

2/9/2021

item 7



**City Council Meeting**

**Item #7. RTC 21-152**  
**Action on an Agreement with Jones Lang LaSalle Americas, Inc. (JLL) for Consulting Services**

February 9, 2021

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**City of Santa Clara**  
The Center of What's Possible

## Agenda

- Background
- Santa Clara Tourism Strategy
- Procurement Process
- Proposed Agreement
- Recommendation

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## Entertainment District

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## Background/Context

- Decades long strategy to establish area
- Bayshore North Redevelopment Plan
- Entertainment district
- Venues built or in process
- Santa Clara as been positioning to establish as a premier area for business and entertainment

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## **Santa Clara Assets**

Venues built or in process:

- California's Great America
- Hotels
- Convention Center
- Stadium
- Related Santa Clara

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## **Tourism Strategy**

- Tourism is a broad industry term
- Santa Clara is generally focused on a subset of Tourism
- Business Tourism = meetings and conventions
- During business tourism, individuals are still working and being paid, but are doing so away from both their workplace and home

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## **Santa Clara Tourism Strategy**

- Coordinated efforts to bring conventions and group meetings.
- Includes entertainment element (“things to do”).
- Drives economic development: transient occupancy tax, sales tax, create place.
- Strategy is not focused on leisure (vacation) market.

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## **Santa Clara Tourism Strategy**

- Generation of new mix of business – high impact
- New accountability to City Council – KPIs designed to present clear metrics and accountability

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## What will the strategy address?

- How venues and stakeholders work together to grow business tourism in Santa Clara vs. compete against one another.
- How we sell Santa Clara and provide for compelling customer experiences leading to return visits.
- How KPIs support this effort and measure success.

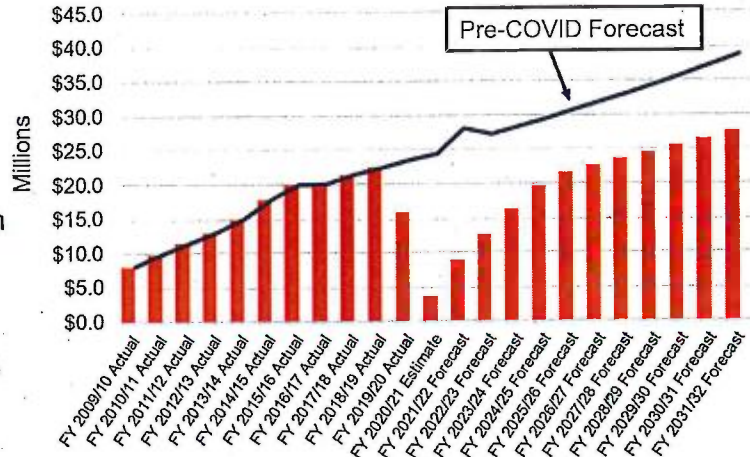


**Phase 1 - FY 2020/21 Revenue Adjustments**

Category	FY 2020/21	Description
Transient Occupancy Tax	(\$14.0 M)	Reduces estimate from \$17.6 M to \$3.6 M based on actual 10 months of receipts. TOT down 88% through December. The Ten-Year Forecast factored in the ongoing projected impacts.
Charges for Services	(\$2.2 M)	Reduces estimate from \$45.7 M to \$43.5 M: recreation classes and programming down \$2.1 M, Stadium reimb. for Deputy CM down \$0.3 M, increase in reimb. for clean-up support (\$0.3 M)
Interest Earnings	(\$1.1 M)	Reduces estimate from \$5.5 M to \$4.4 M based on lower interest rates and cash balances. The Ten-Year Forecast factored in the lower receipts.
Fines and Penalties	(\$0.2 M)	Reduced estimate from \$1.5 M to \$1.3 M for collection charges, traffic/vehicle code fines, and library fines
Transfer from Other Funds	\$0.2 M	Transfer from the Streets Capital Fund for the Public Right-of-Way Landscaping Improvement Project
<b>Total Adjustments</b>	<b>(\$17.3 M)</b>	

## 10-Year General Fund Forecast Transient Occupancy Tax (TOT)

- 3rd largest General Fund revenue source
- COVID-19 Significantly Impacted TOT receipts
- Occupancy and room rates plummeted in 2020; slow return assumed
- Rate increase approved in November 2020 up to 4 percentage points (assume 2% increase from 9.5% to 11.5%)
- No additional hotels assumed



## A lot has been accomplished...

- New Convention Center operator
  - Governance: policies and procedures
  - Budgeting and reporting
  - Launch capital improvement program
- New Food and Beverage concessionaire
  - New operating model
  - Budgeting and reporting
  - Launch capital improvement program



## **A lot has been accomplished...**

- Formation of new DMO organization
  - New Board of Directors
  - Incorporation/Bylaws
  - Hire new CEO
  - Governance structure in progress
- Background work for reformation of TID under 1994 Law for long term funding strategy

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## **A lot has been accomplished...**

- Establishment of joint KPIs shared by all partners which support seamlessness, a concept that is important to our competitiveness
- Development of a universally supported “booking strategy” to guide all sales effort

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## **Work still needs to be done...**

- Complete governance structure: DMO
- Complete policies and procedures
- Complete financial reporting mechanisms to assure transparency and accountability
- Marketing and sales strategy
- Implementation of key performance indicators
- Building the collaborative processes to compete for business against other markets

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## **Support from stakeholders**

- Tourism Improvement District
- Silicon Valley/Santa Clara DMO
- California's Great America
- Silicon Valley Central Chamber of Commerce
- Levy
- Spectra Venue Management

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## Procurement Process

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## Open Procurement Process

- Consistent with City policy, November 2020, staff completed a competitive Statement of Qualifications (SOQ) procurement process for Consulting Services for the Development, Implementation, and Operation of a Comprehensive Tourism Strategy.
- The scope required industry expertise in tourism: conventions, group sales, hospitality
- 4 proposals received

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## Inclusive Review Process

- Panelists included representatives from Hyatt, Great America Theme Park and City
- JLL was selected as the most qualified firm to provide services.

