



Agenda Report

20-725

Agenda Date: 10/13/2020

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Action on the Stadium Authority Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2020 [Board Pillar: Ensure Compliance with Measure J and Manage Levi's Stadium]

BACKGROUND

In Fiscal Year 2014/15 the Stadium Authority Board ("Board") requested that staff prepare quarterly Santa Clara Stadium Authority ("Stadium Authority") Financial Status Reports. These reports provide an update on the events held at Levi's Stadium, Stadium Authority finances, and the impact of Stadium Authority activity on the City of Santa Clara ("City").

This report differs from previous reports in that this is the first year the Non-NFL events have generated a loss. The Stadium Authority first learned of the final amount of the FY2019/20 net loss on June 8, 2020, when Stadium Authority staff received an email from the Vice President/Controller of ManagementCo requesting that the Stadium Authority fund the \$2.7 million loss. A summary of the Non-NFL events is provided below:

- 75% of Non-NFL ticketed events lose money or make zero revenue for the Stadium Authority. In total, six of eight events generated no revenue or operated at a loss to the Stadium Authority totaling \$2.8 million.
- Based on the Stadium Manager's management performance, on average, the Stadium Manager's actions assume that the Stadium Authority will subsidize a non-NFL event in the approximate amount of \$350,000.
- Two Non-NFL ticketed events were revenue generating, resulting in \$1.1 million revenue.

ManagementCo staff notified the Stadium Authority on July 15, 2020, that supporting documentation for the FY2019/20 Non-NFL event net loss was available. Staff was granted access to the Stadium to retrieve the documents on July 29, 2020. KPMG, the Stadium Authority external auditors, have performed procedures on select samples of Non-NFL event documentation. Because the sample selection is limited in nature, the Stadium Authority staff continues to perform a detailed review of the supporting documentation. It is unknown whether any or how much of these expenditures should have been appropriately included in the FY 2019/20 Shared Expenses budget to more accurately provide the Stadium Authority with better financial information when the budget was being deliberated. Any discrepancy, if found, will be brought forward to the Stadium Authority Board at a later date. In addition, because the Management Company does not provide gross revenues and expenses as part of the budget, these expenditures are budgeted in net revenues. This does not align with best budgeting practices for revenues and expenditures and prevents the ability of the Stadium Authority to have transparent or effective appropriation limits established through the budget

process. As a result, the increase in actual revenues and expenditures are not and could not have been known until a date significantly past the end of the fiscal year.

Last, the FY 2019/20 public safety costs for NFL and non-NFL costs totaled \$5.4 million and \$1.7 million, respectively. Of these amounts, the Stadium Manager has not reimbursed the City for NFL public safety costs in the amount of \$1 million. For public safety costs for non-NFL events, the Stadium Manager has not reimbursed the City in the amount of \$826,000.

DISCUSSION

The attached fourth quarter financial status report provides information covering the Stadium Authority's 2019/20 fiscal year, which runs from April 1, 2019 to March 31, 2020. The report summarizes National Football League ("NFL") and non-NFL event activity at Levi's Stadium and describes the financial impact of these events on the Stadium Authority and City since FY 2014/15. The report also provides the budget to actual revenue and expense summaries for the operating, debt service, and capital funds. Analysis of the financial activity through the fiscal year measures the adherence to the budget and allows the Stadium Authority to monitor and project revenues and expenses. Any significant variances are explained in the report.

NFL Event Revenue and Expenses

Levi's Stadium hosted 12 NFL games in the Fiscal Year 2019/20 with a total of 804,000 tickets sold. This resulted in \$8.4 million in NFL ticket surcharge for the Stadium Authority and \$250,000 of Senior and Youth Program Fees for the City. Public safety costs for NFL games totaled \$5.4 million which is 81% higher than the prior fiscal year due to increases in negotiated salary and benefits costs for the various agencies providing public safety services as well as City costs for providing the appropriate level of public safety services for each game. In addition, the two playoff games contributed to the overall increase in public safety costs. Of these costs, \$3.9 million have been reimbursed to the City, \$0.5 million was offset by parking revenues, with \$1.0 million remaining unpaid and due to the City. The Tasman lot parking fee also generated \$34,000 for the City's General Fund.

Non-NFL Event Revenue and Expenses

The Stadium Authority held eight ticketed non-NFL event and 79 special events which are detailed in the report. The eight ticketed non-NFL events held in FY 2019/20 with an average net loss to the Stadium Authority of about \$350,000 per event. Out of a total of eight ticketed non-NFL events, six non-NFL ticketed events (75%) operated at a loss or generated no revenue for the Stadium Authority. Special Events (such as weddings, corporate events, birthday parties, etc.) generated the largest revenue for the Stadium Authority. Attachment 1 details a summary of ticketed non-NFL events revenues and expenditures for each event. Table 1 below summarizes revenue and expenditures for the eight ticketed events. Before allowing for adjustments, the eight ticketed events net loss totaled \$2.8 million, with the largest losses occurring in the third quarter of the fiscal year.

Table 1 - Summary of Revenue and Expenses for non-NFL Ticketed Events

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	1.5	(0.3)
Rolling Stones: No Filter Tour	11.4	10.5	0.9
High School Football Series	0.1	0.1	0.0
Pac-12 Championship	3.1	5.7	(2.6)
Redbox Bowl	4.6	5.2	(0.6)
Total Ticketed Non-NFL Net Revenue to date	\$ 22.3	\$ 25.1	\$ (2.8)

*Numbers may vary due to rounding

When comparing revenues and expenditures by event type (Table 2), non-NFL football continues to have the largest net revenue loss. The largest change between last fiscal year and FY 2019/20 fiscal year occurred in non-ticketed events with almost a \$900 thousand change year over year and the inclusion of \$1.2 million in Other Operating Expenses not attributable to specific events. Due to the overall \$2.7 million net loss, the City will not receive performance rent for FY2019/20. Because the projected amount of Performance Rent was included within original determinations of fair market rent to the City for the land, the reduction to zero this fiscal year results in a failure to pay adequate value for the use of City land. This is currently one of the issues that will be litigated in the declaratory relief lawsuit that the 49ers have filed against the Stadium Authority. In addition, because this issue is in litigation the payment of the \$2.7 million loss is not recommended at this time. It should be noted that this payment would require the approval by the Stadium Authority Board, along with an associated budget amendment.

In summary, the \$2.7 million loss resulted from money losing events, primarily related to non-NFL football events. The Pac-12 Championship alone accounted for the majority of the money-losing year-end performance with a loss of \$2.6 million. The Redbox Bowl lost approximately \$0.6 million. These two events accounted for \$3.4 million in net revenue losses to the Stadium Authority.

**Table 2 - Net Revenue for Non-NFL Events by Event Type Comparison
(FY 2018/19 to FY 2019/20)**

EVENT TYPE	2018/19			2019/20			Change	
	No. of Events	Net Revenue ⁽¹⁾	% of Total Net Revenue	No. of Events	Net Revenue ⁽¹⁾	% of Total Net Revenue	No. of Events	Net Revenue ⁽¹⁾
Ticketed Events								
Concerts	3	\$ 1,438,848	7739%	1	\$ 856,583	-31%	(2)	\$ (582,265)
Sporting events:								
Football (non-NFL)	4	(3,437,297)	-18489%	3	(3,170,926)	116%	-	266,371
Soccer	3	(267,981)	-1441%	2	(65,295)	2%	-	202,687
Miscellaneous events	2	(67,502)	-363%	2	(458,609)	17%	0	(391,107)
Subtotal Ticketed Events	12	\$ (2,333,932)	-12554%	8	\$ (2,838,247)	104%	(2)	\$ (504,315)
Subtotal Ticketed Events - Other Expenses ⁽³⁾		\$ -	0%		\$ (167,217)	6%		\$ (167,217)
Subtotal Remaining Non-NFL Events (weddings, corporate events, etc.)	100	\$ 2,352,523	12654%	79	\$ 1,492,331	-54%	(21)	\$ (860,192)
Subtotal Other Operating Expenses		\$ -	0%		\$ (1,227,881)	45%		\$ (1,227,881)
Total Non-NFL Net Revenue	112	\$ 18,591	100%	87	\$ (2,741,014)	100%	(23)	\$ (2,759,605)
Total Performance Rent paid to the General Fund ⁽²⁾		\$ -			\$ -			\$ -
Average General Fund Revenue per Ticketed Event		\$ -			\$ -			\$ -

⁽¹⁾ Does not include non-NFL ticket surcharge revenue

⁽²⁾ Performance Rent is calculated as 50% of the net revenue from Non-NFL events less performance-based credit of 50% of fixed ground rent.

