



**SANTA CLARA
CONVENTION CENTER
FINANCIAL STATUS REPORT
(Unaudited)
Quarter Ending December 31, 2018**



March 26, 2019

Overview

The Santa Clara Convention Center (SCCC) is strategically located in the heart of Silicon Valley, a prime location for conventions, trade shows, and exhibitions. The SCCC is minutes from hotels, restaurants, Levi's Stadium, 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 to Santa Clara, generating economic benefits through attendee direct and indirect spending and sustaining over 500 local jobs.

For more information, please visit santaclaraconventioncenter.org.



**Santa Clara Convention Center
 Fiscal Year 2018-19
 2nd Quarter**

87,527
 Total Attendance

131
 Total Events

\$2,934,601
 Total SCCC Revenue

\$5,553,451
 Direct Economic
 Impact generated from
 SCCC Events

Gross Estimated Economic Impact Second Quarter 2018-19				
Event Category	# of Events	Avg Event Days	Attendees	Estimated Total Revenue*
Banquet	21	1	14,810	\$ 999,780
Conventions	9	3	8,000	1,685,400
Meetings	82	1	39,217	2,382,590
Public Shows	15	1	18,500	149,745
Trade Shows	4	2	7,000	335,936
TOTAL	131	2	87,527	\$ 5,553,451

* Includes space rental, food/beverage, audio visual, digital advertising and telecommunications

3rd Quarter Projection

Currently, 96 events with a total potential attendance of 103,700 are scheduled for the 3rd Quarter.

3rd Quarter 2018-19 Projection	
Events	96
Attendees	103,700

Financial Results

Revenue

Revenue through the second quarter of 2018-19 was \$4,167,988 representing 54% of the overall annual budget for revenue. This is an increase in revenue of \$129,828 when compared to the prior year. This is due to a transfer in from the general fund resulting from an approved budget adjustment to cover the cost of additional contracts related to the convention center.

Expenses

Expenses through the second quarter totaled \$3,617,617, representing 48% of the annual budget for expenses. This is an increase of \$405,459 when compared to the prior year. This is due to the increase in City Allocated contract costs of \$160,880, an increase in utilities of \$66,410, and increased payroll and benefit costs that were included in the approved budget.

Net Income

The Convention Center ended the second quarter with an YTD income of \$550,321.

SANTA CLARA CONVENTION CENTER

Quarter Ending December 31, 2018

Santa Clara Convention Center									
Income Statement Comparisons									
	YTD for Quarter Ending December 31, 2018				YTD for Quarter Ending December 31, 2017				
	Annual Budget	YTD Actuals	Remaining Balance	% Used	Annual Budget	YTD Actuals	Remaining Balance	% Used	
Revenues									
Space Rental	\$ 3,100,000	\$ 1,819,536	\$ 1,280,464	59%	\$ 2,800,000	\$ 1,768,955	\$ 1,031,045	63%	
Event Revenue	482,000	271,496	210,504	56%	455,575	294,853	160,722	65%	
Audio-Visual	847,647	333,439	514,207	39%	927,052	338,262	588,790	36%	
Catering	2,650,000	1,101,376	1,548,624	42%	2,647,923	1,242,278	1,405,646	47%	
Telecommunications	330,000	336,136	(6,136)	102%	330,000	237,199	92,801	72%	
Other	244,020	306,004	(61,984)	125%	104,000	156,613	(52,613)	151%	
Total Revenues	7,653,667	4,167,988	3,485,679	54%	7,264,551	4,038,160	3,226,390	56%	
Labor & Operating Expenses									
Employee Related Expenses									
Wages, Taxes & Insurance	4,327,177	2,085,492	2,241,684	48%	4,156,776	1,922,562	2,234,214	46%	
Benefits	1,270,739	554,851	715,888	44%	1,204,751	475,864	728,887	39%	
Operating Expenses									
Insurance	206,900	99,078	107,822	48%	197,376	91,243	106,133	46%	
Maintenance & Supplies	316,255	125,693	190,562	40%	229,721	78,807	150,914	34%	
Management Fee	-	-	-		145,291	72,644	72,647	50%	
Monthly Service Contracts	167,717	83,712	84,005	50%	146,923	70,860	76,063	48%	
Office & Legal	190,270	40,566	149,704	21%	229,930	104,593	125,337	45%	
Parking Fees & Rentals	25,000	8,286	16,714	33%	30,000	3,000	27,000	10%	
Utilities	819,266	424,735	394,531	52%	806,065	358,325	447,740	44%	
City Allocated Costs	155,020	195,255	(40,235)	126%	-	34,375	(34,375)		
Total Labor & Operating Exp.	7,478,344	3,617,667	3,860,677	48%	7,146,833	3,212,272	3,934,560	45%	
Net Income/(Loss)	\$ 175,323	\$ 550,321	\$ (374,998)		\$ 117,718	\$ 825,888			

