

# **SANTA CLARA STADIUM AUTHORITY FINANCIAL STATUS REPORT**

**Quarter Ending September 30, 2016**



**November 22, 2016**

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## Introduction

This Santa Clara Stadium Authority (Stadium Authority) Financial Status Report provides information covering the Stadium Authority's first and second quarter of the 2016-17 fiscal year which ran from April 1, 2016 to September 30, 2016 as well as comparative data from the prior fiscal year. Revenue and expenditure information included in the report is unaudited and therefore subject to change as a result of the annual audit conducted by an external auditing firm.

In addition to this report, the Stadium Authority produces annual financial statements within six months of fiscal year-end. These financial statements are audited by an external auditing firm and presented to the Stadium Authority's Audit Committee and Stadium Authority Board. Once presented to the Stadium Authority Board, the financial statements are published on the Stadium Authority's and Finance Department's web pages. The 2015-16 audited financial statements were presented to the Stadium Authority Board on August 23, 2016.

The Stadium Authority is structured so that the City of Santa Clara (City) is not liable for the debts or obligations of the Stadium Authority. All services provided by the City to the Forty Niners Stadium Management Company, LLC (Stadium Manager) or the Stadium Authority are fully reimbursed. All administrative General Fund costs that are spent during operations are separately tracked using special account codes in the City's financial system and any such costs are billed out for reimbursement. Additionally, General Fund public safety costs for NFL and non-NFL events are separately tracked and all such costs are also billed out for full reimbursement.

## NFL Events

The San Francisco Forty Niners (49ers) played 3 NFL games (two pre-season games and one regular season game) in the first two quarters of the 2016-17 fiscal year. The total number of tickets sold to these three games were 188,705, an average of 62,902 tickets sold for each game. This average is down 3,309 tickets per game, or 5%, as compared to the first three games in the prior fiscal year. The ticket sales resulted in \$2.34 million of NFL ticket surcharge revenue to the Stadium Authority (based on the 10% NFL ticket surcharge on each ticket sold). This is up 26.8% from the same period in the prior fiscal year primarily due to changes in how season ticket revenue is split between the 10 regular season games. A total of \$66 thousand of Senior and Youth Program Fees were collected and forwarded to the City through the second quarter (down the same 5% as the number of tickets sold).

The parking operations changed significantly from the prior year due to the termination of parking operations on the golf course. This resulted in an increase in the number of cars parked in permitted offsite parking lots. The increase amounted to 1,309 cars or 7.7%. The associated offsite parking fee has generated \$96 thousand. There were also 1,689 cars that were parked on the City's Tasman lots, a decrease of 278 cars or 14.1%. The Tasman lot parking fee generated \$8 thousand for the General Fund through the second quarter.

For the first three games in the 2016-17 fiscal year, there were \$741 thousand of total NFL event public safety costs (up \$28 thousand or 3.9% from the prior year). Of this amount, \$96 thousand were covered by the offsite parking fees that were collected and the remaining \$645 thousand were invoiced to the Stadium Manager. As of November 4, 2016, \$423 thousand has been paid and \$222 thousand was outstanding.

The statistics for the first three NFL games held at Levi's Stadium in the 2016-17 fiscal year as well as comparative data from the same period in the prior year are shown in the following tables.

**Levi's Stadium  
2016-17 NFL Event Statistics**

|  | <b>Game 1 vs<br/>Texans<br/>08/14/16</b> | <b>Game 2 vs<br/>Packers<br/>08/26/16</b> | <b>Game 3 vs<br/>Rams<br/>09/12/16</b> | <b>Game 4 vs<br/>Cowboys<br/>10/06/16</b> | <b>Game 5 vs<br/>Cardinals<br/>10/06/16</b> | <b>Game 6 vs<br/>Buccaneers<br/>10/23/16</b> |
|--|--|---|--|---|---|--|
| No. of Tickets Sold                      | 61,232                                   | 62,164                                    | 65,309                                 |   |   |  |
| NFL Ticket Surcharge <sup>(1)</sup>      | \$ 567,079                               | \$ 574,595                                | \$ 1,201,800                           |   |   |  |
| Senior/Youth Program Fees                | \$ 21,431                                | \$ 21,757                                 | \$ 22,858                              | \$ -                                      | \$ -  | \$ -   |
| Cars Parked at Offsite Lots              | 5,058                                    | 6,367                                     | 6,870                                  |   |   |  |
| City Offsite Parking Fee                 | \$ 26,504                                | \$ 33,363                                 | \$ 35,999                              | \$ -                                      | \$ -  | \$ -   |
| Cars Parked on Golf Course               | -  | -   | -                                      |   |   |  |
| Cars Parked on Tasman Lots               | 545                                      | 514                                       | 630                                    |   |   |  |
| City Golf Course/Tasman Lot Parking Fee  | \$ 2,725                                 | \$ 2,570                                  | \$ 3,150                               | \$ -                                      | \$ -  | \$ -   |
| Stadium Public Safety Costs              | \$ 225,450                               | \$ 257,302                                | \$ 257,814                             |   |   |  |
| Golf Course Public Safety Costs          | \$ -                                     | \$ -                                      | \$ -                                   |   |   |  |
| Subtotal Event Public Safety Costs       | \$ 225,450                               | \$ 257,302                                | \$ 257,814                             | \$ -                                      | \$ -  | \$ -   |
| Less: Offsite Parking Fee Credit         | \$ (26,504)                              | \$ (33,363)                               | \$ (35,999)                            | \$ -                                      | \$ -  | \$ -   |
| Reimbursable Stadium Public Safety Costs | \$ 198,946                               | \$ 223,939                                | \$ 221,815                             | \$ -                                      | \$ -  | \$ -   |
| Amount Reimbursed through 11/04/16       | \$ 198,946                               | \$ 223,939                                | \$ -                                   |   |   |  |
| Amount Outstanding as of 11/04/16        | \$ -                                     | \$ -                                      | \$ 221,815                             | \$ -                                      | \$ -  | \$ -   |

|  | <b>Game 7 vs<br/>Saints<br/>11/06/16</b> | <b>Game 8 vs<br/>Patriots<br/>11/20/16</b> | <b>Game 9 vs<br/>Jets<br/>12/11/16</b> | <b>Game 10 vs<br/>Seahawks<br/>01/01/17</b> | <b>FY1617<br/>Total</b> |
|--|--|--|--|---|-------------------------|
| No. of Tickets Sold                      |  |  |  |   | 188,705                 |
| NFL Ticket Surcharge <sup>(1)</sup>      |  |  |  |   | \$ 2,343,474            |
| Senior/Youth Program Fees                | \$ -                                     | \$ -                                       | \$ -                                   | \$ -  | \$ 66,047               |
| Cars Parked at Offsite Lots              |  |  |  |   | 18,295                  |
| City Offsite Parking Fee                 | \$ -                                     | \$ -                                       | \$ -                                   | \$ -  | \$ 95,866               |
| Cars Parked on Golf Course               |  |  |  |   | -                       |
| Cars Parked on Tasman Lots               |  |  |  |   | 1,689                   |
| City Golf Course/Tasman Lot Parking Fee  | \$ -                                     | \$ -                                       | \$ -                                   | \$ -  | \$ 8,445                |
| Stadium Public Safety Costs              |  |  |  |   | \$ 740,565              |
| Golf Course Public Safety Costs          |  |  |  |   | \$ -                    |
| Subtotal Event Public Safety Costs       | \$ -                                     | \$ -                                       | \$ -                                   | \$ -  | \$ 740,565              |
| Less: Offsite Parking Fee Credit         | \$ -                                     | \$ -                                       | \$ -                                   | \$ -  | \$ (95,866)             |
| Reimbursable Stadium Public Safety Costs | \$ -                                     | \$ -                                       | \$ -                                   | \$ -  | \$ 644,700              |
| Amount Reimbursed through 11/04/16       |  |  |  |   | \$ 422,884              |
| Amount Outstanding as of 11/04/16        | \$ -                                     | \$ -                                       | \$ -                                   | \$ -  | \$ 221,815              |

<sup>(1)</sup> NFL Ticket Surcharge is 10% on the price of admission to NFL events, see Glossary for more information.