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## Council Requested Information

- Seek feedback from stakeholders regarding the scope and ability/cost for their respective organization to complete the work.
  - Letters of support for the scope and contract received the TID, DMO, California's Great America, Silicon Valley Center Chamber of Commerce, Levy and Spectra.
- Copies of available presentations, reports and work products by JLL.
- Copies of CVB-related audit reports.

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## Proposed Agreement

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## Cost-Benefit of structure

- Proposed retainer contract \$12,500/month.
- No change in cost from previous agreement.
- Retainer contract recognizes variance of service needs month-to-month.
- Provides City direct access and to call on/utilize services as much as required.

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## Cost-Benefit

- TID/DMO has recognized the importance of this agreement and has budgeted to pay for 40% of the contract amount.
- Hours will continue to be tracked on monthly basis. If the time and materials calculation is less than the retainer, the City/DMO will only be charged based on time and materials basis.



## Cost-Benefit to City

JLL Team Member	Hourly Rate
Dan Fenton, Executive Vice President	\$275
Bethanie DeRose, Vice President	\$225
Amendment No. 3 (Feb. 2020 – Dec. 2020)	
Cost for JLL services (\$12,500/month x 11 months)	\$137,500
Total number of combined hours reported	590.75 hours
Cost per hour	\$232.75





## Advisory Services

- Provides industry-specific knowledge regarding
  - Hospitality
  - Convention
  - Destination marketing
- Event mix, budgeting, policies/procedures, sales and marketing, key performance indicators
- Staff cannot complete objectives without supplemental services

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## Fiscal Impact

- Initial two-year term
- 60/40 cost-share strategy with DMO

Contract Term	City	DMO	Total Contract
Year 1	\$90,000	\$60,000	\$150,000
Year 2	\$90,000	\$60,000	\$150,000
<b>Two-Year Total</b>	<b>\$180,00</b>	<b>\$120,000</b>	<b>\$300,000</b>

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## **Recommendation**

That the Council:

- 1.** Approve and authorize the City Manager to execute an agreement with Jones Lang LaSalle Americas, Inc. to provide consulting services for the development, implementation and operation of a comprehensive tourism strategy retroactive to January 1, 2021 and ending on or about December 31, 2023 for a total maximum amount not-to-exceed \$300,000 subject to the appropriation of funds.

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## **Recommendation**

- 2.** Authorize the City Manager to execute any minor or administrative amendments to the Agreement which do not increase the compensation for the Agreement; and
- 3.** Authorize the City Manager to execute up to three one-year options to extend the term of the Agreement after the initial term through December 31, 2026 for ongoing consulting services, subject to the appropriation of fund.

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## City Council Meeting

Item #7. RTC 21-152  
Action on an Agreement  
with Jones Lang LaSalle  
Americas, Inc. (JLL) for  
Consulting Services

February 9, 2021

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City of  
Santa Clara  
The Center of What's Possible

## Background

Staff was directed to:

1. Return with opinions from the Chamber, DMO, TID and others on the need for the services;
2. Return with incremental milestone completion reports from JLL; and
3. Return with full previously completed TAP audit of the Convention Center Visitors Bureau.

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## Previous JLL Contract

- **January 2017** – JLL engaged to conduct research and provide overview of CVB models of operation.
  - Chamber advised City it no longer wanted to manage/operate the Convention Center.
- **April 2017** – Amendment No. 1 revised scope of work to include stakeholder engagement process and preparation of a plan for a new operating model for the Convention Center and governance structure for overall convention and visitor services.

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## Previous JLL Contract

- **September 2018** – TAP audit findings and issuance of 180-day notice to the Chamber terminating the Convention Center Management Agreement effective March 18, 2019.
  - Provision of critical assistance to City staff in procurement process for a new Convention Center operator: RFP preparation, potential vendor outreach, technical analysis, etc.

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## Previous JLL Contract

- **February 2019** – Amendment No. 2 extended contract term to continue services: finalize new management agreement with Spectra, assist with operational transition, contract and KPI development, DMO and TID development.
- **April 2019** – Work efforts to form new DMO began; current food and beverage provider, Aramark, terminated its contract.
  - JLL again assisted with procurement process for new food and beverage operator resulted in selection of Levy.

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## Previous JLL Contract

- **January 2020** – Amendment No. 3 extended contract term to continue DMO formation and development, include executive recruitment efforts, continued industry specific guidance on Convention Center and food and beverage services operations (both Spectra and Levy).

