



Memorandum

**TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE**

FROM: Kerry Adams Hapner

SUBJECT: TEAM SAN JOSE UPDATE

DATE: September 10, 2018

Approved

Date

9/12/18

RECOMMENDATION

Accept report on Team San Jose's a) Performance Measures for Fiscal Year 2017 – 2018 and b) its Annual Sales and Marketing Plan for FY 2018 – 2019.

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 revise its performance measures based on a comprehensive review of national best practices by Convention, Sports, and Leisure (CSL). In addition to performance measures revisions, 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 semi-annual reporting of its performance based on Council-approved target measures, TSJ now presents an Annual Sales and Marketing Plan to the Committee. Included in the report 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 and the major workplan activities to meet them.

As outlined in Attachment A, the performance measures report includes TSJ's unaudited year-end results for FY 2017 – 2018. Each year, the City Auditor reviews the final reported metrics as part of an annual report to the full Council at the end of the calendar year.

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TSJ reports an outstanding performance for FY 2017 – 2018. It has exceeded all performance targets due to a strong economy combined with strong sales and the attraction of significant conventions and events. This results in achieving Council-approved targets in the areas of: Estimated Direct Visitor Spending, Future Hotel Room Nights Booked (Citywide), Theater Occupancy, Gross Operating Results, and Customer Satisfaction.

Annually, TSJ presents to the Committee highlights of its sales and marketing activities, including industry trends as outlined in Attachment B. TSJ, operating as “Visit San Jose,” seeks to increase visitation to San Jose through convention and event sales, marketing programs directed at convention attendees and “Bleisure and Leisure” traveler, public relations strategies, and initiatives to increase attendance to TSJ-managed theaters. All of the strategies are research-driven with the goal of meeting the Council-approved performance goals for FY 2018 – 2019.

TSJ will be expanding upon the attached presentations at the Committee meeting.

COORDINATION

This memo was coordinated with TSJ, the City Manager’s Budget Office, and the City Attorney’s Office.

/s/

KERRY ADAMS HAPNER
Director of Cultural Affairs

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

Attachment A: TSJ Performance Metrics for FY 2017 – 2018

Attachment B: TSJ Annual Sales and Marketing Plan for FY 2018 – 2019