

Santa Clara Stadium Authority

Action on the Santa Clara Stadium Authority Financial Status
Report for Quarter Ending December 31, 2019
Item #9A (20-455)

May 14, 2020



Financial Status Report for the Quarter Ending December 31, 2019



Agenda

- Methodology and Limitations
- NFL Events
- Non-NFL Events
- Operating Budget Status
 - Stadium Builder Licenses (SBLs)
 - Discretionary Fund
- Debt Schedules
- Capital Improvement Program
- COVID-19 Impacts and Other Issues

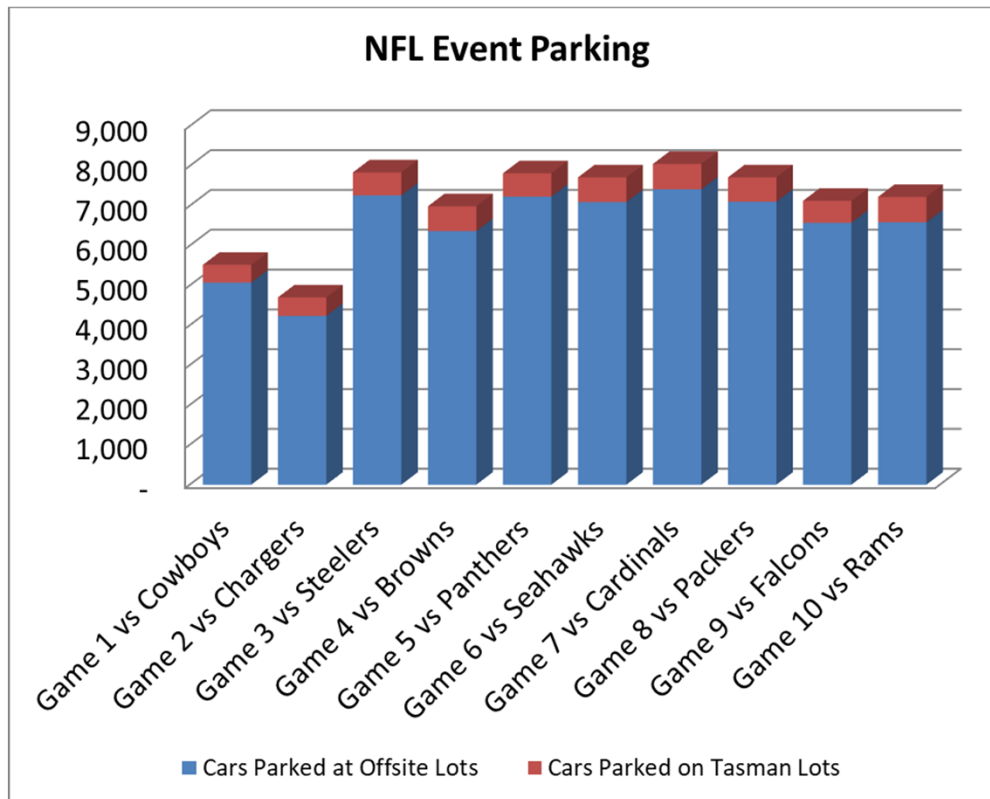
Methodology and Limitations

- 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

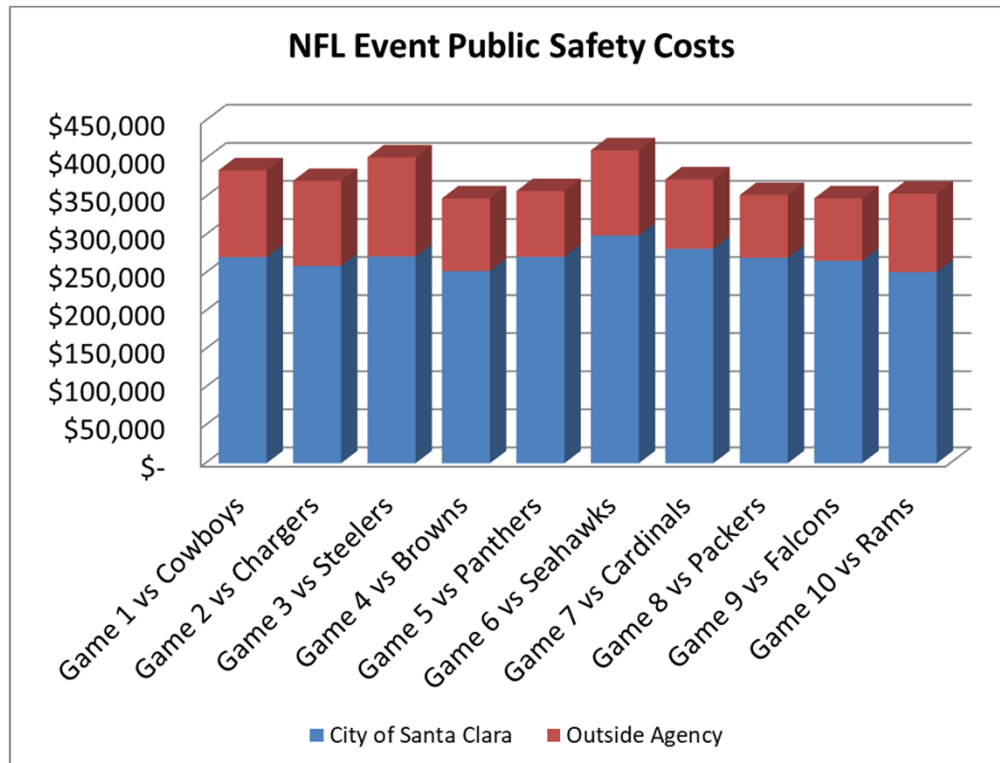
- Ten NFL events were held in FY 2019/20 as of December 31, 2019
- A total of 662,731 tickets were sold, up 1.8% vs. prior year
 - Stadium Authority received \$8.4 million in NFL ticket surcharge revenue based on 10% of ticket sales to NFL events
 - City of Santa Clara received \$231,956 in Senior & Youth Fees based on \$0.35/ticket to NFL events

NFL Events - Parking



- A total of 64,960 cars were parked in offsite parking lots generating \$380,000 in offsite parking fees
- A total of 5,751 cars were parked in the Tasman Lots generating \$28,755 in parking fees for the General Fund

NFL Events - Public Safety Costs



- Public safety costs amounted to \$3.7 million:
 - \$2.7 million (73%) are direct City costs
