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REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Informational Report on 2020 Stadium Operation and Maintenance Plan [Board Pillar: Enhance Compliance with J and Manage Levi's Stadium]

BACKGROUND

The Stadium Lease Agreement, Stadium Operations Agreement, and Stadium Management Agreement require that the Stadium Manager (e.g., Forty Niners Management Company) prepare a Stadium Operation and Maintenance Plan each year as part of the budget development process. The Stadium Operation and Maintenance Plan includes the Annual Shared Stadium Expense Budget, Annual Public Safety Budget, and Capital Expenditure Plan. The Agreements sections read as follows:

Section 7.2 Stadium Management Company of the Stadium Lease Agreement - The Stadium Authority and Tenant have employed the 49ers Management Company as the initial Stadium Manager pursuant to the Initial Stadium Management Agreement. Without limiting the foregoing, the Stadium Manager shall be responsible for preparing the Stadium Operation and Maintenance Plan, including the Annual Shared Stadium Expense Budget, Annual Public Safety Budget and the Capital Expenditure Plan, which shall be presented annually to the Stadium Authority and Tenant for their consideration and approval as described below. Upon the expiration or earlier termination of the Initial Stadium Management Agreement, Tenant and the Stadium Authority shall cooperate in good faith and work together to solicit and select any successor Stadium Manager and to negotiate the related Stadium Management Agreement. Further, Landlord and Tenant shall each be entitled to (a) participate in the determination of the criteria for, and selection of, the Stadium Manager and (b) attend, and participate in, all meetings and negotiations with any prospective Stadium Manager. Landlord and Tenant shall each approve the Stadium Manager and the Stadium Management Agreement, which approval shall not be unreasonably withheld.

Section 3.1 Stadium Manager of the Stadium Operations Agreement - The Stadium Manager shall be responsible for preparing, and updating from time to time, the Stadium Operation and Maintenance Plan in accordance with the terms and conditions of the Stadium Lease. The Stadium Operation and Maintenance Plan for each Lease Year shall, as more particularly described in the Stadium Lease, include (a) an annual operating budget for the Stadium for such Lease Year (the "Stadium Operations Budget") to meet the scope of services and

objectives for the operation and maintenance of the Stadium in accordance with the Stadium Operation and Maintenance Plan, and which shall include a budget for Public Safety Costs; (b) the Annual Public Safety Budget, which shall include an annual budget for Public Safety Costs, including amortization of Public Safety Capital Expenditures, and any Public Safety Capital Expenditures to be made in such Lease Year, and (c) the Capital Expenditure Plan, all of which shall be presented annually to the Stadium Authority and Tenant for their respective consideration and approval as described in the Stadium Lease and this Agreement.”

Section 4.5 Stadium Operation and Maintenance Plan of the Stadium Management Agreement - The Stadium Manager shall be responsible for preparing the Stadium Operation and Maintenance Plan in accordance with the terms and conditions of the Stadium Lease, including the Annual Shared Stadium Expense Budget, Annual Public Safety Budget and the Capital Expenditure Plan, each of which shall be presented annually to the Stadium Authority and StadCo for their respective consideration and approval as described in the Stadium Lease.

On March 24, 2020, the Stadium Authority Board (Board) adopted the Santa Clara Stadium Authority Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget. The Board also directed staff to return on March 31, 2020 with an update on the Stadium Operation and Management Plan (SOMP).

Staff was delayed in completing this report for the March 31 City Council meeting because of COVID-19 related priorities. While staff has been making progress on review of this 500+ page report, we do require more time. At the time that our review is completed, the Executive Director will report back to the Stadium Authority Board. There is no formal action required by the Stadium Authority Board to complete the SOMP.

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

There is no cost to the Stadium Authority to prepare this report other than administrative staff time and expense.

COORDINATION

This report has been coordinated with the City’s Community Development, Fire, Police and Public Works Departments and the Stadium Authority Counsel.

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 the Informational Report on 2020 Stadium Operation and Maintenance Plan.

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