

SAN JOSE CONVENTION CENTER STRATEGIC PLAN

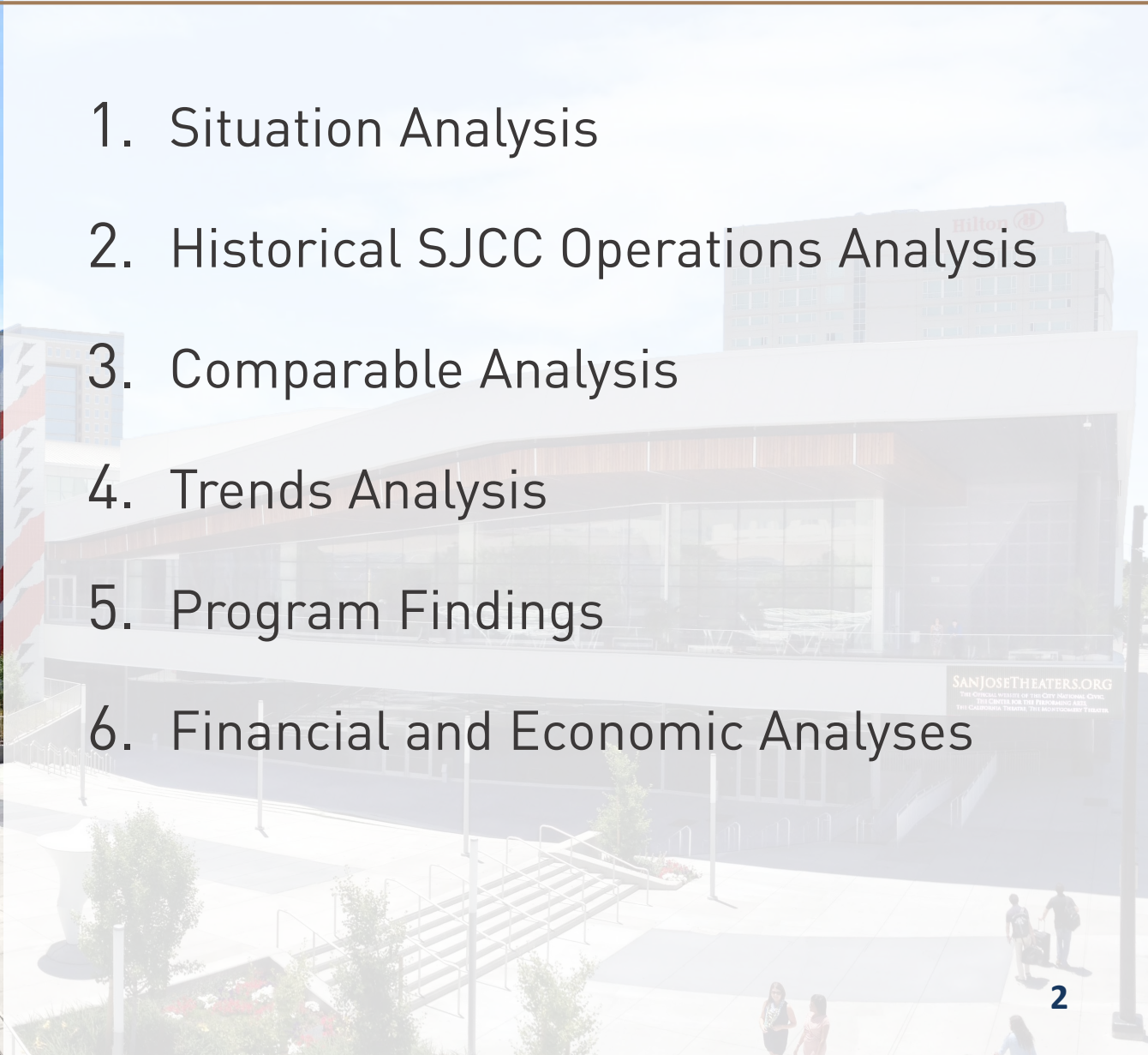
CITY COUNCIL PRESENTATION

October 29, 2019

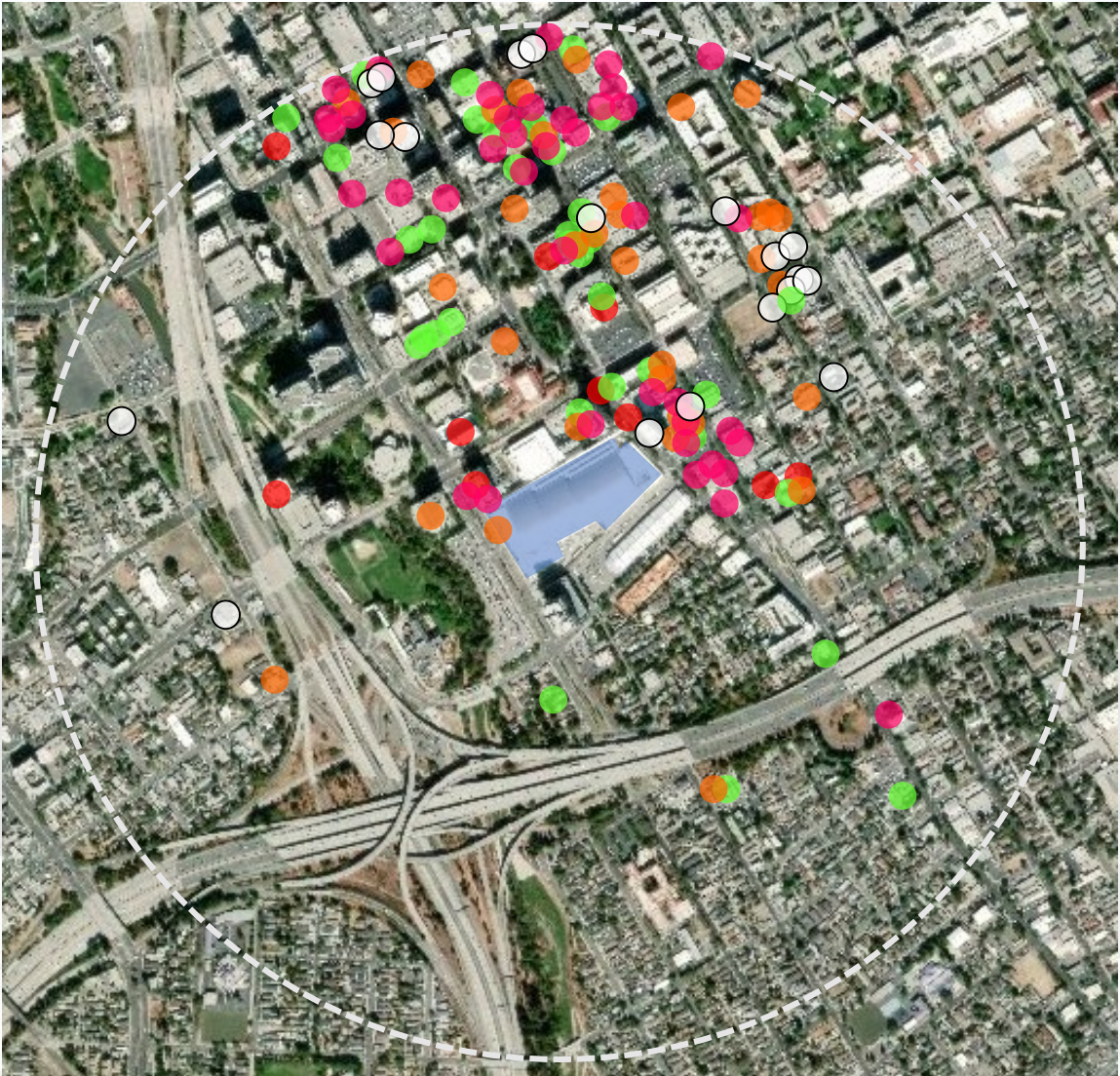






ANALYSIS TOPICS

1. Situation Analysis
2. Historical SJCC Operations Analysis
3. Comparable Analysis
4. Trends Analysis
5. Program Findings
6. Financial and Economic Analyses