 - \$1 million (27%) are outside agency costs
 - CHP \$677,000
 - County of Santa Clara \$187,000
 - County of S.F. \$130,000
 - City of Sunnyvale \$13,000
 - \$380,000 were covered by the offsite parking fee

Non-NFL Events

- Eight ticketed Non-NFL events
- A total of 183,874 tickets were sold
 - Stadium Authority received \$735,000 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); 37% less than the prior year
- Total of 64 non-ticketed events with 22,155 attendees; 32% less than the prior year

Non-NFL Events

Net Revenue for Non-NFL Events by Event Type FY 2019/20 Quarter 3

Event Type	No. of Events	Net Revenue
Ticketed Events		
Concerts	1	\$ 871,777
Sporting Events		
Football (Non-NFL)	3	(2,181,168)
Soccer	2	83,456
Miscellaneous Events	2	(404,883)
Subtotal Ticketed Events	8	\$ (1,630,818)
Subtotal Non-Ticketed Non-NFL Events (weddings, corporate events, etc)	64	\$ 2,034,655
Total Non-NFL Event Net Revenue	72	\$ 403,837
Total Estimated Performance Rent paid to the General Fund⁽¹⁾		\$ 24,419

⁽¹⁾ Performance Rent is calculated as 50% of the net revenue from Non-NFL events less performance-based credit of 50% of fixed ground rent

- Rolling Stones (Concert) made \$872k
- Pac-12 (Football) loss (\$2.2 M)
- Non-Ticketed Events made \$2 M

Non-NFL Events

Levi's® Stadium
Ticketed Non-NFL Events Revenue and Expenditure Summary
FY 2019/20 Quarter 3

