SCSA

Santa Clara Stadium Authority

SANTA CLARA STADIUM AUTHORITY

FINANCIAL STATUS REPORT

Quarter Ending September 30, 2022

December 6, 2022

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Introduction

This Santa Clara Stadium Authority ("Stadium Authority") Financial Status Report provides information covering the second quarter of the Stadium Authority's 2022/23 fiscal year ("FY") which ended on September 30, 2022. Comparative data from prior fiscal years is also included.

In addition to these quarterly reports, the Stadium Authority produces annual financial statements. The FY 2021/22 financial statements were audited by an external audit firm and presented to the Stadium Authority's Audit Committee on September 30, 2022 and approved by the Stadium Authority Board ("Board") on November 1, 2022. 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 2022/23 budget was adopted by the Board on March 15, 2022.

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 ("Stadium Manager") 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 the Stadium Manager. Specifically, NFL and Non-NFL event statistics and financial information relating to the Stadium Manager expenses are provided by the Stadium Manager. Stadium Authority staff is limited to a review of selected financial information submitted by the Stadium Manager, 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 within 90 days after the close of the quarter. 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. This report is expected to be brought to the Audit Committee by the end of this calendar year.

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.

The San Francisco Forty-Niners ("49ers") played a total of two NFL games (one pre-season games and one regular season game) at Levi's® Stadium as of September 30, 2022. There was a total of 136,506 tickets sold to these NFL games, an average of 68,253 per game. This is up by 1,769 or 3% when compared to the same period in the prior fiscal year. The ticket sales resulted in $1.5 million in NFL ticket surcharge revenue (10% of ticket sales) to the Stadium Authority. The average NFL ticket surcharge revenue was $770,000 per game in the current year which is down by $114,000 or 13% from the same period in the prior fiscal year. A total of $48,000 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 11,703 cars were parked in the permitted offsite parking lots generating $72,000 in offsite parking fees. The overall number of cars parked in the permitted offsite lots declined by an average of 1,375 cars per game or 19% when compared to the prior fiscal year.

There was an estimated $855,000 of NFL event public safety costs in the current reporting period which is an average of $428,000 per game. This is down from the prior year average of $540,000. Of the $855,000 NFL event public safety costs, $685,000 or 80% are direct City costs and $170,000 or 20% are outside agency costs. $72,000 of the total NFL event public safety costs are covered by the offsite parking fees that were collected and the remaining are invoiced to the Stadium Manager. One of the outside agencies assisting the City with public safety is experiencing staffing shortages and delays in invoicing. As a result, NFL even public safety cost invoices were provided to the Stadium Manager in November 2022.

Statistics for the NFL games held at Levi's® Stadium in the first two quarters of the 2022/23 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
2023/23 NFL Event Statistics
As of September 30, 2022

	Game 1 vs Packers 08/12/22	Game 2 vs Seahawks 09/18/22	2022/23 YTD Total
No. of Tickets Sold	66,747	69,759	**136,506**
NFL Ticket Surcharge	$ 541,108	$ 999,315	**$ 1,540,422**
Senior/Youth Program Fees	$ 23,361	$ 24,416	**$ 47,777**
Cars Parked at Offsite Lots	4,830	6,873	**11,703**
City Offsite Parking Fee	$ 29,608	$ 42,131	**$ 71,739**
Cars Parked on Tasman Lots	-	-	**-**
City Tasman Lot Parking Fee	$ -	$ -	**$ -**
Stadium Public Safety Costs [1]	$ 403,477	$ 451,965	**$ 855,442**
Less: Offsite Parking Fee Credit	$ (29,608)	$ (42,131)	**$ (71,739)**
Reimbursable Stadium Public Safety Costs	$ 373,870	$ 409,834	**$ 783,703**
Amount Reimbursed	$ -	$ -	**$ -**

