

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

January 21, 2021, 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/94321131479>. Meeting ID: 943 2113 1479 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:  
Santa Clara Tourism Improvement District Advisory Board – December 10, 2020  
Santa Clara Tourism Improvement District Advisory Board – January 8, 2021

**Consent Items Pulled for Discussion**

**General Business – Items for Discussion**

2. Review of the Financial Status Report for the 2<sup>nd</sup> Quarter ending December 31, 2020.
3. Discussion and Action on the Extension of the Interim Booking Strategy Guidelines to be Re-Evaluated on or Before June 30, 2021.
4. Discussion of Booking Strategy and KPI Workshop for Santa Clara Tourism Improvement District Hotels.
5. Discussion on Partnership Development with the DMO and the Convention Center.
6. Review of Updated Proposed Management District Plan.
7. Update on the name "Visit Santa Clara".
8. Update on the Tourism Improvement District Subsidy Guidelines.

9. Update on the Implementation of Clean and Safe Certification through the American Hotel & Lodging Association (AHLA).

10. Silicon Valley/Santa Clara DMO, Inc. Updates.

- a. CEO Monthly Report/Update on Sales Contractor Activities
- b. 90-Day Plan
- c. Approach on Temporary Part-time Administrative Support Position
- d. Review of Procurement Process for Marketing Services
- e. City Council 1:1 calls update

11. Santa Clara Convention Center Updates and Review of Convention Center Calendar of Events. Update on visioning meeting

## **General Updates**

## **Adjournment**

The next regular scheduled meeting is on February 18, 2021 at 8:00 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 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.*

*In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 ("ADA"), the Santa Clara Tourism Improvement District (TID) will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities, and will ensure that all existing facilities will be made accessible to the maximum extent feasible. The Santa Clara TID will generally, upon request, provide appropriate aids and services leading to effective communication for qualified persons with disabilities including those with speech, hearing, or vision impairments so they can participate equally in the Santa Clara TID's programs, services, and activities. The Santa Clara TID will make all reasonable modifications to policies and programs to ensure that people with disabilities have an equal opportunity to enjoy all of its programs, services, and activities.*

*Agendas and other written materials distributed during a public meeting that are public record will be made available by the Santa Clara Tourism Improvement District in an appropriate alternative format. Contact Nancy Thome at 1-408-615-2294 with your request for an alternative format copy of the agenda or other written materials.*

*Individuals who require an auxiliary aid or service for effective communication, or any other disability-related modification of policies or procedures, or other accommodation, in order to participate in a program, service, or activity of the Santa Clara TID, should contact the Peter Hart, GM at peter.hart@hilton.com prior as soon as possible before the scheduled event.*

## **ATTACHMENTS**

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

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

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**Call to Order**

Chair Hodges called the meeting to order at 8:03 a.m.

**Roll Call**

**Roll Call**

**Present: 9** 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  
Callette Nielsen, General Manager, Marriott Santa Clara  
Jean-Phillippe Rollet, General Manager, The Plaza Suites  
Mark Salquist, General Manager, Avatar Hotel (joined at 8:06 a.m.)  
Jon Siebring, General Manager, Biltmore Hotel  
Ryan Turner, General Manager, Element Santa Clara

**Absent: 2** Alan Mass, General Manager, Hyatt House  
Virginia Scimeca, General Manager, TownePlace Suites by Marriott

A quorum was met.

**In Attendance**

Ruth Mizobe 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  
Kelly Carr, General Manager, Spectra Venue Management

Mark Salquist joined the meeting at 8:06 a.m.

**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 November 12, 2020 Santa Clara Tourism Improvement District Advisory Board Special Meeting.

**A motion was made by Joe Eustice, seconded by Mark Salquist, to approve the Consent Calendar. Motion passed unanimously (9-0).**

## Consent Items Pulled for Discussion

None.

## General Business – Items for Discussion

2. Introduction of Matt Stewart, new Silicon Valley/Santa Clara DMO (DMO), Inc. Chief Executive Officer (CEO).

Chair Hodges welcomed Matt Stewart who started with the DMO on November 16<sup>th</sup>. Matt Stewart expressed appreciation of TID support.

3. Silicon Valley/Santa Clara DMO, Inc. Updates.

Matt Stewart reported is very focused on the key performance indicators (KPIs) and that he hired a sales contractor last week. The contractor will strictly focus on getting P1 and P2 events on the books and has already started talking with customers with a predefined set of questions to get feedback on what it means to meet in Santa Clara. The contractor, Michael Lynch, used to work for Matt in San Francisco. Matt also reported that he has been interviewing marketing companies as part of the process to establish a naming standard/brand for the DMO, is working with JLL to connect with and advocate at the State level to reopen venues, is developing a reporting plan for the TID that correlates to the KPIs, is developing a sales and marketing plan, and learning the DMO budget.

4. Action on TID Subsidy Payment to XRX, Inc. (Stitches) in the amount of \$10,590.00 for February 18-23, 2020 Event at the Convention Center.

**A motion was made by Joe Eustice, seconded by Jean-Phillippe Rollet, to approve the subsidy payment of \$10,590 to Stitches for its February 18-23, 2020 Event at the Convention Center. Motion passed unanimously (9-0).**

5. Discussion and Action on Cost Share Strategy for Consultant Services for the Silicon Valley/Santa Clara DMO, Inc.

Assistant City Manager Shikada reported that with the expiration of the current agreement with JLL at the end of the month, the City has completed a procurement process to identify a contractor for continued support of the collaborative tourism strategy efforts. The selected vendor is JLL and the proposed agreement will be presented to Council for approval. Nancy Thome added that the City is proposing a cost share strategy with the TID/DMO for the agreement. Upon review of the past activities and proposed activities to continue CEO leadership development and organizational support to the DMO, it is proposed that the TID contribute 40% of the cost of the agreement starting January 1<sup>st</sup>. The monthly contract cost is \$12,500 and the TID's contribution would be \$5,000 monthly.

**A motion was made by Callette Nielsen, seconded by Jean-Phillippe Rollet, to approve the proposed 60/40 cost share strategy for the consultant agreement. Motion passed unanimously (9-0).**

6. City Update on the TID Conversion Schedule and Discussion on the Management District

Plan.

Nancy Thome reviewed the TID conversion timeline. The first presentation to Council is tentatively scheduled for January 26. The proposed changes to the Management District Plan (MDP) was also reviewed. The MDP was approved previously approved by the TID during the process past fiscal year and the only changes to the document was in the estimated future revenues. The revenues were estimated at 50% less than the initial projections due to COVID impacts. It was requested that any additional edits be submitted to the City by December 18.

Justin Hart left the meeting at 8:45 a.m.

**A motion was made by Callette Nielsen, seconded by Joe Eustice, to approve the direction of the proposed updates to the MDP in consideration of any additional feedback received by December 18. Motion passed unanimously (8-0).**

Jean-Phillippe Rollet left the meeting at 8:47 a.m.

7. Discussion on FY 2021/22 and FY 2022/23 Convention Center Operating Budget Planning and Goal Setting.

The City and JLL are currently working with Spectra and Levy on operating budgets for the next two years. Part of this process includes projections of the different event types that will take place at the Convention Center. This information will be brought back and shared with the TID.

8. Hotel Market Update and Discussion on Future TID Hotel Room Block Strategies.

Dan Fenton reminded the TID that all partners should continue to think about the future and creative ways to further develop partnerships; TID hotels have made a commitment of room inventory for the booking strategy. Matt Stewart will schedule a 1:1 meeting with each hotel to discuss further. Dan Fenton indicated that JLL will work with hotels to schedule a time to meet with hotel sales managers to provide an overview of the booking strategy.

9. Update on the Implementation of Clean and Safe Certification through the American Hotel & Lodging Association (AHLA).

The Marriott, Hyatt, Biltmore, Element, and Embassy Suites have completed the certification process and have submitted for confirmation. The Avatar's ownership group as approved to move forward with the process and the Hilton is pending ownership approval. Follow up needs to be conducted with the other two hotels to make sure they are aware.

10. Santa Clara Convention Center Updates and Review of Convention Center Calendar of Events.

Kelly Carr provided Santa Clara Convention Center Updates:

- Glass Pyramids – This project has reached substantial completion. They are currently waiting on replacement glass. A water test will be conducted upon full completion of the project.
- Design Services for Floor/Paint/Kitchens – HOK was selected as the design firm and Spectra the contract is being executed. Spectra will be issuing a Notice to Proceed

letter and work can start next week. The goal is to complete this project by then of the third quarter.

- Digital Signage – There is a small delay as the selected contractor is not able to conduct a live walk-thru due to current travel restrictions. The walk-thru needs to be completed prior to the contractor submitting its Best and Final Offer (BAFO).
- Security Cameras – Kelly is currently reviewing the bids.
- Convention Center Calendar – Considering the current COVID restrictions, Spectra is looking at the real possibility of not reopening to events until July 2021. They will focus on moving events scheduled through March before they start contacting April clients.
- Sales and Marketing – There are regular biweekly sales meetings and both Levy and Spectra have prospecting goals of 500 each for P3, P4, and P5 events.

### **General Updates**

- The Hilton hotel remains closed and there is no date for re-opening at this time.
- The Avatar hotel has been closed since November 7 and will most likely be closed for a full year for renovations.
- The Related project continues to move forward and there is no timeline yet for the groundbreaking. It is hopeful that groundbreaking can take place by the end of next year and is dependent on Related financing.
- Ryan Turner is the new General Manager for the Element and has been in the hotel industry for over 20 years.

### **Adjournment**

The meeting adjourned at 9:19 a.m. The next regular scheduled meeting is on January 21, 2020 at 8:00 a.m.

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

January 8, 2021, 9:00 a.m.

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**Call to Order**

Chair Hodges called the meeting to order at 9:02 a.m.

**Roll Call**

**Present: 7** Joe Eustice, General Manager, Hilton Santa Clara  
Peter Hart, General Manager, Embassy Suites  
Eron Hodges, General Manager, Hyatt Regency Santa Clara  
Calette Nielsen, General Manager, Marriott Santa Clara  
Jean-Phillippe Rollet, General Manager, The Plaza Suites  
Mark Salquist, General Manager, Avatar Hotel (joined at 8:06 a.m.)  
Jon Siebring, General Manager, Biltmore Hotel

**Absent: 4** Justin Hart, General Manager, AC Hotel Santa Clara  
Alan Mass, General Manager, Hyatt House  
Ryan Turner, General Manager, Element Santa Clara  
Virginia Scimeca, General Manager, TownePlace Suites by Marriott

A quorum was met.

**In Attendance**

Ruth Mizobe 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  
Matt Stewart, CEO, Silicon Valley/Santa Clara DMO, Inc.

**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.*

**Consent Items Pulled for Discussion**

**General Business – Items for Discussion**

1. Update on Silicon Valley/Santa Clara DMO, Inc. Contracted Sales Manager Activity.

Chair Hodges introduced this item by providing an overview of the approved Phase One staffing model of the DMO which included the CEO, Sales Manager, Marketing Manager and



Director of Sales. Matt has contracted a Sales Manager and there is a need to shift priorities.

Matt Stewart reported that the Sales Contractor started with the DMO on December 10 to start talking to customers, focusing on P1 and P2 customers, and learning more about event planner perceptions of Santa Clara. The Sales Contractor lost two weeks over the holidays but spent the first week immersing himself in the market. Matt worked with the contractor while at Marriott and the contractor has contacts in California, Washington, and Oregon. To date, the contractor has identified 58 clients and contacted 15 of them. This week, the contractor will be focusing on clients in the local and immediately surrounding areas. Matt indicated that he will provide the TID a report of the contractor's feedback and findings. There are no recommendations this month but are forthcoming, and Matt will work with the TID and the DMO Board on how to implement.

Matt reported some of the insights received from five of the companies. Feedback included: the need for hybrid meetings, excitement of having Levi's Stadium, Great America and the upcoming Related Santa Clara project close by. Dan Fenton added that he has sat in on meetings with Michael, the contractor, and clients indicated that if Michael hadn't called on them about Santa Clara, they would have not called Santa Clara. This supports the fact that it takes a pro-active resource to see movement for the future.

Eron Hodges and Matt met with Councilmember Jains and will be meeting one-on-one with each Councilmember. Meetings serve the purpose for introductions and to inquire on how the hospitality industry can support them in their roles and vice versa; an opportunity for collaboration.

Matt provided an update on the marketing efforts. The current agreement is with Destination Advantage to maintain the current website. Matt is looking to enhance marketing objectives and is currently finalizing an RPF which will probably go out on Monday morning.

Matt reported that he has met with the Chamber to continue discussions on the name "Visit Santa Clara". At this point, the DMO will most likely move on to Discover Santa Clara. "Visit Santa Clara" won't be going away but the website link can be re-directed to the DMO's new platform; Matt is working on this agreement with the Chamber.

## 2. Discussion on a Contracted Administrative Assistant for Silicon Valley/Santa Clara DMO, Inc.

Matt reported that he is looking to bring on the administrative support he needs and will refer to the contract position as a Data Entry Consultant. Matt has prepared an agreement for contract labor that will help to develop SOP's, billing, invoices, RFP processes, etc. as it is a short-term strategy. A question was raised about contract labor laws (AB5). Matt indicated he changed the name of the title and would not be able to direct the work of the contractor. It was also suggested by several TID members that there are many hotel staff out of work and potential candidates could be identified for the position.

**A motion was made by Joe Eustice, seconded by Jean-Phillippe Rollet, to support the direction of the Data Entry Consultant position with identification of potential candidates that are familiar with the industry. Motion passed unanimously (7-0).**

### General Updates

- Jon Siebring reported that the Biltmore is still under construction and they will be

converting on June 1.

- Eron Hodges and Matt Stewart will share updates as they meet with individual councilmembers.

**Adjournment**

The meeting adjourned at 9:51 a.m. The next regular scheduled meeting is on January 21, 2020 at 8:00 a.m.

DRAFT

SILICON VALLEY/SANTA CLARA DMO, INC.  
 FY 2020/21 FINANCIAL REPORT ending 12/31/2020 (Q2)

Date: 1/14/2021  
 Prepared By: NHome

Beginning FY 2020/21 TID Assessment Balance	\$ 1,664,558
TID Revenue YTD through 12/31/2020	\$ 78,277
<b>TOTAL TID Revenue</b>	<b>\$ 1,742,835</b>
FY 2020/21 YTD Expenditures	\$ 171,939
<b>TID Revenue Balance</b>	<b>\$ 1,570,896 (Unaudited)</b>

**TID Meeting  
 Jan. 21, 2021  
 Agenda Item #2**

**TID REVENUE \$ 600,000 \$ 78,277 \$ 521,723 13.05%**

**DMO APPROVED FY 2020/21 Budget**

Budget Item	FY 2020/21 Budget	FY 2020/21 YTD Actuals	FY 2020/21 Balance	% Expended
<b>SALES &amp; SERVICES</b>				
Personnel	\$ 325,000	\$ -	\$ 325,000	0.00%
Salary	\$ 152,500	\$ -	\$ 152,500	0.00%
Incentive	\$ 97,500	\$ -	\$ 97,500	0.00%
Benefits	\$ 75,000	\$ -	\$ 75,000	0.00%
Contract Services <i>(Michael Lynch)</i>	\$ -	\$ -	\$ -	0.00%
Conferences & Events	\$ 25,000	\$ -	\$ 25,000	0.00%
Support Services	\$ 60,000	\$ 3,547	\$ 56,453	5.91%
Site Tours	\$ 19,000	\$ -	\$ 19,000	0.00%
Familiarization Trips	\$ 19,500	\$ -	\$ 19,500	0.00%
Client Events	\$ 19,000	\$ -	\$ 19,000	0.00%
Subscriptions & Dues <i>(Destinations International)</i>	\$ 2,500	\$ 1,047	\$ 1,453	41.87%
Subscriptions & Dues <i>(Simpleview)</i>	\$ -	\$ 2,500	\$ (2,500)	0.00%
Travel & Entertainment	\$ 15,000	\$ -	\$ 15,000	0.00%
Incentives <i>(Subsidies)</i>	\$ 64,160	\$ 10,590	\$ 53,570	16.51%
<b>SUBTOTAL</b>	<b>\$ 489,160</b>	<b>\$ 14,137</b>	<b>\$ 475,023</b>	<b>2.89%</b>
<b>MARKETING &amp; COMMUNICATION</b>				
Personnel	\$ 90,000	\$ -	\$ 90,000	0.00%
Salary	\$ 63,000	\$ -	\$ 63,000	0.00%
Benefits	\$ 27,000	\$ -	\$ 27,000	0.00%
Contract Services	\$ 60,000	\$ -	\$ 60,000	0.00%
Website	\$ 50,000	\$ 12,000	\$ 38,000	24.00%
Destination Advantage	\$ 24,000	\$ 12,000	\$ 12,000	50.00%
Development	\$ 26,000	\$ -	\$ 26,000	0.00%
<b>SUBTOTAL</b>	<b>\$ 200,000</b>	<b>\$ 12,000</b>	<b>\$ 188,000</b>	<b>6.00%</b>
<b>ADMINISTRATION</b>				
Start-Up Funds/Advance	\$ -	\$ 100,000	\$ (100,000)	0.00%
Chief Executive Officer	\$ 354,900	\$ -	\$ 354,900	0.00%
Salary <i>(Regular &amp; Benefits)</i>	\$ 210,000	\$ -	\$ 210,000	0.00%
Incentive	\$ 63,000	\$ -	\$ 63,000	0.00%
Benefits <i>(Health Insurance Reimbursement)</i>	\$ 81,900	\$ -	\$ 81,900	0.00%
Contract Services	\$ 80,000	\$ 29,411	\$ 50,589	36.76%
Human Resources	\$ 30,000	\$ -	\$ 30,000	0.00%
Finance <i>(Fugate Business Solutions)</i>	\$ 15,000	\$ -	\$ 15,000	0.00%
Legal <i>(Thoits Law)</i>	\$ 20,000	\$ 29,411	\$ (9,411)	147.05%
Payroll <i>(ADP)</i>	\$ 15,000	\$ -	\$ 15,000	0.00%
Miscellaneous	\$ 70,000	\$ 6,753	\$ 63,247	9.65%
Audit	\$ 10,000	\$ -	\$ 10,000	0.00%

