



Date: June 7, 2016

To: City Manager for Council Action

From: Director of Finance/Assistant City Manager

Subject: Note and file the Santa Clara Convention Center and Convention-Visitor's Bureau (SCCC-CVB) Activity Report for Fiscal Year 2015-16 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 2015-16 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 \$357,155. The Results show revenues at \$5,114,478, or \$824,346 greater than budget. Revenues were favorable in the Audio-Visual, Catering, Space Rental and Telecommunications categories, but below budget in the Event Revenue and Other Income categories. The Results also show third quarter expenses at \$4,757,323, or \$136,364 less than budget. The labor related expenses were below budget by \$187,963 while the operating expenses were \$51,599 over budget resulting in a net expense of \$136,364 below budget. The above revenue and expense variances combined for a third quarter SCCC positive budget variance of \$960,709 as of March 31, 2016.

The third quarter was highlighted by the City hosting Super Bowl 50 at Levi's Stadium on February 7, 2016. The Convention Center hosted several Super Bowl related events from January 11 - February 7, 2016 and executed all events seamlessly and flawlessly. NFL On Location and Host Committee pre- and post-game receptions had an estimated attendance of 5,200 guests and generated over \$840,000 in revenue. In addition, Transient Occupancy Tax (TOT) revenue collected from hotels/motels for Super Bowl week was \$292,000 greater than the same period last year. Additional details are included in the attached report.

ADVANTAGES AND DISADVANTAGES OF ISSUE

The SCCC-CVB Activity Report for Fiscal Year 2015-16 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.

Subject: Santa Clara Convention Center and Convention-Visitor's Bureau (SCCC-CVB) Activity Report for Fiscal Year 2015-16 Third Quarter

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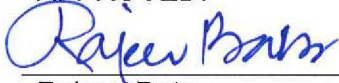
RECOMMENDATION

That the Council note and file the Santa Clara Convention Center and Convention-Visitor's Bureau Activity Report for Fiscal Year 2015-16 Third Quarter, as submitted by the Santa Clara Chamber of Commerce and Convention-Visitor's Bureau.



Gary Ameling
Director of Finance/
Assistant City Manager

APPROVED:



Rajeev Batra
Acting City Manager

Documents Related to this Report:

- 1) SCCC-CVB Activity Report for Fiscal Year 2015-16 Third Quarter

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CHAMBER OF COMMERCE & CONVENTION – VISITORS BUREAU

April 30, 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-Visitor's Bureau Activity Report for Fiscal Year 2015-16, Third Quarter, Year-to-Date encompassing the months of January, February and March 2016.

SANTA CLARA CONVENTION CENTER				
Activity Summary for the Third Quarter				
TYPE	15/16	14/15	ATTENDEES	EVENTS HELD
Conventions	14	20	28,400	Hyatt Hotel/Hollywood Connections, Hyatt Hotel/California Kindergarten Association, Hyatt Hotel/Proofpoint, XRX Stitches, Spirit of the Flame, California Association for Health, PE Recreation and Dance, Hyatt Hotel/NUVO Dance, SAP Labs, Hyatt Hotel/Usenix, Northern California Narcotics Anonymous, Open Networking Summit, New York City Dance Alliance, California Association for Behavior Analysis and Synopsys.
Trade Shows	4	2	13,500	DesignCon, PennWell/Strategies in Light, Container World 2016, and National Nameless Luminaries West.
Public Shows	8	12	16,500	Home Show, Hoi Viet Thien, Muscle Sport Productions, FPA Events, Travel Show, Palmer College, Santa Clara Vanguard and Bay Area Chess.
Meetings	41	69	31,740	
Banquets	3	9	3,600	
Totals	70	112	93,740	

SANTA CLARA CONVENTION CENTER			
Revenue Summary for the Third Quarter, Year-to-Date			
15/16	14/15	Budget	Over (Under) Budget
\$5,114,478.06	\$4,635,999.20	\$4,290,132.56	\$824,345.50

Year to date catering revenue is above budget by \$121,896.55. Audio-visual revenues are above budget by \$43,061.63. Telecommunications is above budget by \$146,659.02 and Space Rental is also above budget by \$532,392.42. Event Revenue is below budget by \$9,811.83 and Other Income is also below budget by \$9,852.29.