⁽³⁾ Other Expenses not attributable to a specific event

From a review of revenue and expenses by category, as summarized in Table 3 below, revenue totaled \$29.3 million or \$21.7 million lower than FY 2018/19. This drop reflects fewer ticketed and special events, lower attendance at the events that were programmed, and the corresponding ancillary revenue associated with those events such as food and beverage and parking revenue. Revenue and expenditure information was provided by ManagementCo and a detailed review of the source documentation was not performed by the Stadium Authority as of the date of this report. Stadium Authority staff plan to perform a detailed review in the coming weeks. Furthermore, the categorization of the revenue and expense information is determined based on data provided by the ManagementCo. As such, it is difficult to determine sub-elements of each line item (e.g. Food and Beverage revenue is also assumed in Seating Bowl revenue).

**Table 3 - Non-NFL Event Results by Category Comparison
(FY 2018/19 to FY 2019/20)**

	2018/19	2019/20	Change	
	YTD Total	YTD Total	Amount	%
REVENUE:				
Seating Bowl	\$32,456,558	\$16,826,550	\$(15,630,008)	-48.16%
Ticket Master Fees	1,763,357	742,708	(1,020,650)	-57.88%
Suites	993,706	349,759	(643,947)	-64.80%
Food & Beverage	3,096,509	1,810,989	(1,285,519)	-41.52%
Parking	1,454,646	958,424	(496,222)	-34.11%
Sponsorship	524,800	662,800	138,000	26.30%
Merchandise	186,169	111,724	(74,445)	-39.99%
Miscellaneous ⁽¹⁾	10,545,558	7,850,340	(2,695,218)	-25.56%
Total Revenue	\$51,021,303	\$29,313,294	\$(21,708,008)	-42.55%
EXPENSE:				
Public Safety/Security	\$ 3,556,963	\$ 2,781,540	\$ (775,423)	-21.80%
Utilities/Solid Waste	210,090	123,826	(86,264)	-41.06%
Parking	1,481,340	1,053,322	(428,019)	-28.89%
Food & Beverage - Ticketed Events	714,597	528,776	(185,821)	-26.00%
Food & Beverage - Special Events	4,955,338	4,052,646	(902,692)	-18.22%
Operations/Janitorial/Maintenance	5,501,936	3,913,217	(1,588,719)	-28.88%
Miscellaneous ⁽²⁾	34,582,448	19,600,981	(14,981,467)	-43.32%
Total Expense	\$ 51,002,712	\$ 32,054,308	\$(18,948,404)	-37.15%
Total Non-NFL Net Revenue	\$ 18,591	\$ (2,741,014)	\$(2,759,605)	-14843.62%

⁽¹⁾Includes special event revenue such as corporate events, weddings, holiday parties, etc.

⁽²⁾Includes rentals, fees & commissions, transportation, marketing, and other expenses

Stadium Builder Licenses (“SBLs”) account for 27% of the Stadium Authority’s annual revenue in FY 2019/20. Annual SBL proceeds amounted to \$26.2 million, 103% of what was budgeted. There is a total of 60,237 currently active SBLs which is 91% of the 65,879 total sellable SBL seats. The value of these SBLs amounts to \$531.7 million of which \$458.9 million has already been collected.

The detailed analysis of Stadium Authority budget to actual financials is provided in the attached Financial Status Report. In summary, total operating revenues were \$97.8 million representing 133% of the overall budget for revenues. The primary reason that revenue is over budget is because non-NFL event revenue is recorded gross while the budget includes the revenue net of expenses. Total operating expenses were \$73.2 million or 100% of the budget. The debt service fund was able to pay down \$15 million in debt, bringing total Stadium Authority debt down to \$325.3 million. Lastly, capital expenses amounted to \$132,000 or 1% of the \$14.2 million budget. The main reasons that this is below budget are (1) there has been little activity on warranty work which makes up 11% of the CIP Budget, and (2) a number of projects are behind schedule due to the ManagementCo not following State procurement and prevailing wage laws so projects had to be halted.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

Costs associated with the regular preparation of this report are included in the Stadium Authority Operating Budget.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file the Santa Clara Stadium Authority Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2020.

Reviewed by: Kenn Lee, Treasurer

Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. Ticketed Non-NFL Event Detail Summary
2. SCSA Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2020

Levi's Stadium
Ticketed Non-NFL Event Detail - Results by Category
As of March 31, 2020

	Monster Jam 4/13/2019	Bay Area Wedding Fair 4/21/2019	USWNT vs South Africa 5/12/2019	Chivas vs Benfica 7/20/2019	Rolling Stones 8/18/2019	HS Football 9/16/2019	Pac-12 12/6/2019	Redbox Bowl 12/30/2019	Total
REVENUES									
Seating Bowl Revenue	1,152,329.25	22,430.52	5,730.00	974,905.13	9,899,497.72	99,054.00	2,620,807.37	2,035,266.44	16,810,020.43
TM Fees	-	-	-	82,039.89	569,282.22	-	69,081.75	22,303.69	742,707.55
Suite Ticket Revenue	21,146.95	-	19,296.03	26,966.55	176,350.00	510.08	28,910.00	70,323.60	343,503.21
F & B Revenue	204,880.98	2,000.83	110,448.86	87,062.59	372,047.40	7,719.58	261,487.01	144,252.63	1,189,899.88
Parking Revenue	171,670.00	-	127,930.00	59,245.00	259,796.00	16,705.00	143,140.00	113,590.00	892,076.00
Sponsorship	-	-	-	-	-	4,160.00	26,000.00	546,763.00	576,923.00
Merchandise	-	-	18,175.97	4,708.34	65,268.20	-	-	13,192.74	101,345.25
Other Revenue	2,189.42	-	-	918.07	51,020.33	-	3,156.80	1,650,376.68	1,707,661.30
Total Revenue	1,552,216.60	24,431.35	281,580.86	1,235,845.57	11,393,261.87	128,148.66	3,152,582.93	4,596,068.78	22,364,136.62
EXPENSES									
Public Safety/Security	339,593.87	3,057.93	176,267.48	449,990.39	598,533.42	33,185.79	509,865.14	346,890.48	2,457,384.50
Utilities/Solid Waste	17,404.75	-	15,808.66	17,200.73	20,997.12	45.31	19,406.20	18,475.46	109,338.23
Parking	156,966.47	156.83	106,763.04	147,250.27	226,635.16	7,258.97	198,692.29	151,549.99	995,273.02
F&B - Ticketed	34,258.41	593.51	26,757.91	74,384.82	109,546.58	2,962.74	151,539.66	64,711.09	464,754.72
Operations/Janitorial/Maintenance	336,222.52	17,476.10	226,427.36	285,867.37	819,743.98	49,091.78	307,506.16	500,634.36	2,542,969.63
Miscellaneous	1,127,079.92	2,447.06	(465,147.56)	521,150.60	8,761,222.34	11,035.39	4,544,873.20	4,130,002.20	18,632,663.15
	2,011,525.94	23,731.43	86,876.89	1,495,844.18	10,536,678.60	103,579.98	5,731,882.65	5,212,263.58	25,202,383.25
Net Profit/Loss	(459,309.34)	699.92	194,703.97	(259,998.61)	856,583.27	24,568.68	(2,579,299.72)	(616,194.80)	(2,838,246.63)
									Net Revenue/(Expense) not attributable to an event <u>(167,217.48)</u>
									Total Net Profit/Loss (3,005,464.11)

SCSA

Santa Clara Stadium Authority

SANTA CLARA STADIUM AUTHORITY FINANCIAL STATUS REPORT

Fiscal Year Ending March 31, 2020



October 13, 2020

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Introduction

This Santa Clara Stadium Authority (“Stadium Authority”) Financial Status Report provides information covering the fourth quarter of the Stadium Authority’s 2019/20 fiscal year (FY) which ended on March 31, 2020. Comparative data from prior fiscal years is also included.

In addition to these quarterly reports, the Stadium Authority produces annual financial statements. The FY 2019/20 financial statements were audited by an external audit firm and presented to the Stadium Authority’s Audit Committee on September 24, 2020 and the Stadium Authority Board (“Board”) on October 13, 2020. Once presented to the Stadium Authority Board, the financial statements as well as this report are published on the Stadium Authority’s website.

The Stadium Authority also prepares a detailed budget prior to the beginning of each fiscal year. The FY 2019/20 budget was considered at a study session on March 19, 2019 and adopted by the Board on March 27, 2019.

Stadium Authority finances are 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, including administrative and public safety, to the Forty Niners Stadium Management Company, LLC (“ManagementCo”) or the Stadium Authority are fully reimbursed with Stadium Authority funds.

