

**Santa Clara Tourism Improvement District  
Advisory Board Special Meeting – AGENDA**

October 8, 2020, 8:00 a.m.

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**\*COVID-19 NOTICE\***

*Consistent with the California Governor's Executive Order No. N-29-20 and the Santa Clara County Health Officer's March 16, 2020 Shelter in Place Order, the Santa Clara Tourism Improvement District (TID) Advisory Board Regular Meeting will not be physically open to the public and the TID Advisory Board members will be teleconferencing from remote locations.*

*The public can participate remotely via Zoom: <https://santaclaraca.zoom.us/j/92541796920>. Meeting ID: 925 4179 6920 or by phone: 1 (669) 900-6833.*

**Call to Order**

**Roll Call**

**Public Comments**

Public comment for items not on the Agenda.

**Consent Calendar**

*Matters listed in the Consent Calendar section will be considered routine by the Advisory Board and will be enacted by one motion. If discussion is requested, that item will be removed from the section entitled Consent Calendar and will be considered separately.*

1. Action on the Minutes of the September 10, 2020 Santa Clara Tourism Improvement District Advisory Board Special Meeting.

**Consent Items Pulled for Discussion**

**General Business – Items for Discussion**

2. Action on the Santa Clara Convention Center Booking Strategy.
3. Update on the Development the Tourism Improvement District's Subsidy Guidelines.
4. Update on the Development of Cleaning and Safety Best Practices Guidelines for Tourism Improvement District Hotels.
5. Discuss Potential Transient Occupancy Tax (TOT) Ballot Measure Support by Individual Hotels.
6. Update on Silicon Valley/Santa Clara DMO, Inc.'s CEO recruitment. (JLL)
7. Discussion and Action on Tourism Improvement District Advisory Board Meeting Schedule for 2021 Calendar Year.
8. Santa Clara Convention Center Updates.

## **General Updates**

### **Adjournment**

The next regular scheduled meeting is on November 12, 2020 at 9:00 a.m.

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*\*Please see COVID-19 NOTICE\**

#### **Brown Act:**

*Government Code 54950 et seq (the Brown Act) requires that a brief description of each item to be transacted or discussed be posted at least 72 hours prior to a regular meeting. Action may not be taken on items not posted on the agenda. Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify Peter Hart, GM at [peter.hart@hilton.com](mailto:peter.hart@hilton.com) prior to the meeting.*

#### **Notice to Public:**

*You are welcomed and encouraged to participate in this meeting. Public comment is taken (3 minutes maximum per person) on items listed on the agenda will be heard at the meeting as noted on the agenda. Public comment on items not listed on the agenda will be heard at the meeting as noted on the agenda. Comments on controversial items may be limited and large groups are encouraged to select one or two speakers to represent the opinion of the group. The order of agenda items is listed for reference and may be taken in any order deemed appropriate by the Board of Directors. The agenda provides a general description and staff recommendation; however, the Board of Directors may take action other than what is recommended.*

## ATTACHMENTS

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**Santa Clara Tourism Improvement District  
Advisory Board Special Meeting – MINUTES**

September 10, 2020, 8:00 a.m.

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**Call to Order**

Eron Hodges, Chair, called the meeting to order at 8:09 a.m.

**Roll Call**

**Present: 6** Joe Eustice, General Manager, Hilton Santa Clara  
Justin Hart, General Manager, AC Hotel Santa Clara  
Peter Hart, General Manager, Embassy Suites  
Eron Hodges, General Manager, Hyatt Regency Santa Clara  
Jean-Phillippe Rollet, General Manager, The Plaza Suites  
Mark Salquist, General Manager, Avatar Hotel

**Absent: 5** Jordan Austin, General Manager, Element Santa Clara  
Alan Mass, General Manager, Hyatt House  
Callette Nielsen, General Manager, Marriott Santa Clara  
Virginia Scimeca, General Manager, TownePlace Suites by Marriott  
Jon Siebring, General Manager, Biltmore Hotel

A quorum was met.

