

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

**Quarter Ending December 31, 2016**



**February 21, 2017**

## Table of Contents

Introduction.....	2
NFL Events.....	3
Non-NFL Events.....	6
Discretionary Fund.....	10
Stadium Builder Licenses .....	10
Santa Clara Stadium Authority Budget Status Reports.....	11
<i>Operating Budget</i> .....	11
<i>Debt Service Budget</i> .....	13
<i>Capital Improvement Project Budget</i> .....	16
City of Santa Clara Net General Fund Benefit.....	17
<i>Public Safety and Administrative Cost Reimbursement</i> .....	17
<i>Rents and Senior and Youth Fee</i> .....	17
<i>Other Revenue Impacts</i> .....	17
Glossary.....	20

## Introduction

This Santa Clara Stadium Authority (Stadium Authority) Financial Status Report provides information covering the Stadium Authority's first, second, and third quarter of the 2016-17 fiscal year which ran from April 1, 2016 to December 31, 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 City of Santa Clara 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 reimbursed. All administrative General Fund costs that are incurred 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 nine (9) NFL games (two pre-season games and seven regular season games) in the first three quarters of the 2016-17 fiscal year. The total number of tickets sold to these games were 588,794, an average of 65,422 tickets sold for each game. This average is down 1,497 tickets per game, or 2.2%, as compared to the first nine games in the prior fiscal year. The ticket sales resulted in \$7.4 million of NFL ticket surcharge revenue to the Stadium Authority (based on the 10% NFL ticket surcharge on each ticket sold). This is down less than 1% from the same period in the prior fiscal year. A total of \$206 thousand of Senior and Youth Program Fees were collected and forwarded to the City through the third quarter (down the same 2.2% 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 9,935 cars or 19.3%. The associated offsite parking fee has generated \$321 thousand. There were also 4,653 cars that were parked on the City's Tasman lots, a decrease of 1,531 cars or 24.8%. The Tasman lot parking fee generated \$23 thousand for the General Fund through the third quarter.

For the nine NFL games that were held through the third quarter of the 2016-17 fiscal year, there were \$2.5 million of total NFL event public safety costs (up \$334 thousand or 15.4% from the prior year). Of this amount, \$321 thousand were covered by the offsite parking fees that were collected and the remaining \$2.18 million were invoiced to the Stadium Manager. As of January 27, 2017, \$1.83 million has been paid and \$350 thousand was outstanding.

The statistics for the nine 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 Texans 08/14/16</b>	<b>Game 2 vs Packers 08/26/16</b>	<b>Game 3 vs Rams 09/12/16</b>	<b>Game 4 vs Cowboys 10/06/16</b>	<b>Game 5 vs Cardinals 10/06/16</b>	<b>Game 6 vs Buccaneers 10/23/16</b>
No. of Tickets Sold	61,256	62,188	65,333	69,385	64,961	65,201
NFL Ticket Surcharge <sup>(1)</sup>	\$ 567,079	\$ 574,594	\$ 1,201,800	\$ 1,302,146	\$ 612,212	\$ 613,515
Senior/Youth Program Fees	\$ 21,440	\$ 21,766	\$ 22,867	\$ 24,285	\$ 22,736	\$ 22,820
Cars Parked at Offsite Lots	5,058	6,367	6,870	9,735	6,171	5,930
City Offsite Parking Fee	\$ 26,504	\$ 33,363	\$ 35,999	\$ 51,011	\$ 32,336	\$ 31,073
Cars Parked on Golf Course	-	-	-	-	-	-
Cars Parked on Tasman Lots	545	514	630	644	482	482
City Golf Course/Tasman Lot Parking Fee	\$ 2,725	\$ 2,570	\$ 3,150	\$ 3,220	\$ 2,410	\$ 2,410
Stadium Public Safety Costs	\$ 225,995	\$ 258,211	\$ 282,097	\$ 298,620	\$ 286,153	\$ 303,963
Golf Course Public Safety Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ 225,995	\$ 258,211	\$ 282,097	\$ 298,620	\$ 286,153	\$ 303,963
Less: Offsite Parking Fee Credit	\$ (26,504)	\$ (33,363)	\$ (35,999)	\$ (51,011)	\$ (32,336)	\$ (31,073)
Reimbursable Stadium Public Safety Costs	\$ 199,491	\$ 224,848	\$ 246,098	\$ 247,608	\$ 253,817	\$ 272,889
Amount Reimbursed through 1/27/17	\$ 198,946	\$ 223,939	\$ 223,875	\$ 223,794	\$ 237,010	\$ 242,808
Amount Outstanding as of 1/27/17	\$ 546	\$ 909	\$ 22,223	\$ 23,815	\$ 16,807	\$ 30,082

