



## AGENDA REPORT

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**Date:** November 22, 2016

**To:** City Manager for Council Action

**From:** Director of Finance

**Subject:** Santa Clara Convention Center and Convention-Visitor's Bureau (SCCC-CVB) Activity Report for Fiscal Year 2016-17 First Quarter, as Submitted by the Santa Clara Chamber of Commerce and Convention-Visitor's Bureau

### EXECUTIVE SUMMARY

Submitted for City Council review and acceptance in a combined format is the SCCC-CVB Activity Report for Fiscal Year 2016-17 First Quarter, as submitted by the Santa Clara Chamber of Commerce and Convention-Visitor's Bureau. Submission of the report is required under the management agreement for the operation of the Santa Clara Convention Center and the agreement for convention and visitor services.

As mentioned in the attached report, the First Quarter Financial Results (the "Results") of the Santa Clara Convention Center (SCCC) show a first quarter net loss of \$51,132, but a positive budget variance of \$530,751 as of September 30, 2016. The Results show revenues at \$1,607,524, or \$476,650 greater than budget. Revenues were favorable in the Audio-Visual, Catering, Event Revenue, Space Rental, Telecommunications and Other Income categories. The Results also show first quarter expenses at \$1,658,655, or \$54,101 less than budget. Of the \$54,101 expense variance, \$41,270 was attributable to labor related expenses being below budget and \$12,831 was attributable to operating expenses being under budget.

### ADVANTAGES AND DISADVANTAGES OF ISSUE

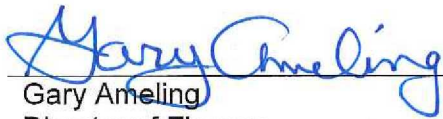
The SCCC-CVB Activity Report for Fiscal Year 2016-17 First Quarter provides current information on the business activities of the Santa Clara Convention Center and Convention-Visitor's Bureau.

### ECONOMIC/FISCAL IMPACT

Acceptance of this report will have no fiscal impact to the City other than administrative staff time and expense.

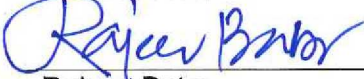
**RECOMMENDATION**

That the Council accept the Santa Clara Convention Center and Convention-Visitor's Bureau Activity Report for Fiscal Year 2016-17 First Quarter, as submitted by the Santa Clara Chamber of Commerce and Convention-Visitor's Bureau.



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Gary Ameling  
Director of Finance

APPROVED:



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Rajeev Batra  
Acting City Manager

*Documents Related to this Report:*

- 1) SCCC-CVB Activity Report for Fiscal Year 2016-17 First Quarter



October 27, 2016

Mr. Gary Ameling  
Director of Finance  
City of Santa Clara  
1500 Warburton Avenue  
Santa Clara, CA 95050

Dear Mr. Ameling:

Attached is the Santa Clara Convention Center and Convention and Visitors Bureau (SCCC-CVB) Activity Report for Fiscal Year 2016-17 1<sup>st</sup> Quarter YTD.

If you have any questions about the report, please let me know.

Regards,

A handwritten signature in black ink that reads "Annette Manhart for Lisa Moreno". The signature is fluid and cursive.

Lisa Moreno  
General Manager & CEO  
Santa Clara Convention & Visitors Bureau & Convention Center

cc: Rajeev Batra, Acting City Manager  
Rod Diridon, Jr., City Clerk  
City Council Members  
Bill Benaderet, Assistant General Manager  
David Andre, Vice President of Marketing and Communications  
Annette Manhart, Vice President of Convention Sales, Marketing and Services

October 27, 2016

The Honorable Mayor and City Council  
 City of Santa Clara  
 1500 Warburton Avenue  
 Santa Clara, CA 95050

Dear Mayor and Council:

The following is the Santa Clara Convention Center and Convention and Visitors Bureau Activity Report for Fiscal Year 2016-17, 1<sup>st</sup> Quarter YTD.