[1] Includes estimated stadium public safety costs from outside agencies

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	2022/23 Q2 Total
No. of NFL Events	4	3	3	4	3	3	-	3	2
No. of Tickets Sold	271,503	198,634	188,705	249,408	190,840	184,769	-	199,451	136,506
NFL Ticket Surcharge	$ 2,911,416	$ 1,851,550	$ 2,343,474	$ 2,544,721	$ 1,732,335	$ 2,416,387	$ -	$ 2,651,401	$ 1,540,422
Senior/Youth Program Fees	$ 95,026	$ 69,522	$ 66,047	$ 87,293	$ 66,794	$ 64,669	$ -	$ 69,807	$ 47,777
Cars Parked at Offsite Lots	37,884	16,986	18,295	21,442	15,030	16,578	-	21,678	11,703
City Offsite Parking Fee	$ 186,389	$ 86,289	$ 95,866	$ 116,216	$ 84,619	$ 96,981	$ -	$ 128,117	$ 71,739
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 [(1)]	$ 914,005	$ 673,723	$ 740,565	$ 975,574	$ 764,421	$ 1,157,636	$ -	$ 1,747,055	$ 855,442
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	$ 855,442
Less: Offsite Parking Fee Credit	$ (186,389)	$ (86,289)	$ (95,866)	$ (116,216)	$ (84,619)	$ (96,981)	$ -	$ (128,117)	$ (71,739)
Reimbursable Stadium Public Safety Costs	**$ 839,306**	**$ 612,676**	**$ 644,700**	**$ 859,359**	**$ 679,802**	**$ 1,060,654**	**$ -**	**$ 1,490,821**	**$ 783,703**
Total Amount Reimbursed	$ 839,306	$ 612,676	$ 644,700	$ 859,359	$ 679,802	$ 1,060,654	$ -	$ 1,490,821	$ -

[(1)] Includes estimated stadium public safety costs from outside agencies

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. During the current reporting period there were a total of 237,386 tickets sold for the five ticketed Non-NFL events that were held, resulting in $955,000 Non-NFL event ticket surcharge revenue (from the $4 per ticket Non-NFL event surcharge). The ticketed Non-NFL events in the current reporting period were large-scale events resulting in a large increase in the ticket surcharge revenue over the same period in the prior year as there were no ticketed events held during FY 2021/22 which was impacted from restrictions due to the COVID-19 pandemic.

The Stadium Manager reports that there were also 31 smaller special events held at Levi's® Stadium with 14,775 attendees during the current report period. Due to the pandemic, there were only 12 smaller special events held with 3,698 attendees during the entire FY 2021/22. Examples of these special events include corporate events of various sizes, weddings, holiday parties, high school dances, etc.

In correlation with increase in Non-NFL events held during the current reporting period, there were 20,388 cars parked at these offsite lots and the City has received $7,000 of a total of $124,000 in related offsite parking fees.

Total Non-NFL event public safety costs were $1.8 million. As noted previously, this increase in cost is due to more events being held in the current year when compared to the prior year. Of these costs, $124,000 were covered by the offsite parking fee. The remaining $1.7 million are invoiced to the Stadium Manager of which $4,000 has been reimbursed.

Statistics for the five Non-NFL ticketed events and 31 special events are shown in Table 3 and comparative data from all eight years of operations are shown in Table 4.

Table 3

Levi's® Stadium
FY2022/23 Non-NFL Event Statistics
As of September 30, 2022

	Coldplay 05/15/22	Grupo Firme 07/02/22	Red Hot Chili Peppers 07/29/22	The Weeknd 08/27/22	Mexico vs Colombia 09/27/22	2022/23 YTD Special Events	2022/23 YTD Total
No. of Scanned Attendees	50,308	29,656	43,205	45,606	56,404	-	**225,179**
No. of Tickets Sold	50,478	30,677	45,143	48,096	62,992	-	**237,386**
Non-NFL Ticket Surcharge	$ 201,912	$ 124,676	$ 183,908	$ 192,384	$ 251,968	$ -	**$ 954,848**
No. of Non-NFL Special Events						31	**31**
Non-NFL Special Event Attendees						14,775	**14,775**
Cars Parked at Offsite Lots	5,666	2,502	4,914	5,518	1,788		**20,388**
City Offsite Parking Fee	$ 33,486	$ 15,337	$ 30,123	$ 33,825	$ 10,960		**$ 123,732**
Stadium Public Safety Costs	$ 399,716	$ 380,559	$ 319,014	$ 331,107	$ 371,210	$ 6,416	**$ 1,808,022**
Less: Offsite Parking Fee Credit	$ (33,486)	$ (15,337)	$ (30,123)	$ (33,825)	$ (10,960)	$ -	**$ (123,732)**
Reimbursable Public Safety Costs	$ 366,230	$ 365,221	$ 288,892	$ 297,281	$ 360,249	$ 6,416	**$ 1,684,290**
Amount Reimbursed	$ -	$ -	$ -	$ -	$ -	$ 4,309	**$ 4,309**

