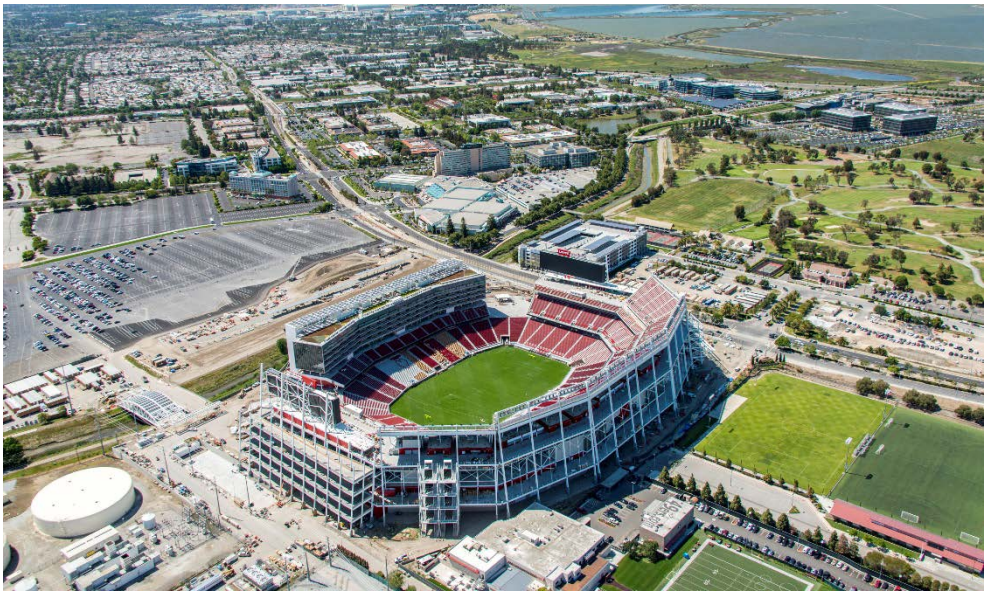
Santa Clara Stadium Authority

ADOPTED FISCAL YEAR 2020/21 OPERATING, DEBT SERVICE AND CAPITAL BUDGET



On June 8, 2010 the residents of Santa Clara voted to adopt Measure J, the Santa Clara Stadium Taxpayer Protection and Economic Progress Act, resulting in the approval to construct a new stadium to be leased by the San Francisco 49ers. Measure J called for the creation of the Santa Clara Stadium Authority (Stadium Authority) to own, develop, construct, operate, and maintain the Stadium. The Stadium Authority exists as a public body, separate and distinct from the City. The Stadium Authority is structured so that the City is not liable for the debts or obligations of the Stadium Authority.

This budget and additional financial information on the Stadium Authority can be found at: *"santaclaraca.gov/our-city/santa-clara-stadium-authority".*

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Redbox Bowl
December 2019

Monster Jam
April 2019

Santa Clara Stadium Authority

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March 24, 2020

Honorable Board Chair and Directors
SANTA CLARA STADIUM AUTHORITY

Subject: Adopted Fiscal Year 2020/21 Operating, Debt Service, and Capital Budget

Members of the Board,

As required in the Santa Clara Stadium Authority ("Stadium Authority") Management Agreement, Section 4.6: Annual Operating Budget, I transmit the Adopted Fiscal Year (FY) 2020/21 Operating, Debt Service, and Capital Budget for the Stadium Authority. This budget provides the necessary funding to administer the duties of the Stadium Authority, including:

- Support for operating the Stadium for Non-NFL events through a management company
- Advancement of the FY 2020/21 Work Plan;
- Payment of debt service obligations; and,
- Maintenance of a five-year capital plan.

The Stadium Authority Board ("Board") provides overall governance and oversight of this operational structure, with the use of Stadium Authority staff to support the Board's efforts. Amongst other due diligence requirements to support these duties, the Board is also responsible for: setting policy; debt and fiscal management; ensuring implementation required to uphold core duties related to operations and capital projects; and oversight as necessary. While meeting the Stadium Authority's requirements, this budget continues to advance strategic initiatives necessary to ensure that the Board is responsive to various stakeholders and constituencies participating in advancing Levi's® Stadium's purpose (e.g., residents, businesses, national and regional clients, and various other interested parties).

CONTEXT FOR ADOPTED BUDGET

The Adopted FY 2020/21 Operating, Debt Service, and Capital Budget was presented to the Stadium Authority Board under unusual circumstances. For example, during FY 2019/20, the Stadium Authority issued to ManagementCo several Notices of Breaches and Default of the Management Agreement that ultimately resulted in issuing a Notice of Termination of the Management Agreement.

In recognition of the fact that until these matters are resolved, the Stadium Authority budget must include repayment of debt, funding of some type for an operating budget, and capital investment in the stadium asset. Submission of this year's budget to the Stadium Authority Board for adoption was not intended as an indication of a change in its position that the Management Agreement with ManagementCo must be terminated.

The Stadium Authority, a public entity, owns Levi's® Stadium and contracts with ManagementCo for promotion of Non-NFL events and facility operations and maintenance. This operational structure is implemented by using a variety of ManagementCo staff, vendors, and public service employees through reimbursement procedures as outlined in the Management Agreement. Through the Management Agreement, ManagementCo is held to a Standard of Care as outlined in Section 2.9 of the Management Agreement, which states:

> 2.9 Standard of Care. Subject to the limitations set forth in this Agreement, the Budget, and the Stadium Lease, the Stadium Manager shall exercise prudent, commercially reasonable good faith efforts in managing and operating the Stadium in accordance with the terms hereof so as to (a) maintain the Stadium in the Required Condition and operate the Stadium as a quality NFL and multi-purpose public sports, public assembly, exhibit and entertainment facility, to a standard of quality comparable to other similar facilities (except that the parties recognize that portions of the Stadium may be in need of capital upgrades); (b) control Manager Operating Expenses, StadCo Operating Expenses and Stadium Authority Operating Expenses; and (c) maximize Operating Revenues.

This Adopted FY 2020/21 Operating, Debt Service, and Capital Budget was presented to the Stadium Authority Board within the context of a management company that has not exercised the required standard of care or exercised commercially reasonable good faith efforts in managing and operating the Stadium. For example, notably, ManagementCo allowed the Stadium to go for months, during essentially the NFL season, without a state required Fire Alarm Certification, which serves as not only the fire alarm system but as the system that allows for public safety officials to issue verbal commands for tens of thousands of attendees during events. ManagementCo allowed this condition to continue while incurring daily fee penalties and did not remedy the condition until the Fire Department escalated enforcement. Additionally, ManagementCo allowed expenditures to grossly increase in FY 2018/19, by over $2.5 million, but did not disclose the details and actual amount of increased expenditures until halfway through FY 2019/20. Last, despite having an operations budget of $136.8 million to achieve the Authority's mission, ManagementCo was only able to generate about $18,000 of Net Non-NFL revenue for FY 2018/19, as reported to the Stadium Authority in December 2019. While ManagementCo did not provide FY 2019/20 projected Net Non-NFL revenue at the time of the March 5, 2020 budget study session, they project that Net Non-NFL revenue will lose $1.7 to $2.0 million in FY 2019/20 and make $1.5 million in FY 2020/21. This level of performance continues to be cause for concern, especially since this would be the first year the Stadium Authority would lose money on Non-NFL Events. As such, ManagementCo has not demonstrated compliance with the Standard of Care provision along with other requirements, state and local laws, and policies.

Fiscal Year 2020/21 will mark the seventh year of stadium management by the Forty Niners. Through a sole source/no-bid procurement, ManagementCo was brought on touting strong public

assembly/facility market experience in the management of a stadium and Non-NFL Event marketing to maintain our world-class facility and maximize revenues to the City. Through the Stadium Authority's oversight, expanded public transparency and reporting, and efforts to ensure compliance with Agreements in place, unprecedented discoveries were revealed regarding the management of our public stadium asset. Through the close out of the prior fiscal year, it was determined that the continued booking of less events overall and, particularly, significant money losing events, combined with dramatic escalating operational costs, resulted in no performance rent generated for the City.

The Board calls for a new third-party management to take over operations and management of Levi's Stadium for both the NFL and Non-NFL season. The Forty Niners filed a lawsuit to dispute the termination; the termination date remains subject to litigation and remains uncertain. As a result, the Forty Niners will continue to operate the stadium until these issues are resolved in court. In addition, the Stadium Authority's work with the Forty Niners on the budget and fiscal processes do not constitute a waiver or release of the termination notice, or any Stadium Authority rights and claims.

ADOPTED BUDGET IN BRIEF

The Adopted Budget is presented on an accrual basis which provides increased transparency for projected revenues and expenses, with added detail about financial transfers. The total Stadium Authority Operating Budget for FY 2020/21 is $68.2 million and represents a decrease of $5.4 million, or 7.4%, compared to the prior fiscal year.

A summary of key changes and assumptions for the Adopted Budget include:

- Adopted Capital Expenditures totaling $13.3 million including general building, security, furnishings and equipment, and public safety investments.
- Funding for a new Financial Management/Accounting System ($283,500 and subject to subsequent court rulings on cost allocation) in an effort to provide greater transparency to Non-NFL Event and Shared Expense costs.
- Adjustments to the General and Administrative Budget funding 6.8 full-time equivalent positions totaling $2.1 million. We believe this to be a baseline level of support necessary for Stadium Authority operations.
- Two new positions in the Finance Department (1.0 Management Analyst and the conversion of a part-time Accounting Technician to full-time) totaling $280,000.
- Net Non-NFL Events revenue loss of $2.0 million for the current year and projected revenue of $1.5 million for FY 2020/21. This level of performance continues to be cause for concern.
- Total estimated Debt Service payments of $43.3 million including debt related to the CFD ($4 million) and Subordinate Loan ($13.7 million) and Term A Loan ($25.6 million).

METHODOLOGY

Information provided in this report was based in part on documentation submitted by ManagementCo on February 14, 2020. Per Section 4.6 of the Management Agreement, ManagementCo is required to submit a budget 45 days prior to the start of the fiscal year. While budget submittals were conducted earlier in years past, this year, following a timeline in accordance with the Management Agreement, ManagementCo has limited the amount of additional information the Stadium Authority is able to provide for this budget. Additional detail and explanations pertaining to requests submitted by ManagementCo are pending response from Stadium Authority staff inquiries. Some responses were provided on March 11, 2020 and have been incorporated into this Adopted Budget.

KEY ISSUES IN THE ADOPTED BUDGET

There are several key issues to surface as part of the discussion for the Adopted FY 2020/21 Operating, Debt Service, and Capital Budget: Stadium Authority Financial Management System, Naming Rights Agreement, Performance Rent, General and Administrative Expenses, Debt Service Payments, Capital Expense Budget, and Marketing Plan.

Termination of Stadium Management Agreement – On February 11, 2020, the Board authorized the termination of the stadium management agreement with the Forty Niners Stadium Management Company LLC (Forty Niners) in its entirety. The Board's authorization to terminate the agreement is based on (1) Stadium Manager's fraud, intentional misrepresentation, and material omissions of facts in connection with the Management Agreement; (2) Stadium Manager's misappropriations and self-dealing; and (3) Stadium Manager's willful misconduct that resulted in two Events of Defaults, which Stadium Manager failed to cure. The Stadium Authority's work with the Forty Niners on the budget and fiscal processes do not constitute a waiver or release of the termination notice, or any Stadium Authority rights and claims.

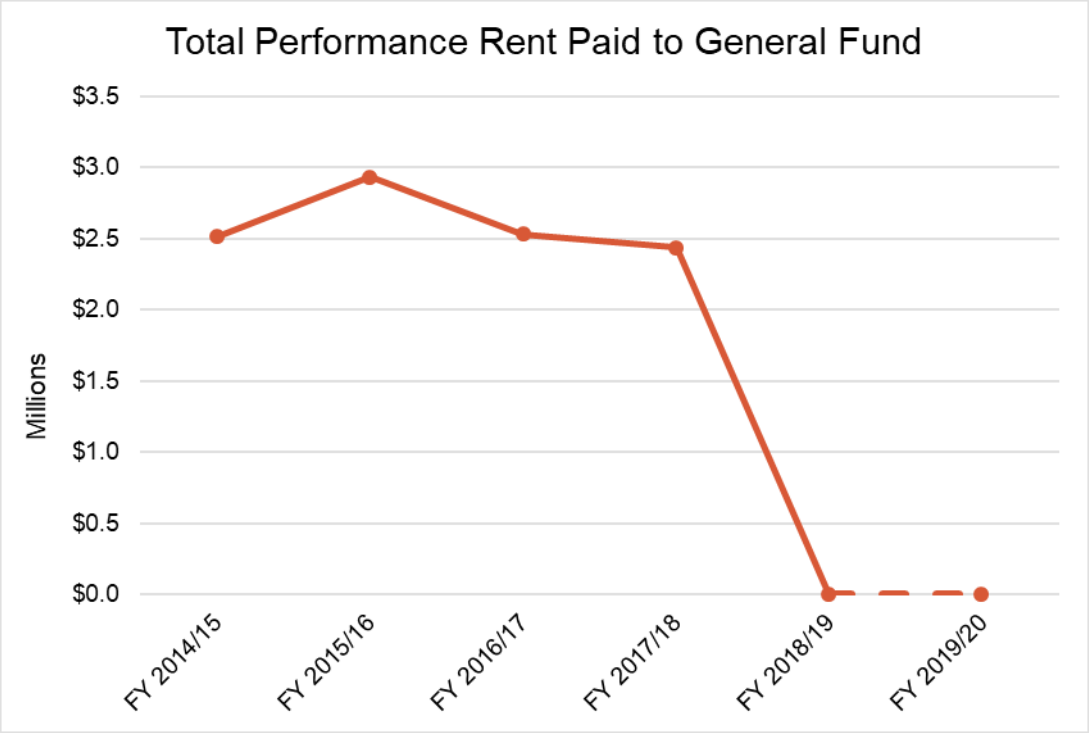
It is important to note that since this was a sole source/no bid contract award, whether the costs incurred over time are commercially reasonable is unknown. In other words, the shared expenses have never been validated against the market rate to determine whether the Stadium Authority is getting the best value for the Management Agreement costs that it pays to ManagementCo for its services and its results.

Performance Rent and Continued Decline in General Fund Revenue - As stated previously, Net Non-NFL Event Revenue directly impacts the amount of Performance Rent that is an expense to the Stadium Authority and paid to the City of Santa Clara. Performance Rent is calculated using 50% of the Net Non-NFL Event Revenue minus performance-based credits (see Page 28 for more detail on Performance Rent). In follow up information provided by ManagementCo, the Net Non-NFL Event Revenue projected a loss of $1.7 to $2.0 million for FY 2019/20 and projected revenue of $1.5 million for FY 2020/21. While ManagementCo originally stated "TBD" and did not provide a projection for FY 2019/20 nor a budget amount for FY 2020/21, the table below has been updated with the revisions

provided by ManagementCo. It should be noted that details regarding the gross revenue or expenditures, or the types and number of events were not provided.

