

City of Santa Clara City Council and Stadium Authority Meeting

**Item 18.B. - Santa Clara Stadium Authority Financial
Status Report through the Quarter Ending
December 31, 2016**

February 21, 2017



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Santa Clara**
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Santa Clara Stadium Authority Financial Status Report

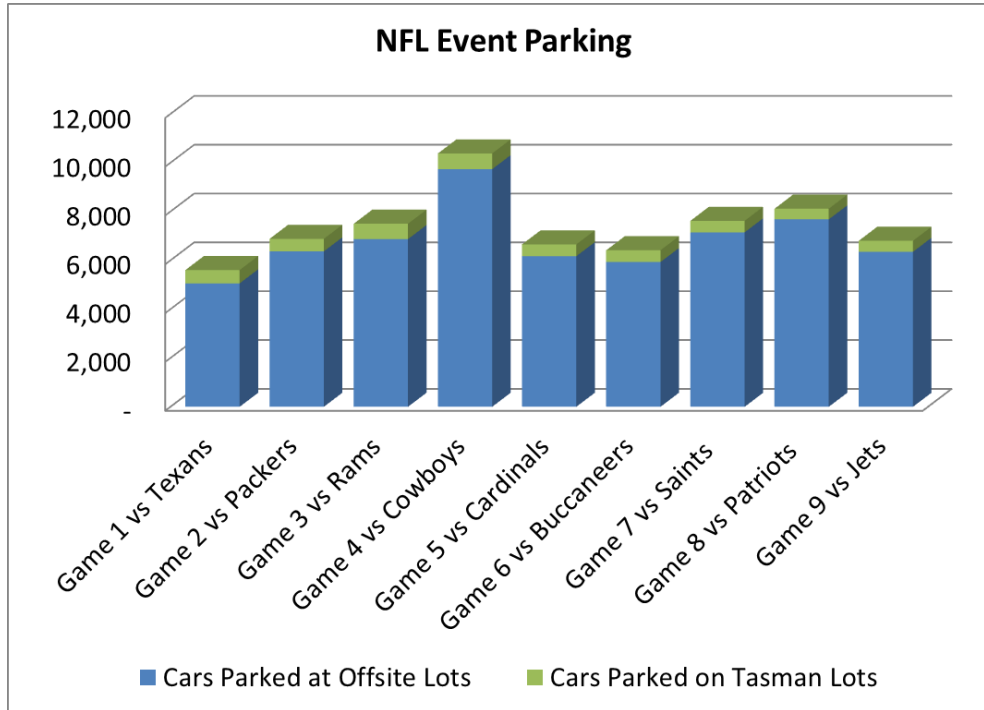
- Covers the first three quarters of the 2016-17 fiscal year (April 1, 2016 to December 31, 2016) with comparative data from the 2015-16 fiscal year
- Reports available on the Finance Department's webpage and the Stadium Authority webpage



