

Santa Clara Stadium Authority Budget in Brief

ADOPTED FISCAL YEAR 2024/25 OPERATING, DEBT SERVICE AND CAPITAL BUDGET



To Our Santa Clara Residents:

Each year, the Santa Clara Stadium Authority (Stadium Authority) brings forward a budget that is based in part on documentation submitted by the Forty Niners Stadium Management Company LLC (ManCo) for Stadium Authority Board consideration. On March 12, 2024, the Stadium Authority Board (Board), which oversees the ManCo's management of Levi's® Stadium for taxpayers, approved the Fiscal Year (FY) 2024/25 Operating, Debt Service and Capital Budget that includes all required payment obligations for the Stadium Authority and adequate reserves. The Board also approved the 2024 Levi's® Stadium Events Marketing Plan that was submitted by ManCo.

The Stadium Authority's annual budget provides the resources necessary to administer the duties of the Stadium Authority. This includes support for operating Levi's® Stadium during non-NFL events through a management company. Advancing the FY 2024/25 work plan, payment of required debt obligations and maintenance of a five-year capital plan are also included in the FY 2024/25 Stadium Authority budget.

The Adopted FY 2024/25 Budget totals \$65.9 million which is \$6.5 million lower than the \$72.3 million FY 2023/24 amended budget. This lower figure is primarily due to an \$8.1 million decrease in annual required principal payments on the fixed rate Term A Loan. This decrease was offset by an increase of \$977,000 in capital expenditure projects and an increase of \$678,000 in operating expenses.

Santa Clara Stadium Authority Total Budget Summary

	<u>2023/24 Amended Budget</u>	<u>2024/25 Adopted Budget</u>	<u>Increase (Decrease)</u>
Operations (Net of Transfers Out)	\$ 23,518,000	\$ 24,196,000	\$ 678,000
Debt Payments	27,836,000	19,687,000	(8,149,000)
Capital Projects	20,990,000	21,967,000	977,000
Total Budget	\$ 72,344,000	\$ 65,850,000	\$ (6,494,000)

SANTA CLARA STADIUM AUTHORITY BUDGET-IN-BRIEF

FY 2024/25 ADOPTED OPERATING, DEBT SERVICE AND CAPITAL BUDGET

Budget Highlights

Operating Budget

Revenues

Santa Clara Stadium Authority Operating Budget Summary

	2023/24 Amended Budget	2023/24 Projected Actuals	2024/25 Adopted Budget
Revenues			
NFL Ticket Surcharge	\$ 12,178,000	\$ 12,717,000	\$ 13,700,000
Stadium Builder License (SBL) Proceeds	12,589,000	14,416,000	5,057,000
Interest	1,249,000	3,212,000	3,534,000
Net Revenues from Non-NFL Events	4,500,000	7,756,000	6,000,000
Naming Rights	7,602,000	7,602,000	7,830,000
Sponsorship Revenue (STR)	475,000	592,000	519,000
Rent	24,762,000	24,762,000	24,762,000
Senior & Youth Program Fees	234,000	250,000	233,000
Non-NFL Events Ticket Surcharge	1,296,000	1,592,000	1,149,000
Total Revenues	\$ 64,885,000	\$ 72,899,000	\$ 62,784,000

- Stadium Builder License (SBL) revenues are budgeted to decrease by \$7.5 million to \$5.1 million due to the completion of payments for a large number of financed SBL payment plans.
- Net Revenues from Non-NFL events are projected to be \$6.0 million based on an estimate of three concerts, four soccer events and approximately 70 non-ticketed special events.

Expenses

Santa Clara Stadium Authority Operating Budget Summary

	2023/24 Amended Budget	2023/24 Projected Actuals	2024/25 Adopted Budget
Expenses			
Shared Stadium Manager Expenses ⁽¹⁾	\$ 13,946,515	\$ 13,488,000	\$ 13,554,000
SBL Sales and Service	2,333,000	2,303,000	2,448,000
Senior & Youth Program Fees (paid to City)	234,000	250,000	233,000
Ground Rent (paid to City)	495,000	495,000	1,000,000
Discretionary Fund Expense	250,000	-	250,000
Utilities	1,391,000	1,391,000	1,488,000
Use of StadCo Tenant Improvements	121,065	133,000	151,000
Stadium Authority General & Administrative	3,619,900	2,138,000	3,793,000
Stadium Authority Legal Services	300,000	400,000	395,000
Naming Rights Expense	94,000	94,000	136,000
Other Expenses	734,000	627,000	748,000
Transfers Out - Debt Service	25,457,000	17,298,000	17,471,000
Transfers Out - Capital Expenditure Reserve	3,915,000	3,915,000	5,607,000
Total Expenses	\$ 52,890,480	\$ 42,532,000	\$ 47,274,000