Performance Rent Calculation	Fiscal Year 2019/20 Projection	Fiscal Year 2020/21 Budget
Ground Rent	$ 355,000	$ 390,000
Net Non-NFL Event Revenue (Expense)	$ (2,000,000)	$ 1,500,000
50% of Net Non-NFL Event Revenue (Expense)	$ (1,000,000)	$ 750,000
Performance Rent Credit (50% of Ground Rent)	$ (177,500)	$ (195,000)
Total Performance Rent paid to the City of Santa Clara	$ 0	$ 555,000

The two years shown in the table above project that no revenue will be paid to the City of Santa Clara for performance rent in FY 2019/20 and approximately $555,000 would be paid in FY 2020/21 if the projections materialize. This performance continues to be of concern as a result of the mismanagement by the Stadium Manager who oversees over $100 million in Non-NFL activity annually. For reference, the chart below shows the performance rent revenue generated by the Stadium Authority in past years:



Naming Rights Agreement between Santa Clara Stadium Authority and Levi Strauss & Co. ("Naming Rights Agreement") - It is important to note, that the Naming Rights agreement with Levi's® requires the Stadium Authority to hold at least 36 "Major Events" (with 25,000+ attendees)

every three contract years. As of this report, the current number of Major Events held at Levi's® Stadium was eighteen (18) through the current three-year period. Based on these numbers, Levi's® is expected to receive a credit totaling $313,000 ($15,000 multiplied by the difference between 36 and the actual number of events held during the three-year period then multiplied by an Annual Proportionate Increase). The Second Amendment to the Stadium Management Agreement states that ManagementCo would pay the Stadium Authority as liquidated damages the amount owed by the Stadium Authority to Levi's®. ManagementCo has acknowledged responsibility for liquidated damages.

Naming Rights Agreement Three-Year Periods	Number of Major Events
March 1, 2014 to February 28, 2017	39
March 1, 2017 to February 29, 2020	18*

* Through February 2020

Stadium Authority Financial/Accounting Management System – The Management Agreement establishes several requirements for the accounting of Stadium Authority financial activity, such as:

- Pre-Opening Obligations (Management Agreement 2.4):
  - 2.4.7 **Establish charts of accounts and accounting policies**, procedures and systems, including policies, procedures and systems for payroll processing, accounts payable, accounts receivable, depository accounts, box office and reporting functions;
  - 2.4.8 Design, establish and **maintain effective internal accounting controls with respect to compliance with Applicable Laws,** this Agreement and contracts pertaining to the Stadium, in such a manner as to **minimize the risk of noncompliance and to provide for the detection of any noncompliance within a timely period** by the Stadium Manager's employees in the normal course of performing their assigned functions;
- The Stadium Manager shall maintain complete and accurate books and records relating to the Net Income from Non-NFL Events, in accordance with generally accepted accounting and management practices, consistently applied. **The Stadium Manager shall maintain complete and accurate books and records relating to the operations of the Stadium and its services provided hereunder**, including all Stadium Authority Revenue, Shared Stadium Expenses, Stadium Authority Expenses, Net Income from Non-NFL Events, the cost of Capital Repairs, distributions to and from the Operating Expense Reserve and Stadium Capital Expenditure Reserve, any additional information required to prepare the Annual Statement of Stadium Operations and, to the extent so directed by either StadCo or the Stadium Authority, StadCo Operating Expenses and Stadium Authority Operating Expenses, respectively (collectively, "Stadium Records"). (Management Agreement 4.1)
- The **Stadium Manager shall use reasonable efforts to maintain separate records for the**

Tenant Season and the Stadium Authority Season and for NFL Events and Non-NFL Events, in order to effectively protect the confidentiality of records relating solely StadCo. (First Amendment to Management Agreement 7).

Despite the requirements of the Management Agreement, ManagementCo is unable to give the Stadium Authority its documents related to Non-NFL events. On March 1, 2019, ManagementCo and Stadium Authority staff discussed the opportunity to establish a stand-alone Stadium Authority financial/accounting management system. Over the past years, ManagementCo has commingled its portion of the revenues and expenses of the Stadium Authority into its San Francisco 49ers financial system, such that they now claim that it would be extremely costly to fully produce the Stadium Authority's records. There has been dispute over possession of documents, access to financial information, and overall improved knowledge of the complete set of financial information pertaining to the Stadium Authority.

ManagementCo agreed to work with the Stadium Authority to establish a segregated financial management system for the Stadium Authority, where Stadium Authority staff has full access to the system, supporting documentation, and in real time (not at the end of the fiscal year or on other terms that require the Stadium Authority to always look backwards to understand financial activity). Procurement for the system is underway with an evaluation team taking a cooperative approach to the implementation of the system. Funding for the system totaling $283,500 is included in the budget through the Capital Expense budget, subject to subsequent court rulings on cost allocation.

General and Administrative Expenses - The General and Administrative (G&A) portion of the budget reflects expenses considered to provide a base level of service to implement the Board's direction and oversight of the Stadium per the various authoritative agreements. As more staff resources have been required to advance the Board's directives, with some remaining gaps in services, Stadium Authority staff has increased its budget to reflect the required general oversight, accounting, and new resources for neighborhood mitigation efforts and ongoing undesirable impacts to neighborhoods resulting from events at the Stadium. Stadium Authority staff recommends a G&A budget for FY 2020/21 totaling $4.6 million, an increase of $2.1 million from the prior fiscal year. The Stadium Authority G&A budget makes up 6.7% of the FY 2020/21 Adopted Stadium Authority Expense Budget of $68.2 million.

This increase is primarily due to the projected outside legal costs to defend the Stadium Authority from litigation currently in progress. In addition, a portion of the increase is due to increases in salaries and benefits per negotiated Memorandum of Understandings ("MOUs"), projected increases in the percentage of time City employees are allocating to the Stadium Authority based on significant increased workload, costs associated with the implementation of a separate financial/accounting management system, a shift in funding of a portion Deputy City Manager position included in last year's budget for public safety, and the addition of two new positions in the Finance Department (1.0 Management Analyst and conversion of a part-time Accountant Technician to full-time basis) to provide day-to-day financial support of the Stadium Authority, including an increase in data information requests from ManagementCo. In total, the funding of 6.8 total positions in the General

and Administrative Expenses budget is included in this document. While it represents an increase from the actual time charged in previous years, we believe it reflects a reasonable level of support for the Stadium Authority activities anticipated in the upcoming year.

Litigation Reserve/Revolving Fund Loan - Funding has been set aside for potential payments that may arise related to Certificate of Loans entered by ManagementCo to cover Operating Expenses in FY 2019/20. Operating expenses payments were withheld based on Board direction for the partial suspension of payments at the March 27, 2019 Stadium Authority Board meeting, arising from ManagementCo's inappropriate use of public funds relative to procurement practices and potential self-dealing/conflicts of interests. At that meeting, the Board directed the Executive Director to only release public funds to ManagementCo if all supporting documents have been submitted and adhere to our agreements and State and local laws. As part of that suspension of payment, the Stadium Authority continues to pay for utilities, insurance and costs associated with SBL sales and services. However, rather than provide the Stadium Authority with complete documentation to substantiate proper procurement and/or the absence of self-dealing/conflicts of interests, ManagementCo opted to take out loans and continue to pay itself public funds without demonstrating compliance with State and local laws. Total estimated revolving credit loans total $7 million for FY 2019/20 and the Stadium Authority maintains its position that it should not use public funds for violations of public procurement violations, prevailing wage violations, and/or self-dealing/conflicts of interests.

The FY 2020/21 budget assumes that the same suspension of payments will be in effect until ManagementCo presents the required supporting documentation for the expenses. In addition, at the March 5, 2020 Study Session, the Board requested an alternate budget proposal option that incorporates the fact that no events are scheduled due the outbreak of the novel coronavirus (COVID-19) and Santa Clara County Public Health Department's mandatory cancellation of mass gatherings in the County. To the extent events continue or are scheduled, the Stadium Authority will return to the Board with budget amendments, provided that sufficient backup documentation is provided.

Debt Service Budget - The FY 2020/21 Debt Service Budget of $43.3 million is based on the required and additional payments for principal of $28.2 million and interest of $15.1 million. The budget reflects a total decrease of $28.2 million of outstanding debt from $309.2 million to $281 million.

Capital Expense Budget - The FY 2020/21 Capital Expense ("CapEx") Budget totals $13.3 million, which includes $8 million in carryover expenses from the prior year due to ManagementCo's inability to properly procure projects and issue contracts. This budget includes various security improvements, fencing on Tasman, furniture replacement and upgrades, and public safety equipment (a detailed list of CapEx projects begins on Page 40). Given the fact that almost no capital projects were completed by ManagementCo, there is serious concern where ManagementCo is unable to complete the projects included in this budget. We will continue to raise this issue with ManagementCo to ensure the Stadium Authority asset is maintained in a sufficient manner: however, there is valid concern that ManagementCo is unable to complete these duties given the record to date.

Marketing Plan – The Stadium Management Agreement states that the Stadium Operation and Maintenance Plan (SOMP) shall include a Marketing Plan (4.10), and the Stadium Lease states that the SOMP shall be presented annually to the Stadium Authority for their consideration and approval (7.2). The draft Marketing Plan is submitted separately to the Board and was reviewed in a separate Study Session on March 5, 2020 where the Board provided feedback to this document. As a general concern, given the significant poor financial results over several fiscal years, the Marketing Plan makes no mention about ManagementCo's "turnaround" strategy to improve their performance, meet their Standard of Care requirements, and demonstrate their ability to profitably operate a public assembly facility.

Previous Board feedback, and ManagementCo's commitment, included the development of key performance indicators (KPIs) for the purpose of tracking marketing strategies and the outcomes achieved. The Board approved a recommendation to complete this work within 90 days and collect data. This continues to be omitted from the Marketing Plan for the past two years.

STATUS OF ONGOING WORKPLAN EFFORTS

On January 30-31, 2020, as part of the 2020 City Council Priority Setting Retreat, the Board reviewed and discussed updated workplan efforts currently underway. A status of some of these ongoing work efforts are summarized below.

- **Community Engagement** - (1) Conducted a robust Community Outreach and Engagement work plan to obtain statistically valid data relative to public opinion on community impacts resulting from Levi's® Stadium and for future policy development. Specifically, the purpose of this work plan was to identify the community's perspectives on issues related to Levi's® Stadium such as noise, public safety, nuisances, parking, flyovers, crowd control, cleanliness, loitering, lighting, pyrotechnics/fireworks, performance curfew, and other items. (2) Established a dedicated telephone number to receive input from residents. (3) Increased social media presence to provide advance notice and information about events at Levi's® Stadium. This effort was for both ManagementCo and Stadium Authority to be informed of the community sentiment and develop strategies for addressing them. Staff has worked to dramatically change its public safety deployment model, with the assistance of law enforcement consultants, and has made other changes, such as: complaint call in number, circulation of the complaint call in number through marketing/information materials, use of noise data to inform current activities in the northside, requests of ManagementCo with respect to flyover protocols, and increase distribution of information about stadium activities on social media. Later in 2020, staff will provide an update on the recommendations that came from the consultant report issued in 2018 and how staff is doing with addressing community concerns.

- **Noise Monitoring** - Implemented web-based, publicly available, ongoing, real-time noise monitoring services in the areas surrounding the Stadium and training facility. See above activities relative to actions taken on noise management.

- **Implemented Measure J Compliance Audit Recommendations -** The Stadium Authority Ad Hoc Audit Committee of the Board ("Committee") continues efforts to implement the 37 audit recommendations in the Harvey M. Rose Associates, LLC Comprehensive Audit of Stadium Authority Finances. Stadium Authority has now implemented approximately 73% of the audit recommendations and the remaining 27% designated as "partially complete". These audit recommendations have provided for strengthened oversight and increased transparency of Stadium Authority's operations for Levi's® Stadium by improved fiscal and operational data and management practices. Examples include the discovery of significant funds held by ManagementCo that have now been transferred over to the Stadium Authority, violations of procurement requirements that will require corrective action by the Board, violations of procurement requirements with respect to required reporting for financial transactions between $100,000 to $250,000, and changed administrative processes or formalized practices by Stadium Authority staff. Additional meetings are planned in FY 2020/21 to provide updates to these audit recommendations.

- **Stadium Authority Coordination** - Instituted weekly Stadium Authority staff business meetings to develop stronger proactive community communications with the goal of addressing concerns revealed from the community research work. These meetings provide a forum to address community issues, and for organizational awareness of City and Stadium Authority services required to support Levi's® Stadium, staffing coverage and deployment issues for planned NFL/Non-NFL events. Additionally, given the significant and numerous fire code violations that the ManagementCo has committed, a full-time Deputy Fire Marshal has been assigned to the Stadium to monitor ManagementCo's compliance and report frequency to the Stadium Authority staff. Additionally, this assignment allows for the proper transfer of knowledge of maintaining the Stadium.

- **Stadium Authority/Auditor's Workplan Updates**

  - Analysis of the Stadium Authority's review procedures for Non-NFL events' revenues and expenses is underway by a forensic accountant. This report is expected in late 2020.
  - College Football Playoff Accounting Review Audit – Procurement of this audit is underway.
  - Annual Statement of Stadium Operations – Procurement of this audit is underway.
  - Reviewing past Construction Fund and Public Safety transactions and providing feedback on the allocation of staff charges – This audit has been procured and in the beginning stages. This report is expected in late 2020.
  - Maintain workload requirements with seven lawsuits.
  - Bring for discussion with the Stadium Authority Board the next steps regarding the community room
  - Propose an option for San Tomas Aquino Creek Trail access during NFL and non-NFL ticketed events.

CONCLUSION

As with any budget, there are risks that we can factor into our projections and those that we cannot. For example, some of our revenue projections are more fiscally conservative than in previous years. In some instances, this was necessary due to factors that can easily not materialize and the need to plan accordingly. For example, the budget projects a loss of $2.0 million for Net Non-NFL Event Revenue for FY 2019/20 and revenue of $1.5 million for FY 2020/21.

Within the above context, the Silicon Valley region, and particularly the Levi's® Stadium, continues to be a desirable venue for Non-NFL events such as concerts, soccer events, small and large corporate events and other gatherings (e.g., weddings, private parties, etc.). As we look forward, the following major Non-NFL events are scheduled in the near horizon for FY 2020/21:

- Monster Jam — Saturday, April 4, 2020
- BTS "Map of the Soul" Tour — Saturday/Sunday, April 25-26, 2020
- Justin Bieber "Changes" Tour — Saturday, May 22, 2020

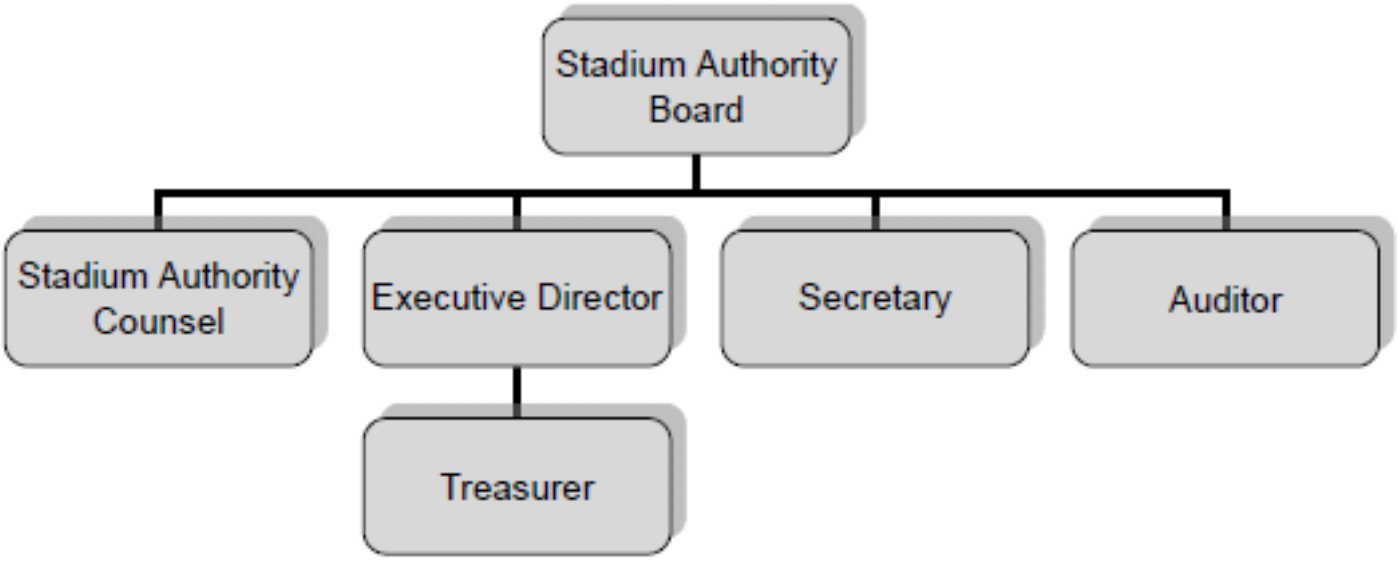
However, with recent developments of the COVID-19 outbreak, it appears likely that these events may be cancelled or postponed. Additional information, as it becomes available to the impact of these events will be communicated to the Board separately.

