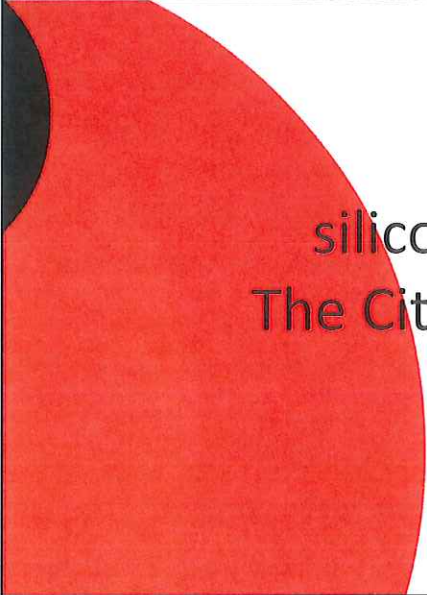



7/17/17

5A



silicon valley IDEA &
The City of Santa Clara

July 17, 2017



SETTING THE STAGE

The San Jose Silicon Valley Chamber of Commerce shifted to *The Silicon Valley Organization* to represent a regional approach to economic development problem solving.

Silicon Valley IDEA – Initiative to Drive Economic Advancement – is focused on activating that mission statement.



POST MEETING MATERIAL

WHAT DOES IDEA DO?

IDEA is active in three broad areas:

Business Velocity | Regional Quality of Life | Regional Branding

IDEA is active in six solutions teams:

International Competitiveness | Millennial Engagement

Emerging Technologies | Workforce Development

Small Business | Regional Landmark



COLLECTIVE IMPACT THROUGH PARTNERSHIPS

A key component of IDEA is regional partnerships and collaboration.

We currently have or have had numerous cities involved in different components of IDEA, including:



WHY THE CITY OF SANTA CLARA?

75

SVO members located
in **Santa Clara**

+5%

Percentage of total SVO
membership located in **Santa Clara**

5

SVO Board Members
located in **Santa Clara**



THE DETAILS

Ideally, our hope would be to structure a partnership with the City of Santa Clara that best fits your needs.

Three particular areas of focus we would like to address in Year One would be:

1. Workforce Development
2. Regional Branding & Landmark
3. Small Business Engagement



1. WORKFORCE DEVELOPMENT

The SVO is engaged, along with the U.S. Chamber of Commerce Foundation, in regional Talent Pipeline Management work throughout the SF Bay Region.

We have formed a partnership with the San Francisco Chamber of Commerce (includes 16 other Chambers throughout the Bay Area) to identify key areas of talent pipeline management opportunities as identified by employer partners.

Four areas of immediate need are: information technology, agile and advanced manufacturing, emerging technologies and cybersecurity, and skilled trades labor.



2. REGIONAL BRANDING & LANDMARK

In order for visitors – both business and personal – to realize they are in The Silicon Valley, we must work collaboratively to brand our area around a recognizable regional landmark, landmarks and events.

Santa Clara houses a regional Convention and Visitors Bureau, a Convention Center, Levi's Stadium, and is a main hub of numerous transit routes.

Your voice is critical in these discussions.



3. SMALL BUSINESS ENGAGEMENT

For years, *The SVO* has maintained a relationship with key city staff in San Jose around policy proposals and implementation that can impact small business.

Using our existing membership and growing it throughout the partnership, we would like to engage Santa Clara's city staff in the same work as it relates to policies of interest to your Council and your City leadership.



THE ASK

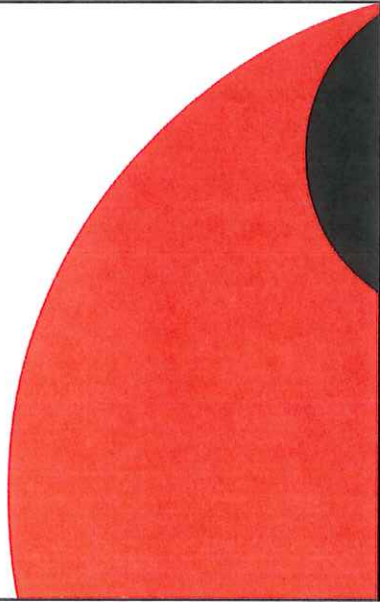
In order to move this partnership forward, we are asking the Economic Development Committee and the full Santa Clara City Council to greenlight a partnership in the amount of **\$15,000 for the first year of involvement.**

If Council were to approve this, our staff at *The SVO* would work with Council and staff leadership in Santa Clara to develop goals, metrics and mission statements around this partnership, for further reporting to the Santa Clara City Council.