**DMO APPROVED FY 2020/21 Budget**

Budget Item	FY 2020/21 Budget	FY 2020/21 YTD Actuals	FY 2020/21 Balance	% Expended
Insurance	\$ 50,000	\$ 5,477	\$ 44,523	10.95%
Network Support	\$ 5,000	\$ -	\$ 5,000	0.00%
Purchased Goods & Services	\$ 5,000	\$ 1,276	\$ 3,724	25.51%
<b>SUBTOTAL</b>	<b>\$ 504,900</b>	<b>\$ 136,164</b>	<b>\$ 368,736</b>	<b>26.97%</b>
Contingency/Reserves	\$ 50,000	\$ -	\$ 50,000	0.00%
<b>SUBTOTAL</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>0.00%</b>
<b>OPERATING BUDGET TOTAL</b>	<b>\$ 1,244,060</b>	<b>\$ 162,300</b>	<b>\$ 1,081,760</b>	<b>13.05%</b>
City Administration Fee	\$ 3,000	\$ 750	\$ 2,250	25.00%
Hotel Reimbursement	\$ 4,000	\$ 4,000	\$ -	100.00%
<b>TOTAL</b>	<b>\$ 1,251,060</b>	<b>\$ 167,050</b>	<b>\$ 1,084,010</b>	<b>13.35%</b>
<b>Start Up Costs</b>				
Computers, Hardware, Supplies	\$ 20,000	\$ -	\$ 20,000	0.00%
Contract Services (Regus, Civitas \$33,000)	\$ 50,000	\$ 3,389	\$ 46,611	6.78%
<b>Total Start Up Costs</b>	<b>\$ 70,000</b>	<b>\$ 3,389</b>	<b>\$ 66,611</b>	<b>4.84%</b>
<b>YEAR-1 TOTAL</b>	<b>\$ 1,321,060</b>	<b>\$ 170,439</b>	<b>\$ 1,150,621</b>	<b>12.90%</b>

**Other Expenditures (CITY)**

Budget Item	FY 2020/21 Budget	FY 2020/21 YTD Actuals	FY 2020/21 Balance	% Expended
Goodwin Consulting Group - Map	\$ -	\$ 1,500	\$ (1,500)	0.00%
	\$ -	\$ -	\$ -	0.00%
<b>SUBTOTAL</b>	<b>\$ -</b>	<b>\$ 1,500</b>	<b>\$ (1,500)</b>	<b>0.00%</b>

**GRAND TOTAL YTD EXPENDITURES** \$ 171,939

ATTACHMENT - LINE ITEMS

SILICON VALLEY/SANTA CLARA DMO, INC.  
 FY 2020/21 FINANCIAL REPORT ENDING 12/31/2020 (Q2)

Activity	20270
<b>Row Labels</b>	<b>Sum of Merchandise Amt</b>
<b>2021Oct</b>	<b>\$ 110,361.00</b>
<b>AVATAR HOTEL</b>	<b>\$ 500.00</b>
REIMBURSEMENT FOR CIVITAS PMT	\$ 500.00
<b>BILTMORE HOTEL AND SUITES</b>	<b>\$ 500.00</b>
REIMBURSEMENT FOR CIVITAS PMT	\$ 500.00
<b>DESTINATION ADVANTAGE LLC</b>	<b>\$ 2,000.00</b>
AUGUST 2020 WEBSITE SUPPORT	\$ 2,000.00
<b>EMBASSY SUITES SANTA CLARA</b>	<b>\$ 500.00</b>
REIMBURSEMENT FOR CIVITAS PMT	\$ 500.00
<b>HILTON HOTEL (SANTA CLARA)</b>	<b>\$ 500.00</b>
REIMBURSEMENT FOR CIVITAS PMT	\$ 500.00
<b>HYATT HOUSE SANTA CLARA</b>	<b>\$ 500.00</b>
REIMBURSEMENT FOR CIVITAS PMT	\$ 500.00
<b>HYATT REGENCY SANTA CLARA</b>	<b>\$ 500.00</b>
REIMBURSEMENT FOR CIVITAS PMT	\$ 500.00
<b>SILICON VALLEY/SANTA CLARA DMO, INC</b>	<b>\$ 100,000.00</b>
START UP FOR DMO	\$ 100,000.00
<b>THOITS LAW</b>	<b>\$ 1,980.00</b>
PROFESSIONAL SVCS THRU SEP2020	\$ 1,980.00
<b>VANTREO INSURANCE BROKERAGE</b>	<b>\$ 3,381.00</b>
INSURANCE PKG 7/18/20-7/18/21	\$ 3,381.00
<b>2021Nov</b>	<b>\$ 11,580.50</b>
<b>DESTINATION ADVANTAGE LLC</b>	<b>\$ 2,000.00</b>
SEPT 2020 WEBSITE SUPPORT	\$ 2,000.00
<b>SANTA CLARA MARRIOTT HOTEL</b>	<b>\$ 500.00</b>
TID REIMBURSEMENTS CIVITAS	\$ 500.00
<b>THE PLAZA SUITES</b>	<b>\$ 500.00</b>
HOTEL CONTR TO CIVITAS FOR TID	\$ 500.00
<b>THOITS LAW</b>	<b>\$ 8,580.50</b>
PROFESSIONAL SVCS THRU OCT2020	\$ 8,580.50
<b>2021Dec</b>	<b>\$ 25,953.64</b>
<b>CIVITAS ADVISORS</b>	<b>\$ 3,300.00</b>
Assist the City in completing	\$ 3,300.00
<b>DESTINATION ADVANTAGE LLC</b>	<b>\$ 4,000.00</b>
NOV 2020 WEBSITE SUPPORT	\$ 2,000.00
OCT 2020 WEBSITE SUPPORT	\$ 2,000.00
<b>DESTINATIONS INTERNATIONAL</b>	<b>\$ 1,046.67</b>
MEMBERSHIP DUES 20-21	\$ 1,046.67
<b>SIMPLEVIEW LLC</b>	<b>\$ 2,500.00</b>

SIMPLEVIEW IMPLEMENTATION FEE	\$	2,500.00
<b>THOITS LAW</b>	<b>\$</b>	<b>2,420.97</b>
PROFESSIONAL SVCS THRU NOV2020	\$	2,420.97
<b>VANTREO INSURANCE BROKERAGE</b>	<b>\$</b>	<b>2,096.00</b>
2020 MGMT LIAB POLICY	\$	2,096.00
<b>XRX INC</b>	<b>\$</b>	<b>10,590.00</b>
TID ROOM NIGHT SUBSIDY	\$	10,590.00
<b>Total</b>	<b>\$</b>	<b>147,895.14</b>

<b>October - City Administration Fee</b>	<b>\$</b>	<b>750.00</b>
<b>November - Staples/Office Supplies</b>	<b>\$</b>	<b>93.76</b>

<b>GRAND TOTAL</b>	<b>\$</b>	<b>148,738.90</b>
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October Revenue	\$	46,959.80
November Revenue	\$	3,105.01
December Revenue	\$	2,089.00
<b>Q2 Total Revenue</b>	<b>\$</b>	<b>52,153.81</b>

<b>Q1 Revenue</b>	<b>\$</b>	<b>26,123.15</b>
<b>Q2 Revenue</b>	<b>\$</b>	<b>52,153.81</b>
<b>YTD Revenue</b>	<b>\$</b>	<b>78,276.96</b>

# Silicon Valley/Santa Clara DMO, Inc.

## BUDGET VS. ACTUALS: DMO - REVISED - FY21 P&L

July 2020 - June 2021

	ACTUAL	BUDGET	TOTAL		% OF BUDGET	% REMAINING
			OVER BUDGET	REMAINING		
<b>Income</b>						
Uncategorized Income	100,000.00		100,000.00	-100,000.00		
<b>Total Income</b>	<b>\$100,000.00</b>	<b>\$0.00</b>	<b>\$100,000.00</b>	<b>\$ -100,000.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>GROSS PROFIT</b>	<b>\$100,000.00</b>	<b>\$0.00</b>	<b>\$100,000.00</b>	<b>\$ -100,000.00</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Expenses</b>						
5100 Sales & Services						
5110 SS-Personnel						
5112 SS-Personnel - Salary		152,500.00	-152,500.00	152,500.00		100.00 %
5114 SS-Personnel - Incentive		97,500.00	-97,500.00	97,500.00		100.00 %
5116 SS-Personnel - Benefits		75,000.00	-75,000.00	75,000.00		100.00 %
<b>Total 5110 SS-Personnel</b>		<b>325,000.00</b>	<b>-325,000.00</b>	<b>325,000.00</b>		<b>100.00 %</b>
5120 Conferences & Events		25,000.00	-25,000.00	25,000.00		100.00 %
5130 Support Services						
5132 Site Tours		19,000.00	-19,000.00	19,000.00		100.00 %
5134 Familiarization Trips		19,500.00	-19,500.00	19,500.00		100.00 %
5136 Client Events		19,000.00	-19,000.00	19,000.00		100.00 %
5138 Subscriptions & Dues (Desinations International)	1,046.67	2,500.00	-1,453.33	1,453.33	41.87 %	58.13 %
5139 Subscriptions & Dues (Simpleview)	2,500.00		2,500.00	-2,500.00		
<b>Total 5130 Support Services</b>	<b>3,546.67</b>	<b>60,000.00</b>	<b>-56,453.33</b>	<b>56,453.33</b>	<b>5.91 %</b>	<b>94.09 %</b>
5140 SS - Travel & Entertainment		15,000.00	-15,000.00	15,000.00		100.00 %
5150 SS - Incentives	10,590.00	64,160.00	-53,570.00	53,570.00	16.51 %	83.49 %
<b>Total 5100 Sales &amp; Services</b>	<b>14,136.67</b>	<b>489,160.00</b>	<b>-475,023.33</b>	<b>475,023.33</b>	<b>2.89 %</b>	<b>97.11 %</b>
5200 Marketing & Communication						
5210 MC-Personnel						
5212 MC-Personnel - Salary		63,000.00	-63,000.00	63,000.00		100.00 %
5214 MC-Personnel - Benefits		27,000.00	-27,000.00	27,000.00		100.00 %
<b>Total 5210 MC-Personnel</b>		<b>90,000.00</b>	<b>-90,000.00</b>	<b>90,000.00</b>		<b>100.00 %</b>
5220 MC-Contract Services		60,000.00	-60,000.00	60,000.00		100.00 %
5230 MC-Website						
5232 MC-Website - Website Maintenance	8,000.00	24,000.00	-16,000.00	16,000.00	33.33 %	66.67 %
5234 MC-Website - Website Development		26,000.00	-26,000.00	26,000.00		100.00 %
<b>Total 5230 MC-Website</b>	<b>8,000.00</b>	<b>50,000.00</b>	<b>-42,000.00</b>	<b>42,000.00</b>	<b>16.00 %</b>	<b>84.00 %</b>
<b>Total 5200 Marketing &amp; Communication</b>	<b>8,000.00</b>	<b>200,000.00</b>	<b>-192,000.00</b>	<b>192,000.00</b>	<b>4.00 %</b>	<b>96.00 %</b>
5300 Administration						
5310 A-Chief Executive Officer						
5312 A-CEO - Salary (Regular & Benefits)		210,000.00	-210,000.00	210,000.00		100.00 %
5314 A-CEO - Incentive		63,000.00	-63,000.00	63,000.00		100.00 %
5316 A-CEO - Benefits (Health Insurance Reimbursement)		81,900.00	-81,900.00	81,900.00		100.00 %

# Silicon Valley/Santa Clara DMO, Inc.

## BUDGET VS. ACTUALS: DMO - REVISED - FY21 P&L

July 2020 - June 2021

			TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	REMAINING	% OF BUDGET	% REMAINING
<b>Total 5310 A-Chief Executive Officer</b>		<b>354,900.00</b>	<b>-354,900.00</b>	<b>354,900.00</b>		<b>100.00 %</b>
5320 A-Contract Services						
5322 A-Contract Services - Human Resources		30,000.00	-30,000.00	30,000.00		100.00 %
5324 A-Contract Services - Finance (Fugate Business Solutions)		15,000.00	-15,000.00	15,000.00		100.00 %
5326 A-Contract Services - Legal (Thoits Law)	12,981.47	20,000.00	-7,018.53	7,018.53	64.91 %	35.09 %
5328 A-Contract Services - Payroll (ADP)		15,000.00	-15,000.00	15,000.00		100.00 %
<b>Total 5320 A-Contract Services</b>	<b>12,981.47</b>	<b>80,000.00</b>	<b>-67,018.53</b>	<b>67,018.53</b>	<b>16.23 %</b>	<b>83.77 %</b>
5330 A-Miscellaneous						
5332 A-Miscellaneous - Audit		10,000.00	-10,000.00	10,000.00		100.00 %
5334 A-Miscellaneous - Insurance	5,477.00	50,000.00	-44,523.00	44,523.00	10.95 %	89.05 %
5336 A-Miscellaneous - Network Support		5,000.00	-5,000.00	5,000.00		100.00 %
5338 A-Miscellaneous - Purchased Goods & Services	93.76	5,000.00	-4,906.24	4,906.24	1.88 %	98.12 %
<b>Total 5330 A-Miscellaneous</b>	<b>5,570.76</b>	<b>70,000.00</b>	<b>-64,429.24</b>	<b>64,429.24</b>	<b>7.96 %</b>	<b>92.04 %</b>
<b>Total 5300 Administration</b>	<b>18,552.23</b>	<b>504,900.00</b>	<b>-486,347.77</b>	<b>486,347.77</b>	<b>3.67 %</b>	<b>96.33 %</b>
5400 Contingency/Reserves		50,000.00	-50,000.00	50,000.00		100.00 %
5510 City Administrative Fee	750.00	3,000.00	-2,250.00	2,250.00	25.00 %	75.00 %
5520 Hotel Reimbursement	4,000.00	4,000.00	0.00	0.00	100.00 %	0.00 %
<b>Total Expenses</b>	<b>\$45,438.90</b>	<b>\$1,251,060.00</b>	<b>\$ - 1,205,621.10</b>	<b>\$1,205,621.10</b>	<b>3.63 %</b>	<b>96.37 %</b>
<b>NET OPERATING INCOME</b>	<b>\$54,561.10</b>	<b>\$ - 1,251,060.00</b>	<b>\$1,305,621.10</b>	<b>\$ - 1,305,621.10</b>	<b>-4.36 %</b>	<b>104.36 %</b>
Other Expenses						
5600 Start Up Costs						
5610 Computers, Hardware, Supplies		20,000.00	-20,000.00	20,000.00		100.00 %
5620 Contract Services	3,300.00	50,000.00	-46,700.00	46,700.00	6.60 %	93.40 %
<b>Total 5600 Start Up Costs</b>	<b>3,300.00</b>	<b>70,000.00</b>	<b>-66,700.00</b>	<b>66,700.00</b>	<b>4.71 %</b>	<b>95.29 %</b>
<b>Total Other Expenses</b>	<b>\$3,300.00</b>	<b>\$70,000.00</b>	<b>\$ -66,700.00</b>	<b>\$66,700.00</b>	<b>4.71 %</b>	<b>95.29 %</b>
<b>NET OTHER INCOME</b>	<b>\$ -3,300.00</b>	<b>\$ -70,000.00</b>	<b>\$66,700.00</b>	<b>\$ -66,700.00</b>	<b>4.71 %</b>	<b>95.29 %</b>
<b>NET INCOME</b>	<b>\$51,261.10</b>	<b>\$ - 1,321,060.00</b>	<b>\$1,372,321.10</b>	<b>\$ - 1,372,321.10</b>	<b>-3.88 %</b>	<b>103.88 %</b>





# Santa Clara TID Interim Booking Policy Review

June 11, 2020

1

## Original Proposed Mid-Week Booking Policy

Priority	Peak Room Nights	Combined Building Spend	Economic Impact	Convention Center Impact	Community Impact	Booking Window
Priority1 (full center user)	1,100 rooms on peak or greater	\$1,000,000+	High	High	Medium	18+ months
Priority2	600-1,099 rooms on peak	\$750,000- \$1,000,000	High	Medium	Low	13-18 months
Priority3	100-599 rooms on peak	\$500,000- \$750,000	Medium	Medium	Medium	0-13 months
Priority4	<100 rooms on peak	\$200,000- \$500,000	Medium	High	Low	0-13 months
Priority5 (social events)	Nonroom night generating	\$90,000- \$199,000	Low	High	Medium	0-12 months
Priority6	Nonroom night generating	\$10,000- \$89,000	Low	Medium	Medium	Within six months
Community	Nonroom night generating	N/A	Low	Low	High	0-6
Non-Eligible Events	Nonroom night generating	<\$10,000	Low	Low	Low	Not eligible



2

## Original Proposed Weekend Policy


Priority	Peak Room Nights	Combined Building Spend	Economic Impact	Convention Center Impact	Community Impact	Booking Window
Priority1 (fullcenter user)	400 rooms on peak or greater	\$450,000+	High	High	Medium	18+ months
Priority2	200-399 rooms on peak	\$200,000- \$449,000	High	Medium	Low	13-18 months
Priority3	50-199 rooms on peak	\$100,000- \$199,000	Medium	Medium	Medium	0-13 months
Priority4	<50 rooms on peak	\$50,000- \$99,000	Medium	High	Low	0-12 months
Priority5 (social events)	Nonroomnight generating	\$10,000- \$49,000	Low	High	Medium	0-6 months
Community	Nonroomnight generating	N/A	Low	Low	High	0-6
Non-Eligible Events	Nonroomnight generating	<\$10,000	Low	Low	Low	Not eligible



