SCSA

Santa Clara Stadium Authority

SANTA CLARA STADIUM AUTHORITY

FINANCIAL STATUS REPORT

Quarter Ending September 30, 2021

March 15, 2022

Table of Contents

Introduction 2

NFL Events 3

Non-NFL Events 6

Discretionary Fund 8

Stadium Builder Licenses 8

Santa Clara Stadium Authority Budget Status Reports 10

- *Operating Budget* 10
- *Debt Service Budget* 13
- *Capital Improvement Project Budget* 17

City of Santa Clara Net General Fund Impact 19

- *Public Safety and Administrative Cost Reimbursement* 19
- *Rents and Senior and Youth Fee* 19
- *Other Revenue Impacts* 19

Glossary 21

Introduction

This Santa Clara Stadium Authority ("Stadium Authority") Financial Status Report provides information covering the second quarter of the Stadium Authority's 2021/22 fiscal year (FY) which ended on September 30, 2021. Comparative data from prior fiscal years is also included.

In addition to these quarterly reports, the Stadium Authority produces annual financial statements. The FY 2020/21 financial statements were audited by an external audit firm and presented to the Stadium Authority's Audit Committee on September 16, 2021 and the Stadium Authority Board ("Board") on September 28, 2021. Once presented to the Stadium Authority Board, the financial statements 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 2021/22 budget was considered at a study session on March 9, 2021 and adopted by the Board on March 23, 2021.

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. 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, submitted 45 days after each event. More detailed documents are received over 90 days after the close of the fiscal year. For all other financial information, a full detailed review and/or audit of source documentation has not been completed by the Stadium Authority for this report.

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 was discussed with the Board at the December 1, 2020 Stadium Authority Board meeting. The Stadium Authority is working with JS Held for the review of additional historical years.

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. In fiscal year 2020-21, there were no fans present for the NFL games. The comparative data is based on the quarter ended September 30, 2019.

The San Francisco Forty-Niners ("49ers") played a total of three NFL games (two pre-season games and one regular season game) at Levi's Stadium as of September 30, 2021. There was a total of 199,451 tickets sold to these NFL games, an average of 66,484 per game. This is up by 4,894 or 7.9% when compared to the same period in fiscal year 2019-20. The ticket sales resulted in $2.7 million in NFL ticket surcharge revenue (10% of ticket sales) to the Stadium Authority. The average NFL ticket surcharge revenue was $883,800 per game in the current year which is up by $78,338 or 9.7% from the same period in the fiscal year 2019-20. This increase can be attributed to dynamically priced tickets to each NFL game and COVID-19 economic recovery. A total of $69,807 of Senior and Youth Program Fees, which is based on $0.35 per NFL ticket sold, were collected through the end of the second quarter of the fiscal year. These fees were transferred to the City's General Fund in support of such programs.

A total of 21,678 cars were parked in the permitted offsite parking lots generating $128,117 in offsite parking fees. The Tasman lot parking fee generated $5,900 for the General Fund in the current fiscal year. The overall number of cars parked in the permitted offsite lots and the Tasman lots rose by an average of 1,598 cars per game or 26.5% when compared to the fiscal year 2019-20.

There was $1.7 million of NFL event public safety costs in the current reporting period which is an average of $582,352 per game. This is up from the fiscal year 2019-20 average of $385,879. Of the $1.7 million NFL event public safety costs, $1.1 million or 63.3% are direct City costs and $641,534 or 36.7% are outside agency costs. $128,117 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. It should be noted that costs differ dependent on deployment needs for each event.

Statistics for the NFL games held at Levi's Stadium in the first two quarters of the 2021/22 fiscal year are shown in Table 1 and comparative data from all eight years of operations can be found in Table 2.

Table 1

Levi's® Stadium
2021/22 NFL Event Statistics
As of September 30, 2021

	Game 1 vs Chiefs 08/14/21	Game 2 vs Raiders 08/29/21	Game 3 vs Packers 09/26/21	2021/22 YTD Total
No. of Tickets Sold	63,172	68,258	68,021	**199,451**
NFL Ticket Surcharge	$ 498,759	$ 551,632	$ 1,601,010	**$ 2,651,401**
Senior/Youth Program Fees	$ 22,110	$ 23,890	$ 23,807	**$ 69,807**
Cars Parked at Offsite Lots	5,340	8,145	8,193	**21,678**
City Offsite Parking Fee	$ 31,559	$ 48,137	$ 48,421	**$ 128,117**
Cars Parked on Tasman Lots	364	416	400	**1,180**
City Tasman Lot Parking Fee	$ 1,820	$ 2,080	$ 2,000	**$ 5,900**
Stadium Public Safety Costs	$ 524,627	$ 768,283	$ 454,145	**$ 1,747,055**
Less: Offsite Parking Fee Credit	$ (31,559)	$ (48,137)	$ (48,421)	**$ (128,117)**
Reimbursable Stadium Public Safety Costs	$ 493,068	$ 720,146	$ 405,724	**$ 1,618,938**
Amount Reimbursed	$ -	$ -	$ -	**$ -**

