



Legislation Details (With Text)

File #: 21-1126 **Version:** 1 **Name:**
Type: Consent Calendar **Status:** Agenda Ready
File created: 8/13/2021 **In control:** Council and Authorities Concurrent Meeting
On agenda: 12/7/2021 **Final action:** 12/7/2021
Title: Action on the Santa Clara Stadium Authority Financial Status Report for Quarter Ending June 30, 2021

Sponsors:

Indexes:

Code sections:

Attachments: 1. SCSA Financial Status Report for the Quarter Ending June 30, 2021, 2. POST MEETING MATERIAL

Date	Ver.	Action By	Action	Result
12/7/2021	1	Council and Authorities Concurrent Meeting	Noted and filed	

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Action on the Santa Clara Stadium Authority Financial Status Report for Quarter Ending June 30, 2021

BOARD PILLARS

Ensure Compliance with Measure J and Manage Levi's Stadium
Enhance Community Engagement and Transparency

BACKGROUND

In Fiscal Year 2014/15 the Stadium Authority Board ("Board") requested that staff prepare quarterly Santa Clara Stadium Authority ("Stadium Authority") Financial Status Reports. These reports provide an update on the events held at Levi's Stadium, Stadium Authority finances, and the impact of Stadium Authority activity on the City of Santa Clara's ("City").

This report provides information covering the Stadium Authority's first (April 1, 2021 - June 30, 2021) quarter of the 2021/22 fiscal year.

The Adopted Stadium Authority Budget incorporates the estimated revenues and expenses for all Stadium Authority funds. The attached Financial Status Reports provide the budget to actual revenue and expense summaries for the operating, debt service, and capital funds. Analysis of the financial activity through the fiscal year measures the adherence to the budget and allows the Stadium Authority to monitor and project revenues and expenses. Any significant variances are explained in the reports.

Certain operating expense payments were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, based on the

concern that public funds would be used to pay for expenses that were not legally procured, or compliant with prevailing wage law or self-dealing/ conflict of interest laws. At that meeting, the Board directed the Executive Director to only release public funds to ManagementCo when supporting documents have been submitted to show the expenses adhere to our agreements and State and local laws.

At the March 23, 2021 Stadium Authority Board meeting, the Executive Director was delegated authority to approve budget amendments of \$4.2 million to move funds from the Legal Contingency line item to Shared Expenses after the review of adequate documentations for costs based on Board direction. Subsequent to that direction, Stadium Authority staff met at Levi's Stadium on March 30, 2021 to review documentation for shared expenses. After follow-up meetings with the Stadium Manager, payments related to compensation that were reviewed and approved for monthly payment, totaling \$4.2 million for the fiscal year.

In addition, based on conversation at Stadium Manager-Stadium Authority Quarterly meeting, it was stated that the Utilities invoiced amounts were based on the budget, which did not factor utility costs to operate the vaccination site into consideration. Because the vaccination site is treated as an NFL sponsored event, these costs are not borne by the Stadium Authority based on the terms of the Stadium Lease Agreement. As the vaccination site was expected to operate for four to six months, the Stadium Authority requested that the portion estimated to be associated with the vaccination operations be credited back based on historical usage and per the lease requirements regarding expenses for NFL sponsored events. No additional information was provided by the Stadium Manager and the Stadium Authority continues to pay half of the invoiced amount until documentation showing a credit for the vaccination site utility usage is produced.

DISCUSSION

The attached financial status reports provide information covering the Stadium Authority's first (April 1, 2021 - June 30, 2021) quarter of the 2021/22 fiscal year. The reports summarize National Football League ("NFL") and non-NFL event activity at Levi's Stadium and describes the financial impact of these events on the Stadium Authority and City since FY 2014/15. The report also provides the budget to actual revenue and expense summaries for the operating, debt service, and capital funds. Analysis of the financial activity through the fiscal year measures the adherence to the budget and allows the Stadium Authority to monitor and project revenues and expenses. Any significant variances are explained in the report.

NFL Event Revenue and Expenses

There were no NFL games held in the first quarter of the 2021/22 Fiscal Year. Levi's® Stadium hosted the first 49ers pre-season game of the 2021 season on August 14, 2021, which will be included in the report for the second quarter.

Non-NFL Event Revenue and Expenses

There were no Non-NFL events held in the first quarter of the 2021/22 Fiscal Year. Non-NFL events are expected to resume in FY2021/22.

Stadium Builder Licenses ("SBLs")

SBLs account for 36% of the Stadium Authority's annual budgeted revenue in FY 2021/22. There is a total of 61,471 currently active SBLs which is 93% of the 66,066 total sellable SBL seats. The value of the active SBLs amount to \$538 million of which \$483.9 million has already been collected.

Stadium Authority Budgets

The detailed analysis of Stadium Authority budget to actual financials is provided in the attached Financial Status Reports. In summary, total operating revenues were \$6.8 million representing 10% of the overall budget for revenues and total operating expenses were \$3.2 million or 5% of the budget. The debt service fund was able to pay down \$14 million in debt, bringing total Stadium Authority debt down to \$282.8 million. Capital expenses were \$26 thousand representing <1% of the overall CIP budget.

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)(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

There is no fiscal impact to this report.

COORDINATION

This report was coordinated with the Stadium Manager per section 4.6 of the Management Agreement as well as the Stadium Authority Counsel'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

1. Note and file the Santa Clara Stadium Authority Financial Status Report for the Quarter Ending June 30, 2021.

Reviewed by: Kenn Lee, Treasurer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. SCSA Financial Status Report for the Quarter Ending June 30, 2021