3

## Interim Mid-Week Policy Post Covid-19 for 6 Months


Priority	Peak Room Nights	Combined Building Spend	Economic Impact	Convention Center Impact	Community Impact	Booking Window
Priority1 (fullcenter user)	800 rooms on peak or greater	\$600,000+	High	High	Medium	18+ months
Priority2	500-799 rooms on peak	\$250,000- \$599,000	High	Medium	Low	13-18 months
Priority3	100-599 rooms on peak	\$150,000- \$249,000	Medium	Medium	Medium	0-13 months
Priority4	<100 rooms on peak	\$50,000- \$149,000	Medium	High	Low	0-12 months
Priority5 (social events)	Nonroomnight generating	\$15,000- \$49,000	Low	High	Medium	0-6 months
Priority6	Nonroomnight generating	\$10,000- \$89,000	Low	Medium	Medium	Within six months
Community	Nonroomnight generating	N/A	Low	Low	High	0-6
Non-Eligible Events	Nonroomnight generating	<\$10,000	Low	Low	Low	Not eligible



4

## Interim Weekend Policy Post Covid-19 for 6 Months


Priority	Peak Room Nights	Combined Building Spend	Economic Impact	Convention Center Impact	Community Impact	Booking Window
Priority1 (fullcenter user)	400 roomson peak or greater	\$400,000+	High	High	Medium	18+ months
Priority2	150-399 roomson peak	\$200,000-\$399,000	High	Medium	Low	13-18 months
Priority3	50-149 rooms on peak	\$100,000-\$199,000	Medium	Medium	Medium	0-13 months
Priority4	<100rooms on peak	\$50,000-\$99,000	Medium	High	Low	0-12 months
Priority5 (social events)	Nonroomnight generating	\$10,000-\$49,000	Low	High	Medium	0-12 months
Community	Nonroomnight generating	N/A	Low	Low	High	0-6
Non-Eligible Events	Nonroomnight generating	<\$10,000	Low	Low	Low	Not eligible



5

## Proposed Policy Comparison Mid-Week vs. Weekend

Mid-Week				Weekend			
Priority	Booking Window	Minimum Room Nights on peak	Combined Building Spend	Priority	Booking Window	Minimum Room Nights on peak	Combined Building Spend
P1	18-months +	800	\$600,000+	P1	18-months +	400	\$400,000+
P2	13-18 months	500-799	\$250,000-\$599,000	P2	13-18 months 0-12 months	150-399	\$200,000-399,000
P3	0-13 months	100-499	\$150,000-\$249,000	P3	0-13 months	50-149	\$100,000-\$199,000
P4	0-9 months	99	\$50,000-\$149,000	P4	0-6 months	49	\$50,000-\$99,000
P5	0-3 months	N/A	\$15,000-\$49,000	P5	0-3 months	N/A	\$10,000-\$49,000



6



## Key Considerations

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1. 6 months as a trial and a formal review should be conducted at that time
2. We are not in a normal market, so we need to experiment.
3. One alternative approach is that P1 and subsequent peak night room totals for each priority booking should remain the same
4. The targeted revenues for the SCCC took a big shift in the newly proposed models.
5. Should we anticipate having the same influx of business demand albeit likely later in the year when restrictions ease and gathering begins to strengthen?
6. In practice Priority 3 Weekday and Priority 5 Weekday space can be booked on 1<sup>st</sup> option beyond 13 month and 6 months respectively with approval
7. As the DMO emerges, we need to work collaboratively on what is the deciding factor on business approval in this process.
8. We need to ensure we are keeping the door open to the best possible business and 9 months out may be prohibitive.
9. How do we vet applicant's event history as criteria and seek out the best possible business for the time period in review?
10. Event Upgrading Priorities should be a well thought out decision with the engagement of the DMO for approval. Any upgrading of an event must have significant value or be in a historical need period that justifies the priority upgrade.

2021-2026

TID Meeting  
Jan. 21, 2021  
Agenda Item #6



## SANTA CLARA TOURISM IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

*Prepared pursuant to the Property and Business Improvement District Law of  
1994, Streets and Highways Code section 36600 et seq.*

January 6, 2021

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## I. OVERVIEW

The Santa Clara Tourism Improvement District (SCTID) is an assessment district proposed to provide specific benefits to payors, by funding convention sales, incentives, and services and marketing and communication programs for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors.

*Location:* The proposed SCTID includes all lodging businesses with ten (10) rooms or more located within the boundaries of a portion of the City of Santa Clara, as shown on the map in Section III.

*Services:* The SCTID is designed to provide specific benefits directly to payors by increasing room night sales. Convention sales, incentives, and services and marketing and communication programs will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

*Budget:* The total SCTID annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$610,936.

*Cost:* The annual assessment rate is one and one-half of one percent (1.5%) of gross short-term room rental revenue. After the initial year of the SCTID's five (5) year term the assessment rate may be increased in any year by the Owners' Association's Board to a maximum of two percent (2%) of gross short-term room rental revenue as described in Section V. Based on the benefit received, assessments will not be collected on stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty. Additionally, assessments will not be collected on stays by any Federal or State of California officer or employee on official business who shall provide one of the following; a warrant or check drawn on the Treasury of the United States; a copy of the official travel orders indicating the issuing governmental agency and the employee's full name; or, a copy of a letter on the official letterhead of an exempt governmental agency requesting exemption and listing the employee's name and stating that the stay is for official government business. The dates of occupancy must also be included. These requirements must be demonstrated by the guest at the time of registration. Failure to satisfy these requirements will result in no assessment exemption. Copies of the documentation for each exemption claimed must be submitted to the Director of Finance with each remittance of assessments.

*Collection:* Each lodging business located in the boundaries of the SCTID shall be responsible for remitting the assessments to the City in accordance with this Management District Plan. The City will be responsible for collecting the assessment on a quarterly basis or at the close of any shorter reporting period as established by the Director of Finance (including any delinquencies, penalties and interest) from each lodging business located in the boundaries of the SCTID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

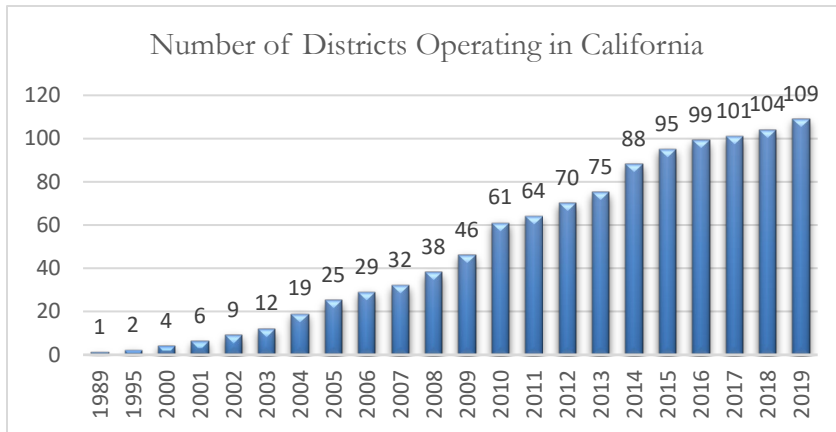
*Duration:* The proposed SCTID will have a five (5) year life, beginning July 1, 2021 through June 30, 2026. Once per year, beginning on the anniversary of SCTID formation, there is a thirty (30) day period in which owners paying fifty percent (50%) or more of the assessment may protest and initiate a City Council hearing on SCTID termination.

*Management:* Silicon Valley/Santa Clara DMO, Inc. (DMO) will serve as the SCTID's Owners' Association. The Owners' Association is charged with managing funds and implementing programs in accordance with this Plan and must provide annual reports to the City Council.



## II. BACKGROUND

TIDs are an evolution of the traditional Business Improvement District. The first TID was formed in West Hollywood, California in 1989. Since then, over 100 California destinations have followed suit. In recent years, other states have begun adopting the California model – Montana, South Dakota, Washington, Colorado, Texas and Louisiana have adopted TID laws. Several other states are in the process of adopting their own legislation. The cities of Wichita, Kansas and Newark, New Jersey used an existing business improvement district law to form a TID. And, some cities, like Portland, Oregon and Memphis, Tennessee have utilized their home rule powers to create TIDs without a state law.



California's TIDs collectively raise over \$275 million annually for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Santa Clara lodging businesses invest in stable, lodging-specific marketing programs.

TIDs utilize the efficiencies of private sector operation in the

market-based promotion of tourism districts. TIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TID pay an assessment and those funds are used to provide services that increase room night sales.

In California, TIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TIDs:

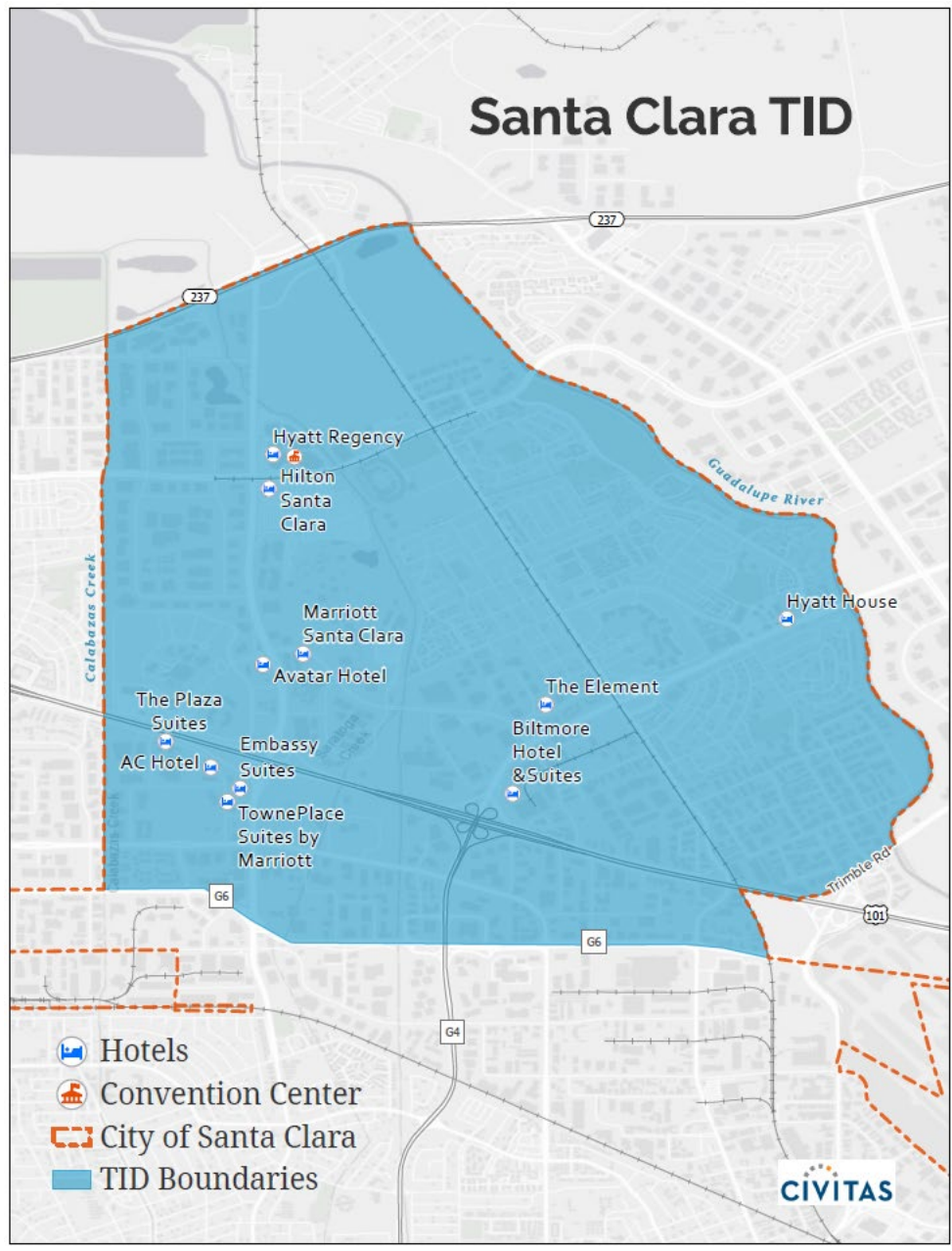
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are ***designed, created and governed by those who will pay*** the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

### III. BOUNDARY

The SCTID will include all lodging businesses with ten (10) rooms or more, existing and in the future, available for public occupancy within the boundaries of a portion of the city of Santa Clara.

Lodging business means: any structure, or any portion of any structure, that is occupied or intended or designed for occupancy by transients for dwelling, lodging, or sleeping purposes, and includes, but is not limited to, any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, mobile home, or house trailer at a fixed location, or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes eleven (11) lodging businesses. A complete listing of lodging businesses within the proposed SCTID can be found in Appendix 2.

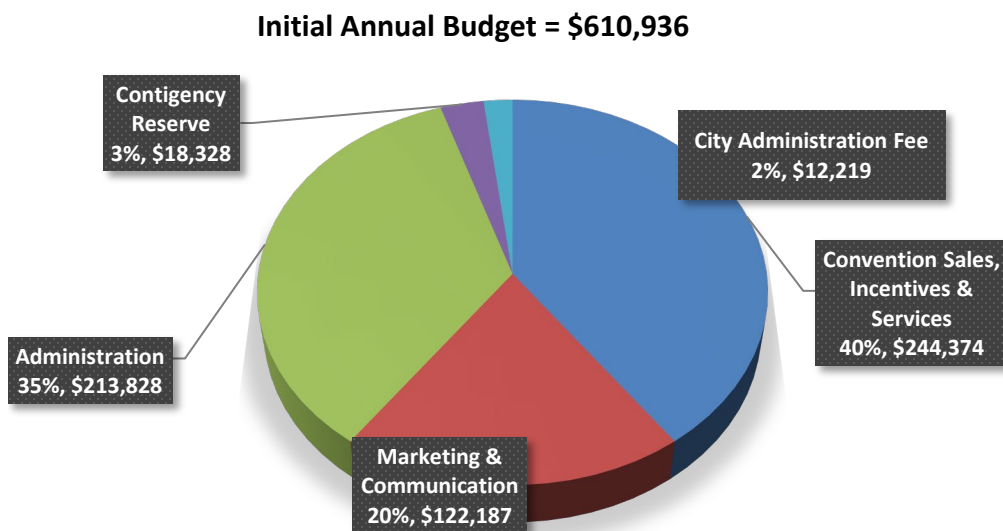


## IV. BUDGET AND SERVICES

### A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the SCTID funds are convention sales, incentives, and services and marketing and communication programs available only to assessed businesses within the SCTID.

A service plan budget has been developed to deliver services that benefit the assessed businesses within the SCTID. A detailed annual budget will be developed and approved by the DMO. The table below illustrates the initial annual budget allocations. The total initial budget is \$610,936.



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the DMO Board shall have the authority to adjust budget allocations between the categories by no more than twenty percent (20%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the SCTID, any and all assessment funds may be used for the costs of defending the SCTID. In the first year of operation, the costs of creating the SCTID may be repaid by deducting repayment funds proportionally from budget categories. All assets/funds collected by the District established under the 1989 Law will be transferred to the new 1994 District and additional funds may be allocated to each program as deemed necessary by the DMO Board and City Council during the budget development and approval process.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the marketing and communications budget includes the cost of staff time dedicated to overseeing and implementing the marketing and communications program. Staff time dedicated purely to administrative tasks is allocated to the administration portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing

levels necessary to provide the services below will be determined by the DMO on an as-needed basis.

### **Convention Sales, Incentives, and Services**

The Convention Sales, Incentives, and Services Program will promote sales activity for the booking of Convention Center events and increased room night sales of Convention Center attendees. The budget will be dedicated to sales activities to attract new meetings, conventions, sporting, and other events that have a significant impact on assessed lodging business room demand in the SCTID. The Program may include the provision of subsidies to attract new marquee events and conventions that have not previously hosted an event at the Convention Center. Program activities may include, but is not limited to, the following activities:

- Engage in sales activity for the effective booking of the Convention Center, for increased room night sales to Convention Center attendees and commensurate revenue for the Convention Center.
- Sell and coordinate the booking and reservation of convention, meeting and/or trade show space, hotel rooms and other off-site venues as necessary in connection with such convention, meeting, trade show or other group leisure events at the Convention Center and Santa Clara hotels in order to facilitate the seamless booking and servicing processes for space, food and beverage, audio/visual, and other group needs.
- Conduct targeted sales calls to potential convention, tradeshow, and conference planners to generate prospects.
- Host exhibits at various targeted conference shows and special events as deemed necessary by Contractor to promote economic development and the visitor industry.
- Conduct familiarization tours and product development tours and activities for agreed upon prospective clients.
- Host prospective meeting planners and other prospective clients in the City to promote business and industry development and the tourism industry.
- Provide an incentive program in conjunction with the Convention Center and TID lodging businesses to generate new group or convention bookings.

### **Marketing & Communication**

The Marketing and Communication Program will promote assessed lodging businesses as convention, meeting, and event destinations. The Program will have a central theme of promoting the destination as a desirable place for overnight meeting and convention attendees. The program will have the goal of increasing overnight visitation and room night sales at assessed lodging businesses, and may include, but is not limited to, the following activities:

- Promote and market the Convention Center and Santa Clara, as a premier destination for conventions, meetings and trade shows, including utilization of digital media, online presence and social networks.
- Develop, produce, and distribute promotional convention sales materials specific to the Convention Center, Santa Clara lodging businesses, restaurants, entertainment and other amenities located in the City, and distribute said materials to event planners or coordinators.
- Conduct coordinated advertising, publicity and promotion campaigns emphasizing attractions offered in the City for meetings and conventions groups.

- Participate in appropriate convention and destination marketing association's events and trade shows so that favorable and targeted publicity about the City and the Convention Center is continued and expanded.
- Solicit appropriate convention, tradeshow and meeting organizations to use the Convention Center and other venues throughout the City.
- Support destination planning services to associations, businesses, organizations and groups convening or holding conventions, meetings or events in the City.
- Maintain a master set of bookings and schedules (and other related books and records) for conventions, tradeshow and other events at the Convention Center.
- Create and maintain strategic relationships for the coordination of sales and services with the City and its business partners, including but not limited to the TID lodging businesses, Convention Center operator, and food and beverage service provider among others.
- Engage in such other sales, marketing and promotion activities as Contractor deems appropriate and necessary to increase sales activity for conventions, meetings, trade shows and other events at the Convention Center.
- Maintain and continue to develop an appealing website that is designed to showcase the attributes of Santa Clara and market Santa Clara as a desirable destination.