Methodology

Information provided in this report was based in part on documentation submitted by ManagementCo. Specifically, NFL and Non-NFL event statistics and financial information relating to Stadium Manager expenses are provided by ManagementCo. However, it should be noted that Stadium Manager still refuses full access to the Stadium Authority’s books and records. Stadium Authority staff is limited to a review of selected financial information submitted by ManagementCo, including some source documentation for Non-NFL events with attendance greater than 25,000. For all other financial information, a detailed review and/or audit of source documentation has not been conducted by the Stadium Authority for this report.

Non-financial statistical information was also provided by ManagementCo and, similarly, ManagementCo refuses to allow a detailed review and/or audit of source documentation to verify this information. The Stadium Authority has contracted with JS Held (formerly Hagen, Streiff, Newton, & Oshiro), a forensic accounting firm, to review and evaluate non-NFL event financial information from prior years, including source documentation. This report is expected in late Fall 2020. The FY2019/20 Non-NFL source documentation that was sampled by KPMG during the year-end audit in accordance with generally accepted auditing standards. In addition, the Stadium Authority is conducting its own review of the source documentation. The information provided reflects the best known and available at the time of the writing of this report and is subject to further revision when the full body of records becomes available and review is complete. Consequently, the Board’s notation and filing of this report should not be considered an approval of the accuracy of the information in the report.

NFL Events

This section provides year to date and comparative data for NFL games categorized as pre-season and regular season games.

The San Francisco Forty-Niners (“49ers”) played a total of twelve NFL games (two pre-season games, eight regular season games, and two playoff games) at Levi’s Stadium as of March 31, 2020. There was a total of 804,000 tickets sold to these NFL games, an average of 67,000 per game. This is up by 1,800 or 2.8% when compared to the same period in the prior fiscal year. The ticket sales resulted in \$8.4 million in NFL ticket surcharge revenue (10% of ticket sales) to the Stadium Authority. The average NFL ticket surcharge revenue was \$701,000 per game in the current year which is a decrease of \$107,000 or 13.2% from the same period in the prior fiscal year. This decrease can be attributed to the addition of two playoff games bringing down the average as the playoff games do not generate NFL ticket surcharge for SCSA. A total of \$250,000 of Senior and Youth Program Fees, which is based on \$0.35 per NFL ticket sold, were collected through the end of the fourth quarter of the fiscal year. These fees were transferred to the City’s General Fund in support of such programs.

A total of 81,000 cars were parked in the permitted offsite parking lots generating \$476,000 in offsite parking fees. The Tasman lot parking fee generated \$34,000 for the General Fund through the end of the fiscal year. The overall number of cars parked in the permitted offsite lots and the Tasman lots rose by an average of 1,200 cars per game or 20.4% when compared to the prior fiscal year.

There was \$5.4 million of NFL event public safety costs in the current reporting period which is an average of \$451,000 per game. This is up from the prior year average of \$299,000. Of the \$5.4 million NFL event public safety costs, \$3.8 million or 71% are direct City costs and \$1.6 million or 29% are outside agency costs. The City has received one invoice from an outside agency that does not reflect costs on a per game basis but rather a total for various games. A request has been made to the agency to provide costs by game. Approximately \$476,000 of the total NFL event public safety costs were covered by the offsite parking fees that were collected and the remaining was invoiced to ManagementCo. ManagementCo has reimbursed \$3.9 million of the public safety costs as of the end of August 2020, leaving an unpaid balance owed to the City of \$1 million of public safety costs related to FY2019/20 NFL events.

Statistics for the NFL games held at Levi’s Stadium in the 2019/20 fiscal year are shown in Table 1 and comparative data from all six years of operations can be found in Table 2. Additional detail has been added to Table 2 reflecting the entity that has reimbursed the Public Safety Costs to the City of Santa Clara.

Table 1
Levi's® Stadium
2019/20 NFL Event Statistics
As of March 31, 2020

	Game 1 vs Cowboys 08/10/19	Game 2 vs Chargers 08/29/19	Game 3 vs Steelers 09/22/19	Game 4 vs Browns 10/07/19	Game 5 vs Panthers 10/27/19	Game 6 vs Seahawks 11/11/19	Game 7 vs Cardinals 11/17/19	Game 8 vs Packers 11/24/19	Game 9 vs Falcons 12/15/19	Game 10 vs Rams 12/21/19	Game 11 vs Vikings 01/11/20	Game 12 vs Packers 01/19/20	Various NFL Games	2019/20 YTD Total
No. of Tickets Sold	62,160	58,048	64,561	67,890	66,755	69,326	67,722	69,481	68,794	67,994	70,283	70,510	-	803,524
NFL Ticket Surcharge	\$ 608,325	\$ 578,533	\$ 1,229,529	\$ 986,721	\$ 666,250	\$ 824,060	\$ 673,758	\$ 1,342,590	\$ 691,897	\$ 810,629	\$ -	\$ -	\$ -	\$ 8,412,291
Senior/Youth Program Fees	\$ 21,756	\$ 20,317	\$ 22,596	\$ 23,762	\$ 23,364	\$ 24,264	\$ 23,703	\$ 24,318	\$ 24,078	\$ 23,798	\$ 18,044	\$ -	\$ -	\$ 250,000
Cars Parked at Offsite Lots	5,076	4,239	7,263	6,367	7,232	7,096	7,415	7,107	6,576	6,589	8,358	8,083	-	81,401
City Offsite Parking Fee	\$ 29,695	\$ 24,798	\$ 42,489	\$ 37,247	\$ 42,307	\$ 41,512	\$ 43,378	\$ 41,576	\$ 38,470	\$ 38,546	\$ 48,894	\$ 47,286	\$ -	\$ 476,196
Cars Parked on Tasman Lots	444	463	578	624	586	620	639	610	551	636	551	580	-	6,882
City Tasman Lot Parking Fee	\$ 2,220	\$ 2,315	\$ 2,890	\$ 3,120	\$ 2,930	\$ 3,100	\$ 3,195	\$ 3,050	\$ 2,755	\$ 3,180	\$ 2,755	\$ 2,900	\$ -	\$ 34,410
Stadium Public Safety Costs	\$ 421,161	\$ 404,510	\$ 438,173	\$ 380,495	\$ 393,951	\$ 451,415	\$ 411,002	\$ 388,039	\$ 385,955	\$ 389,960	\$ 425,225	\$ 536,107	\$ 390,933	\$ 5,416,926
Less: Offsite Parking Fee Credit	\$ (29,695)	\$ (24,798)	\$ (42,489)	\$ (37,247)	\$ (42,307)	\$ (41,512)	\$ (43,378)	\$ (41,576)	\$ (38,470)	\$ (38,546)	\$ (48,894)	\$ (47,286)	\$ -	\$ (476,196)
Reimbursable Stadium Public Safety Costs	\$ 391,466	\$ 379,712	\$ 395,685	\$ 343,248	\$ 351,644	\$ 409,904	\$ 367,624	\$ 346,463	\$ 347,486	\$ 351,414	\$ 376,331	\$ 488,821	\$ 390,933	\$ 4,940,730
Amount Reimbursed	\$ 355,164	\$ 346,108	\$ 359,383	\$ 310,730	\$ 315,264	\$ 369,637	\$ 329,554	\$ 310,697	\$ 309,420	\$ 315,539	\$ 259,255	\$ 353,831	\$ -	\$ 3,934,580

Table 2
Levi's® Stadium
Historical NFL Event Statistics

	2014/15 Q4 Total	2015/16 Q4 Total	2016/17 Q4 Total	2017/18 Q4 Total	2018/19 Q4 Total	2019/20 Q4 Total
No. of NFL Events	10	10	10	10	10	12
No. of Tickets Sold	682,095	669,826	655,891	643,189	651,237	803,524
NFL Ticket Surcharge	\$ 8,366,290	\$ 8,273,378	\$ 8,175,462	\$ 7,806,190	\$ 8,076,510	\$ 8,412,291
Senior/Youth Program Fees	\$ 238,734	\$ 234,439	\$ 229,562	\$ 225,116	\$ 227,933	\$ 250,000
Cars Parked at Offsite Lots	90,024	57,166	67,740	54,107	56,390	81,401
City Offsite Parking Fee	\$ 442,918	\$ 290,403	\$ 354,958	\$ 293,260	\$ 317,476	\$ 476,196
Cars Parked on Tasman Lots	4,983	6,876	5,122	5,530	4,729	6,882
Cars Parked on Golf Course	23,306	20,090	-	-	-	-
City Tasman Lot and Golf Course Parking Fee	\$ 141,445	\$ 134,830	\$ 25,610	\$ 27,650	\$ 23,645	\$ 34,410
Stadium Public Safety Costs	\$ 2,455,404	\$ 2,437,902	\$ 3,084,850	\$ 2,633,295	\$ 2,994,735	\$ 5,416,926
Golf Course Public Safety Costs	\$ 180,766	\$ 81,210	\$ -	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ 2,636,170	\$ 2,519,111	\$ 3,084,850	\$ 2,633,295	\$ 2,994,735	\$ 5,416,926
Less: Offsite Parking Fee Credit	\$ (442,918)	\$ (290,403)	\$ (354,958)	\$ (293,260)	\$ (317,476)	\$ (476,196)
Reimbursable Stadium Public Safety Costs	\$ 2,193,252	\$ 2,228,708	\$ 2,729,892	\$ 2,340,035	\$ 2,677,259	\$ 4,940,730
Reimbursed by StadCo	\$ 1,437,848	\$ 1,558,806	\$ 1,556,550	\$ 2,340,035	\$ 2,677,259	\$ 3,934,580
Reimbursed by SCSA	\$ 755,404	\$ 669,902	\$ 1,173,342	\$ -	\$ -	\$ -
Total Amount Reimbursed	\$ 2,193,252	\$ 2,228,708	\$ 2,729,892	\$ 2,340,035	\$ 2,677,259	\$ 3,934,580