NFL Events

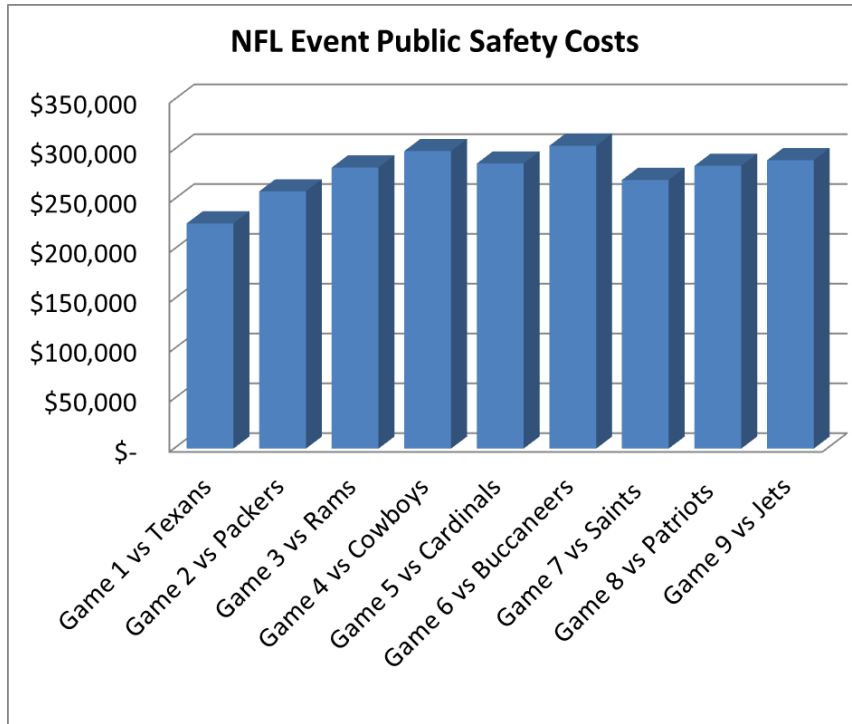
- The San Francisco Forty Niners played nine (9) home games in Levi's Stadium during the first three quarters of the 2016-17 fiscal year (two preseason and seven regular season games)
- A total of 588,794 tickets were sold (an average of 65,422 per game)
- The 10% NFL ticket surcharge brought in \$7.4 million during the year in support of Stadium Authority operations
- The \$0.35 per ticket Senior and Youth Fee brought in \$206,000 which was transferred to the General Fund

NFL Events - Parking



- A total of 61,310 cars were parked in permitted offsite lots generating \$321,000 in offsite parking fees
- A total of 4,653 cars were parked on the Tasman lots generating \$23,000 in parking fees

NFL Events – Public Safety Costs



- A total of \$2.5 million of Stadium public safety services were provided for NFL events
- \$321,000 of the public safety costs were covered by the offsite parking fees and the remaining \$2.2 million were invoiced to Management Co.
- \$350,000 of the public safety cost reimbursements were outstanding as of 01/27/17

Discretionary Fund

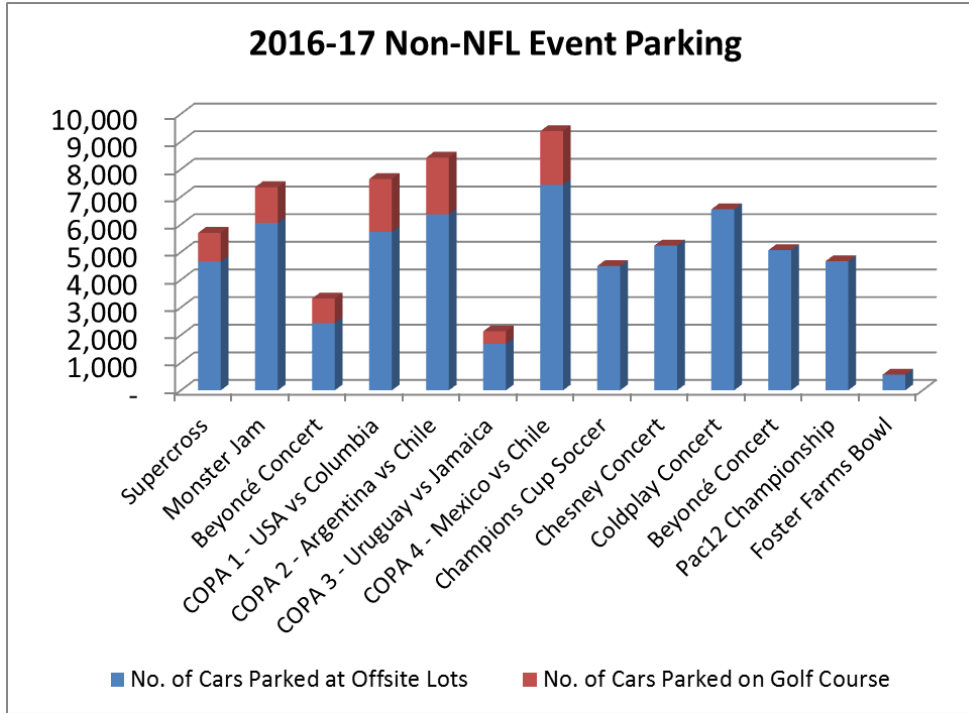
Discretionary Fund					
Fiscal Year	Beginning Balance	50% of Non-NFL Ticket Surcharge	Expenses	Ending Balance	
2014-15	\$ -	\$ 715,770	\$ -	\$ 715,770	
2015-16	715,770	1,238,542	714,028	1,240,284	
2016-17 through Q3	1,240,284	1,158,118	699,129	1,699,273	

