



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Nanci Klein

SUBJECT: TEAM SAN JOSE REPORT ON
ACTIVITIES

DATE: February 11, 2021

Approved

Date

2/11/2021

RECOMMENDATION

It is recommended that the Committee accept an update on Team San Jose's performance measures and activities for Fiscal Year 2021-2022.

BACKGROUND

Team San Jose (TSJ) is an innovative non-profit 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, Parkside Hall, and South Hall as well as theater venues including the California Theatre, Center for the Performing Arts, Montgomery Theater, and the San Jose Civic. Per the San José Municipal Code, the City of San José (City) provides 4.5% of the collected 10% Transient Occupancy Tax (TOT) to TSJ to operate the convention and cultural facilities venues and manage the CVB. The TOT is collected from visitors to San José hotels.

ANALYSIS

Per 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 to the Committee. 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 to the Committee will focus on TSJ's major goals and the major Workplan activities to meet them. The Committee will also be updated on the impacts of and response to COVID-19 and last fall's wildfires.

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

February 11, 2021

Subject: Team San Jose Report on Activies

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As part of its September 2020 CED Committee update, given the impacts of COVID-19 on the activities of TSJ, the Committee requested that staff and TSJ report back to the Committee on its activities in advance of the regular semi-annual update in the spring. Because the COVID-19 situation is evolving, a current report will be provided at the meeting. TSJ will be expanding upon the attached presentation at the Committee meeting.

/s/

NANCI KLEIN

Director of Economic Development

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

Attachment A: Team San José CEDC Update for February 2021

TEAM SAN JOSE

Attachment A

CEDC Report
February 22nd, 2021



TEAM SAN JOSE

Performance Metrics



Team San Jose
Convention Center and Facility
Performance Results
YTD December 2020

	<u>YTD Actual</u>	<u>YTD Goal</u>	<u>Variance</u>	<u>% YTD Goal Achieved</u>	<u>Annual Goal</u>	<u>% Annual Goal Achieved</u>
Estimated Direct Visitor Spending	\$ -	\$ 2,612,439	\$ (2,612,439)	0%	\$ 28,707,785	0%
Future Hotel Room Nights Booked (Citywide)	39,312	53,919	(14,607)	73%	119,821	33%
Theater Occupancy	0%	18%	-18%	0%	77%	0%
Gross Operating Revenue	\$ 2,715,695	\$ 2,829,762	\$ (114,067)	96%	\$ 29,979,365	9%
Gross Operating Results	\$ (1,324,816)	\$ (2,256,581)	\$ 931,765	141%	\$ 1,025,126	0%
Customer Satisfaction	0%	95%	-95%	0%	95%	0%
Response Rate	0%					