In Millions \$

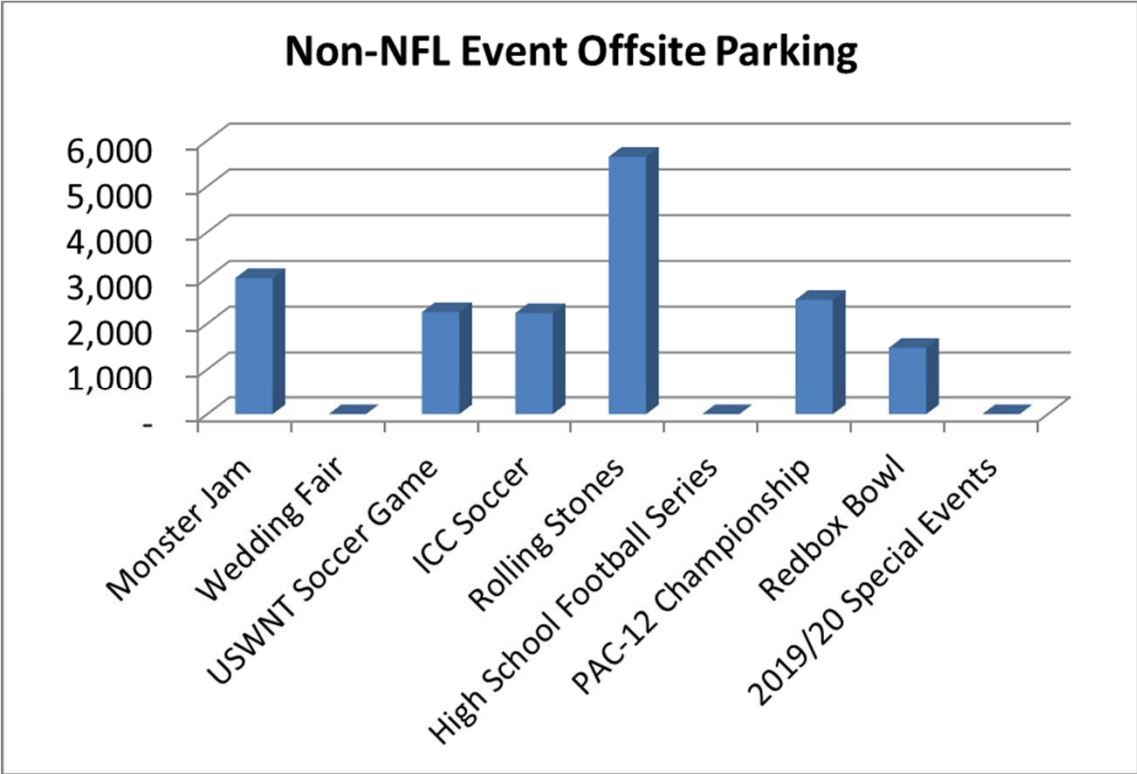
Ticketed Event	Revenue	Expense	Net
Monster Jam	\$ 1.6	\$ 2.0	\$ (0.4)
Bay Area Wedding Fair	0.0	0.0	0.0
USWNT vs South Africa	0.3	0.1	0.2
ICC: Chivas vs Benfica	1.2	1.3	(0.1)
Rolling Stones: No Filter Tour	11.3	10.4	0.9
High School Football Series	0.1	0.1	0.0
Pac-12 Championship	3.1	5.3	(2.2)
Redbox Bowl	4.5	4.5	0.0
Total Ticketed Non-NFL Net Revenue to date	\$ 22.2	\$ 23.7	\$ (1.6)