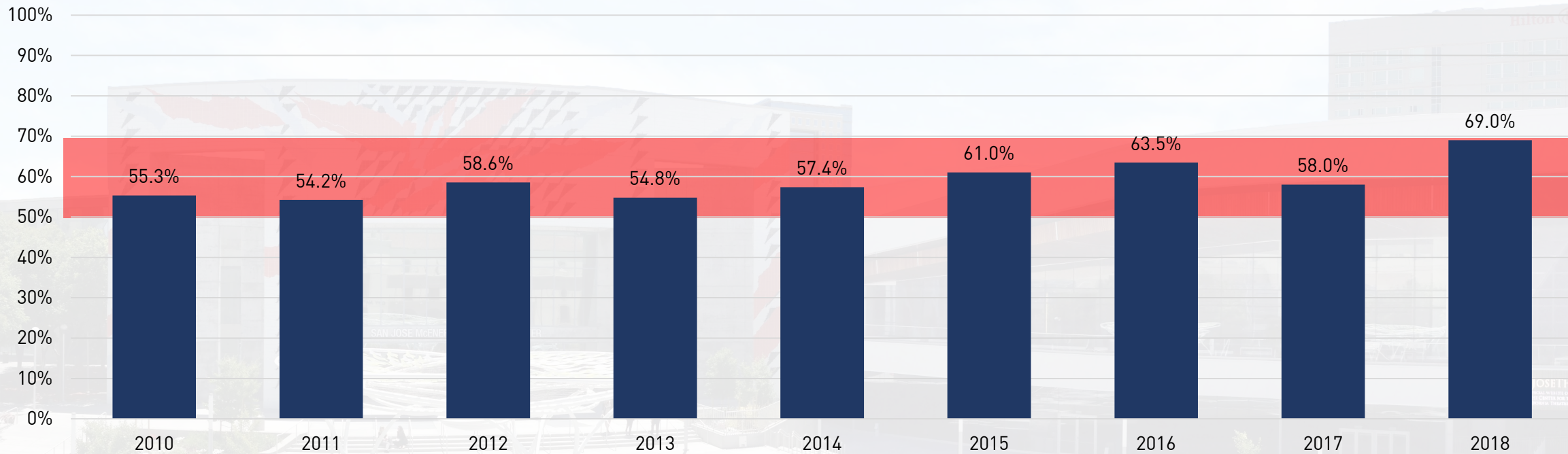
1. SITUATION ANALYSIS: Downtown San Jose Amenities



Key	Amenity	Count
	Restaurant	36
	Fast Food/Carryout	20
	Café/Bakery	35
	Bar/Lounge/Nightlife	46
Total:		137

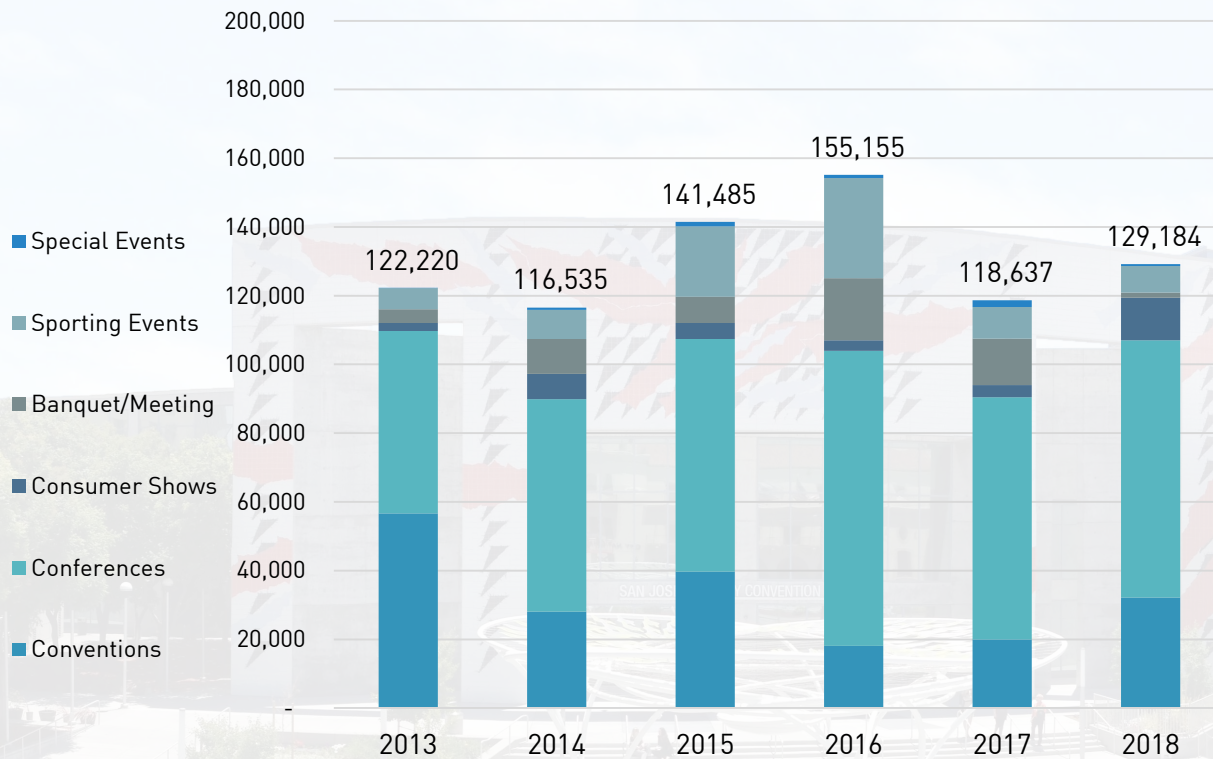
1. SITUATION ANALYSIS: SJCC Exhibit Hall Utilization (2010-2018)

