

Meeting Date: 2-24-15

AGENDA REPORT

Agenda Item # 7A7

City of Santa Clara, California



Date: February 10, 2015

To: City Manager for Council Action

From: Director of Finance/Assistant City Manager

Subject: Santa Clara Convention Center and Convention-Visitor's Bureau (SCCC-CVB) Activity Report for Fiscal Year 2014-15 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 2014-15 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 (Results) of the Santa Clara Convention Center (SCCC) show year-to-date revenues at \$700,130 less than budget. Revenues were favorable in the telecommunications, and Space Rental categories, but below budget in the catering, audio-visual and event revenue categories. The Results also show year-to-date expenses at \$123,410 less than the budget. Of the \$123,410 variance, \$162,122 was attributable to labor related expenses being below budget and \$38,712 was attributable to operating expenses being above budget. The above revenue and expense variances combined for a year-to-date SCCC negative budget variance of \$576,720 as of December 31, 2014.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

The SCCC-CVB Activity Report for Fiscal Year 2014-15 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 2014-15 Second Quarter as submitted by the Santa Clara Chamber of Commerce and Convention-Visitor's Bureau.

APPROVED:



Gary Ameling
Director of Finance/Assistant City Manager



Julio J. Fuentes
City Manager

Documents Related to this Report:

1) SCCC-CVB Activity Report for Fiscal Year 2014-15 Second Quarter

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CHAMBER OF COMMERCE & CONVENTION – VISITORS BUREAU

January 30, 2015

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 2014-15, Second Quarter, Year-to-Date encompassing the months of October, November, and December.

SANTA CLARA CONVENTION CENTER				
Activity Summary for the Second Quarter				
TYPE	14/15	13/14	ATTENDEES	EVENTS HELD
Conventions	14	10	23,200	Zend Technologies, CATESOL, Peninsula Pop Warner, MediBistro, Sankara Eye Foundation (2 events), IPS Learning, Printed Electronics, Pop Warner, Faith Formation, Self Help, Linux Foundation, World Financial Group and Yahoo Tech Pulse
Trade Shows	7	5	7,900	International Quilt Festival, Arm Techcon, Futton Inc., Santa Clara Realtors, Sys-Con, Conference Concepts and Secure World Expo.
Public Shows	10	10	8,800	Mystique Events, South India Fine Arts, Targeted Job Fairs, Sterling Dance, Shor Media, North Valley Baptist Church, Santa Clara Ballet, Bay Area Christian Church, H&L Productions and Arya Dance Academy
Meetings	73	72	29,980	
Banquets	19	31	16,550	
Totals	123	128	86,430	

SANTA CLARA CONVENTION CENTER			
Revenue Summary for the Second Quarter, Year-to-Date			
14/15	13/14	Budget	Over (Under) Budget
\$2,611,813.98	\$3,458,381.07	\$3,311,944.28	(\$700,130.30)

Year-to-date catering revenue is below budget by \$837,501.24. Audio-visual revenues are below budget by \$10,681.42. Telecommunications is above budget by \$36,381.67, and Space Rental is above budget by \$154,196.80. Event Revenue is below budget by \$17,756.40

SANTA CLARA CONVENTION CENTER			
Expenses Summary for the Second Quarter, Year-to-Date			
Labor Expenses			
14/15	13/14	Budget	Over (Under) Budget
\$2,322,336.82	\$2,458,443.30	\$2,484,458.69	(\$162,121.87)
Operating Expenses			
14/15	13/14	Budget	Over (Under) Budget
\$686,963.83	\$737,375.20	\$648,252.26	\$38,711.57
Total Labor and Operating Expenses			
14/15	13/14	Budget	Over (Under) Budget
\$3,009,300.65	\$3,195,818.50	\$3,132,710.95	(\$123,410.30)
Net Income (Loss)			
14/15	13/14	Budget	Over (Under) Budget
(\$397,486.57)	\$262,562.57	\$179,233.33	(\$576,720.00)

Second Quarter, Year-to-Date revenues of \$2,611,813.98 and expenses of \$3,009,300.65 have produced a net loss of \$397,486.57 or \$576,720.00 more than the budgeted net profit of \$179,233.33.