<b>SANTA CLARA CONVENTION CENTER</b>				
<b>Activity Summary for the First Quarter</b>				
<b>TYPE</b>	<b>16/17</b>	<b>15/16</b>	<b>ATTENDEES</b>	<b>EVENTS HELD</b>
Conventions	8	20	9,800	Bay Area Garden Railway Society, State Bar of California, Bay Area Christian Church, Hyatt Hotel California Extreme, American Contract Bridge, Scrapbook Expo, GreenBiz Verge Conference and Jenkins World.
Trade Shows	2	3	1,500	Flash Memory Summit and Hispanic/Latino Professionals Association.
Public Shows	17	16	18,500	Liberty Dance, Muscle Sport Productions, Dance Art Academy, The Yoga Expo, Ved Vignan Maha Vidya Peeth, Bricks by the Bay, Portsmouth, Bytes and Notes, Lokahi Polynesian Dance Group, Cali today, Home Show, Northern California Facilities Expo, San Jose Art and Cultural Society, Pitco Foods, South India Fine Art, Natya Ninada Performing Arts and Vibha.
Meetings	65	62	39,510	
Banquets	5	3	1,520	
<b>Totals</b>	<b>97</b>	<b>104</b>	<b>70,830</b>	

<b>SANTA CLARA CONVENTION CENTER</b>			
<b>Revenue Summary for the First Quarter, Year-to-Date</b>			
<b>16/17</b>	<b>15/16</b>	<b>Budget</b>	<b>Over (Under) Budget</b>
\$1,607,524	\$1,622,135	\$1,130,874	\$476,650

Year-to-date catering revenue is above budget by \$114,685.75. Audio-visual revenues are above budget by \$22,282.87, Telecommunications is above budget by \$159,175.07 and Space Rental is above budget by \$167,432.82. Event revenue is above budget by \$2,828.05, and Other Income is also above budget by \$10,245.09.

<b>SANTA CLARA CONVENTION CENTER</b>			
<b>Expenses Summary for the First Quarter, Year-to-Date</b>			
<b>Labor Expenses</b>			
<b>16/17</b>	<b>15/16</b>	<b>Budget</b>	<b>Over (Under) Budget</b>
\$1,224,233	\$1,200,923	\$1,265,502	(\$41,270)
<b>Operating Expenses</b>			
<b>16/17</b>	<b>15/16</b>	<b>Budget</b>	<b>Over (Under) Budget</b>
\$434,423	\$422,281	\$447,254	(\$12,831)
<b>Total Labor and Operating Expenses</b>			
<b>16/17</b>	<b>15/16</b>	<b>Budget</b>	<b>Over (Under) Budget</b>
\$1,658,655	\$1,623,204	\$1,712,756	(\$54,101)
<b>Net Income (Loss)</b>			
<b>16/17</b>	<b>15/16</b>	<b>Budget</b>	<b>Over (Under) Budget</b>
(\$51,132)	(\$1,068)	(\$581,883)	\$530,751

1<sup>st</sup> Quarter YTD revenues of \$1,607,523.85 and expenses of \$1,658,655.90 have produced a net loss of \$51,132.05 which is \$530,751.44 **better than the budgeted loss** of 581,883.49.

**Projects:** The five year fire sprinkler service has been completed in accordance with fire department regulations. Rebuilt the electrical project circuits in the light bars above the theater stage and completed annual fire extinguisher service.

#### Fiscal Year 2016-17 Second Quarter Projections

<b>TYPE</b>	<b>NUMBER</b>	<b>ATTENDEES</b>	<b>EVENTS SCHEDULED</b>
Conventions	6	5,400	California Physical Therapy Association, Hyatt Hotel/Celebrity Dance, Printed Electronics, Electronic Industry Citizenship Coalition, US-Japan Council and Yahoo Tech Pulse.
Trade Shows	3	5,500	Pacific International Quilt Festival, Arm TechCon and Santa Clara County Association of Realtors.
Public Shows	17	15,100	Premiere Productions, Mystique Events, Sankara Eye Foundation {2 Events}, Northern California Academy of Performing Arts, AdDesu Inc, Roya Foundation, Live2Give Foundation, Sterling Dance Theater, Event California, R&P Foundation, GT Sports Marketing, Van Tho Lac Viet, Santa Clara Ballet, Montage Dance Productions, Cloud of Joy Performing Arts and Peer 97 Music Group.
Meetings	57	31,630	
Banquets	22	17,380	
<b>Total</b>	<b>105</b>	<b>75,010</b>	

Average Spending Per Event

1st Quarter 2015/2016

1st Quarter 2016/2017

Events	104	97
Revenue	\$1,622,135.29	\$1,607,523.85
Spending Per Event	\$15,597.45	\$16,572.41