SANTA CLARA CONVENTION CENTER			
Expenses Summary for the Third Quarter, Year-to-Date			
Labor Expenses			
15/16	14/15	Budget	Over (Under) Budget
\$3,601,373.19	\$3,485,713.04	\$3,789,336.17	(\$187,962.98)
Operating Expenses			
15/16	14/15	Budget	Over (Under) Budget
\$1,155,949.54	\$1,039,125.41	\$1,104,350.55	\$51,598.99
Total Labor and Operating Expenses			
15/16	14/15	Budget	Over (Under) Budget
\$4,757,322.73	\$4,524,838.45	\$4,893,686.72	(\$136,363.99)
Net Income (Loss)			
15/16	14/15	Budget	Over (Under) Budget
\$357,155.33	\$111,160.75	(\$603,554.16)	\$960,709.49

Third Quarter, Year-to-Date revenues of \$5,114,478.06 and expenses of \$4,757,322.73 have produced a net profit of \$357,155.33 or \$960,709.49 **greater than the budgeted loss** of \$603,554.16.

Projects: Replaced water pump for domestic hot water boiler, replaced the exhaust system in the main kitchen with a more powerful unit, replaced handrail on Great America escalator and installed new touchless paper towel dispensers throughout the Convention Center.

Fiscal Year 2015-16 Fourth Quarter Projections

TYPE	NUMBER	ATTENDEES	EVENTS SCHEDULED
Conventions	12	12,400	California Water Environment Association, Men's Junior Olympic Championships, Trinity Motivation, Catholic Charismatic, Augmented Reality, TieCon, California Tamil Academy, Linux Foundation Cloud Foundry Summit, IEEE/ISIE, O'Reilly Velocity, Educational Community for Homeowners and PCI-SIG Devcon.
Trade Shows	6	7,800	Percona, California Rental Housing Conference and Expo, OSS/Ethernet, Net Apps/Informa, SneakerCon and Job Shops.
Public Shows	18	13,600	Miss Vietnam USA, South India Fine Arts {2 Events} Portsmouth, National Performance Warehouse, Business NJ, Star System Talent, Dechen Rang Dharma Center, Azari-Iran Music Group, Wanderlust Productions, In10sity Dance, San Jose Art and Cultural Society, Futton Inc, Ranjani Gayatri, Veksler Academy, Association for Comprehensive Energy Psychology, San Juan Dance and Superstar of Sports.
Meetings	54	33,035	
Banquets	12	7,800	
Total	102	74,635	

Average Spending Per Event

	3 rd Quarter 2014/2015	3 rd Quarter 2015/2016
Events	450	392
Revenue	\$4,635,999.20	\$5,114,478.06
Spending Per Event	\$10,302.22	\$13,047.13

Occupancy Ratio

3 rd Quarter 2014/2015		3 rd Quarter 2015/2016	
Exhibit Halls	68.0%	Exhibit Halls	74.2%
Other Locations	49.04%	Other Locations	78.8%

CONVENTION SALES, MARKETING, SERVICES & BUSINESS INFORMATION DEPARTMENT
JANUARY – MARCH 2016
3RD QUARTER REPORT

	3rd Qtr. 15-16	3rd Qtr. 14-15	% Diff		3rd Qtr. 15-16	3rd Qtr. 14-15	% Diff
Leads	92	109	-16%	Bookings	25	41	-39%
Attendees	101,967	138,717	-26%	Attendees	48,497	70,060	-31%
Room Nights	78,699	55,544	-64%	Room Nights	16,100	20,421	-21%
Economic Impact	\$98.2 M				\$33.4 M		

Note: Leads and bookings are lower than the previous year due to RDA convention center booking restrictions; loss of 60% of our department's staff and hiring freeze still in place.

The Department ended the third quarter YTD with 53 convention and trade show bookings, representing 99,752 attendees and 23,252 potential blocked room nights. SCCVB's future hotel room night bookings generated an estimated \$62.2 M in economic impact YTD.

Highlights:

- Four of 25 bookings in the 3rd quarter were citywide groups, totaling over 15,800 future hotel room nights for the quarter with an estimated 13,650 attendees and a potential \$15 M in economic value to the City of Santa Clara.
- The Sales division attended five industry related trade shows and five luncheons/ meetings; six client pre/post-cons; ten client site inspections with hotels, convention center and stadium; six Industry related board/committee meeting/other and 149 sales calls/facetime.
- The SCCVB Sales division held a reception for local corporate meeting planners at the **Triton Museum** showcasing the Grid Iron Exhibit. Over 56 corporate local meeting planners attended this event and we received RFP's and several future lead opportunities. Additionally, we participated in a Sacramento Crab Fest with 10 qualified Association meeting planners which generated one immediate lead and two future lead opportunities.
- The Service's division assisted twenty groups holding their meeting in Santa Clara and performed eleven service related site inspections for off-site conference venues and activities (these numbers do not include the Super Bowl Host Committee venue sites).
- The SCCVB Service's division was the first-point-of-contact for the **Super Bowl Host Committee**, attending regular meetings/conference calls and follow-up; hosted several site inspections of venues, hotels, and convention center; assisted with the recruiting of volunteers; liaison for vendors interested in working with the Super Bowl; worked with the City of Santa Clara and Host Committee for proper and approved street banner installation/removal; ensure questions from residents, clients, other CVB's, and businesses get answered and directed to appropriate personnel; and processed several requests that the Host Committee gave us to handle.