This budget outlines a work program and financial strategy to assist in meeting the guiding principles of the Stadium Authority, namely that no City of Santa Clara General Fund monies are to be used to fund Stadium costs, Board oversight of its property manager, and to ensure that the Stadium Authority and ManagementCo continue to be held accountable to the various agreements. Our commitment is to continue to look for improvements within the organization and to deliver the kind of results that the public expects. I look forward to presenting this adopted budget at our upcoming sessions.

Respectfully Submitted,

Deanna J. Santana
Executive Director

ORGANIZATIONAL CHART



The seven elected members of the City Council serve as the governing Board of the Santa Clara Stadium Authority with the Mayor serving as Chairperson of the Authority.

In addition, City of Santa Clara staff serve as Officers of the Stadium Authority with the City Manager serving as the Executive Director.

GENERAL INFORMATION

This Santa Clara Stadium Authority ("Stadium Authority") Budget Report provides information covering the Adopted FY 2020/21 Operating, Debt Service, and Capital Budget as well as comparative data from prior fiscal years. Estimated revenue and expense information (three quarters of actuals and one projected quarter) included in this report for the FY 2019/20 is unaudited and, therefore, subject to change as a result of the annual audit conducted by an external and independent auditing firm.

In addition to this report, the Stadium Authority produces annual financial statements within six months of the fiscal year-end (March 31st). These financial statements are audited by an external auditing firm and presented to the Stadium Authority's Audit Committee and Board. Once presented to the Board, the financial statements are published on the Stadium Authority's web page. The FY 2019/20 audited financial statements will be presented to the Board by the end of September 2020.

The Stadium Authority is 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 to ManagementCo or the Stadium Authority are fully reimbursed. Types of services include the following:

- Administrative General Fund costs that are spent during operations are separately tracked using special account codes in the City's financial system and all such costs are billed for reimbursement.

- General Fund public safety costs for NFL and Non-NFL events are separately tracked and all such costs are billed for reimbursement.

NFL Event Highlights - Year in Review

The San Francisco 49ers played twelve (12) National Football League ("NFL") games (two pre-season games, eight regular season games, and two playoff games) in FY 2019/20. The total number of tickets sold for these games was 803,524, an average of 66,960 tickets sold for each game. The ticket sales resulted in $8.4 million of NFL ticket surcharge revenue to Stadium Authority (based on the 10% NFL ticket surcharge on each ticket sold). A total of $250,000 of Senior and Youth Program Fees (based on $0.35 per NFL game ticket, with a maximum of $250,000) were collected and forwarded to the City in FY 2019/20.

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 was 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 2018/19 fiscal year (July 1, 2018 through June 30, 2019) the offsite parking fee was $5.63, and it increased to $5.85 in the City's 2019/20 fiscal year.

Cars parked at the permitted offsite parking lots equaled 81,401. The associated offsite parking fee generated $476,196. There were also 6,882 cars that were parked on the City's Tasman lots. The Tasman lot parking fee generated $34,410 ($5 fee) for the City's General Fund. There are additional parking counts and revenue expected to be received before the end of the year that would change these reported numbers.

NON-NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

There was a total of 183,874 tickets sold for the eight ticketed Non-NFL events that were held in the first three quarters of FY 2019/20, resulting in $735,496 in Non-NFL event ticket surcharge revenue (from the $4 per ticket Non-NFL event surcharge).

2019/20 Non-NFL Events

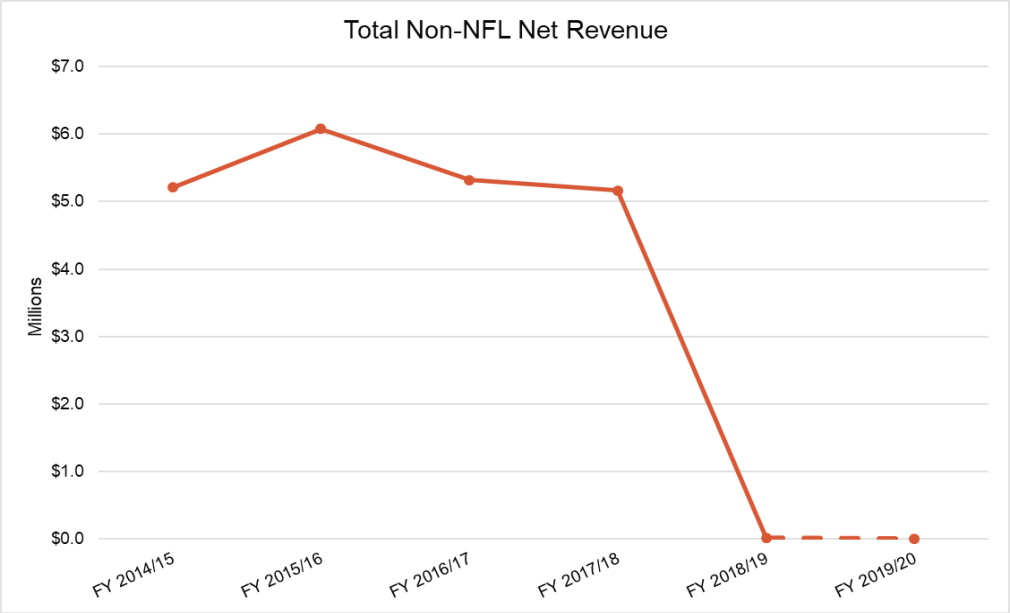
Event	Date	Tickets Sold
Monster Jam	April 13, 2019	37,891
Wedding Fair	April 28, 2019	381
USWNT Soccer Game	May 12, 2019	20,195
ICC Soccer: Benfica vs Chivas	July 20, 2019	14,945
Rolling Stones Concert	August 18, 2019	48,544
HS Football Series	September 6, 2019	4,754
PAC-12 Championship Game	December 6, 2019	27,012
Redbox Bowl	December 30, 2019	30,152
Total to date		183,874

As stated in the NFL Event Highlights, Operators who wish to operate a parking lot for sports or entertainment venues are required to go through the City's permitting process. Approved operators remit an offsite parking fee, per the City's Municipal Fee Schedule, for each car that is parked for sports or entertainment events. This fee was designed to recover the public safety costs associated with these permitted offsite parking lots. Therefore, when invoicing for 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 public safety costs incurred with respect to the operations, parking, and traffic management. Cars parked at the permitted offsite parking lots equaled 17,127 resulting in $98,547 in offsite parking fees from Non-NFL events. There are additional parking counts and revenue expected to be received before the end of the year that would change these reported numbers.

There were also 64 smaller special events with 22,155 total attendees in the first three quarters of FY 2019/20. Examples of these special events include corporate events of various sizes, weddings, holiday parties, etc. A number of smaller special events are scheduled before the end of the fiscal year which will result in a change in the numbers reflected in this section.

NON-NFL EVENT HIGHLIGHTS - YEAR IN REVIEW

As indicated in earlier sections of this report, net Non-NFL revenue has shown a drastic decline and is projected to show no improvement. For reference, the chart below shows the net Non-NFL revenue generated by the Stadium Authority in past years:



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STADIUM AUTHORITY OPERATING BUDGET

The FY 2020/21 Stadium Authority Budget covers the Stadium Authority's twelve-month fiscal year which runs April 1, 2020 through March 31, 2021.

Key highlights for the Stadium Authority's FY 2020/21 Operating Budget are as follows:

Revenues

- FY 2020/21 total projected revenues of $68.2 million includes $24.2 million in stadium builder license (SBL) revenue, $24.8 million in facility rent, $8.7 million in NFL ticket surcharge, $6.9 million in naming rights revenue, $1.5 in Net Revenue from Non-NFL Events, $0.6 million in Non-NFL ticket surcharge and $1.5 in other revenues.

Expenses

- The Operating Budget of $68.2 million monies sufficient to reimburse the City for its staff support and payments for ground rent, Senior/Youth fees, and performance rent. It also includes transfers out of $42.8 million.

Fund	Transfers Out	Transfers In
Operating	$ 42,847,000	-
Debt Service	-	$ 39,265,000
CIP	-	3,582,000
Total	**$ 42,847,000**	**$ 42,847,000**

  As shown in the table above, $39.2 million will be transferred from the Operating Fund to the Debt Service Fund for principal and interest debt service payments. The remaining $3.6 million will be transferred from the Operating Fund to the Capital Fund for Stadium capital improvements.

- Shared Stadium Expenses totals $3 million for insurance. This assumes that the continuation of suspension of payments that was instructed in FY 2019/20 will be in effect until ManagementCo presents the required supporting documentation for the expenses. In addition, at the March 5, 2020 Study Session, the Board requested an alternate budget proposal option that incorporates the fact that no events are scheduled due the outbreak of the novel coronavirus (COVID-19) and Santa Clara County Public Health Department's mandatory cancellation of mass gatherings in the County. To the extent events continue or are scheduled, the Stadium Authority will return to the Board with budget amendments, provided that sufficient backup documentation is provided. The remainder of funding requested by ManagementCo will be allocated in a Legal Contingency until that documentation is provided or resolution to the litigation is completed.

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

Expenses (cont.)

- Stadium Authority General & Administration costs increased by $2.1 million or 84% when compared to the prior year budget of $2.5 million to $4.6 million. These costs are described in detail on Page 25 of this report. These increases are needed for the following:

  - Added staff capacity and contractual services to assist with policy development, legal services, general accounting, and administrative support

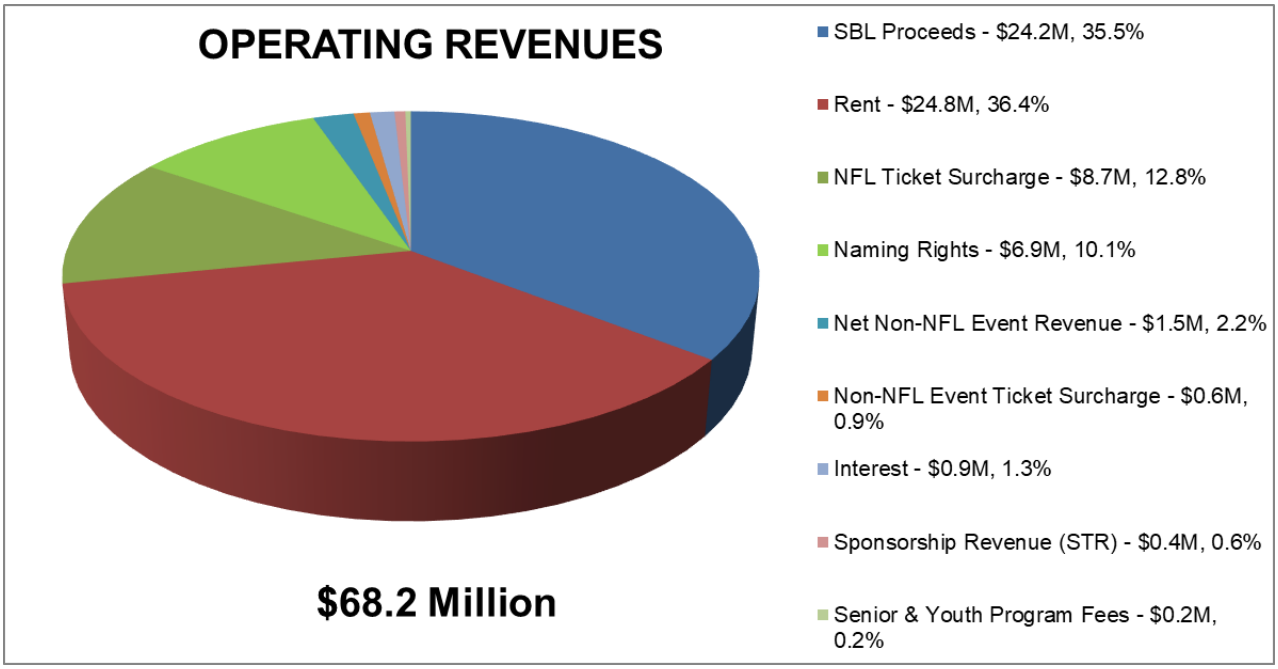
  - Increase in the Audit line item to include targeted performance audits and a Ticket Surcharge audit

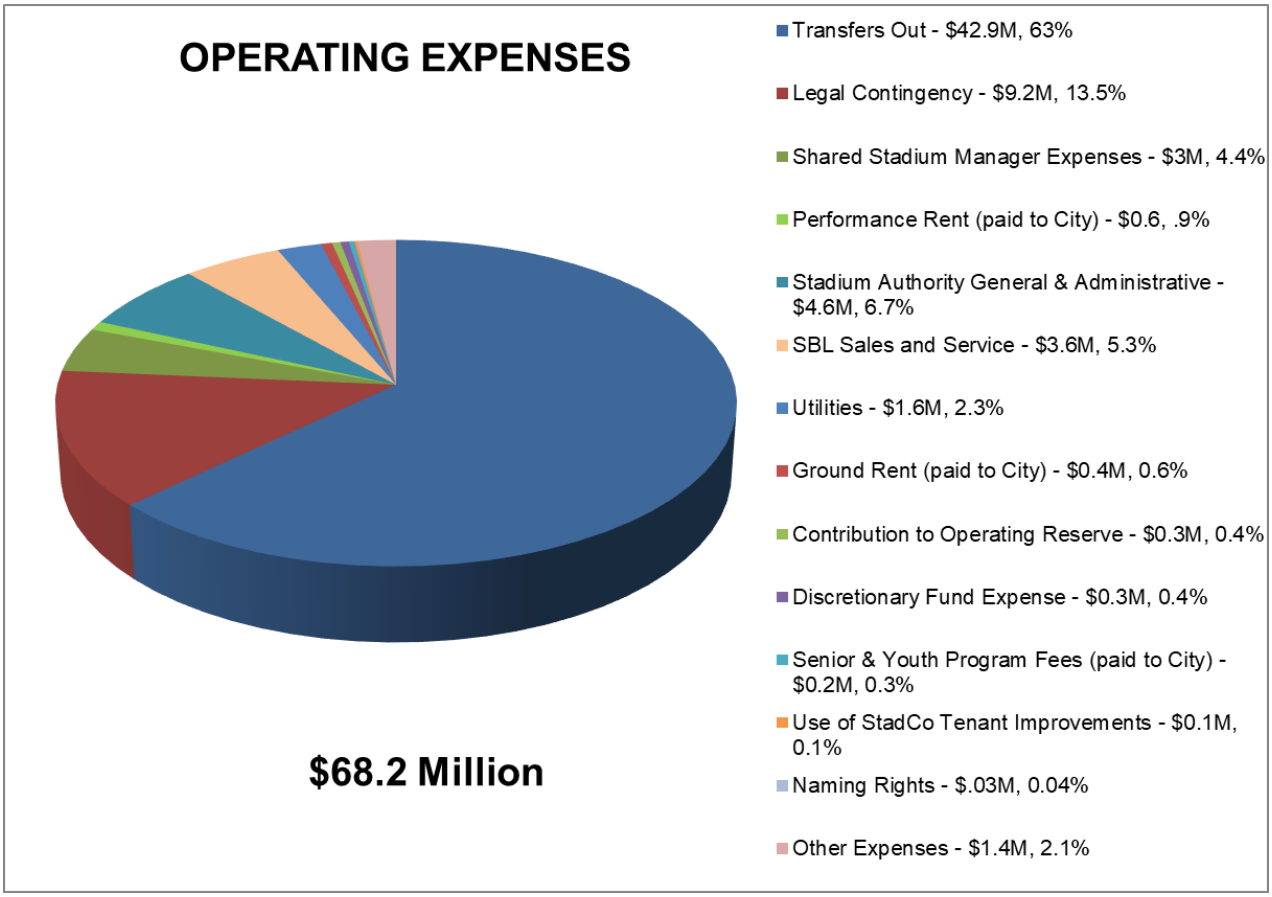
  - Increases in salaries and benefits per applicable Memorandum of Understandings (MOUs)

Reserves

- The Operating Reserve totals $11.9 million (as required by the Stadium Lease) at the end of FY 2020/21, which is an increase of $348,000 when compared to FY 2019/20. The Discretionary Fund is projected to have a balance of $2.4 million.