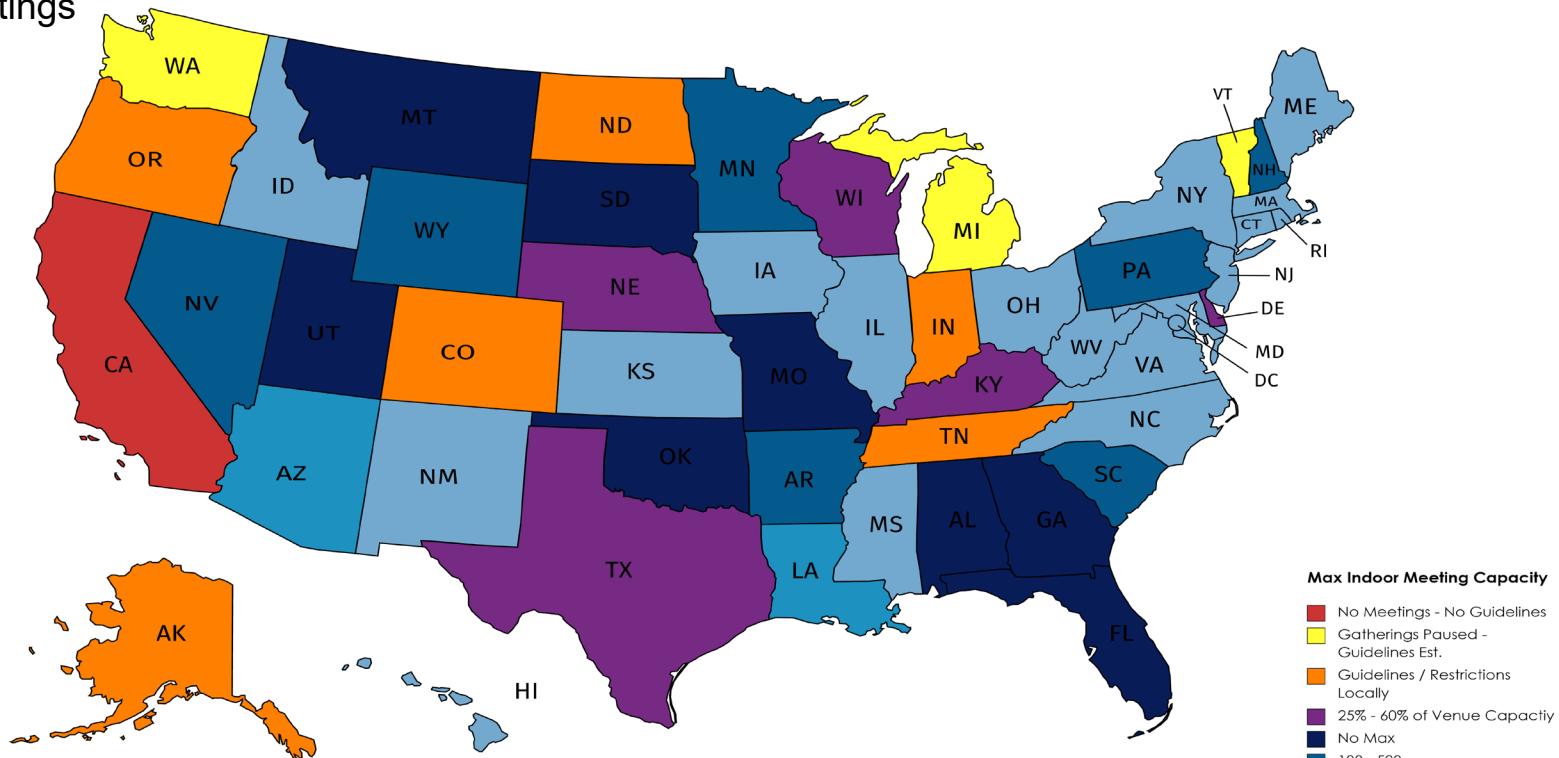
TEAM SAN JOSE

COVID Impacts and Updates



Meeting Guidelines and Indoor Capacities by State

California is only state with allowing no meetings and with no guidelines for the reintroduction of meetings



Restrictions on travel / lack of meetings reopening guidelines hamper sales efforts

TSJ continues to work with CalTravel and the California Convention Center Coalition on reopening guidelines with the State

Would need State and County sign-off on orders

With the pandemic still peaking, guidelines have not been issued

Long lead time needed for meetings means that California is at a disadvantage compared to every other state

HOTEL FORECAST: ***Updated Revenue Projections***

Adjusted hotel forecast decreases expected TOT Revenues

TOT forecast was set based on research conducted in May by Tourism Economics

Update to forecast occurred in November and decreased initial hotel revenue projections for FY 2020-21 by 38%

