



Memorandum

**TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE**

FROM: Kim Walesh

SUBJECT: SEE BELOW

DATE: March 16, 2018

Approved

Date

March 16, 2018

**SUBJECT: TEAM SAN JOSE PERFORMANCE MEASURES AND MID-YEAR
REPORT FOR 2017-2018**

RECOMMENDATION

Accept the Team San Jose mid-year report for Fiscal Year 2017 – 2018.

BACKGROUND

Team San Jose (TSJ) is an innovative nonprofit organization unifying the San Jose Convention and Visitors Bureau (CVB), hotels, arts, labor and venues to deliver a high quality visitor experience. TSJ manages the San Jose McEnery Convention Center and venues including the California Theatre, Center for the Performing Arts, Montgomery Theater, City National Civic, Parkside Hall, and South Hall. Per the municipal code, the City provides 4.5% of the collected 10% Transient Occupancy Tax (TOT) to TSJ to manage the convention center, venues, and the CVB. The TOT is collected from visitors of San Jose hotels.

ANALYSIS

In September 2017, Council approved amending the TSJ master agreement to revised its performance measures based on a comprehensive review of national best practices by Convention, Sports, and Leisure (CSL). In addition to revisions to the performance measures, the frequency and type of reporting to the City were updated to support a greater understanding of TSJ's strategies and activities. In addition to biannual reporting of its performance based on Council-approved target measures, TSJ now presents an Annual Sales and Marketing Plan to the Committee and a mid-year report. For context, also included in the reporting is a dashboard of metrics that, while not part of TSJ's performance, provide insight into industry and local trends. The presentation will focus on TSJ's major goals (Strategic Goals, Performance Measure Goals) and the major work-plan activities to meet them.

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Key highlights of the mid-year report include:

- 100% or greater in four of the five measures have been achieved (Direct Visitor Spending is at 98%).
- TSJ anticipates meeting or exceeding all five measures for year-end.
- The dashboard metrics reveal that a number of categories are down year over year, in part due to the Convention Center and Civic Theater being dark for renovations at the start of the fiscal year.
- While room nights sold are down year-over-year, TSJ's lead generation is up significantly. This shows strong demand for San Jose as a meetings destination; however, TSJ is hampered somewhat by the continued shift of the hotels towards transient business.

Attachment A is an overview presentation of the mid-year report, which will be expanded upon at the Committee meeting.

COORDINATION

This memo was coordinated with TSJ and the City Attorney's Office.

/s/

KERRY ADAMS HAPNER
Director of Economic Development

For questions, contact Kerry Adams Hapner, Director of Cultural Affairs, at (408) 793-4333.

Attachment A: TSJ Mid-Year Report for Fiscal Year 2017 - 2018