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**SANTA CLARA**  
CONVENTION CENTER

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March 18, 2019-June 30, 2019

Quarterly Report



# TABLE OF CONTENTS

- Executive Summary.....2
- Market Segment Definitions.....3
- Financial Overview.....4
  - Actual Revenue.....5
- Partners Introduction.....7
  - Partner’s Revenue.....8
- Operating Expenses.....9-10
- Highlighted Events.....11-13
- Key Performance Indicators.....14
- Forecast.....15
- Capital Improvement Project.....16
- Other Operating Projects.....17
- Community Involvement.....18-19
- Proof of Performance/ Survey.....20

## EXECUTIVE SUMMARY

Spectra assumed operations of the Santa Clara Convention Center on March 18, 2019. In its first 3-months of management Spectra has transitioned the staff, performed a full building assessment, created a 5-year Capital Plan and annual budget; filled vacant positions, met with local industry and hospitality leaders, negotiated a new Collective Bargaining Agreement with Local 39 (Operating Engineers); issued RFP's and awarded services for Audio Visual and IT partners; transitioned the Food & Beverage Department all while continuing to provide exceptional customer service of all events utilizing the Center. Under Spectra's management the Center exceeded its budget within the period of March 18, 2019 to June 30, 2019 by over \$180,000.

The Santa Clara Convention Center (SCCC) is strategically located in the heart of Silicon Valley, a prime location for conventions, trade shows, and exhibitions. The SCCC is minutes from hotels, restaurants, Levi's Stadium, Great America Theme Park, and many of the largest and most influential technology companies in the world, with easy access to freeways and Norman Y. Mineta San Jose International Airport and only 45 miles south of San Francisco. The Convention Center features 100,000 square feet of exhibit space, a 22,400 square foot ballroom, 31 breakout rooms and a 607-seat theater and attracts over 350,000 visitors annually. The facility is an integral economic component to Santa Clara, generating economic benefits through attendee direct and indirect spending and sustaining over 500 local jobs.

Spectra is the expert in hosting events and entertainment, partnering with over 300 clients at 400 global properties to create memorable experiences for millions of visitors every year.

## Market Segment 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 gardens shows, craft shows and festivals.

**Banquets**-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 compete and spectators view the athletic activities and ceremonies. Events that include sporting-related activities, but do not involve a competition, are classified as miscellaneous events.

**Special Events**-Any event that does not meet the criteria for the other categories. This includes: church services, dance events that do not include a competition component, concerts, dances/balls, examinations, fashion shows, graduations, job fairs, proms, reunions and weddings.



## Financial Overview

\*Totals may not match due to rounding

### Event Statistics

Event Types	Percentage	Number of Events	Days	Attendance
Banquets	5%	6	6	4,270
Consumer Shows	3%	4	11	11,200
Conventions	11%	14	49	22,925
Meetings	46%	57	91	21,971
Special Events	22%	28	46	20,660
Sporting Events	1%	1	5	1,200
Trade Shows	12%	15	48	21,400
Total:	100%	125	256	103,626

Actual Revenue

\*Totals may not match due to rounding

Event Types	Gross Revenue	Cost of Sales	Net Revenue
Banquets	\$319,026	\$233,330	\$85,696
Consumer Shows	\$169,135	\$66,997	\$102,138
Conventions	\$3,387,757	\$2,048,928	\$1,338,829
Meetings	\$543,269	\$269,954	\$273,315
Special Events	\$281,176	\$99,185	\$181,991
Sporting Events	\$50,123	\$14,158	\$35,965
Trade Shows	\$1,823,876	\$960,786	\$863,090
Total:	\$6,574,362	\$3,693,338	\$2,881,024