	Jul	Aug	Sep	Oct	Nov	Dec	Mid Year	Jan	Feb	Mar	Apr	May	Jun	Year End
May Budget Proj	\$ 11.4	\$ 13.5	\$ 14.8	\$ 16.6	\$ 14.5	\$ 12.7	\$ 83.5	\$ 18.1	\$ 19.7	\$ 24.4	\$ 22.1	\$ 27.5	\$ 30.1	\$ 225.3
Nov Budget Proj	\$ 10.2	\$ 13.1	\$ 12.5	\$ 12.0	\$ 8.7	\$ 5.9	\$ 62.4	\$ 7.3	\$ 7.4	\$ 10.4	\$ 11.6	\$ 17.5	\$ 22.1	\$ 138.6
Actuals	\$ 10.2	\$ 13.1	\$ 12.5	\$ 12.0	\$ 10.0	\$ 8.8	\$ 66.6							

Third forecast is being conducted February 2021

OPERATIONS UPDATE:

***Meal Services, Homeless Shelter
and Vaccination Site***

South Hall

- Extended City use through April 2021
- Consistent 280 beds occupied nightly

Food Preparation

- Close to 700k meals to date
- 1 of 3 organizations awarded the contract extension for meals in the City beginning Feb 1
- However, we have seen a decrease in our weekly meals from 22k to 10k per week under the new contract

Vaccination Site

- Worked with City to put forward plan for McEnery Convention Center to be used as vaccination site
- The County is considering along with several other sites

TEAM SAN JOSE

Group Sales

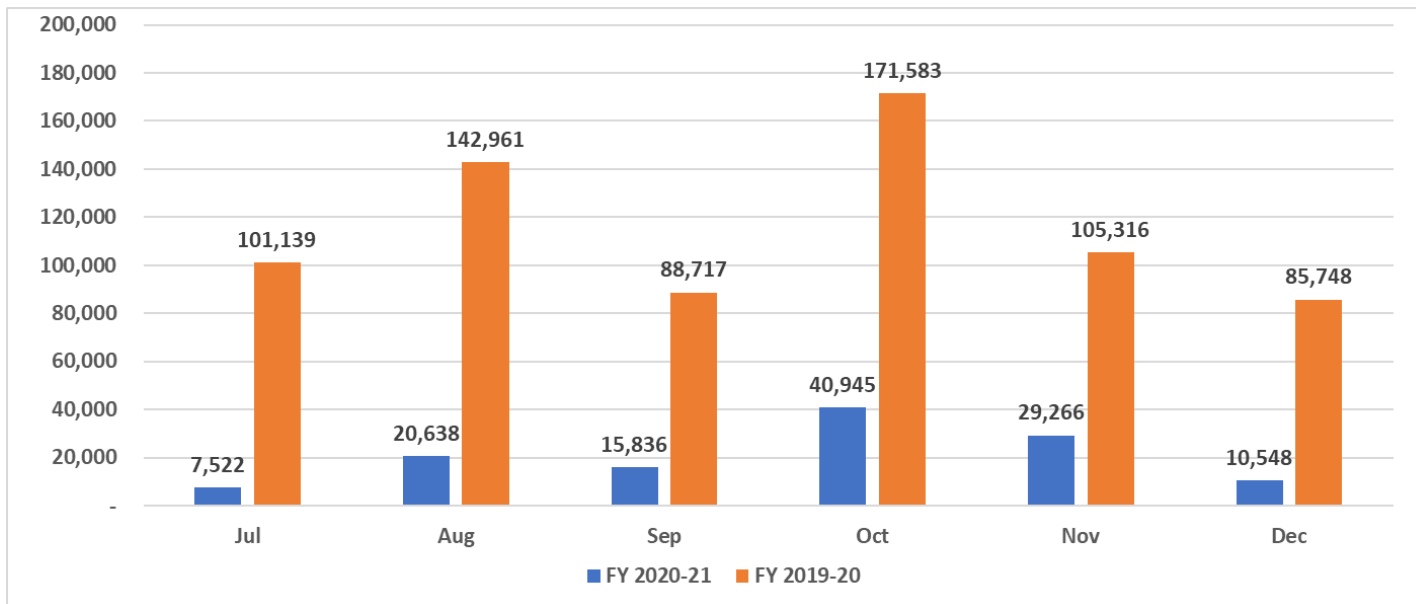


January 2021 Results

- MTD and YTD bookings
 - January 97% (8,597 RNs v 8,836 RN goal)
 - FYTD 75% (47,559 RNs v 62,755 RN goal)
- MTD and YTD lead volume
 - January 26 v 103 LY (-75%) *highest since COVID
 - FYTD 113 v 720 LY (-84%)