	<b>Game 7 vs Saints 11/06/16</b>	<b>Game 8 vs Patriots 11/20/16</b>	<b>Game 9 vs Jets 12/11/16</b>	<b>2016-17 Total</b>
No. of Tickets Sold	65,781	69,120	65,569	<b>588,794</b>
NFL Ticket Surcharge <sup>(1)</sup>	\$ 623,345	\$ 1,288,638	\$ 620,451	<b>\$ 7,403,778</b>
Senior/Youth Program Fees	\$ 23,023	\$ 24,192	\$ 22,949	<b>\$ 206,078</b>
Cars Parked at Offsite Lots	7,149	7,680	6,350	<b>61,310</b>
City Offsite Parking Fee	\$ 37,461	\$ 40,243	\$ 33,274	<b>\$ 321,264</b>
Cars Parked on Golf Course	-	-	-	<b>-</b>
Cars Parked on Tasman Lots	470	436	450	<b>4,653</b>
City Golf Course/Tasman Lot Parking Fee	\$ 2,350	\$ 2,180	\$ 2,250	<b>\$ 23,265</b>
Stadium Public Safety Costs	\$ 269,608	\$ 283,836	\$ 289,375	<b>\$ 2,497,858</b>
Golf Course Public Safety Costs	\$ -	\$ -	\$ -	<b>\$ -</b>
Subtotal Event Public Safety Costs	\$ 269,608	\$ 283,836	\$ 289,375	<b>\$ 2,497,858</b>
Less: Offsite Parking Fee Credit	\$ (37,461)	\$ (40,243)	\$ (33,274)	<b>\$ (321,264)</b>
Reimbursable Stadium Public Safety Costs	\$ 232,147	\$ 243,592	\$ 256,101	<b>\$ 2,176,593</b>
Amount Reimbursed through 1/27/17	\$ 232,147	\$ 243,592	\$ -	<b>\$ 1,826,110</b>
Amount Outstanding as of 1/27/17	\$ -	\$ -	\$ 256,101	<b>\$ 350,483</b>

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

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

	2016-17 Total	2015-16 Total	Change Amount %	
No. of Tickets Sold	588,794	602,268	(13,474)	-2.24%
NFL Ticket Surcharge <sup>(1)</sup>	\$ 7,403,778	\$ 7,448,271	\$ (44,493)	-0.60%
Senior/Youth Program Fees	\$ 206,078	\$ 210,794	\$ (4,716)	-2.24%
Cars Parked at Offsite Lots	61,310	51,375	9,935	19.34%
City Offsite Parking Fee	\$ 321,264	\$ 260,985	\$ 60,279	23.10%
Cars Parked on Golf Course	-	18,823	(18,823)	-100.00%
Cars Parked on Tasman Lots	4,653	6,184	(1,531)	-24.76%
City Golf Course/Tasman Lot Parking Fee	\$ 23,265	\$ 125,035	\$ (101,770)	-81.39%
Stadium Public Safety Costs	\$ 2,497,858	\$ 2,092,697	\$ 405,161	19.36%
Golf Course Public Safety Costs	\$ -	\$ 71,000	\$ (71,000)	-100.00%
Subtotal Event Public Safety Costs	\$ 2,497,858	\$ 2,163,697	\$ 334,161	15.44%
Less: Offsite Parking Fee Credit	\$ (321,264)	\$ (260,985)	\$ (60,279)	23.10%
Reimbursable Stadium Public Safety Costs	\$ 2,176,593	\$ 1,902,712	\$ 273,881	14.39%
Amount Reimbursed through 1/27/17	\$ 1,826,110	\$ 1,902,712		
Amount Outstanding as of 1/27/17	\$ 350,483	\$ -		

<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 579,059 tickets sold for the seventeen (17) ticketed non-NFL events that were held, resulting in \$2.32 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 \$140 thousand or 5.7% over the same period in the prior year.

