



AGENDA REPORT

Date: August 29, 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 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2016-17 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 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2016-17 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 Fourth Quarter Financial Results (the "Results") of the Santa Clara Convention Center (SCCC) show year-to-date net income of \$1,446,326. The Results show revenues of \$8,093,764, or \$1,258,792 greater than budget. Revenues were favorable in the Catering, Event Revenue, Space Rental, Telecommunications, and Other Income categories, but below budget in the Audio-Visual category. The Results also show fourth quarter expenses at \$6,647,438, or \$75,486 less than budget. The labor related expenses were \$114,261 below budget and operating expenses were \$38,775 above budget. The revenue and expense variances combined for a fourth quarter SCCC positive budget variance of \$1,334,278 as of June 30, 2017.

ADVANTAGES AND DISADVANTAGES OF ISSUE

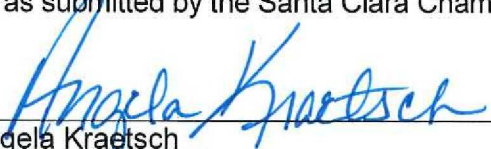
The SCCC-CVB Activity Report for Fiscal Year 2016-17 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2016-17 provides current information on the business activities of the Santa Clara Convention Center and Convention-Visitor's Bureau.

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 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2016-17 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 Fourth Quarter, Year-to-Data, and End of Fiscal Year 2016-17*



CHAMBER OF COMMERCE & CONVENTION-VISITORS BUREAU

July 31, 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 Fourth Quarter, encompassing the months of April, May and June.

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

Regards,

Lisa Moreno by Annette Manhart

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

July 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 Fourth Quarter, year-to-date encompassing the months of April, May and June.

SANTA CLARA CONVENTION CENTER				
Activity Summary for the Fourth Quarter				
TYPE	16/17	15/16	ATTENDEES	EVENTS HELD
Conventions	8	14	8,000	Linux Foundation/Open Networking Summit, Catholic Charismatic, Tie-Con, Augmented Reality, Hyatt Hotel/O'Scale, Linux Cloud Foundry, Hyatt Hotel/Blue Devils and Music Teachers Association of California.
Trade Shows	4	6	13,000	Perc Percona, SneakerCon, Informa and Job Shops.
Public Shows	17	19	13,100	Santa Clara Quilt, Center of Persian Language Preservation, National Performance Warehouse, Portsmouth, Event Show Pro, Dance Masters, Sankritilaya, North Valley Baptist School, Republic Day Celebration of India, Ha'a Hula, The South Bay Guitar Society, Liberty Dance, Veksler Academy, Sea Monster Media, Vib Inc, UStar Productions and Nair Service Society.
Meetings	83	78	54,199	
Banquets	11	14	6,070	
Totals	123	131	94,369	



SANTA CLARA CONVENTION CENTER			
Revenue Summary for the Fourth Quarter, Year-to-date			
16/17	15/16	Budget	Over (Under) Budget
\$8,093,764.28	\$7,406,668.47	\$6,834,972.68	\$1,258,791.60

Year to date catering revenue is above the budget by \$460,063.63. Audiovisual revenues are below budget by \$120,123.01. Telecommunications is above budget by \$338,932.84. Space Rental is also above budget by \$531,387.05. Event Revenue is above budget by \$3,971.74 and Other Income is above budget by \$44,559.35.

SANTA CLARA CONVENTION CENTER			
Expenses Summary for the Fourth Quarter, Year-to-date			
Labor Expenses			
16/17	15/16	Budget	Over (Under) Budget
\$4,983,964.64	\$4,818,759.03	\$5,098,225.46	(\$114,260.82)
Operating Expenses			
16/17	15/16	Budget	Over (Under) Budget
\$1,663,473.71	\$1,531,474.17	\$1,624,699.12	\$38,774.59
Total Labor and Operating Expenses			
16/17	15/16	Budget	Over (Under) Budget
\$6,647,438.35	\$6,350,233.20	\$6,722,924.58	(\$75,486.23)
Net Income (Loss)			
16/17	15/16	Budget	Over (Under) Budget
\$1,446,325.93	\$1,056,435.27	\$112,048.10	\$1,334,277.83

Year to date revenues of \$8,093,764.28, and expenses of \$6,647,438.35 have produced a net profit of \$1,446,325.93 which is \$1,334,277.83 greater than the budgeted profit of \$112,048.10.

