

Santa Clara Stadium Authority

Financial Status Reports
Item #2 (20-91)

March 24, 2020



Financial Status Report for the Quarters Ending June 30, 2019 and September 30, 2019 and Related Budget Amendments

Agenda

- Methodology and Limitations
- NFL Events
- Non-NFL Events
- Operating Budget Status
 - Stadium Builder Licenses (SBLs)
 - Discretionary Fund
- Debt Schedules
- Capital Improvement Program

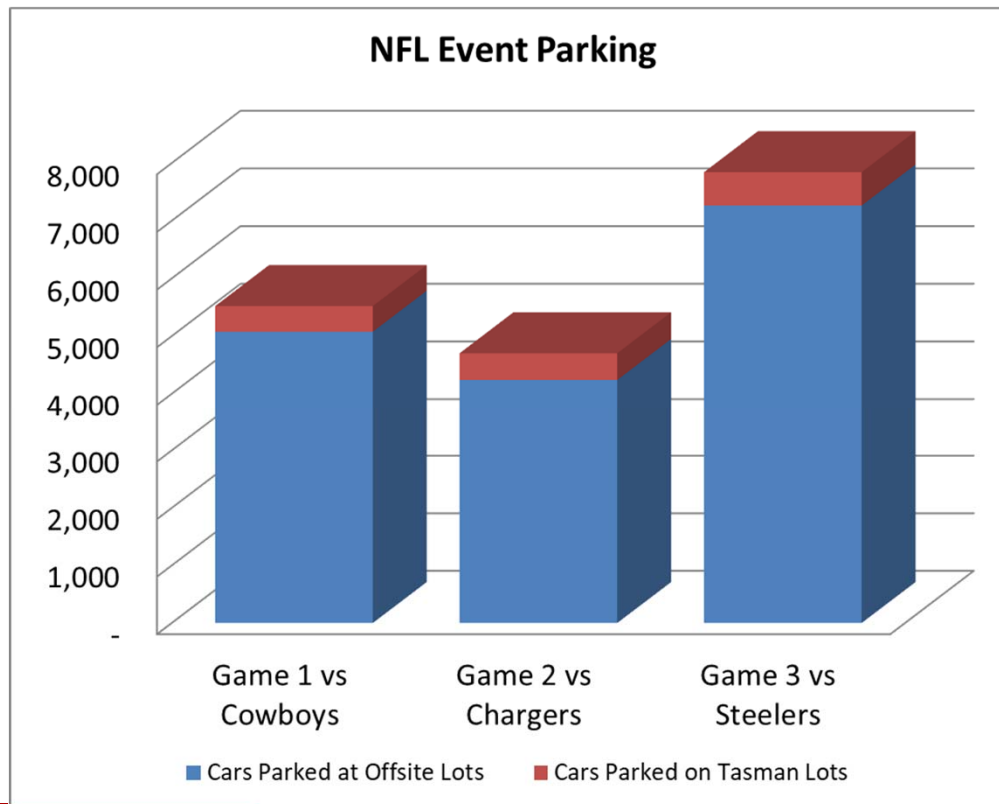
Methodology and Limitations

- Reflects best information known at the time provided by ManagementCo.
- Some source documentation reviewed for Non-NFL events with attendance greater than 25,000
- For all other events, detailed review of financial information or source documentation is not conducted
- Firm contracted to review and evaluate Non-NFL event financial information from prior years
 - Delayed ETA for report

