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CONTACT: Jennifer Yamaguma
Community Relations Manager
iyamaguma@santaclaraca.gov
(408) 615-2212

California's Fair Political Practice Commission Rules 49ers Must Comply with Conflict of Interest Code

Greater Transparency for Award of Public Contracts & Disclosure of Fiscal Conflicts

SANTA CLARA, Calif. (May 7, 2018) – The California Fair Political Practices Commission (FPPC) recently issued an advice letter confirming that the head of the San Francisco 49ers stadium management company must adhere to the State of California's Conflict of Interest Code and submit a Statement of Economic Interest to the Santa Clara Stadium Authority's Clerk. A copy of the advice letter is available at:

<http://www.fppc.ca.gov/content/dam/fppc/documents/advice-letters/1995-2015/2018/18039pdf.pdf>

Under the California Political Reform Act, the FPPC has determined that the Levi's Stadium Manager must comply with Conflict of Interest Code and submit a Statement of Economic Interest to the City of Santa Clara's Stadium Authority. Stadium Manager Jim Mercurio serves as the Vice President of Stadium Operations & General Manager, 49ers Stadium Management Co., and considered a consultant to the Santa Clara Stadium Authority who participates in decisions of the Authority.

The Stadium Authority has advised Mr. Mercurio that he must file a Statement of Economic Interest and, specifically, disclose financial interests, including any related to the delegation of authority from the Stadium Authority's public contracts to the 49ers Management Company to manage and operate Levi's Stadium.

"I want to thank City staff who initiated the FPPC's review and, specifically, on this Stadium Authority's delegation of public contract authority to the 49ers Management Company. This action provides greater transparency regarding financial interests and the award of public contracts for Stadium Operations, in the same way elected officials must provide transparency to the public through these types of disclosures," said Mayor Lisa Gillmor.

All officials and employees of the City of Santa Clara and its agencies – as well as consultants to the city and its agencies -- must adhere to a Conflict of Interest Code, under the state Political Reform Act. This means that the individual who works for the 49ers Stadium Management Company who makes procurement decisions on behalf of the City's Stadium Authority is subject to the Authority's Conflict of Interest Code.

Levi's Stadium, in Santa Clara, is owned by the Santa Clara Stadium Authority, and managed by the 49ers Management Company and leased to the 49ers SC Stadium Company LLC.

MORE

The City Council serves as the Santa Clara Stadium Authority Board, a public entity with oversight of the management, operations, financial, and legal agreements of the Levi's Stadium.

The City's Stadium Authority, the Management Company and the Stadium Company entered into agreements on March 28, 2012, to make arrangements for managing the stadium. Under a November 13, 2012, amendment to that agreement, the Stadium Authority Board granted the 49ers Management Company full authority to procure and award contracts up to \$250,000 on the Authority's behalf, to purchase supplies, equipment and services for the Stadium and its operations.

The City's Stadium Authority recently amended its Conflict of Interest Code to designate that consultants with decision making authority, including those who purchase supplies or services, and enter into contracts to procure those things for the Authority, are subject to the Conflict of Interest Code. The California Fair Political Practices Commission has confirmed that this interpretation of state and local law is correct in a letter dated April 18 this year.

California's Political Reform Act

California voters passed The Political Reform Act as a ballot measure in the June 1974 election, following the Watergate scandal in Washington. Among the Act's provisions, which aim to prevent corruption in California government, are conflict of interest laws and a requirement that all state and local agencies establish conflict of interest codes to require officials who routinely participate in decisions to publicly disclose personal financial information.

The Act prohibits a public official from making, participating in making, or using his or her position to influence a governmental decision in which the official has a financial interest, according to an analysis by the Fair Political Practices Commission (FPPC). Under the Act, a public official is every member, officer, employee or consultant of a state or local government agency.

Because Mr. Mercurio, who works for the 49ers Management Company and makes, or influences, a governmental decision is a consultant, he must submit a Statement of Economic Interest, known as Form 700, to ensure that the 49ers are making decisions in the best interest of the public, and not enhancing their own personal finances. The Statement also serves as a reminder to the individual to abstain from making or participating in governmental decisions that are deemed conflicts of interest.

Form 700 requires individuals to disclose a wide variety of financial interests, including investments such as stock held in IRAs and 401Ks; business entities and trusts; rental property ownership in or near the city; non-governmental salaries of the individual and that person's spouse or domestic partner; gifts from businesses and travel payments from third parties.

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About the City of Santa Clara:

Located at the heart of Silicon Valley about 45 miles south of San Francisco, the City of Santa Clara truly is "The Center of What's Possible." Incorporated in 1852, Santa Clara covers an area of 19.3 square miles with a population of 120,000. Santa Clara is home to an extraordinary array of high-tech companies, including Applied Materials, Hewlett-Packard, Intel, Nvidia, Oracle, and Ericsson. The City of Santa Clara is also home to Santa Clara University, California's Great America Theme Park, and Levi's® Stadium, home of the San Francisco 49ers and Super Bowl 50. For more information, visit www.SantaClaraCA.gov.