



**SANTA CLARA
CONVENTION CENTER
AND
CONVENTION - VISITORS BUREAU
FINANCIAL STATUS REPORT
(Unaudited)
Quarter Ending March 31, 2018**



April 26, 2018

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 2017-18 3rd Quarter

87,335
 Total Attendance

119
 Total Events

\$1,682,638
 Total Revenue

\$3,136,876
 Direct Economic
 Impact generated from
 SCCC Events

| Gross Estimated Economic Impact Third Quarter 2017-18 | | | | |
|--|-------------|----------------|---------------|--------------------------|
| Event Category | # of Events | Avg Event Days | Attendees | Estimated Total Revenue* |
| Banquet | 4 | 1 | 2,000 | \$ 92,329 |
| City Wides | 2 | 2 | 16,000 | 424,909 |
| Conventions | 16 | 3 | 10,400 | 1,213,795 |
| Meetings | 78 | 1 | 29,855 | 847,379 |
| Public Shows | 14 | 1 | 18,080 | 241,196 |
| Trade Shows | 5 | 2 | 11,000 | 317,268 |
| TOTAL | 119 | 2 | 87,335 | \$ 3,136,876 |

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

4th Quarter Projection

- Currently, 115 events with a total potential attendance of 86,625 are scheduled for the 4th Quarter.

| 4th Quarter 2017-18 Projection | |
|-----------------------------------|--------|
| Events | 115 |
| Attendees | 86,625 |

Financial Results

Revenue

Revenue through the third quarter of 2017-18 was \$5,720,798, representing 79% of the overall annual budget for revenue. This is a decrease in revenue of \$150,573, when compared to the prior year due primarily to lower catering and telecommunications revenues.

Expenses

Total expenses through the third quarter totaled \$4,912,500, representing 69% of the annual budget for expenses. This is a decrease of \$11,023 when compared to the prior year due primarily to a decrease in maintenance & supplies and utility costs.

Net Income

The Convention Center ended the third quarter with a YTD profit of \$808,299.