Projects: Completed air wall repair project in the Grand Ballrooms, repaired controls for main kitchen exhaust system, the new chiller replacement has been installed and broken window in front of Exhibit Hall B has been replaced.



Fiscal Year 2017-18 First Quarter Projections

TYPE	NUMBER	ATTENDEES	EVENTS SCHEDULED
Conventions	5	11,800	American Contract Bridge, Bay Area Christian Church, Bengali Conference, GreenBiz Verge Conference and Conference Concepts Flash Memory Summit.
Trade Shows	4	14,800	Scrapbook Expo, Crunchroll, EH Publishing/Robo Business and Northern California Facility Engineers.
Public Shows	21	28,157	Bay Area Telugu Association, Show it Off Events, World Fitness Enterprises, Jensen School of Dance, Premiere Events, Dance Arts Academy, Academy of Performing Arts, Vital Events, Bytes and Notes, Bricks by the Bay, Desi Comedy Festival, Viet Music Club, Portsmouth, Sankara Eye Foundation (2 events), Pitco Foods, Bay Area Chess, Pallavi Foundation, VN Help, Javanika Entertainment and Mystique Events.
Meetings	66	49,715	
Banquets	5	2,950	
Total	101	107,422	



Average Spending Per Event

	<u>4th Quarter 2015/2016</u> <u>Year-to-Date</u>	<u>4th Quarter 2016/2017</u> <u>Year-to-Date</u>
Events	424	446
Revenue	\$7,406,668.47	\$8,093,764.28
Spending Per Event	\$17,468.56	\$18,147.45

Occupancy Ratio

4th Quarter 2015/2016

Exhibit Halls 72.7%

Other Locations 61.1%

4th Quarter 2016/2017

Exhibit Halls 60.6%

Other Locations 44.4%



GROUP SALES, MARKETING, SERVICES & BUSINESS INFORMATION DEPARTMENT

FOURTH QUARTER REPORT (APRIL – JUNE 2017)

	4th Qtr. 16-17	4th Qtr. 15-16	% Diff		4th Qtr. 16-17	4th Qtr. 15-16	% Diff
Leads	104	81	28.40%	Bookings	28	31	-9.68%
Attendees	117,477	144,476	-18.69%	Attendees	34,125	97,825	-65.12%
Room Nights	116,576	62,160	87.54%	Room Nights	11,907	16,802	-29.13%

The SCCVB department ended 4th quarter with 28 group bookings, representing 34,125 attendees and 11,907 booked room nights.

The CVB ended the 2016/17 fiscal year over goal, booking 60,619 future hotel room nights verses 40,054 future hotel room nights booked in the 2015/16 fiscal year, a 51% increase over last fiscal year.

FOURTH QUARTER HIGHLIGHTS: (APRIL – JUNE 2017)

In the fourth quarter, our department attended the MPI WEC conference, CalSAE Elevate and the Destination California tradeshow. We conducted 194 sales calls/facetime, including sales calls in Arizona; gave 2 corporate sales presentations to meeting planners at Cappa & Gramm and GP Johnson, conducted 32 city site inspections, attended 4 Industry lunches, 3 City Marketing Committee Meetings, MPISNC and MPINCC chapters gala's; and volunteered for Base Camp as CalSAE member.

CONVENTION SERVICES DIVISION

In the fourth quarter of fiscal year 2016/17, Convention Services Division provided services to 23 groups representing 27,318 delegates. The division ended the 2016/17 fiscal year providing services to 106 groups representing 554,227 delegates, compared to 99 groups and 728,000 delegates last fiscal year.



VISITOR MARKETING & COMMUNICATIONS DEPARTMENT

FOURTH QUARTER REPORT (APRIL – JUNE 2017)

Visitor Marketing & Communications continued to have a significant impact on direct visitor spending in the City of Santa Clara in the fourth quarter of fiscal year 2016/2017. SantaClara.org website saw 40,491 NEW users during the quarter, resulting in \$1.5 million dollars in estimated visitor spending at City of Santa Clara hotels, restaurants, and visitor attractions. (*DMA West CVB website conversion study metric*).

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

The department participated in the U.S. Travel Association's International Pow Wow (IPW) tradeshow marketing the City to international travel buyers from Japan and China, among other countries. Also, responded to nearly 200 visitor requests for information, produced monthly CVB eNews to stakeholders, managed both visitor and convention calendar of events, and managed CVB, Convention Center, and Sports Santa Clara websites.