When these goals and metrics are met, we would like to go forward with an on-going partnership that grows and adjusts based on our mutual desires and goals for effective regional economic development strategies and initiatives.



Thank You!



7/17/17

6A



City of Santa Clara

Convention and Visitors Bureau & Convention Center Model Options: Executive Summary of Stakeholder Outcomes

JLL was recently engaged by the City of Santa Clara to research and present operational and governance models to the City Council of Santa Clara to illustrate the various options for the Santa Clara Convention and Visitors Bureau (CVB) and the Santa Clara Convention Center (SCCC) operations as well as benchmarking peer cities for comparison. JLL presented those findings and the original contract was amended in April 2017 to include an additional two phased approach to facilitate and implement a potential model restructuring. JLL's first phase of the amendment includes conducting a detailed stakeholder interview and focus group facilitation process to gain input on the potential model and operational options. The second phase includes the development and implementation of the determined new model. The follow summary is the outcomes of the first phase of JLL's amended scope based on the stakeholder interview and focus group process.

Stakeholder Outcomes

JLL hosted a total of seven focus groups with industry and key community stakeholders including over 20 individual leaders from the hotels, hospitality and tourism space. The focus groups included hotels, vendors, venues and labor. JLL had detailed conversations with these stakeholders on current and future plans for growth in the community and greater Santa Clara market, including Great America, Related and Levi's Stadium. In addition, JLL met with and spoke to 10 key clients or groups as well as facilitated a session with the CVB and the SCCC's internal leadership. JLL has also worked closely with the CVB and SCCC throughout this phase to understand the current model's operations and needs for the future. JLL thanks the CVB and SCCC internal teams for their insight and cooperation throughout this phase. From those conversations, JLL surfaced important priorities and principles for City Council's consideration as to the future model of the CVB and SCCC.

Model Principles

Seamlessness

A clear desired outcome of the stakeholder interviews and focus groups was that a unified environment for the CVB and SCCC is important. This is a key element of the future structure as the need for unification and seamlessness creates synergy between both the sales and operations aspects of the CVB and SCCC relationship as well as provides clients with a positive experience from sales to services. There is still more research and engagement to finalize the operating model for the SCCC. Regardless of this, the overriding interest was a seamless environment. As noted below, this "seamlessness" must come with a comprehensive plan to maximize all of the opportunities in Santa Clara and not be exclusively focused on the SCCC.

POST MEETING MATERIAL

Inclusivity

An important aspect of the future model from the stakeholders' perspective was inclusivity and "having a seat at the table" when it comes to information and decision making. This is an important attribute to consider when developing the future model as engagement of the local industry and community leaders is important for the success of the organization and the overall destination. Stakeholders feel that the current model of the CVB and SCCC has not utilized their knowledge base fully to grow the convention and leisure visitor base. This includes discussion on focused target markets, need periods, sales and marketing activities and funding opportunities and initiatives among other potential ideas. The future model needs to engage the industry and community leaders to encourage and solicit feedback and market intelligence. This will be important to consider when finalizing the governance model.

Convention Center Maximization

Stakeholders were also highly interested in the business mix of the convention center and how the future model will ensure the SCCC is utilized to be an economic engine for room nights and direct spending. This requires the CVB efforts to have an explicit plan in place for convention center sales and marketing goals. The future model must be conducive to a highly functional convention sales environment to accomplish this. JLL will complete an "optimization review" and develop a multiple year plan to achieve this.

Venue Opportunities

JLL's discussions also surfaced the importance of considering additional venues for the CVB to focus on for booking purposes above and beyond the SCCC. All venues that provide opportunities to impact overnight stays should be part of the broader plan for sales and marketing of the future organization. A model that supports this type of flexibility to book multiple venues is important to stakeholders. This will generate new opportunities for room night generation and potentially impact a greater percentage of the hotel market. This can be achieved in the future model through contracts and terms that outline the booking goals and guidelines for the agreed upon venues.

