



FY 2023/24 QUARTERLY REPORT – 4th Quarter Ended June 30, 2024

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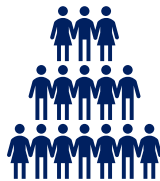
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Santa Clara Convention Center is strategically located in the heart of Silicon Valley, a prime location for conventions, trade shows and exhibitions. The Santa Clara Convention Center is minutes from hotels, restaurants, Levi's Stadium, California's Great America Theme Park, and many of the largest and most influential technology companies in the world, with easy access to freeways and Norman Y. Mineta San Jose International Airport and only 45 miles south of San Francisco. The Convention Center features 100,000 square feet of exhibit space, a 22,400 square foot ballroom, 31 breakout rooms and a 607-seat theater and attracts over 350,000 visitors annually. The facility is an integral economic component of Santa Clara, generating economic benefits through attendee direct and indirect spending and sustaining over 500 local jobs.

For more information, visit www.santaclaraconventioncenter.com.

4th Quarter Highlights

This quarterly report covers fiscal operations of the Santa Clara Convention Center for the fourth quarter ended June 30, 2024. This report is unaudited and, therefore, subject to change.



61,990

Total Attendance



77

Total Events



\$5,911,139

Total Revenue

Strategic Highlights

Oak View Group (OVG) maintains active involvement with the Silicon Valley/Santa Clara DMO, Inc., also known as Discover Santa Clara®, and the Santa Clara Tourism Improvement District (SCTID). Serving on the Nominating Committee, the OVG General Manager (GM) participated in an interview to replace the Director of Sales who resigned in May. Additionally, as a Board Member/Officer of the DMO, the OVG GM contributed to various organizational activities, including financial preparations and training for the transition of payroll duties to a new employee of the DMO's accounting firm.

Throughout the quarter, OVG remained highly engaged in diverse activities, such as partner meetings, contract evaluations, union adjustments, and capital projects. Vendors selected through a competitive proposal process submitted two new reports for capital projects in the quarter: an assessment of the Convention Center roof, and the second, an assessment of the electrical systems at the Center. The reports, now final, are being shared with the City of Santa Clara to discuss strategies on upgrades in these areas to align with upcoming events in 2026, including Super Bowl LX and the FIFA World Cup.

Collective efforts with partners, including Levy (Food & Beverage), Encore (Audio Visual), and Smart City (IT), focused on exploring event opportunities and refining operational processes to address the ongoing challenges of outside F&B at Center events. Working collaboratively with the DMO, OVG produced rental proposals that assisted in the booking of three P2's within the quarter. OVG, in coordination with its partners, continued to implement the booking policy while actively pursuing new business ventures to attract significant events to the facility. The dedicated sales efforts of the Center team led to the booking of 46 events during the quarter, 14 of which were identified as new business. OVG continued to monitor event load and potential revenue throughout the quarter. All employees were brought back in accordance with California's Rehiring and Retention Law.

Financial Highlights

After a better than anticipated first, second and third quarter, the SCCC saw business continue to trend upward in the final quarter of the fiscal year. Gross revenue, April through June, was \$5,911,139 representing 120.15% of the overall budget for revenue. Conversely, expenses totaled \$4,961,329, 118.23% of the budgeted expenses for the quarter, resulting in an overall profit of \$949,810 for Q4.

Event Highlights

Seventy-seven events took place during the quarter, 19 more than the budgeted number of 58. There were 14 potential events lost in the fourth quarter: two in April, three in May, and nine in June. Only one was canceled and the remaining 13 chose not to move forward with their proposals and are not holding future dates.

In April, over 600 attendees gathered for Cadence CDN Live 2024. Attendees had the opportunity to attend visionary keynotes and innovative peer-to-peer user presentations. May brought the Bill Wilson Center's (BWC) Golden Anniversary Fundraising Dinner. BWC provides services to more than 5,000 children, youth, young adults and families in Santa Clara County through our various programs. Capping the quarter, the SCCC held De Anza College's 57th Annual commencement. Over 4,000 friends and family were on hand to watch 1,500 students graduate as part of the Class of 2024.



