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The 49ers Are Terrific On the Field but Terrible Off the Field

49ers' poor management results in paying more to lose more

SANTA CLARA, Calif. – This week, the Santa Clara Stadium Authority released the [final fiscal report for Fiscal Year 2018/19](#) that shows how poorly the Forty Niners Management Company LLC (49ers) continues to manage non-NFL events at Levi's® Stadium. At the [Dec. 17 meeting](#), the Santa Clara Stadium Authority Board will discuss these details as part of the Stadium Authority's financial status update for the fourth quarter and Fiscal Year 2018/19. Here are the high-level events that explain the losses:

- Operations, maintenance and related **costs skyrocketed by \$2.5 million** which means that the 49ers charged the Stadium Authority more to lose more money.
- **75% of non-NFL ticketed events lost money or made zero revenue** for the Stadium Authority (**nine events suffered combined losses of \$6.3 million**).
- **Only three non-NFL ticketed events made** about \$3.6 million, much less when compared to the losses.
- Ticketed non-NFL events **lost an average of nearly \$200,000 per event** in FY 2018/19.
- **Non-NFL ticketed events lost \$2.6 million in total in FY 2018/19** as the money-making events didn't bring in enough revenue to offset the big money losers. In one example, had a second concert not been added at the last minute by the 49ers, net revenue would have increased \$1.8 million for FY 2018/19.

The bottom line is that the 49ers are no longer contributing millions of dollars towards enhancing community services, and the General Fund will lose projected revenues of more than \$5.4 million dollars for FY 2018/19 and FY 2019/20. These revenues in the past have helped fund a variety of City services including police, fire, parks and recreation, library, streets, and more.

Too many money-losing non-NFL ticketed events

As shown in the Non-NFL Ticketed Events chart to the right, **75% of these events lost hundreds of thousands of dollars or made no money** in the last fiscal year. These are all events booked by the 49ers as the Stadium Manager on behalf of the Santa Clara Stadium Authority.

Only, three out of 12 (25%) events made any money in FY 2018/19. In fact, **one single event** – the Pac-12 Football Championship Game held at the Stadium on Nov. 30, 2018 – **lost approximately \$2.7 million**.

As a professional Stadium Manager, the goal should be to make the most out of a world-class publicly owned facility. The Stadium Manager has not explained why they have made bad business decisions where most ticketed events lost money or what strategy they are using to uphold their legal requirement to maximize revenue for the Stadium Authority.

2018/19 Ticketed Non-NFL Events Revenue and Expenditure Summary

| In Millions \$ | | | |
|----------------------------------|-------------|-------------|--------------|
| Ticketed Events | Revenue | Expenses | Net |
| Monster Jam | 1.4 | 1.6 | (0.2) |
| Taylor Swift Tour Day 1 | 5.1 | 6.9 | (1.8) |
| Taylor Swift Tour Day 2 | 10.5 | 7.8 | 2.7 |
| Stadium Links | 0.1 | 0.0 | 0.0 |
| Manchester United vs Earthquakes | 1.6 | 1.9 | (0.3) |
| ICC: Barcelona vs AC Milan | 4.4 | 4.0 | 0.4 |
| High School Football Series | 0.1 | 0.1 | 0.0 |
| Jay-Z/Beyonce | 8.4 | 7.9 | 0.5 |
| SJSU vs Army | 0.2 | 0.4 | (0.2) |
| Pac-12 | 1.3 | 4.0 | (2.7) |
| Redbox Bowl | 4.6 | 5.2 | (0.6) |
| Mexico vs Paraguay | 3.6 | 4.1 | (0.5) |
| Events to date | 41.3 | 43.9 | (2.6) |

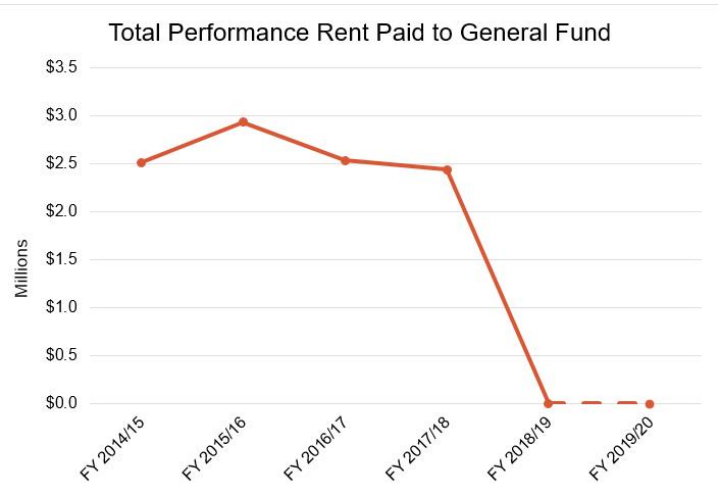
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Earlier this year, through reporting to the media, the 49ers projected that non-NFL net revenue would drop from over \$5 million to a mere \$750,000 in revenue for FY 2018/19, but in the end \$0 revenue was received to the General Fund. This is also projected for FY 2019/20.

When closing out FY 2018/19, revenue ended up being just over \$18,000 which meant zero dollars in performance-based rent.

With zero dollars anticipated for this fiscal year, that's a projected loss of roughly \$5.4 million for the City's General Fund over this two-year period.

The final report for Fiscal Year 2018/19 differs from previous reports in that earlier this year the Stadium Authority learned that the 49ers projected **significantly lower revenue for the Stadium Authority**, when all previous fiscal reporting had showed no change from past year's revenue and expenditure trends. The Stadium Authority was unable to obtain information to support this position until early fall 2019, when the 49ers finally provided draft profit and loss information.



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 Super Bowl 50. For more information, go to SantaClaraCA.gov.

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.

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