### **Administration**

Administration provides management, coordination and support to all organizational services and functions. Administration is responsible for the general oversight and fiscal health of the organization and budget will be used to support administrative staffing costs, office costs, policy development, and other general administrative costs such as insurance, legal, and accounting.

### **Contingency/Reserve**

The budget includes a contingency line item to account for uncollected assessments, if any. If there are contingency funds collected, they may be held in a reserve fund or utilized for other program, administration or renewal costs at the discretion of the DMO Board. Policies relating to contributions to the reserve fund, the target amount of the reserve fund, and expenditure of monies from the reserve fund shall be set by the DMO Board. Contingency/reserve funds may be spent on District programs or administrative and renewal costs in such proportions as determined by the DMO Board. The reserve fund may be used for the costs of renewing the SCTID.

### **City Administration Fee**

The City of Santa Clara shall be paid a fee equal to 2% of the amount of assessment collected to cover its costs of collection and administration which may include but are not limited to: staffing costs, legal services, and operational costs for rent, telephone, supplies, postage, and other general office expenses.

### **B. Annual Budget**

The total five (5) year improvement and service plan budget is projected at approximately \$610,936 annually, or \$5,525,122 through 2026 if the maximum assessment rate increases are adopted. This budget is expected to fluctuate as room sales change and if the assessment rate is increased. If the maximum annual assessment increases are adopted by the DMO's Board, the annual budget may increase to an estimated \$1,174,623 in 2022-23.

The initial annual assessment rate is one and one-half of one percent (1.5%) of gross short-term room rental revenue. After the initial year, the DMO Board may propose to increase the assessment

up to a maximum increment of one-half of one percent (0.50%), to a maximum assessment rate of two percent (2%) of gross short-term room rental revenue. If the DMO's Board votes to increase the assessment, the DMO shall propose the assessment increase to the City of Santa Clara for City Council approval.

The table below demonstrates the maximum with the assumption that the rate will be increased in 2022-23 as it is a required disclosure, it may not be the final course of action. Additionally, a three percent (3%) annual increase in the total budget is shown to account for estimated increased room night sales as a result of SCTID efforts. This three percent (3%) annual increase is a conservative estimate based on the effects of similarly sized TID budgets. Finally, it is anticipated revenues will increase by forty percent (40%) as the economy begins to recover from the COVID-19 pandemic. Due to the unprecedented nature of the COVID-19 pandemic, this is an estimation based on available data and may be subject to change. This anticipated forty percent (40%) increase has been implemented in the year 2022-23 in the chart below, in addition to the anticipated three percent (3%) annual increases and the assessment increase. This amount may fluctuate as sales and revenue increase at assessed businesses but is not expected to change significantly over the term.

**Estimated Annual Budget If Maximum Assessment Rates Are Adopted  
2021-2026**

Year	Convention Sales, Incentives, and Services	Marketing & Communication	Administration	Contingency / Reserve	City Administration Fee	Total
2021-22	\$244,374	\$122,187	\$213,828	\$18,328	\$12,219	\$610,936
2022-23	\$469,849	\$234,925	\$411,118	\$35,239	\$23,492	\$1,174,623
2023-24	\$483,945	\$241,972	\$423,452	\$36,296	\$24,197	\$1,209,862
2024-25	\$498,463	\$249,232	\$436,155	\$37,385	\$24,923	\$1,246,158
2025-26	\$513,417	\$256,709	\$449,240	\$38,506	\$25,671	\$1,283,543
<b>Total</b>	<b>\$2,210,049</b>	<b>\$1,105,024</b>	<b>\$1,933,793</b>	<b>\$165,754</b>	<b>\$110,502</b>	<b>\$5,525,122</b>

The table below illustrates the annual improvement and service plan budget with the assumption that the rates will not be increased during the district's five (5) year term. Additionally, a three percent (3%) annual increase in the total budget is shown, to account for estimated increased room night sales as a result of SCTID efforts. Finally, the aforementioned projection of a forty percent (40%) increase in revenue due to economic recovery from the COVID-19 pandemic is reflected in the chart below for year 2022-23.

**Estimated Annual Budget If Maximum Assessment Rates Are Not Adopted  
2021-2026**

Year	Convention Sales, Incentives, and Services	Marketing & Communication	Administration	Contingency / Reserve	City Administration Fee	Total
2021-22	\$244,374	\$122,187	\$213,828	\$18,328	\$12,219	\$610,936
2022-23	\$352,388	\$176,194	\$308,339	\$26,429	\$17,619	\$880,970
2023-24	\$362,960	\$181,480	\$317,590	\$27,222	\$18,148	\$907,399
2024-25	\$373,848	\$186,924	\$327,117	\$28,039	\$18,692	\$934,621
2025-26	\$385,064	\$192,532	\$336,931	\$28,880	\$19,253	\$962,659
<b>Total</b>	<b>\$1,718,634</b>	<b>\$859,317</b>	<b>\$1,503,805</b>	<b>\$128,898</b>	<b>\$85,932</b>	<b>\$4,296,585</b>

## **C. California Constitutional Compliance**

The SCTID assessment is not a property-based assessment subject to the requirements of Proposition 218. Courts have found Proposition 218 limited the term ‘assessments’ to levies on real property.<sup>1</sup> Rather, the SCTID assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the SCTID, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

### **1. Specific Benefit**

Proposition 26 requires that assessment funds be expended on, “a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.”<sup>2</sup> The services in this Plan are designed to provide targeted benefits directly to assessed businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific businesses within the SCTID. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the SCTID and are narrowly tailored. SCTID funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. Assessment funds shall not be used to feature non-assessed lodging businesses in SCTID programs, or to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this SCTID is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing and sales programs promoting lodging businesses paying the SCTID assessment. The Marketing and Sales Program will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the Convention Sales, Incentives, and Services and Marketing and Communication programs that specifically benefit the assessed lodging businesses, the administration and contingency/reserve services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Although the SCTID, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”<sup>3</sup>

### **2. Specific Government Service**

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<sup>1</sup> *Jarvis v. the City of San Diego* 72 Cal App. 4<sup>th</sup> 230

<sup>2</sup> Cal. Const. art XIII C § 1(e)(1)

<sup>3</sup> Government Code § 53758(a)

The assessment may also be utilized to provide, “a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.”<sup>4</sup> The legislature has recognized that marketing and promotions services like those to be provided by the SCTID are government services within the meaning of Proposition 26<sup>5</sup>. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”<sup>6</sup>

### **3. Reasonable Cost**

SCTID services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the DMO, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from SCTID-funded activities, be featured in advertising campaigns, and benefit from other SCTID-funded services. Non-assessed lodging businesses will not receive these, nor any other, SCTID-funded services and benefits.

The SCTID-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program generating those room nights shall be paid with non-SCTID funds. SCTID funds shall only be spent to benefit the assessed businesses and shall not be spent on that portion of any program which directly generates incidental room nights for non-assessed businesses.

### **D. Assessment**

The annual assessment rate is one and one-half of one percent (1.5%) of gross short-term room rental revenue. Based on the benefit received, assessments will not be collected on stays by any officer or employee of a foreign government who is exempt by reason of express provision of Federal law or international treaty. Additionally, assessments will not be collected on stays by any Federal or State of California officer or employee on official business who shall provide one of the following; a warrant or check drawn on the Treasury of the United States; a copy of the official travel orders indicating the issuing governmental agency and the employee’s full name; or, a copy of a letter on the official letterhead of an exempt governmental agency requesting exemption and listing the employee’s name and stating that the stay is for official government business. The dates of occupancy must also be included. These requirements must be demonstrated by the guest at the time of registration. Failure to satisfy these requirements will result in no assessment exemption. Copies of the documentation for each exemption claimed must be submitted to the Director of Finance with each remittance of assessments.

After the initial year, the assessment rate may be increased by the DMO’s Board, subject to City Council approval, to a maximum of two percent (2%) of gross short-term room rental revenue. If the assessment rate is increased, it may subsequently be decreased but shall not be decreased below a minimum of one and one-half of one percent (1.5%) of gross short-term room rental revenue. The

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<sup>4</sup> Cal. Const. art XIII C § 1(e)(2)

<sup>5</sup> Government Code § 53758(b)

<sup>6</sup> Government Code § 53758(b)



assessment may be increased up to a maximum increment of one half of one percent (0.50%) and may be decreased down to a maximum increment of one-half of one percent (0.50%).

The term “gross room rental revenue” as used herein means: the consideration received, whether or not actually charged by the lodging business, for the occupancy of space in a lodging business valued in money, whether said gross room rental revenue is received in money, goods, labor, or otherwise, including all receipts, cash, credits, and property and services of any kind or nature. A lodging business may provide complimentary non-assessable rooms for employee use, guest satisfaction or charitable purposes (by a qualified 501(c)(3) charity) and a lodging business shall detail all complimentary non-assessable rooms in its regular reporting. Failure to accurately report complimentary rooms shall result in assessment of the rooms in question. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. If the SCTID assessment is identified separately it shall be disclosed as the “SCTID Assessment.” As an alternative, the disclosure may include the amount of the SCTID assessment and the amount of the assessment imposed pursuant to the California Tourism Marketing Act, Government Code §13995 et seq. and shall be disclosed as the “Tourism Assessment.” The assessment is imposed solely upon and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purpose, including calculation of transient occupancy taxes.

Bonds or any debt obligation shall not be issued.

### **E. Penalties and Interest**

The SCTID shall reimburse the City of Santa Clara for any costs associated with collecting unpaid assessments. If sums in excess of the delinquent SCTID assessment are sought to be recovered in the same collection action by the City, the SCTID shall bear its pro rata share of such collection costs. Assessed businesses which are delinquent in paying the assessment shall be responsible for paying:

1. *Delinquency Interest:* Any lodging business that fails to remit any assessment imposed within the time required shall pay interest as described in subparagraph 3 below.
2. *Penalty for Willful Noncompliance or Repeated Delinquencies:* If the City determines that the nonpayment of any remittance due is due to willful noncompliance or repeated delinquencies, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the interest as required by subparagraph 3 below.
3. *Calculation of Interest:* In addition to the penalties imposed, any lodging business that fails to remit any assessment imposed shall pay interest at the rate of the United States government T-Bills sold at the latest sale prior to the date of the delinquency plus three percent (3%) prorated per month or fraction thereof on the amount of the assessment, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
4. *Penalties and Interest Merged with Assessment:* Except for the purpose of calculation of interest and penalties, every penalty imposed and such interest as accrues under the provisions of this section shall become a part of the assessment herein.

#### **F. Time and Manner for Collecting Assessments**

The SCTID assessment will be implemented beginning July 1, 2021 and will continue for five (5) years through June 30, 2026. On or before the last day of the month following the close of each calendar quarter, or at the close of any shorter reporting period as established by the Director of Finance, each assessed business shall remit to the City all assessments collected through the last day of the previous quarter, including any delinquencies, penalties, and interest, which have not previously been remitted to the City. Each lodging business located in the boundaries of the SCTID shall be responsible for remitting the assessments to the City in accordance with this Management District Plan. The City will be responsible for collecting the assessment on a quarterly basis or at the close of any shorter reporting period as established by the Director of Finance (including any delinquencies, penalties and interest) from each assessed lodging business. The City shall take all reasonable efforts to collect the assessments from each assessed lodging business. The City shall forward the assessments collected to the Owners' Association.

## V. GOVERNANCE

### A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the SCTID as defined in Streets and Highways Code §36612. The City Council has determined that Silicon Valley/Santa Clara DMO, Inc. (DMO), a nonprofit corporation, will serve as the Owners' Association for the SCTID.

### B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the DMO Board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

### C. Annual Report

The DMO shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

# APPENDIX 1 – LAW

\*\*\* THIS DOCUMENT IS CURRENT THROUGH THE 2018 SUPPLEMENT \*\*\*  
(ALL 2017 LEGISLATION)

## STREETS AND HIGHWAYS CODE DIVISION 18. PARKING PART 7. PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994

### CHAPTER 1. General Provisions

#### ARTICLE 1. Declarations

##### **36600. Citation of part**

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

##### **36601. Legislative findings and declarations; Legislative guidance**

The Legislature finds and declares all of the following:

- (a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.
- (b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.
- (c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.
- (d) Assessments levied for the purpose of conferring special benefit upon the real property or a specific benefit upon the businesses in a business district are not taxes for the general benefit of a city, even if property, businesses, or persons not assessed receive incidental or collateral effects that benefit them.
- (e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:
  - (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.
  - (2) Job creation.
  - (3) Business attraction.
  - (4) Business retention.
  - (5) Economic growth.
  - (6) New investments.
- (f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.
- (g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.
- (h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.
  - (1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.
  - (2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed.

Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

### **36602. Purpose of part**

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

### **36603. Preemption of authority or charter city to adopt ordinances levying assessments**

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

#### **36603.5. Part prevails over conflicting provisions**

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

### **36604. Severability**

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

## **ARTICLE 2. Definitions**

### **36606. “Activities”**

“Activities” means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed real property or specific benefits upon assessed businesses located in the district.

#### **36606.5. “Assessment”**

“Assessment” means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

**36607. “Business”**

“Business” means all types of businesses and includes financial institutions and professions.

**36608. “City”**

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

**36609. “City council”**

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

**36609.4. “Clerk”**

“Clerk” means the clerk of the legislative body.

**36609.5. “General benefit”**

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

**36610. “Improvement”**

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the district.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

**36611. “Management district plan”; “Plan”**

“Management district plan” or “plan” means a proposal as defined in Section 36622.

**36612. “Owners’ association”**

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

**36614. “Property”**

“Property” means real property situated within a district.

**36614.5. “Property and business improvement district”; “District”**

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

**36614.6. “Property-based assessment”**

“Property-based assessment” means any assessment made pursuant to this part upon real property.

**36614.7. “Property-based district”**

“Property-based district” means any district in which a city levies a property-based assessment.

**36615. “Property owner”; “Business owner”; “Owner”**

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

**36615.5. “Special benefit”**

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

**36616. “Tenant”**

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

**ARTICLE 3. Prior Law**

**36617. Alternate method of financing certain improvements and activities; Effect on other provisions**

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

**CHAPTER 2. Establishment**

**36620. Establishment of property and business improvement district**

A property and business improvement district may be established as provided in this chapter.

### **36620.5. Requirement of consent of city council**

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

### **36621. Initiation of proceedings; Petition of property or business owners in proposed district**

- (a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.
- (b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:
  - (1) A map showing the boundaries of the district.
  - (2) Information specifying where the complete management district plan can be obtained.
  - (3) Information specifying that the complete management district plan shall be furnished upon request.
- (c) The resolution of intention described in subdivision (a) shall contain all of the following:
  - (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.
  - (2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

### **36622. Contents of management district plan**

The management district plan shall include, but is not limited to, all of the following:

- (a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.
- (b) The name of the proposed district.
- (c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.



- (d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.
- (e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.
- (f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.
- (g) The time and manner of collecting the assessments.
- (h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.
- (i) The proposed time for implementation and completion of the management district plan.
- (j) Any proposed rules and regulations to be applicable to the district.
- (k)
  - (1) A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.
  - (2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.
- (l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.
- (m) In a property-based district, the total amount of general benefits, if any.
- (n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.
- (o) Any other item or matter required to be incorporated therein by the city council.

**36623. Procedure to levy assessment**

- (a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.
- (b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each

written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

### **36624. Changes to proposed assessments**

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

### **36625. Resolution of formation**

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

- (1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.
- (2) The number, date of adoption, and title of the resolution of intention.
- (3) The time and place where the public hearing was held concerning the establishment of the district.
- (4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.
- (5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.
- (6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district. Notwithstanding the foregoing, improvements and activities that must be provided outside the district boundaries to create a special or specific benefit to the assessed parcels or businesses may be provided, but shall be limited to marketing or signage pointing to the district.
- (7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by

the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

### **36626. Resolution establishing district**

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

### **36627. Notice and assessment diagram**

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

### **36628. Establishment of separate benefit zones within district; Categories of businesses**

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

### **36628.5. Assessments on businesses or property owners**

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

### **36629. Provisions and procedures applicable to benefit zones and business categories**

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

### **36630. Expiration of district; Creation of new district**

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

## **CHAPTER 3. Assessments**

### **36631. Time and manner of collection of assessments; Delinquent payments**

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and

penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

**36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property**

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

**36633. Time for contesting validity of assessment**

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

**36634. Service contracts authorized to establish levels of city services**

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

**36635. Request to modify management district plan**

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

**36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention**

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

**36637. Reflection of modification in notices recorded and maps**

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

## CHAPTER 3.5. Financing

### **36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments**

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

## CHAPTER 4. Governance

### **36650. Report by owners' association; Approval or modification by city council**

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

- (1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.
- (2) The improvements, maintenance, and activities to be provided for that fiscal year.
- (3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.
- (4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.
- (5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- (6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

**36651. Designation of owners’ association to provide improvements, maintenance, and activities**

The management district plan may, but is not required to, state that an owners’ association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners’ association, the city shall contract with the designated nonprofit corporation to provide services.