NFL Events

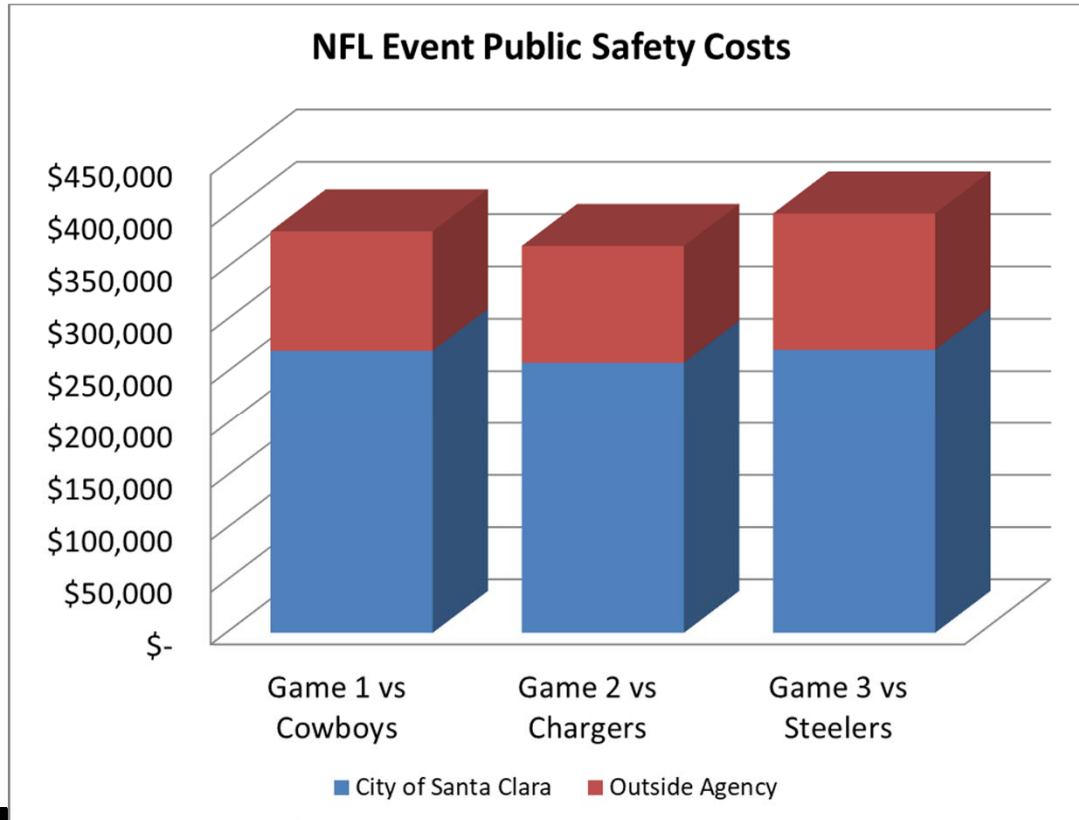
- Three NFL events were held in FY 2019/20 as of September 30, 2019
- A total of 184,796 tickets were sold, down 3.2% vs. prior year
 - Stadium Authority received \$2.4 million in NFL ticket surcharge revenue based on 10% of ticket sales to NFL events
 - City of Santa Clara received \$65,000 in Senior & Youth Fees based on \$0.35/ticket to NFL events

NFL Events - Parking



- A total of 16,580 cars were parked in offsite parking lots generating \$97,000 in offsite parking fees
- A total of 1,485 cars were parked in the Tasman Lots generating \$7,400 in parking fees for the General Fund

NFL Events - Public Safety Costs



Public safety costs amounted to \$1.2 million:

- \$802,000 (69.3%) are direct City costs
- \$356,000 (30.7%) are outside agency costs
 - CHP \$189,000
 - County of Santa Clara \$33,000
 - County of S.F. \$130,000
 - City of Sunnyvale \$4,000
- \$97,000 were covered by the offsite parking fee

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Non-NFL Events

- Six ticketed Non-NFL events
- A total of 125,587 tickets were sold
 - Stadium Authority received \$502,000 in Non-NFL ticket surcharge revenue based on \$4 per ticket sold to all non-NFL events (one-half for stadium operations and one-half for Stadium Authority Discretionary Fund); 46% less than the prior year
- Total of 28 non-ticketed events with 7,752 attendees; 51% less than the prior year