Exhibit Hall Occupancy
2010-2018

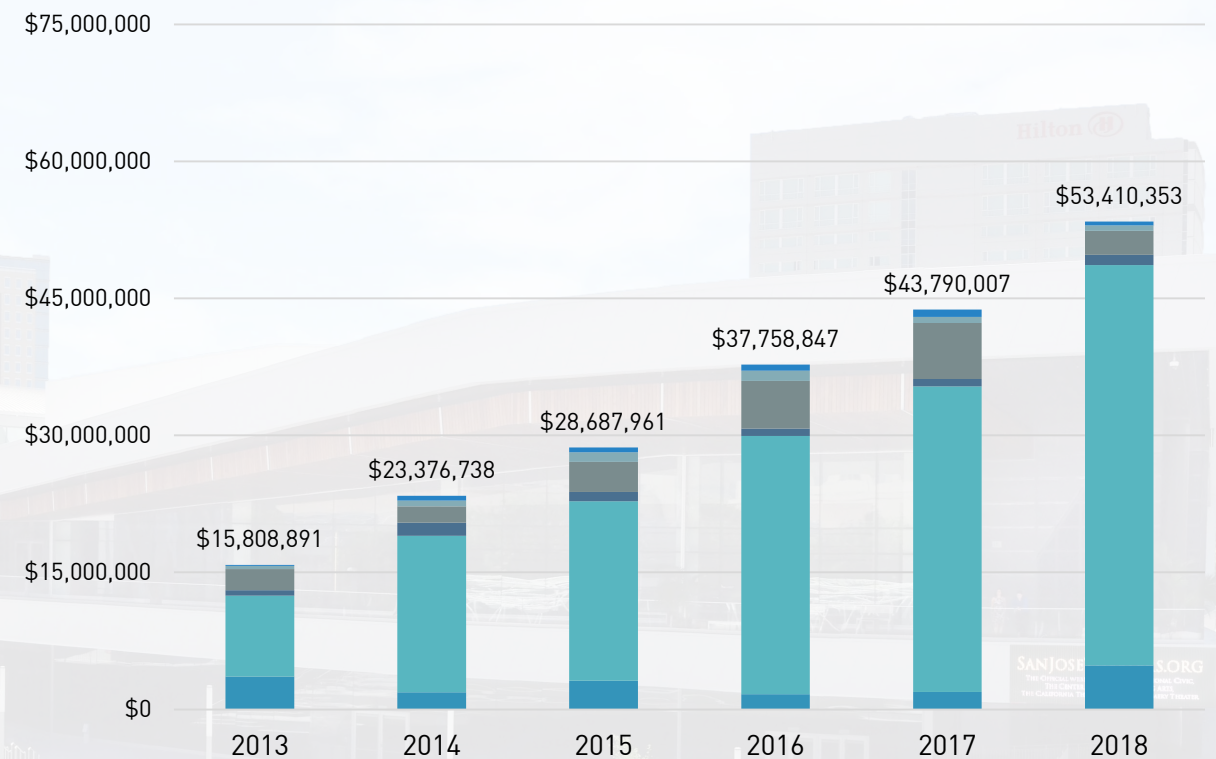


1. SITUATION ANALYSIS: SJCC Impact Trends (2013-2018)

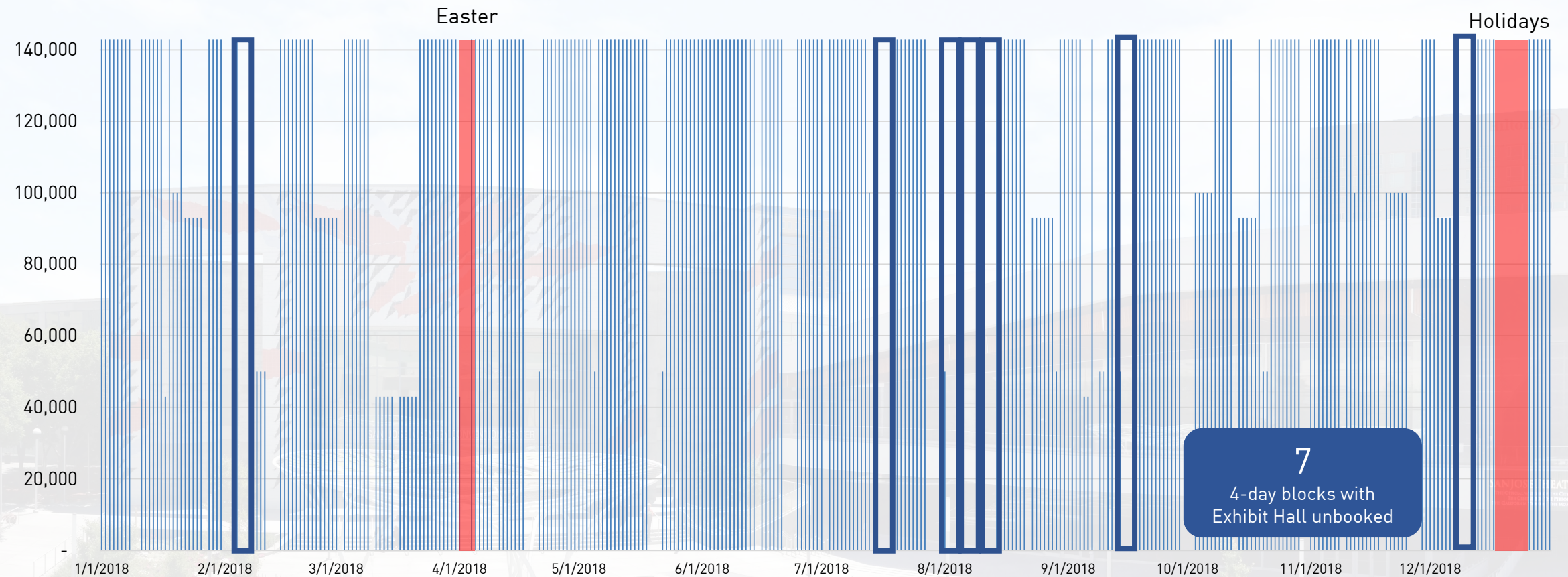
SJCC Room Night Data
2013-2018



SJCC Revenue Data
2013-2018

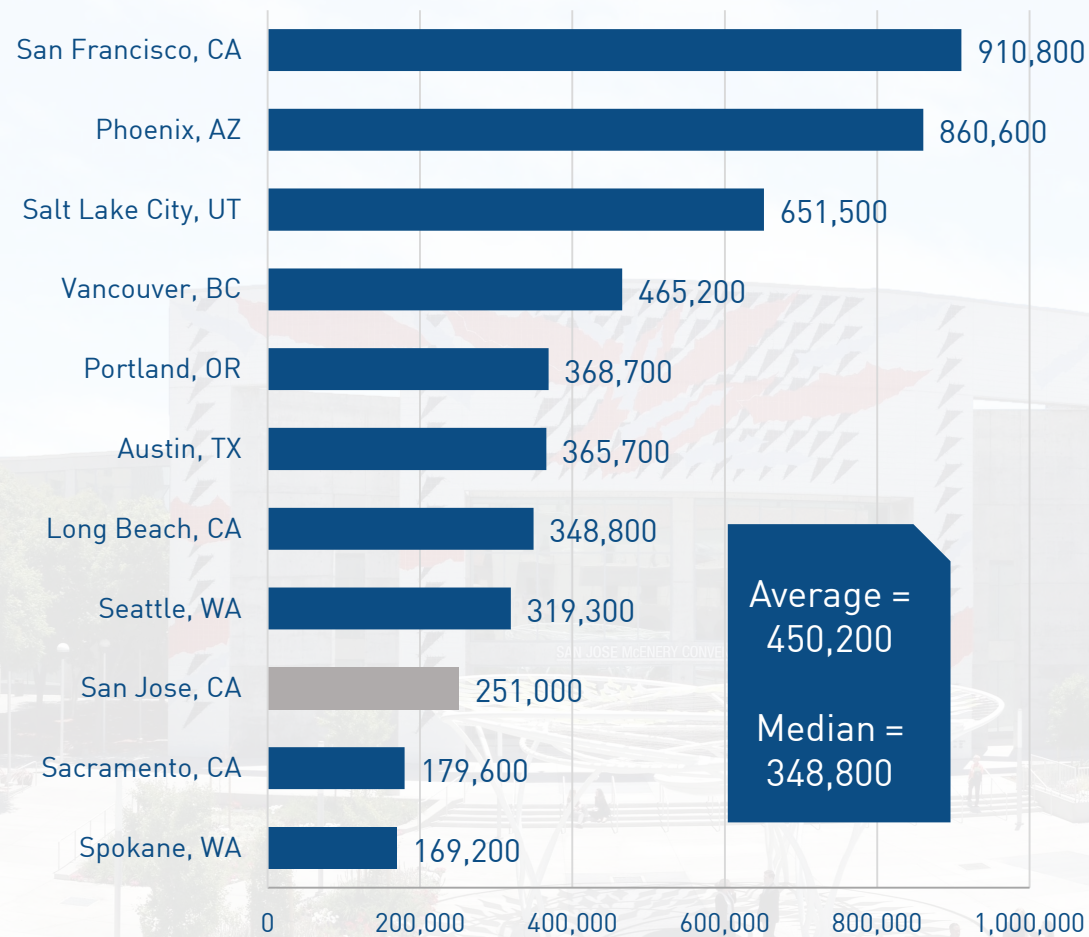


1. SITUATION ANALYSIS: Exhibit Hall 2018 Daily Usage

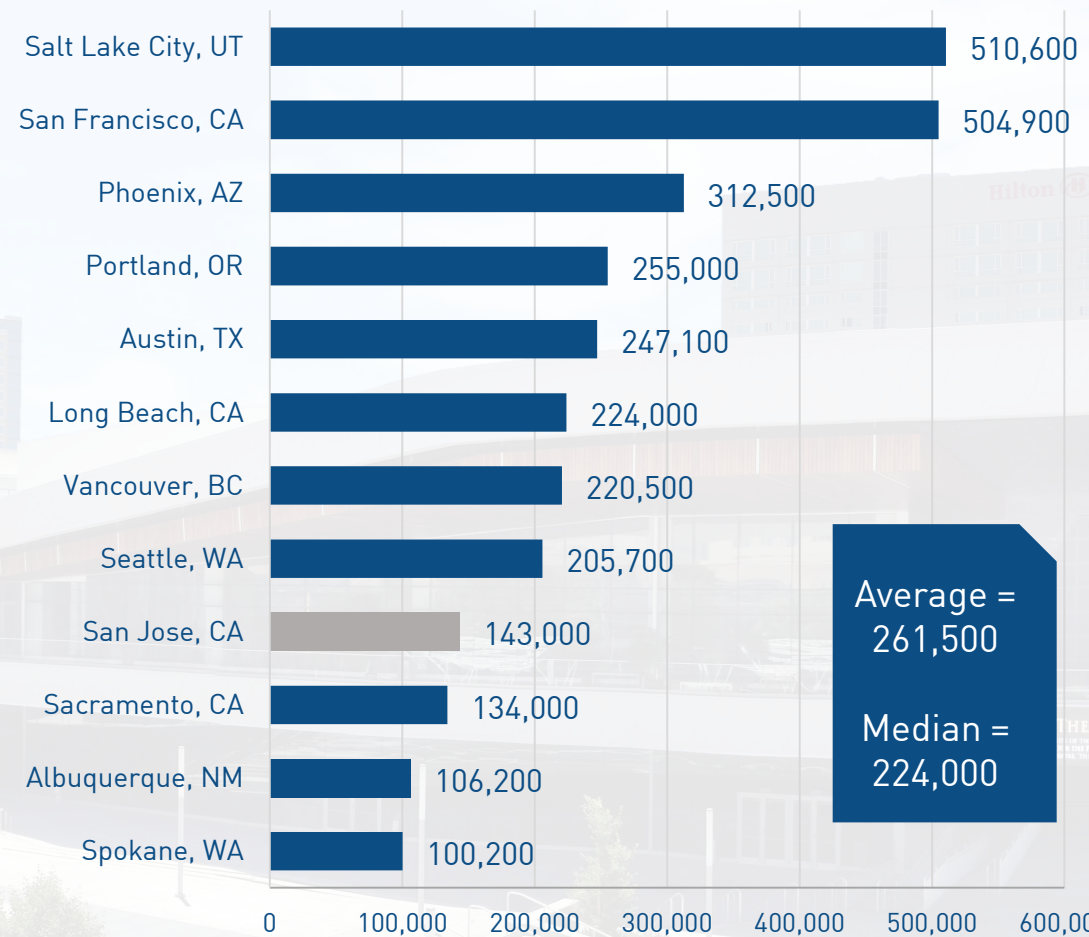


2. COMPARABLE ANALYSIS: Event Space

Total Sellable Space



Largest Contiguous Space



Source: facility management, floor plans and capacity charts, 2019.

CONVENTION INDUSTRY TRENDS

DRAFT COPY
For Discussion Purposes Only

RE-INVENTION OF THE CONCOURSE



OUTDOOR SPACE



SUSTAINABILITY



FLEXIBLE EXHIBIT SPACE



TECHNOLOGY TRENDS – AR/VR



ICONIC PUBLIC ART