Occupancy Ratio

1st Quarter 2015/2016

1st Quarter 2016/2017

Exhibit Halls	58.3%	Exhibit Halls	49.3%
Other Locations	39.6%	Other Locations	44.7%

**CONVENTION SALES, MARKETING, SERVICES & BUSINESS INFORMATION DEPARTMENT**

**1<sup>st</sup> QUARTER REPORT (JULY – SEPTEMBER 2016)**

	<b>1<sup>st</sup> Qtr. 16-17</b>	<b>1<sup>st</sup> Qtr. 15-16</b>	<b>% Diff</b>		<b>1<sup>st</sup> Qtr. 16-17</b>	<b>1<sup>st</sup> Qtr. 15-16</b>	<b>% Diff</b>
<b>Leads</b>	74	88	-16%	<b>Bookings</b>	19	18	6%
<b>Attendees</b>	52,588	98,116	-46%	<b>Attendees</b>	99,680	18,610	436%
<b>Room Nights</b>	66,139	72,889	-9%	<b>Room Nights</b>	16,026	4,859	230%
<b>Economic Impact</b>	\$61.6 M	\$81.1 M	-24%		\$39.8 M	\$11.3 M	250%

**Note:** Hotel room nights represent only those hotel rooms that are “blocked” and no projections are made of room nights that come in after the block is cut off by the hotels or for those delegates or exhibitors who utilize hotels not included in the blocks.

The department ended the 1<sup>st</sup> Quarter YTD with 19 convention and trade show bookings, representing 99,680 attendees and a potential 16,026 blocked room nights. The CVB’s future hotel room night bookings generate an estimated \$40 million in economic impact to the City.

**Highlights:**

- One of 19 bookings in the 1<sup>st</sup> quarter was a **citywide** group, totaling over 4,720 future hotel room nights for the quarter. The group has an estimated 68,500 attendees and a potential \$12.5 million in economic value to the City.
- Convention Sales department attended four industry related trade shows/conferences; nine luncheons/meetings; three client pre/post-cons; 11 client site inspections with hotels, Convention Center and/or stadium; eight Industry related board/committee meetings; two City Marketing Committee Meetings; and conducted 65 sales calls and/or facetime.
- The Service’s division assisted 24 groups holding meetings in Santa Clara and performed three service related site inspections for off-site conference venues and activities.
- The CVB team met with the Hyatt Regency Santa Clara sales team in July, August and September. The purpose of monthly meetings is to give updates on potential bookings to avoid miscommunication and to work cooperatively to fulfill meeting planner’s needs.
- The CVB team met with Sales & Marketing Directors from the following Santa Clara hotels: Hilton Santa Clara, Marriott Santa Clara, and The Plaza Suites.

## VISITOR MARKETING & COMMUNICATIONS DEPARTMENT

### 1<sup>st</sup> QUARTER REPORT (JULY – SEPTEMBER 2016)

- Increased *Visit Santa Clara* social media following by 16% in FY 2016-17 1<sup>st</sup> quarter – an economic impact/value of \$749,700.
- Generated 4,035 online consumer leads to Santa Clara hotels via “handoffs” from [santaclara.org](http://santaclara.org) directly to hotel reservation pages in FY 2016-17 1<sup>st</sup> quarter. 75% increase over last fiscal year – an economic impact/value of \$80,700.
- Grew “50 Awesome Things to Do in Santa Clara” blog views by 21% in FY 2016-17 1<sup>st</sup> quarter - an economic impact/value of \$12,946.
- Created online Santa Clara visitor and meeting and event information in four different languages: [SantaClara.org/Japanese](http://SantaClara.org/Japanese); Chinese; Korean; Spanish.
- Generated two-page advertorial highlighting Santa Clara’s sports venues in Premier TravelMedia Sports Planning Guide.
- Produced bi-monthly editions of CVB eNews highlighting Convention and Visitors Bureau activities.
- Attended Destination Marketing Association International (DMAI) annual industry meeting for Convention and Visitors Bureaus.
- Hosted Santa Clara Sports Group (SCSG) quarterly meeting.
- Hired full-time Marketing Coordinator.
- Department also updated [santaclara.org](http://santaclara.org) Calendar of Events, responded to visitor requests for information and continued publicizing *Visit Santa Clara* social media channels, destination video, websites, and blogs.