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## JLL Contract Summary

Summary	Contract Amount	JLL Services	CEO Recruitment	Other <sup>1</sup>	Contract Balance
Original Agreement (1/5/17 – 6/30/17)	\$9,500	\$9,500	-	-	-
Amendment No. 1 (4/25/17 – 6/30/19)	\$170,000	\$165,000	-	-	\$5,000
Amendment No. 2 (5/6/19 – 1/31/20)	\$175,000	\$175,000	-	-	-
Amendment No. 3 (1/30/20 -12/31/20)	\$194,500	\$137,500	\$40,000	-	\$17,000
<b>Totals</b>	<b>\$549,000</b>	<b>\$487,000</b>	<b>\$40,000</b>	<b>-</b>	<b>\$22,000</b>

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02-09-21

ITEM#7  
RTC# 21-152

**Simrat Dhadli**

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**From:** Julie Minot  
**Sent:** Tuesday, February 9, 2021 1:17 PM  
**To:** Mayor and Council  
**Cc:** Simrat Dhadli; Nora Pimentel; Deanna Santana; Genevieve Yip; Kathleen McGraw; Nadine Nader; Robyn Sahid  
**Subject:** FW: Item 7. 21-152 Additional material  
**Attachments:** JLL Timeline Comparision.pdf; JLL A1 A2 A3 comparision for Scope of services contracts.pdf

Dear Mayor and Council,

For your review, we received the attached documents from Vice Mayor Chahal related to item 7. 21-152 Action on an Agreement with Jones Lang LaSalle Americas, Inc. (JLL) for Consulting Services for the Development, Implementation and Operation of Comprehensive Tourism Strategy and Response to Council Questions. Please note this correspondence is considered post meeting material for the February 9, 2021 Council meeting.

Best regards,

**Julie Minot, SPHR** | Executive Assistant, Mayor and City Council  
Mayor & Council Offices | City of Santa Clara  
1500 Warburton Avenue, Santa Clara, CA 95050  
Tel: 408-615-2252 | [www.santaclaraca.gov](http://www.santaclaraca.gov)



**From:** Raj Chahal <RChahal@SantaClaraCA.gov>  
**Sent:** Tuesday, February 9, 2021 12:51 PM  
**To:** Julie Minot <JMinot@SantaClaraCA.gov>  
**Cc:** Nora Pimentel <NPimentel@SantaClaraCA.gov>; Deanna Santana <DSantana@SantaClaraCA.gov>  
**Subject:** Item 7. 21-152 Additional material

Hi Julie,

Please add the attached two files as additional material for today's council meeting Item 7. 21-152 - JLL contract. Please share this with council in advance so they have time to review.

Thanks,

Raj Chahal

Councilmember

City of Santa Clara

1500 Warburton Ave.

Santa Clara, CA 95050



Jones Lang Lasalle Americas, Inc.

Scope of Service

Timeline to finish scope of services

A2 Timeline is almost the same as A1

Why we signed A2 when services

were not fulfilled under A1?

A1 Timeline page 45/283,

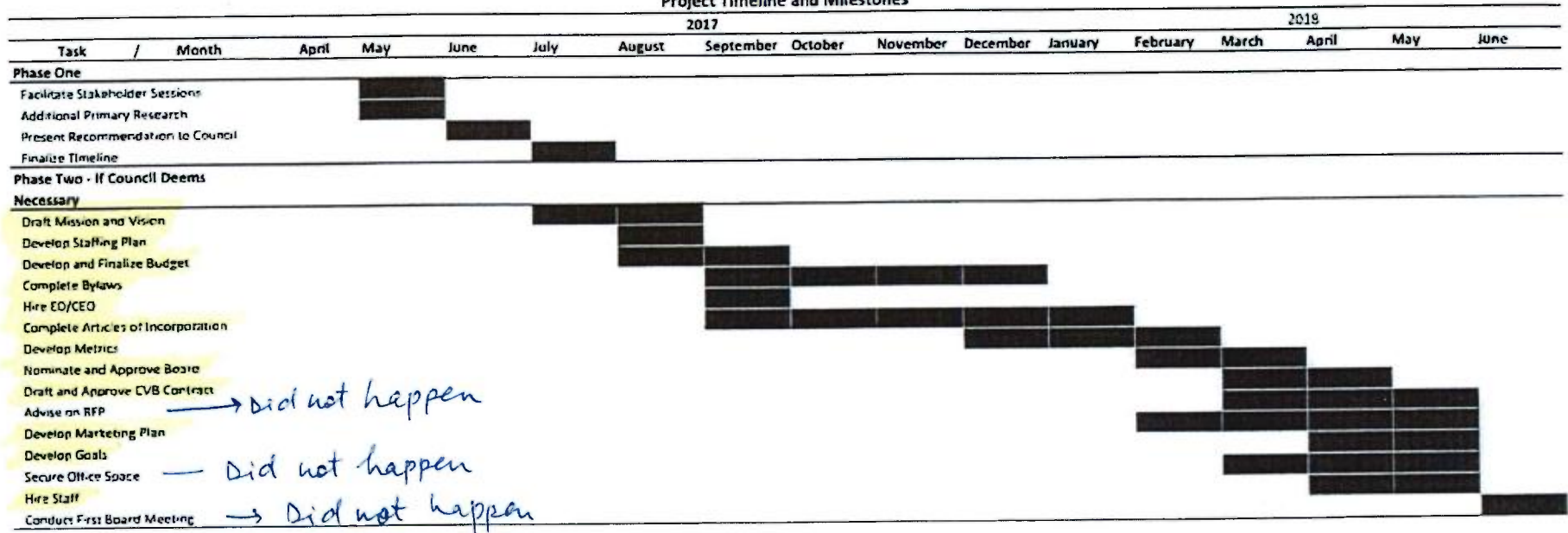
A2 Timeline page 127/283

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# Draft Timeline

*A1 - Timeline*

Project Timeline and Milestones





# Timing

## A2 - Timeline

- Original objective to align formation and initial staffing with SCCC Operator Stub Year – June 30th
  - Updated timeline projection is pushed one month
    - Board appointed before May 15th
    - Executive Director/CEO on board by June 30<sup>th</sup>
    - Initial Sales Staff on board by July 31<sup>st</sup>
    - Entity begins functioning FY August 1<sup>st</sup>
- TID Funding adjustments may accelerate positions added