Convention and Event Centers responding to a changing event industry becoming increasingly populated by Millennials and Gen Z, who prefer:

- More unique and authentic meeting experiences
- Networking and sharing of ideas, more than just sitting, selling and listening
- Free-flowing event structures
- Interchangeable uses of meeting vs. ballroom vs. exhibit vs. pre-function
- Easy and convenient access to the “best” of host destinations
- Mobile app and AR/VR integration

5. PROGRAM AND HOTEL NEEDS ASSESSMENT

Convention Center

- Target for added exhibit/flex space set at 70,000 to 100,000 square feet.
- Space should be highly flexible, allowing for demisement into spaces as small as 5,000 square feet.
- Target 20,000 square feet of added meeting space.
- Allow for outdoor plaza space that can be covered, targeting approximately 20,000 square feet of space.

Hotel

- An additional 1,000 to 1,500 rooms would be needed within one-half mile of the SJCC.
- With planned supply additions, a new headquarter hotel should be sized at approximately 600 rooms.

Linkages

- Planning for the SJCC should allow for connectivity to SoFA, Historic and San Pedro Square areas.
- The link to the SoFA district in particular offers opportunities on either side of Market Street to develop green space, public art and other elements that create an appropriate scale of connectivity.

5. PROGRAM AND HOTEL NEEDS ASSESSMENT

Public Private Partnership Opportunities

- The development of large headquarter hotel projects carries a relatively high cost-per-key and a fairly long start-up period resulting in financial risk.
- To develop these large hotels, some form of public/private partnership is typically required. These arrangements are structured with two broad components:
 - Public sector support for the project in the form of:
 - land contribution (or low cost lease),
 - development of parking to support the hotel,
 - development of portions of the hotel meeting space,
 - other development and financing tools.
 - Private sector (hotel owner/operator) contribution of a room block agreement allowing City representatives to commit hotel rooms during agreed-on periods at a reasonable group room rate.