Non-NFL Events

This section provides annual and comparative data for Non-NFL Events categorized as events ranging from high school and college football games, international soccer matches, concerts, wedding fairs, and special events. During the current reporting period there were a total of 184,000 tickets sold for the eight ticketed Non-NFL Events with 181,000 total attendees. One factor that explains the difference between tickets sold and total attendees is the practice of providing free tickets through the non-NFL event agreement terms. The ticket surcharge is received for tickets sold; there is no surcharge revenue on free tickets. This resulted in \$735,000 Non-NFL Event ticket surcharge revenue (\$4 per ticket sold). This is a decrease in ticket surcharge revenue of \$595,000 or 44.7% less when compared to the same period in the prior year. The reason for the decrease is lower volume of ticket sales to the Non-NFL Events in the current period. In the prior fiscal year, there were twelve ticketed events compared to eight ticketed events this reporting period of which only five were large events.

The ManagementCo reports that there were also 79 smaller special events held at Levi's® Stadium which is down by 21 or 21% when compared to the same period in the prior fiscal year. The reported attendance decreased 6% to 34,000 in FY2019/20. The attendance figures and number of events are provided by the ManagementCo and cannot be independently confirmed by City staff. Examples of these special events include corporate events of various sizes, weddings, holiday parties, high school dances, etc.

In correlation with the decrease in total tickets sold, the number of cars parked at the permitted offsite parking lots saw a decrease when compared to the prior year. There were 17,000 cars parked at the offsite lots, a 40% decrease from the previous year. The City received \$99,000 in related offsite parking fees.

Total Non-NFL Event public safety costs were \$1.7 million, a decrease of \$703,000 or 29% from the prior year. As mentioned previously, this decrease in cost is due to the decrease in events being held in the current reporting period when compared to the prior year. The offsite parking fee of \$99,000 offset these costs and the remaining \$1.6 million was invoiced to ManagementCo, of which \$794,000 has been reimbursed. There remains an unpaid balance of \$826,000 of public safety costs related to FY2019/20 Non-NFL events payable from ManagementCo, on behalf of the Stadium Authority, to the City. ManagementCo states the reimbursement will not be made until the Stadium Authority funds the FY2019/20 Non-NFL net loss in the amount of \$2.7 million. Both the loss and the payment of the public safety costs are subjects of on-going litigation and arbitration.

Statistics for the eight Non-NFL ticketed events and 79 special events are shown in Table 3 and comparative data from all six years of operations are shown in Table 4.

Table 3
Levi's® Stadium
FY2019/20 Non-NFL Event Statistics
As of March 31, 2020

	Monster Jam	Wedding Fair	USWNT Soccer Game	ICC Soccer	Rolling Stones	High School Football Series	PAC-12 Championship	Redbox Bowl	2019/20 Q1-Q4	2019/20
	04/13/19	04/28/19	05/12/19	07/20/19	08/18/19	09/06/19	12/06/19	12/30/19	Special Events	YTD Total
No. of Scanned Attendees	39,701	781	20,464	15,575	47,442	4,625	28,769	24,021	-	181,378
No. of Tickets Sold	37,891	381	20,195	14,945	48,544	4,754	27,012	30,152	-	183,874
Non-NFL Ticket Surcharge	\$ 151,564	\$ 1,524	\$ 80,780	\$ 59,780	\$ 194,176	\$ 19,016	\$ 108,048	\$ 120,608	\$ -	\$ 735,496
No. of Non-NFL Special Events									79	79
Non-NFL Special Event Attendees									33,535	33,535
Cars Parked at Offsite Lots	2,997	-	2,254	2,232	5,647	-	2,523	1,474		17,127
City Offsite Parking Fee	\$ 16,873	\$ -	\$ 12,690	\$ 12,566	\$ 33,035	\$ -	\$ 14,760	\$ 8,623		\$ 98,547
Stadium Public Safety Costs	\$ 231,864	\$ -	\$ 118,616	\$ 338,448	\$ 347,966	\$ 14,250	\$ 345,136	\$ 238,374	\$ 84,270	\$ 1,718,924
Less: Offsite Parking Fee Credit	\$ (16,873)	\$ -	\$ (12,690)	\$ (12,566)	\$ (33,035)	\$ -	\$ (14,760)	\$ (8,623)	\$ -	\$ (98,547)
Reimbursable Public Safety Costs	\$ 214,991	\$ -	\$ 105,926	\$ 325,882	\$ 314,931	\$ 14,250	\$ 330,376	\$ 229,751	\$ 84,270	\$ 1,620,377
Amount Reimbursed	\$ 191,502	\$ -	\$ 99,277	\$ 217,079	\$ 226,297	\$ 14,250	\$ -	\$ -	\$ 45,535	\$ 793,941

Table 4
Levi's® Stadium
Historical Non-NFL Event Statistics⁽¹⁾

	2014/15 Q4 Total	2015/16 Q4 Total	2016/17 Q4 Total	2017/18 Q4 Total	2018/19 Q4 Total	2019/20 Q4 Total
No. of non-NFL Ticketed Events	9	17	18	13	12	8
No. of Tickets Sold	377,312	629,004	582,349	384,282	332,600	183,874
Non-NFL Ticket Surcharge	\$ 1,431,540	\$ 2,477,084	\$ 2,329,396	\$ 1,537,128	\$ 1,330,400	\$ 735,496
No. of Non-NFL Special Events	186	207	127	113	100	79
Non-NFL Special Event Attendees	62,357	105,997	49,151	62,917	35,676	33,535
Cars Parked at Offsite Lots	26,156	55,720	60,969	30,734	28,566	17,127
City Offsite Parking Fee	\$ 128,688	\$ 278,704	\$ 313,979	\$ 165,149	\$ 158,623	\$ 98,547
Cars Parked on Golf Course	12,004	20,661	9,562	-	-	-
City Golf Course Parking Fee	\$ 60,020	\$ 103,305	\$ 47,810	\$ -	\$ -	\$ -
Stadium Public Safety Costs	\$ 1,782,821	\$ 3,083,668	\$ 3,207,507	\$ 2,020,343	\$ 2,421,914	\$ 1,718,924
Golf Course Public Safety Costs	\$ 76,462	\$ 119,842	\$ 39,905	\$ -	\$ -	\$ -
Subtotal Event Public Safety Costs	\$ 1,859,283	\$ 3,203,510	\$ 3,247,412	\$ 2,020,343	\$ 2,421,914	\$ 1,718,924
Less: Offsite Parking Fee Credit	\$ (128,688)	\$ (278,704)	\$ (313,979)	\$ (165,149)	\$ (158,623)	\$ (98,547)
Reimbursable Public Safety Costs	\$ 1,730,595	\$ 2,924,805	\$ 2,933,433	\$ 1,855,194	\$ 2,263,291	\$ 1,620,377
Amount Reimbursed	\$ 1,730,595	\$ 2,924,805	\$ 2,933,433	\$ 1,855,194	\$ 2,263,291	\$ 793,941

⁽¹⁾Includes non-NFL special events.

Table 5 summarizes ticketed Non-NFL Event revenue and expenditures by event. This table shows that six of the eight (75%) events operated at a loss or did not make any money. Table 6 and 7 show Non-NFL net revenue by event type and event revenue and expenses by category. The inclusion of this information is to provide a greater level of transparency and provide the overall financial results of the Non-NFL events.