Goals and Accountability – Inclusive Process

The need for goals and objectives in the new model was also a key principle for stakeholders. The objective of creating goals in a setting in which the key stakeholders are involved provides a platform of understanding within the industry and a sense of accountability for both the internal team and hotel industry. Goal setting and tracking progress will need to be a key foundation for the future model's operations. There was a consistent interest in having clear accountability built into any future approach. This included sales performance plans and development of service and operational standards with an objective feedback process.

Measurement & Reporting

Stakeholders were clear and consistent that common metrics and standardized reporting is important in the future model. Measurement and reporting provide a formalized platform to engage, inform and enforce the goals and accomplishments of the CVB and SCCC. All of the sales and marketing efforts in the future model should have a trackable ROI to demonstrate value and success. This included all areas of destination marketing. These efforts and the results need to be communicated in a standard format and regular timeframe. The overriding set of metrics that gained consensus among stakeholders included:

1. Economic impact including room night generation
2. Fiscal results of the SCCC – profit and loss

Future Priorities/Considerations

Meeting Planner/Client Input

JLL spoke with clients as well as stakeholders in this process and both groups were interested in seeing the meeting planners have more input when it comes to trends, layouts and future space planning opportunities. Meeting planners and past clients were insightful in their detail for what would enhance their events at the SCCC and how the future model's operations and functionality could streamline and find efficiencies for their events. The future model should consider a client advisory council or leadership group to provide regular feedback.

Management Contract

The stakeholders were open to understanding the potential value in hiring a third-party venue management company to operate the SCCC. Stakeholders understood the potential pros and cons including reduced costs, operational efficiency, resource opportunities as well as potential loss of operational control, financial guarantee and others. The engagement of a third-party venue manager should be further evaluated in the next phase and reported back to City Council.

Public Entity Inefficiencies

Stakeholders were clear that the potential effects of bringing the CVB and SCCC staffs "in-house" within the city government could be inefficient and inflexible. The nature of public environments can create cumbersome procurement processes, delayed sales efforts, restrictive sales environments and other challenges that must be considered for the future model. This adversely affects the primary principle noted above as seamless and unification. Stakeholders did not support the notion of city government absorbing the CVB and SCCC efforts for those reasons.

SCCC Facility Needs

Both stakeholders and planners surfaced the need for internal facility upgrades as well as the possible enhancement via a facility expansion at the SCCC. The market has demonstrated demand for conventions and meetings and with the potential shift in business mix with the Convention Center Maximization noted above, the SCCC, hotel industry and tourism community as a whole could benefit from an expansion. JLL discussed with both stakeholders and meeting planners the potential to expand between 50,000 and 100,000 square feet of flexible exhibit and meeting space to meet the needs of current and future events. Based on this expansion potential, additional capital needs would accompany such a project including expanded parking and ingress/egress. JLL has estimated a range of building costs based on such and expansion. Detail on these estimated building costs can be found in the attached PDF.

Conclusion

The stakeholder community, overall tourism industry and internal teams are interested and vested in supporting the outcomes as well as the future model. The feedback received from stakeholders and the original review that was presented to City Council has created a potential direction for a new model. Based on the feedback and input this could include forming a singular entity that is responsible for the marketing of Santa Clara as a destination, selling the convention center and other key venues as well as the operations of the Convention Center. There is also a need for a high level of stakeholder engagement in the new model, which would require a governance model with accountability and leaders with expertise in relevant tourism and hospitality operations.

The next steps of this process will utilize this feedback to fully develop the model and continue to work collaboratively with vested stakeholders and the internal team.

7/17/17

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Expansion Estimated Costs



Santa Clara Convention Center Estimated Expansion Costs

| Gross Square Feet* | Cost per Square Foot** | Parking Spaces Needed | Cost per Space | Total Estimated Cost |
|--------------------|------------------------|-----------------------|----------------|----------------------|
| 200,000 | \$500 | 410 | \$15,000 | \$106,150,000 |

*To achieve 100,000 net square, building 200,000 gross square feet is typically required.

**Cost per square foot is estimated based on current San Francisco/Bay Area and Silicon Valley construction rates. Final finishings and materials may effect the cost per square foot.