Parking at the permitted offsite parking lots saw an increase over the prior year. 60,969 cars were parked at these offsite lots, a 9.4% 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 55.7%. Thus far in 2016-17, the City has earned \$314 thousand in offsite parking fees and golf course parking fees of \$48 thousand.

Total non-NFL event public safety costs were \$2.98 million, a decrease of \$50 thousand from the prior year. Of these costs, \$314 thousand were covered by the offsite parking fee and the remaining \$2.66 million were invoiced to the Stadium Manager. As of January 27, 2017, \$356 thousand was outstanding.

There were also 101 smaller special events with 43,526 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 40.9% while the attendance at these events decreased by 55.5% 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 04/02/16	Monster Jam 04/19/16	Beyoncé Concert 05/16/16	Copa 1 - USA vs Columbia 06/03/16	Copa 2 - Argentina vs Chile 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 1/27/17	\$ 206,436	\$ 159,788	\$ 182,947	\$ 223,574	\$ 223,008
Amount Outstanding as of 1/27/17	\$ -	\$ -	\$ -	\$ -	\$ -

	Copa 3 - Uruguay vs Jamaica 06/13/16	Copa 4 - Mexico vs Chile 06/18/16	Bay Area Wedding Fair 06/26/16	Wedemeyer High School Football 07/16/16	Champions Cup Soccer 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	\$ 181,323
Golf Course Public Safety Costs	\$ 6,048	\$ 5,463	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ 212,760	\$ 311,753	\$ 1,450	\$ 6,274	\$ 181,323
Less: Offsite Parking Fee Credit	\$ (8,565)	\$ (37,775)	\$ -	\$ -	\$ (23,559)
Reimbursable Public Safety Costs	\$ 204,195	\$ 273,978	\$ 1,450	\$ 6,274	\$ 157,764
Amount Reimbursed through 1/27/17	\$ 204,195	\$ 273,978	\$ 1,450	\$ 6,274	\$ 157,351
Amount Outstanding as of 1/27/17	\$ -	\$ -	\$ -	\$ -	\$ 412

<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 08/06/16	Friday Night Lights 08/27/16	Coldplay Concert 09/03/16	Beyoncé Concert 09/17/16	Bay Area Wedding Fair 10/16/16
No. of Tickets Sold	37,258	3,172	52,190	42,197	784
Non-NFL Ticket Surcharge <sup>(1)</sup>	\$ 149,032	\$ 12,688	\$ 208,760	\$ 168,788	\$ 3,136
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	\$ 251,349	\$ 5,893	\$ 243,675	\$ 236,789	\$ -
Golf Course Public Safety Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ 251,349	\$ 5,893	\$ 243,675	\$ 236,789	\$ -
Less: Offsite Parking Fee Credit	\$ (27,431)	\$ -	\$ (34,332)	\$ (26,577)	\$ -
Reimbursable Public Safety Costs	\$ 223,918	\$ 5,893	\$ 209,342	\$ 210,212	\$ -
Amount Reimbursed through 1/27/17	\$ 223,492	\$ 5,893	\$ 196,151	\$ 190,184	\$ -
Amount Outstanding as of 1/27/17	\$ 426	\$ -	\$ 13,191	\$ 20,028	\$ -