Table 5
Levi's® Stadium
Ticketed Non-NFL Events Revenue and Expenditure Summary
FY 2019/20 Quarter 4

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	1.5	(0.3)
Rolling Stones: No Filter Tour	11.4	10.5	0.9
High School Football Series	0.1	0.1	0.0
Pac-12 Championship	3.1	5.7	(2.6)
Redbox Bowl	4.6	5.2	(0.6)
Total Ticketed Non-NFL Net Revenue to date	\$ 22.3	\$ 25.1	\$ (2.8)

*Numbers may vary due to rounding

There were eight ticketed Non-NFL events held in FY 2019/20 with an average net loss to the Stadium Authority of about \$300,000 per event. In other words, each time ManagementCo hosts a ticketed Non-NFL event, the Stadium Authority must subsidize the event with \$300,000. Out of a total of eight ticketed Non-NFL events, six Non-NFL ticketed events (75%) were money losing events or generated no revenue for the Stadium Authority. Based on the analysis shown in the following tables, the Special Events (such as weddings, corporate events, birthday parties, etc.) generate the largest revenue for the Stadium Authority.

The revenue and expenses in the tables below are created using information provided by ManagementCo. Based on the information provided, it is difficult to determine what areas of "business" during an event generate revenue and what areas generate a loss. As an example, it appears that the Food and Beverage portion of the business is not generating revenue, however, it is difficult to determine by the provided information if this is actually the case. There may be Food and Beverage revenue or cost reimbursements that are grouped with other revenue line items obscuring the bottom line of the Food and Beverage business. The Stadium Authority looks to work with ManagementCo on greater transparency for future reports.

For FY 2019/20, the Stadium Manager submitted to the Board a “TBD” for forecasted revenue. In March 2020 after Stadium Authority questioned the “TBD” submittal, ManagementCo provided a revised projected loss for the year between \$1.7 million and \$2 million in direct contrast to the Non-NFL event profit and loss report provided to the Stadium Authority for Quarter 3 showing a positive net revenue of about \$404,000 for all events. The increase from the projected \$1.7 million to \$2 million dollar loss and the actual loss of \$2.7 million provided by ManagementCo is still under review by Stadium Authority staff.

During the Stadium Authority’s FY2019/20 audit, KPMG performed sampling of the Non-NFL event source documentation in accordance with generally accepted auditing standards. However, Stadium Authority staff is performing a more exhaustive review of the supporting documentation provided. ManagementCo has requested the Stadium Authority to fund the \$2.7 million dollar loss. Because this issue is in litigation and the details supporting this loss are not completely known for lack of documentation and examination of it, no payment will be recommended until the litigation is resolved. It should be noted that any payment would require the approval by the Stadium Authority Board, along with an associated budget amendment.

Table 6
Levi's® Stadium
Net Revenue for Non-NFL Events
by Event Type
FY 2019/20 Quarter 4

Event Type	No. of Events	Net Revenue
Ticketed Events		
Concerts	1	\$ 856,583
Sporting Events		
Football (Non-NFL)	3	(3,170,926)
Soccer	2	(65,295)
Miscellaneous Events	2	(458,609)
Subtotal Ticketed Events	8	\$ (2,838,247)
Subtotal Ticketed Events - Other Expenses ⁽²⁾		\$ (167,217)
Subtotal Non-Ticketed Non-NFL Events (weddings, corporate events, etc)	79	\$ 1,492,331
Subtotal Other Operating Expenses		\$ (1,227,881)
Total Non-NFL Event Net Revenue	87	\$ (2,741,014)
Total Estimated Performance Rent paid to the General Fund⁽¹⁾		\$ -

⁽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

⁽²⁾ Other Expenses not attributable to a specific event

Table 7
Levi's® Stadium
Non-NFL Event Results by Category
FY 2019/20 Quarter 4

	2019/20 YTD Total	
REVENUE:		
Seating Bowl	\$	16,826,550
Ticket Master Fees		742,708
Suites		349,759
Food & Beverage		1,810,989
Parking		958,424
Sponsorship		662,800
Merchandise		111,724
Miscellaneous ⁽¹⁾		7,850,340
Total Revenue	\$	29,313,294
EXPENSE:		
Public Safety/Security	\$	2,781,540
Utilities/Solid Waste		123,826
Parking		1,053,322
Food & Beverage - Ticketed Events		528,776
Food & Beverage - Special Events		4,052,646
Operations/Janitorial/Maintenance		3,913,217
Miscellaneous ⁽²⁾		19,600,981
Total Expense	\$	32,054,308
Total Non-NFL Net Revenue	\$	(2,741,014)

⁽¹⁾Includes special event revenue such as corporate events, weddings, holiday parties, etc.

⁽²⁾Includes rentals, fees & commissions, transportation, marketing, and other expenses

Discretionary Fund

The Discretionary Fund is funded by revenue equal to 50% of the Non-NFL Ticket Surcharge of \$4 per ticket. The eight ticketed Non-NFL Events contributed \$368,000 to the Discretionary Fund in the reporting period. Table 8 shows the revenues and expenses in the Discretionary Fund since FY2014/15. The balance at the end of this reporting period was \$2.3 million.

Table 8

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

Stadium Builder Licenses

The total principal value of currently active Stadium Builder Licenses (“SBLs”) is \$531.7 million and, as of March 31, 2020, 86.3% of the total principal value of all SBLs sold (i.e., \$458.9 million) had been collected.

SBL holders that finance their purchase pay an annual interest rate of 8.5% and payments are due by March 1st each year. The majority of SBL holders make their payments on time. For those that do not pay on time, SBL service staff, working for ManagementCo 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 are then available for resale.

There is a total of 60,237 currently active SBLs, or 91% of the 65,879 total sellable SBL seats. This is down by 22 from the total active SBLs at the end of the prior fiscal year (March 31, 2019). The main reason for the reduction is due to defaulted SBLs. The defaulted SBLs were offset by (1) the sale of new SBLs and (2) the net increase related to the customer seat relocation program. The customer seat relocation program allows customers to trade in their SBLs in return for others in a different location as long as the total face value of the new seats is equal to or greater than the original seats.

During the current reporting period, 1,310 SBLs were sold for a total face value of \$7.9 million. The customer seat relocation program resulted in an increase of \$1.1 million to the SBL face value, while netting 144 more SBLs. There were also 1,476 SBLs defaulted during the year with a total face value of \$9.8 million. The number of defaults and associated value is in line with the two-year historical average.

Additional details regarding currently active SBLs are noted in Table 9.

Table 9
Santa Clara Stadium Authority
Currently Active Stadium Builder License (SBL) Summary ⁽¹⁾

Through March 31, 2020										
Seat Value	SBL Seats Available	SBL Seats Sold as of 3/31/19	New SBL Sales	Net SBL Relocations	SBL Defaults	SBL Seats Sold	SBL Value	SBL Collected	% SBL Principal Collected	
141,392	100	100	-	-	-	100	\$ 14,082,625	\$ 12,285,200	87.2%	
80,000	938	930	2	11	(13)	930	74,400,000	66,046,170	88.8%	
40,000	2	2	-	-	-	2	80,000	65,883	82.4%	
30,000	4,869	4,554	42	(13)	(56)	4,527	135,810,000	119,919,658	88.3%	
20,000	3,395	2,965	39	(26)	(66)	2,912	58,240,000	50,733,524	87.1%	
15,000	7	7	-	-	-	7	105,000	73,182	69.7%	
12,000	2,167	2,118	45	13	(25)	2,151	25,812,000	22,285,457	86.3%	
10,000	9	7	-	-	-	7	70,000	59,443	84.9%	
6,000	20,623	20,441	460	81	(478)	20,504	123,024,000	102,103,111	83.0%	
5,000	14,301	13,164	338	115	(297)	13,320	66,600,000	56,560,482	84.9%	
4,000	917	913	3	4	(6)	914	3,656,000	3,317,840	90.8%	
3,000	94	94	-	-	(3)	91	273,000	221,527	81.1%	
2,500	45	45	-	-	(1)	44	110,000	92,424	84.0%	
2,000	18,373	14,881	381	(40)	(529)	14,693	29,386,000	25,070,124	85.3%	
1,000	39	38	-	(1)	(2)	35	35,000	29,989	85.7%	
Total	65,879	60,259	1,310	144	(1,476)	60,237	\$ 531,683,625	\$ 458,864,012	86.3%	
Plus: Interest on financed SBLs								55,876,187		
Total Principal & Interest								\$ 514,740,199		

⁽¹⁾ This table does not include \$26.1 million that has been collected life-to-date from defaulted SBL holders.

Santa Clara Stadium Authority Budget Status Reports

Operating Budget

With Fiscal Year 2019/20 complete, total operating revenues for the current reporting period were \$97.8 million representing 133% of the overall budget for revenues. The primary reason that revenue is over budget is because non-NFL event revenue is recorded gross while the budget includes the revenue net of expenses. Stadium rent earned from StadCo totaled \$24.8 million. During the current reporting period, the Stadium Authority also collected \$26.2 million in SBL proceeds or 103% of what was budgeted. All SBL proceeds are to be transferred to the debt service fund per applicable loan agreements. The non-NFL event ticket surcharge amounted to \$735,000 or 100% of the final budget.