Table 2

Levi's® Stadium

Historical NFL Event Statistics

	2014/15 Q2 Total	2015/16 Q2 Total	2016/17 Q2 Total	2017/18 Q2 Total	2018/19 Q2 Total	2019/20 Q2 Total	2020/21 Q2 Total	2021/22 Q2 Total
No. of NFL Events	4	3	3	4	3	3	-	3
No. of Tickets Sold	271,503	198,634	188,705	249,408	190,840	184,769	-	199,451
NFL Ticket Surcharge	$ 2,911,416	$ 1,851,550	$ 2,343,474	$ 2,544,721	$ 1,732,335	$ 2,416,387	$ -	$ 2,651,401
Senior/Youth Program Fees	$ 95,026	$ 69,522	$ 66,047	$ 87,293	$ 66,794	$ 64,669	$ -	$ 69,807
Cars Parked at Offsite Lots	37,884	16,986	18,295	21,442	15,030	16,578	-	21,678
City Offsite Parking Fee	$ 186,389	$ 86,289	$ 95,866	$ 116,216	$ 84,619	$ 96,981	$ -	$ 128,117
Cars Parked on Tasman Lots	1,737	1,967	1,689	2,357	1,244	1,485	-	1,180
Cars Parked on Golf Course	11,378	7,353	-	-	-	-	-	-
City Tasman Lot and Golf Course Parking Fee	$ 65,575	$ 46,600	$ 8,445	$ 11,785	$ 6,220	$ 7,425	$ -	$ 5,900
Stadium Public Safety Costs	$ 914,005	$ 673,723	$ 740,565	$ 975,574	$ 764,421	$ 1,157,636	$ -	$ 1,747,055
Golf Course Public Safety Costs	$ 111,690	$ 25,242	$ -	$ -	$ -	$ -	$ -	$ (128,117)
Subtotal Event Public Safety Costs	$ 1,025,695	$ 698,965	$ 740,565	$ 975,574	$ 764,421	$ 1,157,636	$ -	$ 1,618,938
Less: Offsite Parking Fee Credit	$ (186,389)	$ (86,289)	$ (95,866)	$ (116,216)	$ (84,619)	$ (96,981)	$ -	$ (128,117)
Reimbursable Stadium Public Safety Costs	**$ 839,306**	**$ 612,676**	**$ 644,700**	**$ 859,359**	**$ 679,802**	**$ 1,060,654**	**$ -**	**$ 1,490,821**
Total Amount Reimbursed	$ 839,306	$ 612,676	$ 644,700	$ 859,359	$ 679,802	$ 741,395	$ -	$ -

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. There were no Non-NFL events due to the pandemic, and only smaller, non-ticketed events are held in fiscal year 2021-22.

Comparative data from all eight years of operations for the Non-NFL ticketed events and special events are shown in Table 3.

Table 3

Levi's® Stadium

Historical Non-NFL Event Statistics[1]

	2014/15 Q2 Total	2015/16 Q2 Total	2016/17 Q2 Total	2017/18 Q2 Total	2018/19 Q2 Total	2019/20 Q2 Total	2020/21 Q2 Total	2021/222 Q2 Total
No. of Non-NFL Ticketed Events	2	13	14	7	7	6	-	-
No. of Tickets Sold	106,699	542,390	518,542	210,157	231,849	125,587	-	-
Non-NFL Ticket Surcharge	$ 426,796	$2,130,628	$2,074,168	$ 840,628	$ 927,396	$ 502,348	$ -	$ -
No. of Non-NFL Special Events	43	100	53	42	41	28	-	-
Non-NFL Special Event Attendees	12,521	73,196	17,959	23,726	15,943	7,752	-	-
Cars Parked at Offsite Lots	10,748	51,669	55,731	19,466	22,338	13,130	-	-
City Offsite Parking Fee	$ 52,880	$ 258,252	$ 286,531	$ 104,077	$ 123,559	$ 75,164	$ -	$ -
Cars Parked on Golf Course	5,413	19,743	9,562	-	-	-	-	-
City Golf Course Parking Fee	$ 27,065	$ 98,715	$ 47,810	$ -	$ -	$ -	$ -	$ -
Stadium Public Safety Costs	$ 444,151	$2,624,988	$2,469,148	$1,035,289	$1,378,966	$1,004,000	$ -	$ -
Golf Course Public Safety Costs	$ 55,701	$ 113,440	$ 39,905	$ -	$ -	$ -	$ -	$ -
Subtotal Event Public Safety Costs	$ 499,852	$2,738,429	$2,509,053	$1,035,289	$1,378,966	$1,004,000	$ -	$ -
Less: Offsite Parking Fee Credit	$ (52,880)	$ (258,252)	$ (286,531)	$ (104,077)	$ (123,559)	$ (75,164)	$ -	$ -
Reimbursable Public Safety Costs	$ 446,972	$2,480,177	$2,222,522	$ 931,212	$1,255,407	$ 928,836	$ -	$ -
Amount Reimbursed	$ 446,972	$2,480,177	$2,222,522	$ 931,212	$1,255,407	$ 791,025	$ -	$ -