	Pac12 Championship 12/02/16	Foster Farms Bowl 12/28/16	Non-NFL Ticketed Event Totals
No. of Tickets Sold	34,401	25,332	579,059
Non-NFL Ticket Surcharge <sup>(1)</sup>	\$ 137,604	\$ 101,328	\$ 2,316,236
Cars Parked at Offsite Lots	4,671	567	60,969
City Offsite Parking Fee	\$ 24,476	\$ 2,971	\$ 313,978
Cars Parked on Golf Course	-	-	9,562
City Golf Course Parking Fee	\$ -	\$ -	\$ 47,810
Stadium Public Safety Costs	\$ 192,559	\$ 156,659	\$ 2,884,623
Golf Course Public Safety Costs	\$ -	\$ -	\$ 39,905
Subtotal Event Public Safety Costs	\$ 192,559	\$ 156,659	\$ 2,924,528
Less: Offsite Parking Fee Credit	\$ (24,476)	\$ (2,971)	\$ (313,978)
Reimbursable Public Safety Costs	\$ 168,083	\$ 153,688	\$ 2,610,550
Amount Reimbursed through 1/27/17	\$ -	\$ -	\$ 2,254,721
Amount Outstanding as of 1/27/17	\$ 168,083	\$ 153,688	\$ 355,828

<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 Special Event Totals
No. of Events	101
No. of Attendees	43,526
Reimbursable Stadium Public Safety Costs	\$ 53,459
Amount Reimbursed through 1/27/17	\$ 52,925
Amount Outstanding as of 1/27/17	\$ 534

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

	2016-17 Total	2015-16 Total	Change	
			Amount	%
No. of non-NFL Ticketed Events	17	15	2	13.33%
No. of Tickets Sold	579,059	623,687	(44,628)	-7.16%
Non-NFL Ticket Surcharge <sup>(2)</sup>	\$ 2,316,236	\$ 2,455,816	\$ (139,580)	-5.68%
No. of Non-NFL Special Events	101	171	(70)	-40.94%
Non-NFL Special Event Attendees	43,526	97,747	(54,221)	-55.47%
Cars Parked at Offsite Lots	60,969	55,720	5,249	9.42%
City Offsite Parking Fee	\$ 313,978	\$ 278,703	\$ 35,275	12.66%
Cars Parked on Golf Course	9,562	21,572	(12,010)	-55.67%
City Golf Course Parking Fee	\$ 47,810	\$ 107,860	\$ (60,050)	-55.67%
Stadium Public Safety Costs	\$ 2,938,082	\$ 2,908,521	\$ 29,561	1.02%
Golf Course Public Safety Costs	\$ 39,905	\$ 119,842	\$ (79,937)	-66.70%
Subtotal Event Public Safety Costs	\$ 2,977,987	\$ 3,028,363	\$ (50,376)	-1.66%
Less: Offsite Parking Fee Credit	\$ (313,978)	\$ (278,703)	\$ (35,275)	12.66%
Reimbursable Public Safety Costs	\$ 2,664,009	\$ 2,749,660	\$ (85,651)	-3.11%
Amount Reimbursed through 1/27/17	\$ 2,307,646	\$ 2,749,660		
Amount Outstanding as of 1/27/17	\$ 356,362	\$ -		

<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, that was noted previously, funds the discretionary fund. To date, the discretionary fund has been used to cover 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 \$1.7 million.

As described in the NFL Events section of this report, the NFL public safety costs total \$2.5 million through nine NFL games. This exceeds the current annual NFL public safety threshold of \$1.8 million by \$687 thousand. Once the final public safety costs for the tenth game are finalized, the total amount over the threshold can be covered by the 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

## Stadium Builder Licenses

The total principal value of currently active Stadium Builder Licenses (SBLs) is \$536.8 million and, as of December 31, 2016, over 73% of the total principal value of all SBLs sold (i.e., \$392.97 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 62,017 currently active SBLs, or 94% of the 65,877 total sellable SBL seats. For the current year's payment cycle there were 22 new SBL sales during the quarter, bringing the total number of new sales for this year's payment cycle to 584. New and resale SBLs continue to be sold for full price with up to ten year financing at an

