



May 30, 2018

The Honorable Mayor and City Council
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Mayor and City Council,

Following is a report on the Santa Clara Tourism Improvement District's (TID) FY 2017-18 activities and FY 2018-19 goals.

The TID was established in 2004 as a marketing revenue supplement to assist the Santa Clara Convention and Visitors Bureau (CVB) with marketing the City of Santa Clara to hotel and convention center groups and visitors.

Each participating hotel is assessed \$1.00 per occupied room night. This assessment funds the TID. The TID is composed of nine (9) Santa Clara hotels that surround the Santa Clara Convention Center. They include the Avatar Hotel, Biltmore Hotel & Suites, Embassy Suites, Hilton Santa Clara, Hyatt House, Hyatt Regency, Marriott Santa Clara, The Plaza Suites, and TownePlace Suites by Marriott.

Since the inception of the TID on February 14, 2005, the District has provided over \$9.1 Million in additional funding to the CVB, which further supports the marketing of the hotels, Convention Center, attractions and entertainment venues.

The goal of the Advisory Board is to review annual programs and budget. Each TID hotel holds a seat on the Advisory Board as a voting member. Below is a recap of the TID FY 2017-18 YTD through May 29, 2018.

Group Marketing & Sales

- Provided over **\$71,827** in advertising and marketing funds to promote the City of Santa Clara as a convention and meeting destination.
- Funded **\$63,620** to attend trade shows, conferences, special events, city-wide bid presentations and sales trips.
- Set aside **\$25,000** to provide subsidy money to groups and spent \$ 32,318 in actual subsidy with: XRX Stitches, Bay Area Christian Church, California Extreme, Cultural Association of Bengal, CA Association for Behavior Analysis and several upcoming groups resulting in thousands of future hotel room nights for the City of Santa Clara.

Group Sales & Marketing cont.

- Group Business generated an estimated **\$1.5 Million** in future Transient Occupancy Tax (TOT), **\$309,431** in Community Facilities District (CFD) tax, and **\$70,007** in TID tax.
- Hotel room night group bookings is estimated to reach over **\$15.47 Million** in gross future hotel room night revenue fiscal YTD (*Food & Beverage and meeting room rental are not included in this figure*)
 - Formula # of hotel room nights booked YTD @ 70,007 x \$221-ADR (Average Daily Room Rate)

Visitor Marketing & Communications

- Provided Leisure Marketing & Advertising funding of **\$79,250** to promote the TID area as a leisure destination.
- Influenced hotel weekend room night bookings through leisure print and electronic ad campaign in Greater Sacramento and Fresno.
- Influenced hotel weekend room night bookings through social media promotion on multiple channels. Opt in social following is up to 55,000+.
- Generated 8,811 hotel packages outbound links (previous 12 months) from website directly to hotel package reservation pages.
- Hosted Pacific Rim receptive tour operator event, influencing over 25 Japanese and Chinese Inbound travel buyers on Santa Clara destination/travel product.
- Exhibited at U.S. Travel Association IPW tradeshow, meeting with over 35 international tour operators (mostly from Japan and China).
- Produced virtual tour videos on 50 Santa Clara visitor attractions and restaurants to be integrated onto SantaClara.org website.
- Featured on ABC Bay Area LIFE program highlighting City hotels and attractions and CVB services.

Financial/ Operational

- Contributed over **\$324,699** during the 2017-18 FY to support three employees' salaries plus taxes and benefits.

For FY 2018-19, the TID has directed the Santa Clara CVB to focus on these areas:

- Market and sell the Santa Clara Tourism Improvement District as an overnight destination
- Enhance the City of Santa Clara's position as a viable meetings/convention and leisure destination and improve the overall awareness and perception of the destination
- Increase hotel occupancy and utilization of the Santa Clara Convention Center
- Direct sales effort specifically targeting sports and city-wide groups, short term business, weekend and holiday need period business and leisure, along with a variety of weekend packages and holiday packages
- Update Santa Clara destination videos, including TID hotel content
- Upgrade technology systems when necessary to compete more effectively
- Provide research funding to keep current with marketing trends and to monitor overall performance through the Internet, publicize weekend hotel packages for individual consumers and families
- Drive small group and city-wide corporate, association, sports and SMERF type "A" business to the City of Santa Clara, convention facilities and our Santa Clara hotel properties thru direct sales efforts

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Our 13th year of operation has been extremely productive and successful in terms of adding additional funding for the CVB. In FY 2018-19, the TID program funding will be approximately **\$898,942.00**. Providing we fully restore our CVB's staffing and funding continues we are confident that we will continue to see increases in bookings and revenue for the hotels, which in turn will provide growth in hotel room night revenue, sales tax, CFD tax, TID tax and TOT revenues for the City.

We thank you for your continued support of the Tourism Improvement District and the activities of the Santa Clara Convention and Visitors Bureau.

Sincerely,

Barbara Ratcliffe
Chair of the TID Advisory Board

Lisa Moreno
General Manager & CEO

cc:

Deanna J. Santana, City Manager
Jennifer Yamaguma, Acting City Clerk
Angela Kraetsch, Director of Finance
Barbara Ratcliffe, Chair, TID Advisory Board
Lisa Moreno, General Manager, Convention Center & CEO of the Convention & Visitors Bureau
David Andre, Vice President of Marketing and Communications
Annette Manhart, Vice President, Convention Sales, Marketing, Services & Business Information