[1] Includes Non-NFL special events.

Discretionary Fund

The Discretionary Fund is funded by revenue equal to 50% of the Non-NFL Ticket Surcharge of $4 per ticket. Table 4 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 4

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
2020/21	2,327,850	-	18	2,327,832
2021/22	2,327,832	-	-	2,327,832

Stadium Builder Licenses

The total principal value of currently active Stadium Builder Licenses ("SBLs") is $535.5 million and, as of September 30, 2021, 90% of the total principal value of all SBLs sold (i.e., $483.3 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 61,358 currently active SBLs, or 93% of the 66,066 total sellable SBL seats. This is an increase of 990 from the total active SBLs at the end of the prior fiscal year (March 31, 2021). The main reasons for the increase are due to sale of new SBLs offset by the customer seat relocation program and default buy back. 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, 1,427 SBLs were sold for a total face value of $9.7 million. The customer seat relocation program resulted in an increase of $1.7 million to the SBL face value, and the number of SBLs for this category increased by 13. The reason for this is due to a relocation to a higher SBL Tier. Additional details regarding currently active SBLs are noted in Table 5.

Table 5

Santa Clara Stadium Authority

Currently Active Stadium Builder License (SBL) Summary [1]

			Through September 30, 2021							
Seat Value	SBL Seats Available	SBL Seats Sold as of 3/31/21	New SBL Sales	Net SBL Relocations	SBL Defaults	Other	SBL Seats Sold	SBL Value	SBL Collected	% SBL Principal Collected
141,392	100	100	-	-	-	-	100	$ 14,082,625	$ 12,588,226	89.4%
80,000	942	925	9	4	(14)	-	924	$ 73,920,000	$ 69,541,210	94.1%
40,000	2	2	-	-	-	-	2	$ 80,000	$ 70,040	87.6%
30,000	4,945	4,463	93	24	(38)	-	4,542	$ 136,260,000	$ 125,729,904	92.3%
20,000	3,475	2,852	43	11	(31)	-	2,875	$ 57,500,000	$ 52,524,020	91.3%
15,000	7	7	-	-	-	-	7	$ 105,000	$ 90,583	86.3%
12,000	2,162	2,166	19	3	(29)	-	2,159	$ 25,908,000	$ 23,276,005	89.8%
10,000	7	7	-	-	-	-	7	$ 70,000	$ 66,002	94.3%
6,000	20,652	20,547	258	87	(133)	-	20,759	$ 124,554,000	$ 109,015,641	87.5%
5,000	14,306	13,302	512	30	(117)	1	13,728	$ 68,640,000	$ 59,600,859	86.8%
4,000	916	920	-	2	(3)	-	919	$ 3,676,000	$ 3,474,068	94.5%
3,000	91	91	-	-	-	-	91	$ 273,000	$ 239,759	87.8%
2,500	41	44	-	-	-	-	44	$ 110,000	$ 98,962	90.0%
2,000	18,387	14,907	493	(146)	(85)	-	15,169	$ 30,338,000	$ 27,000,906	89.0%
1,000	33	35	-	(2)	(1)	-	32	$ 32,000	$ 29,004	90.6%
Total	**66,066**	**60,368**	**1,427**	**13**	**(451)**	**1**	**61,358**	**$ 535,548,625**	**$ 483,345,189**	**90.3%**

Plus: Interest on financed SBLs	**60,335,209**
Total Principal & Interest	**543,680,398**

Santa Clara Stadium Authority Budget Status Reports
Operating Budget

With 50% of the fiscal year complete, total operating revenues thru the second quarter of the 2021/22 Fiscal Year were $30.9 million representing 48% of the overall budget for revenues. Stadium rent earned from StadCo totaled $12.9 million or 52% of budget. During the current reporting period, the Stadium Authority collected $11.6 million in SBL proceeds or 49% of budget. All SBL proceeds are to be transferred to the debt service fund per applicable loan agreements. The Stadium Authority also collected NFL ticket surcharges, Sponsorship Revenue, Naming Rights revenue, and Senior & Youth Program Fees all of which are expected to meet budget this fiscal year. The Naming Rights revenue is collected twice a year, in October and February, and will be included in the Quarter 3 report.