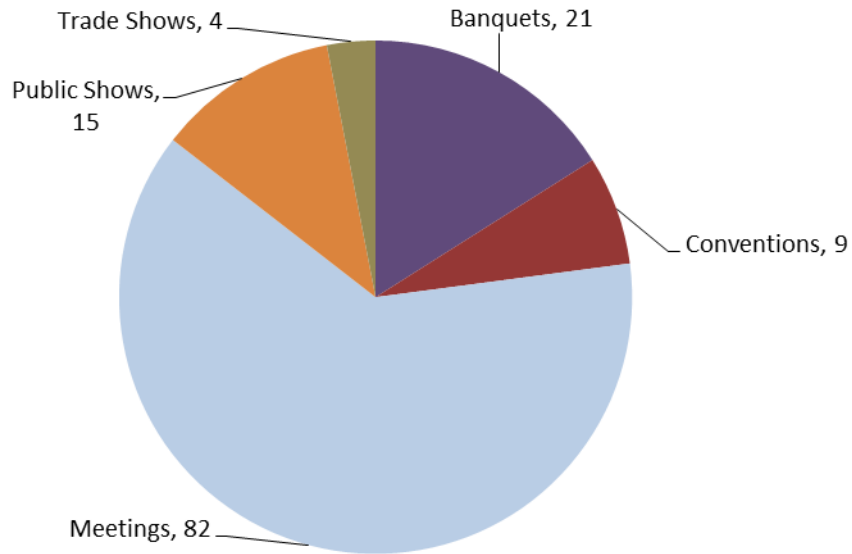
NOTE: Totals may not add due to rounding

NOTE: City allocated costs is trending higher than budget due to additional contract costs that were approved for the convention center.
An additional appropriation of \$175,000 was approved by Council on February 5, 2019 and will be reflected in the quarter ended March 2019 report.