annual interest rate of 8.5% per year. There have been a total of 2,627 defaulted SBLs which amounted to \$2 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 three quarters of the 2016-17 fiscal year were \$52.83 million representing 65% of the overall budget for revenues. Stadium rent collected from StadCo totaled \$16.88 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 or 15% over the budget of \$5.31 million. This is primarily due to having more non-NFL events at Levi's Stadium than anticipated. During the current reporting period, the Stadium Authority has also collected \$16.57 million in SBL proceeds, 49% 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 \$14.91 million as of December 31, 2016, or 77% of the annual budget. Insurance expense is at 94% 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. For this reason, a budget adjustment is being requested as part of this report to cover the higher performance rent expense. Other expenses were at 72% of budget through the third quarter. Discretionary fund expense is currently at 70% of the budgeted amount of \$1 million. These funds were used to cover NFL event public safety costs over the public safety cost threshold in 2015-16.

Overall, the Stadium Authority operating fund ended the third quarter of the 2016-17 fiscal year with a fund balance of \$38 million. Included in that amount is a \$10.3 million operating reserve.

# Santa Clara Stadium Authority

## Operating Budget Status Report

For the Periods Ending December 31, 2016 and 2015

	Quarter Ending December 31, 2016					Quarter Ending December 31, 2015				
	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used	Adopted Budget	Final Budget	Actual	Remaining Balance	% 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	7,403,786	1,048,214	88%	8,366,000	8,366,000	7,456,168	909,832	89%
SBL Proceeds	33,804,000	33,804,000	16,572,677	17,231,323	49%	31,096,000	31,096,000	-	31,096,000	0%
Interest	-	-	63,832	(63,832)	0%	-	-	4,933	(4,933)	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	5,207,553	(207,553)	104%
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	486,267	230,733	68%	541,414	541,414	741,322	(199,908)	137%
Rent	24,500,000	24,500,000	16,875,000	7,625,000	69%	24,500,000	24,500,000	19,000,002	5,499,998	78%
Senior & Youth Program Fees	242,000	242,000	206,002	35,998	85%	239,000	239,000	210,794	28,206	88%
Fanwalk Revenue	-	-	-	-	0%	112,600	112,600	28,157	84,443	25%
Non-NFL Event Ticket Surcharge	2,000,000	2,000,000	2,095,436	(95,436)	105%	2,194,000	2,194,000	2,728,136	(534,136)	124%
<b>Revenues Subtotal</b>	<b>81,201,000</b>	<b>81,201,000</b>	<b>52,826,800</b>	<b>28,374,200</b>	<b>65%</b>	<b>78,049,897</b>	<b>78,049,897</b>	<b>38,333,166</b>	<b>39,716,731</b>	<b>49%</b>
Net Transfers	(60,728,000)	(60,728,000)	(18,131,890)	(42,596,110)	30%	(54,563,000)	(86,365,000)	(41,882,617)	(44,482,383)	48%
<b>Total Resources</b>	<b>37,632,000</b>	<b>37,632,000</b>	<b>52,906,315</b>	<b>(15,274,315)</b>	<b>141%</b>	<b>37,140,897</b>	<b>38,240,897</b>	<b>46,379,982</b>	<b>(8,139,085)</b>	<b>121%</b>
	Quarter Ending December 31, 2016					Quarter Ending December 31, 2015				
	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used
<b>Expenses</b>										
Operating Expenses - Stadium Manager	7,612,000	7,612,000	4,943,062	2,668,938	65%	6,446,000	7,546,000	4,774,784	1,671,216	63%
SBL Sales and Service	1,945,000	1,945,000	1,205,594	739,406	62%	1,574,000	1,574,000	1,135,822	438,178	72%
Insurance	2,705,000	2,705,000	2,539,000	166,000	94%	2,626,996	2,626,996	2,502,725	124,271	95%
Senior & Youth Program Fees	242,000	242,000	206,002	35,998	85%	239,000	239,000	187,592	51,408	78%
Other Expenses	2,784,000	2,784,000	2,010,125	773,875	72%	3,020,089	3,020,089	1,765,333	1,254,756	58%
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	2,508,588	(98,588)	104%
Measure J Compliance Audit	200,000	200,000	121,428	78,573	61%	-	-	-	-	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>14,906,348</b>	<b>4,358,652</b>	<b>77%</b>	<b>17,201,085</b>	<b>18,301,085</b>	<b>13,803,870</b>	<b>3,397,215</b>	<b>75%</b>
<b>Ending Balances</b>	<b>\$ 18,367,000</b>	<b>\$ 18,367,000</b>	<b>\$ 37,999,967</b>	<b>\$ (19,632,967)</b>		<b>\$ 19,939,812</b>	<b>\$ 19,939,812</b>	<b>\$ 32,576,112</b>	<b>\$ (11,536,300)</b>	