SANTA CLARA CONVENTION CENTER and CONVENTION-VISITORS BUREAU FINANCIAL STATUS REPORT

Quarter Ending March 31, 2018

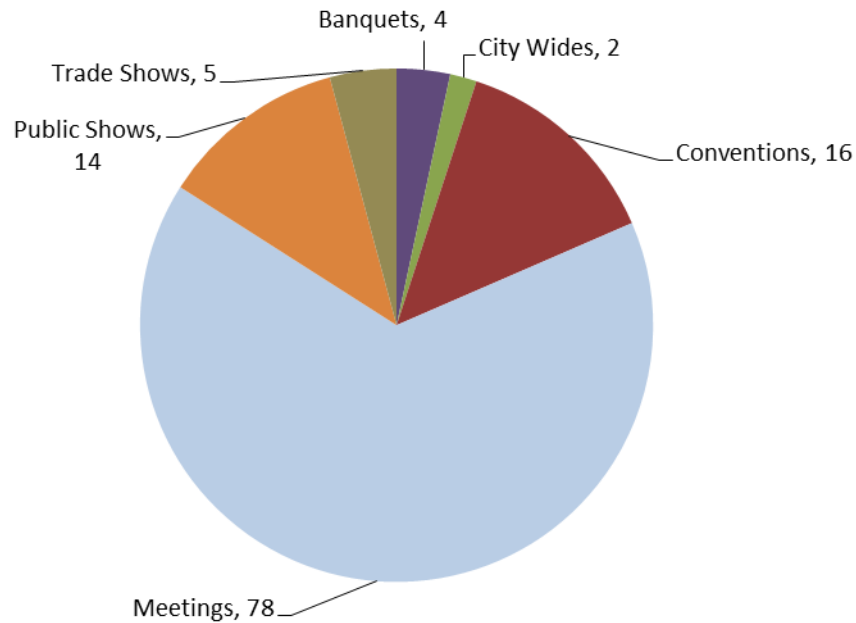
| Santa Clara Convention Center Income Statement Comparisons | | | | | | | | |
|---|---------------------------------------|-------------------|-------------------|------------|---------------------------------------|-------------------|-------------------|------------|
| | YTD for Quarter Ending March 31, 2018 | | | | YTD for Quarter Ending March 31, 2017 | | | |
| | Annual Budget | YTD Actuals | Remaining Balance | % Used | Annual Budget | YTD Actuals | Remaining Balance | % Used |
| Revenues | | | | | | | | |
| Space Rental | \$ 2,800,000 | \$ 2,643,923 | \$ 156,077 | 94% | \$ 2,600,000 | \$ 2,397,128 | \$ 202,872 | 92% |
| Event Revenue | 455,575 | 405,826 | 49,749 | 89% | 474,000 | 326,379 | 147,621 | 69% |
| Audio-Visual | 927,052 | 521,666 | 405,387 | 56% | 758,734 | 532,746 | 225,988 | 70% |
| Catering | 2,647,923 | 1,560,800 | 1,087,124 | 59% | 2,600,000 | 2,083,903 | 516,097 | 80% |
| Telecommunications | 330,000 | 329,479 | 521 | 100% | 333,039 | 467,175 | (134,136) | 140% |
| Other | 104,000 | 259,104 | (155,104) | 249% | 69,200 | 64,038 | 5,162 | 93% |
| Total Revenues | 7,264,551 | 5,720,798 | 1,543,752 | 79% | 6,834,973 | 5,871,371 | 963,602 | 86% |
| Labor & Operating Expenses | | | | | | | | |
| Employee Related Expenses | | | | | | | | |
| Wages, Taxes & Insurance | 4,156,776 | 2,953,273 | 1,203,503 | 71% | 3,897,353 | 2,915,937 | 981,415 | 75% |
| Benefits | 1,204,751 | 735,685 | 469,066 | 61% | 1,200,873 | 799,137 | 401,736 | 67% |
| Operating Expenses | | | | | | | | |
| Insurance | 197,376 | 128,594 | 68,782 | 65% | 190,443 | 123,549 | 66,894 | 65% |
| JLL Evaluation | - | 55,000 | (55,000) | | - | - | - | |
| Maintenance & Supplies | 229,721 | 134,203 | 95,518 | 58% | 219,665 | 188,310 | 31,355 | 86% |
| Management Fee | 145,291 | 108,968 | 36,323 | 75% | 136,399 | 102,519 | 33,880 | 75% |
| Monthly Service Contracts | 146,923 | 109,767 | 37,156 | 75% | 138,884 | 107,819 | 31,065 | 78% |
| Office & Legal | 229,930 | 131,162 | 98,768 | 57% | 120,200 | 107,097 | 13,103 | 89% |
| Parking Fees & Rentals | 30,000 | 4,000 | 26,000 | 13% | 60,000 | 6,550 | 53,450 | 11% |
| Utilities | 806,065 | 551,847 | 254,218 | 68% | 759,108 | 572,605 | 186,503 | 75% |
| Total Labor & Operating Exp. | 7,146,833 | 4,912,500 | 2,234,333 | 69% | 6,722,925 | 4,923,523 | 1,799,402 | 73% |
| Net Income/(Loss) | \$ 117,718 | \$ 808,299 | | | \$ 112,048 | \$ 947,848 | | |