Total operating expenses were $21.3 million, or 33% of the annual budget, which included the debt service transfers of $13.7 million. Other expenditures to note include shared stadium manager expenses. In the prior fiscal year, operating expense payments, except for insurance, were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, based on the concern that public funds would be used to pay for expenses that were not legally procured, or compliant with prevailing wage laws or self-dealing/conflicts of interests laws. At that meeting, the Board directed the Executive Director to only release public funds to ManagementCo for the payment of shared stadium manager expenses when supporting documents have been submitted to show those expenses adhere to our agreements and State and local laws. Separate from that partial suspension of payments, the Stadium Authority continued to pay for utilities, insurance, naming rights commission and costs associated with SBL sales and services.

For the current fiscal year, the Stadium Authority's FY2021/22 budget was adopted on March 23, 2021 and included the Stadium Manager's recommended Shared Expense budget of $8.1 million in a Legal Contingency line item. The expenses that were included in the Legal Contingency line are Stadium Operations, Engineering, Guest Services, Groundskeeping, Security and the Stadium Management Fee. However, the Executive Director was delegated authority to approve budget amendments of $4.2 million to move funds from the Legal Contingency line item to Shared Expenses after the review of adequate documentations for costs based on Board direction. Subsequent to that direction, Stadium Authority staff met at Levi's Stadium on March 30, 2021 to review documentation for shared expenses. After follow-up meetings with the Stadium Manager, payments related to compensation that were reviewed and approved for monthly payment, totaling $4.2 million for the fiscal year.

Shared Stadium Manager expenses were at 55% of the budget, or $4.0 million of the $7.3 million budgeted amount and SBL Sales & Service expenses were 37% of the budget, or $1.3 million of the $3.4 million budgeted amount. Stadium Authority G&A costs were at 25% of the budget, or $1.3 million of the $5.1 million budgeted amount.

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). However, based on conversation at Stadium Manager-Stadium Authority Quarterly meeting, it was stated that the Utilities invoiced amounts were based on the budget, which did not factor utility costs to operate the vaccination site into consideration. Because the vaccination site is treated as an NFL sponsored event, these costs are not borne by the Stadium Authority based on the terms of the Stadium Lease Agreement. As the vaccination site was expected to operate for four to six months, the Stadium Authority requested that the portion estimated to be associated with the vaccination operations be credited back based on historical usage and per the lease requirements regarding expenses for NFL sponsored events. The Levi's Stadium vaccination site was open for more than four months starting in February 2021 and closing in June 2021. No additional information was provided by the Stadium Manager and the Stadium Authority continues to pay half of the invoiced amount until documentation showing a credit for the vaccination site utility usage is produced. Utility costs are 31% of the budget for the year, or $495,500.

The current budget includes an additional $250,000 in the Transfers Out line item for a Board approved electrical maintenance and repair services related to Levi's Signage Repairs project. It also includes an estimated $600,000 loss projected by the Stadium Manager for Non-NFL Events. The Stadium Manager invoiced the Stadium Authority $300,000 in estimated Non-NFL Events Expenses in the first quarter. The invoice is premature, and the Stadium Manager did not provide adequate supporting documentation for the estimated expenses so the Stadium Authority withheld payments to this expense item as of the end of this quarter.

As of the end of second quarter of FY 2021/22, the Stadium Manager issued approximately $3.5 million in Notices of Default to the Stadium Authority for the unpaid Non-Compensation Shared Stadium Manager expenses, SBL Sales & Service expenses, Utilities, Non-NFL Event expenses and other G&A expense. The Notices of Default carries a 12% interest rate. The Stadium Manager invoiced a total of $59,900 in interests ($7,259 in first quarter and $52,650 in second quarter) for the outstanding Notices of Default at the end of September 30, 2021. These claims are currently in litigation.

Additional details are shown in Table 6.