Project Timeline and Milestones

Task /	Month	2019												2020
		Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
<b>CVB Formation</b>														
Draft Mission and Vision					■									
Complete Bylaws					■	■								
Complete Articles of Incorporation					■	■								
Develop Staffing Plan						■	■	■						
Develop and Finalize Budget							■	■	■					
Nominate and Approve Board							■	■	■	■				
Hire ED/CEO								■	■	■	■			
Develop Metrics								■	■	■	■			
Draft MOU for CVB and Spectra								■	■	■	■	■	■	■
Draft and Approve CVB Contract								■	■	■	■	■	■	■
Develop Marketing Plan									■	■	■	■	■	■
Develop Goals									■	■	■	■	■	■
Hire Staff (Phase One Staff)									■	■	■	■	■	■

— only extra over A1-P2



Jones Lang Lasalle Americas, Inc.

Scope of Service

Comparison of A1 (Phase2), A2 and A3

Notice the overlap of services



A2 - Phase II

A1 Scope of Service

PHASE TWO – DEVELOPMENT AND IMPLEMENTATION OF A NEW MODEL:

A2 A3

Contractor assumes flexibility with the scope steps included below for Phase Two and will support the Council direction as needed for the ultimate model selection.

2a

1. Draft Mission and Vision Statement(s) - Contractor will draft a mission and vision statement(s) based on agreed upon model that is in alignment with the objectives for success including economic impact and convention center fiscal performance. Contractor will prepare the Mission and Vision statements for review by the appropriate City representative.

2. In-Depth Marketing Analysis – Contractor will conduct an in-depth analysis of the current marketing efforts to understand the current uses of funds. Contractor will conduct this analysis as a third party to review and analyze all current spending and determine the current rate of investment (ROI) for the marketing funds. Contractor will utilize this analysis to inform the future marketing direction in the model.

2g

1.4

3. Develop Staffing Plan - Contractor will develop a staffing plan complete with CVB and convention center positions with market focus, compensation and incentive plans and position descriptions. Contractor's staffing plan will include number of staff positions and will provide benchmarks for similar size organizations, models and regional competitive organizations, as available.

2h

1.5

4. Develop and Finalize Budget - Contractor will develop a budget based for both the CVB and convention center on available funding and alignment with objectives previously determined. Contractor will again provide a baseline for comparison with similar size organizations and determine the appropriate and necessary level of funding. Contractor will prepare a line item budget with allocations for personnel, sales, marketing, operations, administration and other key needs of the CVB.

2c

5. Complete Bylaws (if needed) - Contractor will consult with outside legal counsel to develop bylaws that are in line with effective governance and clearly state the focused mission of the organization for decision making purposes. Contractor will not perform any legal work with respect to the bylaws (but will review the bylaws with outside legal counsel and the City attorney and assist in finalizing for City approval).

2i

1.6

6. Develop Job Description and Support the Hiring of an Executive Director/CEO/Department Director - Contractor will develop the job description and support the search process. Contractor will review candidates as needed in conjunction with the City and give recommendations to support a successful transition into the new organization's leadership.

A2

A3

2d

1.1

2b

1d

1.3

1

2j

1.7

2e

1.2

7. Complete Articles of Incorporation (if needed) - Contractor will consult with outside legal counsel to develop the articles of incorporation and work with outside legal counsel on establishing the new non-profit corporation. Contractor will work in conjunction with the City and outside legal counsel to file the Articles of Incorporation on behalf of the new organization.

8. Develop Metrics and Reporting - Contractor will develop and gain approval on new metrics for organization's success. These metrics will be agreed to by the City and will support transparency and clarity around the direction and mission of the new organization. We will base the recommendations on the key priorities of the mission with metrics for the CVB and Convention Center. These metrics will be reviewed and approved by the City Council.

9. Nominate and Approve Board (Advisory or Fiduciary) - Contractor will develop an approach to create the Board of Directors for the new organization. This includes the mix of industries that should be included as well as the overall makeup. Contractor will also work with the City to solidify the nomination and selection process to confirm Board members.

10. Draft and Approve CVB and Center Contract (if needed) - Contractor will develop the contract with the City and the new CVB and the Convention Center. This will include the agreed upon metrics noted in item 7 and performance measures and other areas of accountability. It will be critical for the new organization(s) to have joint accountability and for the City to have control over the contractual obligations. Contractor will ensure that the new organization has a contract that works for the City and created overall alignment of direction.

11. Advise on RFP for Convention Center Operations (if applicable) - Contractor will advise the City on an RFP to be representative of the overall agreed upon objectives. Contractor will advise on how to best market the opportunity to the industry. Contractor will advise the City on the respondents to qualify the proposals and support the interview process, as needed.

12. Develop Marketing Plan - Contractor will develop the initial marketing plan for the new CVB and Convention Center in conjunction with the internal team and task force. This will include how the CVB and Convention Center should allocate marketing funding.