* Numbers may vary due to rounding

- 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

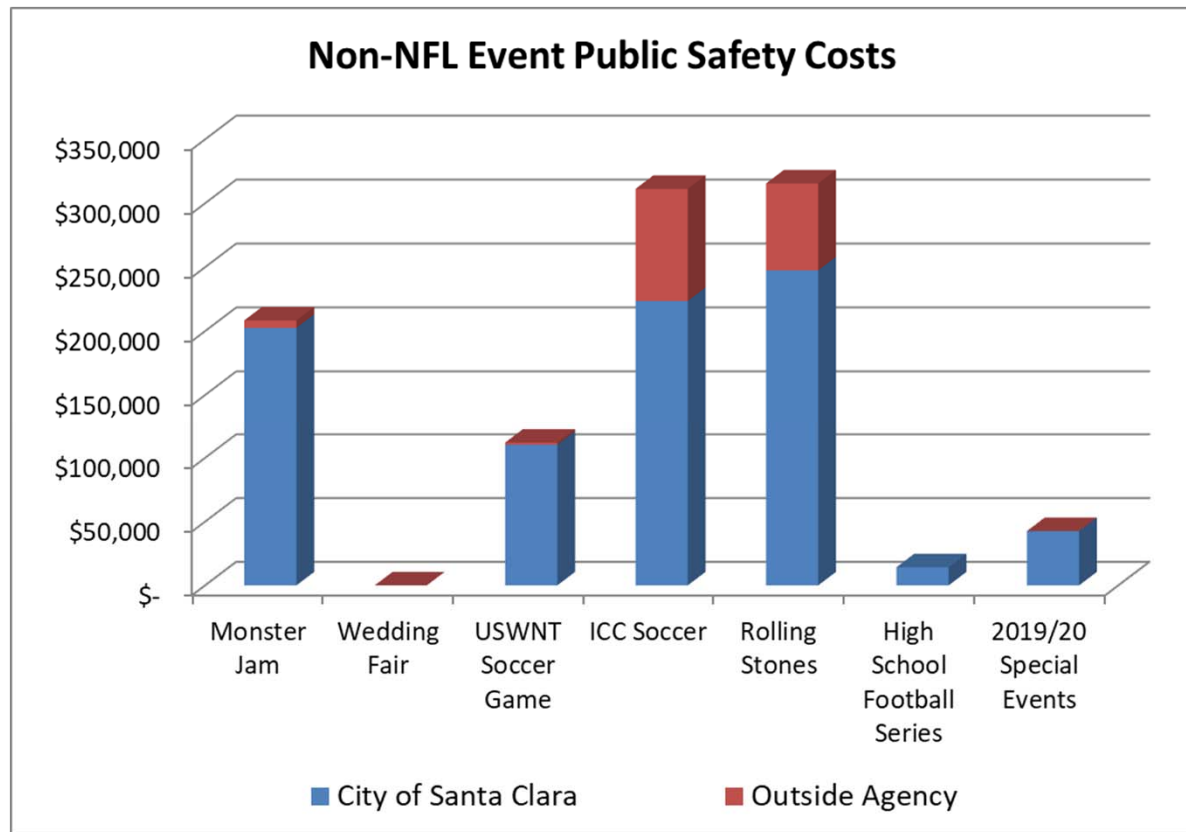


Non-NFL Events – Parking



- A total of 17,000 cars were parked in offsite parking lots, down 34%
- Generated \$98,000 in offsite parking fees

Non-NFL Events – Public Safety Costs



Public safety costs amounted to \$1.6 million:

- \$1.3 million (85%) are direct City costs
- \$227,000 (15%) are outside agency costs
 - CHP \$126,000
 - County of Santa Clara \$44,000
 - County of S.F. \$57,000
- \$98,000 were covered by the offsite parking fee

Operating Budget Summary

- Total Operating Revenues of \$42.7 million or 58% of annual budget
- Total Operating Expenses of \$29.6 million or 40% of annual budget
 - Revenues and expenses are below 75% 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 \$528 million (59,647 or 91% of 65,879 sellable SBLs)
- A total of 84% of principal value has been collected as of December 31, 2019 (\$441.7 million)
- 785 new SBLs were sold with total face value of \$4.7 million

Stadium Builder Licenses (SBLs)

(cont.)

- SBL relocations netted 83 more SBLs
 - Increase of \$789,000 in SBL face value
- Defaulted SBLs amounted to 1,480 with value of \$9.8 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	367,748		2,327,850