NOTE: Totals may not add due to rounding

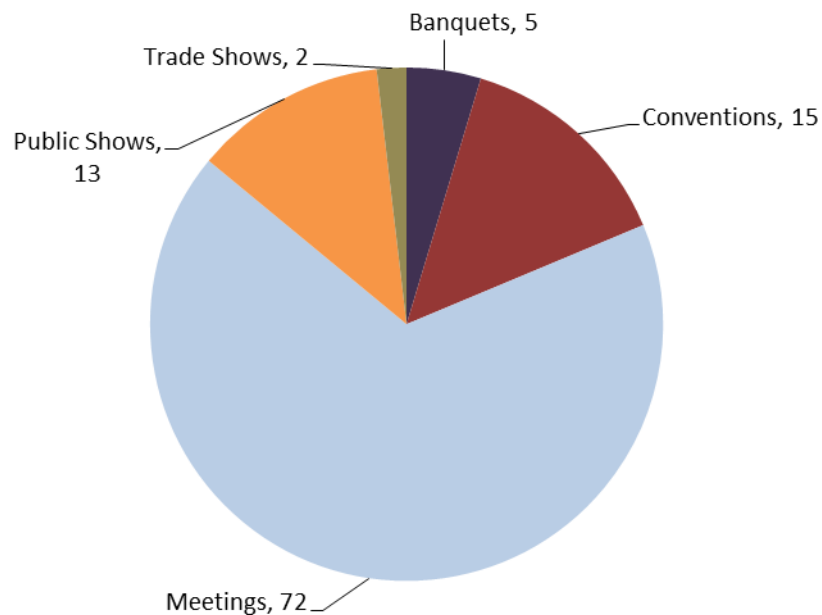
Event Mix Statistics

| Results | Q3 2017-18 | Q3 2016-17 |
|----------------------|------------|------------|
| Number of Events | 119 | 107 |
| Number of Event Days | 206 | 186 |
| Attendance | 87,335 | 89,990 |

2017-2018



2016-2017



Other Revenue

Increased General Fund sales tax and transient occupancy tax (TOT) collections result from the direct and indirect economic activity related to Convention Center events.

Sales taxes generated from food and beverage, audio-visual, and telecommunication sales are taxable, resulting in significant sales tax revenue for the City. The 3rd Quarter 2017-18 sales tax collections indicate that sales transactions at the Convention Center generated \$237,731 of sales tax revenue, with \$26,415 benefitting the General Fund. 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 for the General Fund.

Many Convention Center events bring travelers into the region resulting in hotel stays. In 3rd Quarter 2017-18, Convention Center events generated an estimated \$371,461 in TOT (based on an Average Daily Rate (ADR) of \$205) which benefits the City's General Fund.



2017-18 Capital Improvement Program Budget

The Convention Center capital improvement program budget for fiscal year 2017-18 totals \$304,000. The following table provides a breakdown of the budget as of 3rd Quarter 2017-18.

| Santa Clara Convention Center Capital Improvement Projects 2017-18 | | | | |
|---|------------|----------------------|-----------------------|-------------------------|
| Description | QTY | Annual Budget | Actual to Date | Budget Remaining |
| Exhibit Hall floor combo sweeper & scrubber | 1 | \$ 67,000 | \$ - | \$ 67,000 |
| Podium | 5 | 27,000 | - | 27,000 |
| Roll n Set Stage Units | 4 | 68,000 | 68,000 | - |
| 72 inch Round tables - no carts | 60 | 32,000 | - | 32,000 |
| Floor Boxes (Exhibit Halls A-D) | N/A | 20,000 | - | 20,000 |
| Switchgear Labeling (OSHA) | N/A | 40,000 | - | 40,000 |
| Repair Makeup Air Unit for Mission Ball Room Kitchen | N/A | 50,000 | - | 50,000 |
| TOTAL | | \$ 304,000 | \$ 68,000 | \$ 236,000 |

