



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Nanci Klein

SUBJECT: Team San Jose Semi-Annual
Status Report

DATE: March 10, 2025

Approved

Date

3/14/25

RECOMMENDATION

Accept a status report on Team San Jose's unaudited performance for the first half of Fiscal Year 2024-2025 and its sales and marketing activities.

BACKGROUND

Team San Jose (TSJ) is a key partner and operator of the City's Convention Center and four City-owned theater venues including the California Theater, Center for the Performing Arts, Montgomery Theater, and the San Jose Civic Auditorium. TSJ also functions as San Jose's Convention and Visitors Bureau (CVB), working with hotels, arts groups, and the business community to drive visitors to San José. Pursuant to the San José Municipal Code, the City provides 4.5% of the collected 10% Transient Occupancy Tax (TOT) to TSJ to operate the City-owned Convention Center and theaters. The remaining 6% of TOT allocates 4% to the General Fund and 1.5% to the Office of Cultural Affairs. The TOT is collected from visitors to San José hotels. Additionally, hotel visitors patronize restaurants and shops, use transportation, and park in San José's garages, generating additional revenue for the City.

Historically TSJ has largely focused on bringing hotel guests to San José hotels to generate TOT revenue. On June 18, 2024, City Council approved a new five-year contract between the City and TSJ. During the City Council discussion, they stressed the need for TSJ to focus on bringing local and regional visitors to the Downtown area. To bring local and regional visitors to Downtown, TSJ must have data that tracks visits to Downtown, as well as where those visitors come from. In addition, the City Council directed staff to work more closely with the business community in the Downtown to ensure businesses can benefit from conferences held in the Convention Center and shows in City theaters.

ANALYSIS

Pursuant to the master agreement between the City and TSJ, TSJ provides semi-annual updates on its performance measures to the Community and Economic Development Committee. Additionally, to enhance understanding of TSJ's strategies and activities, TSJ presents its sales and marketing efforts. Included in this report will be a dashboard of metrics that provide insight into industry trends and the local economic environment. The presentation will focus on City Council's June 18, 2024 direction,¹ TSJ's performance in the first half of Fiscal Year 2024-2025, and on TSJ work plan activities.

Local/Regional Marketing

TSJ has initiated and led a marketing collaborative, including the Office of Economic Development and Cultural Affairs, the Downtown Association, San José State University, San José Mineta International Airport, and Communications team members from the Administration, District 3 and the Mayor's Office. The collaborative has already made great strides. This holiday season included a "Very San José" holiday that was positively received. TSJ has also instituted San José's first City-wide editorial calendar. TSJ is also working with partners on marketing efforts for the for the upcoming 2026 major sports events.

Data

To make meaningful strides in attracting more visitors, cell phone data on visitors in the Downtown and where they come from are essential. To do this, TSJ has added data tools, including Visa Credit card data and Azira resources. Using these tools TSJ has shown an uptick in visitors' devices to Downtown. Refinement of the most effective way to use and analyze the data is underway. City staff, TSJ, and San José Downtown Association are collaborating on a shared dashboard that combines key data from their sources. This dashboard will be reviewed quarterly to track progress.

Local Business Outreach

TSJ jumped into action to significantly expand outreach to local businesses. TSJ hosted two BASH events to create an exciting and informational networking event. Over 177 attendees joined in the most recent event on February 6. TSJ also launched relevant industry pages to serve the local business community 24/7.

Unaudited Fiscal Year 2024-2025 Performance Measures

¹ <https://sanjose.legistar.com/View.ashx?M=A&ID=1192738&GUID=376CCCC4-329A-40CB-A474-18F28FA257EA>

Each year, the recommended TSJ performance measures and targets are presented to City Council for approval as a Manager's Budget Addendum as part of the Proposed Operating Budget. As part of the Community and Economic Development Committee's presentation, TSJ staff will review progress on performance measures specified in the Team San Jose Agreement with the City. Performance measures indicate San José's strong year-over-year performance overall. In particular, Downtown has grown in both room nights and room revenue, resulting in TOT generation for the City.

COORDINATION

This memorandum was coordinated with the City Attorney's Office.

/s/

Nanci Klein

Director of Economic Development and
Cultural Affairs

For questions, please contact Nanci Klein, Director of Economic Development and Cultural Affairs, at nanci.klein@sanjoseca.gov or (408) 535-8184.

ATTACHMENT

Team San Jose Report