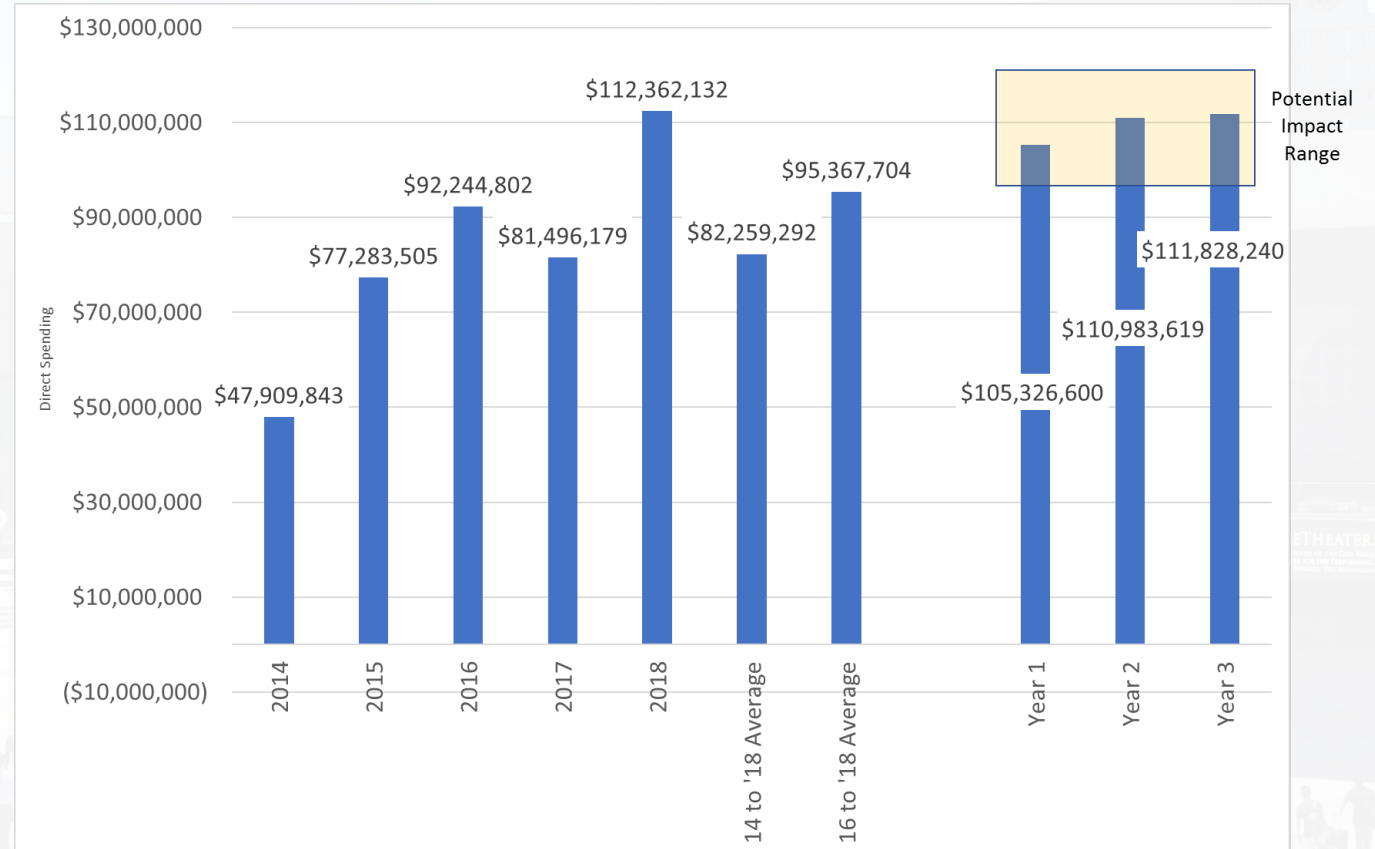
FINANCIAL & ECONOMIC IMPACT ANALYSIS

Financial Operations

- Added event space will create new revenue for the SJCC, potentially yielding a modest improvement to net financial operations.
- To be somewhat conservative, future planning for expanded/improved SJCC operations should assume a break even financial impact.

Economic Impact

- The adjacent exhibit presents the direct delegate spending for the years 2014 to 2018, with averages for the past three and five years.
- Under an expansion and improvement scenario, direct delegate spending could be sustained at an average of approximately \$112 million.
- Actual impacts will vary annually, with years of particularly high and low impact generation.



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