Non-NFL Events – Through Q2

Net Revenue for Non-NFL Events
by Event Type
FY 2019/20 Quarter 2

Event Type	No. of Events	Net Revenue
Ticketed Events		
Concerts	1	\$ 871,777
Sporting Events		
Football (Non-NFL)	1	30,938
Soccer	2	83,456
Miscellaneous Events	2	(404,883)
Subtotal Ticketed Events	6	\$ 581,288
Subtotal Non-Ticketed Non-NFL Events (weddings, corporate events, etc)	28	\$ 362,074
Total Non-NFL Event Net Revenue	34	\$ 943,362
Total Estimated Performance Rent paid to the General Fund⁽¹⁾		\$ 294,181

⁽¹⁾ Performance Rent is calculated as 50% of the net revenue from Non-NFL events less

- Rolling Stones (Concert) made almost \$900k
- Monster Jam (Miscellaneous Events) (\$400k)
- Total Non-NFL Event Net Revenue approx. \$943k through Q2

Non-NFL Events – To Date

Levi's® Stadium

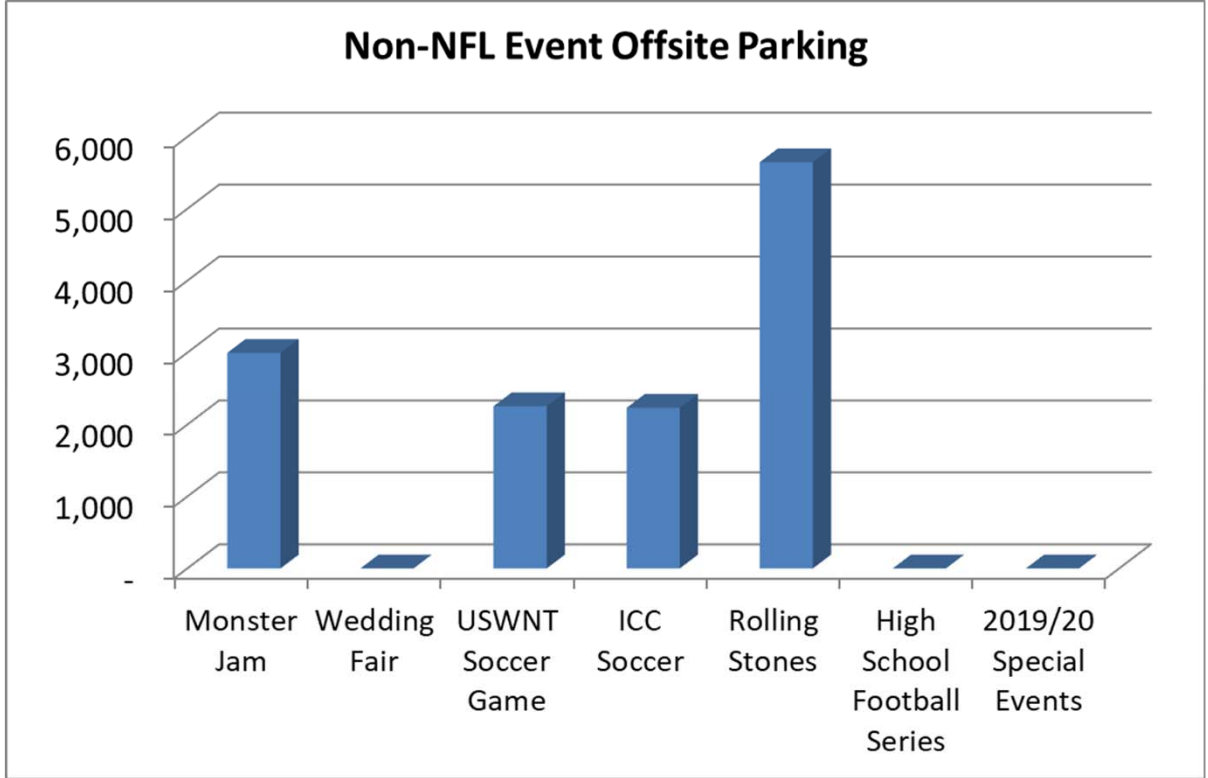
Ticketed Non-NFL Events Revenue and Expenditure Summary FY 2019/20