Table 4

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	2021/22 Q2 Total	2022/23 Q2 Total
No. of non-NFL Ticketed Events	2	13	14	7	7	6	-	-	5
No. of Tickets Sold	106,699	542,390	518,542	210,157	231,849	125,587	-	-	237,386
Non-NFL Ticket Surcharge	$ 426,796	$ 2,130,628	$ 2,074,168	$ 840,628	$ 927,396	$ 502,348	$ -	$ -	$ 954,848
No. of Non-NFL Special Events	43	100	53	42	41	28	-	-	31
Non-NFL Special Event Attendees	12,521	73,196	17,959	23,726	15,943	7,752	-	-	14,775
Cars Parked at Offsite Lots	10,748	51,669	55,731	19,466	22,338	13,130	-	-	20,388
City Offsite Parking Fee	$ 52,880	$ 258,252	$ 286,531	$ 104,077	$ 123,559	$ 75,164	$ -	$ -	$ 123,732
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	$ -	$ -	$ 1,808,022
Golf Course Public Safety Costs	$ 55,701	$ 113,440	$ 39,905	$ -	$ -	$ -	$ -	$ -	$ -
Subtotal Event Public Safety Costs	$ -	$ 1,499,026	$ 1,760,960	$ 1,035,289	$ 1,378,966	$ 1,004,000	$ -	$ -	$ 1,808,022
Less: Offsite Parking Fee Credit	$ (52,880)	$ (258,252)	$ (286,531)	$ (104,077)	$ (123,559)	$ (75,164)	$ -	$ -	$ (123,732)
Reimbursable Public Safety Costs	$ 446,972	$ 2,480,177	$ 2,222,522	$ 931,212	$ 1,255,407	$ 928,836	$ -	$ -	$ 1,684,290
Amount Reimbursed	$ 446,972	$ 2,480,177	$ 2,222,522	$ 931,212	$ 1,255,407	$ 928,836	$ -	$ -	$ 4,309

[1] Includes Non-NFL special events.

Table 5 and 6 show Non-NFL net revenue by event type and event revenue and expense by category. The inclusion of this information is to provide a greater level of transparency and provide the overall financial results of the Non-NFL events.

For FY 2022/23, the Stadium Manager anticipates Non-NFL events to result in net profits to range from $250,000 to $1,750,000, as cited in the FY 2022/23 Adopted Stadium Authority Budget. In the first two quarters of FY2022/23, ticketed events and non-ticketed special events contributed $3.2 million and $1.4 million in net profits, respectively. Offset by $538,000 of non-event specific other operating expenses, the Stadium Manager reported a net profit of $1.8 million for the current reporting period.

Table 5

Levi's® Stadium
Net Revenue for Non-NFL Events
by Event Type
FY 2022/23 Quarter 2

Event Type	No. of Events	Net Revenue
Ticketed Events		
Concerts	4	$ 2,986,483
Sporting events:		
Football (Non-NFL)	0	-
Soccer	1	231,987
Miscellaneous Events	0	-
Subtotal Ticketed Events	5	$ 3,218,470
Subtotal Remaining Non-NFL Events (weddings, corporate events, etc.)	31	$ 1,350,957
Subtotal Other Operating Expenses [2]		$ (537,543)
Total Non-NFL Net Revenue	**36**	**$ 4,031,884**
Total Performance Rent paid to the General Fund [1]		**$ -**

[1] Performance Rent is calculated as 50% of the net revenue from Non-NFL events less performance-based credit of 50% of fixed ground rent

[2] Other Operating Expenses are expenses not attributable to a specific event

Table 6

Levi's® Stadium
Non-NFL Event Results by Category
FY 2022/23 Quarter 2

	2022/23 YTD Total
REVENUE:	
Seating Bowl	$ 30,933,697
Ticketmaster Fees	2,368,926
Suites	400,367
Parking	787,244
Food & Beverage - Ticketed Events	1,851,825
Food & Beverage - Special Events	378,076
Facility Fee	831,626
Miscellaneous[1]	4,965,783
Total Revenue	**$ 42,517,544**
EXPENSE:	
Public Safety/Security	$ 3,444,938
Parking	1,224,807
Food & Beverage - Ticketed Events	255,896
Food & Beverage - Special Events	2,052,205
Operations/Janitorial/Maintenance	5,173,440
Miscellaneous[2]	26,334,374
Total Expense	**$ 38,485,660**
Total Non-NFL Net Revenue	**$ 4,031,884**

[1] Includes special events revenue such as corporate events, weddings, holiday parties, etc.
[2] Includes rentals, fees & commissions, transportation, marketing, and other expenses

Discretionary Fund

The Discretionary Fund is funded by revenue equal to 50% of the Non-NFL Ticket Surcharge of $4 per ticket. The five ticketed Non-NFL events contributed $351,000 to the Discretionary Fund in the reporting period. Table 7 shows the revenues and expenses in the Discretionary Fund since FY2014/15. The balance at the end of this reporting period was $2.7 million.

Table 7

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	-	(18)	2,327,850
2022/23	2,327,850	351,440	1	2,679,289

Stadium Builder Licenses

The total principal value of currently active Stadium Builder Licenses ("SBLs") is $539.6 million and, as of June 30, 2022, 93% of the total principal value of all SBLs sold (i.e., $503.0 million) had been collected. SBL details as of September 30, 2022 have not been received and will be reported in the next quarterly report.

