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Measure J Compliance Audit Improves Transparency and Management of Levi's® Stadium

*Santa Clara Stadium Authority continues to make steady progress with completion of
nearly 70 percent of audit recommendations*

SANTA CLARA, Calif. – On Monday, Oct. 29, at 5:00 p.m., Santa Clara Stadium Authority's Ad-Hoc Stadium Audit Committee will receive an [update](#) of the status of audit recommendations from the [Harvey M. Rose Associates Measure J Compliance Audit](#). Over the last year, implementation of these audit recommendations has strengthened oversight and increased transparency of Santa Clara Stadium Authority (SCSA) operations for Levi's® Stadium by improved fiscal and operational data and management practices. Staff will report to the Ad-Hoc Stadium Audit Committee that out of 37 audit recommendations, 25 or about 70 percent have been completed, 12 are partially completed and none are in the "Not Implemented" status.

"Thanks to the audit, the Stadium Authority Board and public finally have detailed financial information about the Levi's Stadium®. We also now have a greater level of transparency regarding the fiscal impact of non-NFL events," said Stadium Authority Board Chair Lisa Gillmor, who also serves as Santa Clara's Mayor. "I commend City staff for working tirelessly to implement these Measure J Compliance Audit recommendations and, in effect, upholding what Measure J was intended to do for stadium operations. We now better understand the decisions that ManCo is making to book our stadium and there is transparency about its decisions from a fiscal perspective. Our audit and reforms have come a long way over the past year and there is still more work to do."

Examples of improved transparency and business practices are now reflected in a more detailed annual budget that breaks down revenue, expenditures and capital financial information by type and dollars. Additionally, the audit recommendations also gave rise to a significantly improved marketing plan that outlines the strategy for marketing the Stadium and booking events. Also of significance is the recent inclusion of non-National Football League (NFL) event information in the Stadium Authority's Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2018. This fiscal information comes after four fiscal years of financial reporting without these critical details because the Forty Niners Stadium Management Company (ManCo) withheld the information. The Stadium Authority now has fiscal information about which non-NFL events, by type (e.g., soccer, non-NFL football, concerts, private parties, etc.), generate revenue and which result in financial losses to the Stadium Authority. This information is significant because the Stadium Authority Board is responsible for approving the annual budget and marketing plan and, with this information, can make informed, data driven policy decisions.

By implementing the Measure J Compliance Audit recommendations and improved financial reporting and possession of data, the Stadium Authority now is able to perform more robust

data analytics of the performance the Stadium. As a result, City analysis found that concerts, soccer, and special events (weddings, corporate events, birthday parties, etc.) are positive revenue generators for the Stadium Authority while non-NFL football events (e.g., college football) have generated substantial losses to the Stadium Authority for all four years. This analysis also supports the recent Stadium Authority Board action to establish a separate agreement for the College Football Playoff (CFP) 2019 National Championship to safeguard the SCSA against the negative fiscal impact relative to hosting this event. Most recently, the Atlanta CFP game resulted in local subsidies of approximately \$12 - \$14 million.

This recently provided financial information provides greater transparency about management decisions made with respect to scheduling of non-NFL events, revenue or losses, and foundational information about future public policy-making decisions relative to neighborhood impacts of large non-NFL events.

Some of the outstanding audit recommendations are difficult to implement due to consent from ManCo and Forty Niners Santa Clara Stadium Company LLC (StadCo). Below is a chart that shows the progress being made on the audit recommendations.

Status of Measure J Compliance Audit recommendations – March to October 2018

Status	Progress of Audit Recommendations as of March 2018	Progress of Audit Recommendations as of October 2018	% Change since March 2018 Update
Complete	18	25	39%↑
Partially Complete	14	12	14%↓
Not Implemented	5	0	100%↓
TOTAL	37	37	

On July 25, 2016, the Santa Clara Stadium Authority Board procured the services of Harvey M. Rose Associates, LLC to perform an audit of Stadium operations to ensure compliance with the 2010 voter approved Measure J. Earlier, the board had approved appointing a three-member committee to oversee the work and progress of the audit through the conclusion of the audit.

For more information about the comprehensive audit of stadium operations, visit the [Ad-Hoc Stadium Audit Committee website](#).

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 www.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.