Stadium Authority Operating Budget (cont.)





Santa Clara Stadium Authority

Operating Budget Summary

	2018/19 Final Budget	2018/19 Year-end Actuals	2019/20 Final Budget	2019/20 Projected Actuals	2020/21 Adopted Budget
Revenues					
NFL Ticket Surcharge	$ 8,031,000	$ 8,076,510	$ 8,142,000	$ 8,412,000	$ 8,665,000
SBL Proceeds	27,214,000	26,750,973	25,416,000	26,246,000	24,213,000
Interest	794,000	1,001,640	938,000	1,024,000	896,000
Non-NFL Event Revenue [1]	62,147,000	50,856,562	-	-	-
Net Revenues from Non-NFL Events [5]	-	-	5,796,000	-	1,500,000
Naming Rights	6,558,000	6,557,327	6,754,000	6,754,000	6,957,000
Sponsorship Revenue (STR)	545,000	387,203	345,000	325,000	392,000
Rent	25,810,000	25,810,002	24,762,000	24,762,000	24,762,000
Senior & Youth Program Fees	230,000	227,933	230,000	250,000	230,000
Non-NFL Event Ticket Surcharge	1,800,000	1,592,588	1,232,000	736,000	572,000
BAHC Reimbursement for CFP Expenses	1,400,000	1,166,884	-	-	-
Other Revenue	2,281,000	2,281,903	-	115,700	-
Total Revenues	**$ 136,810,000**	**$ 124,709,525**	**$ 73,615,000**	**$ 68,624,700**	**$ 68,187,000**

	2018/19 Final Budget	2018/19 Year-end Actuals	2019/20 Final Budget	2019/20 Projected Actuals	2020/21 Adopted Budget
Expenses					
Shared Stadium Manager Expenses					
Stadium Operations	$ 3,721,000	$ 3,659,714	$ 4,004,000	$ 1,452,000	$ -
Engineering	1,835,000	1,999,576	2,054,000	-	-
Guest Services	813,000	561,641	825,000	-	-
Groundskeeping	164,000	154,101	177,000	-	-
Security	1,543,000	1,058,475	1,656,000	-	-
Insurance	2,871,000	2,870,047	2,956,000	2,956,000	3,045,000
Stadium Management Fee	226,000	225,102	232,000	-	-
Shared Stadium Manager Expenses Subtotal	**$ 11,173,000**	**$ 10,528,656**	**$ 11,904,000**	**$ 4,408,000**	**$ 3,045,000**
Other Operating Expenses					
SBL Sales and Service [2]	$ 2,324,000	$ 1,771,307	$ 2,221,000	$ 3,217,000	$ 3,610,000
Senior & Youth Program Fees (paid to City) [2]	230,000	227,933	230,000	250,000	230,000
Non-NFL Event Expense [1]	56,519,000	50,837,971	-	-	-
Net Expense from Non-NFL Events				2,000,000	
Ground Rent (paid to City) [3]	320,000	320,000	355,000	355,000	390,000
Performance Rent (paid to City)[3]	2,654,000	-	2,721,000	-	555,000
Discretionary Fund Expense [4]	990,000	101,267	250,000	-	250,000
Utilities [2]	1,506,000	1,444,485	1,551,000	1,490,000	1,597,000
Use of StadCo Tenant Improvements [2]	236,000	256,263	182,000	182,000	73,000
Stadium Authority General & Administrative [4]	1,685,000	1,556,580	2,480,000	1,955,000	4,581,000
CFP Expenses	1,400,000	1,166,884	-	-	-
Naming Rights Commission	-	-	-	-	30,000
Legal Contingency	-	-	-	6,996,000	9,231,000
Other Expenses	105,000	(33,900)	110,000	66,000	1,400,000
Transfers Out [3]	57,340,000	56,529,584	51,273,000	47,367,700	42,847,000
Contribution to Operating Reserve [3]	328,000	327,818	338,000	338,000	348,000
Other Operating Expenses Subtotal	**$ 125,637,000**	**$ 114,506,192**	**$ 61,711,000**	**$ 64,216,700**	**$ 65,142,000**
Total Expenses	**$ 136,810,000**	**$ 125,034,849**	**$ 73,615,000**	**$ 68,624,700**	**$ 68,187,000**
Operating Reserve	$ 11,255,088	$ 11,255,088	$ 11,593,270	$ 11,593,088	$ 11,941,088
Discretionary Fund	$ 1,086,407	$ 1,960,102	$ 2,302,075	$ 2,328,102	$ 2,364,102

[1] Information not provided by ManagementCo at the time of this report

[2] Recommended by ManagementCo

[3] Expense is based on payment schedule or calculated as instructed per relevant agreements

[4] Recommended by Stadium Authority staff

[5] Net Revenues from Non-NFL events is provided by ManCo on a cash basis

Stadium Authority Board Duties and Adopted General and Administrative Budget

The Board is a public entity responsible for governing the matters concerning Levi's® Stadium. As such, the Board is responsible for setting policy direction, ensuring implementation of its policy direction and other due diligence requirements through Stadium Authority staff, and auditing/oversight of its policy implementation, as reasonable and necessary.

To accomplish Board direction, the administrative budget for the 2020/21 Fiscal Year totals $4.6 million, or 6.7%, of the Fiscal Year 2020/21 Adopted Stadium Authority Operating Expense Budget of $68.2 million. With this budget, staff will support the Board with its oversight of Levi's® Stadium per the various agreements with ManagementCo and Forty-Niners SC Stadium Company LLC (StadCo or Tenant) of the stadium, such as:

1. Uphold fiduciary responsibilities and debt obligations;
2. Maintain a productive and functional business relationship with the Tenant;
3. Develop Board policies as required for proper governance and transparency efforts concerning the Stadium Authority oversight efforts;
4. Continue the current community engagement process to address the public opinion research of the community impacts of Levi's® Stadium, with a focus on neighborhood response and public service deployment improvements;
5. Continue the current noise monitoring program;
6. Implement public safety expert's recommendations during events held at Levi's® Stadium;
7. Address the Work Plan items, as referenced in the Executive Director's transmittal letter to this budget; and,
8. Develop and implement oversight initiatives consistent with public entity organizations.

Stadium Authority staff are responsible for the programmatic oversight and audit of Stadium activities. As part of this budget, the oversight of stadium activities is allocated primarily to the Executive Director, General Counsel, Auditor, Treasurer and various supporting professional staff. With the implementation of a Stadium Authority Financial Management System and increased financial reporting and auditing needs, the Executive Director is recommending two additional financial support staff to assist the Treasurer with these requirements.

STADIUM AUTHORITY OPERATING BUDGET (CONT.)

As such, the Stadium Authority G&A expense budget of $4.6 million provides the financial means in which to fulfill the Board policy direction and strategic initiatives. A breakdown of the Stadium Authority's portion of the overall operating expense budget of $68.2 million is shown below.

Stadium Authority General and Administrative Budget		
Expense Type	**Amount**	**Comments**
Staff support	$2,144,000	To support the Stadium Authority with its oversight duties of stadium activities
Legal Services	1,273,000	As needed for outside legal services
Audit Services	452,000	Financial, Ticket Surcharge, and performance audits performed by external auditors
Consultants	358,000	As needed for outside consulting services
Executive Director & Board Directives	325,000	Funding for unanticipated Board directives, Executive Director assignments, etc
Other Expenses	20,000	Routine office expenses
Board Stipends	9,000	Stadium Authority meetings
Total	**$4,581,000**	

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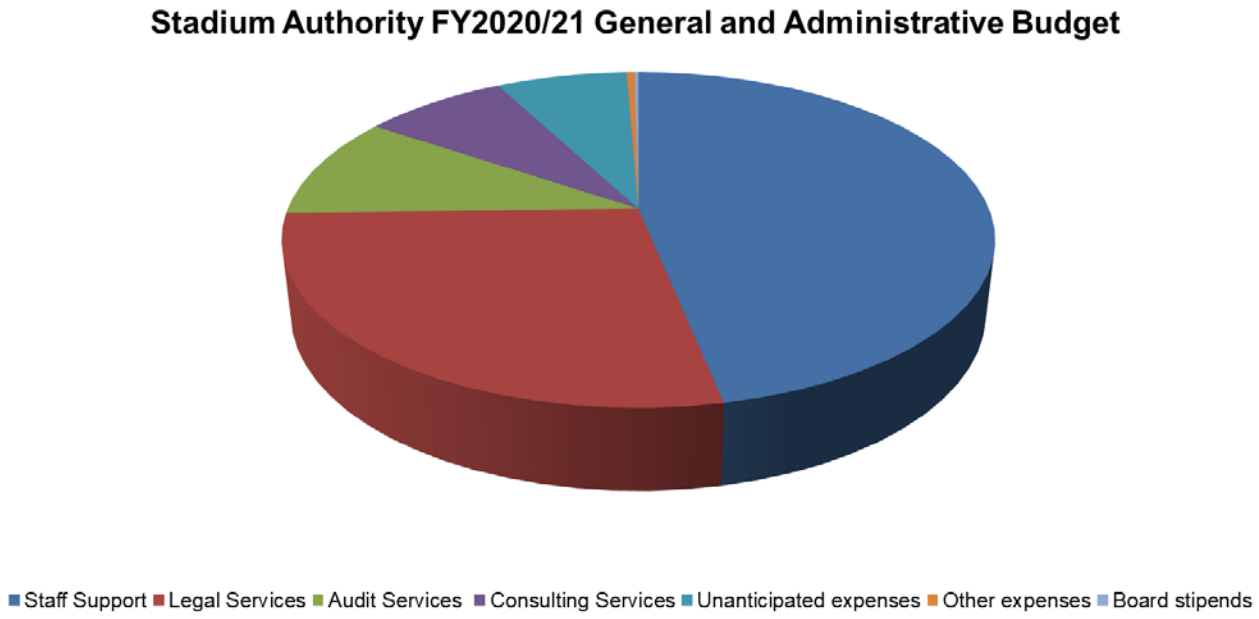


STADIUM AUTHORITY OPERATING BUDGET GLOSSARY

Accrual Basis Accounting: The method of recording revenues and expenses when they are incurred, regardless of when cash is exchanged.

Bay Area Host Committee Reimbursement: This is the reimbursement received from the Bay Area Host Committee for all costs associated with the College Football Playoff Championship (CFP) that was held at Levi's® Stadium on January 7, 2019. This reimbursement is subsequently used to pay internal City and outside agency costs associated with the CFP (see College Football Playoff Expense below). (*Source: Assignment and Assumption Agreement*)

College Football Playoff (CFP) Expense: All internal City and outside agency costs associated with the CFP that are invoiced to the Stadium Authority. (*Source: Assignment and Assumption Agreement*)

Contribution to Operating Reserve: The contributions to the operating reserve are funded by means of excess revenues (see Excess Revenue below). (*Source: The Amended and Restated Stadium Lease Agreement*)

Discretionary Fund Expense: This is funded by half of the Non-NFL ticket surcharge (see Non-NFL Event Ticket Surcharge on Page 28) and has been used to cover NFL public safety costs above the public safety cost threshold in the first three fiscal years of operation and other items at the Stadium Authority's discretion.

Projected Beginning Balance	50% of 2020/21 Non-NFL Event Ticket Surcharge	2020/21 Discretionary Fund Expense	Projected Ending Balance
$ 2,328,102	$ 286,000	$ 250,000	$ 2,364,102

Excess Revenue: If Stadium Authority revenue exceeds expenses for any lease year, such excess revenues shall be distributed as described in the table below. This table reflects how the excess revenues were distributed in the 2018/19 fiscal year. (*Source: The Amended and Restated Stadium Lease Agreement*)

2018/19 Use of Excess Revenues				
#	Description	Amount	Balance	Notes
	Excess Revenues at Year-end		$27,964,971	
1	Payment of ManCo Revolving Loan	$ -	27,964,971	N/A (this loan has not been utilized)
2	Funding Operating Reserve up to $2 Million +3% annually	-	27,964,971	Funding requirement met
3	Funding CapEx Reserve an Additional $1 Million +3% annually	(1,125,509)	26,839,463	Funding annual CapEx Reserve
4	Funding Operating Reserve up to $10 Million +3% annually	(327,818)	26,511,644	Funding annual 3% requirement
5	Prepayment of StadCo Subordinated Loan	(26,511,644)	-	Prepayment requirement met
6	Funding Operating Reserve up to $20 Million +3% annually	-	-	N/A
7	Funding Renovation/Demolition Reserve up to $70 Million	-	-	N/A
8	Available for Additional Disbursements as described in the Stadium Lease	-	-	N/A

Ground Rent: The City has agreed to lease the land under Levi's® Stadium to Stadium Authority for an initial term of 40 years. The fixed ground rent schedule is noted below for the 40-year initial term. (*Source: Ground Lease Agreement*)

Lease Year(s)	Fiscal Year(s)	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 through 2028-29	$ 1,000,000
16-20	2029-30 through 2033-34	$ 1,100,000
21-25	2034-35 through 2038-39	$ 1,200,000
26-30	2039-40 through 2043-44	$ 1,300,000
31-35	2044-45 through 2048-49	$ 1,400,000
36-40	2049-50 through 2053-54	$ 1,500,000

Insurance: ManagementCo procures insurance for Levi's® Stadium for the entire year and the cost is split between Stadium Authority and StadCo (see Shared Stadium Manager Expenses on Page 31). The stadium lease sets Stadium Authority's share of insurance expense at $2,550,000 for the first lease year with each succeeding lease year's insurance expense increasing by 3%. (*Source: Stadium Management Agreement & The Amended and Restated Lease Agreement*)

Interest: This is interest earned from cash on hand.

Naming Rights: Levi Strauss & Co (Levi's®) pays an annual naming rights fee to Stadium Authority. The annual fee increases by 3% each contract year through the 20-year term. This annual fee is paid in two equal semi-annual installments on or before March 1st and October 1st. (*Source: Naming Rights Agreement*)

Net Revenues from Non-NFL Events: ManagementCo provides management services for Levi's® Stadium year-round. As such ManagementCo is responsible for booking and scheduling all Non-NFL events on behalf of Stadium Authority. ManagementCo is required by the agreement to maintain complete and accurate books and records relating to the net income from the Non-NFL events. Those records are reviewed by Stadium Authority staff and/or outside consultants and audited by an independent auditor. After the completion of the fiscal year, the net revenues are paid to Stadium Authority by ManagementCo. (*Source: Stadium Management Agreement*)

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

NFL Ticket Surcharge: The Forty Niners Football Company, LLC (the Team) collects a 10% NFL ticket surcharge on the price of admission to all NFL games occurring in Levi's® Stadium on behalf of Stadium Authority. (*Source: Amended and Restated Non-Relocation Agreement*)

Non-NFL Event Expense: The gross expenses for Non-NFL events held at Levi's® Stadium.