In Millions \$

Ticketed Event	Revenue	Expense	Net
Monster Jam	\$ 1.6	\$ 2.0	\$ (0.4)
Bay Area Wedding Fair	0.0	0.0	0.0
USWNT vs South Africa	0.3	0.1	0.2
ICC: Chivas vs Benfica	1.2	1.4	(0.2)
Rolling Stones: No Filter Tour	11.3	10.5	0.8
High School Football Series	0.1	0.1	0.0
Pac-12 Championship	3.1	5.3	(2.2)
Redbox Bowl	4.5	4.5	0.0
Total Ticketed Non-NFL Net Revenue to date	\$ 22.2	\$ 23.9	\$ (1.8)

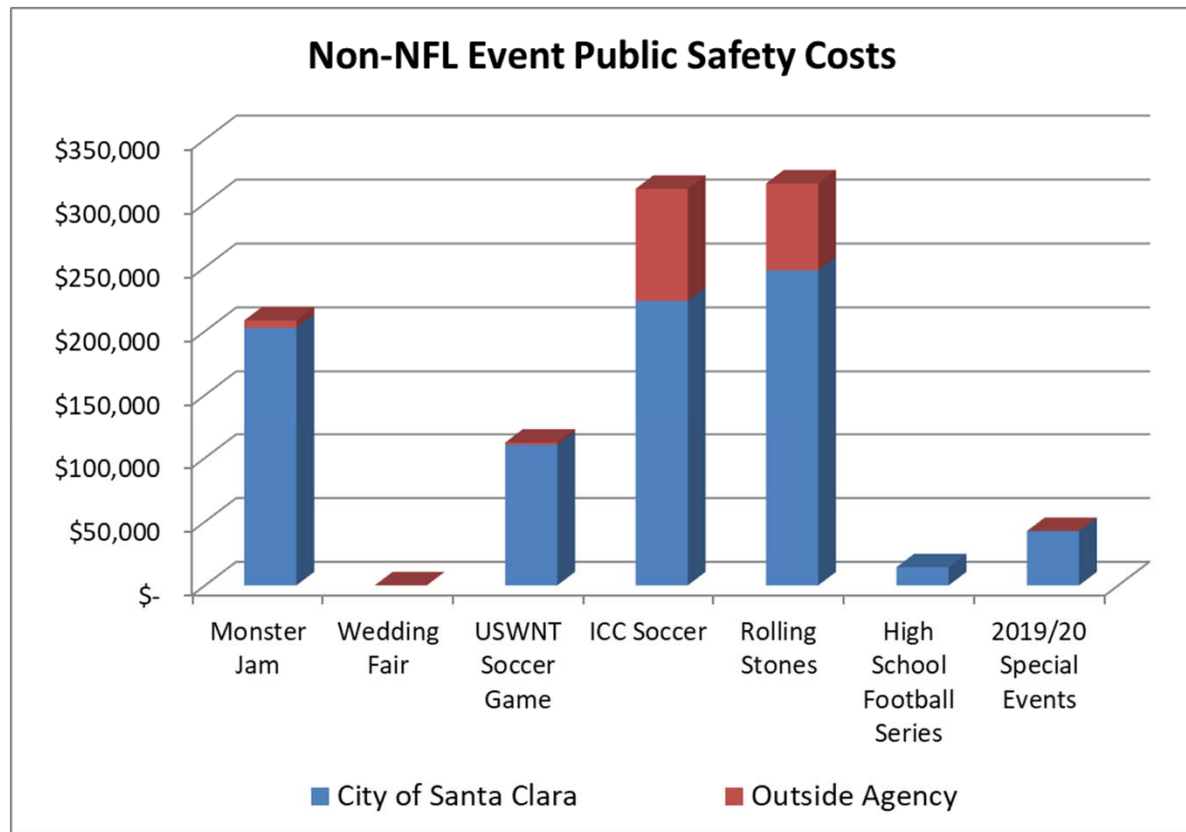
- 6 of 8 ticketed events lost or did not make money
- Largest loss was Pac-12 Championship – last year of event
- ManCo projects \$1.7-\$2.0 million loss this FY
- Based on preliminary data and subject to change