- A total of \$1.4 million has been paid from the discretionary fund to cover NFL public safety costs above the public safety cost threshold during the first two NFL seasons
- The balance in the discretionary fund is currently \$1.7 million
- The public safety costs for the third NFL season over the threshold can again be covered by the discretionary fund

Non-NFL Events

- Seventeen (17) ticketed non-NFL events were held during the first three quarters of the fiscal year
- A total of 579,059 tickets were sold
- In addition, there were 101 smaller special events with 43,526 attendees
- The \$4 per ticket non-NFL ticket surcharge generated \$2.3 million (one-half for stadium operations and one-half for Stadium Authority discretionary fund)

Non-NFL Events - Parking



- A total of 60,969 cars were parked in offsite lots generating \$314,000 in offsite parking fees
- A total of 9,562 cars were parked on the golf course resulting in \$48,000 in parking fees

Non-NFL Events–Public Safety Costs



- A total of \$3 million of public safety services were provided for non-NFL events
- \$314,000 of the public safety costs were covered by the parking fees and the remaining \$2.3 million were invoiced to Management Co.
- \$356,000 of the public safety cost reimbursements were outstanding as of 1/27/17

Stadium Builder Licenses (SBLs)

- Value of currently active SBLs is \$536.8 million (62,017 active SBLs or 94% of 65,877 total sellable SBLs)
- Over 73% of principal collected as of 12/31/16 (\$393 million)
- In the current collection cycle, there were 2,627 defaulted SBLs and 584 new SBL sales (\$2.0 million of \$30.9 million billed was not collected)
- SBL holders who default lose their SBL, forfeit any money they had invested, and those SBLs are available for resale

Operating Budget

- Operating revenues through 3rd quarter of \$52.8 million or 65% of annual budget
 - Net revenue from non-NFL events was \$774,000 over the budget of \$5.3 million
- Operating expenses through 3rd quarter of \$14.9 million or 77% of budget
 - Several line items pay out most of their cost in first half of year (e.g., insurance and performance rent)
 - Performance rent was \$405,000 over budget