Non-NFL Event Revenue: The gross receipts from Non-NFL events held at Levi's® Stadium.

Non-NFL Event Ticket Surcharge: Promoters or sponsors of any ticketed Non-NFL event that is held at Levi's® Stadium are required to collect a $4 per ticket surcharge on behalf of Stadium Authority. Half of this surcharge that is paid to Stadium Authority covers general stadium operations and the other half funds the Stadium Authority Discretionary Fund. (*Source: Amended and Restated Stadium Lease Agreement*)

Other Expenses: Miscellaneous Stadium Authority expenses such as bank fees.

Other Revenue: Miscellaneous Stadium Authority revenues. The projected 2019/20 other revenue is the result of a reimbursement of Shared Stadium Expenses.

Performance Rent: Stadium Authority pays the City performance rent on top of the fixed ground rent. The basic calculation for the performance-based rent is 50% of the net income from Non-NFL events for any given lease year less the sum of performance-based rent credits. The performance-based rent credits include 50% of the current year's base ground rent, and other credits. The table below represents a projection of the 2019/20 and 2020/21 Fiscal Years performance rent. (*Source: Ground Lease Agreement & Amended and Restated Stadium Lease Agreement*)

Performance Rent Calculation	Fiscal Year 2019/20 Projection	Fiscal Year 2020/21 Budget
Ground Rent	$ 355,000	$ 390,000
Net Non-NFL Event Revenue (Expense)	$ (2,000,000)	$ 1,500,000
50% of Net Non-NFL Event Revenue (Expense)	$ (1,000,000)	$ 750,000
Performance Rent Credit (50% of Ground Rent)	$ (177,500)	$ (195,000)
Total Performance Rent paid to the City of Santa Clara	$ 0	$ 555,000

Rent: The facility rent was originally set at $24.5 million for StadCo to lease the stadium for their half of the year. As a result of the rent reset arbitration award in favor of Stadium Authority, the facility rent was reset to $24.8 million retro-active to the first lease year. The rent adjustment process is outlined in the Amended and Restated Stadium Lease. (*Source: Amended and Restated Stadium Lease Agreement*)

Senior and Youth Program Fees: During the lease terms, StadCo collects a City of Santa Clara Senior and Youth program Fee on behalf of Stadium Authority. The fee is based on $0.35 per NFL game ticket up to a maximum of $250,000 per lease year. (*Source: Amended and Restated Stadium Lease Agreement*)

Shared Stadium Manager Expenses: ManagementCo oversees the day to day operations of Levi's® Stadium year-round. Since StadCo leases the stadium from Stadium Authority for half of each fiscal year, the ManagementCo stadium manager expenses are shared between StadCo and Stadium Authority. Most shared stadium manager expenses are split 50/50 between StadCo and Stadium Authority; grounds-keeping is the exception with a 70/30 split, StadCo being responsible for the larger share. In addition, ManagementCo procures insurance for Levi's® Stadium that is shared between Stadium Authority and StadCo (see Insurance on page 27). (*Source: Stadium Management Agreement & The Amended and Restated Stadium Lease Agreement*)

In FY 2019/20, the Stadium Authority Board instructed the suspension of payments until ManagementCo presents the required supporting documentation for the expenses. The FY 2020/21 Budget assumes the continuation of the suspension of payments (excludes insurance). In addition, at the March 5, 2020 Study Session, the Board requested an alternate budget proposal option that incorporates the fact that no events are scheduled due the outbreak of the novel coronavirus (COVID-19) and Santa Clara County Public Health Department's mandatory cancellation of mass gatherings in the County. To the extent events continue or are scheduled, the Stadium Authority will return to the Board with budget amendments, provided that sufficient backup documentation is provided. The remainder of funding requested by ManagementCo will be allocated in a Legal Contingency until that documentation is provided or resolution to the litigation is completed.

Sponsorship Revenue (STR): STR Marketplace, LLC (STR) established a secondary market website to facilitate the transfer and resale of SBLs. In exchange for the use of the Levi's® Stadium trademarks and links on the website (hence the title Sponsorship Revenue), STR pays Stadium Authority a minimum annual fee of $325,000 based on the commissions that are collected by STR. In addition to the minimum annual fee, Stadium Authority also receives 50% of any commissions in excess of $650,000. (*Source: SBL Website Marketing Agreement*)

Stadium Authority General & Administrative: As an independent public entity, Stadium Authority incurs its own expenses in relation to Board governance, fiduciary responsibilities, oversight, and operations of Levi's® Stadium. These include but are not limited to Stadium Authority staff time, due diligence requirements for proper fiscal and operational oversight, and various outside contractors and consultants who are hired to administer the necessary requirements for owning and operating Levi's® Stadium. Also included are various administrative type costs such as bank fees, phone charges, IT equipment maintenance, etc.

Stadium Builder License (SBL) Proceeds: SBL holders who are on a payment plan make annual payments. Additionally, some SBL holders make payments above and beyond their annual scheduled payment plan. There are also sales of new SBLs and/or SBLs that were defaulted and resold. SBL cash collections from all of these sources make up SBL proceeds.

Stadium Builder License (SBL) Sales and Service: ManagementCo provides sales and service to SBL holders on behalf of Stadium Authority. This includes all SBL collection efforts and customer service support. (*Source: Agreement for Stadium Builder License Sales & Fourth Amendment to the Stadium Management Agreement*)

STADIUM AUTHORITY OPERATING BUDGET GLOSSARY (CONT.)

Stadium Management Fee: ManagementCo 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. This annual base management fee is split 50/50 between StadCo and Stadium Authority since ManagementCo manages the stadium year-round for both entities. In addition to the base management fee, ManagementCo 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 table below shows the first 10 years of the base management fee and the stadium marketing and booking fee benchmark. It also shows the first five years of net income from Non-NFL events and a projection of the sixth year as well as the applicable marketing and booking fee which was 5% of the net Non-NFL income over the benchmark. (*Source: The Stadium Management Agreement*)

Fiscal Year	Lease Year	Annual Base Stadium Management Fee (SCSA Share)	Stadium Marketing and Booking Fee Benchmark	Actual/Projected Net Income from Non-NFL Events	Actual 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[1]	6	$ 231,855	$ 5,796,370	$ (2,000,000)	$ -	$ 231,855
2020/21	7	$ 238,810	$ 5,970,261	To be determined		
2021/22	8	$ 245,975	$ 6,149,369			
2022/23	9	$ 253,354	$ 6,333,850			
2023/24	10	$ 260,955	$ 6,523,866			

[1] The Net Loss from Non-NFL Events for 2019/20 is a projection.

Transfers Out: Transfers from the Stadium Authority Operating Fund to fund Debt Service and Capital Funds.

Utilities: StadCo leases the stadium from Stadium Authority for six months of each fiscal year from August through January. StadCo is therefore responsible for the day-to-day utilities during that period. Stadium Authority pays for the day-to-day utilities from February through July. Utilities associated with large ticketed Non-NFL events are charged as an expense to the event which is included in the Non-NFL event expense.

Use of StadCo Tenant Improvements: StadCo charges Stadium Authority for use of various StadCo tenant improvements (such as the use of the scoreboard) during Non-NFL events. (*Source: Amended and Restated Lease Agreement*)

STADIUM MANAGER SHARED EXPENSES

The Stadium Management Agreement is between the Stadium Authority, StadCo and ManagementCo and was entered into as of March 28, 2012. This agreement provides the Stadium Authority with the expertise of an outside manager to oversee the day-to-day operations of Levi's® Stadium. Additionally, the Amended and Restated Stadium Lease Agreement between the Stadium Authority and StadCo was made and entered into as of June 19, 2013.

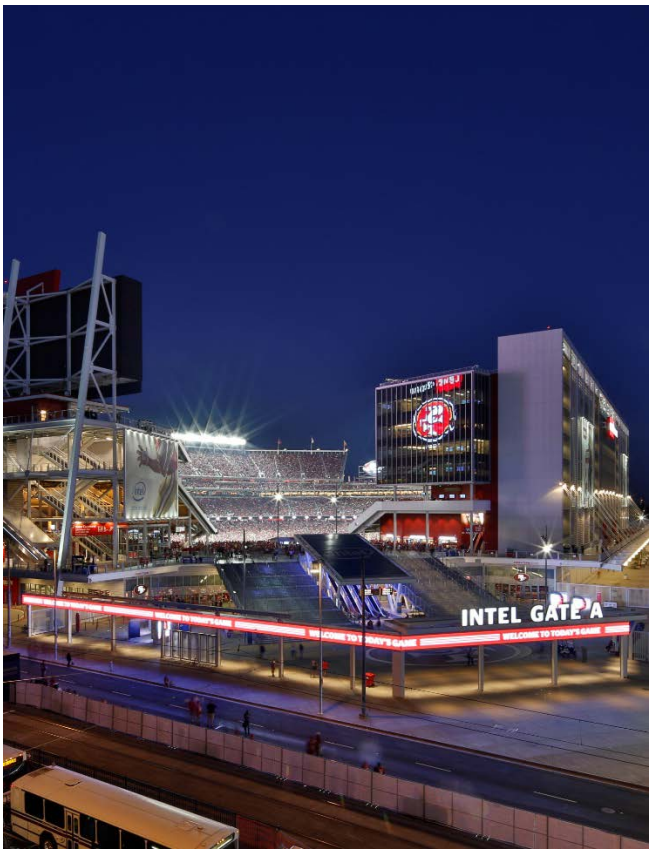
This agreement amended the original stadium lease to set the initial rent, to allow StadCo to enter into agreements with alternative energy providers, to cap Stadium Authority's share of the insurance costs at a fixed amount each year, and to require Stadium Authority to fund various reserves.

Per the terms of the stadium lease, StadCo leases the stadium from the Stadium Authority for half of each fiscal year and is responsible for the Stadium Manager operating expenses during that period. The Stadium Manager operating expenses for the other half of the year are the responsibility of the Stadium Authority. Section 8.3.1 describes the proportionate share of Stadium Manager expenses that are owed by the Stadium Authority and StadCo. Namely that most stadium manager operating expenses are split 50/50 with grounds-keeping being the exception with a 70/30 split, StadCo being responsible for the larger share.

ManagementCo procures insurance for Levi's® Stadium for the entire year and the cost is shared between Stadium Authority and StadCo.

Section 4.7 of the management agreement notes that ManagementCo will provide an Annual Shared Stadium Expense Budget to be adopted annually by Stadium Authority and StadCo.

Once the budget has been adopted, ManagementCo invoices Stadium Authority monthly for its budgeted portion of shared expenses which include stadium manager operating expenses. As part of the year-end work, the budgeted amounts that were paid are trued up with actuals for which ManagementCo provides details. The Stadium Authority has requested documentation, including invoices and insurance policies, that support the Shared Expenses provided by ManagementCo, however, at the time of this report, Stadium Authority has not received the supporting documentation.



STADIUM MANAGER SHARED EXPENSES (CONT'D)

Stadium Manager

2020/21 Total Shared Stadium Expenses

Between the Santa Clara Stadium Authority and Forty Niners SC Stadium Company (StadCo)

	Security	Stadium Operations	Engineering	Guest Services	Groundskeeping	Total
Total Compensation [2]	$ 426,155	$ 2,555,821	$ 1,402,782	$ 391,723	$ 188,802	**$ 4,965,283**
Travel, Meals & Entertainment	-	203,988	6,000	40,990	4,795	**255,773**
Outside Services	992,078	1,091,000	449,387	800	619,472	**3,152,737**
General Supplies	1,608	61,850	78,000	102,655	132,958	**377,071**
Telephone	5,100	280,000	10,200	4,464	1,008	**300,772**
Equipment	8,094	225,688	28,000	58,000	5,600	**325,382**
Uniforms	5,124	-	1,500	78,100	1,750	**86,474**
Other	-	44,150	1,250	29,250	-	**74,650**
Subtotal	**$ 1,438,159**	**$ 4,462,497**	**$ 1,977,119**	**$ 705,982**	**$ 954,385**	**$ 9,538,142**

Santa Clara Stadium Authority Proportionate Share of Stadium Expenses [1][5]

	Security	Stadium Operations	Engineering	Guest Services	Groundskeeping	Total
Total Compensation	$ -	$ -	$ -	$ -	$ -	**$ -**
Travel, Meals & Entertainment	-	-	-	-	-	**-**
Outside Services	-	-	-	-	-	**-**
General Supplies	-	-	-	-	-	**-**
Telephone	-	-	-	-	-	**-**
Equipment	-	-	-	-	-	**-**
Uniforms	-	-	-	-	-	**-**
Other	-	-	-	-	-	**-**
Subtotal	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Insurance [3]						**3,044,833**
Management Fee [4]						**-**
Total						**$ 3,044,833**

[1] The Santa Clara Stadium Authority proportionate share of stadium expenses is rounded to the nearest $1,000 in the operating budget.

[2] Total compensation is based on a total of 58 full time equivalent positions.

[3] The stadium lease sets Stadium Authority's share of insurance expense at $2,550,000 for the first lease year with each succeeding lease year's expense increasing 3%.

[4] The stadium management agreement sets the base management fee at $400,000 for the first lease year with each succeeding lease management fee increasing 3%. This base management fee is split 50/50 between Stadium Authority and StadCo.

[5] Shared Stadium Expenses totals $3 million for insurance. This assumes that the continuation of suspension of payments that was instructed in FY 2019/20 will be in effect until ManagementCo presents the required supporting documentation for the expenses. In addition, at the March 5, 2020 Study Session, the Board requested an alternate budget proposal option that incorporates the fact that no events are scheduled due the outbreak of the novel coronavirus (COVID-19) and Santa Clara County Public Health Department's mandatory cancellation of mass gatherings in the County. To the extent events continue or are scheduled, the Stadium Authority will return to the Board with budget amendments, provided that sufficient backup documentation is provided. The remainder of funding requested by ManagementCo will be allocated in a Legal Contingency until that documentation is provided or resolution to the litigation is completed.

STADIUM MANAGER SHARED EXPENSES GLOSSARY

Total Compensation: This cost includes full-time staff (58 employees), part-time staff, and benefits. Stadium Authority pays for 50% of these costs except for groundskeeping which is set at 30%.

- **Full-time wages** are costs for all management company full-time employees.

- **Part-time wages** are costs for all management company part time employees. Wages include annual training for all Guest Services Representatives.

- **Benefits** are costs of employees' health insurance, pension, vacation time, and all employer taxes.

Travel, Meals & Entertainment: These are costs for employee travel (airfare, ground, lodging, and meals) to stadium management conferences. In addition, this category includes costs for staff meals for general food and beverage, vendor engagement, and the year-end guest service employee appreciation banquet.

Outside Services: Costs for outside service providers which include the following:

- **Janitorial and Medical** costs related to the janitorial, cleaning, landscaping, and trash services of the interior and exterior of the stadium and medical services for the stadium during regular business hours.

- **Stadium Security** costs for staffing 24/7 security guards in and around the stadium and explosive detection canines.

- **Engineering & Maintenance** for mandatory safety and general maintenance costs associated with fire sprinklers, fire alarms, elevators, and backflows. Also includes outside sub-contracted calls for services for windows, signage and roof repair, HVAC & electrical, carpet, concrete or other miscellaneous repairs.