Visitor Marketing and Communications Department

For the third quarter, the department was a significant influencer in generating travel to Santa Clara and had a huge impact on providing visitor information to Super Bowl 50 attendees.

The department increased its social media following by 13% (5,030 new followers), resulting in an economic impact of \$503,000. Staff also increased CVB destination video views by 61% (2,477 additional views) for the quarter, resulting in an economic impact of \$74,310. The quarter also saw the CVB blog "50 Awesome Things to Do in Santa Clara" increase by 37% (13,394 new views).

The following is a synopsis of monthly activities for the third quarter:

January, 2016 – Responded to Super Bowl 50 media requests from local, regional, and national news outlets, updated Super Bowl Host Committee's FAQ log with Santa Clara focused questions and answers, and continued active role on Super Community Celebration Planning Committee.

Staff also completed production of Discover Magazine 32 page insert for Super Bowl 50 visitors, provided Santa Clara destination photos to NFL International Productions, and updated santaclara.org website with Super Bowl 50 transit information. Staff also produced the monthly CVB eNews to update stakeholders on activities.

Department also responded to visitor requests for information and numerous Super Bowl 50 related calls, and continued publicizing City hospitality assets via *Visit Santa Clara* social media channels, destination video, website, and blogs.

February, 2016 – Staff planned and managed online *Visit Santa Clara* Social Media Campaign February 1-7, 2016 that reached 1.5 million users. V.P. of Marketing and Communications also did an on camera interview with Fox Channel 2 about the Super Bowl impact on Santa Clara.

Department also continued Super Community Celebration planning with focus on the Pep Rally, networked at Super Bowl 50 Media Center with local, national, and international media about the Santa Clara destination, responded to numerous Super Bowl 50 related calls, and coordinated a video production team to cover Super Bowl week activities in Santa Clara.

Staff also photographed Super Bowl 50 in-house groups at Santa Clara Convention Center on game day, provided content and proofed Leisure eBlast, proofed updated santaclara.org website, produced the monthly CVB eNews to update stakeholders on activities, and developed visitor marketing and communications budget for FY 2016-17. Department also responded to visitor requests for information and continued publicizing City hospitality assets via its *Visit Santa Clara* social media channels, destination video, website, and blogs.

March, 2016 – Developed Santa Clara hotel/theme park packages promotion to drive weekend leisure business to Santa Clara hotels (10 hotels participating), including planning Sacramento and Fresno Bee print and electronic ad campaign. Staff also wrote and distributed on newswire "Save on Santa Clara Hotel/Theme Park Packages" press release.

Staff produced new "Top 10 Must See Santa Clara Visitor Attractions" list, posted Super Bowl video highlighting Super Bowl week in Santa Clara, provided content and photo for featured Santa Clara article in Sports Event Magazine, participated in California's Great America's press conference announcing capital improvement plans, and attended Destination Marketing Association of the West (DMA West) Tech Tourism Summit.

Department also produced the monthly CVB eNews to update stakeholders on activities, responded to visitor requests for information and continued publicizing City hospitality assets via its *Visit Santa Clara* social media channels, destination video, website, and blogs.

Convention Center

The Convention Center hosted Super Bowl 50 events from January 11 – February 7, 2016. Events hosted included Accreditation Head Quarters which utilized all 200 meeting rooms, NFL On Location pre- and post-game receptions which utilized all four exhibit halls, and Host Committee pre- and post-game receptions which utilized the Mission City and Grand Ballrooms. Anheuser Busch held their reception within the NFL On Location event. The two receptions had an estimated attendance of 5,200 guests and generated \$840,311. The Convention Center also hosted the Public Safety Command Center on Super Bowl Sunday which consisted of approximately 500 public safety officers.

The Convention Center planned and executed all events seamlessly and flawlessly. The Super Bowl provided the Convention Center with great exposure to thousands of people in the region as well as prestigious meeting professionals, celebrities and corporate sponsors.

The Transient Occupancy Tax (TOT) revenue generated was \$699,157 during Super Bowl week and \$388,886 on the weekend. The ADR (average daily rate) during the week was \$332.55, on the weekend \$414.19. The RevPar (revenue per available room) during the week was \$269.30, on the weekend \$349.52. The average occupancy during the week was 80.1%, on the weekend 84.2%. For the same time last year, the TOT revenue during the week was \$406,821, on the weekend \$116,980. The ADR during the week was \$188.75, on the weekend \$150.90. The RevPar during the week was \$156.86, on the weekend \$105.24. The average occupancy during the week was 81.2%, on the weekend 69.8%.