Cadence CDN Live

April 2024



Bill Wilson Center – Golden Anniversary

May 2024



*De Anza College Graduation
June 2024*

Operational Highlights

- ➡ As mentioned above, a total of 77 events occurred in the fourth quarter, with 27 in April, 29 in May, and 21 in June.
- ➡ Throughout the quarter, the GM closely monitored event load and staffing levels at the Center, adapting to fluctuations caused by staff turnover. OVG hired a full-time Event Manager, Event Coordinator, and Sales Coordinator. Additionally, two part-time Security Officers and a Staff Accountant were added. Staffing levels fluctuated between 37 and 38 employees during the quarter.
- ➡ Collaboration between OVG and the Hyatt continued to grow. In addition to the weekly Operations meetings, OVG and the Hyatt produced a new Event Questionnaire to provide vital information of Hyatt events taking place in the Grand Ballroom. This questionnaire has already streamlined operations and communication.
- ➡ Released an RFP and received four proposals or preferred Audio-Visual Services at the SCCC. OVG GM oversaw the selection committee made up of the facility Directors. Presentations took place and a Best and Final Offer was issued. A final decision of the recommended vendor will be made in Q1 of FY 2024/25.
- ➡ Received one response to the RFP for the SCCC's new booking system. The proposal was rejected due to it being out of the budgeted price range. The RFP was re-released, but no vendors submitted. OVG is now conducting interviews with potential companies and will issue a memo to the City with its recommendation in Q1 of the next fiscal year.
- ➡ Gathered information from multiple convention centers and third-party power suppliers for electrical pricing. Updated SCCC's electrical pricing to be more competitive within the region and the convention center market. New pricing will be activated in the first quarter. New SCCC Electrical agreements were issued to the Center's power providers in June.

Other Noteworthy Highlights

- ➡ OVG hosted 21 site tours for potential future events at the Convention Center.
- ➡ OVG, Levy and the DMO generated 131 new active prospects in the quarter.
- ➡ Hosted the NFL for a site tour of the facility in preparation for Super Bowl 60. In addition, OVG created preliminary pricing for the Bay Area Host Committee for use of the SCCC during both the Super Bowl and the FIFA World Cup.
- ➡ Drafted and submitted a Memorandum of Understanding to the Hyatt for the use of the Mission City Ballroom from the middle of December 2024 to the middle of January 2025 while the Grand Ballroom Airwall project is completed.
- ➡ OVG GM attended a meeting with the DMO and other City leaders as part of Discover Santa Clara's® Marketing Omnichannel project.
- ➡ Wrote, presented, and submitted year end Performance Evaluations for all full-time employees at the SCCC.

- ➡ Continued our partnership with the Triton Museum and updated the artwork for the Convention Center in the quarter.



Financial Summary

Financial Results

In FY 2023/24, the fourth quarter mirrored its historical pattern of being the strongest financial quarter of the fiscal year. April was the most lucrative month of the quarter, showing a profit of over \$517,000. May was strong as well, with a profit of over \$321,000 which was led by rental, food and beverage and AV revenues being higher than anticipated. June, led by higher rental income, better than expected IT revenues and reconciling prior year adjustments showed a profit of over \$110,000, in spite of being budgeted for an overall loss. Consequently, OVG and its partners achieved gross revenue of \$5,911,139 during the quarter, surpassing the budgeted amount by \$991,165. The net income for Q4 amounted to \$949,810, in contrast to the anticipated profit of \$723,626, thereby exceeding the budgeted income by \$226,184.

Financial Summary – 4th Quarter Ended June 30, 2024

	Projected in Budget	Actual	Difference
Gross Revenue	\$ 4,919,974	\$ 5,911,139	\$ 991,165
Total Expense	4,196,348	4,961,329	(764,981)
Net Income	\$ 723,626	\$ 949,810	\$ 226,184

Total expenses for the quarter were \$4,961,329 or \$764,981 more than the budgeted amount of \$4,196,348. There was \$379,935 of other revenue recognized in Q4 primarily from cancelation fees and interest income.