**Levi's Stadium**  
**Second Quarter To Date Comparison of NFL Event Statistics**

|  | 2016-17      |              | 2015-16 |       | Change   |          |
|--|--------------|--------------|---------|-------|----------|----------|
|  | Total        | Total        | Total   | Total | Amount   | %        |
| No. of Tickets Sold                      | 188,705      | 198,634      |         |       | (9,929)  | -5.00%   |
| NFL Ticket Surcharge <sup>(1)</sup>      | \$ 2,343,474 | \$ 1,847,807 | \$      | \$    | 495,667  | 26.82%   |
| Senior/Youth Program Fees                | \$ 66,047    | \$ 69,522    | \$      | \$    | (3,475)  | -5.00%   |
| Cars Parked at Offsite Lots              | 18,295       | 16,986       |         |       | 1,309    | 7.71%    |
| City Offsite Parking Fee                 | \$ 95,866    | \$ 86,289    | \$      | \$    | 9,577    | 11.10%   |
| Cars Parked on Golf Course               | -            | 7,353        |         |       | (7,353)  | -100.00% |
| Cars Parked on Tasman Lots               | 1,689        | 1,967        |         |       | (278)    | -14.13%  |
| City Golf Course/Tasman Lot Parking Fee  | \$ 8,445     | \$ 46,600    | \$      | \$    | (38,155) | -81.88%  |
| Stadium Public Safety Costs              | \$ 740,565   | \$ 687,376   | \$      | \$    | 53,189   | 7.74%    |
| Golf Course Public Safety Costs          | \$ -         | \$ 25,242    | \$      | \$    | (25,242) | -100.00% |
| Subtotal Event Public Safety Costs       | \$ 740,565   | \$ 712,618   | \$      | \$    | 27,947   | 3.92%    |
| Less: Offsite Parking Fee Credit         | \$ (95,866)  | \$ (86,289)  | \$      | \$    | (9,577)  | 11.10%   |
| Reimbursable Stadium Public Safety Costs | \$ 644,700   | \$ 626,329   | \$      | \$    | 18,370   | 2.93%    |
| Amount Reimbursed through 11/04/16       | \$ 422,884   | \$ 626,329   |         |       |          |          |
| Amount Outstanding as of 11/04/16        | \$ 221,815   | \$ -         |         |       |          |          |

<sup>(1)</sup> NFL Ticket Surcharge is 10% on the price of admission to NFL events, see Glossary for more information.

## Non-NFL Events

During the current reporting period there were a total of 518,542 tickets sold for the 14 ticketed non-NFL events that were held, resulting in \$2.07 million in non-NFL event ticket surcharge revenue (from the \$4 per ticket non-NFL event surcharge). This is a decrease in ticket surcharge revenue of \$56 thousand or 2.7% over the same period in the prior year.

Parking at the permitted offsite parking lots saw an increase over the prior year. 55,731 cars were parked at these offsite lots, a 5.5% increase over the previous year. Since the Stadium Manager stopped using the golf course for parking as of July 1, 2016, all cars that would otherwise have been parked on the golf course were parked at other locations. This is why the golf course saw a decrease in cars parked, down by 51.6%. Thus far in 2016-17, the City has collected \$287 thousand in offsite parking fees and golf course parking fees of \$48 thousand.

Total non-NFL event public safety costs were \$2.51 million, a decrease of \$269 thousand from the prior year. Of these costs, \$287 thousand were covered by the offsite parking fee and the remaining \$2.22 million were invoiced to the Stadium Manager. As of November 4, 2016, \$340 thousand was outstanding.

There were also 53 smaller special events with 17,959 total attendees. Examples of these special events include corporate events of various sizes, weddings, holiday parties, etc. The number of non-NFL special events went down by 48 or 47.5% while the attendance at these events decreased by 43,262 or 70.7% in relation to the prior year. The decrease in attendance is primarily due to one very large special corporate event that was held in 2015-16.

Statistics for all non-NFL events are shown in the following tables.

**Levi's Stadium  
2016-17 Non-NFL Ticketed Event Statistics**

|   | Supercross<br>04/02/16 | Monster Jam<br>04/19/16 | Beyoncé Concert<br>05/16/16 | Copa 1 -<br>USA vs Columbia<br>06/03/16 | Copa 2 -<br>Argentina vs<br>Chile<br>06/27/16 |
|---|------------------------|-------------------------|-----------------------------|---|---|
| No. of Tickets Sold                     | 23,638                 | 47,181                  | 43,722                      | 64,829                                  | 66,773  |
| Non-NFL Ticket Surcharge <sup>(1)</sup> | \$ 94,552              | \$ 188,724              | \$ 174,888                  | \$ 259,316                              | \$ 267,092                                    |
| Cars Parked at Offsite Lots             | 4,660                  | 6,062                   | 2,433                       | 5,733                                   | 6,366   |
| City Offsite Parking Fee                | \$ 23,674              | \$ 30,795               | \$ 12,360                   | \$ 29,124                               | \$ 32,339                                     |
| Cars Parked on Golf Course              | 1,035                  | 1,285                   | 888                         | 1,910                                   | 2,052   |
| City Golf Course Parking Fee            | \$ 5,175               | \$ 6,425                | \$ 4,440                    | \$ 9,550                                | \$ 10,260                                     |
| Stadium Public Safety Costs             | \$ 225,417             | \$ 186,370              | \$ 189,244                  | \$ 245,847                              | \$ 248,772                                    |
| Golf Course Public Safety Costs         | \$ 4,693               | \$ 4,213                | \$ 6,062                    | \$ 6,850                                | \$ 6,575                                      |
| Subtotal Event Public Safety Costs      | \$ 230,110             | \$ 190,583              | \$ 195,306                  | \$ 252,698                              | \$ 255,348                                    |
| Less: Offsite Parking Fee Credit        | \$ (23,674)            | \$ (30,795)             | \$ (12,360)                 | \$ (29,124)                             | \$ (32,339)                                   |
| Reimbursable Public Safety Costs        | \$ 206,436             | \$ 159,788              | \$ 182,947                  | \$ 223,574                              | \$ 223,008                                    |
| Amount Reimbursed through 11/04/16      | \$ 206,436             | \$ 159,788              | \$ 182,947                  | \$ 223,574                              | \$ 223,008                                    |
| Amount Outstanding as of 11/04/16       | \$ -                   | \$ -                    | \$ -                        | \$ -                                    | \$ -  |

