



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Nanci Klein

SUBJECT: TEAM SAN JOSE SEMI-ANNUAL
UPDATE

DATE: September 12, 2023

Approved

Date

9/15/23

RECOMMENDATION

Accept a report on Team San Jose's:

- a) Unaudited Performance Measures for Fiscal Year 2022-2023,
- b) Performance Measures for Fiscal Year 2023-2024, and
- c) Annual Sales and Marketing Plan for Fiscal Year 2023-2024.

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, South Hall, and four City-owned theater venues including the California Theatre, Center for the Performing Arts, Montgomery Theater, and the San Jose Civic Auditorium. 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 and cultural facilities venues and manage the CVB. The TOT is collected from visitors to San José hotels.

ANALYSIS

Pursuant to the master agreement between the City and TSJ, semi-annual updates on TSJ's performance on Council-approved target measures are presented to the Community and Economic Development (CED) Committee. To support a greater understanding of TSJ's strategies and activities, TSJ also presents its sales and marketing activities. Included in the report is a dashboard of metrics that, while not part of TSJ's performance, provide insight into industry trends and the local environment. The presentation will focus on TSJ's major goals for

Fiscal Year (FY) 2023-2024 and the major work plan activities to meet them. The CED Committee will also be updated on the recovery from the COVID-19 pandemic.

Unaudited FY 2022-2023 Performance Metrics

As outlined in the attachment, TSJ and the City collaborated to develop post-pandemic performance targets for FY 2022-2023 informed by national industry trends and local indicators, which also informed the development of TSJ's sales and marketing strategies. While convention center events resumed in August 2021, high-tech conferences have not returned to pre-pandemic levels for a variety of reasons. TSJ is rebuilding and diversifying its lines of convention business as well as refocusing its CVB marketing strategies based on travel trends. TSJ also collaborates with the local hotel community for consensus on an approach to convention group sizes and types. Theater activity continues to rebuild with strong theater attendance.

While unaudited, TSJ reports exceeding five of six performance targets in FY 2022-2023. This is a promising indication of economic recovery after several years of restrictions, ambiguity, and changing patterns of facility use due to the pandemic.

FY 2023-2024 Performance, Sales and Marketing Goals

In addition to the performance metrics, TSJ will present to the CED Committee, the highlights of its goals and marketing activities for FY 2023-2024, including industry trends as outlined in the attachment. TSJ, operating as "Visit San Jose," seeks to have an extensive, integrated marketing campaign to raise awareness of San José as a unique stand-alone Northern California destination. All the strategies are research-driven to meet the Council-approved performance goals.

TSJ will discuss the highlights of the attached presentation at the CED Committee meeting. At the November 27, 2023, CED Committee meeting, the City Auditor's Office will report on its audit of TSJ's FY 2022-2023 performance, which will be cross-referenced to the full City Council by the end of the 2023 calendar year.

COORDINATION

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

/s/

NANCI KLEIN
Director of Economic Development and
Cultural Affairs

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

ATTACHMENT: CED Committee TSJ Semi-Annual Report