Income Statement

SANTA CLARA CONVENTION CENTER
QUARTERLY GROSS INCOME STATEMENT
For the Twelve Months Ending June 30, 2024

	QUARTER 4			YEAR TO DATE		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
Number of Events	58	77	19	220	242	22
Number of Event Days	142	157	15	543	553	10
Attendance	62,892	61,990	(902)	246,196	318,697	72,501
Event Revenue						
Rental	999,836	1,118,708	118,872	3,881,511	3,922,594	41,083
Services	60,686	133,975	73,289	175,801	440,474	264,673
IT/Telecom	329,409	526,100	196,691	1,120,579	1,395,551	274,972
Food & Beverage	2,468,318	2,505,658	37,340	7,996,075	8,105,876	109,801
Electrical	562,517	383,656	(178,861)	871,211	1,339,674	468,463
Audio Visual	454,703	863,107	408,404	1,454,823	3,339,211	1,884,388
Total Event Revenue	4,875,469	5,531,204	655,735	15,500,000	18,543,380	3,043,380
Event Expenses						
Services	-	10,937	(10,937)	-	85,538	(85,538)
IT/Telecom	243,762	357,748	(113,986)	829,228	948,975	(119,747)
Food & Beverage	1,994,673	1,950,040	44,633	6,864,689	6,583,152	281,537
Electrical	393,762	285,597	108,165	609,848	993,768	(383,920)
Audio Visual	304,652	598,962	(294,310)	974,732	2,452,566	(1,477,834)
Total Event Expenses	2,936,849	3,203,284	(266,435)	9,278,497	11,063,999	(1,785,502)
Net Event Income (Loss)	1,938,620	2,327,920	389,300	6,221,503	7,479,381	1,257,878
Other Revenue	44,505	379,935	335,430	163,770	661,376	497,606
Total Net Event & Other Revenue	1,983,125	2,707,855	724,730	6,385,273	8,140,757	1,755,484
Indirect Expenses						
Executive	115,997	175,384	(59,387)	437,636	412,728	24,908
Finance	122,866	136,329	(13,463)	466,447	413,706	52,741
Event Services	141,482	127,970	13,512	547,041	404,499	142,542
Sales/Marketing	123,498	143,395	(19,897)	463,116	405,424	57,692
Operations	745,508	833,158	(87,650)	2,854,867	2,958,274	(103,407)
Overhead	10,148	341,809	(331,661)	1,144,146	1,033,805	110,341
Total Indirect Expenses	1,259,499	1,758,045	(498,546)	5,913,253	5,628,436	284,817
Net Operating Income	723,626	949,810	226,184	472,020	2,512,321	2,040,301
Net Income	723,626	949,810	226,184	472,020	2,512,321	2,040,301

Event Statistics

There were 77 events scheduled in Q4 with \$5,531,204 in revenue and \$3,203,284 in expenses. 'Conventions' and 'Meetings' generated the largest amount of revenue in the quarter.

Event Revenue

Event Net Revenue – 4th Quarter Ended June 30, 2024

Event Types	Gross Revenue	Cost of Sales	Net Revenue
Banquets	\$350,717	\$248,790	\$101,927
Meetings	1,415,597	921,276	494,321
Consumer Shows	48,452	8,843	39,609
Trade Shows	980,394	587,157	393,237
Conventions	2,048,453	1,224,785	823,668
Special Events	398,990	160,907	238,083
Miscellaneous Events	-	-	-
Sporting Events	288,601	51,526	237,075
Totals	\$5,531,204	\$3,203,284	\$2,327,920

This quarter, there was a profit of \$2,327,920. Revenues generated were higher than anticipated due to increased Rental, IT and AV activity. Event expenses were also slightly over budget due to the increase in event revenue for the quarter.

Partners

Partner Revenue – 4th Quarter Ended June 30, 2024

Partner	Gross Revenue	Cost of Sales	Net Revenue
Levy Restaurants	\$2,505,658	\$1,950,040	\$555,618
Smart City (IT services)	526,100	357,748	168,352
ENCORE-AV (AV services)	863,107	598,962	264,145
Electrical	383,656	285,597	98,059
Totals	\$4,278,521	\$3,192,347	\$1,086,174

Partner revenue for Q4 was \$4,278,521. The cost of sales was \$3,192,347 for a net profit of \$1,086,174.

Indirect Expenses

Total indirect expenses were \$1,758,045 for the quarter.