|   | Copa 3 -<br>Uruguay vs<br>Jamaica<br>06/13/16 | Copa 4 -<br>Mexico vs Chile<br>06/18/16 | Bay Area<br>Wedding Fair<br>06/26/16 | Wedemeyer High<br>School Football<br>07/16/16 | Champions Cup<br>Soccer<br>07/30/16 |
|---|---|---|--------------------------------------|---|-------------------------------------|
| No. of Tickets Sold                     | 38,098  | 66,957                                  | 639                                  | 2,634   | 29,254                              |
| Non-NFL Ticket Surcharge <sup>(1)</sup> | \$ 152,392                                    | \$ 267,828                              | \$ 2,556                             | \$ 10,536                                     | \$ 117,016                          |
| Cars Parked at Offsite Lots             | 1,686   | 7,436                                   | -                                    | -   | 4,496                               |
| City Offsite Parking Fee                | \$ 8,565                                      | \$ 37,775                               | \$ -                                 | \$ -  | \$ 23,559                           |
| Cars Parked on Golf Course              | 451   | 1,941                                   | -                                    | -   | -                                   |
| City Golf Course Parking Fee            | \$ 2,255                                      | \$ 9,705                                | \$ -                                 | \$ -  | \$ -                                |
| Stadium Public Safety Costs             | \$ 206,712                                    | \$ 306,290                              | \$ 1,450                             | \$ 6,274                                      | \$ 180,910                          |
| Golf Course Public Safety Costs         | \$ 6,048                                      | \$ 5,463                                | \$ -                                 | \$ -  | \$ -                                |
| Subtotal Event Public Safety Costs      | \$ 212,760                                    | \$ 311,753                              | \$ 1,450                             | \$ 6,274                                      | \$ 180,910                          |
| Less: Offsite Parking Fee Credit        | \$ (8,565)                                    | \$ (37,775)                             | \$ -                                 | \$ -  | \$ (23,559)                         |
| Reimbursable Public Safety Costs        | \$ 204,195                                    | \$ 273,978                              | \$ 1,450                             | \$ 6,274                                      | \$ 157,351                          |
| Amount Reimbursed through 11/04/16      | \$ 204,195                                    | \$ 273,978                              | \$ 1,450                             | \$ 5,967                                      | \$ 157,351                          |
| Amount Outstanding as of 11/04/16       | \$ -  | \$ -                                    | \$ -                                 | \$ 308  | \$ -                                |

<sup>(1)</sup> Non-NFL Ticket Surcharge is \$4 per ticket, see Glossary for more information.



**Levi's Stadium  
2016-17 Non-NFL Ticketed Event Statistics (cont.)**

|   | Chesney Concert<br>08/06/16 | Friday Night<br>Lights<br>08/27/16 | Coldplay Concert<br>09/03/16 | Beyoncé Concert<br>09/17/16 | Bay Area<br>Wedding Fair<br>10/16/16 |
|---|-----------------------------|------------------------------------|------------------------------|-----------------------------|--------------------------------------|
| No. of Tickets Sold                     | 37,258                      | 3,172                              | 52,190                       | 42,197                      |                                      |
| Non-NFL Ticket Surcharge <sup>(1)</sup> | \$ 149,032                  | \$ 12,688                          | \$ 208,760                   | \$ 168,788                  | \$ -                                 |
| Cars Parked at Offsite Lots             | 5,235                       | -                                  | 6,552                        | 5,072                       |                                      |
| City Offsite Parking Fee                | \$ 27,431                   | \$ -                               | \$ 34,332                    | \$ 26,577                   | \$ -                                 |
| Cars Parked on Golf Course              | -                           | -                                  | -                            | -                           |                                      |
| City Golf Course Parking Fee            | \$ -                        | \$ -                               | \$ -                         | \$ -                        | \$ -                                 |
| Stadium Public Safety Costs             | \$ 250,923                  | \$ 5,893                           | \$ 230,483                   | \$ 170,271                  |                                      |
| Golf Course Public Safety Costs         | \$ -                        | \$ -                               | \$ -                         | \$ -                        |                                      |
| Subtotal Event Public Safety Costs      | \$ 250,923                  | \$ 5,893                           | \$ 230,483                   | \$ 170,271                  | \$ -                                 |
| Less: Offsite Parking Fee Credit        | \$ (27,431)                 | \$ -                               | \$ (34,332)                  | \$ (26,577)                 | \$ -                                 |
| Reimbursable Public Safety Costs        | \$ 223,492                  | \$ 5,893                           | \$ 196,151                   | \$ 143,694                  | \$ -                                 |
| Amount Reimbursed through 11/04/16      | \$ 223,492                  | \$ 5,893                           | \$ -                         | \$ -                        | \$ -                                 |
| Amount Outstanding as of 11/04/16       | \$ -                        | \$ -                               | \$ 196,151                   | \$ 143,694                  | \$ -                                 |

|   | Pac12<br>Championship<br>12/02/16 | Foster Farms<br>Bowl<br>12/28/16 | Non-NFL<br>Ticketed Event<br>Totals |
|---|-----------------------------------|----------------------------------|-------------------------------------|
| No. of Tickets Sold                     |                                   |                                  | 518,542                             |
| Non-NFL Ticket Surcharge <sup>(1)</sup> | \$ -                              | \$ -                             | \$ 2,074,168                        |
| Cars Parked at Offsite Lots             |                                   |                                  | 55,731                              |
| City Offsite Parking Fee                | \$ -                              | \$ -                             | \$ 286,531                          |
| Cars Parked on Golf Course              |                                   |                                  | 9,562                               |
| City Golf Course Parking Fee            | \$ -                              | \$ -                             | \$ 47,810                           |
| Stadium Public Safety Costs             |                                   |                                  | \$ 2,454,857                        |
| Golf Course Public Safety Costs         |                                   |                                  | \$ 39,905                           |
| Subtotal Event Public Safety Costs      | \$ -                              | \$ -                             | \$ 2,494,763                        |
| Less: Offsite Parking Fee Credit        | \$ -                              | \$ -                             | \$ (286,531)                        |
| Reimbursable Public Safety Costs        | \$ -                              | \$ -                             | \$ 2,208,231                        |
| Amount Reimbursed through 11/04/16      | \$ -                              | \$ -                             | \$ 1,868,079                        |
| Amount Outstanding as of 11/04/16       | \$ -                              | \$ -                             | \$ 340,152                          |

<sup>(1)</sup> Non-NFL Ticket Surcharge is \$4 per ticket, see Glossary for more information.

**Levi's Stadium  
2016-17 Non-NFL Special Event Statistics**

|  | Non-NFL<br>Special Event<br>Totals |
|--|------------------------------------|
| No. of Events                            | 53                                 |
| No. of Attendees                         | 17,959                             |
| Reimbursable Stadium Public Safety Costs | \$ 14,290                          |
| Amount Reimbursed through 11/04/16       | \$ 14,290                          |
| Amount Outstanding as of 11/04/16        | \$ -                               |