**In Attendance**

Cynthia Bojorquez, Assistant City Manager, City of Santa Clara  
Ruth Shikada, Assistant City Manager, City of Santa Clara  
Nancy Thome, Assistant to the City Manager, City of Santa Clara  
Dan Fenton, Executive Vice President, JLL  
Bethanie DeRose, Vice President, JLL  
Kelly Carr, General Manager, Spectra

**Public Comments**

There were no public comments.

**Consent Calendar**

*Matters listed in the Consent Calendar section will be considered routine by the Advisory Board and will be enacted by one motion. If discussion is requested, that item will be removed from the section entitled Consent Calendar and will be considered separately.*

1. Action on the Minutes of the August 13, 2020 Santa Clara Tourism Improvement District Advisory Board Special Meeting.

**A motion was made by Peter Hart, seconded by Mark Salquist, to approve the Consent Calendar. Motion passed unanimously (6-0).**

**Consent Items Pulled for Discussion**

None.

## **General Business – Items for Discussion**

### **2. Update on the Development the Tourism Improvement District's Subsidy Guidelines.**

Joe Eustice and Dan Fenton provided an overview of the draft subsidy strategy and policy for TID review and input. It was proposed that the DMO or Convention Center would submit requests for clients and the TID, DMO or designated subcommittee would provide approvals. It was noted that there should be a not-to-exceed amount and a quick turn around time for decisions (24-48 hours) to be made. The core requirements could include the number of room nights, a review of potential fiscal and economic impacts.

Other considerations to review could include community benefit and potential for repeat business. An example calculation was provided utilizing conservative hotel rates due to the current situation with closures and restrictions. A form template will be created and proposed. It was noted that this strategy should benefit all TID hotels. The proposed guidelines will be shared with the DMO for their input and revisited at the next TID Advisory Board meeting.

City Manager Santana joined the meeting at 8:24 a.m.

### **5. Discussion with the City Manager on Tourism Improvement District Communication Strategies in Preparation for the Transient Occupancy Tax (TOT) Ballot Measure.**

City Manager Santana provided an update on the TOT Ballot Measure. All required documents have been prepared and there will be two informational pieces provided to the community. The two pieces will serve as educational material with facts about the measure. Materials will be released during the second and third week of October. The Police and Fire unions are considering moving forward to obtain political support for the measure.

Chair Hodges confirmed that the TID hotels would support up to 2% and it was discussed that the hotels could communicate their support of the ballot measure as individual hotels or engage in a joint message with the Fire. The City Manager's Office will check with the City Attorney's Office if the DMO is eligible to take a position of support. It was suggested that the hotels provide the City Manager with an update on the market climate and potential issues with the TOT that could be shared with the City Council.

Assistant City Manager Bojorquez and City Manager Santana left the meeting at 8:56 a.m.

### **3. Update on the Development of Cleaning and Safety Best Practices Guidelines for Tourism Improvement District Hotels.**

No report.

### **4. Additional Input from the Tourism Improvement District Advisory Board on previously discussed Key Performance Indicators. (JLL)**

There was no additional input from the Tourism Improvement District (TID) Advisory Board at this time.

**6. Discussion on Re-Engaging Civitas Advisors to Assist with TID Conversion Process.**

Nancy Thome reported that she will be reaching out to re-engage Civitas. The TID can prepare to re-introduce the TID conversion process to City Council in January with the goal to have a new percentage assessment come into effect July 1, 2021. Civitas would assist with educating Council on the conversion process, updating the management district plan, and assisting with the petition process. Budget for contract services is included in the DMO's approved FY 2020/21 Operating Budget.

**7. Discussion and Action on the Tourism Improvement District FY 19/20 Quarter 4 (ending June 30, 2020) Financial Report.**

Nancy Thome reported that Q4 revenue was approximately \$125,000 and the total revenue for FY 2019/20 was \$718,616. Annual expenditures were minimal at \$155,716. The TID fund balance is \$1.67 million.

**8. Update on the Visit Santa Clara Trademark.**

Nancy Thome reported that she contacted Ravinder with the Chamber of Commerce. The Chamber is currently assessing the value of the trademark and have been talking with attorneys and another third party regarding transferring the trademark to the DMO. Ravinder indicated the Chamber will most likely propose two options: 1) Sell the trademark to the DMO (once they have determined the value), or 2) Offer the DMO a licensing agreement for the use of the trademark. Follow-up will take place in two weeks' time.