Departments	Expense Description	Indirect Cost
Executive	Senior personnel	\$175,384
Marketing	Sales and marketing related	143,395
Finance	Finance and Human Resources	136,329
Events	Staffing to manage events	127,970
Operations	Engineering, building services, security, and all other related expenses to operate the building	833,158
Overhead	Non-departmental expenses	341,809
Transition Costs	Costs related to the transition to OVG	-
Totals		\$1,758,045

Previous Fiscal Year Comparison

Compared to the same quarter of the previous fiscal year, the number of actual events in FY 2023/24 was seven fewer than in FY 2022/23. However, FY 2023/24 experienced a reduction of thirty-three event days. This decrease in the number of events led to a decline in overall attendance. Financially, the actual gross revenue for FY 2023/24 was significantly higher than budgeted, though it was less than the revenue posted in FY 2022/23. Expenses in FY 2023/24 also exceeded the budget but were lower than those in FY 2022/23. Net income for the quarter was \$949,810, compared to \$1,193,568 in the previous year.

Overall, the Center hosted the same number of events (242) in both FY 2023/24 and FY 2022/23. The total number of event days increased by 14 in FY 2023/24, with an attendance increase of 24,504. Financially, the gross revenue budget for FY 2023/24 was over \$2 million higher than FY 2022/23. Even with this increase, OVG exceeded the budget by \$3,540,986, achieving a gross revenue of \$19,204,756 for the year. Due to the revenue increase, expenses also rose in FY 2023/24. Net income for FY 2023/24 surpassed the previous year's total by \$65,001, resulting in a profit of \$2,512,321.

Quarter 4 Comparison

	Quarter ended June 30, 2024			Quarter ended June 30, 2023		
	Projected in Budget	Actual	Budgeted Overage / (Underage)	Projected in Budget	Actual	Budgeted Overage / (Underage)
Number of Events	58	77	19	104	84	(20)
Number of Event Days	142	157	15	193	190	(3)
Attendance	62,892	61,990	(902)	113,665	85,569	(27,096)
Gross Revenue	\$4,919,974	\$5,911,139	\$991,165	\$3,886,710	\$6,614,989	\$2,728,279
Total Expense	\$4,196,348	\$4,961,329	(\$764,981)	\$3,706,492	\$5,421,421	(\$1,714,929)
Net Income	\$723,626	\$949,810	\$226,184	\$180,218	\$1,193,568	\$1,013,350

YTD Comparison

	YTD ended June 30, 2024			YTD ended June 30, 2023		
	Projected in Budget	Actual	Budgeted Overage / (Underage)	Projected in Budget	Actual	Budgeted Overage / (Underage)
Number of Events	220	242	22	374	242	(132)
Number of Event Days	543	553	10	739	539	(200)
Attendance	246,196	318,697	72,501	248,505	294,193	45,688
Gross Revenue	\$15,663,770	\$19,204,756	\$3,540,986	\$13,603,635	\$16,791,629	\$3,187,994
Total Expense	\$15,191,750	\$16,692,435	(\$1,500,685)	\$13,821,350	\$14,344,309	(\$522,959)
Net Income	\$472,020	\$2,512,321	\$2,040,301	(\$217,715)	\$2,447,320	\$2,665,035

Other Activities

- Attended meeting with OVG Corporate as part of the presenting team to the City, in response to an RFP issued for Naming Rights and Sponsorship for the Santa Clara Convention Center.
- OVG GM, Director of Sales, Director of Finance and Sales Manager attended Milpitas High School – Academy of Travel and Tourism presentation day as judges.
- OVG GM attended a meeting with the City, Levy and Levy United Kingdom (UK) to discuss how Santa Clara conducts business. Levy UK was in Santa Clara in preparation for the opening of a new venue in the UK at the end of August.
- Started negotiations with the International Union of Operating Engineers – Local 39 on a new Collective Bargaining Agreement for the Santa Clara Convention Center.
- Started negotiations with the International Brotherhood of Teamsters – Local 2785 on a new Collective Bargaining Agreement for the Santa Clara Convention Center.
- OVG GM started conversations with Levy GM to discuss challenges with outside F&B during Sports Events. Leaders are considering buyouts and other potential solutions.

Key Performance Indicators (KPIs)

Gross revenue was \$5,911,139 and net income was \$949,810 for Q4. Through the fourth quarter, the event mix shows the Convention Center hosted twenty-one of its targeted P3's, thirty-eight of its P4 goal and 182 of its P5 mark.