13. Develop Goals and Goal Setting Process - Contractor will develop and propose the first-year goals for the new CVB and Convention Center. Contractor will engage key stakeholders in this process to gain consensus. This will include the key metrics and direction from the strategic planning process.



A2

A3

2 k

1.8

14. Hire/Retain Staff - Contractor will develop the compensation plans and write the job descriptions to support the effective hiring/retention of staff. We will work with the Executive Director/CEO/Department Director to support the hiring and recruiting process.

2 l

1.9

15. Provide Functional Organization Support and Guidance - Contractor will perform other duties as needed to support the successful development and implementation of the new CVB. We will act as an overall advisor in this effort.

16. Conduct First Board Meeting - Contractor will be onsite to work with the new Executive Director/Department Manager to develop a "board packet" and agenda for the first board meeting. This will create a baseline approach for future board meetings.

#### VISITS:

Contractor will make a total of six (6) trips to Santa Clara during the entirety of Phase One and Phase Two. Contractor will make two (2) visits during Phase One to facilitate the stakeholder sessions and to present the recommendation to City Council. Contractor will make four (4) visits to Santa Clara during Phase Two including the two meetings/presentations to City Council and to conduct the first Board meeting. Contractor understands that each visit will be planned in conjunction with the City to determine additional meetings related to completing the scope.

#### TIMELINE:

Contractor believes a September 2018 timeline for implementation is feasible, with a May 1, 2017 start date. Contractor will present Phase One to City Council and to continue into Phase Two upon City Council approval. Contractor also will meet at least two times with City Council during Phase Two, as stated in the included visits above. The attached chart, titled Project Model Timeline and Milestones, illustrates the anticipated progress through the scope.

Contractor will be available to negotiate an extension to assume an asset management role to monitor ongoing performance on behalf of the City. City and Contractor may negotiate and amend the contract, subject to City Council approval, if those services are desired by City.

#### TEAM:

Contractor Executive Vice President Dan Fenton will lead the overall engagement and be ultimately responsible for service delivery. Bethanie Parker will serve as the project manager and will coordinate research efforts on a day to day basis. Mr. Fenton and Ms. Parker will be assisted by appropriate members of the Contractors internal or external team based on the expertise required.

**AGREEMENT FOR SERVICES  
BETWEEN THE  
CITY OF SANTA CLARA, CALIFORNIA,  
AND  
JONES LANG LASALLE AMERICAS, INC.**

**EXHIBIT A-2**

**1. SCOPE OF SERVICES**

JLL will work under the direction of the City Manager to perform the following services:

A1 | A3 |  
11  
  
10  
  
1  
9  
5  
8 | 1.1  
13 | 1.2  
10 | 1.3

**1. Finalize RFP Process**

- a. Prepare and Finalize SCCC and SCCVB priorities
  - i. JLL will incorporate the priorities that have been developed for the SCCC and SCCVB by and for City Council.
- b. Review and Coordinate Responses
  - i. JLL will review responses and support the review committee in developing an objective approach to determining the outcome.
- c. Facilitate the interviews and committee deliberation
  - i. JLL will facilitate the interview process to provide information and industry information in support of the selection committee.
- d. Development of City Contract with Selected Firm
  - i. JLL will support the development of the contact with the selected provider and the city. The contract will be developed with a high level of accountability and transparency in reporting.

**2. Interface with City & TBID on the Creation of "Visit Santa Clara"**

- a. Draft Mission and Vision Statement - JLL will draft a mission and vision statement for the new entity to ensure all operations, functionality and aspirational components are included for success.
- b. Nominate and Approve Board – JLL will develop an approach to create the Board of Directors for the new organization. This will include determining required criteria for board members as well as overall makeup.
- c. Draft Bylaws - JLL will work with the City, TBID and legal counsel to develop bylaws that are in line with effective governance and clearly state the focused mission of the organization for decision making purposes.
- d. Develop Metrics - JLL will develop and gain approval on new metrics for the organization's success. These metrics will support transparency and clarity around the direction and mission of the new organization.
- e. Develop Goals - JLL will develop and propose the first-year goals as well as five-year goals for the new entity. JLL will engage key stakeholders in this process to gain consensus. This will include the key metrics and direction from the initial phase of this process.
- f. Draft and Approve Contract - JLL will develop the contract with the City and the new entity sales and marketing of the SCCC and overall tourism efforts for the



A1 A3

City of Santa Clara. JLL will ensure that the new organization has a contract that works for the City and creates an overall alignment of direction.

3 1.4

g. Develop Staffing Plan - JLL will develop a staffing plan with market focus, compensation and incentive plans and position descriptions. JLL's staffing plan will also include a recommended number of total staff positions.

4 1.5

h. Develop and Finalize Budget - JLL will develop a singular budget based on available funding and alignment with objectives previously determined. JLL will prepare a line item budget with allocations for personnel, sales, marketing, administration and other key needs.

6 1.6

i. Hire Executive Director\* - As an additional service, JLL may develop the job description and support the search process; partner with a subcontractor to source and recommend top candidates; review candidates in conjunction with the board members and City and give recommendations to support a successful transition into the new organization's leadership.

12 1.7

j. Develop Marketing Plan - JLL will develop the initial marketing plan for the CVB in conjunction with the City and TID/CVB and Board. This will include how the CVB should allocate marketing funding.

