



Date: February 21, 2017

To: City Manager for Council Action

From: Finance Director

Subject: Santa Clara Convention Center and Convention-Visitor's Bureau (SCCC-CVB) Activity Report for Fiscal Year 2016-17 Second 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 Second 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 Second Quarter Financial Results (the "Results") of the Santa Clara Convention Center (SCCC) show year-to-date net income of \$480,218. The Results show revenues at \$3,761,801, or \$556,608 greater than budget. Revenues were favorable in the Audio-Visual, Event Revenue, Space Rental, Telecommunications and Other Income categories, but below budget in the Catering category. The Results also show second quarter year-to-date expenses at \$3,281,584, or \$59,259 less than budget. Of the \$59,259 expense variance, \$35,769 was attributable to labor related expenses being below budget and \$23,490 was attributable to operating expenses being under budget.

ADVANTAGES AND DISADVANTAGES OF ISSUE

The SCCC-CVB Activity Report for Fiscal Year 2016-17 Second 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 Second Quarter, as submitted by the Santa Clara Chamber of Commerce and Convention-Visitor's Bureau.



Angela Kraetsch
Acting Director of Finance

APPROVED:



Rajeev Batra
Interim City Manager

Documents Related to this Report:

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



SANTA CLARA
SILICON VALLEY CENTRAL™
CHAMBER OF COMMERCE &
CONVENTION-VISITORS BUREAU

January 31, 2017

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 2nd Quarter, encompassing the months of October, November and December.

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

Regards,



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

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, Sales, Marketing, Services & Business Information

January 31, 2017

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, 2nd Quarter, year-to-date encompassing the months of October, November & December.

SANTA CLARA CONVENTION CENTER				
Activity Summary for the Second Quarter				
TYPE	16/17	15/16	ATTENDEES	EVENTS HELD
Conventions	6	12	5,400	California Physical Therapy Association, Hyatt Hotel/Celebrity Dance, Printed Electronics, Electronic Industry Citizenship Coalition, U.S.-Japan Council and Yahoo Tech Pulse.
Trade Shows	3	6	5,500	International Quilt Festival, Arm TechCon and Santa Clara County Association of Realtors.
Public Shows	14	14	14,100	Mystique Events, Nor Cal Academy of Performing Arts, Sankara Eye Foundation {2 events}, Roya Foundation, Live2GiveU Foundation, Sterling Dance Theater, Event California, GT Sports and Marketing, Van Tho Lac Viet, Britt Worldwide, Santa Clara Ballet, Montage Dance Productions and Cloud of Joy Performing Arts.
Meetings	71	62	33,550	
Banquets	25	23	18,205	
Totals	119	117	76,755	

SANTA CLARA CONVENTION CENTER			
Revenue Summary for the Second Quarter, Year-to-date			
16/17	15/16	Budget	Over (Under) Budget
\$3,761,801.41	\$3,424,179.95	\$3,205,193.85	\$556,607.56

Year-to-date catering revenue is below budget by \$21,389.89. Audio-visual revenues are above budget by \$66,656.47. Telecommunications is above budget by \$193,432.30 and Space Rental is above budget by \$304,744.04. Event Revenue is above budget by \$1,609.00 and Other Income is also above budget by \$11,555.64.

SANTA CLARA CONVENTION CENTER			
Expenses Summary for the Second Quarter, Year-to-date			
Labor Expenses			
16/17	15/16	Budget	Over (Under) Budget
\$2,486,857.85	\$2,428,796.97	\$2,522,626.99	(\$35,769.14)
Operating Expenses			
16/17	15/16	Budget	Over (Under) Budget
\$794,725.78	\$762,672.49	\$818,215.15	(\$23,489.37)
Total Labor and Operating Expenses			
16/17	15/16	Budget	Over (Under) Budget
\$3,281,583.63	\$3,191,469.46	\$3,340,842.14	(\$59,258.51)
Net Income (Loss)			
16/17	15/16	Budget	Over (Under) Budget
\$480,217.78	\$232,710.49	(\$135,648.29)	\$615,866.07

Year-to-date revenues of \$3,761,801.41 and expenses of \$3,281,583.63 have produced a net profit of \$480,217.78 or \$615,866.07 **more than the budgeted loss** of \$135,648.29.

Projects: Completed Theater step lighting project. Completed ventilation repair project in the main kitchen. Repaired leaks in Exhibit Hall A and replaced damaged air wall trolleys in Grand Ballroom.

