium Manager is requesting retroactive approval for the following marketing activity:

- November 9-11, 2021 IMEX Conference in Las Vegas, NV: Authorization to incur charges up to \$2,030 for travel expenses and potential client entertainment (\$1,750), opening night reception (\$180), and closing night reception (\$100).

Per the Stadium Manager, the cost for this activity will be charged to the Stadium Authority FY 2021/22 Non-NFL Events budget (Catered Events), Event Expenses/Advertising line item.

#### **DISCUSSION**

Staff reviewed the Stadium Manager's email request (see corresponding report #21-1591) and asked the Stadium Manager to confirm that the travel and expense costs would follow their Business Expense Reimbursement Policy that was previously shared with the Stadium Authority. The Stadium Manager confirmed that they would.

As part of a previous request to incur charges for marketing-related conferences and meetings, the Stadium Manager explained that alcohol consumption is a part of the business marketing that they utilize to pursue Non-NFL events. While the use of public funds for alcohol consumption is generally not permitted by public agencies, the legislative body of the public agency can authorize this business expense. Therefore, there is an appropriate Board recommendation transmitted in this report to authorize the use of public funds to cover alcohol consumption as detailed in the documents submitted by the Stadium Manager. Further, the Stadium Authority should be covered for the risk or liability arising from auto accidents or other such losses occurring at any of these marketing events (including liability arising from consumption of alcohol) pursuant to the Indemnification Clause in Article 12 of the Management Agreement.

As the Stadium Manager's request pertains to marketing activities, staff also reviewed it against the Draft 2021 Marketing Plan. While the Draft 2021 Marketing Plan was not mutually agreed upon, it is the only document that the Stadium Authority has that outlines the Stadium Manager's planned marketing efforts. The requested marketing activity aligns to one of the key initiatives ("Utilize Marketing Budget to Regenerate Active Event Pipeline") the Stadium Manager identified in their Draft 2021 Marketing Plan. The Stadium Manager planned to prepare for the return to in-person events to build out new packages, create a strategic communications plan and reintroduce Levi's Stadium to local and national clients through a marketing campaign. It had planned to achieve this by utilizing a marketing budget to communicate its message through digital advertising, client/prospecting events, sales events/trade shows, and swag/gifts. The marketing activity which the Stadium Manager is requesting to incur charges for falls under the sales events/trade shows category.

Based on this review, staff recommends approval of the Stadium Manager's retroactive request to incur charges for travel expenses, potential client entertainment, and receptions, including alcohol, for the described conference. The Stadium Authority will require full supporting documentation before respectively releasing public funds upon procurement of travel expenses, client entertainment, and reception fees. This requirement is consistent with the Stadium Authority Board's March 27, 2019 direction to staff to stop payment of any additional invoices for services unless there is substantial documentation of services rendered which must also be in compliance with State law and City Code.

### **ENVIRONMENTAL REVIEW**

The actions being considered do not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment or pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

### **FISCAL IMPACT**

The Stadium Authority FY 2021/22 Non-NFL Events budget (Catered Events) contains \$70,000 for Event Expenses/Advertising. There are sufficient funds to cover the Stadium Manager's request to incur up to \$2,030 for the IMEX conference.

### **COORDINATION**

This report has been coordinated with the Chief Assistant City Attorney and Stadium Treasurer's Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov).

### **RECOMMENDATION**

1. Approve the Stadium Manager's retroactive request to incur charges up to \$2,030 to cover travel expenses, potential client entertainment, and reception fees, including the purchase of alcohol with

public funds, for Stadium Manager employee(s) for the November 9-11, 2021 IMEX Conference in Las Vegas, NV.

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