

**Santa Clara Tourism Improvement District
Advisory Board Special Meeting – MINUTES**

September 10, 2020, 8:00 a.m.

Call to Order

Eron Hodges, Chair, called the meeting to order at 8:09 a.m.

Roll Call

Present: 6 Joe Eustice, General Manager, Hilton Santa Clara
Justin Hart, General Manager, AC Hotel Santa Clara
Peter Hart, General Manager, Embassy Suites
Eron Hodges, General Manager, Hyatt Regency Santa Clara
Jean-Phillippe Rollet, General Manager, The Plaza Suites
Mark Salquist, General Manager, Avatar Hotel

Absent: 5 Jordan Austin, General Manager, Element Santa Clara
Alan Mass, General Manager, Hyatt House
Callette Nielsen, General Manager, Marriott Santa Clara
Virginia Scimeca, General Manager, TownePlace Suites by Marriott
Jon Siebring, General Manager, Biltmore Hotel

A quorum was met.

In Attendance

Cynthia Bojorquez, Assistant City Manager, City of Santa Clara
Ruth Shikada, Assistant City Manager, City of Santa Clara
Nancy Thome, Assistant to the City Manager, City of Santa Clara
Dan Fenton, Executive Vice President, JLL
Bethanie DeRose, Vice President, JLL
Kelly Carr, General Manager, Spectra

Public Comments

There were no public comments.

Consent Calendar

Matters listed in the Consent Calendar section will be considered routine by the Advisory Board and will be enacted by one motion. If discussion is requested, that item will be removed from the section entitled Consent Calendar and will be considered separately.

1. Action on the Minutes of the August 13, 2020 Santa Clara Tourism Improvement District Advisory Board Special Meeting.

A motion was made by Peter Hart, seconded by Mark Salquist, to approve the Consent Calendar. Motion passed unanimously (6-0).

Consent Items Pulled for Discussion

None.

General Business – Items for Discussion

2. Update on the Development the Tourism Improvement District's Subsidy Guidelines.

Joe Eustice and Dan Fenton provided an overview of the draft subsidy strategy and policy for TID review and input. It was proposed that the DMO or Convention Center would submit requests for clients and the TID, DMO or designated subcommittee would provide approvals. It was noted that there should be a not-to-exceed amount and a quick turn around time for decisions (24-48 hours) to be made. The core requirements could include the number of room nights, a review of potential fiscal and economic impacts.

Other considerations to review could include community benefit and potential for repeat business. An example calculation was provided utilizing conservative hotel rates due to the current situation with closures and restrictions. A form template will be created and proposed. It was noted that this strategy should benefit all TID hotels. The proposed guidelines will be shared with the DMO for their input and revisited at the next TID Advisory Board meeting.

City Manager Santana joined the meeting at 8:24 a.m.

5. Discussion with the City Manager on Tourism Improvement District Communication Strategies in Preparation for the Transient Occupancy Tax (TOT) Ballot Measure.

City Manager Santana provided an update on the TOT Ballot Measure. All required documents have been prepared and there will be two informational pieces provided to the community. The two pieces will serve as educational material with facts about the measure. Materials will be released during the second and third week of October. The Police and Fire unions are considering moving forward to obtain political support for the measure.

Chair Hodges confirmed that the TID hotels would support up to 2% and it was discussed that the hotels could communicate their support of the ballot measure as individual hotels or engage in a joint message with the Fire. The City Manager's Office will check with the City Attorney's Office if the DMO is eligible to take a position of support. It was suggested that the hotels provide the City Manager with an update on the market climate and potential issues with the TOT that could be shared with the City Council.

Assistant City Manager Bojorquez and City Manager Santana left the meeting at 8:56 a.m.

3. Update on the Development of Cleaning and Safety Best Practices Guidelines for Tourism Improvement District Hotels.

No report.

4. Additional Input from the Tourism Improvement District Advisory Board on previously discussed Key Performance Indicators. (JLL)

There was no additional input from the Tourism Improvement District (TID) Advisory Board at this time.

6. Discussion on Re-Engaging Civitas Advisors to Assist with TID Conversion Process.

Nancy Thome reported that she will be reaching out to re-engage Civitas. The TID can prepare to re-introduce the TID conversion process to City Council in January with the goal to have a new percentage assessment come into effect July 1, 2021. Civitas would assist with educating Council on the conversion process, updating the management district plan, and assisting with the petition process. Budget for contract services is included in the DMO's approved FY 2020/21 Operating Budget.

7. Discussion and Action on the Tourism Improvement District FY 19/20 Quarter 4 (ending June 30, 2020) Financial Report.

Nancy Thome reported that Q4 revenue was approximately \$125,000 and the total revenue for FY 2019/20 was \$718,616. Annual expenditures were minimal at \$155,716. The TID fund balance is \$1.67 million.

8. Update on the Visit Santa Clara Trademark.

Nancy Thome reported that she contacted Ravinder with the Chamber of Commerce. The Chamber is currently assessing the value of the trademark and have been talking with attorneys and another third party regarding transferring the trademark to the DMO. Ravinder indicated the Chamber will most likely propose two options: 1) Sell the trademark to the DMO (once they have determined the value), or 2) Offer the DMO a licensing agreement for the use of the trademark. Follow-up will take place in two weeks' time.

9. Update on Tourism Improvement District Hotel Re-Openings.

All TID hotels previously closed have re-opened with the exception of the Biltmore, Hilton and the Plaza Suites. There is no update as to when the Hilton will re-open and the Plaza Suites may open in October. There are slow and steady increases in the occupancy rates. Avatar reported that their ownership is currently discussing hotel renovations.

It was reported that 70% of hotel reservations are booked within three days of arrival. Fifty percent of those are same day reservations.

10. Update on Silicon Valley/Santa Clara DMO, Inc.'s CEO recruitment. (JLL)

Dan Fenton reported that there was a favorable response to the third candidate. JLL is in continued discussions with the DMO Board.

11. Review Draft of Convention Center Booking Process. (JLL)

Dan Fenton provided a brief introduction of the proposed Convention Center Booking Process and the need to streamline the process among the DMO, Convention Center and Levy. This agenda item will be discussed in more detail at the next scheduled TID Advisory Board Meeting.

12. Update on the Santa Clara Convention Center Calendar and Strategy for Reopening (Future Revenue Analysis). (Spectra)

Kelly Carr reported the Convention Calendar has been cleared of events for the remainder of the

calendar year. The first event of the new year is January 8, 2021. Currently, Spectra is focusing on capital improvement projects. Spectra also continues to work on a future revenue analysis strategy so as to avoid re-opening the facility if it will incur additional losses. Spectra will be providing City with a proposed operating budget amendment by the end of the week.

13. Santa Clara Convention Center Sales Planning Update.

Kelly Carr reported a sales meeting took place with Spectra, Dan Fenton, Nancy Thome and Levy. Spectra has also provided the City with a short-term sales and marketing plan (30-60-90 day) which addresses the current tourism/event environment. Spectra sales staff will spend 25% of their time on prospecting. Spectra will share sales/prospecting results at the next scheduled TID Advisory Board Meeting.

General Updates

Adjournment

The meeting adjourned at 9:26 a.m. The next regular scheduled meeting is on October 8, 2020, 9:00 a.m.