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

The Stadium Authority's 2016-17 debt service revenue budget of \$3.4 million represents anticipated contributions from the Community Facilities District (CFD). In the first three quarters of the fiscal year, \$2.76 million was contributed by the CFD. Net transfers of \$16.01 million were received by the debt service fund, 28% 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 \$35.18 million. Debt service payments were made on the CFD Advance (\$2.76 million), the Term A Loan (\$14.14 million) and the Forty Niners SC Stadium Company (StadCo) Subordinated Loan (\$18.29 million).

The Stadium Authority debt service fund ended the third quarter with a fund balance of \$20.48 million which includes \$11.54 million in the debt service reserve account.

As of December 31, 2016, the total outstanding amount of Stadium Authority debt had declined to \$446.64 million. This is a reduction of \$18.08 million from the March 31, 2016 outstanding debt amount of \$464.72 million.

# Santa Clara Stadium Authority

## Debt Service Budget Status Report

For the Quarters Ending December 31, 2016 and 2015

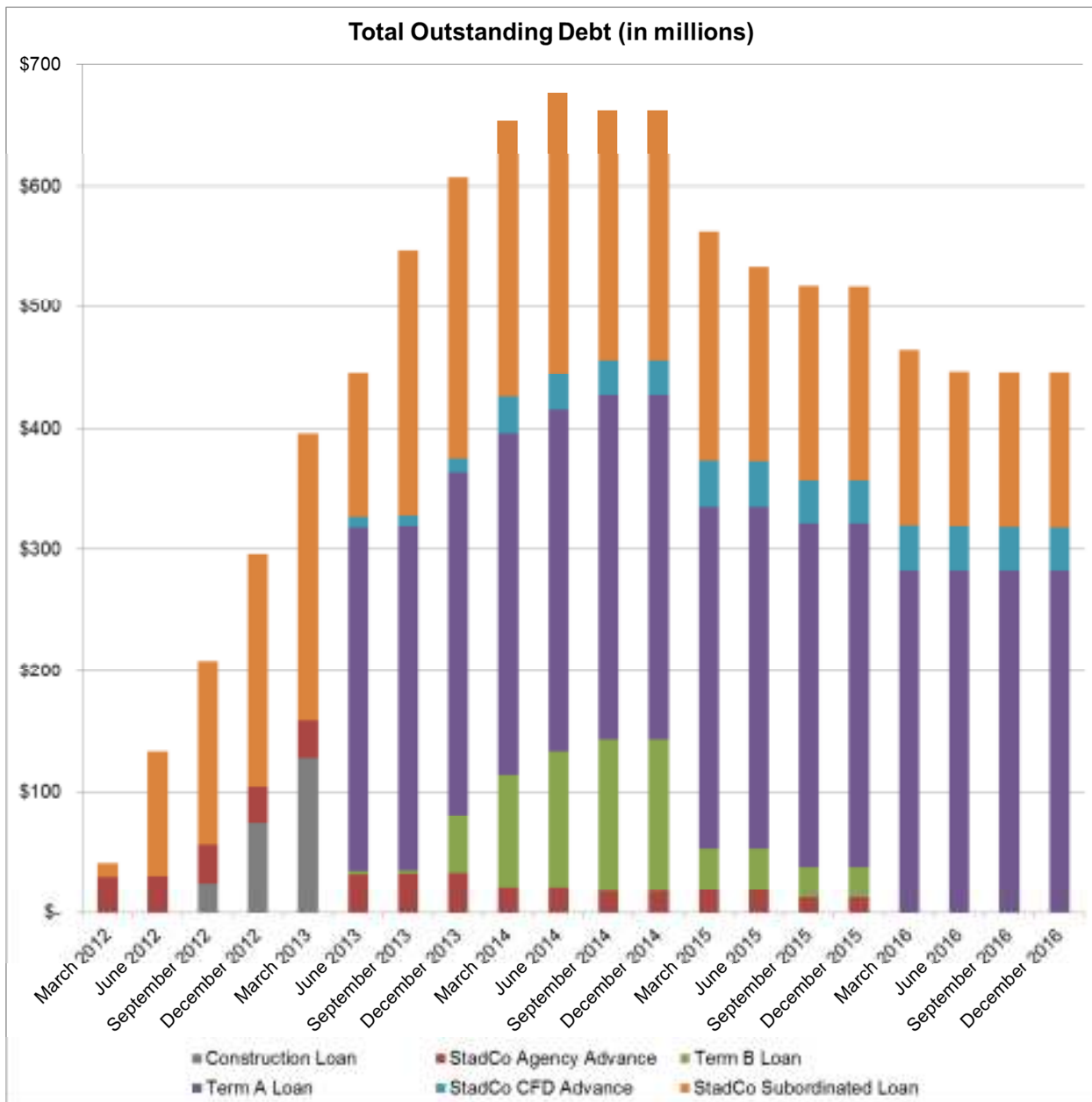
	Quarter Ending December 31, 2016					Quarter Ending December 31, 2015				
	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used
<b>Beginning Balances</b>	<b>\$ 28,063,000</b>	<b>\$ 28,063,000</b>	<b>\$ 36,891,573</b>	<b>\$ (8,828,573)</b>		<b>\$ 8,115,000</b>	<b>\$ 8,115,000</b>	<b>\$ 19,651,943</b>	<b>\$ (11,536,943)</b>	
<b>Revenues</b>										
Contribution from Successor Agency	-	-	-	-	0%	6,209,333	18,547,333	6,209,333	12,338,000	33%
Contribution from CFD	3,400,000	3,400,000	2,755,899	644,101	81%	2,709,160	3,330,160	2,599,308	730,852	78%