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 the Stadium Manager 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 61,548 currently active SBLs, or 93% of the 66,066 sellable SBL seats as of June 30, 2022. This is an increase of 1,180 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 first quarter, 286 SBLs were sold for a total face value of $2.2 million. The customer seat relocation program resulted in an increase of $1.2 million to the SBL face value while netting 157 more SBLs. There were also 553 SBLs defaulted during the quarter with a face value of $3.2 million.

Additional details regarding currently active SBLs as of June 30, 2022 are noted in Table 8.

Table 8

Santa Clara Stadium Authority

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

			Through June 30, 2022							
Seat Value	SBL Seats Available	SBL Seats Sold as of 3/31/22	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	$ 13,079,310	92.9%
80,000	942	928	2	8	-	-	938	$ 75,040,000	$ 72,151,621	96.2%
40,000	2	2	-	-	-	-	2	$ 80,000	$ 74,257	92.8%
30,000	4,945	4,549	18	10	(21)	-	4,556	$ 136,680,000	$ 129,138,376	94.5%
20,000	3,475	2,894	20	-	(12)	-	2,902	$ 58,040,000	$ 54,131,038	93.3%
15,000	7	7	-	-	-	-	7	$ 105,000	$ 96,939	92.3%
12,000	2,163	2,199	6	-	(7)	-	2,198	$ 26,376,000	$ 24,175,245	91.7%
10,000	7	7	-	-	-	-	7	$ 70,000	$ 68,871	98.4%
6,000	20,651	20,850	36	22	(178)	-	20,730	$ 124,380,000	$ 114,682,604	92.2%
5,000	14,307	14,037	140	(21)	(158)	-	13,998	$ 69,990,000	$ 62,889,021	89.9%
4,000	916	919	3	1	-	-	923	$ 3,692,000	$ 3,618,812	98.0%
3,000	91	91	-	-	-	-	91	$ 273,000	$ 257,424	94.3%
2,500	40	44	-	-	-	-	44	$ 110,000	$ 105,630	96.0%
2,000	18,392	15,296	61	137	(177)	-	15,317	$ 30,634,000	$ 28,543,314	93.2%
1,000	28	32	-	-	-	-	32	$ 32,000	$ 30,409	95.0%
Total	**66,066**	**61,955**	**286**	**157**	**(553)**	**-**	**61,845**	**$ 539,584,625**	**$ 503,042,871**	**93.2%**

Plus: Interest on financed SBLs	**66,133,956**
Total Principal & Interest	**569,176,827**

[1] This table does not include $29.1 million that has been collected life-to-date from defaulted SBL holders.

Santa Clara Stadium Authority Budget Status Reports
Operating Budget

With 50% of the fiscal year complete, total operating revenues for the second quarter of the FY 2022/23 were $35.7 million representing 52% of the overall budget for revenues. Stadium rent earned from StadCo totaled $13.2 million or 53% of budget. During the current reporting period, the Stadium Authority collected $12.4 million in SBL proceeds or 51% of what was budgeted. All SBL proceeds are to be transferred to the debt service fund per applicable loan agreements. 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.

Total operating expenses were $22.6 million, or 33% of the annual budget, which included the debt service transfers of $12.3 million.

For the current fiscal year, the Stadium Authority's FY2022/23 budget was adopted on March 15, 2022 and included the Stadium Manager's recommended Shared Expense budget of $10.5 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 $5.1 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 with the Stadium Manager on April 12, 2022 to review documentation for shared expenses. After follow-up meetings with the Stadium Manager, payments related to compensation were reviewed and approved for monthly payment, totaling $5.1 million for the fiscal year.

Shared Stadium Manger expenses were at 49% or $6.1 million of the $12.5 million budgeted amount, and SBL Sales & Service expenses were 50% of the budget, or $1.0 million. 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). Therefore, utility costs are 67% of the budget for the second quarter, or $1.0 million. The current reporting period covers 67% (four out of the six months) that the Stadium Authority is responsible for utility costs. Transfers out for debt service amounted to $12.3 million. Lastly, Stadium Authority G&A costs were tracking below budgeted levels at $1.2 million or 27% of the budget.

On August 31, 2022, the Stadium Authority entered into a settlement agreement with StadCo and Stadium Manager over disputes regarding the Operating and Management Expenses, Shared Expenses, and Capital Expenditures that were previously withheld. As part of the settlement, the Stadium Authority agreed to pay for the budgeted expense for its share of Shared Stadium Manager Expenses and other expenses for the current fiscal year. The Stadium Authority released all of the previously withheld expenses in the first quarter to the Stadium Manager on October 3, 2022. As such, the payment will be included in the third quarter report.

