



Agenda Report

18-234

Agenda Date: 3/13/2018

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Discussion of the Draft Marketing and Business Plan for Levi's Stadium Non-NFL Events

BACKGROUND

The Stadium Management Agreement between the Santa Clara Stadium Authority (SCSA) and Forty Niners Stadium Management Company, LCC (ManCo), requires ManCo to develop a Marketing Plan for Non-NFL events (Sections 3.2 and 4.10). Consideration of the Marketing Plan is reviewed and approved concurrent with the annual budget deliberation process for the SCSA. In prior years, the Marketing Plan was reviewed in the form of a slide deck presentation at the time the budget was considered for approval, which provided the Board and ManCo little opportunity to discuss and deliberate strategically on components of the Plan. This year, SCSA staff proposed that the Board and ManCo review the draft Marketing Plan in a study session prior to acting on the Plan at a subsequent Board Meeting.

DISCUSSION

Upon SCSA Board's acceptance of the Audit and the recommendations, ManCo began working on an enhanced version of the Marketing Plan that will be presented to the Board. Instead of an oral presentation from a slide deck format, the draft Marketing and Business Plan being presented this year outlines strategic efforts planned for the fiscal year, efforts to address the audit recommendations, recruitment of events, and operations in support of these efforts. A Marketing & Business Plan draft was provided to SCSA staff to review and provide input. SCSA staff provided input in the following areas:

- Incorporation of Board-approved concession contract into the Marketing Plan
- Strategic marketing direction for Non-NFL events
- Marketing efforts to establish metrics used to track marketing outcomes
- Number of staff actively marketing the Stadium
- Historical data regarding number of events by type
- Other factors beyond profit for booking Non-NFL events
- Include SCSA in the development of key performance measures during the first quarter of the Stadium Authority Fiscal Year 2018-19 and provide ongoing updates through the quarterly financial reports

Within the short timeframe allowed to develop a more robust Plan, the attached draft Marketing & Business Plan adequately articulates strategies planned for Fiscal Year 2018-19 for Non-NFL events, and allows for the Plan to capture improved performance outcomes/metrics in future versions.

The Marketing & Business Plan does not detail events that are not yet under contract, in part because of the nature of the process of bidding for events and unknown/unplanned events at the time this report is issued. It does illustrate new operational changes that will be implemented to position Levi's Stadium to attract events and continue to remain a modern facility offering event attractions that will continue to keep Levi's Stadium competitive. With acknowledgement of the process being somewhat undefined, with respect to what potential events will emerge and be successfully entered into contract, SCSA staff and ManCo have begun discussions to improve coordination of event planning to ensure that City staff resources can be properly planned for and available to meet the needs of the event in coordination with other community events.

Upon Board review and input of the draft Marketing & Business Plan, SCSA staff will work with ManCo to revise the plan as necessary and bring it for Board consideration at the March 27, 2018 Stadium Authority Meeting.

In addition to the requirements under the Management Agreement for a Marketing Plan, the recent Harvey Rose audit (Audit) recommended that:

The Stadium Authority Board should direct the Executive Director to notify ManCo that previous annual marketing plans were inadequate as they did not set forth reasonably detailed plans to develop, implement, and monitor marketing, booking, advertising, and promotion of non-NFL activities. The Board should further direct the Executive Director to notify ManCo that future marketing plans must include such details and be reviewed for sufficient detail by the Executive Director before being presented to the Board.

Attachment 1 provides a one page summary of how the Plan is responsive to the audit recommendations, from the SCSA staff perspective. As referenced above, ManCo and SCSA staff will work collaboratively on key performance measures during the first quarter of the fiscal year. It is worth noting that the strategic initiatives proposed provide a solid foundation to improve the use of data analytics/metrics for desired performance outcomes.

FISCAL IMPACT

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

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environment Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a)(5) in that it is a governmental organizational policy making or administrative activity that will not result in direct or indirect changes in the environment. The events contemplated by the marketing plan are within the activities studied in the Stadium Environmental Impact Report.

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 beginning the Thursday evening before the Tuesday 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

Renew and provide input on the draft Marketing & Business Plan for Non-NFL events as prepared by the Forty Niners Stadium Management Company, LCC (ManCo).

Prepared by: Angela Kraetsch, Treasurer

Reviewed by: Brian Doyle], City Attorney

Reviewed by: Walter C. Rossmann, Chief Operating Officer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. Harvey Rose Audit Recommendation Update - Marketing Plan
2. Draft Marketing Plan dated March 8th, 2018