



AGENDA REPORT

Date: May 23, 2017

To: City Manager for Council Action

From: Director of Finance

Subject: Note and File the Santa Clara Convention Center and Convention-Visitor's Bureau (SCCC-CVB) Activity Report for Fiscal Year 2016-17 Third 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 Third 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 Third Quarter Financial Results (the "Results") of the Santa Clara Convention Center (SCCC) show year-to-date net income of \$947,848. The Results show revenues of \$5,871,371, or \$928,101 greater than budget. Revenues were favorable in the Audio-Visual, Catering, Space Rental, Telecommunications, and Other Income categories, but below budget in the Event Revenue category. The Results also show third quarter expenses at \$4,923,523, or \$109,214 less than budget. The labor related expenses were \$104,407 below budget and operating expenses were \$4,807 below budget. The revenue and expense variances combined for a third quarter SCCC positive budget variance of \$1,037,315 as of March 31, 2017.

ADVANTAGES AND DISADVANTAGES OF ISSUE

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



Angela Kraetsch
Acting Director of Finance

APPROVED:



Rajeev Batra
City Manager

Documents Related to this Report:

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



April 25, 2017

Ms. Angela Kraetsch
Acting Director of Finance
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Ms. Kraetsch:

Attached is the Santa Clara Convention Center and Convention and Visitors Bureau (SCCC-CVB) Activity Report for Fiscal Year 2016-17 Third Quarter, encompassing the months of January, February and March.

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

Regards,

Annette Manhart for Lisa Moreno

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

cc: Rajeev Batra, 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



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

April 25, 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 Third Quarter, year-to-date encompassing the months of January, February & March.

SANTA CLARA CONVENTION CENTER				
Activity Summary for the Third Quarter				
TYPE	16/17	15/16	ATTENDEES	EVENTS HELD
Conventions	15	14	20,250	Hyatt Hotel/Hollywood Connections, Hyatt Hotel/California Kindergarten Association, Proofpoint, XRX Stitches, Northern California Volleyball Association, California Association of Community Managers, California Association of Teachers of English, Hyatt Hotel/Usenix, IDC, Synopsys, Hyatt Hotel/Monsters of Hip Hop, Hyatt Hotel/LA Dance, California Association of DECA, Hyatt Hotel/NUVO and Hyatt Hotel/NY Dance
Trade Shows	2	4	8,000	DesignCon and National Nameless Luminaries West
Public Shows	13	8	21,100	Home Show, Travel and Adventure Show, Wedding Fair, Luc Luong Si Quan Thu Duc, Republic Day Celebration of India, World Fitness Enterprises, Miss Vietnam USA, Britt Worldwide, San Juan Dance, Bay Area Chess, Evolution Sports Expo, GT Sports Marketing and My Princess Expo
Meetings	72	41	38,590	
Banquets	5	3	2,050	
Totals	107	70	89,990	

SANTA CLARA CONVENTION CENTER			
Revenue Summary for the Third Quarter, Year-to-date			
16/17	15/16	Budget	Over (Under) Budget
\$5,871,370.58	\$5,114,478.06	\$4,943,269.64	\$928,100.94

Year to date Catering Revenue is above budget by \$235,697.32, Audio-Visual Revenue is above budget by \$12,376.19, Telecommunications is above budget by \$223,556.53, Space Rental is above budget by \$460,203.43, Other Income is above budget by \$12,138.01, and Event Revenue is below budget by \$15,870.54.

SANTA CLARA CONVENTION CENTER			
Expenses Summary for the Third Quarter, Year-to-date			
Labor Expenses			
16/17	15/16	Budget	Over (Under) Budget
\$3,715,073.91	\$3,601,373.19	\$3,819,480.80	(\$104,406.89)
Operating Expenses			
16/17	15/16	Budget	Over (Under) Budget
\$1,208,449.04	\$1,155,949.54	\$1,213,255.96	(\$4,806.92)
Total Labor and Operating Expenses			
16/17	15/16	Budget	Over (Under) Budget
\$4,923,522.95	\$4,757,322.73	\$5,032,736.76	(\$109,213.81)
Net Income (Loss)			
16/17	15/16	Budget	Over (Under) Budget
\$947,847.63	\$357,155.33	(\$89,467.12)	\$1,037,314.75

Year-to-date revenues of \$5,871,370.58 and expenses of \$4,923,522.95 have produced a net profit of \$947,847.63 or \$1,037,314.75 **greater than the budgeted loss** of \$89,467.12.

Projects: Replaced electrical circuits in concessions stands, replaced the water heater on the emergency generator, completed air wall trolley repairs in the Grand Ballrooms and installed new gas lines into the main kitchen.