**9. Update on Tourism Improvement District Hotel Re-Openings.**

All TID hotels previously closed have re-opened with the exception of the Biltmore, Hilton and the Plaza Suites. There is no update as to when the Hilton will re-open and the Plaza Suites may open in October. There are slow and steady increases in the occupancy rates. Avatar reported that their ownership is currently discussing hotel renovations.

It was reported that 70% of hotel reservations are booked within three days of arrival. Fifty percent of those are same day reservations.

**10. Update on Silicon Valley/Santa Clara DMO, Inc.'s CEO recruitment. (JLL)**

Dan Fenton reported that there was a favorable response to the third candidate. JLL is in continued discussions with the DMO Board.

**11. Review Draft of Convention Center Booking Process. (JLL)**

Dan Fenton provided a brief introduction of the proposed Convention Center Booking Process and the need to streamline the process among the DMO, Convention Center and Levy. This agenda item will be discussed in more detail at the next scheduled TID Advisory Board Meeting.

**12. Update on the Santa Clara Convention Center Calendar and Strategy for Reopening (Future Revenue Analysis). (Spectra)**

Kelly Carr reported the Convention Calendar has been cleared of events for the remainder of the

calendar year. The first event of the new year is January 8, 2021. Currently, Spectra is focusing on capital improvement projects. Spectra also continues to work on a future revenue analysis strategy so as to avoid re-opening the facility if it will incur additional losses. Spectra will be providing City with a proposed operating budget amendment by the end of the week.

**13. Santa Clara Convention Center Sales Planning Update.**

Kelly Carr reported a sales meeting took place with Spectra, Dan Fenton, Nancy Thome and Levy. Spectra has also provided the City with a short-term sales and marketing plan (30-60-90 day) which addresses the current tourism/event environment. Spectra sales staff will spend 25% of their time on prospecting. Spectra will share sales/prospecting results at the next scheduled TID Advisory Board Meeting.

**General Updates**

**Adjournment**

The meeting adjourned at 9:26 a.m. The next regular scheduled meeting is on October 8, 2020, 9:00 a.m.

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## Santa Clara Convention Center Booking Strategy May 22, 2020

### Overview

A primary objective and high priority of the Santa Clara Convention Center (SCCC) is to host multi-day National/Regional Conventions, Conferences, Meetings and Events that will generate the greatest economic impact for the TBID while also generating revenue for the Center. These conventions will bring attendees primarily from out of town and generate a positive impact for the SCCC and Santa Clara businesses.

The following guidelines give priority to Events, (Conventions, Conferences, Meetings, etc.) that will generate the greatest hotel room usage, economic benefit through direct spending as well as revenue for SCCC. These guidelines are general in nature and are intended to serve as a consistent basis for decision making. Consideration of events not conforming to the stated schedule can be made on a group-by-group basis to determine the extent to which they concur with the DMO's and the Convention Center's primary objectives. This approach also lays the groundwork for developing sales and marketing strategies to focus on attracting the highest priority groups to Santa Clara.

### Booking Priorities (Weekday and Weekend)

**Priority One Weekday:** Priority 1 (P1) events would have a minimum peak (highest number of rooms per day) of 900 rooms at hotels located within the Santa Clara TID. These events would typically include conventions and/or trade shows that are regional, national, or international in scope. P1 events may book space at SCCC including all ballrooms at any time. The calendar would essentially be held exclusively for P1 events 18 months and out. Only P1 events will be issued license agreements more than 18 months in advance of the event unless approved by the City of Santa Clara (City), the DMO and Spectra. P1 events are expected to produce significant revenue for SCCC. The target is \$650,000 in overall gross revenue to SCCC.

**Priority One Weekend:** Priority 1 (P1) events would have a peak (highest number of rooms per day) of 400 rooms at hotels located within the Santa Clara TID. These events would typically include conventions and/or trade shows that are regional, national, or international in scope. P1 events may book space at SCCC including all ballrooms at any time. The calendar would essentially be held exclusively for P1 events 18 months and out. Only P1 events will be issued license agreements more than 18 months in advance of the event unless approved by the City, the DMO and Spectra. P1 events are expected to produce significant revenue for SCCC. The target for weekend P1 events is \$450,000 in overall gross revenue to the SCCC.

