



# Memorandum

**TO:** COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE

**FROM:** Jen Baker

**SUBJECT:** See Below

**DATE:** April 13, 2026

Approved

Date 4/14/2026

**SUBJECT: Team San José Semi-Annual Status Report**

## **RECOMMENDATION**

Accept the semi-annual status report on Team San José's unaudited mid-year performance for Fiscal Year 2025-2026, as well as its sales and marketing strategies and activities in Fiscal Year 2025-2026.

## **BACKGROUND**

Team San José (TSJ) is an innovative nonprofit organization unifying the San José Convention and Visitors Bureau (CVB), hotels, arts, labor, and venues to deliver a high-quality visitor experience. TSJ manages the San José 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 José Civic Auditorium. Pursuant to the municipal code, the City provides 4.5% of the collected 10% Transient Occupancy Tax to TSJ to operate the convention and cultural facilities venues and manage the CVB. The Transient Occupancy Tax is collected from visitors to San José hotels.

On June 18, 2024, City Council approved amendments to the two agreements with TSJ to manage the City-owned convention center facilities and four theaters and operate as the CVB. Both agreements are in final five-year terms that expire on June 30, 2029.

## **ANALYSIS**

Pursuant to the master agreement between the City and TSJ, semi-annual updates on TSJ's performance on City 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 on its sales and marketing activities. Also included in the report are 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 performance in the first half of Fiscal Year 2025-2026, including its major sales and marketing strategies for Fiscal Year 2025-2026.

### ***Mid-Year Fiscal Year 2025-2026 Performance and Activities***

As outlined in Attachment A, *TSJ Semi-Annual Update to CED Committee*, TSJ, and the City collaborated to develop City Council-approved performance targets for Fiscal Year 2025-2026, informed by national industry trends and local indicators, which also inform TSJ's sales and marketing strategies. TSJ has sought diversification of new business for the convention center while maintaining high standards of service to retain current repeat clients.

With a strong string of major technology conferences and sports events in 2026, TSJ reports a positive growth in hotel occupancy, average daily rate, and revenue per available room (RevPar) driven by visitors. A comparison to major sporting events in 2016 offers a remarkable increase in visitor demand, a result of the collaborative marketing campaigns of TSJ, San José Sports Authority, San José Downtown Association, and City departments. As outlined in Attachment A, the anticipated travel performance metrics in 2026 manifested as a direct result of a combined multi-partner destination marketing strategy related to regional major sporting events.

In addition to the performance metrics, TSJ will present to the CED Committee highlights of its year-to-date sales and marketing strategies and activities, including industry trends, the tourism and travel economy, and TSJ's contribution to the overall hotel economy as outlined in Attachment A.

TSJ, operating its CVB as "Visit San José," seeks to diversify its market segmentation for sales and is executing a robust customer engagement plan through industry tradeshows and events, and continues to build business at the San José McEnery Convention Center. The marketing team continues a strategy of utilizing advertising technology to target consumers and meeting planners and convert travel to San José hotels and the airport, while building the target market for the sales team. The public relations team gains ongoing exposure for San José as a destination in national and international outlets.

Furthermore, as added to the Visit San José contractual scope of work in the City/TSJ master agreement, TSJ is leading a collaborative marketing group that focuses on a unified destination branding and marketing of San José to local, regional, and national audiences.

TSJ is also enhancing its outreach to the business community to ensure better cohesion in the visitor experience and to maximize local businesses' economic impact from both overnight guests and local/ regional visitors to TSJ-managed facilities downtown. This was accomplished through the launch of the Bi-Annual Summits for Hospitality and the creation of industry pages on the sanjose.org website. The upcoming Bi-Annual Summits for Hospitality will be held on June 4, 2026 to prepare businesses to maximize gains from large event opportunities.

**Key Highlights:**

- Mid-year performance ended above budget estimates in all measures. TSJ has a significant positive variance again in gross operating results, mainly due to the cancellation of a large tech event. Cancellation fees move directly to the bottom line with no associated labor expenses. While a loss of economic and fiscal impacts, the cancellation fee is reflected as a net gain in TSJ's financial performance.
- TSJ saw significant increases in attendance and spending in the convention center year-over-year. Sales have been robust with significant increases in citywide business bookings. The increase is a mix of signing repeat customers and securing new programs for the City.
- TSJ shares initial reports of hotel performance and insights on the first quarter of 2026 events with results for Super Bowl LX, NVIDIA GTC, and March Madness. Super Bowl LX improved considerably on the performance of the last Super Bowl in 2016, driven by increased transient occupancy and a larger share of the weekend room nights. In addition, the City saw an increase of 20% in RevPAR citywide during the NVIDIA GTC conference, and March Madness increased RevPAR 36.6% over the same week last year.
- Marketed to local businesses with the intent to prepare them for increased visitors during parts of the year, the fall TSJ Bi-Annual Summits for Hospitality (BASH) welcomed 224 total attendees (a 47% increase from the previous Bi-Annual Summits for Hospitality) and saw a marked increase in signups to the community impact list. This list is utilized for outreach to the business community with a newly launched industry newsletter, 60-day calendar, major event resumes, and other important updates regarding the tourism and experience economy.
- TSJ partnered with the City Manager's Office of Economic Development and Cultural Affairs (OEDCA) to optimize opportunities for destinations visitors anticipated in 2026 and estimate the economic impact from major sports events. In partnership with Visit San José, OEDCA invested \$150,000 in the *Arts Will Play in 2026!* Cultural Tourism Marketing Opportunity. While still midway through the annual campaign, early indicators demonstrate a strong result in brand awareness and cultural organizations' visitorship (see Attachment A). This digital marketing campaign promotes cultural tourism in 2026 through a diverse set of events and programs that uniquely reflect San José's culture. Selected through a

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competitive proposal process, organizations received \$10,000 in digital marketing ad buys plus a customized digital marketing strategy developed in partnership with Visit San José. Both TSJ and OEDCA are eager to analyze the return on investment, economic impact, and heightened awareness for San José as a destination and for its partners.

### ***Considerations for Setting TSJ Performance Targets***

Attachment B, *Target Setting Considerations*, was created by the City Manager's Budget Office. It contextualizes the variables and considerations in developing annual performance targets for TSJ. The performance targets are presented to the City Council for approval as part of the annual Proposed Operating Budget process through a Manager Budget Addendum incorporated into the Mayor's June Budget Message. For context, TSJ performance targets should represent feasible markers of excellent performance under expected market conditions. Most performance targets impact the allocation of budgetary resources within the Convention and Cultural Affairs Fund to support facility operations. Overly aggressive performance targets would negatively impact the fund if not met.

TSJ will discuss highlights of the attached presentation at the CED Committee meeting.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office.



JEN BAKER

Director of the City Manager's Office of  
Economic Development and Cultural  
Affairs

For questions, contact Kerry Adams Hapner, Director of Cultural Affairs, City Manager's Office of Economic and Cultural Affairs, at [kerry.adams-hapner@sanjoseca.gov](mailto:kerry.adams-hapner@sanjoseca.gov).

### **ATTACHMENTS:**

Attachment A: TSJ Semi-Annual Update to the CED Committee

Attachment B: Target Setting Considerations