Overall, the Stadium Authority operating fund ended the second quarter with a fund balance of $52.1 million, an increase of $13.1 million or 34%. Included in that amount is an $12.3 million operating reserve and a $2.7 million discretionary fund.

Additional details are shown in Table 9.

Table 9

Santa Clara Stadium Authority

Operating Budget Status Report

For the Period Ending September 30, 2022 and 2021

	Period Ending September 30, 2022							Period Ending September 30, 2021			
	Adopted Budget	Amended Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Amended Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources											
Revenues											
NFL Ticket Surcharge	$ 10,822,000	$ 10,822,000	$ -	$ 1,540,422	$ 1,540,422	$ 9,281,578	14%	$ 8,665,000	$ 2,651,401	$ 6,013,599	31%
SBL Proceeds	24,398,000	24,398,000	-	12,382,812	12,382,812	12,015,188	51%	23,682,000	11,577,075	12,104,925	49%
Interest	15,000	15,000	60,600	267,337	327,937	(312,937)	2186%	56,000	9,593	46,407	17%
Non-NFL Event Revenue	250,000	250,000	-	-	-	250,000	0%	-	-	-	NA
Net Revenues from Non-NFL Events	-	-	-	-	-	-	NA	-	-	-	NA
Naming Rights	7,380,000	7,380,000	3,635,630	3,635,630	7,271,260	108,740	99%	7,165,000	3,529,738	3,635,262	49%
Sponsorship Revenue (STR)	405,000	405,000	148,143	81,250	229,393	175,607	57%	325,000	162,500	162,500	50%
Rent	24,762,000	24,762,000	5,640,899	7,564,501	13,205,400	11,556,600	53%	24,762,000	12,931,600	11,830,400	52%
Senior & Youth Program Fees	237,000	237,000	-	47,777	47,777	189,223	20%	232,000	69,808	162,192	30%
Non-NFL Event Ticket Surcharge	574,000	574,000	201,912	500,968	702,880	(128,880)	122%	150,000	-	150,000	0%
Other Revenue	-	-	-	-	-	-	NA	-	-	-	NA
Revenues Subtotal	**$ 68,843,000**	**$ 68,843,000**	**$ 9,687,184**	**$ 26,020,697**	**$ 35,707,881**	**$ 33,135,119**	**52%**	**$ 65,037,000**	**$ 30,931,715**	**$ 34,105,285**	**48%**
Net Transfers	-	-	-	-	-	-	NA	-	-	-	NA
Total Resources	**$ 68,843,000**	**$ 68,843,000**	**$ 9,687,184**	**$ 26,020,697**	**$ 35,707,881**	**$ 33,135,119**	**52%**	**$ 65,037,000**	**$ 30,931,715**	**$ 34,105,285**	**48%**

