



Date: August 30, 2016

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 2015-16 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2015-16 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 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2015-16 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 \$1,056,435. The Results show revenues at \$7,406,668, or \$1,381,420 greater than budget. Revenues were favorable in the Catering, Space Rental, and Telecommunications categories, but below budget in the Audio-Visual, Event Revenue, and Other Income categories. The Results also show fourth quarter expenses at \$6,350,233, or \$209,600 less than budget. The labor related expenses were below budget by \$262,761 while the operating expenses were \$53,161 over budget resulting in a net expense of \$209,600 below budget. The above revenue and expense variances combined for a fourth quarter SCCC positive budget variance of \$1,591,020 as of June 30, 2016.

ADVANTAGES AND DISADVANTAGES OF ISSUE

The SCCC-CVB Activity Report for Fiscal Year 2015-16 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2015-16 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.

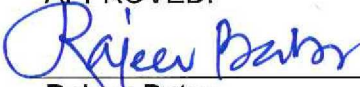
RECOMMENDATION

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



Gary Ameling
Director of Finance

APPROVED:



Rajeev Batra
Acting City Manager

Documents Related to this Report:

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

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July 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-Visitor's Bureau Activity Report for Fiscal Year 2015-16, Fourth Quarter, Year-to-Date encompassing the months of April, May and June 2016.

SANTA CLARA CONVENTION CENTER				
Activity Summary for the Fourth Quarter				
TYPE	15/16	14/15	ATTENDEES	EVENTS HELD
Conventions	14	16	11,200	California Water Environment Association, 2016 Region 1 Men's Jr. Olympic Championships, Trinity Motivation, Break the Floor, Catholic Charismatic, Augmented Reality, Tie-Con, California Tamil Academy, Linux Foundation, Hyatt Hotel, IEEE-ISIE, O'Reilly Velocity, Educational Community for Homeowners and PCI-SIG Decon.
Trade Shows	6	9	7,800	Percona, California Rental Housing Conference and Expo, OSS/Ethernet, Net AppSIOT/Informa, SneakerCon and Job Shops.
Public Shows	19	18	11,600	Miss Vietnam USA, National Performance Warehouse, Portsmouth, Business NJ, Star Systems Talent, Dechen Rang Dharma Center, Azari-Iran Music Group, South India Fine Arts {2 Events}, Wanderlust Productions, In10sity Dance, Dance USA, San Juan Dance, San Jose Art & Cultural Society, Futton Inc, Ranjani Gayatri, Veksler Academy, Jensen School of Dance and Superstar of Sports.
Meetings	78	72	40,512	
Banquets	14	8	8,140	
Totals	131	123	79,252	

SANTA CLARA CONVENTION CENTER			
Revenue Summary for the Fourth Quarter, Year-to-Date			
15/16	14/15	Budget	Over (Under) Budget
\$7,406,668	\$7,122,815	\$6,025,248	\$1,381,420

Year to date catering revenue is above the budget by \$572,066.03. Audio-Visual revenues are below budget by \$70,263.61. Telecommunications is above budget by \$249,207.25. Space Rental is also above budget by \$652,181.56. Event Revenue is below budget by \$7,217.52 and Other Income is also below budget by \$14,553.28.

SANTA CLARA CONVENTION CENTER			
Expenses Summary for the Fourth Quarter, Year-to-Date			
Labor Expenses			
15/16	14/15	Budget	Over (Under) Budget
\$4,818,759	\$4,778,024	\$5,081,520	(\$262,761)
Operating Expenses			
15/16	14/15	Budget	Over (Under) Budget
1,531,474	\$1,482,261	\$1,478,313	\$53,161
Total Labor and Operating Expenses			
15/16	14/15	Budget	Over (Under) Budget
\$6,350,233	\$6,260,284	\$6,559,833	(\$209,600)
Net Income (Loss)			
15/16	14/15	Budget	Over (Under) Budget
\$1,056,435	\$862,531	(\$534,585)	\$1,591,020

Fourth Quarter, Year-to-Date revenues of \$7,406,668.47 and expenses of \$6,350,233.20 have produced a net profit of \$1,056,435.27 which is \$1,591,020.43 **more than the budgeted loss** of \$534,585.16.

Projects: Completed annual window cleaning project, rebuilt kitchen ANSUL systems, replaced Mecco shades in the Mission City Ballroom, installed new safety chains across loading docks and installed new CAT5 cables for camera system.

