

# City of Santa Clara Business Processes - Levi's Stadium Event Public Safety Reimbursements

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## Background:

The Amended and Restated Stadium Lease Agreement between SANTA CLARA STADIUM AUTHORITY ("SCSA") and the FORTY NINERS SANTA CLARA STADIUM COMPANY ("StadCo") was made and entered into as of June 19, 2013. Per section 7.5.2 of said lease, the Tenant is responsible for reimbursing the City of Santa Clara (the "City") for the public safety costs attributed to NFL games during the lease year that exceed the fees received by the City. These costs would also include public safety capital expenditures attributable to NFL games. Section 7.5.3 sets an annual Public Safety Costs Threshold of \$170,000 (in FY1415) multiplied by the total number of pre-season, regular-season and post-season NFL games played at the stadium. This threshold shall be increased by 3% per year.

Per the City of Santa Clara Municipal Fee Schedule, the City of Santa Clara charges an offsite parking fee (\$5.08 per space per event in FY1516). For each NFL event, after the City has received the offsite parking fees, the City will bill the tenant for the balance owed for public safety costs. This is calculated by collecting the actual public safety costs for a given NFL event and reducing that amount by the offsite parking fees that were collected by the City for the same NFL event. These costs include internal staff time during the event and a number of outside consultants (CHP, City of Sunnyvale, and various counties in the area). Should the net amount billed to the tenant exceed the public safety costs threshold described above, the amount billed over the threshold is considered credited public safety costs for the purposes of calculating Non-NFL performance-based rent that is payable by the Stadium Authority to the City, unless the Stadium Authority elects to pay the difference from the Discretionary Fund.

The Additional Parking Rights Agreement (Golf Course) between the City and StadCo was entered into on January 14, 2014. Section 4.1 of this agreement states that StadCo will pay golf course parking fees to the City of \$5 per space with a minimum due of \$250,000 for each of the first two lease years. This is to be paid within 30 days following each NFL event. Additionally, section 4.5 identifies golf course-specific public safety costs which will be billed to the tenant following each event. Should these public safety costs exceed \$30,000 per event, StadCo will be entitled to a credit against the golf course parking fees by the amount of public safety costs that exceed \$30,000. The \$30,000 threshold will be increased by 5% per year. **The parking fees and public safety costs specific to the golf course as described in the Additional Parking Rights Agreement are completely separate from the offsite parking fees and the public safety costs threshold described above.**

For non-NFL events, the background described above is similar except for the following two points:

- (1) There are not any Public Safety Costs Thresholds (\$170,000 for general public safety costs or \$30,000 for golf course specific public safety costs with a 3% increase each year after FY1415).
- (2) It is understood that the amount of Public Safety Costs (net of the related Offsite Parking Fees that are collected) that are billed by the City will ultimately be factored into the net non-NFL event revenue that the stadium manager forwards to the Stadium Authority.

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## Business Process:

- (1) After each event and within 30 days of the event, StadCo and other offsite parking lot operators will forward a count of the actual number of parking spaces used in each non-City owned offsite parking lot as well as the actual number of parking spaces used on the golf course along with payment for each space (\$4.92/off-site parking space and \$5.00/golf course parking space in FY1415 and \$5.08 and \$5.00 respectively in FY1516).
- (2) The parking counts and respective payments are tracked on the following worksheet: I:\Stadium Authority\FYXXXX\Offsite Parking Fee\FYXX-XX Levi's Stadium Off-Site Parking.xlsx
- (3) For each event (NFL and non-NFL) a folder is created in the following location: I:\Stadium Authority\FYXXXX\Public Safety Costs.
- (4) Create a new public safety costs workbook copying the prior NFL or non-NFL file (named I:\Stadium Authority\FYXXXX\Public Safety Costs\20XX-XX-XX Event Title) and saving it to the new folder.
- (5) After the payroll period that contains an event is analyzed (see **9.1 CSC Stadium Labor Analysis** procedures) copy and paste the appropriate TL payroll data into the TL tab of the public safety costs workbook.
- (6) Summarize the TL data by employee and copy the pertinent results on the Internal Staffing Summary tab (EE ID, Name, Title, Dept, Total Hours, and Gross Pay). Also add the Benefits and OH percentages.
- (7) After all outside agencies have invoice the City of Santa Clara for a particular event, update the public safety costs workbook for the event to include said invoices (see **9.2 CSC Stadium Public Safety Contractors Analysis**). Also contact the police department to inquire how many public safety vehicles were used so that the costs associated with those vehicles can also be added. Lastly, a portion of the workers comp insurance associated with the Per Diem officers is added to each event so that those costs are also reimbursed to the City of Santa Clara.
- (8) Once the event's public safety costs workbook is completed, forward it to AR so that the City of Santa Clara can invoice the 49ers.