General Supplies: Supplies for stadium operations, janitorial, engineering, and Guest Services (For example: janitorial supplies, general printing costs for stadium signage, deployment sheet, notes, handbooks etc.).

Telephone: These are costs for land lines and internet/data service for the stadium, (net of the costs for the Team's business offices), and cell service for stadium operations' and security personnel.

Equipment: Costs associated with stadium operations and security software, including incident tracking, mobile safety application, stadium staff scheduling/event calendar software, video surveillance licensing software, X-ray machine rental for deliveries, and monthly cost for off-site equipment storage.

Uniforms: Guest Services replacement and replenishment of uniforms.

Other Costs: Costs associated with Stadium Operations (For example: specialized training, command post, CPR first aid, background checks, recruiting, marketing/advertising, and employee retention program).

Tenant Improvements: Interior improvements within Tenant's exclusive facilities and any other improvements within the Stadium that are to be owned by, and constructed at the cost of, Tenant or any Tenant transferee as may be agreed by the Parties (Stadium Authority and StadCo). (Source: Stadium Lease Agreement)

Stadium Manager

Santa Clara Stadium Authority Proportionate Share of Stadium Expenses - Five Year Forecast

	2021/22	2022/23	2023/24	2024/25	2025/26
Total Compensation [1]	$ 5,003,118	$ 5,153,212	$ 5,307,808	$ 5,467,042	$ 5,631,054
Travel, Hotel & Staff/Partner F&B	260,623	268,442	276,495	284,790	293,334
Outside Services	2,882,716	2,969,197	3,058,273	3,150,021	3,244,522
General Supplies	310,128	319,432	329,015	338,885	349,052
Telephone	309,202	318,478	328,032	337,873	348,009
Equipment	331,847	341,802	352,056	362,618	373,497
Uniforms	88,038	90,679	93,400	96,202	99,088
Other	76,890	79,196	81,572	84,019	86,540
Total	**$ 9,262,562**	**$ 9,540,438**	**$ 9,826,651**	**$ 10,121,450**	**$ 10,425,096**
Insurance [2]	3,136,178	3,230,264	3,327,172	3,426,987	3,529,796
Management Fee [3]	245,975	253,354	260,955	268,783	276,847
Total	**$ 12,644,715**	**$ 13,024,056**	**$ 13,414,778**	**$ 13,817,220**	**$ 14,231,739**

[1] Total compensation is based on a total of 58 full-time equivalent positions.

[2] The stadium lease sets SCSA's share of insurance expense at $2,550,000 for the first lease year with each succeeding lease year's expense increasing 3%.

[3] The stadium management agreement sets the base management fee at $400,000 for the first lease year with succeeding lease year's management fee increasing 3%. This base management fee is split 50/50 between and StadCo.

Santa Clara Stadium Authority

Debt Service Budget Summary

	2018/19 Final Budget	2018/19 Year-end Actuals	2019/20 Current Budget	2019/20 Projected Actuals	2020/21 Adopted Budget
Resources					
Revenues					
Contribution from CFD	$ 3,800,000	$ 3,779,880	$ 3,872,000	$ 3,873,000	$ 4,028,000
Revenues Subtotal	**3,800,000**	**3,779,880**	**3,872,000**	**3,873,000**	**4,028,000**
Transfers In from Operating	53,963,000	53,153,057	47,795,000	43,889,700	39,265,000
Contribution from Fund Balance	4,653,000	4,094,296	-		-
Total Resources	**$ 62,416,000**	**$ 61,027,233**	**$ 51,667,000**	**$ 47,762,700**	**$ 43,293,000**

	2018/19 Final Budget	2018/19 Year-end Actuals	2019/20 Current Budget	2019/20 Projected Actuals	2020/21 Adopted Budget
Expenses					
CFD Advance	$ 3,800,000	$ 3,506,299	$ 3,844,000	$ 3,835,000	$ 3,989,000
Term A Loan	26,702,000	26,043,162	26,383,000	25,628,000	25,562,000
StadCo Subordinated Loan	31,914,000	31,477,772	21,440,000	18,299,700	13,742,000
Total Expenses	**$ 62,416,000**	**$ 61,027,233**	**$ 51,667,000**	**$ 47,762,700**	**$ 43,293,000**
Debt Service Reserve	$ 11,536,235	$ 11,536,235	$ 11,536,235	$ 11,536,235	$ 11,536,235

The FY 2020/21 Debt Service Budget of $43.3 million is based on the required and additional principal and interest debt service payments. A glossary is included at the end of this section that describes the type of debt and the applicable source documents for each loan. Of the $43.3 million budget, $4.0 million represents anticipated contributions from the Community Facilities District (CFD). The total Debt Service Reserves are projected to remain at $11.5 million.

The schedule on the following page provides a breakdown of the principal and interest payments budgeted in FY 2020/21 for each loan as well as the beginning and ending balances. The total outstanding debt is projected to decrease by $28.2 million in FY 2020/21 from $309.2 million to $281 million.

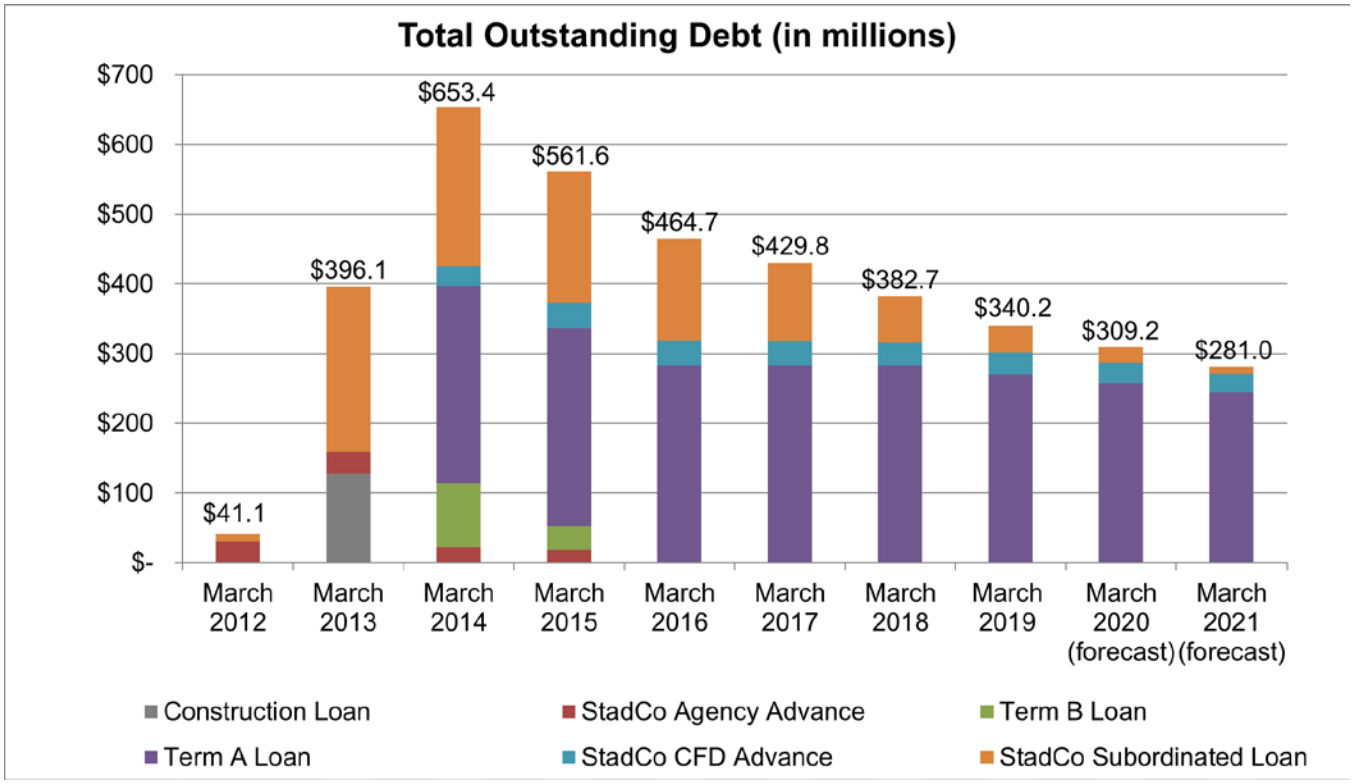
Santa Clara Stadium Authority

Debt Service Payment Schedule

Debt Obligations	Interest rates	2020/21 Interest	2020/21 Beginning Balance	2020/21 Principal Payments	2020/21 Additional Payments[1]	2020/21 Ending Balance
Stadium Funding Trust Term A Loan	5.00%	$ 12,208,000	$ 257,514,000	$ 13,354,000	$ -	$ 244,160,000
StadCo CFD Advance[2]	5.73%	1,598,000	28,821,000	2,391,000	-	26,430,000
StadCo Subordinated Loan	5.50%	1,258,000	22,866,000	4,412,590	8,071,410	10,382,000
Total		**$ 15,064,000**	**$ 309,201,000**	**$ 20,157,590**	**$ 8,071,410**	**$ 280,972,000**

[1]Additional payment is based on anticipated revenue that is in excess of all expenses and reserve requirements.

[2]Community Facilities District (CFD) principal payment is an estimate based on anticipated contributions from the CFD



STADIUM DEBT SERVICE BUDGET GLOSSARY

Contribution from the Community Facilities District (CFD): The CFD was established for the purpose of financing and constructing publicly owned facilities. To support that, the CFD levies and collects a special hotel tax of 2% on hotel rooms within the CFD. During the construction of Levi's® Stadium, Stadium Authority spent $35 million on CFD infrastructure. All collections from the special CFD hotel taxes are contributed to Stadium Authority to pay down the CFD Advance which was used to fund the construction of the CFD publicly owned facilities. (Source: The Reimbursement Agreement Relating to the CFD)

CFD Advance: StadCo agreed to loan Stadium Authority a not to exceed amount of $35 million for CFD infrastructure and with a maximum principal amount of $38 million including capitalized interest. This loan bears interest at a fixed rate of 5.73% and the loan is payable solely from amounts actually received by Stadium Authority from the CFD. (Source: The Authority Promissory Note in Respect of StadCo CFD Advance)

Term A Loan: The Stadium Funding Trust (FinCo) agreed to loan Stadium Authority $282.8 million to fund construction of Levi's® Stadium. This loan bears interest at a fixed rate of 5% payable semi-annually, with annual principal payments due beginning in April 2018. It has a maturity date in 2039 and is subject to certain prepayment premiums. The principal payment schedule is noted below. (Source: The Restated Credit Agreement)

Term A Loan Amortization							
Date	**Annual Principal Payment**		**Date**	**Annual Principal Payment**		**Date**	**Annual Principal Payment**
April 1, 2018	$ 12,110,000		April 1, 2026	$ 8,404,934		April 1, 2033	$ 13,306,164
April 1, 2019	$ 12,718,000		April 1, 2027	$ 9,001,865		April 1, 2034	$ 14,160,901
April 1, 2020	$ 13,354,000		April 1, 2028	$ 9,630,410		April 1, 2035	$ 15,060,270
April 1, 2021	$ 14,022,000		April 1, 2029	$ 10,292,166		April 1, 2036	$ 16,006,521
April 1, 2022	$ 14,723,000		April 1, 2030	$ 10,988,812		April 1, 2037	$ 17,002,017
April 1, 2023	$ 15,459,000		April 1, 2031	$ 11,722,111		April 1, 2038	$ 18,049,239
April 1, 2024	$ 7,299,896		April 1, 2032	$ 12,493,914		April 1, 2039	$ 19,150,794
April 1, 2025	$ 7,838,094						

StadCo Subordinated Loan: StadCo agreed to loan Stadium Authority an amount not to exceed $500 million to fund construction of Levi's® Stadium. The actual amount loaned to the Stadium Authority was $236.9 million. This loan bears a fixed interest rate of 5.5% with annual principal payments due beginning in March 2016 and it may be prepaid at any time without penalties. (Source: The Restated StadCo Obligations Agreement)

STADIUM AUTHORITY CAPITAL EXPENSE BUDGET

The Capital Expense (CapEx) Budget is used to fund the purchase or upgrade of fixed assets for the Stadium. While the funding for appropriations occur on an annual basis, the Capital Expense Plan extends for a five-year period (shown on Page 48 of this report). Changes to existing projects, as well as the addition of new projects, may occur during the five-year planning period as new needs are identified. The appropriations for capital projects do not lapse at year-end but carryover into future years until the project is complete.

The FY 2020/21 CapEx Budget totals $13.3 million. Of this total, $8.0 million of prior year appropriations are projected to be carried over from FY 2019/20 ($1.5 million of the projected carryover amount is for warranty-related construction, and the other $6.5 million is for prior year CapEx projects). New capital improvement appropriations equal $5.3 million.

A detailed listing of adopted FY 2020/21 projects is provided starting on Page 40 of this report.

Public Safety Kawasaki Mule
Used for public safety patrol and emergency response

Santa Clara Stadium Authority

Capital Expense Budget Summary

	2018/19 Final Budget	2018/19 Year-End Actuals	2019/20 Final Budget	2019/20 Projected Actuals	2020/21 Projected Carryover	2020/21 Adopted Budget	2020/21 Total Adopted Budget
Beginning Balances	**$ 12,358,833**	**$ 12,718,700**	**$ 14,532,870**	**$ 14,516,225**	**$ 17,837,300**		**$ 17,837,300**
Resources							
Transfers In from Operating	3,377,000	3,376,527	3,478,000	3,478,000	-	3,582,000	3,582,000
Transfers In from Stadium Development[1]	-	-	-	-	-	-	-
Total Resources	**15,735,833**	**16,095,227**	**18,010,870**	**17,994,225**	**17,837,300**	**3,582,000**	**21,419,300**

	2018/19 Final Budget	2018/19 Projected Actuals	2019/20 Final Budget	2019/20 Projected Actuals[2]	2020/21 Projected Carryover	2020/21 Adopted Budget	2020/21 Total Adopted Budget
Expenses							
Construction	4,875,415	1,378,251	4,956,922	-	1,888,911	2,836,416	4,725,327
Equipment	1,210,000	124,732	7,070,988	156,114	4,252,034	2,208,523	6,460,557
Contingency	296,546	3,250	657,397	812	307,048	252,248	559,296
Stadium Warranty Related Construction	1,600,971	72,769	1,528,202	-	1,528,202	-	1,528,202
Total Expenses	**7,982,932**	**1,579,002**	**14,213,509**	**156,926**	**7,976,195**	**5,297,187**	**13,273,382**
Capital Expense Reserve	$ 7,752,901	$ 14,516,225	$ 3,797,361	$ 17,837,300	$ 9,861,105		$ 8,145,918

[1] Carryover from the original Stadium Construction Budget for Warranty-related work

[2] Projected Actuals exclude some project payments withheld due to the ManagementCo not following State procurement and prevailing wage laws.

ALS Lifepack Monitor allows better diagnosis and treatment of cardiac arrest patients.