⁽¹⁾ Stadium Operations, Engineering, Guest Services, Groundskeeping, Security, Insurance, and Stadium Management Fee

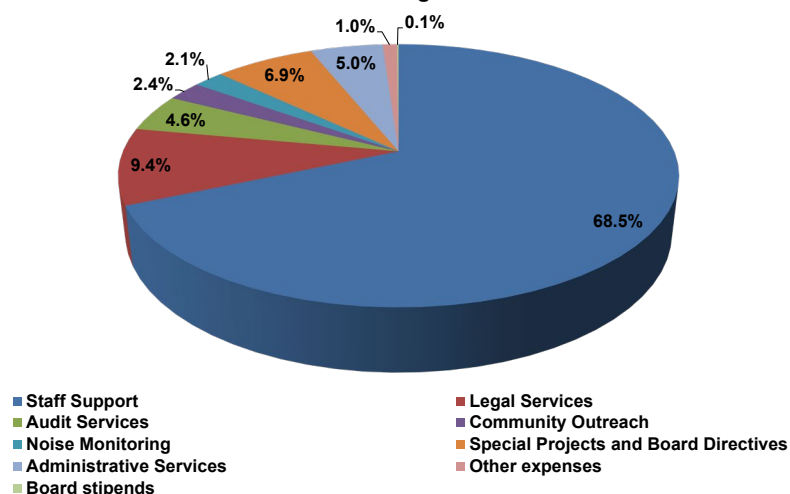
- Shared Stadium Manager Expenses (Stadium Authority and the Forty Niners) are budgeted at \$13.6 million, a 3% decrease from the prior year.
- Ground rent payable to the City is budgeted to increase by \$505,000 or 101% to \$1.0 million based on the Ground Lease Agreement.

SANTA CLARA STADIUM AUTHORITY BUDGET-IN-BRIEF

FY 2024/25 ADOPTED OPERATING, DEBT SERVICE AND CAPITAL BUDGET

- The General and Administrative and Legal Services expense budget of \$4.2 million includes funding for 8.5 full-time equivalent positions totaling \$2.9 million which is a baseline level of support necessary for Stadium Authority operations.

Stadium Authority FY2024/25 General and Administrative and Legal Services Budget

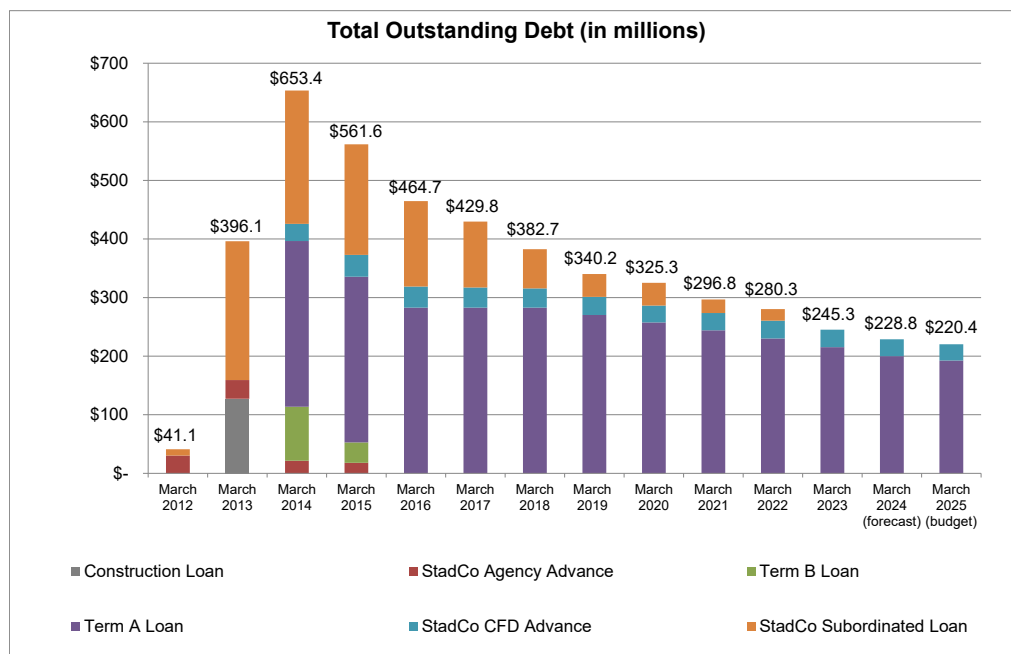


Reserves

- This Operating Budget includes the following reserves: Operating Reserve (\$26.9 million); Renovation/Demolition Reserve (\$35.5 million); and Discretionary Fund Reserve (\$2.8 million)

Debt Service Budget

The Stadium Authority has two remaining loans outstanding. The Term A Loan is a fixed rate loan with annual minimum principal payments. The Stadium Authority closed on this loan in 2013 to refinance the original construction loan when Levi's® Stadium was being built. The Community Facilities District (CFD) Advance is also a fixed rate loan. The CFD Advance was used to finance various infrastructure costs that were incurred around the stadium while it was being built.



