



Date: August 25, 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 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2014-15 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 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2014-15 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 \$862,531. The Results show revenues at \$7,122,815, or \$371,815 greater than budget. Revenues were favorable in the Telecommunications and Space Rental categories, but below budget in the Audio-Visual, Catering, and Event Revenue categories. The Results also show year-to-date expenses at \$6,260,284, or \$98,547 less than budget. Of the \$98,547 expense variance, \$243,728 was attributable to labor related expenses being below budget and \$145,182 was attributable to operating expenses being over budget. The above revenue and expense variances combined for a year-to-date SCCC positive budget variance of \$470,362 as of June 30, 2015.

ADVANTAGES AND DISADVANTAGES OF ISSUE

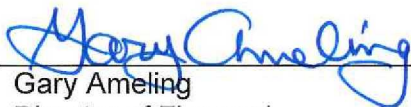
The SCCC-CVB Activity Report for Fiscal Year 2014-15 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2014-15 provides current information on the business activities of the Santa Clara Convention Center and Convention-Visitor's Bureau.

ECONOMIC/FISCAL IMPACT

Acceptance of this report will have no fiscal impact to the City other than administrative staff time and expense.

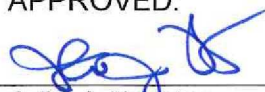
RECOMMENDATION

That the Council accept the Santa Clara Convention Center and Convention-Visitor's Bureau Activity Report for Fiscal Year 2014-15 Fourth Quarter, Year-to-Date, and End of Fiscal Year 2014-15 as submitted by the Santa Clara Chamber of Commerce and Convention-Visitor's Bureau.



Gary Ameling
Director of Finance/
Assistant City Manager

APPROVED:



Julio J. Fuentes
City Manager

Documents Related to this Report:

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



July 31, 2015

Mr. Gary Ameling
Director of Finance
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Mr. Ameling:

Attached is the Santa Clara Convention Center and Convention-Visitor's Bureau (SCCC-CVB) Activity Report for Fiscal Year 2014-15 Fourth Quarter, Year-to-Date, encompassing the months of April, May and June. This also represents the end of the fiscal year 2014-15 report.

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

Regards,

Roy Truitt

Roy Truitt
Interim President/CEO

cc: Julio Fuentes, City Manager
Rod Diridon, Jr., City Clerk
City Council Members
Lisa Moreno, General Manager
Bill Benaderet, Assistant General Manager
David Andre, Vice President of Marketing and Communications
Annette Manhart, Vice President of Convention Sales, Marketing and Services

July 31, 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 Fourth Quarter, Year-to-Date encompassing the months of April, May and June. This also represents the end of the fiscal year 2014-15 report.

SANTA CLARA CONVENTION CENTER				
Activity Summary for the Fourth Quarter				
TYPE	14/15	13/14	ATTENDEES	EVENTS HELD
Conventions	16	13	23,000	Society of Vacuum Coaters, Future Business Leaders, ChefCon, Professional Association for SQL Server, Trinity Motivation, Tie-Con, Technology Services Industry Association, Uptime Institute, Catholic Charismatic, Cloud Foundry Foundation, California Assisted Living Association, PCI-SIG Devcon, ONS/Open Networking, Executive Council of Homeowners, Jehovah Witnesses and Flextronics.
Trade Shows	9	7	7,300	Percona MySQL, Conference Concepts/Ethernet, PITCO FOODS, LeMans Super Showcase, Informa Telecoms/Bluetooth World, NU SKIN, Job Shops, Craft Beverage Expo and Augmented Reality.
Public Shows	18	14	12,800	Hyatt Hotel/Break the Floor, Miss Vietnam USA, South India Fine Art {4 events}, Portsmouth, Akbayan Filipino American Association, Multiple Financial Advising Services, Achieve Dance Arts Academy, Arise FC, Mission College, Dance Academy USA, Jenson School, Liberty Dance, Veksler Academy, World Fitness and D&D Entertainment.
Meetings	72	110	36,280	
Banquets	8	14	2,720	
Totals	123	158	82,100	