Dramatic decrease in lead volumes over 1st 6 months

New Lead Room Nights for All Future Years (by month):
FY 2020-21 vs FY 2019-20



Latest Customer Trends

- Still very slow to sign contracts
- Downsizing 2021 Fall programs (Zoom, ARM)
- We are trying to capture virtual and hybrid programs-higher engagement with LMG

Proactive Solicitation Plan and Highlights

- Seeking to diversify market segmentation
- 56 new customer connections
- 8 fully qualified
- Most exciting active leads= 10,000 RNs for Jan 2022* and 17,000 RNs for July 2023

TEAM SAN JOSE

Destination Marketing



PAID MEDIA: *Objectives, Strategy & Tactics*

Pivot to All-Leisure When Health Order Allows

Strategy

Given the current state of meetings and the uncertainty that remains in the coming months as a result of the global pandemic, paid media strategy will pivot focus to reaching leisure travelers only, targeting in-state markets. Paid media tactics will align with evolving leisure traveler consumption habits to ensure San Jose is top of mind as consumers look to travel again. By cultivating relationships with local artists and community, the destination will be authentically and uniquely portrayed in assets.

Tactics

- Engage in-destination partners (hotels, restaurants, attractions) to cross-promote
- Focus on media vendors that can deliver hotel bookings (i.e Expedia)
- Target travelers who have shown a digital intent to travel
- Partner with Visit California for key co-op opportunities
- Leverage influencers to raise awareness of travel to San Jose and collect up-to-date visual assets
- Feature curated itineraries that showcase the cultural fabric of the destination

Estimated Projected Results

- Reach: 208M
- Est. Hotel Revenue: \$37.1M
- Est. Return on Ad Spend (ROAS): 38.1

2021 California Visitors Guide - by artist
Angie Chua of bobo designs



Meet artist Angie Chua, founder and owner of bobo design studio. She's a true original, just like San Jose. See why Angie and creators like her choose and celebrate our local food, arts and culture scene.

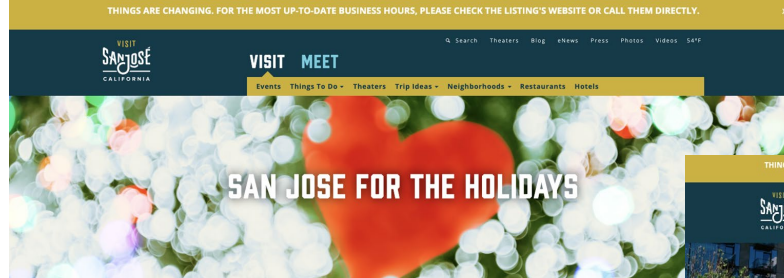
Plan your adventure and create your own #sanjoselove story.
sanjose.org

OWNED MEDIA:

Website, Email, Social

Website

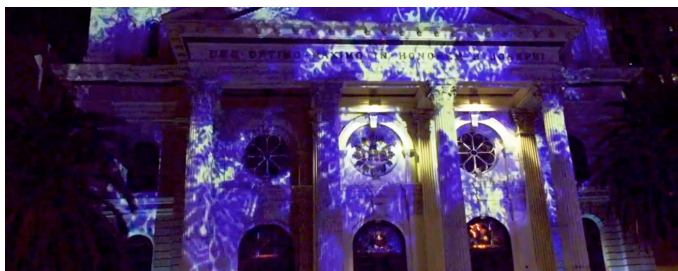
- Serve as a source of information regarding travel and local/state hospitality regulations in the changing pandemic landscape
- Champion virtual and socially-distanced events and things to do, supporting local community and organizations
- Top markets visiting the website: The Bay Area, Los Angeles, Sacramento, Fresno, Monterrey, Chicago, Dallas, New York, San Diego
- The “Things to Do” page garnered 17,992 users Sept-Dec, 15,580 of which arrived via organic search only



The holidays are looking a little different this year but the spirit of the season and festive cheer remains the same! Cultivate kindness and #sanjoselove by appreciating the joy in neighborhood celebrations and supporting San Jose's small businesses community.