- Current balance is \$2.3 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

Santa Clara Stadium Authority

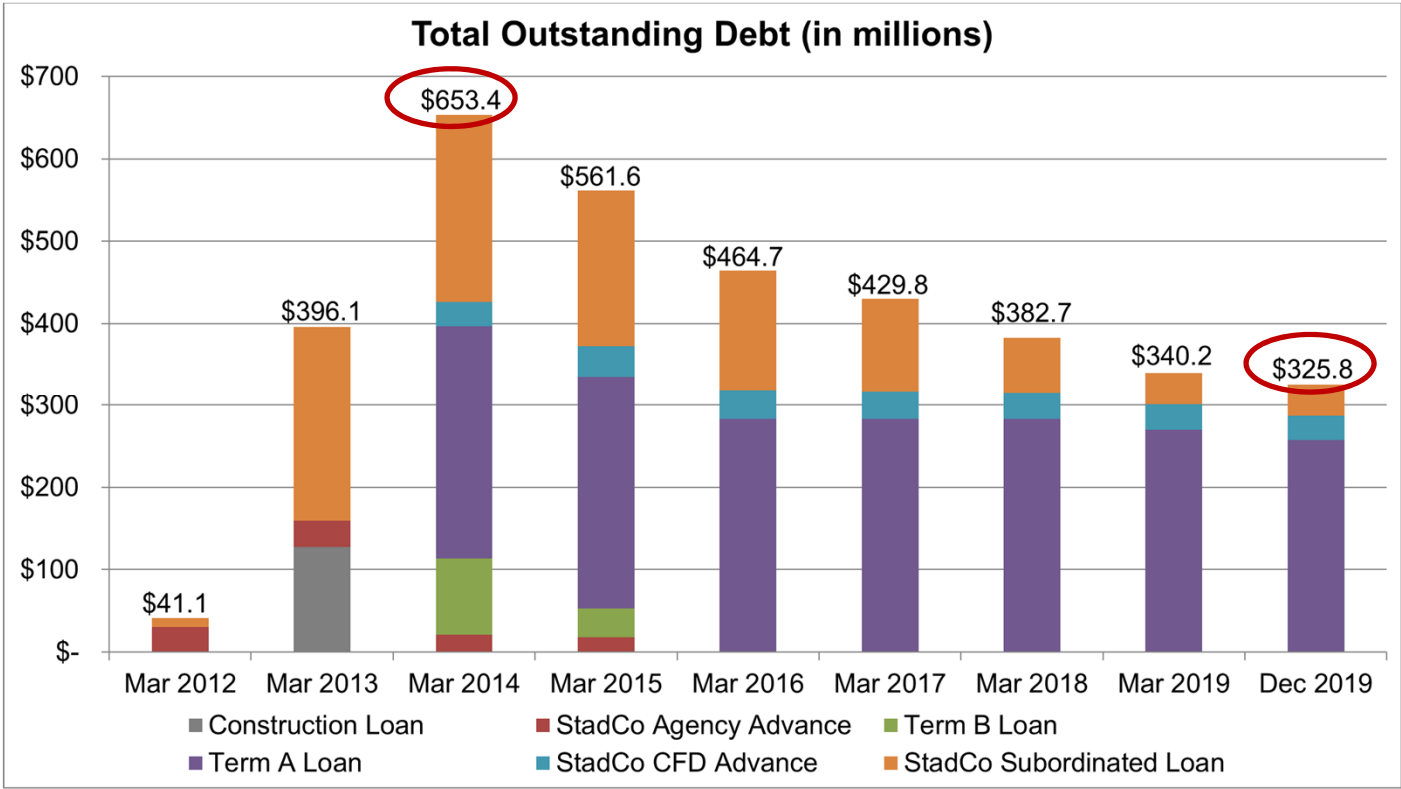
Debt Summary Report

For the Period Ending December 31, 2019

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	(1,604,058)	29,321,920
StadCo Subordinated Loan	5.50%	39,024,833	(107,449)	38,917,384
Total		\$ 340,217,223	\$ (14,463,679)	\$ 325,753,544

- Total outstanding debt as of December 2019 was \$325.8 million
- Reduction of \$14.5 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

COVID – 19 Impact

- Initial response from ManCo was business as usual
 - Would not spend less on Shared Stadium Manager expenses
 - Would not furlough any staff
 - Would not provide projected impacts on game revenue or NFL Event Revenue
 - We received a response late May 7
- Stadium Authority scenarios completed using best assumptions
 - Anticipates reduced revenue
 - Would require some operating savings to make minimum debt payments and/or use reserves

Other Issues

- Revolving Loan Fund
- Levy Premium Food Service
- BNY Mellon Club Buffet Costs for SBL Holders
- Status of outstanding payments
- Ongoing reconciliation of prior year billings/overhead

Recommendation

- Note and file the Santa Clara Stadium Authority Financial Status Report for the Quarter Ending December 31, 2019.

SCSA

Santa Clara Stadium Authority