Outstanding Debt

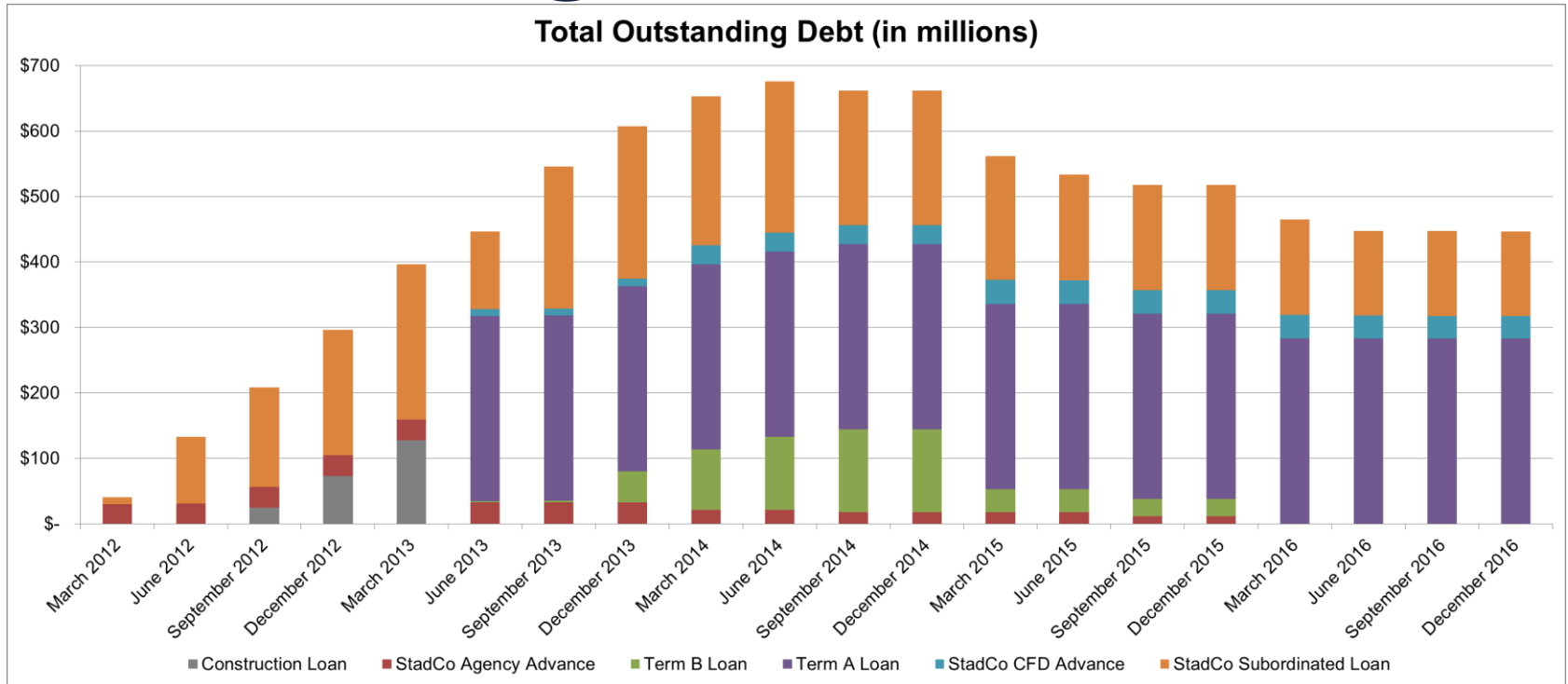
- Total outstanding debt as of 12/31/16 was \$446.6 million (down from the peak of \$675.8 million in 2014-15)

Santa Clara Stadium Authority Debt Summary Report

For the Quarter Ending December 31, 2016

Type of Indebtedness	Interest Rates	Outstanding as of March 31, 2016	Net Change	Outstanding as of December 31, 2016
Stadium Funding Trust Loan:				
Term A Loan	5.00%	\$ 282,794,108	\$ -	\$ 282,794,108
StadCo CFD Advance	5.73%	35,986,692	(1,487,863)	34,498,829
StadCo Subordinated Loan	5.50%	145,939,046	(16,593,561)	129,345,485
Total		\$ 464,719,846	\$ (18,081,424)	\$ 446,638,422

Outstanding Debt



CIP Budget

- The 2016-17 adopted Capital Expenditure Plan included \$1.7 million in projected expenditures for seat covers for the upper bowl, LED lighting upgrade, kitchen equipment, water treatment, fire alarm system, and other improvements
- \$164,000 has been spent through 12/31/16



General Fund Benefits

- Revenues of \$8.36 million exceeded expenditures of \$5.78 million by \$2.58 million
 - The City received \$4.65 million of public safety cost reimbursement and \$308,000 of administrative costs reimbursement
 - \$2.93 million performance rent was received
- In addition, direct Stadium sales tax collections of \$147,000 for the quarter and \$724,000 over the last four quarters were received by the General Fund

Performance Rent Budget Adjustment

- Performance rent expense paid to the City was \$405,000 higher than budgeted due to higher net revenue from non-NFL events in 2015-16

Stadium Authority Performance Based Rent Calculation	
2015-16 Ground Rent Paid to the City	\$ 215,000.00
2015-16 Net non-NFL Event Revenue	\$6,079,016.47
50% of Net Non-NFL Event Revenue	\$3,039,508.24
Performance Based Rent Credits	
50% of Fixed Ground Rent	<u>(107,500.00)</u>
Total Performance Based Rent	\$ 2,932,008.24

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