Your time and money spent in San Jose is an investment in San Jose's future. Supporting San Jose is more important now than ever before. Pledge your solidarity to shop local, eat local and love local. Love begins at home. Love begins in San Jose.

IT'S THE SEASON TO STAY SAFE & HEALTHY WITH RESPONDING GUIDELINES IN SAN JOSE



SAN JOSE'S HOLIDAY SPIRIT IS ABUZZ



Conde Nast Traveler Names San Jose as Top Christmas City in the World

With Christmas in the Park, Winchester Mystery House, and the Fairmont San Jose in our destination.



Shop Local in Downtown San Jose

Every dollar you spend in San Jose stays in San Jose. Show your #sanjoselove by supporting gifts from small businesses!



5 San Jose Ways to Gift Local in 2020

Support local entrepreneurs, creatives and non-profits with gifts that contribute to San Jose's future



Visit California Responsible Travel Code

Respect is the key to keeping each other safe and all of California's precious and fragile beauty protected, today and tomorrow



Health & Sanitation Protocols Voted by the Worldwide Cleaning Industry

San Jose's McInerney Convention Center and the San Jose Theaters lead Northern California in ensuring the safety of all guests



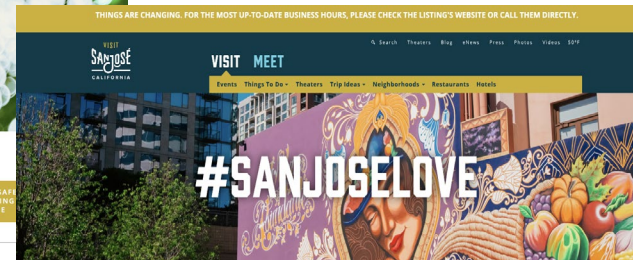
Safely Social San Jose

Artist-led workshops focusing on social etiquette aimed at encouraging respect between patrons, employees, consumers and community



Fly Safely & Conveniently

Operation updates & procedures to reduce risk for employees and passengers



As of November 17, Santa Clara County officially moved into the **PURPLE TIER** of the State of California COVID-19 recovery blueprints. Please be aware that these levels are subject to rapid change and that moving forward is contingent upon our collaborative efforts to ensure safety for all.

Please mask up, stay 6 feet apart and take care of each other.

Please email marketing@sanjose.org to submit any business updates.

SANTA CLARA COUNTY PUBLIC HEALTH DEPARTMENT REVISOR REDUCTION ORDER 10/5/2020

FACE COVERINGS REQUIRED

Both the Santa Clara County Public Health Department and City of San Jose have issued ordinances requiring face coverings in public areas. Remember to mask up when you are within 6 feet in the confines of any business both indoors and outdoors and while waiting in line, in the workplace, obtaining healthcare services, waiting for or riding on public transportation and while in public outdoor spaces where you cannot maintain a 6 foot distance from other social bubbles. Please take care of yourself and everyone around you.

SAFE TRAVELS, SAN JOSE!

San Jose, let's take care of each other. Whether a local explorer or on vacation, please travel safely. San Jose's future relies on all of us to express our #sanjoselove through patronizing local shops, museums, and restaurants. San Jose's future also depends on our individual accountability — stay safe, wear a mask and keep San Jose clean!