**SANTA CLARA CONVENTION CENTER**  
**GROSS INCOME STATEMENT**  
**For the Period Ended June 30, 2019**

	<b>YEAR TO DATE</b>		
	Actual	Current Budget	Budget Variance
Event Revenue			
Rental	1,192,580	903,688	288,892
Services	544,921	405,309	139,611
IT/Telecom	921,078	420,586	500,492
Food & Beverage	3,010,487	4,022,639	(1,012,151)
Audio Visual	905,297	815,015	90,282
Total Event Revenue	<u>6,574,362</u>	<u>6,567,237</u>	<u>7,125</u>
Event Expenses			
Services	363,020	284,055	78,965
IT/Telecom	668,381	311,234	357,147
Food & Beverage	2,044,454	3,057,205	(1,012,751)
Audio Visual	617,483	63,111	554,372
Total Event Expenses	<u>3,693,338</u>	<u>3,715,605</u>	<u>(22,267)</u>
Net Event Income (Loss)	2,881,024	2,851,632	29,392
Other Revenue	68,673	21,714	46,959
Total Revenue	<u>2,949,697</u>	<u>2,873,346</u>	<u>76,352</u>
Indirect Expenses <sup>(1)</sup>	<u>2,117,895</u>	<u>2,231,006</u>	<u>(113,111)</u>
Net Operating Income	<u><u>831,803</u></u>	<u><u>642,340</u></u>	<u><u>189,463</u></u>

(1) For detail of indirect expenses, see table on page 10.

## Partner Introductions

**Aramark:** Aramark was the exclusive provider of Food & Beverage at the Santa Clara Convention Center. Aramark prides itself on using the freshest of ingredients to create a full culinary experience to compliment every event.

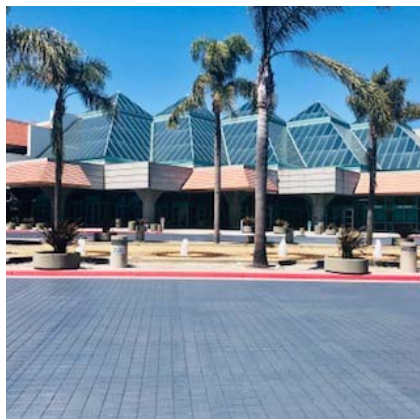
**Smart City:** Smart City is the exclusive provider of IT services at the Santa Clara Convention Center. Smart City aims to provide customers the highest level of connectivity. Offering high-bandwidth data circuit; high-speed internet access; point-to-point networking; wireless buyouts and hotspots; custom security solutions; dedicated network performance monitoring; network design and engineering solutions; complete voice services and cable TV.

**Electrical:** Multiple Providers of temporary electrical services for trade shows, convention and special event industry.

**Spot Focus:** Spot Focus has digital display systems inside and outside the Convention Center available for show promoters, exhibitors and businesses. Spot Focus offers messaging capabilities on display systems consisting of outdoor LED panels on the perimeter of the Center and on Highway 101, and over 25 displays within the Center and Hyatt including interactive touch screens.

**PSAV:** PSAV is the preferred provider of Audio Visual services at the Santa Clara Convention Center. PSAV provides innovative services that enhance events, minimize time while reducing our clients' budgets. PSAV is a full-service audio/visual, computer and labor management resource.

**UPS:** In addition to UPS Air and Ground, the Santa Clara Convention Center store provides full-service copying, notary services, office supplies, computer services, passport services, and other business related services.







Partner's Revenue

\*Totals may not match due to rounding

Partner	Gross	Cost of Sales	Net Revenue
<b>Aramark</b>	\$3,010,490	\$2,044,450	\$966,030
<b>Smart City-IT</b>	\$921,080	\$668,380	\$252,700
<b>PSAV-AV</b>	\$905,300	\$617,480	\$287,810
<b>Electrical</b>	\$406,540	\$277,980	\$128,570
<b>Spot Focus</b>	\$42,650	\$31,010	\$11,630
<b>UPS</b>	\$4,340	-	\$4,340
<b>Total</b>	\$5,290,400	\$3,639,300	\$1,651,100



### Operating Expenses: Department Definitions

**Executive:** All expenses for Senior Personnel

**Marketing:** All expenses for Sales and Marketing

**Finance:** All expenses for Finance and Human Resources

**Event Services:** All expenses for staffing to manage events

**Operations:** All expenses for Engineering, Building Services, Security and all expenses to operate the building

**Overhead:** All expenses that are non-departmental

**Transition Costs:** All expenses for the transition to Spectra

Operating Expenses

\*Totals may not match due to rounding

<b>Departments</b>	<b>Indirects</b>
Executive	\$264,688
Marketing	\$80,074
Finance	\$151,857
Events	\$124,478
Operations	\$1,005,791
Overhead	\$402,576
Transition Costs	\$88,431

