Clarifications Regarding Grand Jury Report

Staff has reviewed the Grand Jury Report and offers the following clarifications:

1. General comment: The terms "City" and "City Council" are interchangeably used with "Stadium Authority" and "Stadium Authority Board" in the report. For the majority of these references, the Stadium Authority and Stadium Authority Board are the correct terms as the Stadium Authority is a separate entity from the City.

2. Page 4 – "Stadium Authority" in the "Glossary and Abbreviations" section: Santa Clara Stadium Authority, the joint powers managing entity created to construct and own Levi's Stadium while insulating the City of Santa Clara taxpayers from any financial liability deriving from Levi's Stadium construction, maintenance, and operation.

3. Page 5 – Last sentence in the first paragraph in the "Summary" section: Stadium Authority is the owner of the stadium and has general oversight of stadium operations.

4. Page 5 – Second sentence in the second paragraph in the "Summary" section: StadCo also contracted with the Forty Niners Stadium Management Company LLC (ManCo), an affiliate of StadCo, to manage the Stadium and non-National Football League (NFL) events.

5. Page 7 – First sentence in the third paragraph in the "Measure J and Management of the Stadium" section: As described in Measure J, the Stadium Authority entered into an agreement with StadCo to lease the Stadium for an initial term of 40 years with the option of four five-year extensions.

6. Page 8 – First sentence and bullet point: Stadium Authority is a Joint Powers Agency and is a separate entity from the City of Santa Clara.

7. Page 8 – Second sentence in the last paragraph in "The 2017 Compliance Audit" section: Staff has provided the Stadium Authority Board with several status updates on the progress of the remaining recommendations since the Harvey M. Rose Associates Audit was first presented to the Board in 2017. The most recent update was provided on March 24, 2020.

8. Page 9 – Second sentence under the first bullet point: ManCo has provided high level five-year projections of Shared Stadium Expenses.

9. Page 9 – Second bullet point: ManCo provides financial information at year-end. The Financial Management System should provide more timely details of financial information. The Stadium Authority receives a one-page 45-day report for each Non-NFL Event.

10. Page 9 – Third bullet point: Some source documentation for NFL events are not available to the Stadium Authority. The Stadium Authority receives some spreadsheet calculations. Stadium Authority's audit firm, KPMG, has some access to the source documentation during their financial audits.

11. Page 17 – Second sentence in the second paragraph under the "ManCo" section: ManCo last paid Performance Rent in FY 2017/18.

12. Page 17 – Last sentence in the fourth paragraph under the “ManCo” section: As previously noted, staff has provided the Stadium Authority Board with several status updates on the progress of the remaining recommendations since the Harvey M. Rose Associates Audit was first presented to the Board in 2017. The most recent update was provided on March 24, 2020.

13. Page 17 – Second sentence in the last paragraph of page 17: The Stadium Authority made $857,000 from the 2019 Rolling Stones concert.

14. Page 18 – Second sentence in the first paragraph: The forensic auditor was hired by the Stadium Authority.

15. Page 18 – Fourth sentence in the first paragraph: Audits are continuing regarding non-NFL events and Public Safety construction fund expenses. These have not been completed but are still actively being worked on by the Stadium Authority’s consultant.

16. Page 19 – Fourth sentence in the first paragraph: The company that was hired was not an event management company; rather, an independent consulting firm that assists in the planning and operations of sports and entertainment venues and events.

17. Page 19 – Sixth sentence in the first paragraph: The firm presented half-bowl and quarter-bowl events as a potential type of event to explore, not as a workaround to the curfew.

18. Page 24 – Second sentence in the first full paragraph of page 24: Security personnel are available to escort councilmembers throughout the facility.

19. Page 24 – Last sentence in the first full paragraph: One of these operational tours was publicly noticed as a special meeting.

20. Page 30 – Finding 3a: The Stadium Authority receives the majority of the financial accounting documents at the end of each fiscal year. The Financial Management System should provide additional financial transparency throughout the year. The system went live in April 2022.

21. Page 30 – Finding 3b: Since 2021, ManCo has remediated many of the code violations that the City previously identified.

22. Page 30 – Second sentence in Finding 3c: As previously noted, ManCo last paid Performance Rent in FY 2017/18.

23. Page 30 – Recommendation 3c: For FY 2022/23, the Stadium Authority has 6.70 FTEs budgeted, who are responsible for the programmatic oversight of Stadium activities.

24. Page 35 – The Naming Rights Marketing Agreement is between Stadium Authority and Forty Niners Stadium, LLC.

25. Page 36 – Appendix B: As previously noted, staff has provided the Stadium Authority Board with several status updates on the progress of the remaining recommendations since the Harvey M. Rose Associates Audit was first presented to the Board in 2017. The most recent update was provided on March 24, 2020.