**Priority Two Weekday:** Priority 2 (P2) events would have a peak of 600-899 room nights at hotels located within the Santa Clara TID. These events would typically include regional multiple-day corporate meetings, trade shows, etc. P2 events may book space between 13-18 months. P2 events can only book space beyond 18 months on a "1<sup>st</sup> Option" basis and only with approval from the DMO and Spectra.



License agreements for P2 events will only be issued within the 13-18-month window. P2 events are expected to generate \$250,000 – \$649,000,000 in overall gross revenue to SCCC.

**Priority Two Weekend:** Priority 2 (P2) events would have a peak of 100-399 room nights at hotels located within the Santa Clara TID. These events would typically include regional multiple-day SMERF or Association meetings, trade shows, etc. P2 events may book space between 13-18 months. P2 events can only book space beyond 18 12 months on a “1<sup>st</sup> Option” basis and only with approval from the DMO and Spectra. License agreements for P2 events will only be issued within the 13-18 month window. P2 weekend events are expected to generate \$250,000 – \$449,999 in overall gross revenue to SCCC.

**Priority Three Weekday:** Priority 3 (P3) events would have a peak of 150-599 Room Nights at hotels located within Santa Clara. These events would typically include local or regional meetings or trade shows. P3 events may book space within 0-13 months. P3 events may book space beyond 13 months on a “1<sup>st</sup> Option” basis and only with approval from the DMO and Spectra. License agreements for P3 events will only be issued within the 0-13-month window. P3 events are expected to generate \$150,000 – \$249,000 in overall gross revenue to SCCC.

**Priority Three Weekend:** Priority 3 (P3) events would have a peak of 50-99 Room Nights at hotels located within Santa Clara. These events would typically include local or regional meetings or trade shows. P3 events may book space within 0-13 months. P3 events may book space beyond 13 months on a “1<sup>st</sup> Option” basis and only with approval from the DMO and Spectra. License agreements for P3 events will only be issued within the 0-13 month window. P3 weekend events are expected to generate \$100,000 - \$249,999 in overall gross revenue to SCCC.

**Priority Four Weekday:** Priority 4 (P4) events would have a peak of less than 149 room nights. These events typically include consumer shows, one day meetings and larger social events. P4 events can only book space within 9 months. P4 events may book space beyond 9 months on a “1<sup>st</sup> Option” basis and only with approval from the DMO and Spectra. P4 events are expected to deliver \$50,000 - \$149,000 in overall gross revenue to SCCC. License agreements for P4 events will only be issued within the 0-9 month window.

**Priority Four Weekend:** Priority 4 (P4) events would have a peak of less than 50 room nights. These events typically include consumer shows, one day meetings and larger social events. P4 events can only book space within 6 months. P4 events may book space beyond 6 months on a “1<sup>st</sup> Option” basis and only with approval from the DMO and Spectra. P4 weekend events are expected to generate \$50,000 – \$99,999 in overall gross revenue to SCCC.

**Priority Five Weekday:** Priority 5 (P5) events would have no room night requirements. These events typically include social events and day meetings. P5 events can only book space within 3 months. P5 events may book space beyond 3 months on a “1<sup>st</sup> Option” basis and only with approval from the DMO and Spectra. License agreements for P5 events will only be issued within the 3-month window. P5 events are expected to generate \$10,000 – \$49,000 in overall gross revenue.



**Priority Five Weekend.** Priority 5 (P5) events would have no room night requirements. These events typically include social events and day meetings. P5 events can only book space within 3 months. P5 events may book space beyond 3 months on a “1<sup>st</sup> Option” basis and only with approval from the DMO and Spectra. License agreements for P5 events will only be issued within the 3-month window. P5 events are expected to generate \$10,000 – \$49,000 in overall gross revenue to SCCC.

**Ineligible Events:** In keeping with the three overarching measurements of success, an event will be deemed ineligible for SCCC if it does not produce sufficient economic impact, SCCC revenue (less than \$10,000) or have a meaningful impact on the Santa Clara community.