OVG Venue Management – Santa Clara Convention Center			
Performance Measures			
	2023/24 Target	YTD	NOTES
1. Convention Center Gross Revenue	\$15,663,770	\$19,204,756	
2. Net Income+	\$104,170	\$2,512,321	
3. Number of Room Nights Consumed	26,591	30,913	
4. Economic Impact	\$24,444,969	\$48,159,224	
5. Customer Service Survey Results <i>(overall satisfaction)</i>	85%	90.83%	Reported at year-end; The City terminated its contract with the 3rd-party consultant in May 2024. This percentage reflects surveys collected for events thru May 13, 2024
6. Event Mix at the Convention Center <i>(consumed)</i>			
Percent of P1 Events	0.5%	0.41%	
Number of P1 Events	1	1	
Percent of P2 Events	1.0%	0.00%	
Number of P2 Events	2	0	
Percent of P3 Events	15.0%	8.68%	
Number of P3 Events	33	21	
Percent of P4 Events	19.5%	15.70%	
Number of P4 Events	43	38	
Percent of P5 Events	64.0%	75.21%	
Number of P5 Events	141	182	
Total Events	220	242	
7. Community Benefit			
Number of collaborative, community-based events hosted at the Center	2	2	
Percent of Center employees that volunteer in the community	60%	64%	Reported at year-end
Percent of small, local and MWBE businesses/vendors	20%	44%	Reported at year-end
8. Number of Prospects (active) <i>(non-cumulative)</i>	220	186	Average for the year of P3, P4, P5

+City Council approved a budget amendment in April 2024 which changed the net income target from \$104,170 to \$472,022.

- Priority 1 (P1) event – Large multi-day convention and/or conference that utilizes all venue space at the Convention Center, utilizes significant venue services such as food and beverage, audio-visual and information technology, and draws a substantial number of out-of-town visitors that stay in multiple Santa Clara hotels. Based on projected combined building spend and peak hotel room nights booked, has an 18+ month booking window.
- Priority 2 (P2) event – Primarily large multi-day convention and/or conference that utilizes most of the venue space at the Convention Center, utilizes venue services such as food and beverage, audio-visual and information technology, and draws out of town visitors that stay in multiple Santa Clara hotels. Based on projected combined building spend and peak hotel room nights booked, has a 12 – 18 month booking window.
- Priority 3 (P3) event – Multiple or single day event that utilizes space at the Convention Center. Attendance and out of town visitors are less than for a P1 or P2. Examples of P3 events may include trade shows, consumer shows, smaller conventions/conferences, and sporting events. Based on projected combined building spend and peak hotel room nights booked, has a 9 – 12 month booking window.
- Priority 4 (P4) event – Typically a one- or two-day event that utilizes space at the Convention Center. Attendees are primarily local. Special events (e.g., graduations), smaller meetings and/or smaller trade and consumer shows are examples of P4 events. Based on projected combined building spend and peak hotel room nights booked, has a 6 – 9 month booking window.
- Priority 5 (P5) event – Usually a single day event. Examples of P5 events are banquets, galas, other social type events and meetings. Based on projected combined building spend and peak hotel room nights booked, has a 0 – 6 month booking window.

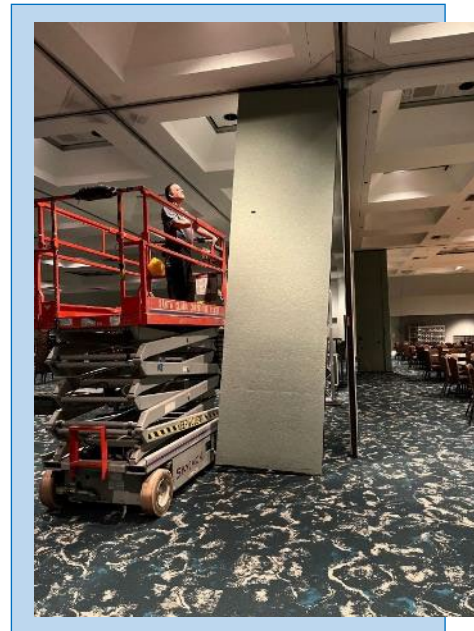
Forecast

Financials for FY 2023/24 are complete. The forecast for FY 2024/25 will be issued in the first quarter report.