**CHAPTER 5. Renewal**

**36660. Renewal of district; Transfer or refund of remaining revenues; District term limit**

- (a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.
- (b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.
- (c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

**CHAPTER 6. Disestablishment**

**36670. Circumstances permitting disestablishment of district; Procedure**

- (a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:
  - (1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.
  - (2) During the operation of the district, there shall be a 30-day period each year in which assesseses may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the district who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.
- (b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

**36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district**

- (a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district

is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.  
 (b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

## APPENDIX 2 – ASSESSED BUSINESSES

<b>Lodging Business Name</b>	<b>Lodging Business Address</b>	<b>City, State, ZIP</b>
AC Hotel	2970 Lakeside Dr	Santa Clara, CA 95054
Avatar Hotel	4200 Great America Pkwy	Santa Clara, CA 95054
Biltmore Hotel & Suites	2151 Laurelwood Rd	Santa Clara, CA 95054
Embassy Suites	2885 Lakeside Dr	Santa Clara, CA 95054
Hilton Santa Clara	4949 Great America Pkwy	Santa Clara, CA 95054
Hyatt House	3915 Rivermark Plaza	Santa Clara, CA 95054
Hyatt Regency	5101 Great America Pkwy	Santa Clara, CA 95054
Marriott Santa Clara	2700 Mission College Blvd	Santa Clara, CA 95054
The Element	1950 Wyatt Dr	Santa Clara, CA 95054
The Plaza Suites	3100 Lakeside Dr	Santa Clara, CA 95054
TownePlace Suites by Marriott	2877 Lakeside Dr	Santa Clara, CA 95054

## **Santa Clara Tourism Improvement District (TID) Subsidy Guidelines**

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### **OVERVIEW**

Subsidy funds are made available through the lodging businesses of the Santa Clara Tourism Improvement District (TID) and the City of Santa Clara pursuant to the Parking and Business Improvement Law of 1989, Sections 36500 et seq. of the California Streets and Highways Code. Lodging businesses located in the TID boundaries assess \$1.00 from lodging guests for each occupied room night. The \$1.00 allows the TID to fulfil its mission of generating additional room nights by effectively marketing the Santa Clara region as a preferred travel destination.

As subsidy requests are a common practice in the meetings/convention industry, the TID Advisory Board established a budget dedicating approximately 5% of its revenues for event subsidies, and budgets are approved annually by the Santa Clara City Council. Subsidies are intended to support a client's ability to have a positive experience while holding an event at the Santa Clara Convention Center.

There are no set number of subsidies provided in any Fiscal Year (July 1 – June 30). However, the total dollar amount of the subsidies provided may not exceed the total amount of funds allotted each year by the TID Advisory Board. Subsidies should be viewed as funds to assist with events in the formative years and should not be viewed as a guaranteed continuous source of funding. Recipients will not be guaranteed funding and requests will need to be re-submitted for approval in subsequent years.

### **Purpose**

The purpose is to increase visitation to the Santa Clara Convention Center and support TID lodging businesses. Other tourism partners such as retail, restaurants and attractions will also benefit from increased visitation.

### **Goals**

- 1) To fund events generating NEW hotel room nights, preferably in non-peak months.
- 2) To fund events having the potential to increase the number of visitors and/or to extend the visitors stay.
- 3) To fund events economically benefitting the Santa Clara community and its tourism partners.
- 4) To fund events with potential for repeat business.

### **Eligibility Requirements**

Any request for an event that supports the purpose and goals noted above is eligible to apply for funding. Receiving organizations must be prepared to meet the following criteria.

### **Criteria**

- 1) Client event is at the Santa Clara Convention Center.
- 2) Client event meets the parameters outlined in the booking policy.
- 3) Client event includes hotel room nights with a measurable benefit to the assessed lodging businesses in the TID.



- 4) Client event includes food and beverage services and AV or IT services and meets the revenue requirements in the approved booking policy.

### **Subsidy Uses**

- 1) Subsidies are not retroactive and will not be provided for costs incurred prior to the submission and approval of a request.
- 2) Subsidies will not be provided for Convention Center venue rental assistance.
- 3) Cash subsidies will not be given directly to the client.
- 4) Subsidies may be used for transportation assistance, event enhancements, packaged attraction assistance or other expenditures deemed appropriate by the TID.

### **SUBSIDY REQUESTS**

\*Sales staff refers to DMO or Convention Center

- 1) A *Subsidy Request Form* is used to validate, and document information provided by the client.
- 2) Sales staff are responsible for completing the *Subsidy Request Form*.
- 3) The *Subsidy Request Form* must be fully completed with any supporting documentation attached.
- 4) Submissions to the TID Advisory Board without a completed *Subsidy Request Form* will not be considered.
- 5) Incomplete forms will not be reviewed by the TID Advisory Board and may be returned to the appropriate sales staff for additional information as needed.
- 6) Applications will be reviewed by the TID Advisory Board and applicants will be notified within a reasonable timeframe.
- 7) Applications may be submitted at any time. However, applications will be held until a scheduled TID Advisory Board meeting.

### **Verification Process**

- 1) The following core data points will be researched and documented by sales staff on the *Subsidy Request Form*:
  - a) Demonstrated three-year history (minimum) including number of room nights consumed, total event attendance, and total event spend.
  - b) Potential overall fiscal impact on the Santa Clara Convention Center and other Santa Clara venues (if applicable).
    - i. Including event services including but not limited to rental revenue, food and beverage revenue and other revenue (i.e. AV and IT)
  - c) Potential overall economic Impact
  - d) Date and time of year and potential for booking in a need period.
- 2) Sales staff will also assess and comment on the following:
  - i. Repeat business potential
  - ii. Competitive landscape
  - iii. Intended use of funds
- 3) Based on completed verification process of the event, staff will provide a recommended subsidy amount.
- 4) Completed *Subsidy Request Form* will be submitted to the Convention Center GM or the DMO CEO for review at the next scheduled Sales Meeting.

## Approval Process

- 1) The Convention Center GM and the DMO CEO will review subsidy requests at the biweekly sales meeting and either:
  - a) Approve recommended subsidy amount;
  - b) Recommend alternative level of funding;
  - c) Deny with a request for more information;
  - d) Deny with a reason for denial.
- 2) Approved subsidy requests will be forwarded to the TID Advisory Board for review and approval at the next scheduled TID Advisory Board Meeting.
- 3) The TID Advisory Board will either:
  - a) Approve recommended subsidy amount;
  - b) Recommend alternate level of funding;
  - c) Deny with reason for denial.
- 4) TID Advisory Board decisions are final.
- 5) Sales staff will be notified results of subsidy requests.

DRAFT

**Sample Subsidy Request Form**

**SALES STAFF**

Date:	
Submitted By:	
Name of the Event	
Date of the Event	

*Previous Locations*

Location	Year	Room Nights Generated
Average Room Nights		

*Estimated Hotel Tax*

Estimated Room Nights	Room Rate	TOT Tax	Total

*Estimated Sales Tax*

Estimated Attendees	Daily Spending	Number of Days	Sales Tax	Total

*Direct Revenue Totals*

Estimated TOT	
Estimated Sales Tax	
TID Assessment @ \$1/per room	
Total TOT-Sales Tax-TID	

*Subsidy Evaluation*

Estimated Total Direct Revenue	
Requested Subsidy	
Estimated Economic Impact	
Other Considerations	
<b>Recommended Amount:</b>	
<b>Subsidy Use(s):</b>	
<b>Date:</b>	
<b>Completed By:</b>	

**EXECUTIVE REVIEW (add section)**

**TID ADVISORY BOARD REVIEW (add section)**

**DATE:** December 31, 2020

**TO:** Ruth Mizobe Shikada, Assistant City Manager  
Nancy Thome, Assistant to the City Manager  
Kenn Lee, Director of Finance

**FROM:** Matt Stewart, President & CEO

**SUBJECT:** **Silicon Valley/Santa Clara DMO, Inc. Monthly Report – December 2020**

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**Financial Overview:**

December 2020

- DMO's Operating Budget for 2020/2021 is \$1,244,060
- DMO Expenses are **-\$23,097** YTD, through Q1 (2020/2021)
  - Website **-\$4,000**
  - Legal **-\$16,430**
  - Miscellaneous **-\$1,078**
  - Startup Costs **-\$89**
  - Other Expenditures **-\$1,500**
- Estimated additional expenditures for balance of 2020/2021 (Jan – June). **To be approved:**
  - Contractor: Sales (\$29,000 estimated, based on Jan at \$4,000 and \$5,000 Feb - June)
  - Contractor: Executive Admin (\$16,000 estimated, based on 20 hrs. per week x 20 weeks beginning Feb 2021)
  - Contractor: Marketing Agency (\$50,000 estimated, based on \$10,000 per month X 5 months beginning Feb 2021)

**Forecast:**

- The forecast will continue to fluctuate based on decreased TID Funding. Will work with fiscal agent to rebalance remainder of year (2020/2021). Lower TID revenue collections YTD: will impact Operating budget; need to dip into reserves.
- DMO will continue to monitor the development of a COVID-19 vaccine and observe the direction of the meetings industry to convey expectations of meetings and their impact for the TID Hotels and funding to the DMO.
- According to the most recent Longwoods International tracking study of American travelers, almost two thirds are planning for no travel before the summer of 2021.
- Based on feedback from in-market customer calls in December, many planners are hesitant on booking any meetings in 2021. Many feel 2022 and out years will gain traction as the vaccine is rolled out. Business Travel, according to Cisco, FireEye and Industry Trade Journals will be extremely slow to recover – as fear of travel, combined with corporate savings are weighed.

5001 Great America Parkway  
Santa Clara, CA 95054

## Summary of DMO Activities

### a. Sales

- DMO hired a Sales Contractor (12/7/20) for an initial two months, for conducting sales & marketing research and client engagement activities specific to Priority 1 and Priority 2 business for Santa Clara and the Santa Clara Convention Center. Agreement is up for extension end of January and an extension will be proposed during the next DMO Board meeting on Jan 21, 2021 (or earlier if a special meeting can be scheduled). In the month of December, the Sales Contractor accomplished and has conveyed with DMO/CEO the following:
  - Holding weekly Strategic Sessions with DMO CEO/JLL: Contractor conducted weekly calls with DMO and JLL to understand direction on weekly activities, spreadsheet creation, target customer list, customer questionnaires, market data, industry trends and feedback gained to date from targeted customer list. Focus is on P1 and P2 business.
  - Market Immersion: Contractor sited Santa Clara Convention Center, TID Hotels (location) and attended a SCCC/DMO Introduction/Prospecting meeting with SCCC staff and DMO.
  - Services – Contractor reached out to 58 potential clients/accounts for Santa Clara & the Santa Clara Convention Center (P1 and P2 potential). Of which, 15 live phone conversations and/or Webcasts were realized, netting two future RFP's, one new and one existing – Judicial Council (multiple dates in 2022 & beyond; one P1 and one P2) and Informa Tech (tentative Oct 2021).
  - Majority of time was spent on researching customer lists, doing contact & event research and using a pre-defined Customer Questionnaire for client interaction.
  - Competitive Analysis – Contractor has reached out to and/or conducted research on four (4) competing City's/Convention Centers: San Francisco, Dallas, Nashville & San Jose. Key Trends/Learnings from these destinations: Planners booking into these locations are optimistic about 2022 and beyond, less so for 2021, meetings will require more space (for social distancing), GBAC Star rating is important, auditorium space is increasingly more important for virtual/hybrid, virtual sites needed.
- Marketing – *the* DMO is currently going out to bid (requests for proposals) for Marketing representation on a contract basis. The Agency, once contracted, will focus on rebranding the DMO, lead generation, enhancing/modernizing the DMO website with appropriate SEO, rebuilding its social media platforms to be meetings' centric, building a customer database & engaging with much needed PR for the destination, DMO, its partners (Levy and the Santa Clara Convention Center)
- Administrative Assistance – The DMO is in the preliminary stages of ultimately hiring/contracting and Executive Assistant and will propose this unbudgeted expense to the DMO Board on Jan 21, 2021 (or earlier if a special meeting can be scheduled) and TID Hotels (special meeting being called to discuss)

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- Currently working on KPI Goals for balance for 2020/2021 and full year 2021/2022:
  - # of weeks impacted - 15% weight
    - a. reviewed past business mix
    - b. reviewed optimized business mix
  - # of definite events – 15% weight
    - a. proposed seven (7) new P1 and eight (8) new P2's for 2021/2022 and 2022/2023
  - convention center gross revenue - 15%
    - a. collaborated with Spectra on top line review projections for upcoming fiscal year.
  - # of room nights booked - 10%
    - a. Finalizing room nights based on P1/P2 goals
  - # of room nights consumed - 5%
    - a. Collaborating with Spectra to finalize
  - event mix - 10%
    - a. Reviewing new “glidepath” with JLL
  - economic impact - 5%
    - a. Trained on EIC to prepare projections
  - customer service survey results - 10%
  - sales activities/prospects – 15%
    - a. Submitting initial data from contractor to be used in goal setting.

**High Profile Events/RFP:**

- DMO will engage with decision makers and influencers to bring the World Cup to Santa Clara in 2026. In receipt of RFP.
- DMO engaged with Silicon Valley Auto Show Leadership to share shift their annual to the SCCC in March 2022.

**Stakeholder Meetings:**

- DMO conducted a meeting with Vickie Eiges of Levi Stadium, in addition to being introduced to Jim Mercurio (Executive VP and GM)
- DMO engaged in one-on-one raps with all DMO Board Members
- DMO engaged in one-on-one raps and site tours with most TID Hotels. Remainder to be scheduled in January
- DMO participated in TID Forecast Call to understand budget/forecast updates
- DMO participated in a City Finance Meeting (Introductions only)
- DMO participated in Advocate / Admin Meeting with the City & JLL
- DMO had multiple meetings with Levy and SCCC to discuss alignment in Sales Meetings & future Marketing efforts. Opportunity for collaborative approach moving forward.
- DMO participated in first TID Meeting (intro's and summary of first 30 days)
- DMO Training conducted on KPI's/Budget alignment
- DMO worked with SCCC and Levy to develop preliminary 2021/2022 & 2022/2023 Budget
- DMO participated in two Hyatt Hotel / SCCC Sales Meetings in December

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- DMO participated in two bi-weekly SCCC Sales Meetings in December
- DMO and City reviewed Board bylaws, the Brown Act and Council Communication
- DMO and City established SOP's for Travel & Entertainment

**Vendors/Partners:**

- DMO entered into a one-year Agreement with Prosource Holding Company, Inc. dba Fugate Business Solutions to provide Bookkeeper services
- DMO entered into an Agreement with Simple View "CRM"
- DMO participated in multiple calls with & entered into an Agreement with VANTREO Insurance Brokerage to cover DMO
- DMO and JLL Meeting with Longwoods International – introductions and statistical reviews; newsletter signup.
- DMO participated in 2 meetings with Destination Advantage, current Agency on record
- DMO held meeting with Chamber of Commerce to determine naming rights (Eron Hodges joined)
- DMO had meeting with PSAV to discuss services and innovative approaches moving forward
- DMO participated in Innovative Marketing Strategy Meeting – North Star Media
- DMO had meeting with North Star Media to discuss services and Destination Guides
- DMO engaged with Smart City (IT Provider) on laptop, printer and contacts set up
- DMO participated in two Regional DMO Peer Meetings (networking)

**Attachments:**

A. Sales Contractor Report

**Future Attachments**

B. Dashboard Report

C. Financial Report (to be completed once P&L created)

Michael Lynch  
Sales Consultant  
209 State St.  
San Francisco, CA 94114  
415-902-4724

**DATE:** December 31, 2020  
**TO:** Matt Stewart, President & CEO, Silicon Valley/Santa Clara DMO, Inc.  
**FROM:** Michael Lynch, Sales Consultant  
**SUBJECT:** Sales Contractor Monthly Report December 2020

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### Summary of Sales Contractor Activities

a. Activities

- *Strategic Sessions DMO CEO/JLL: I had weekly calls with DMO and JLL to understand direction on weekly activities, spreadsheet creation, target customer list, customer questionnaires, market data, industry trends and feedback gained to date from targeted customer list. My focus is on P1 and P2 business.*
- *Market Immersion: I sited Santa Clara Convention Center, TID Hotels (location), and attended a SCCC/DMO Introduction/Prospecting meeting with SCCC staff and DMO.*
- *Services – I reached out to 58 potential clients/accounts for Santa Clara & the Santa Clara Convention Center. I spent the majority of time researching customer lists, doing contact & event research and have made voice contact with 15 customers (of the 58 contacts), using a pre-defined Customer Questionnaire and have documented on a separate spreadsheet. I have successfully been engaged with two (2) RFP's as a result of the 15 voice contacts I've spoken to. I have also sent eblasts out to 58 potential Clients/Accounts and will continue doing so to enable future phone/video appointment.*
- *Competitive Analysis – I have reached out to and/or conducted research on four (4) competing City's/Convention Centers: San Francisco, Dallas, Nashville & San Jose*

<b>Activities (12/7 – 12/31):</b>	<b>#</b>
Contacts	58
Contacts Completed (zoom/phone)	15
New Prospects	2

- **Noteworthy Feedback (below):**



Michael Lynch  
Sales Consultant  
209 State St.  
San Francisco, CA 94114  
415-902-4724

- **Informa Tech:** SCCC staff is excellent and flexible (contract terms and space usage) to work with. Cost effective as compared to San Jose. Physical condition of the building is the primary negative feedback heard from attendees. Client pleased to hear about upcoming refresh. Client did share feedback on additional and 'new' permits needed, as these permits were never required in the past?
- **George P. Johnson:** Product quality is important. Hotel inventory (they and clients could not get enough rooms from the hotels). Great America is certainly a benefit as they are on the same footprint. Levi Stadium is also a benefit. Traffic issues on event days are noticeable. Product must match company brand; I. space needs to be fresh & modern with energized environment.
- **Freeman Decorators:** planners motivated to book after 2021. Ensure clients have space to incorporate social distancing. GBAC Star Certification needed. How are you addressing COVID. Staffing at Convention Centers and the hotel side is light – need more communication.
- **Judicial Council of CA:** rely heavily on their DMO's to send RFP's and coordinate between Center and Hotels. Haven't heard from Santa Clara in years. Held meetings at the Center in the past; but the hotel pricing prevented them from looking into future years. Has a 1,000 peak RN program.
- **Gap:** Has held meetings at the Center in the past. Couldn't get enough hotel rooms. Likes using auditoriums. Our theater is a plus!