**Levi's Stadium**  
**Second Quarter To Date Comparison of Non-NFL Event Statistics<sup>(1)</sup>**

|   | 2016-17      | 2015-16      | Change       |         |
|---|--------------|--------------|--------------|---------|
|   | Total        | Total        | Amount       | %       |
| No. of non-NFL Ticketed Events          | 14           | 13           | 1            | 7.69%   |
| No. of Tickets Sold                     | 518,542      | 542,390      | (23,848)     | -4.40%  |
| Non-NFL Ticket Surcharge <sup>(2)</sup> | \$ 2,074,168 | \$ 2,130,628 | \$ (56,460)  | -2.65%  |
| No. of Non-NFL Special Events           | 53           | 101          | (48)         | -47.52% |
| Non-NFL Special Event Attendees         | 17,959       | 61,221       | (43,262)     | -70.67% |
| Cars Parked at Offsite Lots             | 55,731       | 52,819       | 2,912        | 5.51%   |
| City Offsite Parking Fee                | \$ 286,531   | \$ 263,967   | \$ 22,564    | 8.55%   |
| Cars Parked on Golf Course              | 9,562        | 19,743       | (10,181)     | -51.57% |
| City Golf Course Parking Fee            | \$ 47,810    | \$ 98,715    | \$ (50,905)  | -51.57% |
| Stadium Public Safety Costs             | \$ 2,469,148 | \$ 2,664,334 | \$ (195,186) | -7.33%  |
| Golf Course Public Safety Costs         | \$ 39,905    | \$ 113,440   | \$ (73,535)  | -64.82% |
| Subtotal Event Public Safety Costs      | \$ 2,509,053 | \$ 2,777,774 | \$ (268,721) | -9.67%  |
| Less: Offsite Parking Fee Credit        | \$ (286,531) | \$ (263,967) | \$ (22,564)  | 8.55%   |
| Reimbursable Public Safety Costs        | \$ 2,222,522 | \$ 2,513,807 | \$ (291,286) | -11.59% |
| Amount Reimbursed through 11/04/16      | \$ 1,882,369 | \$ 2,513,807 |              |         |
| Amount Outstanding as of 11/04/16       | \$ 340,152   | \$ -         |              |         |

<sup>(1)</sup> Includes non-NFL special events.

<sup>(2)</sup> Non-NFL Ticket Surcharge is \$4 per ticket, see Glossary for more information.

## Discretionary Fund

One-half of the non-NFL ticket surcharge noted previously funds the discretionary fund. To date, the discretionary fund has been used to cover the amount of NFL public safety costs that were above the public safety cost threshold (see the Glossary for additional information about the discretionary fund). The following table shows the life-to-date activity in the discretionary fund which currently has a balance of \$1.58 million.

| Discretionary Fund |                   |                                 |          |                |
|--------------------|-------------------|---------------------------------|----------|----------------|
| Fiscal Year        | Beginning Balance | 50% of Non-NFL Ticket Surcharge | Expenses | Ending Balance |
| 2014-15            | \$ -              | \$ 715,770                      | \$ -     | \$ 715,770     |
| 2015-16            | 715,770           | 1,238,542                       | 714,028  | 1,240,284      |
| 2016-17 through Q2 | 1,240,284         | 1,037,084                       | 699,129  | 1,578,239      |

## **Stadium Builder Licenses**

The total principal value of currently active Stadium Builder Licenses (SBLs) is \$536.8 million and, as of September 30, 2016, over 73% of the total principal value of all SBLs sold (i.e., \$392.5 million) had been collected. A little over half of the value sold was financed at an annual interest rate of 8.5% per year. For those that financed their purchase, annual principal and interest payments are due by March 1 each year. The vast majority of SBL holders pay their payments on time. For those that do not pay on time, SBL service staff working for the Stadium Manager on the Stadium Authority's behalf, contact the SBL holders and attempt to collect the full amounts owed. Ultimately, an SBL can be defaulted for non-payment. Once an SBL is defaulted, the SBL holder in default loses their right to buy season tickets as well as their priority rights to tickets to non-NFL events, and forfeits any money they had invested in the SBL. Defaulted SBLs then are available for resale.

There are a total of 62,031 currently active SBLs, or 94% of the 65,877 total sellable SBL seats. For the current year's payment cycle there were 562 new SBL sales and 2,627 defaulted SBLs. The total defaulted payments due on this year's financing installment cycle were \$2.0 million out of the total billed amount of \$30.9 million.

## Santa Clara Stadium Authority Budget Status Reports

### *Operating Budget*

The total operating revenues for the first two quarters of the 2016-17 fiscal year were \$39.54 million representing 49% of the overall budget for revenues. Rent collected from StadCo totaled \$10.13 million. This does not include a 2016-17 rent prepayment of \$1.13 million that was made in the 2015-16 fiscal year. Net revenues from 2015-16 non-NFL events were \$774 thousand over the budget of \$5.31 million. This is primarily due to having more non-NFL events at Levi's Stadium than anticipated in its second fiscal year. During the current reporting period, the Stadium Authority has also collected \$16.01 million in SBL proceeds, 47% of the current year's estimate. All SBL proceeds will be transferred to the debt service fund where they will be used for debt service.

Total operating expenses are \$13.25 million as of September 30, 2016, or 69% of the annual budget. Insurance expense is at 91% of the budgeted amount due to an uneven payment schedule. Performance rent expense paid to the City was \$405 thousand over the estimate of \$2.53 million due to higher net revenues from non-NFL events. Other expenses were at 62% of budget through the second quarter. A budget adjustment may be necessary for this account due to the costs of the rent adjustment arbitration and the staff costs associated with the Measure J compliance audit. Discretionary fund expense is currently at 70% of the budgeted amount of \$1.00 million. These funds were used to cover the amount of NFL event public safety costs over the public safety cost threshold in 2015-16.

Overall, the Stadium Authority operating fund ended the second quarter of the 2016-17 fiscal year with a fund balance of \$30.03 million. Included in that amount is a \$10.30 million operating reserve.