	Adopted Budget	Amended Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Amended Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses											
Shared Stadium Manager Expenses											
Stadium Operations	$ -	$ 3,827,196	$ 832,211	$ 1,081,387	$ 1,913,598	$ 1,913,598	50%	$ 1,681,393	$ 1,027,508	$ 653,885	61%
Engineering	-	2,488,872	573,927	670,509	1,244,436	1,244,436	50%	1,543,240	860,670	682,570	56%
Guest Services	-	586,968	125,206	168,278	293,484	293,484	50%	304,134	135,265	168,869	44%
Groundskeeping	-	497,556	30,642	218,136	248,778	248,778	50%	93,809	52,325	41,484	56%
Security	-	1,626,828	129,989	683,425	813,414	813,414	50%	378,652	211,170	167,482	56%
Procurement	-	-	-		-	-	NA	311,412	51,902	259,510	17%
Insurance	3,230,000	3,230,000	2,935,718	(1,320,586)	1,615,132	1,614,868	50%	3,136,000	1,678,089	1,457,911	54%
Stadium Management Fee	-	253,000	-	-	-	253,000	0%	-	-	-	NA
Shared Stadium Mngr Exps Subtotal	**$ 3,230,000**	**$ 12,510,420**	**$ 4,627,693**	**$ 1,501,149**	**$ 6,128,842**	**$ 6,381,578**	**49%**	**$ 7,448,640**	**$ 4,016,929**	**$ 3,431,711**	**54%**
Other Expenses											
SBL Sales and Service	$ 2,089,000	$ 2,089,000	$ 696,308	$ 348,154	$ 1,044,462	$ 1,044,538	50%	$ 3,448,000	$ 1,260,000	$ 2,188,000	37%
Senior & Youth Fees (paid to City)	237,000	237,000	-	47,777	47,777	189,223	20%	232,000	93,264	138,736	40%
Non-NFL Event Expense	-	-	-	-	-	-	NA	600,000	-	600,000	0%
Ground Rent (paid to City)	460,000	460,000	-	460,000	460,000	-	100%	425,000	425,000	-	100%
Performance Rent (paid to City)	-	-	-	-	-	-	NA	-	-	-	NA
Discretionary Fund Expense	250,000	250,000	-	-	-	250,000	0%	250,000	-	250,000	0%
Utilities	1,444,000	1,444,000	962,496	-	962,496	481,504	67%	1,586,000	495,500	1,090,500	31%
Use of StadCo Tenant Improvements	48,000	48,000	11,602	14,188	25,790	22,210	54%	26,000	-	26,000	0%
Stadium Authority G&A	4,205,000	4,205,000	515,590	635,415	1,151,005	3,053,995	27%	5,115,000	1,262,562	3,852,438	25%
Naming Rights Commission	91,000	91,000	45,445	-	45,445	45,555	50%	88,000	44,122	43,878	50%
Legal Contingency	10,542,420	1,262,000	-	-	-	1,262,000	0%	3,810,360	-	3,810,360	0%
Other Expenses	723,000	723,000	240,879	120,440	361,319	361,681	50%	388,000	1,353	386,647	0%
Transfers Out	44,785,580	44,785,580	-	12,337,956	12,337,956	32,447,624	28%	41,512,000	13,716,691	27,795,309	33%
Other Expenses Subtotal	**$ 64,875,000**	**$ 55,594,580**	**$ 2,472,321**	**$ 13,963,930**	**$ 16,436,250**	**$ 39,158,330**	**30%**	**$ 57,480,360**	**$ 17,298,492**	**$ 40,181,868**	**30%**
Total Expenses	**$ 68,105,000**	**$ 68,105,000**	**$ 7,100,014**	**$ 15,465,079**	**$ 22,565,092**	**$ 45,539,908**	**33%**	**$ 64,929,000**	**$ 21,315,421**	**$ 43,613,579**	**33%**
Operating Reserve	$ 12,329,870	$ 12,329,870			$ 12,302,419			$ 9,693,657	$ 11,940,523		
Discretionary Fund	$ 2,364,850	$ 2,364,850			$ 2,679,290			$ 2,327,832	$ 2,327,850		

Debt Service Budget

The Stadium Authority's FY 2022/23 debt service revenue budget of $2.1 million represents anticipated contributions from the Community Facilities District (CFD). 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 received by the Stadium Authority from the CFD. During the first two quarters, $899,000 was contributed by the CFD, or 42% of the annual budget.

Total Stadium Authority debt service expenses for the current reporting period were $22.5 million, 52% of the budgeted amount. The debt service expenses for the CFD Advance, the Term A Loan, and the StadCo Subordinated Loan were $978,000, $20.1 million, and $1.4 million, respectively.

As of September 30, 2022, the total outstanding amount of Stadium Authority debt had declined to $264.6 million. This is a reduction in principal of $15.7 million from the March 31, 2022 outstanding debt amount of $280.3 million.

Additional details are shown in Tables 10 and 11 and Chart 1.

Table 10

Santa Clara Stadium Authority

Debt Service Budget Status Report

For the Period Ending September 30, 2022 and 2021

	Period Ending September 30, 2022							Period Ending September 30, 2021			
	Adopted Budget	Amended Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Amended Budget	YTD Actuals	Budget to Actual Difference	% Received
Resources											
Revenues											
Contribution from CFD	$ 2,124,000	$ 2,124,000	$ 611,227	$ 287,529	$ 898,755	$ 1,225,245	42%	$ 483,000	$ 415,935	$ 67,065	86%
Revenues Subtotal	**$ 2,124,000**	**$ 2,124,000**	**$ 611,227**	**$ 287,529**	**$ 898,755**	**$ 1,225,245**	**42%**	**$ 483,000**	**$ 415,935**	**$ 67,065**	**86%**
Net Transfers In from Operating	40,984,580	40,984,580	-	12,337,956	12,337,956	28,646,624	30%	37,572,000	13,716,692	23,855,308	37%
Contribution from Fund Balance	-	-	18,371,442	(9,128,063)	9,243,379	(9,243,379)	NA	-	7,126,543	(7,126,543)	NA
Total Resources	**$ 43,108,580**	**$ 43,108,580**	**$ 18,982,669**	**$ 3,497,422**	**$ 22,480,091**	**$ 20,628,489**	**52%**	**$ 38,055,000**	**$ 21,259,171**	**$ 16,795,829**	**56%**