**Recommendations:** no recommendations at this time. Will provide on next report out.

## 90-day Focus Areas

### Plan Development

1. Marketing Plan Development
  - a. Coordinate with JLL in conjunction with marketing firm engagement
  - b. Target markets
  - c. Outline Activities
  - d. Tie plan to revised budget
2. Budget Revisions and Development
  - a. Complete 2021/2022 fiscal year budget with new TID projections
3. Goal Setting – KPI's
  - a. Collaborate with Spectra and Levy on shared KPI's and top line revenue budgets

### Financial Reporting

1. Development of the P and L – Balance Sheet
  - a. In conjunction with accounting firm
2. Monthly Reporting Process – Treasurer – Finance Committee
  - a. Coordinate with treasurer and city on monthly review and reporting process.
3. Internal Control Development
  - a. Approval limits and process
    - i. Finalize spending and approval limits
  - b. Separation of duties procedures for the following:
    - i. Accounts Payable
    - ii. Payroll
    - iii. Payment Authorization

### Monthly Reporting

1. Monthly Report Template
  - a. Finalize template and circulation
2. KPI Reporting Approach
  - a. Develop KPI tracking plan and reporting
3. Dashboard Development
  - a. Develop Dashboard for KPI summary and gain input

### Governance

1. By-Law Review and development of Governance committee
  - a. Initiate governance committee and conduct initial meeting

## Organizational Set Up – Policy Development

1. HR – Develop the following policies in collaboration with City.
  - a. Entertainment (completed)
  - b. Vacation – PTO
  - c. Vehicle (completed)
  - d. Annual Review Process
  - e. Hours of Work, Attendance and Punctuality Policy (completed)
  - f. Cell Phone Reimbursement (completed)
  - g. Internet, remote office policy and reimbursement
2. Completion of Employee Handbook
  - a. Develop and finalize employee handbook for review and approval by DMO board

## Marketing

1. Finalize Approach for engaging marketing firm
  - a. Develop an RFP and finalize procurement process
    - i. Engage Spectra and Levy in Scope development and incorporate all marketing services needed
    - ii. Coordinate selection process

## Sales Activity and Reporting

1. Develop and circulate monthly sales activity report
  - a. Submit prospecting data in Monthly Sales Reporting
2. Simpleview – CRM
  - a. Complete training
  - b. Review and update current data
  - c. Develop reporting package and circulate
3. Concentrics
  - a. Engage in report training
4. Incentive Plan/Sales Performance
  - a. Development and finalization of sale performance plan and incentive plan

## Council Communication/Advocacy Plan

1. Develop presentation for January meeting
  - a. Develop a presentation and key speaking points in collaboration with City, TID and DMO Board.

**AGREEMENT FOR SERVICES  
BETWEEN  
SILICON VALLEY/SANTA CLARA DMO, INC. AND  
EXECUTIVE ASSISTANT/DATA ENTRY CONSULTING SPECIALIST**

**PREAMBLE**

This Agreement is entered into between **Silicon Valley/Santa Clara DMO, Inc.**, a California nonprofit corporation (the “DMO”), and \_\_\_\_\_, in individual, (Contractor). DMO and Contractor may be referred to individually as a “Party” or collectively as the “Parties” or the “Parties to this Agreement.”

**RECITALS**

- A. DMO desires to secure the services more fully described in this Agreement, at Exhibit A, entitled “Scope of Services”;
- B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of DMO; and,
- C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

**AGREEMENT TERMS AND CONDITIONS**

**1. AGREEMENT DOCUMENTS**

The documents forming the entire Agreement between DMO and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Scope of Services

Exhibit B – Schedule of Fees

Exhibit C – Insurance Requirements

Exhibit D - Convention Center Booking Policy Guidelines

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes and replaces any previous agreements, representations and understandings, whether oral or written. In the event of any inconsistency between the provisions

of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

## 2. TERM OF AGREEMENT

This Agreement shall be month to month commencing on the date Agreement is signed by the Chief Executive Officer and is subject to monthly renewal(s) as the sole discretion of the DMO on the anniversary date of the Agreement.

## 3. SCOPE OF SERVICES & PERFORMANCE SCHEDULE

Contractor shall perform those Services specified in Exhibit A within the time stated in Exhibit A. Time is of the essence.

## 4. WARRANTY

Contractor expressly warrants that all materials and services covered by this Agreement shall be fit for the purpose intended, shall be free from defect and shall conform to the specifications, requirements and instructions upon which this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate or defective Services at no further cost to DMO when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace materials or services, DMO may make corrections or replace materials or services and charge Contractor for the cost incurred by DMO.

## 5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has the expertise in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and DMO expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

## 6. COMPENSATION AND PAYMENT

In consideration for Contractor's complete performance of Services, DMO shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." Compensation for Services is **Forty Dollars (\$40.00)** an hour, not to exceed 20 hours per week, unless authorized by the DMO, subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

## 7. TERMINATION

- A. Termination for Convenience. DMO shall have the right to terminate this Agreement, without cause or penalty, by giving not less than seven (7) days' prior written notice to Contractor.
- B. Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, DMO may terminate this Agreement immediately upon written notice to Contractor.
- C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to DMO all DMO information or material that Contractor has in its possession.

## 8. ASSIGNMENT AND SUBCONTRACTING

DMO and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of DMO. Contractor shall not hire subcontractors without express written permission from DMO.

Contractor shall be as fully responsible to DMO for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by Contractor, as Contractor is for the acts and omissions of persons directly employed by it.

## 9. NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

## 10. INDEPENDENT CONTRACTOR

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of DMO. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

## 11. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed or received by or for Contractor and all other written information submitted to Contractor in connection with the performance of this Agreement shall be held

confidential by Contractor and shall not, without the prior written consent of DMO, be used for any purposes other than the performance of the Services nor be disclosed to an entity not connected with performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or becomes generally known to the related industry shall be deemed confidential.

**12. OWNERSHIP OF MATERIAL**

All material, which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports, designs, technology, programming, works of authorship and other material developed, collected, prepared or caused to be prepared under this Agreement shall be the property of DMO but Contractor may retain and use copies thereof. DMO shall not be limited in any way or at any time in its use of said material. However, Contractor shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to, the release of this material to third parties.

**13. RIGHT OF DMO TO INSPECT RECORDS OF CONTRACTOR**

DMO, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to DMO. Any expenses not so recorded shall be disallowed by DMO. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the DMO.

Contractor shall submit to DMO any and all reports concerning its performance under this Agreement that may be requested by DMO in writing. Contractor agrees to assist DMO in meeting DMO's reporting requirements to the State and other agencies with respect to Contractor's Services hereunder.

**14. HOLD HARMLESS/INDEMNIFICATION**

A. To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify DMO, its DMO Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way

connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor’s employees or persons contracting with Contractor to perform any portion of the Scope of Services – and shall expressly include passive or active negligence by DMO connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of DMO; the obligation to defend is not similarly limited.

B. Contractor’s obligation to protect, defend, indemnify, and hold harmless in full DMO and DMO’s employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against DMO (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.

C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act (“Act”) and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless DMO for any penalties, fines, adverse rulings, or tax payments associated with Contractor’s responsibilities under the Act.

## **15. INSURANCE REQUIREMENTS**

During the term of this Agreement, and for any time period set forth in Exhibit C, Contractor shall provide and maintain in full force and effect, at no cost to DMO, insurance policies as set forth in Exhibit C.

## **16. WAIVER**

Contractor agrees that waiver by DMO of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither DMO’s review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.



17. **NOTICES**

All notices to the Parties shall, unless otherwise requested in writing, be sent to DMO addressed as follows:

Silicon Valley/Santa Clara DMO, Inc.  
Attention: Board of Directors Chair  
5001 Great America Parkway  
Santa Clara, CA 95054  
and by e-mail at [eron.hodges@hyatt.com](mailto:eron.hodges@hyatt.com)

And to Contractor addressed as follows:

NAME  
ADDRESS  
ADDRESS 2  
and by e-mail at \_\_\_\_@\_\_\_\_.com

The workday the e-mail was sent shall control the date notice was deemed given. An e-mail transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following business day.

18. **COMPLIANCE WITH LAWS**

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to “The Code of the DMO of Santa Clara, California” (“SCCC”). In particular, Contractor’s attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), and Business Tax Certificate (SCCC section 3.40.060), as such Chapters or Sections may be amended from time to time or renumbered.

19. **CONFLICTS OF INTEREST**

Contractor certifies that to the best of its knowledge, no DMO officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and following and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise DMO if a conflict arises.

20. **FAIR EMPLOYMENT**

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression,

gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

**21. NO USE OF DMO NAME OR EMBLEM**

Contractor shall not use DMO's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of DMO.

**22. GOVERNING LAW AND VENUE**

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

**23. SEVERABILITY CLAUSE**

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

**24. AMENDMENTS**

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

**25. COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

**SILICON VALLEY/SANTA CLARA DMO, INC**  
a chartered California municipal corporation

Approved as to Form:

Dated: \_\_\_\_\_

\_\_\_\_\_  
**TERRANCE P. CONNER**  
Theits Law  
DMO Attorney

\_\_\_\_\_  
**MATTHEW STEWART**  
Chief Executive Officer  
5001 Great America Parkway  
Santa Clara, CA 95054  
Telephone: (408) 748-7076

“DMO”

**NAME**  
An individual

Dated: \_\_\_\_\_

By (Signature): \_\_\_\_\_

Name: \_\_\_\_\_

Title: Contractor

Principal Place of Business Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

“CONTRACTOR”

## EXHIBIT A SCOPE OF SERVICES

The Services to be performed for the DMO by the Contractor under this Agreement are set forth below.

Contractor shall be responsible for conducting ~~data entry & consulting sales and marketing administrative support~~ advice for the DMO.

### 1. Kick-Off Meeting

1.1. Contractor shall attend ~~and participate in~~ a Project Kick-Off Meeting with the DMO. The purpose of the meeting will be to establish a clear understanding of the DMO's goals and objectives, set project direction, and develop a project plan consisting of a timeline and milestones.

### 2. Ongoing Client Calls and Meetings

2.1. Contractor shall attend and participate in regular meetings and communication with the DMO and appropriate parties throughout the project.

2.2. Contractor shall provide regular progress updates and share specific and relevant information ~~in, and make recommendations as appropriate.~~

### 3. Client Engagement

3.1. Contractor shall work with DMO and other DMO Associates or Contractors to assist in targeting ~~identify~~ P1 & P2 potential clients as a first priority.

3.2. Contractor shall engage with Customers as needed.

### 4. Proposals, Contracts & Presentations

4.1. Contractor shall prepare proposals, contracts, power point presentations and customer correspondence.

### 5. DMO/Convention Center Systems

5.1. Contractor shall learn and become proficient with DMO/Convention Center systems and software (i.e. Concentrics & Simple View CRM).

### 6. Assume Board Meeting Responsibilities

6.1. Contractor shall post and prepare Board Agendas and manage minutes.

## **7. Assist with Development of DMO SOP's**

7.1. Contractor shall assist in the development and preparing of SOP's.

## **8. Assist DMO staff in ordering supplies**

8.1. Contractor shall assist in ordering supplies for the DMO, through the proper procurement process in place.

## **9. Assist DMO staff in preparing and running reports**

9.1. Contractor shall assist in preparing and running reports for the DMO, across various systems.

## **10. Assist DMO in coordinating manager's schedules and travel**

10.1. Contractor shall assist in coordinating schedules and travel of DMO staff.

## **11. Assist DMO staff in ordering & paying subscriptions, software, invoices, W9's**

11.1. Contractor shall assist in ordering & paying subscriptions, software, preparing and ensuring Invoices are used, managing credit card purchases and required zero balances following reimbursement protocols in place for the DMO.

## **12. Reporting**

12.1. Ten (10) days prior to the end of the month, Contractor shall provide the DMO with a written report (Excel spreadsheet preferred) on all activities of the Contractor including but not limited to, number of proposals/contracts created, number of and name of SOP's created, training attended, systems utilization access (i.e. Concentrics & Simple View), time spent researching for DMO and supporting & DMO Board duties.

## **13. Other Administrative Support Responsibilities**

13.1. Contractor shall assist with other responsibilities, not listed above, as directed by the DMO staff.

EXHIBIT B

**SCHEDULE OF FEES**

Contractor will bill the DMO upon the successful completion of Services. The invoice will be in a format approved by DMO and subject to verification and approval by DMO. DMO will pay Contractor within thirty (30) days of DMO's receipt of an approved invoice.

In consideration of the Services provided by the Contractor, DMO shall pay the Contractor an hourly rate of \$40.00 inclusive of all expenses, not to exceed 20 hours per week, and/or 80 hours per month, unless authorized by DMO for Services completed under this Agreement. The table below is a representative allocation of hours. This will vary based on specific needs.

A.

<b><u>Tasks</u></b>	<b><u>Hours per month</u></b>
Kickoff Meeting	1
Client Engagement/Meetings	2
Proposals/Contracts/Presentations	30
Systems	22
Board Duties	2
SOP's	8
Supplies (ordering/pickup/transporting)	1
Reports	6
Scheduling/Travel Assistance	2
Subscriptions/Invoices	4
Monthly Contractor Report Development	2

**Estimated Cost**

80 hours @ 40.00 = \$3,200 per month

**EXHIBIT C**  
**INSURANCE REQUIREMENTS**

Without limiting the Contractor's indemnification of Silicon Valley/Santa Clara DMO, Inc., and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

**A. COMMERCIAL GENERAL LIABILITY INSURANCE**

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

\$1,000,000 Each Occurrence  
\$1,000,000 General Aggregate  
\$1,000,000 Products/Completed Operations Aggregate  
\$1,000,000 Personal Injury

2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:
  - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;
  - b. There shall be no cross-liability exclusion which precludes coverage for claims or suits by one insured against another; and
  - c. Coverage shall apply separately to each insured against whom a claim is made, or a suit is brought, except with respect to the limits of liability.

**B. BUSINESS AUTOMOBILE LIABILITY INSURANCE**

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars (\$1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned (if any), non-owned and hired autos.

## C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of Silicon Valley/Santa Clara DMO, Inc., its directors, commissions, officers, employees, volunteers and agents.

## D. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. Silicon Valley/Santa Clara DMO, Inc., its directors, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for DMO, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85, or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.
2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.
3. Cancellation.
  - a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to DMO at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.



- b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to DMO at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.
4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through E of this Exhibit C, above.

#### **E. ADDITIONAL INSURANCE RELATED PROVISIONS**

Contractor and DMO agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services, who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by DMO, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to DMO for review.
2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge DMO or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to DMO. It is not the intent of DMO to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against DMO for payment of premiums or other amounts with respect thereto.
3. The DMO reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

#### **F. EVIDENCE OF COVERAGE**

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance

coverage shall be maintained with insurers, and under forms of policies, satisfactory to DMO and as described in this Agreement. Contractor shall file with the DMO all certificates and endorsements for the required insurance policies for DMO's approval as to adequacy of the insurance protection.

**G. EVIDENCE OF COMPLIANCE**

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to DMO, or its representative as set forth below, at or prior to execution of this Agreement. Upon DMO's request, Contractor shall submit to DMO copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to DMO pursuant to this Agreement shall be mailed to:

Silicon Valley/Santa Clara DMO, Inc.  
5001 Great America Parkway  
Santa Clara, CA 95054

**H. QUALIFYING INSURERS**

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the DMO or its insurance compliance representatives.

## EXHIBIT D

### SANTA CLARA CONVENTION CENTER BOOKING POLICY GUIDELINES

#### 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 TID 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.

### **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.

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## Attachment A – Overview Chart

Priority	Peak Room Nights	Combined Building Spend	Economic Impact	Convention Center Impact	Community Impact	Booking Window
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





**STATEMENT OF**  
**QUALIFICATIONS/PROPOSAL**  
**PROFESSIONAL MARKETING SERVICES**

**SOQ/P# DMO-0001**

<b>SOQ/P release date:</b>	January 29, 2021
<b>Contact Information:</b>	Matt Stewart-Silicon Valley/Santa Clara DMO 5001 Great America Parkway Santa Clara, CA 95054 Tel: 408.748.7076 Email: matt.stewart@discoversantaclara.org
<b>Deadline for questions and objections:</b>	February 18, 2021 at 4PM PDT
<b>Proposal due date/time/location:</b>	February 26, 2021 at 4PM PDT Please submit your proposal via Periscope S2G

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## 1. INTRODUCTION

The Silicon Valley/Santa Clara DMO, Inc. is a private, not-for-profit 501(c)6 business association that is charged with the responsibility of marketing, promoting, and selling Santa Clara as a world-class destination for meetings & conventions, sports & leisure travelers for both domestic and international visitors. Eleven (11) Hotels support the DMO's efforts through their annual Tourism Improvement District tax collections. The DMO is governed by a Board of Directors and an Executive Committee that provide oversight of the DMO's operations.

The City of Santa Clara ("City") has a contractual relationship with the Silicon Valley/Santa Clara DMO, Inc. to provide the services above.

The Silicon Valley/Santa Clara DMO, Inc. is soliciting Statements of Qualifications/Proposals ("SOQ/P") from qualified firms ("Proposer") for professional marketing services. These services shall include but are not limited to branding of the destination, concept development and production, marketing and advertising plans, media buys, website upgrades and design, market research, social media outreach and production of a multi-faceted and integrated marketing and advertising campaign.

The successful proposer shall enter into an agreement with and perform the scope of work under the direction of the Silicon Valley/Santa Clara DMO, Inc.

**Only those firms/teams short-listed through this process will be eligible to participate in the next step, which may include an interview and submittal of a full scope and fee proposal.**

## 2. OBJECTIVE

The Silicon Valley/Santa Clara DMO, Inc. is soliciting Statements of Qualification/Proposals from professional marketing firms/teams to provide complete marketing and advertising services and administration of those services for the Silicon Valley/Santa Clara DMO. Respondents of this SOQ/P without public facility experience may not be considered.

The individual or firm selected will be responsible to perform all work necessary to deliver a complete marketing package. Professional marketing services include but are not limited to branding of the destination, concept development and production, marketing and advertising plans, media buys, website upgrades and design, market research, social media outreach and production of a multi-faceted and integrated marketing and advertising campaign. The individual or firm/team selected is expected to be knowledgeable of project milestones, approval process, procurement requirements, if needed. All deliverables shall conform to all applicable codes, rules, regulations, and guidelines of the City of Santa Clara.

## 3. PROJECT BACKGROUND

The Silicon Valley/Santa Clara DMO, Inc., began operation in November of 2020. Its primary function being to generate new, large room-night generating pieces of group business for the

overall destination and to drive economic impact for the community. The Santa Clara Convention Center is the primary venue for hosting the majority of the events. The Silicon Valley/Santa Clara DMO is also responsible for marketing the overall destination and to create a highly desirable and sought-after environment that positively contributes to the overall visitor experience.