Santa Clara Stadium Authority

2020/21 CapEx Budget

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
General Building		**Updated Stadium Wayfinding Signage** Install Premium/Club wayfinding, Suite wayfinding, Smoking section signs, No smoking signs for around the main and upper concourses, section numbers/floor decals, ADA blue lines, tunnel signs that indicate “no photos/no autographs”, etc.	$ 250,000	$ 12,500	$ 262,500
General Building		**Levi's Naming Rights Signage Replacement** Replace Levi's Naming Rights signage.	650,000	32,500	682,500
Plumbing		**Lift Station** Replace pumps, motors and controls at sewage ejector sumps in Quadrants A, B, C & D on 100 level.	200,000	10,000	210,000
Plumbing		**Plumbing** Replace pressure reducing valves and other parts on domestic and recycled water systems.	100,000	5,000	105,000
Public Safety	x	**Stadium Vehicles (Gator & Kubota) Upfits** Add a utility storage box for John Deere Gator utility vehicle to store all of Joint Hazard Assessment Team's (JHAT) equipment in a secure and organized area. The upfits for the Gator and Kubota utility vehicles also include adding roll-up windows to protect staff against rain, and hood racks for additional storage for the many pieces of equipment that JHAT carries.	9,000	450	9,450
Public Safety	x	**Storage Conex Garage for Apparatus** Add a new lockable, weatherproof storage conex for storage of three stadium vehicles (two John Deere Gators and one Kubota utility vehicle). With the temporary closing of Fire Station 10, the space is needed to house the vehicles that are currently housed at Fire Station 10. The storage container will be located at Fire Station 8 which is the closest location to the Stadium.	12,416	621	13,037
Public Safety	x	**Pedestrian Safety Fencing** Install raised fencing on Tasman Drive from Centennial Boulevard to Calle Del Sol. This is approximately 0.4 miles and would be adjacent to the VTA/Light Rail tracks. This fencing is required to guarantee the safety of patrons as pedestrians on Tasman Drive. Currently, pedestrians regularly jump temporary construction barriers and cross eastbound Tasman Drive and cross live/active VTA light rail tracks. In addition, during events the traffic flow is reversed and pedestrians will not expect cars coming from that direction. This poses a clear danger for pedestrians and mobile personnel are not always available to prevent this regular attempt by pedestrians. Raised fencing will guarantee this dangerous situation stops. The cost is an estimate based on the Fencing on Tasman project.	100,000	5,000	105,000
Security		**Enhance Stadium Security Coverage** Evaluate and replace existing cameras with technologically advanced multi-lens panoramic/360/multi-directional cameras. Design locations and camera styles have created visual obstructions and gaps in coverage. Height locations with fixed lens cameras create the inability to adjust field of views. Installation of television monitors/signage near camera mounts have created field of view obstructions. Due to high volume of club space usage for large scale, and smaller events, request for video investigations become frequent. Low lighting situations are constant with event type needs, and enhanced technology from newer cameras will enable greater video quality. The areas which need to be evaluated include, but are not limited to: BNY Mellon East and West Club, Yahoo Club, United Club, FII Club, 501 Club, Citrix Owners Club, Entry Gates, and Perimeter fences.	330,000	16,500	346,500
Security		**Enhance Stadium Security Access Control** Install card readers on manual doors to increase access control features and security. Based on operational demands, doors have been identified via staff request and event activity in order to improve operational awareness and enhance the access control abilities by automating the doors. This also increases security to areas deemed by staff to hold sensitive or high value assets. The access control enhancements include Vertx/Mercury upgrade, EvoE400/Mercury upgrade, and various doors with access control needs.	235,000	11,750	246,750

Santa Clara Stadium Authority

2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Security		**CCTV Pop Up Trailers** Purchase five (5) additional units to continue to meet NFL Best Practices guidelines by covering parking lots outside stadium footprint that currently have no camera coverage.	$ 235,000	$ 11,750	$ 246,750
Security		**Parking Lot Camera Upgrades** Replace Great America parking lot cameras with technologically advanced multi- lens panoramic/360/multi-directional cameras. New camera technology would provide better overall coverage of the main parking lot. Sun baked cameras with fixed angles have created gaps in coverage. With more video incident request coming from ingress/egress incidents, new technology would assist in these investigations. Install cameras in Gold lot 4/5 where there is very limited coverage.	40,000	2,000	42,000
Security		**Bowl Camera Upgrade/Refurbish** Replace bowl cameras. Several bowl cameras have become sun baked and provide poor/obscured coverage of bowl seating. Maintenance has become an issue as it takes a lot of time and money to set up scaffolding to reach camera boxes. Need to re-engineer housing (suggest relocating housing closer to stadium infrastructure).	135,000	6,750	141,750
Security		**Surveillance - Command Center Equipment** Build out workstations with equipment that can handle the load of video viewing during large scale events, as well as the 24/7 security operations in both 100 and 800 command rooms. Equipment includes, but is not limited to, monitors, keyboards, video cards, CPU processors, power supplies, motherboards, and cabling.	50,000	2,500	52,500
Security		**Software Upgrade to Genetec 5.8** Upgrade to Genetecs newest firmware version 5.8. This would improve overall system performance and stability, and add new features that will help in operator training and utilization of software. Customizable live dashboards assist in monitoring alarms and events in real time.	35,000	1,750	36,750
Security		**Video Analytics** Add video analytics to assist with video investigations. Video investigations take several hours/days to complete using traditional playback methods. Adding video analytics will greatly decrease man-hours spent in video review process, as well as aid in investigations using newer technology.	35,000	1,750	36,750
Security		**License Plate Reader at Vehicle Entry Gates** Add six (6) License Plate Reader cameras on entry/exit lanes of all vehicle gates (Post 1,2, and 3) to document and track vehicles entering and exiting the stadium.	45,000	2,250	47,250
Security		**Security X-Ray Scanners** Purchase four (4) portable X-ray units to observe postage that comes into the loading dock 24/7 and screen bags/deliveries during event days.	150,000	7,500	157,500
Site		**Security Fencing - Main Lot** Remove and replace approximately 1,000 linear feet of 4-foot high security fencing in Main Lot per request of City.	150,000	7,500	157,500
Site		**Stationary Electric Pressure Washers** Install one (1) to two (2) demo stations on the 300 concourse. If these are effective, we would look to replace all gas-powered pressure washers with electrically powered ones.	75,000	3,750	78,750
		Subtotal CapEx Construction Costs	**$ 2,836,416**	**$ 141,821**	**$ 2,978,237**

Santa Clara Stadium Authority

2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Food and Beverage		**Beverage Distribution System** Add a beverage distribution system to stadium concession areas and bars. This includes the lines and CO2 dispensing equipment.	$ 50,000	$ 2,500	$ 52,500
Food and Beverage		**CO2 Monitoring & Sensors for Code Compliance** Install remote CO2 monitoring for enhanced safety for stadium staff per SCFD & State of CA.	200,000	10,000	210,000
HVAC/ Mechanical		**Variable Frequency Drive(s)** Replace exterior Variable Frequency Drive units for Cooling Tower pumps due to life expectancy issues. This system supports the mechanical cooling functions for the HVAC system.	150,000	7,500	157,500
HVAC/ Mechanical		**HVAC** Replace HVAC fan coils, motors, squirrel cage fans, and controls to heat pumps throughout facility.	100,000	5,000	105,000
HVAC/ Mechanical		**Cooling Towers** Replace Cooling Towers internal parts and systems. This includes the motors, fans, fill, controls, and piping which support the mechanical cooling functions for the HVAC system.	50,000	2,500	52,500
Information Technology	x	**Financial Management Information System Project** Procure a new cloud-based financial management system for the Stadium Authority that would allow greater visibility in to Non-NFL Events. The management company that handles Non-NFL events would use the financial management system for all transactions related to Non-NFL events as well as store supporting documentation for the transactions (Including invoices). The costs include software license/subscription, hosting fee and a consultant for implementation and process improvement. There will be ongoing software license costs and possibility for additional staff time for implementation. ***Subject to subsequent court rulings on cost allocation.**	270,000	13,500	283,500
Life Safety/Fire		**Fire Alarm System** Replace/update fire alarm system field devices, including interior/exterior signaling devices, detectors, and control panel parts.	250,000	12,500	262,500
Life Safety/Fire		**Photoluminescent Tape for Life Safety** Replace photoluminescent tape in stairwells A1, A2, A3, A4, from level 100 to 900 per Santa Clara City Fire Marshall.	200,000	10,000	210,000
Public Safety Equipment	x	**Mass Decontamination Hydrant Nozzles** Purchase nozzles that can be attached to fire hydrants used to decontaminate large amounts of people very quickly in the event of a HazMat event. This is new equipment for the Team.	1,608	80	1,688
Public Safety Equipment	x	**Small Cooler and Ice Pack** Purchase a cooler to hold Anthrax Sample kits which need to be refridgerated for a minimum of 12 hours while on assignment.	250	13	263
Public Safety Equipment	x	**Radios** Add new radios to equip additional staff in our public safety deployment. Personnel will continue to use these specific radios for varied public safety responsibilities. These radios allow for communication to the command post and between public safety partners working our events. Without these critical radios, personnel would not be able to function in their capacity and as expected to provide public safety services including emergency response. There is a yearly operating cost; requesting quote.	79,000	3,950	82,950
Public Safety Equipment	x	**Motor Vehicle Barricades** Add eight (8) motor vehicle barricades. Our operational area requires rapid and versatile deployment of physical barriers. These 8 barriers are essential for vehicular traffic routing and stopping. In the event of intentional barricade breaching, these barriers will prevent a full breach and protect pedestrians from vehicles. Current and traditional barricades require substantial planning and are labor-intensive. Our new mobile barricades would reduce intense labor, but significantly raise the safety and versatility of our barrier placement. Of the cost, $100,000 is a carryover from FY2018/19 and $245,000 is additional funding requested.	345,929	17,296	363,225

Santa Clara Stadium Authority
2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Public Safety Equipment	x	**Explosive Ordinance Detection Blankets/Water Barrier** Purchase bomb blankets and water barriers for the explosive ordinance detection (EOD) team. This team is responsible for the identification and mitigation of explosive items. They currently have no ability to quickly mitigate a verified suspicious package. Bomb blankets and water barriers are easily transportable and deployable. The use of these two measures will greatly reduce the collateral damage of an explosive device.	12,637	632	13,269
Public Safety Equipment	x	**Bicycles** Purchase 10 bicycles for the bicycle unit, which is an integral part of our exterior public safety operation. The scattered locations of all parking lots and the congested nature of the roadways require bicycles as the primary mode of travel for ease of movement for public safety officers. 10 bicycles (5 will be used for replacements) will bring the current inventory to 30 and will allow us to expand our bike unit.	$ 25,000	$ 1,250	$ 26,250
Public Safety Equipment	x	**Stadium Personal Protective Equipment** Add personal protective equipment for various teams at the Stadium. Active Shooter has been an emerging threat. The Santa Clara Fire Department does not currently have Active Shooter gear for the Stadium, and to equip the team of 12 to handle an Active Shooter threat, the following gear is requested: vests, helmets, protective plates, EMS equipment and other appropriate Personal Protective Equipment (PPE) for an Active Shooter. In addition, the gear requested includes vests, helmets and respiratory protection for the Joint Hazard Assessment Team (JHAT) of 6 for blast and chemical release protection; and Stadium battle dress uniform (BDU) blouses and pants to protect against the weather for the stadium team of 60. The vest and helmets are new equipment for the team and BDU is a combination of replacement and new.	60,000	3,000	63,000
Public Safety Equipment	x	**Heavy Lift Kit** Add a Heavy Lift Kit to be able to lift larger vehicles and equipment for rescue purposes in the event of an accident, stage or crane collapse. Stadium has increased traffic of large vehicles and equipment on a regular basis, including buses for team and performer transport and semi trucks for delivery.	51,913	2,596	54,509
Public Safety Equipment	x	**Radiation Detector** Purchase a radiation detector. The Joint Hazard Assessment Team (JHAT) had historically used the Identifinder radiation detector on the HazMat apparatus; however, the Identifinder (purchased in 2008) has been decommissioned due to age and is no longer serviceable by manufacturer. The Radiation (Gamma and Neutron) Detector will be a replacement purchase with expected life of 10 years.	21,500	1,075	22,575
Public Safety Equipment	x	**Rope Rescue Gear Including Storage Container** Add high angle and vertical rescue equipment needed to address the intricate and complex areas of the stadium. This includes an artificial high point, full rope response kit, winch, rigging, fall protection, and patient extraction device. This is new gear for the Stadium Team.	31,500	1,575	33,075
Public Safety Equipment	x	**Mass Casualty Incident Trailer** Purchase a Mass Casualty Incident (MCI) Trailer. The fire department currently has equipment to treat 25 patients during a large-scale emergency. The MCI Trailer would allow the first responders to treat between 500-1000 people during a large-scale emergency by allowing quick access to on-board equipment and supplies.	120,000	6,000	126,000
Public Safety Equipment	x	**Motorola APX 6000 Radio/Charger/Battery** Add a radio charger and extra battery for the Fire Incident Commander in the Command Post to assist with monitoring multiple channels.	4,600	230	4,830
Public Safety Equipment	x	**Motorola Earpieces** Replace earpieces for the radios used by the crews. The original earpieces were purchases six years ago and are at end of life.	1,000	50	1,050
Public Safety Equipment	x	**Battery Pack for JHAT Crew** Add a portable battery charging pack for the Joint Hazard Assessment Team (JHAT) that uses a lot of battery power. A portable battery charging pack is needed to recharge equipment for the long duration JHAT missions. This is a new purchase.	72	4	76

Santa Clara Stadium Authority

2020/21 CapEx Budget (cont.)

Item Type	SCSA Requested	Description	Cost	Contingency (5%)	Total Cost
Public Safety Equipment	x	**2-Way CAD/24-7 Link** Add a 2-way link between the 24/7 dispatch system and the CAD system. All stadium personnel operate on the 24/7 dispatch system. SCPD and SCFD operate on the CAD system. When public safety personnel are sent on calls, the call must be generated by hand in both systems. This causes extra work for dispatchers, however, more importantly this creates delays in reporting and responses to public safety incidents. A 2-way link would allow both systems to "talk" to each other and automatically create incidents in each other's system. Additionally, without this link, we cannot log officers on which creates an officer safety issue as well as an issue when it comes to management of personnel.	150,000	7,500	157,500
Public Safety Equipment	x	**Dispatch Monitors** Replace dispatch monitors with larger screens. Our public safety dispatchers utilize several screens at their work stations in order to facilitate their duties. The necessary upgrading of our latest public safety communications center's CAD and associated software will require larger screen area to effectively manage the new information. These 16 replacement 22" larger monitors are needed to optimize the use and intended application of the latest public safety dispatching software. The larger screens are required to view the additional windows from the CAD system and are expected to last five years. The prior monitors were purchased six years ago and are 19" monitors. The cost includes estimated installation for three workstations.	$ 8,000	$ 400	$ 8,400
Public Safety Equipment	x	**Radio Batteries** Replace radio batteries that are at the end of their life expectancy. This is due to their natural order of deterioration where the expected battery power retention is lost. Current radio inventory requires the battery replacement for this reason. Radios with batteries performing at full capacity are required for public safety personnel to ensure radios will remain at a functional level during a standard shift. Life expectancy is three years.	15,514	776	16,290
Public Safety Equipment	x	**Safety Gear for Special Event Officers & Traffic Control Personnel** Add safety gear for traffic control personnel that are a critical element to our public safety deployment. Beyond this application, they also provide welcomed guidance and direction to visitors and our neighborhood residents. Upon directing traffic and pedestrians, our traffic control staff work amongst vehicles in all types of weather for extended periods of time. Rain suits would afford this staff the ability to effectively and safely work in these conditions while remaining dry. High visibility jackets will increase our staff's visual recognition increasing their personal safety while performing their duties around vehicles. Flashlights and high visibility jackets will increase the public's ability to notice the traffic control staff leading to overall safety of all who visit our footprint and increased recognition of direction offered by this staff.	7,000	350	7,350
Public Safety Equipment	x	**Radio Chargers** Add three radio charging stations. Our radio equipment is critical and, therefore, their serviceability must be maintained. Each new radio will require a charging port. These three charging stations each have a 6-radio capacity and three are needed to maintain radios at their peak power and usability. Having these three charging stations will ensure all radios are ready for use by public safety without the risk of personnel being without this crucial equipment in a functional state.	3,000	150	3,150
		Subtotal CapEx Equipment Costs	**$ 2,208,523**	**$ 110,427**	**$ 2,318,950**
		Total New CapEx Project Costs	**$ 5,044,939**	**$ 252,248**	**$ 5,297,187**