# Santa Clara Stadium Authority

## Operating Budget Status Report

For the Periods Ending September 30, 2016 and 2015

|                                      | Quarter Ending September 30, 2016 |                      |                      |                        |             | Quarter Ending September 30, 2015 |                      |                      |                       |            |
|--------------------------------------|-----------------------------------|----------------------|----------------------|------------------------|-------------|-----------------------------------|----------------------|----------------------|-----------------------|------------|
|                                      | Adopted<br>Budget                 | Final<br>Budget      | Actual               | Remaining<br>Balance   | %<br>Used   | Adopted<br>Budget                 | Final<br>Budget      | Actual               | Remaining<br>Balance  | %<br>Used  |
| <b>Beginning Balances</b>            | <b>\$ 17,159,000</b>              | <b>\$ 17,159,000</b> | <b>\$ 18,211,404</b> | <b>\$ (1,052,404)</b>  |             | <b>\$ 13,654,000</b>              | <b>\$ 46,556,000</b> | <b>\$ 49,929,433</b> | <b>\$ (3,373,433)</b> |            |
| <b>Resources</b>                     |                                   |                      |                      |                        |             |                                   |                      |                      |                       |            |
| <b>Revenues</b>                      |                                   |                      |                      |                        |             |                                   |                      |                      |                       |            |
| NFL Ticket Surcharge                 | 8,452,000                         | 8,452,000            | 2,343,476            | 6,108,524              | 28%         | 8,366,000                         | 8,366,000            | 1,851,550            | 6,514,450             | 22%        |
| SBL Proceeds                         | 33,804,000                        | 33,804,000           | 16,010,090           | 17,793,910             | 47%         | 31,096,000                        | 31,096,000           | -                    | 31,096,000            | 0%         |
| Interest                             | -                                 | -                    | 37,166               | (37,166)               | 0%          | -                                 | -                    | 3,438                | (3,438)               | 0%         |
| Net Revenues from Non-NFL Events     | 5,305,000                         | 5,305,000            | 6,079,016            | (774,016)              | 115%        | 5,000,000                         | 5,000,000            | 5,000,000            | -                     | 100%       |
| Naming Rights                        | 6,181,000                         | 6,181,000            | 3,044,783            | 3,136,217              | 49%         | 6,000,883                         | 6,000,883            | 2,956,100            | 3,044,783             | 49%        |
| Sponsorship Revenue (STR)            | 717,000                           | 717,000              | 405,017              | 311,983                | 56%         | 541,414                           | 541,414              | 660,072              | (118,658)             | 122%       |
| Rent                                 | 24,500,000                        | 24,500,000           | 10,125,000           | 14,375,000             | 41%         | 24,500,000                        | 24,500,000           | 14,291,668           | 10,208,332            | 58%        |
| Senior & Youth Program Fees          | 242,000                           | 242,000              | 66,033               | 175,967                | 27%         | 239,000                           | 239,000              | 69,522               | 169,478               | 29%        |
| Fanwalk Revenue                      | -                                 | -                    | -                    | -                      | 0%          | 112,600                           | 112,600              | 28,157               | 84,443                | 25%        |
| Non-NFL Event Ticket Surcharge       | 2,000,000                         | 2,000,000            | 1,428,616            | 571,384                | 71%         | 2,194,000                         | 2,194,000            | 1,734,916            | 459,084               | 79%        |
| <b>Revenues Subtotal</b>             | <b>81,201,000</b>                 | <b>81,201,000</b>    | <b>39,539,196</b>    | <b>41,661,804</b>      | <b>49%</b>  | <b>78,049,897</b>                 | <b>78,049,897</b>    | <b>26,595,423</b>    | <b>51,454,474</b>     | <b>34%</b> |
| Net Transfers                        | (60,728,000)                      | (60,728,000)         | (14,469,842)         | (46,258,158)           | 24%         | (54,563,000)                      | (86,365,000)         | (39,822,617)         | (46,542,383)          | 46%        |
| <b>Total Resources</b>               | <b>37,632,000</b>                 | <b>37,632,000</b>    | <b>43,280,759</b>    | <b>(5,648,759)</b>     | <b>115%</b> | <b>37,140,897</b>                 | <b>38,240,897</b>    | <b>36,702,239</b>    | <b>1,538,658</b>      | <b>96%</b> |
|                                      |                                   |                      |                      |                        |             |                                   |                      |                      |                       |            |
|                                      | Adopted<br>Budget                 | Final<br>Budget      | Actual               | Remaining<br>Balance   | %<br>Used   | Adopted<br>Budget                 | Final<br>Budget      | Actual               | Remaining<br>Balance  | %<br>Used  |
| <b>Expenses</b>                      |                                   |                      |                      |                        |             |                                   |                      |                      |                       |            |
| Operating Expenses - Stadium Manager | 7,612,000                         | 7,612,000            | 3,804,000            | 3,808,000              | 50%         | 6,446,000                         | 7,546,000            | 3,163,214            | 3,282,786             | 42%        |
| SBL Sales and Service                | 1,945,000                         | 1,945,000            | 1,312,340            | 632,660                | 67%         | 1,574,000                         | 1,574,000            | 828,879              | 745,121               | 53%        |
| Insurance                            | 2,705,000                         | 2,705,000            | 2,453,000            | 252,000                | 91%         | 2,626,996                         | 2,626,996            | 2,378,950            | 248,046               | 91%        |
| Senior & Youth Program Fees          | 242,000                           | 242,000              | 66,033               | 175,967                | 27%         | 239,000                           | 239,000              | 69,522               | 169,478               | 29%        |
| Other Expenses                       | 2,784,000                         | 2,784,000            | 1,732,888            | 1,051,112              | 62%         | 3,020,089                         | 3,020,089            | 1,411,495            | 1,608,594             | 47%        |
| Ground Rent                          | 250,000                           | 250,000              | 250,000              | -                      | 100%        | 215,000                           | 215,000              | 215,000              | -                     | 100%       |
| Performance Rent                     | 2,527,000                         | 2,527,000            | 2,932,008            | (405,008)              | 116%        | 2,410,000                         | 2,410,000            | 2,410,000            | -                     | 100%       |
| Measure J Compliance Audit           | 200,000                           | 200,000              | -                    | 200,000                | 0%          | -                                 | -                    | -                    | -                     | 0%         |
| Discretionary Fund Expense           | 1,000,000                         | 1,000,000            | 699,129              | 300,871                | 70%         | 670,000                           | 670,000              | 714,028              | (44,028)              | 107%       |
| <b>Total Expenses</b>                | <b>19,265,000</b>                 | <b>19,265,000</b>    | <b>13,249,398</b>    | <b>6,015,602</b>       | <b>69%</b>  | <b>17,201,085</b>                 | <b>18,301,085</b>    | <b>11,191,088</b>    | <b>6,009,997</b>      | <b>61%</b> |
| <b>Ending Balances</b>               | <b>\$ 18,367,000</b>              | <b>\$ 18,367,000</b> | <b>\$ 30,031,360</b> | <b>\$ (11,664,360)</b> |             | <b>\$ 19,939,812</b>              | <b>\$ 19,939,812</b> | <b>\$ 25,511,151</b> | <b>\$ (4,471,339)</b> |            |

### ***Debt Service Budget***

The Stadium Authority's 2016-17 debt service revenue budget of \$3.40 million represents anticipated contributions from the Community Facilities District (CFD). In the first two quarters of the fiscal year, \$1.88 million was contributed by the CFD. Net transfers of \$14.47 million were received by the debt service fund, 25% of the budget of \$57.55 million. The entire amount that was transferred in came from SBL proceeds that were received by the operating fund.

Total Stadium Authority debt service expenses for the current reporting period are \$27.23 million. Debt service payments were made on the CFD Advance (\$1.88 million), the Term A Loan (\$7.07 million) and the Forty Niners SC Stadium Company (StadCo) Subordinated Loan (\$18.29 million).

The Stadium Authority debt service fund ended the first quarter with a fund balance of \$26.01 million which includes \$11.54 million in the debt service reserve account.

As of September 30, 2016, the total outstanding amount of Stadium Authority debt had declined to \$447.00 million. This is a reduction of \$17.72 million from the March 31, 2016 debt outstanding amount of \$464.72 million.