Key Considerations for Expansion



The following are key considerations for a potential expansion at the Santa Clara Convention Center:

1. The addition of 100,000 net square feet will require 200,000 gross square feet. The exact recommended configuration will be determined in the next steps with added feasibility steps.
2. This would put Santa Clara in the top 100 national convention centers based on current actual square footage.
3. A typical expansion would require 12 to 18 months to complete and require closure of the SCCC for a period of time.
4. The most common funding strategies for convention center expansions are increased fees and/or taxes as a revenue stream for borrowing.

7/17/17



6A
Achieve
Ambitions

City of Santa Clara

Convention and Visitors Bureau & Convention Center Model Options: Next Steps

Development and Implementation of a New Model

The following are the next steps to develop and implement the new model as agreed to in the amended contract:

1. Draft Mission and Vision Statement
2. In-depth Marketing Analysis
3. Develop Staffing Plan
4. Develop and Finalize Budget
5. Complete Bylaws
6. Develop Job Description and Support Hiring an ED/President/CEO Position
7. Complete Articles of Incorporation
8. Develop Metrics and Reporting
9. Nominate and Approve Board
10. Draft and Approve CVB and Center Contract
11. Advise on RFP for Convention Center Operations (if third party venue management company is desired)
12. Develop Marketing Plan
13. Develop Goals and Goal Setting Process
14. Hire/Retain Staff
15. Provide Functional Organization Support and Guidance
16. Conduct First Board Meeting

Visits

JLL is committed to being in Santa Clara over four visits to meet with the team, facilitate the steps listed above and present to City Council.

Timeline

JLL is committed to a September 2018 completion date. JLL will continue to work with the City to review progress and manage the process.

POST MEETING MATERIAL

7/17/17


6A
6B

**City of
Santa Clara**

**Convention Center
Status Update**


ECONOMIC DEVELOPMENT
COMMITTEE

July 17, 2017




Agenda

1. JLL Executive Summary of Stakeholder Outcomes and Considerations for Expansion
2. Operating History
3. Historical Capital Investment & Future Projections
4. Parking Future Scenarios
5. Assessments
6. Funding Sources