FY 2023/24 Capital Improvement Projects (CIP)

CIP Project Updates

- ➔ OVG hosted an oral presentation with the finalist of its public RFP for the Grand Ballroom Air Wall replacement project. Following the presentation, OVG generated a memo to the City recommending the finalist for the job. Awarding of this Capital Project is expected to take place early in Q1 of the next fiscal year following approved funding by the City.
- ➔ Following a public RFP process, OVG selected a vendor to complete an assessment of the Convention Center roof that is over 25-years old. The assessment is being completed to determine repairs or replacement that need to be completed prior to FY 2025/26.
- ➔ Held multiple meetings with the Signage and Electrical Contractor vendors overseeing the Digital Signage project to discuss scope gaps and challenges with the electrical requirements.
- ➔ Reviewed and approved the final report submitted by vendor on the Convention Center's Electrical Assessment project. Shared the information with the City and created a prioritized list of projects.



CIP Project Budget

Proj. #	Project Name	Phase	CITY/OVG 360 REVISED BUDGET	LEVY	TOTAL BUDGET	Actual Exp.	Balance
003	Convention Center HVAC - BMS System	Completed FY 2019/20	\$ 20,450	\$ -	\$ 20,450	\$ 20,450	\$ -
004	Convention Center HVAC Portable A/C Units	Completed FY 2020/21	\$ 75,350	\$ -	\$ 75,350	\$ 75,350	\$ -
005	Convention Center Security System	Completed FY 2021/22	\$ 172,831	\$ -	\$ 172,831	\$ 172,831	\$ -
006	Convention Center Lobby Roof (Glass Pyramids) Assessment and Repair	Completed FY 2021/22	\$ 479,300	\$ -	\$ 479,300	\$ 479,300	\$ -
008	Convention Center Interior Digital Signage and Display System	Implementation	\$ 1,160,386	\$ -	\$ 1,160,386	\$ 831,485	\$ 328,901
009	Convention Center Interior Paint	Completed FY 2021/22	\$ 648,052	\$ -	\$ 648,052	\$ 648,052	\$ -
012	Convention Center Riding Vacuum Purchase	Completed FY 2019/20	\$ 31,238	\$ -	\$ 31,238	\$ 31,238	\$ -
013	Convention Center Carpet Replacement	Completed FY 2021/22	\$ 1,509,869	\$ 241,856	\$ 1,751,725	\$ 1,751,725	\$ -
014	Balance - Contingency (Electrical	Completed FY 2023/24	\$ 143,556	\$ -	\$ 143,556	\$ 87,830	\$ 55,726
015	Kitchen/Tech Café/Stand B	Implementation	\$ -	\$ 1,756,088	\$ 1,756,088	\$ 678,894	\$ 1,077,194
016	Roof Assessment	Implementation	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ 90,000
017	Restroom Refresh	Planning	\$ 200,000	\$ -	\$ 200,000	\$ 31,927	\$ 168,073
TOTAL			\$ 4,531,032	\$ 1,997,944	\$ 6,528,976	\$ 4,809,082	\$ 1,719,894

Community Involvement



In April, the OVG GM, Director of Sales, Director of Finance and Sales Manager attended the Milpitas High School Academy of Travel and Tourism event where students, interested in the hospitality industry present their projects for judging. This is the 4th year that the SCCC team has attended this event.



In May, a group of six OVG employees volunteered for the Cinco De Mayo event to benefit the Opening Doors organization.



On June 7th, the Center hosted its second June Bloom which attracted 415 attendees. Fifteen local organizations participated, including vendors and non-profits, highlighting local wares and community resources. The event was filled with fun activities for kids, including bounce houses, a balloon animal artist, a face painter, arts & crafts, and an interactive story time for the young audience, presented by the Santa Clara Library. Over 300 attendees participated in a new activity offered this year, the creation of personalized flower bouquets which lead by a former florist and a parent of one of OVG's staff. Attendees also enjoyed complimentary churros, popcorn, cupcakes, juices, and build-your-own ice cream sundaes.





Santa Clara Convention Center

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