14 1.8

k. Hire Staff - JLL will work with the Executive Director to support the hiring and recruiting process. JLL will work with the City approved Staffing Plan, mentioned above, to ensure any existing employees are handled appropriately regardless of their role in the new entity.

15 1.9

l. Provide Functional Organization Support and Guidance - JLL will perform other duties as needed to support the successful development and implementation of the new CVB. We will act as an overall advisor in this effort.

**3. Transition Support**

2.1

a. JLL will provide support on behalf of the City to ensure a smooth transition for both the SCCC and the new CVB.

i. JLL will work with the chosen center operator and new CVB to develop a "transition checklist" that encompasses all aspect of developing a seamless and effective operation.

2.2

b. Initial oversight of both Operator Contract and CVB Contract

i. JLL will develop templates for reports with key metrics and implement these reports and analysis with the city contract administrator to ensure effective oversight of both contracts.

ii. JLL will provide the City with tools to continue to monitor performance of both contracts to be used for the life of both respective agreements.

**4. Determination of Overall Governance Structure**

a. JLL will work with the City to determine the most effective governance model for the SCCC and new CVB. JLL will create the needed administrative documents and support for the creation of a governing entity if that is deemed desirable.

**2. TIMELINE**

JLL believes beginning in December 2018 concluding January 2020 will be required to complete the scope above.

**3. TEAM**

JLL Executive Vice President Dan Fenton will lead the overall engagement and be ultimately responsible for service delivery. Mr. Fenton will be assisted by appropriate members of the JLL team based on the expertise required.

EXHIBIT A-3

SCOPE OF SERVICES

JLL shall work under the direction of the City Manager to perform the following services:

**A1 A21. Ongoing CVB Development**

- |    |    |   |
|----|----|---|
| 8  | 2d | 1.1. Develop Metrics - JLL shall develop and gain approval on new metrics for the organization's success. These metrics will support transparency and clarity around the direction and mission of the new organization.   |
| 13 | 2e | 1.2. Develop Goals - JLL shall develop and propose the first-year goals as well as five-year goals for the new entity. JLL shall engage key stakeholders in this process to gain consensus. This will include the key metrics and direction from the initial phase of this process.   |
| 10 | 2f | 1.3. Draft and Approve Contract - JLL shall develop the contract with the City and the new entity sales and marketing of the SCCC and overall tourism efforts for the City of Santa Clara. JLL shall ensure that the new organization has a contract that works for the City and creates an overall alignment of direction.                                   |
| 3  | 2g | 1.4. Finalize Staffing Plan - JLL shall finalize a staffing plan based on the initial development work in 2019. The final staffing plan will have positions with market focus, compensation and incentive plans and position descriptions. JLL's staffing plan shall also include a recommended number of total staff positions.                              |
| 4  | 2h | 1.5. Finalize Budget - JLL shall develop and finalize a singular budget based on available funding and alignment with objectives previously determined. JLL shall prepare a line item budget with allocations for personnel, sales, marketing, administration and other key needs.  |
| 6  | 2i | 1.6. Recruit and Hire Executive Director - JLL shall support the search process. JLL shall partner with a subcontractor in this effort to source and recommend top candidates. JLL shall review candidates in conjunction with the board members and City and give recommendations to support a successful transition into the new organization's leadership. |
| 12 | 2j | 1.7. Develop Marketing Plan - JLL shall develop the initial marketing plan for the CVB in conjunction with the new Executive Director and Board. This will include how the CVB should allocate marketing funding.   |
| 14 | 2k | 1.8. Hire Staff - JLL shall work with the Executive Director to support the hiring and recruiting process. JLL shall work with the City approved Staffing Plan, mentioned above, to ensure all existing employees are handled appropriately regardless of their role in the new entity.   |



A-1 A-2  
15 28

1.9. Provide Functional Organization Support and Guidance - JLL shall perform other duties as needed to support the successful development and implementation of the new CVB. We will act as an overall advisor in this effort.

**2. Transition Support**

3a 2.1. JLL shall provide support on behalf of the City to ensure a smooth transition for both the SCCC and the new CVB. JLL shall work with the center operator and new CVB to develop a "transition checklist" that encompasses all aspect of developing a seamless and effective operation.

3b 2.2. Initial oversight of both Operator Contract and CVB Contract - JLL shall develop templates for reports with key metrics and implement these reports and analysis with the city contract administrator to ensure effective oversight of both contracts.

**3. City Representation and Asset Management Recommendations**

3.1. JLL shall continue to represent the City's interest in supporting both the CVB and SCCC operations. JLL shall work with leadership at both entities to provide monthly reporting and make recommendations for how the City should proceed on any issues that arise.

3.2. JLL shall review, and report back to the City on a monthly basis, on specific convention center performance measures. This would include financial performance, reviewing the operators profit and loss statement, reviewing the food and beverage provider's financial reports.

3.3. JLL shall conduct an operational assessment at the midway and year-end points of the 2020 calendar year and provide a summary report to the City as it relates to operational standards, service levels and overall convention center operational performance.

3.4. JLL shall provide a summary report at the midway and year-end points on the CVB's progress, success measures and pace for future goals.

**4. Team**

4.1. JLL Executive Vice President Dan Fenton shall lead the overall engagement and be ultimately responsible for service delivery. Mr. Fenton will be assisted by appropriate members of the JLL team based on the expertise required.