Table 6

Santa Clara Stadium Authority

Operating Budget Status Report

For the Period Ending September 30, 2021 and 2020

	Period Ending September 30, 2021						Period Ending September 30, 2020			
	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources										
Revenues										
NFL Ticket Surcharge	$ 8,665,000	$ -	$ 2,651,401	$ 2,651,401	$ 6,013,599	31%	$ 8,665,000	$ -	$ 8,665,000	0%
SBL Proceeds	23,682,000	-	11,577,075	11,577,075	12,104,925	49%	24,213,000	7,182,413	17,030,587	30%
Interest	56,000	4,659	4,934	9,593	46,407	17%	896,000	24,418	871,582	3%
Non-NFL Event Revenue	-	-	-	-	-	NA	-	-	-	NA
Net Revenues from Non-NFL Events	-	-	-	-	-	NA	1,500,000	-	1,500,000	0%
Naming Rights	7,165,000	-	3,529,738	3,529,738	3,635,262	49%	6,957,000	3,426,930	3,530,070	49%
Sponsorship Revenue (STR)	325,000	81,250	81,250	162,500	162,500	50%	392,000	162,500	229,500	41%
Rent	24,762,000	6,741,100	6,190,500	12,931,600	11,830,400	52%	24,762,000	12,381,000	12,381,000	50%
Senior & Youth Program Fees	232,000	-	69,808	69,808	162,192	30%	230,000	-	230,000	0%
Non-NFL Event Ticket Surcharge	150,000	-	-	-	150,000	0%	572,000	-	572,000	0%
Bay Area Host Committee Reimbursement	-	-	-	-	-	NA	-	727	(727)	NA
Other Revenue	-	-	-	-	-	NA	-	-	-	NA
Revenues Subtotal	**$ 65,037,000**	**$ 6,827,009**	**$ 24,104,706**	**$ 30,931,715**	**$ 34,105,285**	**48%**	**$ 68,187,000**	**$ 23,177,987**	**$ 45,009,013**	**34%**
Total Resources	**$ 65,037,000**	**$ 6,827,009**	**$ 24,104,706**	**$ 30,931,715**	**$ 34,105,285**	**48%**	**$ 68,187,000**	**$ 23,177,987**	**$ 45,009,013**	**34%**

	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Final Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses										
Shared Stadium Manager Expenses										
Stadium Operations	$ 1,681,393	$ 386,890	$ 640,618	$ 1,027,508	$ 653,885	61%	$ -	$ -	$ -	NA
Engineering	1,543,240	314,610	546,060	860,670	682,570	56%	-	-	-	NA
Guest Services	304,134	49,445	85,820	135,265	168,869	44%	-	-	-	NA
Groundskeeping	93,809	19,125	33,200	52,325	41,484	56%	-	-	-	NA
Security	378,652	77,190	133,980	211,170	167,482	56%	-	-	-	NA
Procurement	311,412	-	51,902	51,902	259,510	17%	-	-	-	NA
Insurance	3,136,000	784,045	894,044	1,678,089	1,457,911	54%	3,045,000	1,522,500	1,522,500	50%
Stadium Management Fee	-	-	-	-	-	NA	-	-	-	NA
Shared Stadium Mngr Exps Subtotal	**$ 7,448,640**	**$ 1,631,305**	**$ 2,385,624**	**$ 4,016,929**	**$ 3,431,711**	**54%**	**$ 3,045,000**	**$ 1,522,500**	**$ 1,522,500**	**50%**
Other Expenses										
SBL Sales and Service	$ 3,448,000	$ 540,000	$ 720,000	$ 1,260,000	$ 2,188,000	37%	$ 3,610,000	$ 808,000	$ 2,802,000	22%
Senior & Youth Fees (paid to City)	232,000	-	93,264	93,264	138,736	40%	230,000	-	230,000	0%
Non-NFL Event Expense	600,000	-	-	-	600,000	0%	-	-	-	NA
Ground Rent (paid to City)	425,000	-	425,000	425,000	-	100%	390,000	390,000	-	100%
Performance Rent (paid to City)	-	-	-	-	-	NA	555,000	-	555,000	0%
Discretionary Fund Expense	250,000	-	-	-	250,000	0%	250,000	-	250,000	0%
Utilities	1,586,000	370,500	125,000	495,500	1,090,500	31%	1,597,000	1,064,000	533,000	67%
Use of StadCo Tenant Improvements	26,000	-	-	-	26,000	0%	73,000	-	73,000	0%
Stadium Authority G&A	5,115,000	580,570	681,992	1,262,562	3,852,438	25%	4,581,000	1,160,448	3,420,552	25%
Naming Rights Commission	88,000	44,122	-	44,122	43,878	50%	30,000	-	30,000	0%
Legal Contingency	3,810,360	-	-	-	3,810,360	0%	9,231,000	-	9,231,000	0%
Other Expenses	388,000	-	1,353	1,353	386,647	0%	1,400,000	193,000	1,207,000	14%
College Football Playoff Expense	-	-	-	-	-	NA	-	727	(727)	NA
Transfers Out	41,512,000	-	13,716,691	13,716,691	27,795,309	33%	42,847,000	33,652,952	9,194,048	79%
Contribution to Operating Reserve	-	-	-	-	-	NA	348,000	-	348,000	0%
Other Expenses Subtotal	**$ 57,480,360**	**$ 1,535,192**	**$ 15,763,300**	**$ 17,298,492**	**$ 40,181,868**	**30%**	**$ 65,142,000**	**$ 37,269,126**	**$ 27,872,874**	**57%**
Total Expenses	**$ 64,929,000**	**$ 3,166,497**	**$ 18,148,924**	**$ 21,315,421**	**$ 43,613,579**	**33%**	**$ 68,187,000**	**$ 38,791,626**	**$ 29,395,374**	**57%**