**Overview**

Weekday Groups

Priority	Booking Window	Minimum Room Nights on peak
P1	18-months +	900
P2	13-18 months	600-899
P3	0-13 months	150-599
P4	0-9 months	0-149
P5	0-3 months	N/A

Weekend Groups (Friday-Sunday & Holidays)

Priority	Booking Window	Minimum Room Nights on peak
P1	18-months +	400
P2	13-18 months 0-12 months	100-399
P3	0-13 months	0-99
P4	0-6 months	N/A
P5	0-3 months	N/A

In reference to the criteria established within in each Booking Priority category, DMO and Spectra have discretion to consider the following factors when booking an event. These factors may support an event’s case for flexibility in the booking policy based on recommendation from Spectra’s GM, the DMO and ultimately approval by the City:

- Economic impact on the City of Santa Clara
- Hotel room utilization
- Revenue to SCCC
- Time of year (peak vs. non-peak seasons and what year)
- How short term it is, and does it fill a slow period
- Number of days of use
- Potential for repeat booking



- Applicant’s event history and experience
- Compatibility with concurrent facility users
- Community Impact

Events are booked on a first-come, first-serve basis within the criteria established in the Booking Priority categories noted above. Event bookings are not considered “Definite” until both Spectra and the Licensee have executed the license agreement. For P1 and P2 bookings, a signed hotel contract must also be completed.

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### **Gross Revenue Variances – Upgrading Priorities**

Events listed as P2, P3 or P4 may be upgraded to a higher priority based on estimated Gross Revenue with a lesser room block commitment to the Center.

Events that are estimated to generate:

- \$1M or more to the Center may be upgraded to P2 and may be booked 13-18 months in advance of the event start date.
- \$750k-\$1M may be upgraded to P3/P4 and may be booked 0-13 months in advance of the event start date.
- \$500k-\$749k may be upgraded to P5 and may be booked 0-12 months in advance of the event start date

### **\*Overview Chart – Included as Attachment A**

#### **Event Type - Definitions**

**Tradeshows:** An exhibition of products and/or services held for members of a common or related industry. Not open to the general public.

**Conventions:** An event where the primary activity of the attendees is to attend educational sessions, participate in meetings/discussions, socialize or attend other organized events of which the attendees are primarily from out of town. Sometimes there is a secondary exhibit component.

**Consumer Shows:** An exhibition that is open to the public, usually requiring an entrance fee. Common examples of consumer shows include auto shows, bridal shows, boat shows, flower and garden shows, craft shows and festivals.

**Banquets/Social Events:** Formal, often ceremonial, dinner for a select group of people, often in honor of a particular person. The meal is the primary component of the event, consisting of a sit-down breakfast, lunch or dinner.



**Meetings & Seminars:** An event where the primary activity of the attendees is to attend educational sessions, participate in meetings/discussions, socialize, or attend other organized events. There is no exhibit component to this event.

**Sporting Events:** An event where athletes or individuals compete, and spectators view the event activities and/or ceremonies.

**Community Based Event:** An event that has been designed to encourage community participation at the SCCC. These could be in conjunction with the City or designated non-profit organizations.

**Attachment A – Overview Chart**

<b>Priority</b>	<b>Peak Room Nights</b>	<b>Combined Building Spend</b>	<b>Economic Impact</b>	<b>Convention Center Impact</b>	<b>Community Impact</b>	<b>Booking Window</b>
Priority 1 (full center user)	1,100 rooms on peak or greater	\$1,000,000+	High	High	Medium	18+ months
Priority 2	600-1,099 rooms on peak	\$750,000-\$1,000,000	High	Medium	Low	13-18 months
Priority 3	100-599 rooms on peak	\$500,000-\$750,000	Medium	Medium	Medium	0-13 months
Priority 4	< 100 rooms on peak	\$200,000-\$500,000	Medium	High	Low	0-13 months
Priority 5 (social events)	Non room night generating	\$90,000 - \$199,000	Low	High	Medium	0-12 months
Priority 6	Non room night generating	\$10,000 – \$89,0000	Low	Medium	Medium	Within six months
Community	Non room night generating	N/A	Low	Low	High	0-6
Non-Eligible Events	Non room night generating	<\$10,000	Low	Low	Low	Not eligible