**EXHIBIT B-3**

**SCHEDULE OF FEES**

The maximum compensation of this Agreement is Five-Hundred Forty-Nine Thousand Dollars (\$549,000), subject to budget appropriations, which includes all payment that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at the Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

<b>Description</b>	<b>Amount</b>
Professional Fees – Billed at \$12,500 monthly	\$492,000
Executive Director Search – Billed in two installments of \$15,000 per installment when the search begins and a third installment of \$10,000 once the search is completed.	\$40,000
Executive Director Travel Expenses – City shall reimburse Contractor up to this amount for travel related expenses incurred by finalist candidates as required to the extent that they comply with the City's travel policy. Each invoice submitted shall include reasonable supporting documentation evidencing the Contractor incurred the invoiced expense.	\$7,000
JLL Travel Expenses – City shall reimburse Contractor for travel expenses up to this amount related to Bethanie DeRose's travel as required for specific Board meetings in 2020 and to the extent that they comply with the City's travel policy. Each invoice submitted shall include reasonable supporting documentation evidencing JLL incurred the invoiced expense.	\$10,000
<b>TOTAL</b>	<b>\$549,000</b>

*Paid more than \$450k or so.*



# Amendment 1

- Authorized by Council on April 18, 2017
- Term through June 2019
- From 2/27/2018 Council Study Session:

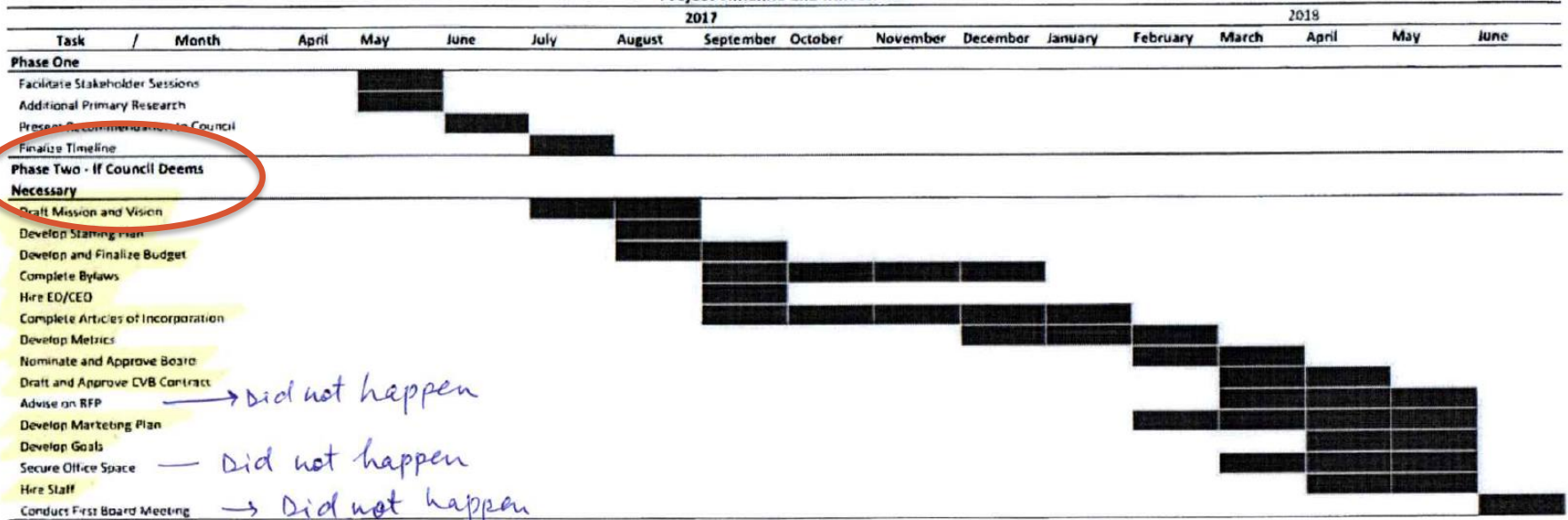
With the loss of revenue to support operations within the Convention Center complex, on April 18, 2017, Council authorized Amendment No. 1 to an Agreement with Jones Lang LaSalle to review the operation of the Santa Clara Convention Center (SCCC) and the Convention-Visitors Bureau (CVB) and provide guidance on models of operation that would maximize fiscal performance and increase business and visitors to SCCC.



# Draft Timeline

*A1 - Timeline*

Project Timeline and Milestones



→ did not happen

— did not happen

→ did not happen



# April 2017 thru June 2019

- February 2018 – Council study session on Conv. Center
- May 2018 – Council discussion on management fee to Chamber. Directed staff explore new term sheet and begin performance audit
- June 2018 – Council did not renew CVB contract. Expanded audit to include CVB
- July 2018 – Council directed no further action on management fee until audit complete