**4. SCOPE OF WORK**

Refer to Attachment “A” Scope of Work

**5. TERM OF AGREEMENT**

The initial term of the agreement, once awarded, shall be for one (1) year. The Silicon Valley/Santa Clara DMO, Inc., reserves the right to exercise two (2) additional six-month options after the initial term of the awarded agreement.

**6. DOCUMENTS INCLUDED WITH THIS SOQ/P**

<b>Name</b>	<b>Description</b>	<b>Where to find</b>
Attachment A	Scope of Work	In main SOQ/P document
Attachment B	Cost Proposal	In main SOQ/P document
Attachment C	Customer Reference Form	In main SOQ/P document
Attachment D	Proposer Certification Form	In main SOQ/P document
Attachment E	Procurement and Contract Process Integrity and Conflict of Interest Guidelines	In main SOQ/P document
Attachment F	Exemplar Agreement	Separate Attachment
Attachment G	Floor Plans of the Center	Separate Attachment
Attachment H	KPI's	Separate attachment
Attachment I	Booking Policy	Separate attachment

**7. HOW TO OBTAIN THIS SOQ/P**

- 7.1. This SOQ/P may be downloaded from the Periscope S2G e-Procurement system located at <https://www.periscopeholdings.com/supplier-solutions> Respondents can also find a link at the Santa Clara Convention website at [www.santaclaraconventioncenter.com](http://www.santaclaraconventioncenter.com). At either website, follow the links to register for this online service. You may register for free either online or by calling Periscope S2G Vendor Support at 1-877-472-9062 and telling the support representative that you are registering for Santa Clara Convention Center (City of Santa Clara) bids.
- 7.2. All addenda and notices related to this procurement will be posted by the Silicon Valley/Santa Clara DMO, Inc., on Periscope S2G. In the event that this SOQ/P is obtained through any means other than Periscope S2G, the Silicon Valley/Santa

Clara DMO, Inc., will not be responsible for the completeness, accuracy, or timeliness of the final SOQ/P document.

## 8. PROCEDURE FOR SUBMITTING QUESTIONS AND INQUIRIES

- 8.1. All questions/inquiries pertaining to this SOQ/P must be made via Periscope S2G on or before the deadline date specified on the cover sheet of this document. The Silicon Valley/Santa Clara DMO, Inc., will provide a written response to all questions in the form of an Addendum. Questions answered on Periscope S2G that affect the content, clarity, or submittal requirements, shall be considered addenda to the SOQ/P.

## 9. OBJECTIONS

- 9.1. Any objections as to the structure, content or distribution of this SOQ/P must be submitted in writing to the contact listed on the cover sheet of this document. Objections must be as specific as possible and identify the SOQ/P section number and title, as well as a description and rationale for the objection.
- 9.2. All objections, questions and inquiries must be received by the deadline stated on the cover sheet.

## 10. SUBMISSION OF PROPOSALS

- 10.1. You must respond to this SOQ/P by the due date and time as stated on the cover sheet of this document for your proposal to be considered. Proposals must be submitted and addressed to the attention of the contact listed on the cover sheet of this document, clearly labeled with the title and number of the SOQ/P that may be located on the cover page of this document.
- 10.2. Submit your proposal via Periscope S2G the subject line of the email shall read as follows: **SOQ/P #DMO-0001, Professional Marketing Services**. Please consolidate your proposal into one PDF document. The Silicon Valley/Santa Clara DMO, Inc., via Periscope S2G, will send a confirming email upon the receipt of your proposal.
- 10.3. The Proposal must be in Times New Roman, Arial, or some similar, easily readable font. The size of the font cannot be any smaller than 11 and margins should be 1 inch or wider.

## 11. RESPONSE DOCUMENTS/SUBMISSION REQUIREMENTS

In order to expedite the evaluation process, each Proposal shall be organized in accordance with this section. Proposals that do not follow the specified format outlined below, or fail to provide the required documentation, may receive lower scores, or if found to be non-responsive, be disqualified. In the event of any conflict between any of the Proposal documents, resolution thereof shall be in the Silicon Valley/Santa Clara DMO, Inc.'s sole discretion.

- 11.1. Table of Contents.** Include a table of contents that identifies the page numbers for each of the various sections in the Proposal. All pages must be consecutively numbered and correspond to the table of contents.
- 11.2. Cover Letter.** Include a transmittal letter identifying the Proposer's firm and the proposal package being submitted. The letter shall provide the name, title, address, and telephone number of the individual authorized to contractually bind the firm and be signed by the authorized individual. Also include the name of the contact person for this SOQ/P.
- 11.3. Company Profile.** Provide a brief company profile that identifies the company information, including years in business, names previously used, and other company affiliations; description of any anticipated changes of ownership or control of the company; mailing address of the Proposer's principal place of business; mailing address, and phone number of the office in which the project team will be located; and other general information that is deemed significant enough to be highlighted.  
  
Address any pending or current litigation related to services provided by your firm, and any terminated contracts within the past five years with an explanation of the reasons for termination.
- 11.4. Statement of Qualifications/Proposals.** Provide a detailed narrative demonstrating firm/individual expertise, capacity, experience, and approach to performing the work described in this SOQ/P.
- 11.5. Project Approach.** Provide your approach to facilitate communication with the Silicon Valley/Santa Clara DMO, Inc.
- 11.6. Project Team Qualifications and Experience.** Provide the names and background information on staff that will be assigned to this project. Include one-page résumés for the key personnel. Assigned project lead must have a minimum five (5) years of marketing experience.
- 11.7. Client List.** Include a client list where your firm has performed similar services, and when they were performed. At least one reference must be a public agency or similar.
- 11.8. Project Approach.** Provide a brief description of the plan and approach you will take to accomplish to complete the Scope of Work.

**11.9. Cost.** Submit your cost proposal using Attachment B, Cost Proposal.

**11.10. Attachments**

The following documents must be completed and submitted with your proposal:

**11.10.1.** Attachment B – Cost Proposal

**11.10.2.** Attachment C – Customer Reference Form

Please provide three (3) client references. Complete this form providing a description of the work performed for the reference customer as it relates to the work described in this SOQ/P. Copy the form as appropriate to provide the required number of references.

**11.10.3.** Attachment D – Proposer Certification Form

**12. SELECTION PROCESS AND EVALUATION CRITERIA**

**12.1. Selection Process**

**12.1.1.** Phase 1 - Submittals will be evaluated per the criteria and weights listed in the table below (Phase 1). Only those firms/teams short-listed through this process will be eligible to participate in the next step, which may include an interview and submittal of a full scope and fee proposal.

**12.1.2.** Phase 2 - At the Silicon Valley/Santa Clara DMO, Inc.'s discretion, firms submitting the highest scoring submittal may be interviewed and scored per the criteria and weights in the table below (Phase 2).

**12.1.3.** The final selection will be based on the submittal earning the highest score at the completion of the Phase 1 process. If the Silicon Valley/Santa Clara DMO, Inc. decides to conduct Phase 2, the final selection will be based on the firm earning the highest score in Phase 2.

**12.1.4.** The Silicon Valley/Santa Clara DMO, Inc. reserves the right to rely on information from sources other than the information provided by the respondents.

**12.2. Evaluation Criteria**

Description	Phase 1	Phase 2 (optional)
Proposal Responsiveness	Pass/Fail	--
Experience of Firm	25%	--
Quality of response	25%	

Experience of Team in key areas	20%	--
Cost	30%	25%
Oral Interview	--	75%
<b>Total Score</b>	<b>100%</b>	<b>100%</b>

### 13. BEST AND FINAL OFFER (BAFO)

- 13.1.** A Best and Final Offer (BAFO) may be held with one or more finalist(s) if final information or clarification is necessary in order to make a final decision. The BAFO may allow proposers to revise their proposals based on information received from the Silicon Valley/Santa Clara DMO, Inc. The Silicon Valley/Santa Clara DMO, Inc. will send out the request for a BAFO with instructions addressing the areas to be covered and the date, form, and time in which the BAFO is to be submitted. After receipt of the BAFO, scores may be adjusted based upon any new information received in the BAFO.
- 13.2.** The Silicon Valley/Santa Clara DMO, Inc. may request only one BAFO unless the Silicon Valley/Santa Clara DMO, Inc. determines that another BAFO is warranted.
- 13.3.** Proposers are cautioned that the BAFO is optional and at the sole discretion of the Silicon Valley/Santa Clara DMO, Inc. Therefore, Proposers should not assume that there would be another opportunity to amend their technical or price proposals, unless another BAFO is requested from the Silicon Valley/Santa Clara DMO, Inc. Proposers may not request an opportunity to submit a BAFO, unless specifically requested by the Silicon Valley/Santa Clara DMO, Inc.

### 14. PROTESTS

- 14.1.** If an unsuccessful Proposer wants to dispute the award recommendation, the Protest must be submitted in writing to the contact listed below no later than ten calendar days after announcement of the successful Proposer, detailing the grounds, factual basis for the protest, and submittal of all supporting information. Protests will not be considered for disputes of any proposal requirements, which must be addressed in accordance with Section 9. Failure to submit a timely written Protest to the contact listed below will bar consideration of the Protest.

- 14.2.** The address for submitting protests is:

Silicon Valley/Santa Clara DMO, Inc.  
Attention: Chief Executive Officer  
5001 Great America Parkway  
Santa Clara, CA 95054

### 15. COLLUSION



By submitting a proposal, each Proposer represents and warrants that its proposal is genuine and made in the interest of or on behalf of any person named therein; that the Proposer has not directly induced or solicited any other person to submit a sham proposal or any other person to refrain from submitting a proposal; and that the Proposer has not in any manner sought collusion to secure any improper advantage over any other person submitting a proposal.

## **16. GROUNDS FOR DISQUALIFICATION**

All Proposers are expected to have read and understand Attachment E, Procurement and Contract Process Integrity and Conflict of Interest. Factors, such as, but not limited to, any of the following, may disqualify a proposal without further consideration:

- 16.1.** Evidence of collusion, directly or indirectly, among Proposers in regard to the amount, terms, or conditions of this proposal.
- 16.2.** Any attempt to improperly influence any member of the evaluation team.
- 16.3.** Existence of any lawsuit, unresolved contractual claim or dispute between Proposer and the City or the Silicon Valley/Santa Clara DMO, Inc.
- 16.4.** Evidence of incorrect information submitted as part of the proposal.
- 16.5.** Evidence of Proposer's inability to successfully complete the responsibilities and obligations of the proposal.
- 16.6.** Proposer's default under any previous agreement with the City or the Silicon Valley/Santa Clara DMO, Inc.

## **17. NON-CONFORMING PROPOSAL**

A proposal shall be prepared and submitted in accordance with the provisions of these SOQ/P instructions and requirements. Any alteration, omission, addition, variance, or limitation of, from or to a proposal may be sufficient grounds for non-acceptance of the proposal, at the sole discretion of the Silicon Valley/Santa Clara DMO, Inc.

## **18. GRATUITIES**

No person shall offer, give, or agree to give any Silicon Valley/Santa Clara DMO, Inc. employee any gratuity, discount or offer of employment in connection with the award of contract by the Silicon Valley/Santa Clara DMO, Inc. No Silicon Valley/Santa Clara DMO, Inc. employee shall solicit, demand, accept or agree to accept from any other person a gratuity, discount or offer of employment in connection with a City or the Silicon Valley/Santa Clara DMO, Inc. contract.

## **19. CONFLICT OF INTEREST**

- 19.1.** Proposer(s) may not have any interest in any potential future the Silicon Valley/Santa Clara DMO, Inc. procurements that may result from the work performed under the agreement resulting from this SOQ/P.
- 19.2.** For the purpose of the State of California's conflict of interest rules, consultants who make or influence governmental decisions are required to file Statements of Economic Interest, known as a "Form 700."

## **20. GENERAL INFORMATION**

- 20.1.** The successful Proposer will be required to enter into an agreement, Attachment F of this SOQ/P.
- 20.2.** All costs associated with responding to this request are to be borne solely by the Proposer.
- 20.3.** It is the Silicon Valley/Santa Clara DMO, Inc. policy that the selected firm shall not discriminate, in any way, against any person on the basis of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law, in connection with or related to the performance of any the Silicon Valley/Santa Clara DMO, Inc. and City of Santa Clara contracts.
- 20.4.** An agreement shall not be binding or valid with the Silicon Valley/Santa Clara DMO, Inc. unless and until it is fully executed by authorized representatives of the Silicon Valley/Santa Clara DMO, Inc. and of the Proposer.

## **21. RIGHTS OF THE SILICON VALLEY/SANTA CLARA DMO, INC.**

- 21.1.** This SOQ/P does not commit the Silicon Valley/Santa Clara DMO, Inc. to enter into a contract, nor does it obligate the Silicon Valley/Santa Clara DMO, Inc. to pay for any costs incurred in preparation and submission of proposals or in anticipation of a contract. the Silicon Valley/Santa Clara DMO, Inc. reserves the right to:
  - 21.1.1.** Accept an offer in full, or in part, or to reject all offers.
  - 21.1.2.** Make the selection based on its sole discretion.
  - 21.1.3.** Reject any and all proposals.

- 21.1.4. Issue subsequent Requests for Statements of Qualifications/Proposals.
- 21.1.5. Postpone opening proposals for any reason.
- 21.1.6. Approve or disapprove the use of particular subconsultants.
- 21.1.7. Negotiate with any, all or none of the Proposers.
- 21.1.8. Accept other than the lowest offer.
- 21.1.9. Waive informalities and irregularities in the Proposals.
- 21.1.10. Enter into an agreement with another Proposer in the event the originally selected Proposer defaults or fails to execute an agreement with the Silicon Valley/Santa Clara DMO, Inc.

## **22. PUBLIC NATURE OF PROPOSAL MATERIAL**

- 22.1. Responses to this SOQ/P become the exclusive property of the Silicon Valley/Santa Clara DMO, Inc. At such time as awards a contract, all proposals received in response to this SOQ/P become a matter of public record and shall be regarded as public records, with the exception of those elements in each proposal which are defined by the Proposer as business or trade secrets and plainly marked as "Confidential," "Trade Secret," or "Proprietary." Neither the City or the Silicon Valley/Santa Clara DMO, Inc. shall in any way be liable or responsible for the disclosure of any such proposal or portions thereof, if they are not plainly marked as "Confidential," "Trade Secret," or "Proprietary," or if disclosure, in the Silicon Valley/Santa Clara DMO, Inc.'s sole discretion, is required under the California Public Records Act as addressed below. Any proposal which contains language purporting to render all or significant portions of the proposal "Confidential," "Trade Secret," or "Proprietary" shall be regarded as non-responsive.
- 22.2. Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, the Silicon Valley/Santa Clara DMO, Inc. may determine, in its sole discretion, that the information that a Proposer submits is not a trade secret. If a request is made for information marked "Confidential," "Trade Secret," or "Proprietary," the Silicon Valley/Santa Clara DMO, Inc. shall provide the Proposer who submitted the information reasonable notice to allow the Proposer to seek protection from disclosure by a court of competent jurisdiction, at the Proposer's sole expense. If Proposer takes no such action after receiving the foregoing notice from the Silicon Valley/Santa Clara DMO, Inc., the Silicon Valley/Santa Clara DMO, Inc. shall comply with the records request and is not required to defend against it.

## **23. INSURANCE REQUIREMENTS**

- 23.1.** The selected Proposer(s), at Proposer's sole cost and expense and for the full term of the Agreement or any extension thereof, shall obtain and maintain, at a minimum, all of the insurance requirements outlined in the Exemplar Agreement Attachment F.

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## **ATTACHMENT A SCOPE OF WORK**

The purpose and intent of this request for proposal is to contract for integrated marketing services with a qualified, full service company (Agency) that can furnish counsel, carry-out market research and produce a multi-faceted and integrated marketing and advertising campaign to support the tourism mission of the DMO and its partners the Santa Clara Convention Center & Levy Restaurants by supporting strategies and developing new creative marketing assets for Santa Clara, CA. Project based services will begin effective immediately after the contract is awarded and will continue through contract term.

As the SOQ/P submission, the Agency will develop and submit their approach and initial thoughts on developing an innovative and cost-effective integrated direct marketing & PR campaign, including but not limited to print, broadcast, digital and social media, experiential, etc. Strategies should focus utilizing current DMO, Santa Clara Convention Center or Levy Restaurants supplied creative (if exists) and assets to attract meetings and groups, meetings, citywide conventions, tradeshow, social events and sports events to Santa Clara with the Santa Clara Convention Center as the primary venue, with a key emphasis on increasing overnight lodging occupancies associated with Meetings/Conventions with over 600 rooms on peak night. See the booking policy, guidelines which are attached.

The projected scope of work includes, but is not limited to:

**1. New Branding of DMO and the Destination**

DMO will work with awarded Agency on a new brand for the Destination and DMO. "Discover Santa Clara" has been identified as the new direction for the DMO name and destination branding. The awarded agency would update existing websites and social media platforms. The awarded agency will also assist in the creation of a new logo/brand for the destination that can also be utilized by convention center management, the food service provider and other stakeholders.

**2. Concept Development/Production – Creative Brief**

DMO will work with awarded Agency on concept creative materials and campaign elements for use in current and future marketing planning and execution. Agency will work in tandem with DMO to maximum creative impact through plan support and media buying, specific platforms are listed below. Agency may recommend amendments or additions to creative vehicles to meet this purpose. Agency will be responsible for marketing asset creation including video assets and static creatives including print pieces, digital banner advertisements and other platforms as determined.

**3. Marketing and Advertising Plan – Target Audience**

Agency will develop media placement recommendations for a target market campaign that supports the targeted event types and strategies set forth in the marketing plan that is under development by the DMO and its partners. This includes campaign proposal and planning, media placement purchasing, media vendor management and providing overall campaign metrics and reporting back to the DMO upon completion. Recommendations must include a mix of media recommendations that include ROI driving meetings and convention platforms such as digital and social coupled with new technology and new ideas for maximum meeting planner and event decision maker impact in each market.