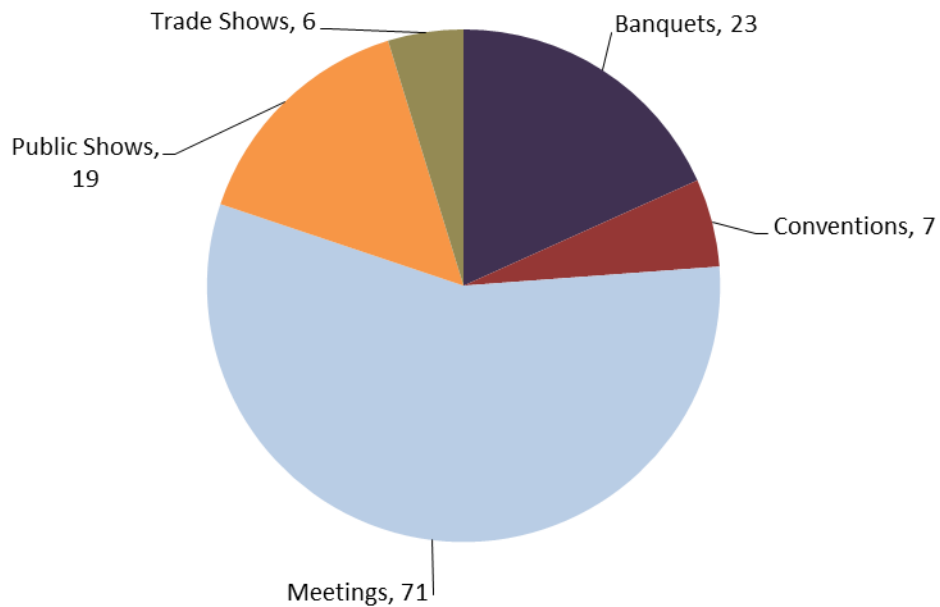
Event Mix Statistics

Results	Q2 2018-19	Q2 2017-18
Number of Events	131	126
Number of Event Days	211	192
Attendance	87,527	95,388

2018-2019



2017-2018



Revenue

General Fund sales tax and transient occupancy tax (TOT) collections result from the direct and indirect economic activity related to Convention Center events. In addition, other businesses in Santa Clara benefit from the influx of people coming into town to attend various events, resulting in additional sales tax collections.

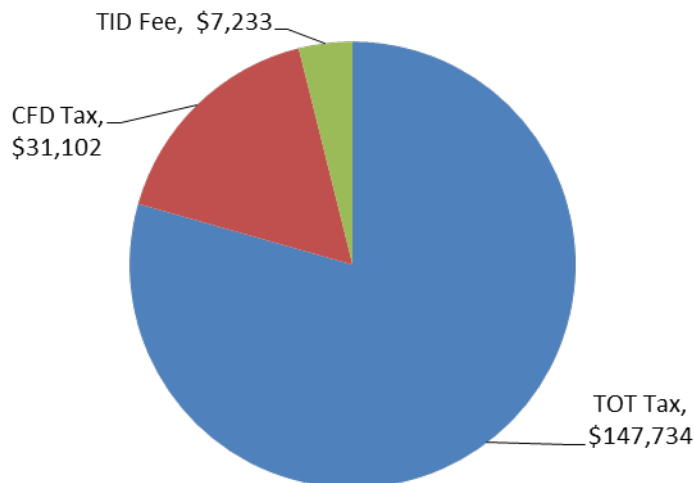
Sales Tax Revenue

Sales generated from food and beverage, audio-visual and telecommunication sales are taxable, resulting in sales tax revenue for the City. The 2nd Quarter 2018-19 sales tax collections indicate that sales transactions at the Convention Center generated \$415,942 of sales tax revenue, with \$46,216 benefitting the General Fund.

Hotel Revenue

During 2nd Quarter 2018-19, the events generated an estimated \$1,555,095 in Hotel Revenue. Due to the dissolution of the CVB, we were only able to provide room nights for events that had an offset in their contract. This is based on 7,233 room nights based on an Average Daily Rate of \$215.

Hotel Tax Revenue includes the Tourism Improvement District Fee (TID), Community Facilities District Tax (CFD), and Transient Occupancy Tax (TOT). Total Hotel Tax Revenue for the quarter was \$186,069.



2018-19 Capital Improvement Program Budget

The Convention Center capital improvement program budget for fiscal year 2018-19 totals \$55,800. The following table provides a breakdown of the budget as of 2nd Quarter 2018-19.

Santa Clara Convention Center Capital Improvement Projects 2018-19				
Description	QTY	Annual Budget	Actual to Date	Budget Remaining
Design Study for Terrace	1	\$ 10,000	\$ -	\$ 10,000
Surveillance System Expansion/Upgrade	1	30,800	-	\$ 30,800
Chilled water and HVAC Design Study	1	15,000	-	\$ 15,000
TOTAL		<u>\$ 55,800</u>	<u>\$ -</u>	<u>\$ 55,800</u>



Santa Clara Convention Center

5001 Great America Parkway

Santa Clara, CA 95054

408-748-7000

santaclaraconventioncenter.org