Total operating expenses were \$73.2 million, or 100% of the annual budget. Of note, the payment on shared stadium manager expenses is withheld until sufficient support is received for the expenses. The Stadium Authority's FY2019/20 budget was amended on March 24, 2020, with a reduction of \$7.5 million to the Shared Stadium Manager Expense budget and an increase in Legal Contingency of that amount. The expenses that were reduced include Stadium Operations, Engineering, Guest Services, Groundskeeping, Security and the Stadium Management Fee. The budget for these expenses will remain in the Legal Contingency line item until adequate support is provided to justify legitimate expenditures of the amounts requested. Operating expense payments were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, arising from ManagementCo's inappropriate use of public funds relative to procurement practices and potential self-dealing/conflicts of interests. At that meeting, the Board directed the Executive Director to only release public funds to ManagementCo if all supporting documents have been submitted and adhere to our agreements and State and local laws. As part of that suspension of payment, the Stadium Authority continues to pay for utilities, insurance and costs associated with SBL sales and services. However, rather than provide the Stadium Authority with complete documentation to substantiate proper procurement and/or the absence of self-dealing/conflicts of interests, ManagementCo forced loans on the Stadium Authority through the revolving loan instrument and continues to pay itself public funds without demonstrating compliance with State and local laws.

In FY2019/20, ManagementCo drew a total of \$6.3 million against the revolving loan line of credit for the Shared Stadium Manager Expense payments withheld by the Stadium Authority. The draws on the revolving loan were not authorized by the Stadium Authority and documentation rejecting these draws was provided to the Stadium Manager. The Stadium Authority maintains its position that it should not release public funds to ManagementCo unless it can demonstrate compliance with public procurement laws, prevailing wage laws, and absence of self-dealing/conflicts of interests. Shared Stadium Manager expenses were at 99% or \$4.32 million of the \$4.38 million final budget, amended from \$11.9 million. The bulk of the expense is for insurance, which the Stadium Authority continues to pay. The remaining payments of

Shared Stadium Manager Expenses took place prior to the Board's direction to only release funds after receiving supporting documentation.

SBL Sales & Service expenses were 100% of the budget, or \$3.6 million. The Stadium Authority pays for all utility costs from February 1st through July 31st and the tenant (StadCo) pays for utility costs from August 1st through January 31st (Tenant Season). Utility costs are 100% of the budget for the year, or \$1.6 million. Transfers out amounted to \$28.5 million and, lastly, Stadium Authority G&A costs were \$2.4 million or 96% of the budget.

Overall, the Stadium Authority operating fund ended the year with a fund balance of \$47.4 million; included in that amount is an \$11.3 million operating reserve and a \$2.3 million discretionary fund.

Additional details are shown in Table 10.

Table 10
Santa Clara Stadium Authority
Operating Budget Status Report
For the Period Ending March 31, 2020 and 2019

	Period Ending March 31, 2020								Period Ending March 31, 2019			
	Final Budget	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources												
Revenues												
NFL Ticket Surcharge	\$ 8,412,291	\$ -	\$ 2,416,387	\$ 5,995,904	\$ -	\$ 8,412,291	\$ (0)	100%	\$ 8,031,000	\$ 8,076,510	\$ (45,510)	101%
SBL Proceeds	25,416,000	8,525,454	827,998	1,077,869	15,814,216	26,245,536	(829,536)	103%	27,214,000	26,750,973	463,027	98%
Interest	938,000	234,203	247,406	219,504	202,648	903,761	34,239	96%	794,000	1,001,640	(207,640)	126%
Non-NFL Event Revenue	-	-	-	-	29,313,294	29,313,294	(29,313,294)	NA	62,147,000	50,856,562	11,290,438	N/A
Net Revenues from Non-NFL Events	5,796,000	-	-	-	-	-	5,796,000	0%	-	-	-	NA
Naming Rights	6,754,000	-	3,327,117	-	3,426,930	6,754,047	(47)	100%	6,558,000	6,557,327	673	100%
Sponsorship Revenue (STR)	345,000	81,250	81,250	81,250	81,250	325,000	20,000	94%	545,000	387,203	157,797	71%
Rent	24,762,000	6,190,500	6,190,500	6,190,500	6,190,500	24,762,000	-	100%	25,810,000	25,810,002	(2)	100%
Senior & Youth Program Fees	250,000	-	64,669	167,287	18,044	250,000	-	100%	230,000	227,933	2,067	99%
Non-NFL Event Ticket Surcharge	735,496	229,376	253,956	252,164	-	735,496	-	100%	1,800,000	1,592,588	207,412	88%
Bay Area Host Committee Reimbursement	4,642	3,715	927	-	-	4,642	(0)	100%	1,400,000	1,166,884	233,116	N/A
Other Revenue	115,773	-	-	-	128,379	128,379	(12,606)	111%	2,281,000	2,281,903	(903)	N/A
Revenues Subtotal	\$ 73,529,202	\$ 15,264,498	\$ 13,410,210	\$ 13,984,478	\$ 55,175,260	\$ 97,834,446	\$ (24,305,244)	133%	\$ 136,810,000	\$ 124,709,525	\$ 12,100,475	91%
Net Transfers	-	-	-	-	-	-	-	N/A	-	-	-	NA
Total Resources	\$ 73,529,202	\$ 15,264,498	\$ 13,410,210	\$ 13,984,478	\$ 55,175,260	\$ 97,834,446	\$ (24,305,244)	133%	\$ 136,810,000	\$ 124,709,525	\$ 12,100,475	91%
Expenses												
Shared Stadium Manager Expenses												
Stadium Operations	\$ 653,401	\$ 653,401	\$ -	\$ -	\$ -	\$ 653,401	\$ 0	100%	\$ 3,721,000	\$ 3,659,714	\$ 61,286	98%
Engineering	328,481	328,481	-	-	-	328,481	0	100%	1,835,000	1,999,576	(164,576)	109%
Guest Services	137,782	137,782	-	-	-	137,782	0	100%	813,000	561,641	251,359	69%
Groundskeeping	29,039	29,039	-	-	-	29,039	(0)	100%	164,000	154,101	9,899	94%
Security	270,450	270,450	-	-	-	270,450	(0)	100%	1,543,000	1,058,475	484,525	69%
Insurance	2,956,000	739,038	870,038	608,038	684,886	2,902,000	54,000	98%	2,871,000	2,870,047	953	100%
Stadium Management Fee	-	-	-	-	-	-	-	NA	226,000	225,102	898	100%
Shared Stadium Mngr Exps Subtotal	\$ 4,375,153	\$ 2,158,191	\$ 870,038	\$ 608,038	\$ 684,886	\$ 4,321,153	\$ 54,000	99%	\$ 11,173,000	\$ 10,528,656	\$ 644,344	94%
Other Expenses												
SBL Sales and Service	\$ 3,614,477	\$ 589,477	\$ 1,440,000	\$ 1,025,000	\$ 560,000	\$ 3,614,477	\$ -	100%	\$ 2,324,000	\$ 1,771,307	\$ 552,693	76%
Senior & Youth Fees (paid to City)	250,000	-	42,073	189,883	18,044	250,000	-	100%	230,000	227,933	2,067	99%
Non-NFL Event Expense	-	-	-	-	32,054,308	32,054,308	(32,054,308)	NA	56,519,000	50,837,971	5,681,029	90%
Ground Rent (paid to City)	355,000	-	355,000	-	-	355,000	-	100%	320,000	320,000	-	100%
Performance Rent (paid to City)	2,721,000	-	-	-	-	-	2,721,000	0%	2,654,000	-	2,654,000	0%
Discretionary Fund Expense	250,000	-	-	-	-	-	250,000	0%	990,000	101,267	888,733	10%
Utilities	1,568,265	791,625	258,000	-	519,000	1,568,625	(360)	100%	1,506,000	1,444,485	61,515	96%
Use of StadCo Tenant Improvements	182,000	-	-	-	-	-	182,000	0%	236,000	256,263	(20,263)	109%
Stadium Authority G&A	2,480,000	295,995	484,664	661,333	929,206	2,371,198	108,802	96%	1,685,000	1,556,580	128,420	92%
College Football Playoff Expense	4,642	3,715	927	-	-	4,642	-	100%	1,400,000	1,166,884	233,116	NA
Legal Contingency	6,996,000	-	-	-	-	-	6,996,000	0%	-	-	-	-
Other Expenses	110,000	109,915	-	-	(5,000)	104,915	5,085	95%	105,000	(33,900)	138,900	-32%
Transfers Out	50,284,665	-	10,894,241	8,843,109	8,810,911	28,548,261	21,736,404	57%	57,340,000	56,529,584	810,416	99%
Contribution to Operating Reserve	338,000	-	-	-	-	-	338,000	0%	328,000	-	328,000	0%
Other Expenses Subtotal	\$ 69,154,049	\$ 1,790,726	\$ 13,474,905	\$ 10,719,326	\$ 42,886,469	\$ 68,871,426	\$ 282,623	100%	\$ 125,637,000	\$ 114,178,374	\$ 11,458,626	91%
Total Expenses	\$ 73,529,202	\$ 3,948,918	\$ 14,344,943	\$ 11,327,364	\$ 43,571,355	\$ 73,192,579	\$ 336,623	100%	\$ 136,810,000	\$ 124,707,031	\$ 12,102,969	91%
Operating Reserve	\$ 11,593,270	-	-	-	-	\$ 11,255,088	-	-	\$ 11,255,088	\$ 11,255,088	-	-
Discretionary Fund	\$ 2,302,075	-	-	-	-	\$ 2,327,850	-	-	\$ 1,086,407	\$ 1,960,102	-	-

Debt Service Budget

The Stadium Authority's FY 2019/20 debt service revenue budget of \$3.8 million represents anticipated contributions from the Community Facilities District (CFD). During the current fiscal year, \$3.6 million was contributed by the CFD. Transfers in from the operating fund amounted to \$26.2 million or 56% of the budget.