2



POST MEETING MATERIAL

JLL Executive Summary of Stakeholder Outcomes and Considerations for Expansion

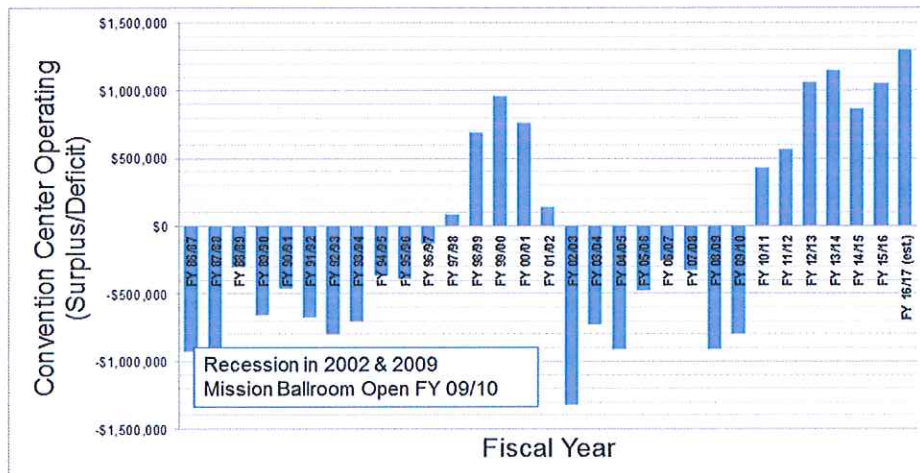
- See Handouts



3



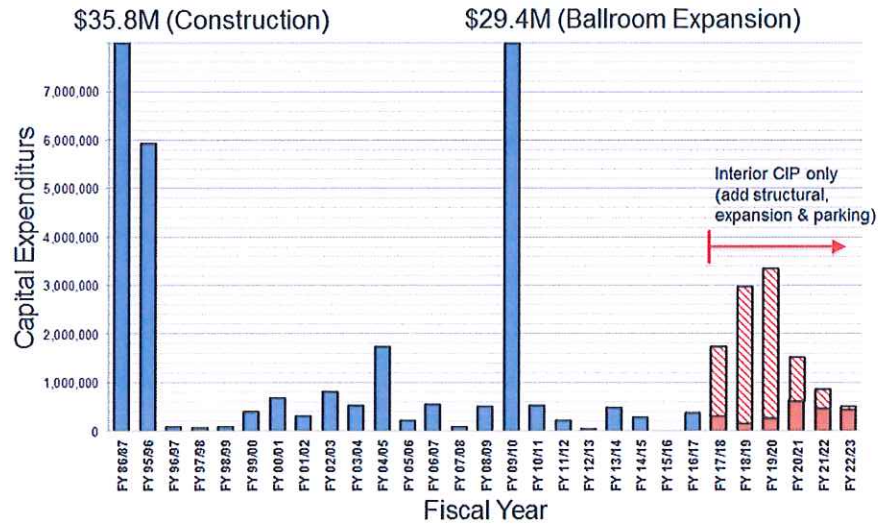
Convention Center Operating History



4



Historical Capital Investment & Future Projections



5



Parking: Future Scenarios

- Fire Station 10 needs to be relocated due to City Place.
 - Possible new location is the North Lot on the CC campus. There are 129 spaces in this lot and is under the lease agreement with Techmart for their use.
 - The City would need to make the Techmart whole and provide 129 spaces in the current parking structure to replace those lost. This would reduce the CC parking from approximately 525 to 396.
- Hyatt opts to expand
 - Lease agreement allows them to build 208 more sleeping rooms (tower) in the back of the hotel.
 - If this happens, the City will be have to provide an additional 208 parking spaces which, would likely be located in the current parking garage.
- With both of these scenarios, the Center would be left with approximately, 116 parking spaces on-site.

6



Convention Center Assessments

- Structural
 - Conducted by Public Works Department; scheduled to begin August 2017
- Aesthetics
 - Managed by Convention Center; completed
 - ~\$10 million
- Expansion
 - Conducted by Public Works and JLL Consultant; underway
 - Current estimate 50,000 – 100,000 square feet needed = 200k gross sf
 - ~\$500/sf = \$50 mil – \$100 mil
- Parking
 - Conducted by JLL Consultant; underway
 - 410 extra spaces needed
 - \$15k/space = \$6,150,000



7



Funding Sources

- Paid parking to pay for additional parking spaces and controls.
 - Parking Study completed in July 2014 by Walker Parking Consultants
- Increase Transient Occupancy Tax (TOT)
 - Santa Clara Current TOT: 9.5%
 - San Jose Current TOT: 10%
 - San Francisco Current TOT: 14%
- Enact additional tax/fee
 - San Jose Convention Center Facilities District Tax:
 - approved by 78% of the qualified voters
 - a special tax levied on real property classified as a hotel property beginning July 1, 2009.
 - The CCFD Tax is applied to a hotel property as 4% of all rent charged. This special tax finances the expansion, construction, reconstruction, rehabilitation, and upgrade of the San José McEnery Convention Center facilities.