Operating Reserve	$ 9,693,657		$ 11,940,523		$ 11,593,270	$ 11,592,741
Discretionary Fund	$ 2,327,832		$ 2,327,850		$ 2,302,075	$ 2,327,850

Debt Service Budget

The Stadium Authority's FY 2021/22 debt service revenue budget of $483,000 represents anticipated contributions from the Community Facilities District (CFD). The CFD levies and collects a special hotel tax on hotel rooms within the CFD. All collections from the special CFD hotel taxes are contributed to Stadium Authority to pay down the CFD advance. The CFD Advance is payable solely from amounts actually received by the Stadium Authority from the CFD. During the first two quarters of the current fiscal year, $415,935 was contributed by the CFD. Transfers in from operating fund amounted to $13.7 million or 37% of budget.

Total Stadium Authority debt service expenses for the current reporting period were $21.3 million, 56% of the budgeted amount. The debt service expenses for the CFD Advance, the Term A Loan, and the StadCo Subordinated Loan were $847,573, $19.8 million, and $636,142, respectively.

On April 1, 2020, the Stadium Authority completed the Trust Excess Cash Flow funding instructions for fiscal year 2019-20 and provided it to FinanceCo and StadCo to complete the year end Trust Excess Cash Flow funding distribution per the Deposit and Disbursement Agreement. The Trust Excess Cash Flow instruction specifically excluded payments to the Revolving Loan of $6,300,653 because the Stadium Authority did not recognize this as an expense due to the fact that ManagementCo had improperly withdrawn funds under the Revolving Loan without authorization and in violation of the Revolving Loan terms. StadCo did not follow the funding instructions and took the Excess Revenues from the distribution to pay off the Management Company Revolving Loan instead of leaving the monies in the trust bank account. The Stadium Authority was informed of this diversion in a letter dated April 27, 2020. On May 18, 2020, the Stadium Authority notified StadCo and the Trust that the diversion is in direct contravention of the Stadium Authority's instructions to the Trustee with regards to the use of Excess Revenue. Subsequently, the Stadium Authority has recorded a receivable from StadCo for $6,300,653 for the portion diverted from the funding instruction. These claims are currently in litigation.

On March 31, 2021, the Stadium Authority completed the Trust Excess Cash Flow funding instructions for fiscal year 2020-21 and provided it to FinanceCo and StadCo to complete the year end Trust Excess Cash Flow funding distribution per the Deposit and Disbursement Agreement. The instruction requested for the Trust to pay the $5,796,711 minimum debt service amount due for the Subordinate Loan. StadCo did not follow the funding instructions and took $2,167,689 from the distribution to pay off the Management Company Revolving Loan instead of paying down the Subordinated Loan debt service amount that the Stadium Authority instructed StadCo to pay. The Stadium Authority was informed of this diversion in a letter dated May 18, 2021. StadCo noted that the minimum debt service amount due was $3,629,022 because the loan amortization schedule was reset after a loan adjustment in March 2017. However, the Stadium Authority Board did not formally approve this revised loan amortization schedule. Subsequently, because we

dispute this diversion, the Stadium Authority has recorded a receivable from StadCo for $2,167,689 for the portion diverted from the funding instruction.

As of September 30, 2021, the total outstanding amount of Stadium Authority debt had declined to $282.8 million. This is a reduction in principal of $14.0 million from the March 31, 2021 outstanding debt amount of $296.8 million.

Additional details are shown in Tables 7 and 8 and Chart 1.

