Santa Clara Stadium Authority

Financial Status Report for the Quarter Ending September 30, 2017

November 21, 2017
Financial Status Report (Q1 and Q2 of FY 2017/18)

- NFL Events
- Non-NFL Events
- Operating Budget Status
  - Performance Rent Calculation
- Debt Schedules
- Capital Improvement Program
- Budget Amendment Recommendations
NFL Events

- Four NFL events were held by the end of the second quarter of the fiscal year
- A total of 249,408 tickets were sold
- Ticket sales resulted in $2.54 million in NFL ticket surcharge revenue for the Stadium Authority
  - The team collects a 10% NFL ticket surcharge on the price of admission to all NFL games on behalf of the Stadium Authority
NFL Events - Parking

- A total of 21,442 cars were parked in offsite lots generating $116,000 in offsite parking fees.
NFL Events – Public Safety Costs

- Public safety costs for NFL events amounted to approximately $976,000
- $116,000 of the public safety costs were covered by the parking fees
- $417,000 of the public safety cost reimbursements were outstanding as of this report.
Non-NFL Events

- Seven ticketed non-NFL events were held during the first two quarters of the fiscal year.
- A total of 210,157 tickets were sold.
- In addition, there were 42 smaller special events with 23,726 attendees.
- The $4 per ticket non-NFL ticket surcharge generated $841,000 (one-half for stadium operations and one-half for Stadium Authority discretionary fund).
Non-NFL Events - Parking

- A total of 19,466 cars were parked in offsite lots generating $104,000 in offsite parking fees
Non-NFL Events – Public Safety Costs

- Public safety costs for non-NFL events amounted to approximately $1,000,000
- $104,000 of the public safety costs were covered by the parking fees
- $9,000 of the public safety cost reimbursements were outstanding as of this report
Operating Budget Status

- Operating revenues through the second quarter equal $30.2 million or 40% of annual budget
  - Includes prior year net revenue from non-NFL events of $5.3 million
- Operating expenses through the second quarter equal $12.6 million or 59% of budget
  - Several line items pay out most of their cost in first half of year (e.g., discretionary fund expense and performance rent)
  - Includes prior year performance rent paid to the City of Santa Clara of $2.5 million
# Performance Rent Calculation

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ground Rent</td>
<td>$250,000</td>
<td>$215,000</td>
</tr>
<tr>
<td>Non-NFL Event Revenue</td>
<td>52,238,762</td>
<td>89,754,081</td>
</tr>
<tr>
<td>Non-NFL Event Expense</td>
<td>(46,921,868)</td>
<td>(83,675,065)</td>
</tr>
<tr>
<td><strong>Net Non-NFL Event Revenue</strong></td>
<td><strong>$5,316,894</strong></td>
<td><strong>$6,079,016</strong></td>
</tr>
<tr>
<td>50% of Net Non-NFL Event Revenue</td>
<td>$2,658,447</td>
<td>$3,039,508</td>
</tr>
<tr>
<td>Performance Based Rent Credits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50% of Fixed Ground Rent</td>
<td>(125,000)</td>
<td>(107,500)</td>
</tr>
<tr>
<td><strong>Total Performance Based Rent</strong></td>
<td><strong>$2,533,447</strong></td>
<td><strong>$2,932,008</strong></td>
</tr>
</tbody>
</table>
Stadium Builder Licenses (SBLs)

• Value of currently active SBLs is $527.9 million (59,979 active SBLs or 91% of 65,877 total sellable SBLs)

• A total of 77% of principal collected as of 9/30/17 ($406 million)

• Net changes in principal value of SBLs resulted in revenue reduction of $2.6 million in comparison to March 31, 2017

• SBL holders who default lose their SBL, forfeit any money they had invested, and those SBLs are available for resale at full value
Discretionary Fund

- The expenses from the discretionary fund have been NFL public safety costs above the public safety cost threshold, a total of $2.6 million since the stadium opened.
- The balance in the discretionary fund is currently $945,000.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Beginning Balance</th>
<th>50% of Non-NFL Ticket Surcharge</th>
<th>Expenses</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>$</td>
<td>$</td>
<td>715,770</td>
<td>$</td>
</tr>
<tr>
<td>2015-16</td>
<td>715,770</td>
<td>1,238,542</td>
<td>714,028</td>
<td>1,240,284</td>
</tr>
<tr>
<td>2016-17</td>
<td>1,240,284</td>
<td>1,164,698</td>
<td>699,129</td>
<td>1,705,853</td>
</tr>
<tr>
<td>2017-18 through Q2</td>
<td>1,705,853</td>
<td>412,956</td>
<td>1,173,342</td>
<td>945,467</td>
</tr>
</tbody>
</table>
Debt Schedule

- Total outstanding debt as of 9/30/17 was $402.4 million

Santa Clara Stadium Authority
Debt Summary Report
For the Period Ending September 30, 2017

<table>
<thead>
<tr>
<th>Type of Indebtedness</th>
<th>Interest Rates</th>
<th>Outstanding as of March 31, 2017</th>
<th>Net Change</th>
<th>Outstanding as of September 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stadium Funding Trust Loan:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term A Loan</td>
<td>5.00%</td>
<td>$282,794,108</td>
<td>- $</td>
<td>$282,794,108</td>
</tr>
<tr>
<td>StadCo CFD Advance</td>
<td>5.73%</td>
<td>$34,414,899</td>
<td>(999,387)</td>
<td>$33,415,512</td>
</tr>
<tr>
<td>StadCo Subordinated Loan</td>
<td>5.50%</td>
<td>$112,564,310</td>
<td>(26,401,398)</td>
<td>$86,162,912</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$429,773,317</strong></td>
<td><strong>(27,400,785)</strong></td>
<td><strong>$402,372,532</strong></td>
</tr>
</tbody>
</table>
History of Debt Schedule
Capital Improvement Program (CIP)

- Total CIP Budget of $4.8 million
  - $2.9 million is appropriated for Stadium CIP costs
  - Carryforward of $1.9 million for Warranty related work
- $686,000 has been expended through 9/30/17 for LED service tunnel lighting, water treatment/softener system, fire alarm, restroom stall vacancy signage, and expansion joint waterproofing warranty related costs
City of Santa Clara General Fund

- Revenues of $4.1 million exceeded expenditures of $2.2 million by $1.9 million
  - $1 million of public safety cost and $234,000 of administrative costs reimbursements
  - $2.5 million prior year performance rent
- Additionally, Sales Tax revenue related to the stadium amounted to $222,000
2017-18 Stadium Authority Budget Amendments

Staff is requesting an increase of $1,125,000 in appropriations for the following:

- $100,000 for a Stadium Authority communication consultant (to be paid from the Discretionary Fund)
- $75,000 to build-out the Stadium Authority office space located at Levi’s Stadium for staff use
- $700,000 for ongoing legal services
- $250,000 for a Community Engagement Plan
2017-18 Stadium Authority Budget Amendments (cont.)
Questions