Fiscal Year 2016-17 First Quarter Projections

TYPE	NUMBER	ATTENDEES	EVENTS SCHEDULED
Conventions	8	9,800	State Bar of California, American Contract Bridge, Bay Area Garden Railway Society, Bay Area Christian Church Conference, Hyatt Hotel/California Extreme, Scrapbook Expo, GreenBiz Verge Conference and CloudBees/Jenkins World 2016.
Trade Shows	3	1,700	Conference Concept/Flash Memory Summit, Phoenix Duo Matrix Communications and Hispanic/Latino Professionals Association.
Public Shows	16	18,000	Dance Arts Academy, Liberty Dance, Muscle Sport Productions, 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, Pitco Foods, South India Fine Arts, Natya Ninada Performing Arts Foundation and Vibha.
Meetings	59	38,550	
Banquets	4	1,320	
Total	90	69,370	

Average Spending Per Event

4th Quarter 2014/2015

4th Quarter 2015/2016

Events	463	424
Revenue	\$7,122,815.46	\$7,406,668.47
Spending Per Event	\$15,384.05	\$17,468.56

Occupancy Ratio

4th Quarter 2014/2015

4th Quarter 2015/2016

Exhibit Halls	70.9%	Exhibit Halls	72.7%
Other Locations	59.2%	Other Locations	61.1%

**CONVENTION SALES, MARKETING, SERVICES & BUSINESS INFORMATION DEPARTMENT
APRIL – JUNE 2016
4th QUARTER REPORT**

	4 th Qtr. 15-16	4 th Qtr. 14-15	% Diff		4 th Qtr. 15-16	4 th Qtr. 14-15	% Diff
Leads	81	134	-40%	Bookings	31	42	-26%
Attendees	144,476	92,483	56%	Attendees	97,825	39,705	146%
Room Nights	62,160	63,997	-3%	Room Nights	16,802	14,848	13%
Economic Impact	\$145.3 M				\$155.9 M		

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

The Department ended the fiscal YTD with 84 convention and trade show bookings, representing 197,577 attendees and potential 40,054 blocked room nights. SCCVB's future hotel room night bookings generated an estimated \$217.4M in economic impact YTD.

Highlights:

- One of 31 bookings in the 4th quarter was a **citywide** group, totaling over 3,925 future hotel room nights for the quarter. The group has an estimated 1,000 attendees and a potential \$1.9M in economic value to the City of Santa Clara.
- The Sales division attended four industry related trade shows and nine luncheons/ meetings; three client pre/post-cons; nine client site inspections with hotels, convention center and/or stadium; six Industry related board/committee meeting/other, six council meetings and 111 sales calls/facetime.
- The Service's division assisted 24 groups holding their meeting in Santa Clara and performed five service related site inspections for off-site conference venues and activities.
- The Santa Clara CVB assisted and attended the annual Chamber Dinner.
- The CVB team meets with the Hyatt Regency sales team on a monthly basis. The purpose of this meeting is to give updates on the status of potential bookings to avoid any miscommunication and to work together to fulfil meeting planner's needs.

Visitor Marketing and Communications Department

The department increased the number of *Visit Santa Clara* social media followers in the 4th quarter by 8%, the number of views for 50 Awesome Things to Do in Santa Clara blog by 24%, and grew santaclara.org website user sessions by 31% - generating nearly \$500,000 in destination awareness/publicity for Santa Clara hospitality assets, including hotels, visitor attractions, restaurants, and events.

In addition, the department continued its print and electronic leisure ad campaign, targeting consumers to book Santa Clara hotel/theme park packages. In the 4th quarter, the campaign "handed off" from our website (santaclara.org) 5,000 consumers directly to hotel package booking pages. Also, the department created "Top 10 Must See Santa Clara Visitor Attractions" list, receiving over 100,000 views, 230 shares, and 30 comments in less than two weeks on social media.

Staff also represented at the California Travel Summit annual conference, U.S. Travel Association International Pow Wow (IPW), and Employee Professional Programs Networking Association (EPPNA). Also, staff updated Santa Clara destination page on Trip Advisor, wrote a press release and received media coverage on Santa Clara hotels' record setting occupancy, and produced CVB eNews sent monthly to stakeholders updating them on CVB activities and value.