## Highlighted Events

### Top 3 Revenue Grossing Events

#### Opus Agency/Amazon Summit:

- Convention
- Gross Revenue: \$1,104,893
- Days:1
- Attendees: 3,000
  - Provided nearly 5,000 lunches
  - Utilized entire facility
  - Large food and beverage and IT purchase
  - Event typically held in San Francisco but due to construction Santa Clara won the business.



### Knect 365 IOT world Conference:

- Trade Show
- Gross Revenue: \$582,094
- Days: 6
- Attendees: 6,000
  - Utilized entire facility
  - 5<sup>th</sup> year returning to Santa Clara
  - Last year here due to the size of the center, they are moving to a larger facility.



## Synopsys

- Convention
- Gross Revenue: \$565,383
- Days: 4
- Attendees: 2,000
  - One of the largest food and beverage purchases
  - Utilized the entire facility
  - Over ten years holding their event with Santa Clara



## Key Performance Indicators

Stated below are the KPI's contractually agreed upon by Spectra and the City of Santa Clara. In the future we will be reporting based upon these seven indicators.

**Adoption of Goals.** The performance goals with respect to the KPI included in Section 6.2 for a Fiscal Year shall be developed by Spectra annually and approved by the City.

1. **Gross Revenue** – Meet or exceed \$18,484,540 in Gross Revenues for FY 19/20
2. **Net Income** – Meet or exceed \$2,283,697 in Net Income for FY 19/20
3. **Room Nights Consumed** – In FY 19/20 Spectra will provide the City with a list of current events in which room nights have historically been tracked. In addition, Spectra will also work with our clients to create a new model for total room nights consumed based on all events that utilize the Center to create a future baseline.
4. **Economic Impact** – Refers to direct sales, jobs, tax revenues, and income in Santa Clara causing impact to lodging, restaurants, retail, recreation, transportation and other businesses, using the Destinations International Economic Impact Calculator.
5. **Customer Service Survey Results Scores** – Create an on-line customer survey by end of 2Q and implement start of the survey in the 3Q. The survey will measure all areas of the business including: Sales, Event Services, Food & Beverage, AV, IT, Building Cleanliness, Security, etc. The goal will be to obtain/maintain a rating of Four (4) or higher based on the following scoring system:
  - Very Satisfied – 5 points
  - Satisfied – 4 points
  - Neither Satisfied nor Not Satisfied – 3 points
  - Dissatisfied – 1 point
  - Very Dissatisfied – 0 points
6. **Event Mix** – Events are categorized under the following headings: Consumer Shows, Conventions, Banquets, Meetings/Conferences, Special Events, Sporting Events and Trade Shows. The focus is on booking or hosting more Conventions, particularly of the City-Wide variety and multi-day events, i.e. Meetings/Conferences, Sporting Events or Trade Shows. In FY 19-20 Spectra will book or host the following:
  - City-Wide Convention-1
  - Multi-Day Meeting/Conference-2
  - Sporting Events (including E-Sports)-2
  - Trade Shows
7. **Community Benefit** – Create and implement a Not-for-Profit Rate/Program to assist local Not-for-Profit groups to utilize the Convention Center. In addition, Spectra will be involved in the community through volunteer or donation programs that benefit the residents, businesses and organizations of Santa Clara. Spectra will also endeavor to hire local individuals and companies when possible under Spectra SOP's.

## Forecast

In future quarters this will be a part of a monthly packet that will summarize previous and future business compared to budget. It will also provide us and the City of Santa Clara with a snapshot of the Santa Clara Convention Center's financial standing.





### Capital Improvement Project

As a part of the management agreement, Spectra has completed and provided a five-year capital plan with a budget for operations. Some of the larger projects slated for FY 19/20 are listed below:

**Building Envelope:** Roof membrane-repairs to roof part 2-glass pyramids. Convention center terrace and building front: both areas need a permanent solution to chipping and broken tiles. Both are for aesthetic and long-term safety reasons.