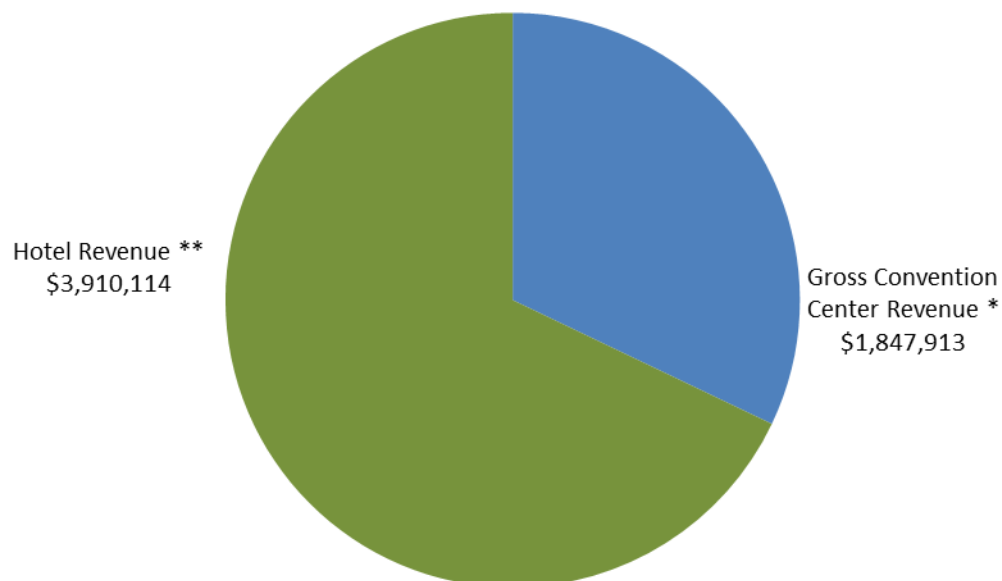
Santa Clara Convention-Visitors Bureau Fiscal Year 2017-18 3rd Quarter

48
Group Bookings

79,282
Attendees

29,076
Room Nights

Gross Estimated Revenue

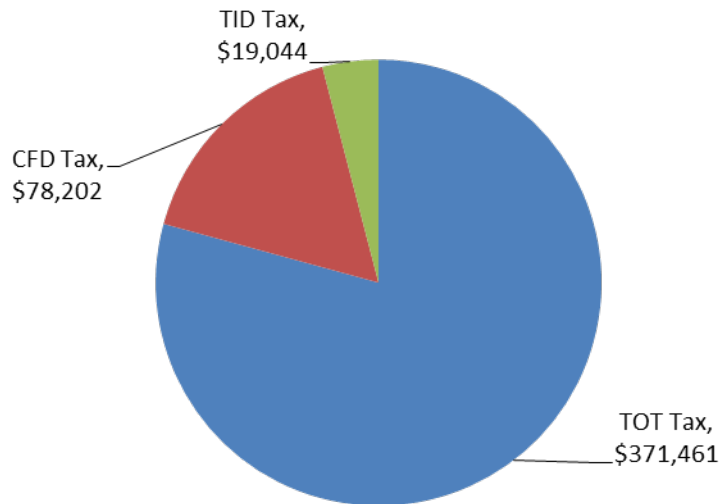


* Gross Convention Center Revenue includes revenue from Convention Center Rental, Audio Visual, Food/Beverage, Telecommunications, Digital Display Advertising and Event Equipment/Services

**Hotel Revenue is based on Actualized Hotel Room Nights x Average Daily Rate (ADR)
(ADR is based on average daily rate for the respective quarter)

Hotel Tax Revenue

Hotel Tax Revenue includes the Tourism Improvement District Tax (TID), Community Facilities District Tax (CFD), and Transient Occupancy Tax (TOT). Total Hotel Tax Revenue for the quarter was \$468,707 and is based on 19,044 actualized room nights.