# Santa Clara Stadium Authority

## Debt Service Budget Status Report

For the Quarters Ending September 30, 2016 and 2015

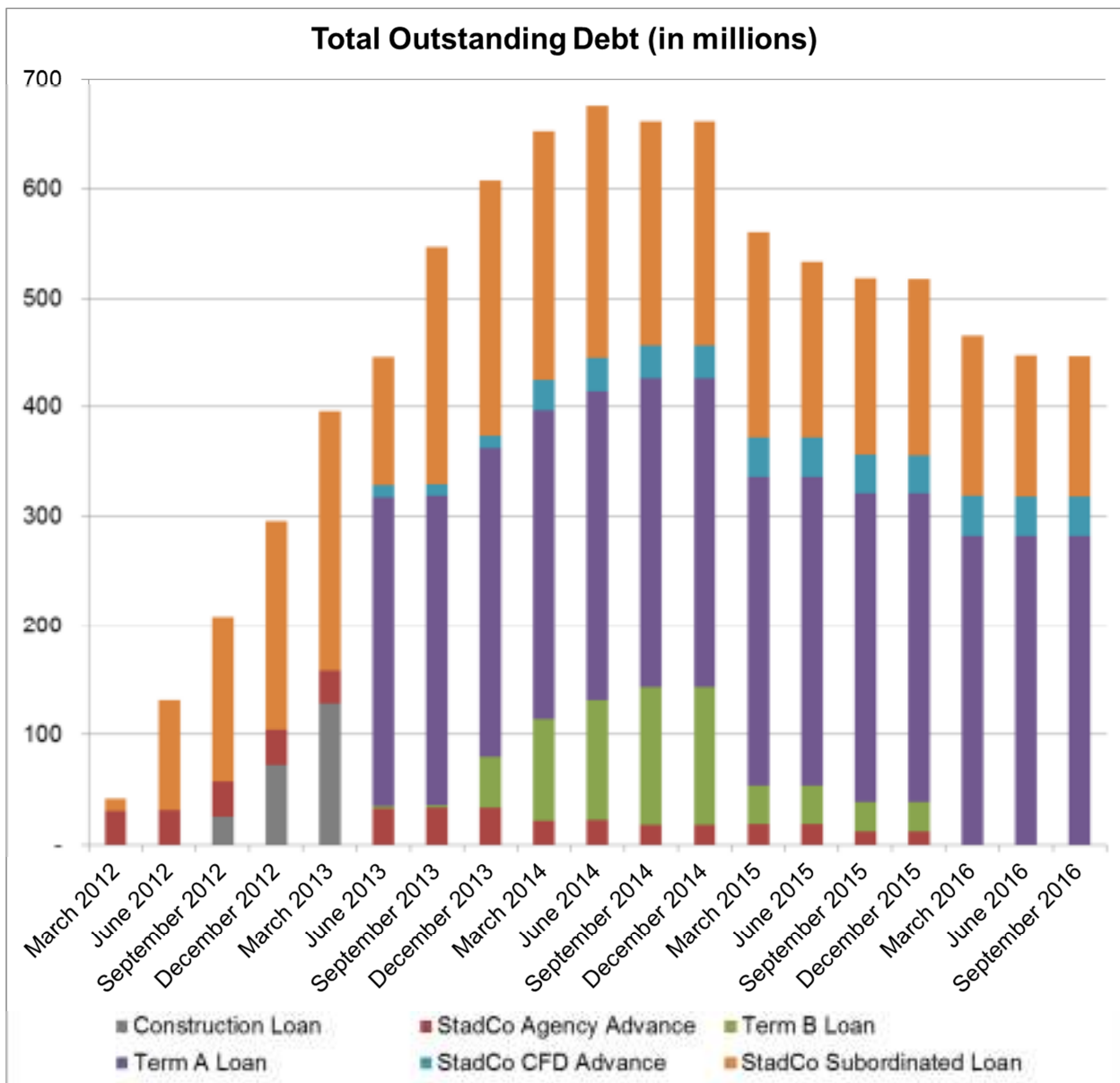
|                                       | Quarter Ending September 30, 2016 |                      |                      |                       |            | Quarter Ending September 30, 2015 |                     |                      |                       |            |
|---------------------------------------|-----------------------------------|----------------------|----------------------|-----------------------|------------|-----------------------------------|---------------------|----------------------|-----------------------|------------|
|                                       | Adopted<br>Budget                 | Final<br>Budget      | Actual               | Remaining<br>Balance  | %<br>Used  | Adopted<br>Budget                 | Final<br>Budget     | Actual               | Remaining<br>Balance  | %<br>Used  |
| <b>Beginning Balances</b>             | \$ 28,063,000                     | \$ 28,063,000        | \$ 36,891,573        | \$ (8,828,573)        |            | \$ 8,115,000                      | \$ 8,115,000        | \$ 19,651,943        | \$ (11,536,943)       |            |
| <b>Revenues</b>                       |                                   |                      |                      |                       |            |                                   |                     |                      |                       |            |
| Contribution from Successor Agency    | -                                 | -                    | -                    | -                     | 0%         | 6,209,333                         | 18,547,333          | -                    | 18,547,333            | 0%         |
| Contribution from CFD                 | 3,400,000                         | 3,400,000            | 1,875,336            | 1,524,664             | 55%        | 2,709,160                         | 3,330,160           | 857,214              | 2,472,946             | 26%        |
| <b>Revenues Subtotal</b>              | <b>3,400,000</b>                  | <b>3,400,000</b>     | <b>1,875,336</b>     | <b>1,524,664</b>      | <b>55%</b> | <b>8,918,493</b>                  | <b>21,877,493</b>   | <b>857,214</b>       | <b>21,020,279</b>     | <b>4%</b>  |
| Net Transfers                         | 57,545,000                        | 57,545,000           | 14,469,842           | 43,075,158            | 25%        | 51,473,000                        | 70,937,000          | 188,661              | 70,748,339            | 0%         |
| <b>Total Resources</b>                | <b>89,008,000</b>                 | <b>89,008,000</b>    | <b>53,236,751</b>    | <b>35,771,249</b>     | <b>60%</b> | <b>68,506,493</b>                 | <b>100,929,493</b>  | <b>20,697,817</b>    | <b>80,231,676</b>     | <b>21%</b> |
| <b>Expenses</b>                       |                                   |                      |                      |                       |            |                                   |                     |                      |                       |            |
| Agency Advance Debt Service           | -                                 | -                    | -                    | -                     | 0%         | 6,209,333                         | 18,547,333          | -                    | 18,547,333            | 0%         |
| CFD Advance Debt Service              | 3,400,000                         | 3,400,000            | 1,875,336            | 1,524,664             | 55%        | 2,709,160                         | 3,330,160           | 857,214              | 2,472,946             | 26%        |
| Term A & B Debt Service               | 14,140,000                        | 14,140,000           | 7,069,853            | 7,070,147             | 50%        | 45,046,000                        | 49,582,000          | 7,261,672            | 42,320,328            | 15%        |
| StadCo Subordinated Loan Debt Service | 52,288,000                        | 52,288,000           | 18,285,485           | 34,002,515            | 35%        | 6,427,000                         | 24,062,000          | -                    | 24,062,000            | 0%         |
| <b>Total Debt Service Expenses</b>    | <b>69,828,000</b>                 | <b>69,828,000</b>    | <b>27,230,674</b>    | <b>42,597,326</b>     | <b>39%</b> | <b>60,391,493</b>                 | <b>95,521,493</b>   | <b>8,118,886</b>     | <b>87,402,607</b>     | <b>8%</b>  |
| <b>Ending Balances</b>                | <b>\$ 19,180,000</b>              | <b>\$ 19,180,000</b> | <b>\$ 26,006,077</b> | <b>\$ (6,826,077)</b> |            | <b>\$ 8,115,000</b>               | <b>\$ 5,408,000</b> | <b>\$ 12,578,931</b> | <b>\$ (7,170,931)</b> |            |

# Santa Clara Stadium Authority

## Debt Summary Report

For the Quarter Ending September 30, 2016

| Type of Indebtedness        | Interest Rates | Outstanding as of<br>March 31, 2016 | Net Change             | Outstanding as of<br>September 30, 2016 |
|-----------------------------|----------------|-------------------------------------|------------------------|---|
| Stadium Funding Trust Loan: |                |                                     |                        |   |
| Term A Loan                 | 5.00%          | \$ 282,794,108                      | \$ -                   | \$ 282,794,108                          |
| StadCo CFD Advance          | 5.73%          | 35,986,692                          | (1,127,184)            | 34,859,508                              |
| StadCo Subordinated Loan    | 5.50%          | 145,939,046                         | (16,593,561)           | 129,345,485                             |
| <b>Total</b>                |                | <b>\$ 464,719,846</b>               | <b>\$ (17,720,745)</b> | <b>\$ 446,999,101</b>                   |





### Capital Improvement Project Budget

During the second quarter of 2016-17, the Stadium Authority began the projects that were part of the 2016-17 approved Capital Expenditure Plan. A total of \$121 thousand has been spent to date which equals 4% of the \$3.30 million CIP budget.