**Security System:** Cameras- replacement of all cameras inside and outside the building. Aviglion Camera System- Purchase/ Install new camera security system.

**Flooring:** Floor treatment/ carpets etc.-upgrade of carpet in all spaces except Mission City Ballroom. Upgrade to main lobby tile.

**Message Boards/ Video Boards/ Ad Panels:** Upgrade to the three outdoor marquees and its operating system. Potentially upgrading indoor video boards and signage for meeting rooms, ballrooms and exhibit halls.

**Other:** Walls and Ceilings- refresh paint of indoor public spaces, preferably to be painted to white to brighten up areas and give the illusion of larger space. Removal of aluminum railings. Wall repairs to take place prior to painting.



## Other Operating Projects

Within this quarter the Santa Clara Convention Center began the RFP process for Audio Visual Services (AV) and Information Technology (IT). Since June 30<sup>th</sup>, the end of the quarter, the convention center has decided on its AV and IT vendors selecting PSAV and Smart City.

Other projects during the transition quarter include the replacement of the Up Escalator chain and mechanics in the main lobby. This escalator had been shutting off or malfunctioning for months prior to the repair being completed.

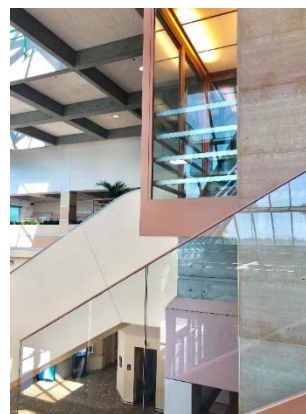
Spectra also created a new “interim” logo for the Center,



A permanent logo will be completed once the new DMO/CVB (Destination Marketing Organization/Convention & Visitor’s Bureau) comes online.

Spectra worked in conjunction with Levi’s Stadium, Great America, the Hyatt and the Hilton’s Sales departments to create a group called “Team Tasman”. The group meets monthly to discuss business and how all parties can work together to keep groups and events in Santa Clara by providing leads to the other partners if your space is full.

Spectra also provided other upgrades to the Center including resurfacing the loading docks and installing new frosted doors to the Administrative corridor.



## Community Involvement

### Mission College EOPS program Scholarship

One of our main goals at the Santa Clara Convention Center was to start a community involvement initiative to positively impact our local community. Within this quarter we began speaking with the Extended Opportunities Programs and Services department at Mission College about starting a scholarship program for their students in need. The EOPS program serves students who are typically first-generation college students and facing financial hardships. We will be working with the EOPS department over the next few months to award one student with a \$1,000 scholarship.

 **Santa Clara Convention Center**  
Published by Audrey Marshall (?) · September 18 at 2:07 PM ·   

Today we had the honor of attending the EOPS 50th anniversary luncheon at Mission College. EOPS positively impacts students lives everyday by showing them their potential and supporting them through their education. This was a very special occasion for us as we were there to present a scholarship for the Santa Clara Convention Center and Spectra. We chose a student that wrote passionately about her education in Business and future in hospitality and we were beyond impressed by her work. Congratulations, Bhumi! You will do great things and we cannot wait to see you at graduation!



**378** People Reached      **26** Engagements      [Boost Post](#)

 4      1 Share

## Adopt a Spot

Within this quarter the Adopt a Spot Project was approved and will be taking place on September 6, 2019. The adopted spot that will be beautified is the San Tomas Aquinas Creek, running from Tasman Drive to west of Great America Parkway (the creek directly behind the convention center)



### Proof of Performance/Survey

Within this quarter we developed a new survey system, online, that will allow for more visibility and increase our return response rate. In partnership with Spectra we are developing a corporate and venue specific survey to improve clarity and add reporting capabilities. In the future we will be reporting from the collected information from the new system.

## Guest Satisfaction Survey

### Santa Clara Convention Center Guest Survey



1. Overall Appearance of Public Areas and Exterior

- Very satisfied
- Satisfied
- Neither satisfied nor dissatisfied
- Dissatisfied
- Very dissatisfied
- N/A
- Additional Comments:

0 of 10 answered