Unfortunately, several large catering events were not rebooked from the previous year for the second quarter resulting in the lower than budgeted revenue numbers. Immediate measures are being taken to be sure the convention center ends the fiscal year on budget as originally forecast.

Projects: Completed low flow toilet replacement project sponsored by Santa Clara Valley Water District at no cost to Center. Completed weather stripping of pyramid skylights throughout Center. Completed full load generator test. Replaced broken and stained pyramid glass.

Fiscal Year 2013-14 Third Quarter Projections

TYPE	NUMBER	ATTENDEES	EVENTS SCHEDULED
Conventions	19	28,050	Hollywood Connection, California Kindergarten Assn, Northern CA Volleyball (2 events), National Nameless Luminaries West, ProofPoint, Equipo Vision International, XRX/Stitches, Spirit of the Flame, O'Scale, DECA, Open Networking Foundation, US Department of Commerce, Usenix, Sysopsys, IEEE EMC Symposium, Monsters of Hip Hop, SAP and Freescale Semiconductor
Trade Shows	2	7,700	The RTC Group and DesignCon
Public Shows	12	17,000	Wedding Fair, World Fitness, VietET, Federation of Indo-American Assn, NUVO, Travel and Adventure Show, Premiere Productions, Santa Clara Quilt Assn, Center of Persian Language Preservation, GT Sports and Marketing, Friends of Children with Special Needs and South India Fine Arts.
Meetings	53	27,320	
Banquets	7	4,800	
Total	93	84,870	



CONVENTION AND VISITOR'S BUREAU

Convention Sales Department: In the second quarter, convention sales and marketing staff exhibited and/or attended: PCMA, MPINCC, GMIC, ISES, SITE, SPIN, CEMA, TEAMS, HSMIAI, AND CALSAE and made 219 sales calls. The CVB conducted 19 site inspections of the City for future convention business.

	2nd Qtr 14-15	2nd Qtr 13-14	% Difference		2nd Qtr 14-15	2nd Qtr 13-14	% Difference
Leads	107	81	32%	Bookings	43	32	34%
Attendees	177,008	81,363	118%	Attendees	59,350	140,063	-58%
Room Nights*	61,376	41,490	48%	Room Nights*	18,656	22,820	-18%

The information presented above is for the quarter only.

*Hotel room nights represent only those hotel rooms that are "blocked" and no projections are made of room nights that come in after the block is cut off by hotels or for those delegates or exhibitors who utilize hotels not included in the blocks.

Convention Services Department: The Convention Services Department contacted and serviced 14 upcoming meetings representing 24,300 delegates; compared to 17 meetings representing 18,250 delegates for the same quarter last year.

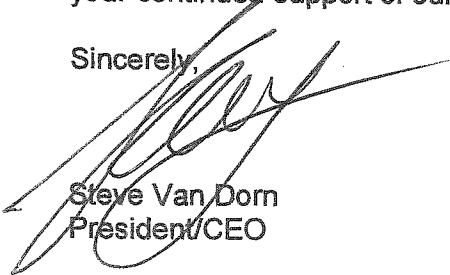
Marketing & Communications: The Marketing & Communications department highlighted Santa Clara visitor attractions and hotels to the Visit California team in Sacramento, launched the Visit Santa Clara Selfie photo contest on Instagram, produced a WrestleMania 31 Accommodations page for the SantaClara.org website, and coordinated several interviews with local media.

The department also attended the eTourism Summit in San Francisco, hosted the Santa Clara Sports Group (SCSG) quarterly meeting, and coordinated a "Time Out" promotion with Santa Clara University Athletics. In addition, V.P. of Marketing & Communications David Andre continued planning the "Super Pep Rally" as part of the City of Santa Clara's Super Celebration event prior to Super Bowl 50.

The department also wrote and distributed several media releases, including "Santa Clara Hotels on Pace for Best Occupancy and Average Daily Rate Ever." Also, Visit Santa Clara combined social media followers grew by 34% to over 27,000 followers. In addition, for the quarter, nearly 73,000 unique users visited the SantaClara.org website.

This concludes our Santa Clara Convention and Visitor's Bureau and Convention Center (CVB-SCCC) Activity Report for Fiscal Year 2014-15, Second Quarter, Year-to-Date. Thank you for your continued support of our activities.

Sincerely,



Steve Van Dorn
President/CEO