## Santa Clara Stadium Authority CIP Budget Status Report (Project 4900 & 4913) For the Quarters Ending September 30, 2016 and 2015

|                           | Quarter Ending September 30, 2016 |                  |                  |                   |            | Quarter Ending September 30, 2015 |                  |                  |                   |             |
|---------------------------|-----------------------------------|------------------|------------------|-------------------|------------|-----------------------------------|------------------|------------------|-------------------|-------------|
|                           | Adopted Budget                    | Final Budget     | Actual           | Remaining Balance | % Used     | Adopted Budget                    | Final Budget     | Actual           | Remaining Balance | % Used      |
| <b>Beginning Balances</b> | \$ 6,090,000                      | \$ 6,090,000     | \$ 6,090,000     | \$ -              |            | \$ 2,700,000                      | \$ 2,700,000     | \$ 3,000,000     | \$ (300,000)      |             |
| <b>Resources</b>          |                                   |                  |                  |                   |            |                                   |                  |                  |                   |             |
| Net Transfers             | 3,183,000                         | 3,183,000        |                  | 3,183,000         | 0%         | 3,090,000                         | 3,090,000        | -                | 3,090,000         | 0%          |
| <b>Total Resources</b>    | <b>9,273,000</b>                  | <b>9,273,000</b> | <b>6,090,000</b> | <b>3,183,000</b>  | <b>66%</b> | <b>5,790,000</b>                  | <b>5,790,000</b> | <b>3,000,000</b> | <b>2,790,000</b>  | <b>52%</b>  |
| <b>CIP Expenses</b>       |                                   |                  |                  |                   |            |                                   |                  |                  |                   |             |
| Construction              | -                                 | 3,025,000        | -                | 3,025,000         | 0%         | 2,725,000                         | 3,025,000        | -                | 3,025,000         | 0%          |
| Equipment                 | -                                 | 275,000          | 121,413          | 153,588           | 44%        | 275,000                           | 275,000          | -                | 275,000           | 0%          |
| <b>Total CIP Expenses</b> | <b>-</b>                          | <b>3,300,000</b> | <b>121,413</b>   | <b>3,178,588</b>  | <b>4%</b>  | <b>3,000,000</b>                  | <b>3,300,000</b> | <b>-</b>         | <b>3,300,000</b>  | <b>110%</b> |
| <b>Ending Balances</b>    | \$ 9,273,000                      | \$ 5,973,000     | \$ 5,968,588     | \$ 4,413          |            | \$ 2,790,000                      | \$ 2,490,000     | \$ 3,000,000     | \$ (510,000)      |             |

## **City of Santa Clara Net General Fund Benefit**

The stadium has had a positive impact on the City's finances. This section of the report provides information on General Fund revenue and expenditure impacts resulting from the stadium.

### ***Public Safety and Administrative Cost Reimbursement***

As described in earlier sections of this report, costs incurred by the City on individual NFL and non-NFL events are tracked and reimbursed. A total of \$740 thousand in public safety costs were incurred in support of the first three NFL games held in the current fiscal year. Additionally, \$2.51 million in public safety costs were incurred during the non-NFL events that were held at Levi's Stadium in the current reporting period. The City received reimbursements during the same period totaling \$2.35 million. Due to timing, some of the reimbursements that were received by the City were related to events that occurred in the prior fiscal year. These reimbursements came from a combination of payments from the Stadium Manager, the Stadium Authority, and the parking fees that were collected.

In addition to public safety costs, overall administrative costs are also tracked and reimbursed. These include the cost of providing overall stadium management, financial services, human resource services, legal services, and other services to the Stadium Authority. In the first two quarters of 2016-17, a total of \$227 thousand of administrative costs were incurred by the General Fund. Administrative cost reimbursements of \$232 thousand were paid to the City. Similar to the public safety costs, due to timing of the payments, some of the reimbursements that were paid in the current fiscal year were related to costs in a prior fiscal year.

### ***Rents and Senior and Youth Fee***

During the current reporting period the City collected ground rent (\$250 thousand) and performance rent (\$2.93 million) from the Stadium Authority. See the Glossary for more information on these revenues and how they are calculated. \$66 thousand of Senior and Youth Fees that were collected on behalf of the City during the NFL games have been received so far in the current fiscal year. The City also received \$5 thousand for the Tasman lots parking fee for cars parked there during NFL games.

### ***Other Revenue Impacts***

Although not included in the table in this section, General Fund sales tax, property tax, and transient occupancy tax (TOT) collections have benefited from the direct and indirect economic activity related to stadium events.

Food and beverage concession sales and merchandise sales at Levi's Stadium are taxable resulting in a significant amount of sales tax collections for the City. The

Michael Mina Bourbon Steak and Pub restaurant has also been very successful, both during stadium events and throughout the year (note that in accordance with State law, individual taxpayer information is confidential and cannot be publicly disclosed). The most recent quarter of sales tax collections indicates that sales transactions that took place at Levi's Stadium generated \$162 thousand of sales tax (transactions that took place in the second quarter of calendar year 2016). The last four quarters of sales tax collections from Levi's Stadium transactions generated \$796 thousand for the City's General Fund. In addition to the direct sellers at the stadium, other businesses in Santa Clara are benefiting from the influx of people coming into town to attend one or more events at Levi's Stadium, resulting in more sales tax collections for the General Fund.

In accordance with State Law, StadCo must pay possessory interest property tax based on their lease of Levi's Stadium from the Stadium Authority. This revenue is collected by the county and placed into the Redevelopment Property Tax Trust Fund (RPTTF). Amounts remaining in the RPTTF after paying any enforceable obligations of the Successor Agency are distributed to taxing entities in the same proportion as secured property taxes.

Many stadium events bring travelers into the region resulting in hotel stays which generate TOT collections for the City's General Fund. Although it is impossible to say exactly what portion of our TOT collections is due to the stadium, it is clear that hotels both inside and outside the City have benefited, resulting in increases in TOT tax collections in Santa Clara and in our neighboring cities.

