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REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Note and File - Update on Agreements related to 2019 College Football Playoff National Championship at Levi's Stadium (Stadium Authority)

BACKGROUND

As presented to the Santa Clara Stadium Authority (SCSA) Board during an informational Study Session on April 24, 2018 and again as a General Business item on May 8, 2018, SCSA staff and Forty Niners Stadium Management Company (ManCo) staff have been negotiating terms for an Assignment and Assumption Agreement (Assignment Agreement) to the Bay Area Host Committee (BAHC) for the College Football Playoff (CFP) 2019 National Championship Game Agreement. SCSA and ManCo have reached agreement on the terms. The Assignment Agreement was scheduled for action by the SCSA Board on June 12, but was continued due other agenda items on that agenda (e.g., applicants for the vacant City Council Seat #5, FY 2018-19 Budget related items).

DISCUSSION

SCSA staff and ManCo staff have negotiated terms for the Assignment and Assumption Agreement (Attachment 1) that meet the direction of the SCSA Board to ensure no financial losses to SCSA. With the recommended agreements, BAHC will:

1. Pay for all CFP-related expenses for all actual public services/workforce costs (including Non-Game Day, and all pre-, during- and after-event costs), and up to double-time pay for public safety costs on event day if there are not sufficient staff supporting public safety activities signed up 60 days prior to game day.
2. Share any net revenues with SCSA, if applicable
3. Provide a complete accounting of all revenue and expenses, and possession of both soft- and hard- copy supporting documentation, for the CFP event to the SCSA Executive Director and

BAHC's annual financial audits for the fiscal years that contain Stadium Authority related expenses.

Upon reaching agreement on the above terms, a new development surfaced that needs to be resolved before the SCSA Executive Director can recommend the CFP Agreement to the Board. In brief, SCSA staff believes that the intention of all actions, including the successful bid documents, was for BAHC to absorb all CFP related cost. This is reflected in the FY 2018/19 SCSA Budget with language in the Executive Director's transmittal memo that specifically states that no CFP budget projections (e.g., expenses and/or revenues) are included in the budget and, if required, would need a budget amendment. Until SCSA staff and ManCo staff come to agreement on CFP-related costs typically covered by the budgeted Shared Stadium Expenses, SCSA staff will not present the Assignment Agreement for approval by the SCSA Board. The SCSA Executive Director and the Stadium Manager have personally discussed this matter and there is interest in resolving this matter very soon; however, due to scheduling of other matters, this was not able to be achieved before the production of this agenda item. We will continue to work with ManCo with the goal of successfully reaching a common understanding of our Assignment Agreement terms.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

Based on the SCSA terms, there shall be no loss to the Stadium Authority or City for this event and SCSA shall share net income, if available, as determined by SCSA's Executive Director's review of all relevant documents. This includes costs incurred by City staff carrying out the duties of the SCSA and qualifying shared-expenses (split between ManCo and SCSA) in the SCSA Board approved budget for FY 2018/19. SCSA and ManCo Stadium Manager are developing a financial process to ensure this direction.

Until the Assignment Agreement is effected/fully executed, the SCSA budget is absorbing CFP-related costs for SCSA personnel, and ManCo expenses if included in monthly Shared Stadium Expenses invoice submission.

COORDINATION

This report has been coordinated with the City Attorney'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>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and File - Update on Agreements related to 2019 College Football Playoff National Championship at Levi's Stadium (Stadium Authority).

Reviewed by: Walter C. Rossmann, Chief Operating Officer
Approved by: Deanna J. Santana, Executive Director