Non-NFL Events – Parking



- A total of 13,130 cars were parked in offsite parking lots, down 41%
- Generated \$75,000 in offsite parking fees

Non-NFL Events – Public Safety Costs



Public safety costs amounted to \$1.0 million:

- \$841,000 (83.8%) are direct City costs
- \$163,000 (16.2%) are outside agency costs
 - CHP \$81,000
 - County of Santa Clara \$25,000
 - County of S.F. \$57,000
- \$75,000 were covered by the offsite parking fee

Operating Budget Summary

- Total Operating Revenues of \$28.7 million or 39% of annual budget
- Total Operating Expenses of \$18.3 million or 25% of annual budget
 - Revenues and expenses are below 50% because the Non-NFL event activity is not recorded until the end of the fiscal year **per agreements**
 - Suspension of shared Stadium Manager expenses based on Board direction to only release public funds if all supporting documents have been submitted and adhere to our agreements and State and local laws

Stadium Builder Licenses (SBLs)

- Value of currently active SBLs is \$524.5 million (58,957 or 89.5% of 65,879 sellable SBLs)
- A total of 84% of principal value has been collected as of September 30, 2019 (\$440.4 million)
- 234 new SBLs were sold with total face value of \$1.5 million

Stadium Builder Licenses (SBLs)

(cont.)

- SBL relocations netted 29 more SBLs
 - Increase of \$721,000 in SBL face value
- Defaulted SBLs amounted to 1,565 with value of \$10.1 million
 - Defaulted SBLs have either been resold or are available for resale at full price

Discretionary Fund

Discretionary Fund - Accrual Basis				
Fiscal Year	Beginning Balance	Revenue	Expenses	Ending Balance
2014/15	\$ -	\$ 715,770	\$ 714,028	\$ 1,742
2015/16	1,742	1,238,542	699,129	541,155
2016/17	541,155	1,164,698	1,209,342	496,511
2017/18	496,511	768,564	-	1,265,075
2018/19	1,265,075	796,294	101,267	1,960,102
2019/20	1,960,102	251,174		2,211,276

