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Santa Clara Stadium Authority to Consider Removing Forty Niners' Ability to Execute Contracts for Non-NFL Operations at Levi's® Stadium

The Forty Niners - as the Stadium Manager - may soon have to get Stadium Authority's approval for all contracts, if ordinance is amended

SANTA CLARA, Calif. – During the Tuesday, Sept. 17 special meeting that runs concurrently with the City Council meeting, the Santa Clara Stadium Authority Board (Board) will consider amending an ordinance to remove the Stadium Authority Executive Director's authority to execute contracts for non-National Football League (NFL) operations at Levi's® Stadium.

Currently, the Executive Director has delegated that authority to the Forty Niners Stadium Management Company, LLC (Forty Niners). As a result, the Forty Niners can execute contracts up to \$250,000 without seeking Board approval.

If the Ordinance is amended by the Board, all future stadium contracts on behalf of the Stadium Authority will require Board approval.

Background

Despite the Stadium Manager's claim to have "substantial experience and expertise" in managing and operating public facilities, the Forty Niners have grossly mismanaged their procurement authority, violated state laws, and refused to produce the Stadium Authority's own contracts and documents to assess the extent of violations.

Per the Stadium Management Agreement, the Forty Niners provide management services for the stadium, including overseeing the day-to-day operations and maintenance of the stadium as well as the marketing and booking of non-NFL events.

The Forty Niners have incurred ongoing contracting violations, including state prevailing wage violations. Two Notices of Breach and Defaults were issued in 2019, along with the commencement of a forensic audit of the Stadium Manager's delegated procurement authority. The Forty Niners did not cure or resolve the breaches and defaults.

The Forty Niners have also refused to provide information and documents regarding the Forty Niners' actions on behalf of the Stadium Authority, including information regarding charged shared stadium expenses. The Stadium Authority cannot risk any further violations of law or liability based on the Forty Niners' failures to properly procure contracts and lack of transparency with the Stadium Authority.

Potential Next Steps

If the Board moves forward with the removal of this delegated procurement authority as part of this first reading of the ordinance, the second reading would take place on Tuesday, Oct. 8. If the Board votes to adopt the ordinance at the October meeting, it would become effective 30 days later on Nov. 8, 2019.

About Tuesday's Meeting

The City Council/Stadium Authority Board will go into closed session at 4 p.m. on Tuesday, Sept. 17, followed by a regular Council meeting and Stadium Authority special meeting, beginning at 5:15 p.m.

The meeting will be shown on Santa Clara City Television (Comcast cable channel 15 and AT&T U-verse 99) as well as on the City's [Facebook page](#) and [YouTube channel](#).

For more information, view the [agenda item](#) and the [full agenda](#).

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 a population of 120,000. 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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