Santa Clara Stadium Authority

2020/21 CapEx Budget Carryover

Item Type	SCSA Requested	Description	Cost	Remaining Contingency	Total Cost
Electrical		**Mechanical and Electrical Closet Lighting (2019/20 Carryover)** Install LED lighting in all mechanical and electrical closets located in the service tunnel, 300 Level, and 700 level. These lights not only improve visibility, but also provide longer and more efficient power usage.	$ 150,000	$ 7,500	$ 157,500
Electrical		**Broadcast Booth Power (2019/20 Carryover)** Install power components used for stadium events. These components will adhere to LEED certification, provide a clean source of power for our clients, and improve operating efficiencies.	35,000	1,750	36,750
Electrical		**Concessions Cart Cabling (2019/20 Carryover)** Install code rated low voltage cabling (CAT6) to portable concession carts. This will provide Internet Protocol (IP) based access to the IPTV menu boards and Point of Sale (POS) systems for credit card transactions, as well as deliver an emergency signage to be displayed at the concession stands if	50,000	2,500	52,500
General Building		**Stadium Event Signage (2019/20 Carryover)** Install stadium signage (including but not limited to tunnel awnings, accessible seating reference areas, lower bowl sections placards, and additional fire and building code signage per Fire Marshal).	138,000	6,900	144,900
General Building		**Miscellaneous (2019/20 Carryover)** Add funding for unforeseen building-related repairs.	100,000	5,000	105,000
General Building		**Command Post Window Treatment (2019/20 Carryover)** Install window shades and/or tint the exterior windows on the 800 level command post to reduce heat and glare. This will assist dispatchers and command post operators working in this space.	16,000	800	16,800
General Building		**Stadium and Special Event Spaces (2019/20 Carryover)** Add entry mats to be placed at stadium entrances to help alleviate wet floor scenarios and provide safety to stadium patrons. Will extend the finish of the existing flooring and help prevent slip and falls during inclement weather.	75,000	3,750	78,750
General Building		**Non-Slip Floor Matting (2019/20 Carryover)** Install non-slip matting from the north side locker rooms to tunnels primarily for event usage (that include access to the field for athletes, performers and customers).	50,000	2,500	52,500
General Building		**Women's Locker Room (2019/20 Carryover)** Convert a portion of the auxiliary locker room area to accommodate a larger private space for female athletes, performers, officials, and other female event day sporting and entertainment professionals visiting or working events at Levi's Stadium.	372,000	18,600	390,600
General Building		**Automatic Logic Control Building Engineering System (2019/20 Carryo** Install an automatic logic controller system upgrade to monitor the building's HVAC in all quadrants simultaneously. This updated system will enable graphic interface and help the system to operate more efficiently with time clock management and assist in potential lighting control energy savings.	35,000	1,750	36,750
General Building		**Club Space Flooring (2019/20 Carryover)** Strip, resurface, and/or replace hardwood flooring surfaces in the BNY East & West and Levi's 501 spaces. These spaces are among the most utilized spaces in the building and get a large amount of foot traffic. This work will help extend the useful life of these spaces as well as reducing slips and falls	85,000	4,250	89,250
General Building		**Command Post Communication Equipment (2019/20 Carryover)** Purchase and install public safety screens, monitors, and projection devices used in monitoring stadium and security operations to help improve situational awareness and response.	58,000	2,900	60,900
General Building		**Stadium Field Conduits (2018/19 Carryover)** Add a permanent solution for power and data on field/floor of stadium, making electrical connections safer and efficient for concert and events.	118,197	5,910	124,107

Santa Clara Stadium Authority

2020/21 CapEx Budget Carryover (cont.)

Item Type	SCSA Requested	Description	Cost	Remaining Contingency	Total Cost
Security		**Stadium Camera Booth Card Readers (2019/20 Carryover)** Install card reader for north and south camera booths to secure the spaces that enter into/from general public access areas.	$ 84,000	$ 4,200	$ 88,200
Site		**Stadium Insulation (above 300 level and below 400/500 level) (2019/20 Carryover)** Install new insulation in the 400/500 underside above the 300 level. Original insulation is failing due to weather conditions. This also helps reduce sound reverberation throughout the concourse and protects the concrete from the elements.	150,000	7,500	157,500
Site		**Gold Lot 4 and 5 Lighting (2019/20 Carryover)** Install LED lighting in Gold 4 and Gold 5 parking lots. The current light plan is underpowered and is not sufficient given the work environment during stadium event load in/out. This lighting improves safety conditions for stadium personnel and provides energy cost savings with more efficient fixtures.	50,000	2,500	52,500
Site		**Rust Prevention Mitigation (2019/20 Carryover)** Implement rust prevention measures. The stadium railings, beams, and other steel areas need rust prevention and coating in specific areas throughout the	90,000	4,500	94,500
Site		**Stadium Event Power Upgrades & Switchgear Electrical (2019/20** Install and enhance Stadium Event wiring service on the 12 Kilovolt (KV) Primary Switch Gear (PMSG) to main electrical panel.	42,714	2,136	44,850
Site		**Asphalt (2018/19 Carryover)** Slurry coat the visitor parking on Tasman, Gold 4 & 5 parking lots and South Access Road.	190,000	9,500	199,500
		Subtotal CapEx Construction Carryover Costs	**$ 1,888,911**	**$ 94,446**	**$ 1,983,357**
Audio/Visual		**Radio Booth Cabling (2019/20 Carryover)** Install fiber optic cabling to increase the low voltage cabling backbone. This installation will accommodate the expanding requests for booth usage during stadium events and keep up with emerging trends.	$ 600,000	$ 30,000	$ 630,000
Audio/Visual		**Crestron Control & Building Operating System Upgrades (2019/20** Install a Creston Control System to monitor HVAC, lighting, electrical, and fire alarms. This comprehensive system enables all of these items to interface with one another for engineers to see a real time view of the building's systems.	10,000	500	10,500
Furniture, Fixtures & Equipment		**Replace Furniture in Club and Special Event Spaces (2019/20 Carryover)** Purchase replacement furniture for clubs (BNY, United, Levi's 501 and Yahoo) and special event spaces to enhance areas and meet client expectations. These spaces are amongst the most utilized in the entire stadium.	1,600,000	80,000	1,680,000
Furniture, Fixtures & Equipment		**Security and Life Safety Partitions/Dividers (2019/20 Carryover)** Install service tunnel drapery and/or partitions for security and public safety personnel during stadium events that require public access to the service level. This helps coordinate public movements in "back of house areas" without affecting stadium operations.	68,000	3,400	71,400
Furniture, Fixtures & Equipment		**Tunnel Slip and Fall Protection (2019/20 Carryover)** Install non-slip material at the South, Northeast, and Northwest Field Tunnels.	30,000	1,500	31,500
Furniture, Fixtures & Equipment		**Guest Service Booths (2018/19 Carryover)** Add two additional guest services booths on the main concourse for better enhanced customer service touchpoints.	70,000	3,500	73,500
HVAC/Mechanical		**Kitchen Exhaust Fans (2019/20 Carryover)** Install variable frequency drive (VFD) units on kitchen exhaust fans for soft start (slow ramp up) capabilities. Kitchen exhaust fans currently operate 100 percent of the time. Installing VFD units will modulate the power and save energy whenever the fan is in use. Soft start extends the life of the equipment and saves energy.	300,000	15,000	315,000

Santa Clara Stadium Authority

2020/21 CapEx Budget Carryover (cont.)

Item Type	SCSA Requested	Description	Cost	Remaining Contingency	Total Cost
Life Safety/Fire		**Fire Sprinkler Extension (2019/20 Carryover)** Add fire sprinklers to the Gate F entrance. The Santa Clara Fire Marshal has requested that fire sprinklers be installed at the Gate F entrance to mitigate potential fire risk beneath the existing ribbon boards.	$ 55,000	$ 2,750	$ 57,750
Public Safety Equipment	x	**GPS Software for Tracking Personnel (2019/20 Carryover)** Add GPS software to track public safety personnel. Live tracking of law enforcement personnel is critical in providing an accurate picture of public safety coverage. This technology and software will allow the Command Post to know where our personnel are at all times and make necessary assignment adjustments on the go. It is desired that the software also be capable of retaining data for historical analysis. The requested funding of $25,000 is the initial purchase price for approximately 100 devices and the software. There is a monthly operating cost of $30/month each; $36,000 total	25,000	1,250	26,250
Public Safety Equipment	x	**Body Worn Cameras (BWCs) (2019/20 Carryover)** Add BWCs for use by public safety personnel. BWCs are now standard issue in law enforcement and an expectation from the public, especially in contacts that can turn negative. Issuing BWCs to all police staff for use during Stadium events would better protect all interests and provide the transparency that the public has come to expect.	150,000	7,500	157,500
Public Safety Equipment	x	**Fencing on Tasman (2019/20 Carryover)** Add fencing to prevent stadium event pedestrian traffic from crossing unsafely between Lafayette St. and the Tasman St. overcrossing.	70,000	3,500	73,500
Public Safety Equipment	x	**Street Signage (2017/18 Carryover)** Add street signage. This item was brought before the SCSA Board and approved in the 2017/18 budget. Staff has been working with the Department of Public Works, the Executive Director's office and the Chief of Police's office to identify appropriate locations on surrounding city streets (Great America Parkway, Tasman Drive, etc.) to place signage to better protect, inform and serve patrons visiting Levi's® Stadium, non-event day traffic, community event advisories and emergency public safety and traffic	1,000,000	50,000	1,050,000
Public Safety Equipment	x	**Portable License Plate Reader/PTZ Cameras (2018/19 Carryover)** Purchase portable license plate readers. Placing temporary/moveable license plate readers in remote stadium parking lots will provide better information and intelligence to the Command Post in order to deter crime and assist in apprehending crime suspects in the aftermath of an incident.	160,000	8,000	168,000
Public Safety Equipment	x	**Public Safety Command Post Dispatch System (2018/19 Carryover)** Add a system that will interface between the system that is used at Levi's® Stadium to track all incidents/requests that occur during an event and the City's Hexagon CAD system. This will provide a seamless transition of data including calls for service, personnel assignments, and event tracking.	94,034	4,702	98,736
Vertical Transport		**Elevator Door Replacement (2019/20 Carryover)** Replace and install new elevator doors on one of the freight elevators in the stadium.	20,000	1,000	21,000
		Subtotal CapEx Equipment Carryover Costs	**$ 4,252,034**	**$ 212,602**	**$ 4,464,636**
Stadium Warranty-Related Construction		Carryover costs from the original Stadium Construction Budget for warranty-related work.	**$ 1,528,202**		**$ 1,528,202**
		Total CapEx Carryover Costs	**$ 7,669,147**	**$ 307,048**	**$ 7,976,195**

Santa Clara Stadium Authority

Capital Expense Plan Summary - 5 Year Forecast

	2020/21 Budget	2021/22 Budget	2022/23 Budget	2023/24 Budget	2024/25 Budget
Electrical	$ -	$ -	$ 750,000	$ 1,250,000	$ 1,475,000
General Building	900,000	1,352,000	600,000	1,050,000	3,125,000
Plumbing	300,000	150,000	-	-	460,000
Public Safety	121,416	-	-	-	-
Security	1,290,000	150,000	-	-	1,110,000
Site	225,000	400,000	-	150,000	575,000
Subtotal CapEx Construction Costs	**$ 2,836,416**	**$ 2,052,000**	**$ 1,350,000**	**$ 2,450,000**	**$ 6,745,000**
Audio/Visual	$ -	$ -	$ 600,000	$ -	$ 650,000
FF&E	-	30,000	-	30,000	31,669
Food & Beverage	250,000	-	-	-	200,000
HVAC/Mechanical	300,000	150,000	-	75,000	1,060,000
Information Technology	270,000	-	-	-	-
Life Safety/Fire	450,000	50,000	-	-	135,000
Public Safety Equipment	938,523	115,000	517,500	140,000	100,000
Vertical Support	-	-	-	-	1,000,000
Subtotal CapEx Equipment Costs	**$ 2,208,523**	**$ 345,000**	**$ 1,117,500**	**$ 245,000**	**$ 3,176,669**
Contingency (5%)	252,248	119,850	123,375	134,750	496,083
Total CapEx Project Costs	**$ 5,297,187**	**$ 2,516,850**	**$ 2,590,875**	**$ 2,829,750**	**$ 10,417,752**

STADIUM AUTHORITY WORK PLAN

Unfortunately, the Work Plan that Stadium Authority staff shared last year was not successfully completed because staff resources were redirected to address the discovery of several serious violations of State and local laws, e.g., prevailing wage violations, public procurement laws, etc. That said, and within the context of supporting the several lawsuits that the 49ers have filed against the City or Stadium Authority, staff will focus on the following:

Work Effort	Work Plan	Planned Outcome
ADA Compliance	• Complete ADA compliance with improvements to Main Lot.	Compliance regarding accessible parking spaces at Stadium Main Lot Use of other satisfactory solutions that prioritize ADA compliance.
Community Room	• Return to Board to seek input on proposed next steps, including evaluation of the other locations discussed earlier in 2018. Develop policy/guidelines for use.	Resolution of Community Room location, policy/guidelines for use.
San Tomas Aquino Creek Trail	• By review of other venues with shallow security perimeters and consultation with Homeland Security, evaluate options for keeping trail open during events and/or providing alternate routes if trail is closed.	Creek trail access and/or safe and/or accessible alternate route.
SCSA Board Policy Manual	• Continue to create manual, beginning with Governance and Budget policies. • Identify areas where policies are appropriate and propose drafts for the Board's approval. • Already identified: financial reporting; flags flown at Levi's® Stadium; non-NFL event Planning.	Develop additional policies and present to Board for inclusion in manual.

SCSA Auditor Annual Audit Work Plan	• Analyze the Stadium Authority's review procedures for Non-NFL Events' revenues and provide feedback on procedure and control issues, if any. • Review the Stadium Authority Financial Reporting Policy with staff and external auditors and provide feedback on best practices. • Review past Construction Fund and Public Safety transactions and provide feedback on the allocation of staff charges (contracted service). • Retain consultants to audit Non-NFL Events and prevailing wage contracts (contracted service). • Retain consultants to perform the annual financial audit for the Stadium Authority (contracted audit service).	Promote honest, efficient, effective and fully accountable city government through accurate, independent and objective audits.

Administrative Work Efforts

There are several administrative work efforts that directly impact the ability of Stadium Authority staff to complete the above work plan. These are provided as reference:

- Code enforcement: monitor and enforce City Code and various permit conditions for (including but not limited to):
  - Development permit
  - Building permits
  - Offsite parking permits
- CFP National Championship: review of post event financial reconciliation and retain professional services firm to perform a full event audit
- Community engagement:
  - continue to evaluate and implement various recommendations from statistically valid data collected in 2018
  - continue to improve City's communication efforts through social media and MySantaClara
- Fiscal accountability: continue implementing and monitoring processes, collecting data and conducting audits to improve transparency and accountability
- Harvey M. Rose Compliance Audit: Complete implementation of final third of recommendations
- Noise Monitoring: continue monitoring and code enforcement efforts
- Public Safety Costs Threshold: continue to bill 49ers for all actual costs; continue good faith efforts
- Stadium Management Agreement Compliance: monitor and take action to ensure compliance, particularly First Amendment section 3.3
  - Advance communications of potential events
  - Written report for Non-NFL Events
  - Complete supporting documentations for all vendor invoice