SANTA CLARA CONVENTION CENTER			
Revenue Summary for the Fourth Quarter, Year-to-Date			
14/15	13/14	Budget	Over (Under) Budget
\$7,122,815.46	\$7,254,187.95	\$6,751,000.00	\$371,815.46

Year-to-date catering revenue is below the budget by \$133,390.30. Audio-Visual revenues are below budget by \$77,782.93. Telecommunications is above budget by \$145,656.08. Space Rental is also above budget by \$482,539.50 and Event Revenue is below budget by \$441.37.

SANTA CLARA CONVENTION CENTER			
Expenses Summary for the Fourth Quarter, Year-to-Date			
Labor Expenses			
14/15	13/14	Budget	Over (Under) Budget
\$4,778,023.73	\$4,595,403.77	\$5,021,752.00	(\$243,728.27)
Operating Expenses			
14/15	13/14	Budget	Over (Under) Budget
\$1,482,260.59	\$1,511,156.99	\$1,337,079.00	\$145,181.59
Total Labor and Operating Expenses			
14/15	13/14	Budget	Over (Under) Budget
\$6,260,284.32	\$6,106,560.76	\$6,358,831.00	(\$98,546.68)
Net Income (Loss)			
14/15	13/14	Budget	Over (Under) Budget
\$862,531.14	\$1,147,627.19	\$392,169.00	\$470,362.14

Fourth Quarter, Year-to-Date revenues of \$7,122,815.46 and expenses of \$6,260,284.32 have produced a **net profit of \$862,531.14** which is \$470,362.14 more than the budgeted profit of \$392,169.00.

Projects: Completed all facility window cleaning projects. Repaired boiler in Mission City Ballroom, completed security system upgrade project. Repaired drop seals in Great America Ballrooms.

Fiscal Year 2015-2016 First Quarter Projections

TYPE	NUMBER	ATTENDEES	EVENTS SCHEDULED
Conventions	19	49,360	State Bar of California, American Contract Bridge, Jehovah Witnesses {5 events} TMC Connect, IDG World Expo, Hyatt Hotel/LUSO, IIT GLC, Hyatt Hotel/California Extreme, Citrix, Bay Area Christian Church, Conference Concepts/Flash Memory Summit, Bricks by the Bay, GM Compass 2015 Tour, DataStax Cassandra Summit and DataWeek World Conference
Trade Shows	4	4,500	Northern California Facility Expo, PCB, Promarcom Inc. and SCCOAR Conference and Expo.
Public Shows	18	17,900	Dance Arts Academy, Youth Focus, Federation of Indo American Association, H&L Productions {2 events}, MFAS, Scrapbook Expo, Hula Halau O'Piilan, Lokahi Polynesian Dance Group, Northern California Academy of Performing Arts, Valley Medical Center Foundation, Premiere Productions {3 events}, Home Show, Palmer College, South India Fine Art and Superstars of Sports
Meetings	51	29,840	
Banquets	3	1,650	
Total	95	103,250	

CONVENTION AND VISITOR'S BUREAU

Convention Sales/Marketing Department: In the Fourth Quarter, Convention Sales and Marketing staff made 233 sales calls. Thirteen site inspections of the City for future convention business were conducted for the quarter bringing the fiscal year total to 70.

	4th Qtr. 14-15	4th Qtr. 13-14	% Difference		4th Qtr. 14-15	4th Qtr. 13-14	% Difference
Leads	134	114	18%	Bookings	42	30	40%
Attendees	92,483	324,302	-71%	Attendees	39,705	42,415	-6%
Room Nights*	63,997	107,146	-40%	Room Nights*	14,848	16,208	-8%

The information presented above is for the quarter only.

The Department ended the year with 165 convention and trade show bookings, representing 206,175 attendees and 72,856 potential blocked room nights. Bookings are 22% higher than the previous year and room nights blocked are 2% lower than last fiscal year.