# April 2017 thru June 2019

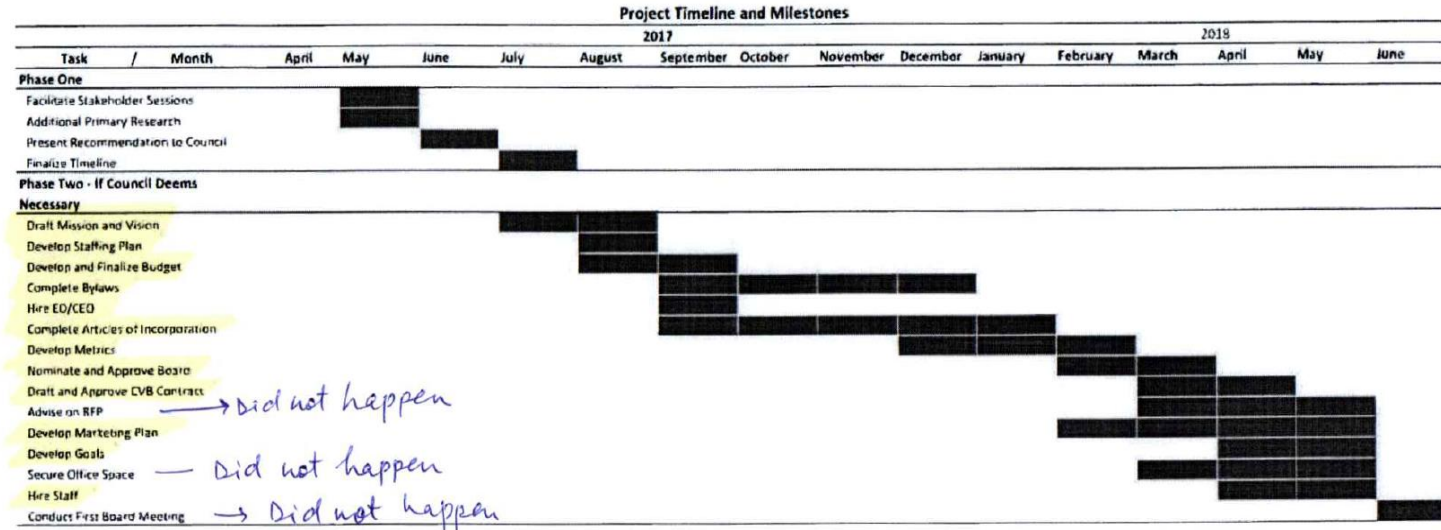
- August 2018 – TID did not follow proper formation procedures, required re-establishment. Preliminary findings on CC/CVB audit. Council directed new CC management agreement. Council directed audit of TID.
- October 2018 – Procurement strategy for new CC operator approved by Council. RFP requested convention center management and CVB services
- November 2018 – CVB and TID Audit finding presented
- February 2019 – Spectra contract approved by Council



# Council direction called for alternate scope than originally contemplated

■ Draft Timeline

*A1 - Timeline*



*→ Did not happen*

*— Did not happen*

*→ Did not happen*



# Amendment 2

- Executed May 2019. Term through January 2020



*Timing*

*A2 - Timeline*

- Original objective to align formation and initial staffing with SCCC Operator Stub Year – June 30th
  - Updated timeline projection is pushed one month
    - Board appointed before May 15th
    - Executive Director/CEO on board by June 30<sup>th</sup>
    - Initial Sales Staff on board by July 31<sup>st</sup>
    - Entity begins functioning FY August 1<sup>st</sup>
- TID Funding adjustments may accelerate positions added

**Project Timeline and Milestones**

Task /	Month	2019												2020	
		Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	
<b>CVB Formation</b>															
Draft Mission and Vision					■	■									
Complete Bylaws					■	■									
Complete Articles of Incorporation					■	■									
Develop Staffing Plan						■	■	■							
Develop and Finalize Budget						■	■	■	■						
Nominate and Approve Board						■	■	■	■	■					
Hire ED/CEO						■	■	■	■	■	■				
Develop Metrics						■	■	■	■	■	■	■			
Draft MOU for CVB and Spectra						■	■	■	■	■	■	■	■		
Draft and Approve CVB Contract						■	■	■	■	■	■	■	■	■	
Develop Marketing Plan										■	■	■	■	■	■
Develop Goals										■	■	■	■	■	■
Hire Staff (Phase One Staff)										■	■	■	■	■	■

*only extra over A1-P2*





# **DMO**

- April 9, 2019 - Governance model presented to Council. Council provided direction on Board composition
- May 21, 2019 – Council approved Board composition
- DMO organization required third party attorney; formation (articles of incorporation); bylaws etc.
- Formation of governance structure necessary prior to operational planning
- Required DMO Board and Council input/direction





# Unexpected Scope of Services

- ARAMARK terminated its food and beverage contract
- Interim agreement negotiated with Ovations
- Procurement strategy for new F&B operator – May 2019
- Preparation of RFP
- Preparation of agreement with KPIs with Levy
- Agreement effective November 2019
- Operations began January 2020



# Amendment 3

- Executed January 2020. Term through December 2020
- Monthly reports prepared and included in packet
- Work focused on coordinated KPIs with Convention Center, Levy, DMO
- Provided assistance with COVID-19 strategies
- Silicon Valley Santa Clara DMO Board hired CEO

2/9/21

Item # ~~7~~ 7

Julie Minot

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**From:** MCriss <mrccriss@yahoo.com>  
**Sent:** Thursday, February 4, 2021 1:34 PM  
**To:** Mayor and Council  
**Subject:** Wasteful Spending

Dear Mayor and Council,

I was disappointed to hear that the city is considering paying high-priced “tourism” consultants for a tourism strategy. Isn’t the city’s budget deficit a concern? How about taking care of Santa Clara neighborhoods and city streets? The homeless problem is growing all over the City, especially around Santa Clara Town Center and other locations. It’s shameful the council doesn’t focus on these and other problems. Also, what about helping small businesses in the city as well as residents who have been hit hard by the virus.

Unnecessary continued oversight and wasteful spending on strategies does not help our city. It’s us residents who need help and support, not wealthy hotel chains.

Sincerely,

M Chris

**POST MEETING MATERIAL**