<b>Revenues Subtotal</b>	<b>3,400,000</b>	<b>3,400,000</b>	<b>2,755,899</b>	<b>644,101</b>	<b>81%</b>	<b>8,918,493</b>	<b>21,877,493</b>	<b>8,808,641</b>	<b>13,068,852</b>	<b>40%</b>
Net Transfers	57,545,000	57,545,000	16,010,090	41,534,910	28%	51,473,000	70,937,000	49,221,513	21,715,487	0%
<b>Total Resources</b>	<b>89,008,000</b>	<b>89,008,000</b>	<b>55,657,562</b>	<b>33,350,438</b>	<b>63%</b>	<b>68,506,493</b>	<b>100,929,493</b>	<b>77,682,097</b>	<b>23,247,396</b>	<b>77%</b>
	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used
	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used
<b>Expenses</b>										
Agency Advance Debt Service	-	-	-	-	0%	6,209,333	18,547,333	6,209,333	12,338,000	33%
CFD Advance Debt Service	3,400,000	3,400,000	2,755,899	644,101	81%	2,709,160	3,330,160	2,599,308	730,852	78%
Term A & B Debt Service	14,140,000	14,140,000	14,139,705	295	100%	45,046,000	49,582,000	23,654,946	25,927,054	48%
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>35,181,090</b>	<b>34,646,910</b>	<b>50%</b>	<b>60,391,493</b>	<b>95,521,493</b>	<b>32,463,587</b>	<b>63,057,906</b>	<b>34%</b>
<b>Ending Balances</b>	<b>\$ 19,180,000</b>	<b>\$ 19,180,000</b>	<b>\$ 20,476,472</b>	<b>\$ (1,296,472)</b>		<b>\$ 8,115,000</b>	<b>\$ 5,408,000</b>	<b>\$ 45,218,510</b>	<b>\$ (39,810,510)</b>	

# 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





### Capital Improvement Project Budget

During the first three quarters of 2016-17, the Stadium Authority has completed the visitor locker room carpeting and the site concrete projects. In addition, the seat cover project is approximately 50% complete. A total of \$164 thousand has been spent to date which equals 5% of the \$3.30 million CIP budget.