# City of Santa Clara

## Net General Fund Benefit <sup>(1)</sup>

For Quarters Ending September 30, 2016 & 2015

**General Fund Revenues** <sup>(2)</sup>

|  | September 30, 2016 | September 30, 2015 |
|--|--------------------|--------------------|
| Public Safety Cost Reimbursement               |                    |                    |
| NFL Public Safety Cost Reimbursement           | \$ 525,006         | \$ 111,963         |
| Non-NFL Event Public Safety Cost Reimbursement | 1,566,578          | 2,703,145          |
| City Offsite Parking Fees                      | 258,273            | 321,212            |
| Subtotal Public Safety Cost Reimbursement      | 2,349,857          | 3,136,319          |
| Administrative Cost Reimbursement              | 232,450            | 438,068            |
| Ground Rent                                    | 250,000            | 215,000            |
| Performance Rent                               | 2,932,008          | 2,410,000          |
| Senior and Youth Fee                           | 66,033             | 69,522             |
| Tasman Lots Parking Fee                        | 5,295              | -                  |
| <b>Total General Fund Revenues</b>             | <b>5,835,643</b>   | <b>6,268,909</b>   |

**General Fund Expenditures**

|   |                  |                  |
|---|------------------|------------------|
| Public Safety Costs                       |                  |                  |
| NFL Event Public Safety Costs             | 740,565          | 712,618          |
| Non-NFL Event Public Safety Costs         | 2,509,053        | 2,777,774        |
| Subtotal Reimbursable Public Safety Costs | 3,249,618        | 3,490,392        |
| Administrative Costs                      | 227,181          | 439,962          |
| <b>Total General Fund Expenditures</b>    | <b>3,476,800</b> | <b>3,930,354</b> |

**General Fund Benefit\***

|                                 |                     |                     |
|---------------------------------|---------------------|---------------------|
| <b>Net General Fund Benefit</b> | <b>\$ 2,358,843</b> | <b>\$ 2,338,555</b> |
|---------------------------------|---------------------|---------------------|

<sup>(1)</sup> This table shows General Fund revenue received and expenditures made during the current Stadium Authority reporting period (i.e., April 1, 2016 through September 30, 2016).

<sup>(2)</sup> General Fund benefit does not include additional sales tax, property tax, and transient occupancy tax flowing to the General Fund due the impacts of Levi's Stadium.

## Glossary

This section of the report provides details behind key terms that are used in the body of this report.

**Discretionary Fund** – The Amended and Restated Stadium Lease Agreement describes the non-NFL event ticket surcharge which is imposed by the Stadium Authority. All promoters or sponsors of ticketed non-NFL events are required to collect a non-NFL ticket surcharge of \$4.00 per ticket on behalf of the Stadium Authority. One-half of these proceeds are used to cover Stadium Authority operating and maintenance costs. The other one-half of the proceeds are deposited in the Stadium Authority's discretionary fund. Among other things, the discretionary fund can be used to cover NFL public safety costs above the public safety cost threshold and/or capital expenditures. If at any time the discretionary fund balance exceeds \$1 million, then in consultation with the Stadium Manager, the Stadium Authority will determine if provision has been made for replacement and improvement of capital improvements contemplated under the public safety plan. If not, then funds will be reserved in the discretionary fund for such purposes. If adequate provision has been made for these items and the balance of the discretionary fund still exceeds \$1 million, then up to half of the amount over \$1 million can be transferred to the General Fund, in which event an equal amount will also be transferred from the discretionary fund to the Stadium Authority operating fund and will be included as revenue available to pay Stadium Authority expenses.

**Golf Course Parking Fees** – The Additional Parking Rights Agreement allows for parking on the golf course during NFL and non-NFL events held at Levi's Stadium. The fee that the City collects is \$5.00 for each car that is parked. At the end of each lease period, the City is made whole by comparing golf course net income for the period with net income received in the same period in fiscal year 2012-13.

**Ground Lease** – The Ground Lease Agreement has an initial term of 40 years commencing on the date of substantial completion which was July 31, 2014. The amount of annual base ground rent that is payable by the Stadium Authority to the City is noted in the chart below.

| Lease Year(s) | Annual Fixed Ground Rent |
|---------------|--------------------------|
| 1             | \$180,000                |
| 2             | \$215,000                |
| 3             | \$250,000                |
| 4             | \$285,000                |
| 5             | \$320,000                |
| 6             | \$355,000                |
| 7             | \$390,000                |
| 8             | \$425,000                |
| 9             | \$460,000                |
| 10            | \$495,000                |
| 11-15         | \$1,000,000              |
| 16-20         | \$1,100,000              |
| 21-25         | \$1,200,000              |
| 26-30         | \$1,300,000              |
| 31-35         | \$1,400,000              |
| 36-40         | \$1,500,000              |

**Net non-NFL Event Revenue** – Net non-NFL event revenue is remitted by the Stadium Manager to the Stadium Authority on a yearly basis after the conclusion of each fiscal year. While City staff have access to and reviews detailed information on each non-NFL event with the Stadium Manager, most individual event information (e.g., the terms of the agreement between the Stadium Manager and the event promoter, and the financial results from any individual event) is considered proprietary information. For this reason, non-NFL event net income is reported annually for the prior fiscal year.

**NFL Event Public Safety Costs Threshold** – The Amended and Restated Stadium Lease Agreement describes the public safety costs threshold. If the public safety costs associated with NFL games held at Levi’s Stadium exceed this threshold, the performance rent payable to the City shall be reduced by the amount of public safety costs above the threshold. The public safety costs threshold was set at \$170 thousand per NFL game in the first year of Stadium operations (fiscal year 2014-15). This threshold goes up by 4% each year and the 2016-17 threshold is \$184 thousand per NFL game. To avoid a reduction in performance rent, the Stadium Authority can pay for any public safety costs over the threshold with its discretionary fund.

**NFL Ticket Surcharge** – The Amended and Restated Non-Relocation Agreement states that the Team will collect a 10% NFL ticket surcharge on the price of admission to all NFL games on behalf of Stadium Authority.

**Non-NFL Event Ticket Surcharge** – The Stadium Lease Agreement requires that the promoter or sponsor of any non-NFL event collect a non-NFL event ticket surcharge of \$4 per ticket. The Lease Agreement sets aside one-half of the non-NFL ticket surcharge for stadium operating and maintenance costs and one-half for discretionary expenses of the Stadium Authority.

**Offsite Parking Fees** – Parking lot operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City’s permitting process. If approved, per the City’s Municipal Fee Schedule, these operators remit an offsite parking fee for each car that is parked for sports or entertainment events. This fee was designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for NFL or non-NFL public safety costs for a particular event held at Levi’s Stadium, the offsite parking fee that is collected for said event partly offsets the total public safety costs owed for that event. In the City’s 2016-17 fiscal year the offsite parking fee is \$5.24.

**Performance-Based Rent** - The Amended and Restated Stadium Lease Agreement and the Ground Lease Agreement both describe the performance-based rent that is due to the City. It is calculated as 50% of the net income from non-NFL events less performance-based rent credits. Among other things, the performance-based rent credits include (1) 50% of the fixed ground rent for the current lease year and (2) the amount by which the public safety costs for NFL events exceed the public safety costs threshold.

**Public Safety Costs** – For each NFL and non-NFL event held at Levi’s Stadium, a public safety plan is developed and implemented. Costs associated with public safety include staffing, materials, and supplies in the Police, Fire, and Public Works Departments. The services are provided through a combination of City General Fund staff and outside contracts that the Police Department has with other agencies including the California Highway Patrol, County Sheriff’s Office, and City of Sunnyvale.

The Amended and Restated Stadium Lease Agreement states that the tenant is responsible for reimbursing the City for the public safety costs attributed to events at Levi’s Stadium. Therefore the cost of providing these services are tracked through the City’s financial system and invoices are sent to the Stadium Manager and/or the Stadium Authority. All of these costs are reimbursed to the City of Santa Clara.

**Senior and Youth Program Fees** – The Amended and Restated Stadium Lease Agreement between the Stadium Authority and the Forty Niners SC Stadium Company LLC (StadCo) requires that StadCo collect a Senior and Youth Program Fee of \$0.35 per NFL ticket sold on behalf of the Stadium Authority. The Stadium Authority then remits this fee to the City as additional rent to support senior and youth programs in the City.

**Tasman Lots Parking Fees** – The City collects a fee of \$5.00 per space for all cars that are parked on the Tasman surface lots during NFL events.