Fiscal Year 2016-17 Fourth Quarter Projections

TYPE	NUMBER	ATTENDEES	EVENTS SCHEDULED
Conventions	8	8,000	Catholic Charismatic, Augmented Reality, TieCon, Linux Foundation Open Networking Summit, Hyatt Hotel/O'Scale, Hyatt Hotel/Blue Devils, Linux Cloud Foundry and Music Teachers Association of California.
Trade Shows	4	13,000	Percona, SneakerCon, Job Shops and Informa.
Public Shows	17	13,600	Santa Clara Quilt, Center of Persian Language, National Performance Warehouse, Portsmouth, Event Show Pro, Dance Masters, Sankritilaya, Team Effort Networks, North Valley Baptist, Republic Day Celebration of India, Ha'a Hula, The South Bay Guitar Society, Liberty Dance, Veksler Academy, Sea Monster Media, Vibha Inc and UStar Productions.
Meetings	68	47,629	
Banquets	9	5,720	
Total	106	87,949	



Average Spending Per Event

	<u>3rd Quarter 2015/2016</u> <u>Year-to-Date</u>	<u>3rd Quarter 2016/2017</u> <u>Year-to-Date</u>
Events	392	323
Revenue	\$5,114,478.06	\$5,871,370.58
Spending Per Event	\$13,047.14	\$18,177.62

Occupancy Ratio

	<u>3rd Quarter 2015/2016</u> <u>Year-to-Date</u>		<u>3rd Quarter 2016/2017</u> <u>Year-to-Date</u>
Exhibit Halls	74.2%	Exhibit Halls	71.3%
Other Locations	78.8%	Other Locations	47.8%



**GROUP SALES, MARKETING, SERVICES & BUSINESS INFORMATION DIVISION
3rd QUARTER REPORT (JANUARY – MARCH 2017)**

	3rd Qtr. 16-17	3rd Qtr. 15-16	% Diff		3rd Qtr. 16-17	3rd Qtr. 15-16	% Diff
Leads	86	92	-6.52%	Bookings	22	25	-12.00%
Attendees	109,270	101,967	7.16%	Attendees	36,150	48,497	-25.46%
Room Nights	126,651	78,699	60.93%	Room Nights	16,385	16,100	1.77%

The SCCVB department ended 3rd quarter with 22 group bookings, representing 36,150 attendees and 16,385 booked room nights.

HIGHLIGHTS:

- Three of 22 bookings in the 3rd quarter were **citywide** group bookings which include: Intel Corporation/13 Leadership Symposium 2017, totaling 1,427 future hotel room nights and an estimated 1,000 attendees; and DECA (Distributive Education Clubs of America) 2020 & 2021 at an estimated 1,800 room nights each year.
- During the 3rd quarter, the sales division attended four tradeshows which included; MPINCC Annual Conference in San Francisco, Connect CA in San Jose, National Association of Sports Commission in Sacramento and MPISSN in Sacramento. In addition, the sales team went on 14 city site inspections, four industry lunches, three City Marketing Committee Meetings, three City Council Meetings, 108 sales calls/facetime, a Channel 7 ABC interview with Bay Area Live showcasing Santa Clara, a Judge for DECA students presentations and hosted a Cirque du Soleil special meeting event with six meeting planners.
- The CVB team met with the Hyatt Regency sales team in January, February and March. The purpose of these meetings is to give updates on potential bookings and to work together to fulfill meeting planners' needs.

CONVENTION SERVICES DIVISION

Convention Services Division provided services to 41 groups representing 46,770 delegates. This compares to 20 groups representing 230,155 delegates serviced in the third quarter of last year. The division ended the third quarter providing services to 94 groups representing 536,952 delegates compared to 84 groups and 963,711 delegates last year.



Visitor Marketing & Communications

3rd QUARTER REPORT (JANUARY - MARCH 2017)

Visitor Marketing & Communications saw another significant jump in its online influence in the 3rd quarter of FY 2016-17 (January – March). *Visit Santa Clara's* social media opt-in audience grew to nearly 50,000 (49,912) followers. Also, SantaClara.org website saw 47,399 new users for the quarter, resulting in nearly two million dollars in direct visitor spending (*DMA West conversion study metric*).

The team produced the Santa Clara hotel/theme park web page/promotion to drive weekend hotel business. As such, there was a 40% increase (+1,512) in the number of online leads/hand-offs to Santa Clara hotel package reservation pages over the previous year. Additionally, there were nearly 182 new destination video views.

The department managed several Facebook PPC ad campaigns highlighting Santa Clara events; produced monthly eNews messages to stakeholders; began production on a new Visitors Guide brochure; attended Receptive Tour Operator Summit West, Destination Marketing Association of the West and National Association of Sports Commissions tradeshow; managed both visitor and convention calendar of events and website(s); and responded to requests for information.