*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: In the fourth quarter the Convention Services Department provided services to 26 groups representing 165,402 delegates. This compares to 22 groups representing 27,000 delegates serviced in the fourth quarter of last year. The department ended the year with providing services to 104 groups representing 296,202 delegates compared to 76 groups and 131,075 delegates last fiscal year.

Visitor Marketing and Communications Department:

April 2015 - V.P. of Marketing and Communications attended monthly City of Santa Clara Super Bowl planning committee meetings. Staff also discussed with City details for a special Discover magazine Super Bowl insert titled "Your Guide to Santa Clara." Staff also updated California's Great America/Hotel Package information on website and wrote/distributed media release highlighting the packages.

Staff also planned National Tourism Week Luncheon event, coordinated use of Chamber/CVB conference room for Related California meetings and attended an update on the Related planned mega-project. In addition, staff continued production of Official Santa Clara Visitors Guide brochure, wrote advertorial for Association News, Destination California, and Tradeshow Executive, and assisted in update of destination video.

Department also managed/updated SantaClara.org website, including Convention and Community Calendar of Events, numerous social media channels, planned CVB and TID leisure budgets and attended several budget review meetings.

May 2015 - V.P. of Marketing and Communications hosted annual National Tourism Week Luncheon on May 8th to celebrate and educate about the economic impact travel and tourism has on the City of Santa Clara and region. The luncheon's 80 attendees included Santa Clara

Visitor Marketing and Communications Department – Continued

Mayor Jamie Matthews, Vice Mayor Debi Davis, Councilmember Pat Kolstad, and City staff. V.P. also participated in City of Santa Clara Super Bowl event planning meetings and Marketing Committee meeting. Staff also completed Respectful Workplace Training and participated in various CVB and TID FY 2015-16 budget planning meetings.

Staff also planned for Pacific Rim receptive tour operator (Japanese buyers mostly) presentation and reception for June, 2015. V.P. also hosted travel editor from Globetrotter Travel Guidebook from Japan, a top selling Japanese language guidebook that features S.F. and Silicon Valley and worked to have the National Tourism Week Luncheon featured online and in print in the Santa Clara Weekly. Staff also previewed updated Destination Video to Chamber Board of Directors, researched organizations that specialize in CVB economic impact studies, and continued editing and proofing Official Santa Clara Visitors Guide brochure.

Department also managed/updated SantaClara.org website, including new postings on Convention and Community Calendars, posted on numerous social media channels, and responded to calls regarding possible advertising and other opportunities.

June 2015 - V.P. of Marketing and Communications and team hosted a Pacific Rim receptive tour operator reception that included 25 Japanese travel buyers. Also participating with the CVB were the Intel Museum, Levi's Stadium, Embassy Suites Santa Clara, and Hyatt Regency Santa Clara. Department V.P. gave a presentation highlighting current projects to Chamber's Breakfast of Champions networking group.

Staff also attended annual California Travel Industry Association California Travel Summit, attended Super Celebration committee event planning meeting, hosted quarterly Santa Clara Sports Group (SCSG) meeting, and met with representative from Rakuten Travel USA. The department also hosted a meeting for Santa Clara suppliers to learn more about Utrip, the CVB website's new online itinerary builder that features many Santa Clara hospitality related businesses.

Department also supplied NFL International Productions with b-roll footage of Santa Clara for international media use for Super Bowl 50, continued production of Visitors Guide brochure, managed/updated SantaClara.org website, including new postings on Convention and Community Calendars, posted on numerous social media channels, and responded to calls regarding possible advertising and other opportunities.

This concludes our Santa Clara Convention Center and Convention-Visitor's Bureau (SCCC-CVB) Activity Report for Fiscal Year 2014-15 Fourth Quarter and end of the fiscal year. Thank you for your continued support of our activities.

Sincerely,

Roy Truitt

Roy Truitt
Interim President/CEO