Email

- Deployed 16 campaigns to more than 750k email subscribers
- Developed content in support of local happenings including:
 - Virtual Winchester House
 - 3Below Theaters
 - Silicon Valley African Art Festival
 - Sacred Heart
 - School of Visual Philosophy
 - Dia De Los Muertos
 - Xmas in the Park
 - Mosaic
 - Holiday Nights
- Increased email database by adding 2,083 subscribers from September - December



VISIT SAN JOSE CALIFORNIA

WINCHESTER MYSTERY HOUSE

UNLOCK THE SECRETS OF THE WINCHESTER MYSTERY HOUSE®

The **WINCHESTER MYSTERY HOUSE®** contains a lot of secrets behind all its 2,000 doors. Named one of the **top 10 best haunted destinations in the United States** for a number of reasons, this peculiar mansion takes haunted house to the next level. And with Halloween right around the corner, now is the perfect time to show **#SanJoseLove** by exploring the **WINCHESTER MYSTERY HOUSE®** virtually or in person.

BUY TICKETS

Buy tickets for a self-guided, in-person mansion tour that was created with social distancing protocols in mind, including one-way paths and plenty of space. Or, purchase the new 360-degree tour that gives you virtual access to previously inaccessible rooms. **GET YOUR TICKETS**

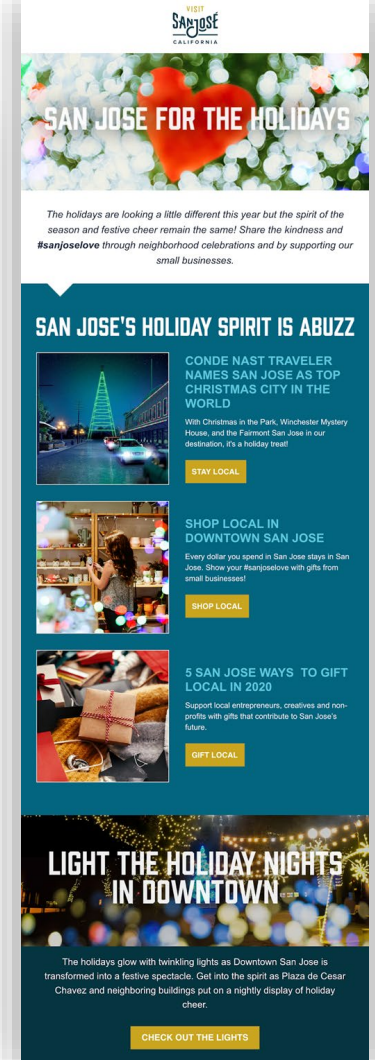
BUY A MEMBERSHIP

The "Skeleton Key Club" is the gateway to even more legend and lore of the **WINCHESTER MYSTERY HOUSE®**. Membership benefits include an unlimited number of daytime tours, pre-sale access to events and discounts at the gift shop. **BUY A MEMBERSHIP**

#SANJOSELOVE

Visit San Jose 2020

Facebook, Instagram, Twitter icons



VISIT SAN JOSE CALIFORNIA

SAN JOSE FOR THE HOLIDAYS

*The holidays are looking a little different this year but the spirit of the season and festive cheer remain the same! Share the kindness and **#sanjoselove** through neighborhood celebrations and by supporting our small businesses.*

SAN JOSE'S HOLIDAY SPIRIT IS ABUZZ

CONDE NAST TRAVELER NAMES SAN JOSE AS TOP CHRISTMAS CITY IN THE WORLD

With Christmas in the Park, Winchester Mystery House, and the Fairmont San Jose in our destination, it's a holiday treat!

STAY LOCAL

SHOP LOCAL IN DOWNTOWN SAN JOSE

Every dollar you spend in San Jose stays in San Jose. Show your **#sanjoselove** with gifts from small businesses!

SHOP LOCAL

5 SAN JOSE WAYS TO GIFT LOCAL IN 2020

Support local entrepreneurs, creatives and non-profits with gifts that contribute to San Jose's future.