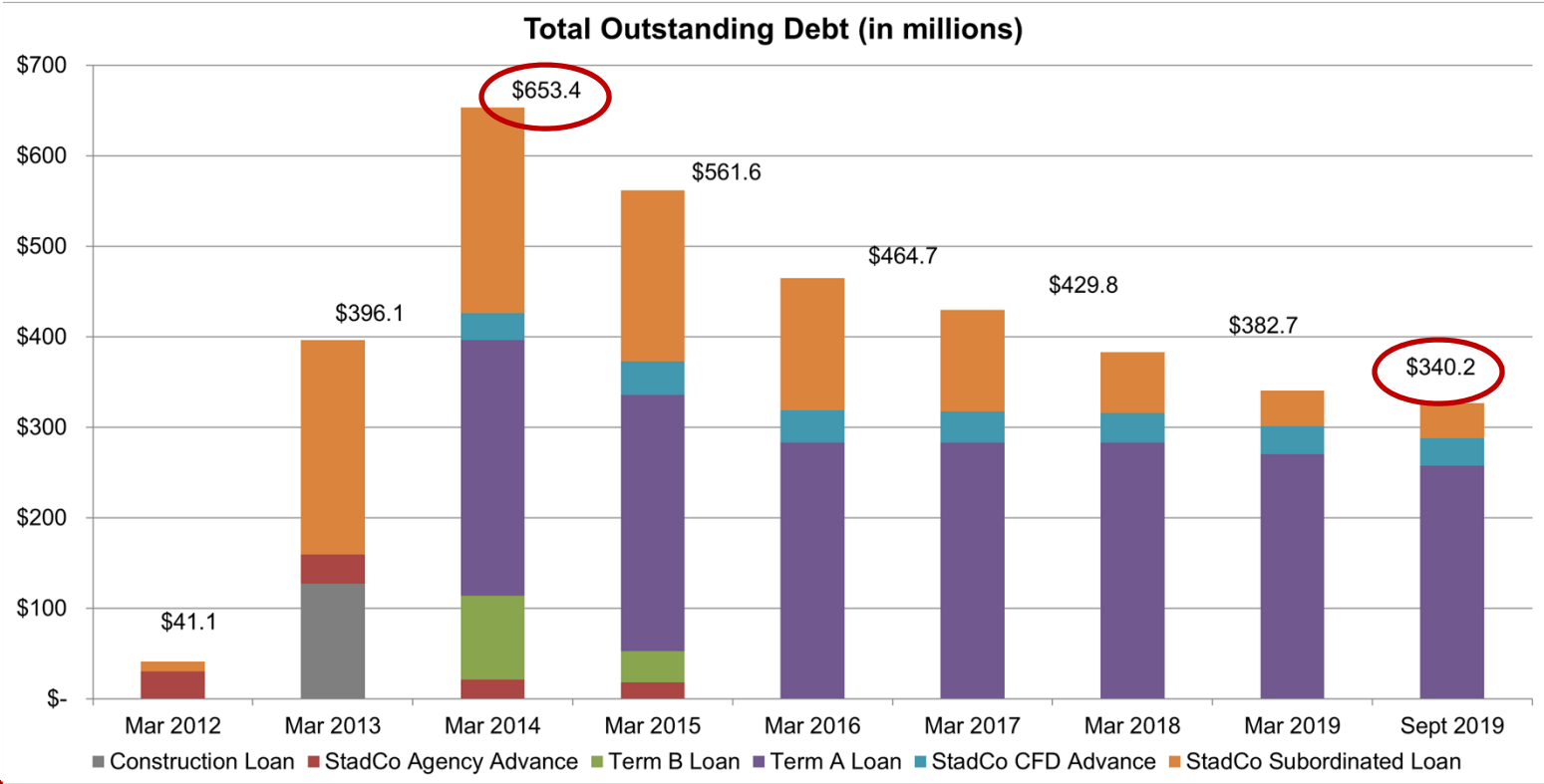
- Current balance is \$2.2 million
- Expenses in FY 2018/19 were for consulting services
- Discretionary fund previously used to pay NFL public safety costs above the public safety threshold for the first three years – this is under litigation

Debt Schedule

Type of Indebtedness	Interest Rates	Outstanding as of March 31, 2019	Net Change	Outstanding as of September 30, 2019
Stadium Funding Trust Loan:				
Term A Loan	5.00%	\$ 270,266,412	\$ (12,752,172)	\$ 257,514,240
StadCo CFD Advance	5.73%	30,925,978	(561,874)	30,364,104
StadCo Subordinated Loan	5.50%	39,024,833	(107,449)	38,917,384
Total		\$ 340,217,223	\$ (13,421,495)	\$ 326,795,728

- Total outstanding debt as of September 2019 was \$326.8 million
- Reduction of \$13.4 million from March 2019

History of Debt Schedule



Capital Improvement Program (CIP)

- Total Capital Budget of \$14 million
- \$61,000 or <1% spend on Stadium CIP costs
- Projects halted due to State procurement and prevailing wages **non-compliance**
- SCSA will need to assess priority projects to maintain asset

Budget Amendments

- Reflect adjustments to revenue and expenditure based on actuals to date
- Reallocates funding for shared Stadium Manager operating expenditures to Legal Contingency pending outcome of outstanding litigation
- Increases appropriations based on actual usage/invoices
- Decreases amount available to pay for outstanding debt

Recommendation

- Note and file the Santa Clara Stadium Authority Financial Status Reports for the Quarter Ending June 30, 2019 and Quarter Ending September 30, 2019.
- Approve Budget Amendments to the 2019/20 Santa Clara Stadium Authority Budget.

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