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## **Santa Clara Stadium Authority Authorizes Actions to Enforce 49ers' Failure to Pay Stadium Rent**

*49ers owe at least \$2.7 million after refusing to pay the full monthly amount due following NFL's cancellation of two preseason games*

**SANTA CLARA, Calif.** – At closed session on Tuesday, Sept. 8, the Santa Clara Stadium Authority Board voted unanimously to authorize a claim for arbitration against the San Francisco 49ers due to unpaid facility rent, currently in the amount of \$2.7 million.

In a recent 49ers public statement, their representative continues to make untrue personal attacks against Santa Clara's Mayor, City Manager, and City Attorney, while mischaracterizing the City's actions.

The facts are:

- In late July, the 49ers notified Santa Clara that they were going to reduce the facility rent by 20% based on a faulty interpretation of lease provisions regarding "Untenantable Conditions."
- Santa Clara notified the 49ers that the lease provisions do not allow for a rent reduction because the cancellations were based on the NFL's decision to cancel the pre-season, and not based on any condition of the Stadium.
- Despite being informed that the lease did not allow for a reduction, the 49ers lawyers insisted that rent would not be paid but never provided any documentation to back that position.
- The 49ers did not pay the September rent installment of \$2,751,000.
- On Sept. 2, 2020, a default notice was sent in accordance with the provisions of the lease.
- On Sept. 8, 2020, the Stadium Authority Board unanimously authorized the Stadium Authority to take actions to recover the non-payment of rent.
- As of today, the rent was still not paid.

The lease requires that the parties meet and confer in an attempt to work out the matter before commencing formal confidential arbitration proceedings.

The Stadium Authority hopes that the 49ers will put their time and effort to paying the rent due, rather than claiming political games in the media.

### **Facility Rent Background**

The San Francisco 49ers play their professional football games at Levi's® Stadium under a lease that requires them to pay facility rent to the Santa Clara Stadium Authority. The total annual facility rent amount of \$24,762,000 is paid in monthly installments.

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The facility rent is a primary source of funds to repay the public debt that the Stadium Authority incurred to build the Stadium for the 49ers.

**About the Santa Clara Stadium Authority**

Established to provide for the development and operation of Levi's® Stadium, the Santa Clara Stadium Authority exists as a public body, separate and distinct from the City of Santa Clara. The seven elected members of the City Council serve as the governing board for the Stadium Authority. The mayor serves as chair of the Stadium Authority, with the city manager as the executive director and the city attorney as the Stadium Authority's general counsel. The City is not liable for the debts or obligations of the Stadium Authority.

**About the City of Santa Clara**

Located at the heart of Silicon Valley about 45 miles south of San Francisco, the City of Santa Clara truly is "The Center of What's Possible." Incorporated in 1852, Santa Clara covers an area of 19.3 square miles with an estimated population of 129,498. Santa Clara is home to an extraordinary array of high-tech companies, including Applied Materials, Hewlett-Packard, Intel, Nvidia, Oracle, and Ericsson. The City of Santa Clara is also home to Santa Clara University, California's Great America Theme Park, and Levi's® Stadium, home of the San Francisco 49ers and SB50. For more information, go to [SantaClaraCA.gov](http://SantaClaraCA.gov).

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