GIFT LOCAL

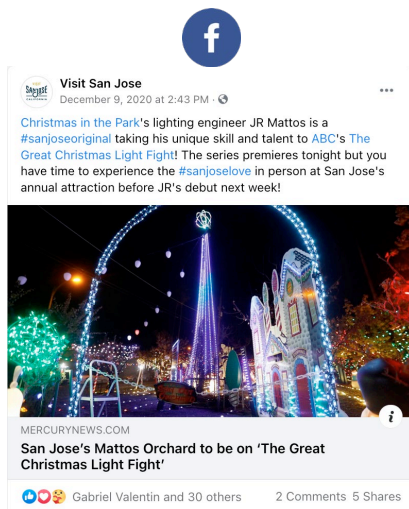
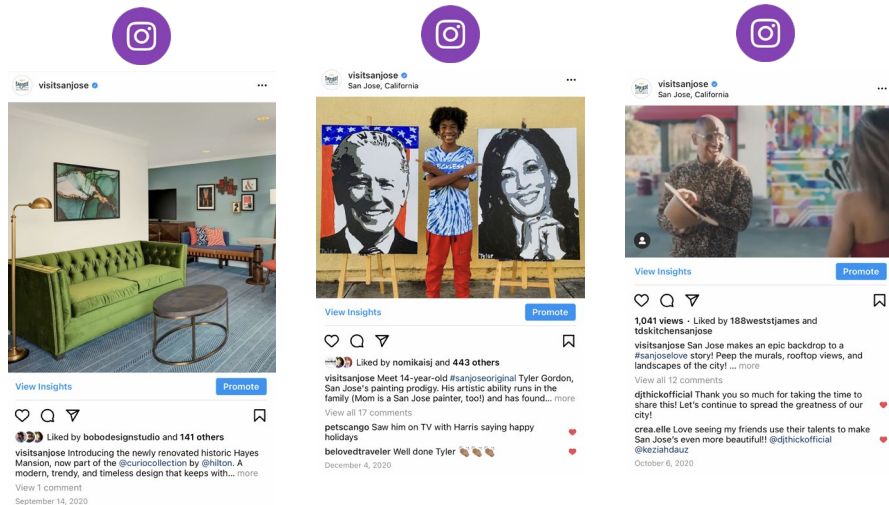
LIGHT THE HOLIDAY NIGHTS IN DOWNTOWN

The holidays glow with twinkling lights as Downtown San Jose is transformed into a festive spectacle. Get into the spirit as Plaza de Cesar Chavez and neighboring buildings put on a nightly display of holiday cheer.

CHECK OUT THE LIGHTS

Social

- Continued to evolve #sanjoselove campaign to messages of community support and shopping local
 - Community virtual event promotion
 - Local artists highlights
 - Holidays in San Jose - Shop local and holiday light activations
 - Content creator spotlights featuring work of locals who were expressing their #sanjoselove for the destination
- Increased total followers by 2% with the largest jump on Instagram at 7.5% growth September - December



EARNED MEDIA: *Public Relations*

PR Highlights

- Placed 43 stories in national and local publications and outlets
 - Reach 77M
 - Ad Value \$376K
- Major themes in pitches involved al fresco dining, unique San Jose people and places, and meetings industry news and insights
- Continued to be a resource to local media on stories and interviews on South Bay coverage to promote San Jose as a destination

Los Angeles Times

Micro weddings can save you money as hotels and resorts trim prices

Reach 11.6M Online | Ad Value \$21,800

Condé Nast Traveler

30 Best Places to Spend Christmas: The World's Most Festive Cities

Reach 1.3M Online | Ad Value \$2,500

TRAVEL+ LEISURE

Four Fresh Ways to Lean in to Winter

Reach 962,011 Print | Ad Value \$50,000

BUSINESS INSIDER

California hotels and communities are hosting people's pets and offering free or discounted housing to help those impacted by wildfires

Reach 28M Online | Ad Value \$53,600

THANK YOU