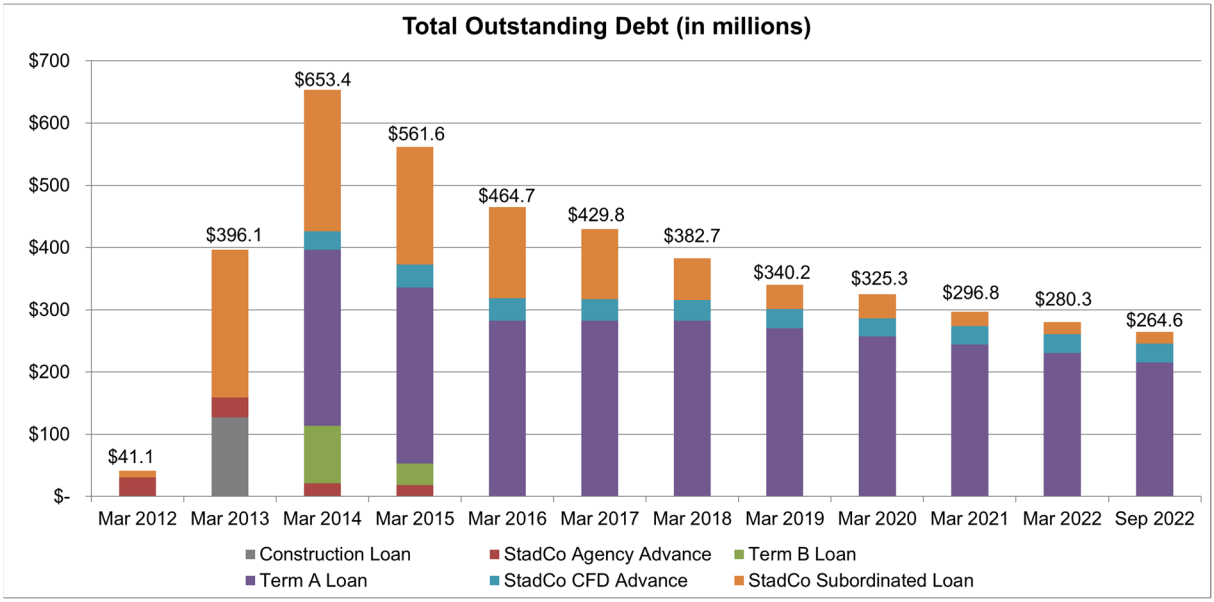
	Adopted Budget	Amended Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Amended Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses											
CFD Advance	$ 2,042,000	$ 2,042,000	$ 433,923	$ 544,403	$ 978,325	$ 1,063,675	48%	$ 483,000	$ 847,573	$ (364,573)	175%
Term A Loan	25,494,000	25,494,000	17,415,690	2,692,691	$ 20,108,381	5,385,619	79%	25,529,000	19,775,456	5,753,544	77%
StadCo Subordinated Loan	15,490,580	15,490,580	1,133,056	260,329	$ 1,393,384	14,097,196	9%	12,043,000	636,142	11,406,858	5%
Total Expenses	**$ 43,026,580**	**$ 43,026,580**	**$ 18,982,669**	**$ 3,497,422**	**$ 22,480,091**	**$ 20,546,489**	**52%**	**$ 38,055,000**	**$ 21,259,171**	**$ 16,795,829**	**56%**
Debt Service Reserve	$ 11,536,235	$ 11,536,235			$ 11,536,235			$ 11,536,235	$ 11,536,235		

Table 11

Santa Clara Stadium Authority
Debt Summary Report
Period Ending September 30, 2022

Type of Indebtedness	Interest Rates	Outstanding as of March 31, 2022	Net Change	Outstanding as of September 30, 2022
Stadium Funding Trust Loan:				
Term A Loan	5.00%	$ 230,138,240	$ (14,723,000)	$ 215,415,240
StadCo CFD Advance	5.73%	30,374,502	(105,712)	30,268,790
StadCo Subordinated Loan	5.50%	19,800,950	(867,953)	18,932,997
Total		**$ 280,313,692**	**$ (15,696,665)**	**$ 264,617,027**

Chart 1



Capital Improvement Project Budget

As part of the Capital Expense ("CapEx") Plan, the following projects have been completed as of the current reporting period:

- Financial Management Information System Project
- Emergency Recycled Water Line Repair Project
- Command Post Communication Equipment

The following CapEx projects are currently in progress and expected to be completed by the end of the fiscal year:

- Stadium Insulation CapEx Project
- Non-Slip Floor Matting CapEx Project
- Lift Station CapEx Project
- Mechanical and Electrical Closet Lighting CapEx Project
- Rust Prevention Mitigation CapEx Project
- Loading Dock Lighting CapEx Project

The CIP Budget increased from $21.7 million to $23.0 million in the current reporting period. A total of $986,000 has been spent in FY 2022/23, which amounts to 4% of the budget. The main reasons that this is below budget are (1) there has been little activity on warranty work which makes up 7% of the CIP Budget, (2) delays in projects due to staffing shortage from the contractors as a result of COVID-19, and (3) a number of projects are under compliance reviews of State procurement and prevailing wage laws.