Fiscal Year 2016-17 Third Quarter Projections

TYPE	NUMBER	ATTENDEES	EVENTS SCHEDULED
Conventions	15	20,250	Hyatt Hotel/Hollywood Connection, Hyatt Hotel California Kindergarten Association, XRX Stitches, Hyatt Hotel LA Dance, California Association of Community Managers, ProofPoint, California Association of Teachers of English, Hyatt Hotel/Usenix, IDC, Hyatt Hotel/Nuvo, Synopsys, California Association of DECA, Hyatt Hotel/Monsters of Hip Hop, Northern California Volleyball Association and Hyatt Hotel/NY Dance.
Trade Shows	2	8,000	DesignCon and National Nameless Luminaries West.
Public Shows	14	26,200	Home Show, Wedding Fair, Luc Luong Si Quan Thu Duc, Republic Day Celebrations of India, Bay Area Telugu, Travel and Adventure Show, World Fitness Enterprises USA, Miss Vietnam USA, Britt Worldwide, Bay Area Chess, Evolution Sports Expo, GT Sports Marketing, My Princess Expo and Entablado Productions.
Meetings	56	33,335	
Banquets	5	2,050	
Total	92	89,835	

Occupancy Ratio

2nd Quarter 2015/2016

Exhibit Halls	60.3%
Other Locations	47.8%

2nd Quarter 2016/2017

Exhibit Halls	60.1%
Other Locations	42.5%

Average Spending per Event

2nd Quarter 2015/2016

Events	221
Revenue	\$3,424,179.95
Spending per Event	\$15,494.03

2nd Quarter 2016/2017

Events	216
Revenue	\$3,761,801.41
Spending per Event	\$17,415.75

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

2nd QUARTER REPORT (OCTOBER – DECEMBER 2016)

	2nd Qtr. 16-17	2nd Qtr. 15-16	% Diff		2nd Qtr. 16-17	2nd Qtr. 15-16	% Diff
Leads	76	85	-11%	Bookings	27	12	125%
Attendees	94,305	111,928	-16%	Attendees	46,234	15,845	192%
Room Nights	68,620	40,227	71%	Room Nights	17,728	3,493	408%
Estimated Economic Impact	\$83.5 M	\$127.8 M	-35%	Estimated Economic Impact	\$40.7 M	\$12.1 M	236%

The SCCVB department ended the 2nd quarter YTD with 46 convention and trade show bookings, representing 145,914 attendees and potential 33,754 blocked room nights. SCCVB's future hotel room night bookings generated an estimated \$81M in economic impact YTD.

Highlights:

- One of 27 bookings in the 2nd quarter was a **citywide** group, Pure Storage – Sales Kickoff 2018, totaling 4,234 future hotel room nights. The group has an estimated 1,300 attendees and a potential \$2.2M in economic value to the City of Santa Clara.
- For the 2nd quarter, the sales division attended three industry related trade shows/conferences, nine luncheons/meetings, nine client site inspections with hotels, convention center and/or stadium, two City Marketing Committee meetings and 56 sales calls/facetime.
- For the year-to-date, the sales division attended seven industry related trade shows/conferences, twenty-seven luncheons/meetings; 27 client site inspections with hotels, convention center and/or stadium, three council meetings, five City Marketing Committee meetings and 97 sales calls/facetime.
- The CVB team met with the Hyatt Regency sales team on a monthly basis in October, November and December. The purpose of these meetings is to give updates on potential bookings and to work together to fulfil meeting planners' needs.

(Highlights – continued)

- The CVB team presented our city bid presentation to the DECA Board of Directors for their 2019, 2021 and 2023 conferences. In the past, DECA held their annual conferences in Southern California on the even years and Northern California on the odd years. However, Marriott Anaheim offered a deal they could not refuse for their 2019 conference. Therefore, the DECA will hold their 2018 and 2019 conferences in Southern California. Santa Clara won the bid for 2020 & 2021 with an estimated 5,230 total room nights and 3,600 attendees with a total estimated economic impact of \$3.3 M for the two years combined. The year 2023 is still under negotiation.

Convention Services Department: In the second quarter the Convention Services Department provided services to 22 groups representing 225,281 delegates. This compares to 10 groups representing 226,200 delegates serviced in the second quarter of last year. The department ended the year with providing services to 49 groups representing 490,182 delegates compared to 26 groups and 387,701 delegates last fiscal year.

Visitor Marketing & Communications

2nd QUARTER REPORT (OCTOBER – DECEMBER 2016)

The CVB's Visitor Marketing & Communications department saw a significant jump in its online influence in the first half of Fiscal Year 2016-17. The department has been aggressively generating interest in Santa Clara visitor attractions, increasing *Visit Santa Clara* social media following, influencing hotel package room nights, and generating destination video views.

For FY 2016-17 YTD (July – December, 2016), staff oversaw *Visit Santa Clara* social media Followers growth by 25% (12,066 new followers). Total social media following is now nearly 50,000. The department increased *Visit Santa Clara* blog views by 33% with over 21,000 new views. Additionally, the team saw an 89% increase (+4,707) in the number of online leads/hand-offs to Santa Clara hotel package pages and also garnered nearly 1,000 new Santa Clara destination video views.

Also, in the 2nd quarter, department hosted over 30 Japanese and Chinese receptive tour operators to a Santa Clara destination presentation, created and marketed Santa Clara WinterFest Hotel Packages, managed both visitor and convention calendar of events and website(s), and responded to numerous visitor requests for information.