- Debt service expenses are budgeted at \$19.7 million, a decrease of \$8.1 million compared to the prior year. This is due to a drop in the annual Term A required principal payment

- Total outstanding debt is budgeted to drop from \$228.8 million to \$220.4 million. This is due to paying down the Term A loan and the (CFD) Advance

SANTA CLARA STADIUM AUTHORITY BUDGET-IN-BRIEF

FY 2024/25 ADOPTED OPERATING, DEBT SERVICE AND CAPITAL BUDGET

Capital Expenditure Budget

- Capital expenditure expenses are budgeted at \$22.0 million
- \$13.6 million is budgeted for carry over projects (e.g. Naming Rights signage, aesthetic improvements, street signage, furniture replacement)
- \$8.4 million is budgeted for new projects (e.g. Lighting systems, waterproofing/joint replacements, stadium camera coverage upgrade)



SANTA CLARA STADIUM AUTHORITY BUDGET-IN-BRIEF

FY 2024/25 ADOPTED OPERATING, DEBT SERVICE AND CAPITAL BUDGET

Key Issues

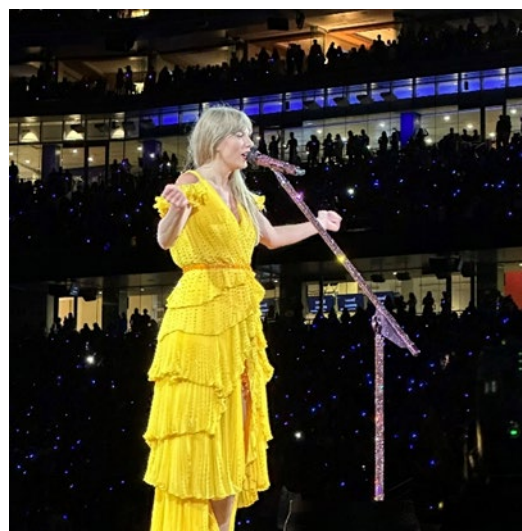
FIFA World Cup 2026 & Super Bowl LX

- Six Fédération Internationale de Football Association (FIFA) World Cup 2026 soccer matches will be held at Levi's® Stadium in the summer of 2026
- Super Bowl LX will be played at Levi's® Stadium in February 2026
- Pre-planning efforts are needed including negotiation and execution of various agreements with the NFL, FIFA, Bay Area Host Committee (BAHC) ManCo and other organizations to mitigate and City or Stadium Authority financial risks



Net Revenues from Non-NFL Events

- ManCo is responsible for booking and managing Non-NFL Events at the stadium on behalf of the Stadium Authority.
- ManCo has been successful in FYs 2022/23 and 2023/24 in booking a number of large-scale events that have brought in net revenues for the Stadium Authority.
- Net Revenues from Non-NFL Events are projected to be \$6.0 million in FY 2024/25 which is lower than the prior two years.
- Executive Director's office will continue to provide oversight of ManCo in an effort to maximize net revenues per event.



SANTA CLARA STADIUM AUTHORITY BUDGET-IN-BRIEF

FY 2024/25 ADOPTED OPERATING, DEBT SERVICE AND CAPITAL BUDGET

Capital Expenditure Reserve

- Reserves are funded by two main sources outlined in the Stadium Lease Agreement; the FY 2024/25 contribution amounts will be \$2.7 million and \$1.3 million respectively.
- Due to upcoming capital projects, this reserve balance is budgeted to decrease to \$3.4 million in FY 2024/25.
- Given the limited source of funding and an aging stadium, additional contributions for CapEx projects may be necessary to maintain the stadium.
- Stadium Authority will continue to work with ManCo to prioritize projects within the five-year CapEx plan.



Naming Rights Agreement Extension



- Original Naming Rights agreement with Levi Strauss & Co was entered in 2013 for an initial term of 20 years
- The First Amendment to the Naming Rights Agreement extended the original agreement for an additional 10 years ending on February 29, 2044
- The total Naming Rights revenue over the 30 year contract period amounts to \$273.1 million to the Stadium Authority
- As part of the First Amendment to the Naming Rights Agreement, the Stadium Authority agreed to replace the existing main Levi's® Stadium signage

SCSA

SANTA CLARA STADIUM AUTHORITY

The Budget-in-Brief is an overview of the Stadium Authority's Adopted FY 2024/25 Operating, Debt Service and Capital Budget. The completed budget document can be accessed on the Stadium Authority's website at: SantaClaraCA.gov/SCSA.

For more information or questions about this report, contact:

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