## Santa Clara Stadium Authority

### CIP Budget Status Report (Project 4900 & 4913)

For the Quarters Ending December 31, 2016 and 2015

	Quarter Ending December 31, 2016					Quarter Ending December 31, 2015				
	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used
Beginning Balances	\$ 6,090,000	\$ 6,090,000	\$ 6,090,000	\$ -		\$ 2,700,000	\$ 2,700,000	\$ 3,000,000	\$ (300,000)	
Resources										
Net Transfers	3,183,000	3,183,000	2,121,800	1,061,200	67%	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>8,211,800</b>	<b>1,061,200</b>	<b>89%</b>	<b>5,790,000</b>	<b>5,790,000</b>	<b>3,000,000</b>	<b>2,790,000</b>	<b>52%</b>
	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used
	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used	Adopted Budget	Final Budget	Actual	Remaining Balance	% Used
CIP Expenses										
Construction	-	3,025,000	42,873	2,982,127	1%	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>164,286</b>	<b>3,135,715</b>	<b>5%</b>	<b>3,000,000</b>	<b>3,300,000</b>	<b>-</b>	<b>3,300,000</b>	<b>110%</b>
Ending Balances	\$ 9,273,000	\$ 5,973,000	\$ 8,047,515	\$ (2,074,515)		\$ 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 billed to the Stadium Manager. Reimbursement is monitored and reported on in this report and the Stadium Authority NFL and non-NFL event web pages. A total of \$2.5 million in public safety costs were incurred in support of the first nine NFL games held in the current fiscal year. Additionally, \$2.98 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 \$4.65 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 billed to the Stadium Authority. 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 three quarters of 2016-17, a total of \$305 thousand of administrative costs were incurred by the General Fund. Administrative cost reimbursements of \$308 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. \$206 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 \$8 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 \$147 thousand of sales tax (transactions that took place in the third quarter of calendar year 2016). The last four quarters of sales tax collections from Levi's Stadium transactions generated \$724 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 December 31, 2016 & 2015

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

	December 31, 2016	December 31, 2015
Public Safety Cost Reimbursement		
NFL Public Safety Cost Reimbursement <sup>(3)</sup>	\$ 1,875,304	\$ 733,820
Non-NFL Event Public Safety Cost Reimbursement <sup>(3)</sup>	2,377,560	3,413,640
City Offsite Parking Fees	402,085	691,229
	<hr/>	<hr/>
Subtotal Public Safety Cost Reimbursement	4,654,949	4,838,689
Administrative Cost Reimbursement	307,880	529,636
Ground Rent	250,000	215,000
Performance Rent	2,932,008	2,508,587
Senior and Youth Fee	206,002	187,592
Tasman Lots Parking Fee	8,445	-
	<hr/>	<hr/>
<b>Total General Fund Revenues</b>	<b>8,359,285</b>	<b>8,279,503</b>

### General Fund Expenditures

Public Safety Costs		
NFL Event Public Safety Costs	2,497,858	2,163,698
Non-NFL Event Public Safety Costs	2,977,987	3,028,363
	<hr/>	<hr/>
Subtotal Reimbursable Public Safety Costs	5,475,844	5,192,060
Administrative Costs	304,734	536,695
	<hr/>	<hr/>
<b>Total General Fund Expenditures</b>	<b>5,780,578</b>	<b>5,728,755</b>

### General Fund Benefit

<b>Net General Fund Benefit</b>	<b>\$ 2,578,707</b>	<b>\$ 2,550,748</b>
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<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 December 31, 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.

<sup>(3)</sup> The reimbursement amounts differ from the schedules in this report due to receiving reimbursements for prior year events in the current fiscal year.

## 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 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 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. This agreement was terminated by the Stadium Manager on July 20, 2016.

**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 per space for all cars that are parked on the Tasman surface lots during NFL events.