Total Stadium Authority debt service expenses for the current reporting period were \$31 million, 63% of the budgeted amount. The debt service expenses for the CFD Advance, the Term A Loan, and the StadCo Subordinated Loan were \$3.9 million, \$25.6 million, and \$2.2 million, respectively.

The Stadium Authority debt service fund ended the current quarter with a fund balance of \$23.6 million which includes \$11.5 million in the debt service reserve account. The remaining is reserved for future debt payments.

As of March 31, 2020, the total outstanding amount of Stadium Authority debt had declined to \$325.3 million. This is a reduction in principal of \$15 million from the March 31, 2019 outstanding debt amount of \$340.2 million.

Additional details are shown in Tables 11 and 12 and Chart 1.

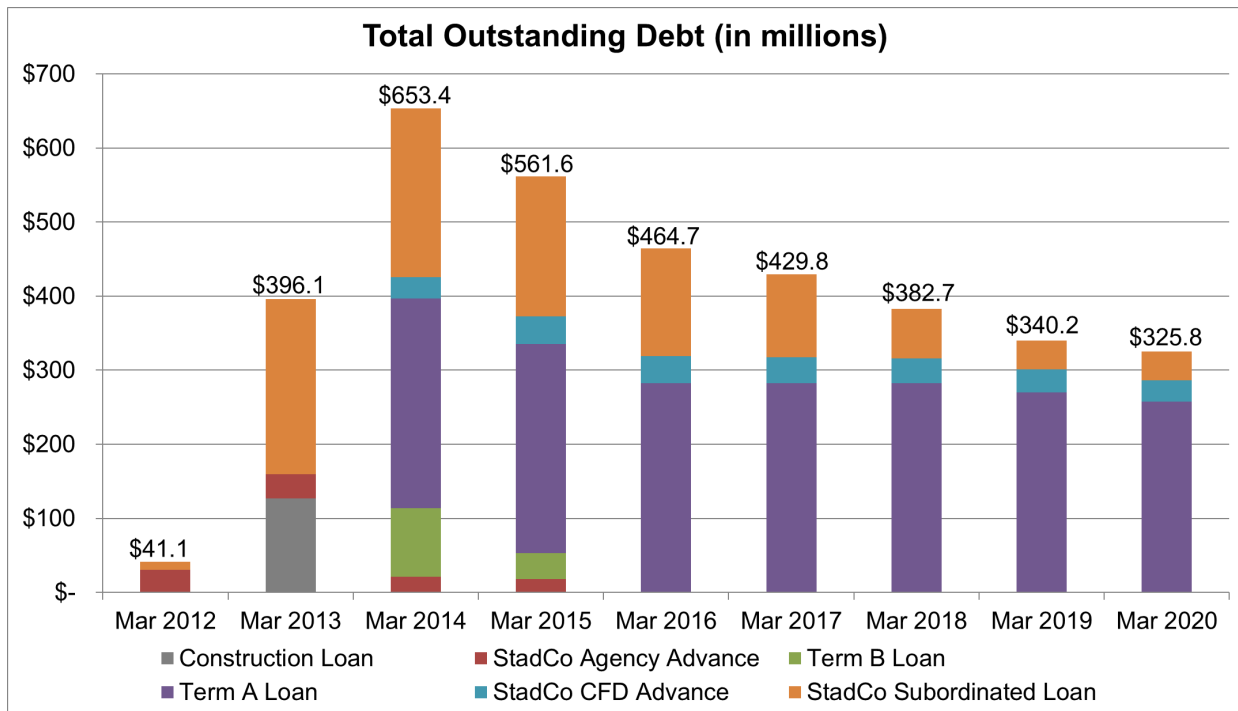
Table 11
Santa Clara Stadium Authority
Debt Service Budget Status Report
For the Period Ending March 31, 2020 and 2019

	Period Ending March 31, 2020							Period Ending March 31, 2019				
	Final Budget	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources												
Revenues												
Contribution from CFD	\$ 3,872,000	\$ 951,360	\$ 892,307	\$ 1,026,881	\$ 742,950	\$ 3,613,498	\$ 258,502	93%	\$ 3,800,000	\$ 3,779,881	\$ 20,119	99%
Revenues Subtotal	\$ 3,872,000	\$ 951,360	\$ 892,307	\$ 1,026,881	\$ 742,950	\$ 3,613,498	\$ 258,502	93%	\$ 3,800,000	\$ 3,779,881	\$ 20,119	99%
Transfers In from Operating	46,806,665	-	10,894,241	8,843,109	6,492,362	26,229,712	20,576,953	56%	53,963,000	53,153,057	809,943	98%
Contribution from Fund Balance	-	16,665,922	(7,593,965)	(4,641,839)	(4,430,118)	(0)	0	NA	4,653,000	4,094,296	558,704	88%
Total Resources	\$ 50,678,665	\$ 17,617,282	\$ 4,192,583	\$ 5,228,151	\$ 2,805,194	\$ 29,843,210	\$ 20,835,455	59%	\$ 62,416,000	\$ 61,027,234	\$ 1,388,766	98%
Expenses												
CFD Advance	\$ 3,844,000	\$ 1,002,705	\$ 438,541	\$ 1,474,108	\$ 1,018,182	\$ 3,933,536	\$ (89,536)	102%	\$ 3,800,000	\$ 3,506,299	\$ 293,701	92%
Term A Loan	26,383,000	15,971,276	3,218,928	3,218,928	3,218,928	25,628,060	754,940	97%	26,702,000	26,043,162	658,838	98%
StadCo Subordinated Loan	20,451,665	643,301	535,114	535,114	535,114	2,248,643	18,203,022	11%	31,914,000	31,477,772	436,228	99%
Total Expenses	\$ 50,678,665	\$ 17,617,282	\$ 4,192,583	\$ 5,228,151	\$ 4,772,224	\$ 31,810,239	\$ 18,868,426	63%	\$ 62,416,000	\$ 61,027,234	\$ 1,388,766	98%
Debt Service Reserve	\$ 11,536,235					\$ 11,536,235			\$ 11,536,235	\$ 11,536,235		

Table 12
Santa Clara Stadium Authority
Debt Summary Report
For the Period Ending March 31, 2020

Type of Indebtedness	Interest Rates	Outstanding as of March 31, 2019	Net Change	Outstanding as of March 31, 2020
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	(2,092,999)	28,832,979
StadCo Subordinated Loan	5.50%	39,024,833	(107,449)	38,917,384
Total		\$ 340,217,223	\$ (14,952,620)	\$ 325,264,603

Chart 1



Capital Improvement Project Budget

As part of the Capital Expense (“CapEx”) Plan, the following projects have been completed as of the current reporting period:

- Kawasaki Mule Purchase
- Two Auto Pulse Automated Compressor Purchases
- ALS Lifepack Monitor Purchase
- Upfit Kawasaki Mules
- Mobile Radio Purchase
- Diesel Particulate Filter Purchase
- Chemical Warfare Detector Purchase

The following CapEx projects were currently in progress at the end of the fiscal year:

- Staff Scheduling Software

A total of \$132,000 has been spent in FY 2019/20, which amounts to 1% of the budget. The main reasons that this is below budget are (1) there has been little activity on warranty work which makes up 11% of the CIP Budget, and (2) a number of projects are behind schedule due to ManagementCo’s inability to demonstrate compliance with State procurement and prevailing wage laws. As a result, capital projects have stalled. We continue to raise this issue with ManagementCo to ensure the Stadium Authority asset is maintained in a sufficient manner; however, there is valid concern that ManagementCo is unable to complete these duties given the record to date. During this reporting period, the ManagementCo has not demonstrated its ability to award contracts in compliance with state laws.