**4. Media Buys**

The awarded Agency shall execute the media plan based on the Marketing Plan direction based upon receiving approval from the DMO. Execution includes placement, optimization, cancellations and reporting on ROI.

5. Retail Plan

The awarded agency will develop marketing strategies and tactics for the execution of a retail plan for the food and beverage operation at the Santa Clara Convention Center. This will include approaches to attract targeted audiences and ongoing messaging and outreach.

6. KPI's

The awarded agency will fully engage in the attached KPI's and align recommendations on achieving the KPI targets.

### Examples of Potential projects

The following are examples of marketing projects that will be included based on the final marketing plan and determination of "highest return" marketing vehicles.

- Destination Collateral, e.g., 1-sheets event spaces, 1-sheets by event type, facility guide/planner guide, website upgrade, etc.
- Promotional videos of the Center and Destination (Santa Clara)
- Professional event and food photography (with talent); non-stock
- Developing a plan for marketing the reopening of the Santa Clara Convention Center
  - Facility upgrades – Capital improvements to the Center
  - Name the "Tech Café"/Lobby Activation within the Center
  - Safe & secure meetings on site; COVID
  - Instructional posts on guidelines for the facility (face coverings, etc.); COVID
- Design and implement a strategy to raise the profile of the food experience at the Santa Clara Convention Center
- Monthly social media plans and posts/timing
  - Monthly Meeting/Webcasts to review previous month results and future planning/ideas/targets
  - Building followers on all social media platforms
  - Improve SEO for online platforms
- Marketing/Advertising plans for Meeting Planner events
- Marketing/Advertising plans for Community Events
  - Plan for marketing local vendors
  - Plan for attracting targeted attendees (local & regionally)
- Advertising campaigns to reach meeting planners of "P1 & P2" events for the DMO and "P3/P4/P5" (including local social events) events for the Convention Center and Levy Restaurants
- Assistance in designing creative for Sales & Marketing packages, I.e., meeting packages, seasonal packages, etc.
- Development of an e-mail marketing strategy for meeting planners of event types listed above
- Assistance in designing digital signage content
- Venue and Destination press releases

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**ATTACHMENT B  
COST PROPOSAL**

Pricing shall be on a proposed retainer and delineating expense that are in addition to the base retainer.

Consultant's invoice shall include a description of the work performed and completed by phase.

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**ATTACHMENT C  
CUSTOMER REFERENCE FORM**

Proposer shall provide three (3) customer references, with at least one (1) of those references being a public entity. Proposers are required to copy this form as required to meet the reference submission requirements.

References will be evaluated and scored as part of the "Experience" evaluation criteria as described in the SOQ/P. Therefore, it is important that each reference be as complete and descriptive of the work that was done, and as close as possible to the requirements as described in the SOQ/P.

Name of Customer:	
Customer Address	
Customer Contact Name(s)	
Customer Contact Phone Number(s)	
Provide a detailed description of work that you performed (use additional sheets if necessary):	
<p align="center" style="font-size: 48px; opacity: 0.3; letter-spacing: 10px;">DRAFT</p>	

**ATTACHMENT D  
PROPOSER CERTIFICATION FORM**

Proposing Firm Name:		
Address:		
Telephone:		
Facsimile:		
E-mail:		
Contact person name and title:	<b>1</b>	
	<b>2</b>	

**PROPOSER REPRESENTATIONS**

1. Proposer did not, in any way, collude, conspire, or agree, directly or indirectly, with any person, firm, corporation or other Proposer in regard to the amount, terms, or conditions of this proposal.
2. Proposer additionally certifies that neither Proposer nor its principals are presently disbarred, suspended, proposed for disbarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency, any California State agency, or any local governmental agency.
3. Proposer acknowledges that all requests for deviations, exceptions, and approved equals are enclosed herein and that only those deviations, exceptions, and approved equals included in the SOQ/P document or permitted by formal addenda are accepted by the Silicon Valley/Santa Clara DMO, Inc.
4. Proposer did not receive unauthorized information from any City or Silicon Valley/Santa Clara DMO, Inc. staff member or City/Silicon Valley/Santa Clara DMO, Inc. Consultant during the Proposal period except as provided for in the Request for Statement of Qualifications/Proposals package, formal addenda issued by the Silicon Valley/Santa Clara DMO, Inc., or the interview, if one was scheduled/conducted.
5. As suppliers of goods or services to the City of Santa Clara and the Silicon Valley/Santa Clara DMO, Inc., Proposer and individuals listed below certify that they do not discriminate in employment of any person because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background; and that they are in compliance with all Federal, State and local laws, directives and executive orders regarding nondiscrimination in employment.

6. Proposer hereby certifies that the information contained in the proposal and all accompanying documents is true and correct.

7. Please check the appropriate box below:

If the proposal is submitted by an individual, it shall be signed by him or her, and if he or she is doing business under a fictitious name, the proposal shall so state.

If the proposal is submitted by a partnership, the full names and addresses of all members and the address of the partnership, the full names and addresses of all members and the addresses of the partnership, the full names and addresses of all members and the address of the partnership shall be stated and the proposal shall be signed for all members by one or more members thereof.

If the proposal is submitted by a corporation, it shall be signed in the corporate name by an authorized officer or officers.

If the proposal is submitted by a limited liability company, it shall be signed in the corporate name by an authorized officer or officers.

If the proposal is submitted by a joint venture, the full names and addresses of all members of the joint venture shall be stated and it shall be signed by each individual.

**By signing below, the submission of a proposal with all accompanying documents shall be deemed a representation and certification by the Proposer that they have investigated all aspects of the SOQ/P, that they are aware of the applicable facts pertaining to the SOQ/P process, its procedures, and requirements, and that they have read and understand the SOQ/P.**

Authorized Representative Name (print name):	
Authorized Representative Signature (sign name):	
Authorized Representative Title (print title):	
<b>Complete additional signatures below as required per # 7 above</b>	
Authorized Representative Name (print name):	
Authorized Representative Signature (sign name):	
Authorized Representative Title (print title):	
Authorized Representative Name (print name):	
Authorized Representative Signature (sign name):	

Authorized Representative Title (print title):	
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**ATTACHMENT E  
PROCUREMENT AND CONTRACT PROCESS INTEGRITY AND  
CONFLICT OF INTEREST GUIDELINES**

**1 GENERAL PROVISIONS**

**1.1** The purpose of these Guidelines is to ensure integrity in the City/Silicon Valley/Santa Clara DMO, Inc.'s procurement and contract processes, to educate City/Silicon Valley/Santa Clara DMO, Inc. employees, consultants, uncompensated outside parties, and any person involved in the decision to award a contract about potential Conflicts of Interest, and to establish guidelines for procedural screening of Conflicts of Interest.

**1.2** The City/Silicon Valley/Santa Clara DMO, Inc. desires to provide a fair opportunity to participants in competitive processes for the award of City/ Silicon Valley/Santa Clara DMO, Inc. contracts by promulgating integrity and removal of Conflicts of Interest in all competitive solicitations.

**2 DEFINITIONS**

**2.1 PROJECT MANAGER**

The Project Manager is the Silicon Valley/Santa Clara DMO, Inc. employee or its designated representative by Silicon Valley/Santa Clara DMO, Inc. management to be responsible for this procurement process.

**2.2 ELECTED OFFICIAL**

"Elected Official" means the Mayor, Council Members, City Clerk, and Chief of Police

**2.3 COUNCIL APPOINTEES**

"Council Appointees" means the City Manager, City Attorney, and City Auditor

**2.4 SOLICITATION**

"Solicitation" means, but is not limited to, specification development, preparation, and issuance of requests for proposals, quotes, qualifications or bids, evaluation of responses and submissions, and other evaluations which lead to an award of a City/ Silicon Valley/Santa Clara DMO, Inc. contract.

**3 GENERAL PROVISIONS**

**3.1 COMMUNICATION PROTOCOL**

**3.1.1 Prior to Issuance of Solicitations:** Prior to the issuance of Solicitations, contact between prospective respondents and Silicon Valley/Santa Clara DMO, Inc. staff or its designated representative, elected officials or consultants is permissible.

**3.1.2 After Issuance of Solicitations and prior to Submission deadline for**

**Solicitations:** After issuance of Solicitations, all contact between prospective respondents and Silicon Valley/Santa Clara DMO, Inc. must be directed to the procurement contact designated in the Solicitation. Silicon Valley/Santa Clara DMO, Inc. staff and consultants will refer all inquiries to the procurement contact. All requests for clarification, objections to the structure, content, or distribution of a Solicitation, or other inquiries must be made in writing. Requests for clarification and/or questions not submitted in the method outlined in Section 8.1 of this Solicitation will not receive responses. The Silicon Valley/Santa Clara DMO, Inc. shall answer to these requests for clarifications, objections, and inquiries in writing via addenda to the Solicitation.

**3.1.3 After Submission Deadline of Solicitations and prior to Issuance of a Notice of Intended Award:**

After the submission deadline of Solicitations, all contact regarding the procurement between respondents and the Silicon Valley/Santa Clara DMO, Inc. and participants in the evaluation process, who are not Silicon Valley/Santa Clara DMO, Inc. employees, must be directed to the procurement contact designated in the Solicitation. Silicon Valley/Santa Clara DMO, Inc. staff and consultants will refer all inquiries to the procurement contact.

**3.1.4 After Issuance of a Notice of Intended Award:**

The Silicon Valley/Santa Clara DMO, Inc. will issue a notice of intended award to all respondents including the basis for selection and instructions for filing a protest. All respondents shall follow the procedures for protest as indicated in the Solicitation document. During the protest period, Silicon Valley/Santa Clara DMO, Inc. staff and consultants will refer all inquiries to the protest hearing officer identified in the Solicitation document.

**3.1.5 After Completion of Protest Period:**

After completion of the protest period contact between prospective respondents and Silicon Valley/Santa Clara DMO, Inc. staff or consultants is permissible.

**4 RESPONDENT’S CODE OF CONDUCT**

By submitting a response to a Silicon Valley/Santa Clara DMO, Inc. Solicitation, respondents are individually and solely responsible for ensuring compliance with these Guidelines on behalf of the respondent’s employees, agents, consultants, lobbyists, or other parties or individuals engaged for purposes of developing or supporting a response. In addition to adhering to these Guidelines, respondents may not collude, directly or indirectly among themselves in regard to the amount, terms, or conditions of a Solicitation; influence any City/Silicon Valley/Santa Clara DMO, Inc. staff member or evaluation team member throughout the solicitation process, including the development of specifications, and submit incorrect information in the response to a Solicitation or misrepresent or fail to disclose material facts during the evaluation process. Any evidence that indicates that a respondent has failed to adhere with any section of these Guidelines may result in the respondent’s disqualification from the procurement as well as possible debarment.

**5 CONFLICT OF INTEREST**

**5.1** City elected officials, appointed officials, their staffs, and City/ Silicon Valley/Santa Clara DMO, Inc. employees are expected to avoid any conflicts of interest. Further, employees should avoid the appearance of conflicts of interest in order to ensure that Silicon Valley/Santa Clara DMO, Inc. decisions are made in an independent and impartial manner. In general, Council Appointees shall take measures to ensure that the City/ Silicon Valley/Santa Clara DMO, Inc. avoid any conflict of interests in procurement processes of City or Silicon Valley/Santa Clara DMO, Inc. contracts.

**5.2** The Project Manager shall discuss any potential conflict of interest identified with legal counsel and document the resulting determination, and take appropriate action including, but not limited to, removal of an employee, consultant, or outside uncompensated party from the procurement activity or cancellation of a Solicitation.

## **6 ALLEGATIONS OF CONFLICT OF INTEREST**

**6.1** Prior to the Solicitation release up to award of contract, any allegations of conflict of interest by a City/ Silicon Valley/Santa Clara DMO, Inc. employee, consultant, or other participant in the pre- Solicitation and Solicitation process shall be reported to the Project Manager. The Project Manager shall investigate the alleged conflict of interest in consultation with legal counsel and document the resulting determination.

## **7 ALLEGATIONS OF MISCONDUCT**

**7.1** At any time during a Solicitation process, any misconduct by a Silicon Valley/Santa Clara DMO, Inc. employee, consultant, or other participant in the pre-Solicitation and Solicitation process, shall be reported to Silicon Valley/Santa Clara DMO, Inc.'s Project Manager. The Project Manager shall investigate the alleged misconduct, in consultation with the legal counsel and others as appropriate.

**Convention Calendar 1.1.2021 to 12.31.22**

Event Start Date	Event Name	Peak Hotel Rooms	Total Hotel Rooms	Event Type	Attendance	Notes
03/04/21		0	2,500	Convention	2,000	Working with client to relocate
03/11/21		0	850	Convention	1,200	Working with client to relocate
03/27/21		0	0	Special Events	600	Working with client to relocate
04/12/21		0	0	Meeting	500	Working with client to relocate
04/15/21		0	0	Special Events	500	Working with client to relocate
04/23/21		0	0	Public Show	2,500	Working with client to relocate
04/23/21		0	468	Special Events	200	Working with client to relocate
04/23/21		0	650	Sporting Events	1,000	Working with client to relocate
04/30/21		125	2,260	Special Events	300	Working with client to relocate
04/30/21		0	0	Special Events	500	Working with client to relocate
04/30/21		250	750	Special Events	500	Working with client to relocate
05/06/21		0	300	Public Show	1,200	Working with client to relocate
05/10/21		0	0	Trade Show	1,500	Working with client to relocate
05/14/21		0	0	Trade Show	2,000	Working with client to relocate
05/14/21		0	350	Meeting	1,000	Working with client to relocate
05/21/21		50	50	Banquet	1,000	Working with client to relocate
05/21/21		150	300	Convention	0	Working with client to relocate
05/22/21		0	0	Meeting	150	Working with client to relocate
05/23/21		0	106	Convention	800	Working with client to relocate
05/27/21		0	210	Convention	1,000	Working with client to relocate
05/27/21		0	300	Meeting	200	Working with client to relocate
05/29/21		0	0	Public Show	1,000	Working with client to relocate



06/04/21		0	0	Special Events	1,000	Working with client to relocate
06/04/21		0	0	Special Events	500	Working with client to relocate
06/06/21		0	115	Convention	600	Working with client to relocate
06/07/21		0	250	Trade Show	1,000	Working with client to relocate
06/08/21		0	0	Meeting	500	Working with client to relocate
06/11/21		0	0	Special Events	600	Working with client to relocate
06/11/21		50	50	Trade Show	1,000	Working with client to relocate
06/12/21		0	0	Special Events	500	Working with client to relocate
06/12/21		0	0	Meeting	1,000	Working with client to relocate
06/12/21		0	0	Meeting	1,700	Working with client to relocate
06/14/21		0	200	Convention	2,500	Working with client to relocate
06/17/21		0	400	Meeting	200	Working with client to relocate
06/18/21		0	50	Banquet	900	Working with client to relocate
06/21/21		0	0	Meeting	500	Working with client to relocate
06/25/21		0	0	Public Show	1,000	Working with client to relocate
06/25/21		0	0	Public Show	2,000	Working with client to relocate
06/26/21		0	30	Banquet	800	Working with client to relocate
06/27/21		0	0	Sporting Events	750	Working with client to relocate
06/30/21		0	1,265	Meeting	1,000	Working with client to relocate
07/06/21		450	2,690	Trade Show	4,000	
07/13/21		0	1,000	Convention	200	
07/18/21		0	600	Meeting	400	
07/22/21		0	300	Convention	200	
07/25/21		0	0	Public Show	1,500	
07/30/21		0	600	Meeting	200	
07/30/21		0	750	Convention	1,000	
08/06/21		0	200	Meeting	400	
08/14/21		0	0	Sporting Events	1,000	
08/14/21		0	0	Public Show	600	
08/22/21		0	600	Convention	700	

08/30/21		0	0	Trade Show	500
08/31/21		0	0	Meeting	900
09/07/21		0	1,500	Convention	1,200
09/11/21		0	0	Meeting	300
09/11/21		0	0	Meeting	1,300
09/13/21		0	0	Trade Show	2,500
09/15/21		0	1,010	Meeting	800
09/17/21		0	0	Sporting Events	1,200
09/20/21		0	500	Convention	2,500
10/04/21		0	750	Convention	200
10/04/21		225	760	Trade Show	800
10/07/21		0	0	Convention	1,300
10/08/21		0	348	Convention	200
10/11/21		0	1,937	Trade Show	3,000
10/14/21		0	395	Meeting	200
10/16/21		0	0	Banquet	1,000
10/17/21		0	614	Convention	1,000
10/19/21		0	600	Convention	200
10/26/21		0	50	Meeting	700
11/05/21		0	0	Special Events	145
11/08/21		0	900	Convention	1
11/12/21		0	240	Special Events	800
11/19/21		0	100	Convention	200
11/20/21		0	0	Banquet	1,000
12/08/21		0	0	Banquet	1,500
12/09/21		0	0	Special Events	300
12/18/21		0	600	Banquet	200
12/25/21		0	120	Meeting	200
01/15/22		0	280	Meeting	200
01/16/22		0	10	Special Events	500
01/21/22		0	0	Meeting	1,200
01/22/22		0	0	Trade Show	800
01/28/22		0	0	Meeting	1,000
02/01/22		0	600	Convention	1,000
02/11/22		0	0	Special Events	500
02/11/22		0	600	Meeting	200
02/15/22		500	1,820	Convention	1,200
02/16/22		0	1,900	Convention	200
02/25/22		0	0	Meeting	100
03/03/22		0	1,400	Convention	1,500
03/03/22		0	1,447	Convention	200
03/11/21		0	0	Special Events	500
03/21/22		0	200	Trade Show	1,000
03/25/22		0	600	Meeting	200
04/13/22		0	1,550	Convention	5,000
04/15/22		0	0	Meeting	2,000
04/29/22		0	600	Meeting	200

05/04/22		0	400	Convention	2,000
05/13/22		0	600	Meeting	200
05/31/22		0	900	Convention	1
07/09/22		0	500	Meeting	500
09/10/22		0	326	Meeting	300
10/10/22		0	1,937	Trade Show	3,000
11/04/22		0	200	Meeting	400