4th Quarter Projection

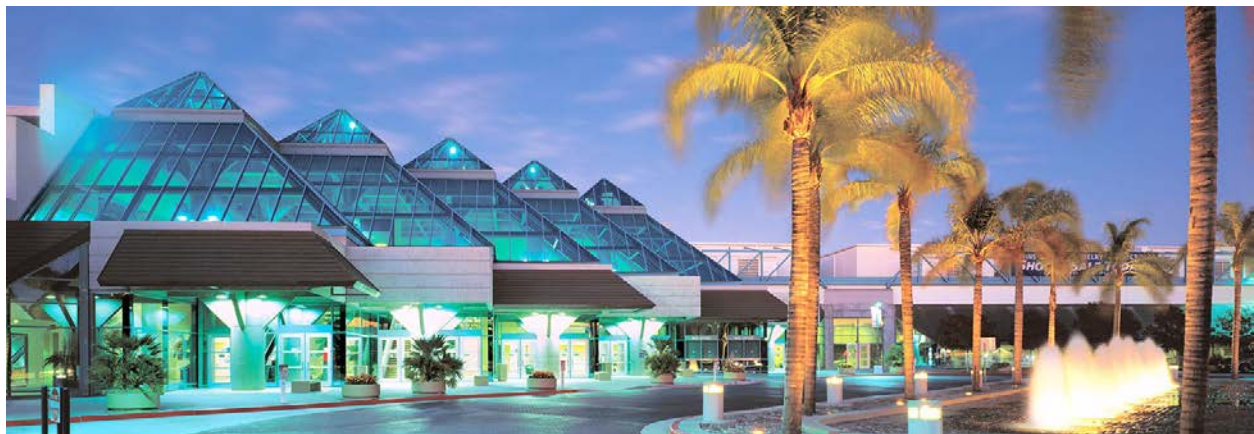
Currently, 21 group bookings with a total potential attendance of 26,000 and 15,100 hotel room nights are scheduled for the 4th Quarter.

| 4th Quarter 2017-18 Projection | |
|-----------------------------------|--------|
| Bookings | 21 |
| Attendees | 26,000 |
| Room Nights | 15,100 |

Santa Clara Convention and Visitors Bureau Cost Comparison

| | Year to Date Quarter Ending March 31, 2018 | | | |
|--------------------------------------|--|---------------------|----------------------|------------|
| | Annual Budget | YTD Actuals | Remaining Balance | % Used |
| Group Marketing & Sales | \$ 1,090,874 | \$ 621,459 | \$ 469,416 | 57% |
| Convention Services | 156,143 | 100,578 | 55,565 | 64% |
| Visitor Marketing and Communications | 420,985 | 289,256 | 131,729 | 69% |
| Total | \$ 1,668,002 | \$ 1,011,293 | \$ 656,709 | 61% |

| | Year to Date Quarter Ending March 31, 2017 | | | |
|--------------------------------------|--|---------------------|----------------------|------------|
| | Annual Budget | YTD Actuals | Remaining Balance | % Used |
| Group Marketing & Sales | \$ 1,060,626 | \$ 832,794 | \$ 227,832 | 79% |
| Convention Services | 134,042 | 89,462 | 44,580 | 67% |
| Visitor Marketing and Communications | 514,060 | 332,204 | 181,856 | 65% |
| Total | \$ 1,708,728 | \$ 1,254,460 | \$ 454,268 | 73% |



Visitor Marketing & Communications Department Highlights

- Managed *Visit Santa Clara* destination websites saw 51,122 user sessions for the quarter, influencing direct visitor spending in the City.
- Managed *Visit Santa Clara* social media gained 2,914 new followers. Total number of opt-in followers is 55,223.
- Managed *Visit Santa Clara's* destination videos. Views grew 5,903.
- Began print and electronic ad campaign in Greater Sacramento and San Joaquin Valley marketing Santa Clara hotel/theme park packages.
- Represented Santa Clara hospitality businesses at RTO Summit West, meeting with 20+ Japanese and Chinese receptive tour operators.
- Began event planning for National Travel & Tourism Week Luncheon on May 7, bringing hospitality businesses together to celebrate the economic impact of travel and tourism.
- Fulfilled 254 visitor requests for destination Santa Clara information.
- Produced monthly CVB eNews to stakeholders.
- Managed listings for over 100 visitor and convention calendar of events.