8



City of Santa Clara

Convention Center Status Update

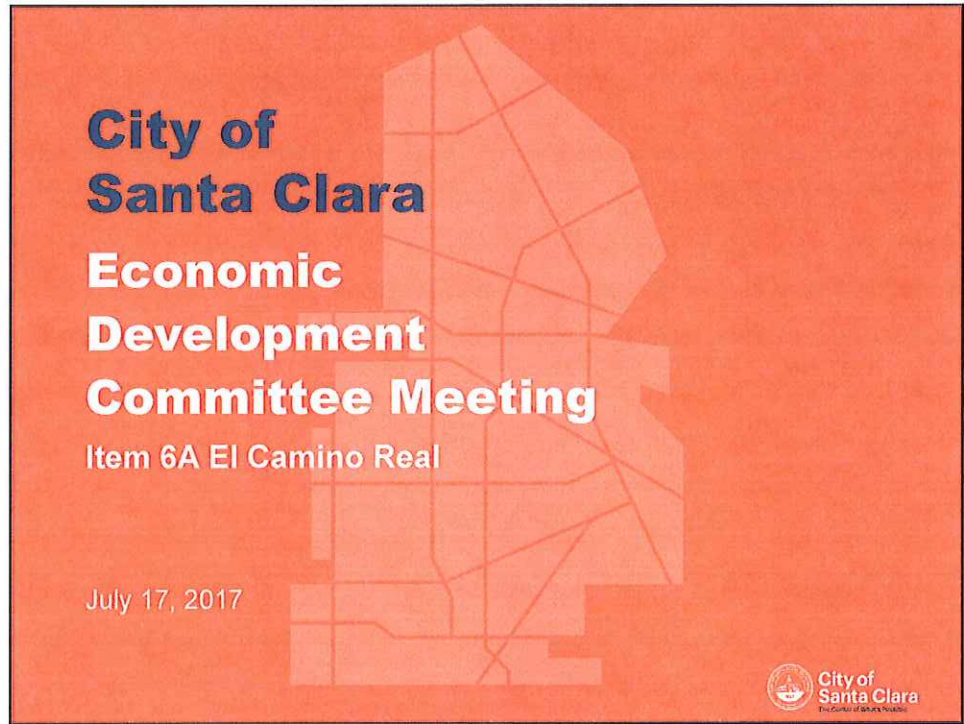
Economic Development Committee

July 17, 2017



7/17/17

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**City of
Santa Clara**

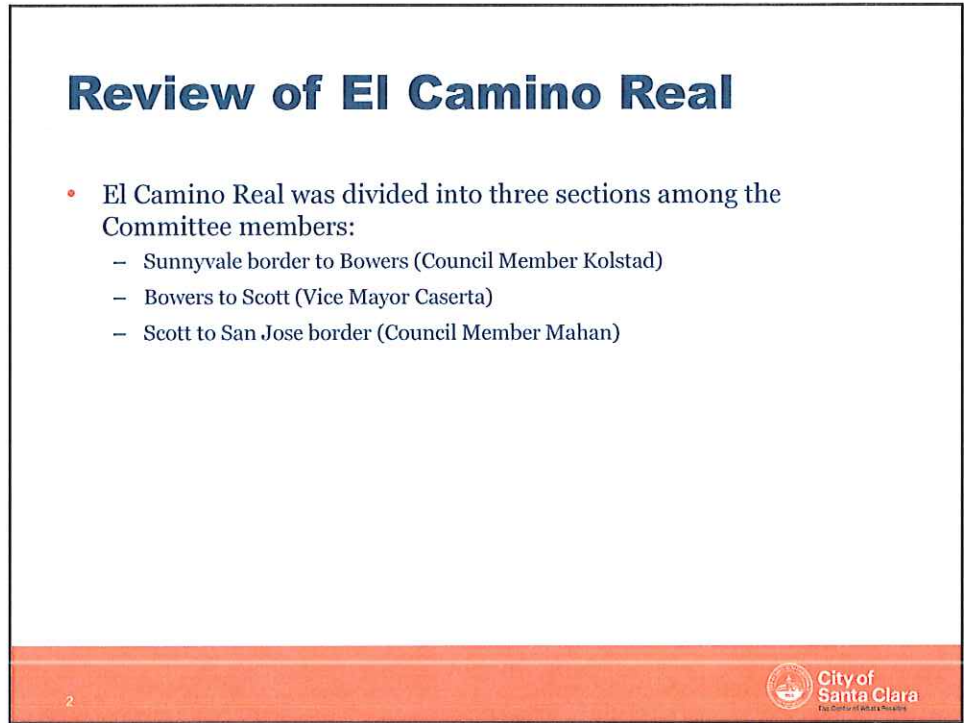
**Economic
Development
Committee Meeting**

Item 6A El Camino Real

July 17, 2017




City of
Santa Clara
The Center of Valley's Progress



Review of El Camino Real

- El Camino Real was divided into three sections among the Committee members:
 - Sunnyvale border to Bowers (Council Member Kolstad)
 - Bowers to Scott (Vice Mayor Caserta)
 - Scott to San Jose border (Council Member Mahan)



2

City of
Santa Clara
The Center of Valley's Progress

POST MEETING MATERIAL

Sunnyvale Border to Bowers

- Medians along this section look well maintained.
- Landscaping and overpass at the Sunnyvale border looks good.
- Street condition of El Camino Real needs work.
- Two small buildings at 3320 and 3520 El Camino Real require maintenance and landscaping. They might be City-owned.
- Follow up with Planning Division regarding a mixed use development project named “The Deck” at 3400 block of El Camino Real.
- Work with property owners to fix landscaping and signage.