On August 31, 2022, the Stadium Authority entered into a settlement agreement with StadCo and Stadium Manager over disputes regarding the Operating and Management Expenses, Shared Expenses, and Capital Expenditures that were previously withheld. As part of the settlement, in regards to Capital Expenditures, the Stadium Authority agreed to discontinue the current practice of withholding payment for Capital Expenditures subject to the review and approval of the prevailing wage documentation by Stadium Authority's labor law compliance consultant. Under the Settlement Agreement, Stadium Manager further confirmed its obligation to comply with applicable laws, including Prevailing Wage Laws, and Stadium Manager also implemented its new internal Prevailing Wage Laws compliance policy and procedures. Accordingly, the Stadium Authority will process the invoice payments as they come in.

Additional details are shown below in Table 12.

Table 12

Santa Clara Stadium Authority

CIP Budget Status Report

For the Period Ending September 30, 2022 and 2021

	Period Ending September 30, 2022							Period Ending September 30, 2021			
	Adopted Budget	Amended Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Received	Amended Budget	YTD Actuals	Budget to Actual Difference	% Received
Beginning Balances	**$ 22,103,296**	**$ 22,103,296**	**$ 23,001,058**	**$ 22,850,846**	**$ 23,001,058**	**$ (897,762)**		**$ 19,438,420**	**$ 20,805,741**	**$ (1,367,321)**	
Resources											
Transfers In from Operating Budget	3,800,310	3,800,310	-	-	-	3,800,310	0%	3,940,000	-	3,940,000	0%
Transfers In from Stadium Manager	-	-	-	-	-	-	NA	-	-	-	NA
Total Resources	**$ 25,903,606**	**$ 25,903,606**	**$ 23,001,058**	**$ 22,850,846**	**$ 23,001,058**	**$ 2,902,548**	**89%**	**$ 23,378,420**	**$ 20,805,741**	**$ 2,572,679**	**89%**
	Final Budget	Amended Budget	Q1 Actuals	Q2 Actuals	YTD Actuals	Budget to Actual Difference	% Used	Amended Budget	YTD Actuals	Budget to Actual Difference	% Used
Expenses											
Construction	12,699,189	13,905,231	52,627	461,087	513,714	13,391,517	4%	6,993,911	324,661	6,669,250	5%
Equipment	6,555,678	6,555,678	97,584	374,462	472,047	6,083,631	7%	5,734,770	92,524	5,642,246	2%
Contingency	962,743	962,743	-	-	-	962,743	0%	623,935	-	623,935	0%
Stadium Warranty Related Construction	1,528,202	1,528,202	-	-	-	1,528,202	0%	1,528,202	-	1,528,202	0%
Total Expenses	**$ 21,745,812**	**$ 22,951,854**	**$ 150,211**	**$ 835,550**	**$ 985,761**	**$ 21,966,093**	**4%**	**$ 14,880,818**	**$ 417,185**	**$ 14,463,633**	**3%**
Ending Balances	**$ 4,157,794**	**$ 2,951,752**	**$ 22,850,846**	**$ 22,015,297**	**$ 22,015,297**			**$ 8,497,602**	**$ 20,388,556**		

City of Santa Clara Net General Fund Impact

During the current reporting period there was a total of $666,000 that was contributed to the General Fund as shown in Table 13. This section of the report also provides information on General Fund revenue and expenditure impacts resulting from the stadium.

Table 13

City of Santa Clara

Net General Fund Impact

For Stadium Authority Fiscal Year to Date Ending September 30, 2022

Ground Rent	$	460,000
Performance Rent		-
Senior and Youth Fee		47,777
Tasman Lots Parking Fee		-
Sales Tax		158,009
Total Net General Fund Impact	**$**	**665,786**

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. Reimbursements are monitored and included in this report. Public safety costs incurred in support of NFL and Non-NFL events occurring in FY2022/23 totaled $855,000 and $1.8 million, respectively. These reimbursements come from a combination of payments from the Stadium Manager and the offsite parking fees that were collected. The City has received $4,000 in reimbursements as of the end of November 2022.

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 two quarters of FY 2022/23, a total of $740,000 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 $460,000. Additionally, the Senior and Youth Fee generated $48,000, of which the entire amount forwarded to the City in support of senior and youth programs. 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 $158,000 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 Chart 2 below.

Chart 2

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 the Stadium Manager 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.

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 2022/23 (July 1, 2022 through June 30, 2023) the offsite parking fee is $6.13.

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 Chart 3 below.

Chart 3

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	(288,741)	-	245,975
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.