Table 7

Santa Clara Stadium Authority

Debt Service Budget Status Report

For the Period Ending September 30, 2021 and 2020

	Period Ending Spetember 30, 2021						Period Ending September 30, 2020			
	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources										
Revenues										
Contribution from CFD	$ 483,000	$ 158,418	$ 257,517	$ 415,935	$ 67,065	86%	$ 4,028,000	$ 144,650	$ 3,883,350	4%
Revenues Subtotal	**$ 483,000**	**$ 158,418**	**$ 257,517**	**$ 415,935**	**$ 67,065**	**86%**	**$ 4,028,000**	**$ 144,650**	**$ 3,883,350**	**4%**
Net Transfers In from Operating	37,572,000	-	13,716,692	13,716,692	23,855,308	37%	39,265,000	32,493,678	6,771,322	83%
Contribution from Fund Balance	-	17,479,851	(10,353,308)	7,126,543	(7,126,543)	NA	-	2,265,006	(2,265,006)	NA
Total Resources	**$ 38,055,000**	**$ 17,638,270**	**$ 3,620,901**	**$ 21,259,171**	**$ 16,795,829**	**56%**	**$ 43,293,000**	**$ 34,903,334**	**$ 8,389,666**	**81%**

	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Final Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses										
CFD Advance	$ 483,000	$ 421,471	$ 426,102	$ 847,573	$ (364,573)	175%	$ 3,989,000	$ 1,203,009	$ 2,785,991	30%
Term A Loan	25,529,000	16,898,728	2,876,728	19,775,456	5,753,544	77%	25,562,000	19,458,006	6,103,994	76%
StadCo Subordinated Loan	12,043,000	318,071	318,071	636,142	11,406,858	5%	13,742,000	14,242,318	(500,318)	104%
Total Expenses	**$ 38,055,000**	**$ 17,638,270**	**$ 3,620,901**	**$ 21,259,171**	**$ 16,795,829**	**56%**	**$ 43,293,000**	**$ 34,903,334**	**$ 8,389,666**	**81%**
Debt Service Reserve	$ 11,536,235			$ 11,536,235			$ 11,536,235	$ 11,536,235		

Table 8

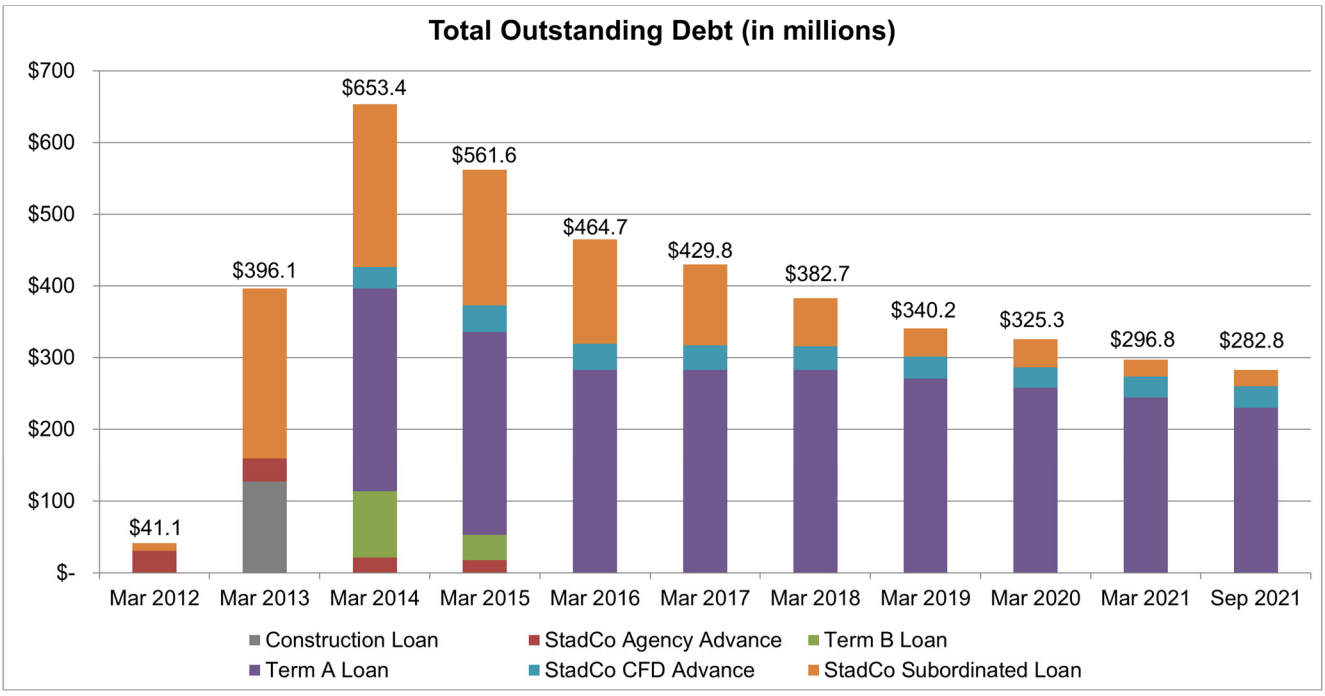
Santa Clara Stadium Authority

Debt Summary Report

For the Period Ending September 30, 2021

Type of Indebtedness	Interest Rates	Outstanding as of March 31, 2021	Net Change	Outstanding as of September 30, 2021
Stadium Funding Trust Loan:				
Term A Loan	5.00%	$ 244,160,240	$ (14,022,000)	$ 230,138,240
StadCo CFD Advance	5.73%	29,502,893	-	29,502,893
StadCo Subordinated Loan	5.50%	23,132,426	-	23,132,426
Total		**$ 296,795,559**	**$ (14,022,000)**	**$ 282,773,559**