Additional details are shown below in Table 13.

Table 13
Santa Clara Stadium Authority
CIP Budget Status Report
For the Period Ending March 31, 2020 and 2019

	Period Ending March 31, 2020							Period Ending March 31, 2019			
	Final Budget	Q1 Actuals	Q2 Actuals	Q3 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Beginning Balances	\$ 14,532,870	\$ 14,516,225	\$ 14,455,221	\$ 14,763,788	\$ 14,516,225	\$ 16,645		\$ 12,358,833	\$ 12,718,700		
Resources											
Transfers In from Operating Budget	3,478,000	-	-	2,318,549	2,318,549	1,159,451	66.66%	3,377,000	3,376,527	473	100%
Transfers In from Stadium Manager	-	-	308,568	-	308,568	(308,568)	N/A	-	-	-	-
Total Resources	\$ 18,010,870	\$ 14,516,225	\$ 14,763,788	\$ 17,082,337	\$ 17,143,342	\$ 867,528	95%	\$ 15,735,833	\$ 16,095,227	\$ 473	102%
	Final Budget	Q1 Actuals	Q2 Actuals	Q3 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Final Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses											
Construction	4,956,922	(4,845)	-	-	(4,845)	4,961,767	0%	4,875,415	1,378,251	3,497,164	28%
Equipment	7,070,988	65,038	-	71,727	136,765	6,934,223	2%	1,210,000	124,732	1,085,268	10%
Contingency	657,397	812	-	-	812	656,585	0%	296,546	3,250	293,296	1%
Stadium Warranty Related Construction	1,528,202	-	-	-	-	1,528,202	0%	1,600,971	72,769	1,528,202	5%
Total Expenses	\$ 14,213,509	\$ 61,005	\$ -	\$ 71,727	\$ 132,731	\$ 14,080,778	1%	\$ 7,982,932	\$ 1,579,002	\$ 6,403,930	20%
Ending Balances	\$ 3,797,361	\$ 14,455,221	\$ 14,763,788	\$ 17,010,611	\$ 17,010,611			\$ 7,752,901	\$ 14,516,225		

City of Santa Clara Net General Fund Impact

During the current reporting period there was a total of \$1.5 million that was contributed to the General Fund as shown in Table 14. This section of the report also provides information on General Fund revenue and expenditure impacts resulting from the stadium.

Table 14

City of Santa Clara Net General Fund Impact

For Stadium Authority Fiscal Year to Date Ending March 31, 2020

Ground Rent	\$	355,000
Performance Rent		-
Senior and Youth Fee		250,000
Tasman Lots Parking Fee		34,410
Sales Tax		834,314
<hr/>		
Total Net General Fund Impact	\$	1,473,724

Public Safety and Administrative Cost Reimbursement

As described in earlier sections of this report, costs incurred by the City on NFL and non-NFL Events are tracked and billed to the Stadium Manager. Reimbursement is monitored and included in this report. Public safety costs incurred in support of NFL and non-NFL events occurring in FY2019/20 totaled \$5.4 million and \$1.7 million, respectively. Reimbursements of the NFL public safety costs amounted to \$4.4 million, and \$892,000 has been received for the non-NFL public safety costs as of the end of March 2020. These reimbursements came from a combination of payments from the Stadium Manager, and the offsite parking fees that were collected.

In addition to public safety costs, administrative costs are also tracked and billed to the Stadium Authority. These include the cost of providing overall stadium management, financial, human resource, legal, and other services to the Stadium Authority. In FY 2019/20, a total of \$984,000 of administrative costs were incurred by the General Fund, which have been reimbursed to the City.

Rents and Senior and Youth Fee

As noted above the City's General Fund collected ground rent (\$355,000) from the Stadium Authority. Additionally, the Senior and Youth Fee generated \$250,000 which was forwarded to the City year-to-date in support of senior and youth programs fees. Lastly, the Tasman Lot Parking Fee generated \$34,410 for the City. See the Glossary for more information on these revenues and how they are calculated.

Other Revenue Impacts

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 sales tax revenue for the City. The last four quarters of sales tax collections from Levi's® Stadium transactions generated \$834,000 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 to attend one or more events at Levi's® Stadium, resulting in potentially 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. The City's proportion is approximately 10%.

Many stadium events bring travelers to 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 the City's 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 collections in Santa Clara and our neighboring cities.

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. 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.

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	Fiscal Year	Annual Fixed Ground Rent
1	2014/15	\$ 180,000
2	2015/16	\$ 215,000
3	2016/17	\$ 250,000
4	2017/18	\$ 285,000
5	2018/19	\$ 320,000
6	2019/20	\$ 355,000
7	2020/21	\$ 390,000
8	2021/22	\$ 425,000
9	2022/23	\$ 460,000
10	2023/24	\$ 495,000
11-15	2024/25 - 2028/29	\$ 1,000,000
16-20	2029/30 - 2033/34	\$ 1,100,000
21-25	2034/35 - 2038/39	\$ 1,200,000
26-30	2039/40 - 2043/44	\$ 1,300,000
31-35	2044/45 - 2048/49	\$ 1,400,000
36-40	2049/50 - 2053/54	\$ 1,500,000

Net Non-NFL Event Revenue – Net Non-NFL Event revenue is remitted by ManagementCo to the Stadium Authority on a yearly basis. This is done annually because the final reconciliation of the Non-NFL Event revenues and expenses does not occur until after the conclusion of each fiscal year.

Beginning with FY 2018/19, the Stadium Authority budgeted the Non-NFL Event activity at gross, budgeting for revenue and expenses separately. In the prior fiscal years that activity was budgeted as a net amount.

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 is 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 FY 2019/20 (July 1, 2019 through June 30, 2020) the offsite parking fee is \$5.63.

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. The performance-based rent credits include 50% of the fixed ground rent for the current lease year.)

Public Safety Costs – For each NFL and Non-NFL Event held at Levi’s® Stadium, a public safety plan is developed and implemented. Multiple City departments provide staffing, materials, and supplies to support the public safety plan. Services are provided through a combination of City staff, contracts with other agencies (California Highway Patrol, County Sheriff’s Office, and City of Sunnyvale) and some vendor provided services.

The Amended and Restated Stadium Lease Agreement section 7.5 states that the tenant is responsible for reimbursing the City for the public safety costs attributed to NFL events at Levi’s® Stadium. Additionally, Article 5 of the Stadium Management Agreement notes that the Stadium Manager is responsible for paying Non-NFL Event expenses on behalf of the Stadium Authority. Therefore, the cost of providing public safety services are tracked through the City’s financial system and invoices are sent to the Stadium Manager. All of these costs are reimbursed to the City of Santa Clara.

Senior and Youth Program Fees – The Amended and Restated Stadium Lease Agreement requires that StadCo collect a Senior and Youth Program Fee of \$0.35 per NFL ticket sold on behalf of the Stadium Authority. Per section 8.2 of the Ground Lease Agreement between the City and the Stadium Authority, the Stadium Authority remits this fee to the City as additional rent to support senior and youth programs in the City.

Stadium Management Fee – The Stadium Manager receives an annual base management fee to manage Levi’s® Stadium. The fee was \$400,000 in the first lease year and increases by 3% annually as detailed in the table below. This annual base management fee is split 50/50 between StadCo and the Stadium Authority since the Stadium Manager manages the stadium year-round for both entities. In addition to the base management fee, the Stadium Manager also receives a stadium marketing and booking fee (incentive fee) which is based on a percentage of the amount that the net income from Non-NFL Events exceeds the marketing and booking fee benchmark. The marketing and booking fee benchmark was \$5 million in the first lease year and also increases by 3% annually as detailed in the table below. The annual stadium management fee for each of the first ten lease years are noted in the chart below.

Fiscal Year	Lease Year	Annual Base Stadium Management Fee (SCSA Share)	Stadium Marketing and Booking Fee Benchmark	Net Income from Non-NFL Events	Additional Stadium Marketing and Booking Fee	Total Stadium Management Fee
2014/15	1	\$ 200,000	\$ 5,000,000	\$ 5,207,553	\$ 10,378	\$ 210,378
2015/16	2	206,000	5,150,000	6,079,016	46,451	252,451
2016/17	3	212,180	5,304,500	5,316,894	620	212,800
2017/18	4	218,545	5,463,635	5,163,329	-	218,545
2018/19	5	225,102	5,627,544	18,591	-	225,102
2019/20	6	231,855	5,796,370			
2020/21	7	238,810	5,970,261			
2021/22	8	245,975	6,149,369			
2022/23	9	253,354	6,333,850			
2023/24	10	260,955	6,523,866			

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.