3



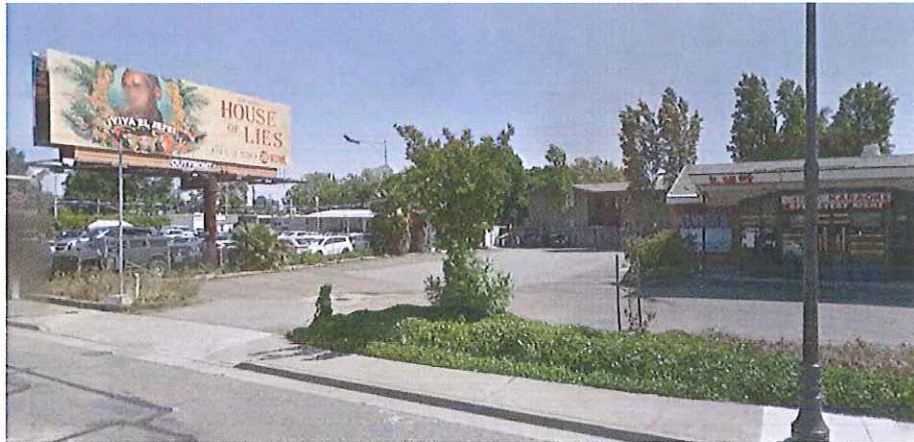
3320 El Camino Real

4



3362 El Camino Real

5



3400 Block of El Camino Real – Proposed mixed use development project, “The Deck”

6



Bowers to Scott

- Work with property owners to fix up the following retail properties:
 - El Camino Center
 - Moonlite Shopping Center
 - Corner of Los Padres Blvd and El Camino Real

7



El Camino Center

8



Moonlite Shopping Center

9



Corner of Los Padres Blvd and El Camino Real

10



Scott to San Jose Border

- Santa Clara University's properties look great.
- Look for opportunities to work on City-owned properties.
- Follow up with Family Auto Centers and A-1 Tires and Wheels, Inc (1890 and 1810 El Camino Real) – the whole lot looks vacant, although their business licenses are still valid.
- Work with property owners to fix landscaping and signage.

11



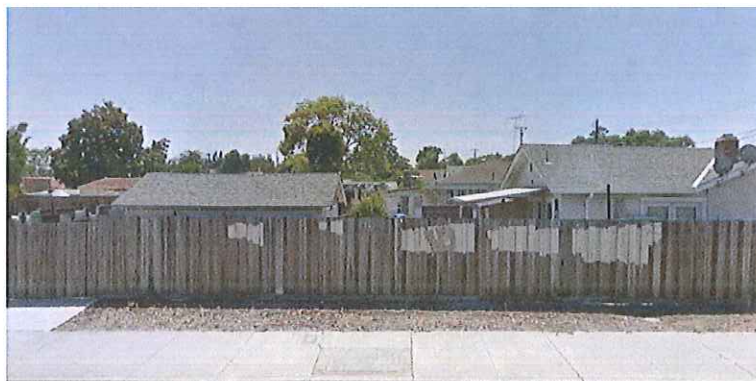
1810 and 1890 El Camino Real

12



1212 El Camino Real

13



1100 El Camino Real

14





Corner of Alviso Rd and El Camino Real

City of Santa Clara

Economic Development Committee Meeting

Item #6A El Camino Real

July 17, 2017



7/17/17

80

List of Top 25 Sales Generators

- Affymetrix
- Applied Materials Inc.
- Arista Networks
- Centerplate
- Costco Wholesale
- Dell Marketing
- Financial SVCS Vehicle Trust
- Fisher Scientific
- Fishnet Security
- Frontier Ford
- Home Depot
- Intel Corp.
- Lexus of Stevens Creek
- Macy's Department Store
- One Workplace
- Pace Supply
- Pivot Interiors
- Porsche of Stevens Creek
- Safeway Stores
- Stevens Creek Acura
- Stevens Creek Auto Imports
- Stevens Creek BMW
- Sun Microsystems
- Target Stores
- Z T Systems



POST MEETING MATERIAL