Chart 1



Capital Improvement Project Budget

There were no projects completed during the second quarter of the fiscal year. However, progress has been made towards the following construction and equipment CapEx projects:

- CCTV Pop Up Trailer
- Security X-Ray Scanners
- Financial Management Information System
- Vehicle Upfits for John Deere Gator
- Key Management system
- Surveillance – Command Center Equipment

The Stadium Authority's FY2021/22 CIP budget of $14.6 million was adopted on March 23, 2021, and the Board subsequently approved budget amendment of $250 thousand for electrical maintenance and repair services related to Levi's Signage Repairs project in September 2021.

A total of $417,185 has been spent in FY 2021/22, which amounts to 2.9% of the budget. The main reasons that this is below budget are (1) there has been little activity on warranty work which makes up 10% 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, and we believe that ManagementCo is working towards completing these duties for this fiscal year.

Additional details are shown below in Table 9.

Table 9

Santa Clara Stadium Authority

CIP Budget Status Report

For the Period Ending September 30, 2021 and 2020

	Period Ending September 30, 2021						Period Ending September 30, 2020			
	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Final Budget	YTD Actuals	Budget to Actual Difference	% Received
Beginning Balances	**$ 19,438,420**	**$ 20,805,741**	**$ 20,779,512**	**$ 20,805,741**	**$ (1,367,321)**		**$ 17,837,300**	**$ 17,010,611**	**$ 826,689**	
Resources										
Transfers In from Operating Budget	3,940,000	-	-	-	3,940,000	0%	3,582,000	1,159,274	2,422,726	32%
Transfers In from Stadium Manager	-	-	-	-	-	NA	-	-	-	NA
Total Resources	**$ 23,378,420**	**$ 20,805,741**	**$ 20,779,512**	**$ 20,805,741**	**$ 2,572,679**	**89%**	**$ 21,419,300**	**$ 18,169,885**	**$ 3,249,415**	**84.8%**
	Final Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Final Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses										
Construction	6,993,911	-	324,661	324,661	6,669,250	5%	4,725,327	17,497	4,707,830	0%
Equipment	5,734,770	26,229	66,295	92,524	5,642,246	1.6%	6,460,557	116,791	6,343,766	2%
Contingency	623,935	-	-	-	623,935	0%	559,296	-	559,296	0%
Stadium Warranty Related Construction	1,528,202	-	-	-	1,528,202	0%	1,528,202	-	1,528,202	0%
Total Expenses	**$ 14,880,818**	**$ 26,229**	**$ 390,956**	**$ 417,185**	**$ 14,463,633**	**2.8%**	**$ 13,273,382**	**$ 134,288**	**$ 13,139,094**	**1.0%**
Ending Balances	**$ 8,497,602**	**$ 20,779,512**	**$ 20,388,556**	**$ 20,388,556**			**$ 8,145,918**	**$ 18,035,597**		

City of Santa Clara Net General Fund Impact

During the current reporting period there was a total of $629,616 that was contributed to the General Fund as shown in Table 10. This section of the report also provides information on General Fund revenue and expenditure impacts resulting from the stadium.

Table 10

City of Santa Clara

Net General Fund Impact

For Stadium Authority Fiscal Year to Date Ending September 30, 2021

Ground Rent	$ 425,000
Performance Rent	-
Senior and Youth Fee	69,808
Tasman Lots Parking Fee	5,900
Sales Tax	128,908
Total Net General Fund Impact	**$ 629,616**

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. Public safety costs incurred in support of NFL and Non-NFL events occurring in FY2021/22 will be reimbursed in full to the City of Santa Clara.

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 the first half of FY 2021/22, a total of $695,257 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 of $425,000. Additionally, Senior and Youth Fee generated $69,808, of which the entire amount was forwarded to the City in support of senior and youth programs. Lastly, the Tasman Lots Parking Fee generated $5,900 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 two quarters of sales tax collections from Levi's® Stadium transactions generated $128,908 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 promotors 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 ManagmentCo 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 2021/22 (July 1, 2021 through June 30, 2022) the offsite parking fee is $5.91.

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	(2,741,014)	-	231,855
2020/21	7	238,810	5,970,261	(476,960)	-	238,810
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.